



Triad of Employee Performance: Leadership, Organizational Support, and Well-Being

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This research explores the critical determinants of employee performance in the post-pandemic retail sector, focusing on empowering leadership, perceived organizational support, and employee psychological well-being. The study presents a comprehensive framework that clarifies the interaction between these constructs and their impact on employee performance. The results, obtained from a quantitative analysis using Partial Least Squares Structural Equation Modelling (PLS-SEM), reveal that while empowering leadership does not directly impact employee performance, it significantly influences employee psychological well-being, thereby indirectly affecting employee performance. In addition, perceived organizational support not only indirectly influences employee performance through its positive effect on employee psychological well-being but also has a direct positive impact on employee performance. Thus, both empowering leadership and strong perceived organizational support, are found to enhance employee performance, with employee psychological well-being playing a significant mediating role in these relationships. These findings offer valuable insights for the retail sector to navigate the evolving challenges in a post-pandemic world, providing a solid theoretical framework and practical strategies to enhance employee performance.

Keywords: *Employee Performance; Empowering Leadership; Perceived Organizational Support; Psychological Well-Being*



1. Introduction

Business landscape has undergone significant changes due to the worldwide COVID-19 pandemic. As a result, organizations have had to reassess their operational strategies and leadership methods in order to sustain productivity and enhance employee performance (Zhao et al., 2022). In particular, the retail industry has experienced a significant transformation in response to changing consumer behaviours, remote working dynamics, and fluctuating market conditions. In the retail industry, employees need to perform well to satisfy customers due to the frequent interactions between them. Retail sector also represents a diverse range of occupations, from front-line service staff to managers, each with unique work experiences and work pressure. According to McKinsey's 2020 Women in the Workplace study, it was found that 34 percent of employees in retail companies felt burned out during the pandemic, which was higher compared to other industries (McKinsey, 2020). This increase in burnout rates has drawn attention to the importance of understanding certain dynamics in the retail industry post-pandemic. In particular, the focus on Empowering Leadership (EL), Perceived Organizational Support (POS), Employee Psychological Well-Being (EPWB), and Employee Performance (EP) has become critical in enhancing various aspects of the retail sector. Elevating employee morale, improving customer service, and boosting overall business performance are the potential benefits of understanding these dynamics. As the retail industry undergoes transformations, the significance of empowering leadership, perceived organizational support, and employee psychological well-being has become even more apparent. These factors are now recognized as key determinants in shaping employee performance during the post-pandemic era. By acknowledging and addressing these elements, retail businesses have the capability to establish a favourable workplace atmosphere that nurtures both development and achievement. .

Empowering leadership has emerged as a central strategy to foster higher performance among employees (Ali et al., 2018; Kim et al., 2018). Leaders who entrust employees with decision-making autonomy, provide supportive resources, and communicate clear objectives can create an environment conducive to productivity (Arnold et al., 2000). Perceived organizational support, which is an essential factor, refers to the extent to which employees perceive themselves as valued and cared for by their organization. (Eisenberger et al., 2020). During the pandemic, employees' perception of their organization's commitment to their well-being significantly influenced their job satisfaction and performance (Oubibi et al., 2022). Nevertheless, questions remain regarding how this support is best expressed and the extent to which it enhances performance. Employee psychological well-being, a construct associated with life satisfaction, self-acceptance, and mental health (Ryff & Keyes, 1995), has come under severe strain during the pandemic. Maintaining a healthy psychological state in employees is critical, as research indicates its moderating role between work-life balance and job performance (Haider et al., 2018).

Nevertheless, there is a continuous conversation about the best approaches for companies to improve employee well-being and the exact ways in which it influences the connection between



POS, EL, and EP. The current research endeavours to resolve these unsettled issues. Drawing upon previous studies (Liu et al., 2023; Setyoko et al., 2022), this study proposes a comprehensive framework that encompasses EL, POS, and EPWB to unlock employee performance in the retail sector. The theoretical contradictions and insignificant findings observed in earlier research serve as the motivation to dig deeper into these constructs and their interrelationships.

This study examines the impact of empowering leadership and perceived organizational support on employee performance, giving special attention to how employee psychological well-being acts as a mediator. The aim is to provide insights that will aid organizations in strategizing effective leadership and support mechanisms that promote employee well-being, and consequently, optimize performance in the dynamic post-pandemic environment. By focusing on the retail industry, this research can provide valuable insights on managing workplaces in the post-pandemic era. The findings could guide retail organizations in creating an environment that boosts employee performance and overall success. Moreover, the lessons from this study could be applied to other industries facing similar challenges during this exceptional time.

2. Literature Review & Hypothesis Development

2.1 Empowering Leadership

Empowering Leadership is the ability of a leader to encourage autonomy and responsibility among team members, which may positively impact their motivation, job satisfaction, and performance (Arnold et al., 2000). Strong leaders empower their followers by sharing power and boosting their self-confidence (Kim et al., 2018). The presence of empowering leadership in management teams has a substantial impact on knowledge sharing, effectiveness, and overall performance (Srivastava et al., 2006). Moreover, (Liu et al., 2023) highlighted differential leadership styles, one of which is empowering leadership, having a strong impact on employee performance. Empowering leadership is also shown to foster employees' thriving at work, which in turn enhances their performance (Ali et al., 2018). Empowering leadership encompasses five distinct components, which are leading by example, participative decision-making, coaching, informing, showing concern/interacting with the team (Arnold et al., 2020)

2.2 Perceived Organizational Support

POS refers to how employees perceive the value placed on their contributions and the level of concern the organization has for their well-being. (Eisenberger et al., 2020). Research has shown a positive correlation between POS and employee performance (Pradhan & Jena, 2016). Additionally, POS greatly affects the well-being of employees (Roemer & Harris, 2018; Setyoko et al., 2022). (Oubibi et al., 2022) also highlights that POS can positively influence career satisfaction, which can ultimately lead to better employee performance. Perceived Organizational Support (POS) is categorized into four parts: emotional support, instrumental support, superior support, and coworker support (Li et al., 2023).



