

Leadership effectiveness, perceived organizational support and work ability: Mediating role of job satisfaction

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Abstract

Introduction: The construct of work ability has the potential to guide research and practice on how best to support employees throughout the lifespan. Work ability has only recently gained attention in the Industrial/Organizational Psychology literature, though studied extensively in the occupational health literature. The aim of this study was to investigate the relationship of leadership effectiveness and perceived organizational support with work ability, considering the mediating role of job satisfaction.

Method: Data were gathered from a sample of 330 employees of an industrial organization in Ahvaz, Iran, who were selected by stratified random sampling method. Among this sample, 72 percent were men and the average age was 41 years. The fitness of the proposed model was examined through structural equation modeling (SEM), using SPSS-19 and AMOS-18 software packages. The indirect effects were tested using the bootstrap procedure in Preacher and Hayes (2008) SPSS Macro program for mediation.

Results: Findings indicated that the proposed model fit the data properly. Results also revealed that leadership effectiveness and perceived organizational support significantly correlated with work ability. In addition, job satisfaction mediated these relationships.

Conclusion: In an attempt to improve work ability of workers, there is a strong need to make employees feel supported by the organization and supervisors. This may be achieved by educating supervisors and employees regarding the beneficial and associated consequences of good work ability.

Keywords: Work Ability, Leadership Effectiveness, Perceived Organizational Support, Job Satisfaction

Introduction

Developed in Finland in the early 1980s, the work ability concept was created in order to promote the health and functional competencies of employees by considering individual and workplace factors that enhance effective functioning across the lifespan [1]. The construct of work ability (and its measurement tool, the Work Ability Index, or WAI) was designed to address the basic question of how long employees are able to work and to what degree being able to work is dependent on the job content and work demands. Work ability refers to a process of maximizing human resources in relation to job performance: health and functional capacities (including physical, mental, and social); education and competencies (knowledge and skills); and values, attitudes, and motivation [2]. Work ability may also be described as the balance of the workers' resources and the work demands [3]. The work ability concept is based on the assumption that work ability is determined by the persons' perceptions of the demands on them at work and of their ability to cope with these demands [4].

Using the maximum capacity and ability of employees, is one of the most important challenges of organizational researchers and managers [5].

Work ability is a core resource for every worker, for enterprises and even for national economies. The Finnish scientists have analyzed the economic effects of activities for the maintenance and promotion of work ability in the 1990s, and found them to have been socio-economically profitable due to both an increase in productivity and a decrease in premature retirement [6]. So it is critically important to identify and understand factors that can predict work abilities. This has benefits for both workers and the organizations by identifying ways to maintain or improve workers' work ability. Yet, despite the potential of the work ability construct to guide organizational research, there has been a lack of research concerning organizational and individual predictors of work ability that could act as a buffer against declining the ability to work. Investigation of these variables is important, as they are often under the control of organizations. Due to the fact that workplaces influence work ability through organizational factors - especially leadership and management issues - perceived organizational support, and job satisfaction [6], the purpose of this study was to investigate the relationship of leadership effectiveness and perceived organizational support with work ability, considering the mediating role of job satisfaction (Fig. 1).

According to the holistic work ability model [2, 7], work ability consists of both resources of individual and factors related to work, and the environment outside the work. The dimensions of work ability can be described in the form of a work ability house, its floors, and the surrounding environment. Individual resources such as health and functional capacity, professional expertise, and values and attitudes, form the first three floors of the work ability house. The fourth floor is that of work, which consists of work environment, the content and demands of work, and the work community. Supervision and management are also a part of the fourth floor [8]. According to the work ability models such as the holistic work ability model, the workplace environment is one of the most important factors related to work ability. Work demands and resources, the work environment, the work community, the work process, and the entire work culture affect perceived work ability and define the norms of good work ability [8]. For example, *Weigl et al.* [9] found that job autonomy positively relates to work ability, and *Feldt et al.* [4] identified not only job control but also organizational commitment and general

organizational climate as factors related to favorable work ability trajectories. Most recently, *McGonagle et al.* [10] found that the job resources of autonomy, coworker support, and supervisor support were related to work ability.

