

Impact of Administrative Empowerment on Employee's Development and Intention to Stay

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Abstract

This study examined the impact of administrative empowerment dimensions (work teams, independence and freedom of action, reinforcement, information sharing) on employee development and intention to stay within the Egyptian microfinance sector using PLS-SEM. Administrative empowerment was operationalized through four dimensions: information sharing, independence and freedom of action, reinforcement, and work teams. The results indicate that independence and freedom of action exerted the strongest positive effect on both employee development ($\beta = 0.343$) and intention to stay ($\beta = 0.613$), highlighting the central role of delegated authority and decision autonomy in enhancing competence and retention. Reinforcement also demonstrated a positive effect on employee development ($\beta = 0.356$) and intention to stay ($\beta = 0.219$), suggesting that recognition and incentive systems contribute to both skill growth and organizational attachment. Work teams showed a moderate positive influence on employee development ($\beta = 0.253$) and intention to stay ($\beta = 0.234$), indicating that collaborative structures support learning and stability. In contrast, information sharing revealed a negative relationship with employee development ($\beta = -0.076$) and intention to stay ($\beta = -0.199$), suggesting that information practices alone may not translate into positive outcomes without supportive structural mechanisms.

Keywords

Administrative Empowerment, Employee Development, Employee Intention to Stay, Egyptian Microfinance Sector

1. Introduction

In order to accomplish their objectives, businesses had to adjust to various obstacles and changes, which prompted them to reinvest in human resources by imple-

menting contemporary management principles. Organizations frequently aim to involve leaders and employees in the decision-making process and foster trust between management and employees, which is demonstrated by independence, autonomy, teamwork, and a desire to work together rather than a strict hierarchy inside the firm (Al Nagggar, 2022). Additionally, given the world's rapid changes and the unstable business environment (Ali et al., 2021), as well as the global spread of the COVID-19 pandemic, it was essential to concentrate on clients and potential clients in order to provide services in a way that guarantees they sufficiently meet their needs. Administrative empowerment must therefore be implemented, and its role in implementing continuous improvement must be expanded (Shibly et al., 2021).

In order to gain a sustainable competitive advantage, many businesses are drawn to modern management concepts due to the rapid changes in the business environment and the pressures of global competition. This has positive impacts on human resources management, where the human element is seen as the foundation of the company in achieving its strategic success and implementing its various goals. From this point on, there were numerous calls for the adoption of open management, the delegation of authority to employees, and a sense of responsibility that extended to what is known as an administrative trust (Aljawarneh & Atan, 2018; Alshare et al., 2020).

The concept of administrative empowerment first surfaced at the end of the 1980s as a result of the growing focus on humanitarianism in organizations and the change in administrative theory from the "command and empowered organization" to "the powered organization" in order to gain a competitive edge (Aburuman, 2016). One of the most important strategies for meeting employee requirements and achieving organizational performance is administrative empowerment (Al Mahasneh, 2016). According to Aldaihani (2020), administrative empowerment can be considered a contemporary strategy for open administration.

Over the past ten years, financial inclusion programs and heightened institutional rivalry have propelled Egypt's microfinance sector's explosive growth. According to El-Abedin and Ibrahim (2020) and Saeed and Saleh (2022), this growth puts a great deal of pressure on firms to maintain service quality and exceed consumer expectations by retaining competent people and consistently developing their capabilities. Despite their distinct working circumstances, performance standards, and customer-focused demands, the majority of current research concentrates on general service industries or banking, with little empirical data addressing microfinance institutions (Alshaikh & Al-Swidi, 2021; Yahaya & Ebrahim, 2020).

2. Literature Review

According to Bradhma and Burjorjee's (2004) research titled "Microfinance in the Arab States: Building Inclusive Financial Sectors", there were 250,000 active microcredit program clients in Egypt by the end of 2003. Seven totally viable MFIS

issued more than 80 percent of the loans, which amounted to about \$55 million, the report concluded. When clients not only repay their loan but also seek for another loan, it is an indication that the project is operating. The cornerstone to microcredit programs is sustainability, both in terms of ongoing loan demand and as a sustainable source of funding that allows the MFI to provide the loans without requiring further assistance from donor organizations.

Administrative empowerment is a relatively new strategy that helps individuals and businesses perform better by empowering them to take initiative and be self-sufficient. Employee empowerment is essential to an organization's survival and success because it gives workers a sense of belonging and commitment, fosters effective communication, increases organizational effectiveness, and improves employee satisfaction (Shehadeh et al., 2024). In general, empowerment is giving workers more freedom, discretion, access to information, and growth opportunities so they may make choices that improve the efficacy of the company (Conger & Kanungo, 1988; Spreitzer, 1995).

