[Trust Matters: Transformational Leadership and Collaborative Learning in the Changing Landscape of Pakistani Insurance Sector]

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ABSTRACT

This study explores the intricate link between collaborative learning dynamics and transformational leadership, with a particular emphasis on the trust-based climate prevalent in Pakistani insurance companies. The study employed a cross-sectional design and purposive sampling technique, yielding 320 valid responses with a response rate of 79%. Data analysis has been carried out employing the SmartPLS approach. The findings support Exchange Theory by showing the mutually beneficial relationships among transformative leadership, cooperative learning whereas climate of trust has been proved statistically a significant partial mediator between transformational leadership and collaborative learning.The study suggests, Insurance companies in Pakistan must cultivate trust and evolve transformative leadership. As a result, corporate coworking spaces become essential in the business sector, providing flexible work environments that promote collaboration, communication, employee happiness, and improved productivity.

Keywords: Transformational leadership, Collaborative learning, Trust, Coworking Space

Introduction

The new development of coworking spaces constitutes a promising field of research in insurance firms in the fluid professional environment, because learning, and collaboration can have a large impact on perception about innovation and success (Bouncken et al., 2021). This has not only seen the financial freedom and reduced expenses that such spaces bring, but also the cultural capital embedded in collaboration (Blagoev et al., 2019). This model presents a new perspective against traditional beliefs and suggests that collaboration is not only essential in achieving monetary reward (Orel & Almeida, 2019). Coworking relationship expresses a sense of community and peer support, which as a result enable the co-creation of knowledge (Bouncken et al., 2020, 2021). Thus, it is essential that corporate coworking space is designed in a way that corresponds with flexible work towards supporting collaboration, communication, staff well-being and productivity. Such spaces range on a continuum from physical spaces designed to create both informal, collision opportunities for collaboration and the reverse, to spaces designed for cautious working is unlike anything you have experienced before. The physical design of these spaces is highly valued, with informal meeting spaces for collaboration and areas for focused work located across the space (Felix et al., 2022). Hence, coworking spaces are designed to attract people by crating a community oriented environment thus providing people with flexible resources and shared spaces, that support social and professional interaction (Parrino, 2015; Gerdenitsch et al., 2016). Accordingly, shared spaces such as coffee kitchens and lounges are essential for creating a collaborative community, which is the key to the proper operation of these spaces (Bouncken&Reuschl, 2021; Bouncken et al., 2020; Rus & Orel, 2015). These environments facilitate the collaboration and cocreation of knowledge among their members (WatersLynch et al., 2016; Capdevila, 2013; Goermar et al., 2021), where member learning plays an important role in collaborative work (Merkel, 2015). Moreover, coworking spaces promote creativity and innovation, offering

attractive workspaces with flexible facilities conducive to coworking practices (Fuzi et al., 2022), which may have influence in inspiring the productivity to be promoted in the company, highlighting the community and sustainability (Hood, 2015).

In essence, corporate coworking spaces provide a flexible solution to modern working needs, creating a dynamic and open work culture. People enter social relationships so long as the benefits exceed the costs (Cook & Emerson, 1987). The dynamics of transformational leadership, collaborative learning and trust in insurance companies are explained by the Social Exchange Theory (SET) formulated by George C. Homans (1961), developed by Peter Blau (1968) and by Richard Emerson (1976), that explains the relationships between human beings as being nothing else than interactions of exchanges based on reciprocal exchange and mutual returns which focuses on mutual relationships. This transfer is enhanced when trust is high, resulting in a lowered perception of risk and more willingness to communicate openly. When there is trusts, people are more comfortable sharing their insights and learning from each other for collective problem solving. Therefore, SET complements the study by stressing the role of leadership in the process of collaborative learning with trust as a mediator in achieving reciprocal exchanges in a co-working context.

