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Transformational Leadership and Employee Outcomes: Intrinsic Motivation as a Catalyst in NBFCs

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Abstract: This study examines the influence of transformational leadership on employee outcomes, particularly work performance, burnout, and social loafing, with intrinsic motivation serving as a mediating variable. Utilizing self-determination theory and leadership literature, the study adopts a quantitative methodology, employing validated measures to gather data from 331 mid-level and frontline managers in Non-Banking Financial Companies (NBFCs). The results indicate that transformative leadership exerts a direct favourable influence on work performance while significantly mitigating burnout and social loafing. Intrinsic motivation partially mediates the links between transformational leadership and both work performance and burnout; however, it does not mediate the association with social loafing. The findings underscore the pivotal influence of leadership behaviours in cultivating intrinsic motivation, thus improving employee performance and well-being while mitigating stress and disengagement. These insights enhance organizational behaviour literature and offer practical implications for leaders and policymakers to develop training programs that reinforce transformational leadership techniques, ultimately fostering motivated and resilient workforces.

Introduction

Transformational leadership has become a well-known idea in the field of leadership theory over the last 20 years (Sosik & Jung, 2018). Consequently, it is not surprising that both researchers and practitioners are intrigued by the emergence of contemporary leadership theory and practice and are keen to understand its ramifications for individuals and organizations (Sahu et al., 2017). Research conducted in recent decades indicates a significant association between transformative leadership and the behaviours and outcomes of its followers (Chan & Mak, 2014). Avolio et al. (2008) stressed the need to identify strategies to connect leadership to important outcomes for both people and organizations in a review of leadership research that came out in the "Annual Review of Psychology." To gain a deeper understanding of the importance of leadership for organizations, they stressed the necessity of examining the roles of mediators. Chan and Mak (2014) contended in their study that "a variety of different influence processes may be involved in transformational leadership; however, there remains an opportunity for further research to investigate the relationship between

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transformational leadership and follower attitudes and behaviours." Transformational leadership is the most commonly used phrase in the leadership literature right now. It means that a leader inspires, builds trust, encourages, changes, admires, and helps his followers grow (Khan et al., 2020).

Transformational leadership could be useful in a business setting. Transformational leadership can help people become better at naturally motivating others. This is because the leader is able to encourage employees to do more than what is expected of them (Thomas & Velthouse, 1990). You can also make psychological empowerment stronger. The four pillars of transformative leadership are: (i) an idealistic impact; (ii) motivating people to enhance their confidence; (iii) stimulating their minds; and (iv) taking their needs into account (Rafferty & Griffin, 2004). When a leader presents a clear vision of the mission and employs the right images to make it real, they show idealized influence (Panda et al., 2023). One way to define inspirational motivation is as a leadership style that considers the emotional needs of employees, builds their confidence in their skills, communicates clearly, and provides them constructive feedback. When a leader pays attention to each follower as a person, it shows that they are there to support them. This method includes coaching and training, giving people tasks depending on their skills, and keeping an eye on how well they are doing (Yukl, 1999). The leader's effort to get his staff to be more adaptable and willing to try new technological methods as things change is an example of intellectual stimulation. It could be helpful to get past the signs and problems that come up at various times. Both high-stress and high-meaning work conditions demand transformational leadership, which transformational leaders can predict.

