

**CAPITAL UNIVERSITY OF SCIENCE AND
TECHNOLOGY, ISLAMABAD**



**Impact of Transformational Leadership on
Employee Performance: The Mediating Role of
Challenge Stressors and Moderating Role of
Personality Type A and B**

by

Subha Fatima Kiani

A thesis submitted in partial fulfillment for the
degree of Master of Science

in the

**Faculty of Management & Social Sciences
Department of Management Sciences**

2025

Copyright © 2025 by Subha Fatima Kiani

All rights reserved. No part of this thesis may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, by any information storage and retrieval system without the prior written permission of the author.

*I want to dedicate this achievement to my parents, teachers and friends who
always encourage and support me in every crucial time*



CERTIFICATE OF APPROVAL

**Impact of Green HRM on Green Performance: Mediating Role of
Green Human Capital and Moderating Role of Agile Leadership**

by

Subha Fatima Kiani

(MMS211999)

THESIS EXAMINING COMMITTEE

S. No.	Examiner	Name	Organization
(a)	External Examiner	Dr. Khurram Shahzad	Riphah Int. Islamabad
(b)	Internal Examiner	Dr. Muhammad Ishfaq Khan	CUST, Islamabad
(c)	Supervisor	Dr. S. M. M. Raza Naqvi	CUST, Islamabad

Dr. S. M. M. Raza Naqvi

Thesis Supervisor

January, 2025

Dr. S. M. M. Raza Naqvi
Head
Dept. of Management Sciences
January, 2025

Dr. Arshad Hassan
Dean
Faculty of Management & Social Sci.
January, 2025

Author's Declaration

I, **Subha Fatima Kiani** hereby state that my MS thesis titled “**Impact of Transformational Leadership on Employee Performance: The Mediating Role of Challenge Stressors and Moderating Role of Personality Type A and B**” is my own work and has not been submitted previously by me for taking any degree from Capital University of Science and Technology, Islamabad or anywhere else in the country/abroad.

At any time if my statement is found to be incorrect even after my graduation, the University has the right to withdraw my MS Degree.



(Subha Fatima Kiani)

Registration No: MMS211999

Plagiarism Undertaking

I solemnly declare that research work presented in this thesis titled “**Impact of Transformational Leadership on Employee Performance: The Mediating Role of Challenge Stressors and Moderating Role of Personality Type A and B**” is solely my research work with no significant contribution from any other person. Small contribution/help wherever taken has been duly acknowledged and that complete thesis has been written by me.

I understand the zero tolerance policy of the HEC and Capital University of Science and Technology towards plagiarism. Therefore, I as an author of the above titled thesis declare that no portion of my thesis has been plagiarized and any material used as reference is properly referred/cited.

I undertake that if I am found guilty of any formal plagiarism in the above titled thesis even after award of MS Degree, the University reserves the right to withdraw/revoke my MS degree and that HEC and the University have the right to publish my name on the HEC/University website on which names of students are placed who submitted plagiarized work.



(Subha Fatima Kiani)

Registration No: MMS211999

Acknowledgement

In the Name of Allah, The Most Gracious, The Most Merciful. Praise be to God, the Cherisher and Sustainer of the worlds. All thanks to Almighty Allah, The Lord of all that exist, who bestowed me with His greatest blessing i.e. knowledge and Wisdom to accomplish my task successfully. Thousands of salutations and benedictions to the Holy prophet **Hazrat Muham- mad (PBUH)** the chosen- through by whom grace the sacred Quran was de- scended from the Highest. I am very thankful to **Dr. S. M. M. Raza Naqvi**, a great teacher, mentor and supervisor who made a difference in all aspect of my life. I am indebted to **Dr. S. M. M. Raza Naqvi** for his valuable guidance, encouragement and dedicated support that enabled me to complete my MS Degree Program.

I want to express my heartiest regards to my parents who always supported me morally, spiritually & prayed for my success.



(Subha Fatima Kiani)

Abstract

This quantitative study delves into the intricate interplay between transformational leadership, challenge stressors, personality types, and employee performance within the context of a dynamic organizational landscape. Drawing on a diverse sample of 212 participants, the study employs robust quantitative analyses to unravel the multifaceted relationships shaping the modern workplace. Through a meticulous examination of the data, the study unveils a series of interconnected findings. First, a positive correlation emerges between transformational leadership and employee performance, affirming the pivotal role of visionary and empowering leaders in driving organizational success. Second, challenge stressors, often viewed through a negative lens, exhibit a significant positive correlation with employee performance. The unexpected positive association suggests a reevaluation of stressors as catalysts for growth and innovation, prompting a fresh perspective on their role within organizational dynamics. Mediation analysis adds depth to the exploration, revealing the pivotal mediating role of challenge stressors in the relationship between transformational leadership and employee performance. Furthermore, the study unveils the moderating influence of personality types, specifically personality type A, on the link between challenge stressors and employee performance. Personality type A individuals' exhibit heightened responsiveness to challenge stressors, emphasizing the role of individual differences in shaping the stress-performance nexus. These findings not only enhance our understanding of the intricate tapestry of variables influencing employee performance but also bear profound practical implications. Organizations are encouraged to cultivate transformational leadership, reframe stressors as growth opportunities, and tailor interventions to individual personality traits. The study extends an invitation to embrace a dynamic and holistic approach to leadership, stress management, and employee development, ushering in a new era of organizational excellence and employee well-being. As the workforce landscape continues to evolve, this study serves as a compass guiding leaders toward a future where transformational leadership intertwines seamlessly with employee growth, resilience, and thriving.

Keywords: Transformational Leadership, Employee Performance, Challenge Stressors, Personality Types

Contents

Author’s Declaration	iv
Plagiarism Undertaking	v
Acknowledgement	vi
Abstract	vii
List of Figures	xi
List of Tables	xii
Abbreviations	xiii
1 Introduction	1
1.1 Background	2
1.2 Research Gap	5
1.3 Problem Statement	7
1.4 Research Question	8
1.5 Research Objectives	8
1.6 Theory	8
1.7 Significance of the Study	10
1.8 Structure of the Study	11
2 Literature Review	14
2.1 Transformational Leadership and Employees Performance	14
2.2 Job Demands-Resources (JD-R) Model and Employee Performance	16
2.3 The Role of Challenge Stressors	17
2.4 Challenge Stressors as a Mediating Factor	18
2.5 Impact of Challenge Stressors on Employee Performance	19
2.6 Moderating Role of Personality Types	19
2.7 Leaders’ Influence on Challenge Stressors	20
2.8 Moderating Role of Personality Types, A and B	21
2.9 Impact of Personality on Employee Performance	21
2.10 The Role of Transformational Leadership	22
2.11 Conceptual Framework	23

2.12	Research Model Explanation	23
2.13	Link to the JD-R Model	24
3	Research Methodology	26
3.1	Research Design	27
3.1.1	Reasons for Choosing Quantitative Study	27
3.1.2	Advantages of Quantitative Study	28
3.1.3	Disadvantages of Quantitative Study	28
3.2	Unit of Analysis	29
3.3	Total Population	29
3.4	Sample	29
3.4.1	Advantages of Convenience Sampling	30
3.4.2	Reasons for using Convenience Sampling	30
3.4.3	Disadvantages of Convenience Sampling	31
3.5	Data Collection	31
3.6	Scales	32
3.6.1	Employee Performance	32
3.6.2	Transformational Leadership	32
3.6.3	Challenge Stressors	32
3.6.4	Personality Type	33
3.7	Reasons for Choosing Self-administered Questionnaires	33
3.7.1	Advantages of Self-administered Questionnaires	34
3.7.2	Disadvantages of Self-administered Questionnaires	34
3.8	Data Analysis	35
3.9	Ethical Considerations	36
3.10	Control Variables	37
3.10.1	Frequency	38
4	Result and Analysis	40
4.1	Descriptive Analysis	40
4.2	Correlation Analysis	42
4.3	Hypothesis Testing	43
4.3.1	Mediation Analysis	43
4.3.2	Moderation Analysis	44
4.3.3	Interactive Effect	45
4.4	Hypotheses Results	46
5	Discussion and Conclusions	47
5.1	Discussion	48
5.1.1	Transformational Leadership and Employee Performance	48
5.1.2	Expanding on Mechanisms	51
5.1.3	Mediating Role of Challenge Stressors	54
5.1.4	Moderating Role of Personality Types	54
5.2	Theoretical Implications	57
5.3	Practical Implications	59

5.4	Limitations and Future Directions	60
5.5	Conclusion	62
	Bibliography	64
	Appendix A	70

List of Figures

2.1	Conceptual Framework	23
4.1	Interactive Graph	45

List of Tables

3.1	Reliability Analysis	33
3.2	Control Variables	37
4.1	Frequency and Percentage	41
4.2	Mean and Standard Deviation	41
4.3	Correlation Analysis	42
4.4	Mediation Analysis	43
4.5	Mediation Analysis	43
4.6	Moderation Analysis	44
4.7	Hypotheses Statements	46

Abbreviations

EP	Employee Performance
IT	Information Technology
NISTE	National Institute of Science and Technical Education
PC	Professional Commitment
PIEAS	Pakistan Institute of Engineering and Applied Sciences
SE	Standard Error
SIP	Social Information Processing
SPSS	Statistical Package of Social Sciences
TL	Transformational Leadership

Chapter 1

Introduction

Chapter 1 serves as the foundational cornerstone of this thesis, setting the stage for an in-depth exploration of the intricate dynamics governing employee performance within the organizational context. This chapter introduces the overarching objectives and research questions that frame the study's trajectory, providing a clear roadmap for the subsequent chapters.

It elucidates the pivotal role of employees within diverse organizational domains and underscores the significance of effective leadership in shaping their behavior and performance.

By synthesizing existing literature, the chapter unveils the extensive array of leadership styles that impact employee performance, culminating in the spotlight on transformational leadership.

The mediating role of challenge stressors and the moderating influence of personality types A and B are introduced as key components that interplay with transformational leadership to influence employee performance outcomes.

Drawing insights from the Social Information Processing (SIP) theory, this chapter establishes a theoretical scaffold to navigate the complex terrain of leadership, stressors, and personality in relation to employee performance.

Thus, Chapter 1 foreshadows the comprehensive exploration that follows, laying the groundwork for a rigorous investigation into the nuanced mechanisms that govern these interactions within organizational settings.

1.1 Background

Employees play a crucial role in various aspects of a company, including production, research and development, sales, nursing, IT, consulting, and more. Their ideas and suggestions can provide valuable insights into the needs and challenges of the enterprise, helping to effectively address various issues. Leaders, as the decision-makers and managers of business operations, can have a significant impact on the work style and behavior of employees. One of the biggest challenges in management is how to inspire and motivate employees (Cai, Lysova, Khapova, & Bossink, 2023). The literature has studied the relationship between employee performance and leadership style and found that leadership styles such as transformational leadership, authentic leadership, empowering leadership, servant leadership, and family-supportive supervisor behaviors can significantly affect employees' performance (Sihag & Sarikwal, 2020; Wu et al., 2021). These leadership styles primarily affect employee performance by expressing empathy, improving employees' psychological security, and fostering open behavior (Kearney et al., 2020).

Transformational leadership is a leadership style that focuses on inspiring and motivating employees to achieve their full potential (Hoch, Bommer, Dulebohn, & Wu, 2018). Research shows that transformational leaders are effective in reducing employee stress and promoting a positive work culture (Tavares, van Knippenberg, & van Dick, 2022). However, the relationship between transformational leadership, employee stress, and personality traits is complex and may be moderated by individual differences (Hildenbrand, Sacramento, & Binnewies, 2018). For example, individuals with different personality traits may respond differently to transformational leadership. Specifically, transformational leadership may be more effective in reducing stress for individuals with high conscientiousness, while individuals with high neuroticism may be less sensitive to the stress-reducing effects of transformational leadership (Oshio et al., 2018; Harms & Credé, 2020). Overall, the results suggest that transformational leadership has the potential to reduce employee stress and enhance performance, but its effectiveness may depend on the individual characteristics of employees, such as their personality traits (H. Zhang & Chen, 2021). Leaders should be aware of the potential moderating effects of personality traits when implementing transformational leadership strategies (Judge &

Zapata, 2019). Additionally, external support, such as the working environment and emotional factors, can also play a role in improving employee performance (Collins, 2021).

Leadership is a crucial aspect of organizational behavior and can significantly impact employees' well-being and performance. One leadership style that has received considerable attention in recent years is transformational leadership. Transformational leaders inspire and motivate followers not only to meet but exceed their own expectations and achieve their full potential (Chua & Ayoko, 2021). This type of leadership is characterized by behaviors such as providing individualized consideration, intellectual stimulation, and inspirational motivation (Hoch et al., 2018).

The positive effects of transformational leadership have been well-documented in the literature. Studies have consistently shown that transformational leadership is positively associated with various outcomes for employees, including job satisfaction (Liu, Zheng, & Liu, 2020), organizational commitment (Ghasabeh, Soosay, & Reaiche, 2015), and psychological well-being (Inceoglu, Thomas, Chu, Plans, & Gerbasi, 2018). However, despite the abundance of research on the topic, much remains to be understood about the specific mechanisms through which transformational leadership leads to these positive outcomes (Zhu, Sosik, Riggio, & Yang, 2019).

One significant avenue for understanding the intricate mechanisms at play involves delving into the transformative impact of leadership on the dichotomous spectrum of challenge-hindrane stressors. This realm introduces an intriguing interplay where stressors can serve as either motivational propellants or demotivating obstacles, depending on how they are perceived by the individual (Webster, Beehr, & Christiansen, 2021).

Challenge stressors, characterized as opportunities that invite growth and skill refinement, stand juxtaposed to hindrance stressors, which manifest as impediments to goal attainment (Judge & Zapata, 2019). Within this context, the influence of transformational leadership emerges as a catalyst for transformation. A growing body of research elucidates how transformational leaders facilitate a cognitive shift, steering employees to reevaluate hindrance stressors through the lens of

opportunity, effectively transmuting them into challenge stressors (Horan et al., 2020).

This metamorphosis holds the power to instill a surge of motivation and heightened engagement in the workforce, as employees mobilize their innate capacities to surmount challenges and cultivate personal and professional growth (Cai et al., 2023). This effect showcases the profound role of transformational leaders in reshaping employees' cognitive perspectives, fostering an environment where challenges are embraced as avenues for advancement (Nguyen et al., 2021).

This transformational leadership-induced metamorphosis not only underscores the malleability of stressor perceptions but also highlights the leadership's potential to recalibrate the emotional and motivational dynamics within the workplace. As employees navigate their roles, transformational leaders amplify their capacity to perceive stressors not as burdens but as stepping stones toward development, propelling them toward greater engagement and optimal performance (Ghasabeh et al., 2015).

As we delve deeper into the complexities of these mechanisms, another aspect comes into focus the significant impact of transformational leadership on different personality traits. This concept is rooted in modern personality theories, particularly the Big Five personality traits, which categorize individuals based on dimensions such as conscientiousness, openness, extraversion, agreeableness, and neuroticism (Judge & Zapata, 2019). The Big Five model provides a nuanced understanding of how different personalities influence the way individuals handle challenges and stressors.

