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The Relation Between Empowering Leadership and Employee Performance and the Mediating Role of Employee Creativity¹

Güçlendirici Liderlik ile Çalışan Performansı Arasındaki İlişki ve Çalışan Yaratıcılığının Aracı Rolü

ABSTRACT

The aim of this study is to investigate the effect of employees' perceptions of empowering leadership on their performance and to test whether the concept of employee creativity has a mediating role on this relationship. For this purpose, 282 employees working in the building materials sector in the Kingdom of Saudi Arabia, Jeddah were determined as the participants. Correlation and hierarchical regression analyses were used to test the relationships and effects between the variables in the study by putting forward hypotheses. SPSS 27 program was used in the study. The results of the analysis findings are as follows: empowering leadership positively affects both employee performance and employee creativity, employee creativity positively affects employee performance. In addition, employee creativity partially mediates the effect of empowering leadership on employee performance. The findings may benefit both researchers and practitioners in the field by drawing attention to empowering leadership in understanding why some employees' performance and creativity are better than others.

Keywords: Empowering Leadership, Employee Performance, Employee Creativity, Mediating Effect.

ÖZET

Bu çalışmanın hedefi, çalışanların güçlendirici liderliğe ilişkin algılarının performansları üzerindeki etkisini araştırmak ve bu ilişki üzerinde çalışan yaratıcılığı kavramının aracılık rolünün olup olmadığını test etmektir. Bu amaçla Suudi Arabistan Krallığı Cidde'de yapı malzemeleri sektöründe çalışan 282 çalışan katılımcı olarak belirlenmiştir. Çalışmada değişkenler arasındaki ilişkileri ve etkileri hipotezler ortaya koyarak test etmek için korelasyon ve hiyerarşik regresyon analizleri kullanılmıştır. Çalışmada SPSS 27 programından faydalanılmıştır. Analiz bulgularının sonuçları şu şekildedir: güçlendirici liderlik hem çalışan performansını hem de çalışan yaratıcılığını olumlu yönde etkilemektedir, çalışan yaratıcılığı çalışan performansını olumlu yönde etkilemektedir. Ayrıca çalışan yaratıcılığı, güçlendirici liderliğin çalışan performansı üzerindeki etkisine kısmen aracılık etmektedir. Bulgular, bazı çalışanların performans ve yaratıcılıklarının neden diğerlerinden daha iyi olduğunu anlamada güçlendirici liderliğe dikkat çekerek hem araştırmacılara hem de alandaki uygulayıcılara fayda sağlayabilecektir.

Anahtar Kelimeler: Güçlendirici Liderlik, Çalışan Performansı, Çalışan Yaratıcılığı, Aracılık Etkisi.

¹ This study was prepared based on the master's thesis titled "Exploring The Impact of Empowering Leadership on Employee Performance: The Mediating Effect of Employee Creativity" conducted by Mohamad Obaida ALSEBAI at Istanbul Aydın University Institute of Graduate Studies under the supervision of Asst.Prof.Dr. Tolga TÜRKÖZ.

1. INTRODUCTION

Today, it is critical to strategically integrate new ideas about leadership into effective employee management methods to enhance employee performance (Iqbal, Anwar. & Haider, 2015). As a fundamental component of any business, employee performance demands analysis from those in charge, as it sets the stage for exceptional performance. It takes a collective effort from all members of an organization to move a company forward, because no organization can be built by one or two people working alone. Leaders are the ones who lead this collective effort. Leaders understand that performance, which is a multifaceted component, is all about achieving results and they realize that it is closely linked to the long-term goals of a company (Mwita, 2000). Leaders need to be trained to think independently and work creatively, and they can improve their work habits to help them be more effective (Abbas & Yaqoob, 2009). Leaders who exercise empowerment engage in behaviors such as providing guidance, sharing information, empowering employees to be able to generate ideas on their own, and encouraging autonomy and self-direction in teamwork (Konczak et.al, 2000). Employee empowerment stems from the need for a new form of organization that would increase productivity (Fernandez & Moldogaziev, 2011). Empowering leadership is separate from more traditional methods like transactional leadership (Pearce et al., 2003). Delegating tasks or power to the weakest level of an organization where appropriate choices can be made is fundamental to employee empowerment (Thomas and Velthouse, 1990). This helps to increase employee motivation and performance. If employees feel empowered, they can take initiative more easily, work autonomously, and go beyond the call of duty to solve problems (Martin et.al., 2013). Knowledgeable and highly qualified employees are essential for all modern businesses to maintain high levels of performance. The success of companies is achieved by empowering employees, and when employees are given more initiative, output improves (Nwachukwu, 2016).

