

# THE RELATIONSHIP BETWEEN LEADERSHIP AND WORK ENGAGEMENT

by

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## **SUMMARY**

Work engagement is a topic that has gained momentum in recent research. Many organisations believe it has an impact on the retention and performance of employees as well as bottom line earnings. Many factors influence the level of work engagement in an organisation but this study has focused on one specific factor, namely, transformational leadership. Leadership has also become a popular topic in social science research and the best leadership style is yet to be determined. The purpose of this study was to determine the impact transformational leadership has on work engagement.

Data was obtained through the distribution of two questionnaires. The Multifactor Leadership questionnaire, used to measure transformational leadership, and the Benchmark of Engagement Quotient, used to measure work engagements.

These questionnaires were used to measure engagement and to measure perceived leadership style. The questionnaires were distributed to employees at a financial services firm in South Africa. Two hundred and sixty-five responses were received and subsequently analysed using SPSS. The results aimed to understand the relationship between transformational leadership style and work engagement better and to check whether there were correlations between the two constructs.

The results of the study provide support for theories proposing that transformational leadership can result in high engagement levels, while transactional leadership can lead to lower engagement levels. The dissertation concludes with recommendations for future research that could be conducted on work engagement and transformational leadership in order to understand the constructs better.

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## DECLARATION



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# **CHAPTER 1**

## **INTRODUCTION**

Engagement has been a topic of interest in organisations particularly as organisations are now becoming more aware of the positive effects of work engagement, for example, productivity, staff retention, employee satisfaction and improved resilience. Accordingly, organisations are now incorporating engagement into their business strategy as they identify its importance as regards productivity. (Macey & Schneider, 2008; Shuck & Wollard, 2009; Shuck & Herd, 2012; Bakker & Schaufeli, 2008). Disengagement has certain undesirable results for organisations, including absenteeism, increased staff turnover, negligence and apathy (Schutte, 2004; Viljoen-Terblanche, 2008; Viljoen, 2014). These results all affect the organisation's bottom line and must, thus, be mitigated if the organisation is to remain productive (Strom, Sears, & Kelly, 2013).

Leaders play an extremely important role in work engagement (Schutte, 2004; Viljoen-Terblanche, 2008; Laubscher, 2008). Research by Crabtree, (2005) has shown that the direct line manager of an employee has an impact on the employee's engagement levels depending on the way in which the employee is managed (Macey & Schneider, 2008; Pieterse-Landman, 2012; Crabtree, 2005). Strom et al. (2013) share the view that providing employees with high quality leadership may enhance engagement levels. In addition, they see transformational leadership as the leadership style in which leaders are good communicators and are able to bring their followers together for the sake of a broader purpose (Reinhardt, 2004). This study will explore the relationship between leadership and engagement in a financial services company in South Africa.

This chapter provides the background to the study. In addition, in this chapter the key concepts are defined, the research problem, the research questions, the research objectives and the philosophy underlying the study are elaborated on.

The proposed contribution of the study is also discussed The background to the study is discussed in the next section.

### **1.1. BACKGROUND TO THE STUDY**

Research has related work engagement to employee satisfaction, staff retention and organisational success (Ghafoor, Qureshi, Khan, & Hijazi, 2011). Research also suggests that leaders and their leadership styles have a direct impact on an employee engagement levels (Suharti & Suliyanto, 2012) and provides evidence that employees often leave organisations as a result of their managers' leadership styles (Buckingham & Coffman, 2005). Leaders play a central role in the work engagement of their employees and, in fact, leaders are the beacons for both direction and guidance and are able to mobilise employees to act (Buckingham & Coffman, 1999; Suharti & Suliyanto, 2012; Veldsman, 2012). A study conducted by Steers (1997) confirmed that leadership plays a causal role in the retention of employees, and employee's attitude to and views on the organisation.

This study will explore the employee-leader-engagement relationship to ascertain whether there are correlations between leadership and engagement. In view of the fact that South Africa is so diverse in terms of cultures, religions and economic climate (Burger, 2003), the researcher proposes to investigate the way in which the leadership-engagement relationship plays out in this diverse context.

The theory of transformational leadership was operationalised by Bass and Avolio (1993) through the development of the multifactor leadership theory which incorporates both transformational and transactional leadership (Bass, 1985; Bass & Avolio, 1993; Yukl, 1999). Engagement has been operationalised for the purposes of this study using both the Benchmark of Engagement Quotient (BeQ) and the theory of engagement of Viljoen-Terblanche (2008). The Multifactor Leadership Questionnaire (MLQ) (Avolio & Bass, 1995) and the Benchmark of Engagement Quotient (BeQ) (Viljoen-Terblanche, 2008) were used to measure leadership perceptions and engagement in the study.

The MLQ was developed to test for transformational leadership and includes four sub constructs, namely, idealised influence, intellectual stimulation, inspired motivation and individualised consideration (Avolio & Bass, 1995). On the other hand, the BeQ has been developed specifically for organisations in Africa and provides a measurement of engagement. The BeQ includes three main constructs, namely, emotional presence, emotional containment and organisational gestalt (Viljoen, 2008). Both these instruments will be discussed in the literature review.

## **1.2. KEY CONCEPTS**

The following concepts are key to this study, namely, leader-member exchange theory, leadership styles, engagement and transformational leadership. These key concepts are discussed below.

### **1.2.1. Leader-Member Exchange Theory**

The Leader Member Exchange (LMX) theory stems from social exchange theory (SET) (Graen & Uhl-Bien, 1995). The LMX theory suggests that some followers have better relationships with leaders than others. Leaders tend to choose certain followers who form part of their in-group and these followers usually experience higher levels of satisfaction in their jobs as compared to the other employees (Subramaniam, Othman, & Sambasivan, 2010). The employees with whom the leader has a better quality relationship often show increased productivity, satisfaction and positive perceptions of their jobs (Gerstner & Day, 1997; Achua & Lussier, 2010). The researcher supports this view and will attempt to show that transformational leadership, which focuses more on relationships than on tasks, yields higher engagement.

### **1.2.2. Leadership and Leadership Styles**

Several theories of leadership have emerged in recent times, including those of charismatic leadership (Shamir, House, & Arthur, 1993) moral leadership (Li, Wu, Johnson, & Wu, 2012) and spiritual leadership (Fry, 2003). These theories all investigate the way in which leaders may gain the confidence and support of their followers and, thus, improve productivity (Tejeda, Scandura, & Pillai, 2001).

The theories of leadership that have received the most attention and been the focus of much research include authoritarian leadership, participative leadership, transactional leadership and transformational leadership (Derue, Nahrang, Wellman, & Humphrey, 2011; Hoyle, 2006; Avolio, 2007).

Leadership styles represent a combination of personality, ability and the communication style that the leader uses in order to help the organisation and its employees achieve their goals (Hoyle, 2006). The question still remains as to which leadership style is the best or the ideal style that produces the best results (Northouse, 2015). The most popular leadership styles will now be discussed briefly.

*Authoritarian leadership* is characterised by coercion and control. Followers often perform tasks out of fear of the leader with followers being rewarded based on loyalty and not performance (Jing & Avery, 2008). This style of leadership is congruent with Theory X which was formulated by McGregor (Kopelman, Protts, & Davis, 2008). Theory X proposes that human beings are lazy, self-centred, dislike change and need to be told what to do at all times. In addition, they need to be managed by fear and authority (Stewart, 2010).

*Participative leadership* moves away from the authoritarian style towards a more inclusive style with followers being involved in decision-making, delegation and communication (Miao, Newman, Schwarz, & Xu, 2013). When employees are allowed to be part of the decision-making process, this creates a sense of commitment and ownership and helps the employees to align themselves to the organisational goals (Ngotngamwong, 2012; Bogler, 2001).

*Transactional leadership* balances the needs of the nomothetic (needs of the organisation) with the idiographic (needs of the follower) (Zhu, Sosik, Riggio, & Yang 2012). In simple terms, leaders using this style reward their followers for their work as long as the work is in line with the organisational goals – a “tit for tat” approach (Lussier & Achua, 2015). This method of leadership is often successful with blue collar workers (Jing & Avery, 2008; Bass & Riggio, 2006).

*Transformational leadership* involves a leader who secures the gains emotional involvement of the followers, displays competence and has a vision of success for the future (Jing & Avery, 2008). Transformational leaders inspire followers to succeed and display high levels of integrity, thus creating an environment that is values driven (Bass & Avolio, 1994; Hoyle, 2006; Epitropaki & Martin 2013).

Research has provided evidence that leadership affects organisational performance, organisational productivity and engagement (Jing & Avery, 2008; Suharti & Suliyanto, 2012; Mendes, Stander, & Sciences, 2011). This research study will attempt to understand the relationship between leadership and engagement in order to try to understand the factors which play an important role in this relationship.

### **1.2.3. Work Engagement**

As mentioned earlier in the introduction to the study, work engagement has become a popular topic with the amount of research on engagement increasing. Organisations are finding value in investing in interventions to improve the engagement of their employees (Viljoen-Terblanche, 2008; Shuck & Herd, 2012). Leaders have a direct impact on employee engagement and, through their interaction and relationship with their employees, impact either positively or negatively on their engagement (Suharti & Suliyanto, 2012; Mendes et al., 2011; Strom et al., 2013). Suharti and Suliyanto (2012) used a quantitative research methodology to demonstrate the positive impact of leadership style on employee engagement, thus providing empirical evidence of the role which leadership plays in engagement (Tims, Bakker, & Xanthopoulou, 2011; Hayati, Charkhabi, & Naami, 2014).

## **1.3. DEFINITIONS OF ENGAGEMENT**

The researcher found several definitions of engagement and has included three of the definitions in this dissertation. Firstly, engagement has been defined as the intellectual and emotional commitment on the part of employees towards their jobs as well as the enthusiasm they show for their jobs and the satisfaction they obtain from such jobs (Harter, Schmidt, & Hayes, 2002; Ghafoor et al.,

2011). This definition of Harter et al. (2002) describes the significant impact of work engagement on various factors in the lives of employees. Secondly, Bakker, Schaufeli, Leiter and Taris (2008, p. 187) define work engagement as “a positive, fulfilling, affective motivational state of work-related well-being that is characterised by vigour, dedication, and absorption”. This definition highlights three specific concepts that embody engagement, namely, vigour, dedication and absorption. The Utrecht Work Engagement Scales are used to operationalise and measure this definition of engagement (Schaufeli & Bakker, 2004). Finally, Viljoen-Terblanche, (2008, p. 18) defines engagement is described as the “systemic results of the interplay between the individual potential, the group potential and the organisational potential within the context of a specific industry or a national culture”. This definition of engagement by Viljoen (2008) is adopted as a working definition for the purposes of this dissertation as the researcher was of the opinion that Viljoen’s definition of engagement and her tool for measuring engagement are culturally integrated and were formulated specifically to accommodate the African continent.

Work engagement has been found to have many predictors, including autonomy, leadership, performance feedback and self-efficacy (Bakker et al., 2008). This, in turn, provides further evidence that leadership plays a role in engagement and that it is worth studying. Although the work of Macey and Schneider (2008) describes employee engagement, it is valuable to note that their work has been used by researchers studying both engagement and work engagement (Strom et al., 2013; Shuck & Herd, 2012; Rothmann & Rothmann, 2010; Bakker et al., 2008) as this demonstrates both the importance of their research and also that it should be taken into account when adopting a holistic view of engagement. Macey and Schneider (2008) believed that the descriptions of engagement were too simplistic and that many aspects of engagement were being overlooked. They suggested that engagement comprises three components, namely, trait engagement, state engagement and behavioural engagement. These constructs are measured by Viljoen-Terblanche (2008) as part of the individual domain in the BeQ. This will be discussed in the literature review in chapter 2.

### **1.3.1. The Difference between Work Engagement and Employee Engagement**

There are various definitions of the term “engagement”. In general engagement describes involvement, commitment, passion, enthusiasm, dedication and energy (Schaufeli, 2013). Engagement has been divided into employee engagement and work engagement. This division has given rise to some debate on the difference between employee engagement and work engagement (Schaufeli, 2013). According to Schaufeli (2013), the only difference between work engagement and employee engagement is that work engagement describes the employees’ relationship with their work while employee engagement also takes into account the employees’ relationship with the organisation (Strom et al., 2013). Strom et al. (2013) use the definition of engagement as proposed by Bakker, Schaufeli, Leiter, and Taris (2008). This definition may, in fact, refer to both employee engagement and work engagement and is one of the most cited definitions in the literature on engagement (Strom et al., 2013). However, after critically evaluating the relevant literature and the definition of work engagement and employee engagement it would seem that there is very little difference between the two and, in some instances, the two definitions are used interchangeably. In fact, the two concepts of work engagement and employee engagement will be used interchangeably in this research study as the definitions of both terms encompass similar concepts.

## **1.4. PROBLEM STATEMENT**

Leaders for the future will be called upon to cope with the changing world of work while they are currently facing numerous challenges, including the shift to more knowledge intensive ways of work, (Adler, 2001; Cho, Cho, & McLean, 2009), as well as the fact that more employees than previously wish to participate in organisational decision-making while they also want working environments in which they feel challenged and where they are treated fairly (Groothof, 2007; Shuck & Herd, 2012). Leaders will, thus, have to show exceptional leadership skills in order to lead the increasingly diverse workforces as well as becoming extremely creative as regards their leadership as the workforce of today is both diverse and extremely knowledgeable (Viljoen, 2008; Beck, 2003).

Leadership is a critical factor in creating meaningful change and transformation in organisations. It is important to understand how a leader may impact on others as this has an influence on the implementation of strategy and change (Raja & Palanichamy, 2011; Avolio & Bass, 1995). Leaders who provide opportunities for *work engagement* will have the advantage in the competition for talent in South Africa (Viljoen, 2008). Engaged employees are more productive than those who are less engaged while they also tend to stay longer in their jobs, thus reducing costs and increasing revenue for the organisations concerned (Saks, 2006). There has been research conducted on the role which leadership plays in engagement and the retention of employees (Saks, 2006; Viljoen-Terblanche, 2008; Viljoen 2014).

Researchers are in agreement that a high level of work engagement enables employees to demonstrate high levels of energy and identify with their work more than those who are not engaged (Bakker et al., 2008; Strom et al., 2013). The employees of today have different needs and, if organisations wish to retain their talents, there will have to be a change in the way in which leaders lead and in what organisations offer employees (Lawrence, 2015).

The purpose of this research study was to investigate whether there was a relationship between leadership and work engagement at a financial services organisation which, at the time of the study, was undergoing a massive restructure. Work engagement is one of the organisation's strategic drivers and it was, thus, deemed important for the organisation to understand whether leadership style was one of the important drivers of work engagement. The organisation was extremely interested in the results of the study as it wanted to use the results to improve the work engagement of its employees. In addition, the organisation wanted the research results to inform leadership development programmes and interventions aimed at maintaining current work engagement levels and also improving overall productivity and profit.

