

An Engagement Mediates the Influence of Empowerment and Transformational Leadership on Employee Performance

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Abstract: The number of hospitals in Indonesia is experiencing significant growth, especially in profit-oriented private industries. This is because hospitals are important for the community in obtaining health services, thereby triggering high competition. In response to this competition, good human resource performance is needed. This study aimed to analyze the effect of empowerment, and transformational leadership on employee performance with employee engagement as a mediating variable. The study was conducted to update previous investigations, by adding employee empowerment variables to hospitals which are expected to provide different results. The sample comprises 237 employees of Port Group Hospitals in Indonesia and data were analyzed using SEM analysis with AMOS 23. The results showed that employee empowerment and transformational leadership had a significant influence on performance. Furthermore, employee engagement was proven to mediate empowerment and transformational leadership on performance. The implementation of a transformational leadership style can facilitate bonds between employees, thereby improving performance. Managerial implications are that management offers appropriate support and development opportunities to motivate and maintain high levels of employee performance; management establishes programs to improve leadership, decision-making, and risk management competencies at the managerial level; management provides responsibility and autonomy to employees in their work to increase ownership and involvement.

Keywords: Employee Empowerment, Transformational Leadership, Employee Engagement, Employee Performance

INTRODUCTION

The number of hospitals in Indonesia is experiencing significant growth, especially in profit-oriented private hospitals. From 2010 to 2020, the total number increased from 1632 to 2943, representing an 80% growth. The majority of the increase occurred in general hospitals (82%), while specialized facilities, such as mother and child hospitals, increased by 67% (kppu.go.id, 2021). Hospitals operate as labor-intensive and capital-intensive businesses, thereby encountering significant competition in the industry and great expectations from patients for the services provided. To address this competition, good human resource performance is needed. Human resources or work team members are also important elements for the organization and are considered a key factor in achieving objectives. Therefore, companies need individuals who have high performance in order to effectively realize objectives. This condition can be achieved in several ways, including empowerment, transformational leadership style, and the need for employee engagement, with the hope of achieving better performance.

Port Hospitals is one of the subsidiaries of PT Pertamina Bina Medika IHC, which is the holding company of state-owned hospitals in Indonesia. There has

been inconsistency in the company's performance, as seen in its operating profit from 2019 to 2023. In 2019, the company recorded an operating loss of IDR 85.38 billion, and in 2020, it experienced a drastic decline with an operating loss of IDR 768.89 billion. A significant recovery occurred in 2021, with an operating profit of IDR 105.08 billion. Then, it returned to a loss of IDR 37.25 billion in 2022. In 2023, the company recovered again, recording an operating profit of IDR 34.88 billion. Therefore, it is necessary to improve employee performance to achieve the company's targets. This can be achieved in several ways through employee empowerment, transformational leadership style, and the need to involve employees, with the hope that employees can improve the hospital's performance.

A study conducted by Prakasa and Astuty (2022) confirmed that the positive influence on employee performance is related to leadership and empowerment practices which are very crucial. Empowerment is a program designed to delegate authority and authority by leaders to employees and provide responsibility. Employee empowerment encourages initiative and responsiveness, facilitating a quick and flexible solution to problems. According to a previous study, employees have the freedom to complete tasks without waiting for instructions from the leadership (Agyemang-Duah et al., 2019). Transformational leadership fosters an environment where employees perceive organizational support, empowering individuals to confidently explore abilities. This type of leadership builds a strong relationship in the organization (Choi et al., 2016). Research conducted by Lai et al. (2020) discuss transformational leadership behavior and the impact it has on employee engagement levels. A transformational leader has the ability to motivate employee engagement by stimulating individual employee cognitive, emotional, and behavioral conditions to align with achieving organizational targets, stimulating positive attitudes and productive behavior in subordinates towards work, and providing support for each other's beliefs in challenging organizational goals and visions. Intellectual stimulation is an aspect of leadership that challenges employees to find creative solutions to organizational problems (Buil et al., 2019). Employee engagement is a way for employees to be directly involved in work that involves physical, cognitive, and emotional, always thinking positively in carrying out tasks at work always working in a high role. Furthermore, the highest positive feeling statement is provided in work and organizational relationships, shown by extra effort, enthusiasm, and dedication in absorption at work (Lai et al., 2020).

