The effect of transformational leadership on innovative work behavior with moderating role of internal locus of control and psychological empowerment

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\textbf{A B S T R A C T}

The current study examined the effect of the style of transformational leadership on innovative work behavior as well as the internal locus of control’s moderating role and psychological empowerment between the relationships of them. We collected data from 422 respondents who are related to family business in Malaysia. Path coefficient analysis was employed to test the hypotheses and SPSS software was used for analyzing descriptive data. The results showed that transformational leadership style, psychological empowerment and internal locus of control have affirmative relationship and significant impact on innovative work behavior. Finally, psychological empowerment and internal locus of control were not found to have moderating effect between innovative work behavior and the style of transformational leadership.

\textbf{1. Introduction}

The environment of the business is going through rapid changes, and it is really critical to survive for an organization without a degree of innovation (Slater, 1994; Epstein, 2018). Innovation is a significant goal for an organization because it helps to obtain a competitive benefit (Edmondson, 2018). In line with the study carried out by Damapour and Schneider, (2008), an Innovative Work Behavior (IWB) of an individual employee plays an important part for contributing to the overall organizations’ innovation.

Employees’ innovative behavior refers to the creation of useful concepts, and their incorporation into enhanced or new goods or services (Shanker, 2017). Petrou, (2018) stated that IWB is not automatic for employees. Bushra (2011) found that one of the major factors is leadership which can develop the IWB employee’s leadership. Leaders may generate will power in an individual’s minds for performing to achieve organizations goal and objectives (Cashman, 2017). Moreover, leadership also creates a bond where employees can comfortably work together with their leader (Jung et al., 2003; Shibru and Darshan, 2011). Transformational leadership theories expose that its core leadership function is stimulating innovation (Aga, 2016).

It has been noted from the previous study, leaders who have a transformational mind is more effective to enhance subordinates’ innovative behavior compared to transactional leadership (Chen, 2016; Lee et al. 2016; Afsar et al. 2017). The paradigm of the leadership of the organization have been shifted to a transformational style from a transactional style for this reason (Rosenbach, 2018). The definition of transformational leadership indicates that the leaders who tend to follow transformational leadership are knowledgeable, able to lead themselves and their followers in causing modifications in the organization (Northhouse, 2018). Moreover, transformational leaders are putting more efforts for meeting the enhancing needs of global
competition (Asrar-ul-Haq & Kuchinke, 2019). Leaders with a transformational mindset tend to change individuals, organizations or teams by modeling and communicating a vision and motivate followers for obtaining the vision (Sosik, 2018). Han et al., (2016) expose that the main driver of IWB of employee individual innovation is known as transformational leadership which enhance the overall innovation of the organizations (Wallace et al. 2016).

It is required to comprehend the mechanism through which subordinates IWB are enhanced by transformational leaders, since there is no previous study to understand how transformational leaders enhance IWB of subordinates relating to family business. There are two specifically promising mechanism of psychology that may moderate the association between IWB and the transformational leadership are psychological empowerment and LOC (Chen, Li & Leung, 2016; Kaur & Gupta, 2016; Deci et al, 1989; Pieterse et al, 2010).

It was stated by Babalola (2009) that an individual with an internal LOC is confident that impact over outcome measures entirely depends on his own behavioral patterns, skills, and knowledge. In this present study, we, therefore, argue that PE and internal LOC are important moderators of the association between IWB and transformational leadership. The followers of IWB and the transformational leadership have attracted most of the scholars from past years (Yahaya, 2016, Sosik 2018). The research idea comes up from the previous literature which tells us that the transformational leadership affects the employees’ IWB in both ways directly and indirectly (Choi, 2016; Afsar et al. 2017; Sosik 2018). Based on this background and the research gap, the current research endeavors to explain the association between TFL and IWB as well as the role of PE and internal LOC from the stakeholders of family business in Malaysia.

