

# The Impact of Authentic Leadership on Employee Engagement through Employee-Organization Relations

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DOI: <https://doi.org/10.56707/ijoer.v3i1.100>

## Sections Info

### Keywords:

Authentic Leadership  
Employee-Organization  
Relationships  
Employee Engagement

## ABSTRACT

**Objective:** This study aims to analyze the influence of authentic leadership on employee engagement through employee and organizational relationships. **Method:** The sample used in this study was 85 employees of a telecommunications company in Surabaya. The analysis technique used in this study is Partial Least Square assisted by the use of the software SmartPLS3.0. **Results:** The results of this study indicate that authentic leadership has a significant positive effect on employee engagement, authentic leadership has a significant positive effect on employee-organization relationship, employee-organization relationship has a significant positive effect on employee engagement, and authentic leadership has a significant positive effect on employee engagement through employee-organization relationship. **Novelty:** The novelty of this study lies in its emphasis on the indirect effect of authentic leadership through employee-organization relationships, providing deeper insights into how leadership styles can foster employee engagement. These findings contribute to the existing body of knowledge on leadership and human resource management, offering practical implications for organizations aiming to improve employee commitment and motivation through effective leadership strategies.

## INTRODUCTION

Employee engagement has become a critical aspect of organizational success, affecting both individual performance and overall company productivity. Organizations across industries continue to look for ways to improve employee commitment and motivation, as engaged employees demonstrate higher levels of job satisfaction, lower employee turnover rates, and increased organizational citizenship behaviors (Saks, 2021). Authentic leadership has been widely recognized as a key factor in fostering employee engagement, as it emphasizes self-awareness, relational transparency, balanced processing, and internalized moral perspective (Gardner et al., 2021). Recent studies have reinforced the positive impact of authentic leadership on employee motivation, job satisfaction, and engagement (Men & Yue, 2022; Zubair & Khan, 2023).

Research has shown that employee engagement is influenced by a variety of factors, including organizational culture, job design, and leadership style (Macey & Schneider, 2022). Among these factors, leadership plays a critical role in shaping employee attitudes and behaviors in the workplace. However, recent research shows a declining trend in employee engagement in the telecommunications sector, due to increasing job demands, rapid technological advancements, and ineffective leadership strategies (Kim & Krishna, 2023). Many employees in this industry face increased stress, disengagement, and job dissatisfaction, which in turn impacts overall organizational performance. Despite efforts to improve employee motivation, many leadership approaches fail to build the trust and commitment needed to foster sustained engagement (Men & Stacks, 2023). One leadership style that has gained increasing attention in recent years is authentic

leadership. Authentic leadership has been widely recognized as a key factor in fostering employee engagement, as it emphasizes self-awareness, relational transparency, balanced processing, and internalized moral perspective (Gardner et al., 2021). Recent studies have reinforced the positive impact of authentic leadership on employee motivation, job satisfaction, and engagement (Men & Yue, 2022; Zubair & Khan, 2023).

Several empirical studies have demonstrated that leaders who exhibit authenticity enhance employees' psychological safety, trust, and commitment to organizational goals (Kim & Krishna, 2023; Qureshi et al., 2021). Employees who perceive their leaders as genuine and ethical tend to exhibit higher levels of engagement and organizational citizenship behaviors (Afsar et al., 2020). However, recent research suggests that this relationship is often mediated by organizational factors such as workplace culture and employee-organization relationships (Cai et al., 2022).

Authentic leadership is characterized by self-awareness, balanced processing, relational transparency, and an internalized moral perspective (Walumbwa et al., 2020). This leadership approach fosters trust, psychological safety, and strong leader-follower relationships, which ultimately increase employee engagement (Gardner et al., 2021). Previous research has highlighted the direct impact of authentic leadership on employee engagement, emphasizing its role in creating a positive work environment (Zubair & Khan, 2023). However, limited research has explored the underlying mechanisms by which authentic leadership influences employee engagement, particularly through the employee-organization relationship. Authentic leaders solicit followers' views and utilize their input in making decisions. These leaders share information openly, fairly, and transparently with employees and strive to build quality relationships with them (Men & Stacks, 2013).