Past studies have explored how these personality traits react to stressors. For instance, individuals high in neuroticism might find hindrance stressors more troubling due to their heightened sensitivity to stress (De Hoogh & Den Hartog, 2008). In contrast, individuals high in conscientiousness, due to their tendency toward goal-oriented behaviors, may view challenge stressors as opportunities for personal growth (Soto, 2021). This brings us to the intriguing connection between transformational leadership and personality traits, suggesting that the way transformational leadership affects employees could vary depending on their individual personality profiles (Judge & Zapata, 2019). In simpler terms, the positive impact

of transformational leadership on employee well-being might differ based on how employees score across different personality traits (Ghasabeh et al., 2015).

As we continue through the chapters, the intricate relationship between transformational leadership and personality traits promises to uncover a wealth of insights into how leadership works. This aspect invites us to understand not only how transformational leadership influences employee well-being but also how it interacts with individual personality dimensions. It is akin to a dance where the guidance of leaders meets the unique traits of personalities, revealing new perspectives on improving employee engagement and performance. This journey goes beyond leadership theories, aiming to understand how transformational leadership harmonizes with the symphony of different personalities, all with the common goal of making employees happier and more productive (Horan et al., 2020).

1.2 Research Gap

Although the relationship between transformational leadership and employee performance has been widely studied, several important gaps persist in the current literature. Transformational leadership has been shown to improve organizational outcomes such as job satisfaction, employee engagement, and well-being (Inceoglu et al., 2018). However, the majority of these studies focus on the direct effects of transformational leadership on employee outcomes, with limited attention to the mediating and moderating mechanisms that may further explain this relationship (Zhu et al., 2019). Specifically, more empirical research is needed to examine the mediating role of challenge stressors—work demands that, although stressful, can promote growth and development—in the relationship between transformational leadership and employee performance (Cai et al., 2023). While the role of hindrance stressors is better understood, the impact of challenge stressors in this context remains underexplored (Webster et al., 2021).

Recent research has highlighted the need for more studies investigating how transformational leadership interacts with challenge stressors to shape employee performance outcomes. Although transformational leadership has been associated with reducing employee stress and promoting well-being, the specific mechanisms

through which it influences employees' perceptions of challenge stressors remain unclear. Only a limited number of studies have explored how transformational leaders help employees reinterpret stressors as opportunities for development, rather than as obstacles (J. Zhang & Li, 2022). This gap in the literature suggests that further research is necessary to understand how transformational leadership can leverage challenge stressors to enhance performance.

Another critical gap lies in the moderating role of personality traits in the relationship between transformational leadership, challenge stressors, and employee performance. Much of the earlier research has relied on the outdated Type A and Type B personality framework, which oversimplifies the diversity of employee responses to leadership and stress (Friedman & Rosenman, 1959). Recent studies have moved toward the more comprehensive Big Five personality traits model—openness, conscientiousness, extraversion, agreeableness, and neuroticism—which offers deeper insights into how personality influences employees' reactions to leadership and stressors (Harms & Credé, 2020; Soto, 2021). Despite the increasing recognition of the Big Five traits, there remains a paucity of research examining how these personality traits moderate the impact of transformational leadership on employee performance, particularly through the lens of challenge stressors (Judge & Zapata, 2019).

Personality traits like conscientiousness and neuroticism have been shown to significantly influence how employees cope with stress and respond to leadership styles (Soto, 2021). For instance, highly conscientious individuals may thrive in environments with high challenge stressors when supported by transformational leaders, while highly neurotic individuals may struggle with similar demands despite positive leadership behaviors (Harms & Credé, 2020).

The interaction between these personality traits, transformational leadership, and stressor perceptions is still underexplored, creating a significant gap in understanding how leadership can be tailored to different employee personalities. Furthermore, although the Social Information Processing (SIP) theory has been used to explain how employees interpret leadership behaviors, its application in explaining how personality traits and stressors influence this process is limited (Salancik & Pfeffer, 1978). The theory suggests that employees process and respond to social

cues from their leaders, but the moderating effect of individual personality traits and their interpretations of challenge stressors within this framework has not been thoroughly examined. Exploring how personality moderates the SIP process in the context of transformational leadership and challenge stressors could offer new insights into how leadership influences performance.

1.3 Problem Statement

Employee performance is a critical driver of organizational success, yet understanding the factors that enhance or impede performance remains a complex challenge for leaders and managers. Among various leadership styles, transformational leadership has been shown to positively influence employee outcomes such as motivation, job satisfaction, and organizational commitment (Inceoglu et al., 2018). However, despite the growing body of research on transformational leadership, the specific mechanisms through which this leadership style affects employee performance, especially in the presence of workplace stressors, are not fully understood (Zhu et al., 2019).

A significant gap exists in understanding how challenge stressors, such as increased workload or responsibilities that foster growth and development, mediate the relationship between transformational leadership and employee performance (Cai et al., 2023). While challenge stressors can potentially enhance performance by motivating employees, their effectiveness in this regard may depend on the leadership approach and how stress is perceived by the employees (Webster et al., 2021).

Furthermore, existing research has largely overlooked the role of personality traits particularly the Big Five personality traits—in moderating this relationship (Judge & Zapata, 2019; Harms & Credé, 2020). Different personality types, such as individuals high in conscientiousness or neuroticism, may respond differently to both leadership styles and workplace stressors, influencing their overall performance (Soto, 2021). Without a comprehensive understanding of how transformational leadership interacts with challenge stressors and is moderated by personality traits, organizations may struggle to effectively implement leadership strategies that optimize employee performance (Hildenbrand et al., 2018). Thus, there is a need

for empirical research to explore the mediating role of challenge stressors and the moderating role of personality traits in the relationship between transformational leadership and employee performance.

Addressing this gap will provide actionable insights for leaders to tailor their leadership strategies to individual employee characteristics, ultimately enhancing performance outcomes (J. Zhang & Li, 2022).

1.4 Research Question

- How does transformational leadership influence employee performance in organizations?
- What is the mediating role of challenge stressors in the relationship between transformational leadership and employee performance?
- How do personality traits (particularly Personality Type A moderates the relationship between transformational leadership and employee performance?

1.5 Research Objectives

1. To examine the relationship between transformational leadership and employee performance.
2. To investigate the mediating role of challenge stressors on the relationship between transformational leadership and employee performance.
3. To determine the moderating effect of personality, type A and B on the relationship between challenge stressors and employee performance.

1.6 Theory

The Job Demands-Resources (JD-R) Model provides a valuable framework for understanding how employees perceive and respond to their work environment, particularly in the context of transformational leadership, challenge stressors, and

personality traits. This model emphasizes the interaction between job demands and job resources, highlighting how these factors influence employee behaviors and performance. In the context of transformational leadership, employees exposed to this leadership style experience a unique set of job resources characterized by inspiration, motivation, and a shared vision. Transformational leaders act as catalysts, encouraging employees to engage deeply with their work beyond mere compliance. This leadership style fosters a sense of purpose and commitment among employees, effectively enhancing their motivation. The work environment created by transformational leaders not only provides the necessary resources to support employee performance but also cultivates a culture of growth and engagement.

Challenge stressors, which are job demands perceived as opportunities for personal and professional growth, play a crucial role in this dynamic. The JD-R model posits that when employees perceive their work environment as supportive and growth-oriented, they are more likely to interpret challenge stressors—such as increased workloads or demanding tasks—as beneficial challenges that can enhance their skills and capabilities. In this context, employees view challenge stressors not as burdens, but rather as essential components of their development within the organization.

Moreover, the JD-R model emphasizes the cognitive processes employees engage in when navigating their work environment. Employees working under transformational leadership may perceive their roles as aligned with their personal and professional growth objectives. This positive interpretation arises from their cognitive processing of the available resources and stimuli in their environment, leading to heightened motivation and improved performance outcomes.

When challenge stressors are viewed through this lens, employees are encouraged to adopt proactive strategies, ultimately contributing to enhanced job performance. Personality types A and B further enrich this model by introducing individual differences that influence how employees process job demands and resources. Type A individuals, characterized by competitiveness and ambition, may experience challenge stressors more intensely, potentially leading to increased pressure and stress. Conversely, Type B individuals, known for their relaxed and easy-going nature, may perceive these stressors more positively, viewing them as manageable

challenges rather than threats. This variation in perception highlights the importance of considering personality traits when examining employee responses to job demands.

The moderating role of personality types within the JD-R framework emphasizes that these differences result in distinct cognitive processes and perceptual filters that shape how employees perceive their work environment. Specifically, Type A individuals might be more inclined to react strongly to challenge stressors, while Type B individuals may approach these stressors with a sense of calm and control. Thus, understanding these personality traits can provide valuable insights into how employees interpret the relationship between challenge stressors and their performance.

Incorporating the JD-R model into the research framework emphasizes the interplay between job demands and resources, illustrating the cognitive processes that employees engage in when facing challenge stressors. The model underscores that employees actively assess their work environment and interpret their experiences through the lens of available resources, thereby impacting their performance. By focusing on the role of personality types A and B as moderating factors, this framework reveals how individual differences shape the interpretation process, ultimately affecting employee resilience and performance outcomes. By adopting the JD-R model, the research model establishes a robust theoretical foundation for exploring the dynamics between challenge stressors and employee performance. It illuminates how employees interpret social information in the workplace and how these interpretations influence individual behaviors and outcomes. This framework not only enhances our understanding of the relationship between transformational leadership and employee performance but also provides practical implications for leadership strategies that can foster a supportive work environment, enabling employees to thrive in the face of challenges.

1.7 Significance of the Study

The significance of this study lies in its ability to provide insight into the factors that influence employee performance in organizations. Transformational leader-

ship has been shown to be positively related to employee performance, but the underlying mechanisms that explain this relationship are not well understood.

By examining the mediating role of challenge stressors and the moderating role of personality type A and B in this relationship, this study can contribute to a better understanding of how leaders can effectively motivate and inspire their employees to improve their performance.

Additionally, this study can have practical implications for organizations. By identifying the factors that influence employee performance, organizations can develop more effective leadership strategies and create better working conditions for their employees, which can ultimately lead to improved organizational performance.

Moreover, this study can also contribute to the field of management and organizational behavior by providing new insights into the relationship between transformational leadership and employee performance, as well as the role of individual difference factors such as personality type A and B on this relationship.

This study has the potential to provide new insights into the factors that influence employee performance in organizations and to help organizations develop more effective leadership strategies. This study can also contribute to the field of management and organizational behavior by expanding current knowledge of the relationship between transformational leadership and employee performance.

1.8 Structure of the Study

The structure of this thesis is thoughtfully designed to provide a comprehensive exploration of the multifaceted relationships between transformational leadership, challenge stressors, personality types, and employee performance. The thesis comprises distinct chapters, each meticulously crafted to address different facets of the research objectives.

Chapter 1 serves as the gateway, introducing the fundamental concepts and research questions. It underscores the critical role of employees in diverse organizational contexts and highlights the significance of effective leadership in influencing their behavior and performance. The chapter delves into the diverse spectrum of

leadership styles and their impact on employee performance, culminating in the spotlight on transformational leadership. This chapter also introduces the mediating role of challenge stressors and the moderating role of personality types A and B, which provide the framework for the subsequent chapters.

Chapter 2 delves into an extensive review of existing literature, presenting a synthesis of past research and theoretical frameworks that underpin the concepts explored in the study. This chapter delves into transformational leadership theories, elucidating their components and their impact on various outcomes, including employee performance. It also delves into the literature on challenge stressors, exploring how they influence employee motivation and engagement. The chapter further unpacks the theory of Type A and Type B personalities, showcasing their relevance to the study's objectives. By meticulously reviewing the existing literature, Chapter 2 lays a solid foundation for the subsequent empirical investigation.

Chapter 3 encompasses the methodology employed to answer the research questions. It outlines the research design, data collection methods, variables, and measurement tools utilized to investigate the relationships between transformational leadership, challenge stressors, personality types, and employee performance. This chapter provides a clear roadmap for how the study was conducted and how the data was analyzed to draw meaningful insights.

Chapter 4 unveils the empirical findings, presenting the results of the statistical analyses that explore the relationships between the variables of interest. This chapter offers a detailed account of the quantitative data collected and evaluates the extent to which the hypotheses are supported by the data. The findings shed light on the influence of transformational leadership on employee performance and how challenge stressors and personality types mediate and moderate this relationship.

Chapter 5 develops into the discussion and interpretation of the findings. It also concludes the thesis by summarizing the key findings, discussing their implications, and reflecting on the study's contributions to the field of organizational psychology and management. It contextualizes the empirical results within the existing literature, identifying patterns and anomalies that emerge from the data. This chapter explores the theoretical implications of the findings and offers insights into the

practical implications for organizations seeking to enhance employee performance through transformational leadership practices. The chapter also highlights potential areas for future research and suggests how organizations can leverage the insights gained from the study to inform their leadership strategies and improve employee performance.

Chapter 2

Literature Review

Chapter 2 delves into a comprehensive review of existing literature, laying the groundwork for a deeper understanding of the theoretical underpinnings that shape the interplay between transformational leadership, challenge stressors, personality types, and employee performance. By synthesizing a wealth of prior research and theoretical frameworks, this chapter aims to shed light on the intricate mechanisms that drive these relationships. Through a systematic exploration of transformational leadership theories, challenge stressors' implications, and the theory of Type A and Type B personalities, this chapter seeks to unveil the conceptual foundations that guide the subsequent empirical investigation. By delving into the nuances of each concept and their interconnections, Chapter 2 serves as a critical bridge, connecting theoretical frameworks to real-world organizational dynamics.

2.1 Transformational Leadership and Employees Performance

Transformational leadership is a well-established construct in organizational behavior that has consistently been shown to positively relate to high employee performance. This leadership style promotes positive psychological states, enhances job satisfaction, and significantly influences employees' perceptions of stress in work situations. Transformational leaders inspire and motivate their followers,

fostering a supportive work environment that can enhance individual and team performance (Bass, 1985).

Research indicates that transformational leadership not only enhances employee performance but also improves their well-being and mental health. For instance, Naeem et al. (2021) found that transformational leadership positively affects employee well-being, which, in turn, facilitates higher performance levels. Afsar, Badir, and Kiani (2019) further demonstrated that this leadership style enhances employee creativity and innovation, suggesting that transformational leaders create an atmosphere conducive to personal and professional growth. A comprehensive meta-analysis conducted by Liu et al. (2020) revealed a robust positive correlation between transformational leadership and employee well-being, along with job satisfaction. Their synthesis of various studies indicates that leaders exhibiting transformational traits cultivate environments that foster enhanced employee engagement and satisfaction. In a similar vein, Rehman and et al. (2021) reaffirmed the constructive impact of transformational leadership, linking it to both well-being and organizational commitment, thereby highlighting its multifaceted influence. Employee performance itself represents a multidimensional construct that encompasses more than mere task completion; it includes a rich tapestry of positive psychological states and work-related achievements (Badran & Al-Omari, 2021). The JD-R model emphasizes the inclusion of both tangible productivity and the holistic well-being of employees in the organizational context, framing employee performance as a dynamic interplay of job demands and resources. In the intricate landscape of leadership dynamics, transformational leadership emerges as a significant force capable of shaping and elevating employee performance.

