

**The Influence of Potency on the Relationship Between Shared Leadership and  
Performance**

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### **Abstract**

The influence and consequences of shared leadership on performance are still under scrutiny by scholars. Current research suggests mixed findings regarding whether these two constructs are positively linked or not. Thus and due to the ever-growing presence of shared leadership in present-day work-team environments, this paper investigated the relationship between shared leadership and performance as well as the mediating influence of potency on the link between shared leadership and employee performance. Potency was chosen since previous research suggests, that this construct is linked to shared leadership and performance. The study was conducted in the context of 27 leader-follower dyads, which consisted of individuals working in Groningen, the Netherlands. These individuals were asked to fill out a survey that differs from leaders and followers. The surveys were then matched with their respective dyad member to create a multi-source data set. The results indicate that shared leadership has a positive link to potency. Nevertheless, the data did not suggest a significant relationship between shared leadership and performance. The link between potency and performance was also not significant. Moreover, there was also no evidence for potency as a mediator in the link between shared leadership and performance. The importance of further research on shared leadership and its consequences in work environments is also discussed. Furthermore, the link between shared leadership and performance should also be further scrutinized.

*Keywords:* shared leadership, performance, potency, work environments,

## **The Influence of Potency on the Relationship Between Shared Leadership and Performance**

It is a well-known fact that most organizations rely on effective teamwork in order to achieve a high level of team performance. Therefore, it is not surprising that organizations aim to refine the preconditions necessary for teams to perform well, especially since there is an observable and ongoing increase in worldwide competition, which started in the last few decades (Werner & Lester, 2001). Hence, nowadays most organizations depend on different interconnected teams instead of single individuals (Gully et al., 2002) to perform well on the global market and to maximize their performance. Thus, academics shifted their focus towards different aspects of team dynamics to find out what factors have an influence on a team's effectiveness.

One factor that is estimated to be linked to performance is the type of leadership. Over the years, many work teams switched from solitary leadership types to more team-based leadership styles. Thus, shared leadership has received much more academic attention lately (Serban & Roberts, 2016), especially since many research results indicate that it has a positive link with various factors including team effectiveness and organizational performance (Ensley et al., 2006). Nevertheless, the relationship is still under scrutiny since evidence emerged that contradicts the positive links, suggesting that there is a negative relationship between shared leadership and team performance (Boies et al., 2010).

It is worth noting that there are not many papers that focus on how believing in and engaging in shared leadership influences an individual's performance (Evans et al., 2021) since most of the research focuses on the effects of shared leadership on a team level. Thus, we used a dyadic approach to investigate to what extent shared leadership has an impact on the performance of an employee. Further, we intend to broaden the knowledge within the field by introducing potency, the team's confidence in their abilities to solve any problem or task (Gully et al., 2002), as our mediating variable. We chose this construct since there is evidence

to suggest a positive association between potency and team performance (Stajkovic et al., 2009). Thus, we believe it is necessary to look into a model that includes shared leadership, potency and individual performance. To our awareness, only two studies have been conducted that investigated the mediating influence of potency on the relationship between shared leadership and performance. The findings of Sivasubramaniam et al. (2002) appear to be promising since they found support for the effect of potency as a mediator in this link. Castellano et al. (2021) on the other hand did not find support for the mediating effects of potency. Hence, we intend to provide more insight into the link of the aforementioned variables as well as extend the findings by testing this relationship in a leader-follower context where we focus on employee performance that is assessed by the leader.

### **Theory and Hypothesis Development**

The three concepts that are scrutinized in this paper are shared leadership, potency and performance. Generally, *shared leadership* can be described as an informal process where the role of leadership is divided between every member of the group instead of given to a single individual (Ensley et al., 2006). *Potency* on the other hand refers to a team's general belief that it can be effective across different contexts (Gully et al., 2002). Nevertheless, it is important to acknowledge that potency refers to the team's belief about their abilities to be effective across different contexts and does not conclude anything about their actual ability. In the scope of this paper, we define *employee performance* as engaging in behaviours that either benefit the organization through direct means, i.e. by successfully reaching organizational goals due to productive work (Van der Vegt & Bunderson, 2005) or through less direct means, i.e. by having a commendable work attitude and engaging in behaviours that benefit co-workers (Williams & Anderson, 1991). This definition is inspired by the two scales by Van der Vegt and Bunderson (2005) and Williams and Anderson (1991) that were used to assess employee performance in this study.

### **The Link Between Shared Leadership and Potency**

Previous research suggests that the link between shared leadership and potency is indeed positive. Gu et al. (2022) conducted a study where they scrutinized 85 Chinese work teams from 33 different organizations. Their results indicated a positive association between shared leadership and potency. Further, Sivasubramaniam et al. (2002) also found a positive relationship between shared leadership, identified as transformational leadership, and potency.

In general, shared leadership is characterized by internal team behaviours that are applied to enhance the dynamics between the members as well as to increase the overall group functioning and effectiveness. Some of these internal team behaviours include collaborative planning and structuring, an active and ongoing verbal exchange to provide feedback and solve problems and finally, the creation of a social climate that encourages support between the group members (Morgeson et al., 2010). These ongoing interactions within the team should help the workgroup to maximize its potential as a collective force (Muethel et al., 2012). In this process of communication, it is expected that team members share their expert knowledge with their workgroup and also receive feedback from their peers (Yu et al., 2023). When team members communicate more often and are more open with each other, it is expected that each member's individual strengths and weaknesses become more salient. Consequently, each individual should have a better insight into the skillsets available within the workgroup (Wang et al., 2014). We hypothesize that these internal team behaviours are also enacted in leader-follower relationships since leaders engage in interactions with their employees and team members to provide them with the necessary knowledge and tools to successfully accomplish work-related tasks.

