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Self-leadership: The power behind empowerment

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ABSTRACT

With the growth of start-ups and small businesses, organizations as well as their employees need to adapt to new structures, processes, and all in all higher complexity. Digitization and decentralization foster the need for new leadership approaches. Entrepreneurs need to "let go" and give autonomy to their followers while supporting them to use this freedom effectively. It is assumed that the flexibility of the organization and individual goal achievement increase when the followers perceive autonomy. However, autonomy must be accompanied by development support, and for this to be possible, self-leadership skills must first be present at the level of the entrepreneurs before they can exemplify them to their followers. The results clarify that both autonomy and development support of entrepreneurs are positively related to self-leadership skills. Findings also highlight the impact of autonomy by indicating that it is positively related to goal achievement.

KEYWORDS

Autonomy; self-leadership; empowering leadership

Introduction

With the growth of start-ups and small and medium-sized enterprises (SMEs), technological developments, and accompanying changes in work processes and organizational structures, leadership approaches are being sought that are effective in the context of flatter hierarchies, expanded responsibilities, and higher task complexity among employees (Lee et al., 2018; Winkler et al., 2021). In order to respond to the digitization and decentralization, entrepreneurs in their role as leaders need to grant autonomy, and make sure it is used effectively. More than ever, entrepreneurs as well as their employees need to develop their self-leadership skills to be able to use the responsibility and decision-making authority that comes with the autonomy. Employees must perceive the entrepreneur as a role model and apply the entrepreneur's self-leadership skills themselves so that the organization can respond to contextual changes.

In the academic literature, two main approaches to empowerment have emerged. The first involves a structural perspective that includes interventions and practices on the part of the organization and the entrepreneur that aim to

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actively transfer autonomy and decision-making power to the followers (Amundsen & Martinsen, 2014; Bennis & Nanus, 1985). The second is a psychological perspective based on the leader's perception of what they are doing and, as a motivational construct, is referred to as psychological empowerment (Spreitzer, 1995; Thomas & Velthouse, 1990). The two approaches are related because psychological empowerment can be viewed as intrinsic motivation that is continuously influenced by the work environment, among other factors. Psychological empowerment can thus be viewed as a result of structural empowerment. In addition to the shift in power and responsibility within the framework of autonomy, followers continue to need leaders who serve as their role models if they are able to develop self-leadership skills themselves. Empowering leadership thus pursues the goal of sharing power with the followers and enabling them to use the autonomy they have gained as effectively as possible by providing role models and developmental support.

Theoretical background

Empowering leadership

Empowering leadership is defined as an external-influencing process with the goal of transferring decision-making power to followers. Specifically, they are given more autonomy and responsibility (Cheong et al., 2019; Lee et al., 2018). In this way, the autonomous and self-determined functioning of followers is to be promoted (Chen et al., 2007). This is achieved, for example, by making decisions with the involvement of followers or by reducing bureaucracy (Arnold et al., 2000).

Empowering leadership refers to the behavior of the entrepreneur who takes the crucial role leading the growth in start-ups and SMEs. The entrepreneur consciously creates the conditions and behaves in their leadership behavior in such a way that followers feel psychologically empowered. According to Amundsen and Martinsen (2014), empowering leadership includes the factors of delegating tasks and responsibilities (power sharing) and developing followers (development support). The focus is on promoting autonomy, which is also an essential element of superleadership (Manz, 1986; Sims et al., 2009). It is defined as the process that causes the followers to lead themselves (Manz & Sims, 2001). But to lead others, it is necessary to hold an appropriate position of power that comes with tasks and responsibilities (Sturm & Monzani, 2018). Giving employees the power to act and make decisions is therefore one of the necessary antecedents for the followers to be able to lead themselves.

Autonomy is the central element of empowering leadership (Maran et al., 2021). Yukl and Gardner (2020) defined autonomy as the transfer of power and responsibility to implement it. The degree of autonomy can be determined primarily by the variety of responsibilities as well as their scope. In addition,

discretionary power, independent authority to take action and make decisions without prior approval, also play an important role. The obligation to provide regular feedback to the manager on the current status can in turn severely restrict the scope for action.