2. Literature review

2.1 Innovative Work Behavior

For the last two decades, the field of Innovative Work Behavior (IWB) has been attracting scholars’ attention as it helps to develop overall organization innovation (Tahsildari, Hashim & Normeza Wan, 2014). Based on the findings in previous studies, without some degree of innovation in the company's operation, the competitive market may not let it survive (Scarbirugh, 2016). In line with Cainelli, (2004) in comparing to zero innovative companies, the innovative company proved to have higher levels of productivity and economic growth. However, new ideas may be born in the minds of an individual (Hartog & De Jong, 2010), most of the organizations mention that the innovation’s primary source is nothing rather than the innovative behavior of the employees in the company (Bason, 2018).

Most of the researchers agreed upon the fact that a multi-stage process is IWB (Akram, Haider & Feng, 2016; Sethibe, 2017). However, due respect to the different authors, the dimensions of IWB could also vary.

Table 1

| Authors            | Dimensions of IWB                  |
|--------------------|------------------------------------|
| Kanter (1988)      | 1) Generation of Idea               |
|                    | 2) Building of coalition            |
|                    | 3) Realization of Idea              |
|                    | 4) Diffusion/Transfer               |
| Scott & Bruce (1994)| 1) Problem recognition/Idea generation |
|                    | 2) Building of coalition            |
|                    | 3) Innovation’s implementation      |
| Jannsen (2000)     | Realization of idea                 |
| De Jong & Den Hartog (2010) | 1) Exploration of opportunity  |
|                    | 2) Generation of idea               |
|                    | 3) Championing of idea              |
|                    | 4) Implementation of idea           |

IWB is highly an issue of motivation (Bammens, 2016) besides being influenced by abilities, skills and knowledge that create considerable interest to the researchers of leadership (Wu, 2017).

2.2 Transformational Leadership Style

Transformational leadership (TLS) has attracted most of the researchers’ attention because of its motivational spirit to the followers in the field of management (Bottomley, 2016; Caillier et al. 2016). Burns (1978) developed the concept of Transformational leadership. The leaders who tend to have a transformational mind, encourage their followers by creating a friendly environment whereby employees may comfortably express their idea which is really important to enhance IWB (Choi et al. 2016; Bai et al. 2016). Transformational leaders encourage their followers to work for a long time and take out from them more than expected (Rosenbach, 2018). Moreover, transformational leaders treat their followers equally, help them in all kinds of situation and make the employees feel they are the most important assets to them (Descahmp, 2016). Such treatment enables employees to be proud and unites them to work together even in a dramatically changing environment (Shamir et al. 2018). The work of Burns has been advanced by Bass and Avolio, (1995) and they divide transformational leadership into four components.
2.3 Internal Locus of Control

Two prime kinds of Locus of Control (LOC) – external and internal have been distinguished by Rotter (1966). Internal LOC is the belief of the individual is solely based on the actions and ability, whereas LOC (external) emphasizes on the individual’s belief that outcome is the fate's result, external forces, or luck. It was identified by Elkins & Cochran (1978) that employees who have very high LOC (internal) would use resources and time on the decision making process, that are discussed majorly by the intention of the individual towards results and achievements. Allen, Weeks & Moffat's (2005) (as cited in Maltby, Day & Macaskill, 2010) studies recommended that internals take actions on changing works more than their external counterparts.

2.4 Psychological Empowerment

The definition of Psychological empowerment (PE) is an enhanced intrinsic encouragement of the workforce towards individual orientation (Chiniara, 2016). Moreover, there is a set of 4 PE cognitions majorly; self-determination, impact, competence, and meaning (Srivastava, 2016). Meaning is experienced by an individual when he/she put greater responsibilities towards the work and think of the work is meaningful to him (Khany & Tazik, 2016). Competence indicates the level of confidence which an individual feels as he/she accomplishes the work successfully (Shogren & Shaw, 2016). The individual flexibility is referred by self-determination to perform his/her tasks with comfort and impact refers to the extent to which an individual believes that his or her work contribute significantly (Schermuly, 2016). In addition, the impact also makes the individual employee believes that organizational outcomes are influenced by him/her (Islam, 2016).

