The Influence of Empowering Leadership on Work Engagement: Mediating Role of Intrinsic Motivation and Moderating Role of Self-Efficacy

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This study examines the influence of empowering leadership on employees' work engagement in today's complex corporate environment. It explores intrinsic motivation as a mediator between empowering leadership and work engagement incorporating self-determination theory, and the moderating role of self-efficacy in this relationship. Using a quantitative approach with 300 valid responses from 320 employees, the study found empowering leadership significantly influences work engagement through intrinsic motivation. Self-efficacy enhances the link between intrinsic motivation and work engagement, indicating a stronger impact for employees with higher self-belief. These findings contribute to the literature on leadership, motivation, self-efficacy, and work engagement, offering practical insights for organizations to foster employee engagement and well-being in Pakistan's context.
1. Introduction

Employees’ work engagement is a crucial factor in today's dynamic and competitive workplace, as it positively impacts job satisfaction, productivity, and overall organizational performance (Bakker & Demerouti, 2017; Saks, 2006). Work engagement refers to the state in which employees are fully dedicated to their work and the organization's objectives, experiencing a happy, content, and energized mental state (Schaufeli et al., 2002). Empowering leadership (EL) has been identified as a significant driver of employee work engagement, with numerous studies supporting its positive influence on organizational innovation, performance, and team dynamics (Carmeli et al., 2011; Srivastava et al., 2006). The existing literature demonstrates that empowering leadership (EL) leads to various positive outcomes for employees, including organizational citizenship behavior, self-efficacy, job satisfaction, trust, and psychological empowerment (Kim et al., 2018; Amundsen & Martinsen, 2014; Martínez-Corcoles et al., 2021; Lee et al., 2017; Han et al., 2019). Additionally, EL has been found to positively influence task performance, proactive behavior, innovative behavior, and knowledge sharing among employees (Mutonyi et al., 2020; Jiang et al., 2021). Recent studies by Lee et al. (2017) and Gyu Park et al. (2017) have also shown that EL has a significant impact on employees’ work engagement.

However, there are some inconsistencies in the findings, as certain studies report mixed and incongruent results regarding the relationship between EL and employee outcomes (Cheong et al., 2019; Sharma et al., 2015; Lee et al., 2017). To gain a inclusive understanding of this phenomenon, researchers have emphasized the need to explore the underlying mechanisms and conditions that shape the EL-employees’ work engagement relationship (Lee et al., 2017, 2018; Cheong et al., 2019). In response to this call, the present study adopts an alternative perspective by employing self-determination theory (SDT) to elucidate the influence of EL on employees’ work engagement. While previous studies have relied on job demand resources theory, person-environment fit theory, social learning theory, role identity theory, and psychological empowerment theory to explain the impact of EL (Kim & Beehr, 2020; Srivastava et al., 2006; Cai et al., 2018; Zhang & Bartol, 2010), SDT provides a different lens to understand this association. The theory suggests that empowering leadership can foster intrinsic motivation (IM) in employees, which, in turn, promotes work engagement by fulfilling their psychological needs for autonomy, competence, and relatedness (Schaufeli et al., 2006). Intrinsic motivation is characterized by engaging in activities for the sake of personal satisfaction and pleasure (Baker, 2004; Saks, 2006; Kordbacheh et al., 2014). Studies have linked intrinsic motivation to employee creativity, engagement, and productivity (Zhang & Bartol, 2010; Leung et al., 2014; Van Den Broeck et al., 2016; Cerasoli et al., 2014). SDT posits that empowering leadership nurtures intrinsic motivation in employees, allowing them to choose tasks, enjoy novelty, and tackle challenges (Kordbacheh et al., 2014; Amabile & Pratt, 2016; Saks, 2006). Furthermore, intrinsically motivated employees are more likely to contribute to idea exchange, collaboration,
and coordination, positively influencing the levels of work engagement among their peers (Kordbacheh et al., 2014; Amabile & Pratt, 2016; Saks, 2006).

The study proposes that EL serves as a key determinant of employees’ work engagement, which is mediated by intrinsic motivation (IM). This approach differs from previous studies by Gyu Park et al. (2017) and Lee et al. (2017), who explored the impact of EL on work engagement indirectly through psychological capital and work meaningfulness, respectively. By using SDT, this research is one of the first to observe the indirect effect of empowering leadership on employees’ work engagement via intrinsic motivation. Furthermore, the study responds to the future call of Arshad et al. (2021) for investigating moderating conditions in the EL and EWE relationship. Self-efficacy (SE) is considered the belief in one's capability to successfully perform specific tasks (Bandura, 2012). The study proposes that SE may moderate the association between EL and IM, as well as IM and EWE, thus indirectly influencing the impact of empowering leadership on employees’ work engagement through intrinsic motivation. To sum up, this study highlights the importance of employee engagement in the contemporary workplace and underscores the role of empowering leadership in promoting work engagement. By using self-determination theory, the study provides a fresh perspective on the mediating role of intrinsic motivation in the EL-EWE relationship. Additionally, it explores the moderating effects of self-efficacy, shedding light on its potential influence on the connection between empowering leadership and employee engagement. By doing so, this research aims to provide valuable insights for organizations seeking to create a positive work environment that fosters employee engagement and overall organizational success.