There are researches that indicate that transformational leadership is positively related to organizational culture and innovation tendency in Pakistan. For example, a study that included a sample of 523 members of organizations from Pakistan found a significant positive correlation between transformational leadership, organizational culture and innovation tendency (Ryan, 2013). Additionally, Li et al. (2019) found that transformational leadership has a significant effect on trust in leaders, which in turn, has a positive influence on employee work engagement. Second, trust plays a mediating role in the relationship between transformational leadership and innovative behavior of employees. Although these studies provide some useful evidence, they leave a vacuum in understanding the peculiar influencing power of trust as a mediator of transformational leadership and collaborative learning in the context of Pakistani insurance industry. Current literature is also geared towards the general organizational context and fails to delve into industry dynamics, more so in the emerging context of Pakistan's insurance industry. Thus, against this backdrop, the present study attempts to fill this gap by investigating the effects of transformational leadership on collaborative learning and why the trust climate is a mediator. The main objective of the study is as follow;

1. Explore the influence of transformational leadership on collaborative learning dynamics within the co-working space of insurance companies in Pakistan.
2. Investigate the mediating impact of climate of trust on the relationship between transformational leadership and collaborative learning dynamics within the co-working space of insurance companies in Pakistan.

Problem Statement

In the evolving insurance sector, the current spread of coworking spaces provide a captivating area for exploration, guided by Social Exchange Theory. The importance of these collaborative and relational factors are well known in coworking spaces, but there is not a clear structural relationship between them, especially in the complex world of

insurance companies. As insurance professionals seek new solutions and collaboration platforms, knowing the complexities of coworking spaces becomes critical. The present research aims to address this gap by examining the effect of transformational leadership on collaborative learning processes and trust in the co-working environment of Pakistani insurance firms.

Literature Review

Transformational Leadership (TL)

According to Bass and Riggio's (2006) transformational leadership is"the leader's ability to effect change and to motivate their followers by getting them to buy into the shared vision of the organization. This approach fosters problem-solving and creativity in a nurturing environment, where leaders are trained through coaching, mentoring, and challenging support. It has rapidly been developing as a dominant force for leadership theory research and practical application (Bass & Riggio, 2006). By extending the philosophy of Bass and Riggio's (2006) leadership is more than a social exchangeit nurtures the self-esteem of followers, securing their full commitment and involvement. Another social scientist, Martin (2005) characterizes leadership as co-constructive process of making transformation possible with abilities that enhance connections and links.As per Northouse (2007), transformational leadership involves an individual relating with other human beings within a social context that elevates motivation and morality for both the leader as well as the led. It is about leaders and subordinates and about building connections in the workplace. Downoton (1973) as cited by (Barnet, McCormick & Coners, 2001) described a leader as a change agent that is responsible for what separates a transformational leader from a normal, insubordinate, change and revolutionary leader.The concept has been extended byBass and Avolio (1993) who conceptualize transformational leadership as consisting of four dimensions: idealized influence, inspirational motivation, intellectual stimulation and individual consideration. These factors include making subordinates comfortable, communicating a vision and instilling a sense of mission, encouraging creativity and individual needs (Bass & Avolio, 1990). This integrated process promotes and enhances self-awareness, focus upon goals and personal development, to realize the desired results (Judge & Piccolo, 2004).

Collaborative Learning (CL)

The occupants of collaborative learning philosophy are very much in the heart of coworking spaces, oriented towards promoting cooperation (Orel & Almeida, 2019). This focus is grounded in long-held research that has proven the role of team work (Bouncken et al., 2020; Capdevila, 2014; Kubatova, 2014). Co-working spaces are, by definition, inclined to regard itself in the responsibility of fostering cooperation and knowledge-sharing among its members (Kubatova 2014). There are several mechanisms that facilitate the emergence of cooperation in these environments. First, the architecture of coworking spaces is designed to remove rigid organizational structures that could hinder collaboration (Bouncken et al., 2020). This institution has an organizational structure that actively promotes encounters between people from other organizations and collaborations (Spinuzzi et al.Second, we argue co-working spaces facilitate cognitions of psychological empowerment, as they stimulate members to behave creatively (Bouncken et al., 2020). Last, the organization of social activities within

coworking spaces encourages individual collaboration (Capdevila, 2015). However, participation to collaborative activities in these spaces is optional and members are free to choose for individual, solitary work instead (Bouncken et al., 2021), implying that collaborative structures can vary between coworking spaces (Capdevila, 2014). Capdevila (2014) outlines three types of cooperation within coworking spaces: cost related, resource based and relational. Learning is particularly critical in resource-based and relational networks of collaboration. This is in line with Bilandzic (2013) who found a predominance of collaboration for learning among members of coworking spaces based on social learning experiences. While collaborative learning is not very prescriptive in activity, it is adaptable enough to cater for many types of learning activities. Social behavior and learning community are the core of the Collaborative learning (Oxford, 1997). The concept is extended by Dillenbourg (1999), who argues that collaborative learning occurs when two or more people attempt to learn something together, be it as part of school and using formal methods or simply working together to solve a problem or puzzle.

