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Influence of leadership styles and performance management on enhancing employee engagement

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Abstract

This research intended to describe the relationships between different leadership styles, experiences of performance management systems and employee engagement. In an increasingly competitive business environment, employee engagement can aid improvement in organisational efficiency and performance as well as building sustainable competitive advantage. Understanding levers, such as leadership development programs and human resource management systems, that organisations can use to enhance engagement is, therefore, critical.

A quantitative research methodology was followed to collect the research data. The Multifactor Leadership Questionnaire (MLQ 5x), Utrecht Work Engagement Scale and a scale to measure experiences of performance management was administered to 97 respondents. Regression analysis was used to describe the nature of the relationships between the variables in the study.

The findings from the study indicated positive relationships between transformational and transactional leadership styles and experiences of the performance management process as well as employee engagement. Passive-avoidant, laissez-faire approaches to leadership were found to have a negative relationship with the employee experiences of performance management and engagement. From the results, it was also possible to conclude a positive relationship between experiences of performance management and employee engagement.

The research contributes to explaining the impact of transformational leadership styles on employee's perception of human resource practices in an organisation as well as the employee's state of engagement. A framework describing the leadership behaviours that influence performance management and employee engagement respectively is developed based on the conclusions drawn.

Keywords

Employee engagement; Transformational leadership; Transactional leadership; Passive-avoidant leadership; Performance management

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Louis de Jager

7 November 2016

Acknowledgements

To my dad, Carl, who tragically passed away this year. Your leadership, commitment, guidance and support will always continue to inspire me and I am eternally grateful for everything you did for me. We miss you dearly.

To my wife, Keri, I would never have been able to achieve this without your unconditional support, patience and love.

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Chapter 1. Introduction to Research Problem

1.1. Introduction

The latest Gallup global survey of employee engagement found that only 13% of employees are actively engaged and that they are outnumbered by more than two to one by actively disengaged employees. In South Africa, the proportion of actively disengaged to actively engaged employees increased to five to one (Gallup, 2013). Engaged employees are considerably more likely to deliver high performance consistently, and organisational leaders who can leverage engagement are thus able to craft a competitive advantage that is hard to imitate (Macey & Schneider, 2008).

1.2. Background to the research problem

Such a significant difference between engaged and disengaged employees as identified by the Gallup Study (Gallup, 2013) leaves a large portion of employee discretionary effort that is not being captured by organisations globally with an even larger opportunity existing in South Africa. Organisations globally, and specifically in the South African context, can improve their performance by understanding how to capture this lost discretionary effort of their employees. This is especially important considering it is broadly agreed that high levels of employee engagement yield improved shareholder returns, improved profitability, reduced turnover intent and higher levels of customer satisfaction (Harter, Schmidt, & Hayes, 2002; Kumar & Pansari, 2015; Saks & Gruman, 2011). Considering the increasingly difficult financial and market conditions in the world today and continued sluggish economic growth globally (World Economic Forum, 2015), the benefits of an engaged workforce could substantially lower operating costs through reduced waste (Rees, Alfes, & Gatenby, 2013). Additional benefits of employee engagement include increased organisational citizenship behaviour and thus organisational commitment; as well as increased job satisfaction and, therefore, reduced intention to quit (Saks, 2006). These outcomes would also have a positive impact on organisational performance.

1.3. Problem statement

Leaders in organisations have a responsibility and large influence on the development of employee engagement. Leaders and managers are responsible for creating the conditions for work engagement (Macey & Schneider, 2008). Transformational leadership has been shown to positively influence employee engagement; however, little research exists on the role of lower order leadership constructs such as transactional or passive-avoidant leadership (Burch & Guarana, 2014).

Leaders play a critical role in job design and the allocation of challenging work; playing a supportive role to employees; in shaping the workplace environment and climate; and in the administration of Human Resource Management (HRM) practices. All of these have been identified as antecedents to and having a positive correlation to employee engagement (Rana, Ardichvili, & Tkachenko, 2014) with the exception of performance management. Employee experiences of performance management have been shown to be negatively associated with engagement and conversely positively associated with burnout (Conway, Fu, Monks, Alfes, & Bailey, 2015).

However, it has been shown that HRM practices, including performance management aspects, can have a positive impact on performance management (Alfes, Shantz, Truss, & Soane, 2013). Arguments have also been put forth for the positive role that performance management can play in the influence of employee engagement (Gruman & Saks, 2011).

Based on the above literature review it is necessary to understand the nature of the relationship between employee perceptions of performance management and employee engagement as well as the role that leadership behaviours play to influence this relationship.

1.4. Motivation for the study

The leadership field is convoluted in that there are many views and constructs of different leadership dimensions. Traditional leadership theories include the trait

theories of leadership and behavioural theories of leadership. More contemporary theories of leadership include leader-member exchange theory, which focuses on the different levels of interactions leaders build with their followers (Robbins & Judge, 2013 p. 411). Other contemporary theories include transactional, transformational and charismatic leadership. These different theories of leadership explain the different traits, behaviours and styles exhibited by leaders (Robbins & Judge, 2013 p. 413). Transactional leadership is characterised by guiding and motivation of followers towards their goals through clarifying tasks and roles and, thus, leaders who cater for their follower's immediate self-interests (Bass, 1999). Transformational leadership is exhibited by leaders who have a profound effect on followers through the way they inspire and influence them and uplift morale and motivation (Robbins & Judge, 2013 p. 416).

Transformational and transactional leadership styles have also been shown to have positive organisational outcomes. These include positive correlations with job satisfaction, organisational commitment and work motivation which are aligned to the outcomes of employee engagement (Arnold, Turner, Barling, Kelloway, & McKee, 2007; Judge & Bono, 2000; Kovjanic, Schuh, & Jonas, 2013; Tims, Bakker, & Xanthopoulou, 2011; Xu & Cooper-Thomas, 2011). However the need for leaders to become more transformational to remain effective has been emphasised (Bass, 1999). The continuously evolving work landscape requires continuous development of the understanding of leadership and its impact on employees. Leaders are consequently moving towards developing a better understanding of what drives employee engagement as a strategy for improvement and sustainability of an organisation into the future (Shuck & Herd, 2012).

A study that can explain the relationship between these leadership behaviours and experiences of performance management as well as the influence on employee engagement is, therefore, necessary. This could allow organisations to develop focused leadership development plans that would further enhance employee engagement which, in turn, will produce organisational benefits.

1.5. Aim of the study

This study will aim to understand the transactional and transformational leadership styles that are necessary to enhance employee engagement within a South African Food and Beverage company's manufacturing division as well as the conflicting role that performance management could play in this relationship. This research is necessary as it will contribute to leadership development opportunities for the enhancement of employee engagement and thus allow organisations to potentially modify leadership development and performance management programmes to enhance engagement. The framework that is developed will describe the important leadership styles and behaviours which act as antecedents to employee engagement in the South African context. This framework may then also be used for analysis of other cultures and contexts.

Chapter 2. Literature Review

This chapter provides a review of the literature on the key constructs that will be evaluated in this research project, namely employee engagement, experiences of performance management, and contemporary leadership theories. The existing literature on these constructs as well as their relationship will be evaluated to develop the argument that will be used to determine the research hypotheses which are presented in Chapter 3. The main conclusions from the literature review and their relation to this research are summarised at the end of the chapter.

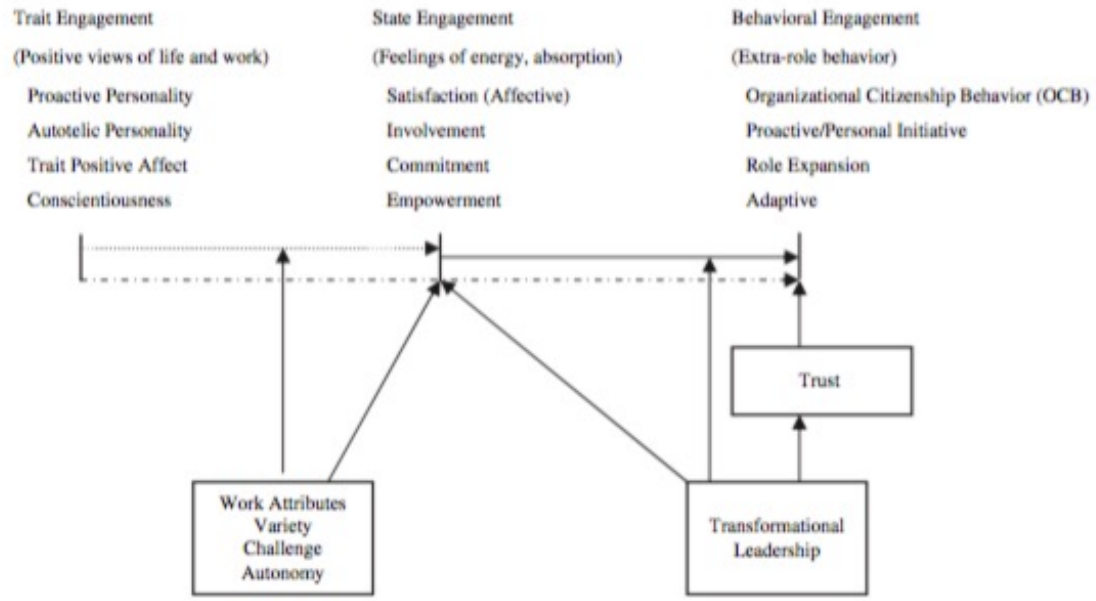
2.1. Employee Engagement

Employee engagement is “an individual’s involvement, satisfaction and enthusiasm for the work that he does” (Robbins & Judge, 2013 p. 111). Kahn (1990) first defined engagement as a multidimensional psychological presence that is manifested in physical, cognitive and emotional behaviours. His work was based on engagement being both a state and behaviour and showed that it led from three psychological conditions: meaningfulness, safety and availability. Meaningfulness was largely influenced by the sense of return on investment; safety by the sense of expressing oneself without fear of retribution; and availability was based on the sense of personal resource availability for investing in role performances. These psychological conditions lead to engagement when people invest more of themselves in their role performances whereas disengagement is characterised by people detaching themselves from their work roles (Kahn, 1990).

Macey & Schneider (2008) note that there are many inconsistencies in the definition of engagement. They develop a framework for the relationship between engagement as a trait, state and behaviour which is aligned to Kahn’s (1990) definition to attempt to clarify this ambiguity. The framework is presented in Figure 1 and illustrates the following dimensions of engagement:

- Trait engagement is the disposition towards perceiving the world from a particular vantage point and exhibiting positive perceptions of both personal and work life (Macey & Schneider, 2008). Trait engagement refers to the individual characteristics that may result in differing behavioural outcomes (Alfes et al., 2013).
- State engagement is seen as an outcome of trait engagement and antecedent to behavioural engagement. It is best defined as "a state of commitment, absorption and energy" (Macey & Schneider, 2008; Schaufeli, Bakker, & Salanova, 2006).
- Behavioural engagement reflects the "discretionary effort" which is often used to define engagement. It constitutes the many outcomes of employee engagement including organisational citizenship behaviour (OCB) and other extra role behaviours (Macey & Schneider, 2008). It has also been described using Social Exchange Theory in being the product of a reciprocal relationship with the employee's manager in response to resources, benefits, caring and support as well as the ability to voice concerns (Saks, 2006).

Figure 1: Framework for depicting the relationship between various elements of employee engagement (Macey & Schneider, 2008)



The framework in Figure 1 illustrates how engagement traits develop into a state of engagement which is then expressed in engagement behaviours (Macey &

Schneider, 2008). An important element here is the proposed role of leadership having a direct effect on state engagement and an indirect effect on behavioural engagement. Work attributes are also shown to have a direct impact on state engagement; however, there is no link proposed between leadership and work attributes.

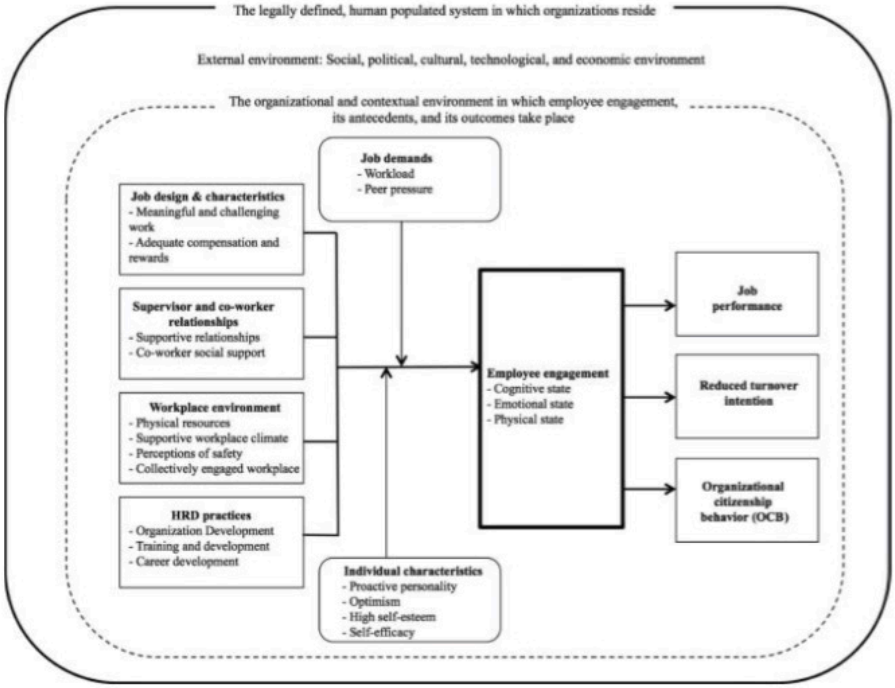
Engagement is normally defined as a state and this definition is reflected in the engagement model developed by Rana et al. (2014). The state of engagement is typically referred to as work engagement, which is antecedent to the behavioural aspect which is referred to as employee engagement (Purcell, 2014). State engagement or work engagement has received the most focus from a research perspective. However, the concepts are also sometimes used interchangeably due to the development of state into behavioural engagement, which is expressed in the outcomes of engagement (Figure 1). Of importance in this model is the view that the work attributes, including human resource management practices, act as antecedents to the state of engagement along with transformational leadership which is the approach taken in this study (Macey & Schneider, 2008).

Most studies have not focused on the development of trait engagement. According to Gallup (2013), organisations need to ensure HRM practices are focused on the recruitment of the right personnel and thus ensure that the recruitment process will select for employee's biased for positive engagement behaviours assuming other antecedents can also be developed. However, an employee may be well equipped and have the right traits without this developing into the discretionary effort typically associated with engagement (Arrowsmith & Parker, 2013). The role of other antecedents is therefore also crucial to the development of the state of engagement which can be translated into engagement behaviours and positive organisation outcomes.

The model in Figure 2 depicts the various antecedents to employee engagement viewed as a state as proposed by Rana et al. (2014) and develops the concepts of work attributes from Macey & Schneider (2008) further. The antecedents are divided into job design and characteristics, supervisor and co-worker relationships, workplace environmental factors, and HRD practices. In this model

job demands and individual characteristics, seen as the engagement traits in the Macey and Schneider model in Figure 1, are viewed as moderators to the relationship of the antecedents with state engagement.

Figure 2: Model of antecedents and outcomes of employee engagement proposed by Rana et al. (2014)



Employee engagement, therefore, has numerous organisational benefits, although the mechanisms to enhance it has been described slightly differently through different authors with many models having been developed for its antecedents (Macey & Schneider, 2008). Engagement may be viewed as trait, state or behavioural in nature with the most commonly studied construct being that of the state of engagement, also termed work engagement, which precedes behavioural engagement. Behavioural engagement is, thus, the product of state engagement and is evident in extra-role behaviour or the exertion of discretionary effort that yields organisational benefits (Saks, 2006).

2.2. Engagement and Performance Management

Some of the antecedents shown in Figure 2 are based on Job demands-resources (JDR) theory. This approach views job resources as factors leading to greater engagement. Job demands have an effect on the strength of the

relationship between resources and engagement (Rana et al., 2014). Conway, Fu, Monks, Alfes, & Bailey (2015) examine employee voice as an essential job resource leading to engagement. Performance management is seen as a job demand that is negatively correlated with employee engagement. Organisations that can limit job demands and enhance job resources would, therefore, be able to effectively enhance employee engagement which would, in turn, yield favourable organisational outcomes. This includes improved return on investment through greater job performance from organisation members, reduced turnover and increased organisational commitment and organisational OCB (Alfes et al., 2013; Macey & Schneider, 2008; Rana et al., 2014).

Job demands and resources can be grouped within the HRM practices within an organisation. Experiences of specific HRM practices could substitute, complement or conflict with others, especially when evaluating their impact on employee behavioural outcomes (Alfes et al., 2013; Snape & Redman, 2010). Employees that have positive experiences of HRM have been shown to exhibit state engagement and subsequent organisational citizenship behaviours (Alfes et al., 2013). The findings of Conway, Fu, Monks, Alfes, & Bailey (2015) were that a negative relationship existed between performance management, as an element of HRM practices, and employee engagement, making it necessary to better understand this relationship.

Leader-member exchange (LMX) has been shown to play an important moderating role in this relationship and for high levels of engagement LMX significantly increases the organisational benefits (Alfes et al., 2013). The role of the leader in the administration of HRM practices as well as the influence the leader can have on the perception of HRM practices implies that understanding the relationship between differing leadership styles is important for understanding how to enhance employee engagement and thus organisational performance.

Although the outcomes of employee engagement are well documented and consistent between available research there exists differing views of antecedents of engagement (Alfes et al., 2013; Macey & Schneider, 2008; Rana et al., 2014; Rees et al., 2013; Saks, 2006). HRM practices, HRD practices, and the organisational work environment summarises the key antecedents of

engagement and the state of engagement is influenced by the employee's perception of these. Perceptions of performance management practices which can be seen as a component of HRM practices, for instance, has been shown to have a negative correlation with engagement (Conway et al., 2015). In contrast, however, models have also been proposed that indicate a positive relationship that experiences of performance management processes can have on employee engagement. This requires that the organisation's focus shifts to managing employee engagement directly, as opposed to trying to manage performance directly (Gruman & Saks, 2011).

Employee perceptions can be greatly influenced by leadership characteristics whether it be the leader's personal relationship with the employee or the ability to inspire vision. Therefore, the role of leadership in the development of employee engagement is critical to an organisation's success considering that the leader has a role to play in all the antecedents discussed here. Saks & Gruman (2011) advocate the management of employee engagement directly to manage performance. This emphasises the role of managers as coaches who need to design tasks and employee job demands and also provide resources that "energise employees and absorb them in their jobs" (Gruman & Saks, 2011). Essentially it is the role of the leader to facilitate the conditions and antecedents that lead to employee engagement. The role of leadership in the development of engagement through the application of HRM in the form of performance management is thus a focus of this study.

The nature of the relationship between performance management and employee engagement, therefore, isn't clear due to conflicting findings from previous research justifying the need for further work in this area (Conway et al., 2015). It would seem that positive experiences of HRM practices, including performance management practices, could benefit employee engagement. It may also be beneficial for an organisation to focus directly on managing employee engagement, which will, in turn, deliver performance, yield favourable performance reviews, and in so doing further enhance engagement (Gruman & Saks, 2011).

2.3. Leadership Traits and Behaviours

Trait theories of leadership consider the personal qualities and characteristics that differentiate leaders from others. Leaders may also be differentiated based on the specific behaviours that they portray and this implies that people could be trained to be leaders. Most leadership behaviours can be classed into two dimensions: initiating structure and consideration (Robbins & Judge, 2013 p. 405).

A study conducted in a New Zealand insurance company by Xu & Cooper-Thomas (2011) intended to identify leader behaviours that support employee engagement. They showed a strong correlation between leader behaviours of 'supporting the team', 'performing effectively', and 'displaying integrity' and increased employee engagement of which 'supporting the team' had the greatest correlation. These behaviours fall into the dimension of consideration as defined in Robbins & Judge (2013 p. 405). The notion of supporting the team encompasses a range of behaviours aligned to the dimensions of leader-member exchange as well as transactional and transformational leadership which will be elaborated on further.

2.4. Leader-Member Exchange

According to LMX theory leaders develop and maintain leader-follower relationships through "social exchange and reciprocity" (Graen & Scandura, 1987). Leaders thus define roles for followers and reward followers for meeting these roles. Similarly, followers hold certain expectations of leaders and the roles they are to carry out as well as the rewards they can expect to receive. Many studies have used LMX to explain the links between engagement and organisational outcomes such as OCB (Burch & Guarana, 2014; Furunes, Mykletun, Einarsen, & Glasø, 2015; Huang, Wang, & Xie, 2014).

LMX has been described as both transactional and transformational in nature. In this sense, the initial leader-member exchange relationship is transactional where the leader rewards behaviours, and the organisational member behaves

according to the rewards received. As the relationship strengthens and trust, loyalty and respect are built the leader-member exchange relationship becomes transformational (Bass, 1999). It has also been shown that LMX mediates the relationship between transformational leadership and follower engagement (Wang, Law, Hackett, Wang, & Chen, 2005). Thus, for the purpose of this study the transactional and transformational definitions of leadership will be used assuming that LMX develops on a continuum between the extremes of laissez-faire and transformational leadership as the leader-member relationship develops.

2.5. Transactional and Transformational Leadership

As discussed thus far, leaders have a significant impact on the antecedents of employee engagement. Leadership traits and behaviours may also be viewed as expressions of particular leadership styles. The way that leadership styles influence employee engagement and other organisational outcomes may also be explained by LMX theory. Thus, the relationship and specific interaction between leaders and followers can influence the employee engagement state and thus influence employee behavioural outcomes (Wang et al., 2005). It is, therefore, important to understand the definitions of different leadership styles to be able to understand their influence on employee engagement. The “Full Range Leadership” (FLR) model as explained by Avolio & Bass (1995) is adopted for the description of leadership styles for this study. FLR describes the different dimensions of leadership ranging from a *laissez-faire* style to a transactional leadership style, through to a transformational leadership style.

2.5.1. Transactional Leadership

Transactional leadership involves guiding and motivation of followers in the direction of established goals through clarification of roles and required tasks (Robbins & Judge, 2013 p. 417). It relates to the exchange relationship between leaders and followers where both are interested in meeting their self-interests

(Bass, 1999). Through this definition, some comparisons can be drawn with the dyadic, reciprocal relationship that defines leader-member exchange (Graen & Scandura, 1987).

Transactional leadership is purported to include two dimensions (Avolio, Bass, & Jung, 1999). *Contingent Reward* is where the leader clarifies both what followers are expected to do and how they will be rewarded for accomplishing assigned tasks; *Active Management by Exception* is where the leader actively monitors for deviation in the performance of tasks and takes appropriate action where necessary.

Passive-Avoidant Leadership precedes transactional leadership and occurs where the leader will only take action once problems have become serious or out of control. It has been shown to have two dimensions (Avolio & Bass, 1995). *Passive management by exception* is characterised by a leader delaying action until problems are chronic or out of control before taking action. Lastly, a *laissez-faire* leadership style is where the leader avoids decision-making opportunities and avoids taking action (Bass, 1999).

2.5.2. Transformational Leadership

Transformational leadership exists when leaders inspire followers to move beyond self-interests (Robbins & Judge, 2013 p. 416). Transformational leaders have been reported to operate across the dimensions of “idealised influence, inspirational leadership, intellectual stimulation and individualised consideration” (Avolio et al., 1999).

