The Role of Psychological Empowerment on Employees Creativity: the Development of Conceptual Framework

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Abstract. The main purpose of this conceptual paper is to examine the relationship between psychological empowerment and employees' creativity in the context of Malaysia's medium manufacturing industry. The study intends to appraise the existing literature and eventually develop the conceptual framework. Successfully understand factors that positively influence empowerment would be useful to identify gaps in knowledge of organizational creativity and the aspects of creativity that requires closer inspection are described. The research also aims to review the main creativity models, mediators as well as the enhancers of organizational creativity, all from a psychological perspective.

Keywords: Psychological empowerment, employees' creativity, Malaysia.

1. Introduction

1.1 Background of the study

Rapid change, global competition, and an increasingly demanding environment have made the ability of organizations to innovate crucial to their long-term performance. In order for the organization to survive and succeed in a competitive business environment, organizations nowadays must constantly seek out new technologies, products and markets (Amabile, 1988; Mumford, Scott, Gaddis, and Strange, 2002) not only to organizations in developed countries but also to those in developing countries. The government's commitment and concern for the development of Small and Medium Enterprises (SMEs) was made evident from the early 1970s with the introduction of the New Economic Policy in 1971, which aimed to improve people's welfare and restructure ethnic economic imbalances. Looking to the perspective on Malaysia's medium manufacturing industry, they play an important role in spearheading the economic growth of the country. According to Tenth Malaysia Plan, the Government will continue to support the development, including small companies that are still in the early stage, and companies that have the potential to become global. From this perspective, medium manufacturing industries in Malaysia are encourage to engaged with creativity that has a role in enhancing all aspects of business performance from the design of new products and services to their production, marketing and distribution.

More than 92 per cent of the business sector in Malaysia comprises SMEs, which employ 56 per cent of workers and contribute 31 per cent to the gross domestic product Implementing the culture of creativity in Malaysia will allow old businesses and industries to improve, while more importantly for the future of the country, allow new businesses to be incubated. Malaysia's current economic transformation programme (ETP) represents the creativity and innovation that is required to further develop Malaysia to become a high income nation. One of the strategies to promote creativity among employees is the role of employee empowerment which it is not a new management concept since it has been implemented for more than a decade. In order for the medium manufacturing industry able to promote creativity, it is important to

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understand the process of creativity and its mediator. Psychological empowerment which involves employee participation is a complex management tool that over 50 years of research has proved, when applied properly, can be effective in improving performance, productivity and job satisfaction (Sashkin, 1984).Psychological empowerment relates to how competent or capable people feel in an empowered work environment. Those who feel more competent about their ability to perform their work successfully should feel more satisfied with their work, be more affectively committed to their organization, demonstrate more positive work performance and have lower intentions to quit the organization. Empowerment also can be particularly important for organizations operating in a team environment or for organizations that wish to transition to a team environment. The psychological approach must be viewed as a positive means to enhance productivity and creativity among employees. Most authors agree that the core element of empowerment involves giving employee discretion over certain task related activities without neglecting the responsibilities that come along with it although empowerment has been defined in numerous ways (Bowen and Lawler, 1992; Conger and Kanungo, 1988; Schlessinger and Heskett, 1991). Hence, the primary objectives of this study are to conceptualize and to explore the role of psychological empowerment towards promoting creativity among employees in Malaysian's medium manufacturing industry. Table 1 explains overall definition of SMEs in Malaysia in all industry.

Table 1 Definition of SMEs in Malaysia

	Micro Enterprise	**Small Enterprise**	**Medium Enterprise**
Manufacturing, Manufacturing-Related Servuces and Agro-Based Industries	Sales turnover of less than RM250,000 OR full time employees less than 5	Sales turnover between RM250,000 and less than RM10 million OR full time employees between 5 and 50	Sales turnover between RM10 million and Rm25 million OR full time employees between 51 and 150
Services, Primary Agriculture and Information & Communication Technology (ICT)	Sales turnover of less than RM200,000 OR full time employees less than 5	Sales turnover between RM200,000 and less than RM1 million OR full time employees between 5 and 19	Sales turnover between RM1 million and RM5 million OR full time employees between 20 and 50

Sources: SME Corp Malaysia

1.2 Research Problem

The economic contribution of medium businesses in the new creative industries is widely recognized. The aim of this study is thus to further, through a very deep understanding of medium businesses creative management in the manufacturing sector as one of the sector of vital economic importance, and still requiring further research attention. This study also is to examine to what extend the psychological empowerment are able to influence in the process of creativity to their employees which relates intrinsic motivation as a mediator in order for the businesses to sustain their businesses. This new funding strategy will support long term, creative risk-taking or ground breaking research. More specifically the study aim to examine, how Malaysian's medium businesses in the manufacturing industry experience creativity as a process, how employees and management interact in this process, and to what extent the psychological empowerment factors are influential in shaping a company's experience of creativity.

2. Literature Review

2.1 Psychological Empowerment

There are two aspects of empowerment: "empowerment as "behaviour of a supervisor" who empowers his/her subordinates and the other is the "psychological state of a subordinate" resulting from his/her supervisor's empowering" as suggested by Lee and Koh (2001, p. 685). On the other hand Brymer (1991) defined empowerment as the process of decentralizing decision-making in an organization, by means of which managers give more discretion and autonomy specific employees. However most authors agree that

the core element of empowerment involves giving employee discretion (or latitude) over certain task related activities without neglecting the responsibilities that come along with it (Bowen and Lawler, 1992; Conger and Kanungo, 1988; Schlessinger and Heskett, 1991). Spreitzer (1992) focused on the psychological empowerment construct and validation of empowerment and according to Spreitzer (1995) empowerment is a continuous variable; people can be viewed as more or less empowered, rather than empowered or not empowered. Researches prove employees view themselves as more effective in their work and are evaluated as more effective by their co-workers (Quinn and Spreitzer, 1997). It is shown that power of empowerment is to increase organizational effectiveness and employee well being based on numerous articles and books (e.g. Byham and Cox, 1990).