Thus, we expect to find a positive link between shared leadership and potency, in line with previous research (Figure 1).

**Hypothesis 1:** There is a positive association between shared leadership and potency.

### **Shared Leadership and its Implications on Employee Performance**

Several sources found a positive relationship between shared leadership and team performance. In their meta-analysis, Wang et al. (2014) found a moderately strong relationship between shared leadership and team performance. Nicolaides et al. (2014) found a similar result. Moreover, Carson et al. (2007) found that shared leadership was positively associated with team performance, which was determined by the client's evaluation of the group's end product. Nevertheless, it is essential to acknowledge that some studies found a negative association between shared leadership and team performance. In their meta-analysis, D'Innocenzo et al. (2016) found that shared leadership was negatively related to team performance when tasks were judged to be highly complex. Moreover, the study by Boies et al. (2010) also showed a negative link between shared leadership, identified as transformational leadership, and team performance. Even though there is mixed literature, we expect to find evidence that supports the majority view of the current research, namely that there is a positive link between shared leadership and team performance.

As mentioned above, due to the emerging interactions that occur when leadership is shared, team members should gather an understanding of what knowledge and skills, to complete the work task, are present within the group (Day et al., 2004). According to Ensley et al. (2006), individuals who possess "relevant knowledge, skills or abilities offer their views within specific situations, which are then digested and acted upon by the group as a unit". Thus, we hypothesize that leaders who encourage and engage in shared leadership behaviours will provide their expert insight and direct their teams in a way that will help the individual employees to perform well and successfully fulfil the work task (Figure 1).

**Hypothesis 2:** Shared leadership is positively linked with employee performance.

### **The Link Between Potency and Performance**

In order to generate a belief of potency within the individuals of the team, each team member needs to gather an understanding of the individual backgrounds and expertise of their

coworkers (Castellano et al., 2021). Therefore, team members must believe that the team possesses a high level of necessary internal resources, i.e. competency. Further, it is also essential for teams to receive external resources and conditions, provided by the organization, in order to perform well (Guzzo et al., 1993). According to Gully et al. (2002), teams who possess a high level of potency express their belief in their team's competency. This in turn is expected to enhance the motivation within the team as well as the team's performance. That is in line with the findings of Duffy and Shaw (2000). They also found that teams low in potency performed worse than teams that are high in potency. Moreover, there is also meta-analytic support for this positive link most notably by Gully et al. (2002) and Stajkovic et al. (2009). The results of both meta-analyses indicate a positive relationship between potency and team performance. Overall, there is consensus in the field relating to the connection between potency and performance.

To our knowledge, there is no available research that investigated the effects of potency on individual performance. Nevertheless, we expect to replicate these previous findings in a dyadic context since there is consensus regarding the positive link between potency and team performance (Figure 1). Thus, it is hypothesized that employees who perceive their teams to be high in potency are consequently also more motivated which will eventually lead to better performance.

**Hypothesis 3:** Potency is positively associated with employee performance.

### **The Mediating Effects of Potency on the Link Between Shared Leadership and Employee Performance**

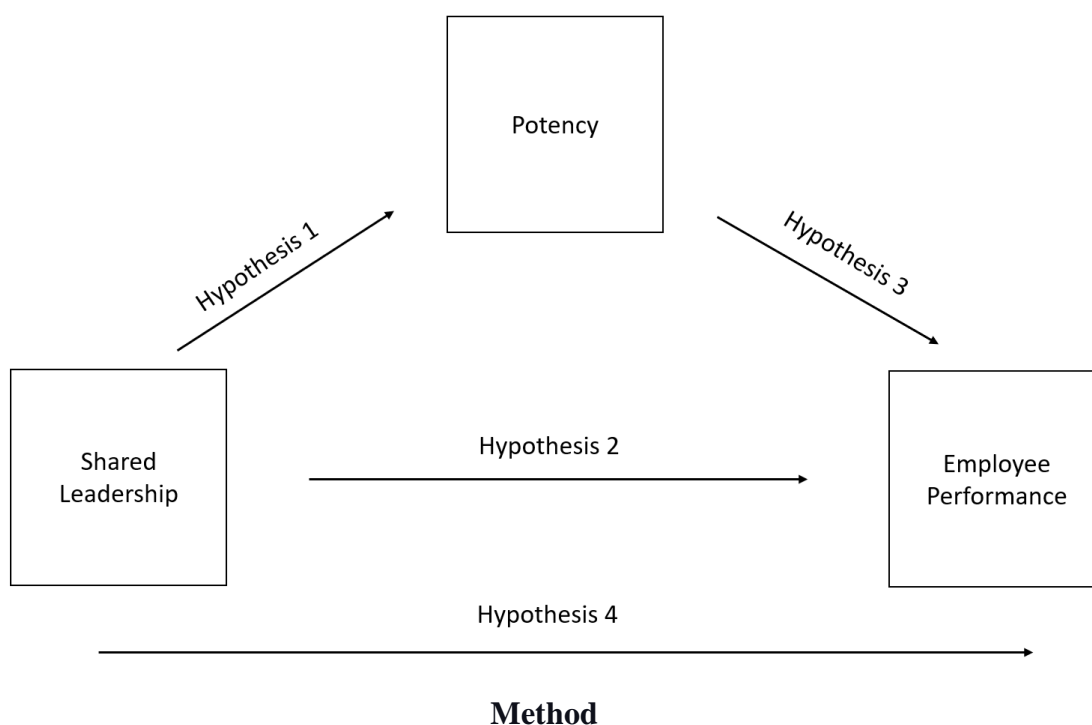
It is worth noting that only a few studies investigated the mediating effects of potency on the link between shared leadership and performance (Sivasubramaniam et al., 2002; Castellano et al., 2021). Therefore, it is clear that this model should be the subject of further scrutiny to enhance our understanding in the field of leadership and performance.

