Antecedents and effects of empowering leadership: A regional approach to disengagement and innovation

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Abstract

This study investigates how psychological safety and transformational leadership influence empowering leadership and, in turn, how empowering leadership fosters job satisfaction to reduce employee disengagement and promote innovative work behavior. Drawing on self-determination theory and social exchange theory, this research develops an integrated model in which job satisfaction and empowering leadership serve as key mediators. Furthermore, the study examines the moderating role of regional context, urban versus regional areas in Indonesia, in shaping the relationship between job satisfaction and disengagement. Data were collected from 500 employees across various industries using a structured questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings reveal that both psychological safety and transformational leadership significantly enhance empowering leadership, which subsequently boosts job satisfaction. In turn, job satisfaction reduces disengagement and indirectly promotes innovative work behavior. Importantly, the negative effect of job satisfaction on disengagement is significantly weaker in urban areas than in regional areas. This study contributes to leadership and organizational behavior literature by highlighting the contextual importance of region in disengagement dynamics. It offers practical insights for managers seeking to cultivate innovation through empowerment and regional sensitivity.

Introduction

In today's evolving workplace landscape, employee disengagement has emerged as a critical concern for organizations seeking to maintain productivity, innovation, and workforce well-being. This phenomenon has gained renewed attention through the lens of "quiet quitting," a behavioral trend where employees mentally withdraw from their roles, performing only the minimum required tasks without emotional commitment or discretionary effort (Uysal & Kim, 2025; Yıldız, 2023). While often associated with burnout and job dissatisfaction (Afrahi et al., 2022), disengagement is a complex construct influenced by a range of psychological, relational, and contextual factors, including leadership quality and organizational support (Mahand & Caldwell, 2023; Ortega & Acero, 2025).

In emerging economies like Indonesia, where rapid urbanization intersects with deeply rooted communal cultures, understanding the dynamics of disengagement becomes even more essential. Metropolitan centers such as Jakarta and Surabaya are characterized by intense job competition, long working hours, and high pressure to perform, which may elevate the risk of

disengagement (Aritenang, 2023). In contrast, employees in regional or rural areas often experience more stable but less dynamic job environments, which can lead to different yet equally impactful forms of disengagement (Rong et al., 2023). Despite these regional contrasts, research exploring how disengagement unfolds across urban and non-urban settings remains limited.

Leadership plays a pivotal role in shaping employee attitudes and behaviors. Empowering leadership characterized by autonomy support, encouragement, and shared decision-making has been recognized for its potential to enhance employee satisfaction and reduce disengagement (Ishfaq & Ali, 2023). At the same time, employees' psychological perceptions, such as feeling safe to express ideas (psychological safety) or being inspired by visionary leaders (transformational leadership), significantly influence how empowerment is experienced (Basit, 2021). Furthermore, job satisfaction is widely acknowledged as a buffer against disengagement, yet its strength may vary depending on the broader work context (Memon et al., 2023). Notably, few studies have examined how regional context might moderate the protective role of job satisfaction in reducing disengagement.

To address this gap, the present study develops and tests an integrated model that links psychological safety and transformational leadership to empowering leadership, which in turn enhances job satisfaction. The model further explores how job satisfaction reduces employee disengagement and how this disengagement subsequently affects innovative work behavior. A central contribution of this study lies in testing whether the negative effect of job satisfaction on disengagement is moderated by region, comparing urban and regional employees in Indonesia.

By combining leadership theory, motivational constructs, and regional analysis, this study offers both theoretical and practical contributions. It advances understanding of how contextual and psychological factors shape disengagement and innovation in diverse work settings and provides actionable insights for human resource managers seeking to strengthen employee empowerment and drive innovation across Indonesia's varied regions.

Literature Review and Hypotheses Development

Psychological Safety and Empowering Leadership

According to Edmondson (1999), psychological safety is the belief that one can take interpersonal risks at work, such as speaking up, voicing one's thoughts, or owning up to mistakes, without worrying about the repercussions. According to Deci et al. (2017), psychological safety fosters an atmosphere where workers feel competent and independent, two basic psychological requirements that fuel intrinsic motivation and engagement. This is in line with the self-determination theory. Empowering leadership, which emphasizes delegation, trust, and enabling employees to take initiative, thrives in conditions where psychological safety is present. When employees believe their input is valued and they are not at risk of punishment for voicing concerns or taking initiative, they are more likely to respond positively to empowering behaviors from their leaders. Prior empirical studies have found that psychological safety significantly enhances the effectiveness of empowering leadership by encouraging proactive communication, collaboration, and mutual trust (Newman et al., 2017). Accordingly, this study proposes the following hypothesis:
H1: Psychological safety positively influences empowering leadership.

