EMPOWERMENT LEADERSHIP AS A PREDICTOR OF THE ORGANIZATIONAL INNOVATION IN HIGHER EDUCATION

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ABSTRACT

Purpose: This study aims to examine the relationship between empowerment leadership and organizational innovation. This analyzes the influence of empowerment leadership on organizational innovation, whether knowledge sharing mediates the effect of empowerment leadership on individual creativity, if individual creativity moderates the influence of empowerment leadership on organizational innovation, and how psychological empowerment mediates the effect of leadership on individual creativity.

Theoretical framework: Empowerment leadership includes delegation of authority, participating in decision-making, informing employees about regulations, becoming a role model, showing concern, and interacting with the team members. Organizational innovation is the ability to generate and adopt new ideas or behaviors because it increases productivity and business performance. Knowledge sharing is a mechanism that fosters individual creative thinking and increases employees’ creativity. Therefore, leaders tend to promote the practice of knowledge sharing by generating useful new ideas and thoughts.

Design/methodology/approach: Respondents are lecturers at the Faculty of Economics and Business of Islamic Higher Education (IHE) in Java, Indonesia, who have been selected as participants. Data were analyzed using the PLS-SEM to test the modified results of several models.

Findings: The results showed that empowerment leadership directly affects organizational innovation, knowledge sharing mediates the influence of empowerment leadership on Individual creativity however, it failed to mediate the effect of empowerment leadership on organizational innovation, while psychological empowerment failed to moderate the relationship between variables.

Research, Practical & Social implications: This study added distinctive supports to the leadership literature by identifying key leadership behaviors that foster or impair individual creativity, knowledge sharing and organizational innovation through investigating their relationships with leadership styles in the same research model.

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**LIDERANZA DE EMPoderAMENto COMO PREDiTOR DA INOVACiON ORGANiZACiONAL NO ENSiNO SUPERiOR**

**RESUMEN**

**Objetivo:** Este estudio tiene como objetivo examinar la relación entre liderazgo de empoderamiento y innovación organizacional. Isto analiza la influencia de la lideranza de empoderamiento en la inovación organizacional, se el compartilhamento del conocimiento medie o efecto de la lideranza de empoderamiento na criatividade individual, se a creatividad individual mede a influencia de la lideranza de empoderamiento en la inovación organizacional, e como o empoderamento psicológico mede a efecto de la lideranza na criatividade individual.

**Estructura teórica:** La lideranza de empoderamiento incluye delegación de autoridad, participación en la toma de decisiones, informar a los empleados sobre los regulamentos, tornarse un modelo, mostrar preocupación e interactuar con los miembros de la equipe. La inovación organizacional es la capacidad de generar nuevas ideas o comportamientos, pois aumenta a productividad e o desempenho empresarial. El compartilhamento del conocimiento es un mecanismo que fomenta el pensamiento creativo individual e aumenta la creatividad de los empleados. Portanto, los líderes tienden a promover la práctica del compartilhamento del conocimiento, gerando nuevas ideas e pensamientos úteis.

**Design/metodología/abordagem:** Los respondentes son professores da Faculdade de Economia e Negócios do Ensino Superior Islâmico (IHE) en Java, Indonésia, que fueron seleccionados como participantes. Los datos fueron analizados utilizando el PLS-SEM para testar los resultados modificados de varios modelos.

**Resultados:** Los resultados mostraron que a lideranza de empoderamiento afeta directamente a inovacion organizacional, el compartilhamento del conocimiento medie a influencia de la lideranza de empoderamiento na criatividade individual, el compartilhamento del conocimiento falhou em mediar o efecto de la lideranza de empoderamiento en la inovación organizacional, enquanto que el empoderamento psicológico falhou em moderar a relação entre as variáveis.

**Pesquisa, implicações práticas e sociais:** Este estudio acrescentou suportes distintos a la literatura sobre lideranza, identificando comportamentos-chave de lideranza que promovem ou prejudican a criatividade individual, el compartilhamento del conocimiento e a inovacion organizacional através da investigação de suas relações com estilos de liderança no mesmo modelo de pesquisa.

**Originalidade/valor:** Este estudio indica que el empoderamento del lideranza afeta principalmente a inovación organizacional. Alé disso, el compartilhamento del conocimiento desempenha um papel importante ao intermediar entre as variáveis para o desenvolvimento da inovação organizacional.