2.3 Employee Psychological Well-Being (EPWB)

Employee Psychological Well-Being, which refers to an individual's psychological adjustment and satisfaction with their work environment (Maziriri et al., 2019), has been identified as a key factor in enhancing employee performance (Pradhan & Hati, 2019). Furthermore, (Yan et al., 2020) have evidenced that psychological factors significantly influence both employee well-being and performance. Within the context of organizations, employee psychological well-being refers to the overall emotions and purposeful psychological state that individuals undergo during their work tenure (Robertson & Flint-Taylor, 2009). Employee Psychological Well-being encompasses four dimensions: psychological well-being, social well-being, workplace well-being, and subjective well-being (Pradhan & Hati, 2019).

2.4 Employee Performance

Employee Performance can be described as the successful completion of tasks, adhering to specific criteria of accuracy, completeness, cost, and speed (Pradhan & Jena, 2016). This multifaceted construct is further categorized into three main components: task performance, adaptive performance, and contextual performance, as identified by Pradhan and Jena (2016). Task performance entails meeting job-related responsibilities, while adaptive performance involves the ability to adjust and handle unforeseen challenges effectively. However, contextual performance involves voluntary actions that help the organization run smoothly and work well together.

According to Silaen et al., (2021), Aditya et al., (2022) and Suhendar et al., (2023), employee performance management is achieving organizational goals, enhancing productivity, supporting employee development, and fostering a strong relationship between leaders and employees. Expanding on the definition, Employee Performance encompasses the observable actions, outcomes, and behaviours undertaken by individuals to attain organizational objectives (Abdirahman et al., 2018). Such actions and results play a pivotal role in aligning employees' efforts with the broader goals of the organization. Furthermore, according to Viswesvaran and Ones (2000), they emphasize that employee performance is determined by the actions, behaviors, and outcomes displayed by employees. These directly contribute to and are linked with the goals of the organization. This comprehensive perspective highlights the significant impact that employee performance has on the overall effectiveness and success of an organization.

2.5 Hypotheses Development

Empowering Leadership – Employee Performance

When employees perceive their leaders as empowering, it's more probable that they will feel a sense of independence, competence, and meaningfulness in their tasks, leading to increased engagement and better performance (Ali et al., 2018). Further support for the link between empowering leadership and employee performance comes from additional findings by (Kim et al., 2018). Their study revealed a correlation between empowering leadership and higher levels of task performance. This suggests that when leaders empower their subordinates by delegating authority and providing support, employees tend to be more motivated and productive in their



roles. Additionally, (Srivastava et al., 2006) demonstrated that empowering leadership extends its impact beyond individual task performance to team performance. When leaders create an empowering environment that encourages open communication and idea-sharing, team members are more likely to exchange information and knowledge, leading to enhanced team efficacy and overall organizational performance. Based on the collective findings from these studies, it can be hypothesized that:

H1: Empowering Leadership (EL) has a positive effect on Employee Performance (EP).

Empowering Leadership – Employee Psychological Well-Being

Empowering leadership positively influences employee psychological well-being. When leaders display empowering behaviours, for example, creating a workplace that is both supportive and inclusive, valuing employee opinions, and providing opportunities for growth and development, employees experience higher levels of psychological well-being (Park et al., 2017; Suleman et al., 2021). Furthermore, empowering leadership plays a crucial role in promoting job well-being, particularly in challenging circumstances, suggesting that it can serve as a valuable resource during times of crisis (Nong et al., 2022). Additionally, the presence of empowering leadership has been found to be positively associated with workplace well-being (Edosomwan et al., 2023). Based on the above arguments and the collective evidence from the literature, the following hypothesis is proposed:

H2: Empowering Leadership (EL) has a positive effect on Employee Psychological Well-Being (EPWB).

Perceived Organizational Support – Employee Performance

When employees feel cared for and supported by their organization, through various means such as resource availability, fair treatment, and supportive management practices, they are inclined to show greater involvement and dedication to their tasks (Neves & Eisenberger, 2012). This, in turn, decreases the likelihood of counterproductive work behaviours and burnout, leading to enhanced overall performance and productivity (Vatankhah et al., 2017). Furthermore, when employees perceive their organization as supportive of their health, through initiatives such as wellness programs, flexible schedules, and supportive policies, it further strengthens their commitment to the organization and intent to remain with the company. This positive impact on employee commitment and job performance contributes to creating an environment where employees can thrive (Xiu et al., 2019). Employees generally show better job performance when they feel that their organization supports them. This happens because when employees think their organization appreciates and shows concern for them, they're more likely to put in extra effort and commitment into their tasks, which leads to better performance and higher productivity (Astuty and Udin, 2020). Based on the above arguments and the collective evidence from the literature, the following hypothesis is proposed:



H3: Perceived Organizational Support (POS) has a positive effect on Employee Performance (EP).

