Empowering leadership and organizational ambidexterity: a moderated mediation model

Evangelia Siachou  
Business School, Hellenic American University, Nashua, New Hampshire, USA, and  
Panagiotis Gkorezis  
Department of Economics, Aristotle University of Thessaloniki, Thessaloniki, Greece

Abstract

Purpose – The purpose of this paper is to examine the effect of empowering leadership on contextual ambidexterity. To this end, the authors underscore the underlying mechanism of perceived organizational support (POS). Furthermore, to provide more robust insights into this indirect effect, role ambiguity was examined as a moderator.

Design/methodology/approach – The paper is based on a questionnaire survey. Data collected from 219 employees working in three IT small-and-medium enterprises located in Greece.

Findings – The findings indicated that empowering leadership is positively related to contextual ambidexterity through POS and, further, this indirect association is contingent on role ambiguity.

Originality/value – The study provides more insights into the important role of leadership in generating contextual ambidexterity. Thus, moderated mediation framework that has empirically tested considers both how and when empowering leadership affects contextual ambidexterity and provides important implications for both theory and practice.

Keywords Role ambiguity, Empowering leadership, Moderated mediation, Contextual ambidexterity, Perceived organizational support (POS)

Paper type Research paper

1. Introduction

There is a consensus among scholars and practitioners, accompanied by a plethora of empirical evidence (O’Reilly and Tushman, 2013) that contemporary business environments require organizations to be inter alia ambidextrous; namely, exploit existing sources, while, at the same time, explore new opportunities to integrate the available assets (Havermans et al., 2015; He and Wong, 2004; O’Reilly and Tushman, 2008, 2013; Papachroni et al., 2016; Rothaermel and Deeds, 2004). In this regard, this concurrent approach of exploitation (i.e. efficiency, control, certainty, variance reduction) and exploration (i.e. search, discovery, autonomy, innovation) (O’Reilly and Tushman, 2013, p. 325) “with their joint impact on performance” (Prange and Schlegelmilch, 2009, p. 218) dominates the literature and reflects an organizational capability which enables organizations to effectively meet today’s business demands (Tekleab et al., 2008).

However, a significant body of research recognizes that organizational ambidexterity is perceived as a managerial activity depending on the organizational seniority aptitude to effectively manage the opportunity- and advantage-seeking trade-off (Beckman, 2006; Gibson and Birkinshaw, 2004; Lubatkin et al., 2006; Turner and Lee-Kelley, 2013; Tushman and O’Reilly, 1997; Volberda et al., 2001). In this vein, several scholars have investigated the impact of contextual factors on ambidexterity. Among these, leadership is argued to play a central role in offsetting the tensions of organizational configurations (e.g. Burgers et al., 2009; Kleinbaum and Tushman, 2007; Hill and Birkinshaw, 2014; Jansen et al., 2009; Lubatkin et al., 2006; Martin and Eisenhardt, 2010; O’Reilly and Tushman, 2011; Smith and Tushman, 2005).
Allied to this, scholars have pointed to leader characteristics (such as initiative, seek out opportunities, multi-taskers, etc.) as significant antecedents to ambidexterity (e.g. Beckman, 2006; Lubatkin et al., 2006; Smith and Tushman, 2005).

Even more, recent studies have associated different leadership styles with organizational ambidexterity such as transformational leadership (e.g. Berson et al., 2006) and shared management leadership (Mihalache et al., 2014). However, the impact of certain leadership styles and behaviors on specific types of ambidexterity, as of contextual ambidexterity, has rarely been addressed in the literature. According to Havermans et al. (2015), such relationships have been investigated by Gibson and Birkinshaw (2004), Nemanich and Vera (2009), Rosing et al. (2011). Additionally, Havermans et al. (2015), after analyzing leadership behaviors in project-based organizations, concluded that leaders are likely to enable contextual ambidexterity. However, this work does not support linkages between a certain leadership style, as for instance empowering leadership, and contextual ambidexterity.

Drawing on these insights, the present study attempts to extend this line of research by examining the effect of a specific leadership style, that is, empowering leadership, on contextual ambidexterity. Contextual ambidexterity entails a “supportive organizational context [...] encouraging individuals to make their own decisions to achieve ambidextrous outcomes.” In such a context, individuals are also encouraged to make their own judgments of how to best divide their time between the conflicting demands of alignment and adaptability (Gibson and Birkinshaw, 2004, p. 211). This time management ability differentiates contextual ambidexterity from other types of ambidexterity such as structural or sequential ambidexterity (O’Reilly and Tushman, 2013).

Given that leaders serve as important representatives of each organization (Eisenberger et al., 1986) and, therefore, their leadership style influences employees’ attitudes toward the organization, it is likely that they can promote the supportive organizational environment that contextual ambidexterity necessitates. Thus, we also incorporate perceived organizational support (POS) as an underlying mechanism in the relationship between empowering leadership and contextual ambidexterity. Furthermore, we provide a more nuanced understanding of this indirect effect by incorporating role ambiguity as a moderator. Taken together, we develop and test a moderated mediation model which elucidates how (POS) and when (role ambiguity) the relationship between empowering leadership and contextual ambidexterity occurs (Figure 1).
Overall, the paper makes some important contributions to the literature indicating that a certain leadership style, i.e. empowering leadership, enables contextual ambidextrous organizing. At the same time, however, it contributes to current studies (e.g. Mihalache et al., 2014) which highlight potential mediators accounting for the effect of leadership on contextual ambidexterity by exploring the mediating role of POS. Finally, our study also provides novel insights into the boundary conditions that may affect the above association by investigating the intervening effect of role ambiguity.

