

EMPOWERING LEADERSHIP AND ITS EFFECT ON EMPLOYEE PERFORMANCE: AN EXPLORATORY STUDY ON EMPLOYEE INNOVATION SKILLS AND LEADERSHIP THEORIES

1st QUE XIAOPING, 2nd Dhakir Abbas Ali

ABSTRACT

This study investigates how autonomous leadership affects employee success in Chinese workplaces by using innovation skills as a link. The goal of this study is to find out how leadership styles that encourage independent thought and strong leadership can make employees more creative and productive by looking at the results of these leadership styles. Structured surveys were sent to 857 people as part of a scientific method to collect data. SPSS and factor analysis were used to look at the data. Researchers have found that workers' creative skills are a good and statistically significant part of the link between leaders who give workers power and their success. Leadership practices that encourage independence and personal responsibility create an environment at work that is good for imagination, which eventually results in better work from employees. According to the results, empowerment strategies can work with China's social norms, which are based on hierarchy and cooperation. After thinking about this, it's possible that well-thought-out leadership programmes are an important part of how well a group works. This research helps us understand the connection between leadership and performance by focusing on the role of innovation skills as a bridge. It also gives Chinese managers useful tips for creating an innovative workplace. The results support leadership development programmes that emphasise staff autonomy, inventive thinking, and communication to sustain competitive advantages in changing consumer markets. Especially in China's dynamic economy, empowering leadership promotes innovation and staff productivity, according to the report.

Keywords: Empowering Leadership, Employee Performance, Leadership Theories, Efficiency, Workplace.

1. INTRODUCTION

The impact of empowered leadership on employee performance is now being investigated, with a special focus placed on the significant role that it plays in enhancing inspiration, participation, and innovation across a wide range of industries. Feeling empowered, doing well in one's career, and being involved in one's work are some of the elements that have been identified as having a substantial influence on the performance of employees. The concept of empowering leadership, which may be articulated as the provision of autonomy and the cultivation of credibility, has been brought to light as a significant contribution. The effectiveness of workers is significantly influenced by leadership that gives them the ability to make decisions on their own (Amoroso et al., 2021). Leadership is an element that is crucial to the overall sustainability of an organisation, as well as the facilitation of innovation and the promotion of adaptation to advancements in

technology. This is something that should be emphasised once again. In addition, the innovation skills of workers and leadership theories serve as intermediates in the connection between innovation skills and employee performance of the organisation. This is a significant facet of the relationship that takes place. While it is feasible to argue that the adoption of leadership strategies that empower workers and the fostering of new revolutionary innovative ideas may enhance employee performance and flexibility, hence helping the long-term profitability of a firm, it is also conceivable to assert that these tactics may be implemented. Delegating authority may be accomplished in several ways, including putting trust in the capabilities of workers, allowing them to use their own judgment, and highlighting the value of employees taking responsibility for their errors (Magasi, 2021).

2. BACKGROUND OF THE STUDY

China is currently acknowledged as a significant consumer market on a worldwide level, thanks to its phenomenal revenue expansion over the last four decades. China now ranks among the world's most populous countries. In response to their customers' ever-increasing expectations, Chinese enterprises have boosted their spending dramatically over the last several years. Due to the pervasiveness of a culture in China that values the avoidance of errors, the amount of work freedom available within teams was found to be substantially limited. Additionally, the relationship between leadership empowerment and work independence was significantly impacted because of this culture. It has been shown via a study conducted in China that if there were greater flexibility in the workplace, it would provide members of the team more latitude to make choices on the spot. When this is taken into consideration, people need to be given greater discretion to organise their work lives in accordance with what is most effective for them (Jiang et al., 2023). As a result of the fact that adaptive tactics will be simpler to implement in the future, the team's capacity for innovation will rise, which will enable them to better deal with the issues that they are now facing. It is encouraging to see that several nations with middle incomes are demonstrating the appropriate level of innovation speed in a range of disciplines. This is a new impetus for the growth of the global economy. One is overjoyed to make this discovery. Among the top 30 companies in the world, the Chinese company stands out since it is considered to have a smaller income than all the other companies. It made its debut in 2018 at position seventeen, moved up to position four in 2019, and ultimately settled at position fourteen (Wu & Peng, 2022).

