



P-ISSN: 1978-2853
E-ISSN: 2302-8890

MATRIK: JURNAL MANAJEMEN, STRATEGI BISNIS DAN KEWIRAUSAHAAN

Homepage: <https://ojs.unud.ac.id/index.php/jmbk/index>

Vol. 16 No. 1, Februari (2022), 127-140



Influence of Empowering Leadership to Employee Performance of Bank in Indonesia: Mediating Role of Trust in Manager

Datep Purwa Saputra¹⁾, Juliansyah Noor²⁾

¹⁾Universitas Jayabaya ²⁾STIE La Tansa Mashiro

email: profjul.noor@jayabaya.ac.id

DOI : <https://doi.org/10.24843/MATRIK:JMBK.2022.v16.i01.p10>



SINTA 2

ABSTRACT

This article purposes to investigate the role of trust in manager in influences empowering leadership to employee performance. Drawing on a sample of 217 from bank employees in Indonesia, path analysis was employed to analyze data. Firstly, the finds of a path analysis expressed that influence of empowering leadership have a positive on trust in manager and employee performance. Furthermore, the study examined the mediating influence of trust in manager between empowering leadership and employee performance. The study shows that the empowering leadership is not useable to culture of Western only, but it also suitable in Indonesia culture. The study's limitations are the data have been collected from banking employees. This can cause to common method bias. In the banking case, empowering leadership can increase employee performance through trust in manager. Training should be prepared for banks leaders with a particular train on simplifying the behaviors of empowering in them. The study on investigating the influence of empowering leadership on employee performance via trust in manager as a mediator variable is very limited.

Keyword: Empowering leadership; Trust in manager; Employee performance; Indonesia

Pengaruh Kepemimpinan Pemberdayaan Terhadap Kinerja Karyawan Bank di Indonesia: Peran Mediasi Kepercayaan Pada Manajer

ABSTRAK

Artikel ini bertujuan untuk mengetahui peran kepercayaan pada manajer dalam pengaruh kepemimpinan pemberdayaan terhadap kinerja karyawan. Mengambil sampel 217 dari karyawan bank di Indonesia, analisis jalur digunakan untuk menganalisis data. Pertama, temuan analisis jalur mengungkapkan bahwa kepemimpinan pemberdayaan memiliki dampak positif pada kepercayaan pada manajer dan kinerja karyawan. Selanjutnya, analisis jalur mengungkapkan bahwa kepercayaan pada manajer memediasi pengaruh kepemimpinan pemberdayaan pada kinerja karyawan. Hasil penelitian menunjukkan bahwa kepemimpinan pemberdayaan tidak hanya sesuai untuk budaya Barat saja, tetapi juga sesuai untuk budaya Indonesia. Keterbatasan penelitian ini adalah data telah dikumpulkan dari karyawan perbankan. Hal ini dapat menyebabkan bias metode umum. Dalam kasus perbankan, kepemimpinan pemberdayaan dapat meningkatkan kinerja karyawan melalui kepercayaan kepada manajer. Pelatihan harus disiapkan untuk para pemimpin bank dengan fokus khusus pada penyederhanaan perilaku pemberdayaan di dalamnya. Kajian tentang pengukuran dampak pemberdayaan kepemimpinan terhadap kinerja karyawan melalui kepercayaan pada manajer sebagai variabel mediator masih sangat terbatas.

Kata kunci: kepemimpinan pemberdayaan, kepercayaan pada manajer, kinerja karyawan, Indonesia

INTRODUCTION

Employee performance (EP) is crucial to organizational productivity and growth. Especially for the banking organizations, where EP is the important variable for organizational growth, as customers' perceptions of service excellence are affected by their interactions with employees (Kim, Beehr, & Prewett, 2018). Jaiswal and Dhar (2017) have informed that employees may not make at their optimal level sans complete control or autonomy up their job. Furthermore, Scheidt and Chung (2018) have found that too much compliance with “rules and regulations” has the opposite influence on banks’ service excellence. Nowadays, In “the traditional hierarchical structures era, directing and controlling employees is done” (Cui & Yu, 2021). Employees of empowered have the energy to achieve levels of performance excellence because they find a control sense more in their jobs (Tang, Chen, Knippenberg, & Yu, 2020). In this case, empowering leadership (EL) emerges as a notable variable that can actively advance the organizational change, by sounding the constructive ideas of employees’ side.

Until recently, the EL concept has not been much studied in any sector of Indonesia. Only a few studies have assed trust in managers, and they found trust among employees at a moderate level (Lanin & Hermanto, 2019). Some studies have also shown that societies with "high power distance and hierarchical structures" such as Indonesia can impair the impacts of human resources practices such as trust in managers (Lee, Idris, & Delfabbro, 2016; Chin et al., 2019). As a result, to explain the links between these "constructs" in the context of Indonesian banking, The current study intends to assess the impact of empowered leadership on employee performance among Indonesian bank employees via the mediation of trust in managers.

The Indonesian banking sector has been seen as a significant contributor to the rapid economic growth of Indonesia (Indriasari, Gaol, & Matsuo, 2019). The globalization and privatization of the Indonesian economy have resulted in a highly competitive banking sector with many foreign, private, and public banks. It has been noticed that high levels of customer satisfaction and service performance are the only ways for a bank to attain high performance and a competitive advantage over other banks (Iberahim, Mohd Taufik, Mohd Adzmir, & Saharuddin, 2016). Customers' satisfaction is determined mainly by the performance of lower-level or frontline employees with whom they interact and receive services. As a result, it is critical for banks that each employee performs to a high level. However, this is only possible if their superiors give them autonomy and authority over their job. (Al-Hawary, Al-Qudah, Abutayeh, Abutayeh, & Al-Zyadat, 2013). In the context of this research, we have opted to focus on assessing the influence of leadership in improving employee performance among banking employees.

