



Mediating Role of Psychological Empowerment Between Proactive Personality and Employee Performance: A Study in an Indian IT Sector, Delhi NCR.

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Citation: Neha Jain, et al (2024). Mediating Role of Psychological Empowerment Between Proactive Personality and Employee Performance: A Study in an Indian IT Sector, Delhi NCR, *Educational Administration: Theory and Practice*. 30(1), 6611-6617
Doi: 10.53555/kuey.v30i1.9932

ARTICLE INFO

ABSTRACT

This study examines the intricate dynamics between proactive personality and employee intention to stay, highlighting the mediating role of psychological empowerment. Individuals with a proactive personality are naturally inclined to take initiative and anticipate future challenges, which significantly impacts their commitment to the organization. Psychological empowerment acts as an influencer between proactive personality and employee performance. This paper synthesizes and collects the primary data through an online questionnaire form. The study population was IT professionals (Software engineers, technical leads, managers) who have been a key part of the Indian IT sector in Delhi NCR, which involved 370 respondents. Data analysis was performed through a forward stepwise technique through SPSS and smart PLS SEM. The results verified that EINT mediated the relationship between proactive personality and employee performance. By uncovering these relationships, this research study offers valuable insights for organizational leaders and policymakers aiming to cultivate a committed workforce and improve employee retention strategies and talent management practices in the Indian IT sector.

Keywords- proactive personality, psychological empowerment, employee intention to stay

1. INTRODUCTION

Employee retention remains a priority for organizations striving to maintain a competitive edge in today's dynamic workforce environment. High turnover rates can incur substantial costs, disrupt team dynamics, and erode organizational knowledge, making it crucial to understand the factors influencing an employee's intention to stay. Among various factors affecting retention, personality traits and workplace empowerment have gained significant attention due to their potential impact on job satisfaction, commitment, and resilience. Specifically, the personality trait of proactivity, which is characterized by an individual's initiative to effect positive change in their environment, has emerged as a key predictor of work-related outcomes. This study aims to explore the link between proactive personality and employees' intention to stay, with a particular focus on psychological empowerment as a mediating and moderating factor. Retention is more economical than recruiting new employees and is a key parameter of the strength of a business organization (Kundu and Lata, 2016; Presbitero et al., 2016).

Psychological empowerment, defined as the degree to which individuals feel a sense of control and purpose in their work, has been found to enhance job satisfaction, engagement, and retention intentions. As both a mediator and moderator, psychological empowerment may strengthen or explain the association between a proactive personality and retention intentions. This research investigates whether employees with proactive personalities are more inclined to stay in their jobs due to feelings of empowerment, and whether empowerment amplifies the effect of proactive personality on retention intentions. The study's findings are expected to contribute to both academic literature and practical applications, providing insights into fostering a proactive and empowered workforce.

The study is structured as follows: a literature review covering proactive personality, psychological empowerment, and employee retention will set the stage for hypothesis development; a detailed methodology

will outline the research design; results will be presented through statistical analyses, followed by a discussion of the implications for theory and practice. This work provides a nuanced view of the role psychological empowerment plays in employee retention, ultimately contributing valuable insights into how organizations can leverage personality traits and empowerment to reduce turnover.

2. LITERATURE REVIEW

2.1 Proactive Personality and Employee's Intention to stay

Proactive personality is defined as the tendency to initiate change, anticipate future challenges, and take actions to influence one's environment positively. This trait is linked to various positive workplace outcomes, such as job satisfaction, organizational citizenship behavior, and personal initiative, which, in turn, impact retention. Studies indicate that employees with proactive personalities tend to be more engaged and resilient, which can increase their attachment to their workplace (Bateman & Crant, 1993). Moreover, these employees often seek to improve their roles and contribute to organizational goals, making them valuable assets to their organizations. The proactive personality trait has been found to correlate positively with retention intentions, as proactive individuals tend to create fulfilling and supportive work environments. By actively shaping their roles, these employees can find greater meaning and satisfaction in their work, reducing their likelihood of turnover. According to Crant (2000), proactive employees are better at managing job-related challenges and may even craft their work experiences to align more closely with personal aspirations, thereby enhancing their commitment to their organization.