Eventually, employee performance results will be impacted by leadership conduct that inspires and guides subordinates. The company's greatest asset is its workforce, which consists of social creatures with ideas, sentiments, and desires that can affect how they behave at work. They are the organizers, implementers, and controllers that work for the organisation (Iskamto, 2020). Grant (2008) found that employees' performance and productivity are influenced by their level of motivation. Additionally, he suggest that independent and self-motivated staff members are more common in driven to succeed organizations than in less motivated ones. An additional benefit of having inspired employees is that they are more likely to step up and take charge when given the opportunity (Kuvaas & Dysvik, 2009). A key component of employee empowerment is the distribution of responsibility and control within an organization to the workers. As well as being more productive, having greater responsibility, and being satisfied in their jobs, devoted and committed employees help organizations reach their goals (Locke & Latham, 1990). When employees do assignments either alone or in small groups, they are more likely to be creative on the job. Multiple studies have shown that employee's creative capacities increase when they collaborate rather than work alone (Hon & Chan, 2013). For a long time, methods for developing employee creativity have focused on finding and hiring creative people as well as providing them with creative instruction (Scott et al., 2004). This is because employees' creative performance is largely dependent on personal qualities such as flexibility of experience, mindset, and creativity-related skills. However, few studies have examined how engaging in behaviors that encourage and empower people to use their creativity can affect their own performance.

With these thoughts, the study serves three purposes; to investigate the influence of empowering leadership on employee performance and employee creativity; to see the influence of employee creativity on employee performance, and to investigate whether employee creativity has an enriching role in the relationship between empowering leadership and employee performance.

2. LITERATURE REVIEW

2.1. Empowering Leadership

Empowering leadership is inspiring employees to take initiative and grow in their roles through the distribution of authority and the provision of resources (Amundsen & Martinsen, 2014). Although chosen leaders often employ a variety of methods to exert impact on their subordinates, empowering leadership stands apart from the crowd as, at its heart, it motivates followers to take charge of their own progress. Empowering leadership entails actions taken by official managers (i.e., leaders with position and command in their businesses), such as fostering open communication and the passing ideas among followers, as well as fostering an environment that encourages and facilitates collaboration and knowledge sharing (Arnold et al., 2000). Research has conceptualized empowering managers as a sharing of authority technique used by formal executives, which increases employee (a person and group) freedom and dedication to their job and

this helps to explain its motivating benefits more thoroughly (Chen et.al., 2007). Empowering leaders give their employees greater autonomy to make decisions and grow professionally, which, in theory, may increase their emotional investment in the company (Johnson et.al., 2010).

Ford and Fottler (1995) assert that empowerment necessitates management disseminating information and expertise that allows people to maximize their contributions to business achievement. Wellins et al. (1991) characterized the position of manager as one of facilitation rather than direction and control, emphasizing that a considerable amount of the leader's time is dedicated to obtaining suitable training to enable workers to acquire the skills necessary for empowerment initiatives. According to these works, the knowledge distributing and developing abilities were incorporated as facets of leader empowering conduct. Another aspect of empowerment is fostering for creative performance, which encompasses the actions of leaders who foster innovative thinking and measured risk-taking, who offer constructive criticism of achievement, and who view failure and mistakes as learning experiences (Konczak et.al, 2000). Leaders that empower the staff members enhance morale and productivity by making sure workers know how their work fits into the bigger picture, by showing faith in their abilities and allowing them some leeway in making choices, and by giving them more responsibility and independence on the job (Audenaert & Decramer, 2018).

The present study relies on subjective evaluations of employee performance. Wörtler (2022) argues that leaders who adopt an empowering style of leadership can improve employee effectiveness. Even though there is a positive relationship between empowering leadership and employee job success, leaders are advised to be careful when empowering their subordinates. In contrast to the way unskilled workers see permission, trained workers see it as a sign of innovation that will help them become more self-sufficient (Kwak & Jackson, 2015). The purpose of an empowering leader is to encourage employees to take charge of their own work by removing barriers to confidence and competence. In addition to empowering people to take charge of their work and make decisions on their own, a good leader fosters an atmosphere where people don't feel helpless or incapable of doing their jobs (Gibson et al., 2009). As a result, the system for leadership becomes stronger, more adaptable, and more dynamic (Cox et al., 2003). Workers aren't confused or puzzled about what they're responsible for while making decisions (Gibson et al., 2009). The results of these and other empirical investigations show that obscurity is a significant obstacle to effective leadership that empowers followers (e.g. Cordery et al., 2010). An inspiring leader conveys assurance in an employee's abilities and potential for performance (Zhang & Bartol, 2010).