Idealised Influence and *inspirational leadership* happen when the leader provides followers with a vision of the future and a sense of purpose that is energising and also sets an example to be followed. These constructs may also be viewed as elements of charisma and thus overlap with charismatic leadership properties (Babcock-Roberson & Strickland, 2010). Leaders that show idealised influence exhibit charisma that inspires emotional commitment from followers and they are thus seen as role models resulting in followers adopting the leader’s vision, goals and values (Shuck & Herd, 2012). These leadership styles have been shown to

influence followers sense of meaningfulness and empowerment which in turn help employees believe that they are can influence outcomes at work and thus make a difference. This relates directly to the construct of absorption leading to engagement, and thus charismatic leadership components of transformational leadership have been shown to correlate with employee engagement (Babcock-Roberson & Strickland, 2010).

Intellectual Stimulation is present when the leader convinces followers to question existing problem-solving methods and encourages them to be more innovative, thus, helps followers find novel ways to achieve the organisation's goals. *Individualised consideration* refers to leaders supporting, mentoring and coaching followers and also providing consideration of follower's specific needs (Avolio & Bass, 1995; Avolio et al., 1999; Bass, 1999). These are two individual focused dimensions of transformational leadership and would relate to the transformational impact a leader may have through personal interaction with followers (Burch & Guarana, 2014).

2.5.3. Full Range Leadership Model

The "Full Range Leadership" model proposed by Avolio & Bass (1995) implies that every leader displays elements of transactional and transformational leadership. However, each leader has a tendency to display more of one and less of another (Bass, 1999). Understanding the notion of these leadership theories is becoming more important as leading the emerging workforce of knowledge workers requires constantly evolving leadership development. In response to this more leaders are turning towards understanding employee engagement as a strategy for improvement and sustainability of an organisation into the future (Shuck & Herd, 2012).

The leadership model initially proposed by Avolio & Bass (1995) was assessed using the Multifactor Leadership Questionnaire, or MLQ 5X. This instrument contained 36 questions and covered three higher order constructs, namely: transformational leadership, transactional leadership and passive-avoidant leadership. Each of these constructs had a number of lower order constructs.

As discussed earlier, transformational leadership was composed of idealised behaviours, idealised attributes, inspirational motivation, intellectual stimulation and individualised consideration Avolio & Bass (1995). More recent studies have combined the first three lower order constructs into one construct named charisma due to high levels of correlation between these factors indicating that they essentially measure the same attribute (Avolio et al., 1999; Babcock-Roberson & Strickland, 2010).

2.5.4. Transformational and Transactional Leadership and Employee Engagement

It has been predicted that the transformational leadership style can enhance employees engagement through building personal resources, specifically self-efficacy and optimism (Tims et al., 2011). This hypothesis was only partially confirmed empirically with researchers finding optimism playing a definite mediation role between transformational leadership and engagement however self-efficacy does not, even though it was significantly related to engagement. It may, therefore, be that the causal direction for self-efficacy is different to that hypothesised. This process by which transformational leadership influences employee engagement has also been described through the follower's relational identification with their leader. Transformational leaders exhibit attractive behaviours through idealised influence or inspirational motivation which elicit relational identification from followers through an emotional appeal. The motivational result of relational identification results in increased feelings of self-efficacy which in turn yield increased engagement (Walumbwa & Hartnell, 2011).

Transformational leadership correlates strongly with psychological well-being with this relationship moderated by meaningful work (Arnold et al., 2007). Meaningful work is a core construct of job design and is a work attribute. It, therefore, represents an antecedent in the engagement models presented by Macey & Schneider (2008) and Rana et al. (2014). This indicates that transformational leadership should have a positive relationship with employee engagement. Kovjanic et al. (2013) showed how transformational leadership

could satisfy employee needs for competence and relatedness which leads to employee engagement and ultimately into higher performance outputs.

A longitudinal study on Norwegian naval cadets documented daily feelings of engagement on the part of followers and compared this to follower reported transformational leadership behaviours as well as two dimensions of transactional leadership, namely contingent reward and management by exception. As expected transformational leadership positively correlated with higher levels of engagement. Of the transactional dimensions, it was found that there was a positive correlation with contingent reward. However, active management by exception was not related to engagement (Breevaart et al., 2014). An important dimension of this study was the daily variation in engagement based on varying leader behaviours. Most studies performing cross-sectional research designs view leadership styles and engagement as static constructs whereas these findings highlight the need for leadership consistency.

A study completed with senior managers and executives across different industries in South Africa using the Gallup engagement score showed a positive correlation between transformational leadership (as a single factor construct) and employee engagement. The study also found that follower characteristics conducive to leadership further enhanced the relationship between transformational leadership and employee engagement (Zhu, Avolio, & Walumba, 2009). The study did not specifically investigate whether the different dimensions of transformational leadership may have varying degrees of impact on engagement nor whether certain dimensions of transformational leadership have a consequently larger impact depending on different follower characteristics.

Other than the findings of Breevaart et al. (2014), transactional and passive-avoidant leadership styles have not been a major focus of research (Hinkin & Schriesheim, 2008). It has been argued that transactional leadership styles lack the motivational and inspirational qualities that are needed to foster employee engagement and that the focus on task completion and reward in exchange for effort negatively impacts intrinsic motivation and thus engagement (Tims et al., 2011). Similarly, research following an experimental design showed that

transactional and passive-avoidant styles were not preferred by participants in groups in comparison to more transformational leadership styles (Van Vugt, Jepson, Hart, & De Cremer, 2004). Breevaart et al. (2014), however, showed empirically that the contingent reward dimension of transactional leadership, as discussed above, correlates with increased work engagement.

Passive-avoidant leadership styles, on the other hand, have been found to in some cases be destructive as opposed to having little impact on leadership outcomes. In these cases passive-avoidant, and specifically laissez-faire approaches to leadership correlate with role conflict, role ambiguity, co-worker conflict and other workplace stressors (Skogstad, Einarsen, Torsheim, Aasland, & Hetland, 2007). All these elements are contrary to the employee engagement antecedents that have been discussed and are thus likely to result in disengagement.

In all of the aforementioned studies, the leadership dimensions were mostly analysed as one higher order factor without specific analysis of the four dimensions of transformational leadership's individual correlation with employee engagement and subsequent outcomes. To better understand the model of leadership that enhances employee engagement, it would be beneficial to specifically investigate the separate dimensions of transactional and transformational leadership in order to inform the behaviours that should be encouraged in leaders that can enhance this in organisations. It is of importance in this study to understand whether the individualised elements of transformational leadership (individualised consideration and intellectual stimulation) compared to the group elements (idealised influence and inspirational motivation) influence employee engagement differently (Burch & Guarana, 2014).

2.6. Summary

Although employee engagement has varying definitions, there is agreement over the potential outcomes and the organisational benefits that can be earned by enhancing it (Kovjanic et al., 2013; Macey & Schneider, 2008; Tims et al., 2011).

Leadership has a role to play in most of the defined antecedents of employee engagement and therefore it is important to understand how leadership and different leadership styles can be used to enhance employee engagement (Burch & Guarana, 2014). Specific elements of transactional and transformational leadership should, therefore, have varying impacts on employee engagement (Breevaart et al., 2014; Kovjanic et al., 2013; Tims et al., 2011). Understanding the influence that different dimensions of transactional leadership (Breevaart et al., 2014) or transformational leadership (Burch & Guarana, 2014) has on employee engagement can inform specific leadership behaviours and styles that are proportionately more effective in driving engagement.

Improvement in management of performance can be achieved through actively managing engagement (Saks & Gruman, 2011). Among the many HRM practices, performance management is an essential tool in improving organisational performance. However, perceptions of performance management can be negatively correlated with employee engagement (Conway et al., 2015).

The influence of leadership styles and especially the influence of transformational leadership on perceptions of performance management and other HRM practices and the consequent impact of this on employee engagement needs further analysis as the direct relationship between HRM and engagement has been shown as negative (Conway et al., 2015).

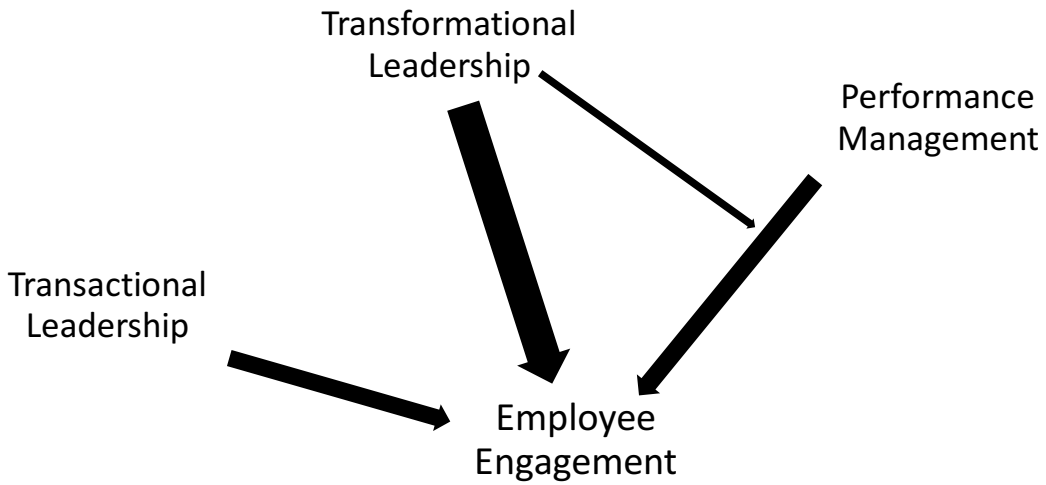
It stands to reason that as transformational leadership enhances personal resources and feelings of self-efficacy (Tims et al., 2011; Walumbwa & Hartnell, 2011), and that high levels of leader-member exchange, which is associated with transactional and transformational leadership and leads to improved leader-follower relationships; that high levels of transformational leadership should enhance the positive impact that performance management can have on employee engagement (Gruman & Saks, 2011). Employee voice has been shown to have a positive moderating effect on the perceptions of performance management and employee engagement (Conway et al., 2015). Employee voice also has a positive association with the employee-manager relationship (Rees et al., 2013). Thus, leadership behaviours that promote this relationship are also

likely to promote and strengthen the performance management and employee engagement relationship.

Chapter 3. Research Hypothesis

In the prior review of the literature, the various antecedents and outcomes of employee engagement were discussed. It was concluded that leadership styles and behaviours have a large impact on the antecedents. The role of leaders in the design of work and tasks and thus the role played in the administration of HRM practices and specifically in performance management is of interest (Gruman & Saks, 2011). The interrelationships between these constructs are depicted in Figure 3 below. The relevant hypothesis to test the strength and direction of these relationships are summarised in this chapter.

Figure 3: Proposed model of interaction between Leadership Styles, HRM Practices and Employee Engagement



The review of literature described many models for the relationship between leadership styles and behaviours and employee engagement (Breevaart et al., 2014; Burch & Guarana, 2014; Ghafoor, Qureshi, Khan, & Hijazi, 2011; Tims et al., 2011). It is thus proposed that transactional and transformational leadership styles will have a positive effect on employee engagement due to the impact this has on the leader-follower relationship as well as the impact on job resources

versus job demands. Conversely, passive-avoidant leadership styles will likely have a negative effect on employee engagement due to many factors but including the lack of a supportive supervisor-follower relationship and the positive relationship it holds with workplace stress factors such as role ambiguity and co-worker conflict (Skogstad et al., 2007). It is also proposed to investigate the distinct influence of the different dimensions of transactional leadership and transformational leadership on employee engagement instead of just viewing these styles as a single factor construct. The differences between the individual focused dimensions and group focused dimensions will be investigated (Burch & Guarana, 2014). Individual focused elements of transformational leadership are defined as the individualised consideration and intellectual stimulation dimensions whereas idealised influence (behaviours and attitudes) and inspirational leadership constructs, making up the charisma dimension, are group focused dimensions. These hypotheses are summarised below.

Firstly, it is hypothesised that transactional leadership style will be positively related to employee engagement, aligned to the findings of (Breevaart et al., 2014).

> ***H1**: Transactional leadership is positively related to employee engagement*
>
> > *H1A: Contingent reward is positively related to employee engagement*
> >
> > *H1B: Management by exception is not related to employee engagement*

It is further hypothesised that transformational leadership will have a positive relationship with employee engagement (Babcock-Roberson & Strickland, 2010; Breevaart et al., 2014; Burch & Guarana, 2014; Kovjanic et al., 2013; Tims et al., 2011; Zhu et al., 2009). Development of an empirical view of the impact of the

individual focused versus the group focused dimensions will then be done in order to test the theorised relationship (Burch & Guarana, 2014; Zhu et al., 2009).

***H2**: Transformational leadership is related to employee engagement*

H2A: There is a difference between the individual and group focused dimensions of transformational leadership respectively and employee engagement

The impact of passive-avoidant leadership behaviours is hypothesised to be negatively related to employee engagement due to their correlation with workplace stress factors (Skogstad et al., 2007).

***H3**: Passive-avoidant leadership behaviours are negatively related to employee engagement*

The literature review discussed the relationships between leadership styles, specifically as represented by the “Full Range Leadership” theory (Avolio & Bass, 1995), and employee engagement as well as the roles of HRM practices, deputised by performance management, as an antecedent to employee engagement. It is therefore proposed that a relationship between employee experiences of performance management and employee engagement will exist and furthermore that positive experiences of performance management processes will correlate with greater levels of employee engagement as theorised by Gruman & Saks (2011). This is contrary to findings of Conway et al. (2015). However, it has been shown empirically by Alfes et al. (2013) that positive experiences of HRM practices correlate with increased employee work engagement.

***H4**: Employee experiences of performance management is positively related to employee engagement*

In addition to the effect on employee engagement described above, it is also proposed that transformational and transactional leadership styles will be positively related to employee perceptions of performance management processes. Thus, the leader's ability to both inspire and motivate employees will result in positive experiences of performance management processes (Gruman & Saks, 2011). Of these behaviours, it is also proposed that transformational leadership characteristics will have a greater impact on the employee experience of the performance management process. Thus, in contrast, it also stands to reason that the absence of these leadership behaviours and a high degree of passive-avoidant leadership styles will negatively correlate with employee perceptions of performance management processes, largely due to a lack of supportive leader behaviours.

***H5**: Transformational and transactional leadership are positively related to employee experiences of performance management*

H5A: There is a difference between the relationship of transformational and transactional leadership with employee experiences of performance management

H5B: There is a negative relationship between passive-avoidant leadership behaviours and employee experiences of performance management

It is further also proposed that the strength of the relationship between performance management and employee engagement, shown to be negatively related by Conway et al. (2015), will be moderated by experiences of transactional and transformational leadership respectively. Alfes et al., (2013) provided evidence for the moderating role that LMX relationships play between HRM practices and employee engagement and organisational outcomes. It is thus hypothesised that transformational and transactional leadership styles will

have a similar impact on the relationship between experiences of performance management (as one HRM practice) and an employee's state of engagement.

***H6**: Transactional leadership moderates the employee experience of performance management and employee engagement relationship*

***H7**: Transformational leadership moderates the employee experience of performance management and employee engagement relationship*

Chapter 4. Research Methodology

4.1. Introduction

This chapter will describe the research methodology that was employed in this study. The aim of the study was to add to the existing literature available on the relationship between leadership styles and employee engagement by also examining the interaction of HRM practices represented by performance management using a quantitative research methodology.

This chapter begins with a discussion of the research design that was followed by the data collection process that was used including the research instrument, sample population and sampling method. A description and motivation is given for the data analysis methods that were employed. The chapter concludes with a discussion of the potential limitations of the research method design that may result in reliability or validity errors in the findings.

4.2. Research Philosophy

The research philosophy is related to the way that knowledge is developed through research. Positivism is a research philosophy which is based on the use of very structured methods for research to develop “law-like generalisations” which makes it applicable in a quantitative study (Saunders & Lewis, 2012 p. 104). An interpretivist philosophy involves the examination of people as social actors in their work environment and is applicable to studies in human behaviour and HRM (Saunders & Lewis, 2012 p. 106). A pragmatic approach (Saunders & Lewis, 2012 p. 107) was, therefore, used for the purpose of this study as it aims to understand the interactions between leaders and employee’s in their roles as social actors whilst using a quantitative approach to scrutinise the relationship.

4.3. Research Design

The research design describes the approach, strategy, time horizon and technique used (Saunders & Lewis, 2012 p. 103). For the purposes of this research, project data was collected to understand employee perceptions of leadership styles, their state of engagement, and the performance management experiences in their organisation. The collection of data was done using the pre-defined research hypotheses developed from the review of the literature and presented in Chapter 3. This data was then analysed to understand the relationship between these variables. The results are used to draw conclusions and recommendations for leadership development programmes to enhance employee engagement. This is congruent with a deductive research design since the relationship between the theoretical constructs of employee engagement and different leadership styles are analysed using a pre-defined research strategy (Saunders & Lewis, 2012 p. 108).

Since the research design described above aimed to understand relationships between the different variables of leadership styles, employee engagement and experiences of performance management, a descriptive study was used. This is defined by Saunders & Lewis (2012, p. 111) as “research designed to produce an accurate representation of persons, events, or situations” and involves the “collection of quantifiable and measurable data”. The latter is done through questionnaires or analysis of secondary data (Saunders & Lewis, 2012 p. 111).

A questionnaire was thus designed and used to collect quantitative data on the different constructs. This meant that the research strategy was a survey where data was collected from a defined population using the questionnaires. A mono-method design was followed where only quantitative data was collected using existing research instruments which could individually measure the nature of leadership styles, employee engagement and perceptions of performance management respectfully.

The research time horizon was cross-sectional as it gave an evaluation of the leadership influence on employee engagement and the perception of performance management in an organisation at a certain point in time (Saunders

& Lewis, 2012 p. 123). Time constraints in the research process did not allow the collection of data using a longitudinal design.

4.4. Unit of Analysis

Data was collected using an electronic survey that was distributed to individuals to answer. As discussed above the research design was to collect data on employee perceptions of their engagement, their experiences of performance management practices in their organisation, as well as their perception of the frequency their leader displays various leadership behaviours. The measurement and analysis of data thus occurred at the level of the individual in the organisation. This data was then aggregated to the organisational level to draw conclusions.

4.5. Population and Sampling

A population represents the complete set of members of the group (Saunders & Lewis, 2012 p. 140). The population for this study was all employees in the manufacturing division of a South African Food and Beverage company.

The sampling frame consists of the complete list of members that represents the population (Saunders & Lewis, 2012 p.140). The sampling frame for this study was the list of employees in the manufacturing division in this particular company.

In order to try to eliminate the risk of sampling bias, a random sampling method was employed (Saunders & Lewis, 2012 p. 140). Sampling frames from three of the production regions of the company were obtained, and for each region, the list was randomised using a random number generator in Microsoft Excel. A fixed number of employees were then selected from each production site.

The table below indicates the number of employees sampled and the response rates for each of the sites where the questionnaire was distributed.

Table 1: Details of response rates per production site where the survey was administered

Region	Total number of employees in the region	Number of employees selected for the survey	Number of respondents	Response rate
A	110	75	42	49.3
B	319	60	32	50.0
C	347	65	34	46.2

Response rates were relatively low which may subject the conclusions drawn from the data to non-response bias (Saunders & Lewis, 2012 p. 140). The demographics of the sample is further discussed in Chapter 5 of this report.

4.6. Research Instrument

As discussed the research design involved the collection of data using a questionnaire as the research instrument. In order to ensure content and construct validity and thus reliability of data collection, research scales that have been developed and tested in previous studies were used (Saunders & Lewis, 2012 p. 127).

The existing scales that were used to measure leadership style, employee engagement and performance management, will now be discussed. An analysis of the construct validity and reliability of the research scales used will also be provided in Chapter 5 of this report.

The scales were combined into an electronic survey which formed the main research instrument for this study. An example of this survey is presented in Appendix A. The survey consisted of five sections. Section one introduced the purpose of the research study to the respondent, provided assurance of confidentiality, and requested that the respondent acknowledges his or her willingness to participate in the study. Section two collected respondent demographic data. Section three collected data on employee engagement. Section four collected data on the respondents' view of performance management in their organisation. The final section was used to collect data on the respondents' view of the leadership style of their direct manager.

This sample questionnaire was pilot tested prior to use to ensure respondents would be able to understand all questions and that data would be collected correctly using the electronic system by sending it to ten respondents in region A (Saunders & Lewis, 2012). There were no significant changes made post the pilot testing. The scales used and justification for their use is further elaborated on in the following sections.

4.6.1. Ethical Considerations

As noted above the first section of the questionnaire explained the purpose of the study. It also explained that responses would be kept confidential and that respondents had the option to leave the survey at any time. Respondents were asked to acknowledge their acceptance and give consent for the use of their responses electronically through three questions as displayed in Appendix A.

4.6.2. Measuring Employee Engagement

Employee engagement was measured using the “shortened 9-item Utrecht Work Engagement Scale” (Schaufeli et al., 2006). The advantage of using this scale was that having been shortened it should limit the likelihood of attrition. This was necessary considering the other scales that were included in the overall survey. The scale was previously trialled in South Africa as part of the study to develop the nine-item scale and showed good internal consistency. The scale is based on viewing engagement as a “work-related state of mind characterised by vigour (or energy), dedication (or commitment) and absorption” (Schaufeli et al., 2006) which is aligned to Kahn's (1990) original definition of engagement and thus the definition of engagement that was employed in this study.

Three questions for each state are included in the nine item scale. As an example, vigour is measured by “At my work, I feel bursting with energy”; dedication by “I am enthusiastic about my job”; and absorption by “I feel happy when I am working intensely”.

A seven-point Likert scale was used to measure each of the items ranging from zero (never) to six (always). The responses for each of the nine items were averaged to yield an overall employee engagement score which is consistent with the approach described in previous studies (Burch & Guarana, 2014; Fairlie, 2011; Schaufeli et al., 2006).

4.6.3. Measuring Transactional and Transformational Leadership Styles

The Multifactor Leadership Questionnaire (Avolio & Bass, 1995) was used to determine the levels of passive-avoidant, transactional and transformational leadership. This scale has items to measure each of the sub-dimensions of these leadership constructs. It is based on a six-factor model analysing the dimensions of leadership as elaborated on by Avolio et al. (1999) and discussed in Chapter 2. The most recent version of the Multifactor Leadership Questionnaire is referred to as the MLQ 5X and this was incorporated into the questionnaire as displayed in Appendix A (Avolio & Bass, 1995).

An example of one of the transformational leadership sub-dimension items of intellectual stimulation is: “Today, my supervisor stimulated me to solve problems myself” (Avolio & Bass, 1995). The respondents were asked to assess each item personally with reference to their direct manager and then rate each item on how often their manager showed that behaviour using a five-point Likert scale ranging from zero (Not at all) to four (Frequently, if not always).

Measurement of leadership may be open to contextual influence however it has been shown that the Multifactor Leadership Questionnaire is stable and thus invariant under many varying contextual factors such as environmental risk, varying gender and hierarchical level (Antonakis, Avolio, & Sivasubramaniam, 2003). This should make it an appropriate, reliable and valid scale to use. To confirm this construct validity and reliability tests for the scale are provided in Chapter 5 of this report.

For testing the hypothesis, the scores that were given to each item were averaged to provide a score for each of the leadership constructs. These leadership

constructs are tabulated below (Avolio & Bass, 1995). The higher order leadership constructs relevant to this study are in bold in the first column with the corresponding lower order constructs of interest to this study displayed in italics in the second column. The MLQ5x also includes items to measure the outcomes of leadership: satisfaction, extra effort and efficiency. These items were not of interest to this study, however.

