

# FROM CONTROL TO EMPOWERMENT: HOW DELEGATION, TRUST, AND PSYCHOLOGICAL SAFETY INTERACT IN ALBANIAN LEADERSHIP

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**Abstract.** Does delegation create psychological safety? In many Western settings, the evidence suggests that it does. In Albania, however, the relationship is less clear-cut. Using data from 157 Albanian employees, testing of the Intelligent Delegation Model revealed that delegation strengthens trust, which in turn supports psychological safety. However, the process does not extend beyond this. Psychological safety did not result in better outcomes, and high-quality communication undermined the trust-building effect of delegation. When managers delegate and communicate intensively, Albanian employees may interpret this as inconsistent, seeing it as more akin to control than empowerment. This suggests that Western leadership theories cannot be applied unchanged in different contexts. In high power-distance, post-socialist environments, effective delegation may require granting genuine autonomy, which may entail limiting managerial communication rather than increasing it. Therefore, organisations should adapt their empowerment practices to local cultural expectations instead of importing global 'best practices' that may have unintended consequences.

**Keywords:** delegation, psychological safety, trust in leadership, organisational behaviour, communication.

**JEL Classification:** M14, M51, D22

## 1. Introduction

In today's organisations, leaders increasingly rely on delegation to empower employees, encourage independent decision-making and foster innovation. When used carefully, delegation clarifies roles and decision-making responsibilities, demonstrates confidence in employees, and encourages active participation in the workplace. These conditions foster psychological safety, which is defined as a shared belief that individuals can voice their opinions, ask questions, and experiment with new approaches without fearing negative repercussions (Edmondson, 1999; Edmondson & Lei, 2014). Effective delegation fosters trust in leadership, which is defined as believing that leaders are benevolent, competent, and reliable (Legood, van der Werff, Lee, & Den Hartog, 2021). However, there is still limited empirical research examining delegation, trust and psychological safety in conjunction with the quality of communication as a moderating factor, particularly in transitional or emerging economies. Albania is

a relevant context in which to study these relationships. In recent decades, the country has transitioned from a centrally planned economy to a market-oriented one, aligning more closely with European standards and undergoing rapid digital change. The banking and financial services sector has played a central role in this transition. The increasing use of digital platforms, the expansion of retail banking beyond major cities and rising regulatory demands all mean that frontline staff need to make fast and autonomous decisions. Similar pressures exist in the telecommunications, energy and utilities, manufacturing, tourism and hospitality, and public sectors, where reforms focus on improving services and strengthening governance. However, long-standing cultural features such as a high power distance, a strong hierarchy, a history of centralised decision-making, and a reliance on informal or family-based networks can limit delegation, reduce upward voice, and weaken psychological safety. In such an environment, clear and formal delegation of authority, supported by

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good communication and visible managerial trust, is especially important.

Based on this, the study examines how managerial delegation relates to psychological safety in Albanian organisations, how trust in leadership mediates this relationship, and how the quality of communication moderates it. No previous empirical research in Albania has considered these three constructs together while explicitly focusing on communication. The study therefore makes theoretical and practical contributions. From a theoretical perspective, it presents delegation as a structural factor that fosters trust-based safety climates, testing concepts derived from Western leadership and climate research within a context of high power distance and post-transition. In practice, it identifies specific levers that organisations in Albania, both private and public, can use to support engagement, learning, and innovation. These levers include how delegation is designed (clear objectives, defined decision authority, and regular feedback), how leaders build trust in everyday routines, and how transparent, high-quality communication systems are set up.

The paper is organised as follows: Section 2 reviews the literature on delegation, trust in leadership, psychological safety and communication quality. It situates these concepts within the Albanian organisational context and develops the hypotheses. Section 3 describes the methodology, including the sample, data collection, measures and analytical approach, and presents the empirical results. Section 4 discusses the findings and their implications for theory and practice. Section 5 concludes by summarising the main contributions, limitations and recommendations for future research and practice.

## 2. Literature Review

### 2.1 Theoretical Framework and Context

Delegation has long been recognised as a key mechanism through which organisations distribute authority, enhance efficiency and sustain motivation. This concept originated in the classical management school, as demonstrated in the works of Fayol (1916) and Taylor (1911). They conceptualised delegation as a process whereby tasks and decision-making authority were assigned from superiors to subordinates, with the aim of achieving coordination, control, and efficiency. Their approaches were based on hierarchical organisational structures that emphasised obedience, specialisation, and managerial oversight. However, these early frameworks treated delegation as a technical and administrative function, largely overlooking its relational and psychological aspects.

Mayo's (1933) human relations studies marked an early shift in thinking by highlighting that employee morale and productivity depended not only on

economic incentives, but also on recognition, communication, and social interaction within teams. This shift foreshadowed the modern understanding that delegation is not just about assigning tasks, but also about fostering relational trust and psychological engagement. During the mid-twentieth century, leadership research began to recognise the contingency and human factors inherent in delegation. Hersey and Blanchard's (1982) situational leadership theory proposed that the effectiveness of delegation depends on the maturity and competence of employees. Meanwhile, Hackman and Oldham's (1976) job characteristics model identified task autonomy, feedback, and skill variety as critical factors influencing motivation and job satisfaction. Blau's (1964) social exchange theory offered a relational perspective, arguing that effective delegation is based on reciprocal trust and mutual obligation between leaders and their teams.

These ideas have been built upon by empowerment theory (Conger & Kanungo, 1988; Spreitzer, 1995) and transformational leadership theory (Bass, 1985; Bass & Riggio, 2006), which reframe delegation as a means of psychological empowerment. These theories emphasise the leader's role in inspiring confidence, granting autonomy, and stimulating innovation. In the context of the Western Balkans, these theoretical perspectives have gained particular relevance as post-socialist economies undergo organisational modernisation. Research across the region shows that implementing empowering leadership practices presents unique challenges stemming from legacies of communist-era management. Černe, Jaklič and Škerlavaj (2013) found that Slovenian organisations transitioning towards participative management struggled with deeply ingrained hierarchical expectations. Meanwhile, Podrug, Pavičić and Bratić (2017) documented similar patterns in Croatian firms, where formal delegation structures often coexisted with informal centralised control. This shift towards relational and psychological perspectives on delegation is particularly relevant for Albanian organisations, as it addresses the structural rigidity inherited from nearly half a century of communist centralisation. In the context of the communist regime, organisational life was characterised by extreme hierarchical control, whereby decision-making authority was concentrated at the apex of the hierarchy. Individual initiative was systematically suppressed, and the concept of delegation, as it is understood in contemporary contexts, was virtually non-existent (Vickers, 2019). While the transition that began in 1990-1991 gave rise to formal institutional changes, contemporary research reveals that hierarchical orientations persist in Albanian workplaces, with decision-making authority still concentrated at senior levels and subordinates rarely challenging managerial authority.

