

Participative Leadership VS Servant Leadership on Innovative Work Behavior: Role of Psychological Empowerment as Mediator

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Abstract

The role of psychological empowerment has not been thoroughly elucidated in previous researchers. Therefore, this study aims to examine the influence of participative and servant leadership on IWB and the role of psychological empowerment as a mediator. This study used a quantitative method with an SEM-PLS design on 155 respondents from the batik handicraft industry in Central Java, Indonesia. This finding supports the idea that participative and servant leadership, as well as psychological empowerment, are important for promoting innovation. However, psychological empowerment only strengthens the influence of servant leadership because direct participation in decision-making is already able to trigger employee initiative without the need for increased empowerment first. Servant leaders act as good mentors when organizational members experience difficulties at work, get the freedom to complete difficult tasks, are valued, trusted, and have high trust in leaders related to the principles of work ethics for the progress of the company.

Keywords: *Participative Leadership, Servant Leadership, Psychological Empowerment, Innovative Work Behavior.*

Introduction

Innovative work behavior (IWB) can be enhanced by the role of participative leaders. Participative leadership involves the active involvement of organizational members in decision-making and the development of new ideas, thus providing support and space for creativity and innovation (Zhang & Bartol, 2010; Shin & Zhou, 2007; Wang & Howell, 2012; Carmeli et al., 2006; De Jong & Den Hartog, 2010; Zarei et al, 2022). Participation is the main supporting factor for achieving group goals and success, such as the contribution of ideas, capital, and involvement in the decision-making process (Subyantoro et al., 2022). Adiguzel et al. (2021) found that participative leadership is significantly positively related to IWB. Leaders who apply a participative leadership style tend to facilitate team participation and collaboration, provide space for members to contribute with new ideas, and encourage experimentation and learning from failure (Gong et al., 2009; Shin & Zhou, 2003). Thus, members feel more motivated and courageous to take risks in generating innovative ideas (Dziallas, 2020). Wang et al. (2022a) suggested that participative leadership will influence members' decision-making, thus increasing their confidence in generating new ideas and implementing innovations. This high self-confidence will then encourage IWB.

In addition to participative leadership, servant leadership also has a role in increasing IWB (Hu & Liden, 2011; Walumbwa et al., 2010; Chiniara & Bentein, 2016; Liden et al., 2008; Van Dierendonck & Nuijten, 2011). Leaders act as servants to their members, focusing on their empowerment, growth, and interests (Liden et al., 2008). Leaders who implement servant leadership create an environment that supports and empowers organizational members, which in turn improves their performance. This occurs through the mediating mechanism of satisfying the needs for autonomy, competence, and connectedness. Leaders who implement servant leadership, i.e., leaders who serve and support the interests of team members, tend to increase the team's sense of capability and improve overall team effectiveness (Hu & Liden, 2011).

Li et al., (2021) highlights the role of psychological empowerment as a mediator between participative leadership and IWB. In this context, psychological empowerment plays an important role in linking

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participative leadership styles with IWB. Psychological empowerment encompasses factors such as organizational members' sense of autonomy, competence, and connectedness. Faraz et al. (2019) examined the mediatory role of psychological engagement in the relationship between servant leadership and IWB. This study's results show a positive relationship between servant leadership and the psychological engagement of organizational members, which in turn fosters IWB. Servant leadership creates a work environment that supports the development of organizational members, increases the sense of ownership and responsibility, and fosters the spirit of collaboration necessary for innovation.

Leaders facilitate an environment where employees feel trusted, empowered, and inspired to explore new solutions for the betterment of the organization. This will foster more IWB in the long run (Faraz et al., 2019). However, Jong & Hartog (2010) stated that IWB is not influenced by participative leadership or servant leadership. Participative leadership has weak evidence of its relationship with IWB. In other studies, psychological empowerment is often positioned as a mediating variable (Dust et al., 2014; Choi, 2007), so this study intends to explore the suggestion of Spreitzer et al. (1999; Almulhim, 2020; Liu et al., 2019; Grošelj et al., 2020), which states that psychological empowerment serves as a significant moderator in various organizational relationships to answer existing research gaps. Empowerment theory is a relevant foundation to explain the role of psychological empowerment as a mediator, psychological empowerment will be formed through the support of a work environment that supports employee autonomy and participation (Spreitzer, 1995). It aims to enhance the effects of organizational climate on innovative behavior, strengthen the relationship between knowledge sharing and innovation, and positively influence employee engagement and creativity when combined with a supportive leadership style.