In contemporary times, organizations are implementing empowerment policies as a strategy to improve performance. This policy will increase the efficiency of productivity solutions. Empowerment gives employees the ability to reconsider methods that can improve performance in carrying out activities (Al Hawamdeh et al., 2019). In this context, employee empowerment is considered part of a broader concept that includes "participatory management", "job enrichment", and "industrial democracy" by encouraging employee participation. Managers are encouraged to understand the benefits derived from sharing power with employees and authorizing the freedom to control work-related activities (Aldmour et al., 2018).

Several studies have explored the positive relationship between employee empowerment and engagement. The results of the study conducted by Merry and

Syarief (2017) showed that empowerment had a direct positive influence on employee engagement. This implied that high empowerment will increase employee engagement. Similarly, studies conducted by Aldmour et al. (2018), and Natrajan et al. (2019) stated that a higher value of empowerment will increase employee engagement. Sergio and Rylova (2018) stated that employee empowerment and engagement have a positive effect as a tool to improve organizational performance.

In addition, a study conducted by Mozammel and Haan (2016) in the Bangladesh banking sector showed different results regarding the interaction between transformational leadership and employee engagement. In this context, the study concluded that there was no significant interaction between transformational leadership style with the level of employee engagement in the banking sector. Meanwhile, Al-Amin (2017) concluded that transformational leadership had a positive impact on employee engagement by providing inspiration, motivation, and developing dynamics in the work environment, encouraging. Previous studies, including (Balwant et al., 2018) also showed that transformational leadership had a positive effect on employee engagement.

According to Kusumah et al. (2021), transformational leadership had an important influence on the decision-making process, thereby improving employee performance. Similarly, Hoxha (2019) explained that transformational leadership had a significant impact on employee performance. However, in a study conducted by Nugroho et al. (2022) at PT Telekomunikasi Indonesia Witel Purwokerto, the result showed that the transformational leadership style does not have a significant impact on employee performance. Through statistical analysis with a 5% significance level, the results showed values that did not reach the required significance level. This result suggested the absence of a significant correlation between the two variables. On the other hand, Virgiawan et al. (2021) confirmed that the interaction between transformational leadership on employee performance had significant relevance.

The transformational leadership style has a persuasive nature that can develop a positive perception among employees toward the organization. In addition, transformational leadership also uses intellectual stimulation to provide strength to employees. Choi et al. (2016) stated that transformational leadership has a positive impact on employee empowerment in hospitals studied. The hypothesis formulated in the study was supported by the data. This study presents empirical evidence supported by literature stating that transformational leadership can increase employee empowerment in a hierarchical structure. More specifically, this type of leadership inspires and encourages employees by providing skills and up-to-date information about work (Afsar et al., 2019).

Sendawula et al. (2018) stated that employee engagement includes understanding business concepts and working with coworkers to increase productivity in the work environment for the benefit of the organization. This level of engagement was reflected in energy, dedication, passion, and enthusiasm, which were considered the main drivers of employee performance. Prioritizing attention towards employees within organizations fosters a culture of heightened engagement, subsequently leading to enhanced performance outcomes within the workplace. Linggiallo et al. (2020) concluded that employee engagement variable

has a significant positive impact on employee performance. However, Sumarno and Iqbal (2022) showed that the effect of attachment does not have a significant influence on performance. This result is evident from the factor of long tenure of employees in the same section than the age level.

Natrajan, et al., 2019 explained that the combination of empowerment and engagement provided a more comprehensive understanding of performance changes. Sergio and Rylova (2018) stated that employee empowerment and engagement have a positive effect because these variables are tools to improve organization performance. Meanwhile, the results of Linggiallo et al. (2020) concluded that employee engagement variable had a significant positive impact on employee performance. These results show that employee engagement plays an intermediary role between empowerment and performance, with a significant effect on performance. Then the result of the studies conducted by Buil et al. (2019); Lai et al. (2020), and Wood et al. (2020) confirmed the concept that active employee engagement plays an important role as an intermediary in the relationship between transformational leadership style and performance levels at work.