Climate of Trust (CT)

Developing a strong-trust culture within organizations is an important factor for productivity, creativity and the effectiveness of change initiatives (Sommerlatte, 2022). Designed the concept of trust is multi-faceted and horizontal trust between employees and vertical trust in management is crucial in an organization success (Costigan, 1998). An organization's moral atmosphere, that involves altruistic, principled, and egoistic elements, influences to a large degree the confidence in colleagues, supervisors, and the organization (Nedkovski, 2017). Trust is a key factor determining the stability and health of organizations, particularly as the shift is made from control-oriented to commitment-based strategies (McCau ley, 1992). By extending the arguments, trust and transparency are an important element of organizations that promotes the relationship between employees and the organization. Moreover, a culture with honesty, mutual respect and open communication creates an environment of trust within the company and with people. Such an environment gives rise to a confident environment where employees anticipate the support from one another (Ferrin et al., 2006). Recurring meetings at work develop obligations, privileges and accountability amongst people that in turn helps in building trust climate (Xerri, 2013). Fostering trust involves an understanding of stakeholders' emotions, desires, and requests (Holtzhausen and Fourie, 2009). Hence, the trust factor is instrumental in a smooth operation of the group and the development of sound human relationships (Moye and Henkin, 2006).

Hypothesis Development

Transformational Leadership and Collaborative Learning

Idealized influence, inspirational motivation, intellectual stimulation and individualized consideration are the main components of TL (Bass & Riggio, 2006). TL is known to enhance team-based learning, creativity and professional cooperation in a variety of areas of work (Reiter-Palmon, 2021).These components facilitate collaborative learning (CL) through trust, shared vision, critical thinking, and personal assistance (Northouse, 2021; Avolio &Yammarino, 2013; Thanh & Quang, 2022).Leaders who create climates of psychological safety allow for open communication and hearty sharing of

information, both of which are critical to the practice of CL (Harvey, 2023). Hence, coworking spaces are based on shared leadership, autonomy, and casual interactions (Waters-Lynch & Duff, 2021) however the rigid, compliance-oriented environment of insurance firms might constrain the impact of TL on promoting CL. Moreover, corporate culture in Pakistan tends to be hierarchical, and top down with power and control how TL operates within coworking spaces, may also influence TL within these setting (Shahzad et al., 2022).Though TL has been thoroughly investigated in education (Li &Karanxha, 2024; Voelkel, 2022), healthcare (Ajanaku & Lubbe, 2021) or technology-based sectors (Badawy, et al., 2024). The majority of studies conducted in TL and CL are Western-focused, which reduces the generalizability of their findings for developing economies such as Pakistan. South Asian studies have investigated the impact of TL on innovation and employee engagement (Abdul-Azeez et al., 2024); however, there is scarce empirical evidence of how TL engenders CL in corporate coworking spaces in Pakistan's insurance industry. It remains an empirical question as to whether TL can mitigate the barriers of knowledge sharing against the backdrop of tight industry structures and regulatory environment.By considering the literature, we hypothesize.

HI: Transformational Leadership is positively and significantly associated with Collaborative Learning within the coworking spaces of insurance companies in Pakistan.