Perceived Organizational Support – Employee Psychological Well-Being

Higher levels of POS had a positive impact on the psychological well-being of volunteers, indicating that feeling supported and valued by the organization leads to greater well-being. This support was demonstrated through various means, including the provision of resources, recognition, and promoting a positive and inclusive organizational culture (Dekel et al., 2022). Also, when employees perceive high levels of support from their organization, such as fair treatment, recognition, and resources, they experience greater psychological well-being. This sense of support and care fosters a positive work environment, reducing stress and promoting better mental health (Aggarwal-Gupta et al., 2010). The role of a supportive work environment in fostering employee well-being, where workers feel acknowledged and appreciated, cannot be overstated. When organizations demonstrate concern for their employees' well-being and provide essential support, it favourably influences their holistic well-being (Roemer and Harris, 2018). Additionally, meaningful work experiences, as explored by (McGregor & Little, 1998), play a significant role in enhancing well-being as they fulfill various needs of employees. Furthermore, supportive actions from the organization, as highlighted by (George & Brief, 1992), contribute to employees' feelings of competence and self-worth, further enhancing their overall well-being. Based on the above arguments and the collective evidence from the literature, the following hypothesis is proposed:

H4: Perceived Organizational Support (POS) has a positive effect on Employee Psychological Well-Being (EPWB).

Employee Psychological Well-Being – Employee Performance

Well-being has been identified as a variable that influences job performance (Nangoy et al., 2018). In a systematic review, Warr and Nielsen (2018) explored the connection between well-being in the workplace and job performance, analyzing both individual and group levels. The results revealed that individuals and groups with higher well-being displayed better job performance compared to those with lower well-being levels. Furthermore, employees with higher well-being showcased improved job performance, suggesting the significance of their overall well-being in their capacity to adapt and perform effectively in a dynamically changing work environment (Nangoy et al., 2020). The connection between employee well-being and positive outcomes, including increased productivity, has been established in research (Oswald et al., 2015). As a result, organizations should prioritize the promotion and maintenance of their employees' well-being (Roemer & Harris, 2018). Based on the above arguments and the collective evidence from the literature, the following hypothesis is proposed:

H5: Employee Psychological Well-Being (EPWB) has a positive effect on Employee Performance (EP).



Mediating Roles of Employee Psychological Well-Being

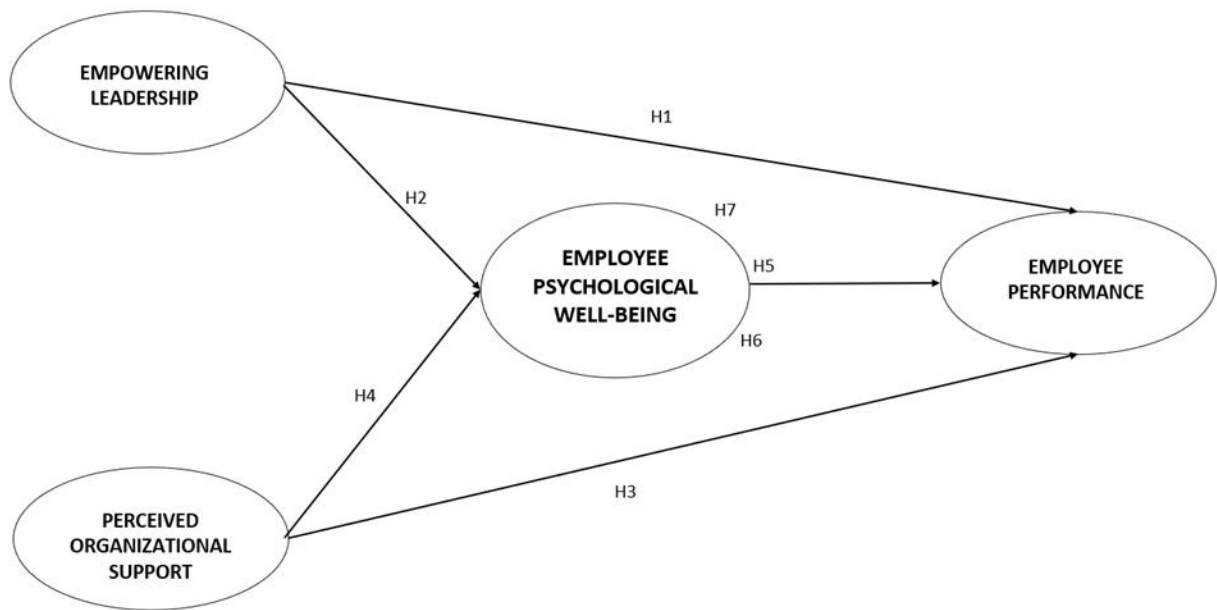
According to Pradhan & Hati (2019), employee performance holds huge significance for an organization as it directly influences the production of quality products or services. This, in turn, enables the organization to not only survive, but also remain competitive and progress toward achieving its objectives. Furthermore, (Setyoko et al., 2022) have emphasized the significance of employee performance's influence on the overall performance of the organization. (Ogbonnaya et al., 2018) and Pradhan & Hati (2019) propose that good individual performance does not occur spontaneously; rather, it can be influenced by various factors. Among these factors, well-being emerges as a significant driver. The level of well-being experienced by employees can vary depending on various influencing factors, and one such influential factor is perceived organizational support (POS). POS refers to how employees view the organization's regard for their efforts and well-being. George and Brief (1992) found that when an organization provides support to an individual, it signals that the organization values their accomplishments and has confidence in their ability to perform tasks successfully. This, in turn, boosts the individual's sense of competence and self-worth.

