Empowering Leadership, Uncertainty Avoidance, Trust and Employee Creativity

Hamideh Ranjbar

Department of Management, Farabi Campus,
University of Tehran, Qom, Iran

Ali Daraei Monfared

Department of Education & Psychology,
University of Tehran Tehran, Iran

Abstract. This study was conducted in 2016 aimed to investigate the relationship between empowering leadership, uncertainty avoidance, trust, and employee creativity with regard to interaction effects and mediating mechanism. The population consists of 205 employees from the Nomadic affairs of Fars Province. In accordance with the Cochran formula, the sample size of 134 was calculated that were participated in the simple random sampling method. The questionnaires of uncertainty avoidance (Dorfman & Howell, 1988), empowering leadership (Arnold and colleagues, 2000), trust (McAllister 1995), creativity (Zhou & George, 2001) and creative self-efficacy (Tierney & Farmer, 2002) were used in order to measure the variables. The reliability of the questionnaire was confirmed by Cronbach's alpha and its validity was confirmed by content validity ratio (CVR) and structural and convergent validity methods. The research hypotheses were tested using structural equation modeling technique. The findings showed empowering leadership has a significant effect on creative self-efficacy. There was significant effect of creative self-efficacy on creativity. The mediating mechanism of creative self-efficacy was significant in relationship between empowering leadership and

creativity. Also, the role of the moderator of confidence and uncertainty avoidance was significant between empowering leadership and creative self-efficiency.

Keywords: Empowering Leadership, Uncertainty Avoidance, Trust, Creativity, Creative Self-Efficiency.

1. Introduction

The purpose of Nomadic Affairs Organization is organizing the nomadic life through the provision of appropriate services in order to improve the social, economic, cultural and productive status of tribes. The nomadic life has undergone major changes over the years and accordingly their needs have also changed. In this regard, the provision of services according to the needs of nomads creatively is a basic requirement of the organization. Competitive advantage, sync with developments in progress in the international community, responsibility to the diverse expectations of customers have been prompted the organization to seek a key factor to the sustainability of the organization and so that the realization of their goals is creativity and it should be expected at all levels of the organization and should be drawn and raised it as a continuous and comprehensive process to be safe from collapse and destruction (Khani far et al., 2012; Rastgar et al., 2015).Creativity is a factor will be caused to the growth, development and growth of productivity in organizations and contribute to the expanding and organizational applications (Ganji et al., 2015). Today, creativity and innovation is treated not as a requirement but as a condition for the survival of any organization or community it has been emphasis to the needed training and skills in applying the human talent. "The most critical issue in our society and developing communities is creativity" means that the issue that not well deal with it. Creativity is neither genetic nor is related to the particular race, but it is acquired. Even in developed countries if they are stopped in innovative working systems, they will be

lagging behind the competition and will be destroyed. Therefore the only way to save developing countries is creativity and has not the other way (Rastgar et al., 2015).Creativity researches suggest that the positive creativity is a result of interaction between the underlying characteristic factors of employees (Zhang and Zhou, 2014; Oldham, 2003). The growing importance of creativity and process of it in the present has attracted the researchers to analyze the effective factors of the creativity (Woodman et al., 1993).One of the current underlying and outstanding factors is emphasis on empowering leadership (Fineman, 2006; Rastgar et al., 2015). Theories and styles of leadership in their development path had undergone the organization human resources and material to many changes. Empowerment leadership is the most basic resources of each organization and the failure of any organization to achieve efficiency can be known somewhat related to unauthorized management and leadership. The strong and motivated leadership in organization will be caused to development of most skills, knowledge and accounted as creativity and change factor in employees (Zhang and Bartol, 2010). Empowering leadership leads to creativity development. Today, for organizations operating in an increasingly complex and uncertain world, empowering leadership holds the potential to increase creativity, allowing organizations to fully realize their employees abilities to address both opportunities and challenges (Zhang and Bartol, 2010; Zhang and Zhou, 2014; Ahearne et al., 2005).The difference in the level of uncertainty avoidance and standing out in the field can be effected both variables of creativity and leadership empowerment (Ahearne, 2005, Zhang and Bartol, 2010). Uncertainty avoidance, in turn, is defined as the extent to which employees feel unease about uncertain or ambiguous situations, and try to avoid such situations by seeking rules and guidance (Dorfman & Howell, 1988, Rahimi et al., 2015).The interactional perspective of creativity suggests that trust in their supervisors is a critical condition for