Researchers have endeavoured to elucidate the complexities of transformational leadership, uncovering empirical evidence of its beneficial impact on followers' results, including social loafing, burnout, and professional success (Bednall et al., 2018). Nonetheless, further investigation is required to elucidate the specific mechanisms via which transformational leadership influences the mental and behavioural health of individuals, particularly within organizational contexts (Tepper et al., 2017). This study aims to elucidate the context in which transformational leadership influences employee burnout, social loafing, and work performance within the Indian framework. Transformational leadership generally leads to the best levels of professional performance at work. Along with the research on transformational leadership and how it affects employee performance, studies have also revealed that organizations with different types of organizational structures depend a lot on what their employees do (Dawar et al., 2025). There is empirical evidence connecting transformative leadership to enhanced employee performance. Transformational leaders inspire and help their followers accomplish the organization's goals and performance requirements (Buil et al., 2018). Another way that transformational leadership has a big effect is on how likely it is that employees will feel less burned out. Stress is common in all kinds of organizations. When leaders use transformational leadership, they help their workers deal with any problems they have. This kind of leadership also makes individuals feel better about themselves and motivates them to stay mentally healthy. Social loafing is when people work together in a group but don't put in as much effort as they would if they were working alone (Arda & Yıldız, 2018). When a transformational leader is in charge of a group, they use a technique that includes giving tasks depending on each person's skills and judging how well each person does their job. Social loafing is a psychological phenomenon that differs by circumstance and individual. Literature on leadership has shown that personalized attention from the leader can lessen the prevalence of social loafing. This research enhances the previous literature by incorporating employee intrinsic motivation as a variable that clarifies the relationship between transformational leadership and employee work performance, burnout, and social loafing. Intrinsic motivation refers to the performance of an action for its inherent enjoyment rather than for external rewards. The current workforce's

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motivation is largely autonomous from external incentives. Material rewards could make people do worse at their jobs when they have a lot of different tasks to do. Additionally, employees want a flexible and adaptive work arrangement to effectively fulfil their duties in the modern, ever-changing workplace. To encourage positive motivation among employees, companies give them both external rewards and plan ways to boost their internal motivation. Transformational leadership is a style that encourages employees to work toward ideals, builds relationships with them, meets their needs, and helps them reach their full potential, all of which lead to good outcomes for the organization (Judge & Piccolo, 2004). Employees whose skills are developed by their supervisor are more likely to be intrinsically motivated, which improves their work performance. They improve their focus and work toward the goals of the business by following their own interests. There is an indirect relationship between employee burnout and transformative leadership, with intrinsic drive acting as a mediator (Kovjanic et al., 2013). Transformational leaders put their employees' needs first and build strong relationships with them. They anticipate their colleagues to reach higher goals, which boosts their intrinsic motivation. This drive keeps them from getting burned out (Hildenbrand et al., 2016). We also argued that intrinsic motivation acts as a mediator in the relationship between transformative leadership and social loafing. Prior studies indicate that intrinsic motivation alleviates social loafing, manifesting both situationally and in instances of diminished intrinsic motivation. This study substantially enriches the literature on organizational behaviour by elucidating the contexts in which transformational leadership influences employee performance, burnout, and social loafing. Our research findings provide organizations and their management with insights into the efficiency and effectiveness of implementing policies or advanced tactics to organically drive people, thereby improving work performance and reducing burnout and social loafing. This study makes a big difference in the field of organizational behaviour by helping us understand when transformational leadership has an effect on employee performance, burnout, and social loafing. Our research results help firms and their leaders understand how well and quickly they can put policies or advanced techniques into place to motivate people from the inside, which will improve performance and lower burnout and social loafing.

Transformational leadership and intrinsic motivation

Good leaders need to be able to see the big picture and motivate others. According to traditional transformational leadership literature, transformational leaders guide and motivate employees by communicating a vision that enhances their understanding and appreciation of the significance of organizational values, goals, and performance (Tafvelin et al., 2019). A key part of the theory of transformational leadership is the idea of a shared vision. This is a set of goals that the organization hopes to reach in the future. Transformational leaders have the most effect on their followers' feelings when they speak plainly and make them feel like they have accomplished something and are capable of doing it. Transformational leaders are very good at improving the results of an organization by developing its people and making changes that make sense (Walumbwa & Hartnell, 2010). The acquisition of specialized information is associated with an individual's intrinsic motivation and their desire to acquire knowledge through the enhancement of competencies and pertinent learning experiences. Transformational leadership has the ability to foster psychological empowerment, which is equivalent to intrinsic motivation. Motivation is described as "the collection of factors that affect how people act." For example, intrinsic motivation is "the motivational state where employees are driven by their interest in the work itself, rather than by a system of rewards for completing tasks. (Jameel et al., 2025)" Koh et al. (2019) found that transformational leadership has a big effect on intrinsic motivation. This is because a transformational leader's good guidance and support boost self-motivation, which makes

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them a more effective and useful member of the organization.