3. PURPOSE OF THE RESEARCH

This research aims to investigate how empowered leadership influences inventive capacities and overall efficiency in Chinese organisational settings. The rapid economic expansion and increasing emphasis on invention-driven development in China is elevating the importance of leadership styles that effectively foster creativity and productivity among personnel. This study aims to explore the significance of different leadership theories, including revolutionary, participative, and empowered leadership, within the framework of Chinese culture, which is defined by collectivism, hierarchical relationships, and Confucian principles. Studying the impacts of empowering leadership practices on workers' innovation potential is the purpose of this research, which intends to increase individual and organisational accomplishment in Chinese firms. Because cultural factors may moderate the leadership style-employee outcome relationship, they are also the subject of investigation. Efforts by Chinese politicians and business leaders to encourage innovation in the workplace, boost employee engagement, and preserve competitive advantages in the dynamic Chinese economy may find this research useful. The research's primary objective is to provide

practical recommendations that accommodate leadership training to the specific cultural and management setting in China. In the end, everybody wants to see more individuals in the nation comprehend what it means to be a successful leader, which will spur innovation and effectiveness on the job.

4. LITERATURE REVIEW

Visionaries may use a leadership style called empowering leadership to help team members take on more responsibility. For the organisation to reach this objective, additional responsibilities are given to the employees, and they are also given the tools and support they need to do a good job. Unlike the job description, which often suggests that team members are responsible for their own work, empowering leadership shows a more progressive way of dividing up bigger tasks among team members. Executives who allow their subordinates greater say in major decisions are far more likely to see great work and fresh ideas come from those workers. The reason someone finds himself in this predicament is that leadership is a two-way street (Li et al., 2025). These days, it's common to give employees a lot of freedom and responsibility. One way that leadership affects this is by making workers more creative. This is because it fits with the trend of giving workers more freedom and power. "Leadership" means being able to persuade other people to work with someone to reach the organization's goals. "Transformational leadership" is a type of leadership in which leaders motivate their employees to follow the organization's goals and interests to get better results than expected. People's feelings, beliefs, and the importance of leadership are at the centre of the transformational leadership theory, which aims to get workers to think creatively (Yuyi et al., 2025). Generally, the way leaders behave has a major influence on the imaginative and creative output of the people who are under their supervision. Leadership is a key contextual feature that has the potential to have a substantial influence on creative output. This is especially true because empowering leadership is so common in the working environment. The production of original ideas is the only definition of originality; nevertheless, inventive thinking is not precisely the same thing as creativity. Originality is defined as the development of unique ideas. There is no other definition of creativity than creativity itself. In addition to the fact that it is commonly understood that innovation is the process by which new ideas, products, and processes are created and then put into practice, it is also largely agreed that innovation is the method that reflects innovation. Since this is the case, the existence of uniqueness is one of the components that contribute to progress (Guo et al., 2023).

5. RESEARCH QUESTION

- How does empowering leadership impact employee performance considering leadership theories?

6. RESEARCH METHODOLOGY

6.1 Research Design

This study utilised a method for quantitative research. The software used for data processing was SPSS version 25. The demographic dataset was reduced using descriptive statistics. The researchers used odds ratios (OR) with a 95% confidence interval (CI) to ascertain the size and direction of the connections. A p-value < 0.05 indicates a statistically significant outcome. The justification for using quantitative methodologies is their capacity for rigorous statistical analysis and systematic assessment of survey outcomes.

6.2 Sampling

A simple random sample was used to reflect various categories within the research population. The Rao-soft program established that the minimum necessary sample size is 826 individuals. Subsequently, 932 questionnaires were disseminated. A total of 895 responses were gathered, of

which 38 were eliminated owing to incompleteness. Consequently, the entire sample size included 857 valid responses.

6.3 Data and Measurement

Questionnaires were the primary method of data collection for the study. The survey had two sections: (A) General demographic information and (B) Responses on digital and traditional channel factors on a 5-point Likert scale. The bulk of secondary material was extracted from internet databases and other secondary sources.