3. Hypothesis development

3.1 Innovative Work Behavior and Transformational Leadership

Transformation Leadership is also correlated by academics with individuals' innovative behaviour, as this format has specifically been shown to be strongly connected to the effectiveness of the organization (Tahsildari, Hashim & Wan Normeza, 2014), increasing the creativity of the worker (Gumusluoglu & Ilsev, 2009) and a general creativity of the organization. (Jung, Chow & Wu, 2003). The overwhelming majority of researches have been conducted on the indirect and direct association between WB and transformational leadership that established an affirmative relation between the two constructs. Crawford (2001) and Khan, Aslam & Riaz (2012) affirmed the direct association between innovation and transformational leadership, where transformational leadership acts as the primary predicting factor for the IWB employee. Sharifirad (2013) explained an affirmative association between the two constructs that were assisted by perceived psychological safety and emphatic listening. Transformational leadership in the same study has had an indirect and direct impact on the employees' well-being. Moreover, Dutch scholar Kroes (2015) has established that self-efficacy is developed by transformational leadership increases IWB.

H1: There is significant effect of transformational leadership on innovative work behavior

3.2 Innovative Work Behavior and Internal Locus of Control

Kaur & Gupta (2016) has examined the effect of the IWB individual features on 120 teachers in India. Multiple regression analysis showed that LOC (internal) had an affirmative association with IWB, and was a major predictor of innovative behavior. Such results are consistent with suggestions made by Miller, Kets de Vries and Touhouse (1982) (as quoted in Wheatley, Anthony and Maddox, 1988), who claimed that people with LOC (internal) are participate more in innovation. Those with very high LOC (internal) identify a clear correlation between their own consequences and actions (Ng, Sorensen & Eby, 2006) and the association between ethical employee behavior and internal LOC discovered by Boshoff & Van Zyl (2011).

H2: There is significant effect of internal LOC on innovative work behavior

3.3 Innovative Work Behavior and Psychological Empowerment

PE cognition of meaning is apparent when the organization's purpose and objectives suit its value system and when employees recognize that their job is relevant and concentrate on their works as they care about the consequences (Thomas & Velthouse, 1990; Spreitzer, 1995). When an person perseveres to play a part and spend efforts on understanding the problem from different sides, and look for solutions by linking knowledge sources to different alternatives (Zhang & Bartol, 2010), there may be a linkage to the generation of new ideas with IWB.

H3: There is significant effect of psychological empowerment on innovative work behavior

3.4 Internal Locus of Control as a Moderator between Innovative Work Behavior and Transformational Leadership

The positive relationship between transformational leadership and IWB is evident from earlier empirical studies. This means that more work on the situations is necessary because this style of leadership has a positive impact on the creativity of subordinates. One way to broaden awareness in this field is to find a moderator which can explain the positive or negative relationship (Pieterse et al. 2009). For example, the role of LOC in the relationship between supervisor support and the IWB was
investigated by Chen, Li & Leung (2016). The results indicate contrasting moderating effects of the internal LOC, thus weakening the relation between the two structures by higher internal LOC.

H4: Internal LOC moderates the relationship between transformational leadership style and innovative work behavior.

3.5 Psychological Empowerment as a Moderator between Transformational Leadership and Innovative Work Behavior

PE was given a significant sum of consideration for a long time (e.g., Carless, 2004; Ergenli et al. 2007). According to Spreitzer (1995), PE includes different predecessors namely, organization, peers and various sources within the environment or individuals.

Leaders may have a major impact on their subordinates’ work environments, and various factors within the organizations are bound by them. HRM policies, and social settings contribute an extraordinary impact as the subordinates’ sense PE is strengthening the leadership (Shalley, 2004).

H5: Psychological empowerment moderates the relationship between transformational leadership style and innovative work behavior.