empowering leadership to promote creativity for employees who score high on uncertainty avoidance (Emami et al., 2013, Zhang and Zhou, 2014; Nassiri et al., 2014). Supervisors constitute an essential factor in influencing employee creativity (George and Zhou, 2007). Having trust in their supervisors facilitates employees' abilities to manage risk and uncertainty (Fineman, 2006). Trust acts as emotional bonds between employees and their supervisors (Shalley et al, 2004). Taking this trust as one of our central interests, we focus on affect-based trust, defined as trust that reflects genuine concern, care, and (Lewis & Weigert, 1985; McAllister, 1995), based on the employees attributions of supervisor motives. When employees have affect-based trust in their supervisors, they are more likely to feel genuinely empowered by their supervisors. With this assurance, uncertainty is decreased and employees may experience increased confidence in their creative ability which, in turn, leads to greater creativity (Zhang and Zhou, 2014). Giving priority to the empowerment in organization will provide the groundwork for the creation of individual and organizational effectiveness, in fact, the empowerment leaders should be quite familiar to the employee right and their situations and respect them and also to be able to convince your employees to achieve a common goal, they need to encourage them to innovative behavior. Leadership can be creative in the organization and behaviors of employee when they are empowerment in creating motivation and providing a learning environment. Creativity can be regarded as a kind of thinking that it comes from that thinking power and imagination of the person and is a usable source in terms of business management that cuts across boundaries and invents a new idea so ultimately leads to profitability for the organization.Since one of the strategic policies of the administrative is development of administrative organizations and increasing of employee creativity, performing the applied research in this field is critical. The principal concern of

the managers of Nomadic Affairs of Fars Province is increasing of nomads satisfaction that this consent is depends to providing desirable services. One of the features of delivering desired service is its compatibility with the needs of the society. As nomadic life has varied, this requires that the nomadic affairs act to delivering innovative services. One of the things that can have a positive impact on employee creativity is empowerment leadership and self-creativity, trust and uncertainty avoidance.

2. Literature Review

Creativity: Creativity is the use of mental abilities to create a new thought or concept (Rezaeian, 1993). Continuation of organizational life depends to reconstruction them. Reconstruction of organizations is done through coordination with the objectives of the current needs and improvement and modification of methods for achieving these goals. Without reconstruction, the organization will not survive last long (DeLillo et al., 2006). Creativity is necessary for the survival of any organization. Over time, non-creative organization will not fade, although these types of organizations are successful through involved in an operation at a point in his life, but eventually had to shut down or change in the organization (Barkhoda et al., 2016). What is new in recent decades is amazing speed of development in various fields. What has been revealed today more than ever on organizations is the necessity to anticipate the ways in order to meet the needs that may be emerged following the possible changes in the future so that every organization should prepare in advance for such changes and being acceptance the risk facing a real crisis situation. As a result, to prediction the ways that needs the organization must be ability to institutionalize innovations because it is creativity that brings new ways. Our discussion suggests the importance of creativity and innovation in organizations (De Stobbeleir et al., 2011). Leadership in a general and simple

