INFLUENCE OF TRANSFORMATIONAL LEADERSHIP ON PROACTIVE WORK BEHAVIOR: THE MEDIATING ROLE OF PSYCHOLOGICAL EMPOWERMENT

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ABSTRACT  
The basic purpose of the study is to examine the relationship between transformational leadership and proactive work behavior through the mediating role of psychological empowerment. The paper also attempt to provide logical and thorough understanding regarding how transformational leadership boost up the state of psychological empowerment and how in turns psychological empowerment influence the proactive behavior of employees.
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Based on theoretical and empirically supported arguments and theories, this hypothesized study builds upon 16 hypothesis including main hypothesis, sub-hypothesis and mediation hypothesis. To test these hypotheses, data were collected from 278 followers working in the service sector of Lahore, Pakistan through the disproportionate quota sampling. Findings of the study supported the proposed hypothesis which can be used by the organizational leaders to enhance proactivity among their followers. This study will help in realizing Pakistani organizational leaders that the power distance approach or authoritarian approach they are following is not suitable for producing proactive employees, they need to give them a feel that they are empowered and empowerment is not something which a leader should announce, in fact they need to transform their followers in such a way that they psychologically consider themselves as empowered. The study also add value by using self-concept based theory of leadership and social exchange theory to support the relationship between transformational leadership and employees’ proactive behavior thus provided a motivational mechanism of psychological empowerment that link up their relationship.

**Keywords:** transformational leadership, proactive work behavior, psychological empowerment, service sector

**Introduction**

**Background of the study**

Corporate world in this digital age has gone through heavy changes (Husseni & Elbeltagi, 2016; Schmit, Hartog & Belschak, 2016). In such a dynamic environment, proactive work behaviors are very essential for the organizations to survive, compete and succeed (Strauss, Griffin & Rafferty, 2009). Organizational leaders now delegate responsibilities downwards in hierarchy and thus need proactive employees who take self-initiated actions and perform beyond task requirements (Crant, 2000). Proactive employees are change oriented active individuals who take self-initiated actions to mold their skills and working methods (Grant and Ashford, 2008). Organizations are now moving towards the decentralized workplace and leaders demands self-initiatives along with the given tasks to improve the organizational procedures (Beck, Cha, Knutson, & Kim, 2017).

Leadership is an important antecedent of employees’ proactive behaviors (Crant, 2000; Strauss, Griffin & Rafferty, 2009). Over last three decades, transformational leadership has become the popular area in the field of research (DeChurch, Hiller, Murase, & Doty, 2011). The motivating, inspiring and encouraging characteristics of transformational leaders are more effectual in provoking proactive behaviors, as it creates the favorable environment for proactiveness by energizing followers to perform beyond expectations and take self-initiated actions to convert the leader’s vision into reality (Sharifirad, 2013).
The current study targets to investigate a motivational mechanism and addresses psychological empowerment as a possible mediator between transformational leadership and proactive work behavior. Psychological empowered employees believe they are self-determined, competent in abilities, feel their efforts as impactful and view their work as meaningful (Spreitzer, 1995; Conger & Kanungo, 1988; Thomas & Velthouse, 1990).

Although in this competitive era all the organizations are oriented towards proactivity, however leaders of service sector relatively requires more proactive employees as they have to keep in touch with the customers in order to provide better services. In Pakistan, service sector is the major driver of growth in economy as it contributes 53.3% share in GDP, and 44% in employed labor force (Ahmed & Ahsan, 2011). According to SEDC (2009) service sector of Pakistan has 5 priority sub sectors which are financial services, IT & communication services, construction & architectural services.

In Pakistan, behaving proactively is considered to be of high risk because majority of organizations have the culture of high power distance (Bashir, Abrar & Ghazanfar, 2012) where leaders train followers to respect the authority of leaders and passively follow it. In such a culture employees feel hesitation in taking self-initiated actions because they know they will be highly blame if their actions result into the failure (Parker & Wu, 2014). Thus employees do not feel themselves as psychologically empowered and thus they do not take proactive actions.

