

THE IMPACT OF EMPOWERING LEADERSHIP ON ORGANIZATIONAL COMMITMENT: THE MEDIATING ROLES OF PSYCHOLOGICAL EMPOWERMENT AND INTRINSIC MOTIVATION

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Abstract:

This study examines the effects of empowering leadership on organizational commitment through psychological empowerment and intrinsic motivation. Using a two-stage PLS-SEM analysis of data from 261 employees in Ho Chi Minh City, the results show that empowering leadership strongly enhances psychological empowerment ($\beta = 0.712$) and directly increases organizational commitment ($\beta = 0.176$). Psychological empowerment also positively affects intrinsic motivation ($\beta = 0.608$) and organizational commitment ($\beta = 0.420$). However, the direct effects of empowering leadership on intrinsic motivation and of intrinsic motivation on commitment are not significant. Psychological empowerment serves as a complementary mediator, whereas mediation through intrinsic motivation is not supported. No significant differences are found across demographic groups.

Keywords: *empowering leadership, psychological empowerment, intrinsic motivation, organizational commitment, PLS-SEM.*

Tác động của lãnh đạo trao quyền đến cam kết tổ chức: Vai trò trung gian của trao quyền tâm lý và động lực nội tại

Tóm tắt:

Nghiên cứu xem xét cách thức lãnh đạo trao quyền tác động đến cam kết tổ chức của nhân viên và làm rõ vai trò trung gian của trao quyền tâm lý và động lực nội tại. Trao quyền tâm lý được mô hình hóa như một biến bậc cao gồm 04 thành phần, ước lượng bằng phương pháp PLS-SEM hai giai đoạn trên 261 nhân viên tại các doanh nghiệp tại TP. Hồ Chí Minh. Kết quả cho thấy lãnh đạo trao quyền tác động mạnh đến trao quyền tâm lý ($\beta = 0,712$) và cam kết tổ chức ($\beta = 0,176$); trao quyền tâm lý tác động đến cả động lực nội tại ($\beta = 0,608$) và cam kết tổ chức ($\beta = 0,420$), trong khi tác động trực tiếp của lãnh đạo trao quyền đến động lực nội tại và của động lực nội tại đến cam kết tổ chức đều không có ý nghĩa thống kê. Trao quyền tâm lý là trung gian bổ sung giữa lãnh đạo trao quyền và cam kết tổ chức, còn vai trò trung gian qua động lực nội tại không được ủng hộ, và không có khác biệt giữa các nhóm nhân khẩu học. Nghiên cứu đề xuất các hàm ý quản trị nhằm phát triển lãnh đạo trao quyền.

Từ khóa: *lãnh đạo trao quyền, trao quyền tâm lý, động lực nội tại, cam kết tổ chức, PLS-SEM.*

1. Introduction

In an increasingly competitive labor market, enhancing employees' organizational commitment - linked to lower turnover, higher productivity, and long-term retention - is a top priority for managers, and a leader's style is among its key antecedents. This challenge is particularly pronounced in Ho Chi Minh City - Vietnam's largest economic engine - where high enterprise density and intense rivalry for talent drive elevated job mobility, making it a critical and practically meaningful context to examine employee retention.

Empowering leadership - emphasizing power-sharing, autonomy, participation, and development - has drawn growing attention, yet how it translates into organizational commitment remains underexplored, especially in Vietnam. Psychological empowerment theory (Thomas & Velthouse, 1990; Spreitzer, 1995) and self-determination theory (Deci & Ryan, 1985) suggest this influence operates indirectly through employees' internal states.

The study aims to: (i) test the direct effect of empowering leadership on organizational commitment; (ii) clarify the mediating roles of psychological empowerment and intrinsic motivation; and (iii) assess the model's stability across demographic groups, conceptualizing psychological empowerment as a four-dimension higher-order construct estimated via two-stage PLS-SEM.

2. Theoretical background and research methods

2.1. Research concepts

Empowering Leadership (EL) is a set of leader behaviors that share power and enhance subordinates' autonomy and responsibility - leading by example, encouraging participation in decision-making, coaching, informing, and caring about development (Ahearne et al., 2005; Amundsen & Martinsen, 2014).