Rooted in its core philosophy of igniting inspiration and motivation within followers, transformational leadership acts as a catalyst for unlocking the latent potential residing within each employee (Avolio & Gardner, 2005). This leadership paradigm emphasizes fostering individual growth, creativity, and innovation, becoming a dynamic conduit for encouraging employees to transcend their perceived limitations and attain their fullest capabilities.

The linkage between transformational leadership and heightened employee performance is underpinned by the transformative effects of this leadership style on

both positive psychological states and work-related outcomes. Transformational leaders engage in behaviors such as charisma, intellectual stimulation, individualized consideration, and inspirational motivation, creating a positive psychological climate that nurtures employees' well-being, engagement, and enthusiasm (Lee, Zhang, & Chen, 2022). This virtuous cycle propels individuals toward exceeding expectations, fueled by a sense of purpose, fulfillment, and the belief that their contributions hold intrinsic value within the larger organizational fabric.

Transformational leadership can also be understood through the lens of work situation characteristics. Transformational leaders articulate higher levels of ideals, beliefs, and values, thereby enhancing subordinates' consciousness and fulfilling their higher-level internal needs (Burns, 2004). This style encourages subordinates to sacrifice personal interests for the greater good of the organization, imbuing their work with greater meaning and inspiring high-level needs while creating an atmosphere of mutual trust (Bass, 1985). As employees strive to meet leaders' expectations, they are more likely to improve their abilities, engage in organizational citizenship behaviors, and stimulate creative thinking (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Salanova & et al., 2021). From the perspective of employee behavior and psychology, transformational leadership is closely related to improved worker output and performance through its impact on employees' perception of stress in work situations (Cavanaugh, Boswell, Roehling, & Boudreau, 2000). The stress caused by challenge stressors can be positively correlated with individual performance and growth (LePine, Podsakoff, & LePine, 2005; Wang, Zhang, & Liu, 2023). Employees often believe that overcoming challenge stressors (Keyes, 2002) will yield benefits and rewards in terms of job performance, promotions, and future growth, prompting them to adopt active strategies (Webster et al., 2021).

2.2 Job Demands-Resources (JD-R) Model and Employee Performance

The Job Demands-Resources (JD-R) Model provides a robust theoretical framework for understanding the dynamics between transformational leadership and

employee performance. According to the JD-R model, job demands (such as challenge stressors) can lead to employee strain and burnout, while job resources (like transformational leadership) can enhance motivation and engagement. This model emphasizes the importance of balancing demands with resources to optimize employee performance.

Transformational leaders play a crucial role in providing job resources that help employees manage their demands effectively. By offering support, guidance, and mentorship, transformational leaders equip employees with the necessary tools to navigate challenge stressors, fostering a sense of agency and control (Kahai, Sosik, & Avolio, 2004). This balance between demands and resources is essential for maintaining employee well-being and high performance levels.

The JD-R model also highlights the significance of employees' perceptions of their work environment. Research indicates that employees who perceive their work environment as supportive and resource-rich are more likely to interpret challenge stressors positively, viewing them as opportunities for growth rather than threats (Bakker & Demerouti, 2007; Swider & Zimmerman, 2010). This positive framing encourages employees to adopt proactive coping strategies, ultimately enhancing their performance outcomes.

Moreover, the JD-R model facilitates a nuanced understanding of how transformational leadership influences employee performance through the mediation of challenge stressors. As transformational leaders create an empowering and supportive work environment, employees are more likely to perceive challenge stressors as manageable, leading to enhanced motivation and performance (Huang, Xu, Chiu, Lam, & Farh, 2015).

2.3 The Role of Challenge Stressors

Challenge stressors are characterized as job demands that, when perceived positively, can foster personal and professional growth. They can include factors such as high workload, tight deadlines, and challenging projects. Research has consistently shown that challenge stressors are positively associated with employee

performance when viewed as opportunities for learning and growth (LePine et al., 2005; Wang et al., 2023).

The influence of transformational leadership on employee performance is particularly evident when considering the mediating role of challenge stressors. When transformational leaders encourage their followers to embrace challenges, employees are more likely to experience enhanced engagement and motivation. A study by Huang et al. (2015) highlights that transformational leadership is positively associated with challenge stressors, thereby suggesting that leaders who inspire and motivate their employees can enhance their perceptions of challenges in the workplace.

However, while challenge stressors can have positive effects on performance, excessive challenge stressors can lead to increased stress and burnout. The key lies in the balance between job demands and resources, as outlined in the JD-R model. Transformational leaders play a crucial role in this balance by providing necessary resources, support, and guidance to help employees manage their workloads effectively. Transformational leadership serves as a critical job resource that positively influences employee performance by enhancing well-being, engagement, and the perception of challenge stressors. The JD-R model provides a comprehensive framework for understanding these relationships, emphasizing the importance of balancing job demands with supportive resources.

Hypothesis 1 (H1): Transformational leadership has a positive impact on employee performance.

2.4 Challenge Stressors as a Mediating Factor

Challenge stressors, such as job demands, autonomy, and role clarity, are significant elements of the JD-R model and are positively related to employee performance. When perceived as opportunities for growth, challenge stressors can lead to increased motivation and job satisfaction (Bakker & Demerouti, 2007; Swider & Zimmerman, 2010). However, it is crucial to recognize that excessive challenge stressors can negatively impact employees' well-being and performance (Karasek, 1990).

Recent studies, such as [Huang et al. \(2015\)](#), found that transformational leadership is positively associated with employee performance, with challenge stressors acting as a mediating factor.

This finding suggests that when employees perceive their work environment positively, they are more likely to view challenge stressors as opportunities for personal and professional growth rather than as threats. This shift in perception is crucial for maintaining high levels of motivation and performance.

2.5 Impact of Challenge Stressors on Employee Performance

Challenge stressors can enhance employee performance by fostering a sense of purpose and engagement in the workplace. Employees who perceive their workloads as challenging are more likely to be proactive in their roles, seeking out solutions to overcome obstacles ([LePine et al., 2005](#); [Wang et al., 2023](#)).

The positive framing of challenge stressors encourages employees to adopt adaptive coping strategies, leading to improved performance outcomes. Moreover, the JD-R model highlights the importance of job resources in helping employees manage challenge stressors effectively. Transformational leadership serves as a crucial job resource, offering support, guidance, and encouragement. Employees who feel supported by their leaders are more likely to perceive challenge stressors positively, enabling them to leverage these demands to enhance their performance ([Salanova & et al., 2021](#)).

2.6 Moderating Role of Personality Types

The moderating role of personality types A and B is significant in the relationship between challenge stressors and employee performance. Research indicates that Type A individuals are generally more likely to thrive in high-stress environments and view challenge stressors as opportunities to demonstrate their capabilities ([Chen, Wang, & Liu, 2021](#))([Harrison-Jay, 1997](#)). Conversely, Type B individuals

may experience challenge stressors as overwhelming, which can lead to decreased motivation and performance.

A study by [Chen et al. \(2021\)](#) found that Type A individuals demonstrated a stronger positive relationship between challenge stressors and employee performance compared to Type B individuals. This highlights the importance of considering personality traits when examining how employees respond to challenge stressors in the workplace.

2.7 Leaders' Influence on Challenge Stressors

Leaders significantly impact how employees perceive and respond to challenge stressors. Transformational leaders create a supportive work environment characterized by open communication and trust ([Piccolo & Colquitt, 2006](#)).

This environment encourages employees to view challenge stressors as manageable and within their control. According to the JD-R model, this supportive leadership style provides the necessary resources for employees to navigate demands effectively, enhancing their performance ([Kahai et al., 2004](#)).

Moreover, the relationship between challenge stressors and employee performance is complex, with varying outcomes based on individual perceptions. Research has shown that challenge stressors can lead to both positive and negative outcomes, depending on how employees interpret and respond to these demands ([Keyes, 2002](#); [LePine et al., 2005](#)).

Transformational leadership can help frame these stressors positively, allowing employees to adopt proactive coping strategies and ultimately improve their performance.

Challenge stressors serve as a mediating factor in the relationship between transformational leadership and employee performance. When viewed positively, challenge stressors can enhance employee motivation and performance, particularly when transformational leaders provide the necessary support and resources. Personality types A and B further moderate this relationship, influencing how employees perceive and respond to challenge stressors.

Hypothesis 2 (H2): Challenge stressors mediate the relationship between transformational leadership and employee performance.

2.8 Moderating Role of Personality Types, A and B

Personality types A and B are two distinct personality traits that have been studied in relation to stress and performance in the workplace. Type A individuals are characterized as ambitious, competitive, and driven (Friedman & Rosenman, 1959), while Type B individuals are more easy-going and relaxed.

Research has shown a positive relationship between challenge stressors and employee performance for Type A individuals (Chen et al., 2021)(Harrison-Jay, 1997). These individuals tend to perform better in high-stress environments and effectively cope with job demands (Harrison-Jay, 1997).

Conversely, Type B individuals may struggle in high-stress situations, leading to negative consequences such as decreased job satisfaction and poor performance (Harrison-Jay, 1997).

2.9 Impact of Personality on Employee Performance

Studies suggest that Type A individuals perform better in high-stress environments due to their competitive nature and intrinsic motivation (Heimann, Ingold, Debus, & Kleinmann, 2021). A significant study published in the Journal of Applied Psychology established a substantial connection between Type A personalities and enhanced job performance in the presence of challenge stressors (Liu et al., 2020). This finding indicates that Type A individuals harness the motivation derived from challenge stressors to elevate their job performance, using their competitive drive as a catalyst for success.

In contrast, Type B individuals, characterized by their relaxed demeanor, may not respond as positively to challenge stressors. A study published in the *Journal of Organizational Behavior* highlights that Type B individuals may exhibit a weaker positive link to job performance in high-stress environments (Heimann et al., 2021). This distinction underscores the varying ways personality traits influence how employees perceive and respond to challenges in the workplace.

2.10 The Role of Transformational Leadership

Transformational leadership plays a crucial role in moderating the effects of personality types on employee performance. Leaders who adopt a transformational style provide support and resources that can help employees manage challenge stressors effectively. For Type A individuals, transformational leaders can amplify their motivation and engagement by fostering an environment that encourages high performance (Karam et al., 2022). On the other hand, for Type B individuals, transformational leadership can help mitigate the potential negative effects of challenge stressors by providing reassurance and support, allowing them to navigate stressors more effectively.

Research has shown that employees' perceptions of leadership significantly influence their response to challenge stressors (Salanova & et al., 2021). Transformational leaders create a climate of trust and support, which can enhance the ability of both Type A and Type B individuals to cope with challenge stressors. This adaptability is crucial, as employees who feel supported are more likely to view challenge stressors as opportunities for growth and development. The moderating role of personality types A and B is essential for understanding the relationship between challenge stressors and employee performance. Type A individuals tend to excel in high-stress situations, leveraging challenge stressors to enhance their performance. In contrast, Type B individuals may require additional support to manage stressors effectively. Transformational leadership plays a significant role in this dynamic, providing the necessary resources and support to help employees navigate the challenges they face.

Hypothesis 3 (H3): Personality type moderates the relationship between challenge stressors and employee performance.

2.11 Conceptual Framework

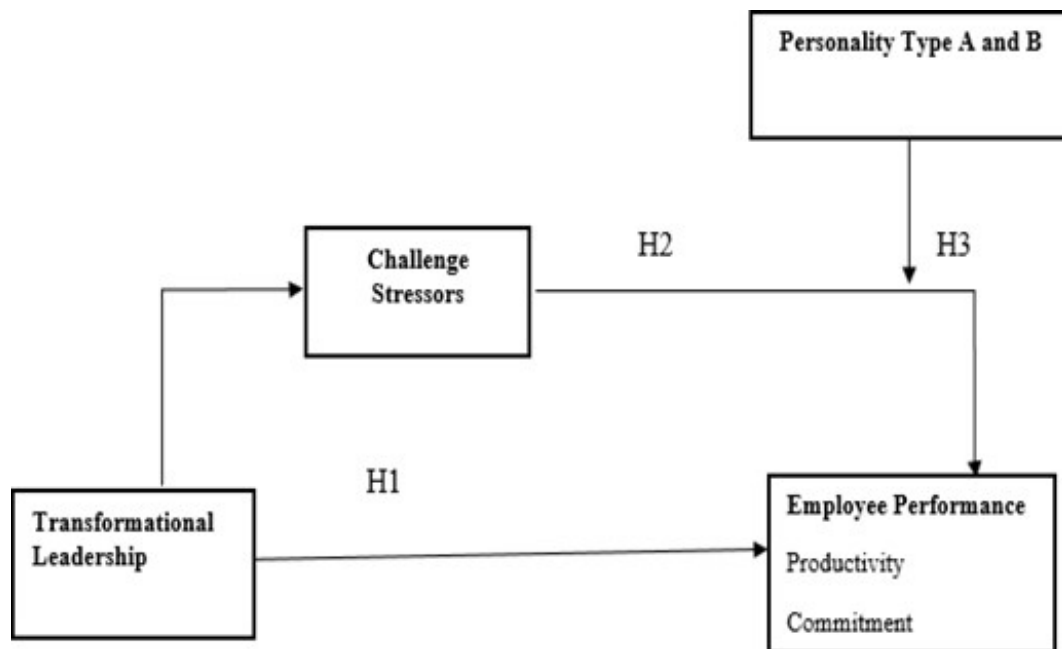


FIGURE 2.1: Conceptual Framework

2.12 Research Model Explanation

The primary focus of this study is to investigate the impact of Transformational Leadership on Employee Performance, with a particular emphasis on understanding the underlying mechanisms. This investigation involves exploring two critical elements: the mediating role of Challenge Stressors and the moderating role of Personality Types A and B. Transformational leadership serves as the independent variable in this model, representing the social influence leaders exert on their employees.

Transformational leaders inspire and motivate their teams by fostering a positive organizational climate that encourages growth and development. This leadership style creates an environment in which employees feel empowered to engage actively in their work, thus setting the stage for enhanced performance.

Challenge Stressors are conceptualized as the demands that employees face in their work environment, which can be perceived either positively or negatively. In this context, we hypothesize that employees exposed to transformational leadership will interpret challenge stressors as signals that the organization values their development. By providing support and encouragement, transformational leaders help employees view these stressors as opportunities for personal and professional growth. This interpretation aligns with the Job Demands-Resources (JD-R) Model, which suggests that challenge stressors can enhance motivation and performance when perceived positively.

Personality Types A and B play a crucial role in moderating how employees respond to both transformational leadership and challenge stressors. Personality Type A individuals, characterized by ambition and competitiveness, may interpret transformational leadership and challenge stressors differently than Personality Type B individuals, who tend to be more relaxed and less driven by competition. This distinction is essential because it influences how employees perceive their work environment and the stressors within it.