Literature Review

The Influence of Participative Leadership on Iwb

Participation is a crucial factor for the sustainability of the organization (Subyantoro et al., 2022). Participative leadership is a leadership style that involves members participating in decision-making and problem-solving. Participative leadership has a positive and significant effect on IWB (Zhang & Bartol, 2010; Shin & Zhou, 2007; Wang & Howell, 2012; Carmeli et al., 2006; De Jong & Den Hartog, 2010). Participative leadership can increase subordinate empowerment (employee empowerment). Participative leadership provides opportunities for employees to be involved and contribute to decision-making (Daud et al., 2024). Employee empowerment will increase their sense of ownership and motivate them to innovate (Khalili, 2018). Participative leadership encourages the creation of a work climate conducive to innovation. This leadership style creates an atmosphere of mutual trust and support among team members, so they feel comfortable being creative and taking the risk of trying new ideas (Sağnak et al., 2015). This harmonious and supportive work climate plays an important role in encouraging IWB.

According to Chow (2018), participative leadership complements subordinates' creative thinking abilities with the support of organizational resources required to develop ideas into innovations. Build trust between leaders and subordinates through open communication and appreciation for subordinates' creative suggestions and ideas. Participative leadership is able to maximize human and non-human resources to support the creation of new ideas until they are realized into new products or services (Haq & Roesminingsih, 2024). Thus, participative leadership has a positive and significant effect on encouraging the formation of IWB because it is able to empower, create a climate, and fully support the process of innovating.

H1: The stronger a leader's participative leadership style, the more it will significantly increase IWB.

The Influence of Servant Leadership on IWB

Servant leadership can increase the empowerment and independence of organizational members. Servant leadership has a positive and significant effect on IWB (Hu & Liden, 2011; Walumbwa et al., 2010; Chiniara & Bentein, 2016; Liden et al., 2008). Zeng & Xu (2020) suggest that this leadership style that places the interests of subordinates or organizational members above personal interests makes organizational

members feel valued and trusted so that they are able to take the initiative. Yoshida et al. (2014) and Wang et al. (2022b) stated that servant leadership creates a mutually supportive work atmosphere. The leader's concern for the welfare of subordinates builds a sense of security and comfort when working collectively to create innovation. A harmonious work climate and mutual confidence foster the spirit of sharing ideas. In addition, Khan et al. (2022) revealed that servant leadership is also able to maximize the potential of individuals and teams through an example and service approach. The direct involvement of leaders in mentoring and providing support motivates employees to explore and create continuously.

Servant leadership provides autonomy and support to develop personal potential (Li et al., 2021). Wang et al. (2020b) suggested that servant leadership creates a climate of mutual trust and support between members. Leaders who care about the welfare of members build a sense of security to contribute collectively; this kind of organizational climate supports the process of co-innovation. In addition, according to Singh et al. (2021), servant leadership is able to maximize individual and group potential through providing examples and services. The direct involvement of leaders in providing guidance and resources encourages members to continue to innovate. The empowerment strategy used in servant leadership provides opportunities for individuals to develop their best potential for the group and organization's progress.

H2: The stronger a leader's servant leadership style, the more it significantly increases IWB.

The Influence of Psychological Empowerment on IWB

Psychological empowerment is a feeling of ownership and control over work that encourages internal motivation to explore and create (Naor et al., 2010). Psychological empowerment makes MSME actors confident enough to continue to innovate for the progress of their businesses. Organizational members have the ability to influence the process and results of work and business direction as needed. Singh & Sarkar (2018) suggested that psychological empowerment can increase a sense of ownership so as to encourage creative independence. This sense of ownership encourages the ability to think creatively to create new ideas. Zhang & Bartol (2010) said psychological empowerment creates a feeling of competence, which has an impact on self-confidence to take risks in innovating, where self-competence is the basic capital to explore new ideas. Psychological empowerment provides the freedom to contribute optimally according to their respective talents (Spreitzer, 1999). This autonomy plays a major role in empowering each member to produce innovative solutions according to their competence.