2.2 Psychological Empowerment

Psychological empowerment refers to a motivational state comprising four key dimensions: meaning, competence, self-determination, and impact (Spreitzer, 1995). These dimensions collectively capture an employee's sense of control over their work, their confidence in executing job tasks, and the meaningfulness of their role in achieving organizational goals. Research shows that when employees feel empowered, they are more likely to be engaged, productive, and committed to their organizations (Seibert, Wang, & Courtright, 2011). The concept of empowerment is closely associated with job satisfaction and retention. Empowered employees typically experience higher morale, reduced job stress, and increased attachment to their organizations. Studies also suggest that psychological empowerment may mediate the relationship between personality traits, such as proactivity, and work outcomes. For instance, empowered employees with proactive tendencies are likely to channel their initiative into constructive actions that benefit both themselves and the organization, reinforcing their intent to stay.

2.3 The Mediating role of Psychological Empowerment

The role of psychological empowerment—as a mediator—offers an interesting perspective on employee retention. As a mediator, empowerment explains how proactive personality leads to higher retention. Proactive individuals may experience increased empowerment, which translates into greater job satisfaction and attachment to the organization. Zhang and Bartol (2010) found that empowered employees often develop a stronger sense of commitment, which reduces turnover intentions.

2.4 Linking Proactive Personality, Psychological Empowerment, and Employee's intention to stay

Integrating the above concepts, this study proposes that psychological empowerment will mediate the relationship between proactive personality and retention intentions. When proactive employees feel empowered, they are likely to experience greater job satisfaction and personal alignment with organizational goals, which fosters a stronger intention to stay. The presence of psychological empowerment may also amplify the natural benefits of a proactive personality, creating a workplace environment that supports long-term retention.

Hypothesis:

The following hypotheses are proposed based on this theoretical framework:

- **H1:** Proactive personality is significantly associated with employees' intention to stay
- **H2:** Proactive personality is significantly associated with psychological empowerment.
- **H3:** Psychological empowerment mediates the relationship between proactive personality and intention to stay.

3. METHODOLOGY

3.1 Research Design

This study adopts a quantitative research design to examine the relationships between proactive personality, psychological empowerment, and employee retention intentions. A cross-sectional survey approach will be used to collect data from employees working in various sectors, ensuring a diverse sample that reflects different organizational contexts. The survey will be administered online to enhance accessibility and reach a larger pool

of participants. This design is appropriate for exploring the correlation and casual relationships between the variables under consideration.

3.2 Participants and Sample Size

The target population includes full-time employees from a range of industries, such as technology, healthcare, finance, and manufacturing. To ensure the reliability and generalizability of the results, the sample size has been taken of 300 employees. This sample size is sufficient to conduct statistical analyses such as correlation and regression, which are necessary to test the proposed hypotheses. Both the statistical tools are performed on SPSS (**Statistical Package for Social Science**). Inclusion criteria for participation will include employees who have been in their current roles for at least six months, as this ensures that respondents have had enough time to form attitudes and perceptions regarding their work environment. The participants will be recruited through organizational networks, and consent will be obtained from all participants.

3.3 Measures:

Data will be collected through a self-administered online questionnaire consisting of three main sections:

1. Proactive Personality: The proactive personality scale developed by Bateman and Crant (1993) will be used to assess the respondents' level of proactivity. This scale consists of 10 items measured on a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

2. Psychological Empowerment: The psychological empowerment scale developed by Spreitzer (1995) will be used to measure the four dimensions of empowerment: meaning, competence, self-determination, and impact. This scale includes 12 items, with each item rated on a 5-point Likert scale.

3. Intention to Stay: Employees' intention to stay will be assessed using a scale developed by Allen and Meyer (1990), which measures employees' commitment to the organization and their future intentions to remain. This section includes items such as "I plan to continue working here for the next several years," rated on a 5-point scale from 1 (strongly disagree) to 5 (strongly agree).

Additionally, **demographic variables** such as age, gender, tenure, and industry will be collected to control for potential confounding factors.