2.2. Employee Performance

The company's success depends on its employees' performance. One definition of performance is the outcome that competent people achieve in defined contexts (Prasetya & Kato, 2011). The research of Robbins (2001) shows that when workers are satisfied with their employment, they are more productive and efficient. Job performance is the end result of the actions taken by an individual in performing job-related tasks within a limited time (Wu & Lee, 2011).

High employee performance has important roles such as superior success, survival, providing competitive advantage and sustaining quality (Sonnentag & Frese, 2002: 4). Employee performance is an indicator of how well an employee does the job given to him/her (Rutherford, Park, Han, 2011: 175). When the quality of the outputs obtained by the employee is considered, if he/she has completed the job in accordance with the desired time standards, he/she is stable and effective in his/her job (Mathis & Jackson, 2009). If the individual performance is at desired level, the output of both the department they are affiliated with and the businesses they are a member of will be superior and will differentiate themselves positively from their competitors. Therefore, it is quite valuable to be able to determine the variables that will increase or decrease the performance of employees (Johnson, 2003: 36). Job performance is significantly affected by emotional exhaustion, perceived organizational support, job satisfaction and organizational commitment (Jaramillo, Mulki, & Marshall, 2005).

2.3. Employee Creativity

The innovativeness, effectiveness, and survival of a company are greatly impacted by the creative output of its employees (Amabile, 1996). Every time employees produce creative ideas, they create new values, problem solutions, and opportunities for change or adaptation that will contribute to the entire business. (Madjar, 2005). Innovation is the development of new conceptions, results, goods, or services (e.g., Amabile, 1996). To be competitive in an innovation-driven market, companies rely on their staff to not only meet productivity targets but also come up with novel ideas on how to run the firm (Dul & Ceylan, 2011). An organization's innovation relies on it, and workers at all levels may help make it happen (Shalley

et al., 2004). Employers have long sought to foster a more creative workforce by actively seeking out and selecting individuals with demonstrated creative abilities, as well as by providing them with opportunities to hone their own unique cognitive styles, personality traits (such as receptivity to new experiences), and other skills (Scott et al., 2004). Almost all forms of creativity include collaborative efforts, and they all stem from the same basic interplay between an individual's thoughts and their socio-cultural environment (Csikszentmihályi, 1990). A business's capacity to innovate, survive, and succeed in the journey is directly correlated to the level of creativity among its employees (George & Zhou, 2001). People that are proactive often show initiative to modify ways of doing things in the workplace and the way the company is structured, which often leads to innovative ideas (Seibert, Kraimer, & Crant, 2001). It is known that proactive people are more likely to engage in innovative activities such as generating new ideas and demonstrating creativity at work (Seibert et al., 2001).

It's possible that manager encourages creativity and work creativity requirements are mutually supportive, as they both provide tools that proactive employees may use to their advantage to produce innovative performance, while inactive employees fall short (Kim, Hon, & Lee, 2010). If you want to boost innovation, an effective leadership approach is to empower your team members (Slatten & Mehmetoğlu, 2011). An example of an empowering leadership style would be one that allows subordinates more autonomy to make choices (Forrester, 2000). Empowering leaders inspire their teams to take the decision on the job while simultaneously providing them with the guidance they need to perform at a upper level, all in the pursuit of meeting or exceeding organizational goals (Amundsen & Martinsen, 2014). Based on various contexts and findings, numerous studies have examined the role of leaders in fostering innovative behavior among employees (Iscan, Ersari, & Naktiyok, 2014). However, there is a dearth of literature on empowering leadership, even though this trait is essential for creativity to flourish under such a leader. This is characterized by an employer with an empowering attitude, who encourages staff to have a say in company decisions, shows trust in staff, and does away with red tape (Ahearne, Mathieu & Rapp, 2005). According to Xue, Bradley, and Liang (2011), leaders with strong business management skills and the ability to build team members' sense of self-efficacy tend to be associated with organizations that generally practice empowerment. As a result of the increased self-confidence and self-awareness that empowerment brings, employees' creative abilities are enhanced, which is the desired outcome of this leadership style. The emphasis is on employees' creative performance as measured by the degree to which other persons offer aid and encouragement, rather than on social support in general (Amabile et al., 1996). If individuals believe in their own creativity, leaders will give them more opportunities to demonstrate their creativity, which may lead to an increase in their performance. The findings from this study are expected to point to a more direct causal relationship between expectations from empowering leaders and employees' creativity and performance levels.

