Let me work hard for betterment!
Entrepreneurial Leadership, Psychological Empowerment an Taking Charge in IT Firm

Kaneez Fatima

Vaival technologies, Lahore, Pakistan
Email: Fatima.javaid225@gmail.com

Abstract

This study aims to investigate the relationship between entrepreneurial leadership and employees' taking charge behavior in IT firms. It also covers the investigation of mechanism of psychological empowerment. The data for the current study is collected from 215 employees which was further analyzed to fetch the results. The findings of the study revealed that the leadership significantly influences taking charge while the psychological empowerment partially mediates the relationship. Based on the findings the future directions are also provided.

Key words: Entrepreneurial leadership, taking charge, psychological empowerment, IT firms, Pakistan.

Introduction

The dynamic business environment requires organizations to perform well, while employees need to be proactive in achieving organizational goals (Kaštelan Mrak & Grudić Kvasić, 2021). One of the proactive employees' behaviors that has gained researchers' attention is taking charge (Lyu et al., 2022). Taking charge is defined as the volunteer employees' efforts aimed at functional change at the workplace (Morrison and Phelps, 1999). Such behaviors are important as the firms need employees to work beyond their formal roles, and it leads to both employee and organizational level outcomes (Parker and Collins, 2010). But what makes employees indulge in such behaviors is an area that requires in-depth investigations (Li et al., 2019).

One of the major determinants of employees' proactive behavior is the work or organizational level determinants (Li et al., 2019), while the role of leadership is the most important. Past studies have highlighted the value and role of leadership in improving employees' taking charge behaviors and displayed that inclusive (Wang et al., 2020; Zeng et al., 2020), ethical (Lee, 2016; Wang et al., 2020), self-sacrificing (Li et al., 2016), shared (Bilal et al., 2019), transformational (Li et al., 2013), empowering (Li et al., 2015; Qian et al., 2018), and benevolent (Xu et al., 2018) leaders influence the followers' taking charge behaviors. One of leadership styles that has not gained researchers' attention while considering it a predictor of taking charge behavior, while one of them could be Entrepreneurial leadership (henceforth, EL). EL possesses competencies to direct and motivate the followers towards attainment of organizational goals by encompassing recognition and exploitation of new opportunities (Renko et al., 2015). Building on this definition, it is expected that the EL and charge behaviors can be aligned, as the charge behavior is one's orientation towards system wide change while the EL provides such opportunities and support to bring change. But empirically the same has not been proposed or empirically investigated by the past studies. This study fills this gap and, on the basis of social cognitive theory (SCT) of Bandura (1986), proposes that in presence of EL employees' taking charge behavior would enhance and they would focus on change oriented volunteer behavior.

In addition to that, the current study also proposes that the EL and taking charge behavior relationship could be explained with the help of employees' psychological states e.g. psychological empowerment (PE), which is defined as the one's belief or perception that organization provides autonomy at work and he/she can influence his/her work. Literature is scant, when the PE is considered as an explanatory mechanism between EL and charge behavior. But the relationship seems obvious and organic, as the EL focuses on future perspectives of business and enables employees to identify with the organizational goals and work on identification and exploitations of new opportunities (Koryak et al., 2015), it is expected to influence employees

psychologically (Fontana & Musa, 2017; Zhou & Shalley, 2011) and employees tend to feel empowered and feel intrinsic motivation (Spreitzer, 1995; Zhang & Bartol, 2010). In addition to that, unlike routine tasks the taking charge behaviors need support for possible uncertainties and risks which is provided in form of psychological empowerment and the EL itself. Therefore, the employees feel psychologically embedded with the organization and take initiatives that bring change in the organization (taking charge).

This study offers some valuable contributions to theory and literature. The foremost is considering the value of taking charge behavior in IT firms of a developing country (i.e. Pakistan). Secondly, this study proposes and empirically investigates an unexplored mechanism of EL and taking charge through PE. Thirdly, this study uses SCT (Bandura, 1986) to theoretically support the assertion.

