

Effect of Empowerment Leadership and Psychological Capital Towards Innovative Work Behavior: A Research Proposal

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Abstract:

In creating innovation requires innovative work behavior both from individuals, groups, and organizations. The creation of innovation is a must for both private and public organization. This paper seeks to propose a research program on the determinants of innovative work behavior. Innovative work behavior can be influenced by empowering leadership and psychological capital. This paper integrated those factors and used as a frame for the research program, going beyond the limitation of current innovative work behavior inquiry. After having presented hypotheses, the empirical research results can be used as collective analysis to elevate employee innovative work behavior.

Key Word: *empowering leadership; innovative work behavior; psychological capital*

Date of Submission: 13-07-2020

Date of Acceptance: 28-07-2020

I. Introduction

In achieving the success of the goals of an organization or agency both engaged in the public sector or in the private sector is largely determined by the ability of the organization or agency itself to manage all resources both human resources, natural resources, resources material and non-material resources owned by the organization or agency. In addition, the organization or agency must also be able to adjust or adapt to all changing times.

For this reason, an organization or agency needs various breakthrough innovations to be able to maintain its survival so that it is able to face the demands of the times. Understanding Innovation has been raised by many experts, one of which is according to (Robbins & Coulter, 2010) which states that innovation is a process of changing a creative idea or idea that is realized or applied in the form of a product or a work method that is useful.

Currently, Indonesia has entered the era of the industrial revolution 4.0 and even 5.0 which is all digitizing, sophisticated and modern. Therefore, in the face of the era of the industrial revolution, Indonesia urgently needs a variety of breakthrough innovations that can compete on the international scene. Based on data contained in the Global Innovation Index (GII) in 2019, the participants consisted of 129 countries from all countries in the world. The data shows that Indonesia's position in innovation is ranked 85th, this shows that the level of innovation creation in Indonesia is still far behind compared to other Asean countries such as: Singapore, Malaysia, Vietnam, Thailand, the Philippines and Brunei Darussalam.

To improve and catch up with the ASEAN countries, the Indonesian government really needs to improve and develop and create innovative breakthroughs so that Indonesia's ranking becomes better and is not underestimated by other countries. The creation of innovation becomes a necessity for a public sector organization as well as the private sector, especially the public sector in central and regional governments, this is regulated by Law No. 23 of 2014 article 386 s.d. article 390 which states that in order to improve the performance of government administration, the regional government can innovate to support the quality of public services so that the realization of the concept of Good and Clean Governance.

Various studies have been carried out by many experts on the factors that drive innovation but broadly according to Stewart (1999) in (Ancok, 2012) there are three factors or indicators in organizational capital that act as a lever in terms of supporting the creation of innovation, namely: 1). Human Capital ; 2). Leadership Capital; 3). Structural Capital. Meanwhile the role of the leadership is essential to determine the sustainability and growth of the organization. Therefore, that requires a leader who can optimize the role for the achievement of objectives. The leader as a source of motivation or a source of mobilization for followers consisting of a group of people in an organization to achieve the goals of the organization. Leaders who can empower their followers can create innovations needed by organizations in Indonesia. The concept of empowering leadership states that empowering leadership is a process of moving employees through task delegation, providing motivational support and enthusiasm that aims to encourage subordinates to develop themselves and have experience related to increasing independence, increased motivation and ability to work so that strategy and

organizational goals are achieved (Amundsen & Martinsen, 2014). Furthermore, some behaviors contained in an empowering leadership are delegation of tasks, coordinating work and sharing knowledge through providing information and experience, motivating and encouraging employee initiatives, focus on goals, support in the form of suggestions and advice to employees, sources of inspiration for employees, provide examples and good guidance to subordinates.

Furthermore, the behavior of empowering leaders usually has psychological capital that is of good value in themselves. Psychological capital is an individual psychological statement characterized by four things, namely: 1). Efficacy, where a leader has high confidence in facing challenges; 2). Hope, where a leader has high hopes, conditions, or motivation to achieve success; 3). Optimism, where a leader has a high sense of optimism will achieve success both now and in the future; 4) Resilience, a leader has psychological power that is of good and positive value so that he is able to encourage someone to rise from failure and additional tasks given (Peterson, Luthans, Avolio, Walumbwa, & Zhang, 2011)

Therefore, the presence of leaders who apply empowering behavior and have good psychological capital will be able to trigger the emergence of good work behaviors for employees or employees. Where employees or employees are the most important resource assets in the process of creating an innovation in the organization. Behavior that gives rise to the creation of an innovation at the individual level is known as individual work behavior where the stages of this behavior according to the opinion of (Fontana & Musa, 2017) include: idea generation, idea selection, idea development, idea diffusion. Knowledge, education, experience and innovative work behavior possessed by everyone interact with each other in creating a passion for innovation.

