Impact of Structural Empowerment and Employee Engagement on Adaptive Performance: The Mediating Role of Knowledge Hoarding

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ABSTRACT

In the most recent times, due to the worldwide pandemic situation, business organizations are confronting with different work environments, and working in the organizations is different from the previous time. Nowadays, the demand for adaptive workers has augmented, and it is compulsory for employees to adapt well to the modifications. In this rapidly changing and volatile work environment, the current research investigates the impact of structural empowerment (SE) and employee engagement (EE) on employee adaptive performance (AP). This study aims to have an empirical investigation of the mediating role of knowledge hoarding on adaptive performance in the dominant context of engaged and empowered employees. The purpose of this research is to test a theoretical model linking employee engagement and workplace empowerment to the employees’ adaptive performance through a mediation mechanism of knowledge hoarding in the growing environment of the services sector of Pakistan. Descriptive, correlation and regression analyses were run to analyze the data. Tools of ADANCO 2.2.1 and SPSS 23 were applied to perform data analysis. To measure and explain the proposed model, well-established scales are adopted. The outcomes of this research study show that structural empowerment (SE) and EE statistically impact adaptive performance (AP) and improve it. However, EE and SE incline to undermine KH. While knowledge hoarding also statistically mediates the relationship between both exogenous variables of the study. Overall results offer significant understandings and repercussions to suggest a practical framework to enhance workers' performance (AP).

Keywords: Employee engagement, Structural empowerment, Knowledge hoarding, Adaptive performance

1. INTRODUCTION

As the work setting or environment turn out to be more turbulent, workers’ capacity to handle difficulties and emergencies, absorb or adjust quickly, and resolve new complications become mandatory abilities and talents (Charbonnier-Voirin & Roussel, 2012). Perspectives of the prior studies on the work performance of the employees have not apprehended the broad range of individual behaviours that add to the effectiveness of the job in an interdependent and uncertain environment (Murphy & Jackson, 1999; Campbell et al., 1993). Consequently, adaptive performance, well-defined as workers’ competency to rapidly adapt with the fluctuating work conditions (Hesketh & Neal, 1999), has attained more attention of the researchers in the respective field better to understand the vigorous nature of performance in the existing promptly varying work setting (e.g., Hesketh & Neal, 1999; Allworth & Hesketh, 1999; Pulakos et al., 2002). The adaptive performance reveals the prerequisite to openly report the adaptability of the employees to the variations or changes in the work setting or organizational environment. Adaptive performance can expedite favourable positive outcomes such as career success and higher performance capability at the individual level (Shoss et al., 2012; Griffin et al., 2007). Adaptive performance of the employee can also lead to favourable outcomes at the organizational level, which comprises of learning, managing change, and adjusting with the varying consumer expectations (Dorsey et al., 2010). Even though the numerous studies on the adaptability from different areas on this perspective have increased in the past few years (Pulakos et al., 2002), we have found the need to examine it from different and diverse perspectives. Different terms used for the adaptive performance of the employees (e.g. adaptability, agility, flexibility, and adaptive behaviour) instigating misperception for readers. Further, no integrative analysis described contextual and individual variables’ effects on employees ‘adaptive performance through an effective process. The present research aims to fulfil this gap, and we need to apply the findings of this study to work for organizations so that we can develop or enhance the adaptive performance of the employees because
adaptability is the absolute requirement for the current turbulent business and world environment. In human resource development, the adaptive performance of the employee should be a significant topic because workers’ adaptive behaviour has become tremendously crucial. Organizations need to develop and enhance the adaptive performance of the employees in addition to their routine performance. Researchers or intellectuals also need to give consideration to adaptive performance as a comprehensive conception of customary performance, which incorporates the varying contemporary work or corporate environment. As adaptive performance denotes the capability of an individual to change his/her behaviour to fulfil the demands of a new changing environment, it is considered a relevant concept for organizations that face exclusively complex, unpredictable and irregular business conditions.

