

Improving the Work Engagement of Employees in Pakistani Banking Sector: The Influence of Psychological Safety and Trust in Leadership

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Abstract

The importance of employee work engagement in today's world, cannot be denied specially in banking sector where employees have to work in a psychologically challenging, service oriented and competitive environment. Using Theory of Personal Engagement and Social Exchange Theory, this research focuses on the impact of Work Role Fit and Emotional Regulation on Work Engagement taking into consideration the possible influence of Psychological Safety and examining the moderating effect of Trust in Leadership. Quantitative Cross-sectional Survey research design was used in this research involving 383 employees from commercial banks, Islamic banks and microfinance institutions (MFIs) located in different cities in Pakistan. To test the formulated hypotheses, Partial Least Squares Structural Equation Modeling (PLS-SEM) was carried out using the statistical package for social sciences (SPSS) software SmartPLS 4. Findings suggest that Work Role Fit and Emotional Regulation have significant positive relation with Psychological Safety. WE, in turn, has a significant positive effect on Psychological Safety. The results further show that the positive association between PS and WL is significantly strengthened by the levels of Trust in Leadership. The study extends theory of Personal Engagement with the involvement of Social Exchange Theory and is also an empirical study of the banking sector in Pakistan. The results provide practical suggestions for the banking institutions, focusing on the need to match staff to appropriate roles, build emotional regulation skills, and improve the trust-based leadership approach to increase employee engagement and organizational performance.

Keywords: Work Engagement, Psychological Safety, Work Role Fit, Emotional Regulation, Trust in Leadership

Introduction

In the competitive and changing business landscape, companies are more aware that sustainable competitive advantage relies not only on technological innovation and money but on a workforce that is psychologically committed, emotionally engaged, and fully immersed in their work. The nature of work has been transformed by rapid technological change, digital transformation, evolving customer expectations and increasing market competition, which has driven the need for work environments that allow workers to commit their physical mental, and emotional resources to the job (Bakker & Albrecht, 2018). Hence, work engagement has become one of the most popular constructs in the field of organizational behavior as it is consistently linked to higher productivity, better service quality, greater organizational commitment, more creativity, less absenteeism and less intentions to quit the organization (Bailey et al., 2017; Schaufeli et al., 2002).

Importance of WE is especially noticeable in banking sector where workers have to continuously engage with the customers while also working towards high performance levels, ensuring compliance with regulatory demands and dealing with swift technological advancements (Albrecht et al., 2018). Keeping employees highly engaged has, however, become a greater challenge due to often overfull workloads, role ambiguity, emotional exhaustion and performance pressure, which all negatively influence their willingness and ability to fully engage themselves in their work (Bakker & Demerouti, 2017). Of these, psychological safety has received a lot of research focus as it allows employees to feel free to express themselves, to share ideas without negative repercussions, to ask for help if needed, and to engage actively in organizational activities (Edmondson, 1999; Newman et al., 2017).

Previous studies have concentrated on the idea of psychological safety, with Kahn (1990) Theory of Personal Engagement serving as a major theoretical foundation for this work. He suggested that the three psychological conditions be met for employees to become personally involved (Kahn, 1990). The compatibility of work roles is a predecessors of psychological safety and has seen growing research interest, as it has proven to influence employees' views on the importance of their work directly (May et al., 2004). When employees think their jobs are using their abilities and are in line with their professional identity, they tend to feel meaningful, confident, and comfortable in their job performance (May et al., 2004; Rich et al., 2010).

Emotional regulation refers to the capacity to monitor, assess, and adjust one's emotional responses to achieve a specific outcome. Emotionally regulated employees are more psychologically available (Gross, 1998). According to Kahn (1990) theoretical framework, they are therefore more inclined to perceive their work environment as psychologically safe, as they are more capable of managing interpersonal challenges and fostering positive interactions at work. Empirical evidence has confirmed the link between psychological safety and work engagement across different work environments. Employees who feel a strong sense of psychological safety are more likely to contribute innovative ideas, cooperate with peers, express themselves truthfully, and engage actively in organizational decision-making (Frazier et al., 2017). Although its importance has begun to be acknowledged, high work

engagement has been a constant challenge in service industries especially in the banking industry (Bailey et al., 2017; Schaufeli et al., 2002).