H6: Employee Psychological Well-being plays a mediating role between Perceived Organizational Support (POS) and Employee Performance (EP)

Also, in a study conducted by (Park et al., 2017), empowering leadership emerged as a key driver of well-being, leading to positive effects on individuals' work and overall life experiences through motivational pathways.. When employees encounter empowering leaders, they tend to have a positive workplace experience, leading to improved well-being. The discovery is further supported by (Edosomwan et al., 2023), who highlighted that empowering leadership promotes a sense of well-being in the workplace, leading to increased well-being levels among employees. Within educational environments, (Jiang et al., 2019) emphasized the significance of empowering kindergarten leaders, enabling them to fulfil the requirements of preschool teachers concerning involvement in decision-making, independence, and professional advancement. This empowerment not only motivates teachers but also increases their job satisfaction, consequently promoting higher job happiness. Furthermore, Warr and Nielsen (2018) carried out a methodical review that investigated the correlation between workplace well-being and job performance on both individual and group scales. Their thorough evaluation revealed that individuals and groups experiencing elevated levels of well-being tend to display superior job performance in contrast to those with lower well-being levels. Based on the above arguments and the collective evidence from the literature, the following hypothesis is proposed:

H7: Employee Psychological Well-being plays a mediating role between Empowering Leadership (EL) and Employee Performance (EP)

2.6 Research Model



3. Method

3.1 Population and Sampling

3.1.1 Population

We employed a quantitative analysis approach to examine the hypotheses formulated to assess this study. The study population comprises employees working in retail sectors located in the Greater Jakarta area, Indonesia

3.1.2 Sampling

As for the sample size, we determined the sample size according to (Hair et al., 2010) by multiplying the number of indicators and the number of latent variables with estimated parameters (Number of Variables (4) + Number of Indicators (48) x 5). We sent an online questionnaire to 260 respondents. The sample is selected using a convenience sampling method.

3.2 Data Measurement Method

In this study, we employed measurement tools previously validated by renowned researchers to assess critical aspects within the organizational context. To gauge Empowering Leadership behaviour, we utilized the measurement constructed and validated by (Arnold et al., 2000). This involved three items for each of the five factors, with respondents rating their experiences on a 5-point Likert scale, ranging from 1 (never) to 5 (always), to provide a comprehensive understanding of the frequency and extent of empowering leadership behaviours. Similarly, the measurement developed by (Li et al., 2023) was used to evaluate Perceived Organizational Support. This involved three items for each of the four factors, evaluated through a 5-point Likert



scale. Participants expressed their level of agreement or disagreement with each statement, and higher scores on the scale indicated a higher level of perceived organizational support, reflecting the extent to which employees felt supported by the organization.

To capture Employee Psychological Well-being, we adopted the measurement factors identified by Pradhan & Hati (2019). For each factor, three items were included, and respondents utilized a 5-point Likert scale to rate their well-being levels. The higher the scores on this scale, the greater the level of psychological well-being reported by the employees. Finally, for Employee Performance assessment, we drew on the measurement framework presented by Pradhan & Jena (2016), which encompassed three factors: Task Performance, Adaptive Performance, and Contextual Performance. For each of these factors, we incorporated three items and employed a 5-point Likert scale. The scores obtained from this scale provided a comprehensive evaluation of employee performance, offering an understanding of their proficiency across various aspects of their job. By utilizing these validated measurements from previous researchers and employing the 5-point Likert scale, we ensured a robust and integrated approach to data collection, enabling us to gain in-depth insights into Empowering Leadership, Perceived Organizational Support, Employee Psychological Well-being, and Employee Performance within the organizational context.

3.2 Data Analysis

The structured questions in this study are designed to gain a deeper understanding of the variables included, namely Empowering Leadership (EL), Perceived Organizational Support (POS), Employee Psychological Well-being (EPWB) and Employee Performance (EP). Respondents will be provided with a closed-type questionnaire method and will be requested to evaluate their level of agreement using a five-points Likert scale. The collected data will undergo analysis via measurement model and structural equation model using Partial Least Squares Structural Equation Modelling (PLS-SEM). Verification of the structural model using SmartPLS 4.

For initial validation, a 48-item questionnaire was adopted and conceptually classified into dimensions for each construct. Before testing our hypotheses, we evaluated the measurement model to ensure its reliability and validity. We conducted a Second Order confirmatory factor analysis (CFA) to examine the convergent validity of our construct measure. The average item for each dimension and the range of factor loading with minimum threshold of 0.5 were used to assess Convergent Validity. Then we examine the discriminant validity between constructs by obtaining results from the Fornell and Larcker. The requirement needed for this test if the variance captured by each construct is larger than 0.50 and larger than the squared correlation between constructs. To assess the reliability of the measurement model, we will use Cronbach's alpha values and composite reliability, with a threshold of 0.70 indicating strong reliability. When the values of the construct and its indicators are closer to the threshold, it provides substantial evidence of reliable and valid measurements.