In their study of 42 groups, consisting of university students, Sivasubramaniam et al. (2002) found support for the mediating influence of potency on shared leadership, identified as transformational leadership, and team performance. Further, Gu et al. (2022) found that potency mediated the relationship between shared leadership and team creativity as well as individual creativity. Castellano et al. (2021) on the other hand did not find evidence for this model in their investigation of virtual R&D teams. We are puzzled by this finding since previous literature suggests positive links between shared leadership and potency as well as between potency and performance.

Nevertheless, due to these positive findings, we hypothesize that potency indeed mediates the link between shared leadership and employee performance (Figure 1). We believe that engaging in shared leadership behaviours leads to the belief within individuals that the team is competent to solve any problem or task. This belief is created through the attainment of information about the other team members regarding their strengths and weaknesses due to internal team behaviours, i.e. shared leadership behaviours, that encourage conversations within the team (Morgeson et al., 2010). Further, we hypothesize that this confidence in the team then also leads to better employee performance since employees should feel more motivated to fulfil their work tasks (Gully et al., 2002) and engage in behaviours that benefit the work climate as well as the organization (Van der Vegt & Bunderson, 2005).

**Hypothesis 4:** Potency serves as a mediator in the relationship between shared leadership and employee performance.



**Figure 1***Proposed Research Model***Design and Procedure**

The current study is a cross-sectional multi-source field study as data was collected from organizations in the Netherlands. Further, leaders and followers were provided with a different questionnaire to assess the different constructs of potency, shared leadership and performance.

The researchers used two methods to aid them with the recruitment process. The first method consisted of the researchers approaching people in their individual social environments and providing them with a link to the Qualtrics online questionnaire. The second method consisted of the researchers approaching various establishments spread throughout the city of Groningen, the Netherlands, to invite them to participate in this study. Participation was voluntary as no inducement was offered to any of the participants.

Participants were provided with an online link to the Qualtrics questionnaire and were instructed to complete the study in one sitting, without the help of another person. They were

then directed to the study where they received information on the goal of the study. Furthermore, the researchers provided them with information on how the participant's data is used and stored as well as who has access to the data. After signing the informed consent, every participant was given instructions to create a unique code consisting of the last two letters of the leader's name, the last two letters of the employee's name and the first two letters of the organization or company they work for. This unique code was eventually used to match the leader questionnaire with the respective follower questionnaire, whilst also ensuring the anonymity of every participant. Afterwards, participants were asked to indicate to what extent they agreed with the items from the aforementioned scales. The study concluded with demographic questions about the participant. This section included questions about their gender, age, working hours as well as the sector of their occupation.

The researchers then used IBM SPSS Statistics (Version 29.0.1.0) to conduct the analysis of their data.

## **Participants**

Responses from 87 leaders and 79 employees working in the Netherlands were collected. Prior to the analysis, a majority of the data had to be excluded since many codes from the leader surveys were not attributable to their corresponding employee survey, and vice versa. Ultimately, 29 matching leader-follower dyads were determined by the researchers. Since this paper focuses on the mediating effects of potency on the relationship between shared leadership and employee performance, two more dyads had to be excluded during the mediation analysis since one dyad was missing the performance-related data and the other dyad was missing the answers to the potency related questions. Nevertheless, we decided to include the available data of these two dyads during the assessment of the participant's demographics. Moreover, we originally intended to exclude the data of dyads who work less than 17 hours per week but due to the already low sample size, we also decided to include this data in our analysis.

The employees consisted of 11 male participants and 17 female participants and their mean age was 32.50 with a standard deviation of 10.81. The youngest employee was 19 years old and the oldest employee was 57 years old. The leaders on the other hand consisted of 17 male participants and 11 female participants and had a mean age of 42.82 with a standard deviation of 13.1. For the leaders, the youngest age was 22 and the oldest was 65. When asked for an indication of which sector the participants work in, we received a wide range of different answers. Some of the most common responses included retail (4 employees), education (4 employees), business services (3 employees), catering (3 employees), welfare care (2 employees) and information and communication technologies (2 employees).

## **Measures**

Three different scales were used to measure the concepts relevant to this study, namely shared leadership, potency and performance. It is noteworthy that this study was part of a Bachelor's thesis programme at the University of Groningen. Therefore, the study was conducted in collaboration with other researchers, who focused on different factors other than potency, shared leadership and employee performance. The researchers utilized adapted versions of the following scales as each scale and its respective items were translated into Dutch. Moreover, Table 1 indicates the respective Cronbach's Alpha values of the different scales.

### *Shared Leadership*

To assess the construct of shared leadership, the researchers utilized a scale from Hoch (2013) ( $\alpha = .80$ ). This scale measured four sub-categories relevant to the construct of shared leadership, namely transformational leadership (TL), individual empowering leadership (IEL), team empowering leadership (TEL) and participative leadership (PL). The wording in the items of the scale was altered to fit in with the dyadic approach of this study. Thus, in this scale, the expression "my colleagues" was replaced by "my supervisor" or "my manager".

