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## Article

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## MARKETING | RESEARCH ARTICLE

# Exploring the effects of service provider's organizational support and empowerment on employee engagement and well-being

Arafat Rahman<sup>1\*</sup>, Peter Björk<sup>1</sup> and Annika Raval<sup>1</sup>

**Abstract:** This paper aims to explore the effects of a service provider's organizational support and organizational empowerment on employee well-being in the healthcare service context. It also investigates if employee engagement has an effect on employee well-being. An empirical study among the employees ( $n = 153$ ) of a therapeutic and rehabilitation service provider in Dhaka, Bangladesh reveals that both organizational support and organizational empowerment have positive influences on employee well-being. Although organizational support has the largest effect on employee engagement, the influence of organizational empowerment on employee engagement is not a significant factor. However, employee engagement influences their well-being. The study findings provide insights by explaining the roles that a service provider can play to enhance employee well-being and the strategies that managers can take to realize the positive effects of organizational support and empowerment on well-being.

## ABOUT THE AUTHORS

Arafat Rahman is a doctoral student at the Department of Marketing, Hanken School of Economics, Finland. His primary research interest is to examine the role of service providers in facilitating individual and societal well-being. His research interests also include well-being of the Base of the Pyramid (BoP) customers, online social support and well-being, sustainable new service development, and customer experiences in service encounters.

Dr. Peter Björk is a professor of marketing at Hanken School of Economics, Finland. His research focus is in the field of service and tourism marketing, consumer behaviour, and business development. He has a special interest in service innovation and design, digitalization, micro grids, destination branding and tourist experiences.

Dr. Annika Raval is an associate professor of marketing at Hanken School of Economics, Finland. Her research covers strategic marketing, business model innovation and transformation, digital transformation, network and relationship dynamics, management in emerging business landscapes and ecosystems.

## PUBLIC INTEREST STATEMENT

Employees are the lifeblood for any service providing organization. They act as the predominant interface between a service provider and its customers, especially for those that are highly people-intensive such as healthcare providers. Thus, it is of great importance to know how a service provider can facilitate its employees' well-being by taking various efforts and initiatives. This study attempts to address this issue by exploring the direct and indirect influence of a healthcare service provider's organizational support and empowerment efforts on its employees' well-being. The results suggest that both organizational support and empowerment of a healthcare provider positively influence work-related and life-related well-being of its employees. Organizational support can also facilitate employee well-being through engagement to their job and organization. The managers and policymakers can adopt the insights of this study for designing respective organizations' employee support programmes and empowerment initiatives to bring positive outcomes for their employees.

**Subjects: Business, Management and Accounting; Services Marketing; Relationship Marketing**

**Keywords: organizational support; organizational empowerment; employee engagement; employee well-being; transformative service research**

## 1. Introduction

Employees are one of the key resources for a service provider as they engage in value-cocreation interactions with customers (Grönroos, 2012). The outcomes of these interactions with employees are reflected through customers' experience of service consumption and other behavioural and cognitive dispositions (Bolton et al., 2014; Heskett et al., 1994; Lloyd & Luk, 2011). However, outcomes at the customers' end derive from a service provider's efforts to positively influence its employees' satisfaction, loyalty, and performance (Elmadağ et al., 2008; Goldstein, 2003; Yee et al., 2011). Similarly, by deploying various organizational resources, an organization can influence employees' well-being and engagement, which can then contribute to various customer-level outcomes (Albrecht, 2012; Salanova et al., 2005). Echoing this connection between service employees and customers, the emerging transformative service research (TSR) domain posits, on the one hand, that service providers have roles for enhancing individual-level well-being such as the well-being of employees (Ostrom et al., 2015). On the other hand, providers can generate greater employee engagement for improved service outcomes (Ostrom et al., 2015, p. 134). Thus, service provider's organizational efforts and initiatives have emerged as critical considerations to improve employee well-being and engagement and subsequently the capacity of a provider to deliver transformative services for their customers (Bolton et al., 2014; Bowen, 2016; Ostrom et al., 2015).

Employee well-being represents the overall quality of an employee's job-related and non-job related experiences and functioning (Grant et al., 2007; Page & Vella-Brodrick, 2009; Zheng et al., 2015). It comprises an employee's psychological experience and life satisfaction in addition to job satisfaction (Page & Vella-Brodrick, 2009; Zheng et al., 2015). Similarly, for employees of a service provider, well-being can be exhibited through several indices such as personal growth and optimal functioning besides the absence of physical and psychological strain (Meyer & Maltin, 2010). Thus, the provider has the possibility to deploy organizational efforts and initiatives to shape these conditions and make a positive contribution to its employees' well-being (Page & Vella-Brodrick, 2009). However, the likely nexus between a provider's various efforts and well-being outcomes may also hinge on the nature and extent of employees' involvement in the organization. This brings the notion of employee engagement, which indicates the extent to which an employee is absorbed in the performance of his or her roles related to the job and organization (Saks, 2006). Employee engagement has cognitive, emotional and behavioural elements that guide an employee's intention to act, which occurs as an exchange for an organization's efforts and initiatives directed towards its employees (Saks, 2006; Shuck & Reio, 2014).