2. Theory and hypotheses development
In the organizational context, the term ambidexterity was initially used by Duncan (1976) who suggested that ambidexterity may occur when certain business units work to achieve alignment, at the same time as others attempt to achieve adaptation. Such a “shift” in existing structures enables companies “to initiate and, in turn, execute innovation” with the purpose of constant improvements over long periods of time (O'Reilly and Tushman, 2013, p. 325). Since that time, ambidexterity has attracted scholars’ particular attention and has emerged as a popular research topic both conceptually and empirically (O'Reilly and Tushman, 2013). In his seminal work, which served as catalyst for the current interest in the concept, March (1991) argued that albeit exploitation and exploration are found to be distinct learning activities which may require different settings (structures, strategy, and context), both should be employed and used by organizations (Raisch and Birkinshaw, 2008).

Despite the burgeoning interest in organizational ambidexterity, both scholars and practitioners have failed to provide a comprehensive conceptualization and definition (Nosella et al., 2012) of this construct as well as to come to a consensus regarding its typology (Simsek et al., 2009) and the way that it is achieved (O'Reilly and Tushman, 2013). To this end, literature recognizes different types of organizational ambidexterity, including the aforementioned sequential ambidexterity (Duncan, 1976), and the structural ambidexterity which refers to organizational efforts made by different units or departments to achieve operational efficiency in the short term while pursuing long-term growth (Tushman and O'Reilly, 1996). Alternative perspectives view organizational ambidexterity as contextual ambidexterity (Gibson and Birkinshaw, 2004), which relates to behavioral and social constructs functioning as facilitators in order for individuals and groups at work to achieve both alignment and adaptability.

Alignment refers to one’s capacity to protect existing skills and abilities from not becoming obsolete by incrementally updating them (Adler et al., 1999). Additionally, it applies to the organizational ability to achieve efficiency of their operations by improving their current competencies (e.g. know-how) (Ghemawat and Ricart i Costa, 1993). Instead, adaptability refers to the role of management teams in radically experimenting new innovations (Adler et al., 1999), deploying new technologies, and attempting access to new market niches (Kyriakopoulos and Moorman, 2004). Other typologies classify organizational ambidexterity as innovation ambidexterity (Lin et al., 2013) and harmonic ambidexterity (Simsek et al., 2009).

Apart from the appropriate organizational structure (Gilbert, 2006; Tushman and O'Reilly, 1996) and context (Gibson and Birkinshaw, 2004) considered as drivers for ambidexterity (Jansen et al., 2008), recent studies have started to pay particular attention to the role of leadership as one of the decisive factors “in establishing a supportive context and reconciling the implicit tension” (Jansen et al., 2008, p. 983) of managing alignment and adaptability. Hence, for organizations to be contextually ambidextrous they should employ individuals able to understand how to contribute to organizational efforts for the concurrent achievement of alignment and adaptability. Given that managers may constitute important sources of ambidexterity (Mom et al., 2007), and building upon the psychological empowerment literature, we examine the relationship between empowering leadership and contextual ambidexterity.
2.1 Empowering leadership and contextual ambidexterity

As contextual ambidexterity builds on individuals’ ability and groups at work to balance between alignment and adaptability (Adler et al., 1999; Gibson and Birkinshaw, 2004), leadership style adopted by supervisors affects their organizational units in pursuing ambidexterity (e.g. Nemanich and Vera, 2009; Mihalache et al., 2014). In contextual settings where the behavioral orientation toward the achievement of alignment and adaptability is encouraged, leadership plays a vital role in radically experimenting new innovations (Adler et al., 1999), deploying new technologies, and attempting access to new market niches (Kyriakopoulos and Moorman, 2004).

Empowering leadership defined as a leadership style that delineates “behaviors that share power with subordinates” (Vecchio et al., 2010, p. 531), provides employees with greater autonomy, delegating authority, involving them in decision making and augmenting their job meaningfulness. As suggested by Gibson and Birkinshaw (2004, p. 211), an antecedent to contextual ambidexterity is the ability of individuals to make their own decisions of how to better manage their time between “the conflicting demands of alignment and adaptability.” Empowering leaders can drive employees to make such decisions, motivate them to act independently, encourage them to solve problems (Vecchio et al., 2010), find effective ways for the successful accomplishment of their ambidextrous tasks and reconfigure existing processes to effectively deal with external challenges.

Leaders’ empowering actions may also mitigate bureaucratic constraints (Ahearne et al., 2005) in organizational daily operations. Moving beyond bureaucratic settings, employees may adopt opportunistic thinking and become involved in collaborative activities. In promoting such activities, empowering leaders help employees to form the so-called “empowered work teams” (Bobbio et al., 2012) whose members can divide their time in conflicting tasks more precisely. These teams are able to work together in order to deal with potential inconsistencies while focusing on consistencies to achieve alignment of their operations.

Based on contemporary theories of participation, empowering leaders’ actions which often promise employees’ involvement in decision making at a higher level (e.g. Yun et al., 2006) may lead to the development of an “integrative frame of reference between top management teams and employees” (Papachroni et al., 2016, p. 5). According to Güttel and Konlechner (2009), such a framework may be perceived as the appropriate social mechanism for managing the opportunity- and advantage-seeking trade-off. It also helps those who are involved in ambidextrous activities to perform multiple roles, accomplish responsible tasks extensively and even more build effective synergies.

Likewise, the ability of empowering leaders to share knowledge within organizations may also lead employees to be creative, propose new ideas, and minimize potential misunderstandings and conflicting objectives, thus fostering their learning. According to Vera and Crossan (2004), leaders promoting learning may achieve the “paradoxical” trade-off between alignment and adaptability. In this vein, Brion et al. (2010) also highlighted the importance of creativity and employees’ ability to undertake risks and recognize the value of opportunities in their attempt to successfully manage short- and long-term adaptability and alignment of operations.

Based on the aforementioned rationale, we anticipate that empowering leadership promotes increased contextual ambidexterity:

\[ H1. \] Empowering leadership is positively related to contextual ambidexterity.