3. METHODOLOGY

3.1. Research Model and the Hypotheses

The Research Model was designed according to the relational model to test the empowering leadership, employee performance and creativity levels of the participants and to reveal the relationship between these concepts (see Figure 1).

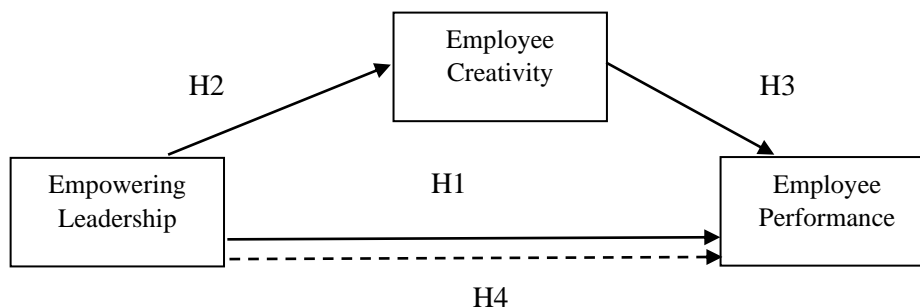


Figure 1. Research model.

The hypotheses regarding the research are as follows:

Hypothesis-1: Empowering leadership has a positive effect on employee performance.

Hypothesis-2: Empowering leadership has a positive effect on employee creativity.

Hypothesis-3: Employee creativity has a positive effect on employee performance.

Hypothesis-4: Employee creativity has a mediating role in the effect of empowering Leadership on employee performance.

3.2 Data Collection Instruments

Quantitative methods were preferred in the study and a questionnaire was used. All scales are 5-point Likert type (1: Strongly Disagree, 5: Strongly Agree). All four scales used are one-dimensional.

3.2.1 Empowering Leadership Scale

The Empowering Leadership Scale (ELS) consists of 10 items. The scale was obtained from the autocratic, democratic and empowering leadership dimensions used by Essa & Alattari (2019: 430). According to the authors, the Cronbach's Alpha value in the sub-dimensions of the original Scale is between 0.71 and 0.84. In the current study, the Cronbach's Alpha value of the ELS was found to be 0.755.

3.2.2 Employee Performance Scale

Employee Performance Scale (EPS) consists of 5 items. The scale was used by Ximenes et al. (2019). The Cronbach Alpha value of the EPS was stated as 0.939. In the current study, the Cronbach Alpha value of the EPS was determined as 0.72.

3.2.3. Employee Creativity Scale

Employee Creativity Scale (ECS) consists of 13 items. The ECS was used by Ximenes et al. (2019). The Cronbach Alpha value of the ECS was stated as 0.951. The Cronbach Alpha value of the EPS was found to be 0.763.

3.2.4 Validity and Reliability

For all the Scales, the findings section clearly shows that the analyses are valid and statistically significant with p-values ($p < 0.001$), which confirms substantial and non-random correlations between the variables that were evaluated. To show strong results, academic research often accepts this level of significance (Field, 2013). And Cronbach's Alpha scores provide evidence that the Scales used to measure variables are reliable (George & Mallery, 2003; Nunnally, 1978).

4. FINDINGS

4.1. Population and Sample

The sample includes 282 employees operating in the building materials industry in the Kingdom of Saudi Arabia, Jeddah. The employees include department managers, board members, and other company employees. The study was conducted in several companies to ensure the quality of the study. Sociodemographic variables of participants can be seen at Table 1.