Transformational Leadership and Empowering Leadership

According to Bakker et al. (2023), transformational leadership is a leadership style that inspires and motivates followers by inspiring a compelling vision, showing individual consideration, promoting intellectual stimulation, and acting as a role model. Leaders who display transformational behaviors encourage staff members to look beyond their interests and align with the larger objectives of the company. This style of leadership is closely aligned with empowering leadership, as both emphasize trust-building, autonomy, and the development of followers. According to social exchange theory (Blau, 2017), transformational leaders foster high-quality relationships characterized by mutual respect and obligation, which increases the likelihood of followers feeling empowered. When employees perceive that their leader supports their growth and values their input, they are more

inclined to take ownership of their work and exhibit empowered behavior. Empirical research supports the positive linkage between transformational leadership and empowering leadership, suggesting that transformational leaders are more likely to adopt empowering practices, such as delegating authority and encouraging independent decision-making (Kark et al., 2003; Krishnan, 2012). Therefore, the following hypothesis is proposed:

H_2: Transformational leadership positively influences empowering leadership.

Empowering Leadership and Job Satisfaction

Enhancing the significance of work, encouraging participation in decision-making, demonstrating confidence in high performance, and offering autonomy and growth possibilities are all components of an empowering leadership style (Audenaert et al., 2020; Bolin, 1989). This leadership style very effectively promotes positive staff attitudes and results. According to the social exchange theory (Blau, 2017), workers are more likely to respond with more dedication and job satisfaction when they believe their leaders have empowered them via autonomy, support, and trust. According to self-determination theory (Deci et al., 2017), empowering leadership meets basic psychological requirements for autonomy, competence, and relatedness. This increases intrinsic motivation and positive affect toward one's work. Empirical evidence supports the strong link between empowering leadership and job satisfaction, suggesting that employees who are given responsibility, decision-making power, and developmental opportunities are more engaged and content in their roles (Ishfaq & Ali, 2023; Syafriani et al., 2025). Thus, this study posits the following hypothesis:

H_3: Empowering leadership positively influences job satisfaction.

Job Satisfaction and Employee Disengagement

Job satisfaction reflects an employee's overall affective evaluation of their work experience, encompassing perceptions of job content, workplace conditions, interpersonal relationships, and rewards (Akgunduz et al., 2018). High job satisfaction is typically associated with greater motivation, organizational commitment, and engagement, while low satisfaction has been linked to withdrawal behaviors such as absenteeism, turnover intention, and disengagement. Employee disengagement refers to a psychological detachment from one's work, characterized by minimal effort, reduced emotional involvement, and a lack of initiative, commonly discussed today in the context of "quiet quitting" (Yıldız, 2023). According to the job demands–resources (JD-R) model (Bakker & De Vries, 2021), job satisfaction acts as a personal resource that can mitigate the effects of job demands, including stress and burnout, thereby preventing disengagement. When employees are satisfied with their roles, they are more likely to remain cognitively and emotionally invested in their work. Empirical studies confirm that job satisfaction significantly reduces the likelihood of disengagement, as satisfied employees are more resilient and motivated to contribute beyond minimum expectations (Sonnentag et al., 2012; Zhenjing et al., 2022). Based on this theoretical and empirical foundation, the following hypothesis is proposed:

H_4: Job satisfaction negatively influences employee disengagement.

The Moderating Role of Region in the Job Satisfaction–Employee Disengagement Relationship

While job satisfaction is widely acknowledged as a protective factor against disengagement, the strength of this relationship may be contingent upon contextual variables such as geographic region. In countries like Indonesia, urban and regional areas differ significantly in terms of work culture, job stress, organizational resources, and employee expectations. Urban areas, such as Jakarta and Surabaya, are typically characterized by fast-paced work environments, higher competition, and elevated job demands (Aritenang, 2023; Wang & Oscar, 2024). These conditions may dilute the positive effects of job satisfaction, as even satisfied employees can become overwhelmed by persistent pressure and disengage over time. In contrast, regional areas often feature more stable job structures and community-oriented cultures, which may enhance the

buffering effect of job satisfaction against disengagement (Irwan et al., 2025; Rong et al., 2023). Drawing on the job demands–resources theory, it can be argued that in high-demand contexts like big cities, personal resources such as satisfaction may be insufficient to counteract disengagement. In contrast, in lower-pressure regional environments, their impact may be stronger. Therefore, this study introduces region as a moderating variable and proposes the following hypothesis:

H_5: The negative relationship between job satisfaction and employee disengagement is moderated by region, such that the relationship is weaker in urban areas than in regional areas.

