

Leading with Empowerment in Digital Workspaces: Transformational Approaches to Enhancing Employee Autonomy

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Abstract:

This study examines the evolving role of leadership in digital work environments, focusing on the paradigm shift from supervisory control to trust-based empowerment. As organisations increasingly adopt digital collaboration tools and flexible work structures, traditional command-and-control models are challenged by the need for employee autonomy, motivation, and virtual accountability. The research explores how transformational leadership practices can foster digital autonomy and innovation, especially within distributed teams. Drawing on recent literature in digital leadership, organisational behaviour, and workplace psychology, the study positions digital empowerment as a key factor in sustaining performance, engagement, and adaptive capability in remote and hybrid settings. An embedded case study methodology was employed, comparing two departments within a large professional services firm that implemented contrasting leadership models during a digital transformation initiative. Department A adopted a transformational leadership approach characterised by trust, open communication, and outcome-based management, while Department B retained hierarchical supervision and task-monitoring practices. Data were collected through semi-structured interviews with managers and team members (n=24), supplemented by internal performance reports and pulse surveys over a six-month period. Thematic analysis was applied to qualitative data, and patterns were triangulated with performance indicators. Three key findings emerged. First, teams led through empowerment demonstrated higher digital engagement and psychological ownership over workflows. Second, leaders who prioritised trust and feedback fostered stronger team cohesion and adaptability under virtual pressures. Third, departments with rigid digital oversight experienced reduced creativity and increased disengagement. Based on these findings, the study recommends leadership development programmes that embed digital trust-building and autonomy facilitation as core competencies. It also proposes a strategic model for transitioning from supervision to empowerment in digitally mediated workplaces. This research contributes to the growing field of digital leadership studies by evidencing how leadership style directly shapes team performance and innovation in virtual contexts.

Keywords: Digital work environment, leadership, empowerment, control, performance

1. Introduction

The shift toward digital work environments has transformed the landscape of organisational leadership, compelling a fundamental reassessment of how people are managed, motivated, and empowered. As remote and hybrid work structures become embedded in organisational practice, leadership models grounded in direct supervision and task control are increasingly proving inadequate (Kniffin et al., 2021; Spataro, 2022). The

digitisation of workspaces, enabled by collaborative platforms such as Microsoft Teams, Slack, and Asana, has created environments where visibility is often limited, asynchronous communication is normalised, and autonomy becomes both a necessity and a challenge (Waizenegger et al., 2020). In such contexts, the ability of leaders to foster trust, enable self-management, and support innovation is now central to organisational success.

Historically, leadership in traditional office environments has relied on mechanisms of control, surveillance, and proximity (Mintzberg, 1973). In contrast, digital work environments—characterised by virtual presence, distributed teams, and limited face-to-face supervision—demand an increased reliance on trust, autonomy, and employee self-efficacy (Contreras, Baykal & Abid, 2020). The literature indicates that this shift is not merely technological but deeply behavioural and cultural, requiring leaders to embrace new roles as facilitators, enablers, and role models of adaptive digital behaviour (Avolio, Sosik, Kahai & Baker, 2014).

Transformational leadership theory, originally articulated by Bass (1985), provides a powerful lens through which to examine this shift. Transformational leaders inspire followers through vision, intellectual stimulation, and personalised consideration, thereby fostering intrinsic motivation and higher levels of engagement (Bass & Riggio, 2006). When applied to digital work settings, transformational leadership is associated with increased team effectiveness, innovation, and psychological empowerment (Purvanova & Bono, 2009; Eisenberg, Post & DiTomaso, 2019). Unlike transactional leaders, who focus on task completion and performance monitoring, transformational leaders are better positioned to support autonomy and build virtual trust (Kirkman, Rosen, Tesluk & Gibson, 2004). However, the realisation of these benefits depends on how effectively such leadership behaviours are translated into the digital context.

The COVID-19 pandemic served as a catalyst for organisational digitisation, but it also exposed leadership gaps and organisational unpreparedness. Many leaders attempted to replicate physical control mechanisms through digital surveillance, micromanagement via virtual tools, and hyper-monitoring, leading to employee fatigue, digital presenteeism, and disengagement (Sull, Sull & Bersin, 2022; Wang, Liu, Qian & Parker, 2021). In contrast, organisations that embraced digital autonomy, offered flexibility, and developed trust-based leadership practices saw gains in innovation, employee satisfaction, and retention (Galanti, Guidetti, Mazzei, Zappalà & Toscano, 2021).

Research also suggests that digital leadership is not merely about the deployment of tools but about cultural readiness and values alignment (Kane, Palmer, Phillips, Kiron & Buckley, 2015). Leadership in digital settings must therefore reconcile two competing demands: maintaining productivity and accountability while fostering autonomy and well-being. This tension forms the central dilemma of modern leadership in digitally mediated work environments (Gratton, 2021).