## **1.5. MAIN RESEARCH HYPOTHESIS**

Based on the background provided in the previous section, the following research hypothesis was formulated:



**Hypothesis 1 (H1):** It is hypothesised that there is a positive relationship between transformational leadership style and engagement.

**Hypothesis 2 (H2):** It is hypothesised that there is a negative relationship between work engagement and transactional leadership style. It is, thus, hypothesised that transactional leadership style will be negatively correlated with engagement.

**Null Hypothesis (H0):** It is hypothesised that there is no relationship between work engagement and transformational leadership style.

## **1.6. RESEARCH OBJECTIVES**

The first objective of the study was to determine the perceived leadership style as well as the level of engagement in the sample. The second research objective was to identify a link, if any, between transformational leadership and engagement while the third objective involved ascertaining whether or not there was a positive relationship between transformational leadership and engagement. The last objective was to test for any relationship between transactional leadership and engagement. The researcher analysed the data for correlations between the two constructs. In addition, the researcher would determine the type of relationship if any, between the constructs. It was felt that an understanding of the relationship between leadership and engagement would enable the organisation to modify its leadership programmes, culture initiatives and engagement techniques.

Based on the research questions and research objectives as described above, the aim of this research study was to administer reliable questionnaires to determine the perceptions of employees with regards to their leader and their level of engagement. Once this information had been obtained the researcher would examine any relationships between the constructs.

## **1.7. PROPOSED CONTRIBUTION OF THE STUDY**

The key focus of this research study was to determine whether a relationship existed between leadership and work engagement in a financial services environment. In view of the numerous benefits positive work engagement holds for both employer and employee (Macey & Schneider, 2008) it was felt that gaining a better understanding of the relationships between these constructs would help the researcher to understand how the constructs influenced each other and also how such information could be used to improve work engagement. The outcomes of positive engagement include organisational success, productivity, staff retention and innovation (Viljoen-Terblanche, 2008; Rothmann & Rothmann, 2010; Schaufeli & Bakker, 2004). It is hoped that the study may provide insights into the employees' perceptions of the leaders perceived leadership styles and also the level of engagement among the employees. The study also investigated the different underlying constructs in leadership and engagement and attempted to find out the factors which play an important role in the correlation between leadership and engagement.

In view of the fact that the organisation where the study was conducted was re-examining its strategy and also undergoing a restructure at the time of the study, it was felt that the results of the research could be of value in terms of helping the organisation to understand the way in which leadership was impacting on engagement and, in turn, on productivity. Once the impact of leadership had been understood, the organisation would be able to develop competencies and assessments that could test for transformational leadership in candidates, either for recruitment or development purposes. In addition, leadership development programmes could be implemented based on the research results as the organisation would be able to evaluate the type of leaders the organisation had and also whether these leaders required any development. Leaders would also be able to implement initiatives in the environment to improve engagement in line with the research results. Furthermore, since the study aimed to add to the existing body of knowledge on leadership and engagement, other financial services institutions in South Africa would also be able to draw on information from the study in order to better understand how leadership impacts on

engagement and to make recommendations based on the study findings that would be in line with their organisational strategy.

The next sections will discuss cover the theoretical and practical and contributions of this research study. These contributions are described in terms of value for both the organisation in which the study was conducted and also for financial services organisations at large.

## **1.8. THEORETICAL CONTRIBUTION**

The study aimed to contribute to the existing knowledge on work engagement and leadership. It was anticipated that the research would provide support for either the positive or the negative relationship between leadership and work engagement. This could then give rise to new theories of leadership and also provide support for current theories. In addition, the study could provide information that would allow leaders to think about their role in improving engagement through their behaviours. Although there has been previous research conducted on the relationship between engagement and leadership, this study took place at a large financial services organisation in South Africa and, thus, it was anticipated that the results may be valuable to the South African population.

## **1.9. PRACTICAL CONTRIBUTION**

It was hoped that the practical contributions of this research study for the organisation would be of value by enabling the organisation to use the results of the study to improve staff retention, employee satisfaction, innovation and productivity (Viljoen-Terblanche, 2008) by re-examining the leadership in the organisation. The Corporate Leadership Council (2004) revealed a direct link between retention of talent and engagement and, thus, by understanding the results of this study the organisation may be able to develop certain talent management strategies aimed at improving engagement and leadership. The effects of engagement include reduced burnout, improved job satisfaction, enhanced commitment and better performance in organisations. Thus, if leaders facilitate engagement they will reap the benefits of engagement (Ghafoor et al.,

2011). Leaders may also be trained to understand their leadership styles and learn about the various leadership styles in order to be more informed and to improve their leadership (Ghafoor et al., 2011). The financial services industry is a competitive marketplace, characterised by marked competition for talented employees. It is hoped that the research results will enable the organisation to use this information gained in a positive way so as to improve its work engagement levels and gain the edge over its competitors (Christian, Garza, & Slaughter, 2011). The organisation may be able to use the information from this study to develop leadership development programmes as well as retention interventions for the organisation and this should, in turn, improve the overall performance, productivity and profit of the organisation.

#### **1.10. RESEARCH APPROACH**

The study adopted a deductive research approach. A descriptive approach may be used in research when the concepts to be investigated already exist and have been studied previously (Collis & Hussey, 2013). This was, in fact, the case with this particular study. The research method involved a quantitative approach which aimed to investigate the relationship between the variables of leadership style and engagement. Specifically the study attempted to investigate whether perceptions of transformational leadership may be a predictor of positive engagement at work. The independent variable was 'positive engagement' while 'transformational leadership' was the dependent variable. The correlations between the two variables were then checked.

#### **1.11. RESEARCH DESIGN**

The study used a quantitative research design to measure the relationship, if any, between transformational leadership (independent variable) and engagement (dependent variable). In view of the fact that the data was collected at a single point in time, the study may also be seen to have a cross sectional design (Whitley, 2002). The researcher adopted a positivistic stance to ensure objectivity and detachment on her part (Creswell, 2011; Morgan, 2007; De Vos, Delport, Fouche, & Strydom, 2011). Neither of the variables, namely, leadership

style or work engagement, was manipulated in any way. Each hypothesis was examined using a deductive approach (Whitley, 2002).

#### **1.11.1. Population/Sampling Frame**

The research setting was a financial services institution in South Africa. In view of the fact that the population was heterogeneous a purposive sampling approach was used. This sampling method allows the researcher to ensure adequate representation of the population in the sample as well as facilitating the decisions regarding the most effective sample for the purposes of the study (Creswell & Plano Clark, 2011; De Vos et al., 2011). Out of a population of 500, 265 formed the sample for this study.

#### **1.11.2. Measuring Instruments**

The measuring instrument involved a biographical data section and two questionnaires, namely, the Multifactor Leadership Questionnaire – Form 5 developed by Avolio and Bass (1995) and the Benchmark of Engagement Quotient (BeQ) developed by Viljoen-Terblanche (2008). The questionnaires were used to measure perceived leadership styles and levels of engagement respectively. The questionnaires are a self-report measure and were distributed electronically via Survey Monkey, an electronic data gathering tool. This was done to save both time and costs while it is also a more convenient method of data collection for large amounts of data. The surveys were anonymous and the identities of the participants were not disclosed to any other person besides the researcher. All the information gathered was stored electronically and with only the researcher having access to it. The measuring instruments are described in greater detail in the chapter on methodology.

#### **1.11.3. Data Analysis Strategy**

Both inferential and descriptive statistics were used to analyse the data which had been collected. The Statistical Package for the Social Sciences (SPSS) programme was used for the statistics. The inferential analysis allowed the researcher to make conclusions about the population using data gathered from the sample (Blanche, Durrheim, & Painter, 2010). The reliability analysis was

conducted using the Cronbach's alpha coefficient, while Spearman correlations were used to test for relationships between the variables.

Canonical correlations were used to measure the relationship between the two sets of variables, namely, the leadership dimensions and the engagement dimensions. Canonical correlations are an extremely valuable analysis tool with the following benefits. Firstly, it is a multivariate technique that may limit Type 1 errors (finding a relationship/effect where there is not one), secondly, the analysis allows the researcher to compare variables simultaneously rather than perform different statistical tests and, lastly, canonical correlations may be used as an alternative to other parametric tests and are more comprehensive than these other tests (Sherry & Henson, 2005).

#### **1.12. ETHICAL ISSUES CONSIDERED**

Ethics, namely, what is deemed to be either acceptable or unacceptable in human conduct, are an integral part of research. Ethics are a subset of the values held by society as a whole and are determined primarily by family as well as educational and religious institutions (Tustin, Lighthelm, Martins, & Van Wyk, 2005).

Sudman and Blair (1998), as cited in Tustin et al. (2005), provide an overview of the ethical considerations that should be taken into account, namely, participants should not be harmed, participants should not be deceived, participants should be willing and informed and the data should be kept confidential. Each of these obligations to the participants in a research study are discussed below.

##### **Participants should not be harmed**

As a researcher it is of the utmost importance that participants are not embarrassed, humiliated or put through any form of mental distress during the research study (Tustin et al., 2005). In addition, the researchers should also remind the participants that they are by no means obligated to answer any question that they may feel is not appropriate. The participants in this research

study were informed that they were in no way obliged to participate in the study. Their informed consent was obtained before the questionnaires were administered (Tustin et al., 2005).

### **Participants should not be deceived**

Should a researcher pretend to be doing research other than what the research is actually about would be deceiving participants. Raising funds under the pretext of performing research is also considered to be both unethical and deceitful (Tustin et al., 2005).

Participants should also be made aware of the length of their involvement in a research study. If a participant is not informed that a study may be somewhat lengthy in nature, this may be seen as unethical (Tustin et al., 2005). There was no deception in this study and the participants were informed of the purpose of the study from the outset. In addition, they were also informed about how the information they provided would be used.

### **Participants should be willing and informed**

As indicated by Tustin et al. (2005), it is always difficult to decide what the ethically allowed limit is of what the researcher may disclose to the participants. It is obviously important to provide the participants with as much information as possible although this should not take up more time than the survey questionnaire. As mentioned above, the researcher obtained the participants' informed consent prior to administering the survey.

### **Data should remain confidential**

It is the responsibility of the researcher to ensure the confidentiality of all data that the participants have shared. It should be stated in all communications with the participants and also prior to their participation in a study that all the information shared with the researcher will remain confidential (Tustin et al., 2005). There was no deception in this study and, thus, no debriefing was necessary. The results of the study were made available to all those who had

taken part in the study. The data obtained was stored electronically and only the researcher had access to it.

### **1.13. PROPOSED LAYOUT OF CHAPTERS AND DELIVERABLES**

This dissertation consists of six chapters. Chapter 2 contains a literature review on transformational leadership and work engagement. The chapter discusses the unique contribution of the study and defines the key concepts used in it. Chapter 3 contains details of the research methodology used in the study, the sample, the measuring instruments, the data collection as well as the statistical analyses that were conducted to evaluate data collected. Chapter 4 presents the results of the study as well as the data analysis and the results of the hypothesis testing while chapter 5. Chapter 5 presents a discussion of the results of the hypothesis testing based on the results of the data analysis. Chapter 6, the final chapter, discusses the recommendations made, the limitations of the study and the conclusions drawn from the study.



## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter contains the literature review. In addition, it presents an overview of the concept of engagement as well as the models and theories pertaining to engagement. The chapter also contains an outline of the leader member exchange theory and the relationship between this theory and engagement. This is followed by a brief definition of leadership styles and transactional leadership and then a detailed review of transformational leadership as well as transformational leadership theories and models. There is a short description of the theory underlying the Benchmark of Engagement Quotient and (BeQ) and the Multifactor leadership theory. Finally, the chapter describes the Multifactor Leadership Questionnaire (MLQ) tools before the conclusion to the chapter.

#### **2.1. INTRODUCTION**

Humanistic theories are based on the assumption that human beings are naturally motivated beings and that organisations are naturally structured and controlled. The leadership theories that stem from this school of thought propose that it is incumbent on leaders to modify their behaviours in order to balance the constraints of the organisation with the potential of the employee (Viljoen-Terblanche, 2008). Leaders are primarily responsible for creating an environment which is conducive to engagement. Their leadership styles may shape an employee's experience (Koppula, 2008; Viljoen, 2014). SET explains that relationships are a two way interaction during which one party reciprocates what that party has received from the other party (Saks, 2006). This, in turn, may strengthen the assumption that leaders play a pivotal role in the engagement of employees.

It is essential that leaders adapt to the changing world of work and that they develop zeal and commitment among their employees by using their charisma, influence and vision. Leaders must be able to handle various types of tensions which may arise as well as the so called ailments in an organisation (O'Reilly & Tushman, 2013). The ability to do this is known as transformational leadership

(Hayati et al., 2014). Spector, Borman and Cimino (2004) suggested that transformational leaders are able to meet organisational goals and improve the productivity of employees through their influence and charisma. These traits are exhibited and perceived in both their behaviour and their relationships with others. Transformational leaders are also associated with the more positive emotions as experienced by employees (Men, 2010).

## **2.2. ENGAGEMENT**

The concept of engagement is currently receiving more attention than previously as a result of the predictive value of work engagement and productivity (Hayati et al., 2014; Kahn, 1990; Macey & Schneider, 2008; May, Gilson, & Harter, 2004; Rich, LePine, & Crawford, 2010; Schaufeli, Salanova, Bakker & Gonzalez-Roma, 2002). Kahn (1990) was one of the first theorists who discussed engagement. According to Kahn's description of engagement it is essential that employees are physically, cognitively and emotionally connected to their jobs. Employees who are engaged are more likely to work harder and do more than is required of them than those that are disengaged (Bakker, 2011). Kahn (1990, p. 694), defined personal engagement as "the harnessing of organisation members' selves to their work roles; in engagement people employ and express themselves physically, cognitively and emotionally during role performances". Rothbard (2001) shared a similar view to that of Kahn (1990) and defines engagement as comprising being psychologically present and also cognitively available (attention) and also the intensity with which an individual is involved in the role (absorption).

It was also important to distinguish between engagement and other constructs that may appear similar, for example, job involvement and organisational commitment. Hallberg and Schaufeli (2006) explored whether engagement could be empirically separated from the constructs of job involvement and organisational commitment. Their results proved that engagement is, indeed, a conceptually unique construct and that it would be valuable to study and understand the antecedents and consequences of engagement (Hallberg & Schaufeli, 2006). The researcher is in agreement with the view of Hallberg &

Schaufeli (2006) and, as discussed previously, will examine engagement as a construct on its own.

Engagement in relation to burnout is also an important topic in the workplace and should be examined. The relationship between engagement and burnout has been explored previously (Du Plooy & Roodt, 2010; Schaufeli & Bakker, 2004; Schaufeli, Salanova, Bakker & Gonzalez-Roma, 2002). Definitions of engagement from the literature on burnout describe engagement as the opposite of burnout and indicate that it manifests as energy, involvement and efficacy – the converse of the three burnout characteristics of exhaustion, cynicism and inefficacy (Maslach et al., 2001). Schaufeli and Bakker (2004, p. 265) proposed a definition of engagement that describes engagement as “an active, positive work-related state that is characterised by vigor, dedication, and absorption”. According to Bakker (2011), there are two drivers of work engagement, namely, job resources and personal resources. Job resources include certain physical, social and/or organisational factors that may assist the employee to reduce job demands. These include growth, learning, performance feedback and supervisory support. On the other hand, personal resources include self-concept and locus of control.