2. Literature Review and Hypothesis Development

2.1 Association between Empowering Leadership (EL) and Employees' Work Engagement (WE)

Empowering leadership (EL) as described by Ahearne et al. (2005) involves stressing the value of diligent work and giving subordinates a chance to participate in the decision-making process. According to Khan et al. (2018), leaders' empowering actions often improve employees' perceptions of their value and self-worth. It also increases autonomy-related conditions like opportunity thinking, self-leadership, and exciting work by increasing their teammates' propensity to see unsatisfactory performances as an opportunity to learn. Work engagement (WE), as defined by Kahn (1990), is a state in which individuals invest personal energy into their job, develop themselves through their professional roles, and form an emotional connection with their work. It denotes proactive distribution of specific resources toward work responsibilities. Engaged employees seek meaningful relationships with coworkers and perceive their tasks as challenging rather than burdensome, as described by Ghani et al. (2019). WE is characterized by absorption, vigor, and dedication. Vigor reflects high levels of mental determination and energy while working,
the willingness to invest effort and time, and dedication in the face of challenges. Dedication entails being intensely invested in one's profession, feeling a sense of importance, and engaging in meaningful pursuits. Absorption refers to intense concentration and immersion in one's job, feeling that time passes quickly, and difficulty in disengaging from work (Schaufeli et al., 2002).

A previous study by Consiglio et al. (2016) on employee behavior found that employees who are engaged in their work are enthusiastic, self-sufficient, mentally resilient, and devoted, which enables them to offer their best effort at work (Soni & Rastogi, 2019). According to Hoque et al. (2017), engaged workers often have an optimistic outlook and can come up with their input regarding gratitude, recognition, and success. We contend that EL influences employees' WE positively. Cheong et al. (2016) have said that employees are supported by their managers as a result of empowering leadership, which encourages them to contribute more to the firm. According to prior studies by Schaufeli and Salanova (2007); Bakker et al. (2008), a sense of autonomy, perceived social support from leaders, and performance evaluation are all positively related to employees' work engagement. As a result, supervisors who encourage autonomy and empower subordinates, inspire them to carry out their duties (Kim & Beehr, 2017). Numerous research studies have demonstrated a link between the association of EL and the WE of employees. Cai et al. (2018) and Gyu Park et al. (2017) also discovered the favorable impact of empowering leadership on work engagement. In light of the preceding considerations, we, therefore, suggest the following conclusion:

**H1: Empowering leadership positively affects employees' work engagement.**

### 2.2 Self-Determination Theory Perspective

Self-determination theory (SDT) is a widely recognized theory of human motivation psychology, focused on understanding the factors that contribute to individuals' well-being, personal development, and flourishing in various contexts. It has gained prominence in fields such as education, healthcare, sports coaching, work organizations, parenting, and developmental psychology (Ryan & Deci, 2017). According to Deci and Ryan (2000), SDT posits that people are active and responsive to their environment, with an innate capacity for personal growth and development, which contributes to a coherent sense of self. The workplace environment, including coworkers, leaders, and the organization, plays a significant role in encouraging this natural tendency. A supportive and nurturing work environment promotes employee performance, well-being, and personal growth, while a controlling and domineering atmosphere hinders flourishing (Gagné & Deci, 2005).

The fulfillment of three fundamental psychological needs – competence, relatedness, and autonomy – is crucial for an individual's psychological health, just as access to basic necessities is for physical health (Deci & Ryan, 2000). Autonomy refers to the experience of voluntary and self-endorsed behavior, competence involves understanding behavior as successfully executed
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(Niemiec & Ryan, 2009), and relatedness relates to the need for social connections and meaningful relationships (Deci & Ryan, 2000). According to Deci and Ryan (2008); Niemiec and Spence (2016); Vansteenkiste and Ryan (2013), employees who have their fundamental needs met are more likely to form deeper bonds with coworkers and demonstrate greater resilience, organizational dedication and interactions with others respectively. They exhibit increased work involvement (Meyer & Gagné, 2008) and inventiveness (Grant & Berry, 2011). Additionally, van den Broeck et al. (2016) have said they demonstrate greater potential for self-organization and motivation and frequently exhibit improved performance. SDT emphasizes the importance of creating a supportive and nurturing work environment that addresses employees' fundamental psychological needs for autonomy, competence, and relatedness. By doing so, organizations can foster employee well-being, motivation, and engagement, ultimately leading to improved performance and overall success.