**EL LIDERAZGO POTENCIADOR COMO PREDICTOR DE LA INNOVACIÓN ORGANIZATIVA EN LA ENSEÑANZA SUPERIOR**

**RESUMEN**

**Propósito:** Este estudio pretende examinar la relación entre el liderazgo de empoderamiento y la innovación organizativa. Se analiza la influencia del liderazgo de empoderamiento en la innovación organizativa, si el intercambio de conocimientos medie el efecto del liderazgo de empoderamiento en la creatividad individual, si la creatividad individual mede la influencia del liderazgo de empoderamiento en la innovación organizativa, y el empoderamiento psicológico medie el efecto del liderazgo na creatividad individual.

**Marco teórico:** El liderazgo empoderador incluye la delegación de autoridad, la participación en la toma de decisiones, la información a los empleados sobre las normativas, convertirse en un modelo a seguir, mostrar preocupación e interactuar con los miembros del equipo. La innovación organizativa es la capacidad de generar y adoptar nuevas ideas o comportamientos porque aumenta la productividad y el rendimiento empresarial. El intercambio de conocimientos es un mecanismo que fomenta el pensamiento creativo individual y aumenta la creatividad de los empleados. Por lo tanto, los líderes tienden a promover la práctica de compartir conocimientos generando nuevas ideas y pensamientos útiles.

** Diseño/metodología/enfoque:** Los encuestados son profesores de la Facultad de Economía y Empresa de la Enseñanza Superior Islámica (IHE) de Java, Indonesia, que han sido seleccionados como participantes. Los datos se analizaron utilizando el PLS-SEM para probar los resultados modificados de varios modelos.
Empowerment Leadership as a Predictor of the Organizational Innovation in Higher Education

**Resultados:** Los resultados mostraron que el liderazgo de empoderamiento afecta directamente a la innovación organizativa, el intercambio de conocimientos media la influencia del liderazgo de empoderamiento en la creatividad individual howevet, no logró mediar el efecto del liderazgo de empoderamiento en la innovación organizativa, mientras que el empoderamiento psicológico no logró moderar la relación entre las variables.

**Implicaciones sociales, prácticas y de investigación:** Este estudio añade un apoyo distintivo a la literatura sobre liderazgo al identificar los comportamientos clave de liderazgo que fomentan o perjudican la creatividad individual, el intercambio de conocimientos y la innovación organizativa mediante la investigación de sus relaciones con los estilos de liderazgo en el mismo modelo de investigación.

**Originalidad/valor:** Este estudio indica que el liderazgo potenciador afecta en gran medida a la innovación organizativa. Además, el intercambio de conocimientos desempeña un papel importante al mediar entre las variables para el desarrollo de la innovación organizativa.

**Palabras clave:** Liderazgo de empoderamiento, intercambio de conocimientos, creatividad individual, empoderamiento psicológico, innovación organizativa.

**INTRODUCTION**

Recently, all organizations need to be more creative to survive, compete, and become a pioneer for others. In the 21st century, innovation is important for universities' success to gain a competitive advantage. This brings about an increase in organizational qualities to face intense competition, changes in regulations, and standardization by the Directorate General of Higher Education as well as Ministry of Education and Culture of Indonesia (DIKTI). Universities need to be more creative to survive and thrive in this kind of environment. Therefore, Sudibjo and Prameswari (2021); Hu et al. (2013); Yusof et al. (2011) and Khan et al. (2022) showed that organizations have to innovate to gain competitive advantage and sustainable success. Kthiar & Al-Hindawy (2022) stated that Organizations’ need for creativity has become an important matter for any organization that want to reach to obtain outstanding performance, so organizations make efforts and spend a lot of money for the purpose of achieving successful innovations, and for creativity to be successful.

According to Junusi et al. (2021) and Canals (2014), leadership development is an effective strategy for the organizations. This promotes productive behavior through the development of innovation that leads to a competitive advantage (Patiar & Wang, 2016; Schuckert et al., 2018; Nazir et al., 2020; Shafique et al., 2020; and Khan et al., 2022). Padayachee (2009) and William et al. (2017) showed that leaders tend to adapt to changes and stimulate intrinsic motivation, as well as influence the lecturers’ creativity by providing resources and a favorable work environment.

In Indonesia, lecturers become one of the important elements in improving education quality because their innovation contributes to universities’ success. However, leadership is one of the factors that motivate tutors to have high performance (Mekpor & Kwasi, 2017; Sudibjo & Prameswari, 2021). According to Masror et al. (2012) & Mahdzir et al. (2022) the
improvement in education quality helps universities to compete in the global market and become world-class. Meanwhile, the number of articles indexed in reputable journals is one of the world-class indicators. In Indonesia, this international journal including Scopus enables universities to experience a significant increase. Table 1 shows the number of articles of international reputation.