definition means that influence the thoughts, behavior and decisions of others who act willingly in line with expectations. Organizations need effective and efficient managers and employees so that they can achieve their goals in order to archive comprehensive develop (Zhang et al., 2014). Empowering leadership is the one who empowers followers and motivates them to performance beyond expectations and encourages them to follow the objectives of the collective rather than personal interests (Zhang et al., 2014). The concept of empowering leadership as doing the proper obvious norms through personal actions and interpersonal relationship and promote self-empowerment to following its two-way communication and its enhancement and decision making. This approach that the leaders need to indicates empowering behaviors in order to raise the standards of empowerment and empowering the subordinates is almost accepted. Empowering leadership is a process of leadership where the behavior of the leader was affected by learning processes, exchange and social identity, ability of subordinates (Teymouri Naghdeh, 2016). Self-efficacy refers to beliefs or judgments of individual to his or her abilities to do things (Karademas and Kalantzy, 2004, quoted Sarvghad, 2011). One of the factors that control personality and self-organizing behavior is self-efficacy. Self-efficacy refers to people's beliefs about their ability to control their own lives. Self-efficacy plays important role in addressing the issues of life. Brown and Ennio found that the individual with the higher self-efficacy show more stability when dealing with unresolved issues (Lim and Choi, 2009). Self-efficacy is certainty to own abilities to control your thoughts, sentiment and activities, so it is effective on the actual performance of individuals and eventually in an attempt emotions and selection of a person to capture an activity (Ghalai and Sharifpoor, 2016).Self-efficacy is derived from social cognitive theory by Albert Bandura (1997) a renowned psychologist that refers to beliefs or judgments of the

individual to his or her abilities to perform the duties and responsibilities. Social cognitive theory is based on the reciprocal causation model of environment, behavior and individual. This model emphasizes on the interaction relationship among behavior, environmental effects and personal factors (cognitive, emotional and biological) which refers to the perception of individual to describe the psychological functions. According to this theory, individual affects their behavior and motivation based on the reciprocal causation model. Bandura (1997) has been rejected one-dimensional effects of environment on behavior that is one of the main psychological theories oriented behaviors. Trust refers to confidence or reliance on certain features or characteristics of an individual or organization (Abedinzadeh et al., 2011). Various definitions shows that trust is a dynamic phenomenon with interaction of various factors which can be effective in building trust scheme (Tyler, 2003). Three elements must be considered in the definition of interpersonal trust: The potential of cognitive effects, dependence, and sense of security. Cognitive consequences bring importance to trust, but, however, it is problematic. Some researchers know the cognitive outcomes as a risk while others define it to uncertainty. However, researchers believe that the interaction requires trust when the cognitive outcomes being possible (Yarahmadi et al., 2015).Uncertainty avoidance is society tolerance in which members of a culture feels threatened by ambiguity and unknown situations (Shane, 1995). Uncertainty avoidance is society tolerance in which members of a culture not feels threatened by ambiguity and unknown situations (Shane, 1995). The Uncertainty Avoidance dimension expresses the degree to which the members of a society prefer structured situations to unstructured situations. The ones that are structured situations which have clear rules so that how one should behave. These rules can also be written and are imposed by customs. In countries with a high degree of uncertainty avoidance, people tend to show more

nervous energy while in countries with low rating; people are more comfortable and more relaxed. A society with a high level of uncertainty avoidance can be called hard and nonflexible and those who have a low level are flexible. In societies where the level is high, the feeling prevails that what is different is dangerous; In societies with low levels this feel is settled that whatever is different is rare (Backer and Carson, 2011). This means that members of the community how to deal with the uncertainty of the future without conflicts with stress.

Based on the research literature the assumptions and conceptual model is presented as follows:

- Creative leadership has significant effect on creative self-efficacy.
- Creative self-efficacy has significant effect and related to creativity.
- Mediation mechanism of creative self-efficacy has significant relationship among the empowering leadership and employee creativity.
- Trust not plays mediating role between empowering leadership and creative self-efficacy.
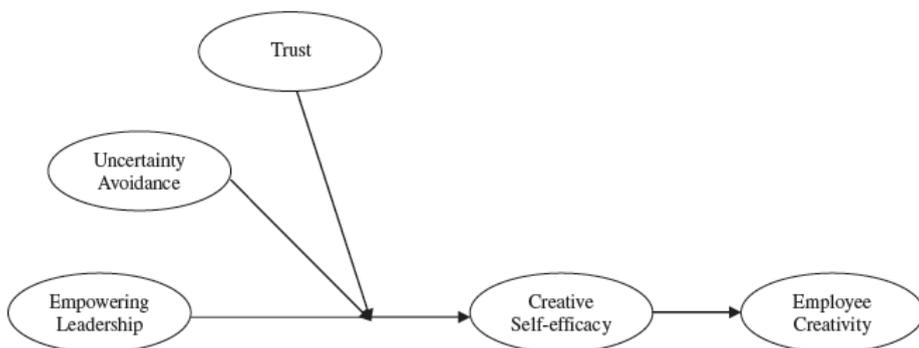- Uncertainty avoidance not plays mediating role between empowering leadership and creativity.