Psychological Empowerment (PE) is an intrinsic motivational state reflecting a positive orientation toward one's work role, comprising four dimensions - meaning, competence, self-determination, and impact (Spreitzer, 1995). Here PE is modeled as a reflective-reflective higher-order construct.

Intrinsic Motivation (IM) is the degree to which an individual performs work out of inherent interest and satisfaction rather than external rewards (Deci & Ryan, 1985; Ryan & Deci, 2000).

Organizational Commitment (OC) reflects employees' psychological attachment to and desire to remain in the organization (Meyer & Allen, 1991); this study focuses on affective commitment.

2.2. Hypothesis development

Empowering leadership and psychological empowerment. When leaders share power, grant autonomy, and express confidence, subordinates perceive work as more meaningful and feel competent and heard. Thus:

H1: Empowering leadership positively affects psychological empowerment.

Empowering leadership and organizational commitment. Empowering behaviors build a respectful, trusting, supportive environment that strengthens affective attachment. Thus:

H2: Empowering leadership positively affects organizational commitment.

Empowering leadership and intrinsic motivation. Granting autonomy and development opportunities is expected to spark intrinsic interest in the work. Thus:

H3: Empowering leadership positively affects intrinsic motivation.

Psychological empowerment, intrinsic motivation, and organizational commitment. PE is a source of intrinsic motivation and positive attitudes, and IM is expected to foster commitment. Thus:

H4: Psychological empowerment positively affects organizational commitment.

H5: Psychological empowerment positively affects intrinsic motivation.

H6: Intrinsic motivation positively affects organizational commitment.

Mediating roles. The effect of empowering leadership on commitment is expected to operate partly through psychological empowerment and intrinsic motivation. Thus:

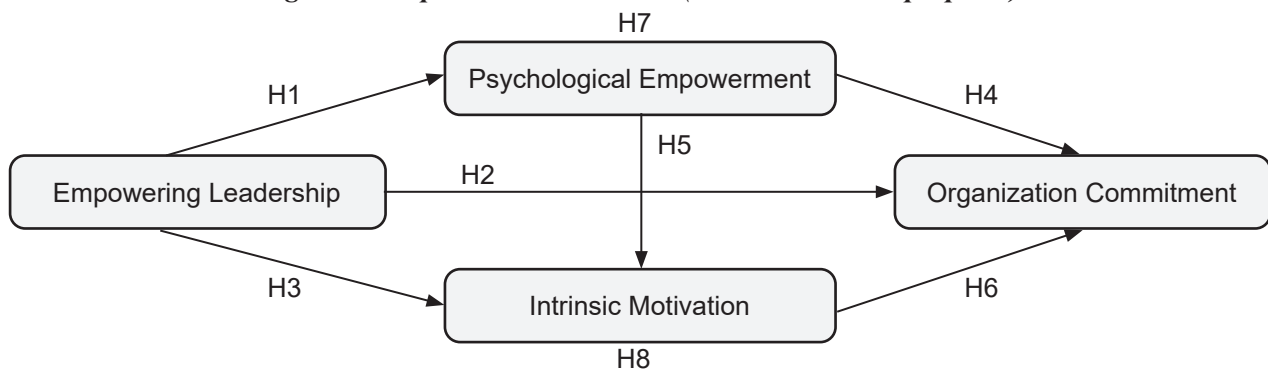
H7: Psychological empowerment mediates the relationship between empowering leadership and organizational commitment.

H8: Intrinsic motivation mediates the relationship between empowering leadership and organizational commitment.

2.3. Research model

The model positions empowering leadership as the independent variable; psychological empowerment and intrinsic motivation as mediators; and organizational commitment as the dependent variable (Figure 1).

Figure 1. Proposed research model (Source: Authors' proposal)



2.4. Measurement scales

All constructs used 7-point Likert scales adapted from validated studies: empowering leadership (12 items, EL1-EL12); psychological empowerment (12 items across four dimensions - meaning, competence, self-determination, impact); intrinsic motivation (3 items, IM1-IM3); and organizational commitment (6 items, OC1-OC6).

2.5. Sample and data collection

Respondents were employees at enterprises in Ho Chi Minh City. Ho Chi Minh City was chosen as the study context because it is Vietnam's primary economic hub with a highly dynamic, competitive labor market and high job mobility. In this challenging environment, employee retention is a pressing issue for firms, making the city an ideal site to investigate mechanisms that enhance organizational commitment.