As a mechanism of an organization's efforts and initiatives, a service provider can extend supports to its employees. Especially, organizational support is one of the means by which a provider can contribute to various employee-focused outcomes (Eisenberger et al., 1986; Panaccio & Vandenberghe, 2009; Saks, 2006). From the employees' perspective, organizational support shows their perception about the extent to which an organization takes care of their contribution and well-being (Eisenberger et al., 1986). In addition to well-being, perceived organizational support (POS) has implications for employees' engagement to their job and organization (Saks, 2006). Similarly, a service provider can involve employees through empowering them so they can exercise decision-making freedom and take responsibility for their actions and performance outcomes (Greasley et al., 2008). Particularly, organizational empowerment efforts in terms of assisting employee decision-making, allowing employee participation in professional decisions, and providing access to information can influence employees' perception about the extent of their empowerment (Matthews et al., 2003; Peterson & Zimmerman, 2004). Perceived

organizational empowerment can affect outcomes such as job satisfaction and engagement (Aryee & Chen, 2006; Ugwu et al., 2014). Service marketing and management studies also recognized the use of organizational initiatives (e.g., employee empowerment) and their connections to outcomes such as job satisfaction and engagement (Bowen & Lawler, 1995a, 1992; Glynn & Lehtinen, 1995; Suh et al., 2011; Yoon et al., 2001). Despite the fact that prior studies emphasized the role of organizational support and empowerment, little is known about the direct and indirect effects of them when a service provider takes these initiatives together to bring meaningful changes to employees' multifaceted well-being outcomes through their engagement.

In line with this gap in the extant service marketing and management literature, including the emergent TSR domain, it is important to know how a service provider's concurrent use of multiple initiatives can affect employees' well-being and engagement. The need for this knowledge emanates from the fact that a provider organization has the possibility to undertake several employee-facing initiatives at the same time. For instance, a healthcare service provider can prioritize employees' goals, values, and opinions in addition to allow them to have decision-making freedom. When taken together, these multiple organizational initiatives could create differential effects on employee well-being directly or indirectly than when they would be used in isolation. Furthermore, although prior studies in the TSR domain have examined various matters related to employee well-being (e.g., Edgar et al., 2017; Rayburn, 2014; Sharma et al., 2016), they provide no account of how organizational support and empowerment could collectively influence several aspects of service employees' well-being and engagement. This study proposes that an integrated scheme that builds on a service provider's organizational support and empowerment would provide new insights in facilitating employee well-being, which can further contribute to the provision of transformative services.

Against this backdrop, the purpose of this study is to examine the direct and indirect effects of organizational support and empowerment on employee well-being. Specifically, the study aims to: (a) explore the direct effect of POS and empowerment on employee well-being, (b) identify the indirect effect of POS and empowerment on employee well-being through employee engagement. Addressing the gap and the corresponding aims can expand our current understanding of service providers' role in facilitating employee well-being. Thus, it explains how a provider can go beyond the monetary interests of its own and contribute to superior non-monetary interests of its internal customers. Furthermore, it can broaden our views by explaining the role of employee engagement as an intermediate factor in facilitating well-being outcomes of service employees. Thus, addressing the gap offers the opportunity to identify a path to enhance employee well-being in the presence of a service provider's support and empowerment efforts and initiatives.

The paper is organized as follows. Section 2 discusses the theoretical framework and hypotheses development. Section 3 elaborates the methodological underpinnings of the study. Section 4 explains the results of the study. Section 5 offers discussions and implications. The limitations and future research directions are discussed in the concluding section.

## 2. Theoretical framework and hypothesis development

### 2.1. Perceived organizational support

POS refers to employees' beliefs about the degree to which an organization values their contributions and well-being (Eisenberger et al., 1986). It is connected to employees' orientation toward their organization and also favourable behavioural outcomes (Eisenberger & Stinglhamber, 2011). Employees can evaluate organizational support in terms of organization's efforts towards considering employees' goals and opinions, complaints, job enrichment, well-being, and willingness to help them in problem situations among others (Eisenberger et al., 1986). Extant studies suggested that POS has several precursors. For example, fairness is a strong precursor of POS (Rhoades & Eisenberger, 2002). It can also be affected by supervisor support, organizational rewards, and job conditions (Kottke & Sharafinski, 1988; Rhoades & Eisenberger, 2002). On the other hand, POS influences organizational commitment, turnover intention, performance, job-related affect,

psychological well-being and others (Aube et al., 2007; Dawley et al., 2010; Eisenberger et al., 1990; Panaccio & Vandenberghe, 2009; Rhoades & Eisenberger, 2002). POS can increase employees' affective attachment to the organization and expectations about receiving greater rewards for their efforts (Eisenberger et al., 1986). Thus, employees' assessment of organizational support is multi-faceted and has employee- and organizational-level consequences.