Numerous studies were started to classify the specific adaptive performance predictors in the business after seeing the importance of the adaptive performance of employees in improving organizational efficiency and effectiveness. In this regard, Sonnentag et al. (2008) point out that the concept of adaptive performance, irrespective of being significant, it demands more attention, when associated with different performance constructs such as task and contextual performance, merely minute consideration was given to the performance in terms of adaptability of the employees. Till today, few researched factors or facets of adaptive performance comprise cultural intelligence, cognitive ability in general terms, prior experience, personality traits, leader-member exchange, and transformational leadership, among others. Nevertheless, still, many predictors remain undiscovered, mainly with respect to the specific job attitudes that may help to predict the adaptive performance of the employee. The key purpose of the current research is to lengthen the literature on the adaptability of the employees by investigating the feasible impact of structural empowerment (e.g. job autonomy, access to job resources) and employee engagement in predicting employees’ adaptive performance

2. LITERATURE REVIEW

Initially, the employee performance conceptualization was comprised of two dimensions contextual and task performance. With the passage of time, abrupt changes in the work conditions make it obligatory for the employee to show adaptability (performance) (Chen et al., 2005). These changes in the organizational work process headed to the extension of the hypothetical model of employee’s performance to incorporate another facet (dimension) named adaptive performance (Allworth & Hesketh, 1999). Burke et al. (2006) argued that in order to operate effectively, current work situations now require workforces to adjust to the varying demands and prospects of the organizations, given that the scholars recognized adaptive behaviour as another essential dimension of performance that needs more consideration. In the context of the organization, adaptive performance means the degree or level to which a worker adjusts to diverse alterations in their job environment or role so as to encounter the demands of their environment or organization, new situations or events that may take place at their workplace (Pulakos et al., 2000).

Various studies had examined the antecedents of adaptive performance, but the impact of job attitude and structural empowerment as forecasters or dimensions that can assist employee adaptability was very limited. Therefore, this research on the probable role of empowerment structures in impelling AP of the employees through the process of job attitude (EE) became imperative. To efficiently survive with changing workplace demands from their business organization, employees must need adequate support in the form of opportunity, autonomy, job resources, and power that can endure the workers’ determinations to achieve adaptability magnificently. Battistelli et al. (2013) investigated that employees with a higher level of empowerment are more likely to show high adaptability and increased performance in the workplace, as they observed a work setting that helps to achieve change-oriented strategies. While jobs with low levels of empowerment usually diminish employees’ adaptive performance and creativity, suggested by the literature (Sonnentag et al., 2008). According to Parker et al. (2006), higher job empowerment leads to higher adaptive performance. Frese et al. (2007) advocated that when workforces have access to control their work condition (support, power, resources, autonomy, and opportunity), they exhibit more adaptability by being adjustable to unpredicted circumstances.
2.1. Employee Engagement and Adaptive Performance

According to Kahn (1990), a job with self-investment, passion, dedication, and energy is related to employee engagement, which enhances job performance in both roles (extra-role and in-role performance). Engagement is a part of the motivational aspect. Thus, it is associated with intensity and persistency to lead employee’s performance (Burke, 2008). Employees with high levels of engagement are found to be motivated and dedicated to their particular tasks. Consequently, it is expected that engagement has a significant positive relationship with performance (task). According to the study conducted by Fidyah et al. (2020), engagement of the employees is significantly and positively impacts the performance of the employees. Further, it is argued that work engagement has various similarities and characteristics while assessing employee performance. Whereas previous studies have widely supported this feature, Dahani (2015) claimed that the employee engagement and performance of the employees relate with each other significantly. Furthermore, Al-Dalahmeh et al. (2018) discovered that there is a positive association between performance and employee engagement. Moreover, Bakti (2016) also investigated a positive and significant relationship between both EE and performance. Van Wingerden et al. (2018) claimed that employee engagement is the crucial process through which performance and resources relate with each other. In addition to this, Hameduddin et al. (2019) discussed that global administrative developments are being implemented with the purpose of improving employee engagement, leading to enhanced organizational performance. However, in unpredicted and uncertain situations, the ability to endure quickly shows employees' dedication towards improved performance (Haynie et al., 2020). Employee engagement is also an indicator of an employee’s willingness to demonstrate flexible behaviour in order to help the employer (Erickson, 2005). So, prior research outcomes found that engagement has a significant relationship with behaviour and performance (Judge & Ilies, 2002). According to Bakker et al. (2008), the main concerns regarding behaviour and engagement are still not well addressed. Furthermore, even though past literature has shown the crucial relationship between performance and employee engagement nevertheless, only a few studies have examined how employees adapt to abrupt work conditions and which processes of employee engagement can lead them to higher performance (Jundt et al., 2015). Thus, in the context of the current business world services sector need adaptive or flexible behaviours of the employees to cope up with any uncertain situations.

