Impact of Transformational Leadership on Employee Engagement: An Empirical Study

Umar Mufeed*

ABSTRACT

The market pressures, competitive work environment and advancement in technologies are posing numerous challenges before organizations in order to grow and survive. Human resources in this scenario face tough time at work places and are forced to either perform or perish. The committed and dedicated workers who work tirelessly in realizing their own aspirations and strive hard in attaining organizational goals are termed as engaged employees. They need to inspired and guided by leaders so that they can be more effective and result oriented. It calls for the role of transformational leaders to instill sense of commitment and dedication among their followers. Keeping this in view, the present paper is aimed to examine the effect of transformational leadership on employee engagement and will also explore the relationship that exists between them.

Keywords: Employee engagement; Transformational leadership; Academic staff; Non-academic staff; Higher education.

1.0 Introduction

In this competitive business environment the organizations are expected to continuously innovate, excel and outperform their competitors. The success factor of organizations lies in developing and managing capable and competent human resource who can contribute significantly towards organizational growth and prosperity. Organizations need to possess sound, effective and dedicated employees who can engage and involve themselves in attaining organizational objectives. Such employees are attributed as ‘engaged employees’. Engaged employees are highly motivated and committed in increasing productivity of organizations. They are highly enthusiastic and passionate about their work and strive hard in accomplishing their tasks.

*Research Scholar, Department of Management Studies, University of Kashmir, Srinagar, Jammu and Kashmir, India. (Email: umar.mufeed08@gmail.com)
Kular et al. (2008) opined that engaged employees play a critical role in achieving organizational outcomes. It calls for the role of transformational leaders who can inspire and motivate their followers to work together in attaining organizational objectives. Transformational leaders inculcate a sense of positivity, commitment and motivation among their workers with a purpose to make them more effective and result oriented. Shamir and Howell (1999) believed that leadership is one of the crucial factors in encouraging employee engagement. As the complexity of business changes, the role of leadership in manoeuvring human resources for betterment of organizations becomes all more critical and more so in developing dedicated and engaged workforce. It becomes all more critical for higher educational institutions to retain competent and capable employees in the face of challenging academic environment prevailing globally. Higher educational institutions significance on society is more talked about as compared to institutions of other backgrounds as their impact on society in general and nation in particular is of paramount importance as they are directly or indirectly involved in meeting societal aspirations and expectations. Keeping this in view, the present paper will make an attempt to examine the impact of transformational leadership on employee engagement in higher educational context.

2.0 Review of Literature

2.1 Employee engagement

The term engagement refers to an “individual's involvement and satisfaction with as well as enthusiasm for work” (Harter, Schmidt, and Hayes, 2002). Kahn (1990) viewed employee engagement as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. According to Schaufeli et al. (2002), employee engagement has three components namely 1) Vigor, 2) Dedication and 3) Absorption. Vigor refers to the stimulating and energizing experience the employee has towards his/her work. Dedication refers to employee’s commitment, involvement and devotion to his/her work. Absorption is characterized by the extent to which an employee is engrossed and attentive towards his work. It helps employee to shy away from any kind of distraction at work places. Absorption at work places refers to highly engrossed employee who finds it difficult to leisure and rather concentrates minutely towards his work (Gonzalez-Roma et al., 2006; Langelaan et al., 2006; Liorens et al., 2007). Vigor aspect of employee engagement drives high energy, mental resilience, strength and resistance among employees (Salanova et al., 2005; Latham and Pinder, 2005; Steers et al., 2004). The third dimension of employee engagement is ‘dedication’
that is characterized with a sense of pride, enthusiasm, and high involvement of employees in performing their tasks (Schaufeli and Bakker, 2003 and 2006; Brown, 1996).

Past research literature suggests that Utrecht Work Engagement Scale (UWES) developed by Schaufeli et al (2003) consisting of three factors namely i) vigour ii) dedication and iii) absorption is used quite extensively to measure employee engagement as compared to combined one factor model of UWES (Sharma and Rajput, 2017; Littman et al., 2013; Hallberg et al., 2006; Schaufeli et al., 2006; Balducci et al., 2010).