Despite its benefits, implementing authentic leadership is not without challenges. Research has identified three primary barriers: cultural differences, organizational resistance, and leadership development costs (Hofstede, 2020; Avolio & Gardner, 2019).

Cultural dimensions play a significant role in shaping how leadership authenticity is perceived. In collectivist societies, where hierarchical leadership structures dominate, leaders who exhibit transparency and vulnerability may be perceived as weak (Huang & Rhee, 2022). Additionally, organizational resistance often emerges in highly bureaucratic environments, where top-down authority remains the norm (Eisenbeiss & Knippenberg, 2022). Lastly, investing in leadership development programs requires substantial financial resources, posing challenges for small and medium-sized enterprises (SMEs) (Gardner et al., 2021).

The employee-organization relationship is a key factor that determines employee perceptions of fairness, trust, and commitment toward their organization. Organizations that foster strong relationships with their employees tend to have higher levels of engagement and job satisfaction (Men & Yue, 2022). A well-established employee-organization relationship acts as a mediating factor that strengthens the influence of leadership on engagement, yet this aspect remains underexplored in existing literature. While previous research has examined the separate effects of leadership and

organizational relationships on engagement, an integrated approach that connects these elements is still lacking (Kim & Krishna, 2023).

In addition to motivation and support from leaders, to make employees engaged, a good relationship between employees and the organization is needed. Men's research (2015) states that the quality of the relationship between the organization and employees is indicated by employees who not only contribute to the organization's performance and the achievement of organizational goals, but also help build and protect the organization's reputation and image in a turbulent environment. The organization's belief, trust, and concern for employees and equip employees with a sense of ownership of the organization. Thus, a quality relationship can be developed over time and lead to a favorable evaluation for employees in terms of organizational reputation and employee engagement.

Research has highlighted the critical role of employee-organization relationships (EORs) in strengthening the impact of leadership on engagement (Hon & Grunig, 2019). Employees who perceive a high-quality relationship with their organization tend to reciprocate with increased loyalty and commitment (Men, 2022). Recent studies suggest that authentic leadership fosters stronger employee-organization relationships by promoting open communication and transparency (Yukl & Mahsud, 2022; Walumbwa et al., 2020).

When employees feel that their organization values their contributions and prioritizes fairness, they are more likely to reciprocate through higher levels of engagement (Cropanzano & Mitchell, 2022). Recent empirical studies confirm that the mediating effect of EORs strengthens the indirect impact of leadership on engagement (Nguyen et al., 2021).

Besides that, the quality of the employee-organization relationship contributes to employee engagement. Thus, employees who enjoy a quality relationship with the organization will reciprocate by actively participating and getting involved in organizational activities (Men, 2015). Engaged employees have characteristics such as full attention, dedication, and absorption in their work. These employees also feel a sense of ownership of the organization and feel very empowered by the organization. So, by maintaining the quality of employee-organization relationships, transparent communication will directly encourage employee engagement (Men, 2015).

As a company engaged in the information and telecommunications sector, it must be ready for the development of business competition in the information and telecommunications sector which is very fierce and rapid today. Along with the development of sophisticated communication technology, more and more people need cellular services that can meet the needs of the community. Therefore, the company demands high performance from employees in order to meet customer satisfaction and customer demand for telecommunications services will continue to increase.

This is shown in the motto "Work..Work..Work" which aims to motivate employees to work hard. For this reason, company leaders must be able to maintain the stability of employee performance and foster a sense of engagement in employees through good

employee and company relations and authentic leadership. The results of the initial survey conducted by the author found that the company had implemented authentic leadership. This is supported by the results of the author's interview with the company's public relations.