Previous studies (e.g., Fachrudi et al. 2021; Lai et al., 2020; Mantouw & Nilasari, 2022; Buil et al., 2019) have examined performance, transformational leadership, and employee engagement. This study aimed to update the results of Jiatong et al. (2022) by adding employee empowerment variables in hospitals, and it will provide a broader explanation of performance improvement within hospitals. The inclusion of empowerment helps clarify how leadership practices and organizational support interact with employees' psychological conditions to shape work performance, thereby contributing to the development of human resource management strategies in healthcare institutions aimed at improving service quality and organizational performance.

METHODS

Research Design

The research method uses a quantitative approach with descriptive analysis in the form of values then the test results are described in narrative form. The main objective is to test the hypothesis that has been identified. In this study, workers as a component of analysis and observation in companies engaged in the health sector at the Port Group Hospital located in 3 major cities in Indonesia, namely Jakarta, Cirebon, Palembang, research observations were made at each level of workers. The research design carried out has the characteristics of hypothesis testing to analyze the influence between variables, namely employee empowerment, transformational leadership on employee performance variables, mediated by employee engagement.

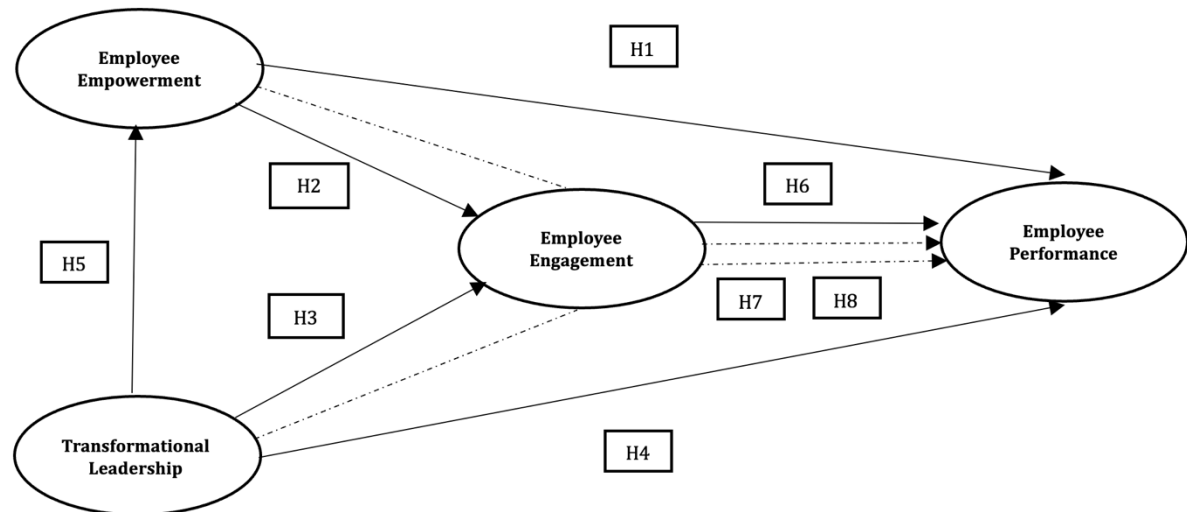


Figure 1. Conceptual Framework
Source: Created by the author (2023)

Hypotheses:

- H1: Employee empowerment has a positive influence on employee performance
 H2: Employee empowerment has a positive influence on employee engagement
 H3: Transformational leadership has a positive effect on employee engagement
 H4: Transformational leadership has a positive effect on employee performance
 H5: Transformational leadership has a positive effect on employee empowerment
 H6: Employee engagement has a positive influence on employee performance
 H7: Employee empowerment has a positive influence on employee performance through employee engagement
 H8: Transformational leadership has a positive influence on employee performance through employee engagement

Measurement

Empowerment was measured by five items from the study of Al Hawamdeh et al. (2019). Meanwhile, transformational leadership was measured by six items adopted from Natrajan et al. (2019); Sadat and Nilasari (2022). The mediating variable of employee engagement was measured with five items from the studies of Al Hawamdeh et al. (2019); Asjari and Gunawan (2022). Similarly, the measurement of employee performance follows the studies of Natrajan et al. (2019); Sadat and Nilasari (2022) with five items.

