ABSTRACT

Aiming to better understand how empowering leadership affects employees’ innovative performance, this research examines this relationship by reviewing the existing leadership and innovation literature, then theorizing and testing the extent to which employees’ entrepreneurial orientation mediates it. This research also proposes that the effect of empowering leadership on followers’ entrepreneurial orientation will vary according to the presence of different moderating variables. Hence, the moderating effects of the employees’ value of openness in the relationship between empowering leadership and employees’ entrepreneurial orientation are examined. Similarly, the effects of the employees’ creative self-efficacy in the relationship between employees’ entrepreneurial orientation and their own innovative performance are explored.

In the study, supervisor-employee matched data from seven factories across three provinces in China were collected. The results of the data analysis supported the association between empowering leadership and employees’ innovative performance, as well as the mediating effect of employees’ entrepreneurial orientation. The moderating effect of employees’ creative self-efficacy was also supported. However, the moderating role of the value of openness was not significant. These findings enable us to better understand the mechanism by which an empowering leader influences employees’ innovative performance. It also explains how this process of influencing is subject to employees’ various individual characteristics.

**Keywords:** empowering leadership; entrepreneurial orientation; innovative performance; openness to change; creative self-efficacy.
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