Figure 1. The hypothesized model

3. Method

The present study is applied research in term of purpose and is cross-survey in terms of data collection and since studies a specific community it is accounted in case studies fields. The population of the study consist all employee of Nomadic Affair Fars Province who are 205 people. The sample size of study was calculated equal to 134 peoples using Cochran's formula. We used Dorfman and Howell (1988) three-item scale to measure the uncertainty avoidance. We used Arnold and colleagues (2000) 12-item empowering leadership questionnaire to measures empowering leadership. We used McAllister's (1995) five-item affect-based trust measure; we used Zhou and George's (2001) 17-item scale to measure creativity and finally we used Tierney and Farmer's (2002) three-item scale to measure self-efficacy. The mentioned questionnaires are based on Five-point Likert-type scales.

4. Findings

Analytical factors for construction questions and their significance are showed in figure 2.

Table 1. Analytical factors ranges for questions and their significant

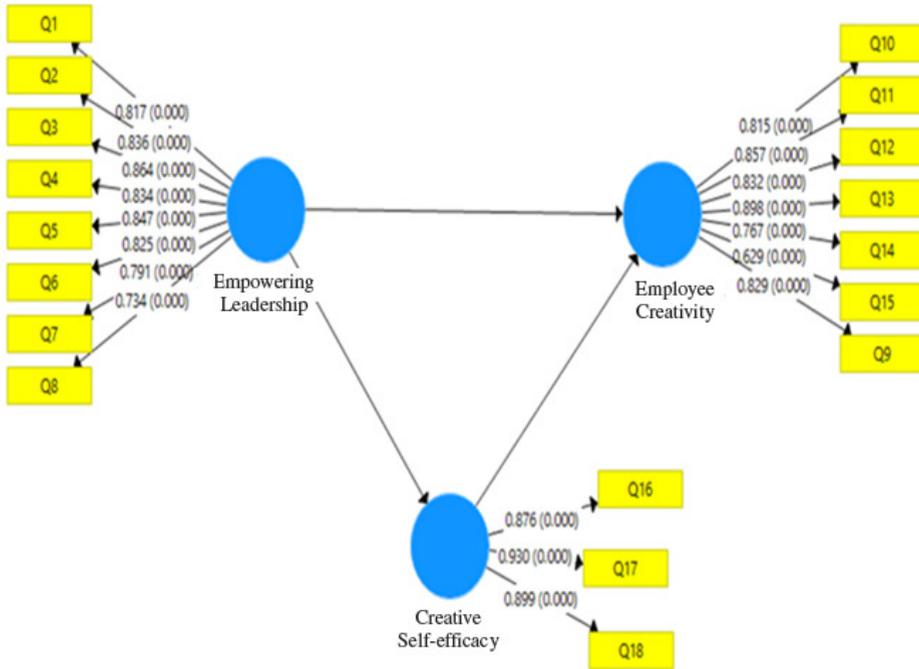| Construction	Analytical factor ranges	P value	t- value	Status
Empowering leadership	Between 0.734 to 0.864			
Creativity	Between 0.629 to 0.989	0.000	<1.96	All questions are significant
Creative self-efficacy	Between 0.876 to 0.930			

Figure 2. Analytical factor

The significant values of composite reliability and mean variation obtained from main construction of research indicate that there is appropriate reliability and allowable fitness for studied model. Table 2 shows the significance for dependent values R^2 for studied model.