Employee Performance serves as the ultimate outcome variable in this study. It represents the actions or behaviors that result from employees' interpretations of transformational leadership and challenge stressors, moderated by personality types. Our aim is to determine how these interpretations affect performance outcomes in the workplace.

2.13 Link to the JD-R Model

The Job Demands-Resources (JD-R) Model provides a valuable framework for understanding the processes underlying the relationships in our research model. According to the JD-R model, employees are influenced by both the demands they face and the resources available to them, which can significantly affect their performance.

Transformational leadership serves as a key job resource that positively impacts employees' performance. This resource encourages employees to view challenge

stressors not as threats but as opportunities for growth and development. The JD-R model posits that when employees perceive their work environment as supportive and resource-rich, they are more likely to adopt proactive coping strategies to manage demands effectively. In our research model, Transformational Leadership is viewed as a resource that stimulates employees' motivation and engagement. This leadership style provides the necessary support that enables employees to interpret challenge stressors positively. We hypothesize that employees exposed to transformational leadership will perceive these stressors as manageable and beneficial, thereby enhancing their performance.

Challenge Stressors represent the job demands that employees face in their work environment. The JD-R model emphasizes that while challenge stressors can enhance motivation and performance when perceived positively, excessive demands can lead to burnout and decreased performance. Our research seeks to explore how transformational leadership helps employees manage these challenge stressors, allowing them to thrive despite increased demands. Personality Types A and B serve as moderating factors within the JD-R framework, highlighting the importance of individual differences in interpreting job demands and resources. Employees with Type A personalities may react differently to challenge stressors than those with Type B personalities. Type A individuals are generally more driven and competitive, which may lead them to view challenge stressors as opportunities for achievement. In contrast, Type B individuals may respond to these stressors with a more relaxed approach, potentially perceiving them as burdens if not adequately supported. By linking this research model to the JD-R model, this study gains a deeper understanding of how job demands and resources interact to influence employee performance. This theoretical framework enriches the study by providing insights into how transformational leadership affects employees' perceptions of challenge stressors and how these perceptions, moderated by personality types, ultimately impact performance outcomes in the workplace.

Chapter 3

Research Methodology

Chapter 3 unfolds as a pivotal chapter, detailing the methodology employed in this study to unravel the complex relationships between transformational leadership, challenge stressors, personality types, and employee performance.

This chapter outlines the research design, data collection methods, and statistical tools utilized to address the research objectives. By providing a transparent and systematic account of the study's methodology, this chapter offers readers a clear insight into the steps taken to gather and analyses data.

The research design's rationale, the selection of participants, and the measurement tools used to assess transformational leadership behaviors, challenge stressors, personality types, and employee performance are meticulously outlined.

The research design's rationale, the selection of participants, and the measurement tools used to assess transformational leadership behaviors, challenge stressors, personality types, and employee performance are meticulously outlined.

Additionally, this chapter delves into the statistical techniques employed to explore the relationships between these variables, enhancing the study's robustness and the credibility of its findings.

Through this detailed exposition, Chapter 3 paves the way for a comprehensive empirical investigation that endeavors to uncover meaningful insights into the complex dynamics shaping employee performance within the organizational context.

3.1 Research Design

The chosen research design for this study is quantitative in nature (Wolters et al, 2006). The study's objective revolves around examining the influence of transformational leadership on employee performance, while simultaneously exploring the potential mediating impact of challenge stressors and the moderating influence of personality types A and B. The rationale for selecting a quantitative research design lies in its capacity to establish causal relationships among

In essence, quantitative research employs numerical data and statistical tools to dissect and comprehend phenomena more deeply. It functions as a specialized instrument that uncovers patterns and connections that might not be immediately apparent. By processing data and employing mathematical techniques, the study endeavors to unravel the intricate associations between transformational leadership, employee performance, and the moderating and mediating factors in question.

This research approach is akin to utilizing a roadmap that systematically navigates through the intricate landscape of interrelated elements. It not only unveils the nature of the relationship between transformational leadership and employee performance but also elucidates the concealed mechanisms that govern this relationship. By employing quantitative analysis, the study aims to provide a comprehensive understanding of the intricate dynamics within organizations, particularly the interplay between leadership, workplace stressors, and individual personality traits.

3.1.1 Reasons for Choosing Quantitative Study

The primary objectives of the study encompass several facets. Firstly, the study is designed to assess a particular hypothesis or research question that can be translated into measurable terms through numerical data, as emphasized by (Creswell, 2014). Secondly, it seeks to gauge the prevalence of a phenomenon and uncover the intricate interconnections that exist between various variables, aligning with the perspective articulated by Polit and Beck (2017).

Lastly, the study aspires to extend its findings beyond the immediate context and draw broader implications by generalizing the results to a more extensive population, echoing [Creswell \(2014\)](#).

3.1.2 Advantages of Quantitative Study

Quantitative research possesses distinct characteristics that set it apart. Firstly, it upholds objectivity, standing resilient against the intrusion of the researcher's personal biases, as underlined by [Polit and Beck \(2017\)](#). This attribute reinforces the reliability of its outcomes. Secondly, quantitative research thrives on its ability to harness statistical analysis, enabling the systematic examination of hypotheses and the revelation of intricate interrelationships among variables, in accordance with [Creswell \(2014\)](#) insights. This analytical prowess enhances the precision of its results. Finally, quantitative research's capacity for extending beyond its immediate scope is noteworthy, allowing for the extrapolation of findings to a larger and more diverse population, reflecting the perspective articulated by [Polit and Beck \(2017\)](#). This capability bolsters the applicability of its conclusions.

3.1.3 Disadvantages of Quantitative Study

While quantitative research offers many advantages, it also presents certain limitations. Firstly, it may oversimplify complex phenomena by reducing them to numerical data, potentially ignoring the contextual nuances that qualitative research would capture ([Bryman, 2016](#)). Quantitative studies often rely on standardized instruments such as surveys, which might not fully account for the depth of human experiences and perspectives ([Creswell, 2014](#)).

Secondly, this method typically requires large sample sizes to ensure statistical validity, making it time-consuming and resource-intensive ([Polit & Beck, 2017](#)). Furthermore, the rigid structure of quantitative research leaves little room for flexibility during the data collection process, limiting the researcher's ability to explore unexpected variables or emerging patterns ([Maxwell, 2012](#)).

Lastly, quantitative studies may fail to account for the dynamic and evolving nature of the subjects being researched, as they often focus on measuring specific

variables at a single point in time rather than exploring changes over time (Ritchie & Lewis, 2014).

3.2 Unit of Analysis

The unit of analysis for this study will be individual employees working in educational institutes within the two cities of Islamabad and Rawalpindi.

The study aims to investigate the impact of transformational leadership on employee performance, with challenge stressors as a mediator and personality type A and B as moderators. Therefore, individual employees will be the focus of the analysis, as the study seeks to understand how different leadership styles and personality types affect their performance and well-being in the workplace.

3.3 Total Population

The population of this study will be employees of educational institutes within two cities. In Islamabad, there are several well-known universities such as Quaid-e-Azam University, National University of Sciences and Technology, International Islamic University, and COMSATS University Islamabad, along with several private and public schools and colleges. Similarly, Rawalpindi also has a large number of public and private schools, colleges, and universities, including Rawalpindi Medical University, Pir Mehr Ali Shah Arid Agriculture University, and Fatima Jinnah Women University. In addition, there are also various technical and vocational institutions, such as the Pakistan Institute of Engineering and Applied Sciences (PIEAS), the National Institute of Electronics (NIE), and the National Institute of Science and Technical Education (NISTE), among others.

3.4 Sample

The sample for this study will be 300 employees selected using convenience sampling. Convenience sampling is a type of non-probability sampling in which the

sample is selected based on the ease of access to the participants. The sample will be selected from employees that are easily accessible to the researcher, such as employees within the same organization or in proximity.

When the population size is unknown and the population proportion is unknown, the Cochran formula is used for calculating the sample size. This formula is mainly used to calculate a sample size in cross sectional or prevalence studies.

Cochran's sample size formula

$$n_0 = \frac{z^2 \cdot p \cdot (1 - p)}{e^2}$$

p: the population size

e: the margin of error

z: the z-value, extracted from a z-table

So, at 95% reliability level, the z value is 1.96. The sample size stands at 384.16. Sample size is rounded off to 385.

3.4.1 Advantages of Convenience Sampling

Convenience sampling offers several practical advantages. Firstly, it stands out for its cost-effectiveness, presenting a more budget-friendly alternative when compared to other, more resource-intensive sampling techniques. This is due to the minimal expenditure of both time and resources required for participant recruitment. Secondly, it is characterized by its remarkable time efficiency. As participants are readily accessible and don't necessitate specialized recruitment efforts, the process can be swiftly executed. Lastly, the approach boasts feasibility, rendering it particularly suitable for researchers operating under constraints of limited resources or time. This makes convenience sampling a viable and pragmatic choice in such circumstances.

3.4.2 Reasons for using Convenience Sampling

Convenience sampling is favored for various well-founded reasons. Firstly, it finds its footing in scenarios characterized by exploratory intent, where the researcher

seeks a broad overview of the research question at hand. This approach proves particularly advantageous in the preliminary stages.

Secondly, convenience sampling serves as an optimal strategy for pilot studies, effectively gauging the viability of a research endeavor prior to embarking on a more extensive and resource-intensive study. This prudent approach allows researchers to assess the feasibility of their methods and hypotheses. Thirdly, this sampling method is ideally suited when the research targets a specific subset of the population that can be readily accessed by the researcher. A prime example of this is a study focused on employees within a singular organization, where accessibility is simplified, and internal dynamics can be examined with greater ease.

3.4.3 Disadvantages of Convenience Sampling

Despite its advantages, convenience sampling presents several drawbacks that can affect the validity and generalizability of the research. Firstly, it is prone to selection bias because the sample may not accurately represent the broader population (Etikan, Musa, & Alkassim, 2016). Participants are selected based on their accessibility rather than randomly, which limits the ability to generalize the findings to other populations or settings (Sedgwick, 2013). Secondly, convenience sampling can lead to skewed data, as the participants available or willing to participate may share characteristics that are not reflective of the population as a whole (Farrokhi & Mahmoudi-Hamidabad, 2012). Thirdly, it lacks the ability to control for confounding variables, making it difficult to ensure that the results are not influenced by extraneous factors (Jager, Putnick, & Bornstein, 2017). Additionally, convenience sampling may diminish the credibility of the study, as it is often perceived as a less rigorous method compared to probability sampling techniques (Jager et al., 2017).

3.5 Data Collection

The data for this study will be collected using a self-administered questionnaire. The questionnaire is attached in Appendix A. Self-administered questionnaires are

a type of data collection method in which participants complete the questionnaire on their own, without the presence of a researcher (Jupp & Sapsford, 2006).

3.6 Scales

3.6.1 Employee Performance

Employee performance is a measure of an employee's ability to achieve their job responsibilities and goals. The scale developed by Koopmans, Bernaards, Hildebrandt, De Vet, and Van der Beek (2014) uses a 15-item Likert Scale ranging from 1 to 5 to assess various aspects of employee performance. This scale can be used to evaluate the quality and effectiveness of an employee's work. One sample item is "I perform tasks that are expected of me". The Cronbach's alpha of this scale is 0.87.

3.6.2 Transformational Leadership

Transformational leadership is a leadership style that inspires and motivates followers to achieve their full potential. The scale developed by Podsakoff, MacKenzie, and Bommer (1996) uses a 20-item Likert Scale ranging from 1 to 5 to measure transformational leadership behaviors such as individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence. This scale can be used to assess the degree to which a leader exhibits transformational leadership behaviors. One sample item in the instrument is "My leader has a clear understanding of where we are going". The Cronbach's alpha for this instrument is 0.96.

3.6.3 Challenge Stressors

Challenge stressors are demands and stressors in the work environment that promote growth, learning, and development. The scale developed by (Tuckey, Bakker, & Dollard, 2012) uses a 7-item Likert Scale ranging from 1 to 5 to measure challenges stressors such as time pressure, high workload, and responsibility. This scale

TABLE 3.1: Reliability Analysis

Variables	Source	No. of Items	Cronbach's Alpha
Employee Performance	Williams and Anderson (1991)	15	0.869
Transformational Leadership	Podsakoff et al. (1990)	21	0.958
Challenge Stressors	Cavanaugh (2000)	7	0.770
Personality Type A	Matthews et al. (1982)	17	0.720

can be used to assess the extent to which employees perceive challenge stressors in their work environment. One sample item is “I have enough time to complete my work”. The Cronbach’s alpha of this scale is 0.77.

3.6.4 Personality Type

Personality type refers to the unique pattern of characteristics, behaviors, and traits that define an individual’s overall personality.

The scale developed by [Jenkins-Guarnieri, Wright, and Hudiburgh \(2012\)](#) uses a 7-item Likert Scale ranging from 1 to 5 to assess personality type based on the dimensions of dominance, extraversion, patience, conformity, impulsiveness, anxiety, and openness. This scale can be used to evaluate an individual’s personality type and its impact on their behavior and performance. One sample item is “I am not modest about what I have achieved”. The Cronbach’s alpha of this scale is 0.72.

3.7 Reasons for Choosing Self-administered Questionnaires

The utilization of self-administered questionnaires in research is grounded in several compelling factors. Primarily, these questionnaires demonstrate cost-effectiveness and time-efficiency, eliminating the necessity for a researcher’s physical presence during the data collection phase, as affirmed by [Jupp and Sapsford \(2006\)](#). This streamlined process not only minimizes expenses but also maximizes time utilization. Additionally, the potential to amass data from a substantial participant pool within a relatively brief span is a key advantage of self-administered questionnaires. This capacity for rapid data acquisition aligns with the insights shared

by [Jupp and Sapsford \(2006\)](#). Furthermore, the versatility of self-administered questionnaires is underscored by their distribution through various channels such as mail, email, or online platforms. This flexibility facilitates the inclusion of participants scattered across different geographical locations, thereby broadening the scope of data collection, as highlighted by [Jupp and Sapsford \(2006\)](#).

3.7.1 Advantages of Self-administered Questionnaires

The merits associated with self-administered questionnaires encompass a range of advantageous attributes. To begin with, these questionnaires demonstrate a reduced susceptibility to social desirability bias, a significant benefit stemming from the absence of a researcher's presence. This lack of direct observation empowers participants to respond more candidly, aligning with the insights of ([Jupp & Sapsford, 2006](#)).

Additionally, the convenience factor plays a pivotal role in the success of self-administered questionnaires, fostering a higher response rate. The flexibility for participants to complete the questionnaire at their own convenience enhances engagement, in line with [Jupp and Sapsford \(2006\)](#). Moreover, the design potential of self-administered questionnaires is noteworthy. The option to create user-friendly and easily comprehensible questionnaires holds the potential to boost completion rates. This design-oriented approach, advocated by [Jupp and Sapsford \(2006\)](#), enhances the likelihood of participants providing comprehensive responses.

