

**AN EXPLORATORY STUDY ON EMPLOYEE INNOVATION SKILLS AND LEADERSHIP THEORIES
EXAMINING THE IMPACT OF EMPOWERING LEADERSHIP ON EMPLOYEE PERFORMANCE.**

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ABSTRACT

Using innovation abilities as a mediator, this research investigates how empowered leadership affects employee performance in Chinese organisational settings. This study seeks to answer how leadership styles that promote independent thinking and strong leadership can boost employee creativity and ultimate productivity by examining the effects of these leadership strategies. A quantitative technique was used to gather data from 857 respondents using structured questionnaires. The data was examined using SPSS and factor analysis. The results show that employees' innovative talents mediate a favourable and statistically significant association between empowered leadership and performance. In particular, leadership actions that encourage independence and personal responsibility create an atmosphere that is favourable to innovation, which in turn increases output from workers. Aesthetically tailored leadership programmes may be a vital component of organisational success, as the findings show that empowerment tactics are relevant within China's collectivist and hierarchical society norms. The research adds to the current body of knowledge by drawing attention to the mediating role of innovation abilities in the leadership and performance nexus, and it offers managers in China some useful takeaways for encouraging creativity in the workplace. In order to maintain competitive advantages in consumer markets that are always shifting, the findings support programmes for leadership development that place an emphasis on fostering the autonomy of staff members, imaginative thinking, and communication. The research underscores the significance of empowering leadership in the process of encouraging innovation and enhancing staff productivity, especially in the dynamic economic climate that China is now experiencing.

Keywords: Empowering Leadership, Employee Performance, Innovation Skills, Efficiency, Consumer Market.

INTRODUCTION

With a particular emphasis on the important part that it plays in improving inspiration, involvement, and creativity across a variety of sectors, the influence of empowered leadership on employee performance is being examined. Some of the factors that have been recognised as having a

significant impact on employee performance include feeling empowered, in-role performance, and involvement in the job. Empowering leadership, which is typified by offering autonomy and developing credibility, has been highlighted as a major contributor. Leadership that empowers employees has a significant impact on the efficiency of those employees (Widyo et al., 2023). Once again, leadership is a factor that's essential to the general sustainability of an enterprise, as well as the facilitation of innovation and encouragement of adaptation to developments in technology. Furthermore, the innovation skills of employees and leadership theories function as intermediaries in the link between innovation skills and employee performance. This is an important aspect of the interaction. It is possible to assert that the implementation of leadership techniques that empower employees and the encouragement of new revolutionary inventive ideas may boost employee performance and flexibility, hence benefiting the long-term prosperity of a company. Some ways to delegate power include having faith in employees' abilities, letting them use their discretion, and emphasising the significance of employees owning up to their mistakes (Ahmed et al., 2022).

BACKGROUND OF THE STUDY

China has had a tremendous boom in revenue growth over every decade of the previous four years, and it is now recognised as an important consumer market on a global scale. Today, China is one of the nations with the greatest population in the world. Over the last several years, Chinese companies have significantly increased their expenditures in order to satisfy the ever-increasing demands of their clientele. The quantity of work flexibility that was accessible within teams was demonstrated to be significantly reduced as a result of the widespread existence of a culture in China that prioritises the avoidance of mistakes. In addition, this culture had a negative impact on the relationship among leadership empowerment and work freedom. It was discovered in China that job flexibility would make it possible for members of a team to be given more authority to make selections autonomously while they are at work. Alongside this, there ought to be a greater number of options for people to organise their professional lives in a manner that is more adaptable to their needs. The adoption of adaptive techniques to work as a reaction to the existing obstacles would be facilitated as a consequence of this, which would eventually lead to an increase in the innovation capacity of the team. Some nations with a middle socioeconomic level are demonstrating an appropriate degree of velocity in a range of various sorts of innovation, which acts as a new accelerator for the growth of the global economy. This is a positive development. There is just one economy among the top 30 economies in the world that is regarded to be a middle-income economy, and that is the Chinese economy. Having clambered from the seventeenth position in 2018 to the fourth position in 2019, it has now reached the fourteenth position. This is a continuation of its trend (Anakpo et al., 2023).