2.2 Transformational leadership

Over the years, a vast number of researches have been conducted on transformational leadership in varied organizational settings. The concept of transformational leadership was initially introduced by James MacGregor Burns in 1978. He stated that transformational leadership is an ongoing process in which leaders and their followers raise one another to higher levels of morality and motivation. The existing body of knowledge on transformational leadership was added and contributed by many researchers. Bass (1985) extended the work of burns by explaining how transformational leadership can be measured and how it impacts follower’s motivation and performance. Transformational leadership style is measured using 5 factors namely i) Idealized attribute ii) idealized behaviour iii) inspirational motivation iv) intellectual stimulation v) Individual consideration (Bass and Avolio, 2000). With passage of time the area of transformational leadership gained immense popularity among academicians, researchers and policy makers. Marquis and Huston (2008) stated that transformational leaders help in creating a productive environment at workplaces which aimed at acknowledging the individual and organizational needs. Groenewald and Ashfield (2008) pointed out that transformational leadership reduces the effects of uncertainty and change and effectively guides employees to attain their occupational goals. Transformational leaders can encourage employees toward gaining valuable organizational goals include higher productivity, presenting better services and solving social problems (Spector, 2004). Transformational leadership includes affective and charismatic elements of leadership that resonate with workers who experience a need to be inspired and empowered in uncertain and volatile times (Hughes, 2010). Gibson et al. (2012) explain that transformational leaders have the ability to inspire and motivate followers to achieve results greater than originally planned by re-inventing the entire philosophy, system and culture of the organization. Mokgolo et al. (2012) believed that transformational leadership is critical for attaining organizational objectives.
Transformational leadership comprises of five sub variables namely i) *idealized attribute*: it is defined as the extent to which a leader is able to instil pride among his followers ii) *Idealized behaviour* focuses on the ability of leaders to express themselves in communicating their values and beliefs to their followers iii) *Inspirational motivation* refers to the process of inspiring and motivating followers to produce better results iv) *intellectual stimulation* refers to the ability of leaders to enable followers to be creative in generating ideas, viewpoints, opinions in realizing institutional goals v) *individual consideration* refers to how a leader is able to address the problems and concerns of their followers and how their needs and aspirations are fulfilled by them (Avolio and Bass 2004; Avolio and Bass 2002; Jung and Avolio, 2000; Bass & Avolio, 1994).

2.3 Relationship between transformational leadership and employee engagement

Employee engagement has been found very vital in enhancing organizational performance. Organizations strive hard in ensuring that they possess sound and dedicated workforce at their disposal who eventually would lead in contributing towards organizational success. In this regard organizational leaders have a significant role to perform in providing an atmosphere at workplaces where each individual focuses on improving their performance. Past research studies have made an attempt to highlight the significance of employee engagement for organizations. However, the academic literature on the subject of employee engagement with reference to transformational leadership has found very less mention. Hayati, et al., (2014) in their study found that transformational leadership has a positive and significant impact on employee engagement. Joubert and Roodt (2011) pointed out that transformational leadership has a sound relationship with employee engagement. Bezuidenhout and Schultz (2013) believed that transformational leadership helps in aligning individuals goals with organizations’ strategic goals. Transformational leadership is a process of engaging with followers, creating a common understanding and raising the level of motivation for both the leader and his follower. Northouse (2010) pointed out that transformational leadership play an effective role in ensuring dedicated, motivated and commitment workforce which help them to become involved and engaged with their work. Bass (1985) suggested that employees were more likely to devote additional extra effort at work, if they reported to a transformational leader who guided their employees by stimulating them and inspiring their trust. (Zhu et al., 2009; Gill, 2006; Walumbwa and Lawler, 2003; Harter, et al., 2002; Yukl, 1999; Kirkpatrick and Locke, 1996; Howell and Avolio, 1993) have highlighted that transformational leaders inspire and motivate their followers to put extra efforts and enable them to be more engaged with their work and contribute towards organizational outcomes.
2.4 Objectives of the study
i) to analyse and compare the perceptions of teaching and non-teaching staff towards transformational leadership and employee engagement in sample select institutions
ii) to study the relationship between transformational leadership and employee engagement
iii) to examine the effect of transformational leadership on employee engagement
iv) to draw conclusions and suggest measures for improving employee engagement in sample study institutions.