3.4 Data Analysis

Regression:

Descriptive Statistics and Correlations

	Mean	Std. Deviation	PROP	PEMP	EINT
PROP	4.19	.97328	1		
PEMP	3.43	.47705	.280**	1	
EINT	4.27	.98996	.318**	.247**	1

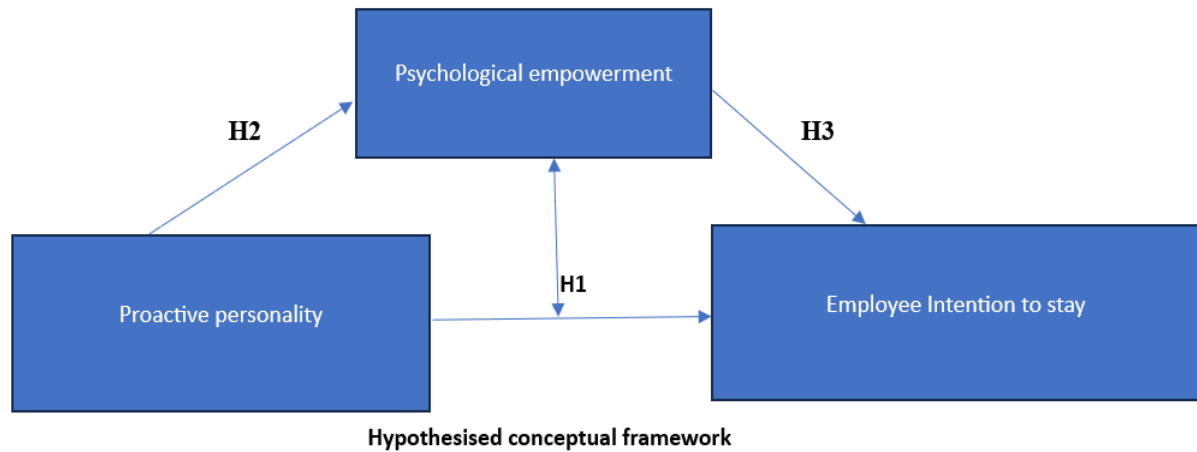
Author's calculations

Note: **Correlation is significant at the 0.01 level (2-tailed)

PROP: Proactive personality, **PEMP:** Psychological empowerment, **EINT:** Employee intention to stay,

The reported values indicated that, proactive personality (Mean = 4.19, SD = .97328), psychological empowerment (Mean = 3.43, SD = .47705), employee intention to stay (Mean = 4.27, SD = .98996), exist in the IT industry. Moreover, the correlation coefficients among the latent constructs were estimated and reported to examine their interrelationships

The collected data will be analyzed using Structural Equation Modeling (SEM), which allows for the testing of complex relationships between latent variables. Specifically, the study will employ SEM to assess mediating effects of psychological empowerment on the relationship between proactive personality and employees' intention to stay. This approach is suitable for examining the proposed hypotheses, as it can simultaneously estimate direct, indirect, and interactive effects in the model.



First, confirmatory factor analysis (CFA) will be conducted to verify the validity and reliability of the measurement model. Next, path analysis will be employed to test the hypotheses, with bootstrapping methods used to assess the significance of indirect and interactive effects.

Table 4.32: Reliability and Validity

Constructs	Number of items	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
PROP	8	0.977	0.979	0.980	0.861
MEN	3	0.891	1.101	0.926	0.808
COMP	3	0.906	0.906	0.941	0.841
SLFD	3	0.957	0.961	0.972	0.920
IMP	3	0.919	0.925	0.949	0.861
EINT	3	0.948	0.948	0.967	0.906

3.5 Ethical Considerations

This study will adhere to ethical guidelines for conducting research with human participants. Informed consent will be obtained from all respondents, ensuring they are fully aware of the study's purpose, their role in the research, and their right to confidentiality. The anonymity of respondents will be maintained, and no personally identifiable information will be collected. Participants will be informed that their participation is voluntary, and they can withdraw at any time without consequences.

4. RESULTS

4.1 Descriptive Statistics

Descriptive statistics will be computed to summarize the demographic characteristics of the sample, including frequency distributions for age, gender, industry, and tenure. Additionally, means, standard deviations, and correlations for the key variables—proactive personality, psychological empowerment, and intention to stay—will be presented to provide an overview of the data.

