



Transformational Leadership and Psychological Empowerment Among Employees

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Abstract: There is an increasing amount of research showing that how leaders act affects how employees feel psychologically at the workplace. Most of this research has been done in the West. Therefore, it is important to do research in non-Western cultures, especially in emerging economies and sectors and particularly when doing comparisons by industry. The research adopted the cross-sectional research design and obtained data from N=101 full-time employees working for private and governmental organizations within the region of Delhi NCR in India. In order to determine the levels of transformational leadership and psychological empowerment, standardized tests such as MLQ-5X and Psychological Empowerment Scale, respectively, were adopted. Analysis of data was conducted using the methods of descriptive statistics, correlation analysis, t-tests, and multiple regressions. The analysis of the data revealed significant positive relationships between transformational leadership and psychological empowerment. Based on the results of the regression analyses, transformational leadership was a predictor of psychological empowerment. There was no observed difference in psychological empowerment between sectors, but the private sector reported significantly greater levels of transformational leadership than the public sector. This research shows that transformational leadership is one of the main drivers concerning employee empowerment, as well as its potential to generalize to additional contexts through its ability to predict motivation and employees' engagement at other companies with similar types of leaders.

Keywords: *Transformational Leadership, Psychological Empowerment, Employees, Public And Private Sector, Organizational Psychology*

1. Introduction

Leadership affects the motivation and psychology of workers. Modern organizations are always experiencing changes, and worker motivation is becoming an important factor in the relationship between the employers and employees. Consequently, leadership today does not only involve managing subordinates but also motivating and developing (a process referred to as Transformational Leadership) them. Such type of leadership revolves around envisioning a common future for the organization, supporting their subordinates, and ensuring that the individual objectives of the members are in line with those of the organization in order to realize success (Bass, 1985). It is a necessary process in modern organizations for effectiveness; hence, businesses need to learn how to motivate employees.

Psychological empowerment has been identified as a major construct that helps us know how employees perceive their job. The term "Psychological Empowerment" refers to the motivational state of mind of the employee made up of four factors – meaning, competence, autonomy, and impact (Spreitzer, 1995). The feeling of being psychologically empowered makes the employee take initiatives, be flexible and committed to the job. This helps positively in contributing to the efficiency of the organization. Hence, studies have been conducted on the various means of creating a feeling of empowerment among the employees.

Studies have proved that leadership is an important determinant of the state of mind of the employees. Transformational leadership creates a supportive and empowering atmosphere for its employees leading to self-confidence and autonomy. Consequently, there is a positive effect of transformational leadership on Psychological Empowerment of the employees (Avolio et al., 2004).

1.1 Research Questions

1. Is there a significant relationship between transformational leadership and psychological empowerment among employees?
2. Do public and private sector employees differ significantly in their levels of psychological empowerment?
3. Do public and private sector employees differ significantly in their perceptions of transformational leadership?
4. Which components of transformational leadership significantly predict the dimensions of psychological empowerment?

Transformational Leadership has been proven to have positive effects on the employees in previous research (Judge & Piccolo, 2004). Other psychological conditions such as psychological empowerment have been pointed out as one of the main components of motivation and work behavior. This means that the employees' feelings of control and significance have been identified as important determinants of results (Spreitzer, 1995). However, very few studies have looked jointly on these constructs through comparative public and private sector lenses especially in the Indian setting.

Viewing the research on leadership and empowerment, however, reveals a few limitations. A lot of research is conducted in Western organizations which restricts contextual generalizability. Furthermore, research has focused solely on either leadership or empowerment but very few endeavours try to integrate the two. Comparisons based on sector are also relatively less explored, especially in emergent organizational environments.

This research study contributes to the limited existing research on the connections between transformational leadership and psychological empowerment for employees of private and public sector businesses. Leadership and empowerment can be examined together to enhance our understanding of the psychological experiences of employees. Theoretical and practical contributions are anticipated through the emphasis of leadership in relation to an empowered and engaged workforce.

1.2 Research Aim and Objectives

The primary aim of the present study is to examine the relationship between transformational leadership and psychological empowerment among employees working in public and private sector organizations.

1.3 The objectives of the study are:

1. To examine the relationship between transformational leadership and psychological empowerment among employees.
2. To compare levels of psychological empowerment between public and private sector employees.
3. To compare perceptions of transformational leadership between public and private sector employees.
4. To examine the predictive role of transformational leadership and its components in explaining psychological empowerment and its dimensions among employees.

2. Method

2.1 Participants

The sample size for this study was N = 101 total full time employees from organizations in either the public or private sectors of Delhi NCR (National Capital Region). From the sample, 51% (N = 51) were employed in the public sector and 49% (N = 50) were employed in the private sector. In total there were male employees and female employees in various stages of their careers were represented (between 18-55 years).