In addressing this challenge, a growing body of literature advocates for a shift from control-centric to empowerment-oriented leadership. Empowerment, in this context, involves delegating authority, promoting self-directed work, and encouraging initiative-taking among employees (Seibert, Wang & Courtright, 2011). When combined with digital technologies, empowerment becomes both a structural and psychological construct—enabled by access to tools and shaped by leadership behaviours (Zhang & Bartol, 2010). The empowerment paradigm resonates with self-determination theory, which posits that autonomy, competence, and relatedness are key drivers of motivation and engagement (Deci & Ryan, 2000). Leaders who create conditions for these psychological needs to be met in digital environments can foster not only performance but also employee flourishing.

However, empowerment is not without its challenges. Too much autonomy without support can lead to ambiguity, fragmentation, and stress, particularly in teams lacking digital literacy or role clarity (Mazmanian, Orlikowski & Yates, 2013). Thus, the question is not whether digital leadership should shift toward empowerment, but how this shift can be strategically managed to balance freedom with structure, innovation with accountability.

This paper investigates the contrasting outcomes of control versus empowerment-based leadership approaches in digital work settings by conducting a case study of two departments within the same organisation. One department implemented a transformational leadership strategy centred on digital

autonomy, while the other retained a control-oriented, supervisory model. By comparing their outcomes, this study seeks to explore how leadership style influences engagement, performance, and innovation in digital environments.

The investigation is structured around the following **research questions**:

1. How does transformational leadership influence employee autonomy and engagement in digital work environments?
2. What are the comparative impacts of control-based and empowerment-based leadership approaches on team performance?
3. How do digital collaboration tools mediate leadership behaviours and employee experiences of empowerment?

In line with these questions, the **research objectives** are:

1. To examine the effects of transformational leadership on digital autonomy and employee motivation.
2. To analyse differences in team dynamics and outcomes under contrasting leadership models.
3. To explore how leadership behaviours are shaped or constrained by digital tools and platforms.
4. To propose a practical model for leaders aiming to foster digital empowerment in hybrid or remote teams.

In addressing these aims, this paper contributes to the theoretical and practical discourse on digital leadership, providing evidence-based insights into how organisations can adapt their managerial paradigms to support high-performing and autonomous digital teams.

2. Methodology

This study adopts a qualitative case study methodology to explore how different leadership approaches—transformational and control-oriented—affect employee autonomy, engagement, and team performance in digital work environments. The case study approach is suitable for capturing the complexity and contextual nuances of leadership dynamics within specific organisational settings (Yin, 2018). By comparing two departments within the same professional services firm, the research design enables a contextualised examination of leadership behaviour and its influence on digital collaboration and empowerment.

Research Design

The study is structured as an embedded comparative case study, allowing for the analysis of two organisational units operating under similar external conditions but led by managers employing distinct leadership models. Department A transitioned to a transformational leadership style that prioritised autonomy, outcome-based performance, and trust-based delegation in the digital workspace. In contrast, Department B retained a supervisory approach grounded in task monitoring, digital oversight, and frequent performance check-ins.

Both departments are part of a global firm in the consultancy sector, operating with comparable roles, resources, and technological infrastructures. This organisational alignment controls for external variables and enables the attribution of observed differences to leadership styles rather than structural disparities (Miles, Huberman & Saldaña, 2014).

Data Collection

Data were collected over a six-month period through three primary sources:

1. **Semi-structured interviews:** A total of 24 interviews were conducted with managers and employees across both departments (12 per department). Participants were selected using purposive sampling to ensure diverse representation in terms of seniority, function, and digital engagement. The interviews explored perceptions of leadership, experiences with digital autonomy, communication dynamics, and team climate.
2. **Document analysis:** Internal documents including performance dashboards, team feedback reports, and digital communication policies were reviewed. These provided insight into how leadership values were operationalised and how team goals were tracked in each department.

3. **Pulse surveys:** Aggregated results from bi-weekly employee pulse surveys, routinely administered by the HR department, were accessed. Key variables included digital engagement, perceived autonomy, collaboration quality, and innovation metrics.

All interviews were recorded and transcribed with participants' informed consent, adhering to ethical standards of confidentiality and anonymity. Ethical clearance was obtained through the sponsoring university's research ethics committee.

Data Analysis

Thematic analysis was employed to interpret the qualitative data, following Braun and Clarke's (2006) six-phase framework: familiarisation with data, generation of initial codes, searching for themes, reviewing themes, defining themes, and writing up. NVivo 14 software was used to manage and code the data. Codes were developed inductively but guided by sensitising concepts from transformational leadership theory, self-determination theory, and digital empowerment literature.

Three major thematic categories emerged: (1) Leadership communication style and employee trust, (2) Autonomy and accountability in digital workflows, and (3) Emotional climate and adaptive capacity. These were analysed comparatively across the two departments to identify patterns and contrasts.

Quantitative data from performance reports and pulse surveys were used to triangulate qualitative findings. While not subjected to statistical testing, descriptive comparisons (e.g., average engagement scores, innovation index ratings) provided an additional layer of interpretive validity (Denzin, 2012).

Limitations

Several limitations should be acknowledged. First, the study focuses on only two departments within a single organisation, which may limit the generalisability of findings. However, this limitation is partially mitigated by the depth of case engagement and the internal comparability between units. Second, the reliance on self-reported data in interviews and surveys may introduce response biases, particularly in attributing outcomes to leadership behaviours. To reduce this risk, data triangulation was used to corroborate themes across multiple sources. Third, the study captures a six-month period of digital adaptation and may not reflect long-term leadership effects or the evolution of team dynamics over time.