2.2 Empowering leadership and POS

POS reflects the general belief of employees that their contributions and efforts are valued by their organizations as well as the latter are concerned about their well-being.
According to the social exchange theory (Blau, 1964) and the norm of reciprocity (Gouldner, 1960), individuals who receive benefits from others feel obliged and reciprocate this favorable behavior to them. In this regard, “when the leader provides resources in a way that is perceived to be beneficial and equitable, the member will view the relationship positively” (Sluss et al., 2008, p. 458). Organizational support theory (Eisenberger et al., 1990) posits that to meet socioemotional needs as well as to assess organizational readiness to reward increased efforts, employees form beliefs. Such beliefs reflect the extent to which their organization values and appreciates their contributions and cares about them. Consequently, POS “is strengthened by favorable work experiences that employees believe reflect voluntary and purposeful decisions made by the organization” (Rhoades et al., 2001, p. 826).

Extant empirical research has suggested that leadership style may play an important role in enhancing POS (Armstrong-Stassen and Cameron, 2003; Kottke and Sharafinski, 1988). According to Srivastava et al. (2006), the construct of empowering leadership originates from the supportive leadership style as “support” is found to be one of empowering leaders’ aspects. Back to House and Dessler (1974), supportive are the leaders who provide followers with their assistance and guide them to accomplish their goals. Additionally, supportive leaders recognize the efforts made by the followers and treat them equally with fairness and sensitivity. As employees perceive support from their organization when the aforementioned conditions are met and empowering leaders’ behaviors promote recognition, participative decision making and coaching, one could imply a relationship between these two constructs (i.e. empowering leadership and POS).

The positive relationship between empowering leadership and POS has also found empirical support in demanding organizational contexts. For instance, Bobbio et al. (2012) viewed empowering leadership in the healthcare context as an “interesting and inspiring style” for employees to perform the conflicting tasks assigned to them on a daily basis. On the matter of our interest, such a leadership style is likely to provide a supportive mechanism needed for the simultaneous performance of alignment and adaptability across the work units. Given that empowering leaders’ behaviors implies their concern for employees’ well-being (Arnold et al., 2000) as well as that leaders, often, serve as agents of their organizations, it is likely that empowering leadership will positively affect employees’ perceptions toward the support they receive from their organization. As such, the second hypothesis of our study formed as follows:

\[ H2. \text{Empowering leadership is positively related to POS.} \]

2.3 **POS and contextual ambidexterity**

Support is perceived as an organizational attribute that persuades employees to seek assistance and guidance from their organizations (Ghoshal and Bartlett, 1994). As such, it may be conceptualized in terms of employees’ access to organizational resources, their participation in activities with guidance and help from supervisors, encouragement and the establishment of mutual help within the business units. In line with extant literature, positive beliefs held by employees about their organizations, such as POS, stimulate them to work toward the accomplishment of organizational objectives. It is the norm of reciprocity which indicates that “people should help those who have helped them” (Gouldner, 1960, p. 171) and encourages employees who perceive that their organization recognizes their contributions to collective activities toward a specific goal as a return. Furthermore, employees may also value POS in terms of available guidance and assistance to them in pursuing challenging tasks, such as alignment- and adaptability-focused activities (Wayne et al., 1997).
A supportive organizational context that underlies employees' beliefs toward their organization “serves as a foundation for an organization’s management system as well as the set of management practices and behaviors that exemplify and reinforce […] the dominant values beliefs and basic principles” (Denison, 1990, p. 2). As such, POS may also reflect employees’ consensus regarding the decisions made by organizations to be ambidextrous. Based on Eisenberger et al. (1997), POS allows employees to familiarize themselves with realistic job conditions and limitations (e.g. practical limitations on resources which may lead to financial restrictions) which they could experience throughout, for instance, the performance of ambidextrous tasks. Such a perception may enable them to comprehend and increase the balance between alignment and adaptability.

Ghoshal and Bartlett (1994) suggested that contextual ambidexterity is likely to be influenced by variables such as discipline, stretch and trust, while the development of a supportive context leads employees to perform both alignment- and adaptability-focused activities. Building on this argument, Gibson and Birkinshaw (2004, p. 210) viewed ambidexterity as a “capacity” and empirically supported that it “emerges through the development of a supportive context” such that lack of support renders teams at work less ambidextrous. Following the aforementioned argumentation, we formulate the third hypothesis of this study:

H3. POS is positively related to contextual ambidexterity.

2.4 Empowering leadership, POS, and contextual ambidexterity
Thus far, we have hypothesized that empowering leadership positively affects contextual ambidexterity (H1). In addition, it is suggested that the former is positively related to POS (H2) and the latter is associated with contextual ambidexterity (H3). Combined, we propose that POS will act as a mediating mechanism linking empowering leadership to contextual ambidexterity:

H4. POS mediates the relationship between empowering leadership and contextual ambidexterity.

2.5 Role ambiguity as a moderator
Current literature fails to elaborately define role ambiguity (Rizzo et al., 1970). Chenhall and Brownell (1988, p. 226) stated that “role ambiguity occurs where the sent role expectations for an individual lack sufficient clarity in terms of the required behaviors or expected performance outcomes.” The construct of role ambiguity has been often investigated as an intervening variable in many theorizations, such as in the relationship between job satisfaction and performance (e.g. Beehr et al., 1976; Johnson and Stinson, 1975). However, to the best of our knowledge, it has not been tested yet as moderator in the organizational ambidexterity literature.

Extant literature supports that role ambiguity often prevents employees from perceiving support from their organization. Specifically, Rhoades and Eisenberger (2002, p. 700) classified role ambiguity, i.e. “the absence of clear information about one’s job responsibilities,” among the “stressors,” which prevent employees from perceiving support from their organization. Additionally, Rizzo et al. (1970) supported that POS and role ambiguity are negatively associated; such that employees who feel that they are supported by their organization are not involved in complicated and distracted tasks and activities, which often cause ambiguity. In order for them to successfully accomplish their tasks, they are trained properly prior to their assignment.

As already discussed, it is likely that empowering leaders will positively affect employees’ beliefs and attitudes toward the support they perceive from their organization.
Given that high levels of role ambiguity may prevent employees from contributing to beneficial organizational outcomes (Sambamurthy et al., 2003) by minimizing role ambiguity, empowering leaders facilitate employees to attribute less job-related stressors regarding the demands from the environment in which they interact (Lai and Weng, 2016).