Hypotheses Development

Entrepreneurial leadership & taking charge behavior

As the business environment has become dynamic and it is difficult for leaders to understand the change environment interpedently, they also seek support from employees to achieve organizational goals (Kaštelan Mrak & Grudić Kvasić, 2021). One of the proactive employees' behaviors that has gained researchers' attention is taking charge (Lyu et al., 2022). Moreover, leaders play important role in directing and improving the employees' taking charge behavior (e.g. Wang et al., 2020; Zeng et al., 2020). This study proposes that EL, though an unattended predictor, can influence employees' taking charge behavior. The relationship seems logical, as the EL envisioned employees to foresee the opportunities, create new ideas and work for improvement at work (Fontana & Musa, 2017). Such leaders encourage employees to participate in acts that can bring change, improvement in organization and challenge the status quo (Renko et al., 2015). As the taking charge is also one's propensity to indulge in volunteer tasks that aim to bring change and challenge status quo (Morrison & Phelps, 1999), it is expected that the EL may positively influence employees' taking charge behavior.

The same can be asserted using SCT as the underlying mechanism. The theory proposes that one learns from the environment around him/her. The theory also proposes that various actors in the environment (e.g. role models) can be considered important and their actions determine the learning of individuals. Here we propose that EL, being a change-oriented leader, may be considered a role model for being in close interaction. The role model is then expected to influence the learning of employees and they may imitate the acts of their leaders and become change agents (charge more). Furthermore, the leaders' involvement in the process of opportunity identification and

exploitations for change, may help him adopt a behavior that encourages employees to accept and work for change. Thus, such leaders may persuade the followers by verbal persuasion and employees tend to adopt change-oriented behaviors. Thus, the following hypothesis is proposed:

H_1: EL and taking charge behavior are positively related.

Mediating role of PE

This study further proposes that PE mediates the relationship of EL and taking charge behavior. The relationship can be proved with the help of theory and empirical evidence. Firstly, the concept of PE itself helps in making a belief about this relationship, where it is defined as a state of intrinsic motivation where one feels empowered at work. It covers four major dimensions including: competence, impact, meanings and self-determination (Spreitzer, 1995). Employees with feelings of PE are confident because they feel that they can control their work and they are willing to accept responsibility. Such individuals are energized and display a high level of zeal and zest at work. As the status quo may not support such zeal, these individuals tend to work for future, change and improvement, therefore their charge behavior may be positive (Ma & Jiang, 2018; Zhang & Bartol, 2010).

On the other hand, leaders with entrepreneurial mindset create an environment where the employees may nourish. Such leaders support the work on opportunity identification and exploitation and support the employees who work on these lines. As such leaders support change, they tend to challenge the practices of retaining powers and authority with themselves or office bearers. In response to that, they may tend to provide authority, power and freedom to their followers in doing their work tasks. Therefore, such leaders increase the competence of their followers (Lyu et al., 2022), and employees feel that they can impact their work. Such leadership also makes the work meaningful for them and they may consider it as a source of intrinsic motivation (self-determination) (Renko et al., 2015).

The same can be proposed using the SCT (Bandura, 1986), which proposes that we learn from the environment. EL through their indulgence in change encourages the followers in opportunity recognition and exploitation thus fosters their competency. Such leaders provide vision to their followers and instigate them to achieve that, as the leader herself may not achieve that the participation of the leader becomes important and therefore leaders develop a state of empowerment (Gupta et al., 2004). These leaders remove hurdles and set an environment where employees can work on their own, thus self-determination is fostered (Renko et al., 2015). Through indulgence for change the leader increases the employees' potential by empowering them and their competence increases (Amabile, 1996; Zhang and Bartol, 2010). Similarly, when

employees display self-determination to perform the duties for the future of the organization they tend to indulge in charge behavior (Liu et al., 2019; Sun et al., 2012). Therefore, the following assumption is made:

H₂: PE mediates the relationship between EL and employees' taking charge behavior.