Employees were asked to indicate on a seven-point Likert scale to what degree they agreed or disagreed with the different items (1= Strongly disagree, 7 = Strongly agree). Example items for the sub-categories include “My manager gives a clear picture of what our team stands for.” (TL), “My supervisor encourages me to look for solutions to my problems in the workplace work.” (IEL), “My supervisor encourages me to collaborate with other team members.” (TEL) and “My manager and I sit down together to agree on my performance goals.” (PL).

### *Potency*

The researchers used the eight-item scale questionnaire from Guzzo et al. (1993) ( $\alpha = .92$ ) to measure the construct of potency. Furthermore, this scale was only present in the questionnaire for the employees. Participants indicated on a five-point Likert scale to what extent they agreed with the individual items (1 = To no extent, 5 = To a great extent). Examples of the items in the scale are “This team is confident in itself.” and “This team believes it can solve any problem it encounters.”.

### *Employee Performance*

The third construct relevant to the present study is employee performance. Employee performance was measured with the use of two different scales. In the first scale by Van der Vegt and Bunderson (2005) ( $\alpha = .94$ ), leaders were asked to think about the respective dyad member and indicate the employee's performance on six different items. This was indicated with a seven-point Likert scale (1 = very poor performance, 7 = very good performance). Some of the example items include “How does your employee score on achieving goals?” and “How does your employee score on effectiveness?”.

The second scale also assessed the individual performance of the employee according to the leader. This scale by Williams and Anderson (1991) ( $\alpha = .90$ ) included 21 items that measured three sub-categories of individual performance. Questions one to seven assessed the performance of in-role behaviour (IRB). Questions eight to fourteen assessed the performance

of organizational citizenship behaviours that have a specific individual as a target (OCBI) and questions 15 to 21 measured the performance of organizational citizenship behaviours that focus on primarily benefiting the organization (OCBO). Leaders were asked to indicate to what extent they agreed or disagreed with a statement from the scale. This was done with a seven-point Likert scale (1= Strongly disagree, 7 = Strongly agree). Example items of the sub-categories are “My employee performs assigned tasks properly.” (IRB), “My employee helps others who have been absent.” (OCBI) and “My employee adheres to informal rules established to maintain order.” (OCBO).

**Table 1**

*Internal Reliability of Constructs*

<b>Variable</b>	<b>Cronbachs Alpha</b>
1. Shared Leadership	.80
2. Potency	.92
3. Performance_1 <sup>a</sup>	.94
4. Performance_2 <sup>b</sup>	.90

*Note:* Performance was assessed by two different scales

<sup>a</sup> Van der Vegt and Bunderson (2005)

<sup>b</sup> Williams and Anderson (1991)

## **Results**

Due to the occurrence of two different scales that assess performance, we decided to investigate the mediating influence of potency on the relationship between shared leadership and performance by using two different models. One model focuses on the performance scale by Van der Vegt and Bunderson (2005), which we will refer to as performance\_1, and one focuses on the scale by Williams and Anderson (1991), referred to as performance\_2.

### **Assumption Check**

Firstly, an assumption check for both models has been performed (Appendix B). To check the normality assumption for the model that includes performance\_1 as its dependent variable (Model 1), a P-P plot has been created. Figure 2 demonstrates that the normality assumption for Model 1 has been met. Further, there are no apparent violations regarding homoscedasticity (Figure 3). Lastly, the Variance Inflation Factor (VIF) for shared leadership ( $VIF = 1.177$ ) and potency ( $VIF = 1.177$ ) indicated that there are no apparent issues regarding multicollinearity (Table 2).

Afterwards, the researchers performed an assumption check on the model including performance\_2 (Model 2). Again, there were no indications to suspect a violation of normality (Figure 4), homoscedasticity (Figure 5) or multicollinearity (Table 3).

### **Descriptive Statistics**

Table 4 gives insight into the means, standard deviations and correlations between shared leadership, potency and performance\_1. We found that shared leadership ( $M = 5.31$ ,  $SD = 0,63$ ) was moderately positively correlated with performance\_1 ( $M = 5.85$ ,  $SD = 1.02$ ) ( $r = 0.35$ ) and potency ( $M = 5.38$ ,  $SD = 0.89$ ) ( $r = 0.39$ ). Performance\_1 on the other hand had an almost non-existing negative correlation with potency ( $r = -0.0047$ ).

Table 5 on the other hand demonstrates the means, standard deviations and correlations between shared leadership, potency and performance\_2. We found similar results since shared leadership was again moderately positively correlated with performance\_2 ( $M = 4.96$ ,  $SD = 0.47$ ) ( $r = 0.201$ ) as well as potency ( $M = 5.38$ ,  $SD = 0.89$ ) ( $r = 0.39$ ). Performance\_2 also had an almost non-existing negative correlation with potency ( $r = -0.083$ ).

### **Table 4**

#### *Descriptive Statistics and Correlations In Model 1*

Variable	N	Mean	SD	1.	2.	3.
1. Shared Leadership <sup>a</sup>	29	5.31	0.63	–		
2. Potency <sup>a</sup>	28	5.38	0.89	.39*	–	
3. Performance_1 <sup>b</sup>	28	5.85	1.02	.35*	-.0047**	–

Note:  $N = 29$  leader-follower dyads.