Research Objectives

The study aims to accomplish the following objectives:

RO1: To examine the relationship between work role fit and psychological safety among employees in Pakistan's banking sector.

RO2: To examine the relationship between emotional regulation and psychological safety among employees in Pakistan's banking sector.

RO3: To investigate the relationship between psychological safety and work engagement.

RO4: To examine the mediating role of psychological safety in the relationship between work role fit and work engagement.

RO5: To examine the mediating role of psychological safety in the relationship between emotional regulation and work engagement.

RO6: To examine the moderating role of trust in leadership in the relationship between psychological safety and work engagement.

LITERATURE REVIEW

The concept of employee engagement has evolved considerably since Kahn (1990) introduced the theory of personal engagement. In order to achieve this, the current study integrates into a single conceptual framework the ideas of work role fit, emotional regulation, psychological safety, trust in leadership, and work engagement. The study is based on Kahn (1990) theory of personal engagement, which holds that when three psychological requirements are satisfied, employees are fully engaged. Additionally, Blau (2017) proposed the Social Exchange Theory, which explains the moderating influence of trust in leadership. According to this theory, employees are willing to put more effort into their work when they believe their leaders support and trust them.

Work Role Fit (WRF) and Psychological Safety (PS)

The idea of work role fit can be traced back to the body of work related to person – environment, which suggests that a worker's effectiveness is best when personal traits are matched to the characteristics of the work situation (Kristof, 1996). When employees feel that they fit their jobs, they tend to feel competent and confident in their work functions (Edmondson, 1999).

Theory of Personal Engagement by Kahn (1990) explains this relationship from the psychological perspective of meaningfulness. Kahn suggested that if the work is meaningful employees will contribute themselves more fully because they feel the work is valuable and personally significant to them. The more employees feel like they can express themselves, the more they are likely to share ideas, request feedback, and work collaboratively with others in their work environment to encourage meaningfulness. Therefore, when the work role fit is good, the psychological meaningfulness is good and then the building of psychological safety is easier. There is generally empirical support for this theoretical proposition. In their study May et al. (2004) confirmed that

psychological meaningfulness was higher for employees who felt a better fit in their work role, and that this was a significant factor in employees' engagement. In view of this, the present study suggests that WRF plays a role in the psychological safety of employees by increasing their feelings of meaningfulness and decreasing the interpersonal uncertainty. This hypothesis is in line with the theoretical model of Kahn (1990) hence it is proposed,

H1: *Work Role Fit has a positive relationship with Psychological Safety.*

Emotional Regulation (ER) and Psychological Safety (PS)

Emotional regulation involves processes used to regulate the emotions felt, when they occur, and how they are expressed (Gross, 1998). It is theoretically informed by employees' perception of interpersonal confidence and relationship between emotional regulation and psychological safety. People who are able to control their emotional reactions are better able to respond to criticism, solve interpersonal conflicts and communicate without being overwhelmed by emotional reaction and this claim is supported by empirical evidences from previous literature. Gross (2003) showed that emotional regulation plays a role in healthier interpersonal relationships, psychological wellbeing, and workplace functioning. Similarly, Newman et al. (2017) further argued emotionally resilient employees feel there is a higher level of psychological safety because they have more resources to deal with uncertainty in the workplace. More recent research also revealed that emotional regulation improves adaptive work behaviors, resilience, collaboration, and learning, allowing workers to handle organizational demands in a constructive way (Güntner et al., 2021; Miao et al., 2017). The present study draws upon Theory of Personal Engagement and suggests that ER is likely to positively impact on psychological safety.

H2: *Emotional Regulation has a positive relationship with Psychological Safety.*

Psychological Safety (PS) as a Mediator between Work Role Fit (WRF) and Work Engagement (WE)

Work role fit and employee engagement are positively correlated, according to earlier research; but researchers nowadays claim that the relationship is not necessarily direct, rather employees get engaged when psychological experiences are favourable because of the fit in the work role, which boosts their work investment. Of these psychological experiences, psychological safety is one of the most likely to explain them. According to Kahn (1990) theory suggests that psychological meaningfulness is higher when employees see a high congruence between their abilities and their job demands. But engagement does not necessarily follow from the meaningfulness. Staff should also feel psychologically safe in their roles to express themselves. Thus, PS serves as the link between meaningful work experiences and engaged work behaviors (May et al., 2004). This leads to the hypothesis that psychological safety acts as a mediator in the favourable relationship that exists between work role fit and job engagement.