Nowadays, leaders’ responsibility is not only to give the employees authority, but also they have to examine whether employees trust in managers or not (Allison, 2021). Many studies researches have shown the tight link of several leadership behaviors with trust in manager (TIM) (M. C. C. Lee et al., 2016). Thus, several studies have checked the EL association with EP. But, the finds of these studies are inconsistent with one another (Humborstad, Nerstad, & Dysvik, 2014). Whereas some studies have found a positive influence of EL on EP, several other researches have shown that this association is not significant (Kim et al., 2018). This study aims on explaining the impact of EP and TIM on EP.

Hassi (2019) has defined EL as leader behavior linked to the empowerment concept. Hence, Ahearne, Mathieu, & Rapp (2005) have emphasized EL in four behavior, namely, “the meaningfulness of work” (MW), “participation in decision making” (PDM), “confidence in high performance” (CHP), and “autonomy from bureaucratic constrain” (ABC). Sharma and Kirkman (2015) have defined TIM as the employee’s willingness to be vulnerable to the leaders’ actions. TIM may be influenced by their assessment of the ethical principles that underlie leader behavior. Previous studies have found a positive relationship EL and TIM (Jaiswal & Dhar, 2017; Unterhitzberger & Bryde, 2019). (Lin, Ling, Luo, & Wu, 2019) have proposed that EL is better approach than ethical leadership in increasing TIM. In fact, EL and several attitudes and behavior outcomes influenced TIM at the individual, team, and organization levels (Lin et al., 2019). At the team level, studies Cui and Yu (2021) have found that EL has a direct positive impact on TIM and innovative performance. Allison (2021) has further found that EL has direct and indirect effects on TIM through transformational leadership.

Allison (2021) has further found that EL has direct and indirect effects on TIM through transformational leadership. In EL theory, Sharma and Kirkman (2015) have shown that association of EL and TIM works like “a snowball effect”. The scholars have explained that managers employ the EL approach when employees feel TIM when their managers involved in the EL approach. When their leaders demonstrate empowering behavior by promoting self-action, chance thinking, and individual development that employees feel more empowered (Hallikainen & Laukkanen, 2018). A positive relationship between EL and TIM have been demonstrated in all types of research conducted at the individual level (Ahearne et al., 2005; Allison, 2021), group and team level (Hallikainen & Laukkanen, 2018), and at both levels synchronously (Kim et al., 2018). Thus, the hypotheses can be proposed:

H1. EL has a positive influence on TIM

There are two focuses in the literature to quantify EP; one is an objective focus on the job outcomes and the other is a subjective focus centralizing concentrating on task performance (Lee, Cheong, Kim, & Yun, 2016). Lee et al. (2016) have found that employees only have control over task performance, not on the job outcomes. In such situations, subjective quantifies are more appropriate than objective quantifies of employee performance. With this in mind, we have employed subjective quantifies of employee performance in this study.

Several studies have empirically promoted a direct or indirect association of EL with EP (Kim et al., 2018; Knezovic & Musrati, 2018). Although EL has been positively relationship on EP, it is purposed that leader need to caution when exhibiting behaviors of empowering. As several prior studies have shown, skilled employees view empowerment as a positive to increase their autonomy, whereas unskilled employees tend to view it as sufficient leaders’ attention (Kwak & Jackson, 2015). Hao, He, and Long (2018) have studied that EL may have positive, neutral, or negative effects on EP based on the behavior of empowering level exhibit by the leader. Kundu, Kumar, and Gahlawat (2019) have indicated that EL has a direct positive influence on organizational behavior, such as employee performance as well as an indirect effect through mediation of TIM (Govender, 2016). In line with Chow (2018) has also shown that EL increases employees’ creativity which can further increase their employee performance. Thus, the hypotheses can be proposed:

H2. EL has a positive influence on EP

Previous empirical evidence has found the strong relationship between TIM and EP (Bartram & Casimir, 2017; Jaiswal & Dhar, 2017). Bartram and Casimir (2017) have highlighted that the role of employee performance (assessed by their managers) is strongly influenced by the level of TIM. In line with Kim and Beehr (2020) have also indicated a positive relationship between TIM and EP. Allison (2021) has recognized TIM as a mediator between organizational climate and individual performance. Jaiswal and Dhar (2017) have emphasized that employees sense encourages to do better their jobs when they sense of control over their job environment has the necessary abilities to undertake their job tasks, and find a fit between their wants and job tasks. According to Muafi, Fachrunnisa, Siswanti, Qadri, and Harjito (2019), TIM results in employee quality and readiness to change, both have caused a positive influence on EP. Tang et al. (2020) have also expressed that TIM is a significant independent variable of employee performance hospitality industry. TIM also has a positive influence on EP through mediating of job satisfaction (Roberts & David, 2020). In the Indonesian case, Sakapas, Parinya, and Jermisittiparsert (2019) have shown that TIM affects EP both directly and indirectly through mediating of work motivation. Thus, the hypotheses can be proposed:

H3: TIM has a positive influence on EP.