Table 4.3: Gender Frequency

Sl. No.	Category	Frequency	Percent	Cumulative Percent
1	Male	348	54.7	54.7
2	Female	288	45.3	100.0
	Total	636	100.0	

Table 4.3 presents the respondents' distribution based on gender (see Figure 4.3). It provides both absolute and relative frequencies, showing how the respondents are split between the categories of Male and Female. The key insights from this table are as follows:

- The sample consists of 300 respondents, with a higher proportion of males (54.7%) than females (45.3%).
- The cumulative percent provides a running total of the distribution, reaching 100% with the inclusion of all categories. Thus, the data does not include any missing values, as indicated by the valid percent, which is equal to the percent for both categories.
- The gender distribution in the sample shows a slightly higher representation of males than females. This table effectively illustrates the gender composition of the surveyed population, ensuring clarity in the breakdown of male and female respondents.

4.2 Confirmatory Factor Analysis (CFA)

Before testing the hypotheses, confirmatory factor analysis (CFA) will be conducted to assess the construct validity of the scales used in the study. This analysis will ensure that the observed variables load appropriately onto their respective factors: proactive personality, psychological empowerment, and intention to stay. The goodness-of-fit indices, such as the Chi-square test, Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA), will be used to evaluate the fit of the measurement model.

Table 4.27: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy. .869		
Bartlett's Test of Sphericity	Approx. Chi-Square	35913.280
	Df	1081
	Sig.	.000

4.3 Hypothesis Testing

The hypotheses will be tested using structural equation modeling (SEM). Path analysis will be conducted to examine the direct effect of proactive personality on intention to stay, as well as the indirect and interactive effects through psychological empowerment. Specifically:

- **H₁** will be tested by assessing the direct path from proactive personality to intention to stay.
- **H₂** will be tested by examining the indirect path from proactive personality to intention to stay through psychological empowerment.
- **H₃** will be tested by assessing the interaction between proactive personality and psychological empowerment on intention to stay.

To test H₂ and H₃, the bootstrapping technique will be used to estimate the significance of the indirect and mediation effects, respectively.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Remarks
H₁: PROP ->PE	0.100	0.099	0.050	2.003	0.045	Supported
H₂: PE -> EINT	0.100	0.099	0.050	2.003	0.045	Supported
H₃: PROP -> EINT	0.541	0.543	0.043	12.646	0.000	Supported

5. DISCUSSION

5.1 Summary of Findings

This section will provide a summary of the key findings from the data analysis. Specifically, the relationships between proactive personality, psychological empowerment, and intention to stay will be discussed. If the hypotheses are supported, the discussion will highlight how proactive personality and psychological empowerment interact to enhance retention intentions, emphasizing the dual role of empowerment as both a mediator and moderator.

5.2 Theoretical Implications

The findings of this study will contribute to the theoretical understanding of employee retention by clarifying the role of proactive personality and psychological empowerment in shaping retention intentions. This research builds on existing theories of organizational behavior and motivation, particularly the Job Characteristics Theory (Hackman & Oldham, 1976) and the Self-Determination Theory (Deci & Ryan, 1985). The study's results

could offer new insights into how employees' intrinsic motivation and proactive behaviors influence their long-term attachment to organizations.

5.3 Practical Implications

For practitioners, the findings provide actionable insights into how organizations can foster a proactive and empowered workforce. Employers should consider designing environments that enhance psychological empowerment, as empowered employees are more likely to stay with the organization and perform at higher levels. Additionally, organizations may want to identify and nurture employees with proactive personalities, providing them with opportunities to contribute meaningfully to the organization's goals. Retaining proactive and empowered employees can ultimately improve organizational stability and reduce turnover costs.

5.4 Limitations and Future Research

While this study offers valuable insights, several limitations must be considered. The cross-sectional design limits the ability to draw causal conclusions, and future research could explore longitudinal designs to assess changes in proactive personality, psychological empowerment, and employee's intention to stay over time. Additionally, the study's sample is limited to specific industries, and future studies could examine whether these findings are applicable across a broader range of sectors.

Future research could also explore the role of other individual differences, such as emotional intelligence and employee resilience, in the employee retention process. Examining how organizational factors, such as leadership styles or organizational culture, influence the relationship between proactive personality and retention could also be a fruitful area for investigation.

Conclusion:

In conclusion, this study underscores the importance of both proactive personality and psychological empowerment in enhancing employee retention. By examining the interplay between these factors, the study contributes to a deeper understanding of how organizations can cultivate a committed and engaged workforce. The findings highlight that fostering empowerment in proactive employees can lead to stronger retention intentions, ultimately benefiting both employees and organizations alike.

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