Employee Engagement: Role of LMX and Psychological Empowerment in a Multi-Cultural Context

Phani Tej Adidam [1], Arvind Agrawal [2], Irene F. Shaker [3]

[1] *Ph. D., Professor of Marketing and Entrepreneurship, College of Business Administration, University of Nebraska at Omaha, USA*

[2] *Ph. D., Assistant Professor of Marketing and Entrepreneurship, College of Business Administration, University of Nebraska at Omaha, USA*

[3] *Ph. D., Assistant Professor, Faculty of Business Administration and International Trade, Misr International University, Egypt*

Abstract

Employee engagement is a very important goal for several global organizations. High employee engagement leads to organizational success and competitive advantage. Unfortunately, according to Gallup, only a small portion (15%) of the global workforce is engaged in their work, which is a huge challenge. Extant literature has investigated various antecedents of employee engagement at the individual level (e.g., curiosity, optimism, self-esteem, and self-efficacy etc.) as well as organizational level (managerial expectations, workplace climate, organizational culture, strategy clarity, etc). Most of these studies have been investigated in the western context. To overcome this lacunae, we investigate the impact of two key antecedents – leader-member exchange (LMX) and psychological empowerment – on employee engagement in a multi-cultural context.

This study found that LMX in combination with psychological empowerment significantly influences employee engagement. With power distance as the key cultural context, we found that in high power distance cultures, LMX has a greater impact the psychological empowerment, whereas in low power distance cultures, LMX has a lesser impact on employee engagement. Further, there is a gender bias in high power distance cultures in favour of employee engagement.

Keywords: Employee Engagement; LMX; Psychological Empowerment.

INTRODUCTION

Employee engagement is a very important goal for several global organizations. High employee engagement leads to organizational success (Bakker, Albrecht, and Leiter, 2011) and competitive advantage (Rich, LePine, and Crawford, 2010). Numerous studies suggest that the presence of higher levels of employee engagement enhances job performance, task performance, organizational citizenship behaviours, productivity, discretionary effort, affective commitment, continuance commitment, levels of psychological climate, and customer service (Albrecht and Andreetta, 2011).

In the current business environment, it is an ever-growing challenge to attract and retain skilled workers. Everywhere top-performers are chasing after better opportunities (Chaurasia & Shukla, 2014). Thus, the key to building a solid organization lies in not just retaining skilled individuals but enhancing levels of employee engagement. Employee engagement can be defined as, 'the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances' (Kahn, 1990, p. 694). An engaging environment can only be achieved in the absence of excessive control. Constant monitoring and obtrusive supervision is counter-productive. It should be replaced by more effective means, methods and strategies that facilitate and support the employee. These methods and strategies are built upon mutual trust and empowerment (Lockwood, 2007), and have an effect across cultures (Gagné & Bhave, 2011). This is salient, as this is increasingly a global challenge (Attridge, 2009; Welch, 2011).

How are modern global organizations faring regarding engagement? According to a Gallup report from 2017, only 15% of the employees are engaged in their work (Gallup Inc., 2017). What are some of the proven methods to increase employee engagement? Several research studies (cf. Wollard and Shuck, 2011) have investigated various antecedents of employee engagement at the individual level (e.g., curiosity, optimism, self-esteem, and self-efficacy etc.) as well as organizational level (managerial expectations, workplace climate, organizational culture, strategy clarity, etc). Most of these studies have been investigated in the western context. To overcome this lacunae,

we investigate the impact of two key antecedents – leader-member exchange (LMX) and psychological empowerment – in a multi-cultural context. Experts face many difficulties in understanding and applying these practices in different cultural contexts (Albrecht & Andreetta, 2011; Pellegrini & Scandura, 2006; Rockstuhl, Dulebohn, Ang, & Shore, 2012; Stander & Rothmann, 2010).

More specifically, do LMX and psychological empowerment have the same impact on employee engagement in different cultural contexts? For instance, extant research provides support for differences between individualist (e.g., Western) and collectivist (e.g., Asian) cultures (Rockstuhl et al., 2012). At the same time, we can discern similarities across cultures (Ugwu, Onyishi, & Rodríguez-Sánchez, 2014). Furthermore, culture seems to be an important factor when dealing with the concept of empowerment as well (Farndale & Murrer, 2015). Thus, in order to investigate the differing impact of LMX and psychological empowerment on employee engagement, we studied three distinct national cultures – Austria, Argentina and India.

In this paper, we first offer a literature review of the main constructs of LMX, psychological empowerment, and employee engagement in a cultural context. Second, we provide the two key research questions of our study. Third, we discuss the methodology and results, and finally we offer conclusions.

THEORETICAL BACKGROUND

Leader-member exchange

In the area of leadership, LMX is one of the most frequently studied concepts (Joseph, Newman, and Sin, 2011). The leader-member exchange theory (LMX) posits that leaders develop a personal relationship (or "exchange") with subordinates (Liden & Maslyn, 1998). LMX can be defined as a 'dyadic construct representing a property of the leader-member unit' (Joseph, Newman, & Sin, 2011). It describes perceptions bi-directionally – subordinates' perceptions of leaders, and leaders' perceptions of subordinates.

There are two-types of leader-subordinate relationships. The low-quality LMX – a payment for performance, is an economic exchange, agreed upon in the form of the employee contract. In other words, in this form of LMX, subordinates work exclusively for monetary compensation. On the other hand, the high-quality LMX is a system of social exchange characterized by mutual trust, respect, and reciprocal influence (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2012; Liden & Maslyn, 1998). An important contrast is made between "trusted assistants" and "hired hands".