2.5 Hypotheses of the study
H1 (a): Perceptions of teaching and non-teaching staff towards transformational leadership do not significantly differ.
H1 (b): Perceptions of teaching and non-teaching staff towards employee engagement do not significantly differ.
H2: There exists a positive and significant relationship between transformational leadership and employee engagement.
H3: Transformational leadership positively and significantly effects employee engagement.

3.0 Research Methodology

A comprehensive study of primary and secondary sources was done for purpose of collecting data. A well systematic questionnaire was designed to elicit responses from different colleges of Kashmir region. A total of 150 questionnaires were distributed, out of which 123 questionnaires were received. Of the 123 questionnaires returned, six responses were incomplete. The remaining 117 valid and complete questionnaires were used for the quantitative analysis. It represented a useable response rate of 78.00%. Employee engagement was measured using the Schaufeli et al. (2006) Utrecht Work Engagement Scale, which has three subscales: i) vigor, ii) dedication, and iii) absorption consisting of 3 items in each subscale while as transformational leadership was measured by employing MLQ- 5X questionnaire developed by Bass and Avalio (1994) consisting of five subscales: i) idealized attribute ii) idealized behaviour iii) inspirational motivation iv) intellectual stimulation and v) individual consideration having 4 items in each subscale. The reliability coefficient of the research instrument variables varied from 0.72 to 0.84.

The data whatsoever collected were analysed using SPSS 20.0. Version. Descriptive statistics such as mean score, % mean score, Std. deviation, frequency were
used to study the employee’s perception with respect to transformational leadership practices and employee engagement elements. Inferential statistics such as Pearson correlation was employed for hypotheses testing purpose.

Cronbach Alpha’s internal consistency coefficients are calculated to find reliability of the constructs under study and to obtain dependable picture of internal consistency of the measuring instruments. The results of the reliability test given in Table 1 reveal that the Cronbach’s alpha values for all the five dimensions of transformational leadership practices and three elements of employee engagement are above the threshold level of 0.7 reflecting that the items imposed on leadership variables and employee engagement are consistently measuring its constructs.

Table 1: Reliability Analysis of Study Variables

| Construct               | No. of Items | Reliability |
|-------------------------|--------------|-------------|
| Idealized Attribute     | 4            | .75         |
| Idealized Behaviour     | 4            | .72         |
| Inspirational Motivation| 4            | .79         |
| Intellectual Stimulation| 4            | .80         |
| Individual Consideration| 4            | .84         |
| Vigor                   | 3            | .72         |
| Absorption              | 3            | .83         |
| Dedication              | 3            | .77         |

4.0 Data Analysis and Discussion

Table 2 depicts the comparison between teaching and non-teaching staff’s perception towards leadership practices. It has been reported from Table 2 that teaching staff (mean score = 3.43) shows slightly higher satisfaction towards leadership practices as compared to non-teaching staff (mean score= 3.37). Moreover, teaching personnel have also perceived higher satisfaction level towards all elements of transformational leadership as compared to non-teaching staff. The highest satisfaction level was shown towards the element inspirational motivation by both teaching (3.48) and non-teaching staff (3.42). Similarly, teaching and non-teaching staff showed least satisfaction level towards the element individual consideration (3.37) and (3.31) respectively.

However, the results of z test, administered to ascertain whether the difference in the mean scores reported by the teaching and non-teaching staff with respect to leadership practices, is statistically significant or merely an outcome of chance factor,
indicated that the difference in the mean scores is statistically insignificant (z value=0.077; p>.05), indicating that there is no significant difference in the perception levels of male and female teaching staff with respect to leadership practices (Table 2). Hence, hypothesis (1a) is accepted indicating that the perception of teaching and non-teaching staff towards leadership practices is more or less same.