Research Methods

The data for the current study were collected from IT firms located in Pakistan. The self-administrated questionnaire was used to elicit the responses of the employees working in those firms. The permission was taken from the HR department before data collection and their written consent was acquired. In order to reduce the common method biases the data was collected in two points of time within a one-month interval (Podsakoff et al., 2003). At times one employee responded to the entrepreneurial leadership of their supervisors. At times two the employees responded for psychological empowerment and taking charge. The sample size was determined using sample-to-item ratio (i.e. items × 10), therefore 300 questionnaires were distributed using convenience sampling technique. Only 235 filled questionnaires were received back while 20 of them were either incomplete or carelessly filled so removed from the responses list. At the end 215 questionnaires were available for data entry and analysis.

The questionnaire comprised two major sections, i.e. demographic information of respondents and measurement scales of the variables of interest. All the scales were adopted from previous literature and had been widely used and accepted in the past. The measures were based on 5 points Likert scale. Entrepreneurial leadership was measured using the eight items scale of Renko et al., (2015), which covered items like "My manager has creative solutions to the problems". The scale for psychological empowerment was operationalized using the Spreitzer (1995) 12 items scale. The scale covered example questions like, "The work I do is meaningful to me". The taking charge scale was operationalized using the Morrison and Phelps (1999) scale of ten items. It had example items like "I often try to change how my job is executed to be more effective.

Data analysis & Results

In order to move with data analysis, first the data was assessed for missing values, outliers, normality, reliability and validity. There were no missing values, as the responses were 15% or more missing values were removed. The outliers were assessed using the Mahalanobis Distance test, and no outliers were noticed (p<.001). Reliability was assessed using Cronbach's alpha measure and all the measures were reliable (see table-1). The normality was assessed using the coefficients of Skewness and Kurtosis (±1 and ±3, standard values), and the normality assumptions were met.

The possibility of CMV was further ruled out using Harman's single factor test and it was observed that the single factor model accounted for only 30.3% variance (<50%) (Podsakoff et al., 2003), therefore the issues of CMV were not present.

After preliminary analysis, the measures were assessed for unidimensional and validity, and confirmatory factor analysis (CFA) was carried out for this purpose. The previously accepted threshold values were used to check the fitness of the model. The measurement model showed acceptable model fitness values ($\chi 2$ /df=2.09, RMSEA=0.062, SRMR=0.056, CFI=0.93). Moreover, all the factor loading values exceeded the threshold limit of 0.50 (see table-1). The values of CR and AVE further helped in measuring the validity and both convergent and discriminant validity were ensured.

Table 1
Confirmatory Factor Analysis

	Loading	CR	AVE
Entrepreneurial leadership	0.58 – 0.72	0.93	0.61
Psychological empowerment	0.64 – 0.76	0.98	0.70
Taking charge behavior	0.55 – 0.78	0.79	0.69

Table-2 reveals the findings of descriptive statistics and correlation. It is evident that EL is positively related with the PE and taking charge behavior (r=0.39, p<0.05; r=0.29, p<0.001, respectively). Furthermore, PE is also positively related with the taking charge behavior (r=0.23, p<0.05), therefore the analysis may be carried out further.

Table 2
Descriptive Statistics, Correlation and & Confirmatory Factor Analysis

	EL	PE	TCB	Mean (SD)
Entrepreneurship leadership	(0.81)			3.39 (0.534)
Psychological empowerment	0.39**	(0.90)		3.63 (0.659)
Taking charge behavior	0.29*	0.23**	(0.77)	3.98 (0.341)

Table 3 covers the results of hypotheses testing, where it is evident that EL significantly influences taking charge behavior ($\beta = .44$, p<.05) and PE ($\beta = .32$, p<.05), therefore H1 is supported. Furthermore, PE also positively influences taking charge behavior ($\beta = .28$, p<.001), which is further carried out to assess the mediation mechanism. The indirect effect is also significant ($\beta = .09$, p<.001), thus the mediation mechanism is also proved and H2 is also supported.