2.2 Creativity

Creativity is the ability to produce work that is both new and valuable (Csikszentmihalyi, 1996; Amabile, 1998; Sternberg, 1999, p. 3; Dahlen, 2008). New means unusual, unique, new point of view, varied, original, breaking from existing patterns and contributing something to the field which was not there before. Medium businesses which produce valuable products or services indicate that the product meets a need or solves a problem; it is useful, effective and efficient, serves a purpose and contributes to society. Some scholars (Razeghi, 2008; Sutton, 2001) say that there are no new ideas, only reconfigurations of old ideas. This definition reveals that creativity is still very subjective. The subjectivity of creativity makes it hard to measure. According to Meetha, (2009) Organizational creativity is a fairly recent field. Its objective is to study what makes certain organizations come up with more creative solutions that are often translated into innovations and value creation. Developing creativity involved creative thinking techniques (Riquelme, 2000) and this technique are helpful in generating a large number of ideas in a short period time. Few researchers has suggested that creativity can be promoted by creating an open, fun, trusting and caring environment where new understanding is valued (Rice, 2006; McAllister, 1995; Mumford and Gustafson, 1988)

2.3 Intrinsic Motivation

Looking upon from a social psychology perspective study, task motivation drives the person to engage and express creative actions according to Amabile (1996). Amabile highlights the role that intrinsic motivation plays in enhancing task motivation. Intrinsic motivation is associated with aspects such as intrinsic engagement, autonomy, goal orientation, and self-regulatory mechanisms. Intrinsic motivation can be defined as the motivation or desire to do something based on the enjoyment of the behaviour itself rather than relying on or requiring external reinforcement. Motivation enables a creative worker to combine long working weeks with a passionate interest in work. Motivation knows a distinction between intrinsic and extrinsic motivation. Intrinsic comes from within the person: somebody likes the job because it is engaging, satisfying or challenging. Extrinsic motivation is triggered from the environment for example the person does the job as well as possible because there is an external award, such as prize to win or a bonus to earn. A physical work environment that is perceived as attractive can be inspirational and motivational to people and can symbolize innovation and signal creativity (Haner, 2005).

2.4 Meta Analysis- Employees' Creativity

Table 2 is a meta-analysis that have been carried out across 7 countries across the world between year 2002 until 2011.From the previous research there are 25 issues that arise for employees' creativity practices in organizations namely the role of ambiguity and conflict, self-efficacy, job satisfaction, supervisors expectations for employee creativity and supervisor creativity-supportive behaviour, employee view of creativity expectations, encouragement; organisational support; committed resources, innovation as imperative, intrinsic motivation, autonomy and task complexity, personality, co- workers, leadership, work setting, reward, coworker and supervisor feedback environment, self- concordance, empowerment climate, psychological empowerment, need for achievement ,power, and affiliation, innovative, traditional and cooperative culture, and emotional intelligence.

Table 2: Meta Analysis for Creativity among Employees

No	Author (Year)	Country	METHOD			CONTENT																									
			Report	Case Study	Survey	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
1	Yung-Tai Tang et al. (2010)	Taiwan			√	√	√	√	√																						
2	Pamela Tierney et al.(2002)	USA			√			√		√	√	√																			
3	Christian VD et al.(2002)	The Netherlands		√									√	√	√																
4	Sabine Hothoet al.(2011)	UK		√									√			√	√	√												
5	Katleen et al. (2010)	Europe		√															√	√	√	√	√							
7	Feng Wei et al. (2010)	China			√																√					√	√				
8	Alice et al. (2011)	China			√																								√	√	
9	Jing Zhou et al (2003)	USA	√																												√
10	Tae-Yeol Kim et al. (2010)	Korea			√						√	√				√														

Note: A: Role Ambiguity; B: Role Conflict; C: Self-Efficacy; D: Job Satisfaction; E: Supervisors Expectations For Employee Creativity; F: Supervisor Creativity-Supportive Behaviour; G: Employee View Of Creativity Expectations; H: Encouragement; I: Organisational Support; J: Committed Resources; K: Innovation As Imperative; L: Intrinsic Motivation; M: Autonomy And Task Complexity; N: Personality; O: Co- Workers; P: Leadership; Q: Work Setting; R:Reward; S- Coworker And Supervisor Feedback Environment; T: Self- Concordance; U: Empowerment Climate; V:Psychological Empowerment; X: Need For Achievement ,Power, Affiliation; Y: Innovative, Traditional And Cooperative Culture; Z:Emotional Intelligence

3. Conclusions

This conceptual study will explain in the aspect of creativity process from a medium manufacturing industry and will investigate the role of psychological empowerment and its effects on creativity for the medium manufacturing industry in Malaysia. Therefore, it is very vital not only to ensure long term survival of medium industry but also to encourage the emergence of new SMEs in particular relating to manufacturing industries because at the present moment SMEs made up of more than 90 percent of the total manufacturing firms in Malaysian manufacturing sector (National Productivity Corporation, 2001). The findings of this study should encourage managers to stimulate their followers by empowering them. They should understand that this mechanism significantly enhances their employees' creative performance.

4. Acknowledgement

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