

Exploring Organisational Power Dynamics as a Moderator between Adaptive Leadership and Employee Empowerment in Bureaucracies

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ABSTRACT

This study examines how adaptive leadership fosters employee empowerment in the Sarawak Civil Service (SCS), with a focus on the moderating influence of organisational power dynamics. Guided by Adaptive Leadership Theory, Spreitzer's Psychological Empowerment Model, and the construct of Perceived Supervisor Social Power (PSSP), the research examines leadership effectiveness in hierarchical yet decentralised public organisations. A positivist approach shaped the design, drawing on survey data from 199 mid-level managers, preceded by a pre-test with 30 respondents. Validated instruments, including the Adaptive Leadership Behaviour Scale, Psychological Empowerment Scale, and PSSP Scale, ensured measurement reliability. Data analysis was conducted using SPSS 29.0 for descriptive statistics and SmartPLS 4.0 for structural modelling. Results demonstrate that adaptive leadership significantly enhances empowerment, strengthening effects when supervisors are perceived as holding substantial informal power. Organisational power dynamics thus play a pivotal role in shaping how leadership behaviour translates into psychological empowerment. The study contributes to public sector leadership scholarship by situating empowerment within Malaysia's bureaucratic and cultural landscape, while offering practical implications for leadership development initiatives in the SCS, particularly in advancing managerial autonomy and distributed decision-making.

1. INTRODUCTION

The COVID-19 pandemic reshaped organisational life, revealing both the fragility of rigid hierarchies and the necessity of more agile, people-centred leadership. Organisations that relied on slow, centralised decision structures often struggled to respond to crises, whereas those adopting flexible approaches demonstrated greater resilience and innovation (Ansell et al., 2021; Maak et al., 2021). Simultaneously, the global shift towards hybrid work environments has intensified the pressure on leaders to balance operational efficiency with employee engagement and well-being (Future Forum, 2023). These developments have fuelled scholarly interest in leadership models that transcend conventional command-and-control practices, bringing adaptive leadership to contemporary discourse.

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Adaptive leadership, conceptualised as mobilising people to address complex challenges through shared learning and distributed authority, represents an alternative to bureaucratic rigidity (Heifetz et al., 2009). Empirical research across sectors shows that adaptive leaders foster innovation, empower employees to take ownership of change processes, and cultivate resilience in dynamic environments (Chughtai et al., 2023; Oliveira et al., 2023). Such outcomes are particularly salient in public sector organisations, where procedural uniformity and centralised controls often constrain initiative and autonomy. Within Malaysia, public institutions face mounting pressures from digital transformation, policy reforms, and evolving cultural expectations. Research indicates that leaders must integrate strategic thinking with emotional intelligence to navigate the competing demands of bureaucracy and rapid technological change (Hassan et al., 2024). Mid-level managers operate at the intersection of hierarchical compliance and situational responsiveness, often shouldering the responsibility of adapting centrally designed policies to diverse operational contexts.

Employee empowerment provides a critical lens for evaluating the effectiveness of adaptive leadership. Empowered employees display higher engagement, creativity, and resilience, outcomes consistently linked to organisational performance (Juan & Yusof, 2024; Kanjanakan et al., 2023). However, empowerment in bureaucratic systems is frequently rhetorical rather than substantive, diluted by rigid routines, unclear delegation procedures, and limited trust in subordinate decision-making (Ibrahim et al., 2023). Overlaying these challenges are the subtle yet powerful dynamics of organisational power. Employees' perceptions of their supervisors' social power, as measured by Perceived Supervisor Social Power (PSSP), influence whether adaptive leadership behaviours translate into genuine empowerment (Chénard-Poirier et al., 2021). Even as digital platforms accelerate communication and feedback loops (Ahmad et al., 2023), deeper power asymmetries determine whether employees feel safe to voice ideas and assume responsibility. These dynamics are particularly salient in the Sarawak Civil Service (SCS).

Despite increasing scholarly interest in adaptive leadership as a response to organisational complexity and change, its practical application within bureaucratic systems remains underexamined, with limited empirical evidence existing on its effectiveness within Malaysia's public service, particularly in bureaucratic settings such as SCS. Public sector environments often reinforce hierarchical control, procedural compliance, and risk-averse cultures that constrain leadership practices involving experimentation, participation, and shared decision-making (Van Wart, 2013; Fernandez & Rainey, 2006). Nevertheless, evidence from crises, including organisational responses during the COVID-19 pandemic, indicates that adaptive leadership behaviours are essential for sustaining operational resilience and facilitating effective inter-agency coordination under conditions of uncertainty (Ansell et al., 2021). These findings suggest that adaptive leadership can function not as a departure from bureaucratic governance but as a complementary behavioural mechanism that introduces flexibility within formal administrative structures. At the same time, organisations increasingly expect mid-level managers to exercise a high degree of discretion when addressing frontline and cross-agency pressures; however, empirical studies have given limited attention to how the SCS enacts or supports managerial empowerment. While prior studies have examined empowerment challenges in the Malaysian public sector more broadly (Ahmad et al., 2021; Beh, 2014), existing work primarily focuses on federal-level institutions and offers limited insight into the distinct governance arrangements and decentralised administrative dynamics characterising Sarawak.