4. Results

4.1 Respondent Profile

The questionnaire for this study was distributed online, and out of 275 returned responses, 207 questionnaires were valid for processing and analysis. In terms of gender distribution, the largest proportion of the sample were Female, representing 63% (n = 131), followed by male representing 37% (n = 76). When examining the education level, 56% (n = 117) of respondents had degrees, followed by 33% (n = 68) who had completed high school, 7% (n = 14) with a diploma, and 4% (n = 8) holding a Master's Degree. The working status of the respondents further revealed that the majority were permanent employees, comprising 56% (n = 116), with Contract Employees at 39% (n = 81), and other status such as Freelancers comprising 5% (n = 10).

Characteristics	Frequency	%
Gender		
Male	76	36.7%
Female	131	63.3%
Total	207	100.0%
Age Distribution		
21 - 30 years	97	46.9%
31- 40 years	84	40.6%
41 - 50 years	24	11.6%
> 50 years	2	1.0%
Total	207	100.0%
Level of Education		
High School	68	32.9%
Diploma	14	6.8%
Degree	117	56.5%
Master Degree	8	3.9%
Total	207	100.0%
Marital Status		
Single	96	46.4%
Married	106	51.2%
Others	5	2.4%
Total	207	100.0%
Position		
Staff	117	56.5%
Middle Management	67	32.4%
Divison Head above	23	11.1%
Total	207	100.0%
Working Tenure		
Less than 1 year	78	37.7%
1 - 2 years	39	18.8%
3 - 5 years	31	15.0%
5 - 8 years	28	13.5%
Above 8 years	31	15.0%
Total	207	100.0%
Working Status		
Permanent	116	56.0%
Contract	81	39.1%
Freelance/others	10	4.8%
Total	207	100.0%

Table 1. Sample Demographic Characteristics

4.2 Descriptive Analysis

		Statistics			
		EL	POS	EPWB	EP
N	Valid	207	207	207	207
	Missing	0	0	0	0
Mean		3,9794	3,8901	4,1467	4,2185
Median		4,0667	3,8333	4,1667	4,2222
Mode		4,00	5,00	5,00	4,00
Std. Deviation		,72189	,65635	,54958	,53840
Variance		,521	,431	,302	,290
Skewness		-,867	-,126	-,304	-,210
Std. Error of Skewness		,169	,169	,169	,169

Table 2. Descriptive Analysis

The data shows information about 207 respondents, focusing on four areas: Empowering Leadership (EL), Perceived Organizational Support (POS), Employee Psychological Well-Being, and Employee Performance (EP). Empowering Leadership (EL): On average, respondents rated leadership 3.97 out of 5, but the ratings varied quite a bit, with some rating it as 4 and others much lower. Perceived Organizational Support (POS): This also averaged around 4 (3.89), with some rating it as high as 5. Employee Psychological Well-Being (EPWB): Employees felt slightly better about their well-being at work, with an average rating of around 4.15. Employee Performance (EP): Performance was rated the highest on average, at about 4.22. The ratings for all four areas tend to be on the higher side, but there are some differences among individual employees. The most common rating for all four areas was 4 and 5, but leadership had a wider spread of ratings, meaning people's opinions on leadership varied more. The data also shows that most ratings are above the average, with fewer low ratings. Overall, the employees seem to feel positively about these areas, but there are some differences in opinion, especially regarding leadership.

4.3 Evaluation of Measurement Model

Measurement model assessment is performed through a CFA to determine validity and reliability. Table 3 shows the outer loading matrix of individual items, AVE and Cronbach's alpha. A further analysis based on Table 3 reveals outer loading > 0.5 and there were seven invalid indicators (EL1, EPWB2, EPWB3, EPWB4, EPWB6, EPWB11, EPWB12). The 7 invalid indicators were deleted and removed to improve this research model. The result provided in Table 3 shows that AVE of each variable was above 0.5 and Cronbach's Alpha above 0.7 with lowest Cronbach's alpha (0.845) to the highest (0.954).

To measure Discriminant Validity, Table 4 using Fornell Larcker criterion. It shows the square root of each construct's AVE is greater than the value of its bivariate correlation.

Because the AVE was above 0.5 and Cronbach's Alpha above 0.7, they met the required threshold and the construct indicated good convergent validity and reliability. Table 4 also indicates that

all variables in this study meet the requirement of discriminant validity. Figure 1 shown calculation result for outer model.