## **2.2. Organizational empowerment**

Empowerment is a multifaceted concept that can be defined from individual, organizational, and societal/community perspectives (Perkins & Zimmerman, 1995; Peterson & Zimmerman, 2004). At the individual level, empowerment designates to a process that facilitates the achievement of an individual's personal goals through participation with others (Maton & Salem, 1995; Perkins & Zimmerman, 1995). In the employee context, empowerment refers to "a form of employee involvement initiative ... and focused on task-based involvement and attitudinal change" (Wilkinson, 1998, p. 40). A broader view of employee empowerment embraces matters such as freedom to take responsibility for employee's decisions and actions, perceived control over the job, accountability for personal work, responsibility for performance outcomes among others (Greasley et al., 2008; Melhem, 2004). Based on the inherent characteristics of empowerment initiatives, structural, motivational, and leadership-oriented approaches are used to empower employees (Menon, 2001). In the structural approach of employee empowerment, power and decision-making authority are given to some extent to the employees (Menon, 2001). Motivational employee empowerment embraces the psychological underpinnings that enable employees to understand the value of their work goals, competence, and work outcomes (Conger & Kanungo, 1988; Spreitzer, 1995). Thus, while the structural perspective of employee empowerment focuses on management's practices for empowering employees, the psychological perspective emphasizes on employees' perceptions and beliefs about the extent to which they are empowered (Greasley et al., 2008; Spreitzer, 1995; Thomas & Velthouse, 1990). Furthermore, the leadership approach explains empowerment in terms of providing an employee with inspiration and vision for the future to enable him or her to take challenges and participate in the organizational changes (Menon, 2001). These conceptualizations have a key focus on empowerment at the individual level.

Broadening the nuances of empowerment, organizational empowerment concept explains intraorganizational efforts for generating employees' psychological empowerment in terms of perceiving greater power, control, and ability to influence organizational effectiveness (Griffith et al., 2008; Peterson & Zimmerman, 2004; Zimmerman, 2000). However, it also discusses interorganizational and extraorganizational components of empowerment explaining relations among organizations and impact of organizational actions on community or larger systems, respectively (Francescato & Aber, 2015; Griffith et al., 2008; Peterson & Zimmerman, 2004). In explaining these aspects of organizational empowerment, Zimmerman (2000) argued that producing psychological empowerment of employees through intraorganizational efforts is a nature of empowering organizations. Matthews et al. (2003) posited that organizational empowerment initiatives of an empowering organization are characterized by dynamic structural framework that comprises clear guidelines for assisting employee decision-making, control of workplace decision that allows an employee to give input to all issues related to his or her career, and fluidity of information that enables an employee to get access to all information related to the organization. By doing these, an empowering organization has the possibility to move beyond achieving corporate goals to enhance personal, relational, and collective well-being (Francescato & Aber, 2015; Zimmerman, 2000).

## **2.3. Employee engagement**

Engagement has been conceptualized from different perspectives such as need-satisfying approach, burnout-antithesis approach, satisfaction-engagement approach and multidimensional approach (Bailey et al., 2017; Shuck, 2011). The need-satisfying approach explained engagement in terms of expression of one's self at work that can facilitate role performance (Shuck, 2011). Burnout-antithesis approach defines engagement as a positive affective state of mind that is directed towards tasks (Shuck, 2011). This approach, alternatively known as the work task engagement approach, argues that



an employee with a positive state of mind has strong dedication in work-related activities (Bailey et al., 2017). According to satisfaction-engagement approach, engagement indicates an individual's involvement, satisfaction, and enthusiasm for work (Harter et al., 2002; Shuck, 2011). The multidimensional approach of employee engagement (Bailey et al., 2017; Shuck, 2011) combines a number of dimensions of engagement. Saks (2006, p. 602) posited that employee engagement is "a distinct and unique construct that consists of cognitive, emotional, and behavioural components that are associated with individual role performance". According to this approach, engagement involves not just job engagement, but it also includes organization engagement (Saks, 2006). In this current study, employee engagement is viewed from this multidimensional perspective.

#### **2.4. Employee well-being**

Well-being is a multidimensional concept that has been conceptualized from diverse perspectives. For example, Ryan and Deci (2001, p. 142) defined well-being as an optimal psychological functioning and experience. From a philosophical standpoint, well-being can be either hedonic dealing with life satisfaction and affect or eudaimonic dealing with meaning, purpose and growth (Lent, 2004). The contextual dimension of well-being brings the notion of employee or worker well-being, among others (Lent, 2004). Employee well-being can be viewed as an employee's overall experience and functioning at work that involves psychological, physical and social dimensions of well-being (Grant et al., 2007). In explaining employee well-being from employee's mental health perspective, Page and Vella-Brodrick (2009) argued that employee well-being includes subjective well-being, psychological well-being, and workplace well-being. Consistent with this perspective, Zheng et al. (2015) define employee well-being as a combination of life well-being, workplace well-being, and psychological well-being. This current study adopts this later conceptualization of employee well-being.