Another reason why leaders resist, ignore and discourage proactivity is because of confirmation biasness where leaders focus on only that information which is attracting their own perception and consciousness (Ashford, Sutcliffe, & Christianson, 2009). Furthermore, many organizational leaders deliberately discourage proactive behaviors because they want their employees to focus on achieving short term day to day objectives, they consider out of the box initiatives as negative because they believe it is too risky and also costly (Belschak & Hartog, 2010; Bolino, Valcea, & Harvey, 2010).

Many of Pakistani corporate leaders now do start realizing the importance of psychological empowered employees and for this purpose offering attractive compensation packages, bonuses and rewards which although can enhance commitment, wellbeing and satisfaction but cannot make employees empowered and proactive.

Transformational leadership over the last three decades has been extensively explored with different performance and personal outcomes i.e. commitment, turnover, satisfaction, engagement, flexibility and innovation etc., However surprisingly its relationship with proactive work behavior has not received researchers attention it deserves. Leadership researchers had used psychological empowerment as linking mechanism between transformational leadership and different work outcomes but among those studies none of them used proactive behavior as the outcome variable. Previous studies used the single/composite score of transformational leadership to prove its impact on proactive
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behavior. A single/composite score might not provide a complete picture of the phenomenon. Therefore to fulfill this gap, the present study used all 4 “l’s” dimensions of transformational leadership separately to prove its impact with proactive behavior and psychological empowerment.

Moreover, the previous studies on this phenomenon have been conducted only in the western culture i.e. Netherlands and Australia (e.g. Schmitt, Hartog & Belschak, 2016; Hartog & Belschak, 2012) so the same results cannot be applied on the eastern culture of Pakistan. Basically in Pakistani organizational culture uncertainty avoidance is high and employees are keen to achieve short term benefits rather than the long term (Salman, 2015) they are motivated by extrinsic rewards and compensations to perform extra role behaviors (Alkahtani, 2015). Taking all these factors in consideration, this study tried to investigate the role of transformational leadership in creating psychologically empowered proactive employees.

Literature Review

Transformational leadership

The basic theme of transformational leadership is the ability of leaders to motivate their followers to achieve more than what they initially intends to achieve (Krishnan, 2005; Givens, 2008). Transformational leaders change the whole organization by producing moral, behavioral, attitudinal change in their followers (Pearce et al., 2003; Sims and Manz, 1996; Henkers, Sonnentag & Unger, 2015). Bass (1985) indicated four major behaviors of transformational leaders referred to as 4 l’s: Idealized influence (II), Inspirational motivation (IM), Intellectual stimulation (IS), and Individualized consideration (IC).

Idealized Influence: Transformational leaders behave in charismatic styles and serve as role models which not only inspire followers to associate with them but also gain trust and respect from followers (Liu, Siu & Shi, 2010; Nguyen et al., 2017; Wang & Sue oh, 2011).

Inspirational Motivation: Transformational leaders make emotional appeals to attract followers towards a fascinating future vision (dust, Rasick & Mawritz, 2014). They inspire and build confidence in them to achieve higher goals and for this purpose set high standards (Mullen, kelloway & teed 2017).

Intellectual Stimulation: Transformational leaders invite followers for challenging the status quo and encourage them to utilize novel ideas to solve the problems which will unhide their intellectual potential (Podsakoff et al., 1990; Dong et al., 2017; Wang & Howell, 2010).

Individualized Consideration: By mentoring, listening, giving feedback and treating each subordinate as special and unique, these leaders take care of their followers needs (Podsakoff et al., 1990, Kark et al., 2003).

Psychological Empowerment
Arad & Lider, 1996 distinguished empowerment into two perspectives i) structural factors ii) psychological factors. This study refer the empowerment term to psychological perspective that reflect intrinsically motivated and active orientation of employees towards the work (Thomas &Velthouse, 1990; Kang, Lee & Kim, 2017). According to (Spreitzer, 1995) psychological empowerment is the enhancement of intrinsic motivation in individuals manifested in 4 cognitions relevant to work role: Meaning, Self-determination, Competence and Impact. (p. 1443)

**Meaning:** It’s the path through which people feel energized about the task and they believe that the work is meaningful and in congruent with their own beliefs, values and behaviors (Spreitzer, Kizilos & Nason, 1997; Zhu et al. 2012; Lee & Nie, 2017).

**Competence:** Competence refers to the self-efficacy particular to the work, that one has the ability to successfully perform a task with confidence in his/her abilities (Spreitzer 1995; Avolio et al. 2004; Conger & Kanungo, 1988).