Table 1. Number and percentage distributions of sociodemographic variables of participants (N=282)

Variable	Group	n	%
Cinsiyet	Female	108	38.3
	Male	174	61.7
Age	Under 30	65	23
	30-39	71	25.2
	40-49	119	42.2
	Above 50	27	9.6
Educational Qualifications	Diploma	32	11.3
	Bachelor	146	51.8
	Master	78	27.7
	PhD	28	9.2
Working Experience	1-5 years	62	22
	6-10 yıl	78	27.7
Experience	11-15 yıl	112	39.7
	Over 15 years	30	10.6

Participants in the study were more likely to be male, between the ages of 40-49, with bachelor's degrees, and with 11-15 years of work experience.

4.2. Data Collection Procedure

To collect data, companies that could be reached through the "convenience sampling" method in the construction materials sector in Jeddah, Saudi Arabia were selected. Company managers were interviewed and permission was obtained to conduct the survey. The survey was distributed to a total of 300 employees

on October 17, 2024. The surveys were received from the participants on December 1, 2024. A total of 282 survey forms that could be used to conduct the research were obtained.

4.3. Data Analysis Strategy

The research employed various statistical analyses to guarantee the validity and reliability of the results. Kurtosis and skewness analyses were conducted to verify the normality of data distribution, hence confirming compliance with the assumptions of parametric tests (See Table 2). The reliability was evaluated using Cronbach's Alpha, which validated the internal consistency of the measurement scales, with all values surpassing the acceptable threshold of 0.7. Hypotheses were evaluated by linear regression analysis, yielding significant connections among the variables ($p < 0.001$ for all hypotheses). The results' validity is corroborated by their consistency with theoretical assumptions and the application of stringent statistical methods (Field, 2013).

Table 2. Descriptive statistics results of scale scores

Total Scores	n	Min.	Max.	\bar{x}	S	Kurtosis	Skewness	α
Empowering Leadership Scale	282	2.00	5.00	3.524	0.647	-0.232	-0.106	0.755
Employee Performance Scale	282	1.00	5.00	3.775	0.740	1.605	-0.850	0.72
Employee Creativity Scale	282	1.00	5.00	3.756	0.567	1.802	-0.506	0.763

4.4. Correlation Analysis

The Correlations Table 3 illustrates the correlations among variables. The Pearson Correlation coefficient between empowering leadership and both performance and creativity indicates a moderately significant positive correlation ($p < 0.001$). The Pearson Correlation coefficient between employee creativity and employee performance also indicates a moderately significant positive correlation ($p < 0.001$).

Table 3. Correlations of Variables

Variables	EL	EP	EC
Empowering Leadership	1		
Employee Performance	0.598*	1	
Employee Creativity	0.401*	0.375*	1

* $p = 0.000$

4.5. Regression Analysis

4.5.1. Testing of Hypothesis-1: Empowering leadership has a positive effect on employee performance.

-Model Summary

The Model Summary Table 4 evaluates the regression model's fit. It includes R, R Square, Adjusted R Square, and Std. Error of the Estimate.

Table 4. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.598	0.358	0.355	0.59486

Empowering leadership accounts for approximately 35.8% of the variance in employee performance. Adjusted R Square accounts for sample size and predictors, enhancing the model's explanatory capacity. The Standard Error of the Estimate is signifying a reasonably minor error and reflecting accurate predictions. The regression model adequately fits the data and substantiates the notion that empowered leadership accounts for a substantial percentage of the variability in employee performance.

- Anova

The ANOVA Table 5 tests the regression model's overall significance.

Table 5. ANOVA test

Source	Sum of Squares	df	Mean Square	F
Regression	55.156	1	55.156	155.870
Residual	99.080	280	0.354	
Total	154.236	281		

$F = 155.870$ with 1 and 280 degrees of freedom. The model has statistical significance, indicating that empowered leadership is a substantial predictor of employee performance. The regression model is resilient and statistically dependable.

- Coefficients

The Coefficients Table 6 provides details about the predictors in the regression model, including Unstandardized Coefficients, standard error, t-statistic, and significance.

Table 6. Regression test (depending variable: employee performance)

Predictor	Unstandardized Coefficients (B)	Standard Error	t	Sig.
(Constant)	1.365	0.196	9.154	<0.001
Empowering Leadership	0.684	0.055	12.485	<0.001

A one-unit improvement in empowering leadership results in a positive increase of 0.684 units in employee performance. The t-value indicates that the relationship is highly significant. The findings from all analyses support Hypothesis-1, "Empowering leadership positively affects employee performance."

4.5.2. Testing of Hypothesis-2: Empowering leadership has a positive effect on employee creativity.

-Model Summary

The Model Summary Table 7 evaluates the regression model's fit.