Non-probability convenience sampling with snowballing was used. The 7-point Likert questionnaire was distributed in person and online (Google Forms) from May to August 2026; after removing invalid responses, 261 valid observations remained, with demographics collected for control and multi-group analysis.

A G*Power 3.1 power analysis (Faul et al., 2009) confirms adequacy: for the endogenous variable with the most predictors (organizational commitment, three predictors) at $\alpha = 0.05$ and $f^2 = 0.15$, $N = 261$ yields power above 0.99; the smallest MGA subgroup ($N = 84$) still exceeds 0.85.

2.6. Analytical method

PLS-SEM was estimated in SmartPLS version 3.0. As psychological empowerment is a reflective–reflective higher-order construct, a two-stage approach was used: stage-one lower-order latent scores became indicators of the higher-order PE construct in stage two (Sarstedt et al., 2019; Becker et al., 2012). The measurement model was assessed for reliability and validity; the structural model via R^2 , path coefficients, and bootstrapping (5,000 subsamples), with PLS-MGA for group differences.

2.7. Control variables

Income, age, and tenure were included as control variables on the endogenous constructs because prior research links them to motivation and commitment, posing a confounding risk if left uncontrolled.

(i) Income. Compensation is an important antecedent of motivation and commitment; controlling for it ensures the focal relationships are not driven by pay differences.

(ii) Age. Older employees tend to show higher affective commitment; controlling for age isolates the effect of the focal variables.

(iii) Tenure. Longer tenure implies greater investments and identification (side-bet theory), raising commitment; controlling avoids misattributing its effect.

Gender, age, and tenure also served as grouping variables in the multi-group analysis (Section 3.5) to test invariance of the structural relationships.

3. Results and discussion

3.1. Sample characteristics

The 261 respondents were predominantly female (58.4%) and over 25 (60.3%). By income, the VND 10-20M group was largest (45.4%), followed by under VND 10M (22.1%), VND 20-30M (17.6%), and over VND 30M (14.9%); by tenure, 54.0% had under 3 years and 46.0% three years or more.

For the multi-group analysis (Section 3.5), gender, age (≤ 25 : 104; > 25 : 158), and tenure (< 3 yrs: 141; ≥ 3 yrs: 120) groups were used; income was collapsed into under VND 20M (177) and VND 20M or more (84) to ensure adequate subgroup sizes.

3.2. Measurement model

All scales met reliability and convergent validity: Cronbach's Alpha and rho_A exceeded 0.7, composite reliability ranged 0.883–0.940, and AVE exceeded 0.5 (Table 1). Outer loadings ranged 0.69–0.92 and all VIFs were below 4, indicating adequate indicators and no serious multicollinearity.

Table 1. Reliability and convergent validity

Construct	Cronbach's Alpha	rho_A	Composite Reliability (CR)	Average Variance Extracted (AVE)
EL (Empowering Leadership)	0.921	0.922	0.933	0.537
IM (Intrinsic Motivation)	0.905	0.906	0.940	0.840
OC (Organizational Commitment)	0.910	0.914	0.930	0.691
PE (Psychological Empowerment)	0.824	0.824	0.883	0.655

(Source: Authors' calculation from survey data)

Discriminant validity held via the Fornell-Larcker criterion - each construct's square root of AVE exceeds its correlations with others - and HTMT, with all values below 0.85 (maximum 0.815 between EL and PE), as shown in Table 2.

Table 2. Discriminant validity (Fornell-Larcker and HTMT)

Fornell-Larcker	EL	IM	OC	PE
EL	0.733			
IM	0.523	0.916		
OC	0.487	0.396	0.831	
PE	0.712	0.672	0.560	0.809
HTMT	EL	IM	OC	PE
IM	0.570			
OC	0.529	0.434		
PE	0.815	0.778	0.641	

(Source: Authors' calculation from survey data)

As data were self-reported at one time, a full collinearity test (Kock, 2015) assessed common method

bias: all latent-variable VIFs (EL 2.142; PE 2.415; IM 1.895; OC 1.762) were below 3.3, and the SRMR was 0.058 (< 0.08 ; Hu & Bentler, 1999), indicating CMB is not a concern and good model fit.