**Self-determination:** Self-determination is considered to be an individual’s belief of having choice in regulating and initiating actions, having control over work, time, pace and effort (Deci, Connell, & Ryan, 1989; Aydogmus et al., 2017).

**Impact:** It refers to the employees’ belief that they can make differences in the strategic outcomes and management of their organization (Spreitzer, Kizilos & Nason, 1997).

### Proactive work behavior

Proactive behavior is considered to be a self-initiated, future and change oriented behavior (Schmitt, Hartog & Belschak, 2016; Wu & Parker, 2017). It has been defined by Crant (2000) as taking initiative for the improvement in current situations or producing new ones, challenging status quo instead of passively adapting on-going conditions. It involves an active rather than reactive approach towards the work (Frese et al., 1996). This study used three dimensions of proactive work behavior “Personal initiatives” (Frese et al., 1996) “Taking charge” (Morrison & Phelps, 1999) and Voice (Van Dyne & LePine, 1998).

**Personal initiatives:** It’s an active approach in which individual do things for betterment in advance, without being told by someone up (Warner, Fay & Sporer, 2017)

**Taking Charge:** Taking charge focuses more on the improvement of execution of work and bringing new procedures to improve faulty practices (Sharen, 2011).

**Voice:** It’s a change oriented verbal communication in which an individual gave opinions, ideas and point of views to others with an aim to make a positive change (Van Dyne & LePine, 1998).

### Theoretical contributions and hypothesis

Transformational leadership and psychological empowerment
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Sosik & Cameron, 2010, Zhu et al. 2012; Bass, 1985, Braun et al., 2013 described that transformational leaders communicate the clear and meaningful vision which is so compelling that the followers start believing meaningfulness of organizations goals. Zhu et al, (2012) proved that transformational leadership positively influences the psychological empowerment in the context of US. Similarly, Afsar, Badir & Saeed (2014) in the innovative companies of china found a positive relationship between transformational leadership and psychological empowerment. Same results were found by Dust, Resick & Mawritz, (2013) in the northern United States. Based on the above arguments the study proposes:

\( H1: \) Transformational leadership is positively related to Psychological empowerment.
\( H1a: \) Idealized influence dimension of transformational leadership is positively related to psychological empowerment
\( H1b: \) Inspirational motivation dimension of transformational leadership is positively related to psychological empowerment
\( H1c: \) Intellectual stimulation dimension of transformational leadership is positively related to psychological empowerment
\( H1d: \) Individualized consideration dimension of transformational leadership is positively related to psychological empowerment

**Psychological empowerment and proactive work behavior**

Researchers reported that cognitive motivational states of employees can influence proactive behaviors at workplace (Parker, Williams, & Turner, 2006). One cognitive motivational state is psychological empowerment. Empowered employees are identified with their jobs thus take initiatives to help organization work better (Arefin, Arif & Raquib, 2015). They personally attached to organization after considering it as meaningful (Shalley & Gilson, 2004). Competence provides confidence to subordinates that they are capable enough to handle every situation (Arefin, Arif & Raquib, 2015). When employees feel they are autonomous in taking desired action for the betterment of organization, then they are more expected to involve in change oriented behaviors. Similarly when employees believe their actions can make significant positive impact on organizational outcomes, they will more willing in taking charge (Amabile et al., 1996; Hornung & Rousseau, 2007).

Previous researchers reported flexible role orientation, role breath self-efficacy (Hartog & Belschak, 2012), high performance work systems (Arefin,2015), reputation (Deluga, 1998), socialization (Morrison, 1993) leadership (Crant, 2000) and entrepreneurship (Becherer & Maurer, 1999) as the antecedents of proactive behaviors. Psychological empowerment as the predictor of proactive work behavior received very minimal attention. However, recently Arefin (2015) and Searle (2011) found significant positive relationship between psychological empowerment and proactive behavior.

Thus on the bases of above empirical and theoretical supported arguments, the study propose that

\( H2: \) Psychological Empowerment is positively related to proactive work behavior.
H2a: Meaning dimension of Psychological empowerment is positively related to proactive work behavior  
H2b: Competence dimension of Psychological empowerment is positively related to proactive work behavior  
H2c: Self-determination dimension of Psychological empowerment is positively related to proactive work behavior  
H2d: Impact dimension of Psychological empowerment is positively related to proactive work behavior.