To this end, empowering leaders who assigned employees to less ambiguous roles help them to enhance employees’ perceptions toward the support they receive from their organizations. While highly ambiguous roles may prevent empowering leaders from persuading employees to perceive organizational support. In contextually ambidextrous organizing contexts, employees are responsible for carrying out ambidextrous tasks without focusing solely on either alignment or adaptability (Gibson and Birkinshaw, 2004). Empowering leaders should provide those who are contextually ambidextrous with organizing such a clarification a priori. Empowering leaders’ proactive behaviors could minimize the “lack of clarity regarding role expectations” (Rizzo et al., 1970) and help those who are involved in ambidextrous activities to set clear performance goals. This rationale is summarized in the fifth hypothesis of our study:

\(H5.\) Role ambiguity moderates the relationship between empowering leadership and POS such that the relationship is stronger when role ambiguity is low rather than high.

Taking into consideration the foregoing hypotheses, we developed and tested a moderated mediation model. Specifically, we proposed that empowering leadership is positively related to contextual ambidexterity (\(H1\)) and POS (\(H2\)) and the latter is associated with contextual ambidexterity (\(H3\)). Together, we suggested that the relationship between empowering leadership and contextual ambidexterity is mediated by POS (\(H4\)). Additionally, role ambiguity is argued to influence the relationship between empowering leadership and POS (\(H5\)).

Based on Hayes’ (2013) process of moderated mediation, when a statistically significant moderator (i.e. role ambiguity) exists in any stage of the mediation process (i.e. empowering leadership on contextual ambidexterity through POS), this moderator may alter the strength of the indirect effect. Following this logic, we propose that the indirect effect of empowering leadership on contextual ambidexterity through POS may be contingent on role ambiguity and hence, we form the following hypothesis:

\(H6.\) Role ambiguity moderates the indirect effect of empowering leadership on contextual ambidexterity via POS such that the effect is stronger when role ambiguity is low rather than high.

3. Method
3.1 Sample and procedure
Data were collected from employees working in three IT small-and-medium enterprises located in Greece. A web-based survey tool was developed and sent to these individuals. Overall, 219 employees responded to the questionnaire. Among these respondents 54.8 percent were males. In addition, the mean age was approximately 36 years old. As regards the educational level, the majority of the sample (47.5 percent) held a bachelor degree. Moreover, more than half of the sample (57.7 percent) was employed in secondary schools. Last, the average organizational tenure was approximately six years and the job tenure was 12 years.

3.2 Measures
All measures in this study used a five-point Likert scale where 1 = strongly disagree and 5 = strongly agree. All scale reliabilities (Cronbach’s \(\alpha\)) were acceptable, exceeding the value (0.70) as recommended by Nunnally et al. (1967).
Empowering Leadership was assessed using the ten-item scale developed by Vecchio et al. (2010) (α = 0.91). Example items for this scale are “My supervisor encourages me to find solutions to my problems without his/her direct input” (independent action), “My supervisor urges me to think of problems as opportunities rather than obstacles” (opportunistic thinking), “My supervisor encourages me to work together with other teachers who work at the school” (cooperative action).

POS was measured using the four items from Eisenberger et al. (1986) (α = 0.89). A sample item is “My organization cares about my opinions.”

Contextual ambidexterity refers to the concurrent pursuit of alignment and adaptability (Gibson and Birkinshaw, 2004). To assess the levels of alignment and adaptability, we made use of existing scales from Gibson and Birkinshaw (2004). Both alignment and adaptability were measured by a three-item scale, each capturing the extent to which middle managers agreed with specific items such as “The management systems in this organization work coherently to support the overall objectives of this organization” and “The management systems in this organization encourage people to challenge outmoded traditions/practices/sacred cows” (α = 0.85).

Role ambiguity was measured using four items adapted from Rizzo et al. (1970) (α = 0.74). A sample item is “I know exactly what is expected of me.”

As typically in academic research, we initially controlled for plausible different explanations including gender-, tenure-, age- and education-related variables. Following existing research works, job and organizational tenure, have found to be relevant to organizational outcomes (Haleblian and Finkelstein, 1993; Jansen et al., 2009; Wu et al., 2005). Specifically, and as aptly stated by Mom et al. (2009), managers’ age and tenure in a current job position reflect managers’ experience, such that increased level of experience might positively influence ambidexterity. This relation has also been supported in Tushman and O’Reilly’s (1996) previous research work. Equally, education has also been considered for a control variable, as based on the extant literature (e.g. Adler et al., 1999) there is a positive correlation between higher levels of education and ambidextrous outcomes. Furthermore, previous research (e.g. Floyd and Lane, 2000; Mom et al., 2009; O’Reilly and Tushman, 2004) has suggested that the hierarchical job level affects ambidextrous outcomes such that employees at a higher level are expected to be more ambidextrous than employees possessing a lower level position at the job hierarchy. Although gender-related control variables are the most frequently used variables for statistical controls in organizational behavior and human resources management research (Bernerth and Aguinis, 2016, p. 245), extant literature on ambidexterity does not provide a clear theorization for the correlation between gender and organizational outcomes. However, the study participants were asked to indicate their gender on a bi-variable (male/female).

Nevertheless, given that the bivariate correlations between control variables and contextual ambidexterity were not significant (Table I) we excluded them from the subsequent statistical analyses (Becker, 2005).