Shaped by Malaysia's federal structure and provisions of the Malaysia Agreement 1963, the SCS combines codified administrative processes with localised decision-making. Mid-level managers serve as boundary-spanners, responsible for implementing centrally designed policies while adapting them to local realities. Understanding empowerment requires analysing how employees perceive their supervisors' adaptive behaviours alongside informal authority. This study addresses a critical gap by examining how adaptive leadership influences employee empowerment in the SCS, with particular attention to the moderating role of organisational power dynamics. By situating this analysis within Malaysia's bureaucratic and cultural context, the research contributes to advancing leadership theory in public service. It offers practical insights for reform initiatives that aim to strike a balance between stability and adaptability.

2. LITERATURE REVIEW

2.1 *Mid-Level Managers in the Sarawak Civil Service*

Scholars increasingly recognise mid-level managers as pivotal actors who translate strategic directives into operational outcomes. Positioned between senior leadership and frontline staff, they manage resources, mediate communication, and coordinate policy implementation (Surju et al., 2020). Their effectiveness, however, is shaped by structural constraints such as limited autonomy, ambiguous delegation, and hierarchical control (Buchanan et al., 2013). Research suggests that mid-level managers thrive when their psychological needs for autonomy, competence, and relatedness are supported, even within formalised systems (Spieler, 2024). Informal credibility and influence thus become central levers of leadership. This dynamic is highly relevant in the SCS, where mid-level managers oversee programme delivery and inter-agency coordination while operating within bureaucratic traditions. Although the SCS has institutionalised competency frameworks that emphasise adaptive practices and stakeholder engagement (Lee et al., 2025), uneven leadership support and entrenched hierarchies constrain their implementation.

2.2 *Spreitzer's Employees Psychological Empowerment Model*

Psychological empowerment, conceptualised by Spreitzer (1995), refers to an individual's perception of meaning, competence, self-determination, and impact in their work. This multidimensional construct emphasises the intrinsic motivation employees experience when they perceive their roles as purposeful and within their control. Empowerment is associated with heightened engagement, resilience, and innovation (Seibert et al., 2011; Spreitzer, 2008). In bureaucratic contexts, however, empowerment is often superficial. Centralised approvals, rigid rules, and limited trust erode autonomy and initiative (Van Wart, 2013). Genuine empowerment requires leaders to cultivate trust, fairness, and confidence in employees' abilities (Fernandez & Moldogaziev, 2013). Malaysian studies corroborate this view: ethical leadership enhances initiative in compliance-driven industries (Juan & Yusof, 2024), while empowerment improves performance in public organisations when coupled with credible leadership and transparent systems (Ahmad et al., 2021).

2.3 *Adaptive Leadership Theory in Bureaucratic Contexts*

Adaptive leadership offers a behavioural framework for mobilising individuals and groups to address challenges that lack technical solutions (Heifetz & Laurie, 1997; Heifetz et al., 2009). It emphasises distributed decision-making, collective learning, and experimentation, enabling leaders to sustain performance in dynamic environments. Recent conceptual work further specifies adaptive leadership into measurable dimensions, including maintaining a behavioural repertoire, perceiving situational demands, flexibly responding in real-time, and balancing short- and long-term priorities (Nöthel et al., 2023). Bureaucracies, as characterised by Weber (1947) and Mintzberg (1979), rely on centralised authority and standardisation. While these attributes promote stability, they constrain responsiveness and innovation (Van Wart, 2013). Empirical evidence indicates adaptive leadership mitigates such constraints by fostering engagement and problem-solving (Osborne, 2006). For example, adaptive leadership improved crisis coordination during COVID-19 (Ansell et al., 2021) and enhanced responsiveness in Australian government agencies (AlMazrouei, 2023). In Malaysia, Hassan et al. (2024) associate adaptive leadership with institutional agility and trust-building. Sarawak-based studies highlight the role of this approach in strengthening community trust during emergencies (Andrew et al., 2024).

2.4 *Perceived Supervisor Social Power (PSSP) and Organisational Power Dynamics*

Power dynamics extend beyond formal structures, encompassing supervisors' informal influence through credibility, expertise, and networks (Mintzberg, 1979). Perceived Supervisor Social Power (PSSP) captures employees' perceptions of the informal influence exerted by their supervisor. When employees view supervisors as credible and influential, they are more likely to trust leadership, engage proactively, and commit to organisational goals (Chénard-Poirier et al., 2021). In bureaucratic systems, PSSP is crucial.

Supervisors perceived as influential can legitimise adaptive practices and shield teams from excessive oversight, whereas inconsistent or coercive power use undermines engagement (Tummers & Knies, 2016; Yukl & Mahsud, 2010). Digital communication platforms, such as WhatsApp and Telegram, enable rapid exchanges but do not automatically disrupt entrenched hierarchies (Ahmad et al., 2023). In Malaysia's public sector, where protocol and deference are deeply ingrained, informal influence can significantly impact the success of empowerment initiatives (Aziz et al., 2021; Puyok, 2024). Accordingly, this study posits that the effectiveness of adaptive leadership in promoting empowerment is contingent upon these informal dynamics.