H3: *Work Role Fit and Work Engagement are mediated by Psychological Safety.*

Psychological Safety (PS) as a Mediator between Emotional Regulation (ER) and Work Engagement (WE)

Emotional regulation is a psychological tool that is considered to be an important resource for the employee to maintain emotional balance in performing their demanding work roles. In Kahn's perspective, emotional regulation is one factor that helps to build psychological availability, allowing workers to maintain their emotional resources even when facing difficult situations at work. Those who successfully manage their emotions are less likely to suffer from emotional burnout or conflicts with others. As a result, they feel less at risk to express opinions, ask for help, or admit errors or fail, improving their psychological safety. Individuals with greater emotional regulation skills have been found to be more resilient, have better interpersonal relations, experience lower levels of emotional exhaustion, and higher engagement (Gross, 2003; Miao et al., 2017). In addition, employees with emotionally controlled personalities are more likely to be open to learning and cooperation due to their positive disposition towards coping with difficult situations at work (Güntner et al., 2021). The benefits of emotional regulation on workers' professional engagement are likely to be mediated by psychological safety, according to Kahn's Theory of Personal Engagement.

H4: *The relationship between work engagement and emotional regulation is mediated by psychological safety.*

Psychological Safety (PS) and Work Engagement (WE)

Kahn (1990) proposed that psychological safety is not merely a supporting condition but a direct antecedent of employee engagement. When employees feel safe, they are more likely to put in their physical, cognitive, and emotional energies into their work, without worrying about facing criticism or rejection from others. Psychologically safe workers focus on organizational goals instead of looking out for their own safety. Employee engagement, which refers to employee participation, collaboration, creativity, and organisational learning, is strongly influenced by a sense of psychological safety (Edmondson & Lei, 2014; Frazier et al., 2017; May et al., 2004; Newman et al., 2017). Therefore, it is expected that workers who work in psychologically safe environments will exhibit higher levels of vitality, devotion, and immersion than those who feel psychologically at risk while interacting with others.