#### **2.5. Organizational support—employee engagement—employee well-being**

POS indicates employees' evaluation of various supports received from the host organization. Employees respond to the greater level of POS by demonstrating greater felt obligation, commitment (e.g., affective, normative), and performance (Aube et al., 2007; Eisenberger et al., 2001; Rhoades & Eisenberger, 2002). Enhanced commitment is likely to drive employees to demonstrate greater involvement with the service provider and their tasks. Besides, POS has a positive association with job engagement (Rich et al., 2010). This reasoning is consistent with the study of Saks (2006), which identified the positive influence of POS on employee engagement in terms of job engagement and organization empowerment. As the extant studies are limited in establishing this relationship, thus the current study revisits the hypothesized relationship between POS and employee engagement as proposed by Saks (2006). Thus, it is hypothesized:

*H1: Perceived organizational support of a service provider has an influence on employee engagement.*

POS also reflects employees' beliefs about an organization's efforts to their well-being (Eisenberger et al., 1986). Prior studies argued that POS has a relationship with employees' affective reactions such as job satisfaction and mood (Kurtessis et al., 2017; Rhoades & Eisenberger, 2002). Employees' evaluation of affective states indicates their subjective well-being since it comprises of components such as emotional responses, domain satisfaction (e.g., job or work satisfaction), and life satisfaction (Diener et al., 1999). In addition, organizational support can help an employee to develop positive relations with others and realize personal growth. Positive relations with others and personal growth are the components of psychological well-being (Lent, 2004). Thus, it is hypothesized:

*H2: Perceived organizational support of a service provider has an influence on employee well-being.*

#### **2.6. Organizational empowerment—employee engagement—employee well-being**

Organizational empowerment allows employees to exercise control over workplace decisions and get access to pertinent information in a structured environment (Matthews et al., 2003). Similarly,

empowering service employees make them feel to have control over their job, awareness of the business context and accountability for outcomes (Bowen & Lawler, 1995b). Empowered service employees are likely to be more engaged in their tasks, such as interactions with customers (Lashley, 1999). For example, a study involving community health service employees suggested that perceived empowerment leads to greater motivation, engagement, commitment, and connection to the organization (Albrecht & Andreetta, 2011). It can be argued that organizational empowerment has consequences for employees' involvement and commitment to their job and organization. Thus, the hypothesis is:

**H3:** Perceived organizational empowerment of a service provider has an influence on employee engagement.

Employees' perception of empowerment can lead to outcomes such as job satisfaction and subsequently to highly motivated employees (Bowen & Lawler, 1995b). Job satisfaction represents contextual well-being since it shows whether an employee is happy or satisfied with his or her job (Lent, 2004). Furthermore, as empowerment allows employees to have control over their decisions and responsibilities; thus, it can reduce role ambiguity and subsequently, emotional strain (Greasley et al., 2005). The reduction of emotional strain can be viewed as the improvement of positive affect, which is a key component of an individual's subjective well-being (Diener et al., 1999; Lent, 2004). Thus, it is hypothesized:

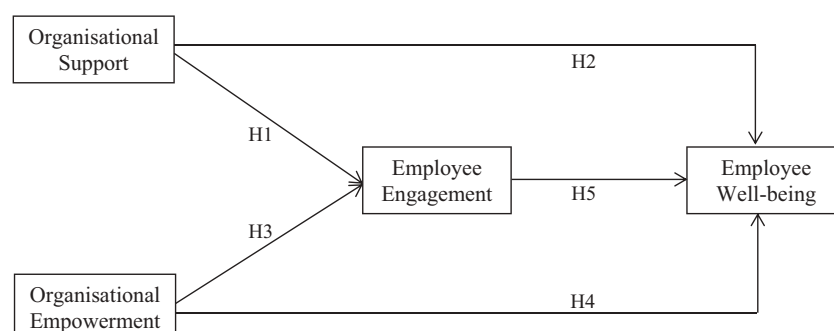
**H4:** Perceived organizational empowerment of a service provider has an influence on employee well-being.

## 2.7. Employee engagement—employee well-being

Employee engagement at the workplace can have consequences for health benefits for employees and positive financial performance outcomes for an organization (Harter et al., 2003). In assessing outcomes of employee engagement, Saks(2006) argued that employee engagement in terms of job and organization engagement predicts job satisfaction of employees. As discussed previously, job satisfaction can reflect employees' domain-specific well-being. A broader conception of employee engagement suggests that employee engagement and psychological well-being can have potential relationships (Robertson & Cooper, 2010). In a recent study, Shuck and Reio (2014) suggested that employee engagement moderates the relationship between psychological workplace climate and emotional exhaustion, psychological well-being, among others. For example, the relation between workplace climate and psychological well-being was stronger when the level of employee engagement was high (Shuck & Reio, 2014). Thus, this study assumes that employee engagement can act as an influencing factor for employee well-being. Figure 1 depicts the hypothesized relationships.

**H5:** Employee engagement has a significant influence on service employees' well-being.

**Figure 1. Theoretical framework of the study.**





### 3. Method

#### 3.1. Data collection

This study used a cross-sectional field survey for collecting data from the employees of a rehabilitation service provider in Dhaka, Bangladesh. The service provider, Centre for the Rehabilitation of the Paralysed (CRP), is the leading organization in the country that offers therapeutic and medical services to individuals with disabilities. The organization provided written approval for conducting the survey at the main branch located at Savar, Dhaka. As suggested procedural approaches to deal with common method variance (Podsakoff et al., 2003), the respondents were informed about the anonymity of their responses and that the questions have no right or wrong answers.