Transformational leadership and proactive work behavior

Transformational leaders are proactive in crafting or improving work environment thus acts as role models for their followers (Brant, 2012; Hartog & Belschak, 2012; Crant, 2000). By providing inspirational motivation they inspire their followers to perform beyond expectations (Shamir et al., 1993; Brant, 2012, Sharifirad, 2013). Schmitt, Hartog & Belschak (2016); Brant (2012) tested the influence of transformational leadership on two dimensions of proactive behavior and found positive relationship of transformational leadership with both personal initiatives and voice. Hartog & Belschak (2012) collected data through two types of respondents, supervisor and self, found the transformational leadership as the predictor of proactive behavior. Thus in line with the previous empirical and theoretical work, it is proposed that:

H3: Transformational leadership is positively related to proactive work behavior.  
H3a: Idealized influence dimension of Transformational leadership is positively related to proactive work behavior  
H3b: Inspirational motivation dimension of Transformational leadership is positively related to proactive work behavior  
H3c: Intellectual stimulation dimension of Transformational leadership is positively related to proactive work behavior  
H3d: Individualized consideration dimension of Transformational leadership is positively related to proactive work behavior

Psychological empowerment as linking mechanism

As per Bass (1999) leaders with transformational style through the mechanism of empowerment influences work related outcomes of employees. According to Joo and Lim (2013) psychological empowerment provides inclusive motivational mechanism to explain the relationship between transformational leadership and work behavior of employees. Thus the study proposes the hypothesis that

H4: Psychological empowerment mediates the relationship between transformational leadership and proactive work behavior.

Theoretical model depicting the whole phenomenon is constructed in figure 3.1 below
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Theoretical Framework

Supporting Theories
Self-concept based theory (Shamir et al., 1993) social exchange theory (Homans, 1958) and Kanter’s theory of empowerment (1997) has been used to examine the relationship between transformational leadership, psychological empowerment and proactive work behavior. Self-concept based theory explains the influence of charismatic leaders on the behaviors of followers by altering their self-concept i.e. self-efficacy. As per social exchange theory when employees perceive that their leader think about their progress, provided clarity about vision of organization and gave them opportunity to share novel ideas, then they work proactively to fulfill their leaders vision. As per Kanter’s theory of empowerment when leaders provide their subordinates access to information, resources and opportunity to learn and grow, result into the growth of employees.

Methodology
This quantitative study used survey design to collect the data. Data has been collected from the 278 employees of service industry of Lahore, Pakistan and only those employees were selected who have worked with their immediate supervisor for at least 6 months to ensure accurate responses. The reason for selecting service industry is: employees in service industry are generally frontline who face the customers’ problems directly therefore, service industry requires proactive employees who can handle the customer demands and their issues proactively (Bharwani & Jauhari, 2013; Jong & Ruyter, 2004). Population has been divided into the 5 subsectors of service industry identified by SEDC (2009) and almost equally data has been collected from each subsector which are financial services, IT& communication services, construction & architectural services, transport services and health & medical services (See table 4.1 below). Quota sampling technique has been used to draw sample from the entire population. According to (Explorable, 2018) “Quota sampling is a non-probability sampling technique

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wherein the assembled sample has the same proportions of individuals as the entire population with respect to known characteristics, traits or focused phenomenon.” Table 4.2 below shows the detail of number and nature of companies selected from each subsector. Table 4.3 shows the response rates of each sub sector.

Table 4.1
*Quota sampling ratios of subsectors*

<table>
<thead>
<tr>
<th>Sub- Sectors</th>
<th>Sample drawn</th>
<th>Ratio of data collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Financial services</td>
<td>57</td>
<td>20.5 %</td>
</tr>
<tr>
<td>2- IT &amp; communication services</td>
<td>55</td>
<td>19.8 %</td>
</tr>
<tr>
<td>3- Construction &amp; architectural services</td>
<td>55</td>
<td>19.8 %</td>
</tr>
<tr>
<td>4- Transport services</td>
<td>55</td>
<td>19.8 %</td>
</tr>
<tr>
<td>5- Health &amp; Medical services</td>
<td>56</td>
<td>20.1 %</td>
</tr>
</tbody>
</table>