Employee Disengagement and Innovative Work Behavior

Innovative work behavior (IWB) refers to the intentional generation, promotion, and implementation of new ideas aimed at improving individual or organizational performance (Utomo et al., 2023). It is a proactive, discretionary behavior that goes beyond routine job requirements, often driven by intrinsic motivation and positive affect toward one's work. In contrast, employee disengagement is characterized by emotional detachment, lack of motivation, and a minimalistic approach to job performance behaviors that are inherently misaligned with innovation. Disengaged employees are less likely to exert the cognitive and emotional effort needed for creativity, risk-taking, and problem-solving (Afrahi et al., 2022). According to the broaden-and-build theory of positive emotions (Johnson et al., 2021), employees who are psychologically invested in their work are more likely to engage in exploration and innovation. Empirical evidence supports a strong negative relationship between disengagement and innovation, with disengaged employees exhibiting reduced initiative and lower contributions to organizational learning (Afrahi et al., 2022; Sonnentag et al., 2012). As disengagement signals a withdrawal from meaningful participation at work, it is expected to suppress employees' willingness and capacity to engage in innovative behavior. Therefore, the following hypothesis is proposed:

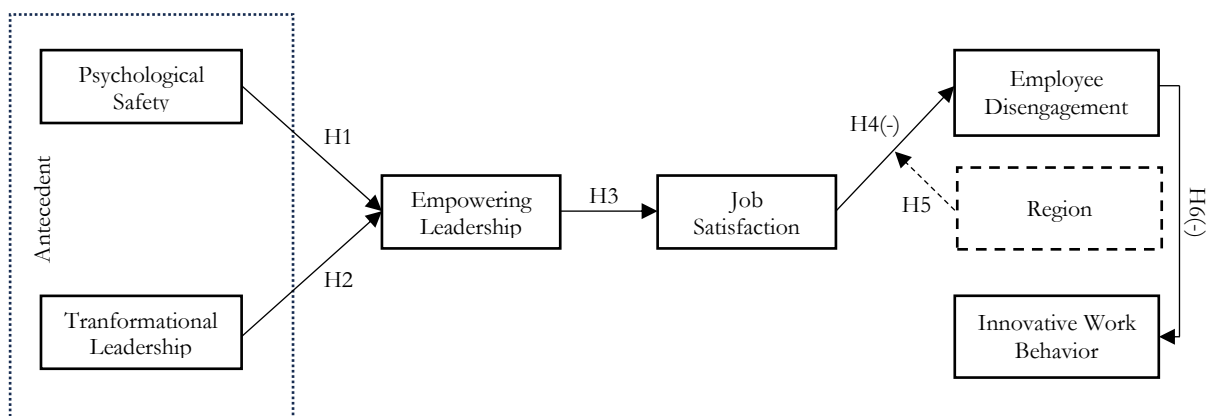H_6: Employee disengagement negatively influences innovative work behavior.

Figure 1. Research Model

Research Methods

To examine the connections among psychological safety, transformational leadership, empowering leadership, job happiness, employee disengagement, and innovative work behavior, this study uses a quantitative research methodology with a cross-sectional approach. The study also looks at how regional urban vs regional settings modify the association between employee disengagement and job satisfaction. Employees from a variety of Indonesian sectors participated in an offline and online survey to gather data.

Purposive sampling was used to collect 500 valid replies, with an equal distribution of employees working in regional areas (e.g., Central Java, West Nusa Tenggara, and Sulawesi) and metropolitan areas (e.g., Jakarta, Surabaya). Participants had to be full-time workers with at least six months of work experience in order to be eligible. A binary moderator was used to code the regional variable, with 1 denoting urban respondents and 0 denoting regional respondents.