Constructs	Code	Indicators	Outer Loading	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Empowering Leadership (EL)	EL2	Sets a good example by the way he/she behaves	0.836	0.954	0.957	0.959	0.627
	EL3	Leads by example	0.840				
	EL4	Encourages work group members to express idea/suggestions	0.785				
	EL5	Listen to my work group's idea and suggestions	0.737				
	EL6	uses my work group's suggestion to make decision that affect us	0.643				
	EL7	Helps my work group see areas in which we need more training	0.795				
	EL8	Teaches work group members how to solve problem on their own	0.769				
	EL9	Pay attention to my work group's effort	0.867				
	EL10	Explains company goals	0.785				
	EL11	Explains the purpose of the company's policies to work group	0.791				
	EL12	Explains rules and expectation to my work group	0.733				
	EL13	Finds time to chat with work group members	0.773				
	EL14	Takes the time to discuss work group member's concern patiently	0.849				
	EL15	Show concerns for work group member's success	0.853				
	Perceived Organizational Support (POS)	POS1	the organization care about my welfare				
POS2		the organization cares about my personal development	0.795				
POS3		the organization cares about my personal feeling	0.681				
POS4		The organization will try its best to provide me with a good working environment and facilities	0.732				
POS5		The organization will try its best to provide me with the staff and information support I need to do my job	0.791				
POS6		The organization will make every effort to provide me with the training or related support I need to do my job	0.732				
POS7		my supervisors are willing to listen to the problems I encounter at work	0.805				
POS8		my supervisors care about my welfare	0.781				
POS9		I get help from my supervisor when I am in trouble	0.728				
POS10		my coworkers are willing to listen to the problems I encounter at work	0.606				
POS11		my coworkers are very helpful to me in my work	0.643				
POS12		my coworkers are willing to help when I am in trouble	0.630				
Employee Psychological Well Being (EPWB)	EPWB1	I understand the expectation from me.	0.672	0.845	0.852	0.886	0.567
	EPWB5	I love to spend time with my teammates	0.682				
	EPWB7	I am quite satisfied with my job	0.739				
	EPWB8	I enjoy meaningful work	0.818				
	EPWB9	My workplace is very conducive.	0.789				
EPWB10	Mostly I feel happy	0.804					
Employee Performance (EP)	EP1	I used to maintain high standard of work	0.713	0.903	0.907	0.921	0.566
	EP2	I am capable of handling my assignments without much supervision	0.685				
	EP3	I used to complete my assignments on time	0.769				
	EP4	I can handle effectively my work team in the face of change	0.835				
	EP5	I am very comfortable with job flexibility	0.747				
	EP6	I use to cope well with organizational changes from time to time	0.806				
	EP7	I love to handle extra responsibilities	0.736				
	EP8	I used to maintain good coordination among fellow workers	0.759				
	EP9	I used to extend help to my co-workers when asked or needed	0.707				

Table 3. Measurement Scales

	EL	EP	EPWB	POS
EL	0.792			
EP	0.460	0.752		
EPWB	0.586	0.738	0.753	
POS	0.778	0.562	0.672	0.725

Table 4. Fornell Larcker

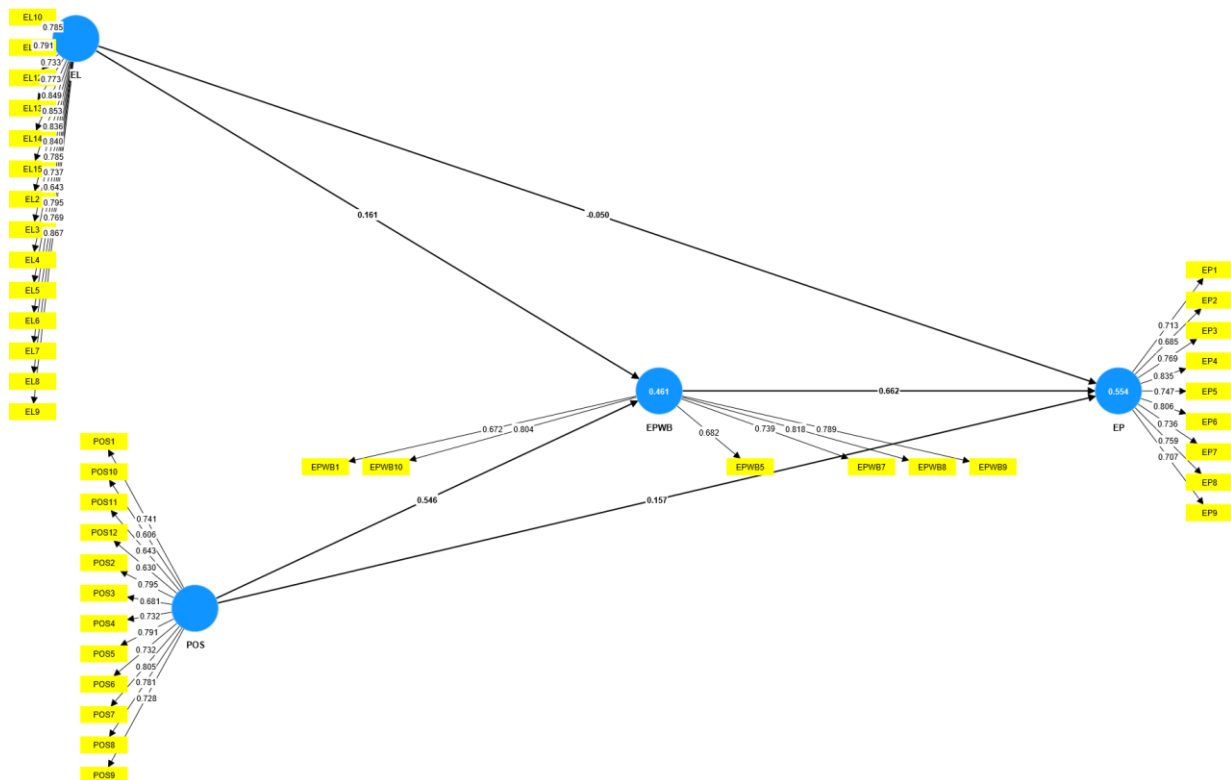


Figure 1. Outer Model Diagram Result

4.4 Evaluation of Structural Equation Model

Partial Least Squares Structural Equation Modeling (PLS-SEM) was adopted to construct the Structural Model and it was performed using SmartPLS 4.0 with bootstrapping technique. In the structural model, R^2 values obtained for Employee Psychological Well Being ($R^2 = 0.461$) and Employee Performance ($R^2 = 0.554$) were larger than 0.3 and considered moderate. Prior to testing the hypotheses, the VIF were determined and the result in Table 5 shows VIF for latent variables is under 3.3 and meets the requirement for non-collinearity between the variables.