II. Theoretical Framework

Innovative Work Behavior

Various definitions or notions of Innovative Behavior many put forward by experts including according to (Jong & Hartog, 2008) defines that individual innovation behavior is an activity or individual activity with the aim of introducing a form of ideas, new ideas and has benefits that implemented in the form of a work process, a product in the form of goods or a work method or procedure. Furthermore, the notion of innovation according to Drucker (2002) in (Rahayu & Fitriati, 2013) explains that the creation of innovation is a result of the process of knowing rather than doing where effective innovation should be done by focusing or maximizing all the main aspects possessed by the organization and in the creation of innovation requires an individual to be responsive and has a high inspiration function so that organizational goals can be achieved immediately.

There are several factors that influenced innovative work behavior, namely individual factor, job characteristic factor, contextual factor and leadership factor. Individual factors are factors that are sourced or are internal from the individual itself. Job characteristic factors that are seen to influence innovative behavior in the workplace are autonomy, work complexity and role expectations. Contextual factors are factors that exist in the work environment and influence innovative behavior in the workplace. The Leader factor is a factor that is seen to have a large influence on innovative work behavior (Khan, Hafeez, Rizvi, & Mariam, 2012) because first, leader can influence the perception of his subordinates in looking at job characteristics and second, leaders can support the emergence of innovative work behavior because they have control over resources, become a reference for their subordinates in technical knowledge and have broader social relationships. Therefore, in this paper, individual factor and leader factor are chosen as the main factors that influence innovative work behavior.

Innovative Work Behavior can be measured by four dimensions (Jong & Hartog, 2008) namely: finding an opportunity, make an idea, fighting for ideas, and realizing ideas. Finding an opportunity (Opportunity Exploration) is beginning of the process of creating innovation is sometimes born by the opportunity to find an opportunity. Second process is making an Idea (Idea Generation). Creating an idea is the next stage after the discovery of an opportunity or opportunity where the ability to build new ways to take advantage of opportunities, by making improvements to a plan or making a concept for the purpose of improvement. Next step is Fighting for ideas (Championing). Fighting for an idea is another important aspect when an idea has been generated and implemented with colleagues by providing confidence in the form of a strong reason for the added value or benefits obtained from the proposed innovation. Last is realizing ideas (Application). The last one is the hard efforts and efforts and results-oriented attitudes are needed by an individual to turn these new ideas or ideas into real work.

Empowering Leadership

(Zhang & Bartol, 2010) emphasized that empowering leadership as the process of implementing conditions that allow subordinates or employees of an organization to feel valued and meaningful. Empowering leaders who have these attributes will be supportive leaders who provide guidance or guidance for followers, treat them fairly and consider input given by employees as valuable (Xue, Bradley, & Liang, 2011)

Based on research conducted by (Hakimi, 2010) there are several factors that influence superiors to empower empowering, namely: 1. Trust, Superiors will tend to show empowering behavior if superiors believe that subordinates can have the ability to do their jobs well and have integrity; 2. Workload, Workload has a very negative relationship with empowering leadership. When superiors have many tasks, especially if they have to be completed within a limited period of time, superiors will delegate fewer tasks to their subordinates.

According to (Arnold, Arad, Rhoades, & Drasgow, 2000) that Empowering Leadership has five dimensions, namely lead by example, participatory decision making, coaching, informing, and showing concern. The following is an explanation of the five dimensions as follows: 1. Leading by example (lead by example) refers to a set of behaviors that demonstrate the commitment of leaders to their work as their employees, 2. Participatory decision making refers to the use of information and input from team members by leaders in decision making, 3. Coaching refers to a set of behaviors that educate team members and help them to be independent, 4. Provide information clearly (informing) refers to the dissemination of information about the company, such as the company's mission and philosophy and other important information by the leader, 5. Showing concern refers to a set of behaviors that show general concern for the welfare of team members.