4. Analysis and results
To test the present hypotheses, we used bootstrapping (Preacher and Hayes, 2004) and Sobel’s (1982) test. Moreover, moderated regression analysis and SPSS macro developed by Preacher et al. (2007) were utilized to test the moderating role of role ambiguity in the direct and indirect effect of empowering leadership on contextual ambidexterity through POS. Means, standard deviations, reliabilities and correlations for all variables are presented in Table I. Empowering leadership is positively related to POS (r = 0.42, p < 0.001) and contextual ambidexterity (r = 0.43, p < 0.001). Furthermore, POS is positively related to contextual ambidexterity (r = 0.64, p < 0.001).
| Construct             | Mean | SD  | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   |
|-----------------------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. Gender             | 0.45 | 0.50|     |     |     |     |     |     |     |     |     |     |
| 2. Age                | 35.92| 7.39| −0.12|     |     |     |     |     |     |     |     |     |
| 3. Employment level   | 1.15 | 0.53| 0.17**| 0.06|     |     |     |     |     |     |     |
| 4. Job tenure         | 11.73| 6.70| −0.03| 0.81**| 0.08|     |     |     |     |     |     |
| 5. Organizational tenure| 6.17 | 5.35| −0.18**| 0.54**| −0.15*| 0.63**|     |     |     |     |     |
| 6. Empowering leadership| 3.66 | 0.80| −0.06| 0.08| −0.10| 0.19**| 0.16*|     |     |     |     |(0.91)|
| 7. Perceived organizational support| 3.19 | 0.96| 0.14*| −0.02| 0.01| 0.09**| 0.03| 0.42**|     |     |     |(0.89)|
| 8. Contextual ambidexterity| 3.16 | 0.78| 0.11| −0.01| 0.07| 0.11| 0.05| 0.43**| 0.64**|     |     |(0.74)|
| 9. Role ambiguity     | 2.43 | 0.84| 0.01| −0.01| 0.03| −0.12| −0.08| −0.38**| −0.49**| −0.48**|     |(0.85)|

**Notes:** Internal reliabilities (α coefficients) for the constructs are given in parentheses on the diagonal. *p ≤ 0.05; **p ≤ 0.01
4.1 Confirmatory factor analysis

The results of the confirmatory factor analysis indicated that our measurement model provided a good fit to the data \((\chi^2 (219) = 457.10, p < 0.01, \text{TLI} = 0.91, \text{CFI} = 0.92, \text{RMSEA} = 0.07)\). To provide discriminant validity, we contrasted our baseline model against alternative models. Results (Table II) demonstrated that our model had an acceptable fit and further fitted the data significantly better than the alternative models. Hence, we provided support for the distinctiveness of our constructs. Additionally, all respective items were significantly associated with the latent variables showing convergent validity.

To assess the occurrence of common method variance (CMV) we utilized many tests and techniques. First, we utilized Harman’s single-factor test (Podsakoff et al., 2003). Results provided a poor fit for the single-factor solution \((\chi^2 (225) = 1,146.67, p < 0.01, \text{TLI} = 0.66, \text{CFI} = 0.70, \text{RMSEA} = 0.14)\). Second, given that we adopted a cross-sectional design in this study, ex ante and ex post remedies were utilized to mitigate CMV. For example, individuals were assured that their responses will be anonymous and confidential, and further were encouraged to be as honest as possible (Chang et al., 2010). Third, and more importantly, to assess the influence of common method bias we also conducted the marker variable test (Podsakoff et al., 2012). In doing so, we used the construct of organizational agility as a marker variable and followed the six rules described in Simmering et al. (2015) to justify our results.

The construct of organizational agility has been included in the data collection and was assessed making use of Tallon and Pinsonneault’s (2011) scale. It consists of eight items asking the participants to evaluate how easily and quickly their organization can perform specific actions such as: “Respond to changes in aggregate consumer demand,” “Introduce new pricing schedules in response to changes in competitors’ prices” and “Change (i.e. expand or reduce) the variety of products/services available for sale.”

Although organizational agility has been seen mostly by IS scholars (e.g. Hitt et al., 1998; Overby et al., 2006; Rai et al., 2006; Sambamurthy et al., 2003; Weill et al., 2002 in Tallon and Pinsonneault, 2011) as an antecedent to organizational performance, we did not expect any theoretical relationship between organizational agility and the variables of the proposed model. And, that because, organizational agility is often defined in terms of an organization’s ability to respond to the market demands seeking for opportunities and avoiding threats with “ease, speed and dexterity” (Tallon and Pinsonneault, 2011, p. 464), is perceived as an outcome to alignment and not as a concurrent strategy, and scholars have not yet come to a consensus regarding the anticipated effects of alignment on agility. Therefore, such a conceptualization is beyond the philosophy of contextually ambidextrous organizing which requires the concurrent approach of alignment and adaptability.

<table>
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<th>Model</th>
<th>(\chi^2)</th>
<th>df</th>
<th>TLI</th>
<th>CFI</th>
<th>RMSEA</th>
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Notes: TLI, Tucker-Lewis index; CFI, comparative fit index; RMSEA, root-mean-square error of approximation

Table II. Confirmatory factor analysis
The specific scale meets the required criteria as posed by Lindell and Whitney (2001). That is, it is unrelated with the rest of the variables, it is a multi-item measure and it has a high reliability ($\alpha = 0.93$). In congruence with the marker variable process, we chose the smallest observed correlation between the marker variable and a focal variable (contextual ambidexterity; $r = 0.03$, ns). Results demonstrated that the differences between the original and the corrected correlation coefficients are not important (Table III). Thus, we suggest that common method bias may not be a significant problem for our study.

4.2 Hypothesis tests

Table IV shows the results of bootstrapping analysis and Sobel test. Our first hypothesis which stated that empowering leadership is positively related to contextual ambidexterity was supported ($B = 0.19, p < 0.001$). $H_2$ proposed that empowering leadership is correlated with POS. Results also supported this hypothesis ($B = 0.51, p < 0.001$). In addition, $H_3$ suggested that POS is related to contextual ambidexterity. The present results found support for this hypothesis as well ($B = 0.45, p < 0.001$). The fourth hypothesis argued that POS plays a mediating role in associating empowering leadership with contextual ambidexterity. Bootstrapping results (5,000 bootstrap samples with 95% confidence intervals) supported the indirect effect since it does not contain zero (0.15, 0.32). Likewise, this indirect effect was also corroborated by the Sobel test. More specifically, results showed that the indirect effect (0.23) was significant (Sobel $z = 5.62, p < 0.01$). Together, the above results provided support for the mediation hypothesis.