In order to better identify the rates of participants, some criteria were used for inclusion and exclusion. First all raters had to be full-time employees and had been employed by the same company for a minimum of 6 months. This was to help ensure that raters had sufficient exposure to leadership behaviours to validly rate them. Excluded from participating in the rating process were those who were part time employees, interns, freelancers, or on a temporary contract.

This study employed a convenience sample in order to address the need for prompt research on this topic. There were no incentives provided for participation. The large sample size allowed for correlational and regression analyses despite being voluntary in nature.

2.2 Materials

The Multifactor Leadership Questionnaire (MLQ 5X Bass; Avolio, 1995) was employed to evaluate Transformational Leadership. The MLQ is a three-page questionnaire, which contains 31 questions intended for measuring the four leadership dimensions, namely, Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. All items on the MLQ provide examples of behaviour to be assessed (by indicating how often the supervisor engages in the behaviours listed) using a 5-point Likert scale (0=Not True At All - 4=Very Much True). The Total Score for each dimension represents the degree to which each participant rates his/her supervisor as exhibiting transformational leadership characteristics. The Psychological Empowerment Scale created by Spreitzer in 1995 was used to assess psychological empowerment.

The *Psychological Empowerment Scale* is a 12-item psychological empowerment questionnaire that measures three aspects of empowerment, which are used to create a sense of having control over one's life: meaning, competency and self-determination. All responses to the PES items are scored on a five-point Likert-type scale (1 = very little; 5 = great deal).

A short demographic section asked for information about the sectors of employment of the participants as well as their age groups. All instruments have been kept in original language.

2.3 Procedure

An online survey was used to collect data using Google Forms. Participants were informed of the goal of the study; and their participation was completely voluntary and all answers were confidential. Each participant gave their informed consent to participate.

Participants first completed demographic questions followed by the MLQ 5X and the Psychological Empowerment Scale. All items were mandatory, ensuring complete data. The questionnaire was done in one session and took about 15 to 20 minutes. The answers were captured on the computer without any missing data.

2.4 Data Processing and Analysis Strategy

Jamovi statistical package utilized for data analysis. Descriptive statistics were calculated to synthesise data. Pearson's r correlation analysis conducted to assess relationship of transformational leadership with psychological empowerment. Independent sample t-tests were used in order to evaluate differences between public sector and private sector employees. Multiple regression analysis was done to evaluate the extent to which transformational leadership predicts psychological empowerment.

2.5 Results

Data were analyzed using Jamovi software. Descriptive statistics served to summarize characteristics of the sample while inferential statistics included Pearson correlation, independent samples t-tests, and regression analyses in order to assess relationships, differences between groups, and predictors of transformational leadership and psychological empowerment.

2.6 Demographic Characteristics

Demographic information is displayed in Table 1. The sample (N = 101) included employees working at both public-sector and private-sector organizations and included a mix of men and women, as well as young and old. The ages of the respondents varied from 18 to above 55, with most of the respondents being aged between 36 to 45 years old, with even distribution among the sectors.

Table 1. *Demographic Characteristics of the Sample (N = 101)*

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	66	65.3
	Female	35	34.7
Age Group	18–25 years	24	23.8
	26–35 years	16	15.8

	36–45 years	44	43.6
	46–55 years	16	15.8
	Above 55 years	1	1.0
Employment Sector	Public/Government	51	50.5
	Private	50	49.5

3. Results

Descriptive Statistics

In order to measure the measures of central tendency and dispersion for the transformational leadership and psychological empowerment measures for the sample workforce under investigation, descriptive analysis has been carried out on these data. Measures of Central Tendency and Dispersion for Independent Variables are described in Table 2 below.

Table 2. *Descriptive Statistics for Transformational Leadership and Psychological Empowerment (N = 101)*

Variable	N	Mean (M)	Standard Deviation (SD)
Psychological Empowerment	101	5.59	0.87
Transformational Leadership	101	3.77	0.87

To examine the relationship between transformational leadership and psychological empowerment among employees. As per the outcomes of the Pearson's correlation test, there exists a statistically significant relationship between transformational leadership and psychological empowerment, which shows that as the degree of perception of transformational leadership increases, so does the possibility of being empowered as an employee. Our research findings are shown in Table 3.

Table 3. *Correlation Between Transformational Leadership and Psychological Empowerment (N = 101)*

TL Components ↓ / PE Components →	Competence	Meaning	Self- Determination	Impact
IC_Mean	0.562	0.543	0.433	0.518
IM_Mean	0.575	0.584	0.481	0.580
IS_Mean	0.508	0.490	0.444	0.437

AGG_Mean	0.618	0.517	0.469	0.534
ARM_Mean	0.539	0.501	0.408	0.448
CR_Mean	0.494	0.500	0.342	0.454

Note: Pearson's correlation coefficients are reported. All correlations are statistically significant at $p < .001$.