Table 7. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	0.401	0.160	0.157	0.52066

The R value (0.401) signifies a moderate positive link between empowering leadership and employee creativity. The R Square value indicates that 16% of the variance in employee creativity is attributable to empowering leadership.

-Anova

The ANOVA Table 8 evaluates the overall statistical significance of the regression model.

Table 8. ANOVA test

Source	Sum of Squares	df	Mean Square	F
Regression	14.509	1	14.509	53.520
Residual	75.904	280	0.271	
Total	90.413	281		

The F-statistic is significant ($p < 0.001$), demonstrating that the regression model is statistically relevant. This supports that empowering leadership is an antecedent of employee creativity.

- Coefficients

The regression analysis coefficients can be seen in Table 9.

Table 9. Regression test (depending variable: employee creativity)

Predictor	Unstandardized Coefficients (B)	Standard Error	t	Sig.
(Constant)	2.519	0.172	14.660	<0.001
Empowering Leadership	0.351	0.048	7.316	<0.001

The unstandardized coefficient shows that for each unit increase in empowering leadership, employee creativity increases by 0.351 units. The t-value and significance level indicate that this effect is statistically significant. The findings from all analyses support Hypothesis-2, "Empowering leadership positively affects employee creativity."

4.5.3. Testing of Hypothesis-3: Employee creativity has a positive effect on employee performance.

--Model Summary

The Model Summary Table 10 evaluates the regression model's fit.

Table 10. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
3	0.375	0.141	0.138	0.68796

The R value signifies a moderate positive association between employee creativity and performance. The R Square score indicates that 14.1% of the variance in employee performance is attributable to employee creativity.

-Anova

The ANOVA Table 11 shows the overall statistical significance of the regression model.

Table 11. ANOVA test

Source	Sum of Squares	df	Mean Square	F
Regression	21.717	1	21.717	45.885
Residual	132.519	280	0.473	
Total	154.236	281		

The F-statistic is significant ($p < 0.001$) and regression model is statistically valid. This substantiates the premise that employee creativity forecasts employee performance.

- Coefficients

The coefficients Table 12 delineates the contribution of the independent variable (employee creativity) to the dependent variable (employee performance).

Table 12. Regression Test (depending variable: employee performance)

Predictor	Unstandardized Coefficients (B)	Standard Error	t	Sig.
(Constant)	1.935	0.275	7.041	<0.001
Employee Creativity	0.490	0.072	6.774	<0.001

The unstandardized coefficient ($\beta = 0.490$) means that for each unit increase in employee creativity, employee performance also increases by 0.490 units. At the same time, the t-value and significance level confirm that this effect is statistically significant. The findings support Hypothesis 3, "employee creativity positively affects employee performance".

4.5.4. Testing of Hypothesis-4: Employee creativity has a mediating role in the effect of empowering leadership on employee performance.

-Model Summary

The model summary Table 13 provides insights into the strength of the regression models. It shows R values for models before and after adding the mediator variable (employee creativity).

Table 13. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F	Change
4	0.598	0.358	0.355	0.59486	0.358		155.870
5	0.616	0.380	0.375	0.58567	0.022		9.860

The R Square value rises from 0.358 to 0.380 upon the inclusion of the mediator (employee creativity), signifying that the mediator contributes to greater variance in employee performance.

-Anova

The ANOVA Table 14 evaluates the significance of the regression models. An elevated F value signifies that the model accounts for a statistically significant portion of variance in the dependent variable.

Table 14. ANOVA test

Model	Source	Sum of Squares	df	Mean Square	F (Sig.)
4	Regression	55.156	1	55.156	155.870 (0.000)
	Residual	99.080	280	0.354	
	Total	154.236	281		
5	Regression	58.538	2	29.269	85.331 (0.000)
	Residual	95.698	279	0.343	
	Total	154.236	281		

The ANOVA Table 12 assesses the significance of the regression models. In Model 4, empowering Leadership independently accounts for a substantial percentage of the variance in employee performance (Sum of Squares = 55.156, $F = 155.870$, $p < 0.001$). The unexplained variance (Residual Sum of Squares) is 99.080, suggesting potential for enhancement. In Model 5, incorporating employee creativity as a mediator, the explained variance rises to 58.538, accompanied by an elevated F value of 85.331 and a comparable significant level ($p < 0.001$). The unexplained variance reduces to 95.698, indicating an enhancement in the model. This illustrates that incorporating employee creativity improves the model's explanatory capacity and validates its mediating function between empowering leadership and employee performance.