Transformational leadership consists of four interconnected behavioural dimensions: idealized influence, inspirational motivation, intellectual stimulation, and customized consideration (Carton et al., 2014). All behavioural dimensions can influence employees' intrinsic motivation. Transformational leaders use idealized influence and give people motivation by setting a common aim that is appealing (Ghasabeh et al., 2015). This shared vision gives the team a clear idea of what their boss expects of them, which boosts their intrinsic drive. Transformational leadership leads to beneficial results, such as team members being more optimistic and focused on their own interests, which makes the work more enjoyable and satisfying (Jensen & Bro, 2017). Second, transformational leaders' cognitive stimulation boosts team members' confidence, which helps them become more emotionally and situationally stable while they work through their own problems. They also want to understand and share their coworkers' basic knowledge and skills so that they can spread fresh ideas. Third, transformational leaders recognize people's views and interests, support their individuality, and judge them based on how they are treated. When employees see how their leaders act, they feel motivated and try to improve each other's ideas and talents in order to come up with new ways to solve problems. This essay asserts that all aspects of transformational leadership enhance employees' motivation and energy for their work and responsibilities, thereby indicating an elevated intrinsic drive. So, it may be said that:

H1 Transformational leadership relates positively to intrinsic motivation.

Transformational leadership, intrinsic motivation and work performance

There is a strong link between intrinsic drive and how well someone does their job. Intrinsic motivation is defined as participating in an activity for its inherent rewards rather than for external consequences; nonetheless, it is rare for employees to possess intrinsic motivation in all their responsibilities (Shin & Grant, 2018). Intrinsic motivation stems from self-developing characteristics, allowing an individual to participate in the learning process devoid of anticipated external rewards. Intrinsic motivation pertains to the degree of an individual's interest in job completion and their involvement in work (Tanneberg et al., 2018). It explains how an employee's performance affects their psychological growth.

Recent operational conditions suggest that enhancing employee motivation has become a very effective human resources strategy (Ambrose, 1999). A lot of companies are working on their HR strategies to motivate individuals so they can reach their short- and long-term goals. Recent studies show that employees' intrinsic motivation can affect things like performance, innovation, and relevant results (Barrick et al., 2005). For example, it has been said that how a person acts influences the results of their work, especially how well they do and how good the work is. Motivation plays a vital role in the correlation between cognitive capacity and job performance. Gist (1987) posited that short-term aims can be achieved through an individual's self-interest. A study shows that there is a strong and direct link between internal desire and job performance (Patnaik et al., 2023). Also, an employee's intrinsic motivation is an important part of how an organization grows and moves forward. The performance indices are designed to evaluate performance levels at the individual, group, and organizational levels (Gumusluoglu & Ilsev, 2008). In many workplaces, where an employee's intrinsic motivation is expected to be high, the employee usually wants to stay with the company for a long time, builds relationships with coworkers, and does their job better because they enjoy completing their tasks (Aleksynska, 2018). On the other hand, if the person loses motivation, their work performance may suffer. So, intrinsic motivation might be linked to better work performance when it comes to reaching organizational goals and objectives (Arnulf et al., 2018). We contend that intrinsic motivation directly impacts performance, suggesting that it might substantially affect labour outcomes. So, we suggest that:

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H2 Intrinsic motivation relates positively to employee work performance.