Wooi, Salleh, and Ismail (2017) have recognized LMX theory as one of the approaches in comprehending EL. The stalwarts of this theory emphasize that a good relationship between managers and employees can increase employee performance outcomes mainly in a positive work attitudes form, often displaying commitment organizational, better EP, and decreased intention to leave the organization (Cropanzano, Dasborough, & Weiss, 2016; Chang, Liu, Wang, & Yi, 2020). In their empirical study, Lee, Willis, and Tian (2017) have also stated mediating of LMX between EL and EP. The same can be sustained in the case of this study. Considering the positive influence of EL on TIM in their jobs case, it can be presumed that the EL between managers and employees in the organization enables employees to undertake their jobs more effectively. In this case, Ahearne et al. (2005) have found that EL behavior leads to higher levels of employee adaptability which translates to higher levels of EP.

Humborstad et al. (2014) have also shown in their research that high EL from managers leads to higher EP while low or moderate EL negatively influences EP. Another theory that can lead to this study variables is affective event theory (AET). Employing AET, Cropanzano et al. (2016) argue that high-quality LMX relationships develop through three stages: "role-taking, role creation, and role routines". They have meant that sharing disparate emotions over time can strengthen or weaken the relationship between the manager and employee. Remembering this, we can discuss that by revealing high EL traits, managers extended the definition of roles of their employees' roles, an important portion of TIM, and this, by turns, helps employees in doing their jobs in a better way.

Furthermore, Islam, Furuoka, and Idris (2020) have argued that TIM had a more positive influence on employee satisfaction when manager social support is high. Kim et al. (2018) have also found mark of TIM as a mediator in explaining the association of EL and EP. Allison (2021) has revealed that TIM mediates the relationship between EL and employee innovation which is a significant independent variable of EP. Thus, the hypotheses can be proposed:

H4. EL has influence on EP via TIM

Thus, we proposed a conceptual model EL (MW,PDM,CHP,ABC) on EP through TIM (figure 1) as follow:

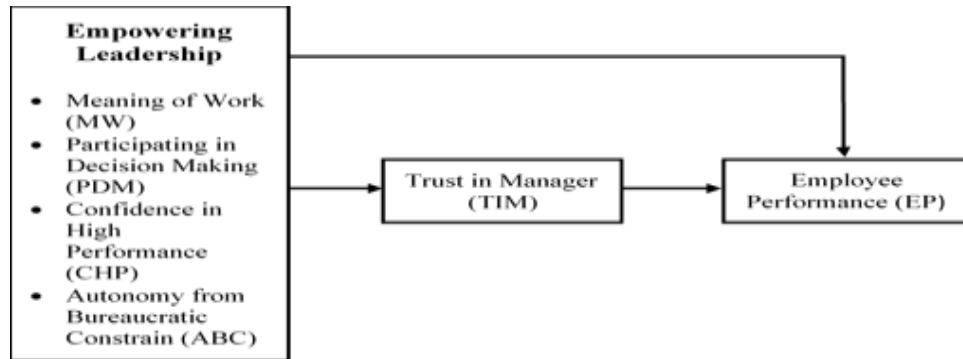


Figure 1. The Model of Relationship Between Variables (Allison, 2021; Kim and Beehr, 2020; Jaiswal & Dhar, 2017)

MW is the antecedent of TIM and EP (Rachel, Gang, & In-Sue, 2018; Bailey, Madden, Alfes, Shantz, & Soane, 2016). Furthermore, PDM is a predictor of TIM and EP (Kumar & Saha, 2017; Abubakar, Elrehail, Alatailat, & Elç, 2019). Chamberlin et al. (2018) and Afsar and Masood (2018) showed that CHP links TIM and EP positively. MW directly affects job performance and TIM (Rachel et al., 2018; Bailey et al., 2016). Finally, ABC affect TIM and EP (Bauer & Ege, 2016; Sampson, Turgo, & Tang, 2019)

RESEARCH METHODS

The Survey questionnaires were sent by google docs to 390 employees who work in 27 banks in Indonesia. We use purposive sampling as a part of "convenience sampling" in that participants are chosen subjectively (Malhotra & Dash, 2016). Purposive sampling is "used to select respondents that are most likely to yield appropriate and useful information" and is a way of identifying and selecting cases that will use limited research resources effectively" (Palinkas et al., 2015). Participants completed their survey by rating their EL behavior and degree of TIM and their EP on "a five-point rating scale". Of the 173 participants did not answer the questionnaires, but only 217 participants were complete. So, the survey resulted in response rate of 55.64 percent, which is fit for social science study. (Wright & Marsden, 2015).

We analyzed the data using confirmatory factor analysis (CFA) to estimate the convergent and discriminant validity of the study variables employing LISREL 8.8. The twelve items of EL were classified into four dimensions (MW, PDM, CHP, and ABC), the four items of TIM, and the three items of EP.

To measure EL (independent variable), we followed Jada, Mukhopadhyay, and Titiyal (2019), 3-items WM (first dimension of EL) scale, 3-items PDM (second dimension of EL) scale, 3-items CHP (third dimension of EL) scale, 3-items ABC (fourth dimension of EL) scale, with the response choice from "1 (strongly disagree) to 5 (strongly agree)". To measure TIM (mediating variable), we followed Yang and Mossholder (2010) 4-items TIM scale, with

the response choice from "1 (strongly disagree) to 5 (strongly agree)". To measure EP (dependent variable), we followed Yilmaz (2014) 3-items EP scale, with the response choice from "1 (strongly disagree) to 5 (strongly agree)". A number of variables have been added to our model, namely, employee gender (coded as 1=male, 2= female), employee age (in years), and employee work experience (in years).

RESULT AND DISCUSSION

Respondent demographic can be shown in table 1.

