Transformational Leadership and Employee Psychological Wellbeing among Faculty Staff: The Mediating Role of Self-Efficacy

Obobanyi Momohjimoh Ahmed1
School of Business Management, Universiti Utara Malaysia, 06010, Sintok, Kedah, Malaysia

Awanis Ku Ishak
School of Business Management, Universiti Utara Malaysia, 06010, Sintok, Kedah, Malaysia

Bidayatul Akmal Mustafa Kamil
School of Business Management, Universiti Utara Malaysia, 06010, Sintok, Kedah, Malaysia

Abstract

Employee psychological wellbeing has increasingly become a serious problem for organizations’ managers and policymakers globally. The purpose of this paper is to propose a theoretical framework and advance propositions to be validated empirically in future researches. This paper explicates the influence of transformational leadership through self-efficacy on employee psychological wellbeing among faculty staff of HEIs. Being a conceptual paper, it reviewed academic articles on the latent variables of the study in line with theoretical perspectives. The study draws deduction from job demands-resources theory to explain and provide backing for the theoretical model. The paper will assist managers and policymakers, particularly the universities’ management to comprehend the theoretical importance of employee psychological wellbeing in enhancing performance of academics. The paper would stimulate additional studies on employee psychological wellbeing of workers, especially in HEIs. Also, the suggested model would offer several implications for comprehending and supporting employee psychological wellbeing in organizations. More so, this study adds to existing literature on wellbeing.

1 Corresponding author’s email: ahmedomj200@gmail.com
Keywords: Transformational leadership, Employee psychological wellbeing, Self-efficacy, JDR theory, Faculty staff.


Introduction

Employee psychological wellbeing has increasingly become a great issue for organizations’ managers and policymakers worldwide (Seki, Ishikawa, & Yamasaki, 2014). For instance, it is reported that about one-third of the US employees experienced stressful conditions during their normal workday (American Psychological Association, 2015). Similarly, 62% of stressed Canadian employees indicated that work is the genesis of their stressful conditions (Statistics Canada, 2011). Additionally, in a recent survey undertaken by Debnam (2016) cited in (Chan, Malek, & Bahari, 2018) on workers across the globe, findings revealed that the percentages of reported stress problems have greatly gone up by 20.1% for Asia; 32.7% for USA; 27.1% for Africa, Middle East, and Europe; and 40.9% for South and Central America between 2012 and 2014 (Chan, Malek, & Bahari, 2018). Unfortunately, stressors are usually manifest in the forms of threats, hindrances, and challenges in the work environment to reduce workers’ effectiveness (Tuckey, Boyd, Winefield, & Winefield, 2015), thereby negatively affect employee psychological wellbeing and their performance levels. Moreover, lack of positive psychological wellbeing of workers has been linked to major causes of absenteeism, increase in sicknesses and health bills, turnover intentions, and reduction in productivity of organizations globally (Bakker & Demerouti, 2016; Winefield, Boyd, & Winefield, 2014). Thus, the costs of poor psychological wellbeing of workers to organizations is overwhelming. For instance, a projected costs between $30-$44 billion dollars was lost annually to depression, and 200 million workdays lost to absenteeism yearly (Dagenais-Desmarais & Savoie, 2012). Also, it was reported that the economic loss of working age ill-health in the UK was estimated at over 100 billion pound starting annually (Miller, 2016).

Furthermore, in the context of Nigeria, deplorable psychological wellbeing of employees is experienced across all the sectors of the economy. In particular, the faculty staff were subjected to precarious conditions such as inadequate salaries, academic work overloads, outdated facilities and equipment to work with, and incessant ASUU industrial actions among other vices largely perceived as the antecedents of poor psychological wellbeing of academic staff (Offem, Anashie, & Aniah, 2018; Umeh & Matthew, 2017). Additionally, the society has raised serious concern over the poor quality of graduates from the Nigerian public universities, especially the employers of labour who often complains of incompetence demonstrated by these graduates (Onuocha & Ewuzie, 2012; Uche, 2014). More so, it is apparently imperative for the Nigerian government to create a virile and effective public sector employees in order to accomplish its Vision 20: 2020 with objective of transforming the country’s economy to align with the future needs of its populace (National Planning Commission, 2010). Hence, the Nigeria’s Vision 20: 2020 stresses that public sector workers should be capable of conducting their official
responsibilities with loyalty, discipline and transparency (National Planning Commission, 2010). Ironically, with the presence of impoverished employees’ wellbeing in the systems, Nigeria may hardly accomplish the objective of Transformational Agenda and Vision 20: 2020. Therefore, based on the theoretical significance of positive psychological wellbeing of workers in relation to organizational performance, it is arguable that more researches are required to provide deeper understanding of the underlying causes and consequences of poor psychological wellbeing of faculty staff in public universities, particularly in Nigeria HEIs.