The current study indicates that intrinsic motivation is a fundamental mechanism via which transformational leaders influence employees' work performance. Transformational leaders can boost a person's intrinsic motivation to do their job well, which in turn boosts their work performance (Gillet et al., 2013). These leadership tactics are good for both personal and corporate growth. It is indeed justified to examine the methods by which leaders motivate their employees and the subsequent impact of this motivation on performance (Charbonneau et al., 2001). In line with previous research, we expect that transformational leadership enhances individuals' intrinsic motivation, which will subsequently act as a significant predictor of employee work performance (Conchie, 2013). Intrinsic motivation is defined as a self-directed type of motivation that demonstrates the highest level of commitment and consistency inside the individual (Vanstraelen, 2018). Many studies show that more intrinsic drive leads to better performance since it motivates and inspires people to work harder. So, it might be said:

H3 Intrinsic motivation mediates the relationship between transformational leadership and work performance

Transformational leadership, intrinsic motivation and employee's working burnout

Employees who are intrinsically motivated are always focused on their work and responsibilities (Shoshan et al., 2022). This is because they are more focused, attentive, and put in their best effort while helping their organization reach its goals. Burnout is a psychiatric condition that results from heightened occupational stress; it is a complex phenomenon characterized by three dimensions: emotional exhaustion, depersonalization, and reduced personal efficacy in goal attainment (Maslach, 2003). Burnout also affects the relationships that employees have with each other. Prior research indicates that intrinsic drive exerts a counteractive effect on employee burnout (Ryan & Deci, 2000). Employees with intrinsic motivation find their jobs more interesting, are more optimistic, work harder, and have superior endurance because they get satisfaction and fulfilment from the work itself. Vallerand's (2017) research indicates that employees exhibiting heightened intrinsic motivation exhibit enhanced vitality, positive affect, self-esteem, absorption, focus, effort, and persistence. Additionally, when these employees face burnout, they possess greater personal resources to surmount this difficulty(Kim, 2015). These employees feel less tired, less stressed, and more focused on helping the company grow. Employees who are intrinsically motivated feel less pressure and stress than those who are not. Employees' intrinsic drive can be negatively correlated with their burnout. Because of this, workers who are highly motivated can reduce their work-related stress. As a result, one could say that:

H4 Intrinsic motivation is negatively associated to employee's working burnout.

The present study asserts that intrinsic motivation serves as a mediator in the relationship between transformative leadership and burnout. Burnout is a big problem for businesses since it has an effect on important results (Kim, 2015). This makes people less productive and less interested in their work. As a result, it leads to higher rates of personnel turnover and absenteeism. Studies show that leaders have a big effect on the health and well-being of their workers (Skakon et al., 2010). Nonetheless, the relationship between leadership practices and employee tiredness remains insufficiently examined(De Hoogh & Hartog, 2009). There is a positive relationship between transformational leadership and intrinsic motivation, which improves skills, helps people deal with stress, and lowers the risk of burnout. As a result, we suggest that

H5 Intrinsic motivation mediates the relationship of transformational leadership and employee's working burnout.

Transformational leadership, intrinsic motivation and social loafing

Social loafing is when people work together in groups instead of alone and don't put in as much effort or get as much done (Chang et al., 2020). This behaviour is bad, and people who aren't

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very motivated tend to do it more often. These kinds of acts can make people less productive and less committed to both their work and the company (George, 1992). Social loafing is a common behaviour that may be seen in every workplace, no matter the age, gender, job, or culture of the people that work there (Luo et al., 2012). This is growing worrisome because it happens in every workplace and is considered as bad behaviour. This research methodology investigates several elements that contribute to social loafing; nonetheless, there is a notable gap in the analysis of individual intrinsic factors, such as intrinsic motivation. Intrinsic motivation, defined as the intrinsic inclination of individuals to participate in activities driven by their internal interests, enjoyment, and fulfilment, is inversely correlated with social loafing. George (1992) found in his study of 221 salesmen that intrinsic task involvement and social loafing are negatively associated. He also said that people who are genuinely motivated may be aware of how important their contributions are to the success of their team or organization, which makes them less likely to engage in social loafing. He or she would try harder to meet the goals and obligations set by the leader. So, we suggest that:

H6 Intrinsic motivation is negatively linked to social loafing.