Regardless of the renowned concept of work engagement and its capability to provide highly positive performance outcomes, there still exists a dearth of empirical investigation on this concept (Saks, 2006). Bakker and Demerouti (2008) said that only limited quantitative and qualitative studies investigate the relationship between EE and performance. Therefore, there is a necessity to conduct a pragmatic study to test the relationship in the perspective of diverse workplaces (Kim, Kolb & Kim, 2012), including the hastily growing services sector. Consequently, the present study must be done to extend the existing literature and improve the current knowledge by probing the relationship between EE and AP from the perspective of the services sector (education, telecommunication, health, and banking).

Hypothesis 1: Employee engagement will show a significant positive relationship with employee’s adaptive performance.

2.2. Structural Empowerment and Adaptive Performance

There was a transformation in the organizational landscape from the beginning of the 21st century. Whereas in this transformation, employee empowerment has been a key ingredient (Forrester, 2000). Several researchers have been advanced and developed the concept of empowerment (Hui, 1994; Chebat & Kollias, 2000; Thomas & Velthouse, 1990; Hartline & Ferrell, 1996; Spreitzer, 1995, 1996; Conger, 1989). Most of the prior research validated that an important and crucial driver of organizational effectiveness is empowerment; similarly, researchers and practitioners recognized it as a concept necessitating advance inquiry (Kanter, 1989; Thomas & Velthouse, 1990; Spreitzer, 1995). The theory of structural empowerment by Kanter (1977, 1993) proposes that structural factors within the work organization have a great impact on employee work behaviours and attitudes (Laschinger et al., 2009a). However, workers in organizations with empowerment structures have greater responsibility and authority for their work than they would have in the traditional work setting (Conger & Kanungo, 1988). Empowerment is believed to enhance employees’ motivation, expose their potential, let them be more amenable and adaptive to their work setting, and minimize organizational hurdles that slow
responsiveness (Spreitzer, 1995, 1996; Forrester, 2000). Empowered employees are flexible to the rapidly changing work conditions, highly motivated, have a voice, and are more committed to their work and organizational goals (Yang et al., 2017). Huntsman et al. (2021) claimed that autonomy, support from senior leaders, and development opportunities improve adaptive performance and further explained that empowered employees are better able to improvise, overcome fatigue, and can handle stress during complex events. In contrast, every empowerment dimensions contribute to and improve adaptive performance. Unfortunately, empowerment benefits are not recognized always, and the deterring factors appear to be more accredited to disasters of implementation (Ford & Fottler, 1995). Adaptability is possibly one of the essential employee characteristics. According to Scott and Bruce (1994), empowered workforce have more flexibility and can more enthusiastically adapt their organizational strategies in real-time as surroundings deserve than can non-empowered employees. The relationship of empowerment and adaptability has received specific empirical support with respect to empowerment (Chebat & Kollias, 2000) and timid empirical support with respect to decision making and autonomy (Scott & Bruce, 1994; Niehoff et al., 1990). Rousseau and Aub’e (2020) described that empowerment structures provide access to specific skillsets and knowledge to make effective improvisation decisions during turbulent situations. Prior studies indicate that empowerment structures contribute to a number of positive organizational and individual outcomes. For instance, positive individual outcomes of empowerment comprise improved employee commitment, increase performance, and adaptability, besides higher job satisfaction and employee morale (Saifullah et al., 2015). While, according to Harcourt and Ateke (2018), positive organizational outcomes consist of better organizational performance, flexibility, and resilience. However, very limited research is available on the empowerment practices which tend to boost adaptive performance in response to any turbulent situation (Huntsman et al., 2021), which business organizations are confronted nowadays due to the Covid-19 pandemic, growing responsibilities, and some complex threats. Accordingly, this research focuses on the impact of structural empowerment and employee engagement on adaptive performance, as mediated by knowledge hoarding. Whereas past research further validated that high levels of adaptability are associated with greater performance and satisfaction (Hartline & Ferrell, 1996; Chebat & Kollias, 2000; Weitz et al., 1986). In view of that, we advanced the following hypothesis.