It is important to note that supervisory support assists employees to cope with difficult job demands and to perform under pressure (Bakker, 2011). Both job and personal resources become more important when an employee is under high job demands as the absence of certain resources may lead to burnout or disengagement. This interaction of job and personal resources is broadly referred to as the Job Demand-Resources Model (JD-R) (Bakker, 2011; Maslach & Jackson, 1986; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001). According to the JD-R model job resources are the single strongest predictor of engagement. These resources include supervisory and leadership functions, coaching and performance feedback. It is valuable to note that all these resources are linked to leadership and the role the leader plays in an employee's life (Demerouti et al., 2001; Schaufeli et al., 2002; Schaufeli & Bakker, 2004; Du Plooy & Roodt, 2010). The theory of self-determination proposed by Gagné and Deci (2005) provides further support for the job

demands-resources theory as Deci suggests that the work environment should support the employees' need for autonomy, competence and wellbeing and improve motivation (Gagné & Deci, 2005; Schaufeli & Bakker, 2004).

It is clear from the literature that both engagement and burnout are outcomes of the job demands and job resources which are available. This study sought to understand whether the job resources, namely, leadership play a pivotal role in the outcome of engagement (Schaufeli & Bakker, 2004; Du Plooy & Roodt, 2010). Saks (2006) shared a similar view on engagement. His research showed that engagement is on the decline among employees. He maintained that engagement is not merely an attitude but refers to the amount of attention and absorption individuals give to their role (Saks, 2006; Du Plooy & Roodt, 2010).

Engagement is important because engaged employees outperform disengaged employees for the following four reasons (Bakker, 2011; Schaufeli & Bakker, 2004). Firstly, engagement leads to positive emotions which, in turn, allow employees to broaden their 'thought action repertoire'. Secondly, engaged employees experience better health. Thirdly, engaged employees create their own jobs, personal resources and engagement drivers and, lastly, engaged employees transfer their engagement to those around them. Du Plooy and Roodt (2010) identified an additional benefit of engagement for organisations, namely, that employees participate in organisational citizenship behaviour (OCB). OCB is defined as "individual behavior that is discretionary, not directly or explicitly recognised by the formal reward system, and that in the aggregate promotes the effective functioning of the organisation" (Organ, 1988, p. 4).

Engagement is directly related to both job performance and organisational productivity while it also produces feelings of satisfaction and belongingness (Bakker, 2011; Ghafoor et al., 2011). Other reasons for studying work engagement include the fact that many employees are currently disengaged in their work and this is affecting the performance of organisations (Saks, 2006; Viljoen-Terblanche, 2008; Schutte, 2004).

Pieterse-Landman (2012) discussed how difficult it has become to retain employees and suggested that employees do not leave jobs or organisations but, rather, that they leave leaders. Research which has been conducted on various companies in the past decade has yielded results that point directly to a leader's behaviour impacting on the engagement of employees (Hayati et al., 2014; Bakker et al., 2008). Employees made the following suggestions to improve their engagement, namely, manager related behaviours, which include increased involvement in decision-making, more appreciation, improved communication, more team building and flexible work conditions (Hayati et al., 2014; Bakker et al., 2008). The research also highlighted that leadership style is the single most influential factor in employee retention (Pieterse-Landman, 2012; Hayati et al., 2014; Bakker et al., 2008).

Viljoen-Terblanche (2008) has a similar view to Pieterse-Landman's (2012) view of leadership and retention. Although organisations spend large amounts of money on recruiting talent employees are often, for various reasons, not allowed to make their unique contribution to the business. Viljoen-Terblanche (2008) suggests engagement as a method of retaining talent and improving productivity in organisations. Viljoen-Terblanche (2008, p. 44) suggested the following definition of engagement, namely, "systemic results of the interplay between the individual potential, the group potential and the organisational potential within the context of a specific industry or a national culture". It is Viljoen's view that leadership is responsible for ensuring that the maximum number of employees engage with the organisation's strategy and values and that it is through this process that employees will be able to make their unique contribution to the business (Viljoen-Terblanche, 2008). In addition, this type of engagement has direct correlations with productivity, customer centricity and retention (Viljoen, 2014). According to Macey and Schneider (2008), the concept of engagement has been defined too simplistically. They propose a more comprehensive definition that encompasses different types of engagement as well as other factors such as leadership, the employee and the organisation. They believe engagement occurs in three forms, namely, trait, state and behavioural. These will now be discussed.

### **2.2.1. Trait Engagement**

Trait engagement in people refers to engagement which manifests in the following ways: These individuals have positive views of work and life, they display proactive and autotelic personalities (they individuals engage in activities for their own interest and not for rewards), positive emotions and conscientiousness. This type of engagement is directly affected by job attributes (Macey & Schneider, 2008).

### **2.2.2. State Engagement**

This type of engagement manifests in feelings of energy and absorption at work with employees experiencing satisfaction, involvement, commitment and empowerment. This type of engagement is directly affected by leadership (Macey & Schneider, 2008).

### **2.2.3. Behavioural Engagement**

This type of engagement manifests in observable behaviour which is often termed extra-role behaviour. Employees display organisational citizenship behaviour (helping colleagues for no reward or recognition) while they also show proactive initiative, going over and above their job profiles and adapting positively to change. This type of engagement is also linked to leadership and the degree of trust given to the employee (Macey & Schneider, 2008).

These different types of engagement cannot always be perceived and measured. There are a number of factors at play that give rise to the various engagement types with factors such as transformational leadership and trust in the leader and organisation acting as moderators for engagement (Macey & Schneider, 2008; Markos & Sridevi, 2010).

International statistics from the Corporate Leadership Council (2004) show that only 28% of people are engaged in their jobs and, thus, that 72% are disengaged and not making their unique contribution to their organisations. Viljoen (2014) found that in emerging economies the percentage of engaged employee has declined to 20%. The leader is responsible for optimising

engagement on all three levels. Organisations that are able to ensure employee engagement will be distinct from other organisations and they will also be more sustainable (Viljoen-Terblanche, 2008). Bakker (2011) suggested that there is a gap in the existing literature as regards to the impact of leadership on engagement. Although the literature does allude to supervisory support in job resources it is, nevertheless, recommended that the role of leaders in work engagement is. Bakker (2011), Viljoen-Terblanche (2008) and Saks (2006) all suggest that there is a link between leadership and work engagement. It is, in fact, this link that this study explores.

### **2.3. MODELS AND THEORIES OF ENGAGEMENT**

The work conducted by Kahn (1990) and the research on burnout by Maslach et al. (2001) constitute the two main streams of research that resulted in models for engagement. Kahn's research was of a qualitative nature and involved his interviewing both summer camp counsellors and the employees of an architecture firm on engagement and disengagement. His findings uncovered the following three essential conditions for engagement at work, namely, meaningfulness, safety and availability (Saks, 2006). May, Gilson, and Harter (2004) empirically tested Kahn's theory of engagement. They found that the three conditions for engagement, meaningfulness, safety and availability, had a significant impact on engagement. In addition, they also other factors that contributed to engagement, namely, job enrichment and role fit, and that assisted in achieving meaningfulness for employees. They also found that supervisory support assisted in achieving safety (May et al., 2004).

The literature on burnout suggests that engagement is the exact opposite of burnout and that burnout describes the loss of engagement with one's job (Maslach et al., 2001; Bakker, 2011; Schaufeli & Bakker, 2004). Maslach, Schaufeli, and Leiter (2001) cited six areas of work life that may lead either to burnout or engagement, namely, work load, the amount of perceived control an employee experiences over decisions, whether an employee is rewarded according to their expectations, community refers to the perceived quality of social interactions at work and perceived fairness alludes to whether the

employee feels decisions are fair (Maslach & Leiter, 2008). The argument underlying engagement is that employees feel engaged if their workload is sustainable, they experience feelings of choice and control, they receive recognition and reward, they have supportive colleagues/leaders and they perceive fairness and values in the organisation (Maslach et al., 2001; Bakker, 2011; Schaufeli & Bakker, 2004).

Although Kahn (1990) and Maslach et al. (2001) cite psychological factors as conditions for engagement this does not, however, explain the varying degrees of engagement among employees. SET may be useful in explaining the variance in employee engagement levels (Saks, 2006). SET proposes that certain obligations are generated based on the interactions between interdependent parties. A core component of SET is that relationships may evoke trust, loyalty and mutual commitment if the relationship is governed by rules of exchange. An example of an exchange may be, when an employee receives social, emotional or monetary benefits from his/her organisation, the employee feels the need to reciprocate. Employees may repay the organisation for the benefits they have received by being engaged in their work (Cropanzano & Mitchell, 2005; Du Plooy & Roodt, 2010; Tekleab, Takeuchi, & Taylor, 2005).

### **2.3.1. Leader-Member Exchange Theory (LMX)**

Saks (2006) realised the value of the way in which the SET theory could influence engagement. The Leader-Member Exchange (LMX) theory arose from the SET theory and shares similar views with the SET theory although these views are more specific to the leader-follower relationship. This theory may be used to explain how leaders influence the behaviour of their employees. The assumption of LMX is that the interactions between leaders and employees are not equal and that this will, in turn, result in leader-member exchanges of differing qualities (Cogliser & Schriesheim, 2000).

Employees who have strong social ties to the leader belong to the ingroup while those with weak social ties are in the outgroup. Employees in the ingroup usually receive better work experiences as compared to those the outgroup (Achua & Lussier, 2010). LMX suggests that leaders form different quality



relationships with employees. High quality relationships are formed with certain employees and are based on trust and liking while low quality relationships are formed with employees in cases in which the exchanges do not go beyond the employment contract (Graen & Uhl-Bien, 1995). Epitropaki and Martin (2013) found an interesting link between the perceptions of transformational and transactional leadership and LMX. They found that the perceptions of having a transformational leader were positively related to the use of soft and rational upward influence strategies by employees while the perception of having a transactional leader was positively related to the use of harder influence strategies on the part of the leader. This would mean that an employee who experiences transformational leadership is more likely to respond positively to their leader and their work.

The quality of the LMX affects the productivity and satisfaction of employees as well as the perceptions of how employees see their workplace. As opposed to low quality LMX relationships high quality LMX relationships predict higher levels of performance and organisational citizenship behaviour (Avolio, Walumbwa, & Weber, 2009). Macey and Schneider (2008) described one of the aspects of behavioural engagement as displaying organisational citizenship behaviour, thus linking leadership and engagement. Factors that determine the LMX quality include follower attributes, leader-follower perceptions of each other and situational factors (Achua & Lussier, 2010).

There are three stages in the development of LMX relations. Stage 1 includes impressions management which involves the employee attempting to project a favourable image in order to gain a benefit from the leader, ingratiation in terms of which the employee appears supportive, appreciative and respectful towards the leader while the last step is self-promotion whereby the employee tries to appear competent and dependable (Achua & Lussier, 2010). Stage 2 involves the employee and leader building and refining their relationship. An important factor in creating a high quality LMX is the perceived fairness of the leader on the part of the employee. If the relationship does not pass stage 1, the employee will be part of the outgroup with a resultant low quality LMX. The third stage involves the actual exchanges between leader and employee. Some of the

relationships that reach this stage will start to have mutual exchanges (Achua & Lussier, 2010; Hwa, Jantani, & Ansari, 2009). The leader fairness theory shares some similarities with the LMX theory and explores the notion that certain leadership styles may cause a greater awareness of the individual's own needs and motives in the workplace. The use of a leadership style that results in employees feeling inferior or questioning their purpose at work may cause engagement to diminish (De Cremer & Tyler, 2005; Seppälä, Lipponen & Pirttilä-Backman, 2012).

Kahn (1990) referred to the importance of supervisory support as employees view of the supervisors' support of them as an indication of the organisation's support. This influences psychological safety and, ultimately, engagement (May et al., 2004; Hayati et al., 2014). Bhal and Ansari (2007) and Felfe and Schyns (2004) found that the quality of the LMX influences certain factors in the employee such as affective, cognitive and behavioural experiences. In addition, the employees also experiences a more positive work experience, they are more productive and they are less likely to leave the organisation. The LMX theory may be used to explain engagement as, if the quality of the LMX is high between leader and employee, the employee will reciprocate by displaying more loyalty to his/her job as well as the organisation, thus influencing the engagement levels (Suharti & Suliyanto, 2012).

## **2.4. LEADERSHIP AND LEADERSHIP STYLES**

A leader is a person who possesses several different attributes and traits that allow him/her to facilitate the completion of a task using his/her followers and the resources available to him/her while leadership is the process of influencing the behaviour of others towards achieving a goal (Ansari & Naeem, 2010). Organisations require leaders at all levels while different leaders are characterised by different leadership styles. Leadership style refers to the relationship between a leader and follower in an organisation. The leader's style is not based purely on his/her abilities but also his/her preference as regards how he/she uses these abilities (Wong & Lee, 2012). However, it is also not possible to single out a specific leadership style as the best leadership style as

different styles of leadership are relevant in different situations (Sternberg, 1994). Northouse (2011) cited two types of leadership orientation, namely, a people orientation and a production or task orientation. Blake and Mouton's (1964) well-known managerial grid also describes two types of leaders, namely, those who manifest either a high/low "concern for the employee" and those who manifest a high/low "concern for production". The managerial grid has a high and a low value on a scale from 1 to 9 and, thus, there are 81 positions where a leadership style or preference may be placed. A leader may usually be plotted in between these two categories (Achua & Lussier, 2010). Hersey and Blanchard (1969) developed a life cycle theory of leadership. Their theory suggested that the maturity of the followers need to be taken into account when leaders interact with followers.

Their four concepts of leadership include tell, sell, participate and delegate. In later years leadership styles are come to be described as transactional or transformational (Burns, 1978). Transactional leaders are seen as more task oriented and structured while they rely on punishment and reward to motivate their employees. Bass and Avolio (1994) and Al-Swidi, Nawawi, and Al-Hosam (2012) describe transformational leaders as possessing the ability to articulate the mission of the organisation to their followers and influencing their followers to see things from their point of view while at the same time empowering them to perform the tasks that will take the organisation forward. The literature suggests that transformational leaders perform better than the other types of leaders (Hayati et al., 2014). The transformational leadership paradigm started in the 1980s. Since then the essence of leadership has been seen as being able to bring about useful change (Kotter, 1990). Some scholars suggest that the main role of leadership is to improve the social interactions that may assist followers to get the job done with leaders striving to minimise conflict in the work environment, acting as mentors and facilitating difficult relationships (Yang, 2007). As a prominent researcher in the field of leadership, Bass (1999) categorised leaders as either transactional or transformational. This study examines these two prominent leadership styles.