Previous research has indicated that empowerment practices have a significant impact on employee Intention to Stay in organizations. Managerial empowerment gives employees a greater sense of purpose, ownership, and confidence in themselves and their leaders, reducing the likelihood of leaving and strengthening their commitment to the organization (Armstrong & Taylor, 2017; Laschinger et al., 2001). Perhaps the biggest issue facing individuals and businesses is how to adapt to the ever-evolving global business environment. Employees encounter many obstacles in managing their performance in order to respond to the shifting needs of stakeholders and customers. In order to overcome those obstacles, employees sometimes find it difficult to grasp and control their administrative authority. In this era of globalization, responding quickly to customers in order to satisfy them and boost productivity is one of the main issues facing businesses (Ukil, 2016).

According to Kim and Fernandez (2017), most employees in service companies prefer to stay in their jobs when they feel empowered and consistently involved in decision-making. However, poor organizational arrangements, such as a lack of authority to make work-related decisions, restricted access to information, a lack of control on the job, ambiguous and meaningless responsibilities, and an inappropriate reward system, frequently make employees' jobs challenging and lower the quality of service, which eventually results in dissatisfied customers. Organizations must provide employees with sufficient autonomy and support in order to improve organizational performance and satisfy customers (Ukil, 2016).

3. Research Problem

Due to environmental changes, shifting consumer wants and needs, and the challenges of global competitiveness in all of its manifestations, the business environment has seen numerous rapid alterations in recent years (Alkhalidi, 2025). This has led in many firms' interest in adopting modern management ideas to keep pace with these advancements. Innovation and the pursuit of increased produc-

tivity and creativity to overcome obstacles and adjust to changing conditions are hallmarks of the modern management era (Aldaihani, 2020). These companies must prioritize team building, pay attention to intellectual capital, react quickly to clients, and expand the scope of empowerment and initiative (Ugwoke et al., 2023).

Within the previous context, the topic of administrative empowerment has become one of the topics that has received the attention of many researchers, as many Arab and foreign studies and research, such as the study of Alkhalidi (2025), have concluded that administrative empowerment in various organizations is no longer a matter of choosing or abandoning it, but rather an inevitable necessity that cannot be opposed. According to Al-Jariri (2018), administrative empowerment is a modern administrative philosophy that is based on the application of open management by enhancing workers' capabilities, granting them freedom of action and decision-making, and achieving effective participation in the management of facilities in light of modern changes. This leads to expanding their powers and enriching their information and knowledge, refining their skills, and developing their capacity to participate in decision-making and implementation in both normal and emergency situations.

Employees who feel empowered are more likely to actively participate in organizational transformation initiatives, pursue continuing education, and pick up new skills (Noe, 2017). Information sharing, open communication, and collaborative decision-making are empowerment tactics that foster an environment that is conducive to the development of human capital. According to empirical research conducted in organizations, management empowerment improves employee abilities like leadership, teamwork, creative problem-solving, and idea generation, which increases the organization's capacity to retain staff (Thomas & Velthouse, 1990). Alkhalidi (2025) discovered that various institutional policies and programs have a significant impact on employees' workplace attitudes and behavior, which eventually results in favorable organizational outcomes. It is an employee's perception that their efforts are valued by the company in achieving its objectives. As a result, workers constantly take part in activities that maintain their relationship with and respect for their company. According to Ghani and Din (2006), workers contribute to the success of an organization.

From other perspectives, experts resolve a major debate about whether employee empowerment benefits or harms a company. One of the best ways to enable workers at all levels to use their innovative ideas and skills to raise the caliber of their work and the organization's performance is through employee empowerment (Ukil, 2016). In this context, Silva (2014) argues that intellectual and human capital are among the most important assets of any organization, especially in light of technological advancements and artificial intelligence in the service sector, given its heavy reliance on technology. Employee empowerment, according to the opposition, basically reduces employee satisfaction and productivity in many situations. As a result, opposition to empowerment strategies continues.

Building a stable and devoted team requires Intention to Stay. According to a 2022 Toxic Work Environment Report, toxic relationships are the reason behind 72% of employee resignations. For the same reason, over half intend to do it. According to the People Keep post, replacing a salaried employee typically costs six to nine months of their average wage. According to a Monster survey, 92% of workers said they are open to switching industries and 95% said they are thinking about changing employment. According to the same source, 40% of employees say there have been a lot of personnel turnovers in the last 12 months. Their own burden is growing as a result of significant personnel turnover.

Additionally, the average annual EMPLOYEE turnover Rate (ETR) in the worldwide microfinance sector has been between 17% and 22% (Figure 1), which is extremely high for a sector that primarily depends on its employees to deliver services to customers. In understanding how employee turnover may affect the costs of MFIs, we study it from multiple aspects. First, there are immediate costs connected with hiring and training new staff to replace those who depart. According to studies, a business may have to pay three to four times the wage of a new hire (SHRM, 2022). Second, MFIs heavily rely on the loss of accumulated human and social capital, which results in indirect costs (De Winne et al., 2019).