Transformational Leadership and Climate of Trust

In particular, transformational leadership is known to be effective and promote a trust-based organization where leaders have impact on employees by motivating them and meeting individual needs and intellectual stimulation (Bass & Riggio, 2006). Strong ethical role models and inspiring leader who is charismatic and ethical is found to be significantly impacting organization's ethical climate, promoting the transparency and justice (Sharma, Agrawal, & Khandelwal, 2019). Previous research has already established a robust association between transformational leadership and trust, and procedural fairness (Engelbrecht, 2005), affective trust (Zhu, 2013, Wang et al., 2016), as well as trust in leadership (Wang et al., 2016) has been found to be a central mediator of the influence of leadership on trust. In the insurance industry, which thrives on collaboration and sharing knowledge, trust is vital to coworking spaces. Transformational leadership components (e.g., Individualized consideration, Inspirational motivation, and Intellectual stimulation) also have virtuous impacts on employees' trust in strengthening a closer and more efficient workplace (Podsakoff et al., 1990; Dirks & Ferrin, 2002). Studies in Pakistan based service sector is in line with this scenario indicating that transformational leadership is positively related to employees' trust in supervisor and coworkers which in turn increases employees' job satisfaction and team cohesion (Kouzes & Posner, 2017). Despite this fact, insufficient research is available on transformational leadership implications on trust in the coworking space in insurance sector of Pakistan. Current research on trust iscentered on Western notions of trust and the business domain, neglecting the impact of culture and industry on the formulation of such dynamics (Brower et al., 2000; Mayer et al., 1995). Finally, despite the fact that trust is associated with satisfaction and performance in professional settings, little is known about how trust functions to promote knowledge sharing, effective teamwork

and adaptation processes in insurance companies (Podsakoff et al., 1990; Burke et al., 2007). In view of the above, an empirical examination is required to determine how transformational leadership contributes to the development of trust in coworking units that are consisting in insurance organizations in Pakistani context. Therefore, we postulated considering the gap in literature.

H2: There is a positive and significant relationship between transformational leadership and the climate of trust within the coworking spaces of insurance companies in Pakistan.

Climate of Trust and Collaborative Learning

Trust is one of the basic prerequisites for the effectiveness of collaborative learning in organizations, due to its considerable impact on cooperation, teamwork efficiency, and effectiveness of the organization (Bulińska-Stangrecka and Bagieńska, 2019). Likewise, Dodgson (1993) and Bylok (2024) argue that a high level of interpersonal trust in coworking settings allows individuals to face uncertainty, participate in deep knowledge sharing and support relationship-based learning. Vangen and Huxham (2003) also argue that it is important to create a climate of trust in order to start and maintain processes of collaborative learning, to create space for the transfer of mutual support and knowledge. Indeed, according to Mitterer and Mitterer (2023), a high trust work setting is conducive to psychological safety which is when people easily share their thoughts and ideas and feel their contributions won't be judged negatively. Abrams et al. (2003) have also stated that institutions that actively grow trust are more conducive to team working, communication and learning. Within the insurance industry, the provision of trust is of particular importance (Gubbins and MacCurtain, 2008), where employees are known to work together on risk assessment, policy development and then dealing with the customer. Inkpen and Tsang (2005) also propose that organization trust constructs are a driver for seamless knowledge-sharing behaviors, and promote its flexibility in economic uncertainty in order to seek new market conditions. While the link between trust and collaborative learning is well established in literature, little is known specifically about the relationship in the coworking spaces of insurance sector in Pakistan. Considering the increased obligations imposed by regulatory issues and market pressures in the industry, the role of trust in promoting knowledge sharing is crucial. Filling this gap, the study seeks to examine the effect of trust on collaborative learning within the context of Pakistani insurance industry and provides a contribution to prospects of organizational performance and employee engagement. Therefore, in the absence of such literatures, we put forward a hypothesis.

H3: There is a positive and significant relationship between climate of trust and collaborative learning within the coworking spaces of insurance companies in Pakistan.

H4: Climate of trust mediating the relationship between transformational leadership and collaborative learning within the coworking spaces of insurance companies in Pakistan.

Research Framework

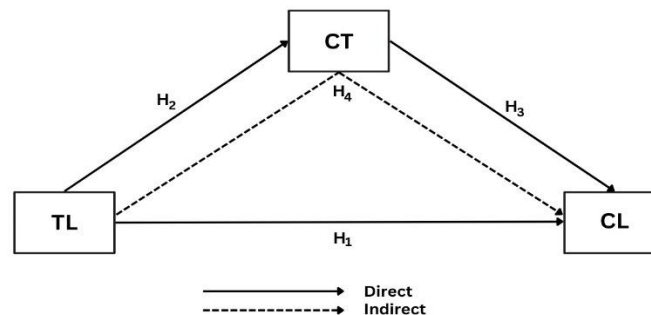The research framework of the above literature is as follows.