2.5 Hypotheses Development

2.5.1 The Relationship between Adaptive Leadership and Employee Empowerment

Adaptive leadership emphasises behavioural flexibility, collective learning, and shared responsibility in addressing complex organisational challenges, moving beyond reliance on formal authority and rigid control structures (Heifetz et al., 2009). Such leadership behaviours can foster conditions that enhance employees' sense of autonomy, confidence, and influence at work, particularly within bureaucratic organisations like the SCS, where hierarchical and procedural constraints often limit discretion. Empirical evidence supports the empowering role of adaptive leadership in formalised settings, as demonstrated by Moyo and Porter-O'Grady (2025), who found that complex adaptive leadership strengthened frontline empowerment by enhancing autonomy and trust, and by Chughtai et al. (2023), who showed that adaptive leadership amplified the effects of change self-efficacy on organisational innovation by encouraging employee confidence and proactive engagement. These findings align with psychological empowerment theories, which emphasise meaning, competence, self-determination, and impact as key mechanisms through which individuals experience empowerment at work (Spreitzer, 2008; Seibert et al., 2011). By promoting psychological safety, learning-oriented interactions, and shared sense-making, adaptive leadership creates an enabling environment that supports empowerment processes (Spieler, 2024), a function that is particularly critical in public sector institutions where empowerment is frequently constrained by centralised authority and formal rules (Fernandez & Moldogaziev, 2013; Van Wart, 2013). Accordingly, this study posits that adaptive leadership enhances employee empowerment within the SCS, leading to the following hypothesis:

H1: There is a positive relationship between adaptive leadership and employee empowerment in the Sarawak Civil Service.

2.5.2 The Moderating Role of Organisational Power Dynamics

The influence of adaptive leadership depends on how organisational power is distributed and interpreted by employees, particularly in highly formalised public sector settings where informal influence often shapes daily operations. Within such contexts, employees evaluate leadership behaviours not solely on formal authority but also on perceived access, credibility, and the ability to mobilise support and resources (French & Raven, 1959; Mintzberg, 1979; Buchanan et al., 2013). Perceived Supervisor Social Power (PSSP), conceptualised by Chénard-Poirier et al. (2021), reflects employees' evaluations of their supervisors' informal organisational influence and has been shown to enhance trust and engagement even when the hierarchical position remains constant. In the Sarawak Civil Service (SCS), where informal networks and political legitimacy often guide approvals and influence responsiveness, such perceptions play a critical role in shaping how leadership behaviours are received (Ahmad et al., 2023). Despite growing recognition of informal power dynamics in public organisations, empirical research has yet to examine whether perceived supervisor power conditions the effectiveness of adaptive leadership in promoting psychological empowerment. This study, therefore, posits that supervisors perceived influence and organisational connectedness amplify the empowering impact of adaptive leadership behaviours. In contrast, employees experience weaker empowering effects when they perceive supervisors as lacking legitimacy or influence within the system. Accordingly, this study proposes the following hypothesis:

H2: Organisational power dynamics moderates the relationship between adaptive leadership and employee empowerment, such that the positive effect of adaptive leadership on empowerment is stronger when supervisors are perceived as having high informal influence.

The literature suggests that mid-level managers in bureaucratic contexts require flexibility to enact leadership, yet their effectiveness depends on organisational power dynamics. Adaptive leadership can foster empowerment, but its impact depends on whether employees perceive supervisors as credible and influential. This study integrates adaptive leadership theory, psychological empowerment, and PSSP to address this gap. Figure 1 presents the conceptual framework of this study.

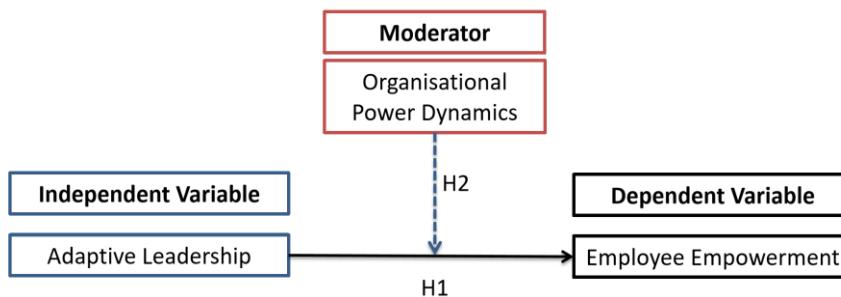


Fig. 1. Conceptual research framework

While adaptive leadership, empowerment, and power dynamics have each received substantial scholarly attention, several theoretical gaps remain. First, most adaptive leadership studies have been conducted in Western or private sector contexts (Ansell et al., 2021; Oliveira et al., 2023), leaving limited evidence on how adaptive behaviours function in highly bureaucratic and culturally embedded systems such as Malaysia's public service. This gap limits the generalisability of adaptive leadership theory across diverse institutional environments. Second, although psychological empowerment is well established as a driver of engagement and performance (Spreitzer, 1995; Seibert et al., 2011), little is known about how empowerment emerges in contexts where empowerment is formally endorsed but informally constrained. Malaysian public service organisations, where hierarchical traditions coexist with reform pressures, offer a unique context for examining this tension. Third, research on Perceived Supervisor Social Power (PSSP) has demonstrated its importance in shaping trust and engagement (Chénard-Poirier et al., 2021). However, few studies have investigated its role as a boundary condition in the adaptive leadership–empowerment relationship. Since informal influence can amplify or undermine leadership effectiveness in bureaucracies, integrating PSSP as a moderator provides a more nuanced account of empowerment processes.