Unlike conventional banks, the microfinance sector is typically regarded as a “low-tech, high-touch” industry, where staff play a vital role in filtering clients, disbursing loans and managing loans. MFI workers, particularly loan officers, are thought to possess “soft information” about borrowers. When an employee leaves, this information, which is not easily transferred, is lost, affecting operational operations. Third, higher employee turnover can diminish organizational productivity and efficiency, consequently increasing expenses for MFIs (Mia, 2026).

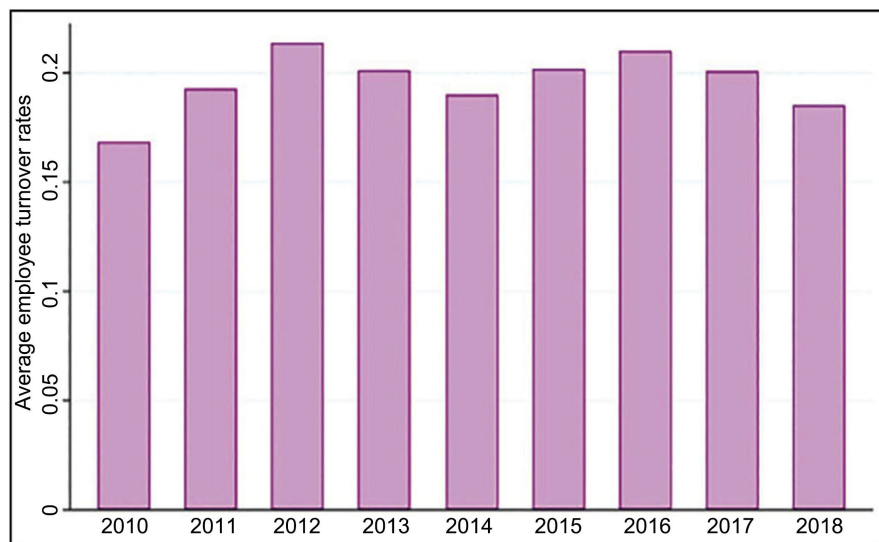


Figure 1. Trends in employee turnover rates (2010-2018).

Employee development in this sense refers to the methodical process of education, training, and career advancement that improves an employee’s competencies.

It is a deliberate, ongoing, and strategic business technique intended to increase an organization's production and efficiency. Employee development encompasses more than just their current position; it also focuses on their long-term professional development and personal growth. In addition to inspiring workers, the organization's strategic investment gives them the skills necessary to adjust to shifting business circumstances (Dachner et al., 2021).

According to Kwon et al. (2024), because it directly affects employee productivity, engagement, and Intention to Stay, employee development is essential to the success of an organization. Employee productivity and quality of work are increased when they are given the tools they need to succeed. Additionally, it boosts employee engagement by fostering a sense of worth and gratitude as workers perceive that the company is dedicated to their professional and personal development. This lowers turnover rates by fostering loyalty and raising morale. This eventually results in a workforce that is more capable, driven, and reliable, which propels the success of the company as a whole. By developing organized programs and activities that improve employees' abilities and career advancement inside the organization, organizational development also plays a crucial part in employee development. Therefore, this study intends to give an empirical assessment of the degree to which administrative empowerment helps to workforce sustainability within microfinance organizations, based on the observed gap in the literature. The following queries are addressed by the study:

What extent does administrative empowerment influence employee development in the Egyptian microfinance sector?

What extent does administrative empowerment influence employee Intention to Stay in the Egyptian microfinance sector?

4. Research Hypotheses and Model

The current study is grounded in the following hypotheses, as shown in **Figure 2**:

H1: Administrative empowerment has a significant impact on employee Intention to Stay within the Egyptian microfinance sector.

H1.1: Information sharing has a significant impact on employee Intention to Stay within the Egyptian microfinance sector.

H1.2: Independence and freedom of action has a significant impact on employee Intention to Stay within the Egyptian microfinance sector.

H1.3: Reinforcement has a significant impact on employee Intention to Stay within the Egyptian microfinance sector.

H1.4: Work Teams has a significant impact on employee Intention to Stay within the Egyptian microfinance sector.

H2: Administrative empowerment has a significant impact on employee development within the Egyptian microfinance sector.

H2.1: Information sharing has a significant impact on employee development within the Egyptian microfinance sector.

H2.2: Independence and freedom of action has a significant impact on employee

development within the Egyptian microfinance sector.

H2.3: Reinforcement has a significant impact on employee development within the Egyptian microfinance sector.