However, even though authentic leadership has been implemented, there are still employees who have low work motivation and are not engaged in the company. Employees who are not engaged cause the achievement of company goals to be less than optimal and are not motivated to develop themselves and develop the company. They work by waiting for orders and tend to feel that their contributions are ignored.

Based on the review, there is a gap in the company, namely the mismatch between the expectations of company leaders and employee engagement, so it is important to conduct research with the aim of examining the influence of authentic leadership on employee engagement through employee and organizational relationships.

Given these gaps, this study aims to analyze the impact of authentic leadership on employee engagement, with a particular focus on the mediating role of employee-organization relationships. By examining this relationship, this study contributes to the growing body of research on leadership and employee engagement, providing empirical insights that can inform organizational strategies.

## RESEARCH METHOD

This study aims to analyze the impact of authentic leadership on employee engagement by considering the mediating role of employee-organization relationships. Leadership has been recognized as a key driver of employee engagement, influencing motivation, job satisfaction, and retention (Men & Yue, 2022). While previous studies have established a direct relationship between leadership and engagement, the role of employee-organization relationships as an intermediary remains underexplored (Kim & Krishna, 2023). This research adopts a quantitative approach to test the relationships between these variables and provide empirical evidence to support leadership and HR strategies in organizations.

This study used a proportional stratified random sampling technique to ensure representation at various levels of work and departments within the organization. The population consisted of 288 employees of a telecommunications company in Surabaya. To determine the sample size, the proportional allocation method was used. Employees were categorized into five main departments: Technical Operations, Customer Service, Finance & Administration, Sales & Marketing, and Human Resources. From each department, a proportional number of employees were randomly selected relative to the total population size in that department. The final sample included 85 employees, distributed as follows: Technical Operations 25 employees, Customer Service 18 employees, Finance & Administration 15 employees, Sales & Marketing 17 employees, Human Resources 10 employees. Proportional stratification ensures that the sample accurately reflects the distribution of employees within the company, reducing potential bias and increasing the generalizability of the findings.

This study utilized a structured questionnaire as the primary data collection instrument. The questionnaire was designed to measure three key constructs: authentic leadership, employee-organization relationships, and employee engagement. Each construct was assessed using well-established scales to ensure the validity and reliability of the measurement.

Authentic leadership was evaluated using the Authentic Leadership Questionnaire (ALQ) developed by Walumbwa et al. (2020). This instrument assesses leadership authenticity through four dimensions: self-awareness, balanced processing, relational transparency, and internalized moral perspective. Respondents were asked to rate their perceptions of their leaders using a five-point Likert scale, ranging from *strongly disagree* (1) to *strongly agree* (5).

The measurement of employee-organization relationships was adapted from Hon and Grunig (1999) and further refined by Men (2022). This construct encompasses four key dimensions: trust, control mutuality, commitment, and satisfaction. The questionnaire items were designed to assess the extent to which employees perceive their organization as fair, supportive, and engaged in fostering long-term relationships. Similar to the previous construct, responses were recorded using a five-point Likert scale to ensure consistency in measurement.

Employee engagement was assessed using the Utrecht Work Engagement Scale (UWES-17) developed by Schaufeli et al. (2021). This scale captures three fundamental dimensions of engagement: vigor, dedication, and absorption. Employees were asked to indicate the extent to which they experience enthusiasm, motivation, and deep involvement in their work. Responses were also collected using a five-point Likert scale, allowing for a standardized assessment across all variables.

To facilitate data collection, the questionnaire was distributed through both physical copies and electronic forms, ensuring accessibility for all respondents. The data collection process lasted for four weeks, providing sufficient time for employees to complete the survey while allowing researchers to conduct necessary follow-ups to maximize response rates.

The collected data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS 3.0 software. This statistical approach was chosen due to its suitability for analyzing complex relationships between latent variables and its ability to handle small to medium-sized samples effectively.

The initial stage of data analysis involved descriptive statistics, which were used to summarize respondent demographics, including gender, educational background, and years of experience. This step provided an overview of the sample characteristics and ensured that the distribution of participants was representative of the target population.