As regards the fifth hypothesis, we examined the interaction of empowering leadership with role ambiguity. Results (Table V) showed that this interaction was significant in predicting POS ($\beta = -0.24, p < 0.01$). Further, slope analysis indicated that for low role ambiguity there is a significant relationship between empowering leadership and POS ($\beta = 0.56, p < 0.01$), whereas for high role ambiguity this relationship is not significant ($\beta = 0.16$, ns). We plotted this interaction between empowering leadership and role

<table>
<thead>
<tr>
<th>Variables</th>
<th>Original</th>
<th>Corrected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowering leadership – POS</td>
<td>0.42**</td>
<td>0.40**</td>
</tr>
<tr>
<td>Empowering leadership – structural ambidexterity</td>
<td>0.43**</td>
<td>0.41**</td>
</tr>
<tr>
<td>POS – structural ambidexterity</td>
<td>0.64**</td>
<td>0.63**</td>
</tr>
</tbody>
</table>

Note: **$p \leq 0.01$

<table>
<thead>
<tr>
<th>Variables</th>
<th>$B$</th>
<th>SE</th>
<th>$t$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contextual ambidexterity on empowering leadership</td>
<td>0.19</td>
<td>0.06</td>
<td>3.52</td>
<td>0.01</td>
</tr>
<tr>
<td>Perceived organizational support regressed on empowering leadership</td>
<td>0.51</td>
<td>0.07</td>
<td>6.89</td>
<td>0.00</td>
</tr>
<tr>
<td>Contextual ambidexterity regressed on perceived organizational support, controlling for empowering leadership</td>
<td>0.45</td>
<td>0.05</td>
<td>9.84</td>
<td>0.00</td>
</tr>
<tr>
<td>Contextual ambidexterity regressed on empowering leadership, controlling for perceived organizational support</td>
<td>0.43</td>
<td>0.06</td>
<td>7.07</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Indirect effect and significance using normal distribution Sobel

<table>
<thead>
<tr>
<th>Value</th>
<th>SE</th>
<th>L95% CI</th>
<th>U95% CI</th>
<th>$z$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.23</td>
<td>0.04</td>
<td>0.15</td>
<td>0.31</td>
<td>5.62</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Bootstrap results for indirect effect

<table>
<thead>
<tr>
<th>Value</th>
<th>SE</th>
<th>L95% CI</th>
<th>U95% CI</th>
<th>$z$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.23</td>
<td>0.04</td>
<td>0.15</td>
<td>0.32</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table IV. Regression analysis

Notes: L, lower limit; U, upper limit; CI, confidence interval. Unstandardized regression coefficients reported. Bootstrap sample size 1,000
ambiguity (Figure 2). Combined, we supported our fifth hypothesis. Last, regarding the moderated mediation hypothesis (H6) the indirect effect for empowering leadership on contextual ambidexterity was significant across low levels of role ambiguity (effect = 0.25, p < 0.01; CI between 0.15 and 0.36), but this association was not significant across high levels of role ambiguity (effect = 0.07, ns; CI between −0.02 and 0.18) (Table VI). Combined, the present results supported the sixth hypothesis which stated that role ambiguity moderates the indirect effect of empowering leadership on contextual ambidexterity through POS.

5. Discussion and conclusions
Research on organizational ambidexterity supports that leadership enables organizations to balance the tension between alignment-focused and adaptability-focused activities, thus being ambidextrous (e.g. Jansen et al., 2008; Mihalache et al., 2014; O’Reilly and Tushman, 2008). Although, O’Reilly and Tushman (2008, p. 200) accurately stated that “it depends on the ability of senior leadership to orchestrate the complex trade-offs that ambidexterity requires,” it is not clear how and when leadership behaviors affect contextually ambidextrous organizing (Havermans et al., 2015; O’Reilly and Tushman, 2013; Wang and Rafiq, 2014).

<table>
<thead>
<tr>
<th>Control variables</th>
<th>POS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowering leadership</td>
<td>0.37**</td>
</tr>
<tr>
<td>Role ambiguity</td>
<td>−0.48**</td>
</tr>
<tr>
<td>Empowering leadership × role ambiguity</td>
<td>−0.24**</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.35**</td>
</tr>
<tr>
<td><strong>Note:</strong> $*$$p \leq 0.01$</td>
<td></td>
</tr>
</tbody>
</table>

Table V. Moderated regression analysis

![Figure 2. The moderating effect of role ambiguity in the relationship between empowering leadership and POS](image)

<table>
<thead>
<tr>
<th>Moderator</th>
<th>Conditional indirect effect</th>
<th>SE</th>
<th>z</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role ambiguity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>0.25</td>
<td>0.05</td>
<td>4.70</td>
<td>0.00</td>
</tr>
<tr>
<td>High</td>
<td>0.07</td>
<td>0.05</td>
<td>1.53</td>
<td>0.13</td>
</tr>
</tbody>
</table>

Table VI. Moderated mediation results for the indirect effect of empowering leadership on contextual ambidexterity via POS
To provide a more nuanced understanding of the linkages between leadership and organizational ambidexterity, our aim was not only to support a new relationship between a certain leadership type (i.e. empowering leadership) and a certain type of organizational ambidexterity (i.e. contextual ambidexterity). But also, we aimed at setting the appropriate conditions (i.e. how and when) so that empowering leadership can lead to successful contextual ambidextrous outcomes. The empirically tested moderated mediation framework gave adequate answers on both when (i.e. role ambiguity) and how (i.e. POS) empowering leadership affects contextual ambidexterity and provides important implications for both theory and practice.

