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Linking empowering leader to creativity: the moderating role of psychological (felt) empowerment

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Abstract

One of the challenges of today's organizations is creating a corporate culture which promotes employee creativity and innovation. For creativity to occur in organizations, leaders have considerable influence over the context within which creativity can occur. Synthesizing theories of leadership, creativity, and psychological (felt) empowerment, this empirical paper investigates (a) whether an empowering leader can encourage creativity; and (b) whether subordinates' psychological (felt) empowerment will moderate the relationship between empowering leadership and creativity. Survey data were collected from 218 employees in technology and service sector and the obtained data from the questionnaires were analyzed through the SPSS 16.0. Analyses results revealed that empowering leadership positively affected employee creativity. In addition, employees' felt empowerment moderated this link. Leaders' empowering behaviors have a stronger impact on perceived creativity when employees feel empowered than when such psychological state of mind is low. Theoretical and cultural implications of the findings were also discussed.

Keywords: Empowering leadership, employee creativity, psychological (felt) empowerment

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1. Introduction

Considering today's organizations facing a dynamic environment characterized by rapid technological change, shortening product life cycles, and globalization, innovation through creativity becomes an important and essential factor in the success and competitive advantage of organizations. Today, almost all organizations, especially technologically-driven ones, need to be more creative and innovative than before to compete, to increase their market share and to survive (Jung et al., 2003). At the heart of organizational innovation lie creative ideas. Creativity in organisations may be defined as the process by which new ideas that make innovation possible are developed. It is the ability to generate novel and useful ideas and solutions to everyday problems and challenges and employees are the ones who generate, promote, discuss, and realize these ideas. The growing importance of creativity as a driver of innovation and organisational success forces organizations to create a work environment which supports creative and

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innovative thinking. Promoting creativity, however, is a key challenge that organizations are facing. A wide range of factors has been found to stimulate creativity and innovation in organizations.

Among the factors that promote employees' creativity, leadership has been found as being one of the most important factors (Jung, 2001). Leaders are the catalyst that create and manage the environment, work processes, organizational culture, and strategies that stimulate and sustain creativity, innovation, and success in the organization. Leaders can do that in both direct and indirect ways. They do it directly by challenging and freeing employees to produce fresh solutions to problems and energizing followers to work towards the organization's vision rather than closely controlling the work, information, decisions and allocation of resources. Thus, they appeal to followers' higher level needs and the resulting intrinsic motivation felt by the followers is an important source of creativity (Tierney et al., 1999). Indirectly, leaders can create a work environment which encourages idea generation and risk taking. They can establish a work setting where there is supportive and informative evaluation of new ideas as well as recognition and rewarding different approaches (Amabile et al., 1996). Google, Inc., for example, let their employees spend %20 of their time on anything they want and they are totally empowered to do it. They are one of the top companies in technology sector.

Recent research indicates that different forms of leadership are related to employee creativity. For instance, effective leader-member exchange (LMX) relationships and noncontrolling, supportive leadership is positively associated with employee creativity (Scott & Bruce, 1994; Amabile et al., 2004). As some studies have provided support for a positive impact of transformational leadership on employee creativity and innovation (Jung et al., 2003; Shin & Zhou (2003), others have produced contrary results (Jausi & Dionne, 2003; Kahai, Sosik, & Avolio, 2003).

Despite suggestions by creativity researchers (Mumford, Scott, Gaddis, & Strange, 2002) that more effort should be focused on the role of diverse leadership styles in predicting the underlying nature of creativity, noticeably missing from research attention has been empowering leadership. The type of leadership considered in this study is a set of behaviors that has come to be labeled as "empowering leadership". In fact, there are major reasons - which will be discussed in detail later in the paper - to expect empowering leadership to have a positive impact on creativity (Kirkman & Rosen, 1999; Amabile, et al., 1996; Amabile et al., 2004; Zhang & Bartol, 2010). Empowering leadership has been studied from two perspectives. The first focuses on leader actions, specifically sharing power or giving more responsibility and autonomy to employees (Kirkman & Rosen, 1999). It involves sharing power with a view toward enhancing employees' intrinsic motivation and investment in their work. Empowering leaders who develop their followers' self-efficacy can positively affect their creativity. Employees with enhanced self-efficacy are more likely to be motivated to generate novel ideas and solutions (Tierney et al., 1999). The second perspective, however, focuses on employees' response to empowerment, specifically employees' motivation to empowerment (Conger & Kanungo, 1988; Thomas & Velthouse, 1990; Spreitzer, 1995). Consequently, we next will consider the issue of psychological empowerment. Sharing power with an employee and providing greater decision-making autonomy is supposed to increase employee self-efficacy. Thus, it is reasonable to argue that empowering leadership may influence a follower's perceptions of psychological empowerment. However, not all employees want to be empowered. As Menon argued (2001:158), in order to achieve an adequate understanding of empowerment process, it is important to consider the "perspective of the individual employee". He meant that, for the empowering behavior of a leader to have its intended effect, the focal employee must, in turn, feel psychologically empowered. Accordingly, a case can be made for the moderating role of employees' psychological empowerment in the relationship between empowering leadership and creativity, despite the limited research in this area.

In general, the moderator role of psychological empowerment is a neglected issue. Therefore, a major purpose of this study is to address the connection between empowering leadership and creativity, including psychological empowerment as a moderating variable. In this context, the study begins with a literature review of empowering leadership style, creativity and psychological empowerment, then will go on to development of hypotheses. Research methodology, analyses and results will take place in section three. Discussion, limitations, cultural implications and recommendation will be provided for managers and academicians at the last section.

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