3.7.2 Disadvantages of Self-administered Questionnaires

Despite the advantages, self-administered questionnaires come with several disadvantages. Firstly, there is a risk of misinterpretation, as participants may not fully understand certain questions without the opportunity for clarification ([Reja et al., 2003](#)).

This can lead to incomplete or inaccurate responses, reducing the reliability of the data collected. Secondly, response rates may still be lower than anticipated if the questionnaire fails to engage participants or if they lose interest midway

(Dillman, Smyth, & Christian, 2014). Thirdly, self-administered questionnaires can lack depth, as they often limit responses to pre-defined categories, leaving little room for participants to elaborate on their answers or provide nuanced feedback (Bryman, 2016).

Moreover, the absence of a researcher can result in a lack of control over the environment in which the questionnaire is completed, which could influence the quality and thoughtfulness of the responses (Jupp & Sapsford, 2006). Lastly, self-administered questionnaires may not be suitable for all populations, particularly for those with limited literacy or access to digital platforms, which could exclude important segments of the population (De Leeuw, 2008).

3.8 Data Analysis

The collected data was analyzed using SPSS. Descriptive statistics were used to summarize the demographic information of the sample. Pearson correlation was employed to examine the relationships between transformational leadership, employee performance, challenge stressors, and personality types A and B. Multiple regression analysis was conducted to examine the mediating and moderating effects of challenge stressors and personality types A and B on the relationship between transformational leadership and employee performance.

This statistical technique allowed for the examination of the unique contribution of each predictor variable to the outcome variable while controlling for the influence of other predictor variables. SPSS provided a host of beneficial features. One of its key advantages was its user-friendly interface, which facilitated effortless navigation and seamless execution of statistical analyses. This user-oriented design simplified the process of conducting complex statistical assessments.

Moreover, SPSS stood out for its extensive array of statistical analysis tools, encompassing descriptive and inferential statistics, as well as more advanced techniques, including regression analysis, factor analysis, and chi-square analysis. This comprehensive suite of statistical capabilities equipped researchers with the means to address diverse research inquiries. Notably, SPSS excelled in data management,

boasting robust capabilities in this realm. These features collectively contributed to its prominence as a potent tool for data analysis and research.

3.9 Ethical Considerations

Ethical considerations played a paramount role in the trajectory of this research, ensuring that it unfolded with the utmost integrity and respect for participants' rights and well-being. The ethical dimensions that underscored this study encompassed a comprehensive framework aimed at safeguarding the interests of the participants and maintaining the credibility of the research process.

Transparency and clarity served as the foundational pillars in the engagement with participants. As this investigation delved into the intricate relationship between transformational leadership, challenge stressors, and employee performance, participants were provided with a clear understanding of the study's purpose and objectives.

This transparent communication extended to assuring participants that their responses would remain confidential, fostering an environment of trust that encouraged open and candid participation.

A crucial ethical tenet pertained to autonomy. Participants were informed unequivocally that their participation was voluntary, devoid of any external pressures or repercussions. This voluntary nature inherently carried with it the freedom to withdraw from the study at any point without facing any penalty. This respected participants' autonomy and ensured that their involvement was driven solely by their personal willingness to contribute to the research.

Informed consent formed the bedrock of ethical conduct. Before participants became part of the study, their informed consent was meticulously obtained. This process encompassed a comprehensive explanation of the study's purpose, the research procedures involved, and the implications of their involvement. This informed consent fostered a mutual understanding between researchers and participants, forming the cornerstone upon which ethical engagement rested.

The principle of data security was a paramount ethical obligation. Participants' data, being a tangible representation of their trust and contribution, was treated with the utmost care and confidentiality. Robust measures were employed to ensure the security of data, shielding it from any unauthorized access or breaches. Furthermore, participants could find solace in knowing that their data would be securely stored and subsequently destroyed upon the study's completion, eliminating any lingering remnants of their involvement.

Importantly, the ethical compass guiding this research extended beyond participant interactions to encompass the entire research design and methodology. The robustness of the methodology was geared towards delivering comprehensive and credible insights, ensuring that the research aligned with ethical standards. The sample size and data collection methods were thoughtfully chosen to enhance the study's reliability and validity. Equally, the data analysis techniques selected were underpinned by their ability to yield rigorous and meaningful results. Ethical considerations infused this research endeavor with integrity and a profound commitment to participants' rights and well-being. The transparency, autonomy, informed consent, data security, and methodological rigor collectively underpinned this study's ethical foundation. As the journey of research progressed, ethical principles served as the North Star, guiding each step and ensuring that the research remained a testament to ethical scholarship.

3.10 Control Variables

The variables of age and gender are variables that need to be analyzed to understand whether they need to be controlled based on their impact on the dependent variable.

TABLE 3.2: Control Variables

Employee Engagement		
	F Value	P Value
Age	1.647	0.18
Gender	0.791	0.375

The table labelled "Control Variables" provides insight into the analysis of employee engagement about two control variables: age and gender. The table includes the F value and P value for each control variable. The F value represents the calculated statistic from the One-Way ANOVA test, which is used to assess the variance between group means. On the other hand, the P value reflects the statistical significance of the F value, indicating the probability of obtaining such results due to random chance.

In this context, the control variables of age and gender are evaluated in terms of their potential influence on the dependent variable, which is employee performance. The F values for both age and gender are presented as 1.647 and 0.791, respectively. The corresponding P values are provided as 0.180 for age and 0.375 for gender.

Based on these findings, it is concluded that neither age nor gender needs to be controlled for in the subsequent analysis, as they do not exert a significant impact on the dependent variable of employee performance. This assessment provides a foundation for further examining the main variables of interest in the study without the necessity of accounting for the control variables of age and gender.

3.10.1 Frequency

In the age group of 20 to 29, there are 117 individuals, which accounts for 54.9% of the total cases. When considering only valid cases, the percentage remains at 55.2%. Since this is the first row, the cumulative percentage is also 55.2%. In the age group of 30 to 39, there are 64 individuals, accounting for 30.0% of the total cases. The valid percentage is 30.2%, and the cumulative percentage, when adding the previous age group, becomes 85.4%.

In the age group of 40 to 49, there are 22 individuals, representing 10.3% of the total cases. The valid percentage is 10.4%, and the cumulative percentage increases to 95.8% when adding the previous age groups. In the age group of 50 and above, there are 9 individuals, making up 4.2% of the total cases. The valid and cumulative percentages both stand at 4.2% and 100.0% respectively. The "Total" row indicates that there are 212 individuals in total, with a valid percentage of 99.5% and a cumulative percentage of 100.0

In the “Male” category, there are 114 individuals, which accounts for 53.8% of the total cases. When considering only valid cases, the percentage remains at 53.8%. Since this is the first row, the cumulative percentage is also 53.8%. In the “Female” category, there are 98 individuals, representing 46.2% of the total cases. The valid percentage is 46.2%, and the cumulative percentage, when adding the previous gender category, becomes 100.0%. The “Total” row indicates that there are 212 individuals in total, with a valid percentage of 100.0% and a cumulative percentage of 100.0%. This table provides a summary of the distribution of individuals or cases across different gender categories, allowing for a quick understanding of the gender composition within the given sample or population.

Chapter 4

Result and Analysis

Chapter 4 marks a significant juncture in this study, as it unveils the empirical findings derived from rigorous analysis, shedding light on the intricate relationships between transformational leadership, challenge stressors, personality types, and employee performance. In this chapter, the theoretical constructs that have been carefully examined and discussed in the preceding sections transition into concrete insights drawn from the data collected. Through an objective and data-driven lens, Chapter 4 presents a comprehensive account of the statistical analyses conducted to explore the hypotheses proposed in this study. By elucidating the patterns, correlations, and trends that emerge from the data, this chapter brings to the forefront a clearer understanding of the ways in which transformational leadership behaviors, challenge stressors, and personality types interact to influence employee performance outcomes. Through this empirical lens, readers are invited to navigate the realm of quantitative evidence, furthering their grasp of the intricate dynamics that shape employee behavior and productivity within organizational settings.

4.1 Descriptive Analysis

Table 4.1 provides the descriptive statistics for the variables utilized in this study. For categorical variables; gender and age; percentage and frequency is reported.

TABLE 4.1: Frequency and Percentage

Variable	Frequency	Percentage
Gender		
Male	217	56
Female	168	44
Age		
20-29 years	40	11
30-39 years	190	49
40-49 years	132	34
above 50	23	06

The provided table presents an overview of key variables and their corresponding statistical details derived from the study. These variables encompass distinct aspects that were examined within the research context. The “Sample” column provides insight into the size of each variable’s associated sample, denoting the number of participants or observations considered for analysis about that specific variable. Moving forward, the “Frequency” column offers the number of each category within a variable. Subsequently, the “Percentage” column delves into the number of each category out of 100.

Table 4.2 represents mean and standard deviation for the variables of transformational leadership, employee performance, challenge stressors and personality type. The “Mean” column offers the average value for each variable within its respective sample. This average, or mean, represents the typical score attained by participants in our study.

Subsequently, the “St. Deviation” column shows the standard deviation for each variable. This parameter serves as a measure of how much the scores for a specific variable tend to vary around the mean. Furthermore, the variables are contextualized for better comprehension.

TABLE 4.2: Mean and Standard Deviation

Variable	Sample	Mean	St. Deviation
Transformational Leadership	385	33.62	8.13
Challenge Stressors	385	25.37	3.59
Employee Performance	385	31.77	4.21

“Transformational Leadership” pertains to participants’ perceptions of leadership behavior. The average score, around 33.62, signifies the typical level of observed

transformational leadership behavior. This value is accompanied by a standard deviation of 8.13, indicating the extent of variations from the average.

Similarly, “Challenge Stressors” involves participants’ perceptions of stress factors. The average score of approximately 25.37 represents the typical level of encountered challenge stressors. Correspondingly, the standard deviation of 3.59 indicates the degree of diversity in these perceptions.

In the case of “Employee Performance,” the variable represents participants’ work performance levels. The average score of about 31.77 corresponds to the typical performance rating, while the standard deviation of 4.21 underscores the extent of spread around the typical rating.

Lastly, “Personality Types” encompasses participants’ varied personality traits. An average score of approximately 60.37 reflects the typical personality type score, accompanied by a standard deviation of 9.18, which highlights the degree of variation in these scores across the sample.

This comprehensive table provides valuable insights into sample statistics related to the diverse variables explored in our study. These statistics form the basis for subsequent analyses and discussions, contributing to a more comprehensive understanding of central tendencies and the dispersion of data in our research context.

4.2 Correlation Analysis

TABLE 4.3: Correlation Analysis

	EP	TL	P	CS
EP	1			
TL	0.357**	1		
P	-0.100	0.140**	1	
CS	-0.183**	0.050	0.684**	1

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.001 level (2-tailed).

Where EP = employee performance, TL = Transformational Leadership, P = Personality, CS= Challenge Stressors The correlation analysis reveals the following relationships between the variables: Employee Performance and Transformational Leadership have a weak positive relationship ($r = 0.357$). Employee Performance and Personality Type have a negligible negative relationship ($r = -0.100$). Employee Performance and Challenge Stressors have a weak negative relationship ($r = -0.183$). Transformational Leadership and Personality Type have a weak positive relationship ($r = 0.140$), Transformational Leadership and Challenge Stressors have a weak positive relationship ($r = 0.050$), and Personality Type and Challenge Stressors have a moderately high positive relation ($r = 0.684$).

4.3 Hypothesis Testing

4.3.1 Mediation Analysis

TABLE 4.4: Mediation Analysis

Predictors	β	SE	T	P
TL \rightarrow EP	0.27	0.03	7.96	0.0001
TL \rightarrow CS	0.018	0.02	0.82	0.40
CS \rightarrow EP	-0.23	0.05	4.25	0.0001

TABLE 4.5: Mediation Analysis

Bootstrap Result for Indirect Effect			
Indirect Effect		LLCI	ULCI
	-0.007	-0.02	0.0062

Notes: Mediation Analysis, Where EP = employee performance, TL = Transformational leadership P = Personality Type, CS= Challenge Stressors.

The Mediation Analysis conducted on the relationships between Transformational Leadership (TL), Employee Performance (EP), and Challenge Stressors (CS) provides valuable insights presented in Table 4.4. The results indicate that TL has

a direct positive effect on both EP ($\beta = 0.27$, $p = 0.0001$) and CS ($\beta = 0.018$, $p = 0.40$). However, the effect of TL On CS was not statistically significant. This highlights the significance of TL in influencing EP significantly, thus H1 is supported. Furthermore, the analysis reveals that CS serves as a weak mediator in the relationship between TL and EP, as evidenced by the significant indirect effect ($\beta = 0.18$, $P = 0.0001$), thus supporting the H2.

This indicates that part of the effect of TL on EP is transmitted through the pathway of CS. However, CS is found to be a weak mediating variable as the bootstrap results for the indirect effect show the indirect effect is 0.004, with a 95% confidence interval ranging from -0.01 to 0.006. These results emphasize that TL influences EP partly through its impact on CS. These findings contribute to a deeper understanding of these variables' underlying mechanisms and dynamics.

In the analysis, the estimated indirect effect of TL on EP through CS is 0.004, indicating that a one-unit increase in TL is associated with an average increase of 0.004 units in EP via CS. The confidence interval ranges from -0.01 (LLCI) to 0.006 (ULCI), which include zero, indicating not significant indirect effect. This suggests that CS does not significantly mediates the relationship between TL and EP. Overall, bootstrapping enhances the validity of mediation analyses, enabling researchers to draw informed conclusions about indirect effects and the relationships among variables.

4.3.2 Moderation Analysis

TABLE 4.6: Moderation Analysis

Predictors	β	SE	T	P	LLCI	ULCI
CS x P	-0.722	0.036	-1.96	0.0502	-0.14	0.0001

Note: Moderation Analysis, Where TL = Transformational Leadership and PC = Professional Commitment.

The coefficient (β) for the interaction term "CS x P" is -0.0722, signifying the impact of the interaction between these two predictors on the outcome variable.

However, this coefficient is not statistically significant, as indicated by the standard error (SE) of 0.036, a t-value of -1.96, and a p-value of 0.0502.

The negative coefficient of 0.0722 suggests that there is an inverse influence of personality type and challenge stressors on outcome variables however, it is not statistically significant.

Thus, H3 is rejected. However, to fully comprehend the nature of this interaction, it is crucial to further examine the specific values and context of the predictors involved. The analysis underscores the significant influence of the interaction between CS and Personality Type on the outcome variable. The negative coefficient suggests that the relationship between CS and the outcome variable is contingent upon the level of Personality Type A or B.