Intrinsic motivation is the inherent process that activates traits and behaviours, prompting individuals to move or take action. Self-determination theory asserts that motivation manifests at multiple levels (Monzani et al., 2014). Intrinsic motivation is at the most independent end of the spectrum since a person decides to do something based on their own will(Price et al., 2006).A leader motivates workers by using methods that help the company reach its goals and objectives. Gilbert et al. (2016) When people work together or in a team, social loafing means they put in less effort and are less motivated than when they work alone. Social loafing is a well-known problem that happens in all kinds of groups, no matter the gender, age, job, or culture of the people in them. People think that social loafing is a big problem for organizations that want to move forward (Mihelič & Culiberg, 2018). It lowers the potential, production, and motivation of other team members as well. It makes the team less efficient, productive, and effective overall. People often call social loafing a "social sickness." As a result, social loafing is a major moral and social issue since it changes the course of someone's life or a group's life. On the other hand, a transformative leader can reduce social loafing by giving people customized attention and motivating them to succeed on an individual basis. So, one might say:

H7 Intrinsic motivation mediates the relationship of transformational leadership and social loafing

Research Methodology

This study utilized a quantitative research methodology to investigate the relationships among transformational leadership, intrinsic motivation, work performance, burnout, and social loafing. A structured questionnaire served as the primary data collection instrument, acknowledged as an efficient and dependable method for gauging perceptions and attitudes in organizational behavior research. The instrument was carefully put together by using validated scales from other studies to make sure that the content was valid, reliable, and in line with what is currently known. The four-item scale developed by McColl-Kennedy & Anderson (2002) was used to measure transformational leadership. This scale focuses on leader behaviours such as inspiration, encouragement, and individualized help. The research utilized the four-item scale created by Luo et al.(2012) to assess employees' intrinsic motivation, which included factors like enjoyment, interest, and internal satisfaction derived from their work. A four-item scale was used to measure work performance, focusing on how well the person did their job, how well they met their goals, and how good their work output was. The seven-item Copenhagen Burnout Inventory by Kristensen et al. (2005) was used to measure work-related burnout. It looks at tiredness, exhaustion, and lower energy levels on a five-point Likert scale from "strongly disagree" to "strongly agree." Social loafing, a fundamental notion in collaboration and organizational dynamics, was evaluated using the four-item scale developed by Akgunduz and Eryilmaz (2017) utilizing a five-point Likert response format. The use of approved instruments not

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only ensured precise measurement but also improved the construct validity of the study. We tested the questionnaire with a pilot group to see how clear, reliable, and well-phrased it was. This led to some small changes. The data collection employed a standardized survey methodology, guaranteeing a systematic and consistent approach among participants. This strict procedure made answers more accurate and less likely to be biased. The research technique, supported by standardized assessment methods, facilitated a thorough investigation of the postulated relationships among leadership behaviors, employee motivation, performance, burnout, and social loafing in organizational contexts.

Data Collection

The study gathered data from 331 participants, including mid-level and front-line managers employed in Non-Banking Financial Companies (NBFCs). The impracticality of obtaining a comprehensive sampling frame for this distributed workforce prompted the implementation of a non-probabilistic sampling process. We only included those who had relevant administrative functions by using purposive and convenience sampling methods. This made the answers more accurate. This strategy was deemed suitable as NBFC managers may have time constraints and may not be consistently reachable using random sampling techniques. Also, non-probabilistic sampling is commonly used in organizational research when the target population is specialized and hard to measure. The sample size of 331 aligns with previous empirical studies and is deemed sufficient for statistical analysis providing adequate representation of the targeted management demographic and reinforcing the study's research aims.

Descriptive Statistics

Table 1: Demographic Variable of the Participants

Gender	
Male	252
Female	79
Age	
20-25	79
26-30	101
31-35	65
36-40	62
Above 40	24
Qualification	
Bachelors	125
Masters	197
PhD	9

Source: survey

The sample had 331 respondents, including 252 males and 79 females, indicating a male majority in managerial roles. The age distribution reveals a relatively youthful workforce, with the majority aged between 20 and 30 years (180 replies). Most participants possessed a master's degree (197), followed by a bachelor's degree (125), with a limited number holding a PhD (9). This indicates that they were highly educated.