Regional scholarship confirms that these patterns are not unique to Albania. For example, Dorđević, Ivanović-Dukić and Lepojević (2020) found that Serbian organisations exhibit strong power distance orientations that constrain employee voice. Similarly, Mitreva and Filiposki (2018) reported hierarchical persistence in North Macedonian manufacturing firms despite formal modernisation efforts. Meanwhile, Jahić and Pilav-Velić (2020) documented that Bosnian managers often maintain informal control over delegated tasks, creating what they termed 'delegation without empowerment', a pattern that strongly resonates with Albanian organisational realities. This structural rigidity can lead to organisational pathologies, including bottlenecks in decision-making, under-utilised employee capabilities, reduced agility, and lower engagement. The relational perspective provides a way forward by creating flexibility within hierarchical structures, rather than requiring a complete structural overhaul. Trust-based delegation enables the formation of informal networks that can operate more flexibly than rigid hierarchies. This allows for horizontal information flow, collaborative problem-solving, and bottom-up innovation, all without dismantling the hierarchical frameworks that perform important coordination, cultural, and political functions.

Moreover, this perspective addresses Albania's broader trust deficit head on. This deficit is a legacy of decades of state surveillance, the hardships of the transition period, the collapse of pyramid schemes in 1997, and ongoing issues with corruption and weak institutional confidence. Çakerri, Muharremi and Madani (2020) have empirically documented this trust deficit, finding that Albanian employees report significantly lower organisational trust levels compared to EU averages. They cite historical institutional failures as the primary contributors to this deficit. Similar trust deficits are evident in other Western Balkan economies. Obadić and Aristovnik (2016) found that Croatian and Slovenian employees had become more sceptical of management following post-transition restructuring. Meanwhile, Bartlett (2021) documented region-wide patterns of low institutional and interpersonal trust that hinder organisational development across Southeastern Europe. This trust deficit creates organisational environments in which employees fear taking the initiative, information is withheld, and collaborative relationships struggle to develop. Trust-building delegation directly counters this by demonstrating managerial confidence in subordinates' capabilities. This creates positive, reciprocal relationships that rebuild social capital at the organisational level and provide tangible experiences of trustworthiness, countering historical patterns of suspicion and control. When practised as a psychologically empowering relationship of trust rather than a mere task assignment, delegation creates

meaningful work, develops competence through supportive coaching and satisfies autonomy needs, even within hierarchical constraints. It also builds the relational connections that profoundly affect whether employees bring their full capabilities and commitment to work (Lee, Willis & Tian, 2018; Legood, van der Werff, Lee & Den Hartog, 2021; Edmondson & Bransby, 2023).

#### **Trust, Psychological Safety, and Communication.**

As leadership research evolved towards relational and cognitive approaches, the leader-member exchange (LMX) theory (Graen & Uhl-Bien, 1995; Dulebohn et al., 2012; Martin et al., 2016) established delegation as a vital means of fostering high-quality relationships founded on mutual trust, respect, and obligation. When employees perceive delegation as an expression of confidence and respect, they respond with increased commitment, creativity, and openness. Research in the Western Balkans has begun to examine LMX dynamics in post-transition contexts. For example, Vukonjanski and Nikolić (2013) found that Serbian managers who developed high-quality exchange relationships achieved stronger employee commitment, despite prevailing hierarchical norms. Meanwhile, Pološki Vokić and Hernaus (2015) demonstrated that Croatian organisations with stronger LMX relationships reported higher levels of employee engagement and reduced turnover intentions.

Edmondson's (1999) work on psychological safety transformed the understanding of the dynamics of interpersonal relationships within teams, introducing the idea that employees need to feel safe enough to take interpersonal risks without fearing punishment or embarrassment. Edmondson and Lei (2014) further developed this concept by linking it to learning behaviours, knowledge sharing and innovation. Empirical studies have consistently demonstrated that psychological safety mediates the relationship between empowering leadership and team performance (Newman, Donohue & Eva, 2017), and that trust in leadership is a vital mechanism linking delegation and safety to behavioural outcomes such as engagement, proactivity and learning (Walumbwa & Schaubroeck, 2009; Dirks & Ferrin, 2002). While research into psychological safety in the Western Balkans is still in its infancy, emerging studies suggest that the concept functions differently in cultures with a high power distance. For example, Babić, Savović and Domanović (2014) found that the willingness of Serbian employees to voice concerns was strongly influenced by their perception of managerial support, to a greater extent than in Western samples. In a comparative study across Slovenia, Croatia and Serbia, Svetlik et al. (2007) found that post-socialist organisational cultures created 'voice inhibition' patterns, whereby employees self-censored even when formally encouraged to participate. This suggests that psychological safety requires more