2.3 The Role of Intrinsic Motivation as a Mediator

Empowering Leadership (EL) has a significant impact on employees' intrinsic motivation (IM) and work engagement (EWE). EL involves giving employees autonomy, which fosters a sense of accountability and drive for success (Vecchio et al., 2010). Previous research by Zhang and Bartol (2010) indicates that entrustment of authority and involvement in decision-making can enhance employees' sense of mastery and self-determination, leading to increased motivation for work engagement. Empowerment, as a component of self-management, refers to how employees approach tasks when feeling highly motivated (Srivastava et al., 2006). This increased empowerment enhances employees' ability to accomplish corporate goals (Bandura, 1986). Self-Determination Theory (SDT) is frequently used to explain intrinsic motivation (Hon, 2011). Intrinsic motivation is observed in individuals who take intentional actions (Gagné & Deci, 2005). SDT posits that fulfilling innate needs for self-determination and competence is the basis for intrinsic motivation (Deci & Ryan, 1985). Employees who are intrinsically motivated are drawn to distinctive and challenging tasks, satisfying the need for competence, relatedness, and autonomy, which promotes work engagement (Deci & Ryan, 2000).

SDT emphasizes that all employees acquire three psychological needs, but the specific requirements for these needs may vary among individuals. Fulfilling these psychological needs increases employees' intrinsic motivation and their willingness to engage in tasks. When the work environment supports these psychological needs, employees' intrinsic motivation is further enhanced. For example, leaders who support followers' pursuits and appeal to shared personalities can promote enhanced intrinsic motivation, performance, and engagement (Shamir et al., 1993). Intrinsically motivated employees demonstrate a strong impulse to work proactively and productively (Deci & Ryan, 1985). Research by Zapata-Phelan et al. (2009) indicates that intrinsic motivation improves employee performance, leading them to invest more time, energy, and attention in their job. Intrinsic motivation is also associated with increased employee creativity, leading to the generation of ideas for enhancing organizational performance (Zhang & Bartol,
Intrinsically motivated employees seek personal accomplishments and experience intrinsic gratification from their work's success (Warr et al., 1979). Moreover, they exhibit increased self-esteem and subjective well-being by performing well for the company (Lawler, 1969). Their strong sense of internal fulfillment fosters higher engagement with their job and a greater inclination to participate in decision-making (Ruh et al., 1975).

Empowering leadership plays a crucial role in enhancing employees' intrinsic motivation. Leaders who provide a sense of competence, autonomy, and relatedness can trigger employees' intrinsic motivation (Morrison, 2011). The freedom to make decisions at work and a supportive work environment contribute to employees' perceived competence and autonomy (Deci et al., 1989; Ryan & Stiller, 1991). Empowering leadership also helps establish strong connections between employees and their superiors, fostering a sense of support and value (van Dijke et al., 2012). Research by Kasser et al. (1992), Gagné et al. (2000), Ilardi et al. (1993), Deci et al. (2001), and Baard et al. (2004) suggests that when leaders grant greater autonomy, employees are more likely to meet their needs for relatedness, competence, and autonomy, enhancing their intrinsic motivation.

Empowering leadership positively impacts employees' intrinsic motivation and work engagement. Empowering leaders who grant autonomy and support employees' competence help satisfy employees' psychological needs, leading to increased intrinsic motivation and proactive engagement with their work. By fulfilling these psychological needs, employees are inspired to enhance their working conditions and performance, ultimately benefiting the entire work unit and the organization as a whole.

**H2a. Empowering leadership positively affects intrinsic motivation.**

**H2b. Intrinsic motivation positively affects employees' work engagement.**

**H2c. Intrinsic motivation mediates the influence of empowering leadership on employees' work engagement.**

### 2.4 The role of Self-Efficacy as a Moderator

Self-efficacy, as defined by Bandura in 1986, refers to a person's confidence in their ability to carry out actions and plan strategies necessary to achieve specific goals. Research has shown that self-efficacy has a positive impact on various desirable outcomes in organizational behavior. Employees with higher self-efficacy tend to be more self-assured, optimistic, and perform better even under challenging conditions. Studies by Ballout (2009) and Bandura (1986) have revealed that self-efficacious workers display greater confidence in their work and are more adept at decision-making, resulting in improved performance and attendance. In contrast, employees lacking self-efficacy may struggle more, become reactive in their job, and disengage from tasks prematurely. Self-efficacious individuals experience less stress and anxiety, leading to a reduced likelihood of encountering adverse environmental and psychological circumstances.
Consequently, self-efficacious employees often exhibit higher levels of interest and intrinsic motivation in their work (Xanthopoulou et al., 2007).