Role Theory is highly relevant in this context. Graen and Uhl-Bien (1995) suggest that the LMX relationship develops between a leader and an employee in three stages – role taking, role making and, role routinization. Emotions are involved in all these stages. Role-taking, the first stage, occurs through emotional-contagion and shared empathy. In this stage, the leaders' affective actions *heavily* impact the subordinate's emotion. This initial stage sets the tone for the later stages. In role-making, stage two, both parties enter into an ongoing-exchange of affective events. In role routinization, the last stage, the LMX relationship is fully developed. The whole process establishes the dyad. This forms the framework of the relationship dialectic (Cropanzano, Dasborough, & Weiss, 2017).

The LMX model can help understand and direct the three stages. In its essence, role theory posits that role-development results in various role definitions. It leads to clearly differentiated leader-member exchanges. Leaders are time-restricted and this influences the establishment of these exchanges. Typically, a leader will only form relationships with a key-tier of employees (Graen and Uhl-Bien, 1995). Other less-focused-upon staff members will develop a more formal understanding of the authority structure. These teammates –equipped with a 'weaker' and 'more formal' relationship - will naturally understand their role and adequately perform as such (Liden and Maslyn, 1998).

An employee with a high-quality LMX with his leader feels obligated to work harder, which leads to positive organizational outcomes (Kim, Lee, & Carlson, 2010). Employees who experience high-quality LMX work beyond the basics of their job description in response to a leader's trust. This trust is built by giving a subordinate more responsibility and a greater amount of job-related feedback. Supportive actions and personal sensitivity (e.g. awareness of a person's challenges and needs as well as his or her skills) from a leader are also key. In this regard, however, a leader must be careful to operate with careful even-handedness. This trust should be liberally spread throughout the organization. Otherwise, employees might perceive a supervisors rewarding specific individuals as a form of special treatment, or preferring a favoured subordinate (Liden and Maslyn, 1998). Those with high LMX relationships seem to naturally agree to a set of unwritten rules between them. This mutual involvement and active communication translates into subordinates having more influence over administrative decisions (Liden and Maslyn, 1998).

Other experts found that employees who have a high LMX score 'share mutual trust, respect, reciprocal influence, loyalty, linking and a sense of obligation with their leaders' (Botero and van Dyne, 2009, p. 87). Indeed, high LMX is connected to increased job satisfaction, organizational commitment, employee performance and drastically decreased employee turnover (Ilies, Nahrgang, & Morgeson, 2007).

Employee engagement

Kahn defines employee engagement as 'the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances' (Kahn, 1990, p. 694). This links job roles to the employee's sense of identity. The Gallup Institute defines employee engagement as 'the individual involvement and satisfaction with as well as enthusiasm for work' (Harter, Schmidt, & Hayes, 2002, p. 269). When employees are satisfied with their job and proud of their enterprise, their engagement is higher. If an employee's basic needs are met consistently, they are *de facto* engaged (Harter, Schmidt, & Hayes, 2002). According to Macey & Schneider (2008), employee engagement can be measured with a focus on two distinct categories: satisfaction and involvement.

Engagement in the context of satisfaction: Practitioners often use similar tools to measure engagement and satisfaction. However, it is within the engagement model, that satisfaction theory finds its place. Erickson (2005) states 'engagement is above and beyond simple satisfaction with the employment arrangement or basic loyalty to the employer. Engagement, in contrast, is about passion and commitment—the willingness to invest oneself and expend one's discretionary effort to help the employer succeed' (Erickson, 2005, p. 14).

This is typically divided into two categories – emotional engagement and cognitive engagement. Emotional, or affective, engagement refers to the feelings of affirmation and inspiration the individual receives through their work (Perrin, 2003). Emotional engagement is most associated with job satisfaction (Macey & Schneider, 2008). Cognitive, or rational, engagement refers to the amount of cognitive focus and feedback an employee gets from their work. It looks at the logic, mental awareness, and attentiveness an employee needs to complete their tasks, and how much satisfaction this gives them (Perrin, 2003).

The importance of satisfaction in connection with engagement seems intuitive enough. In general, people invest their scarce time in activities they enjoy and find satisfying (Rothbard & Edwards, 2003). Satisfaction and engagement are distinctive concepts. Engagement theory focuses more on an employee's level of motivation in terms of meeting goals and overall performance and are somewhat more objective in nature (Macey & Schneider, 2008). In contrast, satisfaction deals with the employees' affective or subjective feelings (e.g. their satisfaction with a particular role). In one point of overlap, the Gallup Institute states that workers who have a high score on their questionnaire are 'emotionally engaged' in their work actives as well as the organization itself (Little & Little, 2006).

Engagement in the context of involvement: Engagement can be described by energy, involvement, and efficacy which are completely different from the idea of burnout (and its dimensions) (Maslach & Leiter, 1997). A common understanding of engagement of practitioners includes terms like absorption, commitment, enthusiasm, focused effort, energy and involvement, and passion (Schaufeli & Bakker, 2010). Job involvement is 'the degree to which a person is identified psychologically with his work, or the importance of work in his total self-image' (Lodahl & Kejnar, 1965, p. 24). Therefore it can be stated, that this theory is strongly connected with the engagement theory but is still an independent framework (Lodahl & Kejnar, 1965).

