

'Empowering leadership' improves firm productivity

blogs.lse.ac.uk/businessreview/2016/01/05/empowering-leadership-improves-firm-productivity/

1/5/2016

Some kind of productivity is the ultimate goal for all organisations. However, this goal cannot be realized unless employees experience a high level of motivation for their tasks. Moreover, some level of well-being is also necessary to keep it going in the long run. Indeed, how managers can promote optimal motivation, well-being, and productivity has been an important question in organisational, psychological, and leadership research for decades. Is there a good answer to this question yet? Has leadership a role here?

Of course, many factors contribute to the accomplishment of the core goal of organizational productivity. In this respect, [research](#) by Humphreys, Nahrgang and Morgeson from 2007, including almost 220 000 respondents, provided solid evidence that certain work characteristics had strong influence on productivity, relevant employee attitudes and behaviours. Among these, employee autonomy was the only work characteristic that had a stable relationship with objective measures of performance across studies/study settings. These researchers also found autonomy to be related to "the productivity-enhancer" *intrinsic motivation*, which typically has a good effect on objective performance and different states associated with well-being.

In a more in-depth [study](#) of these issues from 2011, Seibert, Wang and Courtright focused on both antecedents and effects of what they called psychological empowerment. This state describes intrinsic task motivation, which is manifest in a sense of control and active orientation in one's work role. Interestingly, Seibert and colleagues found evidence that psychological empowerment actually was positively associated with task performance, organisational citizenship behaviours, innovation, job satisfaction, organisational commitment, and more.

The list of effects that can be associated with psychological empowerment is indeed impressive, and who wouldn't like more of such characteristics in their organisation? As regards important antecedents of psychological empowerment, Seibert and colleagues found a strong relationship between transformational (inspirational, visionary, and development oriented) and relationship-oriented leadership and psychological empowerment. Thus, leadership clearly plays a role here.

In our [research](#), we have sought to investigate further the relationship between leadership, psychological empowerment, and related states and results. In this respect we have developed a new theory simply called *empowering leadership*.

First, our research findings supported that *empowering leadership* had two major behavioural dimensions. These were labelled "autonomy support" and "development support." Another suggested main aspect, "motivation support," blended together with autonomy support. The two aspects of *empowering leadership* were quite strongly related, meaning that leaders who tended to support autonomy also tended to support employee development.

To understand better what this kind of leadership is about, some more detail might be helpful. Autonomy support describes leader behaviours that delegate responsibility, coordinate goals and share information, provide efficacy support, encourage employee goal focus, coordinate efforts, inspire, and encourage initiative. The second, development support, describes leader behaviours that mainly provide guidance and where the leader acts as a role model that facilitates observational learning.

Our research makes it clear that just focusing on autonomy support would not be sufficient for good *empowering leadership*: providing freedom to make choices would actually be insufficient in explaining performance and productivity. Leaders should additionally ensure that employees develop optimal competence in using their autonomy to actually reach organisational goals.

The observant reader may then ask what kind of guidance and modelling behaviours are relevant in *empowering leadership*. In this respect, leaders should provide guidance and model behaviours that facilitates employee self-

leadership. Self-leadership is about setting goals, working efficiently towards these goals, and at the same time making sure that both job-interest and job-satisfaction are maintained. A number of strategies and techniques are associated with self-leadership and the idea is that leaders should facilitate employee competence in self-leadership.

Does this way of leading work? Yes, and it actually seems to work very well. In several studies we found that *empowering leadership* was associated with work effort, job satisfaction, psychological empowerment, creativity, and self-leadership. Finally, we also found that *empowering leadership* worked better than transformational leadership and supportive, relationship-oriented leadership, when directly compared, in promoting psychological empowerment.

Will it work for you? Well, it actually might, especially if you're the kind of leader who has a certain amount of humility towards your leadership capacity and a willingness to learn. This perspective was supported in a study where leaders' self-reported *empowering leadership* was compared with their direct reports' evaluation of *empowering leadership*. Those leaders who rated themselves lower than their employees actually performed well.

Can this kind of leadership be learned? We have not yet investigated this issue, but research on the related, development-oriented theory of transformational leadership seems encouraging. So, we believe it will also be possible, and perhaps even more useful, to teach *empowering leadership* skills to support organisational productivity.

♣♣♣

Notes:

- This post is based on the paper [Linking Empowering Leadership to Job Satisfaction, Work Effort, and Creativity – The Role of Self-Leadership and Psychological Empowerment](#), *Journal of Leadership & Organizational Studies* January 19, 20151548051814565819
- This post gives the views of its author, not the position of LSE Business Review or the London School of Economics.
- Featured image credit: [U.S. Army CC-BY-2.0](#)

Øyvind L. Martinsen is Professor in Organisational Psychology and Head of department for the Leadership and Organizational Behavior department at the Norwegian Business School. He received his PhD from the Faculty of Psychology at the University of Bergen, Norway. He is a member of the American Psychological Association and the Association for Psychological Science. His current research interests include a focus on the creative personality, motivational processes in creativity, self-leadership, narcissism in leader selection settings, and 360-degree feedback.



Stein Amundsen is Associate Professor in leadership and organizational behaviour at the Faculty of Economics and Organizational Sciences of Lillehammer University College, Norway. Here he is currently working with teaching and research in leadership, self-leadership and employeeship, especially within an empowering perspective. He practiced many years as leader before he continued his career in academia. Dr. Amundsen received his PhD from the Faculty of Social Sciences and Technology Management at the Norwegian University of Science and Technology.



- Copyright © 2015 London School of Economics