In this era, organizational change is a challenging task, especially to convince employees to accept the change. This study investigates the relationship of employee’s acceptance to change with the impact of transformational leadership (TL) and analyses the mediating role of workplace spirituality (WS). Most of the studies in workplace spirituality literature consider transformational leader as an intense stimulation to nurture the spirituality of employees or to make change implementation successful. However, no previous studies explored employee reaction (i.e. acceptance) to change with the potent ingredient of spirituality factors. The data for this purpose was obtained by a time-lagged survey from a sample of 181 employees from private banks of Pakistan, which were used for further analysis using PROCESS (Model 4). The results of this study confirmed that the main effect of TL on Employees acceptance to change. Also, the study confirmed the full mediation of WS between the TL and employee acceptance to change. This study revealed the practical implications in the banking sector to enable the spirituality of employee for making change implementation successful also limitations of the study are highlighted.

**Key Words:** Workplace Spirituality, Transformational Leadership, Acceptance to Change
Transformational Leadership Incorporating Employee Change Acceptance in the Banking Sector: Mediating Effect of Workplace Spirituality

Airlines, World Bank, Starbucks and AT&T uses various training programs to embrace spirituality in employees (Robbins and Judge, 2009). Such organizations prove employees practising spirituality helps their workers to feel empowered within a participative environment because an employee in the spiritual workplace more likely to be interconnected, want to have a meaningful life and feel compassion toward others in an unpredictable dynamic environment (Kolodinsky et al., 2008). Hence, now spiritual culture is being encouraged as in today organizations employees desired for more meaningfulness and purpose in their work. The study revealed that it is necessary to address the spiritual aspect of employees to improve performance at the workplace (Thaker, 2009). Consequently, in the workplace, employees want to align their personal values with their professional life. More specifically, previous research findings have studied WS with other variables which proved that emotions improve our understanding of organizational behavior and employee behaviour (Mitroff and Denton, 1999).

Apart from this, the role of leader contributing to change management efforts has been received greater attention (Bass, 1985). A leader has the capacity to share the vision for the new system and its long-term benefits. Bass and Avolio (1994) suggest that in order to accept and preparedness for change, a leader must have strong skills of intellectual stimulation to achieve the shared aspiration. This indicates that a leader must be skilled in change management process (Kavanagh and Ashkanasy, 2006) because a leader is an enabling factor for an employee to motivate them for change. Without the support of powerful individuals to implement change, organizations will have difficulty to deal with changes till completion. Moreover, it is indicated that the failure and success of change efforts are determined by the extent of business leaders either to embrace or resist this opportunity (Thomas and Lamm, 2012). It is found that accomplishment of change implementation through the leader unique vision by powerful, persuasive personal characteristics and actions shaped organizational culture and structure.

Therefore, few empirical studies explore the relationship among WS and attitude related to work outcomes with the effective leadership practices (Abdullah, Ghanii and Alzaidiyeen, 2009; A. Gatling, 2015; Benefiel, 2005; Bodla and Ali, 2012; Fry, 2005; Mckee, 2011). One outcome that comparatively received little attention is that of employees’ reaction toward change in a spiritual environment. On the other hand, leadership style studied with acceptance of change and WS with different organizational factors. These studies concluded that effective leadership style (Transformational leadership) reacts positively in employee attitude to change (Johannsdottir and Olafsson, 2015; Kavanagh and Ashkanasy, 2006; Oreg 2011) or in embracing spirituality at the workplace (A. Gatling, 2015; Fry, 2005; Mckee, 2011; Pfeffer, 2003; Reave, 2005; Riaz 2012). But there is no evidence in the banking sector that how transformational leader impact on the employees’ willingness to incorporate change with the mediating role of WS. Therefore, the objectives of the study are:

1) To investigate the role of TL on the change acceptance of an employee.
2) To investigate the mediation effects of WS explaining TL impact on change acceptance of employees.

Literature Review

Transformation Leadership and Employee Acceptance to Change

In this era of a dynamic environment, where companies are transforming rapidly either due to planned or unplanned Changes play an important role in the impact of leadership styles (Eisenbach and Watson 1999). Transformational leadership is described as leaders who, for the sake of organizational mission and vision, encourage followers to transcend their own self-interests (Bass and Yammarino, 1988). This type of organizational leadership is the most widely studied theory of leadership so far, and dominant in the field of study (Judge and Piccolo 2004).