PURPOSE OF THE RESEARCH

Examining the effects of empowered leadership on innovative abilities and overall efficiency in Chinese organisational environments is the goal of this study project. Leadership styles that successfully encourage innovation and productivity among employees are becoming more important in light of China's fast economic growth and growing focus on invention-driven development. Within the context of collectivism, hierarchical connections, and Confucian ideals that define Chinese culture, this research seeks to investigate the relevance of several theories of leadership, including revolutionary, participatory, and empowered leadership. Finding ways to improve individual and organisational achievement in Chinese enterprises is the goal of this research, which aims to do this by studying the effects of empowering leadership techniques on employees' invention potential. Cultural variables are also being investigated because of their potential moderating effects on the leadership style-employee outcome link. The results will be helpful for officials as well as leaders in China who are trying to foster a creative work environment, increase employee involvement, and maintain strong competitive advantages in the face of China's ever-changing economic climate. This research aims to provide useful suggestions that align the development of leadership with China's particular cultural and managerial context. The ultimate goal is to encourage employee innovation and enhanced efficiency, while also contributing towards a wider comprehension of effective leadership in the country.

LITERATURE REVIEW

In order to facilitate the distribution of responsibilities among members of the team, visionaries might use a technique known as empowering leadership. For the company to achieve this goal, more tasks are delegated to the members of the staff, and these individuals are also provided with the resources and assistance that they require in order to successfully carry out their newly assigned obligations. In contrast to the job description, which normally implies that individuals of the team are accountable for their own individual work, empowering leadership demonstrates a more progressive approach of distributing larger responsibilities among the members of the team. There have been seen that executives who delegate decision-making authority to their colleagues are far more likely to witness outstanding performance and creative initiatives from those employees. Leadership is a process that goes both ways, which is the reason why this is the situation that somebody find themselves in this situation (Amoroso et al., 2021). The present trend of giving employees with a large level of autonomy and empowerment is a particular impact that empowered leadership has on creativity among workers. This is because it correlates with the trend of empowering employees with power and autonomy. The capacity of influencing other individuals in the direction of the accomplishment of organisational objectives is what is meant by the term "leadership." The term "transformational leadership" refers to a style of leadership in which leaders inspire their subordinates to conform to the objectives and interests of the organisation in order to achieve results that are superior to those that were anticipated. The transformational leadership theory places a focus on the human feelings, values, and the significance of leadership

that is geared towards encouraging creative thinking among employees (Gao & Zhang, 2023). In general, the way in which leaders conduct themselves has a significant impact on the inventive and creative production of the employees under their supervision. In light of the fact that empowering leadership is so prevalent in the working environment, leadership is an essential contextual aspect that has the ability to have a significant impact on creative output. The sole definition of originality is the development of unique ideas; nonetheless, innovative thinking is not exactly the same thing as creativity. Creativity is the only definition of creativity. To add insult to injury, it is generally accepted that innovation represents the technique by which new ideas, products, and procedures are conceived and subsequently put into reality. Since this is the case, one of the components of improvement is the presence of originality (Kanake & Kemboi, 2020).

RESEARCH QUESTION

How does empowering leadership influence employee performance in terms of employee innovation skills?

RESEARCH METHODOLOGY

Research Design

This study employed a quantitative research methodology to conduct the research work. Data processing was done with SPSS version 25. Utilising descriptive statistics, the size of the demographic data was reduced. Researchers used odds ratios (OR) with a 95% Confidence Interval to find out how strong the correlations were and in what direction they were going. A statistically noteworthy result is one with a p-value lower than 0.05. The reason for choosing quantitative methods is that they can do rigorous statistical testing and systematic evaluations of outcomes from surveys.

Sampling

A stratified random sample was used to represent several study population groupings. The Rao-software program determined that the bare minimum sample size required is 826 people. Subsequently, 932 surveys were distributed. A total of 895 answers were collected, of which 38 were discarded due to incompleteness. As a consequence, 857 valid answers made up the overall sample size.

Data and Measurement

Questionnaires served as the main means of data collection for the investigation. There were two sections to the survey: (A) General demographic details and (B) Digital and traditional channel factor replies on a 5-point Likert scale. The majority of secondary information was culled from online databases and other secondary sources.

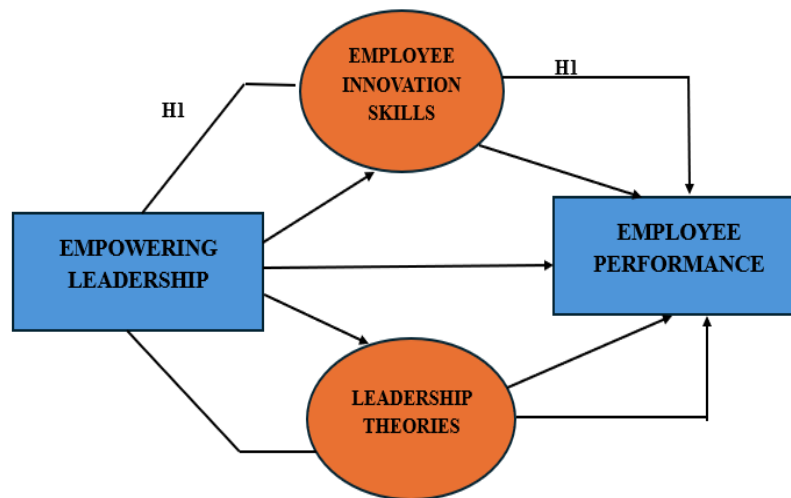
Statistical Software

The statistical investigation was conducted using SPSS 25 and MS-Excel.