Table 1. Respondent Demographic

Variabel demografi	Katagori	Frekuensi n = 217	Persentase
Gender	Male	144	66,36
	Female	73	33,64
Ages	Under 29	96	44,24
	29-40	69	31,80
	41-50	42	19,35
	Above 50	10	4,61
Work Experience (WE)	1-5	113	52,07
	6-10	56	25,81
	11-15	29	13,36
	Above 15	19	8,76

Sources: Primary data (2021)

Then, we undertaken “confirmatory factor analysis (CFA)” to estimate the convergent and discriminant validity of the study variables employing LISREL 8.8. The twelve items of EL were classified into four dimensions (MW, PDM, CHP, and ABC), the four items of TIM, and the three items of EP. The model fit index showed a good fit. The statistics are: Chi-square-fit with degrees-of-freedom ratio (χ^2/df) = 2,096 < 5 (Tóth-király, Bóthe, & Orosz, 2017); Standardized RMR (SRMR) = 0.051 which is < value of 0.08 (Tóth-király et al., 2017); comparative suitability index (CFI) = 0.98 and Tucker-Lewis index (TLI) = 0,97 which is > value of 0.9 (Tóth-király et al., 2017); and root mean square error of approximation (RMSEA) = 0.073 < 0.08 (Tóth-király et al., 2017). The standard factor loading for all items was statistically significant ($p \leq 0.001$) with values > 0.50. The statistics presented in Table 2 confirm the convergent and discriminant validity of the seven constructs. For each of the seven constructs, the composite reliability (CR) was > 0.70 and the average extracted variance (AVE) was > 0.50 (Hair et al., 2018). These measurement model for latent variables (Table 2).

Table 2. Measurement Model Results

Variabel	Loading	CR	AVE
EL			
MW1	0.88		
MW2	0.95		
MW3	0.87	0.93	0.81
PDM1	0.72		

PDM2	0.80	0.79	0.55
PDM3	0.75		
CHP1	0.59		
CHP2	0.91		
CHP3	0.74	0.78	0.55
ABC1	0.70		
ABC2	0.80		
ABC3	0.90	0.86	0.68
TIM			
TIM1	0.70		
TIM2	0.72		
TIM3.	0.66		
TIM4	0.87	0.83	0.67
EP			
EP1	0.93		
EP2	0.68		
EP3	0.91	0.88	0.65
EP4	0.68		

Sources: Primary data (2021)

Table 3 presents the results of descriptive statistic and all variables correlation. We found the variables correlation to support the hypothesized relationship between EL, TIM, and EP. Since most of the variables observed high correlation (Table 3), multicollinearity problems may arise. This case might cause insignificance beta coefficients and can create difficulties in evaluating the individual importance of an independent variable (Hair et al., 2018). To examine the multicollinearity problem in the regression model, VIF (variance inflation factor) and tolerance values were calculated. VIF values for predictors ranged between 1.413 and 2.486, far below the value of 10 (Hair et al., 2018). The lowest tolerance value is 0.402, higher than the confirmed threshold value (0.1) (Menard, 2001). Overall, these values do not lead to multicollinearity.

Table 3. Results of Descriptive Statistic

Variabel	Mean	SD	Gender	WE	Age	MW	PDM	CHP	ABC	TIM	EP
Gender	-	-	-								
WE	-	-		-							
Age	-	-			-						
MW	2.294	0.933	-0.71	-.133*	-.066	-					
PDM	2.372	0.873	-.019	-.116	-.038	.690**	-				
CHP	2.509	0.895	-.056	-.068	-.039	.559**	.637**	-			
ABC	3.064	0.829	-.12	-.109	-.099	.309**	.401**	.382**	-		
TIM	2.188	0.791	-.005	-.09	-.03	.619**	.616**	.532**	.515**	-	
EP	2.476	0.851	-.031	-.111	-.034	.681**	.673**	.596**	.577**	.828**	-

Sources: Primary data (2021) “Notes: ***p ≤ 0.001, **p ≤ 0.01, *p ≤ 0.05; N= 217”

The hypothesis is tested in two steps. First step, we employed regression model to test three hypotheses which showed a linear relationship between the main variables (direct effect). Second step, we used bootstrap via PROCESS proposed by Hayes (2018) proposed bootstrap through PROCESS to examine indirect effect (the mediating of variable). Table 4 presents the positive direct effect of EL and TIM on EP, EL on TIM. Model 1 adds the control variable, while models 2, 3, and 4 were found significant indicating F statistic. Model 2 examines that EL on TIM. EL was a significant influence TIM ($\beta = 0.564, p \leq 0.001$).

Therefore, H1 was supported. Model 3 reflects that EL on EP. EL was a significant influence EP ($\beta = 0.272, p \leq 0.001$), Therefore, H2 was supported. Model 4 projects that TIM was a significant influence EP ($\beta = 0.153, p \leq 0.001$). Therefore, H3 was supported.

Table 4. Multiple Regression Results

Variabel independen	Variabel dependen			
	Control	Trust in Manager (TIM)	Employee Performance (EP)	
	Model 1	Model 2	Model 3	Model 4
Constant	10.455	3.089	2.203	1.154
Gender	0.071	0.123	0.075	0.011
Work experience (WE)	-0.584	0.153	0.223	-0.144
Age	0.448	0.266	0.168	0.134
Empowering Leadership (EP)	-	0.717	0.789	0.418
Trust in Manager (TIM)	-	-	-	0.517
R ²	0.047	0.529	0.648	0.774
Ajusted R ²	0.034	0.520	0.641	0.768
F Statistik	3.529	59.557	97.378	144.193

Sources: Primary data (2021) “Notes: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$; N= 217”

Model 5 showed that TIM mediates EL on EP. Bootstrapping was done to further test the mediated model. Table 5 presents the significance of the direct, indirect, and total effect with the estimated mediation size for EL and its four dimensions.