Moreover, research has demonstrated that self-efficacy not only directly influences behavior change but also moderates its effects. For instance, Jimmieson (2000) found that highly self-efficacious workers experienced reduced negative impacts of work stress when their work management skills were enhanced. Similarly, Speier and Frese (1997) discovered that employees with high self-efficacy showed a stronger effect of complexity and control at work on personal initiative compared to those with low self-efficacy. Additionally, individuals with poor self-efficacy were more susceptible to negative effects from emotional challenges and emotion-rule conflict on work engagement (Xanthopoulou et al., 2013). Empowerment, defined by Conger and Kanungo (1988), reinforces an individual's belief in their self-efficacy. It involves processes that enable employees and increase their intrinsic motivation by enhancing their self-efficacy. Managers who engage in empowering activities focus on adopting conditions that promote employees' perceptions of self-efficacy and eliminate factors that foster a sense of helplessness (Arnold et al., 2000). Empowered employees feel capable of completing their work effectively, which influences their approach to tasks.

Building upon the idea of self-efficacy and empowerment, we hypothesize a positive association between self-efficacy and empowering leadership, leading to increased intrinsic motivation. Past research has shown that self-efficacy can moderate the relationship between leadership and motivation (Salanova et al., 2005). Specifically, Salanova et al. (2005) found that transformational leadership had a stronger positive impact on workers' work engagement for those with higher levels of self-efficacy. Therefore, we suggest that self-efficacy might moderate the association between empowering leadership and intrinsic motivation.

**H3. Self-efficacy moderates the association between empowering leadership and intrinsic motivation.**

According to Luthans et al. (2006), employees who have high self-efficacy believe they are competent and capable of completing difficult tasks. This perception has a favorable impact on their work engagement. According to Schaufeli and Bakker (2004), higher levels of self-efficacy are linked to increased effort, perseverance, and resilience in the face of challenges, which boost work engagement and provide favorable results. According to Wood and Bandura (1989), self-efficacy is the belief in one's ability to use their motivation, cognitive resources, and action plans to satisfy particular situational demands. Self-efficacy increases a person's intrinsic motivation and, in turn, increases his confidence in his abilities and knowledge, which eventually enhances his performance and is dependent on his actions and efforts. We can claim that one's motivation and performance success are built on self-efficacy.

The potential moderating impact of SE on the link between IM and EWE has been hypothesized in this study. According to recent studies, depending on an individual's level of self-
efficacy, intrinsic motivation's effect on work engagement can be amplified or diminished (Chen, Gully, & Eden, 2001). By encouraging people's confidence in their capacity to meet demands on the job and overcome obstacles, high self-efficacy can improve the favorable association between IM and EWE. On the other hand, persons lacking self-efficacy may doubt their abilities and feel less involved in their work, undermining the beneficial association between intrinsic motivation and work engagement (Breevaart et al., 2014). In light of the preceding considerations, we, therefore, suggest the following conclusion:

**H4. Self-efficacy moderates the association between intrinsic motivation and employees’ work engagement.**

3. Research Methodology

3.1 Participants and Procedures

To explore the variables of the study, we utilized the quantitative methodological approach to obtain excellent outcomes. We chose a cross-sectional time horizon because we needed to complete this research quickly as well. Additionally, it supports the creation of hypotheses and descriptive analysis. We chose individuals as the unit of analysis and data was collected from the students of executive MBA who are employed in different manufacturing and services sectors of Lahore using self-evaluated questionnaires. Robertson (1994) recommended that information be acquired from numerous businesses. If not, it will be considered to be business-specific research. The outcomes will also be more trustworthy due to the variation in employee performance. As a result, data was acquired from the employees of several manufacturing and services sectors. As our research population was unknown, we used the convenience sampling technique and sample-to-item ratio theory by Costello and Osborne (2005); to select a sample size of 300 (30*10). Both an online and a paper-and-pencil survey were utilized to distribute the questionnaires to the students working for different Lahore-based companies in order to increase their reach. There were 320 surveys in total, and the students provided 307 responses. The response rate was 96%
Ruane (2016) states that 30% of responses from the general population are appropriate. As a result, this survey's response rate is much greater than the necessary threshold.