deliberate cultivation in transitional economies. In recent years, scholarship has further integrated contextual and emotional dimensions into these models. Research on emotional intelligence (Goleman, 1998; Mayer, Caruso, & Salovey, 2016) has shown that emotionally intelligent leaders communicate more effectively, understand team emotions, and foster supportive environments that strengthen trust and psychological safety. Studies by Frazier and Tupper (2021), Legood et al. (2021) and Carmeli, Dutton and Hardin (2023) have demonstrated that transparent communication and emotionally intelligent leadership enhance delegation effectiveness by fostering mutual understanding, reducing uncertainty and encouraging open dialogue. In Albanian organisations, where a hierarchical culture can limit upward communication, emotionally intelligent leadership and transparent communication are crucial. Kume and Leskaj (2016) found that Albanian managers demonstrating higher emotional intelligence achieved better team outcomes, even when operating within traditional hierarchical structures. Meanwhile, Leka and Çela (2018) documented that, in Albanian banking sector organisations, communication transparency was the strongest predictor of employee satisfaction, even stronger than compensation or career development opportunities. Transparent communication is therefore not just a slogan, but an organisational structure. In high power-distance settings, routines that lower the cost of speaking up are required, such as proactive check-ins, explicit permission to ask 'basic' questions, short coaching loops, and closing the loop on concerns. Pešić, Milić and Stanković (2013) found that Serbian organisations which had formalised regular feedback mechanisms saw significant improvements in employee voice behaviour. Meanwhile, Načinović, Braje, Aleksić and Černe (2019) demonstrated that Croatian firms with formal communication protocols achieved higher innovation outputs than those which relied solely on informal communication patterns. When these practices are in place, a virtuous cycle emerges: empathy builds safety, safety enables the free flow of information, better information improves leaders' judgement, and improved judgement further strengthens trust. The result is delegation that functions as a developmental relationship rather than risk transfer: capability grows, engagement rises and hierarchical distance narrows without undermining necessary coordination. For Albanian organisations modernising under European competitive pressures, investing in these relational and psychological capabilities offers a culturally harmonising way to unlock distributed intelligence and initiative, all the while preserving the strengths of a hierarchical structure.

#### **The Albanian Organizational Context.**

Cultural frameworks have become essential for explaining differences in delegation effectiveness.

Hofstede's (1980, 2023) cultural dimensions model shows that cultures with a high power distance, such as those in Southeastern Europe, tend to rely on centralised authority and formal hierarchies. This can limit employees' ability to speak up and make decisions. The GLOBE study (House et al., 2004) provided systematic evidence of cultural patterns in the region, classifying Albania and neighbouring countries as part of the Eastern European cultural cluster. This cluster is characterised by high power distance, moderate uncertainty avoidance, strong in-group collectivism, and a relatively low performance orientation. Bakacsi et al. (2002) analysed GLOBE data for Southeastern Europe and found that the region exhibited distinctive leadership preferences, emphasising protective, paternalistic and face-saving behaviour patterns. These patterns have direct implications for how delegation is practised and perceived.

In Albania, organisations often exhibit a combination of hierarchical decision-making and interpersonal closeness, which is shaped by familial and informal networks (House et al., 2004). While these relational features can reinforce loyalty and co-operation, they may also discourage upward feedback or dissent. Hoxha and Kleinknecht (2020) found that Albanian SMEs exhibited strong patterns of centralised family control, limiting professional management practices such as delegation. Meanwhile, Xheneti and Bartlett (2012) documented how informal relational networks often superseded formal organisational structures in Albanian firms, creating ambiguity about actual versus delegated authority. This pattern is evident throughout the region. For example, Džanić (2017) found that Bosnian family businesses exhibited similar informal control mechanisms. Meanwhile, Morić, Milovanović, Kunst and Srhoj (2016) documented the persistence of family-based authority structures in Croatian enterprises despite formal corporatisation.

For example, managers in Albanian banks or multinational subsidiaries operating in Albania may formally delegate tasks, yet still informally control decisions, thereby limiting their employees' sense of autonomy. Shoraj and Llaci (2015) found that employees in the Albanian banking sector reported high levels of formal delegation but low levels of perceived empowerment. The authors attributed this discrepancy to 'ceremonial delegation', whereby tasks were transferred but not real decision-making authority. This finding is consistent with that of Zoto (2018), who documented similar patterns in Albanian telecommunications companies, where international parent companies mandated delegation practices that local managers implemented superficially, without adapting them to the local culture. The coexistence of hierarchical decision-making and relational informality in Albanian organisations can pose genuine challenges to the effectiveness of delegation, but this does not

have to be an insurmountable barrier to empowerment and performance. Organisations can create conditions where delegation achieves its empowering potential while respecting context by recognising these patterns, adapting delegation to work with rather than against cultural realities, building both formal structures and relational foundations, and pursuing gradual culture change.

The experience of large Albanian firms, which operate with one foot in international corporate models and the other in local relational norms, illustrates the tension and possibility of synthesis. As younger, internationally experienced employees become more influential and competitive pressures increase, there is growing momentum for more agile, distributed decision-making, provided that relational expectations are recognised and managed. Minxhozi and Kume (2013) found that Albanian organisations with younger management teams exhibited significantly more delegation and participative decision-making than those led by managers who were socialised under the communist system. This suggests that generational change could be a pathway to cultural evolution. Similarly, Mustafa, Kutllovci and Gashi (2019) found that exposure to international business practices through diaspora connections accelerated the adoption of empowering leadership styles in Kosovar organisations. This finding is directly relevant to Albania, given its similar diaspora dynamics. The way forward is not the wholesale abandonment of a relational culture in favour of impersonal systems, but the thoughtful integration of the two. This involves adapting formal delegation frameworks to local norms, leveraging relational networks transparently rather than as shadow structures, and resolving the hierarchy-relationality paradox to make it productive rather than paralysing.

In such environments, developmental delegation, which is defined as granting autonomy, providing information and offering constructive feedback, can strategically balance authority and participation. This fosters trust and psychological safety, even in cultures with a high power distance. Evidence from an Albanian public university supports this logic: Sotirofski (2014) conducted a qualitative study with academic staff and found that relational support and participatory cultural profiles were associated with stronger psychological empowerment. In contrast, hierarchical-bureaucratic patterns inhibited perceptions of empowerment. The study concluded that autonomy works in Albania when paired with clear guidance and developmental feedback. This finding is consistent with that of Stanojević and Slana (2009), who found that Slovenian employees only responded positively to autonomy when it was accompanied by supportive supervision. It is also consistent with the findings of Hashi and Krasniqi

(2011), who documented that the effectiveness of delegation in Western Balkan SMEs depended critically on the quality of relationships between managers and employees rather than on formal authority structures alone.