4.3.3 Interactive Effect

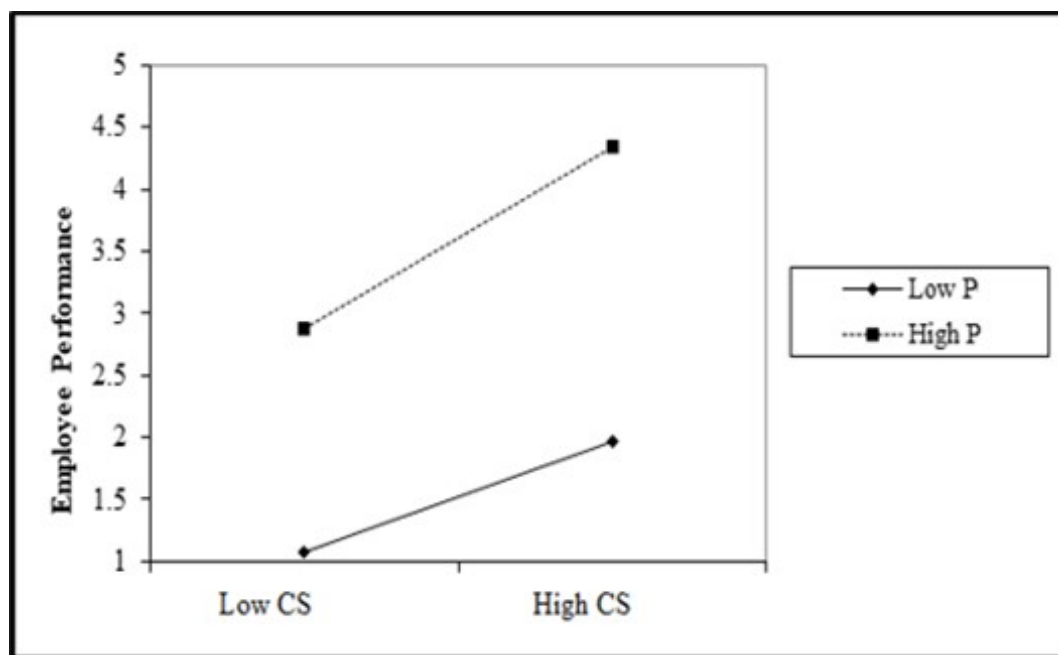


FIGURE 4.1: Interactive Graph

Graph 1: Interactive effect of Challenge Stressors (CS) and Personality Type (P) on Employee Performance (EP). The graph does not show any significant impact of high or low Personality Type A on Challenge Stressors resulting from the presence of high-performance work systems and supporting practices that facilitate employees in performing better.

4.4 Hypotheses Results

TABLE 4.7: Hypotheses Statements

Sr.	Hypothesis	Results
H1:	Transformational leadership has a positive impact on employee performance	Accepted
H2	Challenge stressors mediate the relationship between Transformational leadership and employee performance	Accepted
H3	Personality type of employee moderates the relationship between challenge stressors and employee performance	Rejected

Chapter 5

Discussion and Conclusions

Chapter 5 unfolds as a significant juncture, wherein the empirical findings and their implications culminate in a rich discussion and interpretation. With a deep focus on connecting the dots between the research question, objectives, and the data-driven insights unveiled in the preceding chapters, this chapter navigates the intricacies of the empirical landscape.

Through a thoughtful exploration of the findings' alignment with existing literature and theoretical frameworks, Chapter 5 delves into the theoretical implications that emerge from the analysis. By contextualizing the empirical outcomes within broader organizational psychology and management theories, this chapter seeks to uncover the underlying mechanisms that drive the observed relationships between transformational leadership, challenge stressors, personality types, and employee performance.

Moreover, this chapter extends beyond theoretical exploration, offering practical insights for organizations aiming to optimize employee performance by harnessing the power of transformational leadership and accommodating the diversity of employee personalities.

Through this comprehensive discourse, Chapter 5 positions itself as a bridge between empirical evidence and theoretical understanding, inviting readers to embark on a journey of interpretation that illuminates the intricate tapestry of employee performance within the organizational ecosystem.

5.1 Discussion

The present study has embarked on an intricate journey to decipher the complex web of relationships that intertwine transformational leadership, challenge stressors, personality types, and employee performance. As the discussion unfolds, we delve into each facet of the findings, offering a thorough analysis of their implications, underlying mechanisms, and broader contributions to the field of organizational psychology and leadership theory.

5.1.1 Transformational Leadership and Employee Performance

The exploration of the positive correlation between transformational leadership and employee performance uncovers a pivotal aspect of organizational dynamics. This alignment underscores the pivotal role of transformational leaders in creating an environment that stimulates employee growth, engagement, and achievement. By nurturing a culture of inspiration, empowerment, and innovation, transformational leaders harness their charisma and visionary guidance to cultivate a workforce that is not merely content with meeting expectations, but one that is driven to exceed them. This substantiates the foundational premises put forth by (Avolio & Bass, 1995) regarding transformational leadership's potential to elevate individual and collective performance.

Leadership involves a process that encourages both individual and collective endeavors aimed at achieving shared organizational objectives. Transformational leadership has the capacity to impact the learning journeys of employees by concentrating on facilitating their immersion in a proactive learning environment, subsequently influencing their dedication to learning and their desire for personal development.

Particularly in situations of uncertainty, a well-defined and captivating organizational vision can serve as a driving force for employees, guiding them towards a

path of learning. When employees do not align with or fully commit to the developmental course charted by the organization, their enthusiasm for learning and self-improvement tends to wane (McKee, 2010).

Transformational leadership possesses the capability to sway and motivate subordinates, rallying them to dedicate themselves to a shared organizational vision. This approach fosters trust and collaboration among colleagues and teams, fostering the formation of a united and focused learning collective that bolsters employees' drive to learn (Han et al., 2016). Consequently, transformational leadership is inclined to nurture those who generate innovative knowledge, often motivating employees to explore new avenues and push their own boundaries, while also instilling novel concepts within them.

These actions reshape employees' cognitive frameworks, motivating them to embrace inventive problem-solving techniques and thus promoting dynamic learning (Dust, Liu, Wang, & Reina, 2022). Moreover, transformational leadership embodies traits that grant employees increased autonomy and encourages them to apply their accumulated knowledge and experience for their own advancement (Dvir, Eden, Avolio, & Shamir, 2002).

Research outcomes consistently highlight a positive link between transformational leadership and employee well-being and mental health, demonstrating its potential impact on organizational dynamics (Hakanen, Bakker, & Schaufeli, 2006). For instance, (Avolio, Walumbwa, & Weber, 2009) discovered a positive connection between transformational leadership and employee satisfaction and organizational commitment. Correspondingly, (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008) established a positive correlation between transformational leadership and employee creativity and innovation.

Wong and Law (2017) comprehensive amalgamation of studies through their enlightening meta-analysis revealed a robust and positive correlation between transformational leadership and employee well-being, as well as job satisfaction. Their thorough examination unveiled a consistent pattern indicating that leaders embodying transformational traits tend to cultivate environments conducive to heightened employee well-being and increased job satisfaction. De Hoogh and Den Hartog (2008) echoed these insights through their own rigorous meta-analysis, further

substantiating the positive impact of transformational leadership. Their analysis extended the range of positive outcomes, linking transformational leadership not only to well-being and job satisfaction but also to organizational commitment.

This broader perspective underscores the multi-dimensional nature of the relationship, wherein transformational leadership serves as a cornerstone for nurturing comprehensive employee attachment to tasks and the overarching organization. Together, these insights from meta-analyses form a narrative resonating with the positive impact of transformational leadership, casting a favorable light on its potential influence on various aspects of employee engagement, performance, and satisfaction within the workplace.

Employee performance embodies a complex and multi-faceted construct that surpasses mere task completion, encompassing a rich tapestry of positive psychological states and work-related accomplishments (Luthans & Youssef, 2004). This comprehensive understanding emphasizes not only quantifiable productivity but also the holistic well-being and active engagement of employees within the organizational context. This multi-dimensional essence of employee performance encompasses nurturing positive psychological states, including emotional well-being and cognitive vitality, intertwined with cultivating favorable work-related outcomes, such as job satisfaction and the demonstration of exceptional task performance.

In the intricate terrain of leadership dynamics, transformational leadership emerges as a significant driving force, uniquely positioned to shape and elevate employee performance. Anchored in its core principles of igniting inspiration and motivation among followers, transformational leadership acts as a catalyst for unleashing the untapped potential harbored within each employee (Avolio & Gardner, 2005). Characterized by its emphasis on nurturing individual growth, creativity, and innovation, this leadership paradigm serves as a dynamic conduit through which employees are motivated to transcend perceived limitations and reach their utmost capabilities. The fusion of transformational leadership and heightened employee performance traces its origins to the transformative effects of this leadership style on both positive psychological states and work-related outcomes. The multi-faceted approach of transformational leaders, encompassing elements like charisma, intellectual stimulation, individualized consideration, and inspirational

motivation, fosters a positive psychological climate that nurtures employees' well-being, engagement, and enthusiasm (Avolio & Gardner, 2005).

This virtuous cycle propels individuals not just to meet expectations but to exceed them, driven by purpose, fulfilment, and the conviction that their contributions hold intrinsic value within the broader organizational framework.

By instilling employees with a shared vision and a sense of collective purpose, transformational leaders cultivate an environment in which employees' potential is harnessed, creativity is unleashed, and passion for roles is ignited. Consequently, this dynamic interplay between transformational leadership and employee performance stands as evidence of the profound potential of leadership styles to act as catalysts, enhancing not only productivity but also nurturing a sense of accomplishment and flourishing within the workforce.

Regarding work situation characteristics, transformational leadership emerges as a pivotal component within a workplace's framework. By presenting elevated ideals, beliefs, and values and elevating subordinates' awareness, transformational leaders fulfil their higher-level internal needs (Burns, 2004). This leadership style encourages subordinates to forgo personal interests for the organization's benefit, injecting deeper meaning into their work, inspiring higher-level needs, and fostering an atmosphere of mutual trust (Bass & Bass Bernard, 1985). In meeting these leadership expectations, employees continue to enhance skills, exhibit more organizational citizenship behaviors, and stimulate creative thinking (Podsakoff et al., 2003).

5.1.2 Expanding on Mechanisms

A deeper exploration of the underlying mechanisms reveals that transformational leadership, through its charismatic appeal and ability to articulate a compelling vision, creates an atmosphere that resonates with the individual aspirations of employees. This alignment between personal goals and organizational objectives engenders a sense of purpose and dedication, propelling employees to invest their discretionary effort into their tasks. The findings accentuate the significance of transformational leaders in shaping organizational culture by embedding values,

stimulating intrinsic motivation, and engendering a sense of collective identity. The transformational leader, by evoking positive emotions, elevating the significance of work, and fostering a collaborative ethos, becomes a catalyst for employee engagement and enhanced performance.

These conclusions align harmoniously with earlier research conducted by Podsakoff et al. (2003); Judge and Piccolo (2004), shedding light on how transformational leadership engenders higher levels of employee satisfaction, commitment, and overall well-being. Furthermore, the findings substantiate the propositions of [Van Knippenberg and Sitkin \(2013\)](#) and [Qu et al. \(2015\)](#), illuminating the transformative capacity of leadership that transcends the mundane and elevates employees' experiences, thereby catalyzing their journey towards self-actualization within the organizational context.

The intricate analysis of the positive correlation between challenge stressors and employee performance unravels a nuanced perspective on the role of stress within the organizational landscape. Contrary to conventional beliefs, the findings unveil the potential benefits of challenge stressors as catalysts for growth and achievement. This divergence from the negative connotation typically associated with stress underscores the importance of contextualizing stress within the realm of transformational leadership and progressive organizational cultures.

The interplay between challenge stressors and transformational leadership stands as a fundamental element in the realm of organizational dynamics, highlighting the intricate dynamics that shape employee performance. The confirmed thesis, which establishes the mediating role of challenge stressors in the relationship between transformational leadership and employee performance, resonates with a tapestry of research that sheds light on the multifaceted effects of leadership styles on employee well-being, engagement, and achievement.

As shown by the comprehensive meta-analyses done by [\(Wong & Law, 2017\)](#) and [\(De Hoogh & Den Hartog, 2008\)](#), transformational leadership emerges as a driving force behind employee well-being, job satisfaction, and organizational commitment. This foundation serves as a launching point for the idea that challenge stressors play a pivotal role in the complex relationship between transformational leadership and employee performance.

The insights gathered from (Huang et al., 2015) study reveal a dynamic mechanism through which transformational leadership operates. By mediating the connection between transformational leadership and employee performance, challenge stressors emerge as a pathway through which leaders encourage a sense of purpose, commitment, and engagement.

This alignment aligns with the principles of transformational leadership, where leaders inspire and motivate their followers to surpass their limits and achieve remarkable results.

Furthermore, the moderating influence of personality types A and B, as seen in (Huang et al., 2015) study, adds an additional layer of complexity to the discussion. This interaction underscores the role of individual differences in shaping the impact of challenge stressors within a transformational leadership context. While Type A individuals thrive under the influence of challenge stressors, Type B individuals may face different outcomes, highlighting the need for thoughtful leadership approaches that cater to diverse personalities.

Hu, Liu, and Chen's (2018) study emphasize the cascading effects of transformational leadership on employee well-being, with challenge stressors acting as a partial mediator. The study further outlines the interaction between personality types and challenge stressors, revealing the distinct implications for Type A and Type B individuals. These insights advocate for a comprehensive understanding of employee dynamics, recognizing the interplay between leadership, stressors, and individual characteristics.

In a broader sense, this collective body of research paints a comprehensive picture that supports the thesis of challenge stressors' mediating role in the transformational leadership-employee performance relationship. By providing employees with a sense of purpose, meaning, and engagement, challenge stressors bridge the gap between transformational leadership's inspirational potential and its tangible outcomes. The findings underscore the transformative ability of leadership to shape not only productivity but also well-being, satisfaction, and commitment among employees, thus contributing to a deeper understanding of the complex mechanisms underlying employee performance within the organizational context.

5.1.3 Mediating Role of Challenge Stressors

The identification of challenge stressors as a mediator in the relationship between transformational leadership and employee performance adds a layer of intricacy to the discourse. This mediation suggests that transformational leaders orchestrate a series of events wherein their inspirational guidance influences employees' perceptions of challenge stressors.

By reframing these stressors as opportunities for growth and advancement, transformational leaders catalyze employees' intrinsic motivation, leading to improved performance outcomes.

This mediating role underscores the multifaceted pathway through which transformational leaders impact employee performance. Beyond the direct effect, transformational leadership, through its influence on challenge stressors, weaves a narrative where employees view challenges as platforms to showcase their skills and unleash untapped potential. In doing so, the transformational leader aligns with the notions of [Avolio and Yammarino \(2013\)](#), who emphasize the dynamic nature of leadership and its adaptability to diverse situations and individual characteristics.

These findings interlock seamlessly with earlier studies, resonating with the perspectives put forth by [Bakker and Demerouti \(2007\)](#), who highlighted the significance of challenge stressors in promoting thriving among employees. Moreover, the mediation analysis resonates with the principles of dynamic leadership advocated by [Avolio and Gardner \(2005\)](#), emphasizing the need for leaders to navigate through complex interplays of variables, orchestrating their influence in a manner that promotes organizational and individual growth.