- Coefficients

The coefficients Table 15 shows the effects of the predictors on the dependent variable.

Table 15. Regression test (dependent variable: employee performance, mediator: employee creativity)

Model	Predictor	Unstandardized Coefficients (B)	Standard Error	t	Sig.
4	(Constant)	1.365	.196	6.950	.000
	Empowering Leadership	.684	.055	12.485	.000
5	(Constant)	.833	.257	3.240	.001
	Empowering Leadership	.610	.059	10.361	.000
	Employee Creativity	.211	.067	3.140	.002

The Coefficients Table 15 offers comprehensive insights into the influence of predictors on employee performance. In Model 4, empowering leadership is a significant predictor of employee performance ($\beta=0.684$, $t=12.485$, $p<0.001$), demonstrating a robust and direct influence. In Model 5, the incorporation of employee creativity as a mediator results in a minor reduction in the effect of empowering leadership on employee performance ($\beta=0.610$, $t=10.361$, $p <0.001$), however the effect remains statistically significant. Furthermore, employee creativity exerts a substantial positive influence on employee performance ($\beta=0.211$, $t=3.140$, $p=0.002$). This indicates that employee creativity partially mediates the relationship between empowering leadership and employee performance, since the direct effect is diminished but not eliminated. Consequently, this finding supports Hypothesis 4, “employee creativity has a mediating role in the effect of empowering Leadership on employee performance.”

5. CONCLUSION

The hypotheses presented in the methodology established the basis of this study, seeking to investigate three principal aspects: the significant positive impact of empowering leadership on employee performance, the critical role of creativity in enhancing employee performance, and the mediating effect of creativity on the relationship between empowering leadership and employee performance. The findings correspond with previous studies indicating that empowering leadership improve employee performance by fostering autonomy and trust. Empowering leadership practices, including the delegation of decision-making authority and the provision of developmental assistance, foster an environment in which people feel valued and competent in achieving organizational objectives (Kirkman & Rosen, 1999; Zhang & Bartol, 2010). Within the construction materials business in Saudi Arabia, empowering leadership has demonstrated efficacy in addressing industry-specific difficulties, including resource limitations, stringent deadlines, and intense rivalry (Audenaert & Decramer, 2018; Raub & Robert, 2010). Employees who perceived trust and empowerment from their leaders demonstrated enhanced dedication and productivity, crucial for organizational success in this dynamic field.

The mediating function of employee creativity is a significant discovery, highlighting its crucial role in converting leadership inputs into measurable performance results. Empowering leaders cultivate creativity by promoting creativity and establishing a psychologically safe workplace (Amabile, 1996; Spreitzer, 1995). This study found that employees who viewed their leaders as empowering were more inclined to suggest innovative solutions, improve operations, and adjust to market needs as creative thoughts. The mediating effect is especially pertinent in Saudi Arabia, where swift economic diversification and infrastructure development necessitate continuous innovation. By endorsing employee creativity, firms may guarantee that their workforce remains adaptable and competitive in response to changing market demands (Ximenes et al. 2019) with higher employee performance.

The clear correlation between employee creativity and employee performance underscores the significance of innovation as a catalyst for employee productivity and organizational achievement. Creative employees not only excel in problem-solving but also enhance organizational learning and foster long-term growth (Oldham & Cummings, 1996; Madjar, 2005). In the construction materials sector, innovation empowers personnel to devise economical solutions, enhance resource efficiency, and elevate product quality. These findings underscore the necessity for enterprises to prioritize employee creativity through the implementation of training programs, the promotion of collaboration, and the acknowledgment of innovative contribution (Ximenes et al. 2019).

Nasir et al. (2022), searched concentrating on leadership types, employee performance, and innovation. Current research investigates how empowering leadership improves employee performance by utilizing employee creativity as a mediator, whereas Nasir et al. (2022) analyze the impact of transformational leadership, organizational innovation, and stressors on employee creativity and performance in Pakistani

SMEs. Present research underscores that empowering leadership enhances employee autonomy and motivation, asserting that “empowering leaders grant their employees increased autonomy to make decisions and develop professionally,” while Nasir et al. (2022) emphasize that transformational leaders inspire employees to engage in innovative thinking and confront challenges: “transformational leaders motivate their subordinates to think creatively and tackle challenges.” Methodologically, both studies’ principal findings are consistent, as both research illustrate the significance of leadership styles in fostering innovation and enhancing performance. Current research distinctly identifies creativity as a mediating variable, while Nasir et al. (2022) examine supplementary components, including the divergent impacts of challenge and hindrance stressors on outcomes. The distinctions highlight the distinct contributions of each study: my research offers insights into psychological empowerment, while Nasir et al. (2022) incorporate innovation and stresses, enhancing the comprehensive understanding of leadership’s effects on performance.