In other words, at the level of organizational factors, leadership and management issues are so important for improving workers' work ability [6]. Leaders are one of the most important keys in organizations. It is said that failures to reach organizational, group, or team goals are often attributed to leaders [11]. In fact, effective leaders can motivate employees and maintain them in organization which result in job satisfaction and productivity [12]. Leadership effectiveness is a leader's contribution to organizational effectiveness, leader's performance in follower's group work, leader's ability to meet the needs of followers, and responsiveness to follower's needs to achieve higher levels in the organization [13].

According to the recent inquiry in 2010, the main causes for early retirement in Finland were bad leadership and work overload [14]. In organizations with poor leadership and communication, there are higher rates of sick-leaves, early retirements and lowered work ability. Such organizational climates can create feelings of stress, anxiety and ambiguity amongst the workers, which results in lower levels of innovation and productivity.

Perceived organizational support (POS), is defined as employees' perceptions about the degree to which the organization cares about their well-being and values their contribution [15]. POS represents an indispensable part of the social exchange relationship between employees and the employer, because it implies what the organization has done for them, at least in the employees' belief. When a worker experiences a supportive organizational environment, he or she has a good resource to cope with physical and mental demands of work which result in improved work ability. To study the direct relationship between leadership effectiveness and supportive environment (organizational nurturance) with work ability, *Palermo et al.* [16] demonstrated that both leadership effectiveness and organizational nurturance result in better work ability.



Fig 1. Research proposed model

Job satisfaction is an affective (that is, emotional) reaction to a job that results from the incumbent's comparison of actual outcomes with those that are desired [2].

Employees' job satisfaction has been associated with different organizational factors such as organizational commitment, intention to quit, work ability and employees' well-being [2,8,17,19]. Particularly, job satisfaction has a direct effect on other job attitudes,

motivation and employee's capacity [20], which form the first three floors of the work ability house. According to the findings of the studies on job satisfaction and work ability, low job satisfaction were significantly associated with poor work ability [21]. *Balser and Harris* [22] also suggested that if accommodation at the workplace was poor or unsuited to the needs of employees with disabilities, it significantly impacted on their job satisfaction.

Job satisfaction comprises positive attitudes held by an individual in respect to a job. Employees who experience high job satisfaction, care about the quality of their work, are more productive, and feel responsible for the working environment. Job satisfaction reduces turnover and absenteeism, which in turn cuts down organizational costs. It also maintains good employee's health and longevity [23]. A positive attitude towards work is related to good work ability. People with positive attitudes towards work, experience fewer limits to their work ability and estimate that they would be able to continue working in the same job more often than those with negative attitudes.

Those who are motivated by their work are also more often confident about their ability to continue to work than others are. Promoting job satisfaction thus supports the maintenance of work ability [8]. The study of *Palermo et al.* [16] was the first attempt to indirectly test job satisfaction as the mechanism through which organizational nurturance and leadership effectiveness can influence work ability.

Method

The respondents of this study were selected by stratified random sampling method from an industrial organization in Ahvaz, Iran. Anonymous questionnaires were distributed to 400 full-time employees (working in various units of the company). Altogether, 330 questionnaires were returned and analyzed (response rate was 82.5%). Among this sample, 72 percent were men and the average age was 41 years.