By addressing these gaps, this study makes three contributions. Conceptually, it extends adaptive leadership theory by examining its relevance in non-Western, bureaucratic settings. Empirically, it applies Spreitzer's empowerment framework to a Malaysian state-level civil service, highlighting how empowerment is enacted in practice rather than assumed in rhetoric. Finally, it advances leadership research by integrating power dynamics into the adaptive leadership–empowerment nexus. It offers a more comprehensive explanation of when and how adaptive leadership fosters empowerment in hierarchical organisations.

3. METHOD

This study employed a quantitative correlational design within a positivist paradigm to examine links between adaptive leadership, empowerment, and organisational power dynamics. Such a design, suited to public administration where experimental control is limited, enables objective testing with validated instruments and yields generalisable insights into hierarchical settings like the SCS. Its theory-driven structure supports replication and advances empirical work on leadership and empowerment.

3.1 Instrumentation and Pre-Test Procedures

The researchers developed a structured questionnaire and adapted it using validated scales: the Adaptive Leadership Behaviour Scale (Nöthel et al., 2023), the Psychological Empowerment Scale (Spreitzer, 1995), and the Perceived Supervisor Social Power Scale (Chénard-Poirier et al., 2021). All items employed a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). A pre-test with 30 SCS officers refined the wording for contextual accuracy, and factor analysis confirmed high reliability (Cronbach's $\alpha > 0.95$), validating the instrument. The final instrument consisted of four sections: demographics, 15 items on adaptive leadership, 12 items on empowerment across four dimensions, and 5 items on perceived supervisor social power.

3.2 Population and Sample

The target population consisted of mid-level managers in the Sarawak Civil Service, who translated policies into operational outcomes and supervised departmental teams. This study used purposive sampling to select mid-level managers in the SCS, as they are directly involved in leadership practices and employee supervision, making them most relevant for examining adaptive leadership and empowerment (Campbell et al., 2020). Potential biases were minimised by applying clear inclusion criteria such as managerial level, department, and tenure, ensuring the sample accurately represented the functional realities of the bureaucratic context while supporting robust hypothesis testing (Memon et al., 2024). To enhance participant recruitment, snowball sampling was also employed, allowing initial respondents to refer additional eligible participants from their professional networks (Ting et al., 2025). Potential biases were mitigated by applying clear inclusion criteria and diversifying initial contact points across departments, ensuring the sample accurately reflected the functional realities of the bureaucratic context and supported the collection of valid, experience-based data. Inclusion criteria included holding a mid-level management role, current employment within the SCS, and a minimum service tenure. This non-probability sampling approach ensured access to information-rich participants aligned with the study's objectives. The researchers obtained 199 valid responses, exceeding the recommended minimum sample size for Partial Least Squares Structural Equation Modelling (PLS-SEM).

3.3 Data Collection and Data Analysis

The researchers collected data via an online questionnaire on Microsoft Forms. They distributed it through official email and WhatsApp channels to ensure accessibility, anonymity, and efficient capture across dispersed SCS departments. The researchers employed a two-stage process: they utilised SPSS for data cleaning, descriptive statistics, and reliability checks, and applied SmartPLS 4.0 to conduct PLS-SEM, assess measurement validity, and evaluate the structural model. Bootstrapping determined the significance of the hypothesised relationships. PLS-SEM was preferred over covariance-based SEM because it is better suited for theory testing with smaller, targeted samples and complex models, enhancing the study's methodological rigour (Hair et al., 2021).

4. FINDING & DISCUSSION

Before conducting statistical analysis, the researchers screened the data to ensure its accuracy, completeness, and integrity. Of 236 survey responses, 24 were excluded due to non-consent or failure to meet inclusion criteria, leaving 212 eligible cases. Outlier screening followed a two-tier process: univariate Z-scores (± 3.29 SD) identified eight extreme cases, and Mahalanobis Distance at $p < 0.001$ flagged five multivariate outliers. After removing 13 cases, the final dataset comprised 199 valid responses, meeting statistical assumptions for subsequent reliability, measurement, and structural analyses.

4.1 Sample Description

The sample was gender-balanced (48.7% male, 51.3% female) and predominantly comprised individuals aged 26–45 (67.4%), reflecting a cohort of early- to mid-career managers. Tenure ranged widely, with just

over half serving fewer than 10 years and 16.6% more than 21 years. Respondents represented multiple agencies, most commonly Resident/District Offices, Ministries, and the Premier's Department, ensuring institutional diversity. All held SSPA Grades 9–14, with a concentration in Grades 9 and 10, confirming a representative sample of mid-level management. The results were presented in Table 1.