Table 1. Number of Reputable Index Articles (Scopus) in 2018-2021

<table>
<thead>
<tr>
<th>No</th>
<th>Institusi</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>UIN Bandung (IHE)</td>
<td>267</td>
<td>325</td>
<td>182</td>
<td>98</td>
</tr>
<tr>
<td>2.</td>
<td>UIN Jakarta (IHE)</td>
<td>157</td>
<td>239</td>
<td>217</td>
<td>109</td>
</tr>
<tr>
<td>3.</td>
<td>UIN Malang (IHE)</td>
<td>68</td>
<td>111</td>
<td>183</td>
<td>66</td>
</tr>
<tr>
<td>4.</td>
<td>UIN Yogya (IHE)</td>
<td>24</td>
<td>51</td>
<td>65</td>
<td>45</td>
</tr>
<tr>
<td>5.</td>
<td>UIN Surabaya (IHE)</td>
<td>26</td>
<td>80</td>
<td>87</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Author Scopus (2021)

Table 1 shows that five state Islamic universities experienced a massive decline in academic performance of publishing reputable international articles, in 2021. This condition triggers leadership to encourage lecturers' creativity to acquire core competencies in order to meet performance indicator standards (Shafique et al., 2019), and have high performance in the work environment (Egan et al., 2017). Therefore, leaders are required to foster employees' creative thinking (Hon and Lui, 2016).

Several studies indicated that a lecturer's performance is affected by leadership style (Osman, 2020 and Junusi, 2021). Junusi (2021) showed that no leadership paradigm claims to be the most effective. Therefore, an organization needs to adopt a leadership style where leaders and followers can interact. Previous studies recognized leadership as the main source that positively affects individual creativity (Kundu et al., 2019 and Zhang et al., 2018). Although there are still unclear issues regarding these influences but it is essential to build a work environment that support creativity (Badawy et al., 2018), creates an organizational climate for more creative work processes (Zhang et al., 2018); to build an organization that supports innovation (Hughes et al., 2018; and Javed et al., 2018).

Junusi (2021) showed that the complexity and diversity that characterizes the global environment helps to improve management competencies at all levels. Also, Liu et al. (2020) indicated that empowerment leadership is related to complexity because it requires additional competencies to lead global competitive organizations. This tends to increase knowledge sharing and psychological empowerment which in turn improves employees' creativity. According to Shafique et al. (2020), and Susilo (2018), leadership is an important element because it develops an innovative environment and motivates subordinates to engage in creative
thinking. Moreover, the study indicated that psychological empowerment and knowledge sharing become a mechanism specifying the influence of leadership on lecturer creativity. Garcia et al. (2012) stated that empowerment failed to affect organizational innovation.

Recently, Islamic universities are growing globally but still facing several challenges to achieve organizational goals. Therefore, leadership plays an important role in achieving these goals and promoting lecturers' creativity. This study aims to examine the effect of empowerment leadership on organizational innovation. This clarifies that knowledge sharing mediates the influence of empowerment leadership on employee creativity. This also analyzes that psychological empowerment moderates the effect of leadership on individual creativity. The results showed that empowerment leadership increases organizational innovation and the sustainable performance of Islamic universities in the future.

LITERATURE REVIEW

Empowerment leadership is leaders' behavior to delegate power, provide work autonomy, training, and information to subordinates to increase their motivation (Sharma & Kirkman, 2015; Kim et al., 2018 and AlMazrouei, 2021). Also, empowerment leadership focuses on employees' self-development that drives business performance (Dewettick and Ameijde, 2011 and AlMazrouei, 2021). The study indicated that empowerment leadership complements goal path-setting theory as self-management skills to set appropriate goals. According to Konczak et al. (2000), empowerment leadership includes delegation of authority, participating in decision-making, informing employees about regulations, becoming a role model, showing concern, and interacting with the team members.