Given that the sample size was 85, the adequacy of the sample was assessed using two common guidelines for PLS-SEM sample determination. First, the 10-times rule (Hair et al., 2021) suggests that the minimum sample size should be 10 times the maximum number of indicators measuring any latent construct. In this study, the highest number of indicators per construct was 7, indicating that a sample of at least 70 would be sufficient. Second, Kline (2015) recommends that a sample size of at least 100–150 is preferable for structural equation modeling; however, recent research (e.g., Hair et al.,

2021) has demonstrated that PLS-SEM is effective even with smaller samples when paths are strong and model complexity is moderate.

To establish the validity and reliability of the measurement model, several tests were conducted. Convergent validity was assessed using outer loadings and Average Variance Extracted (AVE), with a threshold value of 0.50 to confirm that each indicator appropriately measured its respective construct. Composite reliability and Cronbach's Alpha were also examined, with a minimum acceptable value of 0.70 to ensure internal consistency.

Hypothesis testing was conducted using path coefficients ( $\beta$ ) and t-values, which were obtained through bootstrapping with 5000 resamples. This technique allowed for a more robust estimation of standard errors, ensuring that the statistical significance of each relationship was accurately determined.

Additionally, a mediation analysis was performed to examine the indirect effect of employee-organization relationships on the link between authentic leadership and employee engagement. The Sobel test was employed to assess the statistical significance of the mediating variable, providing further insights into the underlying mechanisms driving employee engagement.

By employing this rigorous analytical approach, the study ensures that its findings are methodologically sound, replicable, and capable of providing valuable insights for both academic research and practical organizational applications.

## RESULTS AND DISCUSSION

### Results

The findings of this study provide empirical evidence on the influence of authentic leadership on employee engagement, with a specific focus on the mediating role of employee-organization relationships. Data were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) to ensure a rigorous examination of the hypothesized relationships. The results are presented systematically, beginning with descriptive statistics, followed by validity and reliability assessments, and concluding with hypothesis testing.

**Table 1.** Respondent Characteristics

No	Respondent Characteristics	Frequency	Percentage
1	Gender:		
	a. Male	42	49%
	b. Female	43	51%
	Total	85	100%
2	Education:		
	a. High School/Vocational School (SMA/SMK)	8	9%
	b. Diploma (D1/D2/D3)	10	12%
	c. Bachelor's Degree (S1)	55	65%
	d. Postgraduate Degree (Master's/Doctorate)	12	14%
	Total	85	100%

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4	Tenure:		
a.	≤ 5 years	14	16%
b.	> 5-10 years	7	8%
c.	> 10-15years	10	12%
d.	> 15-20 years	16	19%
e.	>20 years	38	45%
	Total	85	100%

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The demographic characteristics of the respondents indicate a balanced distribution in terms of gender, educational background, and years of experience. The majority of participants held a bachelor's degree (65%), while a smaller proportion had postgraduate qualifications (14%). In terms of work tenure, a significant portion of employees (45%) had more than 20 years of experience, suggesting that the sample predominantly consisted of long-serving employees who were well-acquainted with leadership practices within the organization.

### ***Analysis with Partial Least Square (PLS)***

#### *Convergent Validity*

Convergent validity of the measurement model with reflective indicators can be seen from the correlation between the item/indicator score and the construct score. Indicators are said to meet convergent validity or can be said to be valid if they have a loading value above 0.50.

In this study, the validity test used the SmartPLS 3.0 program and all indicators in the authentic leadership variable had an outer loading value above 0.50, which means that all indicators are valid so that it can be said that all indicators are part of the authentic leadership construct.

The indicators in the employee and organizational relationship variables in this study also have an outer loading value above 0.50, which means that they are valid so that it can be said that all indicators are part of the employee and organizational relationship construct.