<sup>a</sup> Rated by employees.

<sup>b</sup> Rated by leaders. This scale by Van der Vegt and Bunderson (2005) relates to employee performance.

\*  $p < .05$ . \*\*  $p > .05$ .

### Table 5

#### *Descriptive Statistics and Correlations In Model 2*

Variable	N	Mean	SD	1.	2.	3.
1. Shared Leadership <sup>a</sup>	29	5.31	0.63	–		
2. Potency <sup>a</sup>	28	5.38	0.89	.39*	–	
3. Performance_2 <sup>b</sup>	28	6.11	0.65	.201**	-.083**	–

Note:  $N = 29$  leader-follower dyads.

<sup>a</sup> Rated by employees.

<sup>b</sup> Rated by leaders. This scale by Williams and Anderson (1991) relates to employee performance.

\*  $p < .05$ . \*\*  $p > .05$ .

### Mediation Analysis with Performance\_1

The mediation analysis for both models was done with the aid of PROCESS v4.2 by Hayes (2022). We found support for our first hypothesis, namely that shared leadership is positively associated with potency. Our dyad data suggested a statistically significant positive link in the direct effect of shared leadership on potency ( $b = 0.60, p = .45$ ). Further, we also

investigated the direct effect between shared leadership and performance<sub>1</sub>. Our analysis suggested that the relationship is not statistically significant ( $b = 0.73, p = .55$ ). Therefore, our second hypothesis was not confirmed. Moreover, we also did not find support for our third hypothesis, namely that potency is positively linked with employee performance. The relationship between our mediator and our dependent variable did not turn out to be statistically significant ( $b = -0.19, p = .43$ ). Finally, the data also did not provide evidence for our fourth hypothesis, that shared leadership leads to performance via the mediating effects of potency, as the indirect effect is not statistically significant ( $b = 0.62, p = .074$ ).

### **Mediation Analysis with Performance<sub>2</sub>**

The analysis of our second model provided us with similar results. Shared leadership had a statistically significant positive relationship with potency ( $b = 0.60, p = .45$ ), again confirming our first hypothesis, but the direct effect of shared leadership and performance<sub>2</sub> also did not turn out to be significant ( $b = 0.39, p = .11$ ) (Hypothesis 2). Furthermore, our third and fourth hypotheses were also not confirmed. The link between potency and performance<sub>2</sub> was not statistically significant ( $b = -0.16, p = .31$ ) (Hypothesis 3) and the same applies to our last hypothesis ( $b = 0.29, p = .19$ ).

### **Discussion**

The goal of this study was to examine the link between shared leadership, potency and employee performance. Therefore, we came up with four hypotheses. Firstly, we expected to find a positive link between shared leadership, the independent variable, and potency, the mediator. Secondly, we hypothesized that the direct effect of shared leadership and performance, the dependent variable, is positive. In our third hypothesis, we predicted a positive relationship between potency and performance. And lastly, we anticipated that potency serves as a mediator in the link between shared leadership and employee



performance. Nevertheless, the analysis of the data only provided statistically significant evidence for our first hypothesis.

### **Theoretical Implications**

Our data suggested a positive link between shared leadership and potency. We are not surprised by this outcome as this finding is in accordance with existing research. In their study about shared leadership and creativity, Gu et al. (2022) also found a significant link between their independent variable, shared leadership, and potency. They argued that shared leadership leads to an increase in collaborative and social behaviour and eventually creates the belief in individuals that the team possesses enough competency to successfully complete tasks.

It is worth noting that our remaining findings did not turn out as expected. Especially the relationship between shared leadership and performance is still inconclusive as scholars emerge with seemingly differing research findings. Even though many researchers plead that the relationship between shared leadership and performance is positive (D'Innocenzo et al., 2016), we could not replicate this finding in our study. Thus, our findings are in line with Boies et al. (2010) who also found a negative association between shared leadership and performance. Wang et al. (2014) proposed that shared leadership influences behavioural aspects within teams which in turn lead to an increase in performance. Thus, the effect of shared leadership on performance varies between situations. This could explain why we were unable to find support for our hypothesis.

Moreover, we were unable to find evidence to find a link between potency and performance since our data does not suggest a statistically significant positive relationship. A possible explanation for this could be that, as previously mentioned, potency refers to the confidence, i.e. the belief, the team has in itself and its ability to succeed in tasks but does not conclude anything about their actual ability. Nevertheless, we are still surprised by the outcome of our data given that, in their meta-analysis, Gully et al. (2002) found evidence that

suggests a positive relationship between potency and performance. Their findings were replicated in another meta-analysis by Stajkovic et al. (2009).

Lastly, our data also did not confirm our last hypothesis, namely that potency has mediating effects on the relationship between shared leadership and employee performance. Thus we were unable to replicate the findings by Sivasubramaniam et al. (2002), namely that shared leadership is linked to performance via potency. Instead, we found evidence that supports Castellano et al. (2021). In their study on virtual R&D teams, they also did not find support for the mediating effects of potency on shared leadership and team performance. They argued that potency might be more influential when teams are at the earlier stages of their existence compared to when they were operating for a longer time.

### **Strengths and Limitations**

One of the strengths of this study is that we used scales with high internal reliabilities. That means that we can be confident that each scale measured what it was intended to measure. Further, we had a sample consisting of a broad range of different individuals, since our age range on the employee side ranged from 19 to 57 years whereas the leader's ages range from 22 to 65 years. Also, our dyads were mostly diverse regarding the sector they work in.