Table 3

Results of Hypotheses Testing

Relationships	B	SE	t-value	Bootstraps @ 95%		p
				LLCI	ULCI	
EL → TC	0.44	0.043	11.53	0.541	0.642	0.012
EL → PE	0.32	0.065	5.02	0.501	0.630	0.023
PE → TC	0.28	0.057	4.87	0.503	0.712	0.000
Indirect effects						
EL → PE → TC	0.09	0.052	3.46	0.510	0.607	0.000

Discussion

Entrepreneurial leadership is a new leadership style that has emerged from existing leadership and entrepreneurship literature to help companies solve contemporary issues. The current study sought to investigate the integrated model and the links between entrepreneurial leadership and employee taking charge behavior via mediation of psychological empowerment in Pakistan's IT industry. The current study's findings corroborate H1, namely that entrepreneurial leadership is associated with employee taking charge behavior. Though no empirical study is available that has investigated this relationship, but the findings are consistent with the past studies have valued the role of leadership in predicting the taking charge at work (e.g. Bilal et al., 2019; Qian et al., 2018; Wang et al., 2020; Zeng et al., 2020). Entrepreneurial leaders are naturally creative in that they create ideas for their businesses that are largely focused on opportunity identification and exploitation (Renko et al., 2015). Such leaders enhance employees' potential through requiring strong engagement and a shift in responsibilities to meet dynamic changes, and motivating employees via their communication skills, which is often done by employees in the form of taking charge. Furthermore, because an entrepreneurial leader functions as a role model (Renko et al., 2015), employees build their creative talents by witnessing and working with entrepreneurial leaders, as indicated by SCT.

Similarly, the findings support H2, namely that psychological empowerment mediates entrepreneurial leadership and taking charge of relationships. Again, the relationship has not been empirically tested in the past studies, but the empowerment role has been identified in the relationship of entrepreneurial leadership and creativity (Mahmood et al., 2021; Miao et al., 2018). Entrepreneurial leaders clearly outline their vision, with a primary focus on the investigation of entrepreneurial prospects that must be supported by their workers, and they expect intense engagement from their employees to achieve their objectives. Additionally, while their staff participate in change efforts, entrepreneurial leaders must encourage and direct them (Harrison et al., 2018; Renko et al., 2015). Consequently, entrepreneurial leaders build workers' confidence and ability to take chances and engage in a change process.

Implications of the study

The current study has made numerous contributions to the literature on leadership and creativity.

Initially, this study investigated the method by which entrepreneurial leaders build and increase their workers' creative talents by encouraging psychological empowerment and creating a secure atmosphere. Moreover, SLT explains the correlations in the current study's integrated model, whereas earlier research has investigated the relationships between other leadership theories and creativity (Jaiswal and Dhar, 2017; Tse et al., 2018). Yet, in order to test the entrepreneurial leadership idea across cultures, this study studied the relationship between entrepreneurial leadership and creativity (Miao et al., 2019). The new research's findings also confirm the findings of a previous study on entrepreneurial leadership and creativity (Cai et al., 2019).

Furthermore, this is the first study in Pakistan to investigate the impact of entrepreneurial leadership on employee innovation. Yet, academics have investigated the impact of alternative leadership styles. In the Pakistani context, employee inventiveness (Shafique et al., 2019).

Second, based on SLT, this study investigated the positive intervening impact of psychological empowerment and psychological safety in the development of employee creativity. While a previous empirical study used social cognition theory to investigate the association between entrepreneurial leadership and creativity (Cai et al., 2019), this study uses SLT to validate those findings. Furthermore, the findings of this study empirically confirm the academics' ideas; especially, workers' personal traits impact the outcomes of entrepreneurial leadership (Renko et al., 2015).