A self-administered questionnaire was distributed in person to the employees of the service provider during August–September 2018. Before starting the final survey, a pretest of the questionnaire was carried out among a small number of employees ( $n = 6$ ) of the organization. A pretest can include a small sample ranging between 5 and 10 participants who are as similar as possible to the final sample of a survey (Reynolds et al., 1993). After making minute adjustments to the questionnaire based on the responses from the pretest, the final survey was initiated. At the beginning of the survey, each respondent was required to indicate if he or she had agreed to participate in the survey. The questionnaire consisted of two parts. The first part comprised questions related to the background information (e.g., age, gender, length of service, department) of the respondents. The second part of the questionnaire included questions about the study's key constructs. The centre had 735 permanent employees in all branches across the country (Centre for the Rehabilitation of the Paralysed, 2017) and the main branch had approximately 300 such employees. Of this, 195 questionnaires were distributed. From these questionnaires, 173 questionnaires were returned. Unusable and incomplete responses ( $n = 20$ ) were removed. This produced the final sample 153, which indicates a response rate of 78.46%.

#### 3.2. Measures

The study adapted the existing scale items for measuring the study constructs. POS was measured by six items taken from Eisenberger et al. (1986). Six items were adapted from Matthews et al. (2003) for measuring organizational empowerment. Saks (2006) measured employee engagement in terms of job engagement and organization engagement. The current study took four items from Saks (2006) for measuring employee engagement construct. Zheng et al. (2015) argued that overall employee well-being could be measured in terms of life well-being, workplace well-being, and psychological well-being. The present study adopted this notion and thus took six items from Zheng et al. (2015) for measuring employee well-being. All items for measuring the constructs drew on 7-point Likert scales (1 = strongly disagree and 7 = strongly agree). One item for measuring POS and two items for measuring organizational empowerment were reverse coded. The Bengali version of the questionnaire was distributed to the respondents. To check for the consistency of meaning between the Bengali and the original English versions, the Bengali version was back-translated into the English version.

### 4. Data analysis and results

#### 4.1. Data analysis

The sample ( $n = 153$ ) of the study comprised about 55% female respondents as against 45% male respondents. More than 61% of the respondents aged between 25 and 34 years. In terms of the length of job tenure at the CRP, more than 37% of employees confirmed that they have been working in the organization for more than six years. This was followed by those employees who have been working for one to two years (about 26%). Among the respondents, approximately 59% were therapists. The service provider also provides education and training services to individuals who want to develop their career in rehabilitation and therapeutic services. Thus, the respondents included teaching staffs (16.34%) of the organization. The profile of the respondents is summarized in Table 1.

**Table 1. Profile of the respondents**

Sample statistics		Number	%
Gender	Male	69	45.10
	Female	84	54.90
Age (years)	18–24	27	17.65
	25–34	94	61.44
	35–44	19	12.42
	45–54	10	6.54
	55–64	2	1.31
	Did not want to answer	1	0.65
Job Tenure (years)	Less than 1	20	13.07
	1–2	39	25.49
	3–4	22	14.38
	5–6	15	9.80
	More than 6	57	37.25
Job Position	Administrative officer	2	1.31
	Physician	3	1.96
	Teacher	25	16.34
	Therapist	90	58.82
	Nurse	16	10.46
	Other	14	9.15
	Did not want to answer	3	1.96

#### 4.2. Results

The current study is exploratory in nature since the relationships between organizational support, organizational empowerment, employee engagement, and employee well-being are not directly based on previous studies. Application of variance-based structural equation modelling (e.g., PLS-SEM) is a preferred method for examining relationships in exploratory research (Hair et al., 2011; Henseler et al., 2014). Furthermore, PLS-SEM is an appropriate tool for assessing the hypothesized relationships since the sample size of the current study is relatively small (Hair et al., 2011, 2014). The PLS-SEM analysis was carried out in two stages. The first stage analysed the reflective measurement or outer model of the study. The structural or inner model showing the hypothesized relationships was analysed in the second stage.

A measurement or outer model's reliability and validity can be examined in terms of internal consistency, convergent validity, and discriminant validity (Hair et al., 2017, 2011). Cronbach's alpha is a widely used tool for measuring internal consistency or interrelatedness of the items (Cortina, 1993). The alpha values for the organizational support and employee well-being constructs were above the desired 0.70, as suggested by Nunnally (1978). However, reliability between 0.60 and 0.70 can be acceptable (Hair et al., 2006). Thus, the alpha values of organizational empowerment (0.68) and employee engagement (0.61) constructs are also within an acceptable range. The composite reliability (CR) values for all four constructs were higher than recommended 0.70 (Bagozzi & Yi, 1988) and thus demonstrated a high level of internal consistency.