Table 5. Direct, Indirect, and Total Effect Results

	Independent Variable (Model 5)				
	Empowering Leadership	MW	PDM	CHP	ABC
Total Effect (TE)					
Effect	0.324***	0.827***	0.871***	0.754***	0.789***
SE	0.017	0.061	0.065	0.069	0.076
Direct Effect (DE)					
Effect	0.171***	0.331***	0.340***	0.274***	0.280***
SE	0.019	0.055	0.059	0.054	0.058
Total Indirect Effect Size					
Effect	0.045	0.146	0.157	0.142	0.150
Boot SE	0.009	0.023	0.023	0.019	0.022
Boot LLCI	0.030	0.105	0.115	0.104	0.109
Boot ULCI	0.063	0.194	0.204	0.179	0.194

Sources: Primary data (2021) “Boot LLCI stands for bootstrapped accelerated lower limit confidence interval and Boot ULCI for bootstrapped accelerated upper limit confidence interval”. “*** $p \leq 0.001$, ** $p \leq 0.01$, * $p \leq 0.05$. Highlighted values with **** sign depicts the insignificant effect sizes as the related intervals contain zero”

For simplicity of the reader, Figure 2 presents which contains all the pathways that link EL to EP. Results based on 5000 iterations bias-corrected 95 percent confident interval (CI) that the indirect effect (EL → TIM → EP) were significant (DE = 0.171 ($p \leq 0,001$), indirect effect = 0.045, 95% CI = [0.030, 0.063], TE = 0.324 ($p \leq 0,001$)); MW → TIM → EP (DE = 0.331 ($p \leq 0,001$), indirect effect = 0.146, 95% CI = [0.105, 0.115], TE = 0.827 ($p \leq 0,001$)); PDM → TIM → EP (DE = 0.340 ($p \leq 0,001$), indirect effect = 0.157, 95% CI

= [0.115, 0.204], TE = 0.871 ($p \leq 0,001$)); CHP → TIM → EP (DE = 0.274 ($p \leq 0,001$), indirect effect = 0.142, 95% CI = [0.104, 0.179], TE = 0.754 ($p \leq 0,001$)); ABC → TIM → EP (DE = 0.171 ($p \leq 0,001$), indirect effect = 0.280, 95% CI = [0.109, 0.194], TE = 0.789 ($p \leq 0,001$)). Therefore, H4 was supported

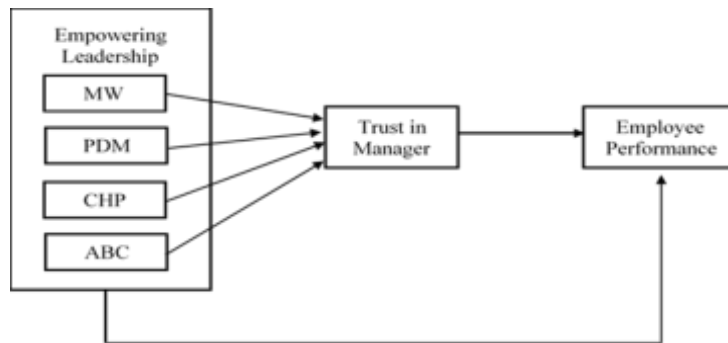


Figure 2. Path Model Relating EL to EP

The Indonesian government's current policies, such as digitalization, transfer, and finance technology, have significantly increased the workload on the banking sector (Bank Indonesia, 2019). Banks must successfully manage this increased workload to ensure that each employee performs high job performance (Jaiswal & Dhar, 2017). In light of this, the current study has been designed to examine the role of leadership in increasing employee performance (Cui & Yu, 2021; Govender, 2016). Using 217 employees as respondents from 27 banks, this study confirms that managers can improve EP by demonstrating behaviors of empowering. The first salient finding of this study is that EL was proved to be a significant independent variable of TIM and EP. It indicates that employees tend to employ their manager's behaviors of empowering as a reference point for action that helps them in adopting a similar empowerment ideology (Kim & Beehr, 2020).

The other important result is that TIM has a positive influence on EP. We mention that empowers employees' feel "awareness" to the task and drives them to go beyond the routine tasks. In the theory of LMX, the findings further show that TIM partially mediates the influence of EL on EP (Wooi et al., 2017). In other words, EL has both direct and indirect effects on EP (Hallikainen & Laukkanen, 2018). This implies that when managers show behaviors of empowering, work experience high levels of TIM which, by turns, increases their EP levels (Knezovic & Musrati, 2018). Other researchers also emphasize that EL has the anticipated effect when employees experience TIM (Allison, 2021).

Furthermore, bootstrap results suggest that TIM mediates the relationship between EL and EP. A possible explanation for this finding is that MW keeps employees on task and prevents them from staying away from tasked work, and this, by turns, improves EP (Bester, Stander, & Zyl, 2015). Simultaneously, a higher autonomy level allows employees to make decisions quickly and prevents unnecessary job delays, thus causing to higher EP (A. Lee et al., 2017). The analysis results also found that employees felt the two behaviors (PDM and ABC) of their manager were more empowering than the others (Islam et al., 2020). When managers give employees decision-making independence (autonomy) and assist them to conceive the meaning of their job, they experience a greater level of TIM (Chang et al., 2020).