Impact of employee engagement: Experts claim that employee engagement is one of the key factors to organizational success and impacts the company's bottom line as well as business performance (Rich et al., 2010; Saks, 2017). It influences variables like shareholder return, productivity, profitability and customer satisfaction (Saks, 2017). These variables are suggested to be close to three times higher in organizations with more engaged employees. Organizations with engaged employees suffer lower absenteeism, less job stress, better health, and higher overall well-being (Saks, 2017). Engagement was negatively correlated to burnout (Schaufeli & Bakker, 2004). The strongest effects were reported for employee turnover, customer loyalty, and safety (Harter et al., 2002).

According to Kwon, Farndale & Park (2016), the creation of engagement is influenced at three levels. At the macro-level, engagement is influenced by the national culture. In other words, the degree of power distance has a significant effect on the degree of engagement of the employee. At the meso-level, which can be understood as the organizational climate, participation and the extent of empowering leadership plays a key role in influencing engagement. The third stage is the micro-level which is the relationship quality between the employee and supervisor – in other words the LMX theory is important in this very context (Kwon, Farndale, & Park, 2016).

Employee engagement across different cultures

The global trend in engagement level is declining. About half of the organizations worldwide report a decline of engagement within their workforce. This combination of engagement being linked to business results and the trend of declining levels of engagement makes employee engagement a top priority for managers of organizations (Saks, 2017). However, as previously noted, the Gallup report from 2017 mentions that worldwide only 15% of the employees are engaged in their workplace. About two-thirds are not engaged at all, and 18% are actively disengaged (Gallup Inc., 2017). This problem is referred to as the 'engagement gap' (Saks, 2017). Looking at the issue from a global perspective, there are distinctive differences in the engagement levels between countries. In Latin America, 27% of the individuals are engaged, which is significantly higher than the 15% average. Also, disengaged employees

are 4% lower than the worldwide average. In contrast, Western Europe is clearly below average, as only 10% are engaged and 19% perceive themselves as disengaged. In India, 14% of its employees are engaged and 21% are disengaged.

LMX and employee engagement

According to different studies, employee engagement is positively related to LMX (Chaurasia & Shukla, 2014). Some studies also found that, in the cultural context, organizational commitment, which partially overlaps with the concept of employee engagement (but is still a separate framework) (Schaufeli and Bakker, 2010), is not correlated with LMX (Rockstuhl et al., 2012). The role of the leader in combination with engagement at work has received limited research attention so far (Bakker et al., 2011). Most studies focused on job resources (Chaurasia & Shukla, 2014).

Concerning the two types of leader-follower relationships, which were discussed before, the high-quality LMX relationship is important for this study. In a high-quality LMX relationship, mutual trust is developed. As a result, employees feel more comfortable in their work roles. This leads to higher engagement of the employee and better performance overall. Experts see this process as being triggered by the feeling of being supported by their leaders, growing in their capabilities, and not being afraid of punishment (Cropanzano, Dasborough, and Weiss, 2017; Macey & Schneider, 2008). Other studies concluded that high-quality LMX includes feelings of loyalty, support, trust, commitment, mutual obligations and reciprocity (Gutermann, Lehmann-Willenbrock, Boer, Born, & Voelpel, 2017).

Psychological empowerment

Another crucial factor to be successful in today's changing global business environment is making use of the knowledge, idea, energy and, creativity of the businesses' own employees. This should be from the C-level management to the intern. Companies achieve this by creating an empowerment culture. That is, to have their employees step forward, to act like 'owner of the business'. To share and support the collective interest of the company, done (crucially) without being monitored while taking each step. This culture includes psychological empowerment. This is the employees' perception of being trusted, informed, supported, motivated, in control and competent. In other words, it refers to the feeling of self-control and self-efficacy (Hui, Au, & Fock, 2004).

Conger and Kanungo (1988) pioneered the idea of empowerment as a motivational concept of self-efficacy. They define it as 'process of enhancing feelings of self-efficacy among organizational members through the identification [and removal] of conditions that foster powerlessness' (Conger & Kanungo, 1988, p. 484). Thomas and Velthouse (1990) believe that empowerment is a multidimensional framework and cannot be explained by a single factor. They take Conger and Kanungo's theoretical concept and develop it further and state that empowerment is an increased intrinsic task motivation. This consists of four key elements. These are meaning, competence, self-determination, and impact (Thomas & Velthouse, 1990). Therefore, instead of a mere dispositional trait, Thomas and Velthouse describe empowerment as a set of cognitions or states, which are shaped by the whole work environment. As a result, these four elements show an active orientation towards one's job role. This means an active desire to be able to form his or her job role within the organization (Spreitzer, 2008). Another widely used concept of psychological empowerment is Spreitzer's definition, which is based on the concept of Thomas & Velthouse. This concept defines psychological empowerment, as a psychological state or process that consists of the four elements: meaning (experiencing of work value), impact (possibility to influence), competence (perception of self-efficacy) and self-determination (job autonomy). It other words it reflects an 'individual's orientation to his or her work role' (Spreitzer, 2008). Based on this definition, Spreitzer developed a widely used scale to measure psychological empowerment. This scale is used for this study.