Limitations and future directions

The study is carried out using time lagged design, while causality can better be judged using time series or longitudinal studies. Furthermore, the sample size should be increased to get better results. The future studies should consider other mechanisms between entrepreneurial leadership and taking charge behavior. More specifically the role of psychological, cognitive, and emotional mechanisms should be considered further. There could be some boundary conditional variables between entrepreneurial leadership and its outcomes.

References

Amabile, T. (1996), Creativity in Context: Update to the Social Psychology of Creativity, Westview Press, Boulder, Colorado

Bandura, A. (1986), Social Foundations of Thought and Action: A Social Cognitive Theory, Prentice Hall, Englewood Cliffs, NJ.

Bilal, A. R., Fatima, T., & Imran, M. K. (2019). Does shared leadership fosters taking charge behaviors? A post-heroic leadership perspective in the public sector higher educational institutes. *International Journal of Public Leadership*.

Cai, W., Lysova, E. I., Khapova, S. N., & Bossink, B. A. (2019). Does entrepreneurial leadership foster creativity among employees and teams? The mediating role of creative efficacy beliefs. *Journal of Business and Psychology*, *34*, 203-217.

Fontana, A., & Musa, S. (2017). The impact of entrepreneurial leadership on innovation management and its measurement validation. *International Journal of Innovation Science*, *9*(1), 2-19.

Harrison, C., Burnard, K., & Paul, S. (2018). Entrepreneurial leadership in a developing economy: a skill-based analysis. *Journal of Small Business and Enterprise Development*, *25*(3), 521-548.

Jaiswal, N. K., & Dhar, R. L. (2017). The influence of servant leadership, trust in leader and thriving on employee creativity. *Leadership & Organization Development Journal*, *38*(1), 2-21.

Kaštelan Mrak, M., & Grudić Kvasić, S. (2021). The mediating role of hotel employees' job satisfaction and performance in the relationship between authentic leadership and organizational performance. *Management: Journal of Contemporary Management Issues*, *26*(1), 97-110.

Koryak, O., Mole, K. F., Lockett, A., Hayton, J. C., Ucbasaran, D., & Hodgkinson, G. P. (2015). Entrepreneurial leadership, capabilities and firm growth. *International Small Business Journal*, *33*(1), 89-105.

Lee, K. (2016). Ethical leadership and followers' taking charge: Trust in, and identification with, leader as mediators. *Social Behavior and Personality: an international journal*, *44*(11), 1793-1802.

Lee, K. (2016). Ethical leadership and followers' taking charge: Trust in, and identification with, leader as mediators. *Social Behavior and Personality: an international journal*, *44*(11), 1793-1802.

Li, N., Chiaburu, D. S., Kirkman, B. L., & Xie, Z. (2013). Spotlight on the followers: An examination of moderators of relationships between transformational leadership and subordinates' citizenship and taking charge. *Personnel Psychology*, *66*(1), 225-260.

Li, N., Guo, Q. Y., & Wan, H. (2019). Leader inclusiveness and taking charge: the role of thriving at work and regulatory focus. *Frontiers in Psychology*, 2393.

Li, R., Zhang, Z. Y., & Tian, X. M. (2016). Can self-sacrificial leadership promote subordinate taking charge? The mediating role of organizational identification and the moderating role of risk aversion. *Journal of Organizational Behavior*, *37*(5), 758-781.

Li, S. L., He, W., Yam, K. C., & Long, L. R. (2015). When and why empowering leadership increases followers' taking charge: A multilevel examination in China. *Asia Pacific Journal of Management*, *32*, 645-670.