In research conducted by Spreitzer et al. (1999; Almulhim, 2020; Liu et al., 2019; Grošelj et al., 2020), a leader with psychological empowerment can ignite and increase feelings of wanting to empower and innovate due to increased support and guidance from leaders, so that psychologically, it can encourage the spirit of creative contribution. Wang et al. (2022b) stated that leaders who serve instill a sense of belonging and confidence to work. Not many different Zorlu (2021) leaders can provide a sense of meaningfulness in the workplace. Leaders can achieve this by demonstrating affection, which instills in employees a sense of value and significance in their work. Researchers predict that psychological empowerment will strengthen the influence between participative and service leadership styles on IWB, as it can enhance subordinates' sense of empowerment and confidence (Spreitzer et al., 1999; Almulhim, 2020; Liu et al., 2019; Groelj et al., 2020).

H3: The stronger the psychological empowerment, the more it significantly increases IWB.

H4: Psychological empowerment strengthens the influence of participative leadership on IWB.

H5: Psychological empowerment strengthens the influence of servant leadership on IWB.

Method

This type of research is quantitative. In this study, the population consisted of natural dye Batik craftsmen who were members of a paguyuban in Central Java, Indonesia. The sampling technique used is probability

sampling with cluster sampling, where sampling is based on the number of regions available. This technique is used because batik craftsmen consist of several small groups divided by geographic area (Berndt, 2020). Central Java is home to numerous batik center villages, where individuals engage in activities related to batik making. The number of respondents in this study was 155 craftsmen; this number has met the requirements (Hair et al., 2014). The data collection methods used in this study are as follows: 1) Questionnaire, by distributing a list of structured and closed questions, where respondents are limited in providing answers only to one of the available alternative answers. The questionnaire uses a Likert scale of 1–5. 2) Documentation involves examining written sources that provide information on MSME profiles, organizational structures, and other essential general descriptions. The analysis technique used is structural equation modeling with partial least squares (SEM-PLS) with SmartPLS software to test the relationship between variables.

The variable measurements used in this study can be seen in the following table:

Table 1. Operational Definition

No	Variable	Definition	Indicator/Item												
1	IWB (Janssen, 2000)	Deliberate behavior to create and realize new ideas for the benefit of the organization, which consists of three stages of the innovation process.	<table border="1"> <tr> <td rowspan="3">Idea Generation</td> <td>Generating new ideas that are useful to the company</td> </tr> <tr> <td>Looking for new ways to do work</td> </tr> <tr> <td>Generating original solutions to problems</td> </tr> <tr> <td rowspan="3">Idea promotion</td> <td>Promoting new ideas to management</td> </tr> <tr> <td>Persuading others to accept new ideas</td> </tr> <tr> <td>Getting members of the organization enthusiastic about new ideas</td> </tr> <tr> <td rowspan="3">Idea realization</td> <td>Realize new ideas despite the risk of failure</td> </tr> <tr> <td>Strive to realize new ideas</td> </tr> <tr> <td>Continue to innovate and realize new ideas</td> </tr> </table>	Idea Generation	Generating new ideas that are useful to the company	Looking for new ways to do work	Generating original solutions to problems	Idea promotion	Promoting new ideas to management	Persuading others to accept new ideas	Getting members of the organization enthusiastic about new ideas	Idea realization	Realize new ideas despite the risk of failure	Strive to realize new ideas	Continue to innovate and realize new ideas
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Idea realization	Realize new ideas despite the risk of failure														
	Strive to realize new ideas														
	Continue to innovate and realize new ideas														
2	Participative leadership (Wang et al., 2022a)	Leadership that involves subordinates in organizational decision-making by giving them the power, resources, and support they need.	<ol style="list-style-type: none"> 1. Involve members in decision-making 2. Power sharing 3. Support from the leader 4. Resources required 												
3	Servant leadership (Gani et al., 2022; Wang et al., 2022b; Liden, 2015)	A leadership style that prioritizes the interests of others through serving, helping, listening, understanding, and empowering organizational members.	<ol style="list-style-type: none"> 1. Superiors can find out if something is wrong with the work. 2. Superiors give freedom to resolve difficult situations in the way they deem best. 3. My boss gives priority to my career development. 4. Ask my boss for help if I have personal problems. 5. My boss emphasizes the importance of contributing to the organization. 6. Superiors prioritize members' interests over their own. 												