In Spreitzer's definitions, an employee's own standards and ideals are the standard for evaluating a work objective (Thomas & Velthouse, 1990). Spreitzer tries to match (as much as possible) the necessary requirements of a given work role, with an individual's behaviors, values, and beliefs. In his scheme, the variable of competence (also referred to as self-efficacy) involves one's belief in his or hers' ability to perform work smoothly, seamlessly matching tasks with skills. In this view, competence is a form of personal mastery, a pairing of effort-performance expectancy (Bandura, 1989). Spreitzer classified competence using 'self-efficacy' over 'self-esteem' to emphasize the sense of self-mastery in relation to a particular work role, rather than assessment of an overall identity (Spreitzer, 2008). On Spreitzer's view, the third variable self-determination refers to the person's perceived options, of introducing and regulating actions and processes. Self-determination implies the autonomy of the introduction and continuation of work behaviors. Examples include: making decisions about work methods, effort, and pace (Bell & Staw, 1989). Lastly, the variable of impact refers to the extent an individual is able to influence administrative or operative outcomes within the work environment. Impact has been studied in relation to the concept of so-called 'learned helplessness' – a person feeling that they are powerless. This mental-emotional state is based on past experiences (Spreitzer, 2008). Impact is the contra-point to learned helplessness. Impact gives individual employees substantial input over 'workplace forces'.

Psychological empowerment and employee engagement

Jose and Mampilly (2014) confirm that psychological empowerment and its four dimensions are positively related to employee engagement. In their research, they found that psychological empowerment with all its four dimensions explains more than 70% of the variance in employee engagement (Jose & Mampilly, 2014).

Psychological empowerment also relates to how qualified individuals perceive themselves in their work environment. In general, people who feel more competent about their skills to complete their work successfully, feel a higher satisfaction with their work, have a more effective commitment to the organization, and lower intention to quit. Furthermore, compared to individuals with a lower level of psychological empowerment, they show a better work performance as well (Meyerson & Kline, 2008).

Organizational practices can support the perception of the individual's competence. Leaders need to support the 'employee voice system' to boost real psychological empowerment and therefore, increase commitment which overlaps with the concept of engagement (Bhatnagar, 2005). Experts agree, that research of antecedents of employee engagement has not been highly researched and therefore would need more attention (Jose & Mampilly, 2014).

Culture

Hofstede defines culture as the 'the collective programming of the mind that distinguishes the members of one group or category of people from another' (Hofstede, 2001, p. 9). Hofstede (2001) describes six different cultural dimensions: power distance, individualism, masculinity, uncertainty avoidance, long term orientation, and indulgence. Every culture has its values and priorities which drive the attitudes and behaviors of a particular people at an individual level. Thus, culture is an important factor in understanding some variances in the application of empowerment concepts (Farndale & Murrer, 2015).

Most research in the area of LMX, psychological empowerment and employee engagement has been conducted based on the Western context of individualism and low power distance (Rockstuhl et al., 2012). Furthermore, in the context of LMX, the dimension of power distance seems to matter the most (Botero and van Dyne, 2009; Stander & Rothmann, 2010).

As per Hofstede, India is considered a high-power distance culture. It scores 77 out of 100. With a score of 49, Argentine culture is considered as a medium power distance culture, and Austria with a score of 11, falls in the low power distance category. Therefore, for this research, we selected these three countries, with different power distance ratings in order to investigate the impact of LMX and employee psychological empowerment on employee engagement.

The challenge of engaging employees is not limited to one culture. It is a global issue (Attridge, 2009). Cultures scoring high in power distance show a tendency to choose part-time work (Gagné & Bhave, 2011). Power-distance also affects employee empowerment. It influences the level of leaders' comfort with sharing their power (Hechanova et al., 2006). Certain personal traits like assertiveness, independence, initiative, and directness are associated with an empowered individual. These personal traits are not given the same importance by all the cultures (Grimm, Church, Katigbak, & Reyes, 1999). For example, high power distance cultures highly appreciate personal traits such as conformity, deference, dependence humility, obedience and traditionalism (Grimm et al., 1999).

Power distance

Power distance is defined as the extent to which people tolerate unbalanced distributed power within society. It is characterized by the degree that people, accept social stratification (Hofstede, 2001). Employees in high-power distance cultures expect the leader to take action and give orders rather than delegating decision-making authority (Pellegrini & Scandura, 2006). Further, it might not be considered as smart to say something or voice concerns or critiques to the supervisor. In these cultures, a supervisor is the one influencing the individual work status. This includes pay raises, promotions, and work assignments. For example, in high-power distance cultures such as India, less powerful employees expect the power to be allocated unevenly. As a result, this value is not in favor of sharing authority as this is considered to be an indicator, for (social) employee empowerment programs (Hechanova et al., 2006).

Research questions

Given the extant literature, the key questions that this study investigates are the following:

- Do LMX and psychological empowerment influence employee engagement?
- If yes, is there a cultural context? In different cultural contexts, which construct has a greater influence on employee engagement?
- Are there demographic differences in employee engagement across the globe?

METHODOLOGY

Three countries were selected for conducting this research – Austria (as representative of the western culture), Argentina (South American culture) and India (South Asian culture). The decision also was based on Hofstede's dimension, paying attention especially to the power distance dimension, which shows differences (Austria: 11; Argentina: 49; India: 77) in all of these three countries.

Measurements

In this study, we used the *LMX*-7 scale, which is very popular and commonly used among experts (Joseph et al., 2011). Some researchers translated the scale in various languages including German (Paul & Schyns, 2014). This scale was used in different cultural contexts such as China (Liden, 2012), Saudi Arabia (Alshamasi & Aljojo, 2016), India (Pellegrini, Scandura, & Jayaraman, 2010), and Turkey (Pellegrini & Scandura, 2006).