Psychological wellbeing of employee is refers to as the overall quality of how workers experience and functioning in the organization (Guest, 2017). It is imperative that greater attention should be invested on the promotion of employee psychological wellbeing for the benefits associated with it in terms of enduring competitive advantage, enhance workers’ performance and possibility of diminishing costs to organizations (Guest, 2017). Extant study on wellbeing suggests that psychological wellbeing of employee is a major determining factor of a healthy organization characteristics (Singh & Jha, 2019). Thus, a healthy organization evolves mechanism to operate efficiently, improves internal competencies of workers and readily adapts to the changes in the environment in order to achieve growth and development, employees’ satisfaction, and positive psychological wellbeing of workers (Meng, Zhang, & Huang, 2014). On the contrary, deplorable psychological wellbeing of employees can potentially cause impairment to workers’ general health which eventually culminate to serious problems of absenteeism, turnover intentions, workers’ dissatisfaction, low performance and increase costs to organizations (Bakker & Demerouti, 2016; Winefield, Boyd, Winefield, 2014). Every organization requires quality employees to perform at their optimal levels of strengths in a sustainable manner, because the costs associated with pitiable psychological wellbeing of workers can impede their performance and organization’s effectiveness. Thus, the need to pay close attention to psychological wellbeing of employees in work settings is crucial (Miller, 2016).

This article aims at examining the influence of transformational leadership and self-efficacy on psychological wellbeing of employees, specifically the faculty staff of public universities in the North-West geopolitical zone of Nigeria. The plausible reason is that academics are the backbones of higher educational institutions (HEIs) worldwide that engineered its accelerated growth and development, vis-à-vis the nation’s development (Okojie, 2013). For instance, the jobs of faculty staff entail teaching, research and publications, non-teaching administrative responsibilities, community development among others seem to account for their high job demands. For this reason, a positive leadership behaviour like transformational leadership approach could potentially provide succour against stressors from high job demands of faculty staff (Kelloway, Turner, Barling, & Loughlin, 2012). This study proposes that when faculty staff enjoy a robust positive psychological wellbeing in their work environment, it translates to better performance which in turn raises the standards of university systems, especially in the Nigeria context. This study is a conceptual paper which explored intellectual articles on the variables of study in consonance with theoretical approaches in literature.
Our paper contributes to the existing literature on wellbeing of employees in several perspectives. Firstly, it stimulates new insights on the advantages of positive psychological wellbeing of employees in terms of organization’s productivity, particularly the faculty staff of public universities. Secondly, it triggers a sort of awareness to authorities and administrators of universities to pay close attention to the issues of positive psychological wellbeing of academics in order to achieve greater performance and effectiveness. Finally, it demonstrates the mechanisms with which excessive high job demands lead to impairment of faculty staff’s general health in workplaces and render them less productive, but with the intervention of interfacing job resources and job demands in the right proportionate levels will reduce the adverse effect of job demands on academics.

Towards accomplishing the objective of this study, the rest of the paper is organised as follows. A review of literature related to employee wellbeing, transformational leadership and self-efficacy leading to some proposition statements are provided in section two. While section three concludes this paper.

**Related Literature and Development of Proposition Statements**

**Concept of employee Psychological Wellbeing**

Employee psychological wellbeing could be described as a process of achieving balance between worker’s resources pool and the challenges demanding for the resources from employee (Dodge, Daly, Huyton, & Sanders, 2012). In other words, a sustainable psychological wellbeing is when employees have the physical, psychological and social resources required to ameliorate particular physical, psychological and social problems encountered by the employees. However, when employees’ challenges overwhelm the resources at their disposal to solve the problems demanding for resources, there is apparent disequilibrium in their psychological wellbeing (Dodge et al., 2012). Psychological wellbeing of employees relates to several important work outcomes like absenteeism, profitability, performance, employee retention and workplace accidents (Erdogan, Bauer, Truxillo, & Mansfield, 2012). Thus, a positive psychological state of an employee can assist him/her to promote his/her health conditions and overall psychological wellbeing (Shafaei, Nejati, & Abd Razak, 2017) which potentially stimulates performance in organizations.