			7. The supervisor will NOT sacrifice ethical principles for the sake of success.
4	Psychological empowerment (Spreitzer, 1995; Juyumaya, 2022)	A person's sense of belonging and self-control over their work based on their belief in their abilities and influence and the extent to which their work matches their values and autonomy.	<ol style="list-style-type: none"> 1. The work done is meaningful 2. Ability to do the job 3. Self-organizing in determining how to do the work 4. Influence on what happens in the organization is very large. 5. Has great control over what happens in the organization. 6. Decides himself/herself how to do the work. 7. Has considerable opportunity for independence and freedom in doing work. 8. Mastering the skills necessary for the job 9. Having a significant influence on what happens in the organization. 10. Confident in the ability to perform job activities. 11. Influence on the organization is significant. 12. Has great control over own work.

Result

Respondent Characteristics

Table 2. Respondent Characteristics

Respondent Profile		Frequency	Percentage (%)
Gender	Male	7	4,5
	Female	148	94,5
Age	24-33 Years	12	7,7
	34-43 Years	33	21,3
	44-53 Years	77	49,7
	54-64 Years	28	18,1
	64-71 Years	5	3,2
Education	ELEMENTARY	71	45,8
	JUNIOR HIGH SCHOOL	41	26,6
	SENIOR HIGH SCHOOL	40	25,8
	Diploma	2	1,3
	Bachelor	1	0,6
Company Age	2-4 years	30	19,4
	11-13 years old	1	0,6
	14-15 years old	124	80,0
Turnover Per Month	1.000.000-1.999.999	87	56,1
	2.000.000-2.999.999	57	36,8
	3.000.000-3.999.999	3	1,9
	4.000.000-4.999.999	6	3,9

	> 5.000.000	3	1,3
	Amount	155	100,0

Based on Table 2, it can be described that the most consecutive respondents are female (95.5%), aged 44 - 53 years (49.7%), have elementary education (45.8%), have been running a business for 14 - 15 years (80.0%), and monthly turnover of 1,000,000 - 1,999,999 rupiah (56.1%).

Quality Criteria

Outer Model

Table 3. Outer Model Test Analysis Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
IWB1.1 <- IWB	0.542	0.539	0.067	8.121	0.000
IWB1.2 <- IWB	0.551	0.555	0.069	8.009	0.000
IWB1.3 <- IWB	0.639	0.638	0.054	11.777	0.000
IWB2.1 <- IWB	0.634	0.631	0.057	11.206	0.000
IWB2.2 <- IWB	0.586	0.582	0.059	9.984	0.000
IWB2.3 <- IWB	0.662	0.656	0.056	11.839	0.000
IWB3.1 <- IWB	0.619	0.616	0.061	10.201	0.000
IWB3.2 <- IWB	0.763	0.760	0.038	20.285	0.000
IWB3.3 <- IWB	0.669	0.665	0.051	13.113	0.000
PE1 <- PE	0.761	0.742	0.070	10.926	0.000
PE10 <- PE	0.840	0.833	0.036	23.343	0.000
PE11 <- PE	0.801	0.794	0.038	21.352	0.000
PE12 <- PE	0.751	0.742	0.052	14.551	0.000
PE2 <- PE	0.769	0.754	0.062	12.474	0.000
PE3 <- PE	0.788	0.768	0.063	12.553	0.000
PE4 <- PE	0.710	0.694	0.064	11.115	0.000
PE5 <- PE	0.785	0.786	0.037	21.297	0.000
PE6 <- PE	0.719	0.705	0.057	12.542	0.000
PE7 <- PE	0.740	0.715	0.075	9.914	0.000
PE8 <- PE	0.780	0.767	0.051	15.235	0.000
PE9 <- PE	0.798	0.796	0.036	21.910	0.000
PL1 <- PL	0.757	0.748	0.059	12.784	0.000
PL2 <- PL	0.892	0.889	0.024	37.676	0.000
PL3 <- PL	0.758	0.753	0.058	12.979	0.000
PL4 <- PL	0.744	0.739	0.058	12.779	0.000
SL1 <- SL	0.594	0.591	0.060	9.933	0.000
SL2 <- SL	0.674	0.667	0.070	9.571	0.000
SL3 <- SL	0.723	0.719	0.051	14.108	0.000
SL4 <- SL	0.683	0.677	0.051	13.427	0.000
SL5 <- SL	0.719	0.716	0.052	13.951	0.000
SL6 <- SL	0.698	0.686	0.058	12.031	0.000

SL7 <- SL	0.705	0.701	0.053	13.347	0.000
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The results of the outer model test analysis are shown in Table 3, which reveals that the outer loading significance test demonstrates that all items have a significant value less than 0.05, implying that all questionnaire items in this study have a good outer model.