The survey was divided into two sections: construct-specific scales and demographic information. The established and validated items used to measure each component were modified from earlier research and were scored on a 7-point Likert scale, with 1 denoting "strongly disagree" and 7 denoting "strongly agree". Four to five items that have shown excellent validity and reliability in previous studies were included in each variable. Table 1 displays the measurement items for each construct along with the corresponding sources.

Table 1. Measurement Items

Construct	Example Item	Source(s)
Psychological Safety	I feel safe to take a risk in this organization. I can freely express my ideas without fear of negative consequences. I feel comfortable asking questions in my team. I am not afraid to voice dissenting opinions.	Basit (2021)
Transformational Leadership	My supervisor communicates a clear and compelling vision. My supervisor considers my individual needs and aspirations. My supervisor encourages me to think creatively. My supervisor acts as a role model for innovation.	Bakker et al. (2023)
Empowering Leadership	My manager allows me to make important decisions about my work. My supervisor gives me the freedom to solve problems on my own. I am encouraged to take initiative in my work. My supervisor provides opportunities for me to develop my skills. I have significant influence over how I perform my tasks.	Audenaert et al. (2020)
Job Satisfaction	I feel satisfied with my current job responsibilities. I am generally content with the kind of work I do. I find my work meaningful and fulfilling. I feel positive about coming to work every day. My job meets most of my expectations.	Hatidja et al. (2024)
Employee Disengagement	I only do what is required at work and nothing more. I rarely go beyond my basic job responsibilities. I try to avoid taking on additional tasks or challenges. I am emotionally detached from my work.	Afrahi et al. (2022)
Innovative Work Behavior	I actively seek new ideas to improve work performance. I often suggest new procedures to improve effectiveness. I explore new technologies or tools to help my work. I find opportunities to innovate in my daily tasks.	Utomo et al. (2023)

Partial least squares structural equation modeling (PLS-SEM) with SmartPLS 4.0 was used to analyze the data. The measurement model and structural model were assessed as part of the two-step analytical procedure. Composite reliability, Cronbach's alpha, average variance extracted (AVE), and discriminant validity using the HTMT ratio were used to evaluate the measurement model. Using bootstrapping with 5,000 samples, the structural model study looked at path coefficients, t-values, and significance levels. Additionally, to determine whether regional context affected the strength of its association with employee disengagement, a moderation analysis was performed by adding an interaction term between job satisfaction and region.

The study was conducted with complete adherence to ethical norms. All respondents gave their informed consent, and participation was entirely voluntary. The university's institutional review board ethically approved the study, and confidentiality and anonymity were guaranteed.

Results and Discussion

Descriptive Statistics

Table 2 presents the demographic characteristics of the 500 respondents, equally distributed between employees working in big cities (n = 250) and those in regional areas (n = 250). Most participants were aged between 26–30 (n = 170) and 31–40 (n = 110), suggesting the sample primarily consists of early to mid-career employees. In terms of educational background, 54% of respondents held a college degree or higher, while 46% had secondary education. The gender distribution was nearly balanced, with 230 male and 270 female respondents.

Table 2. Respondent Profile

Demographic Characteristics	Big City	Regional Area
Ages (years old)		
21-25	50	60
26-30	90	80
31-40	60	50
41-50	40	40
51-55	10	20
Education Background		
College Degree or Higher	150	120
Secondary Education	100	130
Gender		
Male	120	110
Female	130	140
Tenure		
Less than 1 year	90	18
1-3 years	180	36
4-6 years	140	28
More than 6 years	90	18
Job Status		
Full-time	420	84
Part-time	80	16
Organization Type		
Private	250	50
Public	150	30
SOE	100	20

Source: data processed, 2025

Regarding tenure, the largest group had worked for 1–3 years (n = 216), followed by those with more than six years (n = 108), indicating a well-diversified representation in terms of organizational experience. The majority of participants were full-time employees (n = 420), while part-time workers comprised a smaller share (n = 80). In terms of organizational affiliation, 50% of respondents were employed in private organizations, followed by 30% in public institutions and 20% in state-owned enterprises (SOEs). This distribution reflects a broad spectrum of employment settings, enhancing the generalizability of the findings across different sectors in Indonesia.