Statistical Tools

To grasp the fundamental character of the info, a descriptive approach was used. Individual shall use factor analysis to assess the validity.

CONCEPTUAL FRAMEWORK



RESULT

Factor Analysis: It is usual practice to do Factor Analysis (FA) to confirm the underlying structure of a set of measuring items. The conventional wisdom is that hidden factors have a direct bearing on the scores of the observable variables. Precision analysis (FA) is a model-based strategy. Finding connections between events that can be observed, their underlying causes, and errors in measurement is the primary goal of this study.

Applying the Kaiser-Meyer-Olkin (KMO) method may help in determining whether the data is appropriate for factor analysis. Researchers ensure that there is an adequate sample size for all model variables for the total. According to the data, a lot of the factors have the same variance. Factor estimation works effectively with data that has lower percentages.

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

Remedial action is required if the KMO is below 0.6, indicating inadequate sampling. Utilise ones' best opinion; several writers choose 0.5 for this reason, yielding a range of 0.5 to 0.6.

Partial interactions get statistical significance as a fraction of overall correlations when the KMO score approaches zero. Significant correlations complicate component assessment significantly.

A dismal 0.050 to 0.059.

- 0.60 - 0.69 below standard

The standard range for a medium grade is 0.70–0.79. A quality point value between 0.80 and 0.89. The range from 0.90 to 1.00 is quite remarkable.

Table 1. Kaiser-Meyer-Olkin (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

There were highly significant associations between the matrices, as shown by the Bartlett Test of Sphericity. Sampling adequacy as measured by Kaiser-Meyer-Olkin is 0.937. The investigators used Bartlett’s sphericity test and got a p-value of 0.00. The relationship matrix was found to be flawed according to Bartlett’s sphericity analysis.

INDEPENDENT VARIABLE

Empowering Leadership: In order to boost employee engagement and efficiency on the job, empowerment leadership is a style of administration that empowers followers, groups, or organisations to take initiative and make decisions. In the context of management, for example, the term “empowerment leadership” refers to this type of management. Because the idea of empowering leadership has been produced in accordance with a significant amount of positive research, it is often said that the return on investment (ROI) of such leadership is largely helpful, compassionate, and upright. This is done because of the reality that the idea of empowering leadership has been established (Joo et al., 2023).

Sharing power and delegating greater responsibility to followers is an essential component of empowering leadership. This is accomplished through a particular assortment of leader behaviours that include improving the significance of work, advocating involvement in decision-making, demonstrating confidence in superior performance, and giving employees autonomy from

bureaucratic constraints. There is a positive and significant correlation between empowering leadership and the involvement of workers in their work and the sharing of information. When it comes to employee engagement at work, two variables that are closely tied to one another are the sharing of information and the inventiveness of employees. There is a significant relationship between the dissemination of knowledge and the creativity of workers, which is a consequence of the previous point. It is currently proven that there is no significant direct impact whatsoever that empowered leadership has on the creativity of team members (Martono et al., 2020).

MEDIATING VARIABLE

Employee Innovation Skills: When it involves gaining an advantage over others in business organisations of today, innovation is an extremely important factor to consider. This is as a result of the fact that the ever-changing nature of the business environment and the need to find novel remedies are the primary motivating factors behind innovation. It is thus vital for organisations to empower themselves with the leadership qualities that are required for innovation (creative management) in order for them to be successful in these settings that are continuously evolving. Investing in the professional growth of leaders is crucial since leadership plays a key role in the process of fostering a culture of creativity inside firms. As a consequence of this, it is highly important to make expenditures in the advancement of leaders (Rampa & Agogu , 2021). These leaders of the future will be required to possess the ability to install an attitude of innovation throughout their team. For the purpose of ensuring that managers get the right training in this area, it is vital to define the primary leadership qualities that are crucial to the process of fostering a mindset of innovation among workers (Saniuk et al., 2023).