## 2.2 Research Gaps, the Intelligent Delegation Model, and Hypotheses

Despite extensive research on delegation, trust, psychological safety and communication as separate topics, three important gaps remain. Firstly, no study has examined these constructs together within a single framework, in which delegation drives trust, trust enables psychological safety, and communication shapes the strength of these relationships. Secondly, while much of the research on empowering leadership originates from Western countries with low power distance, post-socialist economies in Southeastern Europe, which experienced decades of communist rule resulting in deeply rooted hierarchies, low trust and suppressed initiative, remain largely unstudied. This matters because theories developed in Western settings may not work in high power-distance cultures, where employees have historically been taught to avoid taking the initiative or speaking up. Thirdly, there is still much to learn about how delegation creates psychological safety, particularly in situations where managers formally delegate tasks but retain control, a practice known as 'ceremonial delegation' by regional researchers, which fails to genuinely empower employees.

This study addresses these gaps by introducing the Intelligent Delegation Model (IDM). This is a framework that explains how delegation can build psychological safety through trust in leadership. The quality of communication determines whether this process will succeed or fail. The model makes four key contributions. First, it provides the first empirical test of the relationship between delegation, trust and psychological safety in Albanian organisations. Second, it treats communication as a moderator that can strengthen or weaken the effects of delegation rather than as just another variable. Third, it accounts for the unique combination of hierarchy and personal relationships found in South-Eastern European organisations. Fourth, it offers practical guidance for managers across the Western Balkans who must balance traditional hierarchical expectations with growing demands for employee participation and empowerment.

Based on the theoretical foundations presented above, this study aims to clarify how managerial delegation can enhance psychological safety and employee motivation in Albanian organisations. The study addresses three core research questions based on this framework:

1. How do delegation practices affect psychological safety?

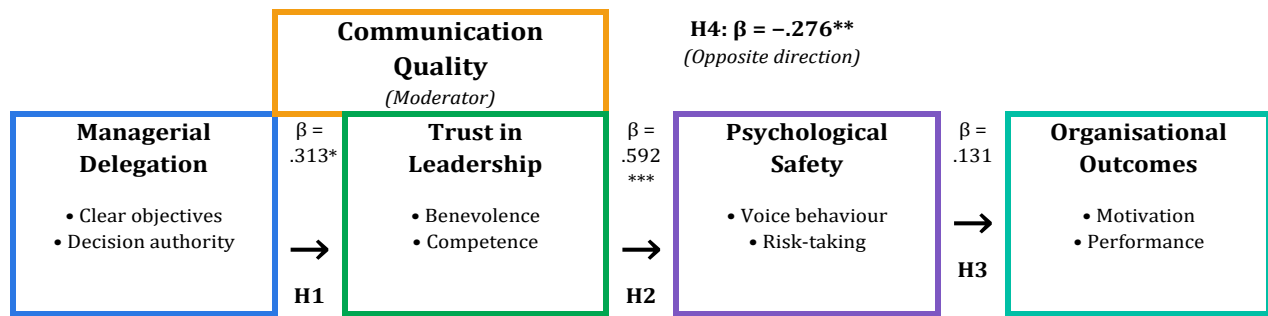


Figure 1. Intelligent Delegation Model (IDM) Conceptual Framework

Source: compiled by the authors

2. Does trust in leadership mediate this relationship?
3. Does the quality of communication moderate the pathway between delegation, trust and psychological safety?

Accordingly, the following hypotheses are proposed:

H1: Managerial delegation practices are positively associated with psychological safety.

This hypothesis is based on empowerment theory (Spreitzer, 1995; Conger & Kanungo, 1988), which suggests that delegation indicates trust and competence, creating an environment in which employees feel comfortable taking interpersonal risks. Empirical research consistently demonstrates that delegation behaviours enhance employee trust. For example, Lee et al. (2018) conducted a meta-analysis of 105 studies (N = 30,612) which found a strong positive correlation between empowering leadership behaviours (including delegation) and trust in leadership ( $\rho = .42, p < .001$ ). Spreitzer's (1995) foundational study revealed that employees interpret the granting of decision-making authority by managers as a signal of confidence, which builds trust reciprocally. More recently, Legood et al. (2021) found that clarity of delegation and granting of autonomy predicted trust ( $\beta = .38, p < .001$ ) in a sample of 412 UK employees. In post-socialist contexts, Cakerri et al. (2020) found that Albanian employees who perceived genuine delegation reported significantly higher levels of trust than those who experienced 'ceremonial delegation'. Based on this consistent empirical evidence, it can be hypothesised that delegation will have a positive effect on trust in Albanian organisations.

H2: Trust in leadership positively predicts psychological safety.

The relationship between trust and psychological safety is one of the most robust findings in organisational behaviour research. Dirks and Ferrin's (2002) meta-analysis of 106 studies and 27,103 participants established that trust in leadership correlates strongly with psychological outcomes, including safety perceptions ( $\rho = .33$ ). Edmondson and Lei (2014) demonstrated that team members who trust their

leaders are more willing to take interpersonal risks ( $\beta = .47, p < .001$ ). A meta-analysis by Newman et al. (2017) confirmed this relationship across 136 samples, finding that leader trust consistently predicts psychological safety ( $\rho = .41$ ). In contexts with a high power distance, such as Albania, Walumbwa and Schaubroeck (2009) found that trust mediated the relationship between ethical leadership and psychological safety in Chinese organisations (indirect effect = .31,  $p < .01$ ). This cross-cultural evidence lends weight to the hypothesis that trust will predict psychological safety in Albanian settings.

H3: Psychological safety positively predicts organisational outcomes.