Table 3. Descriptive Statistics

Constructs	Mean	Standard Deviation	Minimum	Maximum
Psychological Safety	5.42	0.87	2	7
Transformational Leadership	5.58	0.78	3	7
Empowering Leadership	5.35	0.84	2	7
Job Satisfaction	5.61	0.76	3	7
Employee Disengagement	3.12	1.01	1	6
Innovative Work Behavior	5.47	0.82	2	7

Source: data processed, 2025

Table 3 provides the descriptive statistics for all latent constructs used in the model. Respondents reported relatively high levels of psychological safety (M = 5.42, SD = 0.87), transformational leadership (M = 5.58, SD = 0.78), and empowering leadership (M = 5.35, SD = 0.84). These values suggest a generally positive perception of leadership practices and interpersonal safety across both urban and regional samples.

Job satisfaction was also reported at a high level (M = 5.61, SD = 0.76), indicating that most employees were content with their current roles and responsibilities. Conversely, the mean score for employee disengagement was considerably lower (M = 3.12, SD = 1.01), reflecting a moderate level of emotional withdrawal or "quiet quitting" tendencies. The mean for innovative work behavior stood at 5.47 (SD = 0.82), suggesting that employees generally engaged in discretionary efforts to generate and apply novel ideas in the workplace.

Collectively, these statistics suggest that while employees across Indonesia perceive supportive and empowering leadership and exhibit strong satisfaction and innovation tendencies, disengagement remains an area of concern, particularly in high-pressure urban environments, which is further examined in the moderation analysis.

Measurement Model Assessment

Individual item loadings, internal consistency reliability (Cronbach's alpha and Composite Reliability), and convergent validity (Average Variance Extracted or AVE) for each concept are among the findings of the measurement model evaluation presented in Table 4.

Table 4. Loading Factors, Reliability, and Validity

Construct	Item Code	Loading	Cronbach's Alpha	CR	AVE
Psychological Safety	PS1	0.78	0.84	0.89	0.62
	PS2	0.82			
	PS3	0.81			
	PS4	0.85			
Transformational Leadership	TL1	0.8	0.87	0.91	0.67
	TL2	0.83			
	TL3	0.85			
	TL4	0.87			
Empowering Leadership	EL1	0.76	0.88	0.92	0.68
	EL2	0.79			
	EL3	0.82			
	EL4	0.85			
	EL5	0.88			
Job Satisfaction	JS1	0.79	0.86	0.90	0.65
	JS2	0.81			
	JS3	0.84			
	JS4	0.85			
	JS5	0.86			
Employee Disengagement	ED1	0.74	0.82	0.87	0.58
	ED2	0.77			
	ED3	0.79			
	ED4	0.83			
Innovative Work Behavior	IWB1	0.81	0.85	0.90	0.69
	IWB2	0.84			
	IWB3	0.86			
	IWB4	0.88			

Source: data processed, 2025

All item loadings exceeded the recommended threshold of 0.70 (Hair et al., 2019), indicating a strong correlation between each item and its underlying construct. Specifically, loadings for psychological safety ranged from 0.78 to 0.85, for transformational leadership from 0.80 to

0.87, and for empowering leadership from 0.76 to 0.88. job satisfaction items loaded between 0.79 and 0.86, employee disengagement items between 0.74 and 0.83, and innovative work behavior items between 0.81 and 0.88. These results confirm that all indicators contribute meaningfully to their respective constructs.

In terms of reliability, all constructs achieved Cronbach's alpha values above the threshold of 0.70, with values ranging from 0.82 to 0.88. Similarly, composite reliability (CR) scores ranged from 0.87 to 0.92, exceeding the acceptable minimum of 0.70, which confirms strong internal consistency for all measurement scales.

The model also demonstrated acceptable convergent validity, with AVE values above the recommended threshold of 0.50 for all constructs. Specifically, AVE scores ranged from 0.58 (employee disengagement) to 0.69 (innovative work behavior), indicating that their respective latent variables captured the majority of the variance in the observed indicators.

Collectively, these results confirm that the measurement model demonstrates robust reliability and convergent validity, supporting the use of these constructs in the structural model analysis.