Psychological wellbeing in effect, explains wellbeing in terms of subjective feelings and functioning of workers optimally in the workplace, particularly physical wellbeing which expounds wellbeing as bodily health and functioning of employees, while social wellbeing espouses the quality of workers’ cordial interactions with colleagues and supervisors (Van De Voorde et al., 2012). Thus, poor psychological wellbeing of employees is a combination of psychological indicators of frustration and anxiety, as well as physiological indices of heart condition, blood pressure and general physical health of employees in organizations (Danna & Griffin, 1999). Also, job-related wellbeing reflects employees’ satisfaction with their jobs in terms of relationships with colleagues and supervisors, salaries, training opportunities, working conditions, involvement, job security and work itself (Cvenkel, 2018; Warr, 2002).
In addition, Ryff (1989) and Ryff and Keyes (1995) conceptualize psychological wellbeing as a multifaceted construct that composes of six components of: 1) self-acceptance – describes positive attitudes toward oneself in terms of psychological functioning; 2) positive relations with others – shows employee’s capacity to maintain trusted relationships with colleagues; 3) purpose in life – explains worker’s beliefs in purpose of and meaning to life; 4) environmental mastery – refers to person’s ability to create suitable surrounding for his/her living; 5) autonomy – describes individual’s capacity to have an internal locus of control; and 6) personal growth and development – reflects person’s ability to achieve self-actualization (Ryff, 1989).

Therefore, in the context of this study, employee psychological wellbeing refers to as a multidimensional construct which entails positive appraisal of individual’s life, beliefs in purposeful and meaningful life, good relationships with colleagues, capacity to manage one’s life and mood of self-actualization that stimulates employees to function optimally in organizations.

**Transformational Leadership and Employee Psychological Wellbeing**

Positive leadership is a major organizational element normally deploys to rally limited resources at organization’s disposal to accomplish goals and objectives. Leadership quality can be attributed to the divergences of successes recorded by organizations worldwide. Thus, transformational leadership is a process of evolving critical changes in workers’ positive attitudes and behaviours for drives to achieve organization’s objectives (Yukl, 1989). Bass (1985) stresses that a transformational leader demonstrates uncommon behaviour towards employees in order to accomplish modest advantage for their establishments. Moreover, transformational leadership style is built on interpersonal corroboration rather than entirely on pecuniary interest (Ismail, Halim, Munna, Abdullah, Shminan, Muda, & Samsudin, 2009). Thus, a transformational leader motivates workers to accomplish better performance by improving their competences to higher levels of self-reinforcement (Wang, Tsai, & Tsai, 2014). Leadership is the ability to influence other individuals through inspiration and vision (Bass, 1985; Munroe, 2014). Positive leaders are the managers who promote and foster the culture of organization and make it a better workplace for employees to improve their performance and wellbeing (Baptiste, 2009). For instance, extant study suggests that transformational leadership behaviour reflects effective style of leadership in the work environment (Gyensare, Anku-Tsede, Sanda, & Okpoti, 2016). Hence, positive predisposition of workers towards a leader to remain in an organization promotes workforce stability, organizational effectiveness and better performance.

In addition, transformational leadership is traditionally composed of four dimensions such as: first, idealized influence which emphasizes on role model for employees to imbibe in their development trajectories (Hoon Song et al., 2012; Zhu, Newman, Miao, & Hooke, 2013). Also, it advocates for the long-term health and wellbeing of employees rather than showing interest on short-term financial benefits for organization at the expense of employees (Kelloway et al., 2012). Second, inspirational motivation describes a leader’s enunciating future that is good-looking, motivating and inspirational to employees. It is associated with the leader’s strong convincing communication and
optimism about the imminent development of both workers and organization (Tims, Bakker, & Xanthopoulou, 2011). Third, intellectual stimulation centres on the leader’s challenging propositions to do away with obsolete approaches of doing things and energies employees intellectually with problem-solving abilities, creative thinking and innovative mind-set (Hoon Song, Kolb, Hee Lee, & Kyoung Kim, 2012). Finally, individualized consideration which emphasizes the leader’s unique ability to recognise individual employee’s needs and provides for them individually (Tims et al., 2011; Tyssen, Wald, & Spieth, 2014). This component also associated with employees’ emotional attachment with their leader’s empathetic behaviour (Kelloway et al., 2012).