H2.4: Work Teams has a significant impact on employee development within the Egyptian microfinance sector.

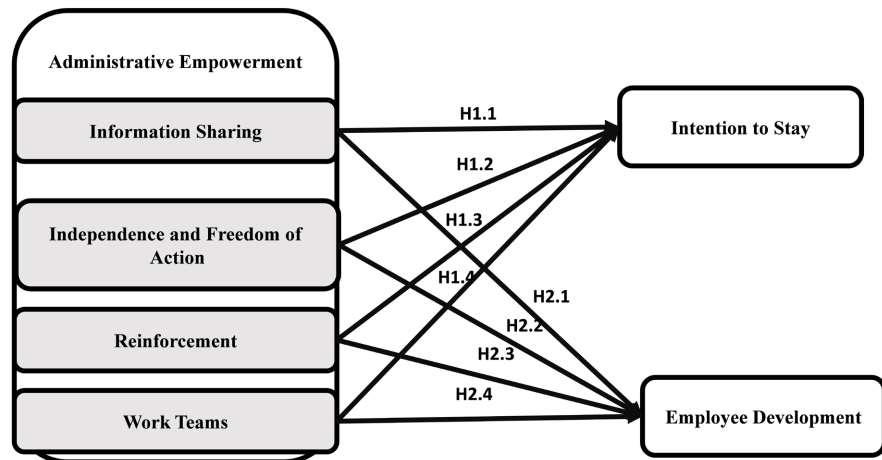


Figure 2. Research model.

5. Methodology

Research Design

The research that is being carried out seeks to assess the effects of administrative empowerment on staff Intention to Stay and employee development in the Egyptian microfinance industry by using a quantitative cross-sectional procedure. A quantitative methodology is chosen because this type of study provides a factual, measurable account of the effects of empowering behavior and allows for statistical relationships between the research variables to examine theories under consideration.

Research Methods

This research used a deductive approach, which starts with the concept and reviews of prior works as proposed hypotheses and these hypotheses were tested on empirical data by using primary information. The researchers utilized a research instrument adapted from previous studies, and primary data were collected from employees in the current study sector (Egyptian microfinance) to answer the research questions and test the hypotheses.

Population of the Study

The current study population consisted of all employees at all management levels (Operational Level, Middle Management, Senior Management) working in microfinance institutions in Egypt, particularly licensed institutions and NGOs operating in the microfinance sector.

Sampling Method and Sample Size

This study employed non-probability (purposive/convenience) sampling for

sample selection, based on a set of methodological and practical justifications related to the nature of the microfinance sector in Egypt.

First, a comprehensive sampling frame encompassing all microfinance actors in Egypt is lacking. Data available from the Financial Regulatory Authority (FRA) is limited to aggregate information on licensed institutions and their activity levels, without providing detailed data on their employees. According to methodological literature, the absence of a clear sampling frame is a primary justification for using non-probability sampling (Creswell, 2018).

Second, the microfinance sector is characterized by its sensitive regulatory nature. It is subject to regulatory oversight and operates within an institutional framework that requires prior administrative approvals for distributing data collection tools. In such regulatory environments, access to respondents is restricted by administrative mediation, making the application of probability sampling impractical. The literature indicates that purposive sampling is widely used in organizational and business research when access to the research population is limited or subject to management approvals (Saunders et al., 2019).

Third, from an analytical perspective, the study employed Partial Least Squares Structural Equation Modeling (PLS-SEM), a predictive and interpretive analytical methodology that is widely applied in management and organizational research. While probability sampling remains preferable for maximizing statistical generalizability, PLS-SEM is frequently used in applied studies relying on non-probability samples, particularly when the objective is to test theoretical relationships and examine predictive associations within specific organizational contexts (Hair et al., 2021).

In addition, the achieved sample size ($n = 306$) exceeds the minimum requirements commonly suggested for PLS-SEM analysis, including the “10-times rule”, thereby supporting the adequacy of the sample for structural model estimation and hypothesis testing.

It is also acknowledged that senior managers represented 58% of the respondents. Although their participation was necessary to ensure informed responses regarding administrative practices, this distribution may introduce the possibility of perception-based inflation of empowerment practices. Future research may therefore consider more proportionate or multi-level sampling designs to capture front-line employee perspectives more extensively.

However, the study acknowledges that using non-probability sampling may limit the statistical generalizability of results to all sector employees and may introduce selection bias. Therefore, the findings should be interpreted within the specific organizational context under consideration, with a recommendation to conduct future studies employing probabilistic sampling methods as more comprehensive population data become available.