Table 5. Heterotrait-Monotrait Ratio (HTMT)

Construct	PS	TL	EL	JS	ED	IWB
Psychological Safety	-					
Transformational Leadership	0.62	-				
Empowering Leadership	0.68	0.70	-			
Job Satisfaction	0.60	0.65	0.72	-		
Employee Disengagement	0.45	0.48	0.50	0.58	-	
Innovative Work Behavior	0.51	0.56	0.59	0.66	0.47	-

Source: data processed, 2025

Table 5 shows that all HTMT values are below the recommended threshold of 0.85, indicating adequate discriminant validity among the constructs. This means that each variable—such as psychological safety, empowering leadership, and job satisfaction—measures a distinct concept and is not overly similar to others in the model. The HTMT values ranged from 0.45 to 0.72, which confirms that the constructs are empirically distinct and suitable for inclusion in the structural model.

Structural Model Evaluation

Several PLS-based goodness-of-fit indices were examined to assess the model's overall fit (see Table 6). A strong model fit was shown by the Standardized Root Mean Square Residual (SRMR), which was 0.062, below the suggested cutoff of 0.08. The suggested model appears to perform better than the null model, as evidenced by the Normed Fit Index (NFI) of 0.91, which exceeded the benchmark of 0.90. Furthermore, the overall model structure is sufficient for hypothesis testing, as evidenced by the Root Mean Square Theta (RMS_Theta) value of 0.102 falling within the acceptable range (≤ 0.12), and the Goodness of Fit (GoF) score of 0.47 surpassing the threshold for large model fit (≥ 0.36).

Table 6. Fit Index

| Fit Index	Value	Threshold/Interpretation
Standardized Root Mean Square Residual	0.062	Acceptable if < 0.08
Normed Fit Index	0.91	Acceptable if > 0.90
Chi-Square	945.34	Lower is better
Root Mean Square Theta	0.102	Acceptable if < 0.12
Goodness of Fit	0.47	Indicates large fit

Source: data processed, 2025

The results of the path coefficient analysis are presented in Table 7. All five direct hypotheses (H1–H4, H6) were statistically supported. Psychological safety significantly and positively influenced empowering leadership (β = 0.33, t = 5.12, p < 0.001), supporting H1, while transformational leadership also had a strong positive effect on empowering leadership (β = 0.41, t = 6.03, p < 0.001), confirming H2. In turn, empowering leadership positively influenced job satisfaction (β = 0.46, t = 7.20, p < 0.001), supporting H3. As expected, job satisfaction was found to reduce employee disengagement significantly (β = –0.38, t = 4.87, p < 0.001), validating H4. Lastly, employee disengagement negatively influenced innovative work behavior (β = –0.42, t = 6.55, p < 0.001), providing support for H6 and confirming that disengaged employees are less likely to engage in discretionary, innovation-driven behaviors.

Table 7. Path Analysis

Hypothesis	Path	Coefficient	t-value	p-value	Decision
H1	Psychological Safety → Empowering Leadership	0.33	5.12	0.000	Supported
H2	Transformational Leadership → Empowering Leadership	0.41	6.03	0.000	Supported
H3	Empowering Leadership → Job Satisfaction	0.46	7.20	0.000	Supported
H4	Job Satisfaction → Employee Disengagement	-0.38	4.87	0.000	Supported
H6	Employee Disengagement → Innovative Work Behavior	-0.42	6.55	0.001	Supported