Apparently, transformational leadership involves the demonstration of behaviours that inspires workers to perform above expectations at work (Bass, 1985), and clearly associated with employee psychological wellbeing (Kelloway & Barling, 2010). Prior researches acknowledged that leadership is a means of affecting employees’ wellbeing (Kelloway & Barling, 2010, especially transformational leadership which is linked to employees’ health and wellbeing (McKee, Driscoll, Kelloway, & Kelly, 2011). In particular, idealized influence of transformational leader is committed to long-term good health and wellbeing of employees rather than pursuing short-term financial gains for organization at the expense of workers (Kelloway et al., 2012). Also, individualized consideration promotes cordial atmosphere where the transformational leader listens to employees complains individually as well as providing unique solutions to their expectations (Grant, 2012; Tims et al., 2011). Similarly, prior study found that transformational leadership provides strong support for the health promoting of workers in organizations (Zwingmann, Wegge, Wolf, Rudolf, Schmidt, & Richter, 2014) from analyses of data obtained from 93, 576 employees in 11,177 organizations in 16 countries. On the overall, results demonstrated that when organizations have shared vision, clear goals, roles, and good rewards system at work, is instrumental for promoting employees’ health globally (Zwingmann et al., 2014). Also in related studies, it was found that positive relationship between transformational leadership and employee wellbeing exists (Nielsen, Randall, Yarker, & Brenner, 2008; Skakon, Nielsen, Borg, & Guzman, 2010). Additionally, a positive association was found between transformational leadership and mental health and affective wellbeing through experiencing meaningful work by employees in organizations (Arnold, Turner, Barling, Kelloway, & McKee, 2007; Nielsen et al., 2008).

However, previous research reported a direct effect of transformational leadership on psychological wellbeing in one study, and in another study indicated an indirect effect of transformational leadership on psychological wellbeing (Nielsen et al., 2008). Thus, showing that actual effect of transformational leadership on employee wellbeing remains unclear and therefore, calls for incorporation of mediating variable such as self-efficacy in the present study is consistent with the recommendation of Baron and Kenny (1986). Furthermore, as suggested by Hernandez et al. (2017), this study selects self-efficacy as a mediating variable to serve as a mechanism in the relationship between transformational leadership and employee psychological wellbeing.

Theoretically, drawing upon the assumption of JDR theory (Bakker & Demerouti, 2016; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001) which proposes that job
resources cushion the harmful effects of job demands on employees’ health and wellbeing, especially if workers have enough job resources to ameliorate their high job demands is align with and provide backing for the theoretical model of this study. Nevertheless, lack of job resources could complicate the process of neutralising high job demands which eventually leads to high job strain and cause negative effects on workers’ health and wellbeing (Bakker & Demerouti, 2016; Breevaart, Bakker, Demerouti, & Derks, 2016). Also, scholars have suggested that transformational leadership could be a proxy of job resources capable of impacting positively on employees’ wellbeing in organizations (Bakker & Demerouti, 2016; Demerouti & Bakker, 2011). Moreover, Fernet, Trepanier, Austin, Gagne and Forest (2015) insinuated that transformational leadership leads to lesser job demands (e.g., cognitive, emotional, and physical demands) and many job resources (e.g., partaking in decision-making, quality of associations, and job recognition) which contributes immensely to positive work attitudes like employees’ wellbeing and high task performance.

In reality, the choice of transformational leadership approach by organizations could enhance employees’ psychological wellbeing and improve performance, particularly if the transformational leader discovers the workers’ preference needs and provides these expectations would more likely to improve their wellbeing and performance in organizations (Tims et al., 2011; Tyssen et al., 2014). Thus, it is pertinent for a leader to understand that in a typical establishment, there are classes of workers whose preferences are needs for cash to solve their instantaneous difficulties, while others are more eager to increase status (e.g., promotion) or extra responsibilities (e.g., job enrichment). Once these needs are attended to promptly by the leader, workers are more likely to improve in their wellbeing and performances. Based on the theoretical assumption and extant empirical findings, we state the following proposition:

**Proposition 1:** There will be a positive relationship between transformational leadership and employee psychological wellbeing among faculty staff.