Despite these constraints, the case study provides rich, contextualised insights into how leadership approaches shape digital work experiences. It offers a foundation for further cross-sectoral or longitudinal research and practical guidance for leaders aiming to transition from control-based to empowerment-oriented management models.

3. Literature Review

The Digitalisation of Work and the Redefinition of Managerial Boundaries

The digitalisation of work is not merely a shift in operational logistics but a transformation in the very architecture of how work is conceived, distributed, and governed. As organisations adopt virtual workspaces, cloud-based platforms, and asynchronous workflows, the once-dominant managerial paradigm of supervision and physical oversight is rapidly dissolving (Leonardi, 2020; Felstead & Henseke, 2017). In digital work environments, leadership can no longer rely on spatial proximity or visual cues; instead, it must function across temporal gaps, technology-mediated exchanges, and loosely coupled team structures (Sivathanu & Pillai, 2021). This transformation redefines power dynamics in organisations, calling for a shift from managerial control to strategic enablement.

Work, in this new paradigm, is not anchored by presence but by outcomes, not managed by observation but by influence. Control-based leadership mechanisms—such as line-of-sight management, daily physical check-ins, or unidirectional task delegation—become impractical in digital settings and are often counterproductive (Bailey & Kurland, 2021). The attenuation of physical structures places new cognitive and emotional demands on both leaders and employees, particularly around coordination, accountability, and trust-building. Where oversight used to structure expectations, clarity of goals and alignment of values must now take its place (Cascio & Montealegre, 2016). For leadership scholars and practitioners, this represents a profound shift from performance enforcement to purpose alignment.

The Impact of Work Environment Digitisation on Employee Job Performance and Organisational Productivity

The digitisation of work environments has generated both promises and paradoxes for employee performance and overall organisational productivity. On one hand, digital technologies offer increased flexibility, faster access to information, and enhanced communication channels, which can elevate individual and collective efficiency (Baptista et al., 2020). On the other, they introduce complexities in coordination, cognitive overload, and fragmented attention, which may hinder sustained high performance if not strategically managed (Tarafdar et al., 2019).

Digitisation influences job performance at both *task* and *relational* levels. At the task level, technologies such as AI-driven platforms, cloud-based collaboration tools, and workflow automation have significantly accelerated information processing and task execution. Studies show that employees with access to integrated digital tools often report higher perceived productivity, particularly in knowledge-based roles where autonomy and data flow are essential (Schwarz Müller et al., 2018). However, this productivity gain is contingent on digital literacy and platform usability—when tools are not intuitive or overly complex, performance can degrade (Vial, 2019).

Relationally, digitisation reconfigures the nature of collaboration. While digital platforms facilitate borderless teamwork, they can also limit informal communication, reduce emotional bandwidth, and introduce asynchronous delays. These changes may weaken team cohesion and make trust-building more difficult (Maznevski & Chudoba, 2000; Gibbs et al., 2021). Research suggests that digital collaboration is most productive when underpinned by strong leadership norms, shared protocols, and technology fit with task complexity (Benlian, 2020).

From a psychological perspective, digital work environments impact performance by shaping cognitive and emotional resources. The phenomenon of *technostress*—stress induced by information overload, constant notifications, and digital surveillance—has been shown to impair attention, creativity, and decision-making (Tarafdar et al., 2007; Ayyagari, Grover & Purvis, 2011). Conversely, when digitisation enhances role clarity, autonomy, and feedback, it can serve as a motivator and enable peak performance (Peters et al., 2020).

Organisationally, digitisation affects productivity through both *individual output* and *system-level optimisation*. Digital dashboards, analytics platforms, and performance tracking systems provide leaders with real-time insights, enabling faster decision-making and more agile responses to market changes (Bharadwaj et al., 2013). However, these tools must be implemented within a culture of trust and strategic empowerment—otherwise, they risk being used as instruments of micro-surveillance, which undermine intrinsic motivation and long-term innovation (Bernstein, 2017).

Evidence from large-scale longitudinal studies (e.g., Eurofound & ILO, 2017) indicates that firms adopting digital workflows experience productivity gains only when digitisation is matched with complementary organisational practices—such as employee upskilling, team autonomy, and inclusive leadership. Digitisation alone is insufficient; it must be embedded within socio-technical systems that balance structure with flexibility (Orlikowski, 2007).

Finally, leadership plays a pivotal mediating role. The productivity gains of digitisation are magnified when leaders support cognitive bandwidth through outcome-based goal setting, enable discretionary use of tools, and maintain open channels for feedback and experimentation (van Zoonen, Sivunen & Blomqvist, 2021). In contrast, rigid digital oversight, frequent low-value check-ins, or inconsistent platform usage can create confusion and reduce work efficiency.

In sum, digitisation transforms the conditions of performance but does not automatically enhance it. Its success depends on human-centric leadership, purposeful tool design, and supportive cultures that prioritise both productivity and well-being. Future research should explore how digital maturity, leadership style, and employee empowerment interact to produce sustainable performance gains in evolving hybrid work models.