#### **2.4.1. Transactional Leadership**

Transactional leadership is about an exchange between the leader and the follower and revolves around the leader rewarding the employee for the correct behaviour and punishing the employee for the incorrect behaviour (Achua & Lussier, 2010). Transactional leadership caters to the employee's self-interest while transformational leadership inspires employees to transcend their self-interest and to behave in line with the bigger goals of organisations. The debate between managers and leaders is relevant in this context with managers being seen as transactional and leaders as transformational (Ali, Jan, Ali, & Tariq, 2014). Transactional leaders are seen as task oriented, reward based and structured. Research has highlighted three dimensions of transactional leadership, namely, management by exception, contingent reward and passive leadership. Bass (2000), states that transactional and transformational leadership and not necessarily at opposite ends of the continuum and that very effective leadership styles are often a combination of both transformational and transactional leadership.

#### **2.4.2. Transformational Leadership**

The 1980s witnessed the evolution of transformational leadership theories into the theories to found in the current literature (Tejeda et al., 2001). Hunt (1999) was of the opinion that the transformational leadership theories provided new views of leadership such as visionary and change oriented leadership.

Transformational leaders carry out change within organisations and are themselves change agents. Organisational change and transformational leadership are inextricably linked with transformational leaders empowering their followers to embrace change and also transformational leaders displaying the behaviours required to make change possible (Northouse, 2001; Bass, Avolio, & Jung, 1995). Transformational leadership is described as the ability to bring change to situations by explaining the difficulties of the prevailing situation to followers and inspiring them with a powerful vision for the future in order to obtain their buy in (Achua & Lussier, 2010; Ghafoor et al., 2011, p. 7392). Transformational leaders inspire and encourage followers by using innovative

ways in which to solve problems and are often described as influential, charismatic, powerful, considerate, motivating and confident (Seltzer & Bass, 1990). It has been found that transformational leaders tend to be associated with innovation while transactional leadership is often associated with exploitative behaviours (Jansen, Vera & Crossan, 2009).

#### 2.4.2.1. Transformational leadership components

Bass and Avolio's described four components of transformational leadership which are often termed the four I's (Bass & Avolio, 1993). These components are idealised influence, inspirational motivation, intellectual stimulation and individualised consideration. Transformational leaders use these components to lead creatively and intuitively and to meet the needs of others (Bass & Avolio, 1993; Schaubroeck, Lam, & Cha, 2007). Idealised influence describes the charismatic actions transformational leaders take in relation to values, beliefs and vision. If the leader is able to connect with followers on an individual level and connect with their values, it creates an emotional bond and the leader becomes even more influential (Lindebaum & Cartwright, 2010). Inspirational motivation describes the leader's ability to create a compelling vision for his/her followers. The leader should be able to create excitement and enthusiasm about the vision that is being proposed. Thus, the leader should be able to energise his/her followers while also challenging them (Landman-Pieterse, 2012). Intellectual stimulation describes the leader's improving the ability of his/her followers so as to enable them to complete their work tasks. In other words, the followers' logic and intelligence should be stimulated in order to bring out the best in them (Ghafoor et al., 2011). Individualised consideration refers to considering and understanding that all individuals are different and possess different talents. This component of transformational leadership is evident when leaders who send their followers on training and also take time to understand their uniqueness (Hayati et al., 2014; Ghafoor et al., 2011). Tims et al. (2011) found that transformational leadership was positively related to engagement and reiterated that the four specific domains that differentiated the transformational leader included idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration.

Kouzes and Posner (2002) are two prominent researchers in the field of transformational leadership (McCroskey, 2008). Their model is based on the following five components namely, modelling the way, inspiring a shared vision, challenging the process, enabling others to act, and encouraging the heart. These five aspects will now be discussed (Kouzes & Posner, 2007; McCroskey, 2008; Abu-tineh, Khasawneh, & Al-omari, 2008).

Modelling the way means earning the respect of employees and leading them via individual interaction with them. Leaders lead by example and they make their values and beliefs known while also living by them. By doing this the leader creates an environment of shared values and this, in turn, encourages commitment, creativity and enthusiasm (Kouzes & Posner, 2007; McCroskey, 2008; Abu-tineh et al., 2008).

Inspiring a shared vision refers to the need to involve employees in a shared vision of where the leader knows the organisation should go. It is imperative that the vision inspires employees and is personally meaningful to them. In order to do this, the leader must understand the values, aspirations and goals of all employees (Kouzes & Posner, 2007; McCroskey, 2008; Abu-tineh et al., 2008).

Challenging the process refers to leaders being able to challenge the status quo, being change agents and providing support to employees with good ideas. Leaders need to possess the insight to identify opportunities for both business and employee growth (Kouzes & Posner, 2007; McCroskey, 2008; Abu-tineh et al., 2008).

Enabling others to act means empowering employees through teamwork and development and trusting employees. Successful teamwork is ensured by providing the team members with opportunities for collaboration and by sharing the leadership and decision-making processes (Kouzes & Posner, 2007; McCroskey, 2008; Abu-tineh et al., 2008).

With regard to encouraging the heart it is incumbent on leaders need to provide recognition and support to employees who are doing well, celebrate successes

and show appreciation for hard work. Celebrating both individual and team successes will assist in creating a feeling of community among team members (Kouzes & Posner, 2007; McCroskey, 2008; Abu-tineh et al., 2008).

Under ideal conditions, transformational leaders possess the following beliefs about people, namely, people are trustworthy, each individual has a unique purpose, each individual has a valuable contribution to make and all individuals should be given an opportunity to deal with complex problems despite their level within the organisation (Bass & Avolio, 1993). These beliefs allow transformational leaders both to create an inspiring vision for their followers and to empower their followers to achieve such a vision (Hoyle, 2006; Conger & Kanungo, 1998).

According to Ghafoor et al. (2011), transformational leaders take an interest in their followers' interests and abilities and uses this unique knowledge to motivate their followers to complete their tasks. Followers who are motivated in this way are more engaged in their work than may otherwise have been the case (Hayati et al., 2014). Transformational leadership has a positive impact on both employee satisfaction and employee productivity (Macey & Schneider, 2008; Walumbwa et al., 2005; Schaubroeck et al., 2007; Shuck & Herd, 2012). This is the result of the trust relationship that exists between leaders and followers (Cartwright & Holmes, 2006). Leadership is responsible primarily for creating trust in the workplace with this trust having a direct link with the employees' experience in the workplace and also whether employees are able to find engagement in their work. Leaders build trust by doing what they say and transparent decision-making. Transformational leadership practices improve the self-worth of employees and to create a feeling of belonging within the organisation (Cartwright & Holmes, 2006). Hayati et al. (2014) are of the opinion that it is important to conduct research investigating the link between transformational leadership and work engagement with their research empirically tests this relationship. Their results revealed a correlation between the dimensions of transformational leadership and work engagement and suggested that there is a positive significant relationship between transformational leadership and work engagement (Hayati et al., 2014). They

recommended further research into the areas of transformational leadership and work engagement.

## **2.5. THE RELATIONSHIP BETWEEN LEADERSHIP STYLES AND WORK ENGAGEMENT**

The researcher maintains that two prominent theories attempted to explain the phenomenon of work engagement. The first theory was proposed by Kahn (1990) who believed that the following three factors were necessary for work engagement, namely, meaningfulness, safety and availability (Kahn, 1990). The construct of safety proposed by Kahn was related to good relationships between employees and their immediate supervisor, thus providing further evidence for the role played by leaders play in engagement (Saks, 2006).

The second theory emerged from the literature on burnout of employees. According to Maslach, Schaufeli, and Leiter (2001), there are six components that determine engagement at work, namely, workload, control, rewards, recognition, community and social support (Maslach et al., 2011). The theory suggests that engagement will occur if there is a presence of and balance between these factors (Saks, 2006). According to the theory burnout and engagement are at opposite ends of the same continuum (Maslach et al., 2011).

Gallup identified the following three levels of engagement – engaged employees, not engaged employees and actively disengaged employees (Lockwood, 2007). Engaged employees experience a connection with their jobs and organisation and are innovative, employees who are not engaged are merely passing time by at work while employees who are actively disengaged are so unhappy at work that they become distracting to other employees (Lockwood, 2007; Shuck & Herd, 2012). It has been suggested that leaders should be cognisant of the fact that, in the main, the employees they lead are multicultural, (Mendez-Russel, 2001) and, thus, they should focus their energy on creating and sustaining safe, inclusive and respectful workplaces as this will allow employees from different cultural backgrounds to become more engaged and innovative and enable them to grow (Costello, Clarke, Gravely, D'Agostino-Rose, & Puopolo, R. (2011).



### **2.5.1. Benchmark of Engagement Quotient (BeQ) theory**

This tool was developed by Viljoen in 2008 (Viljoen, 2008). The BeQ measures “the interplay between assumptions and perceptions alive and well in organisations around constructs that contribute to the unleashing of individual voices, contributions and gifts” (Viljoen-Terblanche, 2008, p. 44). The underlying principle of the BeQ is the concept of inclusivity. Viljoen (2014) suggested that, in order for employees to engage, certain outcomes must be met in different domains, namely, the individual domain, group domain and organisational domain. Thus, the BeQ aims to measure the perceptions of engagement on the three different levels, namely, individual, group and organisational. Its unique contribution is that it includes the dynamics of both industry and culture and aims to use these to provide an integrated picture of engagement. It also provides information on the interaction between the assumptions and perceptions in organisations about those constructs which would enable engagement and elicit positive contributions from employees (Viljoen 2008).

### **2.5.2. Individual Domain (I-Engage)**

The construct of emotional presence is measured on this level and refers to “the degree to which an individual can be present in the here and the now” (Viljoen, 2014, p. 27). It is vital that individuals are given the opportunity to engage through self-development, self-mastery and formal development and being able to optimise leadership (Viljoen, 2008). Self-development, optimising leadership behaviours, formal development, self-mastery and personal purpose work may all be used to assist employee to be more aware of their feelings and actions at work thereby being able to become more engaged (Drotskie & Viljoen, 2011).

### **2.5.3. Group Domain (We-Engage)**

The construct of emotional containment forms part of this level and is defined as “the degree to which the containing environment or climate is safe so that the individual can be emotionally present” (Viljoen, 2014, p. 27). On a group level, engagement must be enabled through clear roles and responsibilities, optimising group dynamics and understanding group stage development (Viljoen, 2008).

#### 2.5.4. Organisational Domain (They-Engage)

The final construct that is measured by the BeQ is organisational gestalt. This may be defined as “the collective sum of all the different parts that form the whole in the organisation” (Viljoen, 2014, p. 27). The organisational culture should enable engagement through inclusivity, openness, valuing input from employees and diversity (Viljoen-Terblanche, 2008; Viljoen, 2014). The BeQ model proposed by Viljoen-Terblanche is depicted below.

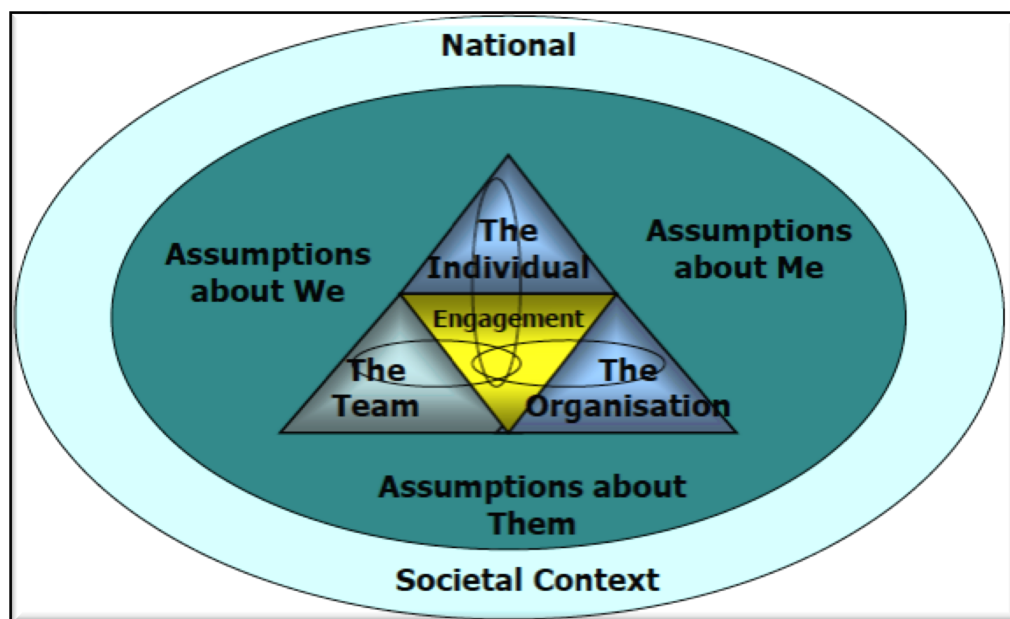


Figure 2.1: Benchmark of Engagement Model

Viljoen (2008) suggests that the role of all leaders is to provide opportunities for employees to grow on all three levels as, once there is engagement within the business, there will be growth on the outside. This is in line with Jung’s (1953) maxim that “as within, so without”. The BeQ tool was used to measure the work engagement levels of the employees in this study. The BeQ model is presented above.

#### 2.5.5. The Multifactor Leadership Theory

The MLQ questionnaire is based on the multifactor leadership theory as proposed by Bass (1985). This theory has become one of the most widely known and used theories in the world, describing leadership from laissez-faire leadership to transactional leadership. The latter is based upon transactions and

rewards while transformational leadership is based on charisma and vision (Tejeda et al., 2001; Bass & Avolio, 1993). Research using the MLQ as a tool has been conducted in a myriad of settings with this research providing support for multifactor leadership theory. Multifactor leadership theory was developed by Bass (1985) and Bass and Avolio (1993). They built on the work of Burns (1978) who believed that transactional leadership and transformational leadership were at opposite ends of a continuum. However, Bass and Avolio (1993) regarded transformational leadership as augmenting transactional leadership rather than being the opposite of it. They were also of the opinion that both transformational and transactional leadership were multidimensional constructs and comprised various underlying constructs. The MLQ has shown high correlations between transformational leadership and high performance and employee satisfaction while there appears to be high correlations between transactional leadership and short term productivity (Tejeda et al., 2001).