Shafique et al. (2020) defined organizational innovation as the creation of new products that are important and useful. It is the production of better products that are introduced to external companies (Gumusluoglu & Ilsev, 2009). Organizational innovation is the ability to generate and adopt new ideas or behaviors because it increases productivity and business performance (Jia et al., 2018). This innovation is achieved by introducing better products, structures, managerial practices, or changes in organizational culture (Alblooshi et al., 2020). Therefore, organizational innovation is related to the degree of centralization and formalization that affect the flow of ideas on how to assign tasks and make decisions among members. According to Prasad and Junni (2016), this innovation helps to cope with market changes and overcome any form of hindrances. Furthermore, organizational innovation is affected by individual and environmental variables (Alblooshi, 2020).
Leadership is one of the important determining factors because it triggers the innovation process by introducing new ideas to members. Therefore, this management is needed to foster open learning and communication, as well as provide individuals with the resources they need to create (Liu et al., 2020). Mission, vision and curriculum of an innovation can be adopted by any institution of higher education from transitional and emerging market settings to build powerful mindsets in the future generation of innovative leaders (Bodolica & Spraggion, 2021). Patiar & Wang (2016), Schuckert et al. (2018) Hughes et al. (2018); Javed et al. (2018) and AlMazrouei (2021) and Khan et al. (2022) showed that leadership is a determinant of organizational innovation. Also, Shafique et al. (2020) indicated that it is an important predictor of individual and organizational creativity.

**H1:** Empowerment leadership affects organizational innovation.

Shafique et al. (2020) showed that knowledge sharing is unique and useful because it allows recipients to use the information to complete work activities. It involves exchanging information and contributing work-relevant ideas. Employees need to continuously benefit from the available knowledge, skills, and work experience to complete innovative tasks. Therefore, leaders tend to promote the practice of knowledge sharing among subordinates, groups, and within the organization by generating new ideas and thoughts that are useful for the improvement of business opportunities (Liu, 2011; Sudibjo & Prameswari, 2021). For example Sudibjo & Prameswar (2021) found that leadership has an important role in encouraging employees’ innovative work behavior so as to encourage employees to always be creative at work. Creativity is an urge to generate new ideas or methods in carrying out a job because it requires employees to avoid the status quo and habits embedded in a system (Liu et al., 2020). However, subordinates with an innovative spirit tend to respond to how well the organization supports their ideas. Individual creativity contributes to the universities growth and success. Liu et al. (2020) indicated that work autonomy or employee freedom plays an important role in generating creative ideas and performance.

According to Shafique et al. (2020), creative individuals are more interested in finding new methods than using the existing processes or procedures. Therefore, employee is the main source of high innovative performance in an organization because they do not only generate creative ideas but perform the necessary planning to implement them (Gumusluoglu & Ilsev, 2009). Individual creativity tends to serve as role models for others in the universities. Shafique et al. (2020) showed that new ideas from employees tend to be transferable which in turn lead to the development and promotion of organizational innovation.
Empowerment leadership motivates subordinates to share knowledge through a reasonable procedure and bring new ideas into the workplace to increase creativity (Zhang, et al., 2018 and AlMazrouei, 2021). This is because knowledge sharing is a mechanism that fosters individual creative thinking (Shafique, 2020). Patiar & Wang (2016) and Schuckert et al. (2018) explained that knowledge sharing increases employees' creativity. Therefore, leaders tend to promote the practice of knowledge sharing by generating useful new ideas and thoughts (Tuan, 2017; Liao et al., 2018 and AlMazrouei, 2021). For example, AlMazrouei (2021) found that empowerment leadership has a significant role on creative work involvement among expatriate UAE. According to Tu et al. (2019), competitive advantage helps leaders to generate creative ideas to work optimally because it creates pressure. Kundu et al. (2019) and Zhang et al. (2018) suggested that leadership is the main source to promote individual creativity.

Creative thinking is the process where leaders suggest subordinates to involve in generating new ideas to perform tasks (Chen & Hou, 2016). The study indicated that employees need leaders that are supportive because they feel comfortable, valued, and more creative while carrying out their duties. According to Hu et al. (2013), creative ideas need to be fully implemented or commercialized to become an innovation. Therefore, organizational innovation allows an organization to integrate external and internal resources, compose, propose, filter, adapt, and implement new and useful ideas, services, procedures, as well as processes.

**H2:** Knowledge sharing mediates the influence of empowerment leadership on individual creativity.

**H3:** Individual creativity mediates the influence of empowerment leadership on organizational innovation.

According to Spreitzer (1995), psychological empowerment is a subjective experience concerning the work role. It emphasizes management practices to empower and provide more opportunities for individuals to access resources within the organization (Seibert et al., 2011). Studies show that employees who are given greater empowerment by their leaders will be more creative in making decisions in their work (AlMazrouei, 2021). This indicated that psychological empowerment shares knowledge because employees are given the authority to generate and execute new ideas to complete tasks more efficiently. Spreitzer (1995), described psychological empowerment as a form of intrinsic motivation that reflects a proactive orientation and a sense of control over one's work in four cognitions including job meaning, self-determination, competence, and results. This enables employees to realize that their tasks are important, meaningful, and valuable. However, competence indicates an employee's capability to complete the assigned task, while self-determination is an employee's autonomy.
to perform their responsibilities in the workplace. Results indicate the level of subordinates' confidence in contributing to the organization (Nazir et al., 2020). Siegall and Gardner (2000) showed that empowered employees with self-worth efficacy are involved in decision-making and innovate at work. Therefore, empowerment leadership is expected to affect individual or team perceptions of meaning, competence, and self-determination because it increases psychological empowerment among followers (Dewettick & Ameijde, 2011).