Table 2: Summary of leadership constructs measured using the Multifactor Leadership Questionnaire

LEADERSHIP CONSTRUCTS			ABBREVIATION
TRANSFORMATIONAL LEADERSHIP	*Charisma*	Idealised Attitudes	IA
		Idealised Behaviours	IB
		Inspirational Motivation	IM
	Intellectual Stimulation		IS
	Individual consideration		IC
TRANSACTIONAL LEADERSHIP	*Contingent reward*		CR
	Active Management by Exception		MBEA
PASSIVE-AVOIDANT LEADERSHIP	Passive Management by Exception		MBEP
	Laissez-faire		LF

4.6.4. Measuring Performance Management

Conway et al. (2015) adapted three items for the measurement of performance management which was based on previous research into perceptions and impact of performance management systems. Their three item scale was expanded to five items for the purpose of this research and these items are presented in Appendix A as part of the questionnaire. Two items were added to measure in addition to the frequency of performance management based interaction, the frequency of feedback received and perception of equity of rewards received for performance which has been described as effective elements of a performance management system (Bloom & Van Reenen, 2007).

A five-point Likert scale ranging from one (Strongly Disagree) to five (Strongly Agree) was used for respondents to rate the extent to which they agree with the statements. Responses were aggregated into measuring a construct

representing the respondents' average experiences of performance management. An example of a question that was used in this scale is "I am encouraged to set objective, quantifiable goals that are well defined and well understood" and "I am rewarded fairly for my performance and effort which is aligned with the agreed goals that have been set".

4.7. Data Collection Process

Once the sample had been identified using the aforementioned process the electronic survey was distributed. The survey included demographic grouping variables in addition to all the items from the scales described above. Although the candidates who partook in the survey were identified and sampled using a full employee list which included their email addresses, their responses were anonymous. An online survey platform was used to design the questionnaire as well as to manage the data collection process. Respondents received an e-mail indicating that they had been invited to participate in a survey which included a link taking them to the online questionnaire.

4.8. Data Analysis

The data collection was done using Likert scales which will allow collection of categorical ranked or ordinal data. Scores for individual items in the collection instrument were then averaged into their corresponding lower order and higher order constructs.

Quantitative statistical analysis was done using the SPSS software package. Firstly, instrument reliability and construct validity were established. Cronbach's alpha scores were calculated for the various constructs measured in the survey and factor analysis was also completed using the various measurement instruments.

Descriptive statistics, including average scores per construct and analysis of normality of data using skewness and kurtosis statistics as well as histograms to illustrate data spread, was then completed. One-way analysis of variance

(ANOVA) techniques were also employed for testing for differences reported in the primary research constructs between demographic groups.

Most of the hypothesis required establishing the nature of the relationship between two variables. Thus correlations and linear regression were used to describe these relationships.

Spearman's rank correlation coefficient was used to determine correlations since this statistic may be used to evaluate the strength of the relationship between two variables and whether this relationship could have occurred by chance (Saunders & Lewis, 2012 p. 181). Spearman's coefficient is also preferred for use with ordinal variables (Salkind, 2010 p. 1404).

Linear regression is a parametric approach that provides a linear equation to examine the mean response in a dependant variable to one or more input (or independent) variables (Salkind, 2010 p. 330). The use of linear and multiple linear regression techniques is based on a number of assumptions of the data that needs to be examined prior to accepting the results. This includes the presence of a linear relationship between variables, data following a normal distribution, absence of multicollinearity, absence of auto-correlation and the absence of homoscedasticity (Salkind, 2010 p. 707).

To evaluate the moderating role that transactional and transformational leadership was proposed to play in the relationship between perceptions of performance management and employee engagement, the correlation between transformational leadership and perceptions of performance management were examined. Tests for moderation were done by using hierarchical regression. This includes initial regression analysis between the moderator and predictor variable and the response variable. An interaction term calculated as the product of the moderator and predictor variable was then introduced into the regression equation, and if a statistically significant improvement occurred in the model fit, there is evidence of moderation occurring (Hayes, 2013 p. 223). This calculation was simplified using pre-existing syntax developed for SPSS called PROCESS (Hayes, 2016) which automatically processes the hierarchical regression equation.

4.9. Limitations of Research Method

There are a number of limitations that could impact the reliability and validity of the study. Reliability refers to the degree to which the research method and analytical techniques produce consistent results (Saunders & Lewis, 2012 p. 128). Validity is the extent to which the research methods accurately measure what they were intended to measure as well as the extent to which the findings are really about what they were intended to be about (Saunders & Lewis, 2012 p. 127).

Non-response bias is a type of subject selection bias and occurs when the answers of those respondents that did not respond to the invitation to complete the questionnaire differ significantly from the answers of those that did respond (Salkind, 2010 p. 1474). This was a risk due to the low response rates in this study as shown in Table 1. To improve response rates, frequent reminders were sent to those invited to complete the survey however these proved unsuccessful. To understand whether there were non-response bias effects in the collected data it is usually recommended to analyse for differences in responses for the key research constructs between demographic groups (Salkind, 2010 p. 1453). Thus, ANOVA analysis was completed and presented in Chapter 5 to test for differences between the demographic variables.

The proposed research design discussed above and especially the data collection process was potentially limited due to the need to request employee self-report data which makes the outcomes prone to a number of different types of response bias (Donaldson & Grant-Vallone, 2002).

The risk of social desirability bias may thus exist where respondents could potentially have tried to provide either a favourable evaluation of themselves or their direct manager if they felt that anonymity will not be guaranteed or had a fear of reprisal (Salkind, 2010 p. 1396). To avoid this a description of the need for the study as well as a guarantee of confidentiality was included in the introduction of the survey and respondents were required to acknowledge their acceptance thereof. A further tactic to limit the risk of this type of response bias that may be applicable to future research would be to collect data from leaders

as well as subordinates and thus limit the impact of single source effects. Time constraints, however, did not allow such a research approach to be followed in this study.

Employee's personal relationship with their direct manager or leader may have negatively impacted their report of their leader's transformational behaviours through another form of social desirability bias which would negatively affect the validity of results (Salkind, 2010 p. 1396). It may, therefore, be possible that high LMX leader-follower relationships are also rated positively for transformational leadership. Although some research suggests that LMX and transformational leadership are fundamentally different concepts (Bass, 1999), there is also evidence that LMX and the "Full Range Leadership" model are related (Wang et al., 2005), which is the stance taken in this study. Ascertaining this will be difficult since transformational leaders typically also exhibit transactional or high LMX characteristics however the use of existing instruments that have been proven to be reliable and valid should limit this impact as these instruments have gone through a few iterations of question design to limit bias in responses (Antonakis et al., 2003).

The above point also indicates the risk of multicollinearity in measurement of the different leadership constructs. This would be the result of the complexity of the leadership construct in that leaders may exhibit a range of behaviours across the different leadership constructs. This was evaluated using factor analysis for the leadership questionnaire as well as methods for testing for multicollinearity before proceeding with regression analysis.

Data collection may also have been at risk to subject error (Saunders & Lewis, 2012 p. 128) due to some employees in the population being shift workers.

The use of a cross-sectional research design will only allow the examination of correlations between the study variables. As has been described it is theorised that the leadership styles and behaviours studied invoke the state of engagement either directly or through other moderating factors. However, in order to examine the causal direction a longitudinal design would need to be implemented

(Saunders & Lewis, 2012 p. 124). This will be further evaluated in Chapter 7 as part of recommendations for future research.

4.10. Research Methodology Conclusion

This chapter described the processes that were followed in the sampling of respondents, the collection of data and analysis of data that was intended to test the hypothesis presented in Chapter 3.

The research took the form of a descriptive study in its attempt to accurately describe the relationship between the primary constructs of leadership, experiences of performance management and employee engagement. An online questionnaire was distributed to respondents who answered questions using Likert scales to measure the various constructs relevant to the study. The approach to data analysis is discussed as well as the potential limitations in the research methodology applied.

Results of the data collection process, instrument reliability and validity tests, as well as the statistical analysis to test the hypothesis is presented in Chapter 5.

Chapter 5. Results

5.1. Introduction

This chapter provides a discussion of the results of the research process. Firstly, the tests for the instrument internal consistency and reliability using Cronbach's alpha and factor analysis is provided. The sample that was collected is then described in terms of the demographic grouping variables. In addition to this an analysis for differences between the demographic grouping variables and the reported constructs is provided to determine whether this could have any bearing on the results of the study. Finally, the results of the statistical analysis for each of the proposed hypothesis is provided. The discussion and analysis of the results in this chapter will follow in Chapter 6.

5.2. Tests for Instrument Internal Consistency and Reliability

For an instrument to be reliable it must minimise random measurement error to ensure that the relationship between the true score and the observed score is strong. Cronbach's alpha coefficient is a "measure of the proportion of the observed score variance that is true score variance" (Salkind, 2010 p. 162).

Salkind (2010, p. 162) provides the following guidelines for the interpretation of Cronbach's alpha as a measure of internal consistency for a research instrument

Table 3: Cronbach's alpha interpretation guide (Salkind, 2010 p. 162)

Cronbach's alpha coefficient value range	Interpretation
>0.9	High
0.8-0.89	Very good
0.7-0.79	Good / Adequate
0.6-0.69	Acceptable for looking at group differences

The above definition is used for the internal reliability of each research instrument used.

5.2.1. Reliability and validity tests for Employee Engagement

As defined earlier the "shortened 9-item Utrecht Work Engagement Scale" (Schaufeli et al., 2006) was used to measure levels of employee engagement. Cronbach's alpha for the nine items in this instrument is shown in the table below indicating very good internal consistency. This is comparable to Schaufeli et al. (2006) findings of alpha ranging from 0.85-0.92 when administering the engagement scale across ten countries.

Table 4: Cronbach's alpha SPSS output for employee engagement scale using 8 and 9 items

Construct	N of Items	Cronbach's Alpha	Interpretation
Employee Engagement	9	0.894	Very Good
Employee Engagement	8	0.922	High

A concern raised with the Cronbach analysis was that removing the ninth item from the scale improved the reliability to 0.922. This raised motivation for removing this item from the measurement of the engagement construct.

A factor analysis was completed on the nine item scale as well. The Kaiser-Meyer-Olkin Measure for Sampling Adequacy was >0.9 and Bartlett's Test for Sphericity yielded $p < 0.001$ thus making factor analysis appropriate for this instrument. The confirmatory factor analysis specifying one factor yielded the following results:

Table 5: Factor analysis results for Employee Engagement construct completed using a single factor extraction, principal component analysis method

Component	EE1	EE2	EE3	EE4	EE5	EE6	EE7	EE8	EE9
Factor Loading	**0.792**	0.746	0.844	0.885	0.750	0.810	0.823	0.714	0.302

Loadings on all items in the scale were acceptable with the exception of the final question which loaded to a lower extent. Further examination showed poor correlation between question 9 and questions 1 through 5 respectively. Inclusion of this item in the calculation of the construct may thus negatively affect the validity of the analyses and for this reason it was decided to remove this item

from the scale. A repeated Cronbach's alpha analysis showed that the reliability of the scale also improved to 0.917 using the 8 item scale.

5.2.2. Reliability and validity tests for Performance Management

The reliability analysis for the performance management scale showed very good internal consistency with a Cronbach's alpha value of 0.856.

Table 6: Cronbach's alpha data for Performance Management scale

Construct	N of Items	Cronbach's Alpha	Interpretation
Performance Management	5	0.856	Very Good

A confirmatory factor analysis was then completed for the performance management scale. Acceptable values for the KMO test of 0.826 indicates that the sample size is adequate. Bartlett's Test of Sphericity yielding P <0.001 indicates sufficient correlation exists. Based on an eigenvalue of one only one factor was extracted with acceptable loadings of all items on this one factor. This, therefore, verifies the construct validity of the performance management scale.

Table 7: Factor analysis results for Performance Management construct completed using a single factor extraction, principal component analysis method

Component	PM1	PM2	PM3	PM4	PM5
Factor Loading	**0.751**	0.889	0.818	0.805	0.753

5.2.3. Reliability and validity tests for Leadership Constructs

Reliability for each of the primary leadership constructs of transformational, transactional, and passive-avoidant leadership as measured by the MLQ 5X scale in addition to their sub-constructs are provided in Table 8 below. Transformational leadership showed very good to excellent reliability overall as well as for the 5 sub-constructs. Transactional leadership showed poor reliability driven by poor reliability on the management by exception constructs (both active

and passive). Caution will need to be applied in drawing any conclusions from these constructs and sub-constructs.

Table 8: Summary of Cronbach's Alpha Coefficient for the various lower order constructs tested in the MLQ5x Questionnaire

Construct	Items	Cronbach's Alpha	Interpretation
Idealised Attributes	*3*	*0.762*	*Good / Adequate*
Idealised Behaviours	*4*	*0.783*	*Good / Adequate*
Inspirational Motivation	*4*	*0.852*	*Very good*
Charisma	11	0.924	**High**
Intellectual Stimulation	*4*	*0.800*	*Very good*
Individual Consideration	*4*	*0.697*	*Acceptable*
Transformational	**19**	**0.942**	**High**
Contingent Reward	*3*	*0.639*	*Acceptable*
MBE Active	*4*	*0.552*	*Not acceptable*
Transactional	**7**	**0.662**	**Acceptable**
MBE Passive	*4*	*0.315*	*Not acceptable*
Laissez-Faire	*4*	*0.748*	*Good / Adequate*
Passive-Avoidant	**8**	**0.707**	**Good / Adequate**

The reliability analysis for the three outcomes of leadership constructs measured by the MLQ 5x scale is also provided in the table above and show acceptable to high reliability.

To test for construct validity factor analysis was completed for the MLQ5x scale. A five factor extraction using the Principal Components Analysis method and a Varimax rotation in SPSS yielded the results displayed in Table 9. The factor loadings for their intended components are shaded.

The results below do indicate some cross-loading between items. Specifically, a number of items load on the first factor of Charisma. As discussed in the literature review the Full Range Leadership Theory specifies that leaders are likely to exhibit traits of all three primary leadership styles but will normally display one to a greater extent. These results indicate that most of the transactional and transformational leadership items would likely be recognised as transformational behaviours. Some items indicate grounds for omission due to low loadings on their intended factors. However it was decided to proceed with the constructs defined as per the specified by Avolio & Bass (1995) due to acceptable reliability results.

Table 9: Factor analysis for Multifactor Leadership Questionnaire

	Charisma	Intellectual Stimulation	Individualised Consideration	Contingent Reward	Active Management by Exception	Laissez-faire
IB1	.322	.524	.089	.203	.176	.055
IB2	.856	.095	-.022	.093	-.039	.009
IB3	.668	.209	.035	.054	.268	-.313
IB4	.813	.210	-.071	.015	.038	-.071
IA2	.766	.223	.057	-.049	-.015	-.242
IA3	.720	.027	.116	-.039	.015	-.342
IA4	.531	.179	.129	.052	.162	-.245
IM1	.654	.144	.243	-.011	.108	-.001
IM2	.785	.100	-.190	.054	-.046	-.068
IM3	.838	.166	.059	.022	.100	-.086
IM4	.799	.147	.173	.010	-.121	-.141
IS1	.673	.154	-.112	-.028	.040	-.270
IS2	.329	.548	.312	.239	-.137	-.115
IS3	.705	.149	.244	.169	-.135	-.162
IS4	.661	.161	-.065	.138	-.063	-.329
IC1	.689	.184	.126	.082	-.131	-.241
IC2	.243	.702	.113	-.011	.026	-.125
IC3	.235	.812	-.008	-.068	-.066	.144
IC4	.774	.070	.061	-.018	-.196	-.207
CR1	.701	-.079	.082	-.044	-.006	-.386
CR2	.115	.003	.140	.949	.024	.016
CR3	.738	.230	-.097	.133	-.223	-.014
CR4	.711	.159	.080	-.042	-.272	-.194
MBEA1	-.020	.200	-.159	.265	.679	.013
MBEA2	.107	.667	-.177	.037	.273	-.221
MBEA3	-.104	.166	-.337	.673	.045	.110
MBEA4	.115	.003	.140	.949	.024	.016
MBEP1	-.160	.006	.181	-.205	.700	.312
MBEP2	-.391	-.035	.112	.012	.186	.724
MBEP3	.120	.095	.787	.049	.007	-.075
MBEP4	-.070	-.040	-.224	-.060	.059	.547
LF1	-.434	.004	-.025	.100	.341	.577
LF2	-.418	-.085	.182	-.063	-.028	.661
LF3	-.019	.001	-.243	.130	.059	.588
LF4	-.337	-.066	.158	.079	-.071	.709

5.3. Response Rates

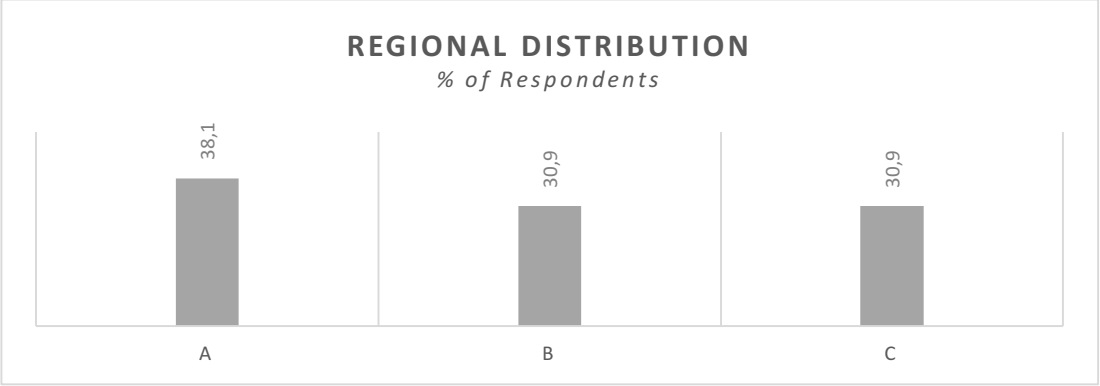
The response rates are detailed below in Table 10 and the distribution of responses are represented in Figure 4. In total 108 respondents opened the survey. Of these there were eleven partial or incomplete responses leaving a total of 97 complete responses. The total response rate was 48.5% which is relatively low and may indicate non-response bias. To understand the impact of this, tests for significant differences in demographic groups will be conducted to better understand if there is any bias in response due to sampling.

Table 10: Details of response rate data for each site where questionnaires were administered as well as overall.

Production Site	Total Invitations Sent	Number of Responses	Number of Partial Responses	Number of Complete Responses	Response Rate
A	75	42	5	37	49,3
B	60	32	2	30	50,0
C	65	34	4	30	46,2
	200	108	11	97	48,5

The regional distribution or distribution of respondents between the three production sites where surveys were distributed is provided in the following figure. It illustrates a relatively even distribution.

Figure 4: Distribution of respondents between each production site.



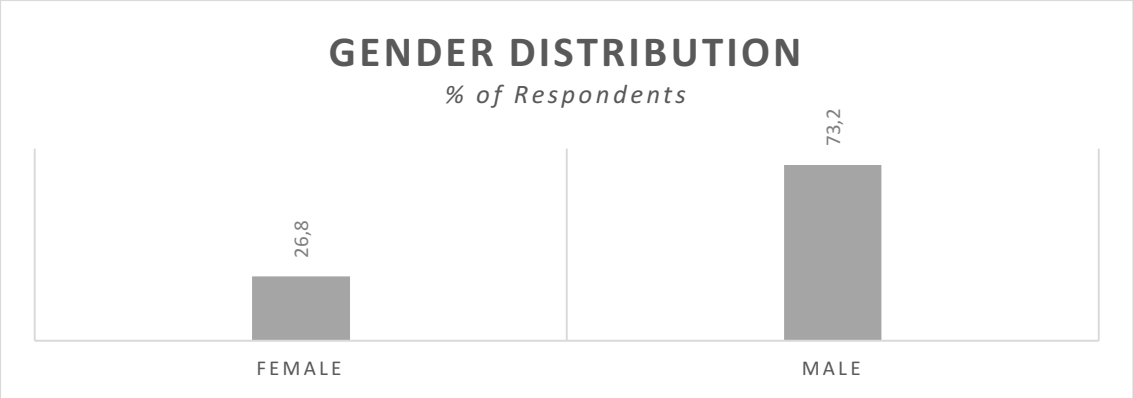
5.4. Demographic Information

The first section of the questionnaire consisted of questions which collected demographic information. The relevant descriptive statistics are provided below.

5.4.1. Gender

The figure below indicates the gender statistics. The majority of respondents were male at 73.2%. To ensure that no bias was introduced due to an unbalanced gender demographic it was important to ensure that statistical differences in reporting of the main constructs between genders was investigated.

Figure 5:Gender distribution graph

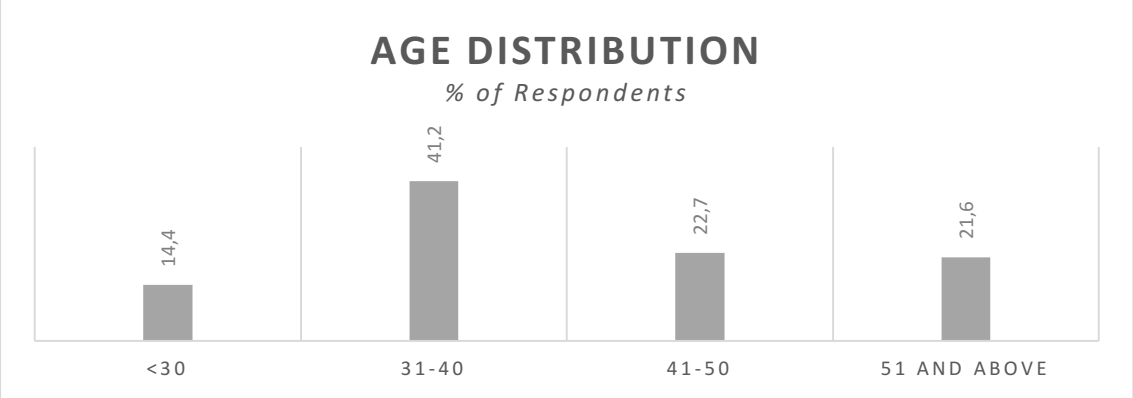


5.4.2. Age

The table below indicates the age group statistics. The questionnaire originally had five age groups however only one respondent reported in the < 23 year category and to allow statistical analysis this category was incorporated with the 23-30 year category to form the < 30 year category.

There is a relatively even spread amongst the age groups. The highest representation was in the 31-40 year category at 41.2% and the lowest in the <30 category. This is likely as a combination of the fact that most respondents had some form of post schooling qualification as well as over half the respondents indicating work experience of greater than 10 years.

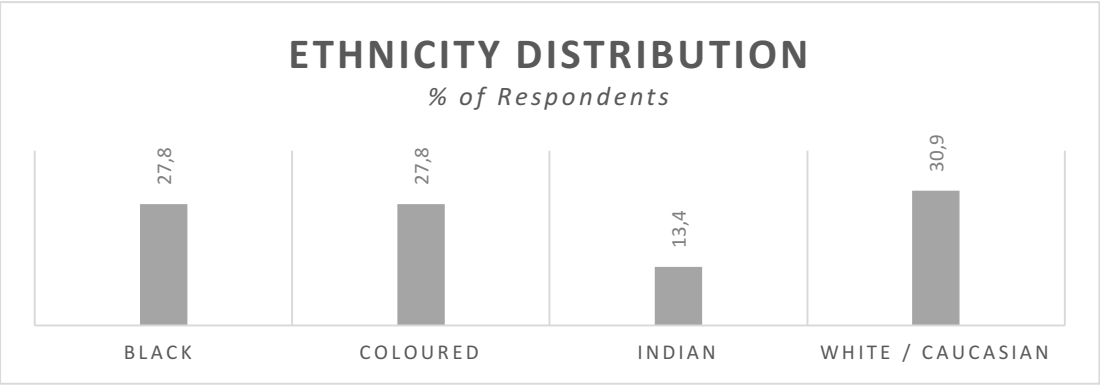
Figure 6: Age Distribution graph



5.4.3. Ethnicity

Ethnicity in this study was defined in aligned with the South African Employment Equity Act (South African Government, 1998).The ethnicity as reported by the respondents is provided in the table below. White was the largest race group represented with a slight majority over mixed race and black respectively. Indian had the lowest representation.