The findings of research align with the research by Öngel et al. (2024), which investigates the influence of digital leadership on individual creativity and employee performance, emphasizing generational disparities. Öngel et al. (2024) explore digital leadership, highlighting its distinctive capacity to utilize digital resources and cultivate an innovative culture. Current research indicates that “empowering leaders provide their employees with increased autonomy for decision-making and professional progress,” while Öngel et al. (2024) assert that digital leaders, by means of effective digital communication and a well-defined digital vision, “foster an environment that cultivates and promotes employee creativity.” The principal conclusions of both studies converge on the notion that creativity mediates the relationship between leadership styles and performance; nevertheless, current research highlights autonomy and empowerment as critical factors, whereas Öngel et al. (2024) underscore digital proficiency and adaptability. These discrepancies underscore how current research provides insights into psychological empowerment by leaders, whereas Öngel et al. (2024) enhance the comprehension of leadership’s function within the framework of digital change and generational diversity.

Ximenes et al. (2019) examines the moderating influence of entrepreneurial leadership on the relationship between High-Performance Work Systems (HPWS), employee innovation, and employee performance. Ximenes et al. (2019) identify HPWS as a crucial driver for creativity and performance, demonstrating that HPWS positively impacts employee creativity and performance. Both studies underscore the essential function of creativity, with Ximenes et al. (2019) asserting that “employee creativity significantly mediates the relationship between HPWS and employee performance,” and current research confirming that “creative performance is highly contingent upon flexibility, mindset, and creativity-relevant skills.” The studies differ in their emphasis on leadership: present research emphasizes psychological empowerment and autonomy as essential mechanisms for enhancing performance, whereas Ximenes et al. (2019) underscore the innovative and proactive attributes of entrepreneurial leadership as vital in moderating work system outcomes. This complementary viewpoint enhances comprehension by integrating insights into the intrinsic motivation of empowering leadership with the strategic alignment offered by HPWS and entrepreneurial leadership, demonstrating several avenues for improving employee creativity and performance.

This research aimed to investigate the impact of empowering leadership on employee performance, with employee creativity acting as a mediating variable. The results indicated that empowering leadership markedly improves employee performance by promoting autonomy and motivation. Furthermore, creativity emerged as a critical factor, enhancing performance and mediating the connection between empowering leadership and employee outcomes. The results indicate that leaders that promote initiative, innovation, and autonomous decision-making foster cultures that improve creativity and overall employee performance. This study significantly contributes to the literature by investigating the mediating role of creativity in the relationship between leadership and performance, especially in organizational contexts facing heightened expectations for innovation. The findings fill a gap in leadership research and offer pragmatic insights for firms seeking to improve competitiveness and adaptability. Managers are advised to implement empowering leadership strategies, promote creativity via training and cooperation, and recognize unique contributions to enhance organizational results.

While the study provides important insights, it also has limitations, as with any research. First, focusing solely on Saudi Arabia in geographic scope may limit the applicability of the findings to other areas. Second, focusing on an industry-specific sector narrows generalizability. The construction materials industry alone has distinct characteristics that may not be applicable to other businesses. Third, reliance on a cross-sectional survey limits the ability to identify causal connections. This study highlights the

significance of empowering leadership and creativity on performance, hence facilitating future research to investigate other variables and settings, which will enhance the comprehension of leadership, innovation, and performance dynamics. Future research could address these limitations by expanding the geographic scope to include additional regions, such as conducting longitudinal research to investigate the relevance of findings across sectors and the lasting effects of strengthening leadership and innovation on performance. This study can shed light on future research to examine other variables and environments that will increase the understanding of leadership and performance dynamics by emphasizing the importance of empowering leadership and creativity on employee performance. Future research can focus on team creativity instead of employee creativity, performance, job and task performance and team performance can be evaluated. The effects of different leadership styles on creativity and performance can also be compared.

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