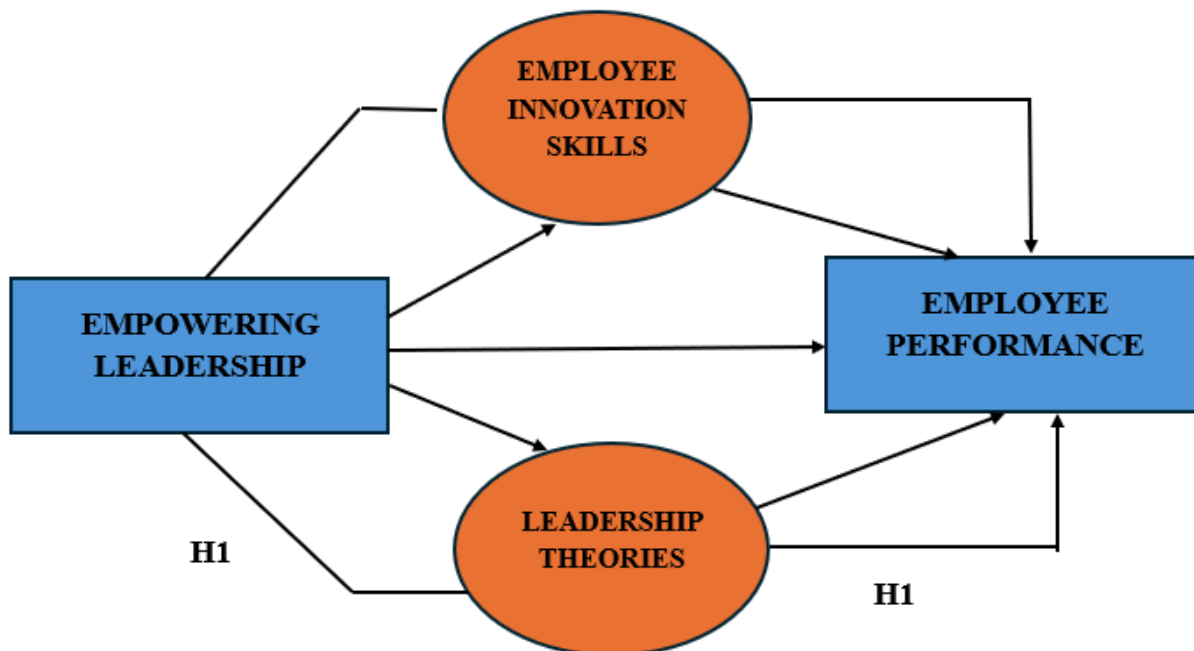
6.4 Statistical Software

The statistical analysis was performed with SPSS 25 and MS Excel.

6.5 Statistical Tools

A descriptive method was used to comprehend the essential nature of the information. Individuals should do factor analysis to evaluate validity.

7. CONCEPTUAL FRAMEWORK



8. RESULT

• Factor Analysis

Factor Analysis (FA) is often used to validate the underlying structure of a collection of measurement items. Conventional wisdom holds that concealed factors directly influence the scores of observable variables. Precision analysis (FA) is a model-driven approach. The major objective of this research is to identify correlations between observable occurrences, their underlying causes, and measurement inaccuracies.

The use of the Kaiser-Meyer-Olkin (KMO) technique may ascertain the suitability of the data for factor analysis. Researchers guarantee that an appropriate sample size is maintained for all model variables in the aggregate. The research indicates that several components exhibit identical variance. Factor estimate is useful with data exhibiting smaller percentages.

The KMO output is an integer between 0 and 1. A KMO score ranging from 0.8 to 1 indicates sufficient testing.

Remedial action is necessary if the KMO is below 0.6, indicating insufficient sampling. Employ one's optimal judgement; several authors choose 0.5 for this purpose, resulting in a range of 0.5 to 0.6.

Partial interactions attain statistical significance as a proportion of total correlations when the KMO score nears zero. Substantial correlations considerably hinder component evaluation.

From 0.050 to 0.059, frequency ranges vary immensely.

- The range of 0.60 to 0.69 is quite adequate.

The median rating generally ranges between 0.70 and 0.79.

The typical range for point values is 0.80 to 0.89.