Figure 7: Ethnicity distribution graph

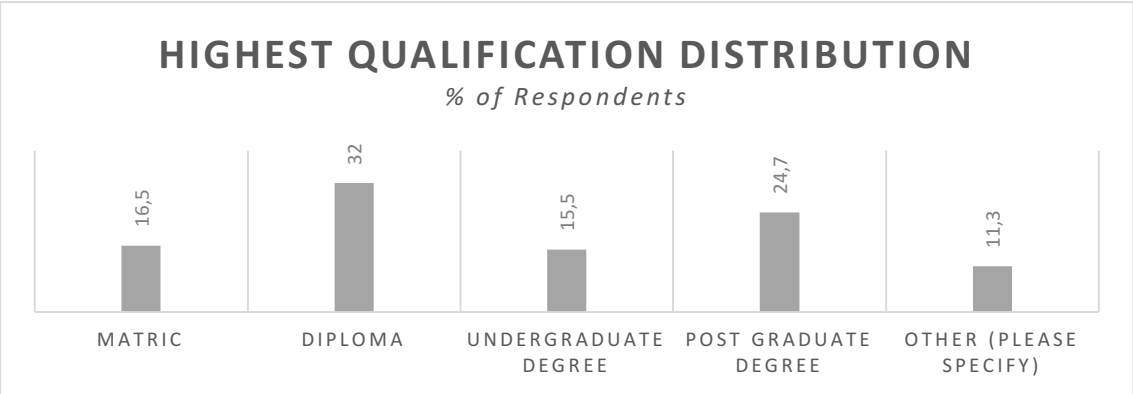


5.4.4. Highest qualification level

The table below illustrates the spread of qualification levels amongst respondents. Most respondents had completed some form of tertiary qualification with a majority having received a diploma. Quite a large proportion of

respondents had completed post-graduate degrees at 24.7%. Those that responded as “other” included two respondents that had grade 11 only, as well as a number of other national certificates.

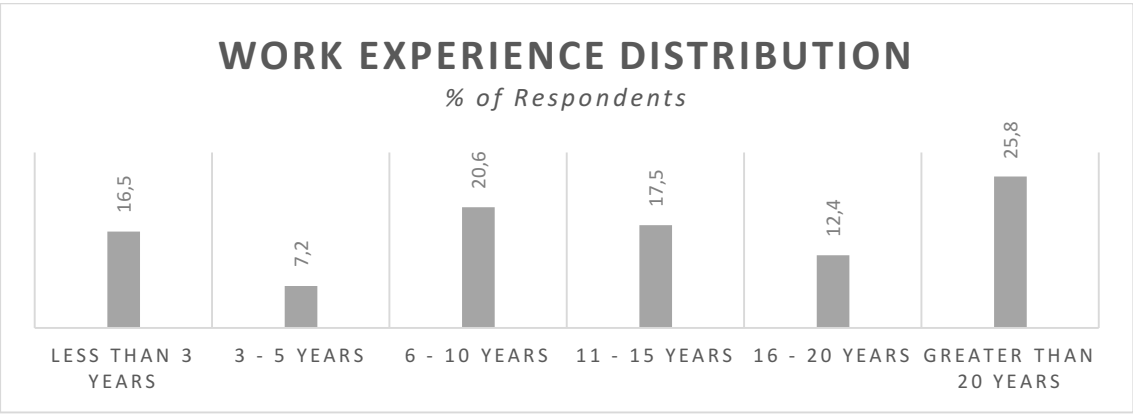
Figure 8: Highest qualification distribution



5.4.5. Work Experience

Work experience data for the current company is indicated in the following table. More than half the respondents indicated work experience of greater than 10 years at their company with just over a quarter of respondents reporting greater than 20 years’ experience.

Figure 9: Work experience distribution

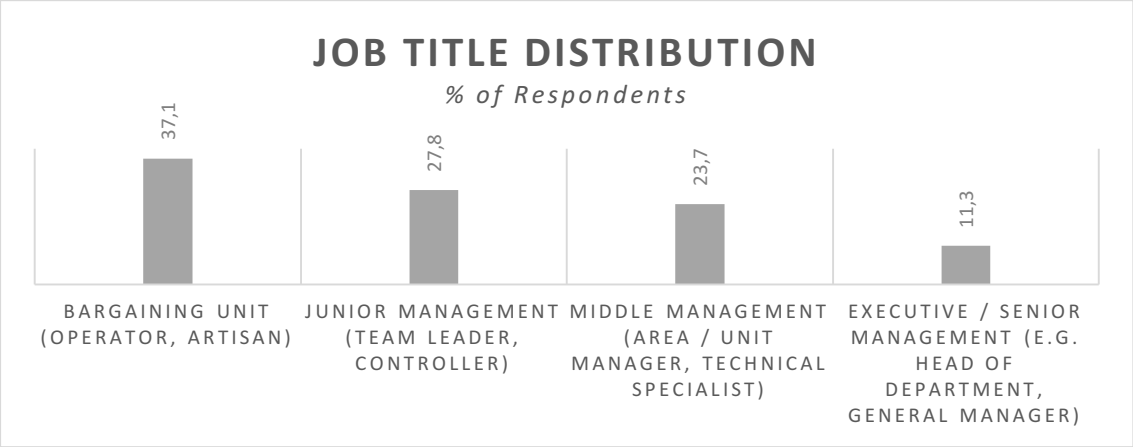


5.4.6. Job title

The majority of respondents were employed in lower level positions within the company and identified as being part of the bargaining unit. Senior management

was represented at a lower ratio. These results are expected due to the hierarchical structure of the company in which there will be greater number of lower level positions and a statistically significant sample should reflect this same composition.

Figure 10: Job title distribution



5.4.7. Summary and Differences in demographic responses

The main purpose of this study was to examine various relationships between leadership behaviours, employee engagement and performance management perceptions and not to understand how demographics impact these variables. The sample described in this section represents an even spread between different demographic groups. In order to determine whether any demographic differences could influence the results of this study one-way analysis of variance (ANOVA) tests were performed for the main constructs in this study using demographics as the independent variables. The detailed SPSS outputs for this analysis is presented in Appendix B.

In Table 11 below the results of the ANOVA analysis completed using SPSS is illustrated indicating that none of the constructs showed significant differences between gender, ethnic, and highest qualification categories at a 95% confidence level as all p-values are greater than 0.05. With the imbalanced gender profile of the sample, these results indicate that there should be no biased in the reported results.

Table 11: ANOVA analysis results for Gender, Ethnicity and highest Qualification variables

	Gender		Ethnicity		Qualifications	
	F	Sig	F	Sig	F	Sig
Idealised Attributes	.018	.892	.501	.682	.926	.453
Idealised Behaviours	.145	.704	.381	.767	1.415	.235
Inspirational Motivation	.937	.336	1.379	.254	.922	.455
Intellectual Stimulation	.650	.422	.554	.647	1.397	.241
Individual Consideration	.416	.521	.539	.657	.462	.763
Contingent Reward	.634	.428	.077	.972	.639	.636
MBE Active	.680	.412	.982	.405	.482	.749
MBE Passive	.000	.998	.389	.761	1.361	.254
Laissez-Faire	.439	.509	.404	.750	.615	.653
Charisma	.280	.598	.694	.558	1.150	.338
Transformational	.000	.992	.547	.651	1.021	.401
Transactional	1.228	.271	.559	.643	.555	.696
Passive-Avoidant	.179	.673	.503	.681	.861	.491
Performance Management	.104	.747	.769	.514	.095	.984
Engagement	.019	.889	.107	.956	.345	.847

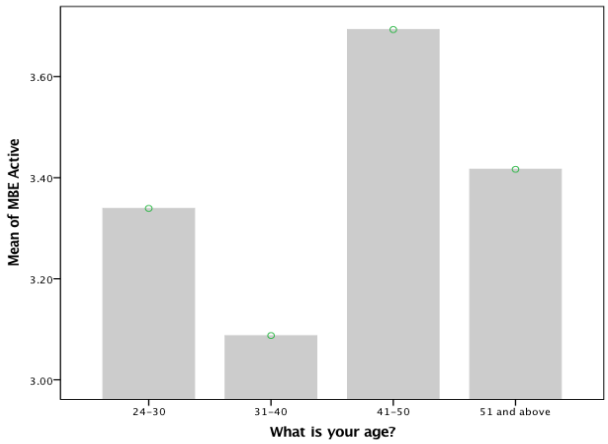
As can be seen in Table 12 below some significant differences were found for age, work experience, job title, and site demographic variables.

Table 12: ANOVA analysis results for Age, Work Experience, Job Title and Site demographic variables

	Age		Work Experience		Job Title		Site	
	F	Sig	F	Sig	F	Sig	F	Sig
Idealised Attributes	.819	.486	1.726	.136	1.316	.274	.388	.679
Idealised Behaviours	1.219	.307	1.707	.141	1.643	.185	.278	.758
Inspirational Motivation	.608	.611	1.218	.307	.644	.589	1.236	.295
Intellectual Stimulation	1.774	.158	1.310	.267	.082	.970	1.840	.164
Individual Consideration	1.111	.349	2.038	.081	1.077	.363	.547	.580
Contingent Reward	2.077	.109	2.269	.054	1.246	.298	.154	.858
MBE Active	3.624	**.016**	1.574	.175	.851	.470	2.297	.106
MBE Passive	1.109	.349	1.515	.193	1.531	.212	1.329	.270
Laissez-Faire	.650	.585	1.478	.205	.457	.713	.456	.635
Charisma	.947	.421	1.677	.148	1.250	.296	.593	.555
Transformational	1.187	.319	1.739	.134	.804	.495	.363	.697
Transactional	3.007	**.034**	3.684	**.004**	.874	.458	.473	.625
Passive-Avoidant	1.125	.343	1.560	.179	1.093	.356	.961	.386
Performance Management	.557	.645	.355	.878	1.060	.370	.499	.609
Engagement	1.315	.274	.654	.659	2.981	**.035**	3.963	**.022**

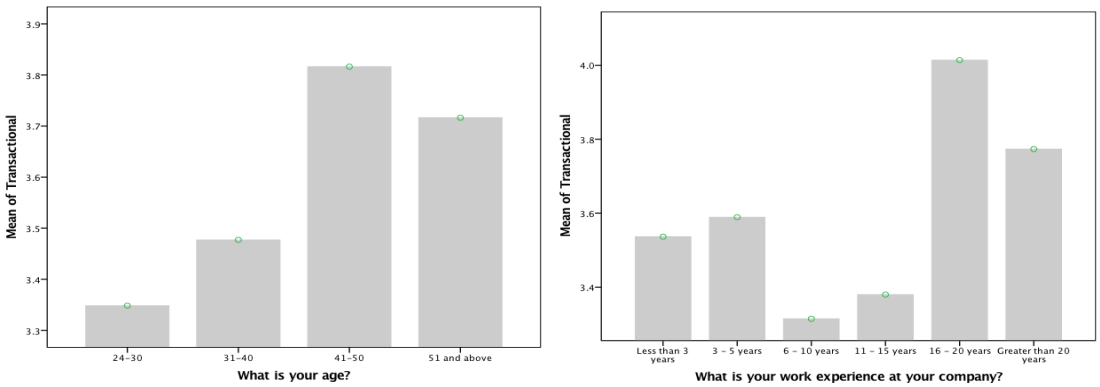
The Active-Management-by-Exception construct indicated significant differences between at least one of the age categories. A Tukey post-hoc analysis was done using SPSS once the assumption of equal variances was confirmed. This highlighted that the differences between the 31-40 and the 41-50 age group was significant. With the 31-40 age group having the largest representation in this study it should be noted that the active management-by-exception construct may be under-stated in this study and in so doing the consequent higher-order construct of transactional leadership. The reported means per age group are illustrated graphically in Figure 11 below.

Figure 11: Plot of means for the MBE Active construct dependant on age group



The transactional leadership construct showed significant differences for age group as well as work experiences. The reported means of transactional leadership per age group as well as per work experience category are displayed graphically in the figures shown below.

Figure 12: Plot of means of transactional leadership construct dependant on age (left) and work experience (right).

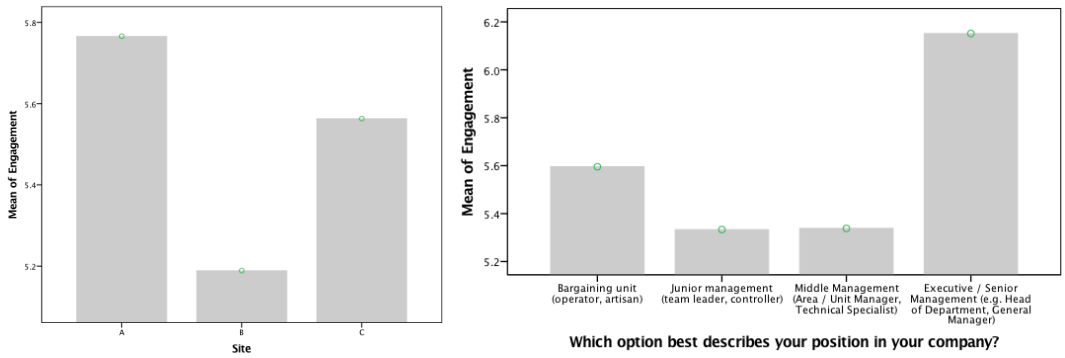


For both age and work experience it was found that older age groups as well as those with greater work experience reported greater perceptions of transactional leadership styles. In the case of work experience, no single group is significantly over represented thus this should not have a significant bearing on the results of this study. The 16-20 year work experience reported significantly greater levels of transactional leadership than the 6-10 year group.

In the case of age groups, however, the 31-40 age group does contain more than twice as many respondents as the other age groups. For this relationship a Welch F-test and a Games-Howell post-hoc analysis was completed due to the Levene statistic revealing that the assumption of equal variances was violated ($p = 0.008$). This indicated that there were no significant differences, at a 95% confidence interval, between any paired age-groups as the p-value for the Welch F-test statistic was 0.057. Additionally, the post-hoc analysis did not yield any significant relationships between the different age-groups. For this reason, it is assumed that age will not have a bearing on the reported transactional leadership results of this study.

The engagement construct showed that significant differences were reported for job title as well as production site demographic variables. The figures below graphically indicate the means as a function of each category.

Figure 13: Means plot for engagement as a function of different production site (left) and job title (right)



A Tukey-HSD Post-hoc analysis using SPSS indicated significantly greater engagement for Site A compared to Site B as well as for executive and senior management positions in comparison to junior and middle management positions. The executive / senior management category contains the smallest fraction of responses so this difference should not have a bearing on the

outcomes of the study but this will be taken into consideration for the analysis of results.

Site A, however, had the greatest number of respondents and analysis of results pertaining to the engagement construct should take into account differences in location of samples as each production site would have different management teams and likely also different management systems. It should be noted however that there were no significant differences in reported perceptions of leadership style constructs between different production sites which tends to indicate other factors causing the difference in self-reported employee engagement between these production sites. This is however not the focus of this study.

5.5. Descriptive Statistics

The nine items from the Utrecht Engagement scale, the five items from the performance management scale as well as the 46 items from the Multifactor Leadership Questionnaire were all summarised into their corresponding constructs by averaging the relevant items. The descriptive statistics for all the measured constructs is provided in Table 13. Lower order constructs are presented followed by the higher order constructs that they represent. All scales were reported on a range of one to five with the exception of the engagement scale that was reported on a scale of one through to seven.

Values of the skewness statistic of between negative and positive one are typically acceptable for an assumption of normality in the data (Wegner, 2014 p. 83). Most constructs have negative skewness statistics indicating negative skew on data and tails towards lower values. High values of the skewness statistic are concerning for the passive-avoidant leadership construct which indicate skewness and potential deviation from normality for this construct which could undermine the assumptions for linear regression. Negative skewness is also a slight concern for the performance management construct however this is within acceptable limits to satisfy the assumption of normality.

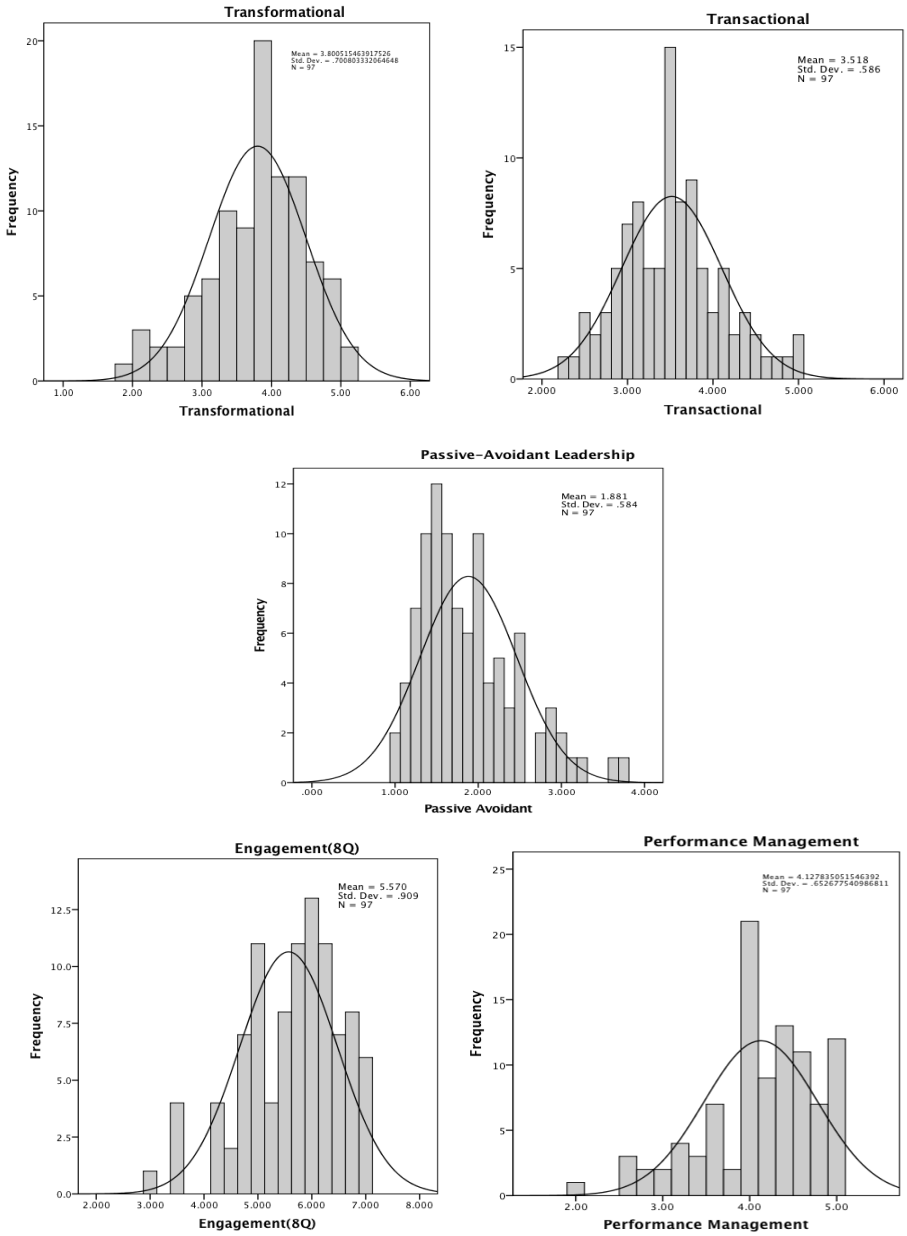
Table 13: Descriptive statistics summarising results for research constructs. Standard error on the skewness statistic was 0.245 and on the Kurtosis statistic it was 0.485.

	Mean Statistic	Minimum Statistic	Maximum Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
Idealised Attributes	*3.866*	*1.000*	*5.000*	*0.822*	*-0.844*	*0.750*
Idealised Behaviours	*3.845*	*1.500*	*5.000*	*0.762*	*-0.688*	*0.406*
Inspirational Motivation	*3.977*	*1.500*	*5.000*	*0.794*	*-0.766*	*0.323*
Charisma	3.899	1.818	5.000	0.736	-0.759	0.359
Intellectual Stimulation	*3.698*	*1.500*	*5.000*	*0.755*	*-0.549*	*0.138*
Individual Consideration	*3.616*	*1.750*	*5.000*	*0.803*	*-0.267*	*-0.345*
Transformational	**3.801**	**1.983**	**5.000**	**0.701**	**-0.592**	**0.174**
Contingent Reward	*3.704*	*2.000*	*5.000*	*0.710*	*-0.253*	*-0.268*
MBE Active	*3.332*	*1.500*	*5.000*	*0.734*	*0.160*	*0.099*
Transactional	**3.518**	**2.250**	**5.000**	**0.586**	**0.329**	**0.030**
MBE Passive	*2.039*	*1.000*	*4.000*	*0.599*	*0.775*	*0.563*
Laissez-Faire	*1.724*	*1.000*	*4.250*	*0.749*	*1.206*	*1.061*
Passive-Avoidant	**1.881**	**1.000**	**3.750**	**0.584**	**0.986**	**0.746**
Engagement(8Q)	**5.570**	**3.000**	**7.000**	**0.909**	**-0.648**	**0.053**
Performance Management	**4.128**	**2.000**	**5.000**	**0.653**	**-0.837**	**0.550**

Higher values for kurtosis indicate a leptokurtic distribution and could represent a deviation from normality. Typically values for the kurtosis statistic in excess of 2.5 times the standard error indicates a departure from normality (Morgan & Griego, 1998 p. 49). With the reported standard error of 0,485 all kurtosis statistics are within acceptable limits.

The distributions for the primary higher order constructs measured in this study are also presented graphically below. These representations confirm that the assumption of normality is justified with no major skew or kurtosis evident for either of the constructs.

Figure 14: Histograms indicating the frequency distributions for the primary higher order constructs measured in this study



5.6. Hypothesis Tests

All hypothesis tests are described in the following sections. For each of the tests Spearman correlations were completed followed by linear regression to better describe the relationship between the variables. For regression there are five underlying assumptions which need to be satisfied: a linear relationship between the variables; normality; absence of multi-collinearity; and absence of auto-correlation and homoscedasticity. Linearity is assumed and will be evident with

the co-variance results reported for each model. The assumption of normality was confirmed with the descriptive statistics discussed in the previous sections. The other assumptions will be tested separately for each model with data provided in Appendix C.

