

Supervisory Favors' Effect on Chinese Employees' Work Engagement and Satisfaction with Supervisor: What the Full VS Partial Mediating Role of Supportive Leadership Implies

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Abstract. It is widely documented that in Chinese organizations, employees' *guanxi* (personal relationship) with their supervisors greatly influence employee performance and development. Therefore it is a particular organizational behavior in China that employees spend quite a lot of their energy to develop *guanxi* with their supervisor for gaining supervisory favors. Based on the particular truth that supervisor-subordinate *guanxi* is the product of mixed exchanges of both work and non-work (social and economic) interactions, we propose a subtle theoretical model supposing that supportive leadership fully mediates supervisory favors' (the indicator of employees' *guanxi* with their supervisor) effect on work engagement but partially on satisfaction with supervisor. The results of structural equation modeling (SEM) analysis of empirical data quite support the hypothesized model. The findings may add our understanding of the advantages and the disadvantages of supervisor-subordinate *guanxi*, and have useful practical implications.

Introduction

In China, *guanxi* is pervasive. And it is imperative (Luo, 1997)! Scholars consider *guanxi* as a key Chinese socio-cultural perspective to understand Chinese societies and management phenomena (Chao C. Chen & Chen, 2009). From the within organization management's point of view, the dynamics and relevance of supervisor-subordinate *guanxi* presents the prevalence and uniqueness of Chinese organizational behavior.

Studies using quantitative survey data at dyadic level to examine the consequence of supervisor-subordinate *guanxi* (*s-s guanxi* here after) typically found encouraging positive results (e.g. Y. Chen, Friedman, Yu, Fang, & Lu, 2009; Y. N. Chen & Dean, 2007; Farh, Tsui, Xin, & Cheng, 1998; Wong, Wong, & Wong, 2010). The outcome variables are mainly subordinates' attitudes or their benefits and opportunities (Law, Wong, Wang, & Wang, 2000; Wei, Liu, Chen, & Wu, 2010).

In this study we further concern a more task-related outcome, or say a work motivation construct, namely work engagement. To our knowledge no previous studies examined *s-s guanxi*'s effect on work engagement. Specifically, we propose that supportive leadership will fully mediate the relationship of *s-s guanxi* and work engagement but will only partially mediate the relationship of *s-s guanxi* and satisfaction with supervisor (we depict these hypothesized relationships in Figure 1).

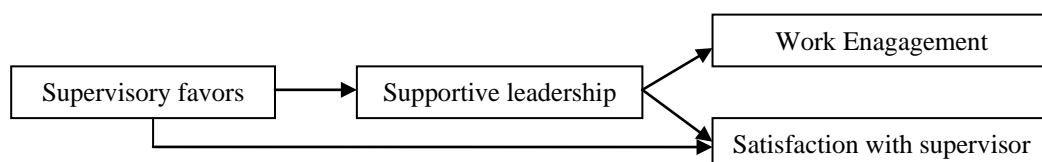


Figure 1. Hypothesized model to be tested in this study

Our rationale is around the critical characteristics of *s-s guanxi*, i.e. "*guanxi* in China covers mainly non-work exchange within the vertical dyad and the benefits being exchanged can be social and economic in nature" (Law, et al., 2000, p. 755). This is also the key feature which distinguishes Chinese *s-s guanxi* from Western leader-member exchange (LMX). The latter is strictly restricted to work-related exchanges within the workplace (Law, et al., 2000). In view of *s-s guanxi* is comprised

of both work and non-work-related exchanges, we contend the non-work exchanges ingredient of *s-s guanxi* hardly benefit work engagement. Empirical study (Law et al., 2000) evidenced that *s-s guanxi* can bring more bonus and chances of promotion to employees which beyond their performance contribution. In other words, in Chinese *guanxi* context work rewards are somewhat contingent on those non-work related social or economic exchanges with supervisor. Then, in terms of (one of) the classic motivation theory --Vroom's (1964) expectancy theory, employees' expectations of gaining those desired rewards through those social or economic interactive behaviors will rise, thus motivating them engage in those activities. Accordingly and consequently, their expectations of attaining rewards through engaging in work tasks will be diminished. That is, rewarding non-work related exchanges impinge employees' belief that effortful work will be recognized and rewarded (House, 1971), and therefore demotivating their task-focused behaviors. Whereas, the rewarded non-work exchanges will not against subordinates' satisfaction with their supervisor as their central interests are favored.

