Is promoting agile, self-directed ways of working always wise?

When employees are granted autonomy and authority, they tend to be more committed, creative and satisfied at work. But there are times when empowered employees are more likely to behave unethically. New research roots this out.



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- **There are many benefits to leaders' empowering behavior, but a new study is among the first to uncover a hidden dark side.**
- **Findings show that empowering leadership can unintentionally spark unethical behavior in employees who are encouraged to act in self-**

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directed ways while, at the same time, they feel unable to get their jobs done due to various hindrance stressors.

- **Managers should work to remove the types of obstacles that frustrate employees. If they can't remove these hindrances prior to empowering their employees, providing support may help alleviate or avoid the potential pitfalls of empowering leadership.**

Give your workers autonomy. Everyone hates a micromanager. Empowered employees are more satisfied, committed and creative than those kept on a tight leash.

That may all be true, but there are limits to this conventional wisdom. New research roots them out.

In an article published in the *Journal of Applied Psychology*, coauthors Tobias Dennerlein and Bradley Kirkman are among the first to uncover a hidden dark side of empowering employees. Departing from the prevailing consensus that empowering leadership is universally beneficial, the research explores when moral disengagement and unethical behavior tend to happen. The key is the presence of "hindrance stressors."

The limits of freedom

Hindrance stressors include interference and obstacles that stand in the way of individuals' work achievements. Conflicting requests from supervisors, bureaucratic red tape, unclear tasks and office politics are some examples.

So, what happens if many of these hindrances are present in employees' jobs and those same employees are encouraged by their leaders to act in agile, self-directed ways? This research argues that the combination of leader empowering behavior and hindrance stressors can produce more unethical behavior, as empowered employees may feel less bound by organizational rules. At the same time, empowered employees may be especially committed to their organizations, so they may display "unethical pro-organizational behavior," including lying to make their companies look better.

A look at the evidence

Two studies test the coauthors' theory that combining empowering leadership and hindrance stressors can promote unethical pro-organizational behavior. First, a survey-based study among 330 employees supported the idea that increased empowering leadership plus a lack

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of support leads to moral disengagement and makes it more likely that employees might lie or mislead customers for the benefit of their company.

The authors follow up with an experimental study in which almost 400 employees were placed in situations in which they were empowered (or not) by their leaders and faced a context of high (or low) hindrance stressors. Each participant was exposed to only one of four presented scenarios and was then asked to work on anagram challenges that, unbeknownst to any participants, were unsolvable. Among participants who were told that they faced higher hindrance stressors, those who were exposed to an empowering leader **were 75% more likely to lie** about "solving" their puzzles as compared with those who were exposed to a leader who was not empowering. Greater encouragement of self-direction combined with increased stress seem to bring out an employee's dark side.

Smoothing the path

Empowering employees has many benefits. Yet this research highlights that it isn't just a case of telling workers you trust them, thrusting a big project on them, and seeing what happens.

Managers need to be realistic about their organization and the stressors it puts on employees. Ideally, leaders should remove hindrance stressors *prior* to empowering their workforce and give employees the necessary support to succeed in agile and empowered roles. If hindrance stressors cannot be removed, the workplace might not be an appropriate place for employee empowerment (yet).

The good news, getting back to the practical experiment, is that, among the two groups of participants who were told they faced no hindrance stressors, those who were exposed to an empowering leader **were almost 30% less likely to cheat** than participants who weren't empowered at all. This underscores that empowering leadership can also *reduce* unethical behavior, in line with much past research demonstrating its many benefits.

When it comes to empowering employees, leaders need to be mindful that they are wielding a double-edged sword that can result in desirable as well as undesirable organizational outcomes — depending on employees' job environment or context.

Future research

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To help with IESE's future research on the effects of leadership and other organizational practices, please consider volunteering your time and insights by allowing Prof. Dennerlein to invite you to participate in a future survey by providing him with your details here.

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