

The Impact of Transformational Leadership Model on the Psychological Empowerment of Work from Home Employees: A study from the IT sector of India

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A b s t r a c t

The current study looks at the impact of the transformational leadership style on the psychological empowerment of Indian IT workers who work from home. The moderating influence of gender was also investigated in a five-month study done with a sample of 601 Work from Home (WFH) participants using a self-reporting questionnaire. The results of the moderated multi-regression analysis showed that the transformational leadership style positively influences the employees' psychological empowerment. But gender does not moderate the relationship.

Keywords: *Psychological empowerment, Transformational leadership, Gender, IT Sector, WFH.*

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Introduction

Psychological empowerment has captivated the attention of many management practitioners during the last two decades. The level to which employees are intrinsically motivated is measured by psychological empowerment, which is analyzed as a motivational concept (Spreitzer 1995). Psychological empowerment is a mental state in people that is influenced by their surroundings rather than a personality feature (Dedahanov, 2019). Psychological empowerment as a notion may be traced back to a variety of leadership theories (Jabran Khan, 2020), including the "consideration" part of Ohio state leadership (Fleishman, 1953) and "supportive leadership" (Bowers & Seashore, 1966). Leadership has a huge impact on how employees are influenced.

Transformational Leadership (TFL)

Transformational leadership leads through inspiration, inspiring employees to be more creative and innovative through four sorts of behaviours: "idealized influence," "inspirational motivation," "intellectual stimulation," and "individualized consideration". Transformational leaders recognize their followers, provide feedback, provide opportunities for learning, and enable them to realize and expand their internal strength via personal contemplation (Boehnke, 2003). Bass and Avolio (2000) are also of the opinion that change can be brought about through transformational leaders in the workplace.

The SARS-Covid 19 pandemic has prompted organizations all over the world to promote the Work From Home (WFH) concept. Telecommuting has now become unavoidable and mandatory in order to contain the spread of the COVID-19 pandemic while preserving economic activity. Managing an employee from afar has serious consequences for both employees and supervisors. Core leadership duties such as direct and informal meetings, face-to-face communication regarding day-to-day activities, facial expressions, and body language were found to be almost impossible in WFH, according to research. As a result, we proposed that the transformational leadership and psychological empowerment of WFH personnel be studied.

Transformational leadership and psychological empowerment

The link between transformational leadership and psychological empowerment has been proven in the previous literature (Almaamari & Altahitah, 2017). Furthermore, research has shown that all four transformational leadership aspects strongly impact psychological empowerment (Xu et al., 2012). A wide range of research investigations has found a link between transformational leadership and employee psychological empowerment. Thus we hypothesize that:

Hypothesis 1: Transformational leadership is positively related to psychological empowerment

The moderating role of gender differences

Gender inequalities, particularly in terms of leadership perception, have recently attracted attention in research. Gender and ethnicity, in particular, play a substantial effect on leadership preferences. While moderators are typically used to show changes in the relationship between a set of independent and dependent variables, we propose that moderators may also impact the relationships between independent variables. Hence, we propose the following hypotheses:

Hypothesis 2: The relationship between transformational leadership and psychological empowerment is moderated by gender

Methodology

This research focused on the employees working in the IT sector. This sector was chosen as 90 % of employees worked from home, with 65% in metros and the rest 35 % in small towns (NASCOM, 2020). Thus, the sample we employed consisted of 601 employees who are highly relevant for our study settings which pertain to work-from-home employees and was distributed first through a Web-based tool. The survey measured the employees' psychological empowerment and the *transformational leadership* style of their immediate superior.

Data Analysis

Moderated multiple regression

The researchers propose a moderation hypothesis because they expected leadership style's impact

to differ for male and female personnel. Then there must be a relationship between leadership and gender. As a result, our research predicted WFH employees' psychological empowerment (Y) based on the transformational leadership (X), with gender acting as a moderator. To put it another way, the hypothesis was that gender impacted the link between transformational leadership (IV) and psychological empowerment (DV). The regression equation Moderation model

$$\text{Psychological empowerment} = b_0 + b_1 \text{ leadership style} * \text{Gender}$$

Results and discussion

Influence of transformational leadership style on psychological empowerment

A multiple regression model was used to analyze the relationship between Transformational styles and WFH employees' psychological empowerment is gender-dependent. The results for hypothesis 1 showed that the correlation between transformational leadership (X) and psychological empowerment (Y) of female employees ($r=.553$, $p=.000$) was strongly positive and significant (Table 1);. In contrast, that of the male employees ($r=.366$, $p=.000$) was moderately positive and significant (Table 2).

Table 1

Variables	1	2
Psychological Empowerment	1.000	
Transformational style	.539**	1.000

N (female) = 116; ** $p=0.01$ level (2-tailed)

Table 2

Variables	1	2
Psychological Empowerment	1	
Transformational style	.366**	0

N (male) = 485; ** $p=0.01$ level (2-tailed)

The regression results (Table 3) were found that together the variables accounted for 17.44% variance in the psychological empowerment and thus supported hypothesis 1 ($R=.4177$, $Rsq=.1744$, $MSE=.2240$, $F=42.0491$, $df1=3.0000$, $df2=597.000$, $p=.000$).

Table 3

Model Summary						
R	R-sq	MSE	F	df1	df2	p
.4177	.1744	.2240	42.0491	3.0000	597.0000	.0000

The moderating role of gender in Transformational Leadership

However, the findings for the hypothesis (Table 4) indicated that the interaction between transformational leadership (X) and gender (W) was insignificant ($b=.1822$, $SE=.0992$, $t=1.97$, $p=.066$). Thus, the Transformational leadership style of superiors and the gender of the employees (subordinates) does not contribute to psychological empowerment (Y).