Psychological Capital

According to (Luthans, Youssef, & Avolio, 2007) define Psychological Capital as a positive psychological condition in a person who develops and has the following characteristics:

1. Have a high level of confidence to choose and maximize the effort needed to succeed in facing challenging tasks (self-efficacy)
2. Forming positive characteristics about success in the present and the future (optimism)
3. Diligent, consistent, and disciplined in achieving goals and if necessary, trying to find all means to achieve goals in order to achieve success (hope)
4. When experiencing a failure, individuals can be able to survive and rise again even beyond the original state to achieve success (resiliency)

Measurement of Psychological Capital adapts the theory of (Luthans, Youssef, & Avolio, 2007) where the Indicators used to measure Psychological Capital are grouped according to the Four Dimensions. First, the dimension has a high level of confidence to choose and maximize the effort needed to succeed on challenging tasks (Self Efficacy) consisting of three indicators. Second, dimensions form positive characteristics about success in the present and the future (Optimism) consists of four indicators. Third, the dimensions of perseverance, consistency and discipline in achieving goals and if necessary, try to find all means to achieve goals and in order to achieve success (Hope) consists of three indicators. Fourth, the dimension when experiencing a failure, individuals can be able to survive and rise again even beyond the original state to achieve success (resilience) consists of four indicators.

III. Hypothesis

The Effect of Empowering Leadership on Psychological Capital

Based on (Amalia & Handoyo, 2018) research, it shows that the Empowering Leadership variable has a direct relationship that is positive and significant with the Psychological Capital variable. Empowering leader behavior can increase the level of psychological capital possessed by his subordinates. In addition, according to research by (Fong & Snape, 2013) Empowering Leadership can improve individual experiences related to intrinsic motivation related to their cognition, meaning, competence, self determination and impact. According to (Zhang & Bartol, 2010) that leaders who apply Empowering Leadership tend to increase the meaning of work to their subordinates. Furthermore, empowering leaders believe in the competence and hope of subordinates to achieve high performance and tend to provide autonomy and opportunities for subordinates to display self-determination, participate in decision making. Based on an explanation of the relationship between Empowering Leadership and Psychological Capital, the first hypothesis is structured as follows:

Hypothesis H1: Empowering Leadership has a significant effect on Psychological Capital

The Influence of Empowering Leadership on Innovative Work Behavior

(Knezovic & Musrati, 2018) shows that leadership empowerment is positively related to employee creativity where employee creativity is closely linked to the creation of new ideas and ideas in generating product innovation or service innovation new. Furthermore, (Jada, Mukhopadhyay, & Titiyal, 2019) shows that empowering leaders create a climate that fosters innovative work behavior by encouraging knowledge sharing among individuals in an organization so as to know the clarity of the role of the organization for each of these individuals. Based on the explanation above about the relationship between Empowering Leadership with the creation of Innovation on Innovative Work Behavior owned by leaders as superiors and employees as subordinates in an organization where a leader encourages giving enthusiasm and motivation to subordinates

and together create a new innovation both in the form of products new or new services, the second hypothesis is structured as follows:

Hypothesis H2: Empowering Leadership has a significant effect on Innovative Work Behavior

Effect of Psychological Capital on Innovative Work Behavior

(Yildiz, 2019) indicates that positive psychological capital moderates the relationship between organizational trust and OCB where the relationship will be stronger when psychological capital is high. Factors that influence the high positive value of Psychological Capital are individual personality traits, organizational climate, organizational culture and leadership styles that shape positive emotions and attitudes towards the positive. This is in line with (Knezovic & Musrati, 2018) who found that psychological empowerment is positively related to employee creativity. Based on the explanation above about the relationship between Psychological Capital and the creation of Innovations where individuals who have positive psychological capital will produce positive work behavior, this also creates employee creativity in creating positive ideas and ideas so as to be able to create a variety of innovations both product or service innovation new or innovative product or service development strategies that already exist. then the third hypothesis is arranged as follows:

Hypothesis H3: Psychological Capital has a significant effect on Innovative Work Behavior

The Effect of Empowering Leadership, Psychological Capital on Innovative Work Behavior