Table 1. Respondent's Demographic Profile

Description	Frequency (N)	Percentage (%)
Male	97	48.7
Female	102	51.3
Age		
26-35	66	33.2
36-45	68	34.2
46-55	46	23.1
56 & above	19	9.5
Years of Service		
0-5	39	19.6
6-10	63	31.7
11-15	34	17.1
16-20	30	15.1
21 & above	33	16.6
Agency/ Department		
Ministry	44	22.1
Department of the Premier of Sarawak	39	19.6
State Department	36	18.1
Resident/District Office	61	30.7
Local Authority	19	9.5
Service Grade		
SSPA Grade 9 (SSM Grade 41)	79	39.7
SSPA Grade 10 (SSM Grade 44)	77	38.7
SSPA Grade 12 (SSM Grade 48)	30	15.1
SSPA Grade 13 (SSM Grade 52)	11	5.5
SSPA Grade 14 (SSM Grade 54)	2	1.0

Table 2 presents the descriptive statistics for the three primary constructs based on responses from 199 mid-level SCS managers. Adaptive Leadership recorded a mean of 4.01 ($SD = 0.68$), indicating general agreement that supervisors display situational flexibility. Employee Empowerment showed a higher mean of 4.15 ($SD = 0.53$), reflecting respondents' perceived autonomy and involvement in decision-making. Organisational Power Dynamics had the highest mean of 4.27 ($SD = 0.60$), suggesting strong perceptions of supervisors' informal influence. The relatively low standard deviations across constructs indicate consistent perceptions among participants.

Table 2. Summary of the Descriptive Statistics

Variables	Overall Mean (M)	Overall Standard Deviation (SD)
Adaptive Leadership	4.01	0.68
Employee Empowerment	4.15	0.53
Organisational Power Dynamics	4.27	0.60

Source: Output as summarised from SPSS 29.0

4.2 Reliability and Validity Test

The researchers assessed several key indicators to evaluate the reliability and validity of the reflective measurement model. First, outer loadings were examined to establish the reliability of the indicators. All items demonstrated loadings above the minimum threshold of 0.50, consistent with the criteria for exploratory research and reflective constructs (Hair et al., 2021). As each item met or exceeded this benchmark, no indicators were removed, confirming that all retained items contributed meaningfully to their respective latent constructs.

Internal consistency was assessed using Cronbach's Alpha and Composite Reliability (CR). All constructs reported Cronbach's Alpha values above 0.60, indicating reliable inter-item consistency. Specifically, Adaptive Leadership recorded an alpha of 0.981, Employee Empowerment 0.945, and Organisational Power Dynamics 0.933. Composite Reliability values further supported these findings, with all constructs surpassing the recommended threshold of 0.70 (Henseler et al., 2016), registering CR scores of 0.983, 0.952, and 0.949, respectively. These values reflect a high degree of reliability across constructs.

Convergent validity was confirmed through Average Variance Extracted (AVE), with all constructs exceeding the minimum criterion of 0.50. The AVE values were 0.794 for Adaptive Leadership, 0.626 for Employee Empowerment, and 0.790 for Organisational Power Dynamics. These results suggest that each construct accounted for a substantial proportion of the variance in its respective items (Hair et al., 2021). Inclusively, these results validate the robustness of the measurement model, indicating strong indicator reliability, internal consistency, and convergent validity. The constructs were therefore deemed suitable for subsequent structural model analysis.

Table 3. Reliability and Convergent Validity Assessment

Construct	Items of Code	Outer Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Adaptive Leadership	AL1	0.897			
	AL2	0.885			
	AL3	0.884			
	AL4	0.879			
	AL5	0.894			
	AL6	0.884			
	AL7	0.868			
	AL8	0.920	0.981	0.983	0.794
	AL9	0.885			
	AL10	0.906			
	AL11	0.913			
	AL12	0.885			
	AL13	0.890			
	AL14	0.886			
	AL15	0.890			
Employee Empowerment	E1	0.681			
	E2	0.745			
	E3	0.750			
	E4	0.800	0.945	0.952	0.626
	E5	0.821			
	E6	0.741			
	E7	0.799			

	E8	0.806			
	E9	0.764			
	E10	0.857			
	E11	0.838			
	E12	0.873			
	PD1	0.860			
Organisational Power Dynamics	PD2	0.894			
	PD3	0.895	0.933	0.949	0.790
	PD4	0.893			
	PD5	0.901			

Source: Output as summarised from SmartPLS 4.0 Algorithm

As shown in Table 4, the Fornell-Larcker criterion was satisfied across all constructs. The square root of each construct's Average Variance Extracted (AVE) exceeded its correlations with other constructs, indicating that the constructs were more strongly associated with their indicators than others. This result confirms the discriminant validity of the measurement model (Fornell & Larcker, 1981).