Table 2: Mean, standard deviations and correlations

	Mean	SD	1	2	3	4	5
Variable							

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Transformational Leadership	4.21	1.13	**0.83**				
Intrinsic Motivation	4.15	0.98	.29**	**0.86**			
Working Burnout	3.75	0.87	-.20**	-.62**	**0.82**		
Work Performance	3.95	0.82	0.31**	.21**	.29**	**0.77**	
Social Loafing	2.15	0.83	-0.52**	-.15**	27**	.19**	**0.79**

Table 2 provides the descriptive statistics and correlations among the study variables, offering insights into their interrelationships. Transformational leadership (M = 4.21, SD = 1.13) demonstrated a positive association with intrinsic motivation (r = .29**) and work performance (r = .31**), suggesting that supportive and inspiring leadership fosters both internal drive and higher employee output. Conversely, it was negatively related to working burnout (r = –.20**) and social loafing (r = –.52**), indicating its effectiveness in reducing strain and disengagement. Intrinsic motivation (M = 4.15, SD = 0.98) showed a strong negative correlation with burnout (r = –.62**) and a positive link with performance (r = .21**), highlighting its protective and performance-enhancing role. Burnout (M = 3.75, SD = 0.87) negatively impacted performance, aligning with prior literature. Collectively, these findings reinforce the hypothesized model.

Table 3: Reliability Statistics

Variable	No. of Items	Cronbach's Alpha
Transformational Leadership	4	0.832
Intrinsic Motivation	4	0.857
Working Burnout	7	0.821
Work Performance	4	0.768
Social Loafing	4	0.792

Table 3 displays the reliability statistics of the study variables, assessed by Cronbach's alpha coefficients. All structures exhibited satisfactory to high dependability, above the required criterion of 0.70. Transformational leadership (α = 0.832) and intrinsic motivation (α = 0.857) demonstrated robust internal consistency. job burnout (α = 0.821) shown good reliability, although job performance (α = 0.768) and social loafing (α = 0.792) exhibited acceptable levels. The results validate the reliability and consistency of the measurement tools employed for evaluating the study constructs.

Hypothesis Testing

Table 4 Results of simple mediation model for work performance

Direct effect model

Predictor	β	SE	t	p
X (transformational leadership)	0.28	0.05	5.6	0.000
Constant	1.63	0.26	6.27	0.000

Direct effect model

Predictor	β	SE	t	p

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X (transformational leadership)	0.09	0.03	2.95	0.04
M (intrinsic motivation)	0.22	0.05	4.4	0.000
Constant	3.12	0.18	17.33	0.001

Total effect Model

Predictor	β	SE	t	p
X (transformational leadership)	0.15	0.04	3.75	0.000
Constant	3.41	0.17	20.06	0.000

Results of mediation for work performance

The findings demonstrate a partly mediating influence of intrinsic motivation on the relationship between transformational leadership and work performance. In the total effect model, transformational leadership significantly predicts work performance (β = 0.15, p < 0.001), validating its direct influence. When intrinsic motivation is incorporated as a mediator in the direct effect model, the impact of transformational leadership on job performance diminishes from β = 0.15 to β = 0.09, but it continues to be statistically significant (p < 0.05). Intrinsic motivation has a considerable and significant beneficial effect on work performance at the same time (β = 0.22, p < 0.001). This shows that transformative leadership boosts employees' intrinsic drive, which therefore boosts their performance. The presence of a large direct effect alongside the mediator indicates that the relationship exemplifies partial mediation rather than complete mediation. So, transformational leadership has both direct and indirect effects on work performance through intrinsic motivation.

Table 5 Results of simple mediation model for working burnout

Direct Model Effect				
Predictor	**β**	**SE**	**t**	**p**
X (transformational leadership)	0.28	0.05	5.6	0
Constant	1.63	0.26	6.27	0

Direct Model Effect

Predictor	β	SE	t	p
X (transformational leadership)	0.09	0.03	2.95	0.04
M (intrinsic motivation)	0.22	0.05	4.4	0
Constant	3.12	0.18	17.33	0

Total Model Effect

Predictor	β	SE	t	p
X (transformational leadership)	0.15	0.04	3.75	0
Constant	3.41	0.17	20.06	0