Figure :1

Research Methodology

The focus of this quantitative research is to analyze rationally the influence that Transformational Leadership (TL) plays in Collaborative Learning (CL) with particular attention to the role of Climate of Trust (CT) as a mediator. The study was carried out in State Life Insurance Corporation of Pakistan and EFU Life Assurance Ltd, which are the key public and private sector insurance companies of the country. Owing to resource constraints, surveys were carried out mainly at their head office, Karachi. Based on purposive sampling method and a cross-sectional data collection design, 320 of completed and valid questionnaires were obtained for analysis, which reflects a significant response rate of 79%, reasonable according to the criteria proposed by Baruch and Holtom (2008). The sample consisted of permanent employees of the study and measuring scales for TL, CL, and CT were derived from current literature. The scale for Team Learning (TL) was scaled from the one developed by Bass and Avolio (1990), whereas the scale for Collaborative Learning (CL) was adapted from Oswald and Zhao (2022). The Climate of Trust was measured with a four-item instrument developed by Scott (1981), and previously utilized by Ruder (2003). The data of the study were analyzed in two stages (Anderson & Gerbing, 1988; 1992) by means of structural equation modelling (SEM). SEM, a widely used statistical method in behavioral research (Zhou et al., 2021), was used in the first instance to examine the construct reliability, convergent validity, and discriminant validity within the outer model (measure model). The structural model (inner model) in the following step examined the connections between the predictor and outcome variables, with partial least squares structural equation modelling (PLS-SEM). PLS-SEM was selected, based on criteria including robustness against collinearity and non-normality (Cassell andBickmore, 2000), its tolerance for non-normality and complicated model relationships, its rectification of issues with multiple regression (Fornell, 1982) and its ability to accommodate different constructs (Hair et al., 2011).

Results and Discussions

Measurement of Model

Anderson and Gerbing (1988; 1992) place importance on measuring convergent validity, discriminant validity, and construct reliability. Convergent Validity Convergent validity,

defined as the degree of the relationship among instruments that are measuring the same concept (Sekaran & Bougie, 2016), is assessed through outer loadings and average variance extracted (AVE). Hair et al.(2006)advocatesmore conservative cutoff (suggested is 0.5, but preferably 0.7). Scale reliability assessed by Cronbach's alpha (CA) and composite reliability (CR) are all higher than the recommended threshold of 0.70. CA between 0.785 to 0.932 and CR between 0.886 to 0.932 were reported (Hair et al., 2017).Additionally, the AVE ranging from 0.608–0.807 supported convergent validity (Hair et al., 2017). Equally as important, all of these numbers all but hit their thresholdsindicating significant approval. Table1 shows the measurement model of TL, CL, and CT with regard to correlation, reliability, and validity.

Table 1: Measurement Model

Construct	Items	Loading value (> 0.5)	Cronbach's Alphah (> 0.7)	Composite reliability (> 0.7)	Average variance extracted (> 0.5)
TL			0.937	0.951	0.766
	TL1	0.743			
	TL2	0.894			
	TL3	0.863			
	TL4	0.940			
	TL5	0.962			
	TL6	0.830			
CL			0.949	0.963	0.867
	CL1	0.945			
	CL2	0.944			
	CL3	0.900			
	CL4	0.935			
CT			0.975	0.981	0.929
	CT1	0.970			
	CT2	0.965			
	CT3	0.975			
	CT4	0.945			

Discriminant Validity

Discriminant validity was thoroughly examined according to both the Fornell and Larcker (1982) benchmarks and the HTMT technique. Hair et al. (2017) developed the Fornell and Larcker criterion to test discriminant validity which claims that the square root of the average variance extracted (AVE) should maintain higher correlation values than of correlation between other study variables. Moreover, according to the HTMT method from Henseler, Ringle, and Sarstedt (2015), evidence of discriminant validity was provided that considers the correlation ratio between different dimensions and components. Of special interest is that the largest VIF value, 0.985 (see Table 3), is above the threshold suggested by Franke and Sarstedt (2019), thus providing compelling evidence in support of discriminant validity. Collectively, these analyses support the discriminant nature of the study constructs (TL, CL, and CT) within the measurement model.