H4: Psychological empowerment mediates the influence of empowerment leadership on individual creativity.

MATERIAL AND METHODOLOGY

This study aims to analyze the relationship between empowering leadership, knowledge sharing, individual creativity, psychological empowerment, and organizational innovation. Data were collected using a questionnaire distributed to all lecturers. A total of 201 out of 504 lecturers of the Faculty of Economics and Business at Islamic Universities in Java were selected as participants using proportional random sampling. However, a total of 119 or 59%, 56 or 28%, and 26 or 13% respondents were in the functional position of expert assistance, lector, and head lector respectively. Based on gender, a total of 121 or 60% and 80 or 40% participants were women and men respectively. Furthermore, a total of 160 or 80% and 41 or 20% respondents had masters and doctorate degrees respectively. This indicates that it is still necessary to increase lecturers' competence to study at the doctoral level. A total of 116 or 58%, 58 or 29%, and 27 or 13% respondents had 5-10, 10, and less than 5 years of service respectively.

Data were collected through a questionnaire distributed to all respondents. According to Konczak et al. (2000), Liu et al. (2020), and Amundsen & Martinsen (2014), empowerment leadership consists of delegation, initiative, inspiration, coordination, modeling, and guidance. Afsar, Masood, and Umran (2019) identified that knowledge sharing comprises knowledge collecting and donating. According to Farmer et al. (2003) and Nuzul (2018), individual creativity consists of creativity and thinking ability. Psychological Empowerment comprises 4 indicators including meaning, self-determination, competence, and the impact of adopting opinions (Nazir et al., 2020 and Badawy et al., 2018). According to Tierney and Lanford (2016), organizational innovation consists of 5 indicators including knowledge-based services, innovative HR, academic freedom, desire to realize world-class, and internationalization. These variables were measured using a Likert scale (Sekaran, 2003).
However, descriptive statistical analysis determines the frequency distribution of respondents' answers from an in-depth questionnaire. Data were collected using the PLS-SEM to test the modified results of several models. Also, the PLS was used because the available indicators failed to fulfill the reflective measurement method (Garson, 2016). The variable was measured using a Likert scale from Strongly Disagree to Strongly Agree. Data were analyzed using Smart-PLS 3.0. The criteria for measuring variables and constructs were based on AVE values > 0.50, CR > 0.6, Cronbach's alpha > 0.5, and R-square (Hair et al., 2014, Supriyanto et al., 2020, Supriyanto, Sujianto & Ekowati, 2020, and Chin, 1998).

RESULTS AND DISCUSSION

Table 2. Results of Instrument Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>AVE</th>
<th>√AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment Leadership</td>
<td>0.862</td>
<td>0.568</td>
<td>0.754</td>
</tr>
<tr>
<td>Knowledge Sharing</td>
<td>0.785</td>
<td>0.739</td>
<td>0.859</td>
</tr>
<tr>
<td>Individual Creativity</td>
<td>0.832</td>
<td>0.795</td>
<td>0.892</td>
</tr>
<tr>
<td>Organizational Innovation</td>
<td>0.662</td>
<td>0.611</td>
<td>0.782</td>
</tr>
<tr>
<td>Psychological Empowerment</td>
<td>0.718</td>
<td>0.703</td>
<td>0.838</td>
</tr>
</tbody>
</table>

Source: The Authors (2022)

Table 2 shows that all variables are accepted internally because the reliability test had a Cronbach alpha that is higher than the cut-off point of 0.60 (Hair et al., 2014). Also, the square root of the average variance extracted (√AVE) was greater than 0.5 due to the instrument that become valid.