(Knezovic & Musrati, 2018) found that leadership empowerment was positively related to employee creativity where employee creativity was closely linked to the creation of new ideas and ideas in generating product innovations or new service innovations. Then the research by (Jada, Mukhopadhyay, & Titiyal, 2019) also showed that empowering leaders create a climate that fosters innovative work behavior by encouraging knowledge sharing among individuals in an organization so that it knows the clarity of roles for each individual. Further research by (Yildiz, 2019) indicates that the factors that influence the high positive value on Psychological Capital are personality traits individuals, organizational climate, organizational culture and leadership styles that shape positive emotions and attitudes towards the positive. Based on the explanation of all the above studies, the fourth hypothesis is structured as follows:

Hypothesis H4: Empowering Leadership, Psychological Capital significantly influences Innovative Work Behavior

Furthermore, the relationship of empowering leadership, psychological capital and innovative work behavior can be described into the following model analysis:

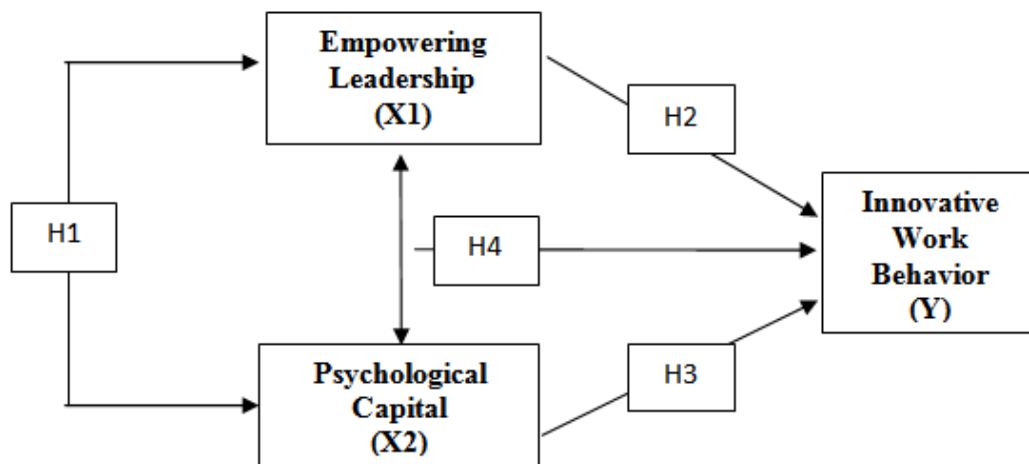


Figure 1. Model Analysis

IV. Measurement and Testing

This study has four variables to be analyzed, namely: 1) Empowering Leadership, 2) Psychological Capital, 3) Knowledge Sharing 4) Innovative Work Behavior. The four variables are measured using indicators as follows: Innovative Work Behavior adapts the theory of (Jong & Hartog, 2008) where the Indicators used to measure Innovation Work Behavior are grouped according to the Four Dimensions; Empowering Leadership adapts the theory of (Arnold, Arad, Rhoades, & Drasgow, 2000) where the Indicators used to measure Empowering Leadership are grouped according to the Five Dimensions; and Psychological Capital adapts the theory of (Luthans, Youssef, & Avolio, 2007) where the Indicators used to measure Psychological Capital are grouped according to the Four Dimensions.

Data analysis techniques will be used to present and interpret research data. Analysis of the data used in this study is divided into two, namely descriptive analysis, inferential analysis, outer model analysis and inner model analysis. Descriptive analysis will be done by describing the characteristics of the respondents by presenting the frequency and percentage of the characteristics of the respondents, as well as interpreting the attitudes or responses of the respondents conveyed through the questionnaire answers. Then inferential analysis is carried out using Structural Equation Modeling (SEM). SEM will be used to determine the effect of variables with the indicators that compose them and to determine the effect of variables.

V. Conclusion

In examining the factors that influence innovative work behavior, this paper proposes the individual factors, namely psychological capital (hope, resilience, optimism, and self-efficacy) and empowering leadership. Both individual factors and leader factor could be studied as mediating variables. Empirical research results are expected showing the relationship between psychological capital, empowering leadership and innovative work behavior that can give scholars novel insight into innovative and leadership issue that can elevate the growth and sustainability of the organization.

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Retno Budi Asih, et. al. "Effect of Empowerment in Leadership, Psychological Capital." *IOSR Journal of Business and Management (IOSR-JBM)*, 22(7), 2020, pp. 01-05.