The Hypothesis was shown in Table 6. The result showed that Empowering Leadership was not significantly related to Employee Performance ($\beta = -0.050$; $p = 0.238$) which does not support H1. However, Empowering Leadership was positively and significantly effect to Employee Psychological Well Being ($\beta = 0.161$; $p = 0.023$), supporting H2. Perceived Organizational Support positively and significantly effect to Employee Performance ($\beta = 0.157$; $p = 0.032$) and

Employee Psychological Well Being ($\beta = 0.546$; $p = 0.000$), supporting H3 and H4. In addition, Employee Psychological Well Being also had positively and significantly effect to Employee Performance ($\beta = 0.662$; $p = 0.000$), supporting H5.

Examination of Mediating Effect

Employee Psychological Well Being in the model can be regarded as a mediating variable. To test the mediating role of Employee Psychological Well Being in the model, a bootstrapping procedure was applied to the structural model. Result indicated in Table 6 shows indirect effect of Employee Psychological Well Being is supported, which supports H6 and H7. According to the Table, Perceived Organizational Support and Employee Performance through Employee Psychological Well Being was found significantly and positive ($\beta = 0.362$; $p = 0.000$). This study also reveals Empowering Leadership and Employee Performance through Employee Psychological Well Being was found significantly and positively ($\beta = 0.106$; $p = 0.028$). Employee Psychological Well Being plays significant mediation roles between Empowering Leadership and Perceived Organizational Support to Employee Performance.

Figure 2 shown Calculation result for Inner Model.

	EL	EP	EPWB	POS
EL		2.583	2.535	
EP				
EPWB		1.856		
POS		3.089	2.535	

Table 5. Inner Model Collinearity

Construct	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Result
Empowering Leadership -> Employee Performance	-0.050	-0.053	0.071	0.713	0.238	Rejected
Empowering Leadership -> Employee Psychological Well Being	0.161	0.157	0.081	1.989	0.023	Accepted
Perceived Organizational Support -> Employee Performance	0.157	0.16	0.084	1.857	0.032	Accepted
Perceived Organizational Support -> Employee Psychological Well Being	0.546	0.555	0.079	6.938	0.000	Accepted
Employee Psychological Well Being -> Employee Performance	0.662	0.666	0.066	10.075	0.000	Accepted
Perceived Organizational Support -> Employee Psychological Well Being -> Employee Performance	0.362	0.369	0.062	5.813	0.000	Accepted
Empowering Leadership -> Employee Psychological Well Being -> Employee Performance	0.106	0.105	0.056	1.911	0.028	Accepted