Employee Experience and Psychological Impacts of Digital Work Environments

Digital work alters not only the operational structure of organisations but also the psychological contract between employees and employers. Employees in digital contexts face intensified demands for self-regulation, goal prioritisation, and continuous connectivity, which can increase autonomy but also lead to fatigue, social

isolation, and blurred work-life boundaries (Wang et al., 2021; Gartner, 2023). Research shows that while flexibility in digital work is often appreciated, it is not without hidden costs: the loss of informal learning, peer recognition, and spontaneous collaboration creates a fragmented professional experience that can erode both motivation and cohesion (Bartsch et al., 2020).

The expectation of availability, reinforced by constant digital communication, can result in an "always-on" culture that undermines autonomy rather than enhancing it (Mazmanian et al., 2013). Moreover, employees without strong digital literacy or those working in under-resourced roles may struggle with the technological self-sufficiency that virtual environments demand (Sarker et al., 2019). In such settings, leadership behaviours become critical in shaping how autonomy is experienced: whether as empowerment and trust or abandonment and confusion. Psychological safety, feedback, mentoring, and emotional support must be purposefully integrated into digital leadership practice if employee well-being and engagement are to be sustained (Edmondson, 2018; Bailey & Kurland, 2021).

Autonomy in Digitally Distributed Teams: Structural and Cognitive Dimensions

Autonomy is frequently cited as one of the principal benefits and challenges of digital work. In virtual teams, it becomes both a necessity and a design feature. Structurally, autonomy refers to the latitude employees have to make decisions, manage tasks, and select tools or methods of working (Hackman & Oldham, 1976; Gajendran & Harrison, 2007). In digital contexts, where direct supervision is not viable, this structural autonomy is built into the fabric of task execution. However, this alone is insufficient. Without cognitive autonomy—the perception of self-direction and ownership—employees may default to passivity or feel disengaged from team objectives (Spreitzer, 1995; Seibert et al., 2011).

Cognitive autonomy is influenced heavily by leadership behaviour. Empowering leadership clarifies expectations, fosters confidence, and allows employees to experiment and fail constructively (Zhang & Bartol, 2010). By contrast, managerial micromanagement, even when digitally disguised as frequent check-ins or constant messaging, can undermine the sense of autonomy and lead to decision paralysis or digital burnout (Jeske & Santuzzi, 2015). The literature increasingly supports the view that autonomy is not the absence of structure, but the presence of purposeful flexibility: clear goals, bounded discretion, and the freedom to contribute in personalised ways (Ryan & Deci, 2020).

Transformational Leadership: Mobilising Autonomy and Engagement

Transformational leadership, with its emphasis on vision, stimulation, and individualised support, provides a compelling framework for leading digital teams. Unlike transactional leadership, which centres on extrinsic motivation and performance control, transformational leadership fosters intrinsic motivation through shared purpose, empowerment, and role development (Bass & Riggio, 2006; Braun et al., 2013). This leadership style is well-suited to digital environments, where reliance on internalised motivation and team self-organisation is essential.

Empirical studies affirm that transformational leaders improve performance and innovation outcomes in both co-located and virtual teams (Purvanova & Bono, 2009; Hoch & Dulebohn, 2017). In digital contexts, their behaviours are adapted through technology: vision is communicated via collaborative platforms; intellectual stimulation is reinforced through problem-based learning and open decision-making; individualised support is offered through digital coaching, asynchronous mentoring, or personalised communication. These adaptations preserve the spirit of transformational leadership while adjusting its form for the digital medium. Importantly, transformational leaders enable autonomy not by withdrawal but by strategically scaffolding it: creating space for employee ownership while maintaining accountability (Eisenbeiss et al., 2008).

Trust and Psychological Safety as Foundations of Empowerment

Trust is a foundational element of effective leadership in digital contexts. Without visual monitoring and physical interaction, teams must rely on trust in leadership intentions, team competence, and fairness in task allocation (Dirks & Ferrin, 2002; Jarvenpaa & Leidner, 1999). This trust is not given by default in digital teams—it must be earned and sustained through consistent, transparent, and empathetic leadership practices (Breuer et al., 2016). Transformational leaders foster such trust by role-modelling integrity, listening actively, and creating forums for open discussion.

Psychological safety, closely related to trust, refers to the shared belief that a team is safe for interpersonal risk-taking (Edmondson, 2018). In digital teams, where cues are ambiguous and communication is mediated, creating psychological safety is a deliberate leadership act. Empowerment fails when employees fear making mistakes, receiving blame, or facing public criticism on digital platforms. Leadership practices that normalise experimentation, acknowledge uncertainty, and validate diverse contributions significantly increase psychological safety and, in turn, enable autonomy to be exercised confidently and constructively (Newman, Donohue & Eva, 2017).

