Collective psychological capital: Linking shared leadership, organizational commitment, and creativity

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ABSTRACT

Drawing from a macro perspective of social exchange theory, the current study aims to examine the relationships between shared leadership, collective psychological capital, organizational commitment, and creativity at a collective level in Taiwan's hotel industry. We adopt three-stage time-lag design with a three-week in each stage to collect data. Data stem from 52 hotels and comprise 267 employees were used to test the hypotheses through structural equation modeling. We found that, the data fit the hypothesized model well, and collective PsyCap partially mediates the relationship between shared leadership and both organizational commitment and creativity. From these results, theoretical and practice implication are offered. We discuss the theoretical and practical implications of the findings and offer recommendations for future research.

1. Introduction

In response to the trend toward a more dynamic hospitality business environment and rapid changes in market needs (Chiang and Hsieh, 2012), we have recognized that employee creativity and innovation are key sources of a hospitality organization's competitive advantage that help the organization to deliver superior service quality and satisfy the customers' diverse needs (Chang and Teng, 2017; Hon, 2012; Hon and Lui, 2016; Li and Hsu, 2016). However, employee creativity and organizational innovation are destined to stagnate without the supervisors' positive support. Recent empirical studies have shown that leadership has been confirmed to have a significant and positive effect on employee attitudes and behaviors in a hotel workplace (Chen and Wu, 2017; Patiar and Wang, 2016; Wu and Chen, 2015). Thus, the leadership styles of hotel managers seem to have a subtle and creative influence in this competitive business context. Positive leadership from supervisors can boost morale, encourage employees to work harder for the organization and develop higher quality services (Testa and Sipe, 2012; Uen et al., 2012). In contrast, supervisors who fail to demonstrate charisma can dissipate their employees' positive mental energies, resulting in decreased work performance. Several studies have addressed the positive correlation between the various types of leadership, including transformational, transactional, and empowering leadership, and employee psychology and behavior (Bass et al., 2003; Wu and Chen, 2015). However, the issue of how hotel leaders can motivate

frontline employees – who have autonomy, a desire for self-achievement, and innovative thinking on how to encourage the employees' creativity in the workplace – is critical to hotels in maintaining sustainable competitive advantage.

According to the social exchange theory developed by Blau (1964), the social exchange process is based on the result of mutual reciprocation and trust. In addition, commitment and creativity are produced when exchange partners find a solution that results in maximum benefits for both partners. Katz and Kahn (1978) believed that when group members willingly and naturally support shared goals and influence others to do the same through shared leadership, their commitment to the organization increases, leading to enhanced organizational competitive advantages. Based on these statements, Carson et al. (2007) named this type of leadership, *shared leadership*. Even though a few prior studies have explored the relationship between shared leadership and its consequences, such as team performance, job satisfaction, and organizational commitment (e.g., Carson et al., 2007; Mathieu and Kukenberger, 2016; Mathieu and Kukenberger, 2015; Hoch and Kozlowski, 2014; Hoch, 2013; Liu et al., 2014), research on shared leadership and its potential effects on behavior and performance in the hotel workplace are rare.

We noticed that in recent years, the positive organizational behavior (POB) perspective proposed by Wright (2003) has received considerable attention in the field of organizational behavior. POB arose out of the theory of positive psychology (Seligman and Csikszentmihalyi,

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2000). Scholars developed the concept of psychological capital (PsyCap) and postulate that concepts and measurements of positive psychology and their applications to workplace issues cannot be ignored (Luthans and Youssef, 2004). PsyCap has gradually also been viewed a strategic resource that affects internal work performance within organizations (Ardichvili, 2011; Newman et al., 2014). PsyCap comprises four dimensions: self-efficacy, hope, optimism, and resilience and these four dimensions represent the cognitive nature and psychological states of positive development (Luthans et al., 2007). Based on the contributions of the aforementioned POB perspective to individuals and organizations, we believe that when the hotel industry as a whole urgently needs to increase their human capital to create competitive advantages, hotels will want to promote positive psychological states in their employees. Even though recent studies have addressed the antecedents and consequences of PsyCap at an individual level (e.g., Karatepe and Talebzadeh, 2016; Kim et al., 2017a, b; Bouzari and Karatepe, 2017), except for Heled et al. (2016), McKenny et al. (2013), and Walumbwa et al. (2011), rarely have studies explored PsyCap at a collective level. Therefore, there is a research gap regarding the mediating role of collective PsyCap between shared leadership and both organizational commitment and creativity in the hotel workplace. It would be valuable to conduct in-depth discussion and verification for enhancing the units' collective psychological state to strengthen further behaviors and attitude outcomes.