Data Collection, Population, and Sample

In this study, primary data were collected by distributing questionnaires directly to all permanent health and non-health employees. The questionnaire was developed using the Google Form platform and distributed through WhatsApp media to employees who work in four Port Hospital Group units in three different Indonesian, namely Jakarta, Cirebon, and Palembang. The questionnaire was used to deliver a list of questions that had been previously compiled for respondents. In the context of quantitative analysis, the responses were measured using a five-point Likert scale, namely: "Strongly Disagree", "Disagree", "Neutral", "Agree", and

"Strongly Agree", with values of 1, 2, 3, 4, and 5, respectively. The Slovin formula was used to calculate the sample size in this study. In total, the sample comprises 237 employees from the Port Group Hospitals with the following proportions (see Table 1). The sampling method used was non-probability sampling using purposive sampling techniques, whereby samples were taken using specific criteria.

Table 2. Population and Sample

No	Port Hospital Unit	%	Number of employees	Sample
1	Jakarta Port Hospital	43	247	103
2	Cirebon Port Hospital	26	144	60
3	Palembang Port Hospital	21	123	51
4	Port Hospital Medical Center	9	55	23
Total		100	569	237

Source: Data Processing Results (2023)

Demographic characteristics

The respondents in this study were predominantly female. A total of 165 people (69.6%) were female respondents and 72 people (30.4%) were male respondents. The number of workers aged 20-30 years old, amounting to 102 people (43%), dominated the total number of employees. Respondents with 10-20 years of service were the most numerous, amounting to 97 people (40.9%). This was due to the fact that in the last 10 years, Pelabuhan Hospital had implemented a Zero Growth policy by not recruiting new employees. The respondents' education was dominated by Bachelor's degrees, with 154 people (65%), due to the 2013 Indonesian Ministry of Health regulation requiring a minimum education of Diploma 4. The respondent from medical and non-medical staff.

Data Analysis

The method of data analysis with descriptive statistics was used to analyze quantitative data to provide a structured description of an activity. Some of the measures used in the description include frequency and center size (average). This was followed by hypothesis testing through the application of SEM (Structural Equation Modeling) using the AMOS 23 software application. SEM is considered appropriate because it allows simultaneous testing of direct and indirect effects in a single integrated model, rather than separate regressions.

RESULTS AND DISCUSSION

Validity test as a benchmark to measure the validity of the instrument used. Validity testing is carried out with Structural Equation Modeling (SEM) analysis version 23.0 using AMOS, then each statement detail must have a factor loading (standard regression weight), namely the relationship between the statement item score and the construct score. If the factor loading value is more than 0.5, it indicates that the indicator is valid, while if the factor loading is less than 0.5, it indicates that the indicator is invalid. The results of validity test are in Table 2. All variable indicators exceeded 0.5 and were declared valid.

Table 2. Validity Test Results

Indicator	Loading Factor	Decision
EEmp1	0.781	Valid
EEmp2	0.818	Valid
EEmp3	0.795	Valid
EEmp4	0.776	Valid
EEmp5	0.703	Valid
TL1	0.800	Valid
TL2	0.827	Valid
TL3	0.874	Valid
TL4	0.799	Valid
TL5	0.716	Valid
TL6	0.783	Valid
EE1	0.780	Valid
EE2	0.704	Valid
EE3	0.701	Valid
EE4	0.667	Valid
EE5	0.776	Valid
EP1	0.852	Valid
EP2	0.788	Valid
EP3	0.777	Valid
EP4	0.743	Valid
EP5	0.825	Valid

Source: AMOS output (2023)

Reliability reflects how reliable an instrument is as a means of collecting data because of the good quality of the instrument. The level of reliability is measured through the reliability coefficient, which in testing often uses Cronbach's alpha. A Cronbach's alpha coefficient that exceeds 0.60 indicates the reliability of the instrument. Based on Table 3, the results of the research variables above are stated to be very good and reliable because they have a Cronbach's Alpha value >0.60.