DEPENDENT VARIABLE

Employee Performance: The performance of employees is one of the most important variables in the accomplishment of organisational objectives. In the context of an organisation, employee performance refers to the degree to which a staff member is able to carry out their tasks and obligations in an appropriate and efficient manner. When it comes to the effective accomplishment of organisational objectives, human resources, which are one of the resources that are available inside the business, play a significant role. When it comes to the growth of staff members, the work ethic of an employee in a business is essential for achieving employee performance in and of itself, as well as for the overall achievement of the organisation. While it is good for the organisation to improve the efficiency of these workers, it is also helpful for the workers themselves to improve their performance. Because, in theory, anybody may potentially obtain a higher level of career progression as an employee if they do well in their responsibilities (Kuswati, 2020). It is possible that the existence of a bad leadership style may lead to a decline in the performance of the employees, which will then have an impact on the overall success of the company. This

deterioration in productivity will have an effect on the organisation's overall performance across the whole organisation (Anakpo et al., 2023).

Relationship between empowering leadership and employee performance through employee innovation skills: There is a large amount of significance in the links that exist between empowering leadership, innovative skill, organisational preparedness to change, and sustained worker efficiency. However, sustained employee performance is not affected by empowering leadership. Based on the findings of the mediation study, it can be concluded that creative work behaviour acts as a mediator between entrepreneurial leadership and economically viable performance. A few fundamental management ideas, such as arrangement, training, mentorship, and actualisation, have been combined to form the empowering leadership style (Vu, 2020). The most important factor in growth today is innovation, which is why it is so important. Despite the fact that it continues to be one of the most significant difficulties that businesses must contend with, it is luckily one of the many aspects of managerial success that may be improved by emotional intelligence. Innovation has thus grown into the guiding principle of businesses that are eager to thrive and achieve their objectives and missions, and the use of abilities related to psychological intelligence may aid in improving the level of innovation in addition to the processes involved in innovation (Purnaman, 2022).

In light of the preceding debate, the researcher developed the following hypothesis to evaluate the influence of empowering leadership on employee performance considering employee innovation skills:

"H₀₁: There is no significant relationship between empowering leadership and employee performance through employee innovation skills."

"H₁: There is a significant relationship between empowering leadership and employee performance through employee innovation skills."

Table 2. H1 ANOVA Test.

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	35648.350	291	5647.597	1,068.406	.000
Within Groups	485.490	565	5.286		
Total	41471.760	856			

This study produces significant findings. The coefficient of determination (F) is 1,068.406, achieving 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 through employee innovation skills” is accepted, whereas the null hypothesis is rejected.

DISCUSSION

This study's results highlight the critical significance of empowering leadership in improving staff performance by way of innovative skills as a mediator. Leadership typified by trust, independence and delegation creates an atmosphere that is favourable to creativity, according to the discovered significant link. Enhancing work efficiency is an immediate result of leaders empowering their employees to maximise their creativity. This is in sequence with previous analysis that has shown that cooperative management and adequate allocation are key to fostering an innovative culture. An important objective should be on developing employees' innovative abilities, because empowered leadership has a direct influence on engagement and autonomy but a mediated effect on originality. The strong correlation between these variables, as shown by the high correlation of predictability and the statistically significant relationship, provides credence to the notion that creative efficiency increases might result from leadership styles that prioritise employee empowerment. These findings have important implications for Chinese businesses because of the cultural norms of collectivism and hierarchical connections; they imply that empowerment methods that are culturally adapted may be a powerful driver of organisational success. In order to maintain a competitive edge and organisational adaptability in ever-changing consumer markets, the report suggests programmes for the development of leadership that focus on empowering employees and cultivating creativity.

CONCLUSION

The investigation argues that empowering leadership serves as essential for improving employee performance, especially in the field of innovative thinking. The results indicate that leaders whose styles include trust, freedom of action, and delegation are able to boost their employees' innovation and, by extension, their performance on the job. Employee creativity is a crucial moderator connecting empowering leadership and employee performance, according to the statistically significant findings. This research says that leaders should make it easy for employees to share their thoughts and ideas. The results suggest that a blend of strict and progressive legislation, with motivational leadership techniques, might enhance creativity and productivity. This is particularly true in China. Any business that wants to develop and perform well should teach its management how to create an atmosphere that encourages creativity and the sharing of responsibilities. People who become more involved, innovative, and productive usually come out of programmes for leadership development that put a lot of emphasis on these things. This study enhances the comprehension of the impact of managers on organisational outcomes by

demonstrating the significance of granting leaders the autonomy and resources necessary for innovative thinking, particularly during periods of economic uncertainty.

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