3.2 Measures

We adapted developed scales for our variables from the previous studies to develop our questionnaire. The research's participants were asked to indicate how strongly they agree or disagree with each statement using a five-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree). We generated our questionnaire in English, which is generally accepted practice for surveys in Pakistani organizations (Ahmad et al. 2021). We used a modified scale described by Manz and Sims (1987, 1991) consisting of ten items to measure empowering leadership. One of the items is, "My supervisor encourages me to find solutions to my problems without his/her direct input" with the internal reliability of (α=0.89). We used a scale developed by Warr et al. (1979) consisting of six items to measure intrinsic motivation. One of the items is, "I feel a sense of personal satisfaction when I do this job well" with the internal reliability of (α=0.76). We used a scale developed by Jones (1986) consisting of five items to measure self-efficacy. One of the items is, "My job is well within the scope of my abilities" with the internal reliability of (α=0.71). We used a scale developed by Schaufeli et al. (2006) consisting of nine items to measure employees’ work engagement. One of the items is, "At my work, I feel bursting with energy" with the internal reliability of (α=0.86).

4. Results & Discussions

Initially the data was examined for preliminary analysis and then hypotheses were examined using linear and hierarchal regression method. The research data was analyzed using SPSS version 22.

4.1 Analysis of Demographics

<table>
<thead>
<tr>
<th>Table 1: Respondents Demographical Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographics</td>
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<tr>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Age</td>
</tr>
<tr>
<td>20-25 years</td>
</tr>
<tr>
<td>26-30 years</td>
</tr>
<tr>
<td>31-35 years</td>
</tr>
<tr>
<td>36-40 years</td>
</tr>
<tr>
<td>Above 40</td>
</tr>
<tr>
<td>Marital Status</td>
</tr>
<tr>
<td>Single</td>
</tr>
<tr>
<td>Married</td>
</tr>
<tr>
<td>Bachelor’s or equivalent</td>
</tr>
<tr>
<td>Qualification</td>
</tr>
<tr>
<td>Masters</td>
</tr>
<tr>
<td>MS/MPhil</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Job Experience</td>
</tr>
<tr>
<td>Less than 1 year</td>
</tr>
</tbody>
</table>
The respondents’ demographical characteristics are shown in Table 1, which reveals that the majority of our study’s respondents were male, 51% having the count of 153, the age range of the majority of respondents (N = 121, or 40.3%) was 26-30. According to marital status, most of the respondents were single, which was 57% representing 171 respondents. Examining qualifications in addition to gender, age and marital status indicated that (N=110, 36.7%) of employees had bachelor's-level credentials. When job experiences were taken into account, most of the respondents had job experience of 1-5 years (N=178, 59.3%). The monthly income of the respondents in rupees was also examined; most of the respondents’ monthly income was in the range of Rs.30,000-50,000 (N=92, 30.7%).

### 4.2 Preliminary Analysis

We first conducted a missing values test to ensure any missing value in our data. Fortunately, there were no missing values in our data. Then we used stem and leaf approach in SPSS to identify outliers, we found 7 outliers in the data. These outliers were removed from the data in descending order and the required ideal sample of 300 was used for further analysis. For data normality, we examined the skewness (±1) and kurtosis (± 3) values, which were well within the range, in accordance with Byrne (2010).

### 4.3 Descriptive Statistics and Correlation Analysis

The correlation coefficients and descriptive statistics (mean and standard deviation) values for the observed variables are presented in Table 2. We noted that empowering leadership (EL) correlates positively with self-efficacy (SE) (r = 0.60, P < 0.01), intrinsic motivation (IM) (r = 0.61, P < 0.01), and employees’ work engagement (EWE) (r = 0.73, P < 0.01). Similarly, self-efficacy (SE) correlates positively with IM (r = 0.70, P < 0.01) and EWE (r = 0.69, P < 0.01). Lastly, IM also positively correlates with EWE (r = 0.70, P < 0.01). It shows the reliable and significant relationship between the observed variables. Further, we observed that respondents agreed about the presence of empowering leadership (M = 4.08), intrinsic motivation (M = 4.16), self-efficacy (M = 4.12), and employees’ work engagement (M = 4.07).

<table>
<thead>
<tr>
<th>Variables</th>
<th>EL</th>
<th>SE</th>
<th>IM</th>
<th>EWE</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-EL</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>4.08</td>
<td>0.55</td>
</tr>
<tr>
<td>2-SE</td>
<td>0.60**</td>
<td>1</td>
<td></td>
<td></td>
<td>4.16</td>
<td>0.47</td>
</tr>
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</table>
4.4 Hypotheses Testing

The research study's hypotheses were tested using SPSS software. On SPSS statistics, we conducted simple linear regression for direct relationships, three-step hierarchal regression analysis for mediation, and two-step hierarchal regression analysis for moderation to calculate the values of $R^2$, $\beta$, and level of significance ($P$).