4. Methodology

A self-administered questionnaire from a cross-sectional survey template was used for the study. The quantitative research approach is used as a basis for this analysis, as is usually used for testing hypotheses and verification of theory in science (Cresswell, 2017). The survey instrument for the study is a questionnaire. It is used because it is the most suitable process for collecting information from the enormous numbers of employees (Brace, 2018). In their study, Cohen et al. (2000) indicated that if the population is unknown or over 100,000, the size of the sample will be 422 at a confidence level of 96%. Therefore, Respondents in this study are the 422 employees from the selected organization in Malaysia. Simple random sampling has been used to draw the sample. Only permanent employees are selected for the study.

Using SPSS software, descriptive data analysis was carried out and SMART-PLS 3 was used to examine the measurement model and bootstrapping of the research. In this present study, every construct in the questionnaire has three or more items where responses would be elicited using the Five-Point Likert Scale. The questionnaire includes the five sections where Section A collects the information regarding the respondents’ demographic profiles. Section B includes items regarding IWB, while section C includes items on transformational leadership. Finally, section D and E include items on internal LOC and PE. As the data is collected through the questionnaire, the researcher faces challenges when gathering the raw data. In this study, the data is not above the set mark of 5%. Whereas the additional characteristics of SMART-PLS 3.2.7 suggest it would fit automatically and fill in the missing data with the appropriate mean (Hair et al. 2016).

5. Data analysis

5.1 Demographic profile

The profile of the sample of survey participants is indicated in Fig. 2 and Table 2.
Table 2
Demographic Profile

| State of origin | Frequency | Percent (%) |
|-----------------|-----------|-------------|
| Johor           | 137       | 32          |
| Melaka          | 16        | 4           |
| Negeri Sembilan | 13        | 3           |
| Selangor        | 42        | 10          |
| Perak           | 11        | 3           |
| Kedah           | 18        | 5           |
| Pulau Pinang    | 20        | 4           |
| Perlis          | 10        | 3           |
| Kelantan        | 40        | 9           |
| Terengganu      | 31        | 7           |
| Pahang          | 29        | 7           |
| Sabah           | 12        | 3           |
| Sarawak         | 10        | 3           |
| Wilayah Persekutuan | 33   | 7           |

About 188 (45%) of respondents were female and 234 (55%) were male. Nearly 118 (28%) were from the 15-19 years age group, 163 (38%) from the 20-24 years age group, 86 (21%) from the 25-29 years age group and 55 (13%) from the age group above 29 years but less than 55 years old. About 308 (73%) of the respondents were Malays while the remaining 114 (27%) of the respondents were the other races. Approximately 137 (32%) of the respondents were in Johor, 42 (10%) of the respondents were in Selangor while the other 243 (58%) of the respondents were in the other states in Malaysia.

5.2 Measurement model assessment

Applying inferential statistics has been applied that enables simultaneous analysis of both the measuring model (association between latent constructs and measurement items) and the structural model (the association between latent constructs). PLS-SEM analysis is done to evaluate the reliability of the item. The table below showed the convergent validity of this research. The CA values of all constructs ranged from 0.58 to 0.69, as defined in Table 3. Meanwhile, the CR values range to 0.843 from 0.768, that is more than 0.7, indicating an internal consistency and adequate convergence (Hair et al., 2016).

Table 3
Achievement Criteria of Convergent Validity

| Outer loadings | CA  | CR   | AVE  |
|----------------|-----|------|------|
| Internal LOC   | 0.626 | 0.843 | 0.728 |
| ILC1           | 0.857 |       |      |
| ILC3           | 0.849 |       |      |
| Innovative Work Behavior | 0.599 | 0.768 | 0.460 |
| IWB4           | 0.475 |       |      |
| IWB5           | 0.759 |       |      |
| IWB8           | 0.698 |       |      |
| IWB9           | 0.741 |       |      |
| Psychological Empowerment | 0.579 | 0.778 | 0.539 |
| PE11           | 0.688 |       |      |
| PE2            | 0.771 |       |      |
| PE8            | 0.741 |       |      |
| Transformational Leadership Style |     |      |      |
| TLS10          | 0.740 |       |      |
| TLS3           | 0.796 |       |      |
| TLS5           | 0.705 |       |      |
| TLS7           | 0.628 |       |      |