**Table 2: Comparison of Employee Perception Towards Transformational Leadership**

| Construct                  | Mean Score                      | Total Mean Score | Z Value* |
|----------------------------|---------------------------------|------------------|----------|
|                            | Teaching Staff (N=76)           | Non-Teaching Staff (N=41) |          |
| Idealized Attribute       | 3.42                            | 3.36             | 3.39     | .047     |
| Idealized Behaviour       | 3.46                            | 3.38             | 3.42     | .040     |
| Inspirational Motivation  | 3.48                            | 3.42             | 3.45     | .072     |
| Intellectual Stimulation  | 3.42                            | 3.38             | 3.40     | .089     |
| Individual Consideration  | 3.37                            | 3.31             | 3.34     | .054     |
| Total Score               | 3.43                            | 3.37             | 3.40     | .077     |

*p <.05;  
Note: Higher the % of mean score, higher is the level of satisfaction.

Table 3 depicts the comparison between teaching and non-teaching staff’s perception towards employee engagement. It has been reported from Table 3 that teaching staff (mean score = 3.34) shows slightly higher satisfaction towards employee engagement as compared to non-teaching staff (mean score= 3.28). However, teaching staff have shown highest satisfaction towards the element dedication (3.38) while as non-teaching staff have shown towards vigour (3.25).

**Table 3: Comparison of Employee Perception Towards Employee Engagement**

| Construct | Mean Score | Total Mean Score | Z Value* |
|-----------|------------|------------------|----------|
|           | Academic Staff (N=66) | Non- Academic Staff (N=42) |          |
| Vigor     | 3.31       | 3.25             | 3.28     | .054     |
| Dedication| 3.38       | 3.30             | 3.34     | .069     |
| Absorption| 3.33       | 3.29             | 3.31     | .042     |
| Total Score| **3.34**  | **3.28**          | **3.31** | **.059** |

*p <.05;  
Note: Higher the % of mean score, higher is the level of satisfaction.
However, the results of z test, administered to ascertain whether the difference in the mean scores reported by the teaching and non-teaching staff with respect to employee engagement, is statistically significant or merely an outcome of chance factor, indicated that the difference in the mean scores is statistically insignificant (z value=0.059; p>.05), indicating that there is no significant difference in the perception levels of teaching and non-teaching staff with respect to employee engagement (Table 4). Hence, hypothesis (1b) is accepted indicating that the perception of teaching and non-teaching staff towards employee engagement is more or less same.

Table 4: Relationship Between Transformational Leadership and Employee Engagement

|                  | Transformational leadership | Employee Engagement |
|------------------|----------------------------|---------------------|
| Transformational Leadership | Pearson Correlation | 1 | .508** |
|                  | Sig. (2-tailed) | .000 |
|                  | N | 117 | 151 |
| Employee Engagement | Pearson Correlation | .508** | 1 |
|                  | Sig. (2-tailed) | .000 |
|                  | N | 117 | 117 |

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

From Table 4, it can be seen that there is a positive and significant relationship between transformational leadership and employee engagement in sample select institutions. It depicts that the more we exhibit transformational leadership in select institutions, the more it will result in promoting employee engagement of academic staff. Therefore our hypotheses 2 is supported since correlation between transformational leadership practices and employee engagement was found (r=.508, p=0.000) which is both positive as well as statistically significant.

Further, in order to examine the effect of transformational leadership on employee engagement, regression analysis was performed (Table 5). The regression analysis indicates that the perception of teaching and non-teaching staff regarding transformational leadership practices has a significant positive effect on employee engagement prevailing in sample select institutions. The value of $R^2=0.426$, shows that 42.06% variance is explained by independent variable (transformational leadership) in
dependent variable (employee engagement). Thus our hypothesis 3 is accepted. Hypotheses 3 states that transformational leadership influence employee engagement.

**Table 5: Effect of Transformational Leadership Practices on OCTAPACE Culture (Regression Analysis)**

| Model | R   | R Square | Adjusted R Square | F-Value | Sig. |
|-------|-----|----------|-------------------|---------|------|
| 1     | .508<sup>a</sup> | .426     | .425              | 96.09   | .000<sup>a</sup> |

a. Predictors: (Constant), Transformational Leadership

**5.0 Conclusion**

The present study examined the existing perception of teaching and non-teaching staff towards transformational leadership and employee engagement in sample study institutions. On the whole it was found that transformational leadership and employee engagement was perceived positively by teaching and non-teaching staff of sample select institutions.