Table 2. Significance for dependent values R2 for studied model

item	R^2	Significance level
Creativity	0.343	0.000
Creative self-efficacy	0.063	0.118

Chin (1998) introduces three 0.19, 0.33 and 0.67 as benchmark values to weak, moderate and strong R^2, respectively. Accordingly, the R^2 value for creativity is significant; but the R^2 value for creative self-efficacy is not significant. The Q^2 indicates the

prediction ability of the model and if it is equal to 0.02, 0.15 and 0.35 for endogenous item means that the prediction ability is weak, moderate and strong respectively. The Q2 value for employee creativity obtained equal to 0.211 and 0.049 for Creative self-efficacy that indicates the prediction ability in moderate and rather moderate respectively.We used goodness of fit (GoF) criteria to evaluate of general fitness of model that controls both measurement and constructive sections of the model.

$$GoF = \sqrt{\overline{Communalities} \times R^2}$$

Where $\overline{Communalities}$, average of common values of first order latent variables i.e. indexes of research variables/questions, these values are given according to table 3.

Table 3. Calculation of fitness index for the model

variables	Communalities	$\overline{Communalities}$	R^2	$\overline{R^2}$	GoF
Empowering leadership	0.671		--		
Creativity	0.653	0.712	0.343	0.203	**0.381**
Creative self-efficacy	0.813		0.063		

Wetzels et. al (2009, p 187) introduce three values 0.01, 0.25 and 0.36 as benchmark value for GoF weak, moderate and strong. Therefore, result in 0.381 values for GoF indicates the **very strong** of fitness of the model. The direct impact and p statistics for the research model indicates is figure 3.
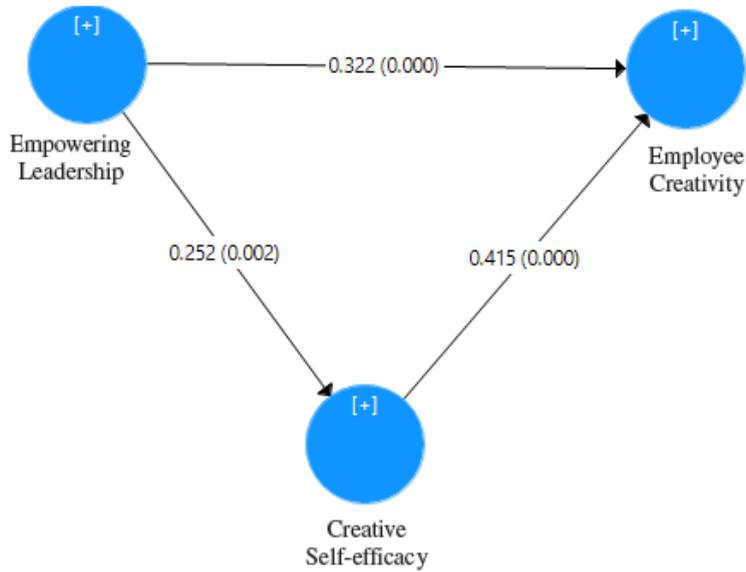
Figure 3. Direct impact and p statistics for the research model

The direct impact of the research hypothesis showed in table 4.

Table 4. Direct impact of the research hypothesis

hypothesis	Direct impact	t-statistics		Result
		t>1.96	p<0.05	
1	0.252	✓	✓	H1 was confirmed (significance of direct impact of empowering leadership on creativity)
2	0.415	✓	✓	H1 was confirmed (significance of direct impact of creativity on creative self-efficacy)