Leadership effectiveness: Perception of leadership effectiveness was measured using 4 items from the Multifactor Leadership Questionnaire–Short Form (MLQ) [24]. Respondents were asked to rate their leaders' behavior on a 5-point Likert scale ranging from 1 (not at all) to 5 (frequently, if not always). Examples of items that were used to measure leadership effectiveness include "My leader is effective in meeting others' job-related needs" and "My leader is effective in representing others to higher authority." *Palermo et al.* [16] reported a Cronbach's alpha of .83 for this scale. In the present study, the Cronbach's alpha was .86.

work ability: Work Ability was measured by the Work Ability Index (WAI) [7]. This index is comprised of 7 subscales which include: (1) subjective estimation of current work ability compared with lifetime best (1 item); (2) subjective work ability in relation to the physical and mental demands of work (2 items); (3) number of diagnosed diseases (1 item); (4) subjective estimation of work impairment due to diseases (1 item); (5) sickness

absenteeism during the past year (1 item); (6) own prognosis of work ability after 2 years (1 item); and, (7) psychological resources (3 items). The scoring for each subscale was calculated separately and then aggregated as one score. *Ilmarinen* (7) reported a Cronbach's alpha of 0.84. In the present study, the Cronbach's alpha was reported 0.81.

perceived organizational support: Perceived organizational support was measured by using *Settoon et al.* 8-item perceived organizational support scale [25]. Respondents indicated the extent of agreement with each statement on a 7-point likert –type scale (1=strongly disagree to 7=strongly agree). Examples of items include "The organization fails to appreciate any extra effort from me" and "The organization really cares about my well-being." *Heckman et al.* [26] reported a Cronbach's alpha of 0.94 for this scale. In present study, the Cronbach's alpha was 0.79.

Job satisfaction: In this study, job satisfaction was measured by using *Andrews and Withey* 5-item Job Satisfaction Scale [27]. Questions were responded via 7-point Likert-type scale, 1) being "Terrible" and 7) being "Delighted." This survey intended to target concepts such as fellow workers, work demand, work environment, work supervision, and the work itself. The *Andrews and Withey* Job Satisfaction Scale [27] significantly correlates at 0.70 with both the Job Descriptive Index and Minnesota Satisfaction Questionnaire. It is also significantly correlated with job performance, turnover intention and organizational commitment (0.58 - 0.69) [28]. In the present study, the Cronbach's alpha was 0.83.

Results

Before all proposed relationships were tested simultaneously, first a correlational analysis (Pearson correlations) was conducted among the variables which were included in this study. The correlations of the variables, means, and standard deviations are reported in Table 1.

Structural modeling results suggested that the hypothesized model fit the data adequately, $\chi^2=0.530$; $df=1$; $p>0.05$; $\chi^2/df=0.530$; $GFI=.99$; $CFI=.98$; $TLI=.98$; $NFI=.99$; $RMSEA=.05$.

All of the hypothesized relationships were supported based on the structural modeling results. The structural model and standardized parameter estimates shown in Figure 2 indicate that H1, H2, H3, H4 and H5 regarding the direct paths were supported.

Because of the proposed mediation effects (H6, H7), and to determine the significance of these effects, bootstrapping procedure was used. Bootstrapping procedure (using 5000 re-samples) was used to determine the 95% bias-corrected confidence intervals around these effects. A confidence interval that did not span zero indicated a statistically significant effect. Table 3 indicates the results for bootstrapping analysis.

As shown in Table 3 the confidence interval, with one mediator (job satisfaction) did not span zero that indicates statistically significant mediating effects. The emerged patterns suggest the mediating role of job

satisfaction in the relationships (H6, H7).

Discussion

The purpose of the present study was to investigate the relationship of leadership effectiveness and perceived organizational support with work ability, considering the mediating role of job satisfaction. Results were generally consistent with our proposed model of the relationships between leadership effectiveness, organizational support, job satisfaction, and work ability. Findings showed that leadership effectiveness and organizational support related positively to work ability, which is consistent with previous research [1,10,16]. These

results support *Ilmarinen's* model of work Ability [7]. Organization is the key environment connecting individuals to their work. At organizational levels, leadership effectiveness and supportive environment are important factors that define the norms of good work ability. According to longitudinal studies, poor organization had the same negative impact on work ability as did too high physical demands and dangerous work environments [3].

The present study supported the positive relationship of leadership effectiveness and organizational support with job satisfaction. Leadership is viewed as an important predictor of job satisfaction and plays a central role in this regard.