Research Participants

Table 1 displays the demographic characteristics of the respondents in the survey, including gender, years of experience, employment level, and educational

qualification. These distributions aid in elucidating the makeup of the sample utilized to investigate the connection between administrative empowerment and the results of employee growth and Intention to Stay in the Egyptian microfinance industry.

Table 1. Demographic characteristics of the respondents.

Variables	Categories	Repetition	Ratio (%)
Gender	Male	201	65.5%
	Female	106	34.5%
	Total	306	100%
Years of Experience	Less than 10 years	9	2.9%
	10 - 20 years	133	43.3%
	20 - 30 years	118	38.4%
	30 - 40 years	31	10.1%
	More than 40 years	16	5.2%
	Total	306	100%
Position	Operational (Entry-Level)	15	4.9%
	Middle Management	113	36.8%
	Senior Management	179	58.3%
	Total	306	100%
Educational Qualification	Intermediate Education	5	1.3%
	Bachelor's Degree	128	41.7%
	Master's/PhD Holders	174	56.7%
	Total	306	100%

Measurement Model

The first section asks for demographic data (gender, age, experience, position, and education).

The second portion is the administrative empowerment scale, modeling administrative empowerment as a multidimensional construct allows for capturing its structural and behavioral components simultaneously, which is particularly relevant in decentralized sectors such as microfinance.

As shown in **Table 2**, administrative empowerment was modeled as a higher-order construct composed of four reflective dimensions: information sharing, independence and freedom of action, reinforcement, and work teams, as conceptualized by *Shibly et al. (2021)*. Each dimension was measured using multiple items (AE01 - AE28), reflecting the multidimensional nature of empowerment practices within organizational settings.

Table 2. Administrative empowerment dimensions.

Dimension	Item Codes	Theoretical Description
Information Sharing	IS01 - IS07	Refers to the extent to which management provides employees with relevant, timely, and transparent organizational information necessary for effective performance.
Independence and Freedom of Action	IF08 - IF16	Reflects the degree of autonomy granted to employees in decision-making and task execution without excessive supervisory control.
Reinforcement	IR17 - IR21	Captures the organizational practices that recognize, reward, and reinforce employees' contributions and performance.
Work Teams	WT22 - WT28	Represents the extent to which teamwork, collaboration, and collective responsibility are promoted within the organization.

Source: Shibly et al. (2021).

The third portion, the employee development scale, was adapted from Jangbhadur and Sharma (2018), from ED29 to ED32.

Finally, the Employee Intention to Stay scale, evaluating intention to stay, was adapted from Deshwal (2015) from ER33 to ER38. All items were measured using a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

The Validity of the Study Tool

As shown in Table 3, each latent variable is measured by multiple observed indicators, with standardized factor loadings displayed on the corresponding arrows. Factor loadings indicate the strength and direction of the relationship between each indicator and its respective construct. For instance, the Information Sharing construct is represented by indicators IS02 through IS07, exhibiting strong loadings ranging from 0.586 to 0.835, suggesting that these items reliably measure the underlying construct. Similarly, Independence and Freedom of Action is captured through indicators IF08 to IF14, with loadings ranging from 0.598 to 0.837, confirming adequate construct validity. Reinforcement and work team constructs also demonstrate robust measurement validity, with most loadings exceeding the recommended threshold of 0.7.

The endogenous variables are measured through their respective indicators: HRD29 - HRD32 for employee development and HRR33 - HRR38 for intention to stay, all showing substantial loadings (ranging from 0.680 to 0.891), indicating strong reliability of measurement.

Table 3. Outer loading analysis.

	Information Sharing	Employee's Development	Intention to Stay	Independence and Freedom of Action	Reinforcement	Work Teams
HRD29		0.871				
HRD30		0.840				
HRD31		0.891				

Continued

HRD32	0.855		
HRR33		0.830	
HRR34		0.755	
HRR35		0.868	
HRR36		0.887	
HRR37		0.680	
HRR38		0.720	
IF08			0.678
IF09			0.699
IF10			0.598
IF11			0.837
IF12			0.773
IF13			0.741
IF14			0.725
IR16			0.827
IS02	0.586		
IS03	0.636		
IS04	0.754		
IS05	0.794		
IS06	0.820		
IS07	0.739		
R15			0.737
R17			0.824
R18			0.819
R19			0.808
R20			0.720
R21			0.652
WT22			0.734
WT23			0.810
WT24			0.779
WT25			0.839
WT26			0.806
WT27			0.822
WT28			0.704
IS01	0.835		

Source: PLS.

Discriminant Validity

Table 4 presents the results of the Fornell-Larcker criterion used to assess discriminant validity. As shown in **Table 4**, the square root of the Average Variance Extracted (AVE) for each construct (reported on the diagonal) exceeds the correlations between that construct and all other constructs in the model.