Source: data processed, 2025

To examine the moderating role of region (urban vs. regional) on the relationship between job satisfaction and employee disengagement, a moderation analysis was conducted. The interaction effect is illustrated in Figure 2, which shows that the negative relationship between job satisfaction and disengagement is stronger in regional areas than in urban areas. Specifically, employees in regional contexts who report higher job satisfaction also exhibit markedly lower levels of disengagement. In contrast, this protective effect of satisfaction is weaker among urban employees, potentially due to higher job demands and workplace stressors that undermine the influence of satisfaction alone. The moderation pattern indicates that the region acts as a contextual boundary condition that shapes how job satisfaction translates into disengagement behavior.
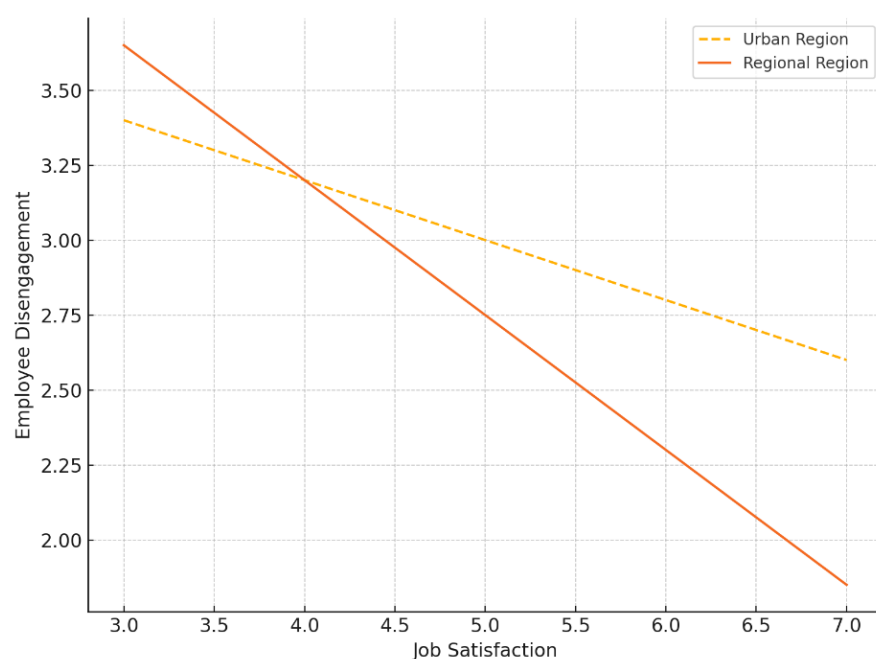
Figure 2. Interaction Effect of Region
Source: data processed, 2025

The model's explanatory power is further evidenced by the R^2 values reported in Table 8. Empowering leadership, as explained by psychological safety and transformational leadership, achieved an R^2 of 0.52, indicating moderate predictive accuracy. Job satisfaction, predicted by empowering leadership, yielded an R^2 of 0.54. Employee disengagement, influenced by job satisfaction and the interaction term with region, had an R^2 of 0.47. Finally, innovative work behavior explained by disengagement achieved an R^2 of 0.45. These values, all within the moderate range based on Cohen's (1988) classification, confirm that the model explains a meaningful portion of variance in each of the dependent variables.

Table 8. R-Squared

Endogenous Construct	R^2 Value	Interpretation
Empowering Leadership	0.52	Moderate
Job Satisfaction	0.54	Moderate
Employee Disengagement	0.47	Moderate
Innovative Work Behavior	0.45	Moderate

Source: data processed, 2025

Collectively, the results suggest that leadership dynamics, satisfaction levels, and contextual differences significantly shape disengagement and innovation outcomes in Indonesian workplaces. The findings also highlight the importance of considering regional context in engagement-related interventions, especially in developing country settings where urban and rural work conditions diverge considerably.

Discussion

The findings of this study offer meaningful insights into the mechanisms that influence employee disengagement and innovative work behavior within the Indonesian context. Consistent with prior literature, the results confirm that psychological safety and transformational leadership significantly enhance empowering leadership, which in turn promotes job satisfaction and mitigates employee disengagement. These relationships align with existing research grounded in self-determination theory and social exchange theory, which suggest that employees are more engaged and satisfied when they feel supported, autonomous, and psychologically secure (Deci et al., 2017; Joo et al., 2023; Singh, 2023).

The positive relationship between psychological safety and empowering leadership supports earlier studies, which emphasized that safe work environments enable employees to interact openly and engage more confidently with leadership (Joo et al., 2023; Singh, 2023). Similarly, the finding that transformational leadership predicts empowering leadership echoes the work of Amundsen and Martinsen (2014), who found that transformational leaders often employ empowerment strategies to build employee capability and motivation. However, unlike studies in Western contexts that predominantly link transformational leadership to direct performance outcomes (Magasi, 2021; Qalati et al., 2022), this study reinforces its indirect impact specifically, through the mediation of empowering leadership.

The significant effect of empowering leadership on job satisfaction further confirms previous findings (Abun et al., 2021; Dağlı & Kalkan, 2021), indicating that employees feel more satisfied when given autonomy, responsibility, and developmental opportunities. However, what makes this study unique is the subsequent demonstration of how job satisfaction influences disengagement, and how this relationship varies by regional context. While the negative link between job satisfaction and disengagement is well-supported in the literature (Galvan-Vela et al., 2021), the moderating role of region presents a novel contribution. Specifically, the data reveal that the buffering effect of job satisfaction on disengagement is significantly stronger in regional areas compared to urban settings.