3.3. Structural model

The model explains 50.7% of the variance in psychological empowerment, 45.5% in intrinsic motivation, and 33.0% in organizational commitment (adjusted $R^2 = 0.505, 0.451, \text{ and } 0.322$, respectively), reflecting moderate-to-substantial explanatory power.

Bootstrapping (Table 3) shows empowering leadership strongly affects psychological empowerment ($\beta = 0.712$; $t = 15.128$; $p < 0.001$) and organizational commitment ($\beta = 0.176$; $t = 2.065$; $p = 0.039$); psychological empowerment affects both intrinsic motivation ($\beta = 0.608$; $p < 0.001$) and organizational commitment ($\beta = 0.420$; $p < 0.001$). The effects of empowering leadership on intrinsic motivation ($\beta = 0.090$; $p = 0.343$) and of intrinsic motivation on commitment ($\beta = 0.022$; $p = 0.801$) are not significant. Thus H1, H2, H4, and H5 are supported; H3 and H6 are not.

Table 3. Path coefficients and hypothesis testing

Hypothesis	Path	β (O)	SD	T-value	P-value	Conclusion
H1	EL $\rightarrow$ PE	0.712	0.047	15.128	0.000	Supported
H2	EL $\rightarrow$ OC	0.176	0.085	2.065	0.039	Supported
H3	EL $\rightarrow$ IM	0.090	0.094	0.949	0.343	Not supported
H4	PE $\rightarrow$ OC	0.420	0.099	4.226	0.000	Supported
H5	PE $\rightarrow$ IM	0.608	0.088	6.933	0.000	Supported
H6	IM $\rightarrow$ OC	0.022	0.087	0.252	0.801	Not supported

(Source: Authors' calculation from survey data)

None of the control variables significantly affects organizational commitment (income $\beta = 0.042$, $p = 0.435$; age $\beta = 0.085$, $p = 0.156$; tenure $\beta = 0.061$, $p = 0.312$) or intrinsic motivation (income $\beta = 0.018$; age $\beta = -0.031$; tenure $\beta = 0.024$; all $p > 0.58$), confirming the core relationships are not confounded by demographic factors.

3.4. Mediation testing

The specific indirect effects, tested via bootstrapping, are presented in Table 4.

Table 4. Specific indirect effects

Indirect path	Coefficient	SD	T-value	P-value	Conclusion
EL $\rightarrow$ PE $\rightarrow$ OC	0.299	0.073	4.108	0.000	Significant
EL $\rightarrow$ PE $\rightarrow$ IM	0.433	0.073	5.954	0.000	Significant
EL $\rightarrow$ IM $\rightarrow$ OC	0.002	0.012	0.162	0.871	Not significant
PE $\rightarrow$ IM $\rightarrow$ OC	0.013	0.054	0.248	0.804	Not significant
EL $\rightarrow$ PE $\rightarrow$ IM $\rightarrow$ OC	0.010	0.039	0.246	0.806	Not significant

(Source: Authors' calculation from survey data)

For H7, the indirect effect EL $\rightarrow$ PE $\rightarrow$ OC = 0.299 ($t = 4.108$; $p < 0.001$) is significant; as the direct effect EL $\rightarrow$ OC ($\beta = 0.176$) is also significant, PE is a complementary partial mediator. It carries about 61% of the total effect (≈ 0.487) - the dominant pathway translating empowering leadership into commitment. H7 is supported.

For H8, EL $\rightarrow$ IM $\rightarrow$ OC = 0.002 ($p = 0.871$) is not significant, so H8 is not supported. Although

empowering leadership builds intrinsic motivation strongly but indirectly through PE ($EL \rightarrow PE \rightarrow IM = 0.433$; $p < 0.001$), this does not extend to commitment: $PE \rightarrow IM \rightarrow OC$ (0.013) and $EL \rightarrow PE \rightarrow IM \rightarrow OC$ (0.010) are not significant. The bottleneck is the $IM \rightarrow OC$ link.

3.5. Multi-group analysis (MGA)

With income collapsed into two groups (under VND 20M: 177; VND 20M or more: 84), PLS-MGA by gender, age, tenure, and income shows all between-group differences in path coefficients are non-significant ($p > 0.05$; Table 5), indicating the structural relationships are stable across demographic characteristics.