The findings of the study revealed that there exists a favourable and significant relationship between transformational leadership and employee engagement. Further, on the basis of findings it is concluded that transformational leadership positively and significantly influence employee engagement. The findings of the study pointed out that teaching staff showed higher satisfaction level towards both transformational leadership as well as employee engagement as compared to non-teaching staff. The results of the study depicted that idealized behaviour and inspirational motivation showed higher satisfaction levels as compared to other transformational leadership elements. As such leaders have to display these styles more often due to its acceptability among academic staff. The elements like individual consideration, intellectual stimulation and idealized attribute need to be focused more by leaders so that employees would feel that they are been given recognition to their needs, are being motivated and inspired to work better and being provided with an environment where their ideas and thoughts can be promoted positively. Moreover, among the elements of employee engagement, the element dedication was perceived more favourably by academic staff while as element vigor showed least satisfaction among the subscales of employee engagement.

The present study is faced with some limitations. Firstly, the study targeted only four colleges in Kashmir region and that too with less sample size. As such the findings
of the study cannot be generalized to whole population. Therefore future research can include universities as well, so as to present broader perception towards study variables. Secondly, no demographic variable was examined in the present study therefore future research can consider factors namely age, gender, and designation so that transformational leadership practices and employee engagement elements can be studied more holistically.

References

Avolio, B. J., & Bass, B. M. (2002). Developing potential across a full range of leadership. Mahwah, NJ: Lawrence Erlbaum Associates.

Avolio, B. J., & Bass, B. M. (2004). Multifactor leadership questionnaire manual and sampler set (3rd ed.). Palo Alto, CA: Mind Garden.

Balducci, C., Fraccaroli, F., & Schaufeli, W. B. (2010). Psychometric properties of the Italian version of the Utrecht work engagement scale (UWES-9). European Journal of Psychological Assessment, 26(2), 143-149.

Bass, B. M. (1985). Leadership and performance beyond expectations. New York: Free Press.

Bass, B. M., & Avoilio, B. J. (1994). Improving organizational effectiveness through transformational leadership. Thousand Oaks, CA: Sage Publications.

Bass, B.M. & Avoilio, B.J. (2000). MLQ multifactor leadership questionnaire. Second Edition, Redwood City, CA: Mind Garden.

Bezuidenhout, A. & Schultz, C. (2013). Transformational leadership and employee engagement in the mining industry. Journal of contemporary management, 10(1), 279-297.

Brown, S. P. (1996). A meta-analysis and review of organizational research on job involvement. Psychological Bulletin, 120, 235–255.

Burns, J.M. (1978). Leadership. New York, NY: Harper & Row.

Gibson, J.L, Ivancevich, J.M, Donnelly, J.H & Konopaske, R. (2012). Organizations: behaviour, structure, processes. Boston: McGraw-Hill.
Groenewald, A. & Ashfield, G. (2008). When leaders are also explorers. *The Star Workplace*, 7 May, 56.

Gill, R. (2006). *Theory and practice of leadership*. Thousand Oaks: Sage Publications Ltd.

Gonzalez-Roma V. Schaufli, W.B. Bakker A. B. & Lioret, S. (2006). Burnout and work engagement. *Journal of Vocational Behaviour*, 68, 165–174.

Hallberg, U. E., & Schaufeli, W. B. (2006). “Same same” but different? Can work engagement be discriminated from job involvement and organizational commitment? *European psychologist*, 11(2), 119-127.

Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*, 87(2), 268-279.

Hayati, D. Charkhabi, M., & Naami, A.Z. (2014). The relationship between transformational leadership and work engagement in governmental hospitals nurses: a survey study. *Springer Plus*, 3(25), 3-25.

Howell, J. M., & Avolio, B. J. (1993). Transformational leadership, transactional leadership, locus of control, and support for innovation: Key predictors of consolidated-business-unit performance. *Journal of Applied Psychology*, 78(6), 891-902.

Hughes, M. (2010). The leadership of change. In M. Hughes (Ed). *Managing change: A critical perspective*, pp. 135-149. London: CIPD.