Convergent validity of the outer model was examined in terms of indicator reliability and average variance extracted (AVE). The outer loading of an item represents indicator reliability, which should have 0.70 or above value to demonstrate acceptable convergent validity (Hair et al., 2017). All but three items of the study had outer loadings higher than 0.70 (see Appendix A). However, as the current study was exploratory in nature; thus, an item with loading greater than 0.50 is acceptable (Hulland, 1999). The AVE values of all but employee engagement

construct (0.49) was higher than 0.50. Fornell and Larcker (1981) suggested that a construct's convergent validity is still adequate if it has AVE less than 0.50, but CR above 0.60. As the CR of the employee engagement was above 0.60, thus the construct has sufficient convergent validity.

Discriminant validity of the outer model was assessed in terms of cross-loadings of the indicators and the Fornell–Larcker criterion (Hair et al., 2017). The results of the cross-loadings suggested that all the indicators' outer loadings with their respective construct were higher than cross-loadings with other constructs (see Appendix B). Furthermore, the Fornell and Larcker criteria indicated (see Appendix B) that the square roots of the AVE values of the four constructs were larger than the correlation with other constructs, which suggest the presence of discriminant validity (Hair et al., 2017, 2014). The results of the internal consistency and AVE of the outer model are summarized in Table 2.

The first stage of assessing the structural or inner model involves an evaluation of collinearity among the exogenous or predictor constructs (Hair et al., 2017). Collinearity statistics were measured in terms of the variance inflation factor (VIF), which is a suggested tool for assessing multicollinearity (Mansfield & Helms, 1982). The results indicated that all VIF values were less than the threshold value of 5. VIF values below 5 indicate that collinearity among the exogenous constructs of the structural model is not at critical levels (Hair et al., 2017). Next, the level of coefficient of determination ( $R^2$ ) and the level and significance of path coefficients were assessed. The  $R^2$  values explain the combined effect of the exogenous constructs on the endogenous construct's variance (Hair et al., 2017). The  $R^2$  values of the employee engagement and employee well-being constructs were 0.31 and 0.41, respectively. The values of 0.75, 0.50, and 0.25 are considered substantial, moderate, or weak (Hair et al., 2011; Henseler et al., 2009). Thus, the results suggest that the exogenous constructs of the study have nearly moderate or higher than weak effects on employee engagement and employee well-being constructs.

The level and significance of the path coefficients were examined using a bootstrapping procedure with 5,000 bootstrap samples. The results showed that all but one (H3) hypothesized relationships were supported at 5% significance level. The results in support of H1 ( $\beta = 0.47$ ,  $t = 5.44$ ) indicated that organizational support has a strong influence on employee engagement. Organizational support also has considerable influence on employee well-being ( $\beta = 0.30$ ,  $t = 3.28$ ). Thus, H2 is supported. H3 focused on the influence of organizational empowerment on employee engagement. However, the results ( $\beta = 0.13$ ,  $t = 1.25$ ) suggest that the relationship is not significant. Thus, H3 was not supported. However, organizational empowerment has a positive influence on employee well-being. Thus, H4 is supported. Employee engagement has a positive influence on employee well-being ( $\beta = 0.30$ ,  $t = 3.02$ ). Thus, H5 was supported. The results suggest that both organizational support and organizational empowerment have direct effects on employee well-being. However, the results of the indirect effects suggest that employee engagement mediates the relationship between organizational support and employee well-being ( $\beta = 0.14$ ,  $t = 2.57$ ). No indirect effect of employee engagement was found in the relationship between organizational empowerment and employee well-being (Table 3).

**Table 2. Evaluation of the measurement model**

Construct	$\alpha$	CR	AVE
Organizational support	0.89	0.92	0.71
Organizational empowerment	0.68	0.82	0.61
Employee engagement	0.61	0.74	0.49
Employee well-being	0.82	0.88	0.65

$\alpha$  = Cronbach's alpha; CR = composite reliability; AVE = average variance extracted.

**Table 3. The structural/inner model evaluation**

Direct and indirect relationships	$\beta$ Coefficients	t Values	p Values	Significance*	Hypothesis support	$f^2$
H1 (Organizational support → Employee engagement)	0.47	5.44	0.000	Yes	Supported	0.19
H2 (Organizational support → Employee well-being)	0.30	3.28	0.001	Yes	Supported	0.08
H3 (Organizational empowerment → Employee engagement)	0.13	1.25	0.212	No	Not supported	0.01
H4 (Organizational empowerment → Employee well-being)	0.16	2.00	0.045	Yes	Supported	0.02
H5 (Employee engagement → Employee well-being)	0.30	3.02	0.003	Yes	Supported	0.10
Organizational empowerment → Employee well-being	0.04	1.09	0.275	No	-	-
Organizational support → Employee engagement → Employee well-being	0.14	2.57	0.010	Yes	-	-

\* $p < 0.05$ .

Effect size ( $f^2$ ) was measured for assessing the contribution or impact of an exogenous or predictor construct on an endogenous or dependent construct's coefficient of determination (Chin, 2010; Hair et al., 2014). The  $f^2$  values of 0.02, 0.15, and 0.35 are interpreted as having small, medium, and large effect, respectively (Hair et al., 2017). The results suggest that organizational support has higher than the medium effect (0.19) on employee engagement. However, organizational empowerment has no effect on employee engagement. It has a small effect on employee well-being. Both organizational support and employee engagement have higher than small effects on employee well-being. Table 3 summarizes the results of the inner model assessment.

