

**IMPACT OF AUTHENTIC LEADERSHIP STYLE ON EMPLOYEE ENGAGEMENT: WITH SPECIAL REFERENCE TO PUBLIC BANKING SECTOR IN BADULLA DISTRICT, SRI LANKA**

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**ABSTRACT**

Employee engagement is an important aspect that needs to be embraced within organizations because of its benefits not only for employees, but also for the entire organization. Employee engagement is a broad concept that positively influences employees and has positive implications for organizations. An effective work environment depends on leaders' authenticity, thereby enhancing employee engagement. It measures employees' commitment to positive organizational outcomes. Low employee engagement can contribute to multiple organizational problems and is related to increased turnover and absenteeism. However, it is difficult to determine the overall employee engagement through one or two employees' engagement with one or more employees. Leaders' falsity leads to poor employee engagement, such as decreased employee job satisfaction, motivation, and the resulting absenteeism. Therefore, this study aimed to examine the impact of the dimensions of authentic leadership (self-awareness, relational transparency, internalized moral perspective, and balanced processing) on employee engagement in the public banking sector in the Badulla District, Sri Lanka. The study sample consisted of 242 employees in Public Banks in Badulla District, selected from a population of 650, using the stratified sampling method. Individual employees were considered the unit of study and were conducted as a cross-sectional study. Five hypotheses are formulated and tested using a deductive approach. Self-administered questionnaires were used to collect data, which were analyzed using the SPSS 21 package. The reliability of the measures was checked and ensured using Cronbach's alpha values. Pearson's correlation coefficient and simple and multiple regression analyses were used as statistical tools. The results showed that relational transparency ( $r = 0.550$ ), internalized moral perspective ( $r = 0.573$ ), balanced processing ( $r = 0.544$ ), and self-awareness ( $r = 0.571$ ) had positive impacts on employee engagement. The findings of this study are significant for improving employee engagement. The results are intended to be used to acquire a better understanding of the relationship between authentic leadership styles and employee engagement. It shows the direct impact of the independent variable (authentic leadership style) on the dependent variable (employee engagement) of the study. These findings suggest that leaders who demonstrate authentic leadership behaviors have the potential to positively influence employee engagement levels within the banking sector.

**Keywords:** Authentic leadership style, employee engagement, internalized moral perspective, relational transparency, self-awareness.