4.5 Direct Hypotheses

To examine the nature of the link between the variables, linear regression analysis was utilized. The results in Table 3 revealed that empowering leadership (EL) positively impacts employees’ work engagement (EWE) ($\beta = 0.69$, $P = 0.00$), supporting hypothesis 1. Further, the results shows that empowering leadership (EL) positively impacts intrinsic motivation (IM) ($\beta = 0.53$, $P = 0.00$). Therefore, hypothesis 2a is also accepted. The third hypothesis claims that intrinsic motivation (IM) has a favorable impact on employees’ work engagement (EWE); the findings of this hypothesis regression indicate that hypothesis 2b is also accepted ($\beta = 0.76$, $P = 0.00$). As a result, the research study's direct hypotheses were all broadly accepted.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>$\beta$</th>
<th>$R^2$</th>
<th>$P$</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: EL $\rightarrow$ EWE</td>
<td>0.69</td>
<td>0.53</td>
<td>0.00</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2a: EL $\rightarrow$ IM</td>
<td>0.53</td>
<td>0.37</td>
<td>0.00</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2b: IM $\rightarrow$ EWE</td>
<td>0.76</td>
<td>0.48</td>
<td>0.00</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Note: EL = Empowering Leadership, IM = Intrinsic Motivation, EWE = Employees’ Work Engagement, P-value 0.00 indicates results are statistically significant.

4.6 Mediation Analysis of Intrinsic Motivation

Table No 4: Hierarchical Regression for Mediation

<table>
<thead>
<tr>
<th>Variables</th>
<th>M1($\beta$)</th>
<th>M2($\beta$)</th>
<th>M3($\beta$)</th>
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</thead>
<tbody>
<tr>
<td>Control Variables</td>
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<td></td>
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<tr>
<td>Gender</td>
<td>0.11</td>
<td>0.09*</td>
<td>0.02</td>
</tr>
<tr>
<td>Age</td>
<td>-0.08*</td>
<td>-0.00</td>
<td>0.02</td>
</tr>
<tr>
<td>Marital Status</td>
<td>-0.21**</td>
<td>-0.20**</td>
<td>-0.11*</td>
</tr>
<tr>
<td>Qualification</td>
<td>0.08</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>Job Experience</td>
<td>0.07</td>
<td>0.07*</td>
<td>-0.00</td>
</tr>
<tr>
<td>Monthly Income</td>
<td>0.13**</td>
<td>0.05*</td>
<td>0.05**</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.17</td>
<td></td>
<td></td>
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<tr>
<td>Independent Variable</td>
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</tr>
<tr>
<td>EL</td>
<td></td>
<td>0.64**</td>
<td>0.44**</td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
<td>0.58</td>
<td></td>
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<tr>
<td>$\Delta R^2$</td>
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<td>0.41</td>
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Mediating Variable

<table>
<thead>
<tr>
<th>Variable</th>
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<tbody>
<tr>
<td>IM</td>
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<tr>
<td>R²</td>
<td>0.66</td>
</tr>
<tr>
<td>ΔR²</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Note: EL = Empowering Leadership, IM = Intrinsic Motivation, ** = P < 0.01

To determine whether there is partial, full, or no mediation, this study used the three-step hierarchical regression approach. All the demographic variables were incorporated in the first phase to control their influence. The independent variable of empowering leadership (EL) was introduced in the second phase. Then, in the third phase the mediating variable intrinsic motivation (IM) was added to examine its significance. The research model was regressed while including employees’ work engagement (EWE) as a dependent variable.

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The results of hierarchal regression for mediation are presented in Table 4. It shows that in model 3, the independent variable's (β = 0.44, P<0.01) is significant, indicating that intrinsic motivation (IM) mediates the association between empowering leadership (EL) and employees’ work engagement (EWE) partially. Thus, H2c is also supported; IM plays a mediating role in the association between EL and EWE.

### 4.7 Moderation Analysis of Self-Efficacy

In order to analyze the moderation of self-efficacy (SE) between empowering leadership (EL) and intrinsic motivation (IM), two-step hierarchical regression method was used. At first, we computed an interactional term (ELxSE) and regressed towards intrinsic motivation (IM). In step 1, we computed independent variable; empowering leadership (EL) and moderating variable; self-efficacy (SE) into the research model and regressing them in relation to how well they match the dependent variable - intrinsic motivation (IM). The interactional term (ELxSE) between the independent and moderating variables is computed in the second phase. The outcomes of the moderation by self-efficacy (SE) are shown in Table 5. The findings reveals that in model 2, the β value of the interactional term (ELxSE) (β= -0.3, P= 0.57) is insignificant, which indicates SE does not moderate the association between EL and IM. Hence, H3 is rejected.

