

Perceived Benefits and Costs of Empowerment: Conceptualization, Measure Development, and Its Impact on Empowering Leadership

How do leaders' perceptions of the benefits and costs of employee empowerment influence their empowering leadership behaviors?

This study by Soojung Han and colleagues, published in the Journal of Management, examines leaders' cognitive perceptions of the benefits and costs associated with employee empowerment and how these beliefs affect empowering leadership behaviors. Despite the widely recognized advantages of empowering employees—such as improved morale, performance, development, rapport, and retention—many leaders hesitate to empower due to perceived risks. These risks include concerns about employee overconfidence, shirking, conflict, reduced leader authority, and increased leader time investment.

Using five samples of supervisors and their direct reports, the authors identify five categories of perceived benefits and six categories of perceived costs, developing and validating reliable measurement scales. Two field studies test the predictive validity of these perceptions on empowering leadership behaviors. Results indicate perceived costs consistently negatively influence empowering leadership, while perceived benefits show mixed results, influenced by situational factors like the COVID-19 pandemic.

The research integrates decision-making theory, emphasizing that leaders weigh potential gains and losses before deciding to empower. It contributes validated measures for future research and highlights the importance of balancing benefits and costs in understanding leadership behavior.

Practically, the findings suggest organizations should reduce perceived costs and raise awareness of empowerment benefits to encourage empowering leadership, especially in turbulent contexts.

MAJOR TAKEAWAYS:

- Leaders perceive both benefits (morale, performance, development) and costs (shirking, conflict, undermining) of empowerment.
- Perceived costs negatively predict empowering leadership behavior; perceived benefits have mixed predictive power.
- Reducing leaders' perceived costs and increasing awareness of benefits may promote empowering leadership.

WHO NEEDS TO KNOW:

- Organizational Leaders
- HR Professionals
- Leadership Scholars

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