5.6.1. Hypothesis 1

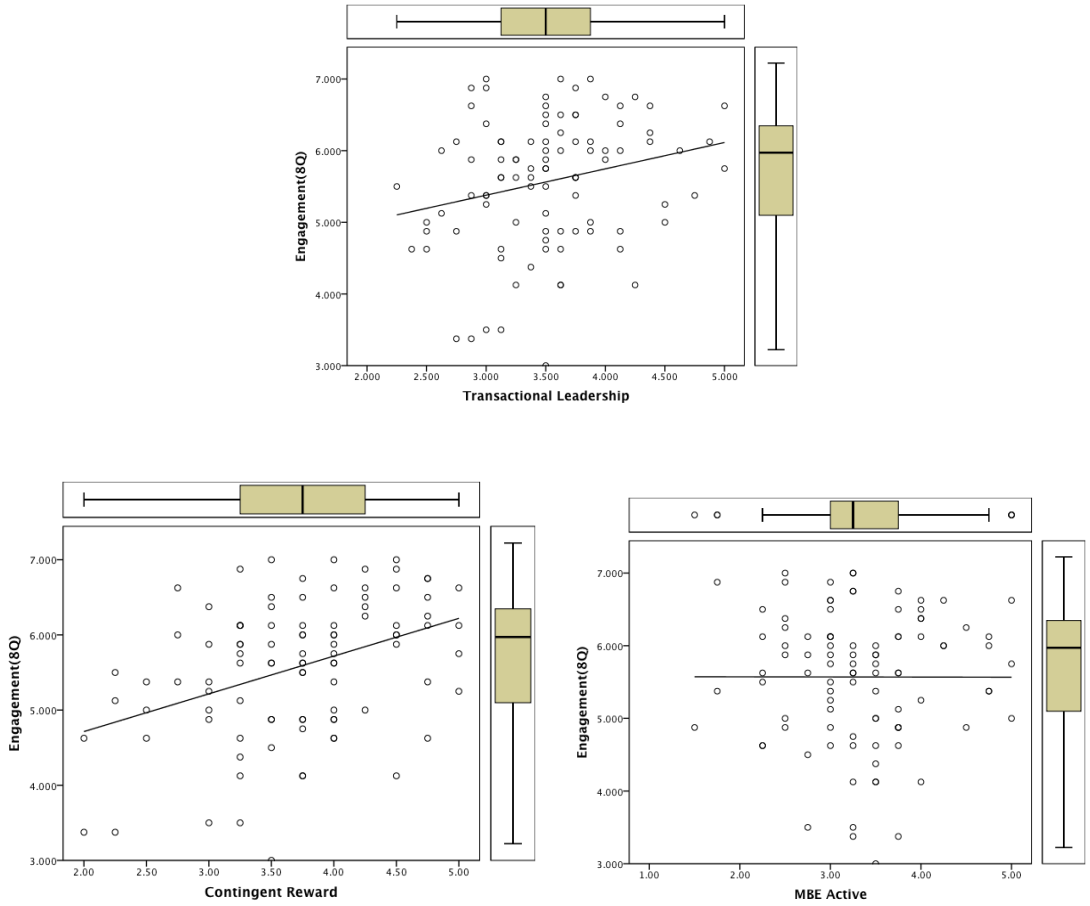
The first hypothesis defined in Chapter 3 is shown below.

> ***H1**: Transactional leadership is positively related to employee engagement*
>
> > ***H1A**: Contingent reward is positively related to employee engagement*
> >
> > ***H1B**: Management by exception is not related to employee engagement*

The aim was therefore to describe the relationship between the transactional leadership construct and that of employee engagement; as well as the lower order constructs of transactional leadership, namely contingent reward and active management by exception.

Firstly, the relationship between the primary constructs was examined visually to determine basis for linearity. These plots are presented in Figure 15. Some linearity is illustrated in the data and a positive relationship is evident for transactional leadership as well the dimension of contingent reward. There does not appear to be any relationship between active management by exception and employee engagement.

Figure 15: Scatterplot of Engagement as a function of transactional leadership constructs with a linear fit line



The correlations between these constructs were tested using Spearman's Correlation coefficient in SPSS. These results are displayed in Table 14 below.

Table 14: Spearman correlations for transactional leadership constructs and employee engagement

	Contingent Reward	MBE Active	Transactional Leadership	Engagement
Contingent Reward	1.000			
MBE Active	.303**	1.000		
Transactional Leadership	.787**	.793**	1.000	
Engagement	.371**	-.017	.238*	1.000
**. Correlation is significant at the 0.01 level (2-tailed).				
*. Correlation is significant at the 0.05 level (2-tailed).				

The correlations shown above indicate that there is a weak positive correlation between transactional leadership and employee engagement of 0.238 significant at a 95% confidence level. This lends support to hypothesis H1. Additionally,

there is a moderately strong positive correlation (r_s = 0.371) between the contingent reward construct and employee engagement that is significant at the $p < 0.01$ level. This lends support to hypothesis H1a. However, no significant correlation between active management by exception and employee engagement was evident. This once again supports hypothesis H1B.

Regression analysis was performed to further analyse the relationship between transactional leadership, its lower order constructs, and employee engagement. The regression model results are displayed in the following table with detailed outputs from SPSS as well tests for presence of multi-collinearity and homoscedasticity provided in Appendix C.

Table 15: Regression results for hypothesis 1

MODEL	R	R^2	F	SIG	B	STD BETA	95.0% CONFIDENCE INTERVAL FOR B	
							Lower Bound	Upper Bound
1.TRANSACTIONAL LEADERSHIP	0,237	0,056	5,645	0,020	0,367	0,237	0,06	0,674
2. CONTINGENT REWARD	0,392	0,154	17,27	0,000	0,502	0,392	0,262	0,742
3. MBEA	0,001	0,000	0,000	0,989	-0,002	-0,001	-0,254	0,251

The regression results confirm significant relationships between the employee engagement dependant variable and independent variables of transactional leadership and contingent reward respectively.

Firstly, the regression model with transactional leadership as the independent variable has results of $F(1,95) = 5,654$, $p < 0.05$ has a R^2 value of 0.056 indicating it explains a small amount of variance in employee engagement.

The R^2 value for the model with contingent reward as the independent variable improved to 0.154 explaining a greater amount of variance in the employee engagement construct. Additionally, through regression it is confirmed that there is no significant relationship between the active management by exception variable and employee engagement: $F(1,95) = 0$, $p = 0.989$, $R^2 = 0$.

In summary all elements of hypothesis H1 are supported based on the correlation and regression analysis that was completed.

5.6.2. Hypothesis 2

The second hypothesis defined in Chapter 3 is provided below.

> ***H2**: Transformational leadership is positively related to employee engagement*
>
> > ***H2A**: There is a difference between the individual and group focused dimensions of transformational leadership respectively and employee engagement*

To test this hypothesis, the relationship between transformational leadership and employee engagement needs to be described as well as between employee engagement and the lower order constructs of transformational leadership.

The relationship between the transformational leadership dimensions and engagement is visually displayed in Figure 16. The graphs show evidence for linearity that is required for regression to proceed. In addition, in all cases a linear fit line has a positive gradient suggesting a positive correlation between employee engagement and transformational leadership dimensions.

To confirm the positive relationships seen graphically, Spearman correlation coefficients were calculated and are presented in Table 16 below. All relationships show a significant positive correlation with $p < 0.01$ with the exception of Individual Consideration and Engagement, where there is still significance at the 95% level.

The correlations presented above lend support for hypothesis H2 in that there is a significant correlation between transformational leadership and employee engagement as well as between the lower order transformational leadership constructs and employee engagement. Correlation strengths vary from weak to moderate. There is, however, also collinearity between the dimensions of transformational leadership as all indicate strong correlations with $r_s > 0.6$. This

indicates that it is unlikely that there will be statistically significant differences in their relationship with employee engagement.

Figure 16: Scatterplots of engagement as a function of transformational leadership dimensions with linear fitted line

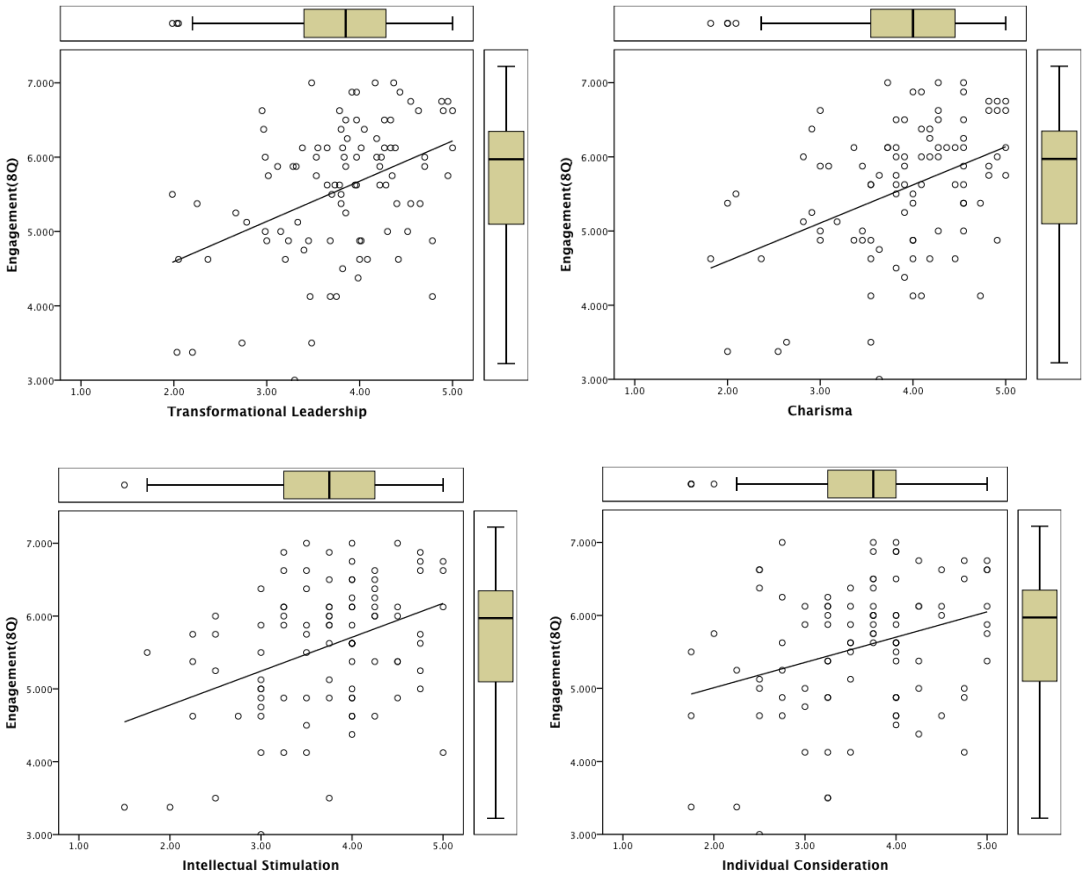


Table 16: Spearman correlation coefficients for transformational leadership constructs and employee engagement

	Charisma	Intellectual Stimulation	Individual Consideration	Transformational Leadership	Engagement
Charisma	1.000				
Intellectual Stimulation	.771**	1.000			
Individual Consideration	.748**	.696**	1.000		
Transformational Leadership	.966**	.864**	.855**	1.000	
Engagement	.405**	.338**	.253*	.376**	1.000
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Regression analysis was completed to further analyse the relationship between these constructs and employee engagement. The results are displayed below in

Table 17. The detailed outputs from SPSS as well tests for presence of multi-collinearity and homoscedasticity provided in Appendix C.

Table 17: Regression outputs for hypothesis 2 showing the results of linear modelling between transformational leadership dimensions and employee engagement

MODEL	R	R^2	df1	df2	F	SIG	B	STD BETA	95.0% CONFIDENCE INTERVAL FOR B	
									Lower Bound	Upper Bound
1.TRANSFORMATI-ONAL	0,42	0,17	1	95	20,06	0,000	0,54	0,42	0,302	0,782
2. CHARISMA	0,42	0,17	1	95	19,88	0,000	0,51	0,42	0,285	0,743
3. INTELLECTUAL STIMULATION	0,39	0,15	1	95	16,69	0,000	0,47	0,39	0,239	0,691
4. INDIVIDUAL CONSIDERATION	0,31	0,094	1	95	9,81	0,002	0,35	0,31	0,127	0,566

Each of the individual regression models were significant at $p < 0.001$ with the exception of individual consideration which was significant at $p < 0.01$. The regression results above confirm that there is a significant positive relationship between transformational leadership as well as its constituent constructs and employee engagement and thus that positive increases in transformational leadership will result in an increase in employee engagement. Transformational leadership however only accounts for 17.4% of the variance in the employee engagement construct. This is consistent with previous studies. Babcock-Roberson & Strickland (2010) developed a regression model between transformational leadership and work engagement using similar scales which yielded $\beta = 0.4$, $p < 0.01$ and $R^2 = 0.16$

The assumptions of normality for the above constructs was confirmed with the P-P plot of the standardised residuals. In addition, scatterplots of the predicted residuals against the standardised residuals confirms the assumptions of homoscedasticity. This indicates that valid inferences may be made from the coefficients in the regression equations.

In order to test the hypothesis for significant differences between the individual and group focused aspects of transformational leadership a multiple regression model was computed using SPSS. The model is summarised in Table 18.

Table 18: Regression model to test for significant differences between the lower order constructs of transformational leadership and their impact on employee engagement

	R	R^2	df1	df2	F	SIG	STD BETA	95.0% CONFIDENCE INTERVAL FOR B		VIF
								Lower Bound	Upper Bound	
MODEL SUMMARY	**0,43**	**0,186**	**3**	**93**	**7,09**	**0,000**				
CHARISMA						0,047	0,338	0,006	0,83	3,22
INTELLECTUAL STIMULATION						0,227	0,19	-0,145	0,603	2,79
INDIVIDUAL CONSIDERATION						0,556	-0,091	-0,448	0,243	2,70

The regression results indicate that the overall model is significant at $p < 0.001$. However, only the Charisma variable which encompasses the group directed elements of transformational leadership is significant within the model. Variance inflation factors are all within limits as they are all less than 10 which is acceptable (Stevens, 2009 p. 75). Despite this, correlations between the terms are high and greater than 0.6 in all cases and it is likely that collinearity interactions are a problem. The fact that the other variables are not significant predictors and the predicted overlap of their coefficients indicates that there is no significant difference between the individual and group focused dimensions of transformational leadership. Thus, hypothesis 2A is not supported.

In summary the regression outputs confirm that transformational leadership does have a positive relationship with employee engagement to support hypothesis 2. However, no significant differences could be found between the different dimensions of transformational leadership to support hypothesis 2A.

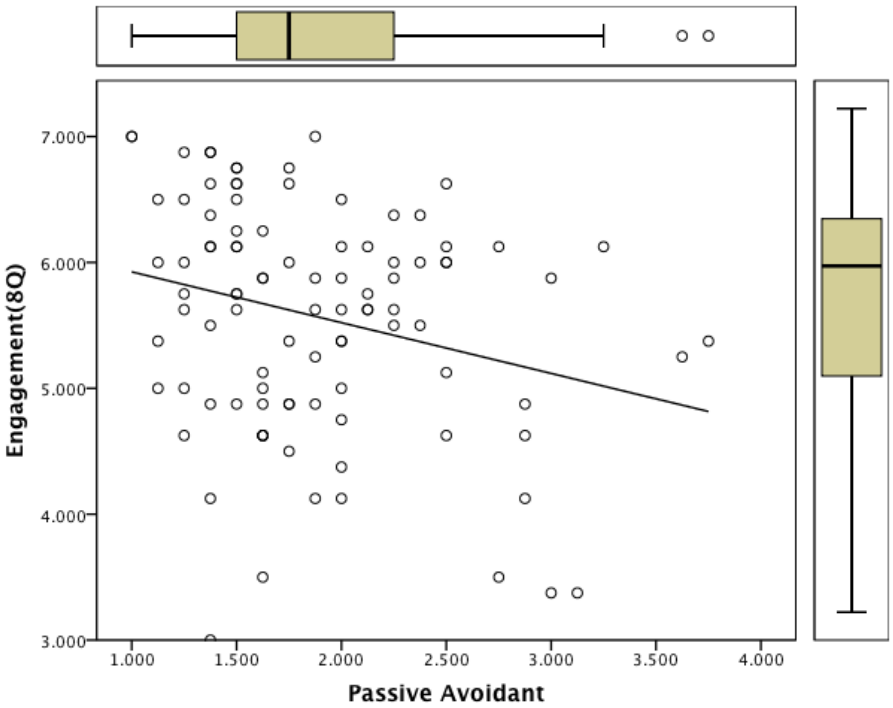
5.6.3. Hypothesis 3

The third hypothesis as presented in Chapter 3 is shown below.

> ***H3****: Passive-avoidant leadership behaviours are negatively related to employee engagement*

The relationship between passive-avoidant leadership and employee engagement is visually displayed in Figure 17. It shows what appears to be a negative relationship due to the downward sloping linear fitted curve.

Figure 17: Scatterplot of engagement as a function of passive-avoidant leadership behaviours with a linear curve fitted



The relationship visually depicted above is analysed using Spearman's correlation coefficient with results displayed in Table 19 below. There is a weak negative correlation of -0.253, significant at the 95% confidence level.

Table 19: Spearman's correlation coefficient between passive-avoidant leadership behaviours and employee engagement

	Passive-Avoidant	**Engagement(8Q)**
Passive-Avoidant	1.000	
Engagement(8Q)	-.253*	1.000
* Correlation is significant at the 0.05 level (2-tailed).		

Linear regression was performed to further describe the relationship between passive-avoidant leadership behaviours and engagement and the results are displayed in Table 20. Once again the detailed outputs from SPSS as well tests for presence of multi-collinearity and homoscedasticity are provided in Appendix C.

Table 20: Regression outputs for hypothesis 3 with passive-avoidant leadership as the independent variable and engagement as the dependant variable

INDEPENDENT VARIABLE	R	R^2	F	SIG	B	STD BETA	95.0% CONFIDENCE INTERVAL FOR B	
							Lower Bound	Upper Bound
PASSIVE-AVOIDANT	0,259	0,067	6,832	0,010	-0,403	-0,259	-0,71	-0,097

The regression model is significant at the 95% confidence level. The model only explains 6,7% in the variance of employee engagement as evident in the R^2 value but does indicate a negative coefficient value ($R^2 = 0.067$, $\beta = -0.259$, $p < 0.05$). Thus an increase in passive-avoidant leadership style is likely to result in a reduction in employee engagement.

Hypothesis 4 is therefore accepted as there is a statistically significant negative relationship between passive-avoidant leadership behaviours and employee engagement.

5.6.4. Hypothesis 4

The fourth hypothesis as presented in Chapter 3 is shown below.

> ***H4****: Employee perceptions of performance management is positively related to employee engagement*

The relationship between employee engagement and performance management was first analysed visually using the scatterplot displayed in Figure 18. The relationship shows some linearity to allow regression and also indicates that a positive relationship is expected.

In order to test this hypothesis the correlation between the two variables was calculated using SPSS with the results displayed in Table 21 below. A moderate positive correlation (significant, $p < 0.01$) was found between performance management and employee engagement.

Figure 18: Scatterplot of engagement as a function of performance management with linear curve fitted

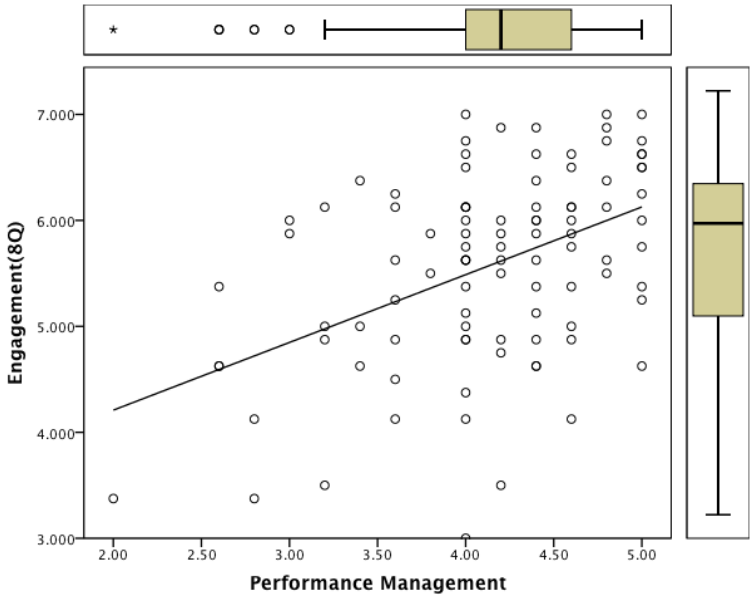


Table 21: Spearman correlation coefficients for perceptions of performance management and employee engagement constructs

	Performance Management	Engagement
Performance Management	1.000	
Engagement	.406**	1.000
**. Correlation is significant at the 0.01 level (2-tailed).		

The two variables were also entered into a regression model with results as displayed below in Table 22. The detailed outputs from SPSS as well tests for presence of multi-collinearity and homoscedasticity provided in Appendix C.

Table 22: Regression outputs for hypothesis 3 showing the relationship between performance management and employee engagement

INDEPENDENT VARIABLE	R	R^2	F	SIG	B	STD BETA	95.0% CONFIDENCE INTERVAL FOR B	
							Lower Bound	Upper Bound
PERFORMANCE MANAGEMNT	0,459	0,211	25,33	0,000	0,639	0,459	0,387	0,891

The regression model for performance management and employee engagement was significant ($p < 0.001$) and also confirmed the positive relationship between performance management and employee engagement. The model had a R^2 value of 0,211 indicating that perceptions of performance management explained 21.1% of the variance in the employee engagement construct.

Hypothesis 4 is thus accepted as there is a statistically significant positive relationship between employee perceptions of performance management and employee engagement.

5.6.5. Hypothesis 5

The fifth hypothesis presented in Chapter 3 is shown below.

> ***H5**: Transformational and transactional leadership is positively related to performance management*
>
> > ***H5A**: There is a difference between the relationship of transformational and transactional leadership with performance management*
> >
> > ***H5B**: There is a negative relationship between passive-avoidant leadership behaviours and performance management*

The relationship between these leadership constructs and performance management is examined visually in Figure 19. For the first two graphs the relationship appears to be positively linear with a much tighter fit for transformational leadership than transactional leadership. In the case of passive-avoidant leadership behaviours the relationship appears to be negatively linear.

Correlation coefficients calculated for the leadership constructs and performance management are displayed in Table 23. Transformational leadership has a strong positive correlation with employee experiences of performance management (r_s=0.626, $p < 0.01$). Transformational leadership has a moderate positive relationship with performance management experiences (r_s = 0.332, $p < 0.01$). This provides some justification for hypothesis 5. A moderate negative correlation exists between passive-avoidant leadership and experiences of performance management (r_s = -0.369, $p < 0.01$) which supports hypothesis 5B. A moderate

to strong positive correlation exists between transformational and transactional leadership which may indicate potential multicollinearity concerns for a regression model and also may indicate that hypothesis 5B is not supported.

Figure 19: Scatterplot of the relationship between performance management and transformational leadership (top left), transactional leadership (top right) and passive-avoidant leadership behaviours (bottom-

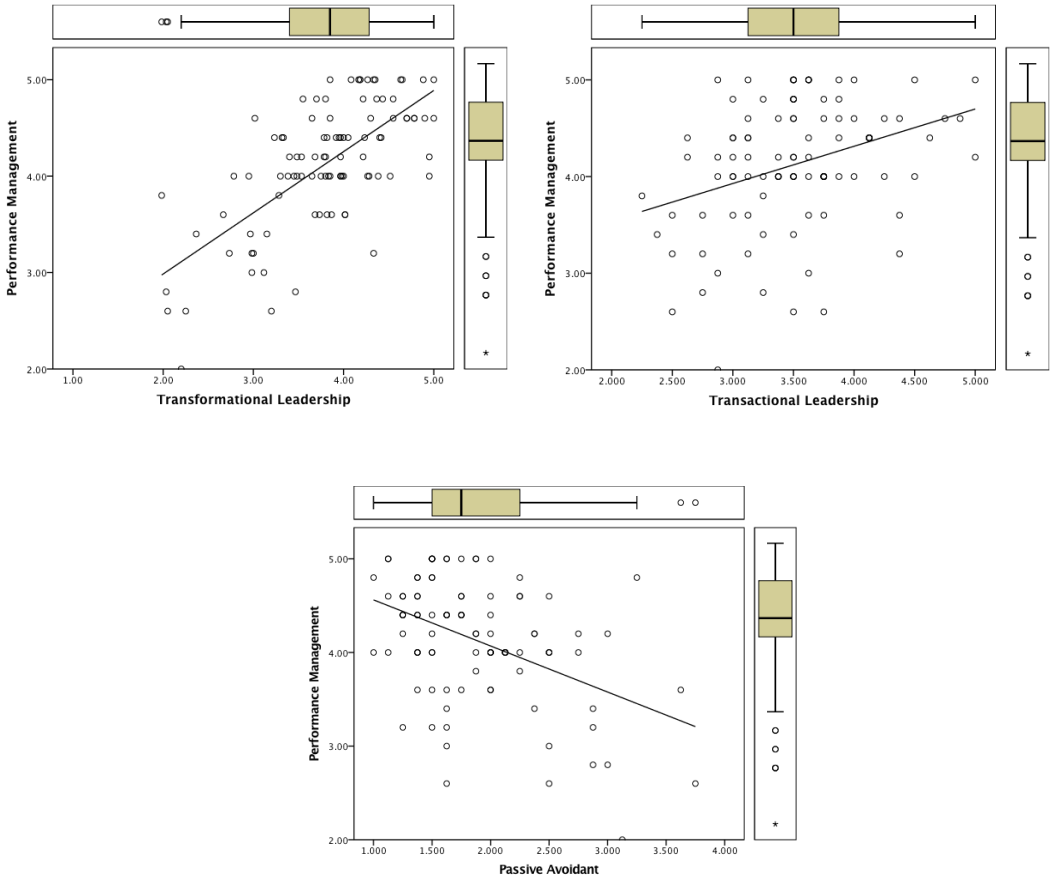


Table 23: Spearman correlations for leadership constructs and performance management

	Transformational Leadership	Transactional Leadership	Passive-Avoidant	Performance Management
Transformational Leadership	1.000			
Transactional Leadership	0.556**	1.000		
Passive-Avoidant	-0.409**	-0.234*	1.000	
Performance Management	0.626**	0.332**	-0.369**	1.000
** Correlation is significant at the 0.01 level (2-tailed).				
* Correlation is significant at the 0.05 level (2-tailed).				