Different approaches to leadership fit according to the situation and how they should contribute to their company (Yukl, 2002). While multiple types of research on leadership styles have been done previously in various contexts to make organizations effective, but one of the most powerful leadership styles in evolving process circumstances is that TL has a strong impact on employee performance and willingness to implement change (Holten and Brenner, 2015). TL modifies workers' values and behaviours by motivating them, according to Burns (1978). In Korean educational settings, the principles of transformational leadership have been widely accepted.
as essential for enhancing personal resources (Jeong, 2016). The interaction of personal resources (openness to change) and work resources (transformational leader) strengthen the relationship between them with employee job-related outcomes (i.e. work engagement), for that social cognitive theory and P-E fit supports the relationship.

Hypothesis 1: There is a Positive Impact of TL on Employee’s Acceptance of Change.

Transformation Leadership and Workplace Spirituality

Fairholm (1998) initiated the interplay between spirituality and leadership in order to clarify the spirit at work and generate new perspectives for study. Leadership sees as an essential element in a framework that ignites employee intellectual stimulation and commitment to the company, specifically the transformative leader. Fry (2003) added that to live, people have to fulfil certain needs, and spirituality is one of those essential needs. Therefore, Duchon and Plowman (2005) advocate that leadership ability is a necessary ingredient to demonstrate in order to fulfil employee spiritual needs. Transformation leaders are playing a critical role in building an intellectually stimulating atmosphere for workers and in enhancing employee performance. Previous studies results illustrate the interplay between the spirituality and the actions of the transition leader (Twigg and Parayitam 2007). While the main emphasis was on the spirituality of the transitional leader, the revealed leader must accept spirituality in rapid changes that impact the workforce (Twigg and Parayitam, 2007). It is, therefore hypothesized:

Hypothesis 2: There is a Positive Impact of Transformation Leadership on Workplace Spirituality.

Workplace Spirituality and Employee Outcome

Several studies have found that behavioural modification is the hardest to implement when opposed to the framework or operational improvement. This study would also discuss the influence of the human spirit at work with the relationship of recognition of change with the assistance of workplace transformational leaders. On the workplace, workers develop the spiritual connexion with the workplace, e.g. productive work and compassion (Pawar, 2010) and the leaders encourage and empower followers to balance their personal needs with organizational needs (Dehler and Welsh, 1994; Schlechter and Engelbrecht, 2006; A. Gatling, 2015). As managers, superiors and team leaders, the substantial emphasis was focused on embracing change causes, but few types of research separately examined how the idea of spirituality and leadership affect the actions of individuals in organizations for change. WS has been prominent in the literature on management since the 1990s (Altal and Awan, 2011; Biberman, 2003; Dean, 2003; Kinjerski and Skyrpnek, 2004; Milliman, 2003; Neal and Tischer et al., 2007). Ashmos and Duchon (2000) described workplace spirituality as "recognition that employees have an inner life that nourishes and is nourished by meaningful community-based work." The most significant aspect is that WS is about getting a link encounter with the working atmosphere that contributes to meaning and purpose (Marques, 2007). Milliman (2003) developed a construct with three established WS dimensions that are commonly used at the individual, team and organizational levels. These dimensions of the WS reported a positive correlation with organizational engagement, work results, self-esteem and negative intent to leave (Milliman, 2003; Rego, 2008). Previous studies reported five individually analyzed job attitude findings with many comparable WS dimensions in-depth, outcomes, affirmative effects on both individual and organizational levels (Bodia and Ali, 2012; Daniel, 2010; Fry, Ghadi, 2017; Rego, 2008), although there is very little WS study and acceptance of employees to improve. Consequently

Hypothesis 3: There is Positive Impact of Workplace Spirituality on Employee Acceptance to Change.