Leadership Communication, Goal Clarity, and Feedback Loops

Communication in digital teams must go beyond transmission of information—it must generate shared understanding. Empowering leaders communicate not just tasks but purpose, not just deadlines but context (Manuti & De Palma, 2018). Clear articulation of goals, roles, and timelines is essential in distributed teams, where misinterpretations can delay progress and damage morale. Research shows that goal clarity correlates strongly with engagement, particularly in settings of high autonomy (Hackman, 2002; Kirkman & Rosen, 1999). Feedback also plays a pivotal role in digital empowerment. In remote teams, where spontaneous reinforcement is rare, leaders must offer feedback that is timely, constructive, and framed around growth (London & Smither, 2002). Feedback should not merely be corrective—it should reinforce autonomy by validating initiative and guiding development (Kim & Fernandez, 2017). Effective leaders also create feedback loops within teams, enabling peer-to-peer coaching, collaborative reflection, and distributed responsibility for improvement (Jiang & Chen, 2018).

Digital Tools: Mediators of Leadership Behaviour and Autonomy

Digital platforms are more than communication tools—they are systems that encode and enable leadership practices. The affordances of tools such as Microsoft Teams, Zoom, and Miro influence how tasks are tracked, meetings are facilitated, and recognition is distributed (Leonardi, 2021). Leaders must therefore develop what Kane et al. (2019) term “digital leadership fluency”: the ability to strategically use tools not for control but for empowerment. This includes designing inclusive meeting structures, using analytics for development rather than punishment, and establishing digital rituals that reinforce team identity and cohesion.

At the same time, the overuse of monitoring features, analytics dashboards, or digital nudges can produce unintended consequences. When employees feel digitally surveilled, they often reduce experimentation and risk-taking—behaviours essential to innovation and proactive work (Bernstein et al., 2018). Effective digital leaders critically assess the function of tools in their leadership style and balance transparency with psychological privacy (Gratton, 2021).

Barriers to Digital Empowerment and How to Overcome Them

Despite growing interest in digital empowerment, significant barriers remain. These include organisational cultures that reward compliance over initiative, technological infrastructures that are inflexible or fragmented, and managerial insecurities around relinquishing control (Sivathanu & Pillai, 2021). Furthermore, not all employees are equally prepared to navigate high-autonomy environments, particularly those without sufficient digital or self-management skills (Felstead & Henseke, 2017). Empowerment, therefore, must be supported by digital training, ongoing mentoring, and adaptive performance management systems.

Overcoming these barriers requires deliberate leadership development and cultural transformation. Leaders must be trained not just in technology, but in relational intelligence, adaptive goal-setting, and inclusive communication (Kane et al., 2015). At the cultural level, organisations must shift performance indicators from presence and responsiveness to innovation, initiative, and value creation. Only then can digital autonomy become sustainable and scalable across diverse teams.

4. Findings

This section presents the results of the comparative case study (Figure 1) conducted in two departments of the same professional services organisation. Department A implemented a leadership style grounded in empowerment, autonomy, and outcome-oriented management. Department B, by contrast, retained a more control-based, supervisory leadership model with structured reporting and close task oversight. Data were

gathered over a six-month period through semi-structured interviews (n=24), internal team metrics, and aggregated pulse survey results.

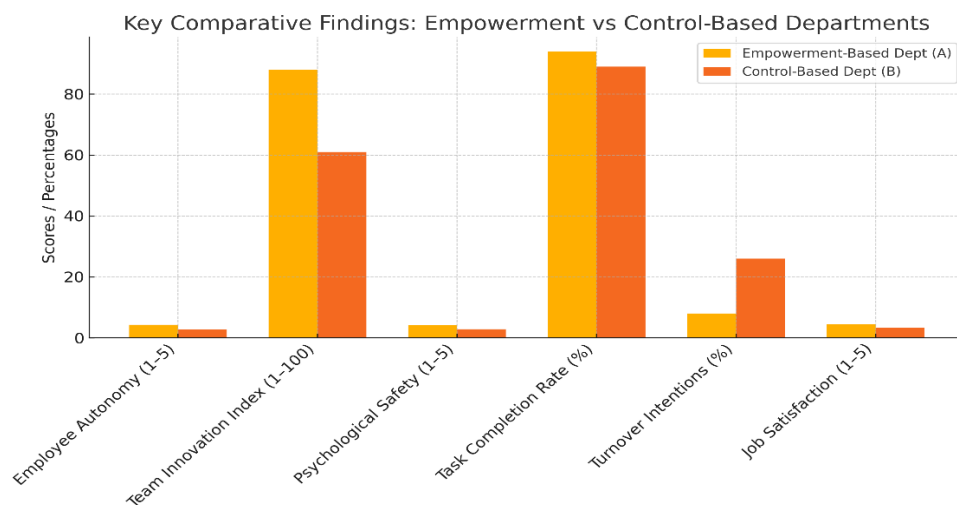


Figure 1: Comparative Findings

1. Reported Employee Autonomy Levels

Pulse survey data indicated a clear difference in perceived autonomy between the two departments. Employees in Department A rated their autonomy an average of 4.3 out of 5, frequently citing discretion over task methods, decision latitude, and schedule flexibility. In contrast, Department B's average autonomy rating was significantly lower at 2.7. Comments from B employees noted "overly prescriptive instructions" and "frequent micromanagement."