Regression analysis was performed for all three leadership constructs respectively as the independent variables with performance management as the

dependant variable. These results are displayed in the table below with significant positive relationships evident in all three cases. The detailed outputs from SPSS as well tests for presence of multi-collinearity and homoscedasticity provided in Appendix C.

Table 24: Regression summary for transformational and transactional leadership respectively regressed on Performance Management

MODEL	R	R^2	F	SIG	B	STD BETA	95.0% CONFIDENCE INTERVAL FOR B	
							Lower Bound	Upper Bound
1. TRANSFORMATIONAL	0,68	0,46	82,3	0,000	0,64	0,68	0,496	0,773
2. TRANSACTIONAL	0,34	0,12	12,9	0,001	0,39	0,35	0,172	0,598
3. PASSIVE-AVOIDANT	0,44	0,19	22,8	0,000	-0,49	-0,44	-0,696	-0,288

The above therefore confirms hypothesis 5: there is a positive relationship between transactional and transformational leadership constructs and performance management. Transformational leadership has a strong positive relationship with performance management as evident with the considerably greater fit with R^2 = 0.464 as well as the greater Beta value of 0.653. Transactional leadership also has a positive relationship with experiences of performance management however it explains a lesser amount of variance in the dependant variable with R^2 = 0.12 and with Beta = 0.35 a lesser proportionate change in experience of performance management is expected for changes in transactional leadership.

In order to confirm whether transformational or transactional leadership has a greater effect on performance management multiple regression was performed with the inclusion of both variables in the regression equation. These results are displayed below in Table 25 with detailed outputs from SPSS in Appendix C.

Table 25: Multiple regression model for performance management with transactional and transformational leadership as dependant variables

	R	R^2	df 1	df 2	F	SIG	B	STD ERROR	STD BETA	95.0% CONFIDENCE INTERVAL FOR B		VIF
										Lower Bound	Upper Bound	
MODEL SUMMARY	0,69	0,47	1	94	41,9	0,000						
TRANSACTIONAL						0,271	-0,12	0,11	-0,104	-0,325	0,092	1,577
TRANSFORMATI-ONAL						0,000	0,69	0,088	0,744	0,519	0,868	1,577

With the inclusion of transformational leadership in the model, transactional leadership has no significant effect on performance management at a 95% level of confidence. Transformational leadership however has a significant effect at $p < 0.001$ and a B coefficient of 0.693. Variance inflation factors are within acceptable limits as they are all less than 10 (Stevens, 2009 p. 75), indicating the model should be valid despite the concerns of multicollinearity due to moderate correlation between the two leadership constructs. The much greater standardised Beta coefficient value for transformational leadership suggests that it has a greater impact on performance management than transactional leadership does, thus, lending support to Hypothesis 5A.

The regression results shown in Table 24 also indicate a significant model at $p <0.0001$, $R^2 = 0.194$, and B = -0.492. This indicates that a statistically significant negative relationship exists between passive-avoidant leadership behaviours and employee engagement. Thus, hypothesis 5B is accepted.

5.6.6. Hypothesis 6

The sixth hypothesis presented in Chapter 3 is presented below.

> ***H6****: Transactional leadership moderates the performance management and employee engagement relationship*

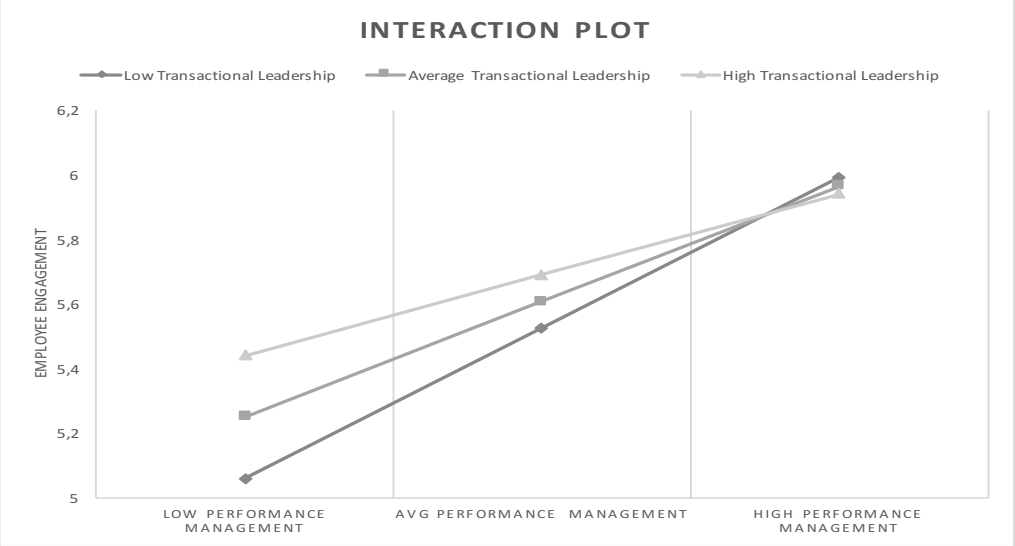
To test this hypothesis the methods to test for moderation as described by Hayes (2013, p244) are employed along with an Ordinary Least Squares based regression approach add-in for SPSS named PROCESS. The test for moderation requires a hierarchical multiple regression approach. In the first step both the dependant and the moderator variable are included. Next an interaction term between the dependant variable and the moderator is added to the regression model. The interaction term is calculated as the product of the independent and moderator variable. SPSS outputs for this hypothesis test is presented in Appendix D.

The transactional and performance management variables accounted for a significant amount of variance in employee engagement with $R^2 = 0.217$, $F(2,94) = 13.062$, $p < 0.001$.

The inclusion of the interaction term in the regression model also showed significance: $R^2 = 0.230$, $F(3,93) = 9.247$, $p < 0.001$. There was, however, no significant increase in the variance explained by the model with the inclusion of the interaction term: $\Delta R^2 = 0.012$, $\Delta F(1,93) = 1.484$, $p > 0.05$. This indicates that there is no statistical evidence of transactional leadership moderating the performance management and employee engagement relationship.

The interaction between transactional leadership and performance management to influence employee engagement is displayed graphically in Figure 20.

Figure 20: Interaction plot indicating the ranges of employee engagement responses for different degrees of transactional leadership and performance management. Low and high is defined as one standard deviation from the mean.



Based on the interaction plot there appears to be visual confirmation of a partial moderation. For poor experiences of performance management (i.e. low performance management), greater degree of transactional leadership has a greater effect on employee engagement. However, there is no practical difference between engagement for high levels of performance management experiences, for different levels of transactional leadership. There is, however, no statistical significance in this relationship and therefore hypothesis 6 is rejected.

5.6.7. Hypothesis 7

The seventh hypothesis presented in Chapter 3 is presented below.

> ***H7**: Transformational leadership moderates the performance management and employee engagement relationship*

In order to test for a moderation relationship between transformational leadership, performance management and employee engagement the same process described in the previous section was respected. A hierarchical regression approached was followed where first the transformational leadership and performance management variables were entered into the regression equation with employee engagement as the dependant variable. An interaction term generated as the product of the two independent variables was then entered into the regression equation to determine if there was a significant improvement in the variance explained by the model. The SPSS output for this analysis is provided in Appendix E.

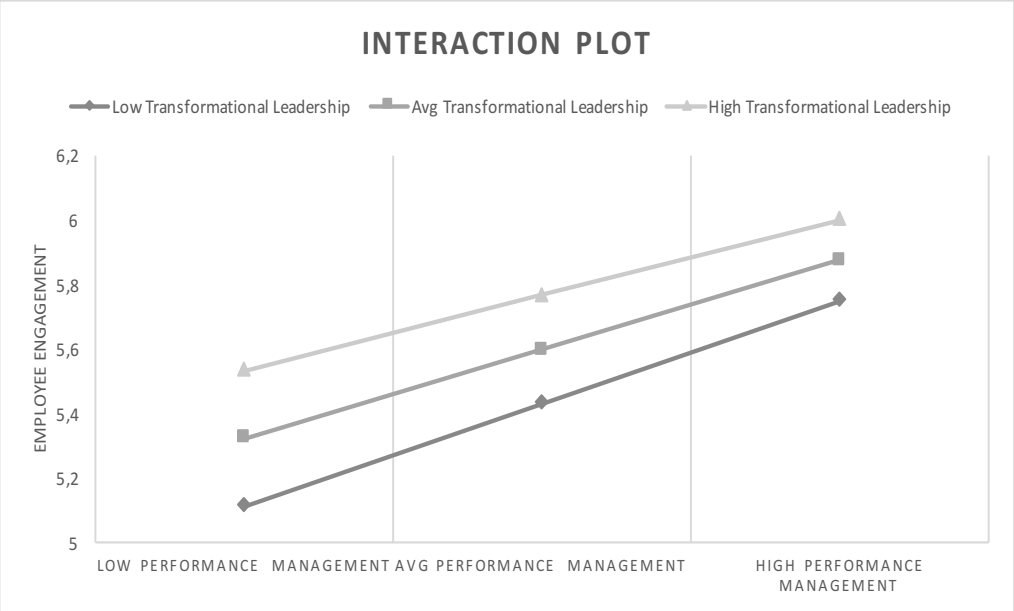
The transformational leadership and performance management model accounted for a significant amount of variance in the employee engagement construct: $R^2 = 0.231$, $F(2,94) = 14.124$, $p < 0.001$. Similarly, the model that included the interaction term accounted for a significant amount of variance in the employee engagement construct: $R^2 = 0.234$, $F(3,93) = 9.463$, $p < 0.001$. There was no significant improvement in the model fit, however, with the inclusion of the interaction term: $\Delta R^2 = 0.003$, $\Delta F(1,93) = 0.339$, $p > 0.05$.

The above indicates that there is not enough evidence to support the hypothesis and therefore transformational leadership does not have a statistically significant moderating effect on the relationship between performance management and employee engagement.

The interaction between these terms is displayed graphically in Figure 21. This shows that as the degree of transformational leadership is increased, and performance management increases, so does employee engagement. The

highest degree of employee engagement is seen where transformational leadership and performance management are both high.

Figure 21: Interaction plot indicating range of employee engagement responses for ranges of performance management and transformational leadership variable values. Low and high is defined as one standard deviation from the mean.



The graph indicates that transformational leadership practically increases the effect of performance management on employee engagement. These effects are likely to be as result of complementary effects of the variable, however, and not a result of moderation as shown statistically.

Thus the interaction plot indicates some relationship between these variables, however, the interaction effects of transformational leadership on moderating the performance management and employee engagement behaviour is not statistically significant and therefore hypothesis 7 is rejected.

5.7. Summary of Results

This chapter described the results of the data collection process. Firstly, the reliability and construct validity of the data collection tool is analysed in order to improve confidence in the results presented.

The demographic data is summarised in order to describe the composition of the sample collected. The primary constructs are also analysed for statistically

significant differences between demographic grouping variables that could potentially impact the reliability or accuracy of the results presented. Significant differences were found reported in engagement between different production sites sampled as well as significantly greater engagement for executive or senior level management positions. No significant differences were reported in leadership constructs between demographic groups

Descriptive statistics for the constructs measured in the study are presented and these are also used to determine a justification for the assumption of normality in the data that was collected. Skewness and kurtosis statistics indicate evidence that the assumption of normality can be justified to allow the use of linear regression in the analysis.

A variety of hypothesis test are then carried out. The results of each of the hypothesis tests are summarised in the table below. These results are further discussed in Chapter 6.

Table 26: Summary of findings from hypothesis tests

	HYPOTHESIS	ACCEPTED?
H1	Transactional leadership is positively related to employee engagement	Yes
H1A	Contingent reward is positively related to employee engagement	Yes
H1B	Management by exception is not related to employee engagement	Yes
H2	Transformational leadership is positively related to employee engagement	Yes
H2A	There is a difference between the individual and group focused dimensions of transformational leadership respectively and employee engagement	No
H3	Passive-avoidant leadership behaviours are negatively related to employee engagement	Yes
H4	Employee perceptions of performance management is positively related to employee engagement	Yes
H5	Transformational and transactional leadership is positively related to performance management	Yes
H5A	There is a difference between the relationship of transformational and transactional leadership with performance management	Yes
H5B	There is negative relationship between passive-avoidant leadership behaviours and performance management	Yes
H6	Transactional leadership moderates the performance management and employee engagement relationship	No
H7	Transformational leadership moderates the performance management and employee engagement relationship	No

Chapter 6. Discussion of Results

6.1. Introduction

This chapter contains a discussion on the results presented in Chapter 5. The discussion is done within the context of the literature review and evaluation that is presented in Chapter 2 as well as the research objectives. Data was collected on different leadership behaviours, employee experiences of performance management, and employee engagement. The main objective of the study was to identify the relationship that exists between the various leadership constructs, employee experiences of performance management and employee engagement. Understanding these relationships should allow an understanding of the organisational practices and systems that may be levered to deliver greater levels of employee engagement which in turn can deliver higher levels of business performance.

6.2. Discussion of Hypothesis 1 Findings – Transactional Leadership and Employee Engagement

Hypothesis 1 related to the proposed relationship that exists between the transactional leadership construct and employee engagement.

***H1**: Transactional leadership is positively related to employee engagement*

H1A: Contingent reward is positively related to employee engagement

H1B: Management by exception is not related to employee engagement

This relationship is of interest as most previous research has focused on the role of transformational leadership and not the role of transactional or passive-avoidant leadership dimensions (Hinkin & Schriesheim, 2008). Transactional leadership has been shown to correlate with follower's work engagement. Specifically, it has been shown that the contingent reward component of transactional leadership correlates with increased work engagement, whereas the active management-by-exception dimension of transactional leadership does not correlate and is thus neither effective nor ineffective (Breevaart et al., 2014).

Transactional leadership has been argued to have a limited effect on enhancing follower's engagement because transactional leaders motivate employee's to get the work done and reward after the fact, which has been shown to negatively impact intrinsic motivation (Tims et al., 2011). Along with passive-avoidant leadership styles, transactional leadership has also been theorised to lack the motivational and inspirational qualities necessary to elicit work engagement. For instance, it has been shown through a causal research design that participants were more likely to leave a group when faced with transactional or passive-avoidant leadership styles in comparison to transformational leadership styles (Van Vugt et al., 2004). This also suggests a poor to no relation could be expected between transactional leadership styles and employee engagement.

The findings of this study indicated a weak, positive and statistically significant correlation between transactional leadership and employee engagement (r_s = 0.238, $p < 0.05$). Regression results also indicated that transactional leadership is a significant predictor of employee engagement and explains 5.6% of the variance in engagement (R^2 = 0.056, β = 0.237, $p < 0.05$). This supports the findings of Breevaart et al. (2014) and is contrary to the argument presented by Tims et al. (2011).

Furthermore, the positive effect of contingent reward is also confirmed with a moderate, positive and statistically significant correlation between this construct and employee engagement (r_s = 0.371, $p < 0.01$). Regression models for contingent reward as a predictor variable explained 15.4% of the variance in the engagement construct (R^2 = 0.154, β = 0.392, $p < 0.001$). Active management-by-exception was also found to have no statistically significant correlation or

predictor effect with employee engagement. Both these findings are aligned to those of Breevaart et al. (2014).

The results indicate the importance of the role of timely leadership response and recognition of desired performance in enhancing employee engagement. This is encompassed in the contingent reward dimension of leadership and includes behaviours where leaders clarify rewards, roles and responsibility, provide assistance in exchange for efforts and recognition of performance (Avolio & Bass, 1995). Such actions would help ensure employee's feel that there is adequate compensation for work performance as well as starting to build a supportive leader-follower relationship. This relates to the components of job design and supervisor relationship described as antecedents to employee state engagement in Figure 2 in Chapter 2 (Rana et al., 2014). Models for engagement using social exchange theory have also been described which focus on reciprocity with engagement in response to resources and benefits (Saks, 2006)

Behaviours that are encompassed by the active management by exception dimension, however, do not seem to be related to enhancing employee engagement. Leaders displaying such behaviours are making active corrective transactions or are pro-actively vigilant to ensure standards are met (Antonakis et al., 2003). Such leaders are monitoring performance and anticipating mistakes. These behaviours are more controlling and have been shown to reduce autonomy (Breevaart et al., 2014). Thus, they potentially diminish the opportunity for employee's to exhibit extra-role behaviour characteristic with behavioural engagement without negatively affecting the state of engagement characterised by feelings of energy or absorption (Macey & Schneider, 2008). Thus the active management by exception component does not appear to have a significant impact on employee engagement.

The use of a transactional leadership style, where the leader explicitly clarifies expectations as well as the outcomes for the individual upon meeting those expectations and provides assistance to employees in exchange for performance, appears to have the ability to enhance employee engagement. Leaders, therefore, need to ensure that their followers know what to do, and why they do it. They need to make sure that they understand how their work

contributes to the success of their team and their organisation. However, these relationships are not built on trust or shared emotion but focus on task completion (Shuck & Herd, 2012). This could potentially limit the impact on enhancing employee engagement as well as organisational outcomes such as task performance and organisational citizenship behaviours.

6.3. Discussion of Hypothesis 2 Findings – Transformational Leadership and Employee Engagement

The second hypothesis in this study was that transformational leadership would have a positive relationship with employee engagement and that there would potentially be a difference between the individual and group focused dimensions of transformational leadership.

> ***H2**: Transformational leadership is positively related to employee engagement*
>
> > ***H2A**: There is a difference between the individual and group focused dimensions of transformational leadership respectively and employee engagement*

The positive relationship that transformational leadership has with employee engagement is well documented (Babcock-Roberson & Strickland, 2010; Breevaart et al., 2014; Burch & Guarana, 2014; Kovjanic et al., 2013; Tims et al., 2011; Zhu et al., 2009). These results seem to be confirmed in this study since a moderate, positive and statistically significant correlation ($r_s = 0.376$, $p < 0.01$) was found between transformational leadership and employee engagement. The regression model with transformational leadership as the predictor explained 17% of the variance in employee engagement and was significant at a 95% confidence level ($\beta = 0.42$, $R^2 = 0.172$, $p < 0.001$). This is aligned with previous work where coefficients of determination in the range of 16% to 25% were found

for models empirically relating transformational leadership to employee engagement (Babcock-Roberson & Strickland, 2010; Zhu et al., 2009).

Transformational leadership motivates employees to be more engaged in many ways. The charisma component of transformational leadership has been argued to elevate the emotional commitment of followers and inspire them to focus and buy into the leader's vision and goals (Shuck & Herd, 2012). The inspirational motivation component of charisma also increases an employee's identification with their leader which then increases their feelings of self-efficacy and thus emotional engagement (Walumbwa & Hartnell, 2011).

The results of this study indicate that the development of transformational leadership characteristics is important in the enhancement of employee engagement. The ability of the leader to motivate and inspire followers, behave as an exemplary role model, articulate a compelling vision, and appeal to followers on an emotional level would appear to be critical characteristics to enhancing employee engagement. Interpersonal interaction with followers would also appear to be key in driving engagement. Thus, from the results is seems that intellectual stimulation through challenging their people to think beyond the status quo, and by paying attention to follower's specific needs and expectations through individualised consideration, leaders are also able to enhance employee engagement (Shuck & Herd, 2012).

This study also investigated whether there was any difference in the effect on engagement between the charismatic and inspirational, or group-focused, dimensions of transformational leadership and the interpersonal or individually focused dimensions. Findings from previous research indicated a significant impact of leader-member exchange and thus leader-follower relationships on enhancing employee engagement and theorised that the individual focused components of transformational leadership are likely a larger driver of engagement (Burch & Guarana, 2014). Additionally, follower characteristics have been shown to moderate the relationship between transformational leadership and engagement, leading to the conclusion that leaders should pay more attention to individual characteristics of their followers and consequently that

individually focused elements of transformational leadership are likely to have a greater impact (Zhu et al., 2009).

However, this theory could not be confirmed when using the individually focused elements of transformational leadership with the sample in this study. No significant differences were found between the individual and group focused dimensions of transformational leadership. This may, in part, be due to the high correlation between group and individually focused constructs as displayed in Table 16. The development of the leader-follower relationship evident in high LMX climates may also be as a result of both the group and individually focused dimensions of the transformational leadership. This is aligned with the view of LMX playing a mediation role between transformational leadership and follower engagement (Wang et al., 2005).

It can be construed from the above that leaders need to develop a balanced style across the dimensions of transformational leadership. The results indicate that as much as a leader would need to be able to provide a compelling and emotionally charging vision of the future they also need to ensure that individual and interpersonal focus is given to help develop leader-follower relationships that are instrumental in enhancing employee engagement.

6.4. Discussion of Hypothesis 3 Findings – Passive-Avoidant Leadership and Employee Engagement

The third hypothesis that is of interest in this study involves the impact of passive-avoidant leadership styles on employee engagement.

> ***H3****: Passive-avoidant leadership behaviours are negatively related to employee engagement*

Passive-avoidant leadership styles have been found, in some cases, to be destructive as opposed to having little impact on leadership outcomes. In these cases passive-avoidant, and specifically laissez-faire approaches to leadership

correlate with role conflict, role ambiguity, co-worker conflict and other workplace stressors (Skogstad et al., 2007). All these elements are contrary to the employee engagement antecedents that have been discussed and are thus likely to result in disengagement.

The findings of this study seem to confirm the above assertions as a weak but significant, negative correlation (r_s = -0.253) was found between passive-avoidant leadership and employee engagement. The regression model with passive-avoidant leadership as a predictor for engagement was also significant and explained 6.7% of the variance in the response variable (β = -0.403, R^2 = 0.067, $p < 0.05$).

The passive-avoidant leadership style is characterised by a leader that waits for things to go wrong before reacting, avoids getting involved or making decisions, or is absent when needed. These behaviours indicate a lack of supervisor support and will result in a lack of clear expectations as shown by Skogstad et al. (2007) which directly contrast the proposed antecedents of engagement proposed by Rana et al. (2014).

It has, however, been shown that leader's with laissez-faire leadership styles would allow greater follower autonomy and control over decision-making processes which follower's preferred over more autocratic leadership styles. The efficiency of groups with such leaders was however significantly lower compared to groups with leaders that exhibited transformational or transactional leadership styles (Van Vugt et al., 2004)

The role of autonomy in decision making is key in enhancing employee engagement (Breevaart et al., 2014). It can, however, be concluded that the confirmation of this hypothesis where passive-avoidant leadership correlates with lower employee engagement indicates that autonomy is important but in the context of clear direction and expectation from the leader which are found in transactional and transformational styles.