Nevertheless, we also acknowledge that this study was not free of limitations. Originally, we planned on getting data for 120 dyads, nevertheless, we were unable to find that many willing participants, despite our efforts. Moreover, we had to exclude a wide number of responses due to several reasons. Some leader surveys were not attributable to the corresponding follower survey, and vice versa. This means, that some leaders (followers) were not interested in filling out their respective surveys or that the instructions on how to create the unique code, to match them up with their respective leader (follower), were unclear to some participants. We potentially found evidence for the latter as some codes were almost

identical but had one or two different letters. Nevertheless, we decided not to include this data in the analysis. Therefore, and considering the reasons mentioned above, we only had a very low sample size, namely 27 dyads, for this paper's analysis. Further, due to this low sample size, it is unclear if our results are generalizable across different settings since we have very low statistical power. Another limitation is that we used one employee per company to estimate team dynamics such as potency. Previous researchers assessed these constructs by collecting the responses and evaluations from a larger number of employees, to ensure a more reliable rating. This was not possible for the research team as this would be beyond the scope of this Bachelor's thesis project. Also, it is worth noting that this study is correlational in nature and therefore does not establish causal relationships between the variables of interest. Furthermore, it is unclear if our results are generalizable to different settings and cultures since most of the participants were Dutch speaking and living in the area of Groningen, the Netherlands.

### **Future Research**

Future research should try to replicate our study by also improving on its weaknesses. This could be done by asking multiple employees, to estimate the different constructs such as shared leadership and potency. Through the use of statistical software, an average rating of these constructs could then be created to get more reliable insight into the true dynamics within teams. Furthermore, individual performance should be assessed across different employees to get better insight into the actual relationship between the variables of interest and to gain a better understanding of how individual performance is affected by shared leadership.

We believe that the construct of potency and related concepts should be further scrutinized in future research. The distinction between potency and efficacy is not always clear as some authors do not distinguish between the two constructs especially since there is

some evidence to suggest that efficacy and potency are interrelated (Gully et al., 2002). The construct of team confidence also emerged from previous research and is described as consisting of efficacy and potency (Mathieu et al., 2010). Nevertheless, the construct of team confidence is still rather novel and should, therefore, receive further academic attention.

We also urge scholars to further investigate the links between shared leadership, potency and performance. The existing literature reveals many inconsistencies with regard to the findings. Thus, even the link between shared leadership and performance is still unclear. Furthermore, scholars should also aim to investigate other mediators or moderators that could play a vital part in shared leadership and performance. In their meta-analysis, D’Innocenzo et al. (2016) found that shared leadership was negatively related to team performance when tasks were judged to be highly complex. Thus, task complexity could have an effect on this relation. The role of task interdependence should also be investigated since evidence emerged that suggests the link between shared leadership and performance grows when task interdependence is high (Nicolaidis et al., 2014).

Finally, the antecedents and consequences of shared leadership should also be scrutinized in future research since there are only a few existing papers that attempt to close this research gap. This is especially necessary since many papers focus on the positive aspects of shared leadership but Evans et al. (2021) found evidence that there are potential negative effects for individuals that solely believe in the positive effects of shared leadership.

### **Conclusion**

This study attempted to find evidence of the mediating effects of potency in the link between shared leadership and performance. However, the results did not suggest a link between shared leadership and performance and further there was also no evidence to suspect that potency mediates this link. Due to the ever-growing presence of shared leadership in working environments, we urge scholars to further focus on shared leadership and its link with performance, as well as possible third variables that have mediating or moderating

influence on the relationship. This is of importance since productivity and performance are necessary to keep up with the ever-changing and growing competition in the global market.

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## Appendix A

### Potency Scale (Guzzo et al., 1993):

1. This team has confidence in itself.
2. This team believes it can become unusually good at producing high-quality work.
3. This team expects to be known as a high-performing team.
4. This team feels it can solve any problem it encounters.
5. This team believes it can be very productive.
6. This team can get a lot done when it works hard.
7. No task is too tough for this team.
8. This team expects to have a lot of influence around here.

### Shared Leadership Scale (Hoch, 2013):

*Note:* The researchers used an adapted scale of Hoch (2013). “My colleagues“ was replaced with “My manager“ or “My supervisor“ to suit the dyadic approach of this study.

#### (A) Transformational leadership

1. “My manager gives a clear picture of what our team stands for.”
2. “My supervisor is driven by higher goals or ideals.”
3. “My supervisor shows appreciation for my efforts.”
4. “My supervisor encourages me to reconsider ideas that had never been questioned before.”
5. “My supervisor uses many different perspectives to solve problems.”
6. “My supervisor encourages me to do more than what is expected of me (e.g., extra effort).”

**(B) Individual empowering leadership:**

7. “My supervisor encourages me to look for solutions to my problems at work.”
8. “My supervisor insists on taking responsibility for the work.”
9. “My manager encourages me to learn new things.”
10. “My supervisor encourages me to pat myself on the back when I complete a new challenge.”

**(C) Team empowering leadership:**

11. “My supervisor encourages me to collaborate with other team members.”
12. “My manager advises me to coordinate my work with the others, who are part of the team.”
13. “My supervisor insists on working as a team with others who are part of the team.”
14. “My manager expects cooperation with the other team members to go well.”

**(D) Participative leadership:**

15. “My supervisor decided with me what my performance goals are.”
16. “My supervisor and I work together to choose what my performance goals should be.”
17. “My supervisor and I sit down together to agree on my performance goals.”
18. “My supervisor works with me to develop my performance goals.”