Joubert, M. & Roodt, G. (2011). Identifying enabling management practices for employee engagement. *Acta Commercii*, 11(1), 88-110.

Jung, D. I., & Avolio, B. J. (2000). Opening the black box: An experimental investigation of the mediating effects of trust and value congruence on transformational and transactional leadership. *Journal of Organizational Behavior*, 21, 949–964.

Kahn, W. A (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692-724.
Kirkpatrick, S. A., & Locke, E. A. (1996). Direct and indirect effects of three core charismatic leadership components on performance and attitudes. *Journal of Applied Psychology, 81*(1), 36-51.

Kular, S., Gatenby, M., Rees, C., Soane, E., & Truss, K. (2008). Employee engagement: A literature review. Kingston University, Kingston Business School. Retrieved from http://eprints.kingston.ac.uk/4192/1/19wemen.pdf

Langelaan, S., Bakker, A. B., Van Doornen, L. P. & Schaufeli, W. B. (2006). Burnout and work engagement. Do individual differences make a difference. *Personality and Individual Differences, 40*(3), 521–532.

Latham, G. P., & Pinder, C. C. (2005). Work motivation theory and research at the dawn of the twenty-first century. *Annual Review of Psychology, 56*(1), 485–516.

Liorens, S. Schaufeli, W.B, Bakker, A. & Salanova, M. (2007). Does a positive gain spiral of resources, efficacy beliefs and engagement exist? *Computers in Human Behaviour, 23*(1), 825–841.

Littman-Ovadia, H., & Balducci, C. (2013). Psychometric properties of the Hebrew version of the Utrecht work engagement scale (UWES-9). *European Journal of Psychological Assessment, 29*(1), 58-63.

Marquis, B.L & Huston, C. J. (2008). *Leadership roles and management functions in nursing theory and application*. Sixth edition. China: Wolters Kluwer Health/Lippincott Williams and Wilkins.

Mokgolo, M. M., Mokgolo, P. & Modiba, M. (2012). Transformational leadership in the South African public service after the April 2009 national elections. *South African Journal of Human Resource Management, 10*(1), 1-9.

Northouse, P. G. (2010). *Leadership, theory and practice*. 5th Edition, Thousand Oaks, California: Sage Publications.

Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006). The measurement of work engagement with a short questionnaire: A cross-national study. *Educational and Psychological Measurement, 66*(4), 701-716.
Salanova, M., Agut, S. & Peiro, J. M. (2005). Linking organizational resources and work engagement to employee performance and customer royalty. *Journal of Applied Psychology, 90*(6), 1217–1227.

Schaufeli, W. B., Salanova, M., Gonzalez-Romá, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. *Journal of Happiness Studies, 3*(1), 71-92.

Schaufeli, W. & Bakker, A. (2003). *Utrecht work engagement scale: Preliminary Manual.* Utrecht: Occupational Health Psychology Unit, Utrecht University, 1-58.

Shamir, B., & Howell, J.M. (1999). Organizational and contextual influences on the emergence and effectiveness of charismatic leadership. *Leadership Quarterly, 10*(2), 257-283.

Sharma, U., & Rajput, B. (2017). Work engagement in India: Psychometric evaluation of Utrecht work engagement scale. *MANTHAN: Journal of Commerce and Management, 4*(2), 54-64.

Spector, P. E (2004). *Industrial and organizational psychology: Research and practice.* New York, NY: John Wiley.

Steers, R. M., Porter, L. W., & Bigley, G. A. (2004). *Motivation and leadership of work.* New York: McGraw-Hill.

Walumbwa, F. O., & Lawler, J. J. (2003). Building effective organizations: Transformational leadership, collectivist orientation, work-related attitudes, and withdrawal behaviours in three emerging economies. *International Journal of Human Resource Management, 14*(7), 1083–1101.

Yukl, G. (1999). An evaluation of conceptual weaknesses in transformational and charismatic leadership theories. *Leadership Quarterly, 10*(2), 285–305.

Zhu, W., Avolio, B. J., & Walumbwa, F. O. (2009). Moderating role of follower characteristics with transformational leadership and follower work engagement. *Group & Organization Management, 34*(5), 590-619.