Table 4. Fornell- Larcker Criterion

Construct	Adaptive Leadership	Employee Empowerment	Organisational Power Dynamics
Adaptive Leadership	0.891		
Employee Empowerment	0.648	0.791	
Organisational Power Dynamics	0.638	0.644	0.889

Source: Output as summarised from SmartPLS 4.0 Algorithm

Note: Bold values represent the square root of the AVE; non-bold values represent the correlation coefficient

Table 5 provides additional evidence of discriminant validity through the Heterotrait-Monotrait Ratio (HTMT). All HTMT values fell below the recommended threshold of 0.85 (Henseler et al., 2016), confirming that the constructs are distinguishable and not overly correlated. The HTMT estimates among Adaptive Leadership, Employee Empowerment, and Organisational Power Dynamics ranged from 0.667 to 0.683, remaining comfortably within acceptable limits.

Table 5. Heterotrait-Monotrait Ratio (HTMT)

Construct	Adaptive Leadership	Employee Empowerment	Organisational Power Dynamics
Adaptive Leadership			
Employee Empowerment	0.667		
Organisational Power Dynamics	0.667	0.683	

Source: Output as summarised from SmartPLS 4.0 Algorithm

The analysis further evaluated cross-loadings to assess discriminant validity within the reflective measurement model. Following the guideline by Hair et al. (2021), each indicator should demonstrate a stronger loading on its intended construct than on others, ensuring conceptual distinctiveness. As presented in Table 6, all items showed the highest loadings on their respective constructs, affirming discriminant validity.

Table 6. Cross-Loadings of Measurement Items

Construct	Adaptive Leadership	Employee Empowerment	Organisational Power Dynamics
AL1	0.897	0.570	0.582
AL2	0.885	0.581	0.543

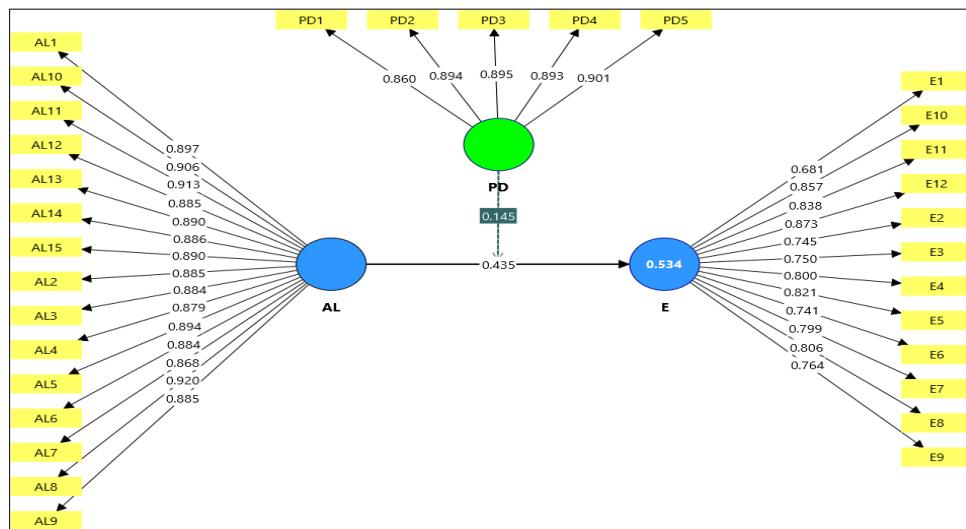
AL3	0.884	0.596	0.564
AL4	0.879	0.575	0.541
AL5	0.894	0.579	0.559
AL6	0.884	0.567	0.552
AL7	0.868	0.542	0.536
AL8	0.920	0.595	0.585
AL9	0.885	0.559	0.587
AL10	0.906	0.590	0.550
AL11	0.913	0.623	0.593
AL12	0.885	0.545	0.520
AL13	0.890	0.600	0.604
AL14	0.886	0.584	0.643
AL15	0.890	0.551	0.563
E1	0.477	0.681	0.517
E2	0.514	0.745	0.490
E3	0.468	0.750	0.509
E4	0.456	0.800	0.477
E5	0.465	0.821	0.444
E6	0.370	0.741	0.438
E7	0.571	0.799	0.518
E8	0.517	0.806	0.523
E9	0.527	0.764	0.510
E10	0.555	0.857	0.533
E11	0.574	0.838	0.527
E12	0.601	0.873	0.599
PD1	0.614	0.559	0.860
PD2	0.554	0.576	0.894
PD3	0.537	0.587	0.895
PD4	0.573	0.560	0.893
PD5	0.559	0.581	0.901

Source: Output as summarised from SmartPLS 4.0 Algorithm

Note: Bold values indicate the highest loading for each item

4.3 Evaluation of Structural Model

Figure 2 displays the structural model generated using SmartPLS, depicting the direct path from Adaptive Leadership (AL) to Employee Empowerment (E), along with the interaction term that captures the moderating influence of Organisational Power Dynamics (PD) on this relationship.