Table 3. Reliability Test Results

Variable	Cronbach Alpha	Decision
Employee Empowerment	0.883	Reliable
Transformational leadership	0.915	Reliable
Employee Engagement	0.848	Reliable
Employee Performance	0.897	Reliable

Source: AMOS output (2023)

The descriptive statistical test was based on the *mean* which is the average value of the respondent's answer. Table 4 shows the result of descriptive statistical calculations of each variable explained through the average (*mean*) and standard deviation. The result showed that the average obtained from employee empowerment variable was 3.88. These results showed that the majority of respondents assess the existence of good employee empowerment. Therefore, employee empowerment provided a positive assessment and was considered an indicator of satisfaction. The variable also had a positive impact on productivity and organizational performance. Attention must also be directed towards the

capacity of employees to influence the organizational structure within the work environment.

Table 4. Employee Empowerment

Indicator	n	Mean
I am responsible for doing my job to the best of my ability	237	3.89
I have the skills required for my current job	237	3.87
I have the flexibility to perform my job duties	237	3.87
I have the capability to influence the organizational structure of my work environment	237	3.85
I am confident in my abilities and skills to perform this task	237	3.89
Average		3.88

Source: Data Processing Results (2023)

Table 5. Transformational leadership

Indicator	n	Mean
My manager can motivate employees to work together in teams	237	3.67
My manager always considers my personal needs	237	3.51
My manager leads by example (sets the right example)	237	3.64
My manager challenges me to set goals for myself (high performance expectations)	237	3.67
My manager is able to inspire others with his/her future plans	237	3.55
My boss encourages me to consider existing problems with a fresh perspective	237	3.53
Average		3.59

Source: Data Processing Results (2023)

The transformational leadership variable obtained an average value of 3.59, which was included in the "agree" category (see Table 4). The majority of respondents believed that transformational leadership in the organization was running smoothly. Furthermore, the majority of respondents confirmed the effectiveness of transformational leadership. This leadership style consistently fosters motivation, enabling employees to unleash full potential. By providing motivation it is hoped that employees can work together in achieving the organizational objectives according to the predetermined vision and mission. This leadership style also presents challenges for employees to achieve high-performance standards by directing focus on individual performance in achieving organizational targets. Therefore, it is necessary to make Key Performance Indicators (KPIs) for employees.

Table 6. Employee Engagement

Indicator	n	Mean
I feel enthusiastic in carrying out my duties in this work environment	237	3.45
I feel that the work I do has significant meaning and purpose	237	3.57
I feel passionate about my work	237	3.44
I am very focused while working	237	3.39
I am willing to put in extra effort without being asked	237	3.49
Average		3.47

Source: Data Processing Results 2023

Employee engagement variable obtained an average of 3.47 (Table 6). This result shows that the majority of respondents believe that employee engagement is in good condition. Furthermore, this result showed a strong sense of dedication among employees. This can be achieved through the implementation of self-development initiatives, such as training programs in accordance with the required competencies. This will increase the capabilities of employees, thereby fostering heightened productivity and a deeper sense of engagement within the hospital.

Table 7. Employee Performance

Indicator	n	Mean
I consistently complete the tasks specified in the job description	237	3.63
I consistently meet the performance requirements of the company	237	3.42
I fulfill all responsibilities when completing work	237	3.53
I consistently fulfill my job obligations	237	3.49
I never fail to perform important tasks	237	3.57
Average		3.53

Source: Data Processing Results 2023

Table 7 shows that current employees have consistently completed tasks in accordance with the job description provided by the organization. This result reflects good performance and employees comply with predetermined rules. However, it is necessary to be more consistent in meeting performance targets, by identifying areas that require more attention, as well as developing the needed strategies and tactics.