Mediation by Workplace Spirituality

In prior researches authors, Schlechter and Engelbrecht (2006) demonstrated that WS is interrelated with TL overall Task and aim, i.e., to contribute to the greater goal. Thus, workers working with transformational leaders in spiritual organizations offer priority to work that has value and a deep sense of mission for the organization and society. Previous studies (Duchon and Plowman, 2005; Fry, 2003) have shown that spiritual leadership has the potential to activate the inner life of employees, a sense of meaningful work and community that results in positive
Transformational Leadership Incorporating Employee Change Acceptance in the Banking Sector: Mediating Effect of Workplace Spirituality

results, such as employees who feel safe, highly committed to work and less likely to leave (Fry et al., 2005). Similarly, Wilson (2008) supports that in the workplace spirituality cannot emerge itself which needs stimulus from the work environment: organizational leaders. Findings from earlier research confirmed the association between WS and leader performance (Fry, 2003; Milliman, 2003; Rego and Pina e Cunha, 2008). In terms of its beneficial effects on an individual and organizational behavioural result, transformational leadership of managers and supervisors is mainly addressed addressed predominantly in the spiritual workplace (Abdullah and Colleagues, 2009; A. Gatling, 2015; Mckee, 2011). In the sense of spirit-enabled organizational change, transformational leaders have previously studied as a mediator variable (A. Gatling, 2015). The present research, however, explores the mediating role of WS between the style of transformation leadership and the response of employees to change. Hypothesis 4: Workplace spirituality work mediates the impact of TL on employee acceptance to change.

Methodology
Methodology is an important part of every research. It is a roadmap to guide and obtain the objectives of the research in a proper way. It guides the way to others that how to get answers of the research questions (Bhatti & Rehman, 2019a, 2019b; Bhatti, Saad, & Salimon, 2019; Bhatti., Saad, & Gbadebo, 2020). The target population is private sector organizations involved in the banking industry, which is upgrading in the technological context in twin cities (i.e. Islamabad and Rawalpindi) of Pakistan. Data was acquired from employees working under their supervisors or managers (200 individuals) on full-time jobs. Data were collected by using a self-administrated questionnaire, and participation was optional. The study utilizes the non-probability sampling for targeting the relevant sample, i.e. convenience sampling technique as previous used (Bhatti, Khan, gull, & Kamal, 2020; Bhatti, Rehman, Akram, & Shaheen, 2020; Malik, Haider, Bhatti, Kamal, & Khan, 2020). The questionnaire results have been kept confident. The survey was anonymous; participant did not include their name. Total of 200 questionnaires was distributed in the branches of ten different banks located in the twin cities of Pakistan. Out of which 181 responses were found usable. The study was a time-lag study with three-time intervals, as shown in Figure 1. The first part contains an independent variable, i.e. Transformation leadership, at a time, two responses were collected regarding the mediator variables (i.e. workplace spirituality). At time 3, remainder questionnaire based on the dependent variable (i.e. employee acceptance to change) was sent two weeks after the time two questionnaire got filled. The questionnaire contains items of study variables as well as provides the data about six demographic characteristics presenting organizational characteristics such as age, gender, educational qualification, tenure, organization name, designation.

Measurement Instrument
This study uses quantitative data. The measurement instruments utilized to collect data are:

Transformational Leadership
One of the most commonly used scales for TL is developed by (Bass and Avolio, 1995) the short version of Multifactor Leadership Questionnaire (MLQ short form 6S Bass and Avolio 1992) was conducted to research leadership styles. It consists of 12-items scales to obtain information. MLQ form 6S version was used in this study because it is widely recognized and most utilized instrument. It is considered the most reliable and valid instrument that allows followers to measure the level of TL of their leaders (Song 2012).
Workplace Spirituality

The 22-item scale introduced by (Petchsawang and Duchon, 2009) will be used for the measure of WS. Most of the studies used (Ashmos and Duchon, 2000) scale for WS at all three levels of organization. The present study uses the scale of (Petchsawang and Duchon, 2009) as this scale was developed and measured only at an individual level. The measurement scale consisted of four variables with the given dimensions: compassion (four items), mindfulness (six items), meaningful work (seven items) and transcendence (five items). Individual scoring higher on the overall scale or subscale indicate to be more spiritual and likely to practice spiritual activities.

Acceptance to Change

For the measure of acceptance to change, this study will utilize 5 items scales developed by (Miller, 1994). Items of the scales assess the employees to consider themselves as acceptance to change. Individual scoring higher on the subscale would consider more toward change acceptance.

Analysis

The sample for this research was informed to participate on a volunteer basis. The unit of analysis for the study was individual, i.e. Employees, working in the banking sector. Table 1 provides descriptive analysis for all listed demographic variables.