When the value is between 0.90 and 1.00, a very unlikely event takes place.

Testing the Appropriateness of the KMO and Bartlett's Sampling Method (Table 1):

Valued at 0.891 on the Kaiser-Meyer-Olkin scale.

The results of Bartlett's test of sphericity are as follows: 3252.968 is the approximate chi-square value; 190 is the degrees of freedom (df); sig = .000.

Table 1: KMO and Bartlett's Test

| KMO and Bartlett's Test | | |
|---|---------------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .937 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 3252.968 |
| | df | 190 |
| | Sig. | .000 |

Significant correlations existed between the matrices, as shown by the Bartlett Test of Sphericity. The Kaiser-Meyer-Olkin metric of sampling adequacy is 0.937. The researchers used Bartlett's sphericity test, yielding a p-value of 0.00. The association matrix was shown to be deficient based on Bartlett's sphericity analysis.

❖ **INDEPENDENT VARIABLE**

- **Empowering Leadership:**

Empowerment leadership is an administrative style that enhances employee engagement and work efficiency by enabling followers, teams, or organisations to take initiative and make choices. In management, the phrase "empowerment leadership" denotes this specific kind of leadership. The concept of empowering leadership, supported by substantial positive research, is often seen as yielding a mostly beneficial, empathetic, and ethical return on investment (ROI). This is undertaken due to the established concept of empowering leadership. Distributing authority and assigning more responsibilities to subordinates is a fundamental aspect of empowering leadership. This is achieved by a specific array of leadership characteristics that include enhancing the relevance of work, promoting participation in decision-making, exhibiting confidence in exceptional performance, and granting people autonomy from bureaucratic limitations. A

favourable and strong association exists between empowering leadership and employee engagement and knowledge sharing. In the context of employee engagement, the dissemination of knowledge and employee creativity are two interrelated elements. A substantial correlation exists between the diffusion of information and the creativity of employees, which is a result of the statement. Current evidence demonstrates that empowered leadership has no substantial direct effect on the creativity of team members (Lin et al., 2020).

❖ **MEDIATING VARIABLE**

● **Leadership Theories:**

These concepts about leadership, which have often grown throughout time, claim that the tasks of leaders include helping to improve the well-being of other people while placing a focus on social responsibility. Clearly, there has been a significant advancement in the field of leadership research. The theory of leadership has progressed from innate characteristics and entitlements to learnt characteristics and styles, then to situational and relational leadership, and finally to a focus on group dynamics and processes. At the present time, the theory is putting more of an emphasis on the interactions between members of the group, with a particular emphasis on personal and organisational ethical advancements (Lord et al., 2020). As a result of the leadership theories being activated, there was a deviation from the separate perspectives of the leader, the context of leadership, and the follower. Instead, the attention shifted to practices that were more focused on the interactions that took place between the followers and the leaders. A form of leadership termed "transactional leadership" is a style of leadership in which the connection between leaders and followers is based on several agreements involving the leaders and the followers. This style of leadership is referred to as "transactional leadership" in the context of leadership (Dugan, 2024).

❖ **DEPENDENT VARIABLE**

● **Employee Performance:**

When it comes to reaching organisational goals, employee performance is a major factor. Employee performance, as it pertains to a company, is the level of competence with which a worker completes assigned duties and responsibilities. A company's human resources are one of its accessible resources, and they play a crucial part in the efficient achievement of the organization's goals. An employee's work ethic is crucial to the success of a company in terms of both the employee's performance and the company's overall success when it comes to staff development. It is beneficial for the organisation to get these employees to work more efficiently and effectively, but it is also beneficial for the employees to do their jobs more effectively. It is important to note that, according to Kuswati (2020), anybody has the potential to advance in their position as an employee provided, they do their responsibilities in an effective manner. There is a possibility that poor leadership could result in employees doing their jobs less effectively, which would subsequently have an impact on the overall performance of the organisation. An unfortunate consequence of this decrease in productivity is that it will have an impact on the overall performance of the whole firm (Anakpo et al., 2023).