Table 4.2
*Number and nature of selected companies*

<table>
<thead>
<tr>
<th>Sub sectors</th>
<th>Number of selected companies</th>
<th>Nature of Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial services</td>
<td>8</td>
<td>6 banks &amp; 2 insurance companies.</td>
</tr>
<tr>
<td>IT &amp; communication services</td>
<td>4</td>
<td>2 telecom networks, 1 software house and 1 IT department of a university</td>
</tr>
<tr>
<td>Construction &amp; architectural services</td>
<td>3</td>
<td>3 courier services companies</td>
</tr>
<tr>
<td>Transport services</td>
<td>4</td>
<td>1 transport company for the bus services.</td>
</tr>
<tr>
<td>Health &amp; Medical services</td>
<td>3</td>
<td>2 hospitals and 1 health &amp; nutrition service department of a company.</td>
</tr>
</tbody>
</table>

Table 4.3
*Response rates*

<table>
<thead>
<tr>
<th>Sub sectors</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Financial services</td>
<td>75.3%</td>
</tr>
<tr>
<td>2- IT &amp; communication services</td>
<td>63.9%</td>
</tr>
<tr>
<td>3- Construction &amp; architectural services</td>
<td>80.8%</td>
</tr>
<tr>
<td>4- Transport services</td>
<td>73.0%</td>
</tr>
</tbody>
</table>
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Measures

Transformational leadership: 20 item scale of MLQ (Multifactor leadership Questionnaire) designed by Bass & Avolio (1997) has been used to measure the transformational leadership. The measurement scale then categorized into four dimensions. Idealized influence- consists 8 items while the inspirational motivation, intellectual stimulation and individualized consideration consisting of 4 items. Cronbach’s alpha of this scale is $\alpha = .889$

Psychological empowerment: 12 item scale of Spreitzer (1995) has been used to measure psychological empowerment which is classified into four dimensions (Meaning, Competence, Self-determination, and Impact) and each dimension having the 3 items. Cronbach’s alpha of this scale is $\alpha = .773$

Proactive work behavior: Proactive work behavior’s three dimensions (personal initiatives, taking charge and voice) were measured using 23 items. Personal initiative was measured through 7 item scales of Frese et al., (1997. Morrison & Phelps (1999) 10 items scale was used to measure second dimension (Taking charge). 6 items scale of LePine, & Van Dyne, L. (1998) used to measure voice dimension. Cronbach’s alpha of this scale is $\alpha = .831$

Results and discussions

Results
Table 5.1

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30 years</td>
<td>129</td>
</tr>
<tr>
<td>30-40 years</td>
<td>103</td>
</tr>
<tr>
<td>More than 40 years</td>
<td>46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>206</td>
</tr>
<tr>
<td>Female</td>
<td>72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tenure under the current leader</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-8 months</td>
<td>62</td>
</tr>
<tr>
<td>8 months – 1.5 years</td>
<td>111</td>
</tr>
<tr>
<td>More than 1.5 years</td>
<td>105</td>
</tr>
</tbody>
</table>

Table 5.1 shows the frequencies of all the 3 demographic variables (Age, Gender and Tenure under the current leader). The age wise frequency of the sample showed that most of the respondents are young who are in between the age of 20-30 years and males respondents are more than the females that is fair enough in accordance with our society and organizational
environment. The third demographic of the sample provides more relevance in the way that those employees who spent more time with a leader can provide significant information about the role of the leader rather than those who worked for a lesser period of time.

Table 5.2 below presents the mean and standard deviation of variables and their dimensions.