For example, if reports have to be submitted daily, the perceived autonomy is significantly lower than with weekly, monthly, or annual reporting. The same applies to the content of these reports. If only the results have to be presented, but not the process of achieving the goals, the scope of action increases (Yukl & Fu, 1999). Therefore, it is hypothesized that more autonomy will lead to higher goal achievement.

H1: Higher autonomy of followers leads to higher individual goal achievement.

Self-leadership

Self-leadership plays a decisive role in empowering leadership (Furtner, 2017). Accordingly, it is considered a prerequisite that successful entrepreneurs must first be able to lead themselves before they can lead others (Furtner et al., 2013; Manz & Sims, 2001; Winkler et al., 2021). This is attributed to the fact that, on the one hand, the leader's own effectiveness increases and, on the other hand, these skills and behaviors that successful self-leadership entails are adopted by the employees through the development support and role modeling of the entrepreneur (Lynch & Corbett, 2021; Stewart et al., 2019). Self-leadership can be defined as a self-influencing process whereby self-control and one's own motivation are increased to a level that is necessary to achieve the respective performance (Manz, 1986), an outcome that has been demonstrated in multiple studies (Furtner, Rauthmann & Sachse, 2015; Poser, 2017). Self-determination theory, self-regulation theory, and social-cognitive theory form the basis for successful self-leadership (Furtner & Baldegger, 2016; Tang et al., 2021).

Thus, a major goal of the superleadership approach is to encourage and develop self-leadership skills of followers (Manz & Sims, 2001). Although this relationship is clearly described in the conceptual literature (Houghton & Yoho, 2005), there is a lack of empirical evidence showing a positive relationship between empowering leadership and self-leadership. Exceptions include Amundsen and Martinsen (2014, 2015) and Tekleab et al. (2008), as well as Yun et al. (2006), who showed that empowering leadership positively influ-ences self-leadership when followers have a greater need for autonomy.

Building on the theoretical foundation of empowering leadership (Amundsen & Martinsen, 2014), it is hypothesized that, on the one hand, more autonomy causes higher self-leadership capabilities, but on the other hand, developmental support is primarily necessary to increase the self-leadership capabilities of the employees. The second central characteristic of empowering leadership is summarized under development support. According to this, successful entrepreneurs are particularly distinguished by their role-model function. By constantly practicing effective self-leadership and doing their work effectively, their employees can learn from them and develop further. Manz and Sims (2001) described this concept as "leading others to lead themselves" (p. 127). In terms of empowering leadership, this means that leaders, as role models, demonstrate strong self-leadership that is adopted by followers (Pearce & Sims, 2002). It is hypothesized that followers will develop higher self-leadership skills, building on the autonomy, only if they perceive strong developmental support.

H2: The effect of autonomy on the self-leadership abilities of the followers is moderated by the developmental support of the leader.

Methodology

To test our hypotheses, we analyze our data in Statistical Package for the Social Sciences 26 in three steps (Field, 2018). First, the correlations between the variables are determined by calculating the Pearson product-moment correlation coefficients. Subsequently, linear regression models are calculated using the least squares method. In the third step, regression analyses are performed using the PROCESS macro. Correlations given as r are considered small effect if $r = \pm 0.10$, medium effect if $r = \pm 0.30$, and large effect if $r = \pm 0.50$.

Sample

Our sample consisted of 1,118 participants whose ages ranged from 16 to 75 years, $M = 40.23$, $SD = 10.09$, distributed across 33 small and medium-sized companies throughout Asia, Europe, and the United States. Industries represented included energy, manufacturing, engineering, and chemicals. A closer look at age shows that most employees (48.14 percent) are between 27 and 40 years old, followed by 29.55 percent between 42 and 59 years old.