There is substantial empirical evidence for the relationship between psychological safety and outcomes, but this shows important boundary conditions. For example, Frazier et al. (2017) conducted a comprehensive meta-analysis of 136 studies involving over 22,000 participants, which found that psychological safety predicted creativity ( $\rho = .35$ ), information sharing ( $\rho = .41$ ), and task performance ( $\rho = .25$ ). However, effect sizes vary considerably by outcome type. For example, Newman et al. (2017) reported stronger effects for innovation and learning outcomes ( $\rho = .38$ ) than for short-term performance metrics ( $\rho = .18$ ). Baer and Frese (2003) found that, in high process-innovation environments, psychological safety predicted firm performance ( $\beta = .29, p < .05$ ), suggesting that context matters significantly. However, several studies have reported non-significant or weak effects in compliance-oriented environments. Hirak et al. (2012) found that the effect of psychological safety on performance was entirely mediated by learning behaviour, with no direct effect. Kostopoulos and Bozionelos (2011) reported that the performance benefits of psychological safety depended on task complexity. In Western Balkan contexts, Svetlik et al. (2007) found that voice behaviour did not consistently result in performance improvements in hierarchical organisations. Given that Albanian organisations prioritise compliance and short-term deliverables over

experimentation (Xheneti & Bartlett, 2012) and that the composite outcome measure combines motivation, innovation and performance, the following hypothesis is proposed cautiously, acknowledging that the effects may be weak, outcome-specific or non-significant in this context.

H4: Communication quality positively moderates the delegation–trust relationship.

There is mixed empirical evidence on the role of communication in moderating leadership effects, with two competing theoretical perspectives. The amplification hypothesis suggests that high-quality communication strengthens the impact of leadership. De Vries et al. (2010) found that, in Dutch samples ( $N = 279$ ), communication quality enhanced the impact of transformational leadership on follower outcomes ( $\beta = .22, p < .01$ ). Mayfield and Mayfield (2017), meanwhile, reported that motivational language used by leaders amplified the effects of empowerment ( $\beta = .31, p < .001$ ). Men and Stacks (2014) found that communication strengthened the relationship between leadership and trust in US organisations ( $r = .58$ ). However, the substitution hypothesis offers a contrasting prediction. Carton and Meindl (2023) argued that, in highly structured communication environments, additional leadership behaviours become redundant because communication already fulfils employees' needs for clarity and connection. Antonakis and House (2014) found that instrumental leadership (clear communication) can substitute for transformational behaviours. The substitution effect may be stronger in high power-distance cultures. GLOBE data from House et al. (2004) showed that directive communication patterns dominate in high power-distance societies. Leka and Čela (2018) found that Albanian organisational communication is typically directive and frequent. Pešić et al. (2013) found that Serbian organisations with highly structured communication experienced diminishing returns from additional empowerment initiatives. In light of this mixed evidence, the present study hypothesises positive moderation based on amplification literature, while acknowledging that substitution effects are theoretically plausible and may emerge in the Albanian context, where directive communication is prevalent.

H5: Communication quality moderates the indirect effect of delegation on psychological safety through trust (moderated mediation).

Models of moderated mediation testing communication as a boundary condition for leadership–outcome pathways remain relatively rare in the literature, and the existing evidence is preliminary. Frazier and Tupper (2021) found evidence of moderated mediation in US healthcare settings, where the quality of communication moderated the indirect effect of inclusive leadership on voice via psychological safety

(Index = .08, 95% CI [.02, .16],  $N = 312$ ). However, the subjects of the study were drawn from a Western, low-power-distance, and healthcare-specific sample. In their 2007 study, Edwards and Lambert provided methodological guidance for testing such models, but noted that moderated mediation effects are often small and require substantial sample sizes to detect. Preacher et al. (2007) proposed that a minimum sample size of 200+ is required to ensure sufficient power to detect moderated mediation. The present sample ( $N = 157$ ) approaches but does not fully meet this threshold. In post-socialist contexts, no published study has hitherto explored the application of moderated mediation models involving delegation, trust, and psychological safety with communication as a boundary condition. Both Babic et al. (2014) and Svetlik et al. (2007) examined related constructs in Western Balkan settings, but neither tested full moderated mediation models. In light of the limited empirical precedent, the dependency of H5 on the moderation effect of H4, the constraints of the sample size, and the absence of post-socialist evidence, the authors propose H5 as an exploratory hypothesis. If communication affects how delegation influences trust (H4), then the entire indirect pathway should vary according to the level of communication. However, the authors acknowledge that this hypothesis may not be supported.

### 3. Methodology

#### 3.1 Data Collection

Between March and June 2024, data was collected from employees in Albania occupying a range of hierarchical positions across multiple sectors. This approach captured the perspectives of different organisational levels on delegation. Following screening and data cleaning procedures, the final dataset comprised 157 valid responses. The initial pool contained 174 submissions, of which 17 were excluded due to substantial missing data (more than 20% of items) or completion times of less than three minutes, indicating inattentive responding.

Participants were recruited using a stratified convenience sampling approach through professional networks, internal organisational channels (with organisational consent), and LinkedIn professional groups targeting Albanian professionals. A priori power analysis using G\*Power 3.1 (Faul et al., 2009) indicated that for detecting medium effect sizes ( $f^2 = 0.15$ ) with up to 5 predictors at  $\alpha = 0.05$  and power = 0.80, a minimum sample of 138 participants would be required. The achieved sample of 157 exceeds this threshold. For structural equation modeling, the 10:1 ratio of observations to estimated parameters (Kline, 2015) was satisfied.

Table 1  
Demographic Characteristics of Respondents (N = 157)

Category	Sub-category	N	%
Industry	Services	61	39
	Finance and Banking	38	24
	Manufacturing	17	11
	Technology	9	6
	Other	32	20
Managerial Experience	Less than 1 year	14	9
	1–5 years	42	27
	6–10 years	25	16
	More than 10 years	69	44
Education	Bachelor's Degree	85	54
	Master's or Higher	60	38
Age	Under 25	8	5
	25–35	64	41
	36–45	49	31
	Above 45	36	23
Gender	Female	89	57
	Male	68	43

Source: compiled by the authors

### 3.2 Measures

The study employed validated instruments that had been adapted for the Albanian context and translated using Brislin's (1980) back-translation procedure. The Delegation Practices scale (6 items) was adapted from the work of Zhang and Bartol (2010) and Yukl and Fu (1999). It focuses on the clarity of task assignments, the provision of authority, and feedback mechanisms. The Trust in Leadership scale (5 items) was based on Dirks and Ferrin (2002) and evaluated perceived reliability, fairness, and support. The Psychological Safety scale (7 items) was adapted from Edmondson's (1999) validated scale. Communication Quality (5 items) was adapted from Johlke and Duhan (2000) and De Vries et al. (2010). The Motivation/Innovation scale (5 items) incorporated items from Seibert, Silver and Randolph (2004) and Spreitzer (1995). All items used a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

### 3.3 Reliability and Validity

Table 2  
Reliability and Validity Statistics

Construct	Items	Cronbach's $\alpha$	CR	AVE
Delegation Practices	6	0.88	0.90	0.65
Trust in Leadership	5	0.86	0.89	0.62
Psychological Safety	7	0.91	0.92	0.68
Communication Quality	5	0.85	0.88	0.60
Motivation/Innovation	5	0.84	0.87	0.59

Source: compiled by the authors

Note: CR > 0.70 and AVE > 0.50 indicate acceptable reliability and convergent validity (Hair et al., 2019).