Examining these incredible results, these results contribute to the existing literature. Until the present, the EL concept is understudied in Indonesia. As far as our knowing, this is the novelty study to examine the influence of EL on EP via TIM in the Indonesian case. In the culture of Western, several studies (Allison, 2021) have proven the positive effect of EP on trust in leaders and subordinate performance. However, if we address “a high-power distance culture” like in Indonesia, several studies have proven that efforts to empower employees can be a cause of their stress (Hallikainen & Laukkanen, 2018). This can confound banking organizations in Indonesia about whether or not to empower employees. However, this research confirms that employees of banking in Indonesia also carry out positive EL efforts and show improving EP when they feel TIM. (Kim et al., 2018).

CONCLUSION

This article gives concerns to some underexamined cases in the area of empowerment. Our findings indicate that EL influence TIM and EP; and TIM mediates the relationship between EL and EP. Thus, these intervening variables show to play an important role in EL’s efforts to improve EP. Next, the managerial implication for behavior of leadership, the current study purposes that a bank organization that improves EP can need to prepare the manager with soft skill training of EL. In soft skill training, the manager cannot study how to effectively show behaviors of a poorer empowering to employees, but also study how to establish a higher quality job link with employees. Soft skill training can also let on the manager of interest of work environment context, like as LMX theory, and can also explore the role of TIM within work environment contexts.

REFERENSI

- Abubakar, A., Elrehail, H., Alatailat, M. A., & Elç, A. (2019). Knowledge management, decision-making style and organizational performance. *Journal of Innovation & Knowledge*, 4(2), 104–114. <https://doi.org/10.1016/j.jik.2017.07.003>
- Afsar, B., & Masood, M. (2018). Transformational Leadership, Creative Self-Efficacy, Trust in Supervisor, Uncertainty Avoidance, and Innovative Work Behavior of Nurses. *The Journal of Applied Behavioral Science*, 54(1), 1–26. <https://doi.org/10.1177/0021886317711891>
- Ahearne, M., Mathieu, J., & Rapp, A. (2005). To Empower or Not to Empower Your Sales Force? An Empirical Examination of the Influence of Leadership Empowerment Behavior on Customer Satisfaction and Performance. *Journal of Applied Psychology*, 90(5), 945–955. <https://doi.org/10.1037/0021-9010.90.5.945>
- Al-Hawary, S., Al-Qudah, A., Abutayeh, P., Abutayeh, M., & Al-Zyadat, D. (2013). The impact of internal marketing on employee’s job satisfaction of commercial banks in Jordan. *Interdisciplinary Journal of Contemporary Research in Business*, 4(9), 811–826.
- Allison, C. D. (2021). *Linking Empowering Leadership and Employee Creativity: The Mediating Role of Affective-Based Trust in Leader*. [Doctoral dissertation, Eastern University]. ProQuest Dissertations and Theses Global. From <https://www.proquest.com/openview/9b14020133c90279e9bb0b55846e3497/1?pq-origsite=gscholar&cbl=18750&diss=y>
- Bailey, C., Madden, A., Alfes, K., Shantz, A., & Soane, E. (2016). The mismanaged soul : Existential labor and the erosion of meaningful work. *Human Resource Management*

- Review, 27(3), 416–430. <https://doi.org/10.1016/j.hrmmr.2016.11.001>
- Bank Indonesia. (2019). *Indonesia Payment Systems Blueprint 2025 Bank Indonesia : Navigating the National Payment Systems in the Digital Era*. Jakarta: Bank Indonesia. from <https://www.bi.go.id/.../Indonesia-Payment-Systems-Blueprint-2025-Presentation.pdf>
- Bartram, T., & Casimir, G. (2017). The relationship between leadership and follower in-role performance and satisfaction with the leader. *Leadership & Organization Development Journal*, 28(1), 4–19. <https://doi.org/10.1108/01437730710718218>
- Bauer, M. W., & Ege, J. (2016). Bureaucratic autonomy of international organizations' secretariats. *Journal of European Public Policy*, 23(7), 1019–1037. <https://doi.org/10.1080/13501763.2016.1162833>
- Bester, J., Stander, M. W., & Zyl, L. E. Van. (2015). Leadership empowering behaviour, psychological empowerment, organisational citizenship behaviours and turnover intention in a manufacturing division. *Journal of Industrial Psychology*, 41(1), 1–14. <https://doi.org/10.4102/sajip.v41i1.1215>
- Chamberlin, M., Newton, D. W., & Lepine, J. A. (2018). A meta - analysis of empowerment and voice as transmitters of high - performance managerial practices to job performance. *Journal Organization Behavior*, 39(10), 1296–1313. <https://doi.org/10.1002/job.2295>
- Chang, W., Liu, A., Wang, X., & Yi, B. (2020). Meta-analysis of outcomes of leader – member exchange in hospitality and tourism: what does the past say about the future? *International Journal of Contemporary Hospitality Management*, 32(6), 2155–2173. <https://doi.org/10.1108/IJCHM-06-2019-0591>
- Chin, M., Lee, C., Idris, M. A., Tuckey, M., Chin, M., & Lee, C. (2019). Supervisory coaching and performance feedback as mediators of the relationships between leadership styles , work engagement , and turnover intention work engagement , and turnover intention. *Human Resource Development International*, 22(3), 257–282. <https://doi.org/10.1080/13678868.2018.1530170>
- Chow, I. H. S. (2018). The mechanism underlying the empowering leadership-creativity relationship. *Leadership & Organization Development Journal*, 39(2), 202–217. <https://doi.org/10.1108/LODJ-03-2016-0060>
- Cropanzano, R., Dasborough, M. T., & Weiss, H. M. (2016). Affective Events and The Development of Leader-Member Exchange. *Academy of Management Review*, 47(2), 2–24. <https://doi.org/doi.org/10.5465/amr.2014.0384>
- Cui, Y., & Yu, G. (2021). A cross-level examination of team-directed empowering leadership and subordinates' innovative performance: an AMO theory perspective. *International Journal of Manpower*, 42(5), 621–636. <https://doi.org/https://doi.org/10.1108/IJM-03-2020-0099>
- Govender, K. (2016). Empowering Leadership and Municipal Service Delivery : A Case Study of a Metropolitan Municipality in South Africa. *International Journal of Public Administration*, 40(5), 427–433. <https://doi.org/10.1080/01900692.2015.1127964>
- Hair, F. H., Black, W. C., Babin, B. J., Anderson, R. E., Black, W. C., & Anderson, R. E. (2018). *Multivariate Data Analysis* (7th ed.). Hampshire: Cengage Learning. <https://doi.org/10.1002/9781119409137.ch4>
- Hallikainen, H., & Laukkanen, T. (2018). National culture and consumer trust in e-commerce. *International Journal of Information Management*, 38(1), 97–106. <https://doi.org/10.1016/j.ijinfomgt.2017.07.002>
- Hao, P., He, W., & Long, L. (2018). Why and When Empowering Leadership Has Different