The average tenure is 7.45 years with an *SD* of 4.75 years. The majority of employees have been with the organization for either less than six years (58.26 percent) or more than 10 years (30.10 percent).

Findings

The correlation analyses confirm the relationships between the factors' autonomy ($r = 0.35$; $p < .001$) and developmental support ($r = 0.33$; $p < .001$) with the dependent variable of individual goal achievement as shown in Table 1. H1 and H2 can thus be supported. The strong correlation of the two factors of empowering leadership, autonomy and development support ($r = 0.55$; $p < .001$), is also noted and further supports the assumption of an interaction effect. The correlation coefficients between autonomy, development support, and self-leadership give reason to further pursue H2, which assumes a positive interaction effect of autonomy and development support on self-leadership.

The PROCESS macro of Hayes (2022) is used to test the moderation effect, wherein moderation corresponds to Model 1. Heteroskedasticity-consistent standard errors (HC3; Davidson & MacKinnon, 1993) and bootstrapping with 5,000 iterations are used to determine confidence intervals.

Table 1. Correlation analysis.

Variable	*M*	*SD*	1	2	3	4
1. Autonomy	3.85	0.72	—			
2. Development support	3.44	0.88	0.55*	—		
3. Self-leadership	3.85	0.59	0.40*	0.37*	—	
4. Goal achievement	3.76	0.64	0.35*	0.33*	0.45*	—

$N = 1{,}118$, *$p < .001$.

Table 2. Moderation analysis.

	Dependent variable: Self-leadership		
Variables	Step 1	Step 2	Step 3
Step 1: Controls			
Tenure	−.033 (.045)	.036 (.041)	−.043 (.040)
Age	−.024 (.025)	.000 (.023)	−.006 (.022)
Step 2: Main effect			
Autonomy		.315*** (.039)	.248*** (.040)
Autonomy × development support			.297** (.061)
R^2	.003	.123	.219
ΔR^2		.120***	.096***

$N = 1118$. **p < .01; ***p < .001.
Note. Variance inflation factor (VIF) statistics for all models: 1.014 < VIF < 1.382. Durbin Watson: 1.833. Unstandardized regression coefficients are reported (standard errors in parentheses).

Table 2 shows the dominant effect of autonomy on self-leadership, as 12.02 percent additional variance in self-leadership is explained over and above the control variables (tenure and age). In stage three, the interaction term is added. Additional variance is explained and, with β = .297 ($p < .001$), there is also a positive effect on the self-leadership skills of the followers ($\Delta R^2 = .096$, $p < .001$). The results of the moderation analysis confirm a significant reinfor-cing effect of the developmental support factor on the relationship between autonomy and self-leadership. Consistent with Hypothesis 3, the effect of autonomy on self-leadership skills can be shown to be high when leaders provide developmental support (β = .382, $p < .001$, 95 percent CI [.309, .455]) and low when they do not (β = .139, $p < .001$, 95 percent CI [.073, .204]).

Implications for theory and practice

The global pandemic, together with accelerated digitalization, flexible working hours and places, and new forms of collaboration, require a rethinking of current concepts. Due to the increasing complexity of the environment, many tasks are also becoming more cognitively demanding and well-educated, skilled employees are taking up an ever-increasing share of the workforce (Humphrey et al., 2007). The results of these studies prove that empowering leadership can be an efficient leadership behavior in this context in order to develop employees and enable them for better goal achievement. The development of self-leadership skills is also positively influenced by the role-modeling provided by the entrepreneur. Accordingly, empowering leadership should not only be viewed as granting decision-making and action latitude, but also consciously employing the role of development support and role model function of leaders. Due to the importance of the role model function, it is equally important not to forget about the entrepreneur and therefore to continuously develop their self-leadership skills as well. With the principle of Manz and Sims (2001), "If leaders want to lead somebody, they must first lead themselves" (p. 7), it becomes apparent how important it is also for the leaders themselves to systematically learn and be able to apply effective self-leadership skills in order to be perceived as role models.

Disclosure statement

No potential conflict of interest was reported by the author.

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