2. Team Innovation Index

Department A demonstrated a significantly higher innovation index (88/100) compared to Department B (61/100), based on internal innovation tracking metrics which included self-reported creativity, number of proposed ideas per quarter, and initiatives implemented. In interviews, employees in Department A described their environment as "experimental" and "idea-friendly." Department B team members described "idea bottlenecks" and reluctance to share improvements.

3. Psychological Safety Scores

When asked whether they felt safe to express opinions, admit mistakes, and challenge ideas, Department A respondents averaged 4.1 on a 5-point scale, compared to Department B's 2.9. Employees in Department A frequently mentioned a culture of openness and "leader support when risks didn't work out." In contrast, several employees in Department B expressed fear of being "publicly questioned" during virtual meetings.

4. Task Completion and Productivity Rates

While both departments demonstrated high levels of task completion, Department A slightly outperformed Department B (94% vs 89% average weekly task completion rate). However, Department A also showed higher proactive task initiation—defined by tasks not directly assigned but initiated by employees themselves—based on project management logs. Department B largely followed assigned tasks with minimal initiative beyond direct orders.

5. Turnover Intentions and Retention Indicators

Turnover intention, measured by employees' self-reported likelihood to leave in the next 12 months, was substantially lower in Department A (8%) than in Department B (26%). Several Department B employees reported seeking transfers to other departments or external roles, with one respondent noting, "I feel stifled in how I work." In contrast, Department A employees often mentioned long-term role alignment and growth.

6. Job Satisfaction Ratings

Department A had higher average job satisfaction scores (4.4) than Department B (3.2). Employees in A cited "trust from leadership," "growth opportunities," and "feeling valued" as key contributors. In Department B,

satisfaction was described as “dependent on the manager’s mood” or “routine-driven,” with limited opportunity for expression or initiative.

7. Interview-Derived Themes and Exemplary Quotations

Thematic coding of interview transcripts produced the following dominant themes:

- **Autonomy as Motivation (Department A):** “I don’t need to be told what to do—I’m trusted to get it done my way.”
- **Visibility Equals Pressure (Department B):** “Just because I’m online doesn’t mean I’m working—I feel like I have to perform presence.”
- **Digital Leadership Trust (Department A):** “Even when I mess up, I know my manager’s got my back.”
- **Control vs Clarity (Department B):** “It’s not clear where we’re going—just what we’re told to do.”

8. Comparative Graphical Summary of Key Indicators

The figure provided above visually compares Department A and B across six key metrics: autonomy, innovation index, psychological safety, task completion, turnover intentions, and job satisfaction. Department A consistently outperformed Department B in all categories, with particularly large gaps in autonomy, psychological safety, and innovation.

5. Discussion and Analysis

This section interprets the empirical findings through the lens of relevant literature to provide a comprehensive understanding of how leadership style—specifically transformational versus control-based—shapes autonomy, engagement, performance, and empowerment in digital work environments. Each subsection addresses a central theme emerging from the study, while simultaneously reflecting on the research objectives.

Transformational Leadership as an Enabler of Digital Autonomy

The results show that transformational leadership significantly enhances perceived employee autonomy in digital work contexts. Employees in the empowerment-based department reported greater latitude in choosing how to perform their tasks, planning their work schedules, and experimenting with methods. These outcomes reflect the deep influence of leadership on enabling autonomy, especially in virtual settings where structures are fluid and self-management becomes essential.

From a theoretical perspective, this aligns closely with Deci and Ryan’s (2000) self-determination theory, which posits that autonomy is a psychological need essential to intrinsic motivation. Transformational leaders fulfil this need by offering meaning, acknowledging individual capacities, and refraining from micromanagement (Ryan & Deci, 2020). Empirically, this echoes the work of Spreitzer (1995), who noted that psychological empowerment in knowledge-intensive roles correlates strongly with leadership support and clarity. The consistent self-reports of freedom and ownership in Department A support these claims, demonstrating that autonomy flourishes when leaders create trust-based, outcomes-oriented environments rather than impose rigid oversight.

Moreover, the data confirm that autonomy is not a default byproduct of remote work—it is actively constructed by leadership behaviours that clarify expectations, reduce fear of mistakes, and reinforce employee capability (Zhang & Bartol, 2010). Without these conditions, digital autonomy can devolve into confusion or isolation, as illustrated by the lower scores and negative interview themes in the control-based department.

Comparative Impacts of Control-Based and Empowerment-Based Leadership

The contrast between the two departments provides compelling evidence of the performance and engagement differences produced by opposing leadership models. While both units maintained relatively high task completion rates, Department A consistently outperformed in qualitative dimensions: proactive task initiation, innovation index, and retention intentions. These distinctions suggest that control-based models may maintain short-term output but struggle to cultivate adaptive capacity, innovation, and long-term commitment.

This finding aligns with research by Kirkman and Rosen (1999), who demonstrated that empowered teams exhibit stronger adaptability, especially when leadership communicates purpose and permits discretion. Similarly, Thomas and Velthouse (1990) argued that meaningfulness and competence are enhanced by leadership that fosters initiative rather than compliance. The study also reinforces insights from Hoch and Dulebohn (2017), who found that transformational leadership improves team resilience and innovation, particularly in virtual contexts.