Figure 2.2 below presents a theoretical diagram of the assumptions made by the researcher after reviewing the literature

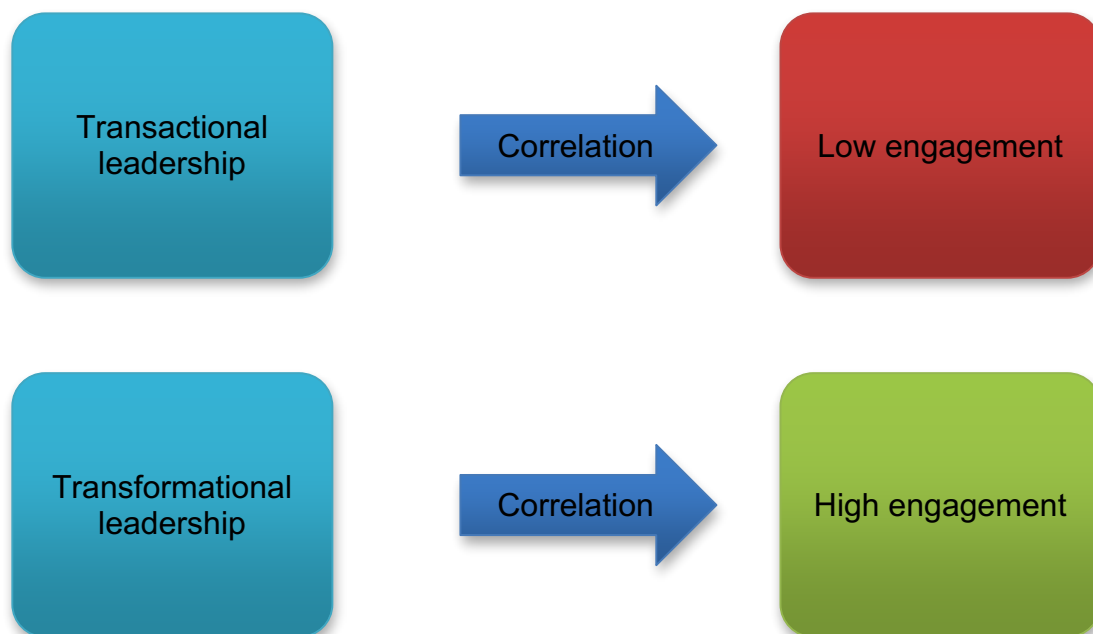


Figure 2.2: Theoretical Model of Leadership and Engagement

Figure 2.2 depicts possible relationships between the two variables used in this study. The figure represents the predictor (independent) variables of

transformational leadership as well as the criterion (dependent) variables of engagement. This is a conceptual model. It was anticipated that the study would demonstrate a positive correlation between transformational leadership and engagement and a negative correlation between low transformational (transactional) leadership and engagement. This model was developed by the researcher based on the information presented in the literature review.

## **2.6. CONCLUSION**

Although the literature reviewed outlined barriers to successful engagement it is evident that research into the impact of leadership on engagement may yet provide numerous insights (Shuck & Wollard, 2009). Some researchers such as Saks (2006), Tims et al. (2011) and Strom et al. (2013) have explored the impact of transformational leadership on engagement. Based on their research it is reasonable to assume that the literature supports the assumptions of this research study and that there should be a positive relationship between transformational leadership and engagement. This link becomes even more evident when the work of Burns (1978), Bass and Avolio (1992) and Kouzes and Posner (2007) is examined. The next chapter provides an overview of the methodology used in the research study as well as the research design, the population and the criteria used to measure the data.

## **CHAPTER 3**

### **RESEARCH DESIGN**

#### **3.1. INTRODUCTION**

This chapter provides details of the research methodology used for the purposes of the study. The research design, the administration of the Benchmark of Engagement Quotient (BeQ) and the Multifactor Leadership Questionnaire (MLQ), the research population, sampling, and the data collection process are described in detail. Other topics discussed include the research design, dissemination of the questionnaire, the statistical analysis carried out and the desired response rate.

This study used a quantitative research approach. As was the case in this study this approach is used when there is a focus on identifying cause and effect relationships between variables. This approach is also used to promote the objectivity of the researcher during a study. In addition, it also aims to maximise the internal validity of a study and highlights the average behaviour of the people in a population (Whitley, 2002).

#### **3.2. RESEARCH METHODOLOGY**

Research may be seen as a series of observations and the interpretation of those observations (De Vos et al., 2011). In order to ensure that research is successful, Babbie (2010) suggests that research should be planned carefully in order to understand fully the observations and analysis which are required. This study aimed to investigate the relationship between leadership and engagement (see Figure 3 in the literature review. The study used a quantitative research design and a correlational strategy. The correlational strategy seeks relationships between variables and that are consistent across a large group (Whitley, 2002). Benefits of the correlational strategy include being able to find relationship between variables without manipulating any of the variables as well as minimising researcher bias through the use of standardised surveys (Whitley, 2002).

### **3.2.1. Sampling and the Population**

The population for this study was a financial services organisation in South Africa. If variables are to be measured accurately in research, the population must first be identified (Kotrlik, & Higgins 2001). The population comprised 500 employees. Purposive sampling was used to select the sample. This method of sampling is based on personal judgement rather than on randomisation. It is also referred to as judgemental sampling and is believed to provide a sample that is representative of the population without using random sampling (Elder, 2009). Purposive sampling is advantageous as the data from these samples may be gathered quickly, easily and relatively cheaply (Whitley, 2002). In the study the employees comprising the sample came from various departments of the organisation. Participation in the study was voluntary. The sample comprised 300 employees, as the use of a large sample improves the likelihood that the results will be more accurate, focused and transferable and a better reflection of the population as a whole. According to Salkind (2006), a larger sample may be more representative of the population while there should also be a smaller sampling error. Although biographical data was not taken into account in the selection of the sample, for the purposes of the results, the biographical data of the participants was used to draw certain inferences.

In order to ensure the credibility of the data, the highest response rate possible is required (Baruch & Holtom, 2008). There is no firm standpoint in the literature on the ideal number of responses. Some researchers believe a 50% response rate is sufficient, while others tend to aim for 80% (Babbie, 2010; Fincham, 2008). The researcher followed up with the respondents via email to encourage as many of them to complete the survey as possible.

There are three guidelines that may be used to determine an appropriate response rate (Denscombe, 2014). First, the researcher should compare the response rates of similar surveys. Pieterse-Landman (2012) carried out a study similar to this study and achieved a 30% response rate. This was used to partly determine the response rate for this study. Accordingly, it is deemed appropriate to use a sample size with a population of 500 eligible individuals, an alpha level

of 0.05 and a sampling error of 5% and to apply these values to Cochran's formula (Kotrlík & Higgins, 2001):

$$n = \frac{N}{1 + N * e^2}$$

Where N = population size;

n = sample size; and

e = acceptable sampling error

$$n = \frac{500}{1 + 500 * 0.05^2}$$

Therefore, n = 222.22

As indicated above, for the purposes of this study an acceptable number of responses would be n = 222. In fact, the researcher received 265 complete responses. This response rate was deemed appropriate.

It is also important to minimise the non-responses to the lowest level possible. This was done by obtaining permission from both the company and the relevant managers for the selected employees to participate in the study. In addition, Survey Monkey was used to ensure confidentiality. If the population is large, the sample required would be smaller and, if the population is small, the sample size would need to be larger to ensure sufficient representation and in order to make it possible to draw sensible conclusions from the data (Maree, 2007; Babbie, 2010; De Vos et al., 2011).

The researcher obtained permission to conduct the study from the relevant managers in the organisation. This was done to ensure the most comprehensive participation possible and also to ensure that the study could be carried out without interruptions. All the concerns raised by the managers were addressed before the study was commenced. The survey also included an informed consent form which explained to the respondents that their managers were in support of the study. The informed consent form may be found in Appendix 1.

### **3.3. DATA COLLECTION INSTRUMENTS**

This study used two questionnaires, namely, the BeQ (Benchmark of Engagement Quotient) questionnaire and the MLQ (Multifactor Leadership Questionnaire). The BeQ consists of 81 questions with a five-point Likert scale ranging from strongly disagree to strongly agree. The MLQ contains 20 questions with a five-point Likert scale ranging from almost never to almost always. A copy of the BeQ may be found in Appendix 1 and a copy of the MLQ questionnaire in Appendix 2.

The questionnaires are both surveys and were used in the study as a method of data collection. Survey research may be used to measure the current beliefs, attitudes and opinions of a sample (Maree, 2007). In view of the fact that one of the risks identified in the study was a poor response rate, the researcher used a self-administered questionnaire which was distributed anonymously and electronically. The Survey Monkey tool was used for the online distribution of the questionnaires and to capture the responses.

It is advantageous to use an electronic survey platform such as Survey Monkey for the design and distribution of questionnaires as this tool captures data automatically. In addition, it also provides a more cost effective way of surveying as compared to paper based surveys (De Vos et al., 2011). However, one disadvantage of using electronically distributed questionnaires is that some respondents may not be computer literate. This was not, however, an issue in this study as all the respondents were computer literate. The other avenue of data collection was via the data obtained from the BeQ. This data was received from the administrators of the BeQ and has already been statistically analysed.

### **3.4. DATA GATHERING PROCESS**

The method of data gathering used comprised an electronic platform for the distribution of the questionnaires. The electronic platform used is known as Survey Monkey. There are several advantages to using such a platform for the purposes of data collection. For example, Survey Monkey allows the respondents to complete the survey at a time convenient to them, the platform



allows for the anonymity of the respondents, there is a reduction in the costs of the survey while the platform also allows for the data to be stored and analysed at your own convenience (De Vos et al., 2011).

The BeQ questionnaire and the MLQ were carefully administered in accordance with the guidelines stipulated in the manuals in order to measure the respondents' opinions and attitudes, namely, the subjective norms and perceptions, accurately. The questionnaire was made up of four sections. Section A included a cover letter explaining the research – See Appendix 1. Section B comprised questions on the biographical information of the participants. Section C contained questions on work engagement. The instrument used was the Benchmark of Engagement Quotient (BeQ), developed by Viljoen (2008). The researcher had obtained the developer's permission to use the questionnaire. The BeQ is both a philosophy and a methodology and the tool has diagnostic properties. The BeQ questionnaire contains questions on three categories, namely, the I-engage, We-engage and They-engage quotients. These all provide information on individual, team and organisational engagement. As discussed in Viljoen (2013), the alpha values are ( $.70 < \alpha < .82$ ) for each of the sub-scales. It is generally accepted that a perception study has a reliability of .4 while a reliability of .8 yields psychometric properties (Engelbrecht, Van Aswegen, & Theron, 2005). In this study the BeQ yielded a reliability of .78 – a r. This is regarded as extremely high for a perception study.

Additional questions increase the reliability of the results. However, in organisations with time constraints it is essential to use shorter questionnaires (Oppenheim, 2000). The face validity of the BeQ ensured by sharing the results with the participants to ensure that the researcher has interpreted the results correctly. Triangulation was also carried out and the themes which had been identified were confirmed. The questionnaire has a five-point Likert-type scale ranging from totally untrue to totally true.

Section D measured the perceived leadership behaviours of the employees' direct managers. Avolio and Bass's (1995) Multifactor Leadership Questionnaire – Form 5 X (MLQ-5X) was adapted for purposes of this study. Only 20 items of

the transformational leadership scale were used and the frequency with which employees perceived their managers to display transformational leadership behaviours was measured. There are four categories or sub scales in the MLQ questionnaire, namely, idealised influence, inspirational motivation, intellectual stimulation and individual consideration. The reliability of these scales provide sufficient evidence of reliability and validity. The alpha values were ( $.72 < \alpha < .84$ ) for each of the sub-scales (Engelbrecht, et al, 2005).

#### **3.4.1. The distribution of the questionnaire**

As already discussed, Survey Monkey, an electronic data collection platform, was used to collect the responses. Permission to conduct the study was obtained via email from the heads of the department, while the e-mail addresses of respondents were obtained from the human resource department.

Survey Monkey allows for the distribution of a survey via an anonymous online link connected to the respondents' e-mail addresses. Once the respondents have completed the questionnaires, they are stored in the Survey Monkey database and are ready for statistical analysis. The survey contained an introduction and informed consent section to ensure that the respondents were aware that participation was voluntary. This helped to ensure that the ethical soundness of the research process was maintained (Babbie, 2010; De Vos et al., 2011).

#### **3.4.2. The biographical data of the respondents**

The questionnaire yielded 265 complete responses out of a sample of 500. The researcher was able to make use of all the data received. A 53% response-rate ( $n = 265$ ) was registered. According to De Vos et al. (2011), a response rate of 53% is suitable for the purpose of statistical analysis. The biographical data collected in the study allowed the researcher to gather information about the participants, for example, age, race and gender.

### **3.5. STATISTICAL ANALYSIS**

The statistical analysis of data comprises three main steps, namely, preparing the data, descriptive statistics and inferential statistics (Maree, 2007; De Vos et al., 2011). The data must first be checked for accuracy and completeness before it is analysed. Once this has been done the data may be analysed using a computer programme. For the purposes of this study the researcher made use of the Statistical Package for the Social Sciences (SPSS) (De Vos et al, 2011).

#### **3.5.1. Descriptive statistics**

There are three main purposes of descriptive statistics – firstly, to describe the characteristics of the sample, secondly, to check the variables for any violation of the assumptions underlying the statistical technique used and, lastly, to address a specific research question (Pallant, 2013). Descriptive statistics usually provide the statistical mean, maximum and minimum scores as well as standard deviations in the data.

Arithmetic means enable the researcher to identify the central tendencies in the data. Means are simply the average of all the responses provided by the participants (Maree, 2007; Babbie, 2010). Standard deviation is defined as the amount of variation in a data set. A high standard deviation indicates significant variation in the data set with the data being spread widely over different values, while a low standard deviation indicates data that is spread only over a small set of values only (Maree, 2007; Babbie, 2010).

The descriptive statistics used in this study included the mean, standard deviation and the maximum and minimum scores for each scale and subscale. This data was represented using graphs in chapter 4.

#### **3.5.2. Inferential statistics**

Inferential statistics are defined as statistics that assist in testing relationships as well as differences between and trends in variables (Saunders, Lewis & Thornhill, 2009). Correlation describes the strength and direction of the relationship between two variables (Pallant, 2013). There are two possible ways

in which to calculate correlations, namely, the Pearson correlation coefficient and Spearman's Rho. The Pearson correlation coefficient may be used only if it is possible to determine a linear relationship between the variables while the population distribution must also be normal. The Pearson correlation coefficient is denoted by  $r$ . It has a minimum value of -1 and a maximum of 1 with a positive (+) sign indicating a positive relationship, and *vice versa* (Pallant, 2013). The Spearman correlation may be used if the data is non-parametric i.e. there is not a normal distribution. This correlation uses rank values to determine the relationships between variables (Pallant, 2013). For the purposes of this study Spearman's correlation was used to determine the relationship between work engagement and transformational leadership. A scatterplot was used to depict the correlation and is presented in chapter 4.

#### 3.5.2.1. Canonical correlation

Canonical correlations was also used to match the leadership dimensions and the engagement dimensions after the factor analyses. Canonical correlation analysis (CCA) was used to describe the relationship between the two sets of variables. CCA involves "the derivation of a linear combination of variables from each of the two sets of variables so that the correlation between the two linear combinations is maximised" (Hair, Anderson, Tatham, & Grablowsky, 1979, p. 182).