- Effects on Employee Work Performance : The Pivotal Roles of Passion for Work and Role Breadth Self-Efficacy. *Journal of Leadership & Organizational Studies*, 25(1), 1–16. <https://doi.org/10.1177/1548051817707517>
- Hassi, A. (2019). Empowering leadership and management innovation in the hospitality industry context. *International Journal of Contemporary Hospitality Management*, 31(4), 1785–1800. <https://doi.org/10.1108/IJCHM-01-2018-0003>
- Hayes, A. F. (2018). *Introduction to Mediation, Moderation, and Conditional Process Analysis: A Regression-Based Approach*. New York: Guilford Publication.
- Humborstad, I. W., Nerstad, C. G. L., & Dysvik, A. (2014). Empowering leadership, employee goal orientations and work performance A competing hypothesis approach. *Personnel Review*, 43(2), 246–271. <https://doi.org/10.1108/PR-01-2012-0008>
- Iberahim, H., Mohd Taufik, N. K., Mohd Adzmir, A. S., & Saharuddin, H. (2016). Customer Satisfaction on Reliability and Responsiveness of Self Service Technology for Retail Banking Services. *Procedia Economics and Finance*, 37(16), 13–20. [https://doi.org/10.1016/s2212-5671\(16\)30086-7](https://doi.org/10.1016/s2212-5671(16)30086-7)
- Indriasari, E., Gaol, F. L., & Matsuo, T. (2019). Digital Banking Transformation: Application of Artificial Intelligence and Big Data Analytics for Leveraging Customer Experience in the Indonesia Banking Sector. *Proceedings - 2019 8th International Congress on Advanced Applied Informatics, IIAI-AAI 2019*, 863–868. <https://doi.org/10.1109/IIAI-AAI.2019.00175>
- Islam, M. N., Furuoka, F., & Idris, A. (2020). The impact of trust in leadership on organizational transformation. *Feature Article*, 39(4), 25–34. <https://doi.org/10.1002/joe.22001>
- Jada, U. R., Mukhopadhyay, S., & Titiyal, R. (2019). Empowering leadership and innovative work behavior : a moderated mediation examination. *Journal of Knowledge Management*, 23(5), 915–930. <https://doi.org/10.1108/JKM-08-2018-0533>
- Jaiswal, N. K., & Dhar, R. L. (2017). The influence of servant leadership, trust in leader and thriving on employee creativity. *Leadership & Organization Development Journal*, 38(1), 2–21.
- Kim, M., & Beehr, T. A. (2020). Job crafting mediates how empowering leadership and employees' core self-evaluations predict favourable and unfavourable outcomes. *European Journal of Work and Organizational Psychology*, 29(1), 1–14. <https://doi.org/10.1080/1359432X.2019.1697237>
- Kim, M., Beehr, T. A., & Prewett, M. S. (2018). Employee Responses to Empowering Leadership : A Meta-Analysis. *Journal of Leadership & Organizational Studies*, 25(3), 257–276. <https://doi.org/10.1177/1548051817750538>
- Knezovic, E., & Musrati, M. A. (2018). Empowering Leadership , Psychological Empowerment and Employees ' Creativity : A gender perspective. *International Journal of Innovation, Creativity and Change*, 4(2), 51–72.
- Kumar, S. P., & Saha, S. (2017). Influence of Trust and Participation in Decision Making on Employee Attitudes in Indian Public Sector Undertakings. *SAGE Open*, 7(3), 1–13. <https://doi.org/10.1177/2158244017733030>
- Kundu, S. C., Kumar, S., & Gahlawat, N. (2019). Empowering leadership and job performance: mediating role of psychological empowerment. *Management Research Review*, 42(5), 605–624. <https://doi.org/10.1108/MRR-04-2018-0183>
- Kwak, W. J., & Jackson, C. L. (2015). Organization : Relationship building in empowering leadership processes : A test of mediation and moderation. *Journal of Management & Organization*, 21(4), 369–387. <https://doi.org/10.1017/jmo.2015.11>