The figure 4 shows the indirect impact and p statistics of the research model.
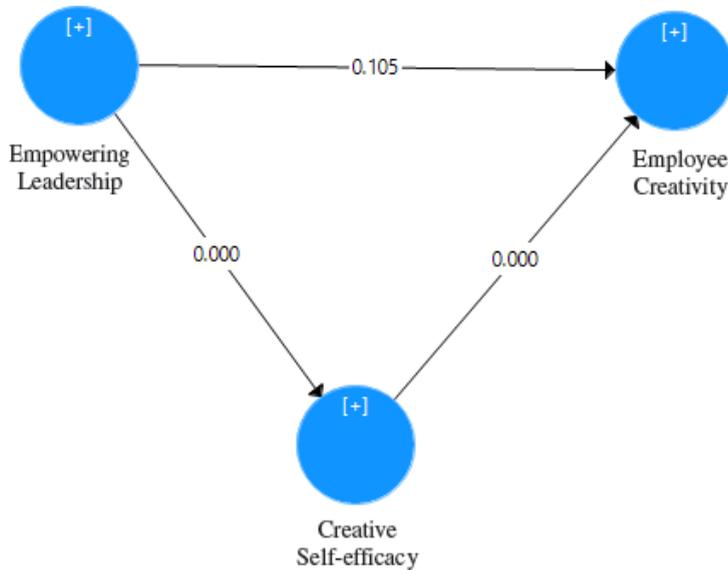
Figure 4. Indirect impact and p statistics

Table 5 shows the indirect impact and p statistics of the model hypothesis.

Table 5. Mediating role of creative self-efficacy in relationship

Independent variable	Dependent variable	impact	t-statistics		Result
			t>1.96	p<0.05	
empowering leadership	employee creativity	0.105	✓	✓	The mediating role of creative self-efficacy in relationship between empowering leadership and employee creativity is significance

As it is indicated in table 5, the mediating role of creative self-efficacy in relationship between empowering leadership and employee creativity is significance. Furthermore, figure 5 demonstrate the general impact and p statistics of the research model.
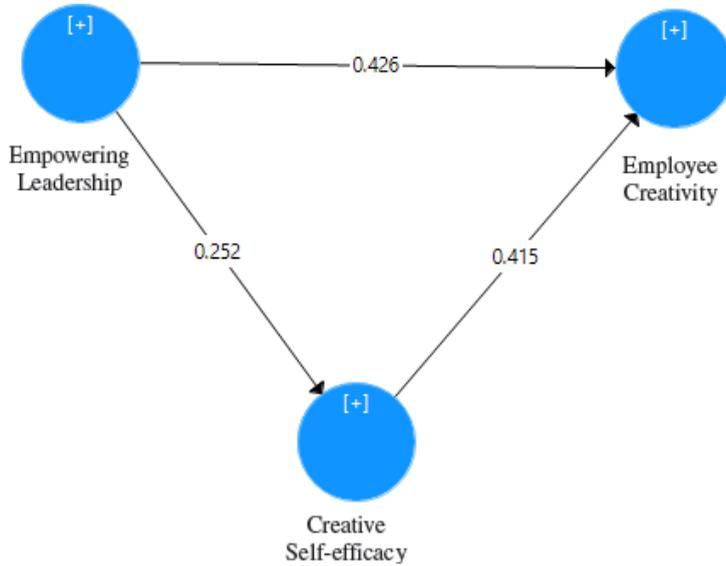
Figure 5. General impact and p statistics

The results of general impact of model hypothesis showed in table 6.

Table 6. General impact of independent variables of dependent variables

hypothesis	general impact	t-statistics		Result
		t>1.96	p<0.05	
1	0.252	✓	✓	H1 was confirmed (significance of impact of empowering leadership on creative self-efficacy)
2	0.105	✓	✓	H1 was confirmed (significance of mediating role of creative self-efficacy in relationship of empowering leadership and employee creativity)
3	0.426	✓	✓	H1 was confirmed (significance of impact of creative self-efficacy on employee creativity)