#### 3.5.3. Reliability and Validity

A Cronbach's alpha was used to calculate internal reliability. If the items in a questionnaire strongly correlate to each other the alpha coefficient is higher and, if items do not correlate highly with each other, then the alpha coefficient is lower. An acceptable Cronbach's alpha is 0.70 and above (Maree, 2007). The reliability of the scales was tested using Cronbach's alpha to test for internal consistency. A confirmatory factor analysis was conducted to test whether the measure of the constructs was consistent with the researcher's understanding of the constructs. The MLQ, presents sufficient evidence of validity as is presented in alpha values ( $.72 < \alpha < .84$ ) for each of the sub-scales (Engelbrecht et al., 2005). The BeQ constructs have been developed over a three-year period with input from an independent statistical expert. The content validity of the tool was determined through triangulation and the quatitative data has been tested in over forty-two

countries on approximately fifty thousand people (Viljoen-Terblanche, 2008). This sufficiently confirms validity.

### **3.6. CONCLUSION**

This chapter contained an overview of the research methodology employed in the study. The chapter contained a detailed explanation of the methodology used, including the data gathering process and theory behind the two instruments used. The statistical techniques used to analyse the data obtained from MLQ and BeQ questionnaires were then discussed. The following chapter contains a detailed presentation of the research results.

## CHAPTER 4

### RESULTS

#### 4.1. INTRODUCTION

This chapter contains a detailed presentation of the results obtained from the MLQ (Multifactor Leadership Questionnaire) and the BeQ (Benchmark of Engagement Quotient) questionnaires. A brief outline of the biographical results is provided first and the descriptive statistics are then presented. This is followed by the reliability results and a confirmatory factor analysis. Lastly, the results of the correlation analyses between leadership and work engagement and the canonical correlation analysis are discussed.

#### 4.2. DEMOGRAPHICS OF THE SAMPLE

##### 4.2.1. Age

A total of 265 employees participated in the study. The researcher was able to use all their responses to calculate the statistics.

Table 4.1: Age Range of the Participants

| Age          | Frequency | Percentage |
|--------------|-----------|------------|
| 20–25        | 16        | 6.0        |
| 26–35        | 107       | 40.4       |
| 36–45        | 97        | 36.6       |
| 46–55        | 40        | 15.1       |
| 56 and older | 5         | 1.9        |

The table shows that the majority of respondents (40.4%) were from the 26 to 35 and 36 to 45 (36.6%) age groups. The 26 to 45 age group is the main age group of the organisation and is also representative of the population.

#### 4.2.2. Gender

Table 4.2 below, provides the distribution of gender of the participants in this study.

Table 4.2: Distribution of Gender of the Participants

| Gender | Frequency | Percent |
|--------|-----------|---------|
| Male   | 137       | 51.7    |
| Female | 128       | 48.3    |

Table 4.2 provides the breakdown of the participants per gender groups. The responses were evenly distributed between males (51.7%) and females (48.3%) with slightly more responses from males.

#### 4.2.3. Race

The race groups of the participants in this study is described in table 4.3 below.

Table 4.3: Distribution of Participants' Race

| Race     | Frequency | Percent |
|----------|-----------|---------|
| African  | 60        | 22.6    |
| Coloured | 23        | 8.7     |
| White    | 123       | 46.4    |
| Indian   | 57        | 21.5    |
| Chinese  | 2         | .8      |

Table 4.3 depicts the various race groups of the participants. The majority of responses were from the white race group (46.4%), followed by African (22.6%), Indian (21.5%) and coloured (8.7).

#### 4.3. DESCRIPTIVE STATISTICS FOR SCALES AND CONSTRUCTS OF THE BEQ AND MLQ

The descriptive statistics for the scales and subscales of the BeQ and MLQ are discussed next. Information on the values of the mean and standard deviation,

the minimum and maximum values as well as skewness and kurtosis is presented.

#### 4.3.1. The Distribution of data for the BeQ

The overall descriptive statistics for the BeQ are presented as well as that of the constructs.

Table 4.4: Descriptive Statistics for the BeQ

| Scale                            | Mean   | Standard deviation | Minimum | Maximum |
|----------------------------------|--------|--------------------|---------|---------|
| Benchmark of engagement quotient | 4.0399 | .74639             | 1.00    | 5.11    |

Table 4.4 above depicts high values for the overall mean of the BeQ. The BeQ does, however, have a wide margin between the minimum and maximum values.

The BeQ questionnaire is divided into the following three constructs, namely, emotional presence, emotional containment and organisational gestalt. The descriptive statistics for these constructs are presented in the table below.

Table 4.5: Descriptive Statistics for Constructs of the BeQ

| Subscale               | Mean   | Standard deviation | Minimum | Maximum |
|------------------------|--------|--------------------|---------|---------|
| Emotional presence     | 4.6700 | .66653             | 1.00    | 5.43    |
| Emotional containment  | 4.1865 | .74286             | 1.00    | 5.00    |
| Organisational gestalt | 3.7913 | .79266             | 1.00    | 5.00    |

As depicted in the graph below the mean for the different constructs did not display significant deviations and it would, thus, appear that the questions were rated in a similar way.



## Descriptive Statistics for the constructs of the BeQ

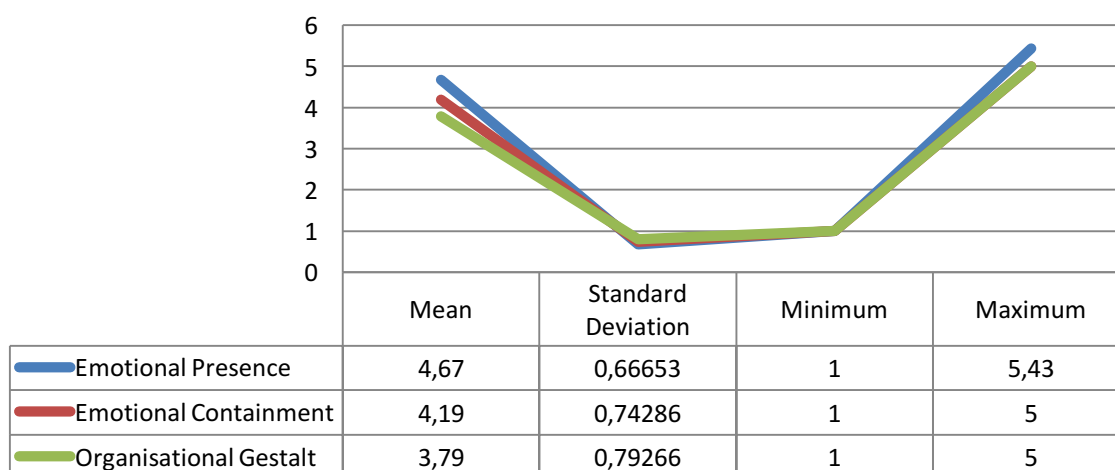


Figure 4.1: Descriptive Statistics for the Subscales of the BeQ

### 4.3.2. The Distribution of Data for the MLQ

The overall descriptive data for the MLQ is presented below as well as the data for the subscales of the MLQ.

Table 4.6: Descriptive Statistics for the MLQ

| Scale                                | Mean  | Standard deviation | Minimum | Maximum |
|--------------------------------------|-------|--------------------|---------|---------|
| Multifactor leadership questionnaire | 4.528 | 1.487              | 4.303   | 4.722   |

Table 4.6 above shows a mean that is fairly high as well as very little variation between the minimum and maximum scores.

Table 4.7: Descriptive Statistics for the Subscales of the MLQ

| Subscale                     | Mean  | Standard deviation | Minimum | Maximum |
|------------------------------|-------|--------------------|---------|---------|
| Intellectual stimulation     | 4.487 | 1.489              | 4.381   | 4.551   |
| Inspired motivation          | 4.739 | 1.489              | 4.623   | 4.879   |
| Individualised consideration | 4.303 | 1.489              | 3.868   | 4.687   |
| Idealised influence          | 4.584 | 1.479              | 4.340   | 4.770   |

The MLQ includes four main subscales. The data received for those subscales is discussed next. Table 4.7 above provides pertinent information with regard to the descriptive statistics for the subscales of the MLQ.

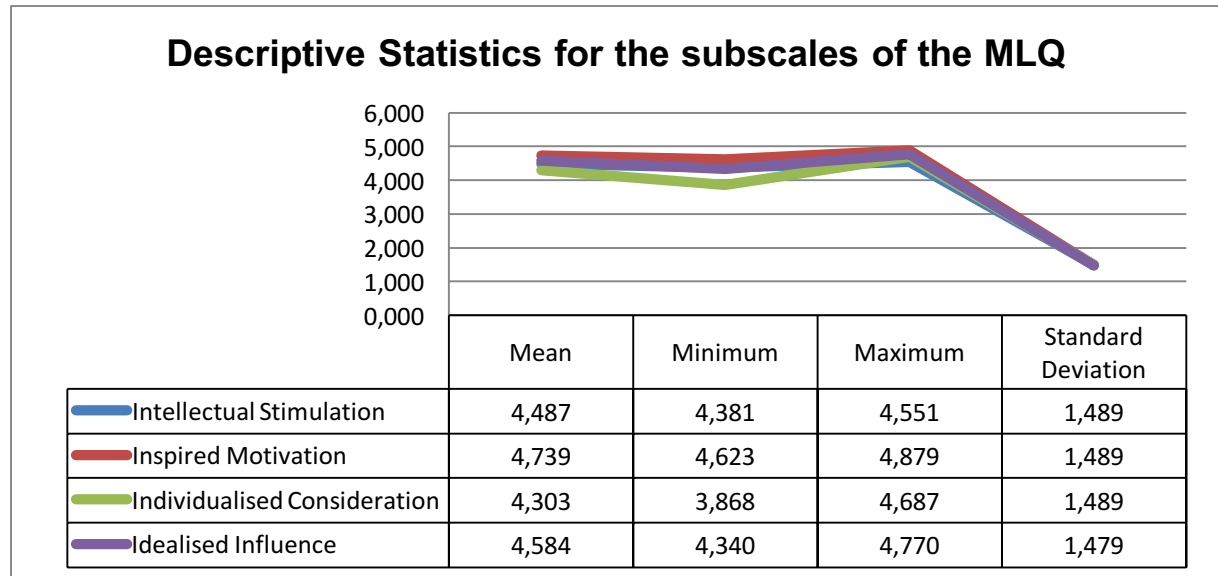


Figure 4.2: Descriptive Statistics for the Subscales of the MLQ

As depicted in the graph in Figure 4.2 above there appears to be little variation in the means of the various subscales.

#### 4.4. RELIABILITY OF THE MEASUREMENT SCALES

It is essential to discuss the issue of reliability before determining the relationships between the constructs. Reliability may be defined as the measurement's level of quality. In other words, this refers to whether the same data would be collected if the same constructs were measured in succession (Babbie, 2010, p. 150). Although it is rare to achieve flawless reliability there are, however, certain levels of reliability that are acceptable (De Vos et al., 2011).

The internal consistency reliability of the items within each instrument was calculated to determine the extent to which the items in each scale measure the same underlying attribute. The Cronbach's alpha ( $\alpha$ ) coefficients may be calculated to provide an indication of the inter-item correlations within an instrument. The Cronbach's alpha scores may range between 0 to 1, where 1 indicates a high reliability and those values closer to 0 indicating lower reliability

(Whitley, 2002). These calculations enable the researcher to understand, identify and remove any items that do not contribute to the internal consistency of scales and this, in turn, improves the internal consistency reliability (Whitley, 2000). Both the BeQ and MLQ demonstrated acceptable levels of reliability. The table below presents the Cronbach's alpha for the subscales of the MLQ.

Table 4.8: Cronbach's Alpha for the Subscales of the MLQ-5X

| Variable                            | Cronbach's $\alpha$ coefficient |
|-------------------------------------|---------------------------------|
| <b>Idealised influence</b>          | <b>0.92</b>                     |
| Section C1                          | 0.78                            |
| Section C3                          | 0.64                            |
| Section C6                          | 0.84                            |
| Section C8                          | 0.78                            |
| Section C10                         | 0.79                            |
| Section C12                         | 0.73                            |
| Section C13                         | 0.69                            |
| Section C19                         | 0.77                            |
| <b>Intellectual stimulation</b>     | <b>0.87</b>                     |
| Section C2                          | 0.65                            |
| Section C4                          | 0.76                            |
| Section C16                         | 0.77                            |
| Section C18                         | 0.73                            |
| <b>Inspirational motivation</b>     | <b>0.90</b>                     |
| Section C5                          | 0.72                            |
| Section C7                          | 0.82                            |
| Section C14                         | 0.83                            |
| Section C20                         | 0.73                            |
| <b>Individualised consideration</b> | <b>0.88</b>                     |
| Section C9                          | 0.74                            |
| Section C11                         | 0.70                            |
| Section C15                         | 0.77                            |
| Section C17                         | 0.80                            |

As indicated above the Cronbach's alphas calculated for each subscale of the MLQ all had satisfactory reliabilities at ( $\alpha > 0.7$ ). Furthermore, all the items on the scale contributed to the measurement of the construct of the scale of which they were part. The Cronbach's alpha was also calculated for the subscales of the BeQ. These are presented below.

Table 4.9: Cronbach's Alpha for the Subscales of the BeQ

|                        | Cronbach's Alpha |
|------------------------|------------------|
| Emotional presence     | .915             |
| Emotional containment  | .958             |
| Organisational gestalt | .965             |

Table 4.10: Cronbach's Alpha for the BeQ and the MLQ

| Reliability                          | Cronbach's Alpha | Number of Items |
|--------------------------------------|------------------|-----------------|
| Benchmark of engagement quotient     | .988             | 81              |
| Multifactor leadership questionnaire | .940             | 20              |

Table 4.10 above indicates the reliability of both the MLQ and the BeQ. The reliability of the MLQ-X5 as a whole was 0.94. This is considered to indicate high reliability and is above the recommended value of 0.7.

The Cronbach's alpha for the BeQ was calculated based on the 81 items in the scale. The Cronbach's alpha was 0.988. This also indicates high reliability and is above the recommended value of 0.7 (Pallant, 2013).

#### 4.5. CONFIRMATORY FACTOR ANALYSIS (CFA)

In addition to the analysis already conducted, the researcher felt it was important to carry out a confirmatory factor analysis on the independent variable in order to ensure that all the constructs were measuring the same thing. The CFA was deemed appropriate for this purpose because it "is generally used to test theory when the analyst has sufficiently strong rationale regarding what factors are in the data and what variables should define each factor" (Henson & Roberts, 2006, p. 395). The table 4.11 below presents the findings of the CFA together with the minimum and maximum loadings of the factors.

Table 4.11: Maximum and Minimum Loadings for the CFA

| Scales                       | Load minimum | Load maximum |
|------------------------------|--------------|--------------|
| Idealised Influence          | .706         | .895         |
| Intellectual Stimulation     | .862         | .889         |
| Inspired Motivation          | .789         | .877         |
| Individualised Consideration | .807         | .883         |

In table 4.11 above, it is important to note that, for the MLQ questionnaire, all the factors loaded on to one single factor. The range of the loading is represented in the table above.