Table 6. Path Coefficient

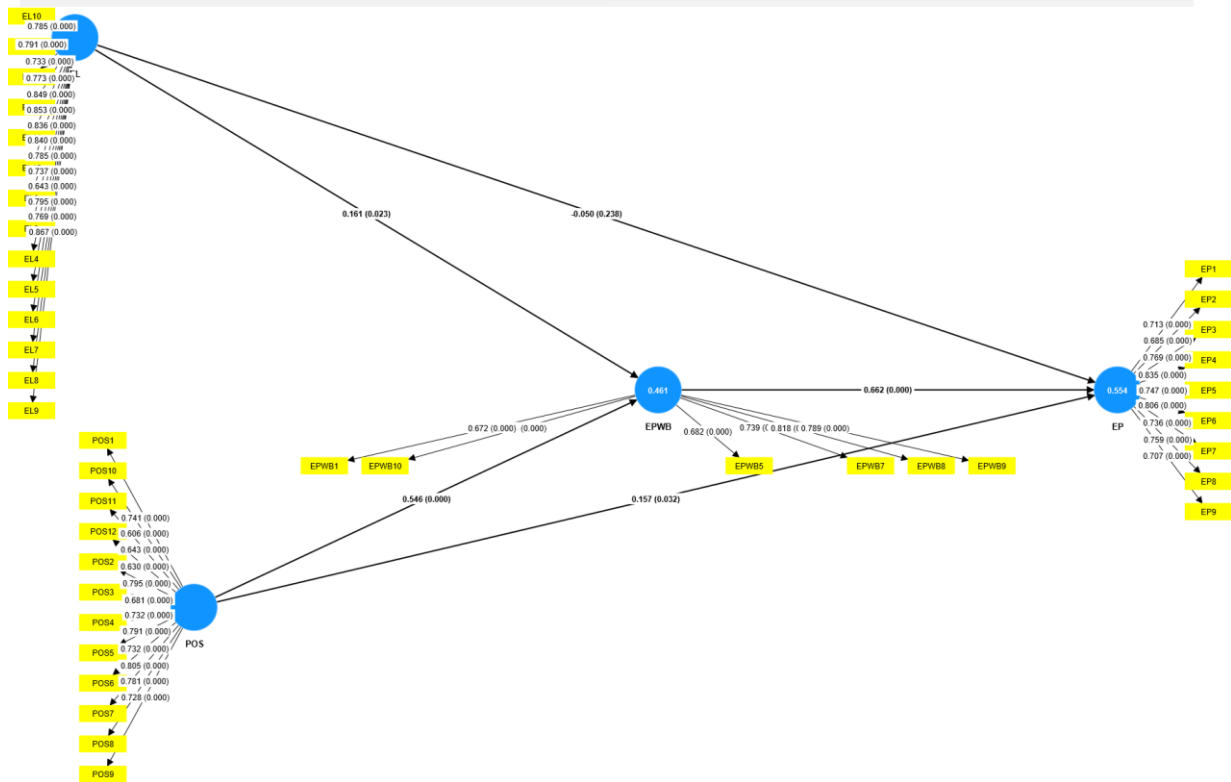


Figure 2. Inner Model Diagram Result

4.5 Discussion

The findings of this study offer valuable insights into the dynamics of employee performance in the retail sector, particularly in the post-pandemic era. The first hypothesis (H1) proposed that Empowering Leadership (EL) would have a positive effect on Employee Performance (EP). The results did not support this hypothesis. This finding differs from the existing literature that associates empowering leadership with improved employee performance (Srivastava et al., 2006; Ali et al., 2018; Kim et al., 2018). The context of the study - the post-pandemic retail sector - might have influenced the results, empowering leadership alone may not be sufficient to enhance employee performance. The pandemic has drastically changed the work environment and dynamics, and the impact of leadership styles might have evolved accordingly.

However, the second and third hypotheses (H2 and H3) were supported, demonstrating that both EL and POS positively affect EPWB. This aligns with the findings of (Park et al., 2017; Suleman et al., 2021; Neves & Eisenberger, 2012; Vatankhah et al., 2017), and underscores the importance of both empowering leadership and organizational support in maintaining and enhancing employees' psychological well-being, particularly in the challenging post-pandemic environment. Interestingly, the fourth hypothesis (H4) was also supported, showing that POS has a positive effect on EP. This finding, consistent with the research by (Dekel et al., 2022; Aggarwal-Gupta et al., 2010), emphasizes the role of perceived organizational support in boosting employee performance. This suggests that when employees feel valued and supported



by their organization, they are more likely to perform better. The fifth hypothesis (H5) further reinforced the importance of mental health in the workplace, showing that EPWB positively affects EP. This is in line with the findings of (Nangoy et al., 2018) and Warr & Nielsen (2018), and suggests that employees' psychological well-being is a key driver of their performance.

The study's findings emphasize the indirect impact of empowering leadership on employee performance through the enhancement of employee psychological well-being. This means that empowering leadership could improve the psychological state of employees, which then boosts their performance. This indirect effect might be the reason why there wasn't a significant direct relationship between empowering leadership and performance in this study. This detailed understanding of empowering leadership's role in the post-pandemic retail sector offers a new viewpoint and highlights the need to consider indirect effects when studying leadership's impact on performance. Additionally, the study confirmed the sixth and seventh hypotheses (H6 and H7), showing that employee psychological well-being (EPWB) is a key mediator in the relationships between perceived organizational support (POS) and employee performance (EP), and between empowering leadership (EL) and employee performance (EP). This aligns with previous research (Pradhan & Hati, 2019; Setyoko et al., 2022; Park et al., 2017; and Edosomwan et al., 2023). These results imply that to improve employee performance, efforts should not only focus on providing organizational support and empowering leadership but also on fostering employees' psychological well-being.

In conclusion, the study's findings highlight the importance of psychological well-being and perceived organizational support in enhancing employee performance in the post-pandemic retail sector. While empowering leadership does not directly impact performance, it does contribute to employees' psychological well-being, which in turn boosts their performance. These findings have significant implications for retail organizations, suggesting that strategies aimed at improving employees' psychological well-being and perceived organizational support could be key to enhancing performance in the post-pandemic era. This comprehensive understanding of the interplay between EL, POS, EPWB, and EP provides a valuable framework for future research and practical interventions in the retail sector.

5. Future Research and Limitation

This study, while providing valuable insights into the determinants of employee performance in the post-pandemic retail sector, has several limitations that offer opportunities for future research. The cross-sectional nature of the study limits the ability to identify causal relationships, suggesting the need for future longitudinal studies to track these relationships over time and establish potential causal mechanisms. The study's context, the post-pandemic retail sector, might limit the relevance of the findings to other sectors or contexts. Future research could explore these relationships in different sectors and contexts to enhance the applicability of the findings. The study did not consider potential moderating variables, such as individual differences among employees or specific characteristics of the work environment, which might



influence the relationships between the variables. Additionally, gender and education level could be introduced as important moderating variables in future research. These variables may significantly influence how the determinants of employee performance operate within distinct demographic groups. Future research could explore these moderating variables to provide a more comprehensive understanding of these relationships.

The unexpected finding regarding the relationship between empowering leadership and employee performance suggests the need for further exploration of leadership styles in the post-pandemic work environment. Future studies could explore deeper into the impact of different leadership styles on employee performance in this new context. Additionally, given the significant indirect effects found in this study, future research could explore other potential mediating variables that might influence the relationship between empowering leadership, perceived organizational support, employee psychological well-being, and employee performance. Finally, to complement the quantitative findings of this study, future research could employ qualitative methods to gain a deeper, more thorough understanding of employees' experiences and perceptions. These prospective research directions could further enhance our understanding of employee performance in the evolving post-pandemic work environment.



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