6.5. Discussion of Hypothesis 4 Findings – Performance Management and Employee Engagement

The intention of the fourth hypothesis was to describe the relationship between employee experiences of performance management and employee engagement.

> ***H4**: Employee experiences of performance management is positively related to employee engagement*

Conway et al. (2015) have previously found that performance management practices negatively correlated with employee engagement. This was described through job-demands resources theory in that performance management practices added additional demands on the employee that consequently increased stress factors, promoted exhaustion, and thus triggered disengagement. HRM practices holistically, including performance management as well as recruitment and development practices, have been shown to positively correlate with employee engagement (Alfes et al., 2013)

In this study, a moderate, positive and significant correlation was found between employee experiences of performance management and employee engagement. The regression model confirmed this positive relationship and explained a significant amount of the variance in the engagement parameter ($\beta = 0.459$, $R^2 = 0.211$, $p < 0.001$). This confirmed acceptance of hypothesis 4 but would appear to contradict previous research in the link between engagement and experiences of performance management. The regression results are, however, comparable to those of Alfes et al. (2013) in whose regression model experiences of HRM practices, including performance management, explained 19% of the variance in engagement ($\beta = 0.26$, $R^2 = 0.19$, $p < 0.01$).

Conway et al. (2015) acknowledged that their results were limited to a single organisation in the public sector and that these findings should be tested in different industries and international contexts. Similarly, the conclusions of Alfes et al. (2013) are drawn from a sample from one division of a large UK

organisation. The results of this study, being in a single organisation in one particular sector as well, would support that there are also organisational specific factors that influence the nature of the relationship between experiences of performance management and employee engagement. This may also be as a result of other HRM practices substituting, complementing or conflicting with each other to yield varying outcomes measured on employee engagement (Snape & Redman, 2010).

The findings of this study indicate that employees who agreed with regular performance assessments; had measurable and achievable goals set; received frequent feedback on their performance; and felt that they were rewarded equitably for their efforts; were also more likely to report greater levels of engagement. Gruman & Saks (2011) proposed an integrated engagement and performance management model where the focus is on the former. Goal setting, clear expectations and understanding of rewards, and leader feedback are, by example, all key antecedents of engagement (Rana et al., 2014), but also key to a performance management system.

It can be concluded from these results that ensuring employees have positive experiences of performance management is likely to correlate with greater employee engagement and thus organisational outcomes. Based on the findings in this study that are contrary to a previous study (Conway et al., 2015), there are likely to be other organisational specific factors that moderate this relationship between performance management and employee engagement and limit the generalisability of this finding. This study aimed to establish the role that leadership behaviours play in moderating this relationship, which will be discussed in subsequent sections.

6.6. Discussion of Hypothesis 5 Findings – Leadership Styles and Performance Management

The fifth hypothesis intended to test whether there existed a positive relationship between transformational and transactional leadership styles and employee

experiences of performance management; whether these two leadership styles impacted performance management differently, and whether passive-avoidant leadership styles negatively affected employee experiences of performance management.

***H5**: Transformational and transactional leadership is positively related to employee experiences of performance management*

***H5A**: There is a difference between the relationship of transformational and transactional leadership with employee experiences of performance management*

***H5B**: There is a negative relationship between passive-avoidant leadership behaviours and employee experiences of performance management*

The findings of this study indicated a moderately strong, positive and significant correlation between transformational leadership and experiences of performance management (r_s = 0.636, $p < 0.01$). Similarly, the regression model showed significance and explained a moderate amount of variance in the experience of performance management (β = 0.68, R^2 = 0.46, $p < 0.001$). Transactional leadership had a moderate, positive, significant correlation with performance management (r_s = 0.332, $p < 0.01$) and similarly the regression model was significant however it explained less of the variance in the performance management construct (β = 0.35, R^2 = 0.12, $p < 0.01$). These findings supported acceptance of the main hypothesis.

The results were expected for transformational leadership due to the leader's ability to inspire and motivate employees resulting in positive performance management experiences (Gruman & Saks, 2011). For transactional leadership, it is theorised that the skill of the leader to clearly articulate expectations, clarify goals and rewards, and manage according to the organisation's rules (Avolio et

al., 1999), would help with aiding a positive experience of the performance management process.

It was hypothesised that transformational leadership would have a greater impact on improving experiences of performance management than transactional leadership, given that transformational leaders can generate emotional commitment to organisational goals and promote many antecedents in the engagement model, compared to the exchange relationship that characterises transactional leadership. Some support was found for this assertion and the impact is evident in the larger relative prediction of the outcomes of engagement by transformational leadership ($\beta = 0.69$, $p < 0.001$), compared to transactional leadership ($\beta = -0.12$, $p = 0.271 > 0.05$), in the multiple regression model.

Concerns were raised in these findings due to the potential collinearity present between transactional and transformational leadership. This is inherent in the full range leadership theory in that leaders tend to display traits of all three leadership styles, but inherently will present one style to a greater extent. It has however been argued that the best leaders typically exhibit both transformational and transactional leadership styles (Avolio et al., 1999). It has also been proposed that leaders will generally exhibit both, with emotional intelligence acting to bridge the gap between transactional leadership and transformational leadership (Shuck & Herd, 2012)

Lastly, a moderate, significant, negative correlation was found between passive-avoidant leadership and employee engagement ($r_s = 0.369$, $p < 0.01$). Additionally, the regression model was statistically significant and illustrated a negative relationship with passive-avoidant relationship as the predictor of experiences of performance management ($\beta = -0.44$, $R^2 = 0.19$, $p < 0.001$). This supported the final part of the hypothesis. This was expected due to the lack of leader guidance, feedback, and leader support leading to role ambiguity, lack of role clarity and internal conflict characteristic to the passive-avoidant style (Skogstad et al., 2007), likely resulting in poor experiences of performance management.

Transactional and transformational leader behaviours, therefore, in the context of this sample, do seem to correlate with positive experiences of performance management and this is theorised to likely be as a result of the leader's role in the administration as well as the perception of the performance management process. Transformational leadership would appear to have a proportionately larger effect on the experience of the performance management process than transactional leadership styles. The results also indicated that passive-avoidant leadership negatively correlates with experiences of the performance management process.

It can, therefore, be concluded that due to the relationship of experiences of performance management with employee engagement and the ensuing impact on organisational outcomes, organisations need to promote transformational leadership behaviours and minimise passive-avoidant type behaviours.

6.7. Discussion of Hypothesis 6 and 7 Findings – Leadership Styles Moderating Influence on Engagement and Performance Management

The last two hypotheses that were developed related to the proposed moderating role that leadership plays in the relationship between performance management and employee engagement.

> ***H6****: Transactional leadership moderates the employee experience of performance management and employee engagement relationship*

> ***H7****: Transformational leadership moderates the employee experience of performance management and employee engagement relationship*

Transactional and transformational leadership has been shown to have a positive correlation with both performance management and employee engagement. Additionally, performance management has also been shown to have a positive relationship with employee engagement.

For both transactional and transformational leadership, however, no statistically significant interaction could be found with the performance management and employee engagement relationship to provide evidence for moderation.

Visually represented, the interaction relationship suggested some interaction at lower levels of performance management, however, the influence of leadership behaviours here was not statistically significant.

Employee voice had previous been proven to play a moderating role in the relationship between experiences of performance management and employee engagement (Conway et al., 2015). Moderating relationships have also been shown for Perceived Organisational Support as well as leader-member exchange between employee engagement, and Organisational Citizenship Behaviours (Alfes et al., 2013). Follower characteristics have also been shown to moderate the relationship between transformational leadership and employee engagement (Zhu et al., 2009). Studies have also shown that leader-member exchange moderates the relationship between transformational leadership and performance outcomes measured as task performance (Wang et al., 2005).

The findings of this study, in the context of the sample taken, show that transformational leadership and performance management both have positive relationships with employee engagement, and transformational leadership has a positive relationship with experiences of performance management. Transformational leadership, however, does not seem to moderate or interact and thus alter the nature of the relationship between experiences of performance management and employee engagement. It is possible that certain organisational design aspects, such as the strength of employee voice (Conway et al., 2015) or nature of perceived organisational support play a moderating role in this relationship. The different relationship established between engagement and experiences of performance management compared to previous work may also suggest that organisational culture, climate or organisational leadership culture elements play a role in this relationship.

It could also be possible that leader-member exchange also plays a moderating role in this relationship as it does for transformational leadership and task

performance (Wang et al., 2005). The positive effect that was seen for transactional leadership at low levels of performance management experiences could suggest that the nature of contingent reward, or how the leader transacts with the employee, plays a small moderating role, lending support to the previous assertion. Further research would need to be completed, potentially using a larger, cross-industry sample to understand such effects better.

6.8. Conclusion

This study examined the relationships between the leadership dimensions of transformational, transactional and passive-avoidant leadership; employee experiences of performance management; and employee engagement. The expected relationships between the leadership dimensions and employee engagement and performance management experiences were established. The anticipated moderating role that transformational and transactional leadership plays in the relationship between employee engagement and performance management could not be established. The findings of this study are summarised in Table 27 along with the relevant literature that supports, or contradicts, the findings.

Table 27: Summary of research results related to supportive and contradictory literature

	HYPOTHESIS	ACCEPTED?	SUPPORTING	CONTRADICTING
H1	Transactional leadership is positively related to employee engagement	Yes	Breevaart et al. (2014)	Tims et al. (2011); Van Vugt et al. (2004)
H1A	Contingent reward is positively related to employee engagement	Yes	Breevaart et al. (2014)	n/a
H1B	Management by exception is not related to employee engagement	Yes	Breevaart et al. (2014)	n/a
H2	Transformational leadership is positively related to employee engagement	Yes	Babcock-Roberson & Strickland (2010); Breevaart et al. (2014); Burch & Guarana (2014); Kovjanic et al. (2013); Tims et al. (2011); Zhu et al. (2009)	n/a

	HYPOTHESIS	ACCEPTED?	SUPPORTING	CONTRADICTING
H2A	There is a difference between the individual and group focused dimensions of transformational leadership respectively and employee engagement	No	Wang et al. (2005)	Burch & Guarana, (2014); Zhu et al. (2009)
H3	Passive-avoidant leadership behaviours are negatively related to employee engagement	Yes	Skogstad et al. (2007)	n/a
H4	Employee perceptions of performance management is positively related to employee engagement	Yes	Alfes et al. (2013); Gruman & Saks (2011)	Conway et al. (2015)
H5	Transformational and transactional leadership is positively related to performance management	Yes	n/a	
H5A	There is a difference between the relationship of transformational and transactional leadership with performance management	Yes	n/a	
H5B	There is negative relationship between passive-avoidant leadership behaviours and performance management	Yes	n/a	
H6	Transactional leadership moderates the performance management and employee engagement relationship	No	n/a	
H7	Transformational leadership moderates the performance management and employee engagement relationship	No	n/a	

Chapter 7. Conclusion

7.1. Introduction

This chapter will present conclusions from the discussion of results presented in Chapter 6. The resultant recommendations for business management are then presented along with a framework summarising the leadership behaviours that impact experiences of performance management and employee engagement. Additionally, the limitations of this research and recommendations for future research are discussed.

7.2. Summary of Main Findings

It is well understood that the enhancement of employee engagement has numerous benefits for a business and have been correlated with improved shareholder returns, profitability, reduced turnover intent, as well as improved customer satisfaction (Harter et al., 2002; Kumar & Pansari, 2015; Saks & Gruman, 2011). Performance management systems are focused on managing the delivery of this performance. However, arguments have been put forth for the management of employee engagement directly to deliver performance instead of directly managing performance (Gruman & Saks, 2011). It is, therefore, necessary to understand how employee's experience of performance management systems relates to their engagement, in addition to the role the leaders responsible for the administration of this system play.

This research suggested that positive experiences of performance management processes were related to increased employee engagement, which implies that creating the conditions for positive perceptions of the performance management system may correlate with increased engagement. Such conditions include ensuring the opportunity to set achievable, quantifiable goals; a review and feedback system as well as ensuring alignment of rewards with the goals that have been set. Further work is needed to understand the relationship between these constructs since the findings, in comparison to previous studies (Conway

et al., 2015), suggest other organisational factors are likely required to be present.

Despite arguments put forward for limited impact on engagement (Tims et al., 2011), significant support was found for the relationship between transactional leadership and employee engagement. For the transactional leadership dimension, the findings indicated that behaviours related to contingent reward were positively associated with employee engagement. This suggests that in organisations where leaders allocate clear responsibility for task execution, manage expectations, clarify rewards, and express recognition when goals are achieved, employee engagement could be cultivated.

Based on the findings regarding the apparent lack of impact of the active management by exception dimension, it may be concluded that leaders who focus on corrective actions from mistakes or failures to meet standards did not have an effect on employee engagement. Leader's tend to exhibit elements of all leadership dimensions but predominate in one dimension (Avolio et al., 1999). It is, thus, necessary to understand that although such behaviours may be necessary for certain situations they should not outweigh others that are able to provide longer term organisational benefits.

The findings indicate that leaders that avoid making decisions, or delay action until it is too late, will find a consequent lower level of engagement and thus, likely, business performance. This was evident with the negative relationship between passive-avoidant, laissez-faire type behaviours and employee engagement. This argument is validated by previous findings linking passive-avoidant behaviours to workplace stress factors and increased job demands (Skogstad et al., 2007) which have also been shown to correlate with engagement negatively (Simpson, 2009).

Transformational leadership was found to have a significant, positive relationship with employee engagement which was consistent with the current literature (Breevaart et al., 2014; Burch & Guarana, 2014; Tims et al., 2011). No distinction could be established between group focused or individually focused elements of transformational leadership. The findings suggested that leaders that rated highly

on the transformational leadership scale displayed charisma in addition to being able to show individualised attention and intellectually stimulate followers through new challenges, or different perspectives to a problem. Leaders could use these behaviours to enhance engagement in their workforce.

Similar to the impact on engagement, both transactional and transformational leadership were found to have a positive relationship with performance management, whereas passive-avoidant behaviours had a negative relationship. Transformational leadership was also shown to have a stronger relationship with positive experiences of performance management than transactional leadership; however, there was a correlation in that transformational leaders tended also to score highly for transactional leadership. This is expected considering the full range leadership theory definition (Avolio et al., 1999).

Employee voice has been shown to have a moderating effect on the relationship between experiences of the performance management systems and employee engagement (Conway et al., 2015). It was therefore hypothesised that transformational and transactional leadership behaviours would also have a moderating effect on the relationship. No statistically significant change in interaction could, however, be found for higher or lower levels of leadership. This leads to the conclusion that there are likely other factors that can interact in this relationship.

One proposed interaction may be that of the nature of the relationship developed between leader and follower through leader-member exchange. This has been shown to be the case between transformational leadership and task performance (Wang et al., 2005). Similarly, trust in management, which has a positive association with employee voice (Rees et al., 2013), may play a role in increasing the strength in the relationship between experiences of performance management and employee engagement.

Beyond the leader's influence, organisational design or organisational support factors beyond the leader's control may also affect this relationship. This due to the findings of a positive correlation between experiences of performance management and engagement in contrast to the negative relationship indicated

for sampling in a different organisation in a different industry (Conway et al., 2015). These may be related to the nature of the employee value proposition, options for career development, or the state of organisational justice.

The framework displayed below summarises the findings from this research and illustrates the suggested relationships between the leadership behaviours, experiences of performance management and employee engagement. It summarises the expected impact that different leadership behaviours would have on the performance management and engagement constructs.

Table 28: Framework displaying the leadership behaviours that impact experiences of performance management and employee engagement

Impact / Influence	Experiences of Performance Management		Employee Engagement	
	Low Impact	**High Impact**	**Low Impact**	**High Impact**
Passive-Avoidant Leadership	Laissez-faire style Waits till problems are serious or out of control before taking action Avoids decision making Avoids taking action		Laissez-faire style Waits till problems are serious or out of control before taking action Avoids decision making Avoids taking action	
Transactional Leadership	Contingent reward and active management by exception behaviours		Active Management by Exception Actively monitors performance and anticipates mistakes Takes necessary corrective actions	Contingent reward: Clarifies rewards and clarifies roles and responsibilities. Provides assistance in exchange for efforts
Transformational Leadership		Displays charismatic behaviours that elevate emotional commitment of followers Provides vision of the future and a clear sense of purpose Intellectually stimulates followers by questioning the status-quo Supports, mentors and coaches followers Builds a personal relationship with followers and provides consideration of follower's specific needs		Displays charismatic behaviours that elevate emotional commitment of followers Provides vision of the future and a clear sense of purpose Intellectually stimulates follows by questioning the status-quo Supports, mentors and coaches followers Builds a personal relationship with followers and provides consideration of follower's specific needs
Performance Management				Frequent performance evaluations and performance assessed against defined standards Setting clear, quantifiable goals Frequent feedback on performance Rewarded for performance in line with agreed goals

In conclusion, transformational and contingent reward transactional leadership behaviours were shown to correlate with and predict work engagement in employee's as well as experiences of the performance management process. The latter also correlated with higher employee engagement. Passive-avoidant behaviours were found to have a negative relationship with employee engagement. Higher levels of engagement will lead to improved business performance (Kumar & Pansari, 2015) and even developing and maintaining competitive advantage (Shuck & Herd, 2012). Thus these findings suggest that organisations should focus on developing the leadership behaviours and human resource management systems that enable engagement.

7.3. Managerial Recommendations

The results of this study have implications for business management and specifically for organisational leaders regarding how to influence their followers to enable improved business performance.

Passive-avoidant leadership behaviours were shown to negatively correlate with experiences of performance management as well as an employee's state of engagement. Progression to transactional and then transformational leadership styles, however, correlates positively with experiences of the performance management process as well as an employee's work engagement. Leaders tend to exhibit and employ a range of behaviours from the passive-avoidant to transformational, but they predominate in one area (Avolio & Bass, 1995).

It may be deduced that in order to leverage the organisational benefits associated with high levels of work engagement, leaders need to understand where they exist on this scale. This understanding is critical to the development of leadership development plans aimed at enhancing transformational behaviours that have been shown to be beneficial to higher levels of work engagement in this study as well as others (e.g. Kovjanic et al., 2013). This, in turn, can influence organisational citizenship behaviours, reduce employee turnover, drive positive financial performance and an improved competitive advantage.

The development of emotional intelligence has been recommended to aid the transition from transactional leadership to transformational leadership, particularly the domains of self-awareness (Shuck & Herd, 2012). This is based on leaders being able to understand better and be more aware of what they say and how that affects their follower's levels of engagement and consequent willingness and motivation to perform. Executive coaching has been identified as a tool that may be used by organisations to improve levels of self-awareness and, so doing, of emotional intelligence (Bono, Purvanova, Towler, & Peterson, 2009). This would then enable leaders to transition towards transformational leadership styles.

This study also indicated that experiences of a performance management system could be positively related to employee's work engagement in one organisation. This was contrary to a previous study's findings which also sampled within a single organisation (Conway et al., 2015). Generalising these inferences may not be accurate but they do suggest that organisational factors could play a role influencing experiences of the performance management system and the resulting relationship with work engagement of employees. Additionally, the role of other HRM practices also needs to be considered with their impact on engagement suggesting that one should evaluate the organisational HRM practices holistically (Alfes et al., 2013). This suggests that manager's need to assess the state of their performance management systems, their employee's perceptions and experiences of them and the impact that this is having on work engagement. This understanding may be used for evaluation and evolution of the HRM practices to improve engagement further.

Organisations would need to commit to improving the levels of engagement as a tool for the improvement of business performance. Gruman & Saks (2011) argue for the management of engagement directly to improve performance. They propose a gain cycle in which managing the antecedents of employee engagement lead to improved performance, which in turn leads to favourable performance assessment, thus positive views of the performance management process, which further leverages the levels of engagement.

Directly managing levels of engagement will require that leaders are appointed and developed to be able to do this. This would include focused development plans to assist in the transition towards transformational leadership behaviours which directly benefit engagement. Additionally, the design of the organisations HRM systems, including the performance management system, would need to be focused on developing and enhancing levels of employee engagement.

7.4. Limitations of Research

Despite favourable findings validated by literature, there are some limitations in the research results.

The low response rates were concerning and opened the results to bias. To better evaluate whether certain demographic groups may be under or over represented and thus has a significant impact on the data obtained ANOVA analysis was completed to test for group differences in the demographics. Some differences were found in the transactional and engagement constructs between certain demographic groups which may affect the validity of data.

The use of self-report data as well as the nature of leader-follower relationships, as reported in Chapter 4, creates the risk of social desirability bias. Although no significant skews could be detected in the data, it is suggested that in addition to the employee report data, leadership self-evaluations are also collected for comparison.

One of the assumptions of the Full Range Leadership Theory is that leaders exhibit the range of behaviours but will present certain behaviours significantly more than others. This opens the data for collinearity.

Although this study could provide analysis of the nature of relationships between variables, the fact that it is cross-sectional means that the direction of causality could not be established. The use of a longitudinal design would be better suited to doing so.

7.5. Suggestions for Future Research

Based on the finding of a positive relationship between experiences of performance management and work engagement in the organisation where the sample was taken, it is recommended to repeat this study across different organisations and sectors. It is also recommended to include a more holistic view of HRM practices to better evaluate the interaction between them and the impact of organisational structure on this relationship.

The lack of moderation for transformational leadership in the relationship between the experiences of performance management and employee engagement provides an opportunity to research other factors that may moderate this relationship. One example provided would be the role of leader-member exchange in moderating this relationship.

To better understand the impact of leadership behaviours and validate the self-report data, the research could be repeated and include a self-rating from the leader and additionally a rating of the leader from a superior to improve the validity and reliability of reported leader behaviours.

The use of a longitudinal research design in the method could also assist in proving causality and lend greater support for the cause and effect relationship between the leadership behaviours, HRM practices and engagement.

7.6. Concluding Statement

Employee engagement should be a strategic imperative for all organisations. An engaged workforce is likely to deliver at a greater efficiency allowing the business to achieve far superior performance than it had been capable of before. Organisations should develop strategies to improve levels of engagement through improving perceptions of HRM practices such as performance management as well as developing leaders to help them exhibit greater levels of transformational leadership behaviours. Directly managing engagement and structuring HRM systems as well as leadership development plans to enhance

engagement could, therefore, enable improved and more sustainable business performance.

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Appendix A: Survey Questionnaire

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Leadership Behaviours and Employee Engagement

Dear Participant,

In an effort to better understand the concept of Employee Engagement, you have been selected to participate in a survey that will be used to determine the relationship between Leadership Style and Employee Engagement as well as the influence that Performance Management processes play in this relationship

Your participation in this questionnaire is voluntary and you may withdraw from the process at any time. Your response and participation is however very valuable to us and we would appreciate your assistance. The collated results of the study may be published, however, your individual responses will be kept confidential.

The questionnaire has been divided into four sections. Section 1 asks for general biographical information, Section 2 your level of engagement at work, Section 3 assesses your perception of the state of performance management processes at your place of work, and Section 4 evaluates the leadership style of your direct line manager. Please complete all the sections. The questionnaire should take approximately 20 – 30 minutes to complete.

Thank you for your time and contribution to this research study. Please do not hesitate to address any enquiries about the questionnaire or the research sturdy to:

Researcher: Louis de Jager
Researcher Email: 15388183@mygibs.co.za / louis.dejager@za.sabmiller.com

Research Supervisor: Arnold Beyleveld
Research Supervisor Email: Arnold.Beyleveld@bcx.co.za

Before continuing with the survey please acknowledge your consent to continue with the survey by answering the questions below:

1. I confirm that I have read and understand the information given above for the study and have the opportunity to ask questions should I need to

- ◯ Yes
- ◯ No

2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason

- ◯ Yes
- ◯ No

3. I agree to take part in the above study.

- ◯ Yes
- ◯ No

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Leadership Behaviours and Employee Engagement

Section 1: Demographics

This section collects some basic dempographic data. Please complete all fields.