Table 4

Model						
coeff	se	t	p	LLCI	ULCI	
constant	2.0687	.2965	6.9766	.0000	1.4864	2.6511
TL	.6180	.0849	7.2791	.0000	.4512	.7847
Gender	.6822	.3456	1.9741	.0488	.0035	1.3609
Int_1	-.1822	.0992	-1.8371	.0667	-.3769	.0126

The Table (5) shows the same test result (hypothesis 4) as that for the interaction effect. However, the value-added is that it contains an index of the R-square change due to the moderation effect (Hayes, 2018).

Table 5

Test(s) of highest order unconditional interaction(s):					
R2-chng	F	df1	df2	p	
X*W	.0047	3.3751	1.0000	597.0000	.0667

The effect of transformational leadership (X) and gender (W) on psychological empowerment (Y) was conditional on the other IV being 0. When referring to the effects of X (transformational style) and Y (gender), not as "main effects" or the "effects, these variables control the interaction" (Field, 2018). Since the slopes represent the effect of Transformational (or gender) on psychological well-being, conditional on the other variable being 0, then it is more appropriate to think of the conditional effect to examine the hypothesis further (using ANOVA terminology, or as a simple slope (using regression terminology). As such, we can interpret the results of hypothesis 2 (the effects

of gender and transformational leadership style as follows:

1) The model shows that Transformational leadership (X) is a significant predictor of psychological empowerment (Y); $b=.6180$, $t=7.27$ $p=0.000$. Thus, each increase of one (1) in transformational leadership contributes 0.61 to the psychological empowerment of the employees.

2) Moreover, the model shows gender is also a significant predictor of psychological empowerment; $b=.68$, $t=1.97$, $p=.048$. Thus, each increase of one (1) in gender contributes .68 to psychological empowerment.

Thus, it can be concluded that the effect of transformational style on psychological empowerment was positive and significant, conditional on gender = 0; the conditional effect of gender was positive and significant conditional on transformational leadership style = 0. Since we have centred the IVs, it can be interpreted that these coefficients as the relationship between each IV and the DV at the grand mean of the other IV. In other words, the effect of transformational leadership was .6180 for those individuals scoring at the grand mean on gender.

The effect of gender was .6822 for those individuals scoring at the grand mean on transformational leadership. Since the interaction term in our model was not statistically significant, the interaction has been probed to interpret better the nature of the moderated relationship between transformational leadership and gender. Tests of simple slopes test the relationship between Transformational leadership style (X) and psychological empowerment (Y) at two levels of the moderator (W) gender (Male and Female).

At -1 SD (i.e., at .000) on the centered gender variable (representing female), the relationship between transformational leadership and female (.000) was positive and significant ($b=.6180$, $SE=.0849$, $p=.000$). Similarly, at 1.000 on the centered moderator variable (representing male), the relationship was positive and significant ($b=.4358$, $SE=.0513$, $p=.0000$). But the transformational leadership was strongly related to the psychological empowerment of female employees than the male employees (Table 6).

Table 6

Conditional effects of the focal predictor at values of the moderator(s):						
V3_N	Effect	se	t	p	LLCI	ULCI
.0000	.6180	.0849	7.2791	.0000	.4512	.7847
1.0000	.4358	.0513	8.5028	.0000	.3351	.5364

Our findings of hypothesis 1 support the findings of earlier research demonstrating that there is a positive relationship between transformational leadership and psychological empowerment (Waldman and Yammarino, 1999; Allameh et al., 2012; Pradhan et al., 2017, Prabowo et al., 2018). The results showed transformational leadership was strongly positive and significantly correlated with the psychological empowerment of female employees. This pointed out that female employees led by a transformational leader tend to become more psychologically empowered. There was a significant but moderate relationship between transformational leadership and psychological empowerment for male employees. This showed that the psychological empowerment of male employees is positively related when they were supervised by a transformational leader but at the same moderately.

The multiple regression models produced were significantly positive and accounted for (17.44%) variance in the psychological empowerment than would be expected by chance. However, our results for hypothesis 4 indicated that gender was not a significant moderator of the effect of transformational leadership style and psychological empowerment of the employees. Thus, we did not get the evidence to support our hypothesis 4 that the transformational leadership style of superiors and the gender of the employees do contribute significantly to the psychological empowerment of the employees. As noted previously, the results of the conditional effect found that both transformational style (X) and gender (W) has a significant and positive effect on psychological empowerment (Y). Among the gender, transformational leadership was more strongly related to the psychological empowerment of female employees than the male employees, which corroborates the previous research (Wolfram and Gratton, 2014).

Conclusion and future direction

Our findings have far-reaching implications for both theory and empirical testing. It adds to the existing body of knowledge in six ways. First, our findings add to the leadership literature by demonstrating that transformational leadership promotes employee psychological empowerment. Second, our research shows that the gender of subordinates has little bearing on transformational leadership. Transformation leadership was found to be more strongly linked to female employees' psychological empowerment than male employees, corroborating earlier studies.

As a result, this research has two goals, i.e., firstly, to investigate the impact of transformational leadership styles on employee psychological empowerment. Based on our findings, we propose that organizations foster a more transformational leadership style that increases employees' psychological empowerment. We see various advantages for firms with psychologically empowered personnel, including increased decision-making capability and assistance in resolving organizational issues by giving them autonomy and control. Furthermore, superiors' transformational leadership style and employees' (subordinates') gender have no effect on psychological empowerment. As a result of examining the connections, the study discovered a significant link between psychological empowerment and transformational leadership.

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