Based on the results of the outer loading on the employee engagement variable indicator, it shows that all indicators have an outer loading value above 0.50, which means that they are valid so that it can be said that all indicators are part of employee engagement.

#### *Reliability Test*

In addition to the construct validity test, a construct reliability test was also carried out which was measured by two criteria, namely composite reliability and cronbach's alpha from each indicator block that measures the construct. The construct is declared reliable if the composite reliability and cronbach's alpha values are above 0.70.

In this study, it can be seen that the output results of the composite reliability and cronbach's alpha from the three variables are above 0.70, so it can be concluded that the three constructs have good reliability.

*R-Square Results (Inner Model)*

The following are the results of the influence of authentic leadership on employee engagement through employee and organizational relationships. The following are the determinant coefficient values (R-Square):

**Table 2. R-Square**

Variable	R-Square
Authentic Leadership Employee and Organizational Relationship	0.209
Employee Engagement	0.688

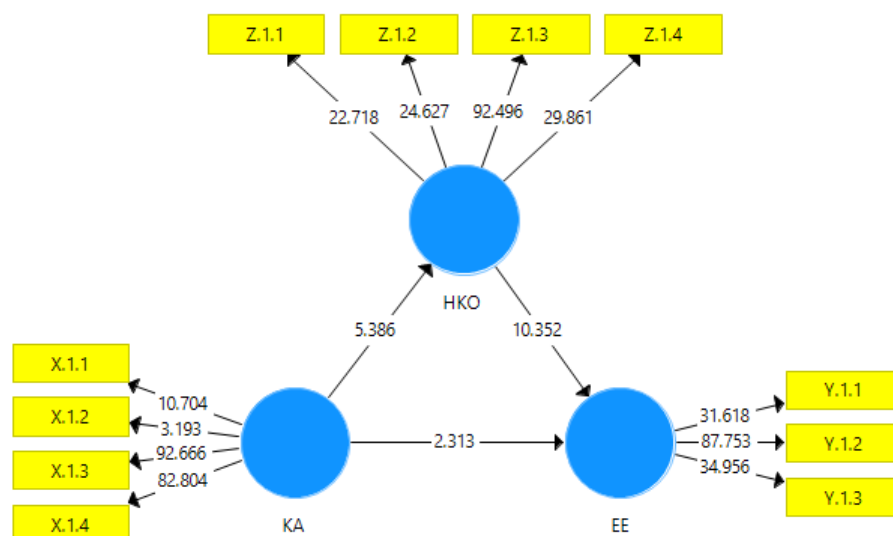
Chin in Ghozali (2015) stated that if the R-Square value is below 0.19 to 0.33 it is stated to have a low value, then 0.33 to 0.67 has a moderate value, and for a value of 0.67 and above it has a strong value.

Table 6 shows that this research model can be interpreted as follows: authentic leadership can explain the construct of employee and organizational relations by 0.209 or 20.9% while 79.1% is explained by other variables not studied in this study. This means that the authentic leadership construct shows a weak model for employee and organizational relations.

Table 6 also shows that the authentic leadership construct can explain the employee engagement construct by 0.688 or 68.8% while the remaining 31.2% is explained by other variables not studied in this variable. This means that the authentic leadership construct shows a strong model for employee engagement.

*T-Test Results (Significance)*

This stage aims to determine whether or not there is a significant influence between variables. An influence between variables is said to be significant if the t-value is greater than 1.96 or the P value is less than 0.05.



**Figure 1. Path Diagram Results**

Meanwhile, below are the values of the path coefficients which show the relationship between variables.