5. Conclusion

According to the results obtained from first hypothesis of the study it can be stated that the leaders can be used from the information to increasing creativity of employee in order to enhancement of innovation in organization and improvement of organizational process. Based on the results obtained from second hypothesis of the study it can be stated that empowering leadership has high confidence and reliability due to relying of abilities of their employee and through perception of different are enable to transferring the empowerment to employee. They can to provide the context of recognition to individual, group and organizational purpose by using from power and influence and involving the employee to performing operations and delegation of authority. According to the results obtained from third hypothesis of the study it can be stated that if a person believes that it can effectively be met by environmental stressors, he/she will not dealing with stress and concerns. But, if a person believes that it cannot effectively be met by environmental stressors, he/she will involve to stress and concerns and fails in operation. Therefore, stress rather than directly comes from environmental threats and demands they affected mainly to self-efficacy. Based on the results obtained from fourth hypothesis of the study it can be stated that empowering leadership is seeks to create a sense of empowerment in employees. The organization's trust makes the organizational commitment, organizational loyalty, job satisfaction, information sharing, problem solving, employee empowerment, organizational creativity and innovation, reducing the uncertainty and conflict resolution. Based on the results obtained from fifth hypothesis of the study it can be stated that in today's changing conditions, organizations need to succeed creativity, a series of job stress factors such as ambiguity and conflict in role exist in organizations that has a negative impact on employee creativity, but the

remarkable thing is that if a person believes in these conditions that is self-efficacy he/she could reduce this negative impact.

References

Rastgar, A, Hashemi, S. (2015) Relationship the empowering leadership and creativity: evaluating the mediating role of organizational trust, Journal of ingenuity in the Humanities, Volume II, Number Five, Fall 2015 pp. 97-116. (In Persian).

Ganji, K, Taghavi, S and Azimi, F. (2015) meta-analysis associated with creativity, initiative and creativity in the Journal of Human Sciences, Volume fourth quarter numbers, the spring 2015 Pages 1-49 (In Persian).

Emami, M, Jamali, A, Esfahani, M. (2013) evaluating the relationship between organizational trust and organizational creativity, initiative and creativity in the Journal of Human Sciences, the third period Number third, winter 2013 (In Persian).

Rahimi, M., Vaezfar, S, Jabervand, H. (2015) relationship between family emotional climate of tolerance for ambiguity and cognitive creativity. (In Persian).

Nasri, F and Madani Far,M. (2016). The relationship between servant leadership and creativity of individual employees in the branches west of Saderat Bank Mazandaran province, national approach Applied Economics and Management Conference, Babolsar, industry research firm Torud north (In Persian).

Zhang Xiaomeng, Jing Zhou. (2014). Empowering leadership, uncertainty avoidance, trust, and employee creativity: Interaction effects and a mediating mechanism, Organizational Behavior and Human Decision Processes 124 (2014) 150–164

Zhang, X., & Bartol, K. M. (2010). Linking empowering leadership and employee creativity: The influence of psychological empowerment, intrinsic motivation, and creative process engagement.Academy of Management Journal, 53, 107–128. http://dx.doi.org/10.5465/AMJ.2010.48037118.

Woodman, R. W., Sawyer, J. E., & Griffin, R. W. (1993). Toward a theory of organizational creativity.Academy of Management Review, 18, 293–321. http:// dx.doi.org/10.5465/AMR.1993.3997517.

Oldham, G. R. (2003). Stimulating and supporting creativity in organizations. In S. E. Jackson, M. A. Hitt, & A. S. DeNisi (Eds.), Managing knowledge for sustained competitive advantage(pp. 243–273). San Francisco: Jossey-Bass.

Shalley, C. E., Zhou, J., & Oldham, G. R. (2004). The effects of personal and contextual characteristics on creativity: Where should we go from here? Journal of Management, 30, 933–958. http://dx.doi.org/10.1016/j.jm.2004.06.007

Fineman, S. (2006). On being positive: Concerns and counterpoints. Academy of Management Review, 31, 270–291. http://dx.doi.org/10.5465/ AMR.2006.20208680.

George, J. M., & Zhou, J. (2007). Dual tuning in a supportive context: Joint contributions of positive mood, negative mood, and supervisory behaviors to employee creativity. Academy of Management Journal, 50(3), 605–622. http:// dx.doi.org/10.5465/AMJ.2007.25525934

Dorfman, P. W., & Howell, J. P. (1988). Dimensions of national culture and effective leadership patterns: Hofstede revisited. Advances in International Comparative Management, 3, 127–150.