Table 3. Results of Instrument Reliability Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL</td>
<td>0.887</td>
<td>Reliable</td>
</tr>
<tr>
<td>KS</td>
<td>0.849</td>
<td>Reliable</td>
</tr>
<tr>
<td>IC</td>
<td>0.886</td>
<td>Reliable</td>
</tr>
<tr>
<td>OI</td>
<td>0.903</td>
<td>Reliable</td>
</tr>
<tr>
<td>PE</td>
<td>0.983</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Note. EL = empowerment leadership, KS = Knowledge Sharing, IC = individual creativity, OI = organizational innovation, PE = Psychological Empowerment

Source: The Authors (2022)

Table 3 shows that the composite reliability value of EL, KS, IC, OI, and PE variables are 0.887, 0.849, 0.886, 0.903, and 0.983, respectively. This means that the five variables analyzed have good composite reliability because their values are above 0.70. Therefore, further study is needed to examine the goodness of fit by evaluating the inner model.
Structural Equation Modeling

The hypothesis results including direct and indirect or mediating influences were tested using SEM with PLS. Table 4 shows the results of the direct effects. The results showed that empowerment leadership influences organizational innovation with path coefficient = 0.900 and P < 0.000. Therefore, H1 is statistically accepted.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Path Coefficient</th>
<th>t statistics</th>
<th>p-value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>EL</td>
<td>OI</td>
<td>0.900</td>
<td>11.187</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

*Note. EL = empowerment leadership, OI = organizational innovation*  
Source: The Authors (2022)

Table 5. Path Coefficient of Mediation Effect and Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Influence of mediating variable</th>
<th>Path Coefficient</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exogenous</td>
<td>Mediation</td>
<td>Endogenous</td>
</tr>
<tr>
<td>H2</td>
<td>EL (X)</td>
<td>KS (Y1)</td>
<td>IC (Y2)</td>
</tr>
<tr>
<td></td>
<td>(S)</td>
<td>(S)</td>
<td>(NS)</td>
</tr>
<tr>
<td>H3</td>
<td>EL (X)</td>
<td>IC (Y2)</td>
<td>OI (Y3)</td>
</tr>
<tr>
<td></td>
<td>(NS)</td>
<td>(S)</td>
<td>(S)</td>
</tr>
</tbody>
</table>

*Note. EL = empowerment leadership, KS = Knowledge Sharing, IC = individual creativity, OI = organizational innovation*  
Source: The Authors (2022)

Based on the indirect hypothesis analysis, the path coefficient of EL on KS was 0.764 with a t-value of 13.664 > 1.96 and a significance of 0.000 < 0.05. The path coefficient of KS on IC was 0.682 with a t-value of 6.513 > 1.96 and a significance of 0.000 < 0.05. Therefore, knowledge sharing mediates the influence of empowerment leadership on individual creativity.

Based on the indirect hypothesis analysis, the path coefficient of EL on IC was 0.266 with a t-value of 1.415 < 1.96. The path coefficient of EC on OI was 0.390 with a t-value of 2.969 > 1.96. Therefore, individual creativity failed to mediate the influence of empowerment leadership on Organizational Innovation.

The moderation effects test is conducted by looking at the effect of variables’ interaction between EL multiplied by PE variable on individual creativity. The PLS test results show that the t count value for the interaction of EL*PE on IC is 0.399 < 1.96. Therefore, psychological empowerment failed to mediate the influence of empowerment leadership on individual creativity.
DISCUSSION

The result shows that empowerment leadership directly affects organizational innovation. The results are consistent with Patiar & Wang (2016), Schuckert et al. (2018), Hughes et al. (2018), and Javed et al. (2018) that management is a determinant of organizational innovation. Therefore, empowerment leadership represents an active style that gives autonomy to employees and involves them in decision-making (Liu et al., 2020 and AlMazrouei, 2021). The study also showed that leaders give freedom to followers for task autonomy and trusts in business performance. This result is in line with Shafique et al. (2020) that leadership is an important predictor of individual and organizational creativity. Meanwhile, at the individual level, there is a positive relationship between the management and employee creative thinking, while at the organizational level, leadership is directly related to innovation. The results are in line with Alblooshi et al. (2020) that leadership styles positively affect innovation, as well as Khan et al. (2022) showed that leadership is a determinant of organizational innovation. Therefore, management policies are needed to increase the number of international publications and collaboration, as well as the lecturer's qualifications to improve innovation towards a world-class university. This enables leadership roles in schools to become one of the determinants of organizational success. According to Jogulu (2011), effective leadership adapts to changes in the environment to produce optimal performance. Therefore, empowerment leadership is regarded as a leader's behavior to delegate power, provide work autonomy, training, and information to subordinates and improve their motivation (Sharma & Kirkman, 2015 and Kim et al., 2018). This is aimed at employees' self-development that drives business performance (Dewettick & Ameijde, 2011 and AlMazrouei, 2021).