**Performance\_1 (Van der Vegt & Bunderson, 2005):**

*Note:* The researchers used an adapted scale of Van der Vegt and Bunderson (2005). Instead of rating the team, leaders were asked to rate their employee to suit the dyadic approach of this study.

Leaders rated the employee on items such as “How does this employee score on ...

1. Achieving team goals?
2. Achieving deadlines?
3. Working speed?
4. The quality of the work?
5. Productivity?
6. Effectiveness?

**Performance\_2 (Williams & Anderson, 1991):**

IRB –Performance of In-Role Behavior (1-7):

My employee...

1. Performs assigned tasks properly.
2. Fulfils the responsibilities stated in the job description.
3. Performs the tasks that are expected of him/her.
4. Meets formal job performance requirements.
5. Engages in activities that directly affect his/her performance evaluation.
6. Neglects aspects of the job he/she is required to perform.
7. Fails to perform essential duties.

OCBI - Performance of organizational citizenship behaviours that have a specific individual as a target (8-14)

My employee...

8. Helps others who have been absent.
9. Helps others who have a heavy workload.
10. Assists me in my work (when not requested).
11. Takes time to listen to co-workers' problems and concerns.
12. Does his/ her best to help new employees.
13. Takes personal interest in other employees.

14. Passes information on to colleagues.

OCBO - Performance of organizational citizenship behaviours that focus on primarily benefiting the organization (15 -21)

My employee...

15. Attendance at work is above the norm.

16. Indicates in advance when he/she cannot come to work.

17. Takes too many work breaks.

18. Spends a lot of time on personal phone calls.

19. Complains about unimportant things at work.

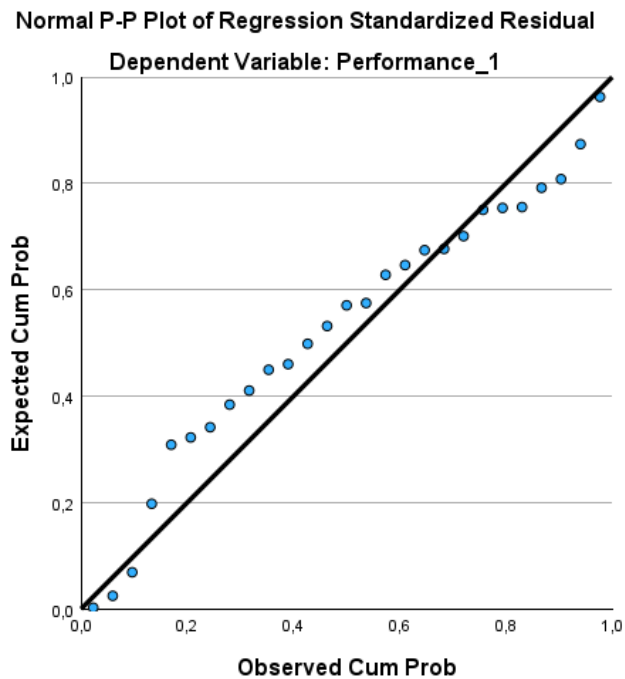
20. Safeguards and protects company property.