Hypothesis 2: Structural employee empowerment will exhibit a significant positive relationship with employee’s adaptive performance.

2.3. KNOWLEDGE HOARDING AND ADAPTIVE PERFORMANCE

Knowledge hoarding has been well-defined as a worker's insight that her/his knowledge is actually a private intellectual capital, and thus she/he withholds that capital or simply refuses to share it with others in the working environment. Knowledge hoarding is a separate concept, and it differs from related constructs of knowledge hiding and counterproductive workplace behaviour (Jabeen et al., 2020). Knowledge hoarding focuses on the accumulated knowledge not required essentially by the other persons (Webster et al., 2008; Jabeen et al., 2020). Specifically, knowledge hoarding is a negative aspect of knowledge management (Holten et al., 2016). The positive influence of knowledge management on employee creativity and performance is no longer a mystery. Yet, the mediating role of knowledge hoarding remains mostly unidentified in different contexts or relationships. Hence, the current study aims to investigate the mediating role of knowledge hoarding on the effect of employee engagement and empowerment on adaptive performance. Al-Abbadi et al. (2020) investigated that knowledge hoarding has a statistically significant and negative impact on flexible or situational performance. In comparison, Almahamid et al. (2010) indicated that there is a statistically significant relationship between knowledge sharing and employees’ adaptability, and it also draws the attention towards the extraordinary role of knowledge sharing in warranting a high level of adaptability of the employees to deal with vivid, unexpected, and unpredicted environmental variations. Now a day’s business world is constantly changing. To flourish in uncertain conditions, work organizations should use this uncontrolled and stormy environment as an opportunity rather than a threat. Work organizations need to adapt rapidly to new uncertain situations. Knowledge hoarding, opposite to knowledge sharing, is an important factor that negatively relates to the adaptability of employees and organizations in response to the quickly changing business environment and which affects creativity, innovation, and improvisation adversely. However, in the current study, we considered knowledge hoarding, which we assume is negatively related to the adaptive behaviour of the employees. So far,
up to the best of our knowledge, there have been no pragmatic studies that link knowledge hoarding practices as a mediator to employees’ adaptability.

Hypothesis 3: Knowledge hoarding has a significant negative relationship with employee’s adaptive performance.

Hypothesis 4: Knowledge hoarding mediates the relationship between work engagement and adaptive performance.

Hypothesis 5: Knowledge hoarding mediates the association between structural empowerment and adaptive performance of the employee.

### Conceptual Framework

![Conceptual Framework](image)

**Figure 1:** Conceptual model

### 3. RESEARCH METHODOLOGY

To fulfil the objectives of the study and to carry out the data analysis with a large sample size, a positivistic research methodology is adopted. Positivist paradigm is chosen for this quantitative research design, as in this paradigm of the research, the role of the researcher is constrained to the data collection and analysis in an unbiased or objective way. The research model showed in figure 1, depicting hypothesized relationships of the study, aimed to examine the relationship between structural empowerment (SE), employee engagement (EE), knowledge hoarding (KH), and adaptive performance (AP).

#### 3.1. SAMPLE AND POPULATION

This study was conducted in four sub-sectors from the (overall) services sector of Pakistan. The area included telecommunications (Jazz, Warid, Telenor, Zong, and Ufone) education sector, which consisted of Universities (private, public and Semi Govt.), banking sector consisted of Banks (UBL, MCB, ABL, NBP, and HBL) and Health (private and public hospitals). Data were collected from key respondents of the study from the services sector employees who are working in different cities of Pakistan. Due to resources and time constraints, 350 respondents were investigated for this research.

##### 3.1.1. Sampling

A convenience sampling technique of non-probability sampling is used for this research because of time, ease of accessibility, and cost-effectiveness.

##### 3.1.2. Data collection

The principal data collection instrument was a structured questionnaire. Data collection was carried out through the distribution of questionnaires to the respondents of the study. The number of questionnaires distributed was (550), and (350) were the valid responses for the analysis, with a response rate of 63.6%. A cross-sectional data technique was used to test hypotheses and is normally considered the most suitable method. However, for data analysis, tools of ADANCO 2.2.1 and SPSS 22 were applied.