5.1 Implications for theory
Given that managers may constitute important sources of ambidexterity (Mom et al., 2007) and building upon the psychological empowerment literature we examine the relationship between empowering leadership and contextual ambidexterity. Among the leadership types, transformational leadership has been discussed in relation to ambidexterity in various contexts, for instance, that of an acquisition (e.g. Berson et al., 2006; Jaussi and Dionne, 2003; Kahai et al., 2003; Nemanich and Vera, 2009; Shin and Zhou, 2003; Waldman and Bass, 1991; Waldman and Atwater, 1992). Recently, another type of leadership that of shared leadership has been analyzed within a moderated mediation framework offered by Mihalache et al. (2014). Furthermore, the general role of leadership in enabling contextual ambidexterity has been studied by Havermans et al. (2015).

We complement the relatively narrow research body that views leadership as an independent antecedent of contextual ambidexterity by recognizing empowering leadership as a solution for organizations to effectively manage the tensions between the alignment and adaptability. At the same time, we supplemented prior conceptualizations (cf. Jansen et al., 2009) of when the leadership style adopted by CEOs influence organizations to pursue the balance of this paradoxical trade-off by examining the moderating effect of role ambiguity. Even more, we added a new clarification on how leadership can “resolve these strategic challenges” (O'Reilly and Tushman, 2013, p. 332) by examining the role of POS.

Current research suggests that leadership style may play an important role in enhancing POS as these two variables are positively associated (Armstrong-Stassen and Cameron, 2003; Kottke and Sharafinski, 1988). Among various leadership styles, the positive association of both leader-member exchange and transformational leadership with such employee attitudes has been supported by several studies (Asgari et al., 2008; Liaw et al., 2010; Wayne et al., 1997). Our study also confirms the role of supervisor as an antecedent to POS, but also extends prior work through the illustration of empowering leaders. Looking also into the mediating effects of POS in the linkage between empowering leadership and contextual ambidexterity we also broaden the positive consequences of POS that have been discussed in the literature. As such, besides the individual-related consequences of organizational commitment (e.g. Armeli et al., 1998; Eisenberger et al., 2001; Shore and Tetrick, 1991), job satisfaction and positive mood (Eisenberger et al., 2001), job involvement (e.g. Eisenberger et al., 1999), and increased performance outcomes (Rhoades and Eisenberger, 2002), POS also has an impact on organizational-related outcomes, such as contextual ambidexterity.

Likewise, the study findings supplement the theory of contextual ambidexterity theory which claims that its achievement is mainly based on: the individual rather than organizational level, those who are involved in ambidextrous outcomes are aligned and adaptable; and, the systems and processes in support of ambidextrous outcomes are flexible and broaden, self-controlled and trust-worthy (O’Reilly and Tushman, 2013). Even more, we indicate that empowering leaders should also pay particular attention to the nature of the
roles assigned to employees, which although flexible (Duncan, 1976; McDonough and Leifer, 1983; Tushman and O'Reilly, 1996), should not be ambiguous.

Extant literature demonstrates a numerous of detrimental effects that high levels of role ambiguity may have on employees (e.g. Cohen, 1959; Kahn et al., 1964; Smith, 1957). Although, high role ambiguity may prevent employees from contributing to beneficial organizational outcomes (Sambamurthy et al., 2003), we approved that low role ambiguity seems to not prevent employees from recognizing the value of the clear drivers established by the organizations. And, driven by incentives, employees may found to be keen on contributing to the attempts made by organizations to be ambidextrous.

5.2 Implications for practice

In line with prior research we view contextual ambidexterity as an outcome of a “behavioral capacity that is manifested at an individual level” (Gibson and Birkinshaw, 2004, p. 209). We also confirm that its achievement requires support from leadership in organizations. Based on the study evidence, empowering leaders should practically help employees, who are involved in ambidextrous activities, to perceive support from organization as well as to experience low levels of role ambiguity.

The study supports assertions that employees who feel that organizations value and appreciate their efforts contribute to organizational endeavors to be ambidextrous. Of particular interest is that empowering leadership helps to ensure that employees perceive organizational support at a greater level. Employees perceive support from their organization when the latter rewards their effort, cares about employees’ well-being (Rhoades and Eisenberger, 2002; De Clercq et al., 2013) and provides them with assistance in order to successfully perform the tasks assigned to them (George and Brief, 1992; Rhoades and Eisenberger, 2002).

Extant literature recognizes that HR practices such as “participation in decision making, growth opportunities, and fairness of rewards/recognition” (Allen et al., 2003, p. 100) function as positive sensors for employees’ perceptions toward the support they receive from their organizations. Even more, the involvement of employees at all levels in the decision making of the organization and authority in carrying out one’s job responsibilities are found to be among the most significant factors affecting POS (Rhoades and Eisenberger, 2002). Our rationale enriches the role of middle- (and lower) level employees that former research supports (Kauppila, 2010; O'Reilly and Tushman, 2013). Although we cannot leave ambidextrous decisions “to the discretion of lower level employees” (O'Reilly and Tushman, 2013, p. 329) as they might lack the appropriate knowledge or legitimacy, their involvement and contributions should be supported and respected by the executive administration in the final process of decision making. Such contributions may, for instance, concern collaborations, employees’ preferences on either alignment-oriented or adaptability-oriented tasks and opportunities for investments.

As human resources comprise the most valued organizational asset, the continuous effort made by employees to successfully perform ambidextrous outcomes should be recognized. Gibson and Birkinshaw (2004) have also highlighted that contextual ambidexterity requires from employees to perform adaptable behavior that should be rewarded and recognized. HR practice provides a rich portfolio of rewards that leaders in organizations could offer to employees. Examples might include but are not limited to positive feedback (Faisal Ahammad et al., 2015), rewards based on employees’ performance on ambidextrous outcomes (Prieto and Pilar Pérez Santana, 2012) and incentives for personal and professional development (Lai and Weng, 2016).

Employees experience role ambiguity when they do not receive clear information about their expected performance outcomes (e.g. Beehr et al., 1976; Chenhall and Brownell, 1988; Rhoades and Eisenberger, 2002; Johnson and Stinson, 1975). In other words, employees who
feel that the roles assigned to them are ambiguous lack understanding of what they need to perform. The balance between alignment and adaptability is by its nature a conflicting demand and as such it requires from leaders to provide employees with clear information and guidance about the tasks they should accomplish a priori. This might also be satisfied with the development of clear job descriptions in which the area of employees’ responsibility in both alignment- and adaptability-oriented tasks and activities will be clearly identified.