Department B's struggles mirror concerns raised in literature on "digital Taylorism," where managerial attempts to replicate analogue control mechanisms via digital tools lead to demotivation and presenteeism (Jeske & Santuzzi, 2015; Bernstein et al., 2018). Control-based leadership in digitally mediated environments may meet basic delivery expectations, but it fails to unlock the discretionary effort and creativity needed for complex problem-solving and innovation.

This analysis highlights the operational limitations of control-based leadership and confirms the strategic advantage of empowerment-oriented practices in supporting high-performing, engaged teams in virtual workplaces.

The Role of Trust and Psychological Safety in Enabling Empowerment

Findings revealed substantial differences in psychological safety between the two departments, with Department A scoring significantly higher. Employees there described their leaders as "backing them up," even during failure or uncertainty, while Department B participants reported fear of criticism or reputational risk for speaking up. These experiences directly reflect the quality of trust-based leadership and its connection to empowerment.

Trust has long been recognised as foundational to virtual team effectiveness (Jarvenpaa & Leidner, 1999; Dirks & Ferrin, 2002). In transformational leadership frameworks, trust is not merely relational—it becomes structural, as leaders create systems and signals that reinforce reliability, fairness, and emotional support (Bass & Riggio, 2006). Trust facilitates autonomy by reducing the perceived risks of decision-making and self-direction (Breuer et al., 2016), while its absence fuels defensive behaviours and task avoidance.

Psychological safety, as defined by Edmondson (1999), is a team-level phenomenon enabling interpersonal risk-taking. In Department A, employees noted the freedom to challenge ideas, propose alternatives, and admit mistakes. This finding supports Newman, Donohue and Eva (2017), who argued that psychological safety is the most reliable antecedent of innovation and learning in high-autonomy environments. In contrast, Department B's hierarchical and fear-based culture suppressed these behaviours, confirming that control-oriented leadership undermines the social conditions needed for empowered functioning.

Thus, the study underscores that empowerment does not rest on structure alone—it must be psychologically supported. Leaders must not only "grant" autonomy but ensure that it is emotionally and culturally safe to use it.

Digital Tools as Amplifiers of Leadership Intent

Although both departments used similar technologies—email, Slack, video conferencing, project management platforms—the way these tools were employed differed sharply. Department A used digital tools to increase transparency, encourage participation, and recognise initiative. Department B, however, used them to reinforce task tracking and command communication. This reinforces Leonardi's (2021) assertion that digital platforms are not neutral—they reflect and amplify managerial intent.

Tools such as Teams or Trello can enable distributed leadership if used to coordinate goals, facilitate peer feedback, and democratise information (Kane et al., 2019). When used to centralise control, however, they reproduce organisational hierarchies and constrain initiative (Sull et al., 2022). Department A leaders demonstrated digital fluency not merely as tool competence but as behavioural modulation—selecting appropriate media, setting norms, and framing digital interactions around trust rather than performance anxiety.

These findings confirm that leadership's role in digital environments is not diminished but redefined. Leaders are not only communicators but architects of the digital ecosystem—shaping how tools are interpreted and

embedded in daily routines. The contrasting use of tools in the two departments illustrates that empowerment is not the inevitable result of digitalisation but the consequence of leadership choices.

Feedback, Goal Clarity, and Structural Support for Empowerment

The findings highlight the central role of goal clarity and developmental feedback in enabling autonomy. Department A's leadership provided clear objectives while allowing flexibility in methods. Employees noted that they "knew where we were going" but had freedom in how to get there. In Department B, employees described a lack of shared purpose and "managers changing their minds," creating confusion and reducing initiative.

Goal clarity has long been linked to both individual autonomy and team performance (Hackman, 2002; Kirkman & Rosen, 1999). When leaders articulate outcomes clearly, they provide a frame within which autonomy can flourish safely. Transformational leaders excel at translating strategic goals into meaningful narratives, thus empowering employees to act with purpose (Eisenbeiss et al., 2008).

Feedback was also a major differentiator. In Department A, feedback was described as timely, developmental, and private. Department B employees received feedback primarily during performance crises or in public digital forums—practices that suppressed learning and trust. Research by London and Smither (2002) affirms that developmental feedback is a critical mediator between leadership behaviour and employee learning, especially in autonomous work settings.

Thus, the research confirms that empowerment requires a supportive infrastructure—not only psychological but also procedural. Clear goals, feedback channels, and peer support mechanisms allow autonomy to translate into initiative rather than disarray.

Empowerment as a Strategic, Not Tactical, Leadership Choice

Finally, the overall comparison between departments suggests that empowerment is not a technique but a strategic orientation. Department A's leadership cultivated a system that aligned tools, communication, feedback, and decision-making with employee agency and developmental needs. In contrast, Department B treated digital leadership as an extension of existing control structures, failing to adapt to the changing nature of work.

This aligns with Pearce and Conger's (2003) concept of shared leadership, where teams are self-leading within a structured yet flexible system. It also supports the argument by Schein (2017) that leadership and culture are two sides of the same coin—leaders signal cultural values by how they structure communication, accountability, and learning. Empowerment cannot be sustained unless embedded in a culture that values initiative, tolerates ambiguity, and rewards contribution over compliance.