For instance, the square root of AVE for Information Sharing is 0.732, which is higher than its correlations with the remaining variables. Similarly, Employee's Development (0.865) and Employee's Intention to Stay (0.794) demonstrate diagonal values that clearly exceed their respective inter-construct correlations. The same pattern is observed for Independence and Freedom of Action, Reinforcement, and Work Teams.

These results indicate that each construct shares more variance with its own indicators than with other constructs in the model. Accordingly, the measurement model satisfies the Fornell-Larcker criterion, providing adequate evidence of discriminant validity and supporting the conceptual distinctiveness of the study variables.

Table 4. Fornell-Larcker criterion.

	Information Sharing	Employee's Development	Employee's Intention to Stay	Independence and Freedom of Action	Reinforcement	Work Teams
Information Sharing	0.732					
Employee's Development	0.580	0.865				
Employee's Intention to Stay	0.542	0.811	0.794			
Independence and Freedom of Action	0.701	0.730	0.798	0.725		
Reinforcement	0.664	0.764	0.735	0.756	0.738	
Work Teams	0.709	0.712	0.681	0.678	0.789	0.786

Source: PLS.

Internal Consistency Reliability

Table 5 reports the internal consistency reliability and convergent validity of the constructs. Cronbach's alpha values range from 0.846 to 0.897, exceeding the commonly accepted threshold of 0.70, which indicates satisfactory internal consistency across all constructs. Composite Reliability (CR) values range between 0.885 and 0.922, further confirming the stability and reliability of the measurement model. The rho_A coefficients are also above 0.80 for all constructs, providing additional support for construct reliability.

Regarding convergent validity, the Average Variance Extracted (AVE) values range from 0.525 to 0.747, all exceeding the recommended minimum value of 0.50. This indicates that each construct explains more than half of the variance of its indicators. Collectively, these findings confirm that the measurement model demonstrates acceptable reliability and convergent validity.

Table 5. Internal consistency.

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Information Sharing	0.850	0.873	0.888	0.536
Employee's Development	0.887	0.892	0.922	0.747
Employee's Intention to Stay	0.880	0.892	0.910	0.630
Independence and Freedom of Action	0.848	0.859	0.885	0.525
Reinforcement	0.846	0.886	0.886	0.545
Work Teams	0.897	0.903	0.919	0.618

Source: PLS.

6. Results

Table 6 presents the descriptive statistics of the study variables. The mean scores indicate moderate to relatively high perceptions of administrative empowerment practices and employee outcomes. Information Sharing recorded the highest mean (3.83), followed by Work Teams (3.76) and Reinforcement (3.71), suggesting that respondents generally perceive empowerment practices to be present within their organizations.

Employee's Development reported a mean of 3.63, while Employee's Intention to Stay showed a comparatively lower mean (3.38), indicating that although empowerment practices are perceived positively, retention intentions may be influenced by additional contextual factors.

The skewness and kurtosis values fall within acceptable ranges, suggesting that the data distribution does not significantly deviate from normality. This supports the suitability of the dataset for structural equation modeling.

Table 6. Descriptive statistics.

	Mean		Std. Deviation	Skewness		Kurtosis	
	Statistic	Std. Error		Statistic	Std. Error	Statistic	Std. Error
Information Sharing	3.83	0.035	0.615	-0.642	0.139	1.220	0.278
Independence and Freedom of Action	3.47	0.041	0.734	-0.254	0.139	0.246	0.277
Reinforcement	3.71	0.035	0.627	-0.339	0.139	0.262	0.277
Work Teams	3.76	0.038	0.667	-0.845	0.140	2.121	0.278
Employee's Development	3.63	0.048	0.850	-0.610	0.139	0.607	0.278
Employee's Intention to Stay	3.38	0.048	0.840	-0.391	0.139	0.102	0.277

Source: SPSS.

Table 7 reports the structural path coefficients among the study constructs. The

results indicate that Independence and Freedom of Action has a substantial positive effect on both Employee's Development ($\beta = 0.343$) and Employee's Intention to Stay ($\beta = 0.613$), suggesting that autonomy plays a central role in shaping employee outcomes within the microfinance context.

Similarly, Reinforcement shows positive effects on Employee's Development ($\beta = 0.356$) and Employee's Intention to Stay ($\beta = 0.219$), while Work Teams contributes positively to both outcomes ($\beta = 0.253$ and $\beta = 0.234$, respectively).

In contrast, Information Sharing demonstrates relatively weak and negative coefficients ($\beta = -0.076$ for development; $\beta = -0.199$ for intention to stay), indicating that its direct influence may be limited or potentially mediated by other empowerment dimensions. Overall, the structural relationships highlight that autonomy-related dimensions exert stronger predictive power than information-related practices in this sector.

Table 7. Path coefficients.