The definitions of AVE criterion as the construct-related large squared loads’ mean value of the indicators. An AVE value of at least 0.5 and above indicated a latent that the variable can explain more than half of the indicators’ average variance. (Hair et al., 2013; Henseler, Ringle, & Sinkovics, 2009). Table 3 displayed the AVE score for each build in the current analysis, between 0.460 and 0.728. The value of AVE 0.46 is acknowledged as reliability of the composite for all constructs is more than 0.60 (Lam, 2012).

According to the results, this is assumed that, convergent validity was obtained. Discriminant validity described the phenomenon of distinction between one construct and the other; it discussed about the similarity between the constructs and the number of measures represented only one construct. (Hair et al., 2013). It is examined by applying the cross loading (Chin, 1998), second Fornell- Lackers criterion (Fornell & Larcker, 1981). A latent indicator will have a load higher than all other latent variables than its loads (Table 4, Fig. 3).
Table 4
Fornell and Lacker Criterion for Discriminant Validity

| Constructs | Y1   | Y2   | Y3   | Y4   |
|------------|------|------|------|------|
| Innovative Work Behavior (Y1) | 0.678 |      |      |      |
| Internal LOC (Y2) | 0.642 | 0.853|      |      |
| Psychological Empowerment (Y3) | 0.611 | 0.677| 0.734|      |
| Transformational Leadership Style (Y4) | 0.616 | 0.716| 0.666| 0.720|

Table 5 provides a way to compare the load-cross between structures by evaluating the study. It is important to note that each indicator should load at high altitude on the individual component, but at low altitude on the other component with the cross loading. As seen in the table. Every indicator load is high on the other structure but low. This reveals discriminant validity.

Table 5
Cross Loadings Criterion for Discriminant Validity

| Items | Innovative Work Behavior | Internal LOC | Psychological Empowerment | Transformational Leadership Style |
|-------|--------------------------|--------------|----------------------------|----------------------------------|
| ILC1  | 0.555                    | 0.857        | 0.581                      | 0.577               |
| ILC3  | 0.541                    | 0.849        | 0.574                      | 0.645               |
| IWB4  | 0.475                    | 0.274        | 0.285                      | 0.287               |
| IWB5  | 0.759                    | 0.488        | 0.521                      | 0.506               |
| IWB8  | 0.698                    | 0.479        | 0.420                      | 0.383               |
| IWB9  | 0.741                    | 0.465        | 0.398                      | 0.464               |
| PE11  | 0.371                    | 0.496        | 0.688                      | 0.489               |
| PE2   | 0.438                    | 0.496        | 0.771                      | 0.519               |
| PE8   | 0.517                    | 0.501        | 0.741                      | 0.467               |
| TLS10 | 0.458                    | 0.479        | 0.493                      | 0.740               |
| TLS3  | 0.475                    | 0.538        | 0.511                      | 0.796               |
| TLS5  | 0.452                    | 0.595        | 0.548                      | 0.705               |
| TLS7  | 0.384                    | 0.442        | 0.349                      | 0.628               |

5.3 Structural modeling in PLS-SEM

According to the results shown in Table 6, it can be observed that the inner VIF values for each construct are within the range of 2.107-2.404, thus there is absence of multi collinearity issues in this study (Diamantopoulos & Sigouw, 2006). In other words, the R square measures a given model’s predictive ability. Hair et al., (2017) suggested a range of 0.75, 0.5, and 0.25, respectively, as standard large, moderate, and low levels of predictive accuracy. Table 6 indicated moderate connection between the constructs under investigation (Hair et al., 2017). It found to be 0.492 indicating that internal LOC, PE and TLS can account for 49.2% of the variance in the IWB.