21. Adheres to informal rules established to maintain order.

## Appendix B

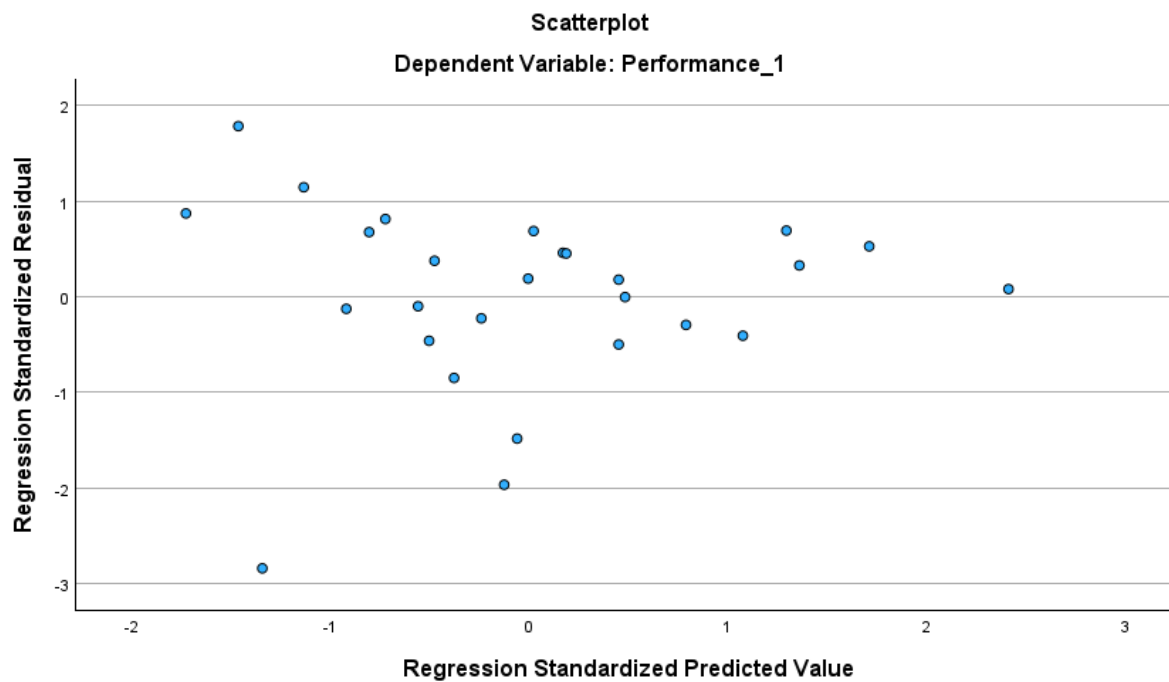
**Figure 2**

*Normality Assumption Check for Model 1*



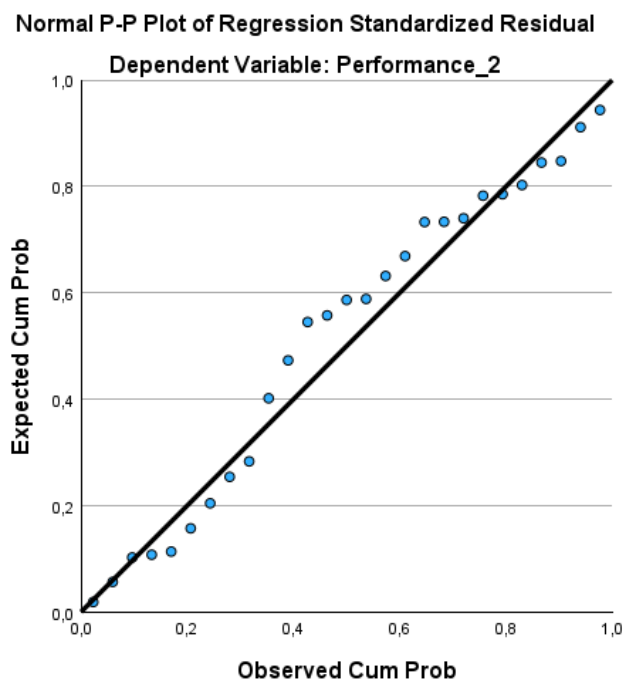
**Figure 3**

*Homoscedasticity Assumption Check for Model 1*

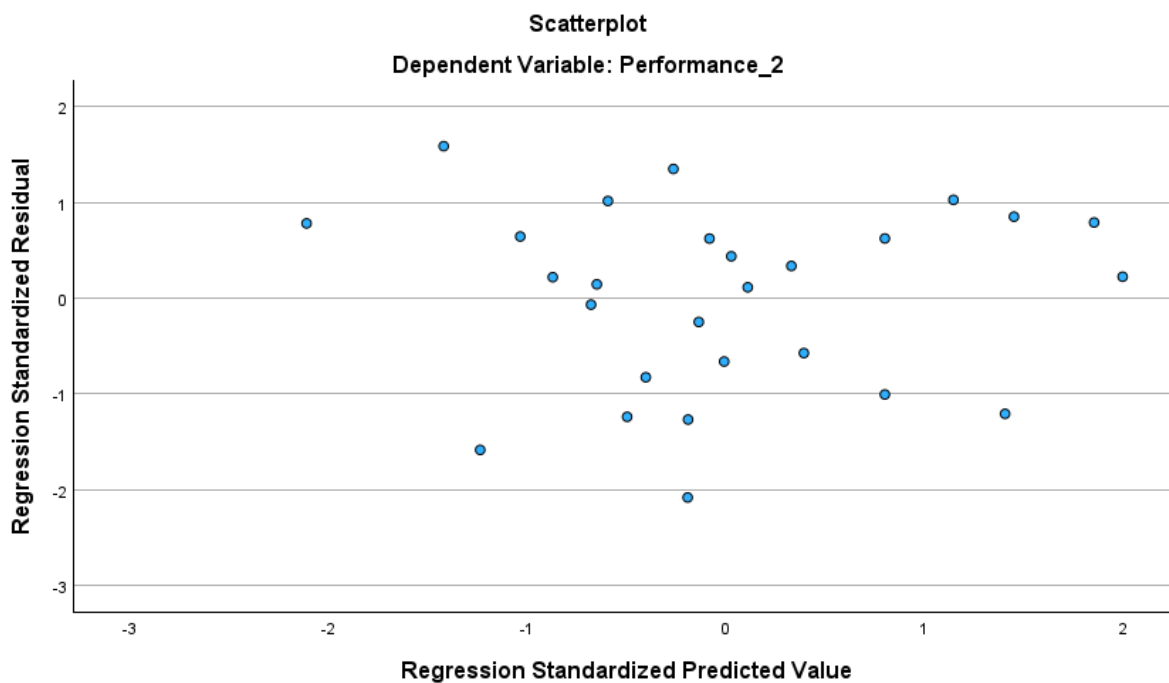


**Table 2***Multicollinearity Assumption Check for Model 1**Coefficients<sup>a</sup>*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,891	1,871		1,545	,135		
	Shared Leadership	,730	,361	,413	2,019	,055	,849	1,177
	Potency	-,188	,233	-,165	-,807	,428	,849	1,177

<sup>a</sup>. Dependent Variable: Performance\_1**Figure 4***Normality Assumption Check for Model 2***Figure 5**

*Homoscedasticity Check for Model 2*



**Table 3**

*Multicollinearity Check for Model 2*

*Coefficients<sup>a</sup>*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4,840	1,223		3,957	<,001		
	Shared Leadership	,390	,236	,345	1,649	,112	,849	1,177
	Potency	-,158	,152	-,217	-1,036	,311	,849	1,177

<sup>a</sup>. Dependent Variable: Performance\_2