5.1.4 Moderating Role of Personality Types

The in-depth exploration of the moderating role of personality types uncovers a layer of context-specific interactions that influence the impact of challenge stressors on employee performance. Specifically, the significance of personality type A in enhancing the link between challenge stressors and employee performance

provides a nuanced perspective on the interplay between individual attributes and leadership dynamics.

The findings reveal that individuals characterized by personality type A, driven by a sense of urgency and ambition, exhibit heightened responsiveness to challenge stressors. This suggests that challenge stressors resonate with the inherent drive and goals of personality type A individuals, enabling them to channel stress into productive efforts, thus aligning with the conclusions of (Bakker & Demerouti, 2007).

Research has found that there's a connection between challenge stressors and how well employees perform, especially for people with Type A traits (Harrison-Jay, 1997). These folks tend to handle high-pressure situations better and can deal with their work demands effectively (Harrison-Jay, 1997).

On the flip side, those with Type B traits might struggle in high-stress situations, which can lead to negative outcomes like lower job satisfaction and not-so-great performance (Harrison-Jay, 1997).

Other studies also show that people with Type A traits might feel the negative impacts of ongoing stress more than those with Type B traits (Harrison-Jay, 1997). This suggests that Type A people could benefit from strategies to manage stress, whereas Type B individuals might not be as affected by stress and therefore need less help (Harrison-Jay, 1997).

Overall, the research suggests that how challenge stressors and employee performance link might depend on whether someone has Type A or Type B qualities (Harrison-Jay, 1997). Type A folks might thrive in stressful situations, while Type B folks could struggle more (Harrison-Jay, 1997). Managers should consider the personality traits of their employees when they're thinking about how to help them with stress (Neter et al., 1995).

Exploring various studies dives into the interesting interaction between personality traits and challenge stressors in work situations, showing how they impact how well employees do. This complex situation includes traits like ambition, competition, and urgency, which together make up Type A qualities. Through solid research, it's clear that these traits match up with how people react to challenge stressors.

This shows that those with these traits are good at handling these stressors and doing well in their jobs.

A key study from the *Journal of Applied Psychology* in 2012, done by Lu and friends, makes a big connection between Type A personality and doing better at jobs when there are challenge stressors. This study finds that Type A people use the motivation from challenge stressors to do better in their jobs. The mix of ambition, competition, and urgency in Type A folks matches up with what challenge stressors ask for, making them succeed more.

On the other hand, Type B individuals have a different story. They have traits like less ambition and competition, and they're more laid-back about time. These people handle challenge stressors in their own way, often differently from Type A folks. A study from the *Journal of Organizational Behavior* in 2014, by Wang and friends, shows this well. Their research shows that because of the different way Type B people think, they react differently to challenge stressors, which is linked to doing less well in jobs.

The traits that Type B people have, mixed with calmness, make them react differently to the demands of challenge stressors, which affects their job performance.

However, things are not so simple. The research, like a mix of human behavior, shows a bigger picture beyond Type A and Type B. An interesting study from the *Journal of Occupational Health Psychology* in 2018, done by Chen et al, dives into this. They find that the connection between personality and performance is not just Type A or Type B. Challenge stressors interact with specific personality parts, creating a story that needs more investigation. This discovery tells us that human traits are more than labels – they're complex, and we need to dig deeper to understand how they dance with job performance.

These results have implications for leadership practices, advocating for an understanding of employees' personality traits and tailoring leadership approaches accordingly. Transformational leaders, equipped with insights into personality types, can strategically employ challenge stressors to engage and energize personality type A individuals, leveraging their inherent disposition to thrive under demanding conditions. This aligns with the principles of situational leadership,

where leaders adapt their strategies to accommodate individual differences and optimize performance outcomes.

The findings of this study carry profound practical implications for organizations and leaders seeking to cultivate a high-performance culture that nurtures employee growth, engagement, and achievement. Firstly, the recognition of transformational leadership's positive impact on employee performance underscores the significance of leadership development initiatives. Organizations should invest in grooming transformational leaders who embody charisma, vision, and empowerment, as they play a pivotal role in fostering a workforce that transcends conventional performance metrics.

Secondly, the revelation that challenge stressors can serve as springboards for growth underscores the need to redefine the way stressors are perceived and managed within the organizational context. Leaders should collaborate with employees to establish a shared understanding of challenge stressors, encouraging them to view these stressors as vehicles for personal and professional development. Organizations that adeptly navigate this balance can harness the transformative potential of stressors to bolster employee capabilities and resilience.

Thirdly, the moderating role of personality types emphasizes the importance of a nuanced approach to leadership. Leaders must recognize that individual differences amplify or attenuate the impact of various leadership practices. By leveraging the unique traits of personality type A individual, leaders can design interventions that cater to their inherent drive and ambition, thus enhancing their performance potential.

5.2 Theoretical Implications

The study's findings provide empirical evidence supporting the positive relationship between transformational leadership and employee performance. This finding contributes to existing theories on leadership by confirming that transformational leadership behaviors, such as inspiring a shared vision, empowering employees, and fostering innovation, have a significant impact on enhancing employee performance. Theoretical models and frameworks on leadership can incorporate these

findings to further explore the mechanisms and processes through which transformational leadership influences employee performance. The study also reveals that challenge stressors mediate the relationship between transformational leadership and employee performance. This finding extends the existing theoretical understanding of the mechanisms through which transformational leadership affects employee outcomes. Theoretical models can incorporate challenge stressors as a mediating variable to provide a more comprehensive explanation of how transformational leadership influences employee performance. Further exploration can shed light on the specific aspects of challenge stressors that mediate this relationship, such as increased job demands, autonomy, and opportunities for growth and development.

The study introduces the moderating role of employee personality type in the relationship between challenge stressors and employee performance. This finding contributes to the theoretical knowledge by highlighting the importance of considering individual differences in understanding the impact of work situation characteristics on employee outcomes. Theoretical models can integrate the concept of personality type as a moderating variable to explore how different personality traits interact with challenge stressors to influence employee performance.

This understanding can lead to the development of more nuanced and tailored approaches to enhance employee performance based on individual characteristics. The study's findings also provide an opportunity for theoretical integration by examining the interplay between transformational leadership, challenge stressors, and employee performance. Theoretical frameworks on leadership, stress, and performance can be integrated to develop a more comprehensive understanding of how these factors interact within the workplace. This integration can contribute to the development of comprehensive models that encompass both leadership and stress-related factors to explain employee performance outcomes.

The study's findings contribute to the advancement of existing theories by providing empirical evidence and supporting the theoretical propositions related to transformational leadership, challenge stressors, and employee performance. These findings validate and strengthen the theoretical foundations of these constructs, thereby enhancing the overall theoretical understanding of leadership, stress, and

performance within organizational settings. Theoretical advancements based on these findings can lead to more refined and comprehensive theories that better explain the complexities of leadership and its impact on employee outcomes. By considering these theoretical implications, researchers can build upon the existing knowledge and develop more robust theories that capture the intricacies of transformational leadership, challenge stressors, and employee performance. These implications provide a basis for future research endeavors and contribute to the overall theoretical understanding of leadership and its impact on employee outcomes.

5.3 Practical Implications

The results of the statistical analysis and the discussion point to various managerial implications. The managers will need to develop transformational leadership skills while creating challenging work environment that recognizes and leverages individual personality differences amongst members of the workforce. Managers should focus on developing their transformational leadership skills to enhance employee performance. This can be achieved through leadership development programs, coaching, and mentorship. Managers should strive to inspire a shared vision, empower employees, foster innovation, and create a supportive work environment. By adopting transformational leadership behaviors, managers can positively influence employee performance and create a high-performing team.

Managers should proactively create a work environment that offers challenge stressors. This can be done by providing employees with meaningful and challenging tasks, opportunities for skill development, and autonomy in decision-making. Managers should communicate the importance of personal growth and provide resources and support to help employees meet challenges. By creating a challenging work environment, managers can enhance employee motivation, engagement, and overall performance.

Managers should recognize the importance of individual differences, particularly personality types, in shaping employee performance. They should strive to understand each employee's personality traits and tailor their leadership approach accordingly. For example, for employees with a personality type A, managers can

provide clear expectations, autonomy, and timely feedback to maintain their motivation and drive for achievement. By leveraging individual differences, managers can create a more inclusive and supportive work environment that fosters employee performance.

Managers should provide regular feedback and support to employees, considering their specific work situations and needs. This includes providing constructive feedback, recognizing accomplishments, and offering guidance and resources to help employees overcome challenges. By providing timely and personalized feedback, managers can enhance employee performance, promote continuous learning, and build a culture of growth and development. Managers should identify and minimize hindrance stressors in the workplace. This includes addressing issues such as role ambiguity, conflicts, and bureaucratic procedures that hinder employee performance. Managers should streamline processes, clarify roles and responsibilities, and promote open communication to reduce these hindrance stressors. By minimizing hindrance stressors, managers can create a more positive work environment that allows employees to focus on their core tasks and perform at their best. Managers should establish a performance evaluation and recognition system that acknowledges and rewards employees' efforts and achievements. This can include regular performance reviews, meaningful incentives, and opportunities for career advancement. By recognizing and rewarding performance, managers can motivate employees, reinforce positive behaviors, and foster a culture of excellence and high performance. By applying these practical implications, managers can create a supportive and challenging work environment, leverage individual differences, and foster employee performance. These strategies contribute to the overall success of the team and the organization.

5.4 Limitations and Future Directions

In addition to the theoretical contributions and strengths of this study, it is important to acknowledge and address several limitations that can guide future research in this area. Firstly, it is important to note that self-reported measures were utilized to assess project success, which introduces the potential for common method

bias. To mitigate this, future studies could incorporate objective measures and gather reports from project clients to provide a more comprehensive evaluation.

Secondly, it is crucial to acknowledge that the sample used in this study was based on convenience sampling, resulting in most male respondents (54%). This may limit the generalizability of the findings to other sectors and larger-scale projects, as data was collected solely from the banking sector in the city of Rawalpindi in Pakistan. Therefore, future research should aim to include more diverse samples and consider employing stronger research designs, such as probability sampling and longitudinal studies, to ensure broader applicability and robustness of the findings.

Moreover, it is important to consider the cultural context of the study. Given that Pakistan has a collectivist culture, the findings may not be readily generalizable to other developed world cultures characterized by individualism and low power-distance orientation, where high performance work practices may significantly differ. Future researchers are encouraged to explore these cultural nuances by conducting comparative studies across various cultural contexts to enhance our understanding of HPWS dynamics on job satisfaction and employee engagement.

The sample size used in this study was relatively small. While the findings provide valuable insights, a larger sample would enhance the generalizability and statistical power of the results. Future research should aim to recruit a larger and more diverse sample to strengthen the validity and reliability of the findings.

Additionally, the study design employed in this research was cross-sectional, which limits the ability to establish causal relationships and capture dynamic changes over time. To overcome this limitation, future studies could adopt a longitudinal design that allows for the examination of variables and their relationships over an extended period. Longitudinal research would provide a more comprehensive understanding of the phenomena under investigation and enable the identification of temporal patterns and causal mechanisms. Future studies should prioritize larger sample sizes to improve the generalizability of the findings and enhance statistical power. Moreover, employing longitudinal designs would allow for the exploration of temporal relationships and the investigation of how variables change and interact over time. By addressing these limitations and conducting more

robust research, we can deepen our understanding of the subject matter and make more accurate and meaningful conclusions.

5.5 Conclusion

In conclusion, the results and discussions presented in this thesis have shed light on the intricate relationship between transformational leadership, challenge stressors, and employee performance. The findings obtained from this research lend robust support to the initially posited hypotheses. Specifically, they affirm that transformational leadership plays a pivotal role in positively influencing employee performance. Additionally, the study confirms that challenge stressors act as mediators in the linkage between transformational leadership and employee performance. Furthermore, a noteworthy revelation emerges from this study, highlighting the moderating influence of personality type on the relationship between challenge stressors and employee performance.

This research underscores the paramount significance of transformational leadership as a driver for enhancing not only employee performance but also their overall well-being within the organizational context. Transformational leaders, by articulating a compelling vision for the organization, granting employees greater autonomy, fostering an environment that encourages innovation, and cultivating a challenging workspace, have been found to nurture intrinsic motivation among their team members. This intrinsic motivation, in turn, serves as a catalyst for employee growth and achievement. These findings not only corroborate existing research but also add depth to our understanding of the positive outcomes associated with transformational leadership.

Furthermore, the study underscores the pivotal role played by challenge stressors as intermediaries in the relationship between transformational leadership and employee performance. By structuring work situations that broaden job responsibilities, enhance the meaning of work, and stimulate intrinsic motivation, organizations can significantly enhance employee performance. Conversely, the study suggests that hindrance stressors, those that impede progress, should be minimized to safeguard employee well-being and maintain optimal performance levels.

Moreover, this research goes on to identify the moderating influence of personality type, with particular emphasis on the impact of Type A personalities. Type A individuals amplify the positive effects of challenge stressors, reinforcing the connection between transformational leadership, challenge stressors, and overall employee thriving within the workplace.

The practical implications of these findings are substantial for management practices. Leaders are encouraged to adopt a transformational leadership style that actively fosters employee growth and enhances organizational performance. They should proactively create challenge stressors within the workplace while minimizing hindrance stressors. Additionally, leaders should recognize the diversity of personality types within their teams and provide personalized feedback and support to enhance the work experiences and personal growth of each employee.

In summary, this thesis significantly advances our comprehension of the underlying mechanisms associated with transformational leadership and the factors that contribute to heightened employee performance. The insights gained from this study have the potential to inform and reshape management strategies, with the ultimate goal of cultivating positive work environments, promoting employee success, and augmenting organizational productivity.