## 5. Discussion and implications

Employee well-being denotes employees' overall experience and functioning at work (Grant et al., 2007) and has important consequences for job performance (Wright et al., 2007). Despite service research has stressed the need for studies that investigate organization's role in enhancing individuals' well-being (Anderson et al., 2013) and that involve employee perspective in healthcare context (Danaher & Gallan, 2016), little is known about how healthcare service provider's organizational support and empowerment affect employee well-being. Thus, this study responds to the call of TSR and explores the role of a healthcare service provider in facilitating employee well-being. Specifically, it investigates the effects of organizational support and empowerment on employee well-being. Given that employee engagement is relevant in the context of organizational support (Saks, 2006), this study also examines the influence of employee engagement on employee well-being. Thus, it approaches employee engagement from cognitive, emotional, and behavioural perspectives (Saks, 2006) and questions how engagement affects employees' work, life, and psychological well-being.

The study used a cross-sectional survey among the employees of a rehabilitation and therapeutic healthcare service provider in Dhaka, Bangladesh. The results suggest that both organizational support (H2) and organizational empowerment (H4) have a positive influence on employee well-being. In particular, organizational support has a larger effect on employee well-being. However, the evaluation of the outer model of the study indicates that employee well-being involves life well-being and work well-being and thus partially confirms the three-component model of employee well-being of Zheng et al. (2015). Contrary to the prior studies (e.g., Panaccio & Vandenberghe, 2009), it can be argued from the findings of the current study that a service provider's organizational support has no influence on the psychological component of employee well-being. In fact, surprisingly, psychological well-being was not found to be a dominant component of employee well-being in this study. Although organizational support has a positive influence on employee engagement (H1), the empowerment of healthcare service employees does not have any effect on employee engagement (H3). However, employee engagement has a positive influence on employee well-being (H5). Furthermore, employee engagement indirectly affects employee well-being in the presence of organizational support. Thus, it adds to the employee engagement and satisfaction link (Saks, 2006) by explaining the influence of job and organization engagement on healthcare employees' life and work-related well-being.

The study contributes to TSR and service management literature in several ways. First, the findings of the study suggest that service providers' efforts toward supporting and empowering employees have positive but differential effects on employee well-being and engagement. It can be deduced from the findings of the study that the effects are particularly stronger for the elements of the provider's organizational support. For example, taking care of employees' goals, values and opinions have a greater contribution to employees' perception of support received from the service provider. Thus, the study identifies dominant areas of the provider's support that can contribute to employees' well-being and engagement. Similarly, offering guidelines related to the provider's goals and plan of actions are found to be the dominant elements of empowerment initiatives. In line with the building blocks of organizational empowerment aiming at intraorganizational efforts to empower employees (Matthews et al., 2003), this study asserts that healthcare

service employees are empowered by allowing them to access the information that can aid in decision-making and to participate in defining their job responsibilities. However, unlike the elements of provider's supports, elements of empowerment initiatives contribute only to the well-being outcomes of employees. Second, expanding the consequences of employee engagement (Saks, 2006), this study suggests that employee engagement can have consequences for employees' work and life-related well-being particularly in the presence of a provider's organizational support as an antecedent. It can be argued that service employees' identification of the attractiveness of organizational membership plays a significant role in influencing their well-being. Furthermore, perception about organizational engagement has a greater effect on well-being outcomes than that for job engagement. Third, the positive influence of organizational support and organizational empowerment on employee well-being suggests that employee well-being is not just dependent on internal service quality (Sharma et al., 2016) or positive customer feedback (Nasr et al., 2014). Rather, it also relies on a service provider's efforts and initiatives for taking care of its employees' values, opinions, problems, and wellness. Thus, the study substantiates several key aspects of organization-initiated antecedents of service employees' multi-dimensional well-being outcomes.

### **5.1. Managerial implications**

The findings of the study offer several managerial implications. First, since organizational support influences employee engagement that further affects employee's well-being, thus managers need to design and offer effective employee support programs that can improve employees' perceptions of organizational support. This is in line with the core principle of social exchange theory (SET) in the context of POS, which argues that if employees perceive their employing organization as supportive, they are likely to do or demonstrate positive behaviours in return (Cropanzano & Mitchell, 2005). Since healthcare services can comprise interactions between employees (e.g., therapists, nurse) and patients with a high level of emotional dispositions, thus organizations need to offer emotional supports to the employees especially those who have direct contacts with service customers. Second, the findings indicate that empowering healthcare service employees has a positive effect on their well-being. Thus, healthcare organizations need to allow employees to have greater decision-making freedom and allow participation in designing their own work responsibilities. Having decision-making freedom is particularly critical as healthcare professionals deal with patients with diverse challenges and may require immediate actions. Third, the positive influence of employee engagement on employee well-being suggests that managers of healthcare service organization should take strategies to enhance employee engagement. For example, the application of developmental practices through a relational psychological contract can improve healthcare employees' engagement (Bal et al., 2013). Fourth, while setting effective employee support and empowerment programmes, healthcare service managers in developing or low-income country settings could give priority to those measures of support and empowerment initiatives that have the greater possibility to generate positive effects on employee well-being. This is particularly important since healthcare service organizations and systems in developing countries are more resource-constrained (Kipiriri & Martin, 2006; Stenberg et al., 2017). Thus, it could be beneficial for these service providers if they can start with more crucial areas of support and empowerment initiatives and move on to bring additional measures later based on the performance outcomes. This approach would help the managers to make a balance between organizational targets and employee-focused well-being outcomes.