Table 1. Correlations

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>1.27</td>
<td>.446</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>28.55</td>
<td>5.012</td>
<td>-.442**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenure</td>
<td>3.65</td>
<td>2.875</td>
<td>-.337**</td>
<td>.573**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TL</td>
<td>3.5567</td>
<td>.70580</td>
<td>.117</td>
<td>-.186*</td>
<td>-.163*</td>
<td>(0.91)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WS</td>
<td>3.2572</td>
<td>.40291</td>
<td>.038</td>
<td>-.096</td>
<td>-.088</td>
<td>.460**</td>
<td>(0.74)</td>
<td></td>
</tr>
<tr>
<td>Change Acceptance</td>
<td>3.5271</td>
<td>.79581</td>
<td>.103</td>
<td>-.050</td>
<td>-.055</td>
<td>.257**</td>
<td>.357**</td>
<td>(0.81)</td>
</tr>
</tbody>
</table>

**. Sig < 0.01 level (2-tailed).
*. Sig < 0.05 level (2-tailed).

The sample consisted of 132 (73%) males and 49(27%) females, the minimum and maximum age of participant were 18 and 44 of the sample population. The minimum tenure of the participant in their current job was one year and a maximum of 15 years.

Table 1 presents a correlation matrix for the study’s variables. There is a significant positive relationship between the TL, WS and change acceptance. Table 3, also show the reliability values for each variable i.e. transformation leadership Cronbach alpha = 0.91, workplace spirituality Cronbach alpha = 0.74 and Change acceptance Cronbach alpha= 0.81.

Table 2. Consequent: Workplace Spirituality

<table>
<thead>
<tr>
<th>R</th>
<th>R-sq</th>
<th>MSE</th>
<th>F</th>
<th>Df1</th>
<th>Df2</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>.4597</td>
<td>.2114</td>
<td>.1287</td>
<td>47.9729</td>
<td>1.0000</td>
<td>179.0000</td>
<td>.0000</td>
</tr>
</tbody>
</table>
Table 3. Direct, Mediation and Total Effect

<table>
<thead>
<tr>
<th>Model</th>
<th>Coeff</th>
<th>Se</th>
<th>T</th>
<th>P</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>2.3237</td>
<td>.1374</td>
<td>16.9142</td>
<td>.0000</td>
<td>2.0526</td>
<td>2.5948</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>.2624</td>
<td>.0379</td>
<td>6.9263</td>
<td>.0000</td>
<td>.1877</td>
<td>.3372</td>
</tr>
</tbody>
</table>

Table 3. Consequent: Acceptance of Change

<table>
<thead>
<tr>
<th>Model 2</th>
<th>R</th>
<th>R-sq</th>
<th>MSE</th>
<th>F</th>
<th>Df1</th>
<th>Df2</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.3723</td>
<td>.1386</td>
<td>.5517</td>
<td>14.3168</td>
<td>2.0000</td>
<td>178.0000</td>
<td>.0000</td>
</tr>
</tbody>
</table>

Table 4

<table>
<thead>
<tr>
<th>Model</th>
<th>Coeff</th>
<th>Se</th>
<th>T</th>
<th>P</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.1046</td>
<td>.4584</td>
<td>2.4096</td>
<td>.0170</td>
<td>.2000</td>
<td>2.0092</td>
</tr>
<tr>
<td>Transformational</td>
<td>.1326</td>
<td>.0883</td>
<td>1.5013</td>
<td>.1350</td>
<td>-.0417</td>
<td>.3069</td>
</tr>
<tr>
<td>Workplace Spirituality</td>
<td>.5989</td>
<td>.1547</td>
<td>3.8709</td>
<td>.0002</td>
<td>.2936</td>
<td>.9043</td>
</tr>
</tbody>
</table>

Table 5. The total effect of X on Y

<table>
<thead>
<tr>
<th>Effect</th>
<th>Se</th>
<th>T</th>
<th>P</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.2898</td>
<td>.0814</td>
<td>3.5581</td>
<td>.0005</td>
<td>.1291</td>
</tr>
</tbody>
</table>

Table 6. Direct effect of X on Y

<table>
<thead>
<tr>
<th>Effect</th>
<th>Se</th>
<th>T</th>
<th>P</th>
<th>LLCI</th>
<th>ULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.1326</td>
<td>.0883</td>
<td>1.5013</td>
<td>.1350</td>
<td>-.0417</td>
</tr>
</tbody>
</table>