Lyu, Y., Wu, C. H., Kwan, H. K., Lee, C., & Deng, H. (2022). Why and when job insecurity hinders employees' taking charge behavior: The role of flexibility and work-based self-esteem. *Economic and Industrial Democracy*, 0143831X221100852.

Ma, X., & Jiang, W. (2018). Transformational leadership, transactional leadership, and employee creativity in entrepreneurial firms. *The Journal of Applied Behavioral Science*, *54*(3), 302-324.

Mehmood, M. S., Jian, Z., & Akram, U. (2020). Be so creative they can't ignore you! How can entrepreneurial leader enhance the employee creativity?. *Thinking Skills and Creativity*, *38*, 100721.

Miao, Q., Newman, A., Schwarz, G., & Cooper, B. (2018). How leadership and public service motivation enhance innovative behavior. *Public Administration Review*, *78*(1), 71-81.

Morrison, E. W., & Phelps, C. C. (1999). Taking charge at work: Extrarole efforts to initiate workplace change. *Academy of management Journal*, *42*(4), 403-419.\

Parker, S. K., & Collins, C. G. (2010). Taking stock: Integrating and differentiating multiple proactive behaviors. *Journal of management*, *36*(3), 633-662.

Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of applied psychology*, *88*(5), 879-902.

Qian, J., Song, B., Jin, Z., Wang, B., & Chen, H. (2018). Linking empowering leadership to task performance, taking charge, and voice: the mediating role of feedback-seeking. *Frontiers in psychology*, *9*, 2025.

Renko, M., El Tarabishy, A., Carsrud, A. L., & Brännback, M. (2015). Understanding and measuring entrepreneurial leadership style. *Journal of small business Management*, *53*(1), 54-74.

Shafique, I., Ahmad, B., & Kalyar, M. N. (2020). How ethical leadership influences creativity and organizational innovation: Examining the underlying mechanisms. *European Journal of Innovation Management*, *23*(1), 114-133.

Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of management Journal*, *38*(5), 1442-1465.

Tse, H. H., To, M. L., & Chiu, W. C. (2018). When and why does transformational leadership influence employee creativity? The roles of personal control and creative personality. *Human Resource Management*, *57*(1), 145-157.

Wang, Q., Wang, J., Zhou, X., Li, F., & Wang, M. (2020). How inclusive leadership enhances follower taking charge: the mediating role of affective commitment and the moderating role of traditionality. *Psychology research and behavior management*, 1103-1114.

Wang, Q., Zhou, X., Bao, J., Zhang, X., & Ju, W. (2020). How is ethical leadership linked to subordinate taking charge? A moderated mediation model of social exchange and power distance. *Frontiers in psychology*, *11*, 315.

Wang, Q., Zhou, X., Bao, J., Zhang, X., & Ju, W. (2020). How is ethical leadership linked to subordinate taking charge? A moderated mediation model of social exchange and power distance. *Frontiers in psychology*, *11*, 315.

Xu, Q., Zhao, Y., Xi, M., & Zhao, S. (2018). Impact of benevolent leadership on follower taking charge: Roles of work engagement and role-breadth self-efficacy. *Chinese management studies*.

Zeng, H., Zhao, L., & Zhao, Y. (2020). Inclusive leadership and taking-charge behavior: roles of psychological safety and thriving at work. *Frontiers in psychology*, *11*, 62.

Zeng, H., Zhao, L., & Zhao, Y. (2020). Inclusive leadership and taking-charge behavior: roles of psychological safety and thriving at work. *Frontiers in psychology*, *11*, 62.

Zhang, X., & Bartol, K. M. (2010). Linking empowering leadership and employee creativity: The influence of psychological empowerment, intrinsic motivation, and creative process engagement. *Academy of management journal*, *53*(1), 107-128.

Zhou, J., & Shalley, C. E. (2011). Deepening our understanding of creativity in the workplace: A review of different approaches to creativity research. *APA handbook of industrial and organizational psychology, Vol 1: Building and developing the organization.*, 275-302.