Discriminant Validity

Table 4. Discriminant Validity on Research Variables

Construct	IWB	PL	SL	PE
Innovative Work Behavior (IWB)	0.633			
Psychological Empowerment (PE)	0.278	0.771		
Participative Leadership (PL)	0.336	-0.010	0.790	
Servant Leadership (SL)	0.500	-0.075	0.355	0.686

Table 4 demonstrates that all research variables have a greater \sqrt{AVE} value than the correlation between them. This demonstrates that all research variables can be considered valid.

Convergent Composite Reliability on Outer Model

Table 5. Composite Reliability (CR)

No	Construct	Composite Reliability	Description
1	Innovative Work Behavior (IWB)	0.856	Reliable
2	Participative Leadership (PL)	0.946	Reliable
3	Servant Leadership (SL)	0.868	Reliable
4	Psychological Empowerment (PE)	0.861	Reliable

With the results that have been obtained, it can be concluded that the outer model in this study is declared reliable.

Structural Model

Endogenous Variable Determination Coefficient (R Square)

Endogenous variables in the structural equation's inner model demonstrate that Participative Leadership, Servant Leadership, and Psychological Empowerment all have an impact on the IWB variable. The amount of the influence of these variables is given below:

Table 6. Adjusted R² Values of Endogenous latent in the Inner Model

Endogen Variable	Exogen Variable	Adjusted R ²
Innovative Work Behavior (IWB)	Participative Leadership (PL) Servant Leadership (SL) Psychological Empowerment (PE)	0,365

The total coefficient of determination (R²) in this study is 0.365, indicating that it can predict the model to 36.5%, with the remaining 63.5% driven by variables outside the model.

Q² Predictive Relevance

Model evaluation can also be understood in terms of Q² predictive relevance, often known as predictive sample reuse. Table 7 shows the size of the Q² value.

Table 7. Q² Predictive Relevance

	SSO	SSE	Q ² (=1-SSE/SSO)
IWB	1395.000	1049.838	0.247
ME PL	7440.000	4695.561	0.369
ME SL	13020.000	9445.692	0.275
PE	1860.000	898.899	0.517
PL	620.000	386.432	0.377
SL	1085.000	769.530	0.291

Based on table 7, for all research variables is greater than zero. This demonstrates that the model has strong predictive relevance.