**Table 3. Path Coefficients**

<b>Inter-Variable Influence</b>	<b>Original Sampel (O)</b>	<b>T Statistics (IO/STERRI)</b>	<b>T-table</b>	<b>Conclusion</b>
Authentic Leadership → Employee Engagement	0.196	2.313	≥ 1.96	Significant
Authentic Leadership → Employee and Organizational Relationship	0.457	5.386	≥ 1.96	Significant
Employee and Organizational Relationship → Employee Engagement	0.721	10.352	≥ 1.96	Significant

Based on the results of the influence test between variables, it shows that the authentic leadership variable on employee engagement has a significant positive effect by looking at the value of the parameter coefficient of 0.196, which means that if authentic leadership is high, employee engagement is also high. The influence of authentic leadership on employee engagement also has a significant positive effect when viewed from the T statistics value which is greater than the T table (1.96), namely with a value of 2.313.

The influence of authentic leadership on employee and organizational relations shows a significant positive effect with a parameter coefficient of 0.457, this means that the higher the authentic leadership, the higher the employee and organizational relationship. And when viewed from the T statistics which has a value of 5.386 which is greater than the T table (1.96), it means that authentic leadership has a significant positive effect on employee and organizational relations.

The influence of employee and organizational relations on employee engagement shows a significant positive effect with a parameter coefficient of 0.721, which means that the higher the employee and organizational relationship, the higher the employee engagement. The T statistics value of 10.352 which is greater than the T table (1.96) indicates that the relationship between employees and the organization has a significant positive effect on employee engagement.

From the discussion above, it is known that the direct influence between all variables is positive, authentic leadership has a significant positive effect on employee engagement directly, authentic leadership has a significant positive effect on employee and organizational relations directly, employee and organizational relations have a significant positive effect on employee engagement directly.

The indirect effect of authentic leadership on employee engagement through employee and organizational relations can be seen in table 4.

**Tabel 4. Indirect Effects**

<b>Inter-Variable Influence</b>	<b>Original Sample (O)</b>	<b>T Statistics (IO/STERRI)</b>	<b>T-table</b>	<b>Conclusion</b>
Authentic Leadership → Employee engagement	0.196	2.313	≥ 1.96	Significant
Authentic Leadership → Employee and Organizational Relationship → Employee engagement	0.330	4.331	≥ 1.96	Significant

Based on table 4, it is known that the magnitude of the coefficient of influence of authentic leadership on employee engagement through employee and organizational relationships is greater than the coefficient of influence of authentic leadership on employee engagement directly. So it can be said that employee and organizational relationships are variables that mediate the influence of authentic leadership on employee engagement.

### Discussion

The findings of this study confirm that authentic leadership significantly enhances employee engagement, both directly and indirectly through employee-organization relationships. This relationship highlights the fundamental role of leadership in fostering a work environment that promotes employee commitment and motivation. However, to gain a deeper understanding of why these relationships exist, it is crucial to interpret these findings through established theoretical frameworks.

In the context of this study, authentic leadership fosters trust and transparency, which strengthens employee-organization relationships. When employees perceive their leaders as genuine and ethical, they are more likely to develop a sense of psychological safety, reinforcing their trust in the organization (Cropanzano & Mitchell, 2005). This, in turn, increases their commitment and willingness to reciprocate with higher levels of engagement and discretionary effort.

Furthermore, the mediating role of employee-organization relationships aligns with the principle of relational exchange. Employees who feel that they are treated fairly and transparently by their leaders tend to develop stronger affective commitment to the organization (Men & Yue, 2022). This explains why the indirect effect of authentic leadership on engagement through employee-organization relationships is stronger than the direct effect. The presence of a high-quality exchange relationship between employees and their organization acts as a mechanism that enhances the impact of leadership authenticity on engagement outcomes.

Beyond the theoretical implications, this study also holds significant practical relevance for organizations aiming to foster authentic leadership. However, despite its benefits, implementing authentic leadership in organizational settings is not without challenges. One of the primary challenges is cultural differences, which can influence how authenticity is perceived. In collectivist cultures, where hierarchical leadership

structures are deeply ingrained, employees may expect their leaders to maintain a level of formality and authority rather than openness and transparency (Hofstede, 2020). In such contexts, attempts to implement authentic leadership may face resistance, as employees might misinterpret leader vulnerability and transparency as a sign of weakness rather than strength. Organizations operating in diverse cultural settings must therefore adapt their leadership development strategies to align with cultural expectations and norms.