Table 5.2

**Descriptive Statistics of Variables and their dimensions**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>3.43</td>
<td>.607</td>
</tr>
<tr>
<td>Idealized Influence</td>
<td>3.39</td>
<td>.702</td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>3.49</td>
<td>.700</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>3.44</td>
<td>.764</td>
</tr>
<tr>
<td>Individualized Consideration</td>
<td>3.40</td>
<td>.776</td>
</tr>
<tr>
<td><strong>Psychological Empowerment</strong></td>
<td>3.53</td>
<td>.511</td>
</tr>
<tr>
<td>Meaning</td>
<td>3.66</td>
<td>.708</td>
</tr>
<tr>
<td>Competence</td>
<td>3.59</td>
<td>.701</td>
</tr>
<tr>
<td>Self-Determination</td>
<td>3.50</td>
<td>.725</td>
</tr>
<tr>
<td>Impact</td>
<td>3.39</td>
<td>.711</td>
</tr>
<tr>
<td><strong>Proactive Work Behavior</strong></td>
<td>3.66</td>
<td>.432</td>
</tr>
<tr>
<td>Personal Initiative</td>
<td>3.65</td>
<td>.573</td>
</tr>
<tr>
<td>Voice</td>
<td>3.68</td>
<td>.519</td>
</tr>
<tr>
<td>Taking Charge</td>
<td>3.66</td>
<td>.505</td>
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</tbody>
</table>

Table 5.3

**Correlation Analysis**

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
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<tbody>
<tr>
<td>1. Transformational Leadership</td>
<td>.100</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td>2. Idealized Influence</td>
<td>.787</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td>3. Inspirational Motivation</td>
<td>.820</td>
<td>.541</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td>4. Intellectual Stimulation</td>
<td>.857</td>
<td>.572</td>
<td>.607</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>5. Individualized Consideration</td>
<td>.832</td>
<td>.506</td>
<td>.577</td>
<td>.632</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>6. Psychological Empowerment</td>
<td>.213</td>
<td>.201</td>
<td>.185</td>
<td>.176</td>
<td>.145</td>
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<td></td>
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<tr>
<td>7. Meaning</td>
<td>.261</td>
<td>.173</td>
<td>.246</td>
<td>.244</td>
<td>.196</td>
<td>.608</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>8. Competence</td>
<td>.135</td>
<td>.142</td>
<td>.094</td>
<td>.108</td>
<td>.103</td>
<td>.755</td>
<td>.382</td>
<td></td>
<td></td>
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<tr>
<td>9. Self-Determination</td>
<td>.124</td>
<td>.201</td>
<td>.092</td>
<td>.087</td>
<td>.056</td>
<td>.761</td>
<td>.318</td>
<td>.485</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>10. Impact</td>
<td>0.933</td>
<td>.061</td>
<td>.100</td>
<td>.087</td>
<td>.081</td>
<td>.677</td>
<td>.258</td>
<td>.312</td>
<td>.375</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>14. Taking Charge</td>
<td>.231</td>
<td>.190</td>
<td>.211</td>
<td>.217</td>
<td>.147</td>
<td>.389</td>
<td>.261</td>
<td>.139</td>
<td>.566</td>
<td>.328</td>
<td>.796</td>
<td>.481</td>
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</table>
Influence of Transformational Leadership on proactive Work Behavior

Correlations between all the variables and their dimensions are presented in the table 5.3 above. All the four dimensions of transformational leadership (idealized influence, inspirational motivation, intellectual stimulation and individualized consideration) are statistically significant at .05 levels (**). Psychological empowerment and its dimensions (meaning, competence, self determination and impact) are showing positive correlation at .01 and .05 level (*, **). Proactive work behavior along with its dimensions (personal initiatives, voice and taking charge) are statistically significant at .05 and .01 (**, *) level of significance.

Regression Analysis:

Before running regression normality test has been performed and found unstandardized residuals ranged from .050 to .829. Durbin Watson test has been performed to check autocorrelation and found values ranged from 1.513 to 1.768 and to check multicollinearity, VIF observed and found VIF value below 10. Thus all the assumptions of regression have been fulfilled. Results of the regression are presented in the table 5.4.