As ambidextrous organizations involve employees in both alignment and adaptability tasks without separating employees’ roles between these two, such actions will propel employees to make their own decisions of how to better manage their time between the ambidextrous activities. As aforementioned, the latter has also found to be one of the prerequisites of contextual ambidexterity (Gibson and Birkinshaw, 2004, p. 211). To this end, it is crucial for organizations attempting to achieve ambidextrous outcomes to implement training programs (Bartlett and Ghoshal, 1989), and make use of agency meetings (Shera and Page, 1996). Equally, organizations can redesign existing jobs based on the principles of flexibility, opportunity-enhancing domain, and broaden employees’ responsibilities (Prieto and Pilar Pérez Santana, 2012).

Empowering leadership is not only a matter of seniority, and should not be seen as solely isolated in the level of executive administration. Conversely, it should dominate all levels of organizational hierarchy and, as such, adequate conditions should be formed to allow empowering leaders within individual organizational units to be developed. As such, organizations could also recognize employees’ potential to become empowering leaders in the selection process. In this vein and in line with previous research (e.g. Bartlett and Ghoshal, 1989), we support that “organizations can identify people who are likely to set in ways to empower others and place these people in leadership roles” (Tuckey et al., 2012, p. 24).

5.3 Limitations and future research
The present study has some limitations that need to be considered and addressed in future research. First, data were collected using a cross-sectional design. As a result, we should be cautious about the causality of our hypotheses. Future research could investigate our present hypotheses utilizing a longitudinal method.

Second, we utilized data from a single source. Thus, this may enhance the possibility of the occurrence of common method bias. Nevertheless, ex ante (web-survey) and ex post (marker variable test) attempts were utilized to attenuate and assess this bias. Moreover, our model incorporated interaction effects, which are likely to alleviate CMV (Evans, 1985). Paired together, CMV may not comprise an important problem of this study. However, future research could analyze collected data from multiple sources employed at the same firm or organization to assess both how and when empowering leadership affects organization-wide ambidextrous outcomes.

Third, although existing research considers effects of certain leadership types on organizational ambidexterity as, for instance, of transformational leadership (e.g. Nemanich and Vera, 2009; Shin and Zhou, 2003) and shared leadership (Mihalache et al., 2014), future research could benefit from addressing other contemporary leadership styles, both negative and positive, such as authentic, ethical or pseudo-transformational leadership and focuses on certain types of ambidexterity. Relatedly, future research could also examine other potential explanatory mechanisms and boundary conditions that may provide further understanding of the effect of empowering leadership and contextual ambidexterity.

Finally, as our results are based on data collected from organizations located in Greece, we cannot support data generalizability. However, given the turbulence that dominates the business environment in Greece after the capital controls and the economic meltdown that followed, future research could also assess for moderating effects of environmental
turbulence on our resulting framework. Additionally, a cross-cultural research may also support the generalizability of our data and contribute to the research that investigates ambidexterity at an international context (Raisch et al., 2009), also taking cultural variables into consideration (Hofstede, 2001).

References


Denison, R.D. (1990), Corporate Culture and Organizational Effectiveness, Willey, New York, NY.


Further reading


Appendix

**Measurement scales: empowering leadership (Vecchio et al., 2010)**

*Independent action*

1. Encourages me to find solutions to my problems without his/her direct input.
2. Urges me to assume responsibilities on my own.
3. Advises me to solve problems when they pop up without always getting a stamp of approval.
4. Encourages me to search for solutions without supervision.

*Opportunistic thinking*

1. Urges me to think of problems as opportunities rather than obstacles.
2. Advises me to look for the opportunities in the problems I face.
3. Encourages me to view unsuccessful performance as a chance to learn.

*Cooperative action*

1. Urges me to work as a team with the other employees who work at the organization.
2. Encourages me to work together with other employees who work at the organization.
3. Advises me to coordinate my efforts with the other employees who work at the organization.

*Perceived organizational support (Eisenberger et al., 1986)*

1. The organization cares about my opinions.
2. The organization strongly considers my goals and values.
3. The organization really cares about my well-being.
4. The organization shows very little concern for me®.
Contextual ambidexterity (Gibson and Birkinshaw, 2004)

Alignment
(1) The management systems in this organization work coherently to support the overall objectives of this organization.
(2) The management systems in this organization cause us to waste resources on unproductive activities®.
(3) People in this organization often end up working at cross-purposes because our management systems give them conflicting objectives®.

Adaptability
(1) The management systems in this organization encourage people to challenge outmoded traditions/practices/sacred cows.
(2) The management systems in this organization are flexible enough to allow us to respond quickly to changes in our markets.
(3) The management systems in this organization evolve rapidly in response to shifts in our business priorities.

Role Ambiguity (Rizzo et al., 1970)
(1) I feel certain of how much authority I have.
(2) I know that I have divided my time properly.
(3) I know what my responsibilities are.
(4) I know exactly what is expected of me.

All items are measured on a five-point scale where 1 = strongly disagree and 7 = strongly agree; ®reversed item.

About the authors
Dr Evangelia Siachou, PhD, is an Assistant Professor of Management at Hellenic American University and she currently serves as the Director of General Education Program. Since Fall 2016, Dr Siachou is also an Adjunct Lecturer at Open University of Cyprus. She received a PhD Degree in the field of Knowledge Management from Athens University of Economics and Business. Her research interests include: knowledge transfer and acquisition, business model innovation and strategic human resource management. Dr Evangelia Siachou is the corresponding author and can be contacted at: esiachou@hauniv.edu

Dr Panagiotis Gkorezis is an Adjunct Lecturer at both Hellenic Open University and Open University of Cyprus. His research interests pertain to various human resource management and organizational behavior topics such as rewards, leadership, psychological empowerment, employee identification, counterproductive relationships and humor in the workplace.

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