H5: *Psychological Safety has a positive relationship with Work Engagement.*

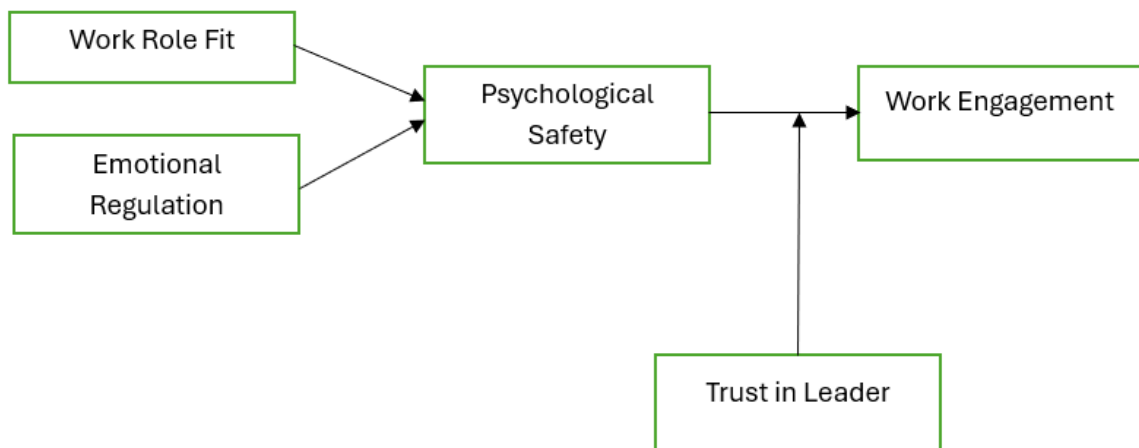
Trust in Leadership as a Moderator

From the perspective of Kahn (1990) psychological safety is a sense that employees can express themselves in ways that won't lead to interpersonal repercussions. But staff members are regularly assessing whether organizational leaders are truly proponents of such openness. Social Exchange Theory Blau (2017) offers further evidence for this claim. Trust in organizational leaders is a valuable social resource and leads to positive organizational behaviours in return. As such, the positive effect of psychological safety is enhanced by trust in leadership, which shows that employees feel empowered to respond positively to positive organizational relationships. (Cropanzano & Mitchell, 2005). Accordingly, trust in leadership strengthens the positive influence of psychological safety by increasing employees' motivation to reciprocate supportive organizational relationships.

Because the banking institution is hierarchical and supervisors have a significant influence on their employees' day-to-day experiences, the moderating role of trust in leadership has been examined and its effects on work engagement explained, adding to the theoretical contribution of this study. Trust in leadership as a moderator is important because it explains when and under which conditions psychological safety is most likely to promote work engagement, which has been examined as an important theoretical contribution as the banking institution is hierarchical and supervisors have a significant influence on their employees' day-to-day experiences (Amah, 2023). Therefore, it is suggested that, based on Theory of Personal Engagement and Social Exchange Theory by Blau (2017), employees who feel high psychological safety and high trust in leadership will exhibit high level of work engagement in comparison to the employees who feel high level of psychological safety and low level of trust in leadership.

H6: *Trust in Leadership moderates the relationship between Psychological Safety and Work Engagement such that the positive relationship between Psychological Safety and Work Engagement is stronger when Trust in Leadership is higher.*

Research Framework



RESEARCH METHODOLOGY

Research Philosophy and Research Approach

It is the set of assumptions and beliefs that facilitates the process of knowledge generation and influence the choice of research methods. (Bell et al., 2022). According to this approach, social phenomena and theoretical relationships are measurable; they can be tested by statistical analysis (Mbanaso et al., 2023).

Research approaches generally include deductive, inductive, and abductive reasoning (Bell et al., 2022). The deductive approach was used in the present study as it starts with existing theories and generates hypotheses that are then tested with the help of empirical findings.

Research Design

The method of research used for this study was quantitative research using the cross-sectional survey method. When the objective of the study is to investigate relationships between measurable variables and to statistically test hypotheses, quantitative research is appropriate. (Weyant, 2022). Cross-sectional design was selected because the respondents were selected only once (Bougie & Sekaran, 2025). The survey method was used because it is well suited for measuring perceptions, attitudes, beliefs and behaviours that cannot be directly observed (Mbanaso et al., 2023).

Population of the Study and Sampling Frame

In the present study, the population was bank employees in Pakistan. Specifically, the population included commercial banks (both public and private sectors), Islamic banks, and MFIs located in all parts of Pakistan. The banking sector was chosen because banking workers have to work in highly competitive and service-oriented settings which are defined by demanding interactions with customers, constant changes in technology, regulatory requirements and pressure to perform (Ahmad et al., 2022). The respondents comprised banking institutions of major urban centers like Karachi, Lahore, Islamabad, Rawalpindi, Faisalabad, Peshawar, Multan, and others.

Sampling Technique and Sample Size

The study used purposive sampling method. The sample size for the present study was calculated as follows, utilizing the standardized, on-line sample size calculator found at Calculator.net, and using the finite population correction formula:

$$n = \frac{N \times Z^2 \times p(1 - p)}{e^2(N - 1) + Z^2 \times p(1 - p)}$$

Using the following parameters:

Population size (N) = **200,000**

Confidence level = **95%**

Margin of error = **5%**

Population proportion = **50% (0.50)**

The minimal suggested sample size of 383 respondents was employed. According to PLS-SEM, this number is sufficient for testing structural relations and producing reliable statistical estimations (Hair & Alamer, 2022).

Data Analysis Technique

Using SmartPLS 4 software, PLS-SEM analyses were performed on the data. Structural Equation Modelling (SEM) is one of the most widely utilised multivariate statistical techniques in organisational and behavioural research (Hair & Alamer, 2022).