<table>
<thead>
<tr>
<th>Variables</th>
<th>M1(β)</th>
<th>M2(β)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EL</td>
<td>0.26**</td>
<td></td>
</tr>
<tr>
<td>SE</td>
<td>0.53**</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>0.55</td>
</tr>
</tbody>
</table>

| Step-2     |       |       |
| ELxSE      |       | -0.03 |
| R²         |       | 0.55  |
| ΔR²        |       | 0     |

Note: EL = Empowering Leadership, SE = Self-efficacy, ** = P < 0.01.

In order to analyze the moderation of self-efficacy (SE) between intrinsic motivation (IM) and employees’ work engagement (EWE), we computed an interactional term (IMxSE) and regressed towards employees’ work engagement (EWE) same as we did in analyzing the first moderation effect between empowering leadership (EL) and intrinsic motivation (IM). In step 1 of
hierarchical regression, the independent variable; intrinsic motivation (IM) and moderating variable; self-efficacy (SE) was added into the research model and regressed towards the dependent variable - employees’ work engagement (EWE).

The interactional term between the independent and moderating variables is computed in the second phase, and it is (IMxSE). The findings in Table 6 reveals that in model 2, the β value of the interactional term (ELxSE) (β= 0.18, P < 0.01) is significant, which indicates SE positively moderates the association between IM and EWE. Hence, H4 is accepted. This demonstrates that self-efficacy positively moderates the association between intrinsic motivation and employees’ work engagement which indirectly moderates the association between empowering leadership and employees’ work engagement via intrinsic motivation.

<table>
<thead>
<tr>
<th>Variables</th>
<th>M1(β)</th>
<th>M2(β)</th>
<th>ΔR²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step-1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IM</td>
<td>0.46**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SE</td>
<td>0.43**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step-2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMxSE</td>
<td></td>
<td>0.18**</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ΔR²</td>
<td>0.02</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: IM = Intrinsic Motivation, SE = Self-efficacy, **= P < 0.01.

4.8 Discussions

The study aimed to explore the influence of empowering leadership (EL) on employees' work engagement (EWE) in the service and manufacturing industry of Pakistan, with a focus on the mediating role of intrinsic motivation (IM) and the moderating role of self-efficacy (SE). The research utilized the self-determination theory (SDT) to understand the impact of EL on work-related outcomes and provided valuable insights into organizational success through effective leadership practices.

The first objective of the study was to determine the positive effect of empowering leadership on employees' work engagement. The findings supported Hypothesis 1, indicating that EL positively influences EWE. Employees who experienced empowering and supportive leadership were more engaged and determined in their job and organization. The results aligned with prior research showing that EL enhances employees' work engagement (Gyu Park et al., 2017; Lee et al., 2017; Bakker et al., 2008; Schaufeli & Salanova, 2007). Empowering behaviors in the workplace fostered vigor and passion among employees, leading to better performance and commitment to their tasks.

The second objective was to determine the mediating role of intrinsic motivation between empowering leadership and employees' work engagement. The study supported Hypothesis 2c, indicating that IM partially mediates the association between EL and EWE. Empowering
leadership practices positively influenced employees' intrinsic motivation by fulfilling their psychological needs for autonomy, competence, and relatedness. Consequently, higher levels of IM led to increased EWE, as employees felt more satisfied, absorbed, and dedicated to their work. This finding highlights the importance of intrinsic motivation in driving work engagement, consistent with prior research (Bakker & Demerouti, 2008; Schaufeli et al., 2002). By fostering an environment that supports employees' autonomy and competence, empowering leadership enhances intrinsic motivation, leading to greater engagement at work.

The third objective aimed to determine the moderation of self-efficacy in the association between empowering leadership and intrinsic motivation. The study did not support Hypothesis 3, indicating that SE does not moderate the association between EL and IM. This finding suggests that in the Pakistani context, cultural factors may override the potential moderating effect of self-efficacy. Collectivist cultural values in Pakistan prioritize group harmony and cooperation, leading to a more uniform impact of EL on IM across individuals, irrespective of their self-efficacy levels. Prior research on the moderation of self-efficacy in the leadership-motivation correlation has also shown mixed findings (Eisenbeiss et al., 2008; Rigotti et al., 2008). Therefore, cultural context plays a significant role in influencing the relationship between EL and IM.