**Fig. 2.** Structural model

Source: Output from SmartPLS 4.0 Algorithm

The structural model reveals that Adaptive Leadership, along with its interaction with Organisational Power Dynamics, explains variations in Employee Empowerment. The study aligns these directional links with the hypothesised relationships and assesses their statistical significance in the subsequent section. The model produced an R^2 value of 0.534 for Employee Empowerment, indicating that adaptive leadership and organisational power dynamics explain a substantial proportion of variation in employees perceived empowerment. According to Hair et al. (2021), this reflects moderate explanatory power. Additionally, the researchers assessed the model's predictive capability using Q^2 , obtaining a value of 0.505. Since this value is above zero, it confirms the model's strong predictive relevance (Shmueli et al., 2019), signifying its reliability in estimating Employee Empowerment based on the proposed predictors. Table 7 presents a summary of these results.

Table 7. Coefficient of Determination (R^2) and Predictive Relevance (Q^2)

Targeted Construct	R^2	Q^2
Employee Empowerment	0.534	0.505

Source: Output as summarised from SmartPLS 4.0 Algorithm

4.4 Hypothesis Testing

This study tested two hypotheses, with the outcomes presented below, along with multicollinearity checks using the Variance Inflation Factor (VIF) values. Table 8 outlines the statistical results for the direct effect of Adaptive Leadership (AL) on Employee Empowerment (E). The analysis indicated a significant positive relationship ($\beta = 0.435$, $t = 6.778$, $p < 0.001$), supporting H_1 and demonstrating that adaptive leadership enhances employee empowerment. The VIF value of 1.739 remained well below the recommended cut-off of 5.0, indicating that multicollinearity did not pose a problem for this analysis (Hair et al., 2021).

Table 8. Analysis of Direct Relationship

Hypothesis	Path Relationship	Path Coefficient β	Std Dev	VIF	t-Values	p-Values	Results
H1	AL->E	0.435	0.064	1.739	6.778	0.000	Supported

Source: Output as summarised from SmartPLS 4.0 Algorithm

Note: Relationship is significant at $p < 0.05$

Table 9 presents the findings on the moderating role of Organisational Power Dynamics (OPD) in the relationship between Adaptive Leadership (AL) and Employee Empowerment (EE). The moderation effect was statistically significant ($\beta = 0.145$, $t = 3.045$, $p = 0.002$), thereby supporting H₂. This result suggests that when perceptions of organisational power dynamics are higher, the positive impact of adaptive leadership on employee empowerment becomes stronger. The corresponding VIF value of 1.115 confirms that multicollinearity was not an issue in this analysis.

Table 9. Analysis of Moderating Relationship

Hypothesis	Path Relationship	Path Coefficient β	Std Dev	VIF	t-Values	p-Values	Results
H2	AL x PD->E	0.145	0.048	1.115	3.045	0.002	Supported

Source: Output as summarised from SmartPLS 4.0 Algorithm

Note: Relationship is significant at $p < 0.05$

Including VIF values verified that multicollinearity did not affect the outcomes, thereby strengthening the reliability and validity of the results (Hair et al., 2021). As shown in Table 10, both hypotheses (H₁ and H₂) received empirical support.

Table 10. Outcome Summary

Hypothesis	Result
H1 There is a positive relationship between adaptive leadership and employee empowerment among mid-level managers of the Sarawak Civil Service (SCS)	Supported
H2 Organisational power dynamics moderate the relationship between adaptive leadership and employee empowerment among the SCS middle management, such that higher perceptions of supervisor social power enhance the positive effect of adaptive leadership	Supported

This study demonstrates that mid-level Sarawak Civil Service (SCS) managers perceive their supervisors as exhibiting strong adaptive leadership behaviours. Supervisors' ability to balance competing demands and respond to situational challenges affirms the applicability of adaptive leadership theory in hierarchical public organisations (Heifetz et al., 2009). By showing that adaptability is recognised and valued even within bureaucratic systems, the findings extend recent scholarship highlighting adaptive leadership as a critical competency for navigating administrative complexity (Nöthel et al., 2023; Hassan et al., 2024).

Respondents also reported high levels of psychological empowerment, particularly in meaning and self-determination, suggesting that SCS managers derive purpose and autonomy despite structural constraints. This finding supports Spreitzer's (1995) view of empowerment as a psychological state rooted in intrinsic motivation, echoing Ahmad et al. (2021), who noted that leadership support can buffer bureaucratic limitations. Importantly, the findings connect empowerment to Sarawak's decentralisation agenda under MA63 (Puyok, 2024), indicating that institutional reforms and leadership behaviours jointly enable mid-level managers to act as strategic intermediaries in policy implementation (Surju et al., 2020; Spieler, 2024).

The results further reveal that supervisors are perceived to hold substantial informal influence, extending beyond positional authority. This result supports Chénard-Poirier et al.'s (2021) notion of Perceived Supervisor Social Power (PSSP) and affirms Mintzberg's (1983) view of organisational power as multidimensional. In the SCS context, informal legitimacy and relational capital enhance leaders' credibility and facilitate cross-agency collaboration, reinforcing the argument that authority in bureaucracies depends as much on perceived influence as on formal rank (Puyok, 2024).