Moreover, the work-related exchanges of *s-s guanxi* may foster subordinates' perception of the supervisor's supportive leadership. Supportive leadership refers to the subordinates' perception that their supervisors are friendly and approachable, provide directions and guidance to them, and have a concern for the needs and well-being of them (House, 1996). Besides out-workplace social and economic interactions, developing good *guanxi* with supervisor generally also need the subordinates to accomplish work task competitively (Wei et al., 2010). Then these subordinates' abilities and efforts will be appreciated and rewarded by their supervisor, thus enhancing their *s-s guanxi*. On the other hand, supervisors' supportive behaviors like taking time to mentor (Y. N. Chen & Dean, 2007) will greatly facilitate their *guanxi* with subordinates. All these alike task-oriented *guanxi* exchanges generate social affections and mutual trust (House, 1996), hence engender strong feeling of supported.

Those non-work social and economic *s-s guanxi* exchanges, by contrast, may not facilitate the perception of supportive leadership. This is because supportive leadership by definition is restricted to working exchanges. Though those out work social and economic exchanges may reinforce the socio-emotional ties between subordinates and supervisors, these activities may not be identified as professional and effective leadership behaviors.

Supportive leadership is an effective predictor of subordinates' satisfaction with their supervisor. As supportive leadership makes the work more pleasant and increase the subordinates' chance to win desired rewards, it renders subordinates' satisfaction (House, 1996). There are a number of empirical studies which had documented it (House, 1996). Supportive leadership will also increase employees' work engagement. Work engagement is a unique and important motivational concept (Rich, Lepine, & Crawford, 2010) which refers to an active, positive work-related state that is characterized by vigor, dedication, and absorption (Bakker & Leiter, 2009). Research of J-D R model has accumulated both theoretical and empirical evidence that supportive from supervisor is a critical job resources which foster work engagement (Bakker & Leiter, 2009).

We contend that if work exchanges in *s-s guanxi* will transfer into some sort of job resources which facilitates work engagement, these resources are mostly encapsulated in supportive leadership. Therefore, we assume a full mediating role of supportive leadership between *s-s guanxi* and work engagement. While as non-work exchange part of *s-s guanxi* can produce additive subordinates' satisfaction by pas supportive leadership, the mediating role of supportive leadership in the relationship of *s-s guanxi* and satisfaction with supervisor should be partial.

What is specific in this study is that we use supervisory favors as the operationalization of *s-s guanxi*. Supervisory favors is defined as the extent to which beneficial outcomes (e.g., promotion, bonuses, and training opportunities) are granted to a given subordinate more than to other peer subordinates (Jiang, Chen, & Shi, 2013). Researchers recently advocate the specification of *guanxi* constructs in research to avoid misunderstanding (Chao C Chen, Chen, & Huang, 2013). Favor has been regarded as the core and essential element of *guanxi* activities and outcomes in existing definitions (Chao C Chen, et al., 2013; Puffer, McCarthy, & Peng, 2013; Thams, Liu, & Von Glinow, 2013). Therefore, the amounts of supervisory favors a given subordinate gains may effectively

indicating the extent of his/her *guanxi* with the supervisor. The advantage of operationalizing *s-s guanxi* as supervisory favors is that it avoids to presume supervisor-subordinate *guanxi* as purely expressive or purely instrumental (Hwang, 1987), as favor per se is neither positive nor negative (Puffer, et al., 2013; Teagarden & Schotter, 2013).

Method

Data and Participants. We collected data from a state-owned enterprise in Yunnan province, Southwest China. The company produces and sales one kind of commodity. Participants are front line employees from most departments of the company. In four weekend days of two weeks, the researchers distributed questionnaires at a training occasion where employees are collected in a classroom. We got totally 219 useful surveys through the four data collecting times. Of the 219 participants, 17.1% were females, 65.7% held college level or higher education. Their average age was 39.70 years (SD = 7.76).

To reduce common method bias, we distributed part A of the questionnaire, which contains the measures of supervisory favors and supportive leadership, at the beginning of the training course; then at the end of the course we distributed B part of the survey which contains the measures of work engagement and satisfaction with supervisor. This procedure separated the measurement of the predictor and outcome variables temporally and psychologically (participants were cognitively occupied by the training course which have no relationship with the survey), thus was beneficial to reduce the biases caused by respondents using prior responses (of part A) to answer subsequent questions in part B (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

Measures

Supervisory Favors. Supervisory favors was measured with a five items scale developed by Jiang et al. (2013). The Cronbach's alpha of these five items was .87.

Supportive Leadership. Supportive leadership was measured with 7 items which were used in Wendt, Euwema, & van Emmerik's (2009) research about leadership styles. The Cronbach's alpha of this scale was .70.