Table: 2 Fornell-Larcker Criterion

	TL	CL	CT
TL	0.875		
CL	0.752	0.931	
CT	0.685	0.671	0.964

Table 3:   Heterotrait-Monotrait Ratio (HTMT) - Matrix

	TL	CL	CT
TL		0.783	0.711
CL			
CT		0.685	

Results of Hypothesis

Following validation of the measurement model's reliability and validity, the structural model was analysed to evaluate the hypotheses.

Table 4:   Mean, STDEV, T Values, p-Values

H	Effects	Paths as per Barron and Kenny	Original sample (β)	Sample mean (M)	Standard deviation (STDEV)	T statistic (t >1.96)	P values (p<0.05)	Results
H1	TL ->CL	c	0.551	0.554	0.137	4.026	**0.000**	**Supported**
H2	TL->CT	a	0.685	0.683	0.103	6.628	**0.000**	**Supported**
H3	CT->CL	b	0.293	0.287	0.135	2.178	**0.029**	**Supported**
H4	TL->CT->CL	c'	0.201	0.198	0.102	1.980	**0.048**	**Supported and partially mediated**

In Table 4, the sample data are presented, computed using the procedure suggested by Barron and Kenny (1986), for the several hypotheses and paths of the study through mean values, standard deviations, t-values and p-values. Each line represents a hypothesis (H1, H2, H3, H4) about the Connections between Transformational Leadership (TL), Collaborative Learning (CL), and Climate of Trust (CT). The Original Sample (β) gives estimated coefficients, the Sample Mean (M) represents the mean and the Standard Deviation (STDEV) the variance of each path. T Statistic values describe how much estimates deviate from the null hypothesis and P-Values report the probability of observing those values if the null hypothesis were true. Values of p, represented by sign of less than 0.05 and the values of t which is small above 1.96 indicates the significant of the associations studied in the context of the study

The Mediation Analysis

The mediation process, as described by Baron and Kenny (1986), consists of four consecutive phases, as shown in Figure 2. First, there must be a strong link between the independent and dependent variables. As a result, a considerable relationship between

the independent variable and the suggested mediating variable is required for the mediation process.
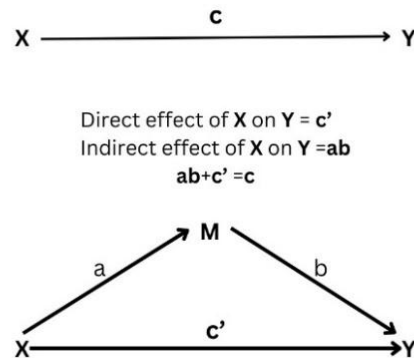

Figure: 2

Third, in a model in which both independent and mediating factors predict the dependent variable, the mediating variable must have a meaningful association with the dependent variable. Finally, the coefficient of the independent variable in the model that includes both the independent and mediating factors must be greater (in absolute value) than the coefficient in the model without the mediating variable. This may be represented numerically as follows.

Total Effect (c path):
$$Y=\beta_0 + \beta_1 X + \epsilon$$
Direct Effect (c' path):
$$Y=\gamma_0 + \gamma_1 X + \gamma_2 M + \epsilon$$
Mediation Effect (a * b path):
$$M=\alpha_0+\alpha_1 X+\zeta$$
$$Y=\delta_0+\delta_1 M+\delta_2 X+\epsilon$$

The mediation effect is given by the product of the coefficients for a path ($_1\alpha_1$) and b path ($_1\delta_1$), i.e., $_1\times_1\alpha_1\times\delta_1$.

This framework allows to assess whether the relationship between TL (X) and CL (Y) is mediated by CT (M). If the product of $_1\times_1\alpha_1\times\delta_1$ is statistically significant, it suggests mediation.
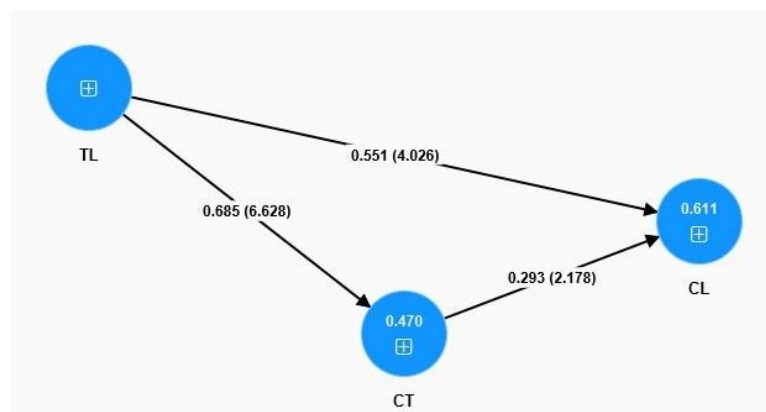