Table 7. Indirect Effect(s) of X on Y:

<table>
<thead>
<tr>
<th>Effect</th>
<th>BootSE</th>
<th>BootLLCI</th>
<th>BootULCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>WS _ Mean</td>
<td>.1572</td>
<td>.0493</td>
<td>.0692</td>
</tr>
</tbody>
</table>

For Hypothesis testing, the study has used mediation analyses using Model 4 via PROCESS using bootstrap methods (Hayes, 2013). The relationship between TL on Acceptance to change (C1) was significant (b = 0.29, t = 3.56, p < 0.001), confirms that hypothesis 1 is accepted. As mention in table 2, total effect (C1) of transformation leadership on Acceptance to change and also without the effect of mediators was significant (b = 0.53, t = 7.87, p < 0.001). In table 2, the impact of TL on WS was significant (b= 0.26**, 95% CI= 0.19 and 0.34) which accepts hypothesis 2. Similarly, in line with hypotheses 3, WS had a significant effect on Employee acceptance to change (b = 0.59; 95% CI = 0.29 and 0.90). The total indirect effect was significant (b = 0.15) with a Lower and upper confidence interval (95%) between 0.06 and 0.26, which is in line with hypothesis 4.

Discussion

The main objective of the current study was to investigate whether WS acknowledged the relationship between TL and transition. The result of this study indicates that WS is completely mediating between the TL and embracing changes. Also, previous research in WS context examined transformative leadership relationships as a constructive catalyst for inspiring and driving employee-related attitudes such as work satisfaction, organizational engagement (A. Gatling, 2015). Since spirituality is considered not to arise independently as it requires strong leadership (Wilson, 2008). For instance, on A. Gatling (2015) found that WS is positively
correlated with the transformative leader in such a way that the more workers possess spirituality the more leaders influence their followers in such a way that the objective of the company becomes intrinsically important based on intent and significance rather than any extrinsic incentives. The study's results are consistent with previous research confirming that WS offers an atmosphere that encourages workers to be more collaboratively involved in work and work (Duchon & Plowman, 2005). Whereas neglecting spirituality will decrease the job performance of workers and increase turnover, organizational performance will inevitably decrease (Meyer and Herscovitch, 2001). Management needs to recognize spiritual traditions and principles that bring integrative and collaborative climate into the evolving settings of the workplace to make the successful implementation of change. It will promote compassion for each other, help their members focus and become mindful of each other in recognizing the process of transition and achieve transcendence from a transition cycle opportunity. The research, on the other hand, indicates that leadership was a key factor in spiritual workplaces. Previous studies mention the power of leadership actions to build momentum and bring excitement in the individual spirituality to accomplish the organizational vision (Fry, 2005; Wang and Chen, 2005). The present findings also confirm, in line with previous literature, that the TL qualities show the effect on WS in the banking sector and ultimately enable workers to embrace the transition within the organization. This will motivate banking sector workers to expect positive progress for themselves, their peers and the company. Like other large organizations activated by the spirit, Pakistani banks can implement programmes of spirituality in which work can bring value to organizational members.

**Conclusion**

An increasing number of organizations are moving toward materialistic to spiritual paradigms. The present study main Emphasis was on exploring whether WS could clarify the relationship between TL and acceptance of the change. The literature discussed in expanding the spirituality consciousness should function in a context of organizational change as banking sector employees face intense pressure to meet the provided deadlines assigned by their bosses, overseers. And in such a hectic environment, employees see change as a problem to deal with rather than an opportunity, so the need for spiritual activities has to be put to overcome their unknown fears in order to make the employee see change as beneficial. This study illustrates the effect of acceptance of WS and worker transition. On the other hand, this study provides findings of the transformation leader creating WS, which affects the acceptance of employees to change. The studies will concentrate on the introduction of change at the community or organizational level in the future, and the outcome will vary from an individual perspective. Secondly, future research should also concentrate on the relationships between WS and another particular outcome variable of the employee, as well as studies can be carried out to analyze the effect of WS on other behavioural results as well as attitudinal variables (e.g., aversion to change, willingness to change, tolerance to change, cynicism to change).
References