The f square value of 0.35, 0.15 and 0.02 represents large, medium, and small effect sizes, respectively. Based on the result in Table 6, internal LOC (0.079), PE (0.058) and TLS (0.044) are shown to have a small effect size (f square) on IWB (Hair, Hult, Ringle & Sarstedt, 2016). Cross-validated redundancy is perfectly suitable for the PLS-SEM approach. Fornell and Cha (1994 ) indicated that if the value of the Q square is greater than zero, then the model is of predictive significance. From Table 6, the values of Q square show that they are greater than 0, hence predictive relevance is attained.
Table 6
Structural modeling in PLS-SEM

| Constructs                              | f Square | Inner VIF | R square | Construct Cross validated Redundancy |
|-----------------------------------------|----------|-----------|----------|-------------------------------------|
| Innovative Work Behavior (Y1)           | 0.492    | 1,548.000 | 1,223.468| 0.210                               |
| Internal LOC (Y2)                       | 0.079    | 2.404     |          |                                     |
| Psychological Empowerment (Y3)          | 0.058    | 2.107     |          |                                     |
| Transformational Leadership Style (Y4)  | 0.044    | 2.344     |          |                                     |

5.4 Hypothesis testing

5.4.1 Path coefficient

With 5000 subsamples, a bootstrapping procedure is performed after assessing the measurement model as suggested by Hair (1998) in order to examine the statistical significance using a t-test and p value of each hypothesis relationship.

Table 7
Direct Relationship Results

| Relationship                                           | Original Sample | Sample Mean | Standard Deviation | T Statistics | P Values |
|--------------------------------------------------------|-----------------|-------------|--------------------|--------------|----------|
| Internal LOC → Innovative Work Behavior                 | -0.087          | -0.085      | 0.059              | 1.477        | 0.140    |
| Psychological Empowerment → Innovative Work Behavior   | 0.005           | 0.001       | 0.059              | 0.091        | 0.927    |

Table 7 illustrates the significant effect of internal LOC on IWB (b=0.303, t=4.600, p<0.05); PE on IWB (b=0.246, t=4.271, p<0.05); TLS on IWB (b=0.208, t=3.473, p<0.05). Thus, hypothesis H2, H3 and H1 have been accepted. The internal LOC (b= -0.087, t=1.477, p=0.05) and PE (b= 0.005, t=0.991, p=0.05) do not moderate the relationship between TLS and IWB (Table 8). Therefor hypothesis H4 and H5 have been rejected.

Table 8
Moderating Effect

| Relationship                      | Original Sample | Sample Mean | Standard Deviation | T Statistics | P Values |
|-----------------------------------|-----------------|-------------|--------------------|--------------|----------|
| Internal LOC*TLS → IWB             | -0.087          | -0.085      | 0.059              | 1.477        | 0.140    |
| PE*TLS → IWB                       | 0.005           | 0.001       | 0.059              | 0.091        | 0.927    |

Fig. 4. Structural Model

6. Discussion and implication

The three hypotheses (H1, H2 and H3) addressed the direct relationship between TLS, Internal LOC and PE on IWB.