##### 3.1.3. Measures

Measurements used in the current research to estimate constructs are divided into five (5) parts. After demographics first part of the instrument consist of employee engagement, which was measured through Utrecht-Work-Engagement-Scale (UWES) by Schaufeli et al. (2006). The second part of the research instrument consists of the structural empowerment scale by Laschinger et al. (2001). Knowledge hoarding measurement...
scale by Muhenda and Lwanga (2014) is used for this study which encompasses the third part of the questionnaire. Adaptive performance measure was adopted from Koopmans et al. (2013), which comprises of last part of the questionnaire.

3.1.4. Data analysis

First, the author authenticated or validated the hypothesized measurement model, comprising of employee engagement, structural empowerment, knowledge hoarding, and adaptive performance with the help of confirmatory factor analysis (CFA). Subsequently, structural equation modelling (SEM) was used for hypothesis testing.

4. RESULTS

Demographics of the current study were calculated by using SPSS, which shows 350 total responses as a sample size. Which comprises of majority of 64.3% (225) male respondents as compared to the 35.7% (125) of the female respondents. The respondents in age group of 40-49 are 4.3% (15), 30-39 are 21.1% (74), and 20-29 years are 74.6% (261) respectively. According to the job position, non-managerial respondents are 219 with a high percentage of 62.6%, while other 131 respondents comprising 37.4% are having managerial positions. For the work experience, 116 respondents having a percentage of 33.1% have < 2-year experience, whereas respondents having 2-5 years’ experience shows the majority of responses which consist of 148 (42.3%). Respondents who have 5-10 years experience show a response rate of 18% (63), and respondents who have > 10-years’ experience show the least response rate of 0.3% (1). According to the sector, a high response rate was shown by the public sector as the respondents are 215 (61.4%) while private sector respondents are 135 (38.6%). According to industrial composition, financial services comprises of 31 (8.9%) respondents, 27 (7.7%) respondents working in health care (hospitals), education sector shows high response rate of 49.4% (173) respondents, telecommunication consist of 44 (12.6%) respondents, in hospitality 26 (8.3%) respondents are working whereas 46 (13.1%) are working in others sector.

4.1. Normality Analysis of the Data

Table 1: Descriptive and Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>SE</th>
<th>EE</th>
<th>KH</th>
<th>AP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Empowerment</td>
<td>3.63</td>
<td>0.65</td>
<td>-0.58</td>
<td>0.30</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(SE)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>3.79</td>
<td>0.72</td>
<td>-0.63</td>
<td>0.31</td>
<td>0.476**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(EE)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Hoarding</td>
<td>3.37</td>
<td>0.67</td>
<td>-0.89</td>
<td>0.78</td>
<td>-0.611**</td>
<td>-0.409**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>(KH)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adaptive Performance</td>
<td>3.81</td>
<td>0.59</td>
<td>-0.99</td>
<td>2.07</td>
<td>0.550**</td>
<td>0.582**</td>
<td>-0.578**</td>
<td>1</td>
</tr>
<tr>
<td>(AP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)

From table 1, it is apparent that the data is normally distributed and is capable of further investigation. Because the estimated value of skewness and kurtosis are within threshold values of +1 and -1 and +3 and -3, respectively. However, the association between the constructs is shown by correlation analysis. Table 1 shows Pearson's \( r = 0.476 \) SE and EE, which shows a positive and meaningful relationship. The SE is correlated with KH \( r = -0.611 \) and offers a significant negative relationship. SE also shows a significant and positive association with AP \( r = 0.550 \). EE shows \( r = -0.409 \) a negative and highly significant relationship with KH at the 0.01 level. EE is also having a robust and positive relationship with AP \( r = 0.582 \). KH is highly significantly and negatively related with AP \( r = -0.578 \) at 0.01 level.
Table 2: Overall Reliability of the construct and convergent validity