### 3.4 Common Method Variance

As all the variables were collected from the same respondents using self-report questionnaires at one

point in time, common method variance (CMV) could have inflated the observed relationships (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). To address this risk, both procedural and statistical remedies were applied. The procedural measures were as follows: (1) guaranteeing anonymity to reduce apprehension about evaluation; (2) separating the measures by placing the delegation items first, the mediator items in the middle and the outcome items last; (3) using different scale formats across the constructs; and (4) using neutral, clear wording. Harman's single-factor test showed that the first factor explained only 34.2% of the variance (below the 50% threshold), which suggests that CMV is not dominant.

### 3.5 Correlations and Descriptive Statistics

Table 3  
Means, Standard Deviations, and Correlations

Variable	M	SD	1	2	3	4	5
1. Delegation	3.82	0.74	(.81)				
2. Trust	3.76	0.81	.71**	(.79)			
3. Psych. Safety	3.68	0.79	.72**	.65**	(.82)		
4. Communication	3.71	0.76	.58**	.54**	.51**	(.77)	
5. Motivation	3.89	0.72	.68**	.62**	.48**	.55**	(.77)

Note: N = 157. \*\*p < .01. Diagonal values in parentheses are square roots of AVE (Fornell & Larcker, 1981).

## 4. Analysis & Discussion

### 4.1 Descriptive Findings

The findings reveal significant associations between managerial delegation practices and team dynamics within Albanian organisations. From a managerial standpoint, 86–92% of managers reported delegating

tasks with clear objectives and providing ongoing guidance. Furthermore, 91% of managers indicated that they regularly update their employees and provide them with feedback. Employee perspectives corroborated this. These included 88% reporting that delegated tasks aligned with their skills and supported development, 98% stating that assuming responsibility increased motivation and satisfaction, and 96% agreeing that delegation improved teamwork.

However, several constraints limit effectiveness. Twenty-four per cent of managers reported difficulty in identifying staff who were sufficiently prepared for complex tasks, and 19% admitted to reclaiming work that had been delegated when the staff member was not ready. From the employees' perspective, 42% reported receiving insufficient guidance, 38% noted receiving inconsistent feedback, 45% felt they were only occasionally psychologically safe enough to speak up, and 50% indicated that mistakes were not always treated as learning opportunities.

## 4.2 Hypothesis Testing

Table 4

### Hypothesis Testing Results

H	Path	$\beta$ (SE)	p	Result
H1	Delegation $\rightarrow$ Trust	0.313 (.144)	.030	Supported
H2	Trust $\rightarrow$ Psychological Safety	0.592 (.089)	<.001	Supported
H3	Psych. Safety $\rightarrow$ Outcomes	0.131 (.108)	.230	Not Supported
H4	Communication $\times$ Delegation $\rightarrow$ Trust	-0.276 (.102)	.007	Opposite Direction
H5	Moderated Mediation Index	-0.021	—	Not Supported

Note: H5 95% CI [-0.061, 0.013] includes zero.

## 4.3 Discussion

This paper introduces the Intelligent Delegation Model (IDM), a practical framework that explains how managers can influence team dynamics within hierarchical organisational structures. Rather than considering empowering leadership to be a general managerial approach, the IDM emphasises delegation as a specific, adjustable practice involving task clarity, authentic authority, and regular feedback and support. The model positions trust in leadership as the critical mechanism through which delegation fosters psychological safety. However, the results only partially support this model, and conclusions about its effects on organisational outcomes must be drawn cautiously, given the non-significant finding of H3.

### 4.3.1 Comparison with Prior Research.

The supported hypotheses align with established findings. The relationship between delegation and trust (H1:  $\beta = 0.313$ ,  $p = .030$ ) is consistent with

the meta-analysis conducted by Lee et al. (2018) ( $\rho = .42$  for empowering leadership and trust). The smaller effect size observed in the study may be a reflection of the hierarchical Albanian context, in which delegation signals are filtered through power-distance expectations. The trust-psychological safety pathway (H2:  $\beta = 0.592$ ,  $p < .001$ ) was found to confirm Edmondson and Lei's (2014) theoretical framework and to align with the meta-analytic findings of Dirks and Ferrin (2002) ( $\rho = .33$ ). The strength of this relationship in this particular sample suggests that once trust is established, it translates powerfully into psychological safety, even in high power-distance cultures.

### 4.3.2 Interpretation of Unsupported Hypotheses.

It is crucial to distinguish clearly between what the data supports and what it does not. Three hypotheses were either not supported or exhibited contrary effects. To understand why these hypotheses failed, careful attention must be paid to the Albanian organisational context.

H3 (Psychological Safety  $\rightarrow$  Outcomes): Not Supported.