The findings of the first experiment revealed a positive correlation between IWB and transformational leadership. Hence the H1 hypothesis was accepted. Such results are consistent with results from literature studies, which included proof of direct (Crawford, 2001; Khan, Aslam & Riaz, 2012) and indirect (Sharifirad, 2013; Kroes, 2015) affirmative effects on IWB and overall progress of the organization. (Jung, Chow and Wu, 2003). The results of this research, deviated from Crawford's (2001) findings, which was recognized in the review of five sources of the organization (medical, educational, manufacturing, service and sales) that All four transformational leadership components correlate with creative behavior in an affirmative way. Similar cultural or sector context analysis can be related to the variations. The findings are different. For example, Demeško (2017) found transformational leadership explained very weak positive association with IWB.
Second hypothesis shows the direct of internal LOC on IWB. Hence, hypothesis H2 has been accepted. Though the investigation of Demeško (2017), there was no direct association between internal IWB and LOC. Third hypothesis demonstrates the significant effect of PE on IWB which is similar to the study of Khan et al. (2019). So, hypothesis H3 has been accepted. The goal of the present study is to shed more light on the relationship between TLS and IWB by examining the follower internal LOC and PE as a moderator (hypothesis 4 and hypothesis 5). Internal LOC and PE is not found to be moderate in the relationship with the innovative behavior and transformational leadership in accordance to this study. Thus Hypothesis 4 and 5 are rejected. Demeško (2017) observed the similar result to his study that there is no moderating effect of Internal LOC between the relationship of TLS and IWB. Khan et al. (2019) found the opposite outcome in their research that PE actions as a moderator in the association with transformational leadership and innovative behavior. The study found not to have any boundary condition (i.e., internal LOC and PE) to transformational leadership effectiveness in engendering innovative behavior. Supporters must be sincerely inspired to live up to the expectation of transformative leadership. The current study rejected the proposal that transformative leadership is a pillar in the philosophy of transformational leadership, and its capacity to generate revolutionary behavior. The study showed that LOC and PE play an important role in determining if this successful relationship would materialize. The study indicated that transformational leadership with internal LOC and high PE do not have influence. While internal LOC and PE have an impact on innovative behavior, only leadership influences the degree to which the action is converted into innovative behavior within the Malaysian family business context.

Managerial implication

The results suggested that transformational leadership can be instrumental in growing innovative behaviors among employees. Organizations do not merely encourage transformational leadership but should offer internal LOC and PE to followers. Leaders should be made aware of the level of PE and internal followers of LOC through the programs of management development. Via empowerment activities, organizations will set the stage for using transformational leadership more efficiently to create innovative behavior. Research have also demonstrated the ability to learn transformational leadership and to build training programs. This study indicated that efforts should be made to increase both follower of PE and internal LOC, as complemented by efforts to improve leadership to increase IWB.

7. Limitation and suggestion for future research

There are certain drawbacks to be addressed in the present analysis. The use of cross-sectional surveys does not permit any research on causation or completely comprehensive understanding of the complex existence of the relationship between leadership and followers. Our studies using a range of approaches, such as laboratory or field experiments, as well as longitudinal designs will be extremely useful. The research sample may be just another constraint. The organization is a government entity, which may have limited PE by restricting the amount of followers' autonomy and the effect they could have on their climate. Yet that would have more likely weakened the relationships under scrutiny, rendering the existing assessments conservative. Nonetheless, replicating the present findings into another setting will be useful. Another interesting point is that the research does not seek to provide a comprehensive overview of any history of creative actions by employees. The research attempts to clarify the relationship between transformative leadership and the internal LOC and creative behavior of the followers. We must explain that the relationship between transformational leadership and creative behavior is influenced by others. We should not allow our specific objective to challenge or downplay the influence of other moderators or innovative behavioral context such as an atmosphere that encourages creativity (West & Anderson, 1996). Finally, the processes underpinning the effect are not the subject of this study. On the basis of the current knowledge, therefore, we cannot assume that the current results are obtained according to the underlying processes.

8. Conclusion

The study focusing on the impact of employees' innovative behavior is becoming more important for organizations as innovation becomes more important. The analysis of antecedents under administrative supervision is of great importance to the organizations. The growth in transformational leadership research over the past decades holds the potential to uncover transformative leadership as a significant determinant of innovative behavior by the followers. However, there has been scarce and inconsistent evidence to this effect. The goal of the present study was to uncover a possible explanation for the contradictory research findings on this relationship and to recognize internal LOC and PE as a prerequisite for strengthening the IWB. The relationship is defined in isolation only. With the relationship of the follower innovative behavior and TLS there is no moderating function of internal LOC and PE.

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