Table 1. Descriptive Statistics and Inter-Correlations for Research Variables

Variables	M	SD	1	2	3	4
1. Leadership effectiveness	11.69	2.22	—			
2. Job satisfaction	25.33	5.47	0.45*	—		
3. Perceived organizational support	33.42	10.2	0.48*	0.57*	—	
4. Work ability	41.59	6.71	0.23*	0.34*	0.39*	—

* $p < 0.01$



Fig 2. Structural Model with Standardized Coefficients (All Paths are Statistically Significant, $p < .001$)

Table 3. Results for bootstrapping analysis with one mediator: Effect on work ability

Paths	Data	Boot	Bias	SE	95% Confidence interval
Leadership effectiveness → Job satisfaction → Work ability	.5004	.5006	.0002	.0868	.3430-.6955
Organizational support → Job satisfaction → Work ability	.1124	.1119	-.0005	.0231	.0690-.1637

According to the path-goal theory of leadership [29], effective leader motivates the employee through reward and making the employee's path clear to achieve the organization's objectives, which increases both job satisfaction and organization's productivity. From the social exchange perspective, research has revealed that perceived organizational support is positively related to job attendance and measures of job performance [15]. This result was consistent with the previous findings regarding the relationship of organizational factors such as leadership and organizational support with job satisfaction [12,30,31].

The indirect effects in the present study (H6, H7) were supported in organizational resources (organizational support and leadership effectiveness) contributed indirectly to work ability. These results were consistent with the previous findings that correlate organizational

factors such as organizational nurturance and leadership effectiveness with work ability through job satisfaction [16]. These findings indicate that work satisfaction is an important variable to consider when targeting work ability of employees within an organization.

The core of work ability is the balance between personal and organizational resources and work characteristics. An effective leader and supportive organization which results in higher job satisfaction are organizational resources which make employees powerful to cope with work demands. The researchers [33] pointed out that job satisfaction is influenced by many organizational contextual factors, ranging from salary, job autonomy, job security, workplace flexibility, to leadership. In particular, leaders can adopt appropriate leadership styles to affect job satisfaction, commitment and productivity. An organization that fosters high job

satisfaction is also more capable of retaining and attracting employees with the skills that are needed [32]. High job satisfaction enhances employees' psychological and physical wellbeing [33] and positively affects employees' work ability. As *McGonagle et al.* [10] explained, the key element of a "respectful corporate culture" is good and cooperative management behavior. The behavior of the direct supervisors has a crucial impact on job satisfaction and the work ability of employees.

Conclusion

The findings of the present study have important practical implications. Our results demonstrate that organizational support, leadership effectiveness and work ability are associated directly and indirectly through job satisfaction. In an attempt to improve work ability of workers, we suggest that there is a strong need to make employees feel supported by organization and supervisors. This may be achieved by educating supervisors and employees regarding the beneficial and associated consequences of good work ability. Supervisors could be encouraged and trained to treat employees with dignity and respect, meet their work-related needs and be effective for their subordinates. Providing a supportive environment for workers by leaders and organizations, increase their resources and makes them capable to improve their work ability. Therefore, it is important for organizations to consider how to best support their employees.

It can be mentioned that research on work ability lacked a theoretical foundation and mostly focused on physical workplace characteristics and/or health and demographic characteristics of employees. Examining psychosocial predictors of work ability within an established theoretical framework helps to identify an important set of characteristics that can likely be impacted by organizations. Testing these relationships within a theoretical framework enhances our understanding of the mechanisms through which these characteristics affect one another.

It is important to highlight some limitations of the present study which can guide future research. Firstly, given the cross-sectional design of this study, causal relationships among the variables cannot be established. Longitudinal studies should be employed to test the hypotheses. Secondly, the use of self-report measures may have inherent limitations (e.g., inability to recall, social desirability). A combination of self-report questionnaires and objective assessments would be ideal. Finally, as the participants were full-time employees, care should be taken in generalizing and extending the findings to part time employees.

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