<table>
<thead>
<tr>
<th>Construct</th>
<th>R2</th>
<th>Jöreskog's rho (ρc)</th>
<th>Cronbach's Alpha(α)</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Empowerment (SE)</td>
<td>0.9125</td>
<td>0.8560</td>
<td>0.7766</td>
<td></td>
</tr>
<tr>
<td>Employee Engagement (EE)</td>
<td>0.9345</td>
<td>0.8951</td>
<td>0.8265</td>
<td></td>
</tr>
<tr>
<td>Knowledge Hoarding (KH)</td>
<td>0.8836</td>
<td>0.8003</td>
<td>0.7179</td>
<td></td>
</tr>
<tr>
<td>Adaptive Performance (AP)</td>
<td>0.428</td>
<td>0.9066</td>
<td>0.8464</td>
<td>0.7640</td>
</tr>
</tbody>
</table>

The values of Cronbach’s Alpha were measured to estimate the reliability of the model, and reliability of 0.7 and above is considered as an acceptable criterion. From table 2, it is evident that all the constructs (SE, EE, KH, and AP) show high consistency by meeting the threshold criteria of Cronbach alpha. The overall reliability of the questionnaire was 0.903, which is good and shows high internal consistency of the items. Consistency and uniformity of the model were confirmed by the Jöreskog's rho value, the thumb rule for which is 0.7 and above; however, you can see from table 2 that all values are within the suitable range which shows model acceptance. Convergent validity is estimated through the values of AVE (average variance extracted). For the current study, the lowest value of AVE is 0.7179, which is meeting the validity acceptance criteria (above 0.5) of the model. Table 3 below shows the loadings of the respective construct.

Table 3: Loadings

<table>
<thead>
<tr>
<th>Indicator</th>
<th>SE</th>
<th>EE</th>
<th>KH</th>
<th>AP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Empowerment (SE)</td>
<td>Q1</td>
<td>0.8497</td>
<td></td>
<td>Q7</td>
</tr>
<tr>
<td></td>
<td>Q2</td>
<td>0.9058</td>
<td>Knowledge Hoarding (KH)</td>
<td>Q8</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
<td>0.8873</td>
<td></td>
<td>Q9</td>
</tr>
<tr>
<td>Employee Engagement (EE)</td>
<td>Q4</td>
<td>0.9066</td>
<td></td>
<td>Q10</td>
</tr>
<tr>
<td></td>
<td>Q5</td>
<td>0.9452</td>
<td>Adaptive Performance (AP)</td>
<td>Q11</td>
</tr>
<tr>
<td></td>
<td>Q6</td>
<td>0.8740</td>
<td></td>
<td>Q12</td>
</tr>
</tbody>
</table>

Table 4: Discriminant validity: Fornell- Larcker criteria

<table>
<thead>
<tr>
<th>Construct</th>
<th>KH</th>
<th>AP</th>
<th>EE</th>
<th>SE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Hoarding (KH)</td>
<td>0.7179</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adaptive Performance (AP)</td>
<td>0.3572</td>
<td>0.7640</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Engagement (EE)</td>
<td>0.1876</td>
<td>0.2025</td>
<td>0.8265</td>
<td></td>
</tr>
<tr>
<td>Structural Empowerment (SE)</td>
<td>0.4764</td>
<td>0.3064</td>
<td>0.1653</td>
<td>0.7766</td>
</tr>
</tbody>
</table>

Table 4 is showing the discriminant validity of the model. It measures the differences between the constructs, to what extent each construct is different from the other empirically. The diagonal values in table 4 of each construct show the confirmation of discriminant validity under acceptance criteria.

4.2. Test of Multicollinearity

Table 5 below shows the results of the multicollinearity (MC) test. However, MC is important to consider because it is a problem that weakens the statistical significance of predictor variables, and also, while explaining the variation, it hinders the relative importance of predictor variables. We detect MC through the value of VIF, and if it is less than 5, then there exists no MC problem where moderate MC problem exists if the value of VIF
ranges from 5 to 10. However serious MC problem exists only when the VIF value is \( \geq 10 \). A multicollinearity test for the current study was carried out, and the result shows no MC issue as all VIF values were < 5.