Another challenge is organizational resistance to change. Many established organizations operate under traditional leadership paradigms, where top-down authority and rigid structures are deeply embedded. Implementing authentic leadership requires a shift toward open communication, ethical decision-making, and relational transparency, which may be met with skepticism or pushback from both senior leaders and employees accustomed to conventional hierarchical structures (Avolio & Gardner, 2005). Overcoming such resistance requires systematic change management strategies, including leadership training programs, internal communication efforts, and gradual implementation of transparency and trust-building initiatives.

Finally, there are significant costs associated with developing authentic leadership within organizations. Authentic leadership is not an inherent trait but a skill that must be cultivated through continuous learning and self-awareness training (Gardner et al., 2021). Organizations must invest in leadership development programs, coaching, and mentorship to ensure that leaders possess the necessary competencies to embody authenticity. However, such investments can be expensive and require a long-term commitment. Smaller organizations with limited financial resources may struggle to justify the costs associated with leadership transformation, leading to inconsistent or superficial implementation of authentic leadership principles.

In light of these challenges, future research should explore adaptive leadership models that integrate authenticity with cultural sensitivity, organizational flexibility, and industry-specific demands. As organizations operate in increasingly dynamic environments, the ability of leaders to balance authenticity with contextual adaptability becomes crucial. Additionally, longitudinal studies could provide deeper insights into how authentic leadership evolves over time, how it influences employee engagement at different career stages, and how organizations can effectively manage resistance to leadership transformation through structured change management initiatives.

This study contributes to the growing body of knowledge on authentic leadership and employee engagement by demonstrating that trust and transparency serve as key mediators in leadership effectiveness. While the benefits of authentic leadership are well-documented, its successful implementation requires careful consideration of cultural dynamics, resistance to change, and the strategic investment in leadership development programs. By addressing these challenges, organizations can develop sustainable leadership strategies that foster a highly engaged and motivated workforce.

Despite these significant findings, several aspects of the study warrant further exploration. While authentic leadership and employee-organization relationships collectively explain 68.8% of the variance in employee engagement, a substantial portion (31.2%) remains unaccounted for. This suggests that additional factors—such as job

autonomy, career development opportunities, organizational support, psychological safety, and work-life balance—may also play critical roles in fostering engagement. Future research should explore these variables to develop a more comprehensive model of employee engagement determinants and assess their relative importance in different organizational settings.

Furthermore, this study focused on a single industry (telecommunications) and a specific geographic location (Surabaya, Indonesia). While these contextual parameters offer valuable insights, future research should expand to other industries and geographic regions to enhance generalizability. Comparing different sectors, such as healthcare, finance, and manufacturing, could provide a nuanced understanding of how authentic leadership manifests across diverse work environments and how sector-specific factors moderate its impact on engagement.

Another promising avenue for future research is the longitudinal examination of leadership and engagement dynamics. While this study provides a cross-sectional snapshot, leadership behaviors and organizational relationships evolve over time. A longitudinal study could offer deeper insights into how sustained authentic leadership practices influence long-term employee engagement, retention rates, and overall job satisfaction. It could also explore whether improvements in organizational relationships lead to lasting behavioral changes among employees and whether certain leadership traits become more or less effective as organizations grow and adapt to external pressures.

Moreover, future studies should consider incorporating alternative leadership styles—such as transformational, servant, or inclusive leadership—to compare their effectiveness in fostering engagement. Although authentic leadership has been shown to be impactful, different organizational contexts may require a hybrid approach that blends various leadership styles to optimize employee motivation, innovation, and performance. Investigating hybrid leadership models could provide additional insights into the most effective strategies for enhancing employee engagement across different business landscapes.