Table 8. Goodness of Fit Model Test Results

Measurement Type	GoF Index	Model fit	Result	Conclusion
Absolute Fit Measure	Chi-Square	Low Chi Square	141.410	Poor Fit
	p-value	≥ 0.05	0.000	Poor Fit
	RSMEA	≤ 0.08	0.000	Model fit
	GFI	≥ 0.90	0.947	Model fit
	AGFI	≥ 0.90	0.933	Model fit
Incremental Fit Measurer	NFI	≥ 0.90	0.954	Model fit
	TLI	≥ 0.90	1.017	Model fit
	CFI	≥ 0.90	1.000	Model fit
Parsimonious Fit	CMIN/DF	Between 1- 5	0.773	Model fit

Source: AMOS output (2023)

The goodness of fit test results in Table 8 show that six criteria meet the assumptions of this model, namely RSMEA, GFI, AGFI, NFI, TLI, CFI, and CMIN/DF. Therefore, the model was declared to meet the assumptions of goodness of fit. Since there are 7 criteria that pass the goodness of fit test (Model fit), this research model is feasible and can be used for further analysis. The next test is the hypothesis test. From the results of the hypothesis test, the eight hypotheses in this study were all supported as shown in Table 9.

Table 9. Hypothesis Testing Results

Hypothesis	Estimate	P-value	Conclusion
H1: Employee empowerment has a positive influence on Employee Performance	0.225	0.001	Supported
H2: Employee empowerment has a positive influence on Employee Engagement	0.407	0.000	Supported
H3: Transformational leadership has a positive effect on Employee Engagement	0.432	0.000	Supported
H4: Transformational leadership has a positive effect on Employee Performance	0.209	0.002	Supported
H5: Transformational leadership has a positive influence on Employee empowerment	0.479	0.000	Supported
H6: Employee engagement has a positive influence on employee performance	0.507	0.000	Supported
H7: Employee empowerment has a positive influence on employee performance through employee engagement	0.2543	0.000	Supported
H8: Transformational leadership has a positive influence on employee performance through employee engagement	0.2530	0.000	Supported

Source: AMOS output (2023)

The p-value of the test results H1 to H6 is <0.05 . These results indicate that H1 to H6 in this study can be supported. The Sobel test was used to determine the effect of the mediating variable employee engagement in the case of H7 and H8. With relatively large sample sizes (>100), the distribution of indirect effects tends to approach normal. In such conditions: The Sobel test provides stable estimates, simpler calculations, and results that are easier to replicate. Meanwhile, bootstrapping is more necessary for small samples or when the distribution is highly abnormal. The test results of empowerment on employee performance through engagement had a probability value (p-value) of 0.00002826 <0.05 . Furthermore, the value of influence was calculated by multiplying paths A and B, which was 0.2543, leading to the acceptance of H7. The results of testing the effect of transformational leadership on performance through employee engagement had a probability value (p-value) of 0.00001594 <0.05 . In this case, the effect value was obtained by multiplying paths A and B, which was 0.2530, leading to the acceptance of H8.

Discussion

The results of testing the first hypothesis showed that empowerment had a positive influence on employee performance. This result was due to the implementation of employee empowerment policies by organizations as a strategy to improve performance. In other words, this policy will increase the efficiency of productivity solutions. Employee empowerment also provides the ability to reconsider methods that can improve performance in carrying out activities. These results are consistent with the report of Rumman, et al. (2018) that there was a significant positive effect of empowerment on employee Performance. In addition, employee empowerment gives employees the ability to reconsider methods that can improve employee performance in carrying out activities. The research

conducted by Al-edenat and Alhawamdeh (2019) in the information technology industry in Jordan, stated that the influence of employee empowerment on employee performance showed a direct and positive impact on employee performance.

The second hypothesis examined the effect of Employee Empowerment on Employee Engagement. This investigation arises from the observation that when employees are given additional authority through the empowerment function, such individuals perceive greater value and respect from the organization, thereby fostering a deeper sense of attachment. The results of this study are consistent with the report of Sergio and Rylova (2018) that empowerment had an influence on employee engagement.