For measuring *employee engagement*, we used the the Gallup workplace audit (GWA), which is popularly known as the Q^{12} employee engagement instrument (Harter et al., 2002). The twelve questions of the GWA scale was tested in various cultures and experts found that this instrument can be generalized across a variety of languages and cultures such as Arabic, Chinese, French, German, Polish, and Spanish. (Harter et al., 2002, p. 269).

We adopted the Spreitzer's 12-item scale of *psychological empowerment*. (Spreitzer, 2008). This measurement scale has been translated and validated in Chinese (Aryee & Chen, 2006), German (Adolf et al., 2009), and Spanish (Albar, García-Ramírez, Jiménez, & Garrido, 2012) and has also been applied across various cultures like Turkey, Philippines, Singapore, the UK, Australia, Canada (Spreitzer, 2008). Thus, all three scales are robust and have been validated across multiple cultures and languages. German, Spanish, and English questionnaires were used in Austria, Argentina, and India respectively.

Sample

Employees, who work under a supervisor, from each country were targeted. They had to be working under the supervisor for at least one year. Furthermore, the participants needed to be over 21 years old.

Data collection

The questionnaire was sent to 500 employees across the hospitality sector in each of the countries, via the online platform 'Qualtrics'. Incentives for participation were provided by the respective trade bodies to participate. A total of 397 people responded, which was a good response rate (78.8%). Those employees who did not meet the criteria of working for at least one year, self-employed, unemployed, and 21 years or older, were removed from further analysis. This lead to a usable sample size of 329 participants, reflecting a robust sample from three countries – Austria (128), Argentina (102), and India (99). Please see Table 1 for descriptive distribution of the sample.

Table 1: Sample Distribution

Age

Country		Frequency	Percent
India	21-30	73	73.7
	31-40	13	13.1
	41-50	7	7.1
	51 and more	6	6.1
	Total	**99**	**100**
Argentina	21-30	50	49
	31-40	26	25.5
	41-50	12	11.8
	51 and more	14	13.7
	Total	**102**	**100**
Austria	21-30	61	47.7
	31-40	16	12.5
	41-50	26	20.3
	51 and more	25	19.5
	Total	**128**	**100**

Gender

Country		Frequency	Percent
India	Male	59	59.6
	Female	40	40.4
	Total	**99**	**100.0**
Argentina	Male	26	25.5
	Female	76	74.5
	Total	**102**	**100.0**
Austria	Male	40	31.3
	Female	88	68.8
	Total	**128**	**100.0**

Working under the same supervisor

Country		Frequency	Percent
India	1 to 2 years	27	27.3
	2 to 3 years	43	43.4
	3 to 5 years	17	17.2
	5 and more years	12	12.1
	Total	**99**	**100.0**
Argentina	1 to 2 years	27	26.5
	2 to 3 years	28	27.5
	3 to 5 years	16	15.7
	5 and more years	31	30.4
	Total	**102**	**100.0**
Austria	1 to 2 years	26	20.3
	2 to 3 years	37	28.9
	3 to 5 years	21	16.4
	5 and more years	44	34.4
	Total	**128**	**100.0**

Education Levels

Country		Frequency	Percent
India	Pre-University education	11	11.1
	Bachelor's degree or equivalent	58	58.6
	Master's degree or equivalent	28	28.3
	Doctorate (PhD. MD. Dr.)	2	2.0
	Total	**99**	**100.0**
Argentina	Pre-University education	38	37.3
	Bachelor's degree or equivalent	51	50.0
	Master's degree or equivalent	12	11.8
	Doctorate (PhD. MD. Dr.)	1	1.0
	Total	**102**	**100.0**
Austria	Pre-University education	65	50.8
	Bachelor's degree or equivalent	30	23.4
	Master's degree or equivalent	30	23.4
	Doctorate (PhD. MD. Dr.)	3	2.3
	Total	**128**	**100.0**

Data Analysis

The following multiple regression model was used.

$$ENG = \beta_0 + \beta_1\ LMX + \beta_2\ PSYEMP$$

This model was analysed for the whole dataset, as well as for each country. For each of the three scales – Employee engagement (ENG); LMX; and Psychological Empowerment (PSYEMP), tests of unidimensionality, validity, and reliability were conducted. As we adopted highly robust and validated scales, we did not see any problems. Thus, for each scale, the multiple items could be averaged to a single measure.

Further, ANOVA and MANOVA tests were conducted where we compared the employee engagement across age groups, gender, educational levels, and tenure under the same supervisor.

We investigated the cultural dimensions of the three countries – India, Argentina and Austria. As power distance is the key variable that is relevant to investigating LMX and employee engagement (Botero and Van Dyne, 2009), we focus on this variable. Power distance is distinctly different among these three cultures – Austria (11) has a very low power distance; Argentina (49) has a medium power distance; and India (77) has a very high power distance.

RESULTS

The following Table 2 reflects the four models of the multiple regression analysis.