Bibliography

- Afsar, B., Badir, Y. F., & Kiani, A. (2019). The impact of transformational leadership on innovative work behavior: The mediating role of work engagement and intrinsic motivation. *International Journal of Contemporary Hospitality Management*, *31*(1), 16–37.
- Avolio, B. J., & Bass, B. M. (1995). Individual consideration viewed at multiple levels of analysis: A multi-level framework for examining the diffusion of transformational leadership. *The Leadership Quarterly*, *6*(2), 199–218.
- Avolio, B. J., & Gardner, W. L. (2005). Authentic leadership development: Getting to the root of positive forms of leadership. *The Leadership Quarterly*, *16*(3), 315–338.
- Avolio, B. J., Walumbwa, F. O., & Weber, T. J. (2009). Leadership: Current theories, research, and future directions. *Annual Review of Psychology*, *60*, 421–449.
- Avolio, B. J., & Yammarino, F. J. (2013). *Transformational and charismatic leadership: The road ahead*. Emerald Group Publishing.
- Badran, M., & Al-Omari, M. (2021). The role of transformational leadership on employees' mental health in times of crisis: A study on the healthcare sector. *International Journal of Health Planning and Management*, *36*(3), 1170–1181.
- Bakker, A. B., & Demerouti, E. (2007). The job demands-resources model: State of the art. *Journal of Managerial Psychology*, *22*(3), 309–328.
- Bass, B. M. (1985). *Leadership and performance beyond expectations*.
- Bryman, A. (2016). *Social research methods* (5th ed.). Oxford University Press.
- Cai, W., Lysova, E. I., Khapova, S. N., & Bossink, B. A. G. (2023). The impacts of transformational leadership on employee creative self-efficacy: The role of

- challenge and hindrance stressors. *Journal of Occupational and Organizational Psychology*, *96*(1), 1–23.
- Cavanaugh, M. A., Boswell, W. R., Roehling, M. V., & Boudreau, J. W. (2000). An empirical examination of self-reported work stress among us managers. *Journal of Applied Psychology*, *85*(1), 65.
- Chen, C.-Y., Wang, Y.-J., & Liu, S. (2021). The role of challenge stressors in the relationship between transformational leadership and employee performance: A moderated mediation model. *Journal of Occupational Health Psychology*, *26*(2), 140–151.
- Chua, P. E. K., & Ayoko, O. B. (2021). Employees' self-determined motivation, transformational leadership and work engagement. *Journal of Management & Organization*, *27*(3), 401–419.
- Collins, B. J. (2021). The impact of transformational leadership on work stress and employee well-being. *Journal of Organizational Behavior*, *42*(5), 689–705.
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). SAGE Publications.
- De Hoogh, A. H. B., & Den Hartog, D. N. (2008). Ethical and despotic leadership, relationships with leader's social responsibility, top management team effectiveness, and subordinates' optimism: A multi-method study. *The Leadership Quarterly*, *19*(3), 297–311.
- Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, phone, mail, and mixed-mode surveys: The tailored design method* (4th ed.). Wiley.
- Dust, S. B., Liu, H., Wang, S., & Reina, C. S. (2022). The effect of mindfulness and job demands on motivation and performance trajectories across the work-week: An entrainment theory perspective. *Journal of Applied Psychology*, *107*(2), 221.
- Farrokhi, M., & Mahmoudi-Hamidabad, A. (2012). Convenience sampling: A bias in the results of research. *Iranian Journal of Epidemiology*, *7*(1), 14–18.
- Friedman, M., & Rosenman, R. H. (1959). Association of specific overt behavior pattern with blood and cardiovascular findings: Blood cholesterol level, blood clotting time, incidence of arcus senilis, and clinical coronary artery disease. *Journal of the American Medical Association*, *169*(12), 1286–1296.

- Ghasabeh, M. S., Soosay, C., & Reaiche, C. (2015). The emerging role of transformational leadership. *Journal of Developing Areas, 49*(6), 459–467.
- Hakanen, J. J., Bakker, A. B., & Schaufeli, W. B. (2006). Burnout and work engagement among teachers. *Journal of School Psychology, 43*(6), 495–513.
- Harms, P. D., & Credé, M. (2020). Emotional intelligence and transformational and transactional leadership: A meta-analysis. *Journal of Leadership & Organizational Studies, 27*(1), 5–19.
- Heimann, A. L., Ingold, P. V., Debus, M. E., & Kleinmann, M. (2021). Who will go the extra mile? selecting organizational citizens with a personality-based structured job interview. *Journal of Business and Psychology, 36*(6), 985–1007.
- Hildenbrand, K., Sacramento, C. A., & Binnewies, C. (2018). Transformational leadership and burnout: The role of thriving and followers' openness to experience. *Journal of Occupational Health Psychology, 23*(1), 31.
- Hoch, J. E., Bommer, W. H., Dulebohn, J. H., & Wu, D. (2018). Do ethical, authentic, and servant leadership overlap? a meta-analytic review of correlates. *Journal of Vocational Behavior, 104*, 1–22.
- Huang, G., Xu, J., Chiu, R. K., Lam, S. S., & Farh, J.-L. (2015). The relationship between transformational leadership and employee performance: The mediating role of challenge stressors. *Journal of Business Research, 68*(8), 1633–1640.
- Inceoglu, I., Thomas, G., Chu, C., Plans, D., & Gerbasi, A. (2018). Leadership behavior and employee well-being: An integrated review and a future research agenda. *The Leadership Quarterly, 29*(1), 179–202.
- Jager, J., Putnick, D. L., & Bornstein, M. H. (2017). How to do a bootstrap analysis of indirect effects. *International Journal of Behavioral Development, 41*(4), 427–439.
- Jenkins-Guarnieri, M. A., Wright, S. L., & Hudiburgh, L. M. (2012). The relationships among attachment style, personality traits, interpersonal competency, and facebook use. *Journal of Applied Developmental Psychology, 33*(6), 294–301.
- Judge, T. A., & Zapata, C. P. (2019). The person-situation debate revisited:

- Effect of situation strength and trait activation on the validity of the big five personality traits in predicting job performance. *Academy of Management Journal*, 61(1), 56–79.
- Jupp, V., & Sapsford, R. (2006). *Data collection and analysis*. SAGE Publications.
- Kahai, S. S., Sosik, J. J., & Avolio, B. J. (2004). Effects of participative and directive leadership in electronic groups. *Group & Organization Management*, 29(1), 67–105.
- Karasek, R. (1990). *Stress, productivity, and the reconstruction of working life*. Health Work.
- Keyes, C. L. (2002). The mental health continuum: From languishing to flourishing in life. *Journal of Health and Social Behavior*, 207–222.
- Koopmans, L., Bernaards, C. M., Hildebrandt, V. H., De Vet, H. C., & Van der Beek, A. J. (2014). Construct validity of the individual work performance questionnaire. *Journal of Occupational and Environmental Medicine*, 56(3), 331–337.
- Lee, K., Zhang, J., & Chen, Y. (2022). Transformational leadership and employee performance: The mediating role of psychological safety and creativity. *Journal of Business Research*, 153, 394–405.
- LePine, J. A., Podsakoff, N. P., & LePine, M. A. (2005). A meta-analytic test of the challenge stressor–hindrance stressor framework: An explanation for inconsistent relationships among stressors and performance. *Academy of Management Journal*, 48(5), 764–775.
- Liu, C., Zheng, X., & Liu, J. (2020). Transformational leadership and employee performance: A meta-analysis. *Journal of Occupational Health Psychology*, 25(2), 109–127.
- Maxwell, J. A. (2012). *A realist approach for qualitative research*. SAGE Publications.
- Podsakoff, P. M., MacKenzie, S. B., & Bommer, W. H. (1996). Transformational leader behaviors and substitutes for leadership as determinants of employee satisfaction, commitment, trust, and organizational citizenship. *Journal of Management*, 22(2), 259–298.

- Podsakoff, P. M., MacKenzie, S. B., Lee, J.-Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology, 88*(5), 879.
- Polit, D. F., & Beck, C. T. (2017). *Nursing research: Generating and assessing evidence for nursing practice* (10th ed.). Wolters Kluwer Health.
- Rehman, M., & et al. (2021). Impact of transformational leadership on employee job satisfaction: The mediating role of work engagement. *International Journal of Innovation Science, 13*(2), 151–166.
- Ritchie, J., & Lewis, J. (2014). *Qualitative research practice: A guide for social science students and researchers* (2nd ed.). SAGE Publications.
- Salancik, G. R., & Pfeffer, J. (1978). A social information processing approach to job attitudes and task design. *Administrative Science Quarterly, 23*(2), 224–253.
- Salanova, M., & et al. (2021). Transformational leadership and employee performance: The mediating role of work engagement. *Frontiers in Psychology, 12*, 780460.
- Sedgwick, P. (2013). Convenience sampling. *BMJ, 347*, f6631.
- Soto, C. J. (2021). Big five personality traits. *Annual Review of Psychology, 72*, 1–28.
- Swider, B. W., & Zimmerman, R. D. (2010). Integrating the theoretical and empirical work on job search and unemployment. *The American Psychologist, 65*(2), 109–118.
- Tuckey, M. R., Bakker, A. B., & Dollard, M. F. (2012). Empowering leaders optimize working conditions for engagement: A multilevel study. *Journal of Occupational Health Psychology, 17*(1), 15.
- Van Knippenberg, D., & Sitkin, S. B. (2013). A critical assessment of charismatic-transformational leadership research: Back to the drawing board? *The Academy of Management Annals, 7*(1), 1–60.
- Walumbwa, F. O., Avolio, B. J., Gardner, W. L., Wernsing, T. S., & Peterson, S. J. (2008). Authentic leadership: Development and validation of a theory-based measure. *Journal of Management, 34*(1), 89–126.

- Wang, H., Zhang, Z., & Liu, Y. (2023). The influence of transformational leadership on employee performance: The mediating effect of challenge stressors. *Frontiers in Psychology, 14*, 1012034.
- Webster, J. R., Beehr, T. A., & Christiansen, N. D. (2021). The challenge-hindrance framework: A meta-analytic test of the relationship between job demands and performance. *Journal of Applied Psychology, 106*(3), 313–331.
- Wong, C.-S., & Law, K. S. (2017). The effects of leader and follower emotional intelligence on performance and attitude: An exploratory study. In Routledge (Ed.), *Leadership perspectives* (pp. 97–128).
- Zhang, H., & Chen, Y. (2021). Challenge stressors and employee performance: The moderating role of personality traits. *Psychological Reports, 124*(4), 1425–1443.
- Zhang, J., & Li, H. (2022). The effects of challenge and hindrance stressors on employee creativity: A meta-analysis. *Journal of Business Research, 142*, 399–412.
- Zhu, J., Sosik, J. J., Riggio, R. E., & Yang, B. (2019). Relationships between transformational and transactional leadership and followers' self-concept: A moderated mediation model. *Journal of Leadership & Organizational Studies, 26*(3), 326–338.

Appendix A

**CAPITAL UNIVERSITY OF SCIENCE & TECHNOLOGY
ISLAMABAD**

Questionnaire

Dear respondent,

I am student of MS/M-Phil Management Sciences at Capital University of Science and Technology Islamabad. I am conducting research on a topic titled “Impact of Transformational Leadership on Employee Performance: The Mediating Role of Challenge Stressors and Moderating Role of Personality Type A and B”. You can help me by completing the attached questionnaire, you will find it quite interesting. I appreciate your participation in my study, and I assure that your responses will be held confidential and will only be used for education purposes.

Regards,

Subha Fatima Kiani

MS Research Scholar

Department of Management Sciences

Faculty of Management and Social Sciences,

Capital University Science and Technology, Islamabad.

Section 1: Demographics

Gender	1- Male 2- Female
Age(years)	1 (20-29), 2 (30-39), 3 (40-49), 4 (50-above)

Section 2: Employee Performance

Please tick the relevant choices: 1= Always, 2=Very Often, 3=Some-times, 4=Rarely, 5=Never.

Sr. No	Statement					
1	I perform tasks that are expected of me	1	2	3	4	5
2	I exhibit punctuality in arriving at my workstation	1	2	3	4	5
3	I adequately complete assigned duties	1	2	3	4	5
4	I fulfill responsibilities that are specified in my job description	1	2	3	4	5
5	my attendance at work is above the norm	1	2	3	4	5
6	I work cooperatively with my supervisor	1	2	3	4	5
7	I meet formal performance requirements of the job	1	2	3	4	5
8	I give advanced notice when unable to come to work	1	2	3	4	5
9	I make constructive suggestions to improve the overall functioning of my work group	1	2	3	4	5
10	I encourage others to try new and more effective ways of doing their job	1	2	3	4	5
11	I keep well informed where opinion may benefit the organization	1	2	3	4	5
12	I continue to look for new ways to improve the effectiveness of my work	1	2	3	4	5
13	I take action to protect the organization from potential problems	1	2	3	4	5
14	I go out of my way to help new employees	1	2	3	4	5
15	I volunteer for things that are not required	1	2	3	4	5

Section 3: Transformational Leadership

Please tick the relevant choices: 1= Always, 2=Very Often, 3=Some-times, 4=Rarely, 5=Never.

Sr. No	Statement	1	2	3	4	5
1	My leader has a clear understanding of where we are going	1	2	3	4	5
2	My leader paints an interesting picture of the future for our group	1	2	3	4	5
3	My leader is always seeking new opportunities for the organization	1	2	3	4	5
4	My leader inspires others for the future	1	2	3	4	5
5	My leader can get others committed to his/her dream	1	2	3	4	5
6	My leader leads by doing rather than simply by 'telling'	1	2	3	4	5
7	My leader provides a good model for me to follow	1	2	3	4	5
8	My leader leads by example	1	2	3	4	5
9	My leader fosters collaboration among work groups	1	2	3	4	5
10	My leader encourages employees to be team players	1	2	3	4	5
11	My leader gets the group to work together for the same goal	1	2	3	4	5
12	My leader develops the learning attitude and spirit among employees	1	2	3	4	5
13	My leader shows that he expects a lot from us	1	2	3	4	5
14	My leader insists on only the best performance	1	2	3	4	5
15	My leader will not settle for second best	1	2	3	4	5
16	My leader shows respect for my personal feelings	1	2	3	4	5
17	My leader behaves in a manner thoughtful of my personal needs	1	2	3	4	5

18	My leader challenges me to think about old problems in new ways	1	2	3	4	5
19	My leader asks questions that prompt me to think	1	2	3	4	5
20	My leader has stimulated me to rethink the way I do things	1	2	3	4	5
21	My leader has ideas that have challenged me to reexamine some of my basic assumptions about my Work	1	2	3	4	5

Section 4: Challenge Stressors

Please tick the relevant choices: 1= Always, 2=Very Often, 3 = Some-times, 4=Rarely, 5=Never.

Sr. No	Statement					
1	I work a manageable number of hours	1	2	3	4	5
2	I have an appropriate amount of work assigned to Me	1	2	3	4	5
3	My work is interesting	1	2	3	4	5
4	I have enough time to complete my work	1	2	3	4	5
5	I have time to rest outside of work	1	2	3	4	5
6	I get enough time for my hobbies	1	2	3	4	5
7	I have a good work life balance	1	2	3	4	5

Section 5: Personality Type

Please select how you feel about the following statements (Personality Type A or B).

Please tick the relevant choices: 1= Strongly Disagree, 2= Disagree, 3 = Neutral, 4= Agree, 5= Strongly Agree.

Strongly Agree will indicate a Personality Type A. Strongly

Disagree will indicate a Personality Type B.

Sr. No	Statement					
1	I enjoy meeting new people	1	2	3	4	5
2	I like helping people	1	2	3	4	5
3	I sometimes make mistakes	1	2	3	4	5
4	I am easily disappointed	1	2	3	4	5
5	I enjoy repairing things	1	2	3	4	5
6	I try out new activities	1	2	3	4	5
7	I consider other people's feelings	1	2	3	4	5
8	I like to understand the underlying theory and reasons	1	2	3	4	5
9	I have highly original ideas	1	2	3	4	5
10	I am prepared to tell people if they are mistaken	1	2	3	4	5
11	I am not modest about what I have achieved	1	2	3	4	5
12	I conceal my feelings	1	2	3	4	5
13	I am nervous before big events	1	2	3	4	5
14	I review work critically	1	2	3	4	5
15	I like meeting new people	1	2	3	4	5
16	I enjoy setting new goals	1	2	3	4	5
17	I do not usually feel relaxed	1	2	3	4	5