From a practical perspective, these findings underscore the importance of investing in leadership development programs that emphasize authenticity, transparency, and ethical decision-making. Organizations should also focus on strengthening employee-organization relationships by promoting open communication, trust-building initiatives, and collaborative decision-making processes. HR managers and organizational leaders must recognize that engagement is not solely an individual responsibility but a shared outcome of effective leadership, a supportive work environment, and a strong organizational culture that prioritizes employee well-being and professional growth.

In conclusion, this study makes a meaningful contribution to the expanding literature on authentic leadership and employee engagement. It provides empirical evidence that authentic leadership directly enhances engagement while also exerting an indirect influence through employee-organization relationships. The findings highlight the necessity of fostering strong relational ties within organizations as a mechanism for increasing employee commitment, job satisfaction, and intrinsic motivation. While the study has certain limitations, it opens several pathways for future research, particularly

in exploring additional engagement drivers, conducting cross-industry comparisons, and assessing the longitudinal impact of leadership effectiveness. By integrating these insights, organizations can develop more holistic and adaptive strategies to cultivate a highly engaged workforce, drive organizational resilience, and achieve long-term business success.

## CONCLUSION

**Fundamental Finding:** This study provides empirical evidence on the influence of authentic leadership on employee engagement, emphasizing the mediating role of employee-organization relationships. The findings confirm that authentic leadership significantly enhances employee engagement, both directly and indirectly, through the development of strong organizational relationships. Employees who perceive their leaders as authentic – demonstrating self-awareness, relational transparency, balanced decision-making, and strong moral principles – are more likely to feel valued, trusted, and engaged in their work. Furthermore, the research highlights that employee-organization relationships play a crucial role in strengthening the impact of leadership on engagement, suggesting that organizations must not only focus on leadership development but also on fostering a supportive and trust-based organizational culture.

**Implication:** The implications of these findings extend beyond academic research to practical applications in organizational leadership and human resource management. Organizations seeking to enhance employee engagement should prioritize leadership authenticity while also investing in strategies that build strong, trust-based employee-organization relationships. When employees feel that their contributions are recognized and that their relationships with the organization are built on mutual trust and respect, they are more likely to exhibit higher levels of motivation, job satisfaction, and commitment. These insights offer valuable guidance for managers and HR professionals in designing leadership development programs, improving internal communication strategies, and fostering inclusive and transparent workplace environments. **Limitation:** Despite the significant contributions of this study, there are certain limitations that must be acknowledged. Firstly, the study was conducted within a single industry (telecommunications) and a specific geographic location (Surabaya, Indonesia). While the results provide valuable insights, their generalizability to other industries and cultural contexts may be limited. Secondly, this research employed a cross-sectional design, meaning that the findings represent a single point in time rather than capturing the long-term effects of authentic leadership on employee engagement. Lastly, while the study identifies authentic leadership and employee-organization relationships as key drivers of engagement, other potential factors such as job autonomy, organizational support, career growth opportunities, and work-life balance were not examined. Future research should consider incorporating these additional variables to develop a more comprehensive understanding of employee engagement dynamics. **Future Research:** Building on these findings, future studies could explore the long-term impact of authentic leadership on engagement through longitudinal research designs, allowing for a deeper examination of how leadership behaviors and organizational relationships evolve over time. Comparative studies across different industries and cultural settings would also provide

valuable insights into whether the effects of authentic leadership and employee-organization relationships are universally applicable or context-dependent. Additionally, further research could investigate how different leadership styles—such as transformational, servant, or ethical leadership—interact with authentic leadership in shaping engagement outcomes. In conclusion, this study reinforces the critical role of leadership authenticity and employee-organization relationships in fostering employee engagement. It contributes to the growing body of research on leadership and human resource management by demonstrating the mechanisms through which authentic leadership enhances engagement levels. While limitations exist, the study opens promising avenues for future research that could further enrich the understanding of leadership effectiveness, organizational relationships, and employee motivation. By integrating these insights, organizations can develop more holistic and sustainable strategies for enhancing workforce engagement, ultimately driving long-term business success.

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