Regression equation	
Overall	$ENG = 1.294 + 0.404\ LMX + 0.349\ PSYEMP$
India	$ENG_I = 2.017 + 0.398\ LMX + 0.250\ PSYEMP$
Argentina	$ENG_A = -0.399 + 0.521\ LMX + 0.380\ PSYEMP$
Austria	$ENG_O = 1.352 + 0.244\ LMX + 0.498\ PSYEMP$

Table 2: Regression Models

All four models are significant (F-Test), and Adjusted R^2 for each model is 0.385 (Overall), 0.314 (India), 0.527 (Argentina), and 0.357 (Austria), thus reflecting adequate explanatory power of the dependent variable (Employee Engagement). Each coefficient of the independent variable is also significant, thus failing to reject the hypothesis.

Overall, we observe that LMX has a higher influence (40.4%) than psychological empowerment (34.9%) on employee engagment. However, when we investigate the models across each country, the results become much more interesting. In the Austrian context, the contribution of the psychological empowerment (49.8%) is greater than that of LMX (24.4%) in explaining the variance of employee engagement. In the collectivist cultures of India and Argentina, the LMX (39.8% and 52.1%) is greater than that of the psychological empowerment with (25.0% and 38.0%) in explaining the variance of employee engagement.

As far as ANOVA and MANOVA tests are concerned, the younger age group (less than 31 year) is less engaged than the older age group (31 years and more) confirming extant research. The difference is significant across all three countries. Females are more engaged than males in India and Argentina, and there is no significant difference in Austria. Thus, it is possible that in high power distance cultures, there is a gender bias towards females in terms of employee engagement, which is worthy of further research. LMX seems to play a bigger role than employee empowerment for highly engaged females in high power distance cultures.

In terms of educational levels, there no significant difference in employee engagement in India and Argentina. However, lower education levels (Bachelor's degree and less) exhibit higher engagement levels in Austria. Finally, employees who serve three years or more under the same supervisor are more engaged across all cultures. This corroborates with extant research.

DISCUSSIONS AND CONCLUSIONS

From this study, we have corroborated prior research studies in confirming that both LMX and psychological empowerment have a positive impact on employee engagement across the globe (Rockstuhl et al., 2012). However, it is important to note that culture plays a critical role in terms of the greater impact of each of the two variables. In high and medium power distance cultures (India and Argentina respectively), LMX has a much higher impact on employee engagement compared to low power distance cultures (Austria). In countries such as India and Argentina, leaders must start instituting programs that in still mutual trust, respect, and reciprocal influence with their employees. This will have positive organizational benefits.

Autonomy, self-control, self-confidence, and self-efficacy are traits that will lead to higher levels of employee engagement in the low power distance cultures such as Austria. Indeed, in such cultures, the influence of psychological empowerment on engagement is the greatest, followed by the medium power distance cultures (Argentina), and the high power distance cultures (India).

This study aimed at investigating the impact of LMX and psychological empowerment on employee engagement in the cultural context. Given the very low employee engagement rates across the globe, this research offers some pointers regarding how to enhance employee engagement in an effective manner. While several variables play an important role in increasing employee engagement, the cultural contexts need to be kept in mind. In high power distance cultures, LMX works much better than employee empowerment (especially among females), and in low power distance cultures, employee empowerment remains the most critical organizational element (across both genders). Finally, organizations must strive increase employee retention, and ensure increased continuity of supervisors. This will lead to better employee engagement across all cultures.

Works Citation

Adolf, J., Dix, A., Kadel, J., Kretschmann, J., Übelhör, I., & Scholl, W. (2009). Entfremdung und Empowerment: Struktur und Zusammenhang der Konstrukte auf Basis einer deutschsprachigen Messung. Humboldt-Universität zu Berlin: Forschungsprojektbericht.

Albar, M.-J., García-Ramírez, M., Jiménez, A. M. L., & Garrido, R. (2012). Spanish adaptation of the scale of psychological empowerment in the workplace. The Spanish journal of psychology, 15(2), 793–800.

Albrecht, S. L., & Andreetta, M. (2011). The influence of empowering leadership, empowerment and engagement on affective commitment and turnover intentions in community health service workers: Test of a model. Leadership in Health Services, 24(2), 228–237.

Alshamasi, A., & Aljojo, N. (2016). A study of the reliability and validity of the Leader-Member Exchange (LMX) instrument in Arabic. International Journal of Computer Science & Information Technology, 8(1), 55–73.

Aryee, S., & Chen, Z. X. (2006). Leader–member exchange in a Chinese context: Antecedents, the mediating role of psychological empowerment and outcomes. Journal of business research, 59(7), 793–801.

Attridge, M. (2009). Measuring and managing employee work engagement: A review of the research and business literature. Journal of Workplace Behavioral Health, 24(4), 383–398.

Bakker, A. B., Albrecht, S. L., & Leiter, M. P. (2011). Key questions regarding work engagement. European Journal of Work and Organizational Psychology, 20(1), 4–28.

Bandura, A. (1989). Human agency in social cognitive theory. American psychologist, 44(9), 1175.

Bell, N. E., & Staw, B. M. (1989). People as sculptors versus sculpture: The roles of personality and personal control in organizations. Handbook of career theory, 11, 232–250.

Bhatnagar, J. (2005). The power of psychological empowerment as an antecedent to organizational commitment in Indian managers. Human resource development international, 8(4), 419–433. https://doi.org/10.1080/13678860500356101

Botero, I. C., & van Dyne, L. (2009). Employee voice behavior: Interactive effects of LMX and power distance in the United States and Colombia. Management Communication Quarterly, 23(1), 84–104.

Chaurasia, S., & Shukla, A. (2014). Psychological capital, LMX, employee engagement & work role performance. The Indian Journal of Industrial Relations, 342–356.