Through this empirical lens, the study demonstrates that transformational leadership is not only effective but necessary in digital work environments. Empowerment is no longer an optional leadership style; it is the foundation upon which digital team performance, motivation, and retention are built.

6. Conclusion

This study has explored how contrasting leadership models—empowerment-based versus control-oriented—shape employee autonomy, engagement, innovation, and psychological safety in digital work environments. Drawing on a comparative case study, the research shows that transformational leadership fosters significantly more favourable outcomes across all dimensions of digital team functioning, confirming that leadership style is a critical variable in the success or failure of remote and hybrid work structures.

The empirical evidence reinforces the centrality of autonomy as a core condition for engagement and innovation in knowledge-intensive digital work. As suggested by Deci and Ryan's (2000) self-determination theory, autonomy, competence, and relatedness are psychological needs that must be met for individuals to thrive. Leaders in the empowerment-based department demonstrated behaviours that satisfied these needs—offering support, flexibility, and trust. This translated into higher innovation scores, stronger job satisfaction, and significantly lower turnover intentions. These outcomes echo previous studies that link empowering leadership to increased intrinsic motivation and performance (Zhang & Bartol, 2010; Seibert, Wang & Courtright, 2011).

The findings also validate the efficacy of transformational leadership in digital settings. Transformational leaders articulate purpose, offer intellectual stimulation, and provide individualised support, thereby compensating for the physical and relational voids often found in digital teams (Bass & Riggio, 2006; Braun et al., 2013). These behaviours were observed in Department A, where psychological safety—an antecedent of team learning and innovation (Edmondson, 1999)—was markedly higher. By contrast, the control-based department exhibited symptoms of digital micromanagement, reduced initiative, and elevated disengagement—patterns also noted by Jeske and Santuzzi (2015) in virtual surveillance studies.

Crucially, the study underscores that digital technologies themselves do not guarantee empowerment. As Leonardi (2021) argues, digital tools act as amplifiers of leadership intent: when used to support transparency and inclusion, they strengthen empowerment; when used for rigid oversight, they recreate hierarchical constraints. Department A leveraged tools such as Slack and Trello to facilitate autonomy and accountability, while Department B used similar tools in ways that constrained initiative and signalled mistrust.

Finally, the findings speak to a broader shift in the theory and practice of leadership. Traditional control-based models—rooted in predictability, presence, and process control (Weber, 1947; Mintzberg, 1973)—are increasingly ill-suited to the demands of distributed, cognitively complex work. Empowerment must be seen not as a soft skill or tactical adjustment, but as a strategic leadership orientation essential to sustaining organisational adaptability and talent retention in digital environments (Gratton, 2021; Kane et al., 2019). The future of work requires leaders who can move from supervision to trust, from direction to enablement, and from evaluation to development.

By evidencing these dynamics through a real-world organisational comparison, this study contributes to the growing literature on digital leadership and offers a practical foundation for rethinking leadership development, team design, and technology implementation in the digital age.

7. Recommendations

Embed Empowerment in Leadership Development Programmes

Organisations should reframe leadership training to prioritise empowerment as a core capability. Training must include emotional intelligence, coaching techniques, feedback literacy, and facilitation of psychological safety. Transformational leadership behaviours should be modelled and practiced in context-specific scenarios related to digital workflows, virtual team engagement, and distributed accountability.

Align Digital Tools with Empowerment Objectives

Digital platforms should be selected and deployed not only for their efficiency but for their ability to support autonomy, transparency, and collaboration. Leaders should co-create usage norms with teams, balancing access and availability with clear boundaries to avoid digital burnout. Tools that allow for asynchronous input, shared dashboards, and peer-to-peer feedback are preferable over those that reinforce top-down task monitoring.

Design for Psychological Safety and Feedback

Remote and hybrid teams require intentional design of communication practices that cultivate safety and learning. Leaders should schedule regular check-ins focused on development, use inclusive language in meetings, and provide private, actionable feedback. Anonymous pulse surveys and open channels for idea-sharing can serve as mechanisms for capturing team sentiment and enabling upward communication.

Shift Performance Evaluation from Supervision to Outcomes

Performance management systems must evolve beyond visibility and task compliance. Metrics should reward initiative, creativity, team contribution, and continuous improvement. Leaders should be evaluated not on control but on their ability to create autonomous, motivated, and high-performing teams.

Foster a Culture that Normalises Risk and Values Initiative

Beyond individual leadership, organisational culture must shift to one that supports experimentation and iteration. Leaders should role-model learning from failure, highlight lessons from calculated risk-taking, and publicly recognise contributions that go beyond task execution. Psychological safety must be treated as a performance enabler, not a soft concern.

Tailor Empowerment Approaches to Digital Readiness and Diversity

Not all employees have the same readiness for autonomy or digital fluency. Leaders must assess team diversity in digital skills, communication styles, and support needs. Empowerment should be adapted to individual and team contexts, providing more structure where needed while gradually expanding autonomy in line with capability development.

By adopting these strategic recommendations, organisations and leaders can more effectively transition from control to empowerment in the digital workplace. Doing so not only enhances performance and innovation but also promotes engagement, resilience, and retention in a rapidly evolving world of work.

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