Contrary to Frazier et al.'s (2017) meta-analysis, psychological safety did not significantly predict outcomes ( $\beta = 0.131$ ,  $p = .230$ ). Several Albania-specific factors may explain this null finding. Firstly, Albania's post-communist organisational legacy created a culture of compliance at work, where employees learned that following rules and avoiding mistakes was more important than taking the initiative or proposing innovations (Vickers, 2019). In such environments, the primary benefit of psychological safety – enabling voice and experimentation – may not translate into valued outcomes because the organisational reward system does not recognise or incentivise these behaviours. Secondly, brain drain has significantly depleted Albania's talent pool, with 47% of tertiary-educated citizens emigrating (Eurostat, 2025). The remaining workforce may prioritise job security over innovation, meaning that even when employees feel psychologically safe, they prioritise stability over creative risk-taking. Thirdly, the prevalence of family-owned SMEs in Albania (Hoxha & Kleinknecht, 2020) means organisational outcomes often depend more on owner relationships and family dynamics than on the psychological state of employees. In such contexts, an employee's sense of safety may have little impact on firm-level outcomes, which are determined by family decision-making structures. Fourthly, the composite outcome measure combined motivation, innovation, and performance. Frazier et al. (2017) found that psychological safety has stronger effects on innovation ( $\rho = .35$ ) than short-term performance ( $\rho = .18$ ). The Albanian organisations' emphasis on compliance and short-term deliverables (Xheneti & Bartlett, 2012) may have weighted our outcome measure towards dimensions where safety's

effects are naturally weaker. Consequently, the present study was unable to conclude that psychological safety improves outcomes in Albanian organisations. It is suggested that this pathway may require outcome-specific measurement or longer time horizons to detect.

H4 (Communication  $\times$  Delegation  $\rightarrow$  Trust): Opposite Direction.

The hypothesis was formulated that effective communication would augment the trust-building effect of delegation. However, the findings revealed significant negative moderation ( $\beta = -0.276$ ,  $p = .007$ ). This counterintuitive finding becomes more understandable when examined through the lens of Albanian organisational culture. Firstly, communication in Albanian organisations is typically directive and hierarchical (Leka & Çela, 2018). When managers communicate frequently and clearly, they are usually giving detailed instructions, monitoring progress and maintaining control, rather than engaging in participative dialogue. In this context, 'high-quality communication' may suggest managerial oversight rather than support. When delegation is added to an environment that is already communication-intensive, employees may interpret this as contradictory. 'Why is my manager giving me autonomy but communicating so frequently?' This mixed message may be perceived as a lack of trust or as micromanagement disguised as empowerment. Secondly, Albanian organisational culture is shaped by strong informal networks, where trust is built through personal relationships and family connections rather than formal organisational processes (Xheneti & Bartlett, 2012). In such environments, formal delegation and communication are less important for building trust than in Western contexts, where organisational processes carry more weight. When both are high, employees may view this as 'ceremonial empowerment' (Shoraj & Llaci, 2015), a formal gesture that does not reflect genuine trust, which flows through informal channels. Thirdly, the post-communist legacy has created a cultural pattern whereby authority figures who communicate extensively are often viewed with suspicion (Çakerri et al., 2020). Frequent communication from managers may elicit historically conditioned wariness, and when combined with delegation, the message becomes ambiguous: Is the manager genuinely empowering the subordinate, or is the subordinate being set up to fail? This interpretation aligns with the substitution hypothesis proposed by Carton and Meindl (2023), which posits that effective communication already fulfils the clarity and connection needs that delegation would otherwise provide. The initial hypothesis formulated for the Albanian context was found to be erroneous. It was hypothesised that managers should not assume that combining high delegation with high communication will engender greater trust.

H5 (Moderated Mediation): Not Supported.

The index of moderated mediation was non-significant (Index =  $-0.021$ , 95% CI [ $-0.061$ ,  $0.013$ ]). As the confidence interval includes zero, it is not possible to conclude that communication quality conditions the indirect effect of delegation on psychological safety through trust. This null finding is a logical consequence of the unexpected direction of H4. In the event that communication functions as a substitute for, rather than an amplifier of, delegation's trust-building effect, then the entire moderated mediation pathway cannot function in accordance with the prevailing theory. In Albanian organisations, the indirect pathway from delegation to psychological safety appears to operate independently of communication quality. More precisely, this pathway is most effective when communication is moderate rather than high. This has important implications for Albanian managers. The Western assumption that 'more is better' – that more delegation plus more communication equals more trust and safety – does not hold in this context. Instead, Albanian organisations may benefit from a 'calibrated approach', where delegation is paired with sufficient, yet not excessive, communication. The thin layer of middle management in Albanian organisations, caused by brain drain and rapid growth, may contribute to this pattern. When managers are overloaded, they may rely heavily on frequent communication to maintain control, thereby undermining the autonomy that delegation should convey. As the moderated mediation pathway is not supported by empirical evidence in Albanian organisations, future research should test whether moderate levels of communication optimise the delegation-trust pathway.

A key contribution of this study is highlighting the boundary condition at the initial stage: while communication quality can enhance the effect of delegation on trust, in some cases it may substitute for it. In contexts with a high power distance, frequent and highly structured communication may already provide employees with sufficient clarity, meaning that additional delegation contributes little to trust and may even be perceived as oversight.

#### 4.3.3 Synthesis:

The pattern of supported (H1 and H2) and unsupported (H3–H5) hypotheses indicates that the core 'delegation  $\rightarrow$  trust  $\rightarrow$  psychological safety' pathway operates as theorised. However, the downstream effects and boundary conditions do not generalise to the Albanian setting. This partial support can be best explained by four interrelated contextual dynamics.

First, Albania's post-communist organisational legacy continues to privilege compliance and risk avoidance. Decades of hierarchical control and punishment for initiative have produced enduring norms in which silence is a learned strategy (Vickers, 2019). Although institutional change has occurred since 1991, cultural

adaptation is slow. Consequently, psychological safety is primarily experienced as the absence of sanction rather than as a condition that enables voice, experimentation and innovation. This helps to explain why psychological safety alone does not lead to the composite outcomes observed (H3). Additionally, leadership expectations are often shaped by a patron model, in which trust is established through protection and guidance rather than autonomy (Çakerrı et al., 2020). Under these expectations, delegation may be perceived as a reduction in leader involvement rather than as empowerment, which can undermine its trust-building function, particularly when combined with intensive managerial communication.