Table 5.4
Regression Analysis

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Linkages in model</th>
<th>$R^2$</th>
<th>$\beta$ value</th>
<th>t value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>TL $\rightarrow$ PSY-EM</td>
<td>.045</td>
<td>.180</td>
<td>3.62</td>
<td>.000</td>
</tr>
<tr>
<td>H1(a)</td>
<td>II $\rightarrow$ PSY-EM</td>
<td>.040</td>
<td>.147</td>
<td>3.41</td>
<td>.001</td>
</tr>
<tr>
<td>H1 (b)</td>
<td>IM $\rightarrow$ PSY-EM</td>
<td>.034</td>
<td>.135</td>
<td>3.12</td>
<td>.002</td>
</tr>
<tr>
<td>H1 (c)</td>
<td>IS $\rightarrow$ PSY-EM</td>
<td>.031</td>
<td>.118</td>
<td>2.96</td>
<td>.003</td>
</tr>
<tr>
<td>H1 (d)</td>
<td>IC $\rightarrow$ PSY-EM</td>
<td>.021</td>
<td>.096</td>
<td>2.44</td>
<td>.015</td>
</tr>
<tr>
<td>H2</td>
<td>PSY-EM $\rightarrow$ PWB</td>
<td>.299</td>
<td>.463</td>
<td>10.86</td>
<td>.000</td>
</tr>
<tr>
<td>H2(a)</td>
<td>Meaning $\rightarrow$ PWB</td>
<td>.169</td>
<td>.251</td>
<td>7.50</td>
<td>.000</td>
</tr>
<tr>
<td>H2 (b)</td>
<td>Competence $\rightarrow$ PWB</td>
<td>.125</td>
<td>.218</td>
<td>6.28</td>
<td>.000</td>
</tr>
<tr>
<td>H2 (c)</td>
<td>SD $\rightarrow$ PWB</td>
<td>.140</td>
<td>.223</td>
<td>6.69</td>
<td>.000</td>
</tr>
<tr>
<td>H2 (d)</td>
<td>Impact $\rightarrow$ PWB</td>
<td>.188</td>
<td>.264</td>
<td>7.99</td>
<td>.000</td>
</tr>
<tr>
<td>H3</td>
<td>TL $\rightarrow$ PWB</td>
<td>.055</td>
<td>.166</td>
<td>3.89</td>
<td>.000</td>
</tr>
<tr>
<td>H3(a)</td>
<td>H $\rightarrow$ PWB</td>
<td>.034</td>
<td>.114</td>
<td>3.13</td>
<td>.002</td>
</tr>
<tr>
<td>H3 (b)</td>
<td>IM $\rightarrow$ PWB</td>
<td>.036</td>
<td>.118</td>
<td>3.22</td>
<td>.001</td>
</tr>
<tr>
<td>H3 (c)</td>
<td>IS $\rightarrow$ PWB</td>
<td>.058</td>
<td>.137</td>
<td>4.13</td>
<td>.000</td>
</tr>
<tr>
<td>H3 (d)</td>
<td>IC $\rightarrow$ PWB</td>
<td>.023</td>
<td>.085</td>
<td>2.56</td>
<td>.011</td>
</tr>
</tbody>
</table>

Results show that transformational leadership and its 4 dimensions positively influences psychological empowerment thus proving the hypothesis H1, H1 (a), H1 (b), H1 (c) and H1 (d). As far as the values of $\beta$ is concerned, the impact of “idealized influence” is found to be highest on psychological empowerment whereas as that of “individualized consideration” is relatively lesser among all four dimensions on psychological empowerment.
Psychological empowerment is positively and significantly associated to proactive work behavior ($\beta = .463, p < .001$) and the 4 dimensions of psychological empowerment, Meaning ($\beta = .251, p < .001$), Competence ($\beta = .218, p < .001$), Self-Determination ($\beta = .223, p < .001$) and Impact ($\beta = .264, p < .001$) thus proving the hypothesis H2 (a), H2 (b), H2 (c) and H2 (d). Transformational leadership is also found to be positively influencing proactive work behavior ($\beta = .166, p < .001$) and 4 dimensions i.e. Idealized influence ($\beta = .114, p < .005$) Inspirational motivation ($\beta = .118, p < .005$) Intellectual Stimulation ($\beta = .137, p < .005$) and individualized consideration ($\beta = .085, p < .05$) thus proving the hypothesis H3 (a), H3 (b), H3 (c) and H3 (d).

**Mediation Analysis:** To test mediation, Hyes process of macro plug in has been used. Results have shown that the total effect of transformational leadership on proactive work behavior is .166. Out of which the direct effect of transformational leader on proactive work behavior without any mediator is .087 and the indirect effect of transformational leadership on proactive work behavior with the induction of mediator psychological empowerment is .079.