- Lanin, D., & Hermanto, N. (2019). The effect of service quality toward public satisfaction and public trust on local government in Indonesia. *International Journal of Social Economics*, 46(3), 377–392. <https://doi.org/10.1108/IJSE-04-2017-0151>
- Lee, A., Willis, S., & Tian, A. W. (2017). Empowering leadership: A meta - analytic examination of incremental contribution, mediation, and moderation. *Journal of Organizational Behavior*, 39(3), 306–325. <https://doi.org/10.1002/job.2220>
- Lee, M. C. C., Idris, M. A., & Delfabbro, P. H. (2016). The Linkages Between Hierarchical Culture and Empowering Leadership and Their Effects on Employees ' Work Engagement : Work Meaningfulness as a Mediator. *Journal of Stress Management*, 24(4), 392–415. <https://doi.org/doi:10.1037/str0000043>
- Lee, S., Cheong, M., Kim, M., & Yun, S. (2016). Never Too Much? The Curvilinear Relationship Between Empowering Leadership and Task Performance. *Group & Organization Management*, 42(1), 11–38. <https://doi.org/10.1177/1059601116646474>
- Lin, M., Ling, Q., Luo, Z., & Wu, X. (2019). Why does empowering leadership occur and matter ? A multilevel study of Chinese hotels. *Tourism Management Perspectives*, 32(10), 100-110. <https://doi.org/10.1016/j.tmp.2019.100556>
- Malhotra, N. K., & Dash, S. (2016). *Marketing Research An Applied Orientation* (7th ed). Harlow: Pearson Education Services.
- Muafi, Fachrunnisa, O., Siswanti, Y., Qadri, Z. M. El, & Harjito, D. A. (2019). Empowering Leadership and Individual Readiness to Change: the Role of People Dimension and Work Method. *Journal of the Knowledge Economy*, 10(4), 1515–1535. <https://doi.org/10.1007/s13132-019-00618-z>
- Palinkas, L. A., Horwitz, S. M., Green, C. A., Wisdom, J. P., Duan, N., & Hoagwood, K. (2015). Purposeful Sampling for Qualitative Data Collection and Analysis in Mixed Method Implementation Research. *Administration and Policy in Mental Health and Mental Health Services Research*, 42(5), 533–544. <https://doi.org/10.1007/s10488-013-0528-y>
- Rachel, F., Gang, W., & In-Sue, O. (2018). Linking job-relevant personality traits, transformational leadership, and job performance via perceived meaningfulness at work: A moderated mediation model. *Journal of Applied Psychology*, 103(3), 324–333. <https://doi.org/https://doi.org/10.1037/apl0000274>
- Roberts, J. A., & David, M. E. (2020). Boss phubbing, trust, job satisfaction and employee performance. *Personality and Individual Differences*, 155(10), 109–125. <https://doi.org/10.1016/j.paid.2019.109702>
- Sakapas, S., Parinya, S., & Jermstittiparsert, K. (2019). Exploring the link between HR practices, employee motivation, employee empowerment and employee performance in engineering firms of Indonesia. *International Journal of Psychosocial Rehabilitation*, 23(4), 734–748. <https://doi.org/doi.org/10.37200/ijpr/v23i4/pr190406>
- Sampson, H., Turgo, N., & Tang, L. (2019). 'Between a Rock and a Hard Place': The Implications of Lost Autonomy and Trust for Professionals at Sea. *Work, Employment and Societ*, 33(4), 1–18. <https://doi.org/10.1177/0950017018821284>
- Scheidt, S., & Chung, Q. B. (2018). Making a case for speech analytics to improve customer service quality: Vision, implementation, and evaluation. *International Journal of Information Management*, 45(4), 223–232. <https://doi.org/10.1016/j.ijinfomgt.2018.01.002>
- Sharma, P. N., & Kirkman, B. L. (2015). Leveraging Leaders : A Literature Review and Future Lines of Inquiry for Empowering Leadership Research. *Group & Organization*

- Management*, 40(2), 193–237. <https://doi.org/10.1177/1059601115574906>
- Tang, G., Chen, Y., Knippenberg, D. van, & Yu, B. (2020). Antecedents and consequences of empowering leadership : Leader power distance , leader perception of team capability , and team innovation. *Journal of Organizational Behavior*, 41(6), 551–566. <https://doi.org/10.1002/job.2449>
- Tóth-király, I., Bóthe, B., & Orosz, G. (2017). Exploratory Structural Equation Modeling Analysis of the Self-Compassion Scale. *Mindfulness*, 8(4), 881–892. <https://doi.org/10.1007/s12671-016-0662-1>
- Unterhitzenberger, C., & Bryde, D. J. (2019). Organizational Justice , Project Performance , and the Mediating Effects of Key Success Factors. *Project Management Journal*, 50(1), 57–70. <https://doi.org/10.1177/8756972818808984>
- Wooi, C. T., Salleh, L. M., & Ismail, I. A. (2017). Lessons from the Major Leadership Theories in Comparison to the Competency Theory for Leadership Practice. *Journal of Business And Social Review in Emerging Economies*, 3(2), 147–156. <https://doi.org/10.26710/jbsee.v3i2.86>
- Yang, J., & Mossholder, K. W. (2010). Examining the effects of trust in leaders : A bases-and-foci approach. *The Leadership Quarterly*, 21(1), 50–63. <https://doi.org/10.1016/j.leaqua.2009.10.004>
- Yilmaz, G. (2014). Let's Peel the Onion Together: An Application of Schein's Model of Organizational Culture. *Communication Teacher*, 28(4), 224–228. <https://doi.org/10.1080/17404622.2014.939674>