Testing the third hypothesis shows that there is a positive and significant effect of transformational leadership on employee engagement by providing inspiration, motivation, and creating dynamics in the work environment. These results are consistent with the report of Jiatong et al. (2022) that transformational leadership had a positive influence on employee engagement. Balwant et al. (2018) also support the notion that transformational leadership has a positive effect on employee engagement.

The fourth hypothesis examined the effect of transformational leadership on employee Performance. The result showed that the performance of employees will improve when leaders practice this leadership style. In other words, transformational leadership will be able to boost employee performance. These results are consistent with the report of a previous study conducted by Virgiawan et al. (2021) that the interaction between transformational leadership and employee performance had significant relevance. Findings from research conducted by Heimerer (2019) also explain that transformational leadership has a very significant impact on employee performance.

The fifth hypothesis tests the effect of transformational leadership on employee empowerment. The result showed that transformational leadership had a significant effect on Employee empowerment. This variable uses intellectual stimulation to provide strength to employees. The results of this study are consistent with the report of Adriel and Al-Kasasbeh (2023) that transformational leadership had a positive impact on employee empowerment. Similarly, Prakasa and Astuty (2022) stated that transformational leadership has a positive impact on employee empowerment.

The results of testing the sixth hypothesis showed that employee engagement had a positive influence on performance. This happens because employee engagement includes understanding business concepts and working with fellow employees to increase productivity in the work environment for the benefit of the organization. The level of engagement was reflected in energy, dedication, passion, and enthusiasm, which were considered the main drivers of employee performance. The results of this study are consistent with the report of Ulfah & Nilasari (2023) that employee engagement variable had a significant positive impact on employee performance. In addition, the results of the research study by Linggiallo et al. (2020) concluded that the variable of employee engagement has a significant positive impact on employee performance.

The seventh hypothesis examined the influence of empowerment on performance with mediation of employee engagement. This happened because employees were given additional authority over functions. The variable can make employees feel valued and respected by the organization, facilitating a sense of attachment. The results of this study are consistent with the report of Natrajan et al. (2019) that employee empowerment variable had a positive effect on performance. High empowerment through employee engagement can increase productivity and performance.

The results of testing the eighth hypothesis showed that transformational leadership had a positive influence on performance with mediation of employee engagement. This happens because transformational leadership has a positive impact on employee Engagement by providing inspiration, motivation, and dynamics in the work environment. Furthermore, high engagement will encourage employees to show active participation in work, which contributes to the performance outcomes. The results of this study are consistent with the report of Al-Amin (2017) that the transformational leadership variable had a significant positive effect on performance mediated by employee engagement. Studies by Buil et al. (2019) and Lai et al. (2020), confirming the concept that active employee engagement plays an important role as a link in the relationship between transformational leadership style and job performance levels.

CONCLUSION

From the results, the following conclusions can be drawn that the employee empowerment and transformational leadership had a significant influence on performance. Furthermore, employee engagement was proven to mediate empowerment and transformational leadership on performance. The implementation of a transformational leadership style can facilitate bonds between employees, thereby improving performance. The finding from this study provides some implications. First, the management should offer support and appropriate development opportunities to motivate and sustain high levels of employee performance. This can be achieved by increasing the potential to provide greater responsibility or more challenging projects.

Second, management has to establish a program to improve leadership competencies, decision-making, and risk management at the manager level. This initiative is expected to include mentoring and coaching employees regularly and continuously. Third management has to give employees responsibility and autonomy in work to increase the sense of ownership and engagement. Fourth, it should redesign a more objective employee reward system, develop training programs for career development, and increase competencies as needed (Training Need Analysis) to support work. Performance-based promotions based on employee KPIs and mentorship initiatives will be integral parts of this framework. The objectives are expected to establish a work environment that supports the growth, motivation, and achievement of optimal performance levels of employees.

However, some of the limitations should be noted. This study only analyzes the effect of employee empowerment, transformational leadership, engagement,

and performance variables. Future studies can add other variables to the model, such as work environment and motivation as well as other leadership styles related to performance and employee engagement. In addition, future studies should consider other industries, such as manufacturing, logistics, and hospitality.

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