### **6. Limitations and future research**

This study has several limitations. First, the study collected a sample from one healthcare service provider that specializes in rehabilitation and therapeutic services. Thus, the scope of the study's model could be broadened in future studies by incorporating diverse healthcare service providers both from the public and private sectors. Second, the study took a single-country, cross-sectional study design. Future studies can investigate the proposed model and the relationships in multi-country context taking developed, developing, and least-developed countries. This is particularly relevant since management practices involving employee-related issues can vary substantially across firms



and countries (Bloom et al., 2012; Bloom & Van Reenen, 2010). Third, the cultural values of the individual employees can have an influence on how they perceive organizational support and its relationship with work-related outcomes (Farh et al., 2007). Thus, future studies can examine the relationships of the study model in the presence of employees' cultural values as moderators. Fourth, the findings of the study resonate the importance of employee well-being in terms of their life and work-related well-being. However, future studies can explore the underlying organizational conditions or factors in developing countries that could hinder or facilitate psychological well-being of employees, which has been identified as one of the components of employee well-being in previous studies (see e.g., Page & Vella-Brodrick, 2009; Zheng et al., 2015). Finally, studying the moderating effects of employees' personal characteristics, social-economic conditions, and job-related characteristics could add a new perspective to the proposed model of this study.

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#### correction

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#### Appendix A. Evaluation of the convergent validity of the measurement or outer model

Constructs	Indicators/items	Outer loadings
Organizational Support (OS)	The organization considers my goals and values. (OS1)	0.892
	The organization cares about my opinions. (OS2)	0.868
	Help is available from the organization when I have a problem. (OS3)	0.827
	The organization tries to make my job as interesting as possible. (OS4)	0.794
	The organization really cares about my well-being. (OS6)	0.826
Organizational Empowerment (OE)	The organization provides information about what it wants to accomplish in the future. (OE1)	0.823
	The organization provides information about how its objectives are going to be achieved. (OE2)	0.831
	I have a say in defining my job responsibilities. (OE4)	0.672
Employee Engagement (EN)	I am highly engaged in my job. (EN1)	0.596
	I am highly engaged in this organization. (EN3)	0.613
	Being a member of this organization is very captivating. (EN4)	0.866
Employee Well-being (EWB)	I feel satisfied with my life. (EWB1)	0.805
	I am close to my dream in most aspects of my life. (EWB2)	0.791
	I am satisfied with my work responsibilities. (EWB3)	0.817
	I find real enjoyment in my work. (EWB4)	0.823

Items OS5, OE3, OE5, OE6, EN2, EWB5, and EWB6 were removed during the measurement model evaluation for having low loadings.



## Appendix B. Evaluation of the discriminant validity of the measurement or outer model Cross-Loadings

Indicators/items	Organizational Support (OS)	Organizational Empowerment (OE)	Employee Engagement (EN)	Employee Well-being (EWB)
The organization considers my goals and values. (OS1)	0.892	0.491	0.535	0.520
The organization cares about my opinions. (OS2)	0.868	0.463	0.502	0.535
Help is available from the organization when I have a problem. (OS3)	0.827	0.493	0.423	0.407
The organization tries to make my job as interesting as possible. (OS4)	0.794	0.543	0.424	0.422
The organization really cares about my well-being. (OS6)	0.826	0.603	0.402	0.487
The organization provides information about what it wants to accomplish in the future. (OE1)	0.532	0.823	0.281	0.322
The organization provides information about how its objectives are going to be achieved. (OE2)	0.554	0.831	0.296	0.332
I have a say in defining my job responsibilities. (OE4)	0.352	0.672	0.366	0.420
I am highly engaged in my job. (EN1)	0.227	0.315	0.596	0.121
I am highly engaged in this organization. (EN3)	0.248	0.243	0.613	0.173
Being a member of this organization is very captivating. (EN4)	0.542	0.342	0.866	0.592
I feel satisfied with my life. (EWB1)	0.462	0.321	0.441	0.805
I am close to my dream in most aspects of my life. (EWB2)	0.520	0.365	0.426	0.791
I am satisfied with my work responsibilities. (EWB3)	0.428	0.478	0.372	0.817
I find real enjoyment in my work. (EWB4)	0.422	0.373	0.488	0.823

The values presented in the non-shaded areas represent the cross-loadings for the items across the constructs of the study.



### Fornell-Larcker Criterion

	Employee Engagement	Employee Well-being	Organizational Empowerment	Organizational Support
Employee Engagement	0.703			
Employee Well-being	0.535	0.809		
Organizational Empowerment	0.416	0.474	0.779	
Organizational Support	0.547	0.567	0.611	0.842



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