**Discussion**

Results of the study betrayed that transformational leadership evokes the state of Psychological empowerment among the employees that is consistent with the results of the previous studies (Zhu et al., 2012; Avolio et al, 2004; Dust et al., 2013; Afsar, Badir& Saeed, 2014).

The impact of transformational leadership’s four dimensions is positive except individualized consideration. One reason for this weak relation could be the difference of culture. Previous studies i.e. Zhu et al (2012) and Dust, Resick & Mawritz, (2013) are conducted in the western culture where employees are generally motivated by good organizational leadership whereas in Pakistan, employees do value compensations and rewards.

Furthermore as expected in the hypothesis, results showed that psychologically empowered employees are more oriented towards behaving proactively at workplace which is also consistent with the previous studies (Arefin, 2015; Searle, 2011). Moreover all the 4 dimension of psychological empowerment (Meaning, Competence, Self-Determination and Impact) are found positively impacting the proactive work behavior. Relatively the impact dimension is found to be more influential than the others which mean that followers show more proactive work behaviors when they feel that their efforts are impactful in the organization.

Further, the results provided enough evidence to claim that transformational leaders are more instrumental in making their followers behave proactively at the workplace, as the results are clearly showing the positive and significant relationship between them. These results are consistent with previous studies (Schmitt, Hartog & Belschak, 2016; Hartog & Belschak, 2012).

As far the mediation is concerned, findings have shown that psychological empowerment mediates the relationship between transformational leadership and proactive work behavior. So behaving proactively at the workplace requires that followers feel themselves psychologically empowered.
Implications and conclusion

Implications

This study provides useful implications for the organizations and the organizational leaders. Leaders need to understand that followers expect not only financial exchanges but also desire support and motivation from their leaders. Proactivity is highly demanded in today’s world which cannot be achieved without realizing employees that they are psychologically empowered. Leaders who are short of time, should focus more on other three dimensions (II, IM and IS) rather to focus on individualized consideration which requires more time and effort. Moreover, organizations need to focus on the training of leaders as well. They need to organize managerial development programs in which they should train their leaders on the transformational leadership style. (Dvir et al., 2002) explained in their study that an effective leadership style can be learnt through training which helps the leaders to engage, support, motivate and encourage the followers.

Conclusion

This study is an attempt to investigate the influence of transformational leadership on employees’ proactive work behavior. The study used the mediation of psychological empowerment as the linking mechanism to explain the relationship between transformational leadership and proactive work behavior. Data of this empirical study was collected from the service sector of Lahore, Pakistan. Based on the theoretical and empirically supported arguments and theories, this hypothesized study builds upon 16 hypothesis including main hypothesis, sub hypothesis (those build upon dimensions of transformational leadership, psychological empowerment and proactive work behavior) and mediation (psychological empowerment) hypothesis. Results of this hypothesized study proved all the direct, indirect and sub hypothesis, as transformational leadership and its four dimensions (idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration) positively influence psychological empowerment of the employees. Subsequently psychological empowerment showed a significant positive impact on the proactive behavior of employees. Thus study findings specify that by adopting transformational leadership style, leaders may indulge positivity in their employees in the form of enhanced psychological empowerment and in turn erect proactivity in the work behavior of employees. Based on the findings of the study, useful implications will be provided to the organizations and their leaders to enhance the psychological empowerment and ultimately proactive work behavior of the employees’.
Limitations and future research directions

Data has been collected from the followers which might add some aspect of biasness. So collecting the data from the multisource can remove this biasness. Future researchers can collect the data on proactive work behaviors from both the followers and their supervisors or from the colleagues as well.

Different factors which might be treated as control variables such as education background, experience, personality type are the factors which must be considered. Future researchers should consider them and can use them as the control variables. Moreover the study also does not have any moderator. There exists lot of factors which might moderate this relationship. For example especially in Pakistani context compensation is a factor which might moderate this relationship, another factor could be followers identification with organization.

Future researchers may also perform comparative analysis by comparing the results of the 5 subsectors with one another which is missing in this study. Moreover, the study used only individual level proactive work behaviors. It would be highly significant if follow up researchers used other type of proactivity i.e. team level proactive behaviors or organizational level proactive behaviors in their studies. Lastly as this model used proactive work behaviors as the outcome variable, other researchers use other discretionary work behaviors in this model i.e. Innovative work behaviors, organization citizenship behavior.
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