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Results for mediation for working burnout

Table 5 shows the mediation results, which show how intrinsic drive affects the link between transformational leadership and work burnout. The total effect model demonstrates a substantial negative correlation between transformational leadership and burnout (β = 0.15, p < 0.001), suggesting that leaders who inspire and motivate diminish staff burnout levels. When intrinsic motivation is incorporated into the direct impact model, the coefficient of transformational leadership diminishes from β = 0.15 to β = 0.09, while still retaining significance (p = 0.04). At the same time, intrinsic motivation shows a substantial and significant negative link to burnout (β = 0.22, p < 0.001). This pattern shows that transformative leadership reduces burnout directly and indirectly by boosting employees' intrinsic drive. Since the direct effect is still strong, the mediation is only partial. This means that transformational leadership lowers burnout on its own, but its effect is stronger when it works through motivation. This shows how important intrinsic motivation is for keeping employees healthy.

Table 6 Results of simple mediation model for social loafing

Predictor				
	β	**SE**	**t**	**p**
X (transformational leadership)	0.25	0.07	3.57	0
Constant	1.62	0.31	5.23	0

Direct Model Effect

Predictor				
	β	**SE**	**t**	**p**
X (transformational leadership)	-0.28	0.04	-7	0
M (intrinsic motivation)	-0.04	0.04	-1	0.32
Constant	3.28	0.18	18.22	0

Total Model Effect

Predictor				
	β	**SE**	**t**	**p**
X (transformational leadership)	-0.28	0.04	-7.15	0
Constant	3.31	0.17	19.47	0

Results for mediation for social loafing

The mediation analysis for social loafing (Table 6) reveals interesting dynamics between transformational leadership and intrinsic motivation. The total effect model shows that transformational leadership significantly reduces social loafing (β = -0.28, p < 0.001), suggesting that leaders who articulate vision and inspire followers discourage disengaged or avoidant behaviours. In the direct effect model, transformational leadership remains a strong and significant negative predictor of social loafing (β = -0.28, p < 0.001). However, intrinsic motivation does not significantly predict social loafing (β = -0.04, p = 0.32). This indicates that while transformational leadership effectively minimizes social loafing, it does so independently of employees' intrinsic motivation. In other words, the absence of a mediating effect shows that leadership behaviours directly influence employees' sense of accountability and group contribution, without necessarily being channelled through motivational states. Thus, unlike burnout, where

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intrinsic motivation played a mediating role, in the case of social loafing the effect of transformational leadership is direct only, with no mediation.

Discussion

Previous research has thoroughly recognized the direct impact of transformative leadership on beneficial employee work outcomes; nevertheless, not all employees exhibit favourable responses to transformational leadership (Burke et al., 2007). This study made a big difference in the previous literature by adding things that are important for all workplaces that want to boost employee excitement and performance. This study specifically investigates the interplay between transformative leadership, employee performance, burnout, social loafing, and intrinsic motivation within an Asian context. This study contributes to the existing literature on transformational leadership by being among the first to examine its indirect impacts on employees' professional performance, burnout, and social loafing through intrinsic motivation. Providing empirical evidence for the relationship between transformational leadership (independent variable) and work performance, burnout, and social loafing (dependent variables), mediated by intrinsic motivation. Our empirical findings validate our suggested model, excluding the indirect effect of transformative leadership on social loafing through intrinsic drive. Transformational leadership consists of four elements: idealistic influence, inspiring motivation, intellectual stimulation, and personalized concern (Khattak et al., 2020). All of these things showed that they were quite reliable and worked well together. These factors actively shape the result of intrinsic motivation. This research illustrates a substantial and positive association between transformative leadership and employees' intrinsic motivation. Previous research supports the conclusion that transformational leadership increases employee motivation and cultivates positive psychological states, such as a sense of purpose in work, accountability for outcomes, and awareness of work results (Bass, 1990). It illustrates that transformational leadership has a direct influence on employees or followers by helping them feel better about themselves and their work, making their relationships better, and making the workplace fair, courteous, and helpful. All of these elements make employees more driven to execute their jobs on their own. Transformational leadership's positive effects create good mental states by boosting employees' intrinsic motivation (Zwingmann et al., 2014). People that are more intrinsically motivated accomplish their work better and faster. They are anticipated to evolve into empathetic persons that execute their tasks efficiently. The results of this study showed a strong favourable link between transformational leadership and work-related burnout through intrinsic motivation. When a transformational leader backs fair and honest things that have to do with employees, the employee feels more motivated and less weary. Employees that are genuinely motivated—meaning they enjoy and are engaged in their work—are more likely to work hard and feel less exhausted, less emotionally drained, and more willing to be a part of the organization. Finally, the effect of transformative leadership on social loafing via intrinsic motivation was examined. The results demonstrate that social loafing exhibits a robust negative correlation with transformational leadership, although their indirect relationship through intrinsic drive is not statistically significant. The reason for this could be the evident link between transformational leadership and social loafing. This is because "transactional leaders effectively inspire followers to identify with a mission while rallying them to work together to achieve organizational objectives." Social loafing among employees is also greatly affected by factors including workload, company culture, and how long someone has been with the company.