FINDINGS

Measurement Model Assessment

Convergent Validity

Factor loadings, Cronbach's alpha, and AVE were employed to evaluate convergent validity. The factor loadings were above the minimum threshold of 0.50, and most were greater than 0.70, meeting the standards for indicator reliability (Hair et al., 2021). The Cronbach alpha values varied between 0.7720 and 0.9206, exceeding the benchmark of 0.70 (Holmbeck & Devine, 2009) thus indicating reliable internal consistency. Moreover, all AVE values exceeded 0.50, indicating that each construct accounted for over 50% of the variance in the indicators (Fornell and Larcker, 1981).

Table 1. Convergent Validity

Variable	Indicator	Loadings	Alpha	AVE
Psychological Safety	PS1	0.8253	0.9483	0.6784
	PS2	0.7778		
	PS3	0.8224		
	PS4	0.8995		
	PS5	0.8347		
	PS6	0.7527		
Work Engagement	WE1	0.7112	0.9614	0.6383
	WE2	0.8458		
	WE3	0.7368		
	WE4	0.9038		
	WE5	0.7710		
	WRF1	0.6611		
Work Role Fit	WRF2	0.6485	0.8785	0.5610
	WRF3	0.9518		
	WRF4	0.6705		
	WRF5	0.5223		
	WRF6	0.7022		
	WRF7	0.5785		
Emotional Regulation	ER1	0.8168	0.7820	0.5245
	ER2	0.6661		
	ER3	0.6785		
Trust in Leader	TL1	0.6847	0.9256	0.5126
	TL2	0.8437		
	TL3	0.7196		
	TL4	0.7356		
	TL5	0.5859		
	TL6	0.6714		

TL7	0.5925
TL8	0.7267
TL9	0.8756
TL10	0.7655

Discriminant Validity

The Fornell-Larcker test and cross-loadings have been applied to test for discriminant validity. The square root of AVE for each construct has been higher than the correlation with other constructs, while the indicators have shown a higher loading on their own constructs than on the rest of the constructs. The findings are consistent with the standards for discriminant validity (Fornell & Larcker, 1981; Hair et al., 2019). Thus, the constructs in the model are empirically distinct and theoretically independent.

Table 02. Discriminant Validity

Construct	PS	WE	WRF	ER	TL
PS	0.4749				
WE	0.2351	0.6089			
WRF	0.7668	0.7180	0.5770		
ER	0.3201	0.8571	0.5197	0.5958	
TL	0.3183	0.5596	0.3892	0.5525	0.6927

Table 03. Cross Loadings

Indicator	PS	WE	WRF	ER	TL
PS 1	0.8253	-0.4199	-0.2028	-0.6263	-0.2656
PS 2	0.7678	-0.4010	-0.1865	-0.5933	-0.2262
PS 3	0.8128	-0.4010	-0.1891	-0.6595	-0.3096
PS 4	0.9120	-0.4349	-0.2542	-0.6716	-0.3735
PS 5	0.8365	-0.4263	-0.2403	-0.6354	-0.2459
PS 6	0.7529	-0.3778	-0.1566	-0.5795	-0.2750
WE 1	-0.2012	0.4365	0.2709	0.4008	0.5510
WE 2	-0.2545	0.4614	0.3571	0.4834	0.6045
WE 3	-0.3038	0.4211	0.2461	0.4218	0.5664
WE 4	-0.2890	0.4399	0.3016	0.5162	0.5352
WE 5	-0.2434	0.4663	0.4012	0.4413	0.5160
WRF 1	-0.3349	0.6722	0.4622	0.5826	0.7921
WRF 2	-0.3287	0.6596	0.4641	0.5124	0.6831
WRF 3	-0.4797	0.9629	0.1692	0.4164	0.3588
WRF 4	-0.3442	0.6908	0.4231	0.5499	0.6999
WRF 5	-0.2664	0.5347	0.4954	0.4608	0.5840
WRF 6	-0.3698	0.7422	0.4569	0.5477	0.6641
WRF 8	-0.2610	0.5237	0.6046	0.4961	0.5711
ER 1	-0.1961	0.4892	0.8168	0.5113	0.4006
ER 2	-0.1600	0.3776	0.6661	0.3696	0.3275