This contextual nuance contributes to ongoing debates around whether engagement and disengagement mechanisms are universal or context-specific (Bergdahl, 2022). In contrast to studies conducted in high-income, urban-centric settings where satisfaction often strongly predicts

engagement (Ochoa-Rico et al., 2024), this research suggests that in urban Indonesian workplaces, job satisfaction alone may not be sufficient to prevent disengagement due to overwhelming job demands, competitive environments, and reduced work-life balance (Aritenang, 2023; Wang & Oscar, 2024). This finding aligns with region-specific studies like those of Rong et al. (2023), which observed stronger social cohesion and leader-employee trust in less urbanized areas, likely contributing to the stronger satisfaction disengagement link in those settings.

Finally, the significant negative relationship between employee disengagement and innovative work behavior underscores the well-established notion that disengaged employees are less likely to exhibit creativity, initiative, or idea-sharing behavior (Koroglu & Ozmen, 2022; Utomo et al., 2023). However, while many innovation studies focus primarily on the role of leadership or organizational culture (Alam, 2025; Jamaluddin, 2025; Ortega & Acero, 2025), this study adds value by highlighting disengagement as a behavioral inhibitor of innovation, a relationship that has been relatively underexplored in Southeast Asian contexts.

In sum, this study affirms several established theories while also offering new contextual insights, especially regarding regional differences in disengagement dynamics. The integration of empowering leadership and psychological safety as upstream factors, and innovative behavior as a downstream outcome, provides a holistic view of how leadership and satisfaction interact across diverse Indonesian workplaces. The findings suggest that employee disengagement is not merely an individual issue but a context-driven phenomenon that requires localized understanding and management strategies.

Implication and Conclusion

This study examined the interplay between psychological safety, transformational leadership, empowering leadership, job satisfaction, employee disengagement, and innovative work behavior in the Indonesian workplace context. By incorporating regional context (urban vs. regional) as a moderating factor, the study offers a nuanced understanding of how leadership and satisfaction mechanisms operate differently across geographic settings. The findings confirm that psychological safety and transformational leadership significantly enhance empowering leadership, which in turn promotes job satisfaction and reduces disengagement. Furthermore, disengagement was shown to inhibit innovative work behavior significantly. Notably, the protective effect of job satisfaction on disengagement was stronger in regional areas than in urban areas, highlighting the contextual variability of employee experiences.

From a theoretical standpoint, the study enriches the literature by extending self-determination theory and social exchange theory into a Southeast Asian context, demonstrating that empowering leadership and psychological safety serve as critical antecedents to satisfaction and innovation. It also contributes to the growing body of research emphasizing the need to contextualize employee behavior by showing how regional settings can shape the effectiveness of engagement strategies.

In terms of practical implications, the study suggests that managers and HR practitioners in Indonesia should not adopt a one-size-fits-all approach to engagement and innovation strategies. In urban environments, where job stress is typically higher, simply improving job satisfaction may not be sufficient to reduce disengagement. Here, additional interventions such as workload management, mental health support, or flexible work arrangements may be necessary. Conversely, in regional settings, strengthening employee satisfaction appears to be a more powerful tool in preventing disengagement. The study also underscores the importance of cultivating empowering leadership through training and organizational culture initiatives to enhance satisfaction and innovation outcomes across all contexts.

Despite its contributions, this study is not without limitations. The use of a cross-sectional design limits the ability to draw causal inferences between variables. All data were collected through self-reported measures, raising the potential for common method bias despite efforts to ensure anonymity and reduce response bias. Additionally, while the sample was diverse in terms of region and sector, it was limited to Indonesian employees, which may restrict the generalizability of the findings to other national contexts.

Future research could address these limitations by employing longitudinal or experimental designs to examine how leadership styles and satisfaction evolve. It would also be valuable to replicate this study in other emerging economies or multicultural contexts to determine whether regional moderation effects are consistent across different cultural and institutional settings. Finally, further studies could explore additional contextual variables such as organizational culture, remote work conditions, or industry-specific stressors that may interact with job satisfaction and leadership to influence disengagement and innovation.

In conclusion, this study highlights the importance of empowering leadership and psychological safety in shaping positive employee outcomes while drawing attention to the critical role of regional context. By doing so, it provides both theoretical and practical contributions that are especially relevant for organizations operating in diverse and rapidly changing environments such as Indonesia.

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