Practical Implication

Our research provides several practical applications for businesses. Transformational leaders that recognize the significance of intrinsic motivation for employees will undertake initiatives that cultivate the enhancement of individuals' intrinsic motivation inside the workplace.

The results of this study confirmed that transformational leadership, through the

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enhancement of intrinsic motivation, fosters a stress-free workplace that facilitates optimal employee performance. One way for managers to display these qualities is to strive to get their employees to be happy and excited about their work. Another way to get employees to care about the success of the company and be intrinsically motivated is to show them how essential their job is and share the company's goals and objectives with them. Also, it is very crucial for leaders of organizations to change by getting to know their employees well. This is because transformational leaders can inspire people to accomplish things that are surprising or exceptional. It allows workers decide how to perform particular things and lets them make choices after they have been told what to do. Leaders can inspire employees to find better ways to attain a goal, and transformational leaders can improve the group's health and motivation by making strong connections. The findings of this study underscored the imperative of establishing leadership coaching and training programs to foster transformative leadership. These may include "programs for communication, motivation, and brainstorming that give employees the tools they need to improve their speech and creativity, as well as to encourage new ideas."

Limitation

The main limitation of this study is the use of a cross-sectional survey. It may be hard to figure out which way the cause goes. Results may vary when data is gathered at different intervals. Subsequent research ought to implement a longitudinal study design to investigate the temporal fluctuations in the impact of transformative leadership on employee outcomes. Second, it only looked at data from the telecom sector in Lahore, Pakistan, which would make the study less valuable for other places. This research might have benefitted from being conducted across a broader array of sectors and circumstances. Another drawback of this research is the possibility of response bias, given that all data were obtained from a singular source, specifically employees. For example, a person may deliberately provide false information by citing incorrect responses to claims merely to attain social desirability. An employee within the firm may demonstrate considerable social loafing yet may inadequately express it. Future researchers may collect data from other sources; for example, performance metrics can be collected from supervisors. The existing literature, in conjunction with this study, indicates a pronounced tendency towards positive and substantial outcomes in the examination of the effects of transformational leadership. Future research should examine the impact of transformational leadership on negative employee outcomes, including turnover intention and cyber loafing. It is prudent to investigate the impact of supplementary mediators, such as emotional stability, on the correlation between transformative leadership and employees' varied outcomes. Furthermore, future study may investigate the impact of other moderators, such as performance appraisal politics and dependent rewards, on the existing research framework. It might be helpful. Future research can overcome the limitations of current studies by collecting data from various business sectors (e.g., education, banking, etc.) across diverse geographical regions.

Conclusion

This study advances the discipline of organizational behaviour by elucidating how a transformational leader enhances workers' positive job outcomes through the augmentation of their intrinsic motivation. Additionally, their heightened intrinsic drive will enhance their good work outcomes by improving employee performance while simultaneously mitigating burnout and job-related stress. We hope that our findings will encourage more research in this area to help us learn more.

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