*Second*, Albanian organisations frequently rely on informal trust architectures that are only partially captured by IDM and by standard Western measures. The cultural logic of 'besa' and the continuing salience of 'fis'-based networks position trust as relational, honour-based and embedded in social ties rather than in formal roles or processes (Schwandner-Sievers, 2008; de Waal, 2005). In family-dominated SMEs, the decision-making process and resource access are frequently influenced by owner-family relationships, thereby potentially constraining the impact of formal delegation practices on perceived trust and outcomes (Hoxha & Kleinknecht, 2020). Consequently, conventional 'trust in leadership' scales may underestimate the forms of trust that are most consequential locally, which may also contribute to smaller H1 effects relative to meta-analytic benchmarks.

*Third*, labour-market and institutional conditions constrain the returns to empowerment-oriented practices. Albania's significant brain drain, with 47% of its tertiary-educated citizens living abroad (Eurostat, 2025), reduces the availability of skills and continuity, as well as the expected benefits of developmental delegation. In such conditions, psychological safety can build human capital which is then lost to the organisation through emigration. Furthermore, the size of the informal economy (estimated to account for 30–40% of GDP) creates incentives for employees to direct their initiative, learning and entrepreneurial efforts towards informal activities, where returns may be more immediate (Schneider & Enste, 2013). Generational heterogeneity further compounds these effects. Cohorts socialised under authoritarian control may interpret empowerment cues differently to younger employees who have been exposed to international influences, which weakens the average effect and masks subgroup-specific patterns.

*Fourth*, the reversed moderation effect (H4) suggests a context-specific communication paradox. In many Albanian workplaces, 'high-quality communication' involves directive instruction, frequent check-ins and close monitoring. When combined with delegation,

such communication can send inconsistent signals, providing nominal autonomy alongside intensified oversight, thereby diminishing trust rather than reinforcing it. These perceptions may be amplified by reference points from the diaspora, as employees compare local practices with the autonomy norms described by relatives in the West, raising the implicit benchmark that managers are expected to meet.

In summary, IDM's central mechanism appears robust in Albania. However, the model's broader outcome logic depends on historically shaped norms, informal trust systems and labour-market constraints that alter how delegation and communication are understood. Future research would benefit from the development of culturally sensitive measures of trust that capture relational and network-based forms, as well as the testing of multi-group models across sectors and cohorts, in order to identify the conditions under which downstream effects emerge.

## 5. Conclusions and Recommendations

This study examined how delegation, trust, psychological safety and communication interact in Albanian organisations by testing the Intelligent Delegation Model (IDM). The results provided partial support for the model.

### 5.1 Theoretical Contributions.

This study makes three theoretical contributions. Firstly, it provides the first empirical test of the delegation–trust–psychological safety pathway in Albanian organisations, thereby extending Western leadership theory to a context characterised by a high power distance and post-socialist features. H1 and H2 are supported and confirm that the core mechanism operates as theorised. Secondly, the negative moderation finding (H4) challenges the assumption that communication always amplifies the effects of leadership. In hierarchical cultures, communication may substitute for the trust signal of delegation. Thirdly, the non-significant result of H3 suggests that the benefits of psychological safety may be outcome-specific, indicating the need for disaggregated outcome measures in future research.

### 5.2 Practical Contributions.

Based on the supported hypotheses H1 and H2, managers should delegate tasks with clear objectives and genuine authority in order to build trust and enable psychological safety. However, given H4, managers should avoid combining high levels of delegation with excessive communication, as this may be perceived as surveillance rather than empowerment. HR departments should offer training in delegation and trust building, while recognising that the link between psychological safety (H3) and performance improvements remains unconfirmed in this context.

### 5.3 Policy Contributions.

To reduce brain drain and protect delegation capacity, policymakers should introduce talent-retention measures, design programmes that support the reintegration of diaspora professionals, align education and training more closely with skills linked to workplace autonomy, and tailor leadership development initiatives to Albania's cultural context.

### 5.4 Limitations.

A cross-sectional design precludes causal inference. Self-report measures may introduce bias, though CMV tests suggest a minimal threat. The urban-focused sample limits generalisability. The model's full validation is constrained by three unsupported hypotheses (H3, H4 and H5).

The findings demonstrate that the effectiveness of delegation in Albanian organisations is shaped by a complex interplay of factors, including employee qualifications, professional attitudes, talent shortages driven by migration, and cultural norms. Delegation is not merely a managerial technique; it is also a reflection of organisational trust, competence, and adaptability. Managers consistently emphasised that successful delegation requires competent, reliable and proactive employees. When subordinates are adequately prepared professionally and demonstrate responsibility, managers feel confident granting autonomy, which enhances employee motivation and job satisfaction. Conversely, gaps in capabilities or professionalism can lead to micromanagement or the withdrawal of tasks, reducing efficiency and inhibiting development.

These dynamics unfold within the context of Albania's brain drain, with 12.1 people per 1,000 residents emigrating in 2024 (Eurostat, 2025). This intensifies skill shortages and complicates delegation capacity.

Cultural characteristics can both hinder and facilitate delegation. A high power distance creates a reluctance to share authority; however, collectivist values can promote loyalty and co-operation when managers adopt a supportive approach. Successful delegation therefore requires cultural adaptation, harnessing these strengths while gradually promoting openness and feedback.

Further research is needed to explore the evolving dynamics of delegation in transitional economies such as Albania. Longitudinal and qualitative studies could provide deeper insights into how professional development initiatives lead to increased trust and autonomy over time. Comparative studies across sectors or countries could reveal the influence of cultural and institutional differences on delegation outcomes.

Additionally, examining interventions that reduce power distance, encourage feedback and enhance psychological safety would provide practical strategies for organisational transformation. Furthermore, linking delegation practices to quantifiable performance metrics, such as productivity, innovation, and service quality, would reinforce the empirical basis for promoting empowering leadership styles.

In conclusion, delegation within Albanian organisations presents a mix of challenges and opportunities. Although it is constrained by limited professional capacity, talent migration and hierarchical traditions, it is supported by strong collective values and a growing openness to empowerment.

Future studies could examine delegation practices in remote and hybrid work environments, investigating the influence of organisational culture and ethical considerations on delegation. Practical next steps for organisations include piloting delegation training modules, measuring delegation readiness, and designing communication protocols that clarify goals and signal trust.

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