Table 5. PLS-MGA results (p-values of between-group differences)

Path	Gender (Male vs Female)	Age (≤ 25 vs > 25)	Tenure (< 3 vs ≥ 3 yrs)	Income ($< 20M$ vs $\geq 20M$)
$EL \rightarrow IM$	0.130	0.537	0.460	0.803
$EL \rightarrow OC$	0.675	0.460	0.825	0.876
$EL \rightarrow PE$	0.120	0.510	0.088	0.505
$IM \rightarrow OC$	0.873	0.086	0.334	0.410
$PE \rightarrow IM$	0.494	0.893	0.237	0.729
$PE \rightarrow OC$	0.802	0.912	0.083	0.658

(Source: Authors' calculation from survey data)

3.6. Discussion

First, psychological empowerment is the central mechanism translating empowering leadership into commitment: empowering leadership strongly shapes PE ($\beta = 0.712$), and most of its effect on commitment flows through this pathway ($\approx 61\%$ of the total), while the direct effect is smaller. This aligns with psychological empowerment theory and social exchange - employees respond to being trusted by shifting their internal state, from which attachment forms.

Second, the “intrinsic motivation paradox” (H3, H6, and H8 not supported) offers a theoretical contribution viewed through self-determination theory (SDT; Deci & Ryan, 1985).

On the $EL \rightarrow IM$ relationship (H3 not supported): empowering leadership does not directly raise intrinsic motivation ($\beta = 0.090$; $p = 0.343$) but works entirely through PE ($EL \rightarrow PE \rightarrow IM = 0.433$; $p < 0.001$). Per SDT, intrinsic motivation arises only once basic psychological needs are satisfied; a leader's external behaviors are environmental antecedents that must be internalized as PE before intrinsic interest can emerge.

On the $IM \rightarrow OC$ relationship (H6 and H8 not supported): On the $IM \rightarrow OC$ relationship (H6 and H8 not supported): intrinsic motivation does not directly drive commitment ($\beta = 0.022$; $p = 0.801$), reflecting differing targets - it is task-focused, whereas affective commitment targets the organization. An employee passionate about the work may stay motivated yet not attached to a firm, especially in Ho Chi Minh City's opportunity-rich market; it is necessary for performance but not sufficient for loyalty.

Third, the model is invariant across gender, age, tenure, and income, indicating these mechanisms are relatively universal in the Ho Chi Minh City workforce, so implications apply uniformly. Theoretically, the study positions psychological empowerment as the dominant mediator over intrinsic motivation and shows the value of the two-stage higher-order approach.

4. Conclusion

This study clarifies how empowering leadership affects organizational commitment, with psychological empowerment as the key mediator and intrinsic motivation showing no mediating role in this context. Modeling PE as a higher-order construct via the two-stage approach more accurately reflects its multidimensional nature.

Managerial implications

First, developing empowering leadership is the most effective lever, most strongly driving PE ($\beta = 0.712$). Firms should embed empowering competence in manager selection, training, and evaluation - sharing information, delegating, leading by example, coaching rather than ordering, and recognizing contributions.

Second, psychological empowerment should anchor engagement strategy as the dominant pathway. Interventions should target all four dimensions: meaning (connect tasks to mission), competence (training, feedback, mastery), self-determination (autonomy, less micromanagement), and impact (voice and visible outcomes).

Third, sparking task interest alone will not retain employees, since intrinsic motivation does not automatically convert into commitment. Firms need organization-level levers - perceived support, fairness in rewards and opportunities, clear career paths, timely recognition, and a strong culture and identity.

Fourth, intrinsic motivation still matters in itself, being tied to effort, performance, creativity, and well-being; the challenge is to bridge it to commitment through the policies above, narrowing the gap that risks losing talented but mobile employees.

Fifth, since the mechanisms do not differ significantly across gender, age, and tenure, empowerment and engagement programs can be rolled out uniformly rather than tailored by demographic group, saving resources and ensuring consistency.

Limitations and future research

The study uses cross-sectional data, limiting causal inference, and its context and sample size constrain generalizability. Future research should use longitudinal data, broaden the context, and clarify when intrinsic motivation fails to translate into commitment ■

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