Figure: 3

To investigate the indirect impacts of these correlations, the bootstrapping approach

was used to calculate confidence intervals (CIs). The study found (β = 0.201, t = 1.980, p < 0.05) that Climate of Trust (CT) acts as a partial mediator and has a significant indirect impact on the relationship between Transformational Leadership (TL) and Collaborative Learning.
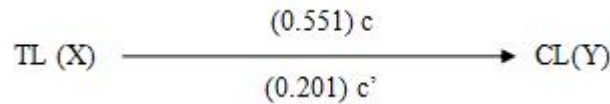

$$\text{TL (X)} \xrightarrow[\text{(0.201) c'}]{\text{(0.551) c}} \text{CL(Y)}$$

Figure: 4

Table 4 and Figure 4 show that using CT as a mediator reduces TL's impact on CL, from β = 0.551 to β = 0.201. Despite this decrease, the link remains statistically significant. As a result, Climate of Trust (CT) is accepted as a partial mediator in the link between TL and CL, consistent with Baron and Kenny's 1986 model. As a result, CT is identified as an effective partial mediator, demonstrating the four-step strategy outlined by Baron and Kenny (1986), as shown in Figure 2.

Discussions

Results of the study, in terms of all hypotheses, support the exchange theory, focusing the positive exchanges created by trust and transformative leadership in the insurance business coworking spaces of Pakistan. The mediated effect found suggests that mutual benefit aspect and resource exchange of this pattern plays a key role for the collaborative learning formed by mutual interactions.

HI: There is a positive significant relationship between TL and CL among insurance business coworking spaces in insurance business coworking spaces in Pakistan. The direct association ("c") reveals a significant t-statistic of 4.026 (p < 0.05) and likewise a significant β-coefficient (β = 0.551) supporting H1. These results were in line with Khan & Ismail (2017)and Krishnan et al. (2023), which supports the strong influence of Transformational Leadership on Collaborative Learning. Results indicates that those with transformational leadership abilities can contribute to increased cognitive effort and decision quality in collaborative learning and increase satisfaction of the discussion in collaborative learning (Surinder et al., 2013; Philomena and Harshaw, 2015). It also serves to foster positive change in the organizational culture through worker collaboration (Joseph & Dai, 2009). Results suggest that coworking spaces shaped by the principles of transformational leadership and collaborative learning may lead to more productive, innovative, and positive work environments. This could make insurance businesses in Pakistan more flexible and competitive.

H2: TL is positively and significantly associated to CT in coworking spaces of the insurance firms in Pakistan. The β coefficient (β = 0.685) and t-statistic (6.628, p < 0.05) clearly validate this relationship and hence H2 is supported. These results are compatible with previous works, such as studies by Gabel et al. (2022), Haryadi (2023) and Lin (2016) who validate a global replication of the reported TL-CT association. The results indicate that transformational leadership leads to a congenial and trustful organizational climate by promoting shared vision, openness, empowerment, trustworthy conduct, interest in individual development, cooperation, conflict management, and learning. It includes exchange of relationships, consistent with the principles of exchange theory, as a mutually rewarding and reinforcing organization trust.

H3: There is a significant and positive relationship between CT and (CL) in Pakistani insurance business coworking spaces. The results strongly support the relationship, as reflected in the positive and statistically significant β coefficient of 0.293 (t-statistic = 2.178, $p < 0.05$). The results are in accordance with the research of Taehan et al. (2023) and Nam (2014). In trade theoretical terms, these results are consistent with the notion of reciprocity. Results suggest organizations which are intentional about building trust which experience sturdier teamwork, better communication, and better learning (Abrams et al., 2003). Thus, trust plays the key role in the developing of co-learning in organizations, which has significant effect on the team's cooperation and effectiveness (Bulińska-Stangrecka and Bagieńska,2019). The increase of trust in the organizational climate can, therefore, be treated as an exchange amongst team members, where trust is reciprocated through joint cooperation and common learning.