**Table 5: Collinearity Statistics**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Empowerment</td>
<td>0.761</td>
<td>1.331</td>
</tr>
<tr>
<td>Employee Engagement</td>
<td>0.745</td>
<td>1.401</td>
</tr>
<tr>
<td>Knowledge Hoarding</td>
<td>0.646</td>
<td>1.520</td>
</tr>
</tbody>
</table>

### 4.3. Problem of Endogeneity

While conducting research, endogeneity is the main biggest issue. The problem of endogeneity arises when the predictor variables in a regression model are correlated to the error term, which leads to inconsistent and biased parameter estimates. However, researchers and statisticians always strive to alleviate endogeneity problems by using an effective strategy, or they simply ignore this issue. There are several strategies or remedies which can be used to mitigate the endogeneity issue. For the current study researcher used lagged independent variable (EE, SE) remedy to eliminate the problem of simultaneity, which mainly contributes to endogeneity. Control variables are another remedy in which by controlling the effects of the third factor, which influences the predictor and criterion variables simultaneously, we mitigated the endogeneity problem, and by changing the signs of the variables of the study, the researcher can deal with the endogeneity problem. In a nutshell, by using several remedies endogeneity issue can be resolved.

### 4.4. The Goodness of Model Fit

The results of the analysis shows overall model fitness, which means the quality of the model is a good fit which is quite evident from the three measured statistical values of SRMR (0.0793 < 0.08), dULS (0.5751), and dG (0.3760) < 95 % of its own bootstrap quartile.

### 4.5. Hypothesis Testing

After estimating the goodness of model fit, ADANCO 2.2.1 software is used to develop a structural model to investigate the relationship between the variables. Table 6 shows the direct effect and indirect effect along with the outcomes of the hypotheses testing. In total, seven hypotheses were developed and accepted as they are significantly related, which is shown in Table 6 below.

![Figure 2: Structural model](image)

Notes. **: p < .01; ***: p < .001.
Table 6: Outcomes of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Direct Effect</th>
<th>Standard Bootstrap result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Coefficient</td>
<td>Mean</td>
</tr>
<tr>
<td>H1</td>
<td>EE \rightarrow KH</td>
<td>-0.1827</td>
</tr>
<tr>
<td>H2</td>
<td>EE \rightarrow AP</td>
<td>0.2051</td>
</tr>
<tr>
<td>H3</td>
<td>SE \rightarrow KH</td>
<td>-0.6159</td>
</tr>
<tr>
<td>H4</td>
<td>SE \rightarrow AP</td>
<td>0.2272</td>
</tr>
<tr>
<td>H5</td>
<td>KH \rightarrow AP</td>
<td>-0.3520</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indirect Effect</th>
<th>Original coefficient</th>
<th>t-value</th>
<th>p-value</th>
<th>Sig.</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>H6</td>
<td>EE \rightarrow KH \rightarrow AP</td>
<td>0.0643</td>
<td>3.8462</td>
<td>&lt; 0.05 (0.001)</td>
<td>Sig</td>
</tr>
<tr>
<td>H7</td>
<td>SE \rightarrow KH \rightarrow AP</td>
<td>0.2168</td>
<td>6.8476</td>
<td>&lt; 0.05 (0.000)</td>
<td>Sig</td>
</tr>
</tbody>
</table>

Source: Authors’ calculations.

From table 6 above, Hypothesis H1 shows the impact of employee engagement on knowledge hoarding. Results supported a statistically significant and negative association between work engagement and knowledge hoarding with the $\beta$-value -0.1827 and $P$-value 0.0000, which is highly significant. Thus, hypothesis H1 is accepted. Hypothesis H2 verified the influence of employee engagement on adaptive performance. $\beta = 0.2051$ and $P = 0.0000$ shows highly significant and positive result as $P$-value is $< 0.01$. Therefore our hypothesis H2 is accepted. Hypothesis H3 investigated the effects of structural empowerment on knowledge hoarding. In contrast, results indicated that SE is significantly and negatively associated with KH through the $\beta$-value -0.6159 and $P$-value 0.0000 $< 0.01$, which confirmed and supported H3. Hypothesis H4 highlights the impact of structural empowerment on adaptive performance. The effect is statistically significant and positive with the $\beta$-value 0.2272 and $P$-value 0.0000 at the 1% level of significance. Thus, results supported H4. Hypothesis H5 shows the influence of knowledge hoarding on adaptive performance. The effect is highly significant at a 0.1% level of significance with the $\beta$-value -0.3520 and $P$-value 0.0001. Thus, hypothesis H5 is accepted. Here, the negative $\beta$-value affirms that KH undermines the employee adaptability or creativity, e.g. adaptive performance. Hypothesis H6 argued that knowledge hoarding mediates the relationship between EE and AP. The mediation effect is tested by using specific and indirect effects, and results showed significant and positive impact ($\beta = 0.0643$, $p = <0.05$). Therefore, H6 is accepted. Similarly, H7 shows that knowledge hoarding mediates the association between structural empowerment and adaptive performance. The impact is positive and statistically significant with the $\beta$-value 0.2168 and $p$-value $<0.05$, which shows the acceptance of H7.