• **Relationship between empowering leadership and employee performance considering leadership theories:**

Some employees, like their colleagues, need a kind of empowerment from their supervisors or leaders in the form of empowering leadership to experience adaptive performance and the capacity to operate in all shifting settings. It is necessary for these employees to have the ability to function in all circumstances. Boosting the viability of the company, boosting involvement in decision-making, expressing confidence in performance, and offering freedom from bureaucratic limitations are all components of empowering leadership, which is an essential first step in the process of becoming a successful leader (Limon, 2022). For this reason, empowered leaders are ready to share authority with their followers and provide support for them. Empowering leadership places an emphasis on total employee performance, including employee independence, involvement, and growth. This is accomplished by fostering self-direction on the part of the leader. Therefore, effective leadership that encourages subordinates will result in beneficial psychological responses and attitudes from those subordinates. These employees could be more confident, have good experiences and feelings about their occupation, and have more positive feelings and experiences about their work because of leaders behaving in ways that boost enthusiasm and effectiveness amongst working people, as well as strengthen their engagement in company operations (Saleh, 2022).

Considering the initial discussion, the researcher formed the following hypothesis to estimate the relationship between empowering leadership and employee performance considering leadership theories:

- *“H₀₁: There is no significant relationship between empowering leadership and employee performance considering leadership theories.”*
- *“H₁: There is a significant relationship between empowering leadership and employee performance considering leadership theories.”*

Table 2: H₁ ANOVA Test

| ANOVA | | | | | |
|-----------------------|----------------|-----|-------------|----------|------|
| Sum | | | | | |
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 39644.473 | 399 | 5472.492 | 1022.322 | .000 |
| Within Groups | 381.549 | 457 | 5.353 | | |
| Total | 47267.820 | 856 | | | |

This study produces substantial findings. The coefficient of determination (F) is 1022.322, acquiring significance with a p-value of .000, which falls under the .05 alpha level. The hypothesis *“H₁: There is a significant relationship between empowering leadership and employee performance considering leadership theories”* is accepted, whereas the null hypothesis is rejected.

9. DISCUSSION

The outcomes of this study highlighted the vital significance of enabling leadership in the process of improving employee performance via the mediation of creative capacities. An atmosphere that was favourable to creativity may be established by leadership that exhibits trust, independence, and delegation, according to the considerable connection that was discovered indicating that this may be possible. A rapid increase in production occurred as a direct result of leaders encouraging their employees to be as innovative as they possibly could be. The findings were in line with those of previous studies that showed that cultivating a culture of creativity could only be accomplished using cooperative management and adequate allocation. Because empowered leadership had a direct impact on engagement and autonomy, while originality was influenced by a mediating effect, it was abundantly evident that the development of workers' imaginative skills needs to be a top goal. There was a substantial correlation between leadership styles that emphasise employee empowerment and increased creative efficiency. This was seen by the statistically significant association and the positive correlation with predictability. As a result of the fact that Chinese culture puts a significant amount of importance on hierarchical structures and collectivism, these results indicate that empowerment strategies that are tailored to the local context may be an effective method to accomplish the goals of their organisation. According to the findings of the research, leadership development programmes that placed an emphasis on the autonomy and creativity of employees might be able to aid organisations in keeping a competitive advantage in the uncertain consumer marketplaces.

10. CONCLUSION

The findings of the research showed that empowering leadership was very important for improving employee efficiency, especially when it related to creative thinking. Leadership styles that foster trust, freedom of action, and delegation had shown the capacity to augment employees' creativity, hence enhancing their workplace performance. The findings indicated a significant association between empowering leadership and employee performance, with leadership theories serving as a crucial moderating factor. This research said that leaders should make the workplace a place where employees feel free to share their thoughts. The results suggested that a mix of progressive and strict rules, together with motivating leadership styles, might lead to more creativity and productivity. When a company was enthusiastic about development and success, its executives should understand how to make the workplace a place where people can work together and come up with new ideas. This was the greatest strategy to make sure the business does well. Graduates of leadership development courses that emphasised engagement, creativity, and productivity tend to exhibit higher levels of engagement, creativity, and productivity compared to graduates from alternative programmes. The results of this study enhanced comprehension of managerial influence on organisational outcomes by illustrating the necessity of granting leaders the autonomy and resources required for creative thinking, especially in periods of economic uncertainty.

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