Conger, J. A., & Kanungo, R. N. (1988). The empowerment process: Integrating theory and practice. Academy of management review, 13(3), 471-482.

Cropanzano, R., Dasborough, M. T., & Weiss, H. M. (2017). Affective events and the development of leader-member exchange. Academy of management review, 42(2), 233–258.

Dulebohn, J. H., Bommer, W. H., Liden, R. C., Brouer, R. L., & Ferris, G. R. (2012). A meta-analysis of antecedents and consequences of leader-member exchange: Integrating the past with an eye toward the future. Journal of management, 38(6), 1715–1759.

Erickson, T. J. (2005). Testimony submitted before the US Senate Committee on Health. Education, Labor and Pensions, May, 26.

Farndale, E., & Murrer, I. (2015). Job resources and employee engagement: A cross-national study. Journal of Managerial Psychology, 30(5), 610–626.

Gagné, M., & Bhave, D. (2011). Autonomy in the workplace: An essential ingredient to employee engagement and well-being in every culture. In Human autonomy in cross-cultural context (pp. 163–187). Springer.

Gallup Inc. (2017). State of the Global Workplace: Report 2017. Canada.

Graen, G. B., & Uhl-Bien, M. (1995). Relationship-based approach to leadership: Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level multi-domain perspective. The Leadership Quarterly, 6(2), 219–247.

Grimm, S. D., Church, A. T., Katigbak, M. S., & Reyes, J. A. S. (1999). Self-described traits, values, and moods associated with individualism and collectivism: Testing IC theory in an individualistic (US) and a collectivistic (Philippine) culture. Journal of cross-cultural psychology, 30(4), 466–500.

Gutermann, D., Lehmann-Willenbrock, N., Boer, D., Born, M., & Voelpel, S. C. (2017). How leaders affect followers' work engagement and performance: Integrating leader– member exchange and crossover theory. British Journal of Management, 28(2), 299–314.

Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. Journal of Applied Psychology, 87(2), 268.

Hechanova, M. R. M., Alampay, R. B. A., & Franco, E. P. (2006). Psychological empowerment, job satisfaction and performance among Filipino service workers. Asian Journal of Social Psychology, 9(1), 72–78.

Hofstede, G. (2001). Culture's consequences: Comparing values, behaviors, institutions and organizations across nations: Sage publications.

Hui, M. K., Au, K., & Fock, H. (2004). Empowerment effects across cultures. Journal of international business studies, 35(1), 46–60.

Ilies, R., Nahrgang, J. D., & Morgeson, F. P. (2007). Leader-member exchange and citizenship behaviors: A meta-analysis. Journal of Applied Psychology, 92(1), 269.

Jose, G., & Mampilly, S. R. (2014). Psychological empowerment as a predictor of employee engagement: An empirical attestation. Global Business Review, 15(1), 93–104.

Joseph, D. L., Newman, D. A., & Sin, H.-P. (2011). Leader–Member Exchange (LMX) measurement: Evidence for consensus, construct breadth, and discriminant validity. In Building methodological bridges (pp. 89–135). Emerald Group Publishing Limited.

Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. Academy of management journal, 33(4), 692–724.

Kim, B. P., Lee, G., & Carlson, K. D. (2010). An examination of the nature of the relationship between Leader-Member-Exchange (LMX) and turnover intent at different organizational levels. International Journal of Hospitality Management, 29(4), 591–597.

Kwon, B., Farndale, E., & Park, J. G. (2016). Employee voice and work engagement: Macro, meso, and micro-level drivers of convergence? Human Resource Management Review, 26(4), 327–337.

Liden, R. C. (2012). Leadership research in Asia: A brief assessment and suggestions for the future. Asia Pacific Journal of Management, 29(2), 205–212.

Liden, R. C., & Maslyn, J. M. (1998). Multidimensionality of leader-member exchange: An empirical assessment through scale development. Journal of management, 24(1), 43–72.

Little, B., & Little, P. (2006). Employee engagement: Conceptual issues. Journal of Organizational Culture, Communications and Conflict, 10(1), 111–120.

Lockwood, N. R. (2007). Leveraging employee engagement for competitive advantage. Society for Human Resource Management Research Quarterly, 1(1), 1–12.

Lodahl, T. M., & Kejnar, M. (1965). The definition and measurement of job involvement. Journal of Applied Psychology, 49(1), 24.

Macey, W. H., & Schneider, B. (2008). The meaning of employee engagement. Industrial and organizational Psychology, 1(1), 3–30.

Maslach, C., & Leiter, M. P. (1997). The truth about burnout: How organizations cause personal stress and what to do about it. San Francisco: Jossey-Bass.

Meyerson, S. L., & Kline, T. J. B. (2008). Psychological and environmental empowerment: Antecedents and consequences. Leadership & Organization Development Journal, 29(5), 444–460.

Paul, T., & Schyns, B. (2014). Deutsche Leader-Member Exchange Skala (LMX MDM).: Zusammenstellung sozialwissenschaftlicher Items und Skalen. Retrieved from GESIS – Leibniz-Institut für Sozialwissenschaften in Mannheim website: https://zis.gesis.org/skala/Paul-Schyns-Deutsche-Leader-Member-Exchange-Skala-(LMX-MDM)

Pellegrini, E. K., & Scandura, T. A. (2006). Leader–member exchange (LMX), paternalism, and delegation in the Turkish business culture: An empirical investigation. Journal of international business studies, 37(2), 264–279.