ER 3	-0.1629	0.3968	0.6785	0.3709	0.4096
TL 1	-0.1830	0.5417	0.3535	0.4270	0.6958
TL 2	-0.2503	0.6347	0.3630	0.5243	0.8543
TL 3	-0.2365	0.5828	0.3218	0.4461	0.7269
TL 4	-0.2002	0.5489	0.3542	0.4398	0.7166
TL 5	-0.2161	0.5061	0.3508	0.3373	0.5497
TL 6	-0.2288	0.4784	0.4154	0.3881	0.6324
TL 7	-0.1782	0.5414	0.3152	0.3600	0.5865
TL 8	-0.2228	0.6068	0.4766	0.4527	0.7377
TL 9	-0.3230	0.8253	0.4186	0.5433	0.8852
TL 10	-0.3250	0.8693	0.4343	0.4796	0.7815

4.2 Descriptive Statistics and Correlation Matrix

Using descriptive statistics, it was found that all the variables have skewness and kurtosis values within the limits of ± 1 , implying that data were normally distributed (Kline, 2017). It is worth noting that the results of correlation analysis have demonstrated a strong relationship between the variables. As far as the success factors of new businesses are concerned, it was identified that they are strongly correlated with environmental generosity ($r = 0.505$, $p < .01$) and strongly positively correlated with entrepreneurial awareness ($r = 0.634$, $p < .01$). Most importantly, the highest correlation coefficient was 0.90 (Hair et al., 2019).

Table 04. Descriptive Statistics and Correlation Matrix

Variable	Mean	SD	Skewness	Kurtosis	PS	WE	WRF	ER	TL
PS	1.85	0.58	-0.01	-0.88	1				
WE	3.87	0.95	-0.67	-0.49	0.294	1			
WRF	3.82	0.81	-0.61	0.45	0.425	0.50	1		
ER	3.73	0.89	-0.59	-0.29	0.198	0.32	0.51	1	
TL	3.89	0.83	-0.67	0.05	0.297	0.63	0.75	0.43	1

Correlation is significant at the 0.01 level (1-tailed).

Structural Model Assessment

From the results of the structural equation modeling, there seems to be a significant effect of psychological safety via WRF ($b = 0.435$, $t = 22.966$, $p < 0.01$). The coefficient is negative, meaning that as WRF increases, the inclination to engage in PS reduces. The WRF model was able to explain 18.1% of the variance in PS. Similarly, the ER had a negative correlation with PS ($b = -0.178$, $t = 18.961$, $p < .01$). PS had a significant

relationship with Work Engagement ($b = 0.571$, $t = 48.664$, $p < .01$), whereby 30.5% of the variance in work engagement was accounted for. This medium explanatory power is captured by a moderate R^2 (Hair et al., 2019). Although the coefficient is negative, the interpretation is done based on the scale direction. Essentially, the findings indicate that psychological safety is a strong predictor of work engagement.

Table 05. Direct Effects

Hypothesis	Relationship	R Square	Beta	t-statistic	F value	p value	Decision
H1	WRF -> PS	0.181	-0.435	22.966	84.157	<0.01	Supported
H2	ER -> PS	0.049	-0.178	18.961	15.630	<0.01	Supported
H3	PS -> WE	0.305	-0.571	48.664	184.803	<0.01	Supported

The findings from the mediation model showed that the association between WRF and WE was partially mediated by PS (indirect effect = 0.147; 95% CI [0.078, 0.236]). It is significant because the confidence interval does not contain zero (Preacher & Hayes, 2008). Therefore, we can conclude that the impact of WRF on WE was direct and indirect. In the same vein, PS partly clarifies the connection between the ER and the results of the WE.

Table 06. Indirect Effects

Hypothesis	Relationship	Total Effect	Direct Effect	Indirect Effect	LLCI	ULCI	Decision
H4	WRF -> PS -> WE	0.587	0.469	0.147	0.078	0.236	Partial Mediation
H5	ER -> PS -> WE	0.486	0.431	0.755	0.348	0.165	Partial Mediation
		Beta	t statistic	p value			
H6	TL*PS -> WE	-0.180	-3.283	0.001	-0.299	-0.07	Supported

Interaction of Trust in Leader (TL) and Psychological Safety was significant ($b = 0.180$, $t = 3.283$, $p = .001$). This indicates that the interaction of TL and PS is significant in the relation between PS and WE.