**Self-efficacy as a mediator**

Self-efficacy refers to an individual’s ability to organise and execute series of actions needed to achieve specific targets (Bandura, 1997). In other words, a person’s perception of self-efficacy belief drives the individual’s choice of related tasks and performance levels as well as the strength of efforts exhibited on the tasks in order to accomplish targets (Bandura, 1997). Thus, self-efficacy belief is a well-acknowledged factor that demonstrates significance effects on several attitudes and behavioural outcomes in organizations such as career choice attitudes and behaviour (Betz & Hackett, 2006), creativity behaviour (Zhang et al., 2015), technology adoption attitudes and behaviour (Stajkovic & Luthans, 1998), and newcomers’ adjustments behaviour to workplaces (Sacks, 1995).

Moreover, prior studies have suggested that self-efficacy belief relates to engagement and employees’ wellbeing (Chandhary, Rangnekar, & Barua, 2013; Llorens, Salanova, Schaufeli, & Bakker, 2007). Thus, self-efficacious academics would have the capacity to enhance their psychological wellbeing even under difficult task conditions (Schwarzer &
Jerusalem, 1995), because high efficacious individuals have the prerequisite resources to alleviate high job demands in organizations (Bakker & Demerouti, 2016). On the contrary, low efficacious faculty staff can easily submit to self-doubts and perceive themselves as lacking the capacities to confront challenging conditions, and thereby succumb to failure in accomplishing their targets (Bandura, 2012; Schwarzer & Jerusalem, 1995). Additionally, Swanepoel, Botha and Rose-Innes (2015) insinuated that leaders who indulge in practicing positive self-efficacy are more likely to produce desirable effects on employee wellbeing and performance, as well as enhance leaders’ effectiveness in organizations. Moreover, high self-efficacy belief was reported to associate with desirable outcomes in several contexts of life situations (Fitzgerald & Schutte, 2010).

Furthermore, besides the fact that self-efficacy is directly associated with employee psychological wellbeing, we propose that self-efficacy belief mediates the relationship between transformational leadership and psychological wellbeing of academic staff, because it is consistent with Bandura’s (1992) perceived self-efficacy as a crucial consideration in comprehending the levels of impetus and performance achievement of employees in organizations (Hechavarria, Renko, & Matthws, 2012). In particular, Nielsen, Yarker, Randall and Munir (2009) conducted a research to examine two likely mechanisms that link transformational leadership to employees’ satisfaction and wellbeing in the UK organizations. The findings from analyses revealed that self-efficacy mediated the relationship between transformational leadership and wellbeing of employees in organizations. Thus, it is consistent with the key tenets of self-efficacy theory (Bandura, 1986) that lecturers who have low self-efficacy beliefs are more likely to suffer from poor psychological wellbeing, while their counterparts who possess high self-efficacy beliefs are likely to improve on psychological wellbeing and performance levels. Based on the preceding empirical evidence and theoretical discussions, it is predicted that self-efficacy belief might improve the relationship between transformational leadership and psychological wellbeing of faculty staff in HEIs. Hence, the following proposition statements are being advanced:

**Proposition 2:** Self-efficacy will be positively associated with employee psychological wellbeing.

**Proposition 3:** Self-efficacy will mediate the relationship between transformational leadership and employee psychological wellbeing.
Based on the theoretical point of view and extant studies findings, the conceptual model for this article is shown in Figure 1. As exhibited in Figure 1, employee psychological wellbeing is the dependent variable, while transformational leadership is the predictor variable and self-efficacy mediates the effects of transformational leadership on employee psychological wellbeing.

Conclusion

This article has presented a theoretical model on the effects of transformational leadership via self-efficacy on employee psychological wellbeing among faculty staff of HEIs as shown in Figure 1. The proposed model has many critical implications for understanding the conditions that could influence employee psychological wellbeing of academic staff in HEIs. Firstly, if the proposed framework is validated empirically, the findings will provide significant insight to managers, policymakers and university authorities the crucial role of transformational leadership and self-efficacy in explaining issues concerning psychological wellbeing of faculty staff in Nigeria’s HEIs. Secondly, the paper also recommends that if the proposed framework is tested empirically, the findings will have theoretical contributions toward enhancing job demands-resources theory as evidence in the literature.

References


Bandura, A. (1986). Fearful expectations and avoidant actions as coeffects of perceived self-inefficacy.


Skakon, J., Nielsen, K., Borg, V., & Guzman, J. (2010). Are leaders' well-being, behaviours and style associated with the affective well-being of their employees? A systematic review of three decades of research. Work & Stress, 24(2), 107-139