	Information Sharing	Employee's Development	Employee's Intention to Stay	Independence and Freedom of Action	Reinforcement	Work Teams
Information Sharing		-0.076	-0.199			
Employee's Development						
Employee's Intention to Stay						
Independence and Freedom of Action		0.343	0.613			
Reinforcement		0.356	0.219			
Work Teams		0.253	0.234			

Source: PLS.

Table 8 presents the R^2 and adjusted R^2 values for the endogenous constructs. The model explains 65.8% of the variance in Employee's Development (Adjusted $R^2 = 0.654$) and 70.1% of the variance in Employee's Intention to Stay (Adjusted $R^2 = 0.697$).

These values indicate substantial explanatory power, suggesting that the administrative empowerment dimensions collectively provide strong predictive capacity for both employee outcomes within the studied context.

Table 8. R Square.

	R Square	R Square Adjusted
Employee's Development	0.658	0.654
Employee's Intention to Stay	0.701	0.697

Source: PLS.

Table 9 reports the effect sizes (f^2) of each predictor construct. Independence and Freedom of Action demonstrates the strongest effect on Employee's Intention to Stay ($f^2 = 0.449$), which can be interpreted as a large effect size. It also shows a meaningful contribution to Employee's Development ($f^2 = 0.123$).

Reinforcement and Work Teams exhibit small to moderate effect sizes across both dependent variables, whereas Information Sharing shows minimal effect ($f^2 = 0.007$ and 0.054), indicating a limited incremental contribution to the explained variance.

These results reinforce the central importance of autonomy-related practices in influencing employee sustainability outcomes.

Table 9. f Square.

	Information Sharing	Employee's Development	Employee's Intention to Stay	Independence and Freedom of Action	Reinforcement	Work Teams
Information Sharing		0.007	0.054			
Employee's Development						
Employee's Intention to Stay						
Independence and Freedom of Action		0.123	0.449			
Reinforcement		0.106	0.046			
Work Teams		0.059	0.058			

Source: PLS.

Table 10 presents the global model fit indices. The SRMR values for both the saturated (0.068) and estimated model (0.070) fall below the recommended threshold of 0.08, indicating an acceptable model fit.

The Normed Fit Index (NFI) values (0.775 and 0.769) suggest a moderate level of model fit. While PLS-SEM does not prioritize global fit indices to the same extent as covariance-based SEM, the reported values indicate that the proposed structural model demonstrates satisfactory overall fit and consistency with the observed data.

Table 10. Fit summary.

	Saturated Model	Estimated Model
SRMR	0.068	0.070
d_ULS	3.414	3.648
d_G	1.135	1.181
Chi-Square	1864.576	1913.560
NFI	0.775	0.769

Source: PLS.

7. Study Contributions

7.1. Theoretical Contribution

This study contributes to the literature on administrative empowerment and workforce sustainability in several ways. First, while the relationship between empowerment, employee development, and intention to stay has been widely examined in general management and organizational behavior research, limited attention has been given to highly regulated emerging-economy sectors such as microfinance in Egypt. Microfinance institutions operate through decentralized field structures, rely heavily on relational interactions with low-income clients, and function under strict regulatory oversight. In such contexts, empowerment is not merely a motivational tool but an operational necessity that enables timely decision-making, service responsiveness, and adaptive problem-solving. By situating the empowerment-development-intention to stay relationship within this institutional setting, the study extends existing theory beyond traditional corporate and banking environments and highlights the contextual sensitivity of empowerment practices.

Second, the study advances theoretical understanding by clarifying the differentiated mechanisms through which administrative empowerment influences employee outcomes. The findings indicate that empowerment dimensions do not exert equal influence. In particular, practices that enhance employees' independence and freedom of action demonstrate stronger predictive power for both employee development and intention to stay compared to information-sharing practices. This suggests that autonomy-related mechanisms play a central role in shaping employee attitudes and developmental outcomes within the microfinance context. By emphasizing the uneven impact of empowerment dimensions, the study refines empowerment theory and underscores the importance of examining its multidimensional structure rather than treating it as a uniform construct.

Furthermore, administrative empowerment—especially when manifested through meaningful autonomy—functions as both a structural and psychological resource. By strengthening employees' perceived competence and discretion in handling work responsibilities, it fosters professional growth while reinforcing their commitment to remain within the organization. Through the application of PLS-SEM in a sector-specific framework, the study empirically validates these differentiated relationships and contextualizes empowerment theory within emerging financial systems.

7.2. Practical Contribution

From a practical perspective, the findings provide evidence-based guidance for leaders and policymakers within Egypt's microfinance sector. Given the sector's reliance on frontline employees who interact directly with financially vulnerable clients, strengthening administrative empowerment practices can enhance employee capability and reinforce intention to remain within the organization. However, the results particularly emphasize the importance of granting meaningful

autonomy to employees, as independence and freedom of action emerged as the most influential predictors of both development and retention intentions.