This study's findings explain that knowledge sharing mediates leadership on individual creativity. The results are consistent with Lin (2007) that knowledge sharing increases innovative work behavior because it is people's proportion to exchange information with co-workers. Therefore, innovation is achieved due to knowledge sharing (Ritala et al., 2015). Exchanging information among employees’ bridges leadership influence on innovative work behavior. However, people tend to have sufficient information to generate and implement new ideas. The results are consistent with Patiar & Wang, (2016) and Schuckert et al. (2018) that knowledge sharing increases individual creativity. It reflects as a social interaction that involves the exchange of employees' information, experience, and skills across departments or organizations (Lin, 2007). According to Edwards et al. (2017), knowledge sharing involves the contribution of ideas that are relevant to the task. Employees need to benefit from the available knowledge, skills, and work experience to complete innovative tasks within an organization.
Therefore, leaders tend to promote the practice of exchanging information among employees, groups, and within the department to generate new ideas and thoughts (Tuan, 2017 and Liao et al., 2018).

Patiar and Wang (2016) and AlMazrouei (2021) showed that leadership promotes productive behavior through a conducive atmosphere because creativity development leads to a competitive advantage for an organization. Furthermore, leaders tend to adapt to environmental changes, stimulate intrinsic motivation, and influence subordinates' creativity by providing resources and a favorable work environment (Padayachee, 2009; William et al., 2017 and AlMazrouei, 2021). The results are in line with Tu et al. (2019), that increasing competition creates pressure for organizational leaders to generate creative ideas. According to Gu et al., (2015) and Nazir et al. (2020), creativity is a trait that employees need to learn and display through appropriate practice and training. Therefore, lecturers' creativity becomes a performance standard to fulfill universities' needs (Belleflamme and Peitz, 2015). Kundu et al. (2019) and Zhang et al. (2018) stated that leadership significantly affects individual creativity. Therefore, empowerment leadership tends to increase knowledge sharing which in turn promotes people to engage in creative thinking (Shafique et al., 2020). This result is in line with Chow (2018) and Gong et al. (2009) that exchanging information explores the relationship between leaders' behavior and employees' creativity.

Empowerment increases knowledge sharing because it leads to employees' creativity. Therefore, leadership help to motivate, and promote subordinates to engage in creative thinking, as well as develop an innovative environment (Shafique et al., 2020 and AlMazrouei, 2021). The result consists with Liu et al. (2020) and Harby et al. (2019) that empowerment leadership significantly affects individual creativity. According to Shafique et al. (2020), creative employees are more interested in finding new ideas than using existing processes or procedures. Therefore, subordinates become the main source of high innovative performance in an organization. Also, employees perform the necessary planning to implement new ideas (Gumusluoglu & Ilsev, 2009). Creative employees tend to serve as role models and influence others in the workplace. Shafique et al. (2020), showed that new ideas generated tend to be transferrable to promote organizational innovation. According to Mittal and Dhar (2015), knowledge sharing becomes a reflective form due to its practices and norms that increase innovative behavior. This facilitates the leadership role because it is an important key used by leaders to direct employees to innovate.

The result consists with Lin (2007) that knowledge sharing accommodates the influence of management on subordinates' creativity. It is the proportion of individuals to share
information with co-workers. Ritala et al. (2015) showed that innovation is achieved due to the knowledge shared among subordinates. Therefore, exchanging information bridges the influence of leadership on individual creativity because people tend to have sufficient knowledge to generate and implement new ideas. According to Guan et al. (2018), there are opportunities for subordinates to receive more solutions, opinions, suggestions, ideas, and information from colleagues while leaders are involved in decision making. Therefore, an employee tends to arrive at the right decision and solution. Edwards et al. (2017) showed that leaders inspire subordinates to solve problems and achieve change while organizational members experience high levels of knowledge sharing.

The results indicate that individual creativity failed to mediate the influence of empowerment leadership on organizational innovation. The result is not in line with Kundu et al. (2019) and AlMazrouei (2021) that leadership increase creativity. Empowerment leadership failed to influence individual creativity because the behavior to introduce new ideas is made to a group or organization where they work. According to Liu et al., (2020), creative thinking is an urge to generate new ideas or methods in performing a job. Also, it requires employees to avoid the status quo and habits that have been embedded in a system because those with an innovative spirit tend to respond to how well the organization supports their ideas. Therefore, lecturers' creativity contributes to the growth and success of the universities. Liu et al. (2020) showed that work autonomy or employee freedom plays an important role in generating creative ideas and performance.