#### **4.6. RESULTS OF THE CORRELATION ANALYSIS**

This study had hypothesised that certain relationships exist between leadership and engagement. These relationships were examined using the correlation analysis with the Pearson correlation coefficients being used to test the hypothesised relationships between the variables in the study. Spearman correlation coefficients were also used as a non-parametric alternative in order to provide confirmation of the findings as normality had not been assumed. The results of the correlations indicate that all values closer to +1 indicate a strong positive correlation while values closer to -1 indicate a strong negative correlation (Nunnally & Bernstein, 1994).

##### **4.6.1. Testing the Relationship between Transformational Leadership and Engagement**

The results of the correlation analysis provided evidence of a significant positive relationship between transformational leadership and engagement ( $r = 0.681$ ,  $p < 0.01$ ). The scatterplot below shows the direction of both the independent (MLQ) and the dependent variables (BeQ).

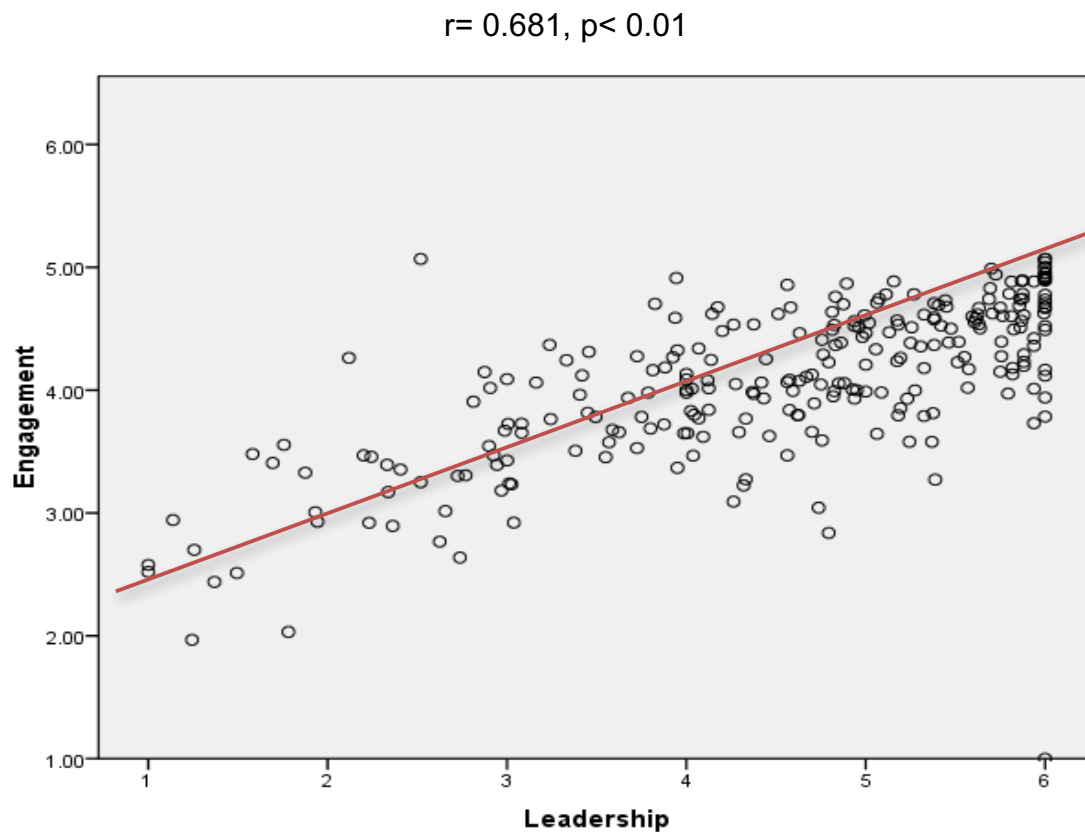


Figure 4.3: Correlation between Transformational Leadership and Engagement

As is evident from the scatterplot, there is a clear positive relationship between engagement and leadership. In other words, as the one increases so does the other. The correlation coefficient ( $r = 0.681, p < 0.01$ ) also shows a good correlation for this relationship while the p value suggests that this relationship is significant and not the result of chance.

#### 4.6.2. Canonical Correlation

A canonical correlation analysis was conducted using the four leadership variables as predictors of the three engagement variables to evaluate the multivariate shared relationship between the two variable sets of leadership and engagement. The Wilks's lambda ( $\lambda$ ) is the most common method which is used is to test the overall significance of a model. The main reason for this is the fact that it tends to have the most general applicability (Sherry & Henson, 2005). After conducting the canonical correlation it was clear that the full model was statistically significant, with a Wilks's  $\lambda$  of .435,  $F(12, 682.90) = 5.870, p < .001$ . There were three canonical functions/roots created in this study as the number

of canonical function created are always equal to the number in the smaller variable group (Thompson, 2005). The analysis yielded three functions with squared canonical correlations ( $R_c^2$ ) of .558, .009, and .004 for each successive function. The dimension reduction analysis allows for the test of the hierarchal arrangement of functions for statistical significance. As mentioned above, the full model (Functions 1 to 3) was statistically significant. Functions 1 to 3 and were statistically significant,  $F(12.682.90) = 21.02$   $p < .001$  while Functions 2 to 3 and Functions 3 to 3 did not explain a statistically significant amount of shared variance between the variable sets,  $F(6.518.00) = .607$ ,  $p = .725$  and  $F(2.260.00) = .630$ ,  $p = .533$ .

Based on the results for each function, only the first function was considered significant in the context of this study (56% of variance). The last two functions explained only 0.9% and 0.4%, respectively of the remaining variance in the variable sets after the extraction of the prior functions. For this reason function one only was interpreted in more detail. Table 4.12 presents the standardised canonical function coefficients, the structure coefficients, the squared structure coefficients and the communalities ( $h^2$  which is simply the sum of the  $r^2$ ) for Function 1 across each variable.

Table 4.12: Canonical Solution for Leadership Predicting Engagement for Function 1

|                              | <b>Function 1</b> |                         |                               |                            |
|------------------------------|-------------------|-------------------------|-------------------------------|----------------------------|
|                              | <b>Coef</b>       | <b><math>r_s</math></b> | <b><math>r_s^2</math> (%)</b> | <b><math>h^2</math>(%)</b> |
| <b>Criterion variables</b>   |                   |                         |                               |                            |
| Emotional presence           | 0.216             | <u>-0.688</u>           | 46.24%                        | 46.24%                     |
| Emotional containment        | -0.955            | <u>-0.981</u>           | 96.24%                        | 96.24%                     |
| Organisational gestalt       | -0.26             | <u>-0.807</u>           | 65.12%                        | 65.12%                     |
| <b>Predictor variables</b>   |                   |                         |                               |                            |
| Idealised influence          | -0.543            | <u>-0.990</u>           | 98.01%                        | 98.01%                     |
| Intellectual stimulation     | -0.116            | <u>-0.958</u>           | 91.78%                        | 91.78%                     |
| Inspired motivation          | -0.158            | <u>-0.924</u>           | 85.38%                        | 85.38%                     |
| Individualised consideration | -0.217            | <u>-0.937</u>           | 87.80%                        | 87.80%                     |

Note: Structure coefficients ( $r_s$ ) greater than  $|.45|$  are underlined. Communality coefficients ( $h^2$ ) greater than 45% are underlined. Coef = standardised canonical function coefficient;  $r_s$  = structure coefficient;  $rs^2$  = squared structure coefficient;  $h^2$  = communality coefficient.

The first canonical correlation or Function 1, would take the pair of variables that would give the highest possible correlation. Looking at Function 1, the squared structure coefficients provides information that the relevant criterion variables are namely, emotional presence, emotional containment and organisational gestalt. All the structure coefficients of the variables had the same sign, thus providing an indication that they were positively related to each other.

The relevant predictor variables for function 1 were idealised influence, intellectual stimulation, inspired motivation and individualised consideration. Again, the structure coefficients of all these variables had the same sign, thus providing an indication that they were positively related to each other. This information is graphically presented in the path diagram below.

Figure 4.4 below presents the canonical correlations in graphical form.

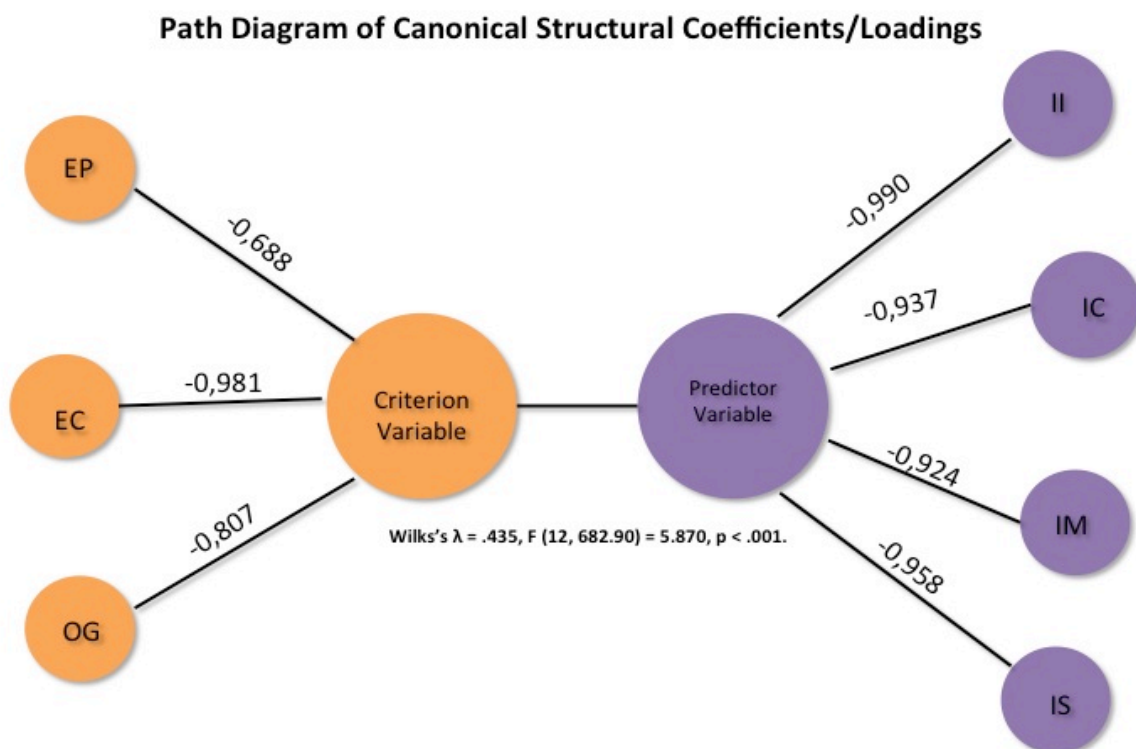


Figure 4.4: Path Diagram of Canonical Loadings



This figure is a graphical representation of the canonical loadings for the different predictor and criterion variables in this study.

#### **4.7. CONCLUSION**

This chapter presented the statistical analysis conducted in the study, the biographical data of the sample then the descriptive statistics for both the BeQ and MLQ. In addition both a reliability analysis and a factor analysis were carried out. In order to test the research hypotheses a correlation analysis was also performed to test the relationship between transformational leadership and work engagement. A canonical correlation was also conducted in order to test the multivariate relationships between the variables. The research results are discussed in more detail in the next chapter.

## **CHAPTER 5**

### **DISCUSSION OF THE RESULTS**

#### **5.1. INTRODUCTION**

This chapter contains a review of the analysis which was reported on in the previous chapter. Firstly the demographics of the sample that participated in this study will be examined. The overall results of the BeQ and the MLQ will then be discussed and, lastly, the researcher will examine the research hypotheses formulated for the purposes of the study and highlight how the data supported the hypotheses

#### **5.2. DEMOGRAPHICS**

A total of 265 employees participated in this study, of which 51.7% were male and 48.3% female. The majority of the participants were in the 26 to 35 and 36 to 45 age groups. In terms of racial groups, whites were in the majority, followed by Africans, Indians and Coloureds.

#### **5.3. RESULTS OF THE BEQ AND ITS SUBSCALES**

It was clear from the results of the BeQ that the employees in the organisation in question experienced high levels of engagement. The subscales also demonstrated high levels of engagement with emotional presence attaining the highest scores (mean = 4.67), followed by emotional containment (mean = 4.18) and organisational gestalt (mean = 3.79).

#### **5.4. RESULTS OF THE MLQ AND ITS SUBSCALES**

The overall of the MLQ was 4.5, thus indicating a high score for the transformational leadership at this organisation. All the subscales exhibited high means ranging from intellectual stimulation with a mean = 4.487, inspired motivation with a mean = 4.739, individualised consideration with a mean = 4.303 and idealised influence with a mean = 4.584. This is indicative of the

participants ascribing high scores to the leaders with regard to transformational leadership.

## **5.5. TESTING THE HYPOTHESES**

As discussed earlier three possible hypotheses were formulated for the purposes of this study (see below). The researcher used a correlation analysis to test the various hypotheses.

**Hypothesis 1 (H1):** There is a relationship between work engagement and transformational leadership style.

The correlation analysis revealed a significant relationship between work engagement and transformational leadership ( $r = 0.681$ ,  $p < 0.01$ ). This, in turn, implies that, if transformational leadership (independent variable) is high, then work engagement (dependent variable) is also high. In other words, hypothesis 1 may be accepted.

**Hypothesis 2 (H2):** There is a relationship between work engagement and transactional leadership style. It is hypothesised that there will be a negative correlation between transactional leadership and engagement.

This hypothesis was also accepted as true. The scatterplot (Figure 4.8) showed that low transformational leadership or transactional leadership leads to low work engagement.

**Null Hypothesis (H0):** There is no relationship between work engagement and transformational leadership.

Finally, the null hypothesis was disproved as there was a positive significant relationship between transformational leadership and work engagement. The null hypothesis was, thus, rejected.

## 5.6. RESULTS OF THE CANONICAL CORRELATION

The canonical correlation results showed that, collectively, the full model for all canonical functions was statistically significant using the Wilks's  $\lambda = .435$  criterion,  $F(12.680.90) = 21.02$ ,  $p < .001$ . Accordingly, the null hypothesis that stated that there was no relationship between the variable sets of interest in the study was rejected, such as, reject  $R_c = 0$ . It may thus be concluded that there was a probable relationship.

However, simply knowing the statistical significance of a relationship does not provide the researcher with information about the magnitude of the relationship (Wilkinson & APA Task Force on Statistical Inference, 1999). Nevertheless, the Wilks's  $\lambda$  is helpful in addressing the issue of the magnitude of a relationship because it represents "the amount of variance not shared between the variable sets" (Sherry & Henson, 2005, p. 42). Consequently, by taking  $1 - \lambda$ , ( $1 - .435 = .565 = R_c^2$ ) an overall effect for the full model may be found. This effect statistic may be interpreted "as the proportion of variance shared between the variable sets across all functions" (Sherry & Henson, 2005, p. 42). It may, thus, be concluded that the full model was both statistically significant and that possessed a large effect size.