Pellegrini, E. K., Scandura, T. A., & Jayaraman, V. (2010). Cross-cultural generalizability of paternalistic leadership: An expansion of leader-member exchange theory. Group & Organization Management, 35(4), 391–420.

Perrin, T. (2003). Working today: Understanding what drives employee engagement. The 2003 Towers Perrin talent report. Stamford, CT: Author. Retrieved September, 7, 2007.

Rich, B. L., Lepine, J. A., & Crawford, E. R. (2010). Job engagement: Antecedents and effects on job performance. Academy of management journal, 53(3), 617–635.

Rockstuhl, T., Dulebohn, J. H., Ang, S., & Shore, L. M. (2012). Leader–member exchange (LMX) and culture: A meta-analysis of correlates of LMX across 23 countries. Journal of Applied Psychology, 97(6), 1097.

Rothbard, N. P., & Edwards, J. R. (2003). Investment in work and family roles: A test of identity and utilitarian motives. Personnel psychology, 56(3), 699–729.

Saks, A. M. (2017). Translating employee engagement research into practice. Organizational dynamics, 2(46), 76–86.

Schaufeli, W. B., & Bakker, A. B. (2010). Defining and measuring work engagement: Bringing clarity to the concept. Work engagement: A handbook of essential theory and research, 12, 10–24.

Spreitzer, G. M. (2008). Taking stock: A review of more than twenty years of research on empowerment at work. Handbook of organizational behavior, 1, 54–72.

Stander, M. W., & Rothmann, S. (2010). Psychological empowerment, job insecurity and employee engagement. SA Journal of Industrial Psychology, 36(1), 1–8.

Thomas, K. W., & Velthouse, B. A. (1990). Cognitive elements of empowerment:: An "interpretive" model of intrinsic task motivation. Academy of management review, 15(4), 666–681.

Ugwu, F. O., Onyishi, I. E., & Rodríguez-Sánchez, A. M. (2014). Linking organizational trust with employee engagement: The role of psychological empowerment. Personnel Review, 43(3), 377–400.

Welch, M. (2011). The evolution of the employee engagement concept: communication implications. Corporate Communications: An International Journal, 16(4), 328–346.

Wollard, K. K., & Shuck, B. (2011). Antecedents to employee engagement: A structured review of the literature. Advances in Developing Human Resources, 13(4), 429–446.

APPENDIX

Scales

Leader-member exchange (LMX-7) – Scale based on Joseph, Newman, and Sin (2011)
Questions about you and your immediate superior are asked here. Please rate the following statements with points - from 1 to 5.
Do you know where you stand with your immediate superior and do you usually know how satisfied your immediate superior is with what you do?
1=Rarely; 2=Occasionally; 3=Sometimes; 4=Fairly often; 5=Very often

How well does your immediate superior understand your job problems and needs?
1=Not a bit; 2=A little; 3=A fair amount; 4=Quite a bit; 5=A great deal

How well does your immediate superior recognize your potential?
1=Not at all; 2=A little; 3=Moderately; 4=Mostly; 5=Fully

Regardless of how much formal authority your immediate superior has built into his or her position, what are the chances that your immediate superior would use his or her power to help you solve problems in your work?
1=None; 2=Small; 3=Moderate; 4=High; 5=Very high

Again, regardless of the amount of formal authority your immediate superior has, what are the chances that he or she would "bail you out" at his or her expense?
1=None; 2=Small; 3=Moderate; 4=High; 5=Very high

I have enough confidence in my immediate superior that I would defend and justify his or her decision if he or she were not present to do so.
1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly agree

How would you characterize your working relationship with your immediate superior?
1=Extremely ineffective; 2=Worse than average; 3=Average; 4=Better than average; 5=Extremely effective

Psychological Empowerment – Scale according to Spreitzer (2008)
This scale rates the empowerment at your workplace. Please rate the following statements - from 1 to 5.
1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly agree

1.   The work I do is very important to me.
2.   My job activities are personally meaningful to me.
3.   The work I do is meaningful to me.
4.   I am confident about my ability to do my job.
5.   I am self-assured about my capabilities to perform my work activities.
6.   I have mastered the skills necessary for my job.
7.   I have significant autonomy in determining how I do my job.
8.   I can decide on my own how to go about doing my work.
9.   I have considerable opportunity for independence and freedom in how I do my job.
10.   My impact on what happens in my department is large.
11.   I have a great deal of control over what happens in my department.
12.   I have significant influence over what happens in my department.

Employee Engagement -- The Gallup Workplace Audit (Harter et. al., 2002)
This scale rates your overall satisfaction of how satisfied you are with your company as a workplace. Please rate the following statements - from 1 to 5.
1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly agree

1.   I know what is expected of me at work.
2.   I have the materials and equipment I need to do my work right.
3.   At work, I have the opportunity to do what I do best every day.
4.   In the last seven days, I have received recognition or praise for doing good work.
5.   My supervisor, or someone at work, seems to care about me as a person.
6.   There is someone at work who encourages my development.
7.   At work, my opinions seem to count.
8.   The mission/purpose of my company makes me feel my job is important.
9.   My associates (fellow employees) are committed to doing quality work.
10.   I have a best friend at work.
11.   In the last six months, someone at work has talked to me about my progress.
12.   This last year, I have had opportunities at work to learn and grow.