This suggests that managerial efforts should move beyond symbolic empowerment practices and focus on expanding real decision-making authority, reducing unnecessary supervisory constraints, and enabling employees to respond flexibly to client needs. While information sharing and team-based structures remain important components of organizational design, their direct influence appears comparatively less substantial in predicting employee sustainability outcomes within this context.

Moreover, the findings indicate that empowerment should not be viewed solely as a human resource initiative, but as a strategic management approach that supports organizational stability and service continuity. Regulatory bodies and institutional leaders may therefore consider embedding autonomy-supportive practices within governance structures, performance management systems, and leadership development programs. By linking differentiated empowerment practices to workforce sustainability, the study offers actionable insights for enhancing institutional resilience in the Egyptian microfinance sector.

8. Conclusion

This study examined the impact of administrative empowerment on employee development and intention to stay within the Egyptian microfinance sector. Using Partial Least Squares Structural Equation Modeling (PLS-SEM), the findings confirmed that administrative empowerment significantly predicts both employee development and intention to stay. The structural model demonstrated substantial explanatory power, indicating that empowerment practices account for a considerable proportion of variance in the two employee outcomes.

Importantly, the results revealed that the dimensions of administrative empowerment do not contribute equally. Independence and freedom of action emerged as the strongest predictor of both employee development and intention to stay, highlighting the central role of autonomy in shaping workforce sustainability in microfinance institutions. While reinforcement and work teams also showed positive contributions, information sharing demonstrated comparatively weaker direct effects. These findings suggest that empowerment is most effective when it translates into meaningful discretion and decision-making authority rather than remaining at the level of formal communication practices.

The study therefore concludes that strengthening autonomy-supportive managerial practices represents a critical lever for enhancing employee capability and organizational stability within this sector. Empowerment should be operationalized through granting employee's real authority in task execution, reducing excessive supervisory control, and enabling responsive decision-making at operational levels.

From a managerial perspective, organizations are encouraged to institutionalize empowerment practices through structured delegation, participatory leadership

approaches, team-based coordination, and continuous professional development programs. However, particular emphasis should be placed on expanding employees' independence and role discretion, as this dimension demonstrated the strongest influence on both development and retention intentions.

The findings reinforce the strategic importance of administrative empowerment as a mechanism for promoting workforce sustainability in regulated service sectors. By embedding differentiated empowerment practices within governance and managerial systems, microfinance institutions may strengthen employee growth, enhance organizational commitment, and improve long-term institutional resilience.

9. Limitations and Future Research

Despite its empirical contributions, this study is subject to several limitations that should be acknowledged.

First, the research adopted a cross-sectional design, capturing relationships at a single point in time. Although the findings indicate statistically significant associations between administrative empowerment, employee development, and intention to stay, this design does not allow for definitive causal inferences. Future studies employing longitudinal or panel research designs would provide stronger evidence regarding the temporal stability, causality, and directional dynamics of these relationships over time.

Second, the study relied on self-reported data collected from a single source within each organization. While this approach is widely used in organizational and behavioral research, it may introduce common method variance and perceptual bias. Moreover, senior managers constituted a substantial proportion of the sample, which may have influenced the evaluation of empowerment practices due to positional perspectives. Future research may benefit from multi-source data collection strategies, incorporating responses from different hierarchical levels—such as middle management and frontline employees—to obtain a more comprehensive and balanced assessment of empowerment practices.

Third, the use of non-probability sampling limits the statistical generalizability of the findings to the broader population of microfinance employees in Egypt. Although the sampling technique was justified by contextual and accessibility constraints within the sector, future research may adopt probabilistic or stratified sampling approaches as more comprehensive sectoral databases become accessible. Such approaches would enhance external validity and strengthen the robustness of empirical generalizations.

Fourth, the study focused specifically on the microfinance sector in Egypt—a context characterized by regulatory oversight, decentralized operational structures, and direct engagement with financially vulnerable clients. While this contextual focus enhances the study's practical relevance and sector-specific insights, it may limit the transferability of findings to other financial services or broader service industries. Comparative research across different sectors or emerging economies

would help determine the extent to which the observed relationships are context-dependent or universally applicable.

Finally, the study examined the direct relationships between administrative empowerment, employee development, and intention to stay. Future research could extend the model by investigating potential mediating and moderating variables—such as organizational commitment, job satisfaction, psychological empowerment, leadership style, or organizational culture—to provide a deeper and more nuanced understanding of the mechanisms underlying workforce sustainability. Integrating such variables would contribute to theoretical refinement and model expansion within empowerment research.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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