Subordinates' creativity arises while they are sufficiently rewarded because of their willingness to reciprocate with higher innovative behavior. Based on the theory of social exchange, leader influences employee behavior. Jong (2007) showed that there is variation in the implementation of subordinates' creativity at work. According to Patiar and Wang (2016) and Schuckert et al. (2018), leadership promotes productive behavior through creative thinking that leads to a competitive advantage for the organization. Also, Supriyanto et al. (2020) showed that leadership influences subordinates by developing creativity. Patiar and Wang (2016) and Jogulu (2011) indicated that leadership is the key to success because it helps an organization to adapt to environmental changes in producing optimal performance. This result is in line with Hu et al. (2013) that creative ideas need to be fully implemented or commercialized to become an innovation. Meanwhile, innovation is a process where an organization integrates external and internal resources, develops, proposes, filters, adopts, and implements new and useful ideas, services, procedures, as well as processes. Creativity helps in generating new ideas to carry out activities in a better and efficient way. Several opinions
are suggested among employees and their leaders to come up with a new method. According to Nazir et al. (2020), subordinates become creative and feel comfortable in performing their duties if they have a supportive leader.

Psychological empowerment failed to mediate the influence of leadership on individual creativity. This contradicts with Shafique et al. (2020) that management motivates and promotes employees to engage in creative thinking. Badawy et al. (2018) suggested that psychological empowerment depends on subordinates' perceptions because it does not affect creativity. Meanwhile, employee empowerment increases job satisfaction, commitment, and loyalty because it provides a sustainable competitive advantage for the organization. Consequently, there is a need for a leader to participate in decision making, coaching, and providing information, as well as showing concern/interacting with the team. According to Dewettick and Ameijde (2011), a leader sets an example by increasing role clarity and reducing conflict. Psychological empowerment failed to influence individual creativity due to its form of intrinsic motivation. Furthermore, the employee needs to be given the training to increase psychological empowerment because the freedom to voice and express opinions improves creative thinking. Psychological empowerment provides opportunities for subordinates by giving them the authority to complete tasks more efficiently. Nazir et al. (2020) showed that it is an intrinsic motivation that reflects a proactive orientation and a sense of control to positively contribute to organizational productivity.

The current study has both theoretical and empirical implications. From theoretical perspective, the most important contribution of this study is to provide a more comprehensive literature especially in terms of conceptualization related to the relationship between empowerment leadership and individual creativity through the mediating effect of knowledge sharing. By developing and investigating a conceptual framework that demonstrates relationships among empowerment leadership, individual creativity, knowledge sharing and organizational innovation, empirical findings of this study significantly contribute to intensifying extant leadership, creativity, knowledge sharing and innovation literature. First and foremost, with respect to leadership theories, empirical findings of this study on relationships between empowerment leadership, individual creativity, knowledge sharing and organizational innovation enriched behavioral theories of leadership that assumed the effect of the leader’s appropriate personal behaviors on creativity and innovation (Zhang et al., 2018 & AlMazrouei, 2021). Specifically, this study added distinctive supports to the leadership literature by identifying key leadership behaviors that foster or impair individual creativity, knowledge sharing and organizational innovation through investigating their relationships with leadership
styles in the same research model (Shafique et al., 2020; Nazir et al., 2020 and AlMazrouei, 2021).

CONCLUSION

Empowerment leadership directly affects organizational innovation. Leadership policies by increasing the number of international publications and collaborations, as well as lecturers' qualifications are needed to improve innovation at work. Therefore, management becomes one of the determinants of universities success. Knowledge sharing mediates the influence of empowerment leadership on employees' creativity. Meanwhile, EL tends to increase KS which in turn improves lecturers' creativity. Individual creative thinking failed to mediate the influence of empowerment leadership on organizational innovation. Therefore, leadership does not affect subordinates' creativity because this behavior arises is only concerned with introducing new ideas. Psychological empowerment failed to mediate the influence of leadership on individual creativity because it is a form of intrinsic motivation where leaders provide opportunities for followers to express opinions. Leadership increases organizational innovation but it needs trust from the subordinates. This enables an employee to become sensitive to leader's action and believe that their rights and interest are not to be blamed. Leadership plays an important role in facilitating creativity and organizational innovation. This management helps to change subordinates' paradigms because their actions for the workplace are more examined. Therefore, leadership directly and indirectly affects organizational innovation.

Several limitations including the limited use of variables were encountered because this study failed to provide a comprehensive description. All respondents' answers were collected as one but were unknown. Further study is needed to examine the roles and other types of empowerment leadership in influencing organizational innovation. Leadership facilitates organizational innovation because existing studies compare empowerment leadership with transactional management. Also, further studies need to elucidate the influences exerted by empowering leadership and select multi-level variables to affect organizational innovation.

REFERENCES