The first canonical function was created in order to maximise the correlation between the two synthetic variables. Once this had been completed the remaining variance in the observed variables was used to create the next function in order to maximise the correlation between the two other synthetic variables while assuming that these two variables were uncorrelated with those preceding them (Luthans et al., 1980).

As depicted in Table 4.12, in terms of the Function 1 coefficients, it is clear that that the relevant criterion variables were emotional presence, emotional containment and organisational gestalt. This conclusion was supported by the squared structure coefficients. Furthermore, the coefficients of all of these variables' structures had the same sign, thus indicating that they were all positively related. As regards the predictor variable set in Function 1, namely, idealised influence, intellectual stimulation, inspired motivation and

individualised consideration variables, was the primary contributor to the predictor synthetic variable. All of the coefficients of these variables' structures had the same sign, thus indicating that they were all positively related. Idealised influence, intellectual stimulation, inspired motivation and individualised consideration were positively related to the criterion variables of engagement. These results support the theoretically expected relationships between leadership and engagement.

## **5.7. CONCLUSION**

In the world of work of today, where finding and retaining talent is a challenge that impacts on the bottom line, it is incumbent on organisations to devise creative ways of keeping their employees engaged. The results of this study that re-emphasise the role which leadership plays in ensuring that employees remained engaged. The study provides evidence of the link between leadership and engagement, thus highlighting the need for future interventions in respect of engagement in the workplace to focus on transformational leadership behaviours. Transformational leadership and work engagement both play an important role in maximising both engagement and overall productivity in the workplace. The next chapter concludes the study by offering recommendations and outlining the limitations of the study.

## **CHAPTER 6**

### **LIMITATIONS, RECOMMENDATIONS AND CONCLUSION**

#### **6.1. INTRODUCTION**

This chapter discusses the limitations of the study, offers recommendations and highlights certain concluding remarks. This study showed that there is a positive correlation between transformational leadership and work engagement. The first and second hypothesis in this study were therefore accepted and the null hypothesis was rejected. It is also important to note that this research was carried out ethically and all the precautions stated in chapter 1 were taken in order to ensure the well-being of the participants. The results of this study will also be made available to all participants. Furthermore, in chapter 1 the proposed contribution of the study was espoused. The researcher is of the opinion that this study has provided insights into the employees' perceptions of the leaders' perceived leadership styles and also the level of engagement among the employees. The organisation concerned will be able to use the information from this study to reengineer their leadership programmes and recruitment processes. This chapter also offers certain recommendations regarding the way in which this research study could be improved upon by future researchers.

#### **6.2. LIMITATIONS OF THE STUDY**

The study used a cross-sectional research design and provided information about a certain moment in time in the organisation in question. It may, thus, be said that the conclusions drawn relate to a static point in time. Accordingly, it may prove valuable to conduct a longitudinal study that would collect information over time and that would allow for any other factors that were not present at the point in time in question but which may have affected the results.

The sample used in the study may have constituted another limitation as participation in the study was voluntary and, thus, only a certain number of people from the organisation responded. The sample may, thus, not have been

necessarily have been be representative of the entire organisation. Furthermore the demographics for the study were not chosen specifically and, therefore, any inferences made with regards to the demographics should be done cautiously.

### **6.3. RECOMMENDATIONS FOR FURTHER STUDY**

The theoretical model used in the study could possibly be expanded further by including other variables that may possibly affect the two primary constructs. Specifically organisational culture may be another variable that could be explored in order to broaden the scope of the study.

It is also recommended that the relationships between transformational leadership and engagement be studied in greater depth in order to come to a deeper understanding of the impact of the constructs on each other and, in this way, to determine the role played by each construct/sub construct in the relationship. The literature describes the impact of transformational leadership on productivity and engagement. For the purposes of this study only the transformational leadership style was examined and it is, thus, recommended that future research consider evaluating the various leadership styles as tested for by the MLQ in order to understand exactly how they impact on engagement, productivity and the bottom line. This may, in turn, result in further insights into the relationship between leadership and engagement.

Further to this it is suggested that research be conducted on senior and middle management to compare possible differences in leadership and the engagement of their staff. It has been found that top level leadership tends to display more transformational leadership as compared to middle managers as top leadership is able to make decisions that influence strategy while middle managers are often operational in the nature of their work and, thus, they tend to use transactional leadership (Tichy & Ulrich, 1984; Avolio & Bass, 1988; Ansari & Naeem, 2010).

Finally, this study used a quantitative research design and also used survey data only as a method of data collection. It would, thus, be of value to conduct a

qualitative analysis on the research topic in order to gain a richer understanding of the relationship between leadership and engagement.

#### **6.4. CONCLUSION**

Engagement is a topic that is popular in organisations today with many organisations seeking to understand how they may improve their employees' engagement levels. The main reason for this is the numerous positive benefits that accrue from an engaged workforce, including greater productivity, retention and employee satisfaction and improved resilience (Macey & Schneider, 2008). There are some organisations that are feeling the negative impact of disengagement, for example, absenteeism, increased turnover, negligence and apathy (Viljoen-Terblance, 2008 Viljoen, 2014). It is important to note the crucial role which leaders play in the engagement levels of their employees. Research has shown that the management/leadership style of the leader impacts on the engagement levels of employees (Macey & Schneider, 2008). This study has explored the relationship between transformational leadership and work engagement at a financial services company in South Africa.

This study was conducted using a quantitative research design and a sample ( $n = 265$ ) of employees at a JSE listed financial service institution. The participants were asked to voluntarily complete a questionnaire that measured the perceived presence of the transformational leadership style and engagement. A reliability analysis was conducted to ensure that the measurement scales were at an acceptable level while a factor analysis was completed to confirm that the scale was, indeed, measuring the same factors. Descriptive and inferential statistics were used to analyse the data and Spearman correlations were used to test the hypotheses which had been formulated.

This research study has contributed to the existing literature on engagement and transformational leadership by providing insights into the strength and direction of the relationship between these two constructs. In addition, it is felt that the study's findings should prove useful to business practice as regards



developmental interventions that aim to improve engagement and transformational leadership.

The research findings provide clear evidence that interventions in business need to be aimed at improving transformational leadership practice in order to improve engagement. Thus, organisations should focus both their time and their energy on devising a sound developmental plan for their leaders as such a plan will influence the level of engagement of their employees and, thus, the bottom line of these organisations.

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## Appendix 1: Introduction and invitation to participate in the study



Dear Participant,

### **Introduction:**

You are invited to participate in a study on leadership and work engagement. This study is being conducted by myself, ***Roma Bisnath***, through the University of Johannesburg, in the field of Industrial Psychology and Leadership.

The purpose of this study is to explore the relationship between leadership style and work engagement. The information obtained from this research project will add to the body of knowledge of leadership styles and work engagement as well as, the structuring and design of future training programmes in the leadership development arena.

### **Procedures:**

If you agree to participate in this study, we request that you complete the attached survey. In the survey we will ask you about your opinions and experiences of your direct manager. The questionnaire has been designed to take as little of your valuable time as possible (in most cases all you have to do is select the answer you prefer). It should not take more than 30 minutes to complete the questionnaire. No further actions are required on your behalf following the completion of the questionnaire.

### **Ethical considerations:**

If you participate in this survey, it means that you give permission for any data gathered in the survey to be used for academic research purposes. The main risk

associated with the questionnaire is that you might feel uncomfortable about answering some of the questions that may be a little more personal.

The overall results will be published in scientific journals and might be used in the development of applicable training programmes.

**Confidentiality:**

Please be assured that your responses will be treated as strictly confidential. Numerical codes will be assigned instead of names or employee numbers to prevent any possible identification of the answers with you. Furthermore, by taking this survey through the anonymous link provided, no personal information is stored that may identify you. Participation in this study is voluntary.

**Participation:**

The overall results will be published in scientific journals and might be used in the development of applicable training programs.

We would greatly appreciate it if you will complete the survey within two weeks. Thank you for your time and consideration.

If you have any questions about the study, you can contact

Professor Rica Viljoen

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## Appendix 2: BeQ and MLQ questions

| Benchmark of engagement questionnaire |                                                                            |
|---------------------------------------|----------------------------------------------------------------------------|
| 1                                     | I feel treated with dignity.                                               |
| 2                                     | People listen to me if I speak.                                            |
| 3                                     | I am asked my opinion about matters that directly affect me.               |
| 4                                     | I feel the suggestions I make are listened to.                             |
| 5                                     | I feel that my skills are used to benefit the team.                        |
| 6                                     | I can deal with the demands of day to day life.                            |
| 7                                     | I feel I can adapt to change.                                              |
| 8                                     | I can persevere even if things get difficult.                              |
| 9                                     | I feel good about myself.                                                  |
| 10                                    | I feel confident at work – I am not scared that I will do something wrong. |
| 11                                    | I am aware of my strong and weak points.                                   |
| 12                                    | I am aware of what skills I still need to develop.                         |
| 13                                    | At work, I do what is asked of me to my best ability.                      |
| 14                                    | I am personally committed to making the company successful.                |
| 15                                    | I feel that I can add value.                                               |
| 16                                    | I am working as hard as I can.                                             |
| 17                                    | My work is challenging.                                                    |
| 18                                    | I am allowed to work without interference.                                 |
| 19                                    | I have the mandate to make decisions when I need to do so.                 |
| 20                                    | I feel that I have opportunities here to develop my skills.                |
| 21                                    | In my team we help each other.                                             |
| 22                                    | I have someone to complain to in my team.                                  |
| 23                                    | Information is shared openly in the team.                                  |
| 24                                    | I have the tools I need to do my job.                                      |
| 25                                    | We can be described as a very effective team.                              |
| 26                                    | I am very clear of what my role is.                                        |
| 27                                    | We achieve more by working together in our team, than I can do on my own.  |
| 28                                    | We depend on each other to achieve team goals.                             |
| 29                                    | In our team we value language differences.                                 |
| 30                                    | Women are accepted in our team.                                            |
| 31                                    | We value people of different nationalities.                                |
| 32                                    | Age differences are valued in our team.                                    |
| 33                                    | We are allowed to disagree from each other in the team.                    |
| 34                                    | Performance management is fair in our team.                                |
| 35                                    | Underperformance is managed effectively.                                   |
| 36                                    | If a team member commits to do something, it happens.                      |
| 37                                    | My supervisor and I agree on the goals that I must achieve.                |
| 38                                    | I know how well I perform.                                                 |
| 39                                    | My supervisor is a good leader.                                            |

|    |                                                                                                |
|----|------------------------------------------------------------------------------------------------|
| 40 | My supervisor coaches me if I need help.                                                       |
| 41 | My manager acknowledges my contribution.                                                       |
| 42 | My supervisor motivates me.                                                                    |
| 43 | My supervisor invites participation.                                                           |
| 44 | If I do something wrong, my supervisor tells me so personally.                                 |
| 45 | My supervisor takes personal interest in me.                                                   |
| 46 | All departments work together to achieve the goals of the company.                             |
| 47 | The way we do things here is consistent.                                                       |
| 48 | People are rewarded fairly in the organisation.                                                |
| 49 | Information is open and transparent in the organisation.                                       |
| 50 | Management will do the right thing.                                                            |
| 51 | Management is consistent.                                                                      |
| 52 | If something is decided in the company it will happen.                                         |
| 53 | Leadership behaviours are open and transparent in the organisation.                            |
| 54 | I believe in the vision of [Company Name].                                                     |
| 55 | I understand the strategy of [Company Name].                                                   |
| 56 | My team has a business plan that supports the strategy of [company name]                       |
| 57 | Everyone in the organisation knows where they fit in.                                          |
| 58 | My targets / goals are linked to the business plan.                                            |
| 59 | I know the values of _____ by heart.                                                           |
| 60 | I know how to act at work.                                                                     |
| 61 | I live by the values of _____ daily.                                                           |
| 62 | I am involved in decision-making in my sphere of influence                                     |
| 63 | People in the organisation are involved in discussions about things that are important to them |
| 64 | I am proud to work here                                                                        |
| 65 | I feel that I belong here.                                                                     |
| 66 | The organisation easily adapts to changes.                                                     |
| 67 | We learn from our mistakes.                                                                    |
| 68 | Our training department helps us learn new skills so that we can adapt to change.              |
| 69 | Policies and procedures are supporting strategy.                                               |
| 70 | The organisation strives to do things efficiently.                                             |
| 71 | _____ takes care of the environment.                                                           |
| 72 | _____ strives towards excellence.                                                              |
| 73 | Health and safety activities are sufficient.                                                   |
| 74 | _____ cares for my wellbeing.                                                                  |
| 75 | People can work here for a long time.                                                          |
| 76 | I would recommend [Company Name] to a friend as a future employer.                             |
| 77 | In my culture the community is more important than the individual.                             |
| 78 | In my culture it is important to follow rules.                                                 |
| 79 | In my culture taking risks is avoided.                                                         |
| 80 | In my culture being direct is seen as disrespectful.                                           |
| 81 | In my culture a management position must be respected.                                         |

| <b>Multifactor leadership questionnaire</b> |                                                                                                           |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 1                                           | My immediate supervisor/manager acts in ways that builds my respect.                                      |
| 2                                           | My immediate supervisor/manager re-examines critical assumptions to question whether they are appropriate |
| 3                                           | My supervisor/manager talks about his/her most important values and beliefs                               |
| 4                                           | My immediate supervisor/manager seeks differing perspectives when solving problems                        |
| 5                                           | My immediate supervisor/manager talks optimistically about the future.                                    |
| 6                                           | My immediate supervisor/manager instils pride in being associated with him/her.                           |
| 7                                           | My supervisor/manager talks enthusiastically about what needs to be accomplished                          |
| 8                                           | My supervisor/manager specifies the importance of having a strong sense of purpose.                       |
| 9                                           | My supervisor/manager spends time supporting and coaching.                                                |
| 10                                          | My supervisor/manager goes beyond his/her self-interest for the good of the group.                        |
| 11                                          | My supervisor/manager treats you as an individual rather than just as a member of the group               |
| 12                                          | My supervisor/manager considers the moral and ethical consequences of his/her decisions.                  |
| 13                                          | My supervisor/manager displays a sense of power and confidence                                            |
| 14                                          | My supervisor/manager articulates a compelling vision of the future.                                      |
| 15                                          | My supervisor/manager considers me as having different needs, abilities and aspirations from others.      |
| 16                                          | My supervisor/manager gets me to look at problems from many different angles.                             |
| 17                                          | My supervisor/manager helps me to develop my strengths                                                    |
| 18                                          | My supervisor/manager suggests new ways of looking at how to complete tasks/assignments                   |
| 19                                          | My supervisor/manager emphasizes the importance of having a collective sense of mission                   |
| 20                                          | My supervisor/manager expresses confidence that goals will be achieved                                    |