Hypothesis 4 is also supported with the positive and significant indirect effect (β = 0.201, t = 1.980, $p < 0.05$), which means that trust climate acts as a partial mediator between transformational leadership and collaborative learning in insurance company coworking spaces in Pakistan. When trust as a mediator is added, they allow for only a small direct effect of transformational leadership on collaborative learning (changing from β = 0.551 to β = 0.201) (Figure 4), which remains statistically significant. Critically, the dynamics of such interaction in various coworking places at Pakistani insurance companies have not been discussed specifically. The indication of trust as a good mediator is in accordance with the Barron and Kenny four-steps approach (1986) and the model proposed is presented in Figure 2. It suggests that trust acts as a mediating factor in enhancing the positive influence of transformative leadership on collaborative learning. Vangen and Huxham (2003) also note the need for creating a climate of trust as a basis for beginning and maintaining collaborative learning, especially an environment that supports sharing and interchange of knowledge. Such a situation fosters the development of transformational leadership features and promotes cooperation for learning throughout the coworking spaces in Pakistani insurance companies. The research supports exchange theory in that in is an important aspect of reciprocal exchange, cost-benefit, resource exchange, trust and development in the creation of positive relationships within co-working, thereby contributing to co-learning.

Conclusion

The study results are consistent with the tenets of exchange theory and help to illuminate resourceful interrelationships between transformational leadership, climate of trust, and cooperative learning in coworking spaces within Pakistani insurance companies. Hypotheses 1, 2, and 3 argue the advantages and mutual benefits this process bring about in favor of positive associations. Similar to the results of previous research, the effect of transformational leadership on climate of trust, and collaborative learning is significant in insurance companies. There is a partial mediating role of climate of trust (Hypothesis 4), which suggests the potency to the positive consequence of transformative leadership. Implications for the study based on exchange theory, the research emphasizes resource and reciprocal exchanges, while also pointing out the significance of trust which is essential to encouraging constructive cooperation, coworking (learning and growing together) in coworking spaces of Pakistani insurance

organizations.

Practical Implications

The result has important pragmatic implications for insurance companies in Pakistan. First, develop concentrated development programs aimed explicating transformational leader traits in managers will enhance cooperative learning and have a positive influence on company culture. Second, the recognition that trust plays a central role in determining the organizational atmosphere and is key to enhancing collective learning suggests that if resources are invested in activities that promote trust, they can promote a desirable coworking climate. Secondly, regarding trust as a partial mediator, the firms may focus on enhancing trust-building as an essential part of organizational culture and leadership programs, leading to stronger positive impacts of transformational leadership. Quite simply, if you are aligned with these concepts, you shall have a strategy that encourages inventive, collaborative cultures of work, which in turn makes insurance companies agile and competitive in an unpredictable insurance world.

Limitations of the Study

Thequantitative study is restricted to specific insurance companies in Pakistan so it will have a threat to generalize however it investigates the influence of Transformational Leadership on Collaborative Learning including its mediating role in the Climate of Trust. The geographical coverage of surveys which were only conducted in Karachi head office is of concern. The cross-sectional design and convenience sampling can limit causal inference, and lead to selection bias. Items from multiple sources may also be adapted, and the reliance on PLS-SEM as a method would limit generalizability to other statistical approaches and introduce variance. Despite these limitations, the study offers interesting clues about the interplay between trust, cooperation and leadership in the specific context of the insurance companies investigated.

Implications for Future Research

The scope of the study may be enhanced in future studies by involving more Pakistani insurance companies, as this study has some limitations. Causal inference and dynamic changes over time may be strengthened through a longitudinal study. In addition, exploring the perspectives of workers at various levels of the hierarchy and qualitative methodologies may provide richer insights into the personalized experiences of trust, cooperation and leadership. Future studies can also investigate the influence of contextual factors, for example industry-related barriers or cultural nuances, on our identified relationships.

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