The fourth objective sought to determine the moderation of self-efficacy in the association between intrinsic motivation and employees' work engagement. The study supported Hypothesis 4, indicating that SE positively moderates the association between IM and EWE. Employees with higher levels of self-efficacy were more confident in their ability to perform job tasks, overcome challenges, and succeed, translating their intrinsic motivation into higher levels of work engagement. Empowering leadership practices had a stronger impact on intrinsic motivation and subsequent work engagement for employees with higher self-efficacy. This finding aligns with prior research that has demonstrated the moderation of SE in the association between motivation and work-related outcomes (Luthans et al., 2006; Stajkovic & Luthans, 1998). The theoretical frameworks of self-efficacy theory and SDT also support the importance of individual beliefs and motivation in driving engagement and performance.

5. Conclusion

In this research study, we analyzed the association between empowering leadership and Work engagement of employees through intrinsic motivation, while considering self-efficacy as boundary condition in the cultural context of Pakistan. Empowering leadership is positively related to the intrinsic motivation of employees. Leaders that empower their employees and increase their intrinsic motivation to work for their organization are likely to get higher employee work engagement and satisfy their basic psychological needs. Self-efficacy as a moderator does not play any role in the association between empowering leadership and intrinsic motivation, whereas it plays significant role in the relationship between intrinsic motivation and employees’ work engagement, enhancing the association between empowering leadership and employees' work engagement.
5.1 Theoretical Implications

This research study fills a gap in the existing literature by investigating the impact of empowering leadership (EL) on employees' work engagement (EWE) using self-determination theory (SDT) as a theoretical framework. It emphasizes the importance of empowering leaders in fostering a work environment that encourages employees' zeal, vigor, and dedication towards their tasks. By examining the mediating role of intrinsic motivation (IM) and the moderating role of self-efficacy (SE), the study sheds light on the mechanisms through which EL influences EWE. The research highlights the significance of intrinsic motivation as a crucial factor in explaining the relationship between EL and EWE, supporting the self-determination theory. It adds to our understanding of how EL promotes work engagement by considering employees' motivation and satisfaction with their work activities. Additionally, the study advances our knowledge of individual differences by exploring the moderating impact of self-efficacy on the relationship between EL and EWE. It acknowledges that EL's impact on work engagement is stronger when employees believe in their own capabilities. Furthermore, the research integrates leadership and motivation theories by simultaneously examining the effects of empowering leadership, intrinsic motivation, and self-efficacy on work engagement. This comprehensive approach provides a deeper understanding of the underlying processes that contribute to employees' engagement at work.

5.2 Practical Implications

This study offers various practical repercussions for organizations. Organizations can design and implement programs that train leaders in empowering behaviors like delegation and involving employees in decision-making to foster work engagement. Organizations can cultivate intrinsic motivation among employees through meaningful work, skill development, and autonomy. Recognize their contributions and provide feedback that emphasizes competence and relatedness. Organizations can offer tailored support and resources to boost employees' self-efficacy beliefs, such as mentoring and coaching. Organizations can implement targeted interventions to enhance self-efficacy in employees with lower levels, including goal setting and role modeling. Organizations can promote a positive work environment with open communication, trust, and employee involvement in decision-making. Ensure fairness in performance evaluation and recognition practices to support empowering leadership and work engagement. By applying these strategies, organizations can cultivate a work culture that encourages empowering leadership and intrinsic motivation while addressing individual differences in self-efficacy. This approach can result in a more engaged and motivated workforce, positively impacting organizational performance and success.

5.3 Limitations and Future Directions
While this research study provides valuable insights into the impact of empowering leadership on employees' work engagement, it has certain limitations that should be considered in future research. Firstly, the study's generalizability is limited as it was conducted only in the Pakistani industry and with data collected from a single city. Replicating the research in diverse cultural settings and industries would enhance the generalizability of the findings. Secondly, the cross-sectional design used in this study hinders the establishment of causal relationships. Future research should employ longitudinal or experimental designs to examine the causal effects of empowering leadership on work engagement, intrinsic motivation, and self-efficacy. Additionally, the study's reliance on data solely from employees overlooks perspectives from leaders and other stakeholders, necessitating the inclusion of multiple viewpoints. Lastly, exploring boundary conditions and moderators that may influence the relationships examined can provide a deeper understanding of the mechanisms involved. Addressing these limitations can contribute to a more comprehensive understanding of empowering leadership's influence on work engagement, intrinsic motivation, and self-efficacy, leading to practical implications for organizations seeking to enhance employee engagement in positive work environments.

6. References


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