Interpretation of Structural Equation Model

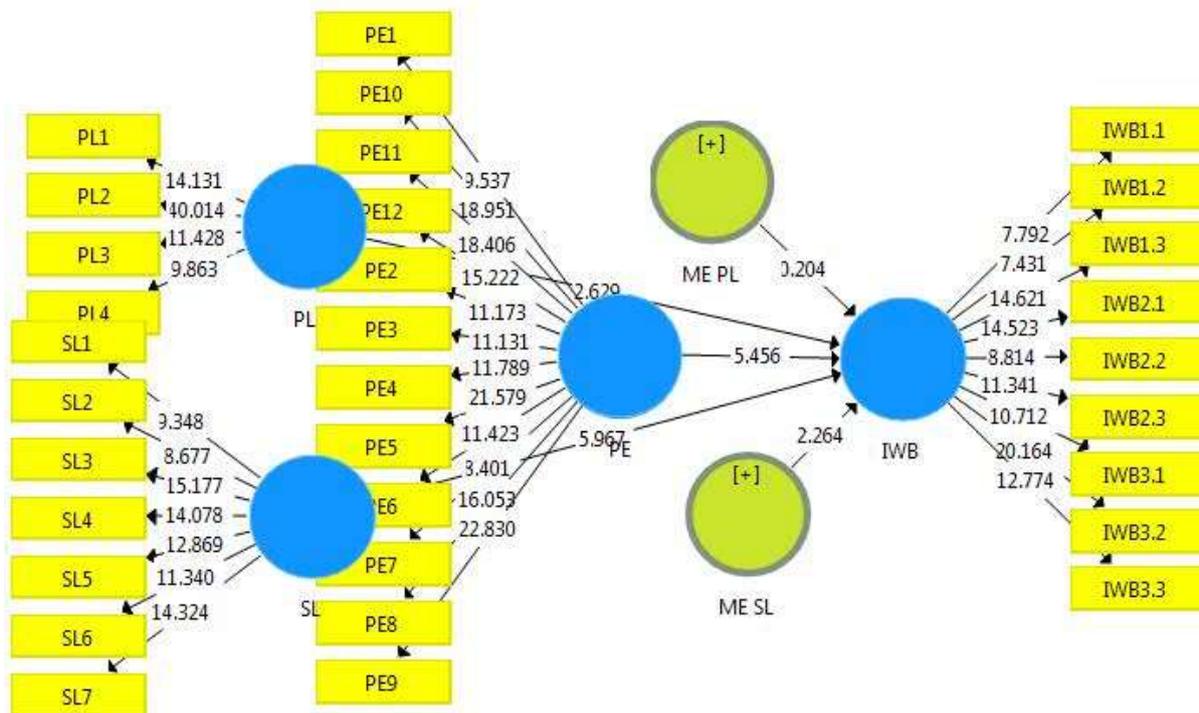


Figure 1. Hypothesis Test Coefficient

Table 8. Inner Model Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Result
PL -> IWB	0.168	0.159	0.064	2.629	0.010	Accepted
SL -> IWB	0.427	0.401	0.072	5.967	0.000	Accepted

PE -> IWB	0.308	0.303	0.057	5.456	0.000	Accepted
ME PL -> IWB	-0.023	-0.023	0.115	0.204	0.839	Rejected
ME SL -> IWB	0.141	0.191	0.062	2.264	0.026	Accepted

It can be seen from the hypothesis testing table above that hypotheses 1, 2, 3 and 5 are accepted, while hypothesis 4 is rejected so that psychological empowerment does not mediate the influence between participative leadership on IWB. These findings indicate differences in the effect of leadership style on IWB mediated by psychological empowerment. In hypothesis 5, psychological empowerment mediates servant leadership style on IWB, but not with participative leadership.

Discussion

Participative leadership is proven to have an influence on IWB; this finding supports the results of research by Zhang & Bartol (2010), Shin & Zhou (2007), Wang & Howell (2012), Carmeli et al. (2006), and De Jong & Den Hartog (2010), organizational members are always involved in making important decisions. This is a form of support from a leader to involve the participation of organizational members in order to advance and achieve the vision and mission of the organization. Organizational members feel that they get a division of power and tasks in the work according to what they want so that they can empower existing resources according to their respective needs. Leaders who apply a participative leadership style tend to build trust and provide greater support to members. A work environment full of trust and support allows employees to take risks and explore new ideas without fear (Bammens, 2016; Kim & Yun, 2015). Participative leadership can increase employees' sense of belonging to the organization, which then encourages them to engage in innovative behavior for the betterment of the organization. When members feel involved and their voices are heard, they will be more committed to making maximum contributions. Participative leadership is proven to have an influence on IWB; this finding supports the results of research by Zhang & Bartol (2010), Shin & Zhou (2007), Wang & Howell (2012), Carmeli et al. (2006), and De Jong & Den Hartog (2010), organizational members are always involved in making important decisions. This is a form of support from a leader to involve the participation of organizational members in order to advance and achieve the vision and mission of the organization. Organizational members feel that they get a division of power and tasks in the work according to what they want so that they can empower existing resources according to their respective needs. Leaders who apply a participative leadership style tend to build trust and provide greater support to members. A work environment full of trust and support allows employees to take risks and explore new ideas without fear (Bammens, 2016; Kim & Yun, 2015). Participative leadership can increase employees' sense of belonging to the organization, which then encourages them to engage in innovative behavior for the betterment of the organization. When members feel involved and their voices are heard, they will be more committed to making maximum contributions (Reuvers et al., 2008; Xerri & Brunetto, 2013; Daud et al., 2024; Haq & Roesminingsih, 2024).

The finding with the strongest influence is that the better a leader implements servant leadership, the better the increase in IWB of organizational members. This result supports the findings (Hu & Liden, 2011; Walumbwa et al., 2010; Chiniara & Bentein, 2016; Liden et al., 2008). Leaders can be good mentors when organizational members experience difficulties at work. Organizational members strongly feel that leaders have given them the freedom to resolve difficult situations and conditions so as to make them feel valued and trusted. Leaders, on the other hand, are considered to have strong work ethics principles for the success of the organization. This principle strengthens a leader to always prioritize members and their organization with an attitude of serving, helping, listening, understanding, and empowering organizational members (Wang et al., 2020b). Seibert et al. (2011) suggest that servant leadership is characterized by leaders who are good mentors. Members who feel psychologically empowered tend to be more proactive, creative, and engage in IWB. This is similar to the findings of Carmeli et al. (2013) and Khan et al. (2022), who found that servant leaders who have strong work ethic principles and can be good mentors will build trust and social support from employees so as to encourage them to dare to express new ideas and engage in innovative behavior.