Variables	Overall Transformational Leadership	Overall Psychological Empowerment
Overall Transformational Leadership	—	0.658
Overall Psychological Empowerment	0.658	—

Note: Pearson's correlation coefficient is reported. The correlation is statistically significant ($p < .001$).

To compare levels of psychological empowerment between public and private sector employees. An independent samples t test was conducted to examine differences in psychological empowerment between public and private sector employees. Assumptions of homogeneity of variance were met, and the results are presented in **Table 4**.

Table 4. Independent Samples t -Test and Levene's Test for Psychological Empowerment Across Employment Sectors ($N = 101$)

Measure	Test	Statistic	df	p
Psychological Empowerment	Student's t	0.54	99	.589
	Levene's Test (Equality of Variances)	0.04	1, 99	.844

Note. $H_a: \mu_{\text{Private sector}} \neq \mu_{\text{Public/Government sector}}$.

To compare perceptions of transformational leadership between public and private sector employees. An independent samples t test was conducted to examine differences in perceptions of transformational leadership between public and private sector employees. Assumptions of homogeneity of variance were met, and the results are presented in Table 5.

Table 5. Independent Samples t -Test and Levene's Test for Transformational Leadership Across Employment Sectors ($N = 101$)

Measure	Test	Statistic	df	p
Transformational Leadership	Student's t	2.07	99	.041

	Levene's Test (Equality of Variances)	1.01	1, 99	.317
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Note. $H_a: \mu_{\text{Private sector}} \neq \mu_{\text{Public/Government sector}}$.

To examine the predictive role of transformational leadership and its components in explaining psychological empowerment and its dimensions among employees. A linear regression model was developed to investigate the relationship between transformational leadership and psychological empowerment, where psychological empowerment is considered the dependent variable and transformational leadership is the independent variable. This result is shown in Table 6.

Table 6. *Regression Analysis Predicting Psychological Empowerment From Transformational Leadership (N = 101)*

Predictor	B	SE	t	p
Intercept	3.12	0.29	10.71	< .001
Transformational Leadership	0.66	0.08	8.70	< .001

Model Summary	
R	0.67
R ²	0.45

Note. Psychological empowerment was the dependent variable.

4. Discussion

The findings indicate that there exists a positive correlation between transformational leadership and psychological empowerment of the employees. In other words, where employees perceive their leaders as having transformational leadership style, they exhibit higher levels of significance, competence, self-determination and impact on the job. Leadership behaviours that focus on inspiring and supporting others will contribute to employees having higher levels of internal control and involvement.

The purpose of the second objective was to analyze the level of psychological empowerment of employees working in the public and private sectors. The analysis indicated there were no significant differences in levels of psychological empowerment between employees in the public or private sectors. Therefore, while psychological empowerment is related to the structure of the organization (i.e., public vs. private), it is also related to the employee's perception of their own job and work experiences.

The third objective compared the perceptions of transformational leadership between employees working in the public and private sectors. The analysis found that employees in the private sector had a higher level of transformational leadership than the employees in the public sector. This finding may be due to the fact that private organisations are often more flexible and have a higher focus on performance than public organisations, which provide their leaders with more opportunities to express transformational behaviours.

This study's fourth objective was to determine whether transformational leadership served as a predictor of psychological empowerment. The data supports our hypothesis in that findings indicate a statistically significant relationship between transformational leadership and psychological empowerment. Therefore, transformational leadership can influence or relate to employees' psychological experiences and strengthen the evidence that leadership is a significant contributor to motivation and engagement for employees.

Our findings are also supported by existing literature that indicates a strong predictive relation between transformational leadership, motivation, engagement, and psychological outcomes for employees (Judge & Piccolo, 2004; Miao, Macik-Frey, & Boatright, 2018). Furthermore, prior research has also demonstrated that psychological empowerment acts as a cognitive mechanism through which leadership and employee behavior and well-being are connected (Spreitzer, 1995; Seibert, Wang, & Courtright, 2016). The present study extends this understanding by demonstrating that these relationships hold true within a comparative public and private sector context in India.

However, the study had some limitations. First, the study had a cross-sectional design and therefore, the findings cannot be interpreted as causal. This study also relied on self-report, which may be subject to various biases, and used convenience sampling which limits the generalisation of the study's findings. The study also focused on a specific geographical location which restricts the generalisation of findings to other locations. Future research should replicate the study using a longitudinal design on a diverse sample of women. It would also be helpful to consider additional variables such as organisational culture and job characteristics when exploring the relationship between empowerment and its outcomes.

Based on the results of the research, it has been found that transformational leadership is a significant predictor of psychological empowerment. Regardless of sector, leadership is shown to have a profound effect on employees' psychological experience of work. By adopting characteristics of transformational leaders, managers can increase employee engagement, motivation and performance.

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