The positive relationship between adaptive leadership and empowerment confirms that flexible and responsive leaders foster initiative, competence, and autonomy within compliance-driven systems. This finding aligns with Heifetz et al. (2009) and Seibert et al. (2011), while also supporting Fernandez and

Moldogaziev's (2013) claim that leadership behaviours may outweigh structural reforms in shaping empowerment. The findings thus support the applicability of adaptive leadership theory in hierarchical public organisations by demonstrating that leadership flexibility and responsiveness can enhance psychological empowerment even within rule-bound bureaucratic systems.

Ultimately, the moderating role of perceived supervisor power highlights the significance of legitimacy in effective leadership. Adaptive behaviours translated into greater empowerment when supervisors were seen as credible and influential, reinforcing PSSP theory (Chénard-Poirier et al., 2021) and supporting Yukl and Mahsud's (2010) assertion that legitimacy amplifies leadership outcomes. In the SCS, where formal authority alone may not be sufficient to secure commitment, these findings underscore the interplay between adaptive leadership and perceived influence as essential drivers of empowerment. This finding supports the perceived supervisor social power theory, which posits that perceived organisational power dynamics moderate the link between adaptive leadership and employee empowerment. Specifically, adaptive leadership has a greater empowering effect when supervisors possess strong informal influence.

5. CONCLUSION

This study examined the influence of adaptive leadership on employee empowerment among mid-level managers in the Sarawak Civil Service (SCS), with a focus on the moderating role of perceived supervisor social power (PSSP). Drawing on validated instruments and data from 199 respondents, the findings confirmed a significant positive relationship between adaptive leadership behaviours and psychological empowerment. Supervisors who demonstrated contextual flexibility and relational balance were perceived to enhance employees' sense of autonomy and purpose. Remarkably, supervisors amplified the empowering effect when employees perceived them as influential, highlighting the moderating role of organisational power dynamics. The study affirmed its relevance beyond crisis or private-sector settings by applying adaptive leadership theory within a bureaucratic context. It also expanded empowerment literature by showing that high levels of meaning and self-determination can be achieved even within hierarchical systems, if leadership is responsive and credible. Furthermore, integrating perceived social power offered new insight into how informal legitimacy enhances leadership outcomes. These findings inform leadership development strategies and support Sarawak's broader public sector reforms under MA63, underscoring the importance of behavioural agility and perceived influence in driving empowerment within structured institutions.

5.1 Implications

Theoretically, this study makes a clear theoretical contribution by extending Adaptive Leadership Theory to formal, hierarchical public-sector contexts such as the Sarawak Civil Service, demonstrating that adaptive behaviours, namely flexibility, contextual sensitivity, and the capacity to reconcile competing institutional demands, can enhance psychological empowerment when leaders are perceived as credible and informally influential. By integrating Spreitzer's empowerment framework with Perceived Supervisor Social Power (PSSP), the findings further refine existing theory, demonstrating that informal legitimacy serves as a contextual condition that influences the effectiveness of leadership behaviours in bureaucratic settings. From a practical standpoint, the study suggests that leadership effectiveness in such institutions is driven more by behavioural agility, relational trust, and perceived credibility than by structural reform. To translate these insights into practice, leadership development initiatives could incorporate simulated policy trade-off exercises that require officers to make decisions under competing administrative and political constraints, as well as guided peer-mentoring arrangements where emerging leaders build influence through problem-solving credibility rather than positional authority. Embedding these adaptive practices into leadership development and evaluation processes may strengthen employee empowerment and support more responsive and resilient governance within the SCS.

5.2 Limitations and Future Research

This study provides valuable insights into leadership and empowerment within the Sarawak Civil Service (SCS), while acknowledging several limitations. The sample was restricted to mid-level managers, excluding senior and junior officers, thereby narrowing the perspective to a single hierarchical level. Although the sample size was adequate, uneven departmental response rates may have limited generalisability. Reliance on self-reported data also increases the risk of social desirability bias, particularly in hierarchical contexts. Time constraints and digital access issues may further restrict participation, particularly in rural or under-resourced departments. Additionally, the focus on Sarawak, with its distinct governance structure under MA63, may limit the applicability of findings to other Malaysian states or federal agencies. Future research should broaden its respondent base to include a broader range of roles and improve representativeness through quota or stratified sampling, alongside extended data collection efforts. Adopting mixed methods, such as interviews or supervisor evaluations, would enhance validity, while longitudinal designs could reveal how adaptive leadership and empowerment unfold over time. Finally, investigating the influence of digital leadership visibility and conducting cross-state or federal comparisons would provide a more robust understanding of leadership dynamics in decentralised public systems.

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CONFLICT OF INTEREST STATEMENT

The authors agree that this research was conducted in the absence of any self-benefits, commercial or financial conflicts and declare the absence of conflicting interests with the funders.

AUTHORS' CONTRIBUTIONS

Diana Toh Kah Yien carried out the research, wrote and revised the article. Ki Yen Ping conceptualised the central research idea and provided the theoretical framework. Ki Yen Ping and Maggie Tang May Jean designed the research and supervised research progress; Ki Yen Ping anchored the review, revisions and approved the article submission.

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