

**UNIVERSITI TEKNOLOGI MARA**

**THE MEDIATING EFFECT  
OF PSYCHOLOGICAL  
EMPOWERMENT BETWEEN  
LEADERSHIP BEHAVIOUR AND  
INNOVATIVE WORK BEHAVIOUR  
IN SELANGOR STATE  
DEVELOPMENT CORPORATION**

**AZLINA BINTI JAAPAR**

**DBA**

**July 2021**

## AUTHOR'S DECLARATION

I declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


Name of Student : Azlina binti Jaapar

Student I.D. No. : 2016534449

Programme : Doctor of Business Administration - AA901

Faculty : Arshad Ayub Graduate Business School

Dissertation Title : The Mediating Effect of Psychological Empowerment  
between Leadership Behaviour and Innovative Work  
Behaviour in Selangor State Development

Signature of Student :  .....

Date : July 2021

## ABSTRACT

The emergence of the Industrial Revolution 4.0 and rapid technology development have forced organisations to focus on innovation in order to sustain their presence in the market. In particular, innovative work behaviour (IWB) is believed to be able to enhance the innovation culture within the organisations. Thus, researchers and practitioners are increasingly interested in investigating IWB, globally. However, empirical research on IWB in the Malaysian context is still limited, especially among the State Economic Development Corporation (SEDC) organisations. The main objective of the present study is to examine employees' IWB by considering leadership behaviour (transformational leadership and transactional leadership) and psychological empowerment as factors associated with IWB. Social cognitive theory (SCT) was applied as the underpinning theory of the present study as this theory demonstrates human behaviour in the context of personal factors, social environment, and overt behaviour. Thus, the theory supports the objectives of the present study. A quantitative method using online questionnaire survey was used to collect data from 280 employees at the Selangor State Development Corporation (PKNS). To test the hypotheses, the Partial Least Square – Structural Equation Modelling (PLS-SEM) statistical technique was employed to analyse the questionnaire survey data collected using the Smart-PLS 3.0. The findings showed that transformational leadership was positively related to both the IWB and psychological empowerment. The findings also showed that psychological empowerment partially mediated the relationship between transformational leadership and IWB. However, contradictory findings were found on both, the transactional leadership relationships towards the IWB and the mediating effect of psychological empowerment. The findings showed no relationships between the variables, which contributed to the theoretical knowledge by confirming one of the principles of SCT, which stated that leaders may not act as influencers until the followers accepted the behaviour. The findings also provided further evidence that leadership behaviour and the role of psychological empowerment are important in stimulating the employees' IWB within the organisation. The present study provided valuable practical information to PKNS to further improve the management practices of the organisation. Employees' IWB can be strengthened when the leaders have self-awareness and enhance their characteristics by applying transformational leadership behaviour. PKNS should also promote psychological states, especially the sense of psychological empowerment among the employees in fostering IWB within the organisation. Limitations and recommendations for future studies were also highlighted and suggested.

## ACKNOWLEDGEMENT

Firstly, I would like to thank Allah s.w.t for giving me the strength, determination, patience and opportunity to embark on this Doctor of Business Administration (DBA) and for completing this long and challenging journey, successfully.

My gratitude and thanks go to my main supervisor, Dr. Azzarina binti Zakaria, and my second supervisor, Prof. Dr. Nor'Azam bin Haji Mastuki, for the continuous support, guidance, and encouragement in completing this dissertation.

I would like to thank my beloved father and mother, Ja'apar bin Ismail and Hamidah binti Ahmad, my brother, my sister, my younger brother, and my aunties. Thank you for all the love, prayers, and continuous support.

I am very grateful to my beloved husband, Mohd Naim bin Mohammad Zain, as he has been extremely supportive and has always motivated me to go through all the hardships and challenges along this journey. To my children: Aqil Anaqi Rossifumi, Arfa Batrisyah Norifumi, and Aisyah Damia Norifumi, you have all been great throughout this journey. Thank you and I love you all.

I was very lucky to have the support from all the honourable lecturers, who had been so empathetic and reassured me to keep consistent throughout the process. A very special acknowledgment to the Deputy Dean, Prof. Dr. Rosmimah Mohd Roslin, Coordinator for DBA, Dr. Mohamad Nizam Jaafar, Dr. Nursaadatun Nisak Ahmad, and Madam Nur Huda Nabihan Md Shahri, as well as all the AAGBS Professors, lecturers, and administrative staffs for helping me throughout the entire process.

I would also like to express my gratitude to PKNS for giving me the opportunity and sponsorship for this study as well as provided me the facilities needed to complete this dissertation. To the HR Department, all of the Heads of Departments, and each and every single person in PKNS for their kindly contribution in completing this study.

Lastly, thank you to all my friends, who have given me unwavering support and prayers.

This was a very challenging journey for me as a part time student, employee, wife, mother, daughter, as well as sister.

I am profoundly grateful. May Allah Bless all of you.

# TABLE OF CONTENTS

	<b>Page</b>
<b>CONFIRMATION BY PANEL OF EXAMINERS</b>	<b>ii</b>
<b>AUTHOR'S DECLARATION</b>	<b>iii</b>
<b>ABSTRACT</b>	<b>iv</b>
<b>ACKNOWLEDGEMENT</b>	<b>v</b>
<b>TABLE OF CONTENTS</b>	<b>vi</b>
<b>LIST OF TABLES</b>	<b>xi</b>
<b>LIST OF FIGURES</b>	<b>xii</b>
<b>LIST OF ABBREVIATIONS</b>	<b>xiii</b>
<b>CHAPTER ONE INTRODUCTION</b>	<b>1</b>
1.1 Preamble	1
1.2 Introduction	1
1.3 Background of Study	3
1.4 Selangor State Development Corporation (PKNS) as the Organisation Setting	5
1.5 Problem Statement	7
1.6 Research Objectives	9
1.7 Research Questions	10
1.8 Significance of the Study	10
1.8.1 Theoretical Contributions	10
1.8.2 Practical Contributions	11
1.9 Scope of the Study	11
1.10 Definition of Terms	12
1.10.1 Innovative Work Behaviour	12
1.10.2 Leadership Behaviour	12
1.10.3 Transformational Leadership	12
1.10.4 Transactional Leadership	12
1.10.5 Psychological Empowerment	13
1.11 Structure of the Dissertation	13
1.12 Summary	14