Based on the social exchange theory, we postulate that hotels seek employees with organizational commitment to the hotel and continued creativity to maintain or innovate new competitive advantages. Therefore, the purpose of the recent study is to examine the hypothesized model of collective PsyCap as related to shared leadership, organizational commitment, and creativity. We aim to make two significant contributions. First, we examine the relationship between shared leadership and its consequences at a collective level of analysis with the intent to expand the value and elaboration of shared leadership and collective PsyCap in the social exchange theory. Second, the mediating role of collective PsyCap can serve as a reference for making decisions on organizational behavior and human resources for research and practice on hotel human resource management. The remaining sections include theory and hypotheses, methods, data analyses and results, discussion, managerial implication, and limitations.

2. Theory and hypotheses

This research study takes place in Taiwan. For an overview of the current status and trends of Taiwan's hospitality industry, the 2017 statistical data of the Tourism Bureau of the Ministry of Transportation and Communications show that in the past ten years, the number of tourists in Taiwan has grown by approximately 70% and international tourism revenue has grown by approximately 53% (Tourism Bureau, 2017). The hospitality industry is no longer just the labor-intensive industry of the past. With the advances in information technology and the growing diversity of customer needs, service processes in these industries fit the pattern of knowledge-intensive industries (Wu and Chen, 2015). In the hospitality workplace domain, the frontline employees' service attitudes and behaviors are critical to the customers' impressions and consuming behavior. However, it is difficult to attract young frontline workers because of the lower wage structure and because the work value of the younger generation has been transformed in Taiwan's hospitality industry. This leads to higher labor turnover rate, and hotels employ cooperative education students, college or university interns, or part-time employees. Even though we see it is a reciprocal causation, it is a critical issue that hotels cannot rely on having full-time employees with organizational commitment to the hotels or creativity to accumulate human capital or knowledge advantages. Such a predicament has an impact on hotels with the risk of losing human capital. Hence, the impact of shared leadership on collective PsyCap, creativity, and organizational commitment is the primary issue examined in the present study.

2.1. Shared leadership

Tracing the evolution of the definition of leadership, leadership was conceptualized originally as an interaction within a group (Gibb, 1954). When group members willingly and spontaneously support shared goals and influence others to do the same through shared leadership, they increase their commitment to the organization through investing interpersonal and organizational resources in complex tasks, openly sharing mutual benefits with others, and sharing information. This commitment leads to enhanced competitive advantages for the organization (Katz and Kahn, 1978). Shared leadership in the present study is defined based on Carson et al. (2007) and Mathieu and Kukenberger (2016) that argued shared leadership is a process of interactive influence that distributes power and responsibility among group members to achieve group goals. However, shared leadership by its nature is a group asset that stems from the distribution of leadership influences across diverse team members. Furthermore, Carson et al. (2007), based on the concept of collective constructs (Morgeson and Hofmann, 1999), argued that shared leadership comprises three dimensions: shared purpose, social support, and voice and it is formed by individual group members who are committed to group activities. They influence the direction of the group, encourage, and support others. Through a series of interactions, the group members coordinate and share leadership responsibilities. In sum, shared leadership in this study emphasizes a kind of social structure that involves a value comprising shared purpose, social support, and voice within a group. Of course, leadership that is widely shared evolves and changes over time. Different members lead the team at different stages or times, resulting in shifts or changes to the shared leadership paradigm (Carson et al., 2007).

2.2. Collective psychological capital

According to Avolio and Luthans (2006), positive PsyCap can be viewed as answering the questions: "Who are you?" "What can you become in the team with positive development?" "What do you know?" "Who do you know?" and "What do you have?" Luthans et al. (2007) believed that four component dimensions of PsyCap have cognitive qualities and defined PsyCap as an individual's positive psychological state of development. The four dimensions are defined as (a) self-efficacy: possessing the confidence to strive for success in the face of challenges; (b) optimism: making positive attributions to present and future success; (c) hope: persevering toward goals, and when necessary, adjusting goals for success; and (d) resilience: possessing the ability to withstand setbacks and to find the will to continue in the face of failure. Past studies have examined individually these four dimensions but these four dimensions were not consolidated into one overall concept. After the concept of PsyCap was introduced, scholars have claimed that the combination of the four dimensions may be a more effective predictor of performance than any of the individual dimensions is because of the synergy among the dimensions (Luthans et al., 2007). Walumbwa et al. (2011, p. 6) referred to Bandura's (1997, 2006, 2008) work and defined the collective PsyCap as a *"group's shared psychological state of development that is characterized by efficacy, hope, optimism, and resilience."* Heled et al. (2016) also argued that psychological capital can be viewed as a team phenomenon. Therefore, collective PsyCap can be viewed as a synergy of the interaction and dynamic coordination between group members that comprises collective efficacy, collective optimism, collective hope, and collective resilience.

Regarding the relationship between leadership and PsyCap, based on Bandura's (2006) agentic theory, which postulates that leadership plays a role of collective interaction, shared leaders can analyze the internal and external information received and share this information with the group (Walumbwa et al., 2011). Scholars argued that the PsyCap of hotel salespersons and flight attendants was affected by the

present study.