Psychological empowerment in direct influence has a positive and significant effect on IWB; this supports the findings of Spreitzer et al. (1999; Almulhim, 2020; Liu et al., 2019; Grošelj et al., 2020). Organizational members feel that what they do and their presence in the organization are very important because what they do is in accordance with their abilities. Therefore, the role of each member becomes something that has a great impact on the organization, especially when organizational members have confidence in the abilities and skills needed by the organization. This shows that there is a strong belief that the existing work is in accordance with the abilities and skills possessed. Khelil (2023): Employees who feel psychologically empowered tend to have confidence in their ability to complete tasks successfully, which encourages employees to take risks, take initiative, and engage in innovative behavior.

Psychological empowerment, which acts as a mediator, further strengthens the effect of servant leadership on IWB, but it does not have a significant effect on the effect of participative leadership on IWB. Employee involvement in important decision-making will provide autonomy, influence, and meaning in their work. The involvement of members in making important decisions can directly trigger their initiative and creativity, without the need for increased empowerment first. Psychological empowerment, which acts as a mediator, further strengthens the effect of servant leadership on IWB, but it does not have a significant effect on the effect of participative leadership on IWB. Employee involvement in important decision-making will provide autonomy, influence, and meaning in their work. The involvement of members in making important decisions can directly trigger their initiative and creativity, without the need for increased empowerment first (Karakitapoğlu-Aygün & Gumusluoglu, 2013; Xerri & Brunetto, 2013). The initiative to increase innovation power will emerge along with the presence of participative leaders. From these results, it can be seen that participative leadership can be a variable with a strong direct effect in influencing IWB. In other influences, servant leadership and psychological empowerment complement each other in supporting IWB. Servant leadership creates a work environment that supports empowerment, while psychological empowerment enables employees to realize their innovative potential. The interaction between the two can produce a stronger effect on IWB. Psychological empowerment will easily grow in a work environment that supports member empowerment, the leader acts as a good mentor when members of the organization experience difficulties at work, get the freedom to complete difficult tasks, are valued, trusted and have high confidence in the leader regarding the principles of work ethics for the progress of the company.

Conclusion and Managerial Implications

This study concludes that the influence of servant leadership is stronger and better than participative leadership in influencing IWB. Psychological empowerment has a positive and significant effect on IWB under direct influence. In the moderation model, psychological empowerment is able to strengthen the influence of servant leadership on IWB, but not with participative leadership. Based on the findings of this study, practical implications can be formulated that can be applied by managerial parties, including:

- Organizations need to encourage the application of participative and servant leadership styles. Both are beneficial for supporting employees' IWB (Carmeli et al., 2013; Walumbwa et al., 2010). However, according to these findings, servant leadership has a stronger influence on IWB.
- Leaders need to involve employees in important decision-making and encourage their participation. This can directly influence employee initiative (Xerri & Brunetto, 2013).
- Leaders also need to act as good mentors, trusting and giving autonomy to employees. This will build employee ownership and commitment (Seibert et al., 2011; Wang et al., 2020b).
- Organizations can increase employees' psychological empowerment through training, assignments, and reward systems that provide influence, meaning, competence, and autonomy (Spreitzer, 1995; Khelil, 2023).

- Psychological empowerment can strengthen the influence of servant leadership on innovation through increasing employees' sense of belonging and security (Carmeli et al., 2013; Khan et al., 2022).
- The combination of participative leadership, servant leadership, and psychological empowerment can be a strategy to maximize employee innovative behavior (Chi & Pan, 2012; Zhao et al., 2019).

Limitations

The limitations in this study are:

It is known that this research was conducted in Central Java, Indonesia with a population of natural dye batik craftsmen so that the scope of research is limited to one industry and region. It is necessary to conduct research in various industries and countries for more general results.

This research population is an industry player with a small and medium industry class so that it cannot represent a similar model if applied to a larger industry. However, the findings of this study have great relevance to the results of previous researchers.

Quantitative data only measures perceptions due to data collection through questionnaires, not direct behavior consistently over time, so longitudinal research is needed to see changes in the long term.

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