5. IMPLICATIONS, RECOMMENDATIONS, AND CONCLUSION

5.1. IMPLICATIONS OF THE STUDY

Present research theoretically contributes to the existing literature of adaptive performance in a way that by implementing and managing empowerment structures and engaging workforce, a business organization may enhance the adaptability of the employees towards uncertain and turbulent work environments rather than withdrawal behaviour to maintain organizational success and have the competitive edge. While through a practical perspective, this study implies that the antecedents examined will help (practitioners, policymakers, and business organizations) to understand better who will execute efficiently after being confronted with turbulent and fluctuating circumstances. It also helps the organization’s management to attain a willing state of mind which maximizes their sustainability and performance, which eventually leads towards competitiveness through sustainability. It may also contribute a more reformed approach to talent management by focusing on adaptability that could help in enhancing talent retention, which leads towards the effectiveness of the organization. Thus, a business individual may opt for the adaptive strategy to remain in the market rather than
withdraw behaviour. In addition to a practical perspective, business organizations should know the precarious role of organizational interventions that promote engagement and empowerment in the workplace, which finally leads to higher performance. This research also implies to HRD, where it indicates that AP requires to be incorporated in performance evaluations as a part of set criteria especially, from the time when the notion of employee performance has been prolonged to incorporate the contemporary varying business situations or settings, hence the ability of the employees to sense variations and take suitable actions while also make prompt and timely decisions must be reflected in performance evaluations.

5.2. **FUTURE RECOMMENDATIONS**

Future research may consider other antecedents of adaptive performance like clear vision, learning organization, organizational support, climate for innovation, emotional strain, etc. However, advanced research can also be conducted by including mediating variables like service climate and psychological empowerment. However, outcomes of empowerment and engagement can be taken into account for doing future research. Besides that, future research needs to be extended to other countries or sectors (large-scale study), which would assist attainment of high generalizability in results.

5.3. **DISCUSSION AND CONCLUSION**

A present empirical investigation was designed and conducted to test the influences of SE and EE on the adaptive performance of the employees in the services sector. Current research analyses both direct and indirect effects of the predictor variables (SE and EE) on the response variable (AP). For indirect effects, KH is used as a mediator in the current study. Whereas for investigating these direct and indirect effects, we tested seven hypotheses, and the results supported all of them. Conclusively this research showed that the SE and EE are having a highly significant and positive relationship with the AP (H2, H4) which means that when employees are dedicated to their jobs and have access to resources of the job, e.g. opportunity, information, and support, then this tends to enhance the adaptability of the workers, and it will contribute towards the achievement of the performance goals or improves adaptive performance and vice versa. Whereas low EE and access to empowerment structures lead towards the perspective of KH, which the present study shows through the inverse relationship between KH and SE, EE by supporting the hypotheses H1 and H3 contrary relationship was purported through the negative beta values. Findings also validate the negative impact of KH on the AP through the acceptance of H5. In comparison, the indirect effects through the mediator (KH) confirm partial mediation (H6, H7). This means KH mediates the relationship between SE, EE (independent variables), and AP (dependent variable). In this way, the study will help to understand the importance of empowerment culture, dedication, and vigorous work environment and how this lead towards creativity and adaptability during the uncertain business environment because adaptive employees are the best source of stability and success for the business organizations as they are considered the backbone of the successful organizations or companies. Consequently, the adaptive performance of employees helps to accomplish organizational desired outcomes including, organizational learning, managing change, and keeping up with changing environmental demands.

**Reference:**