Work Engagement. We used the short version (9 items) of Utrecht Work Engagement Scale to measure work engagement (Schaufeli, Bakker, & Salanova, 2006). The Cronbach's alpha of these nine items was .88.

Satisfaction with supervisor. We used three items from the Job Descriptive Index (JDI; Smith et al., 1969; see McCormack, Casimir, Djurkovic, & Yang, 2006) to measure satisfaction with supervisor. The Cronbach's alpha was .92.

We adopted a seven-point Likert-type response scale ranging from 1 (strongly disagree or never) to 7 (strongly agree or always) for measurements of supervisory favors, supportive leadership, and work engagement. Satisfaction with supervisor was responded with a five-point Likert scale.

Results

The means, standard deviations, and correlations of the three main variables were shown in Table 1.

Table 1 Means, Standard Deviations, Correlations for Main Variables

<i>Variables</i>	Mean	SD	1	2	3	4
1.Supervisory favors	3.92	1.04	.87			
2.Supportive leadership	4.75	1.41	.44***	.70		
3.Work engagement	3.52	1.18	.27***	.39***	.88	
4.Satisfaction with supervisor	3.27	.93	.31***	.39***	.31***	.92

N = 219. Internal consistency reliabilities are on the diagonal. *** $P < .001$

We use SEM to test the hypothesized model. We first estimated the measurement model. The results show excellent goodness of model fit ($\chi^2 = 329.10$, $df = 224$, $p < .001$, CFI = .96, TLI = .96, RMSEA = .046, SRMR = .051). All the loadings of the items of the four latent constructs were significant at .001 level. And the four factors model fit significantly better than other compared three factor models and the one factor model, which provided purports for the discriminant validity of the studied constructs.

Then, we estimated a model which set the paths between the latent variables as presented in Figure 2. This model fits very well to the data ($\chi^2 = 354.10$, $df = 225$, $p < .001$, CFI = .95, TLI = .95, RMSEA = .051, SRMR = .054). As can be seen, just as we hypothesized, supportive leadership mediated the relationship between supervisory favors and work engagement and satisfaction with supervisor. Particularly, as the direct path from supervisory favors and satisfaction with supervisor was significant, but the one from supervisory favors to work engagement was not, supportive leadership played a full mediator between supervisory favors and work engagement but a partial mediator between supervisory favors and satisfaction with supervisor, which were what this study specified.

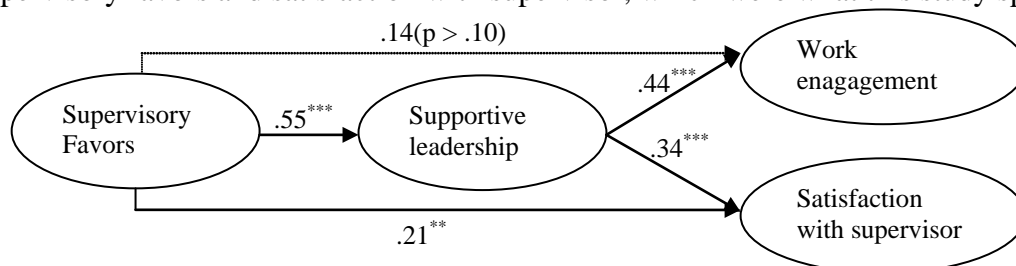


Figure 2 Latent structural equation modeling estimation

Note. N = 219; Presented are the standardized path coefficients; *** $p < .001$, ** $p < .01$.

We further tested a model in which the direct path from supervisory favors to work engagement was removed, and compared this model with the previous one. The results showed the model fits to the data as good as when the direct path was remained ($\chi^2 = 356.71$, $df = 226$, $p < .001$, CFI = .95, TLI = .95, RMSEA = .051, SRMR = .058; $\Delta\chi^2_{1, n=219} = 2.61$, $p > .10$). And the remained paths in this model were all significant.

Summary

The empirical data supported our theoretical hypotheses that supportive leadership fully mediates supervisor favors' relationship with work engagement but partially mediates its relationship with satisfaction with supervisor. The results imply that though the non-work exchanges of *s-s guanxi* can add the favored subordinates' satisfaction with supervisor however this attitude may not productive rather just ego-centric response. The non-work exchanges are inherent of *s-s guanxi*. But these practices have great potential to kill the enthusiasm of employees toward their job tasks while attract them more to the social and economic exchanges with their supervisor. Researchers should be careful of taking encouraging attitude towards *s-s guanxi*. While managers in China should aware the inefficient aspect of *s-s guanxi*.

Acknowledgements

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