DISCUSSION AND CONCLUSION

The results of this study show that there is a significant positive correlation between Work Role Fit and Psychological Safety, which suggests that Hypothesis 1 is supported. The finding indicates that the employees are more confident about doing their work if they think that the work requires knowledge and skills that they have, and they feel that this alignment of knowledge and skills with work requirements leads them to feel at ease expressing themselves without fear of negative interpersonal consequences. It is similar to concept of psychological availability (Kahn, 1990).

The results of this study indicate that Psychological Safety acts as a partial mediator in the relationship between Work Role Fit and Work Engagement. It shows that not only does work role fit affect work engagement directly, but also affects it indirectly through psychological safety of the employees. The findings of the study support the findings made by May et al. (2004), where psychological safety and psychological meaningfulness were found to predict employee engagement. The findings showed that Psychological Safety acts as a partial mediator of the relationship between Emotional Regulation and Work Engagement. Specifically, the more skilled the employees become at emotional regulation, the more engaged in work they become, due to psychological safety. The results of the research showed that there was a strong positive relationship between Psychological Safety and Work Engagement. The findings strengthen the idea that employees who feel that the work environment is safe enough for taking interpersonal risks would show high levels of engagement in their work (Dahleez et al., 2025).

The results show that Trust in Leadership significantly moderates the link between Psychological Safety and Work Engagement. In particular, the impact of psychological safety on work engagement is greater when employees have higher trust in their leaders. This seems to mean that psychological safe space enables employees to be themselves, but how much this relates to engagement will be shaped by the confidence employees have in their leaders. This leads to more positive attitudes to psychological safety, which have a higher probability of developing into long-term work engagement by the employees, when they feel supported and trusted by their supervisors (Masood & Ali, 2024).

Theoretical and practical Implications

The research paper will contribute to Theory of Personal Engagement Kahn (1990) by in terms of empirical support for the relationship between WRF, emotional regulation and psychological safety, and lastly psychological safety and work engagement. The study will contribute to Kahn's Theory by linking it with Social Exchange Theory in that trusting the leader strengthens the connection between psychological safety and work engagement (Blau, 2017). Lastly, it will also contribute to the literature on work engagement in developing countries, specifically the banking industry in Pakistan.

Research indicates that building a good fit of people to their work roles is a key strategy for organizations to consider when it comes to work role fit, and this can be achieved by recruitment, work role competency design, and clarifying work roles. Second, the emotional intelligence development programmes, stress management workshops, resilience training and coaching programmes can be used by banking institutions to invest in emotional regulation training. However, it is important that organisations proactively develop psychological safety, and promote open communication and constructive feedback, learning from failures and collaborative decision-making. Last but not least, leadership development programs must focus on the behaviors that foster trust.

Limitations and future research directions

Cross sectional research design was employed in this study. There should be longitudinal studies carried out in future to look at the changes in levels of psychological safety and work engagement over a period of time. Secondly, there was the use of self-reporting questionnaires for collecting data resulting to the common method bias and social desirability bias. A secondary analysis of the proposed model can then be conducted in other industries to assess the generality of the results. Explanatory power can be further increased by other psychological and organizational factors, including transformational leadership, organizational justice, perceived organizational support, and employee resilience.

Conclusion

The present study intended to examine the association between Work Role Fit and Emotional Regulation with Work Engagement and determine the mediators (Psychological Safety) and moderators (Trust in Leadership) within the banking sector in Pakistan. The present study is based upon the theoretical framework of Theories of Personal Engagement Kahn (1990) and Social Exchange Theory by Blau (2017). Based on the concepts from both theories, a conceptual model was proposed and empirically tested in order to find out how psychological and relational processes lead to employee engagement. All six hypotheses of the study were supported. Overall, the contribution of the study to the existing literature includes extending the theory of Kahn, adding leadership trust as an aspect of context and empirical findings from the banking sector of Pakistan. It can be concluded that increasing work role fit, emotional regulation competence of employees, psychological safety at work and leadership trust could become the key to employee engagement initiatives.

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