1. What is your gender?

- ◯ Female
- ◯ Male

2. What is your age?

- ◯ 23 and below
- ◯ 24-30
- ◯ 31-40
- ◯ 41-50
- ◯ 51 and above

3. What is your ethnicity?

- ◯ Coloured
- ◯ Indian
- ◯ Black
- ◯ White / Caucasian
- ◯ Other (please specify)

4. What is the highest level of education you have completed?

- ◯ Did not attend school
- ◯ Matric
- ◯ Diploma
- ◯ Undergraduate degree
- ◯ Post graduate degree
- ◯ Other (please specify)

5. What is your work experience at your company?

- ◯ Less than 3 years
- ◯ 3 - 5 years
- ◯ 6 - 10 years
- ◯ 11 - 15 years
- ◯ 16 - 20 years
- ◯ Greater than 20 years

6. Which option best describes your position in your company?

- ◯ Bargaining unit (operator, artisan)
- ◯ Junior management (team leader, controller)
- ◯ Middle Management (Area / Unit Manager, Technical Specialist)
- ◯ Executive / Senior Management (e.g. Head of Department, General Manager)

7. Please indicate which function / department you work in?

- ◯ Brewing
- ◯ Packaging
- ◯ Engineering
- ◯ Manufacturing Systems
- ◯ Finance / Logistics
- ◯ Other (please specify)

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Leadership Behaviours and Employee Engagement

Section 2: Employee Engagement

The following 9 statements are related to how you feel at work. Please read each statement carefully and decide if you ever feel this way about your job. If you have never had this feeling, select "Never". If you have had this feeling, select the number (1-6) that best describes how frequently you feel this way (Schaufeli et al., 2006).

1. At my work, I feel bursting with energy

Never	Almost Never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day
○	○	○	○	○	○	○

2. At my job, I feel strong and vigorous

Never	Almost Never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day
○	○	○	○	○	○	○

3. I am enthusiastic about my job

Never	Almost Never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day
○	○	○	○	○	○	○

4. My job inspires me

Never	Almost Never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day
○	○	○	○	○	○	○

5. When I get up in the morning, I feel like going to work

Never	Almost Never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day
○	○	○	○	○	○	○

6. I feel happy when I am working intensely

Never	Almost Never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day
○	○	○	○	○	○	○

7. I am proud of the work that I do

Never	Almost Never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day
○	○	○	○	○	○	○

8. I am immersed in my work

Never	Almost Never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day
○	○	○	○	○	○	○

9. I get carried away when I am working

Never	Almost Never	Rarely	Sometimes	Often	Very often	Always
0	1	2	3	4	5	6
Never	A few times a year or less	Once a month or less	A few times a month	Once a week	A few times a week	Every day
○	○	○	○	○	○	○

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Leadership Behaviours and Employee Engagement

Section 3: Performance Management

The following statements are related to how you perceive the performance management systems at work. Please read each statement carefully and decide if you ever feel this way about your job. For each statement select the extent to which you agree

1. I receive a formal evaluation of my performance at least once a year

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
○	○	○	○	○

2. My performance is assessed based on my compliance with pre-defined behaviours, procedures and standards

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
○	○	○	○	○

3. I am encouraged to set objective, quantifiable goals that are well defined and well understood

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
○	○	○	○	○

4. I continuously track performance against my goals and receive frequent feedback on my performance

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
○	○	○	○	○

5. I am rewarded fairly for my performance and effort which is aligned with the agreed goals that have been set

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
○	○	○	○	○

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Leadership Behaviours and Employee Engagement

Section 4: Leadership Styles – Multifactor Leadership Questionnaire (MLQ 5x short)

The following statements are related to how you perceive the leadership behaviours and different leadership styles at work[1]. Please think of your direct manager and read each statement carefully and decide if you ever feel this way about him or her. If you have never had this feeling, select "Never". If you have had this feeling, select the number (0-4) that best describes how frequently you feel this way.

[1] This questionnaire is reproduced here with permission from Mind Garden, Inc. www.mindgarden.com. Copyright © 1995 by Bernard Bass and Bruce Avolio. All rights reserved.

MY MANAGER:

1. Provides me with assistance in exchange for my efforts

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4
○	○	○	○	○

….[1]

6. Talks about his/her most important values and beliefs

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4
○	○	○	○	○

11. Avoids getting involved when important issues arise

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4
○	○	○	○	○

18. Goes beyond self-interest for the good of the group

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4
○	○	○	○	○

33. Delays responding to urgent questions

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4
○	○	○	○	○

[1] These five sample questions are reproduced here with permission from Mind Garden, Inc. www.mindgarden.com. Copyright © 1995 by Bernard Bass and Bruce Avolio. All rights reserved.

Appendix B: ANOVA Analysis

The ANOVA details of the relevant ANOVA analysis completed using the demographic variables as the independent variable is presented below. For simplicity only the data where significant differences were found is provided.

Active Management by Exception (MBEA)

As noted in the results section MBEA illustrated significant differences with age as the independent variable. The SPSS output is provided below

Test of Homogeneity of Variances

MBE Active

Levene Statistic	df1	df2	Sig.
.987	3	93	.403

The homogeneity of variances assumption is confirmed above as p=0.403 >0.05. Thus the ANOVA result below of p=0.016 <0.05 confirms significant differences between at least one group.

ANOVA

MBE Active

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.412	3	1.804	3.624	.016
Within Groups	46.303	93	.498		
Total	51.715	96			

The Tukey HSD post hoc is completed below and indicates that there is a significant difference between the 31-40 and 41-50 age group.

Multiple Comparisons

Dependent Variable: MBE Active

	(I) What is your age?	(J) What is your age?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Tukey HSD	24-30	31-40	.25179	.21911	.660	-.3214	.8250
		41-50	-.35390	.24123	.461	-.9850	.2772
		51 and above	-.07738	.24346	.989	-.7143	.5595
	31-40	24-30	-.25179	.21911	.660	-.8250	.3214
		41-50	-.60568*	.18729	.009	-1.0957	-.1157
		51 and above	-.32917	.19015	.314	-.8266	.1683
	41-50	24-30	.35390	.24123	.461	-.2772	.9850
		31-40	.60568*	.18729	.009	.1157	1.0957
		51 and above	.27652	.21527	.575	-.2866	.8397
	51 and above	24-30	.07738	.24346	.989	-.5595	.7143
		31-40	.32917	.19015	.314	-.1683	.8266
		41-50	-.27652	.21527	.575	-.8397	.2866

*. The mean difference is significant at the 0.05 level.

Transactional Leadership

As discussed in section 5 transactional leadership showed significant differences between age groups as well as work experience groups. SPSS output for age groups as the independent variable is provided below.

Test of Homogeneity of Variances

Transactional

Levene Statistic	df1	df2	Sig.
4.207	3	93	.008

Due to the assumption of homoscedasticity being violated the ANOVA results below are discarded although they do show significance.

ANOVA

Transactional

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.789	3	.930	3.007	.034
Within Groups	28.749	93	.309		
Total	31.538	96			

The Welch statistic is advised for use when there is no equality of variances. This shows no significant difference between means at a 95% confidence limit. The Games-Howell post hoc also confirms no significant relationships between groups as all p-values are >0.05.

Robust Tests of Equality of Means

Transactional

	Statistic[a]	df1	df2	Sig.
Welch	2.725	3	39.027	.057

a. Asymptotically F distributed.

Multiple Comparisons

Dependent Variable: Transactional

	(I) What is your age?	(J) What is your age?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Games-Howell	24-30	31-40	-.129	.174	.880	-.617	.359
		41-50	-.468	.219	.164	-1.062	.126
		51 and above	-.368	.181	.205	-.870	.134
	31-40	24-30	.129	.174	.880	-.359	.617
		41-50	-.339	.174	.227	-.809	.131
		51 and above	-.239	.121	.213	-.562	.084
	41-50	24-30	.468	.219	.164	-.126	1.062
		31-40	.339	.174	.227	-.131	.809
		51 and above	.100	.180	.944	-.385	.586
	51 and above	24-30	.368	.181	.205	-.134	.870
		31-40	.239	.121	.213	-.084	.562
		41-50	-.100	.180	.944	-.586	.385

Data for work experience as the independent variable is provided below

Test of Homogeneity of Variances

Transactional

Levene Statistic	df1	df2	Sig.
1.239	5	91	.298

ANOVA

Transactional

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.309	5	1.062	3.684	.004
Within Groups	26.229	91	.288		
Total	31.538	96			

Multiple Comparisons

Dependent Variable: Transactional

	(I) What is your work experience at your company?	(J) What is your work experience at your company?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Tukey HSD	11 - 15 years	16 - 20 years	-.634*	.202	.027	-1.223	-.045
		3 - 5 years	-.209	.241	.953	-.911	.493
		6 - 10 years	.065	.177	.999	-.450	.581
		Greater than 20 years	-.393	.169	.193	-.885	.098
		Less than 3 years	-.157	.187	.960	-.701	.388
	16 - 20 years	11 - 15 years	.634*	.202	.027	.045	1.223
		3 - 5 years	.425	.255	.560	-.319	1.168
		6 - 10 years	.699*	.196	.007	.129	1.270
		Greater than 20 years	.241	.189	.797	-.308	.789

		Less than 3 years	.477	.205	.193	-.119	1.074
	3 - 5 years	11 - 15 years	.209	.241	.953	-.493	.911
		16 - 20 years	-.425	.255	.560	-1.168	.319
		6 - 10 years	.275	.236	.852	-.412	.961
		Greater than 20 years	-.184	.230	.967	-.852	.484
		Less than 3 years	.053	.243	1.000	-.655	.761
	6 - 10 years	11 - 15 years	-.065	.177	.999	-.581	.450
		16 - 20 years	-.699*	.196	.007	-1.270	-.129
		3 - 5 years	-.275	.236	.852	-.961	.412
		Greater than 20 years	-.459	.161	.059	-.928	.010
		Less than 3 years	-.222	.180	.820	-.746	.302
	Greater than 20 years	11 - 15 years	.393	.169	.193	-.098	.885
		16 - 20 years	-.241	.189	.797	-.789	.308
		3 - 5 years	.184	.230	.967	-.484	.852
		6 - 10 years	.459	.161	.059	-.010	.928
		Less than 3 years	.237	.172	.740	-.264	.737
	Less than 3 years	11 - 15 years	.157	.187	.960	-.388	.701
		16 - 20 years	-.477	.205	.193	-1.074	.119
		3 - 5 years	-.053	.243	1.000	-.761	.655
		6 - 10 years	.222	.180	.820	-.302	.746
		Greater than 20 years	-.237	.172	.740	-.737	.264

*. The mean difference is significant at the 0.05 level.

Employee Engagement

ANOVA analysis showed significant differences in employee engagement between production sites and job title. The ANOVA outputs per production site are below.

Test of Homogeneity of Variances

Engagement

Levene Statistic	df1	df2	Sig.
1.367	2	94	.260

ANOVA

Engagement

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.577	2	2.789	3.963	.022
Within Groups	66.145	94	.704		
Total	71.722	96			

Multiple Comparisons

Dependent Variable: Engagement

	(I) Site	(J) Site	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Tukey HSD	A	B	.577*	.206	.017	.086	1.068
		C	.203	.206	.589	-.288	.694
	B	A	-.577*	.206	.017	-1.068	-.086
		C	-.374	.217	.201	-.890	.142
	C	A	-.203	.206	.589	-.694	.288
		B	.374	.217	.201	-.142	.890

*. The mean difference is significant at the 0.05 level.

The ANOVA outputs with job title as the independent variable are below.

Test of Homogeneity of Variances

Engagement

Levene Statistic	df1	df2	Sig.
2.285	3	93	.084

ANOVA

Engagement

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.292	3	2.097	2.981	.035
Within Groups	65.430	93	.704		
Total	71.722	96			

Multiple Comparisons

Dependent Variable: Engagement

	(I) Which option best describes your position in your company?	(J) Which option best describes your position in your company?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Tukey HSD	Bargaining unit (operator, artisan)	Executive / Senior Management (e.g. Head of Department, General Manager)	-.556	.289	.225	-1.312	.200
		Junior management (team leader, controller)	.262	.214	.610	-.296	.821

	Middle Management (Area / Unit Manager, Technical Specialist)	.258	.224	.660	-.328	.843
Executive / Senior Management (e.g. Head of Department, General Manager)	Bargaining unit (operator, artisan)	.556	.289	.225	-.200	1.312
	Junior management (team leader, controller)	.818*	.300	.038	.033	1.603
	Middle Management (Area / Unit Manager, Technical Specialist)	.813*	.307	.046	.009	1.618
Junior management (team leader, controller)	Bargaining unit (operator, artisan)	-.262	.214	.610	-.821	.296
	Executive / Senior Management (e.g. Head of Department, General Manager)	-.818*	.300	.038	-1.603	-.033
	Middle Management (Area / Unit Manager, Technical Specialist)	-.005	.238	1.000	-.627	.618
Middle Management (Area / Unit Manager,	Bargaining unit (operator, artisan)	-.258	.224	.660	-.843	.328

	Technical Specialist)	Executive / Senior Management (e.g. Head of Department, General Manager)	-.813*	.307	.046	-1.618	-.009
		Junior management (team leader, controller)	.005	.238	1.000	-.618	.627

*. The mean difference is significant at the 0.05 level.

Appendix C: Regression Outputs

Hypothesis 1

SPSS outputs for regression of transactional leadership on employee engagement is displayed below.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.237[a]	.056	.046	.887887

a. Predictors: (Constant), Transactional Leadership

b. Dependent Variable: Engagement(8Q)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.450	1	4.450	5.645	.020[b]
	Residual	74.893	95	.788		
	Total	79.343	96			

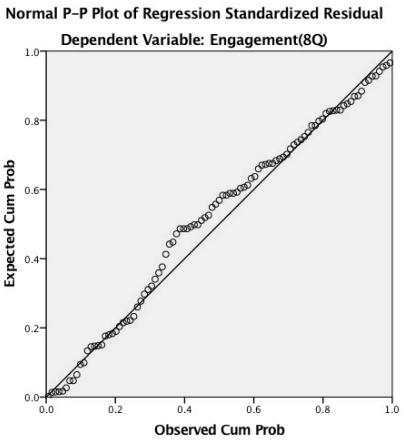
a. Dependent Variable: Engagement(8Q)

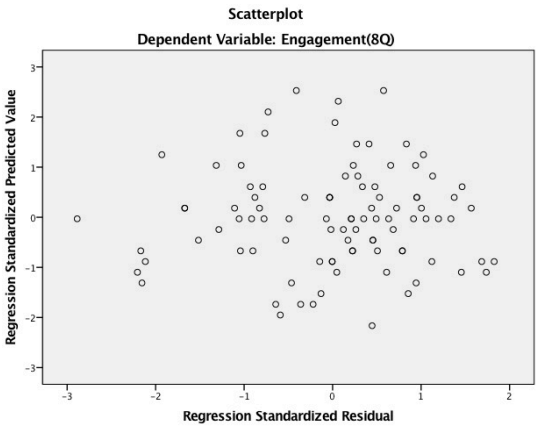
b. Predictors: (Constant), Transactional Leadership

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	4.277	.551		7.756	.000	3.182	5.372
	Transactional Leadership	.367	.155	.237	2.376	.020	.060	.674

a. Dependent Variable: Engagement(8Q)





SPSS Outputs for contingent reward regressed on employee engagement is given below

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.392[a]	.154	.145	.840636

a. Predictors: (Constant), Contingent Reward

b. Dependent Variable: Engagement(8Q)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.209	1	12.209	17.277	.000[b]
	Residual	67.133	95	.707		
	Total	79.343	96			

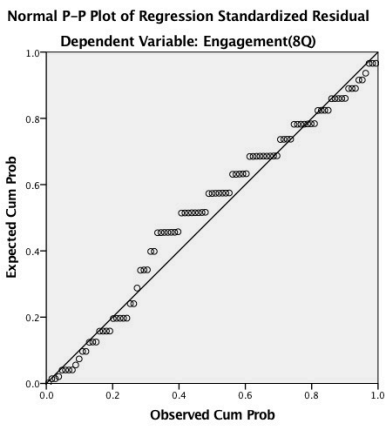
a. Dependent Variable: Engagement(8Q)

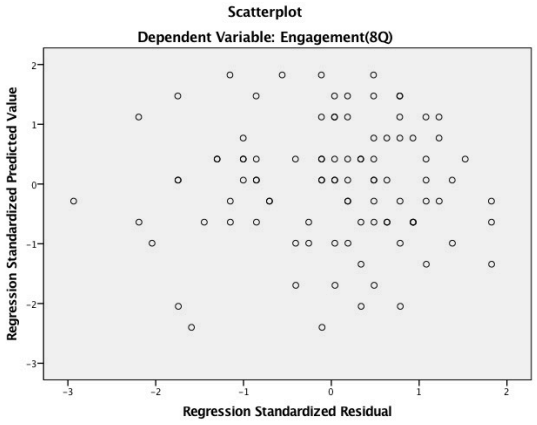
b. Predictors: (Constant), Contingent Reward

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.710	.456		8.144	.000	2.805	4.614
	Contingent Reward	.502	.121	.392	4.157	.000	.262	.742

a. Dependent Variable: Engagement(8Q)





SPSS output for regression with MBE Active as predictor of Employee Engagement is shown below.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.001[a]	.000	-.011	.913885

a. Predictors: (Constant), MBE Active

b. Dependent Variable: Engagement(8Q)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.000	1	.000	.000	.989[b]
	Residual	79.343	95	.835		
	Total	79.343	96			

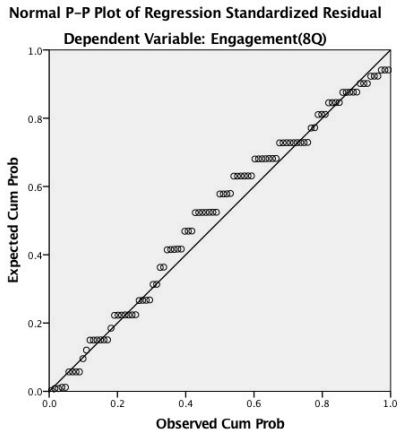
a. Dependent Variable: Engagement(8Q)

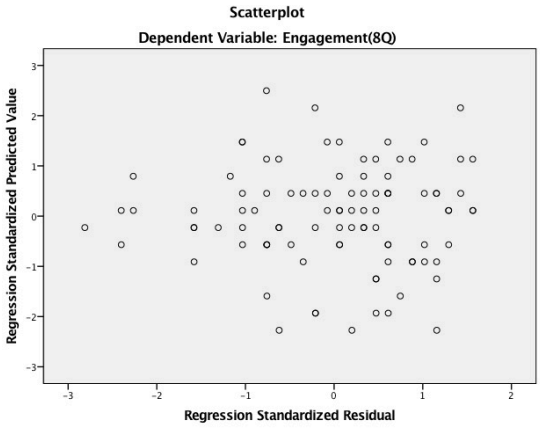
b. Predictors: (Constant), MBE Active

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	5.575	.434		12.860	.000	4.715	6.436
	MBE Active	-.002	.127	-.001	-.013	.989	-.254	.251

a. Dependent Variable: Engagement(8Q)





Hypothesis 2

SPSS outputs for transformational leadership as predictor of employee engagement is shown below

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.418[a]	.174	.166	.830422

a. Predictors: (Constant), Transformational Leadership

b. Dependent Variable: Engagement(8Q)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.831	1	13.831	20.056	.000[b]
	Residual	65.512	95	.690		
	Total	79.343	96			

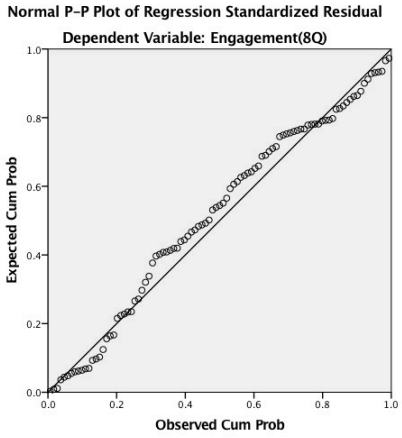
a. Dependent Variable: Engagement(8Q)

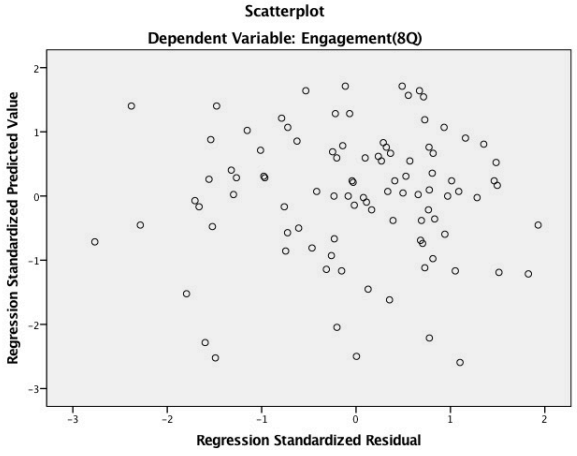
b. Predictors: (Constant), Transformational Leadership

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	3.511	.467		7.514	.000	2.583	4.439
	Transformational Leadership	.542	.121	.418	4.478	.000	.302	.782

a. Dependent Variable: Engagement(8Q)





SPSS Output for multiple linear regression of transformational leadership dimensions and employee engagement

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.432[a]	.186	.160	.833184

a. Predictors: (Constant), Individual Consideration, Intellectual Stimulation, Charisma

b. Dependent Variable: Engagement(8Q)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.783	3	4.928	7.098	.000[b]
	Residual	64.560	93	.694		
	Total	79.343	96			

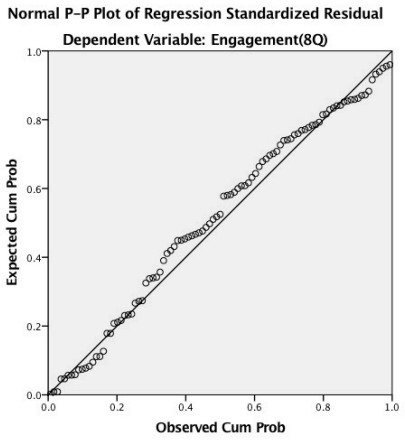
a. Dependent Variable: Engagement(8Q)

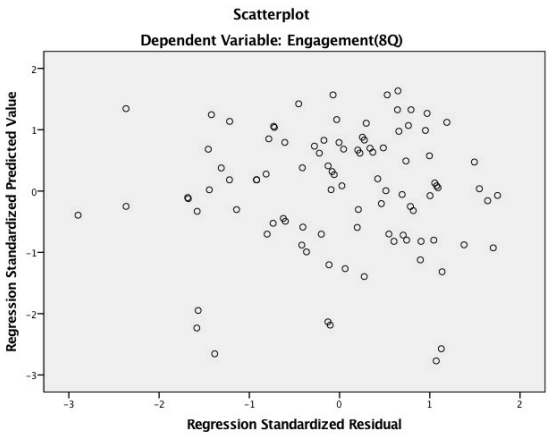
b. Predictors: (Constant), Individual Consideration, Intellectual Stimulation, Charisma

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.466	.471		7.354	.000	2.530	4.402
	Charisma	.418	.207	.338	2.014	.047	.006	.830
	Intellectual Stimulation	.229	.188	.190	1.216	.227	-.145	.603
	Individual Consideration	-.103	.174	-.091	-.591	.556	-.448	.243

a. Dependent Variable: Engagement(8Q)





Hypothesis 3

SPSS Regression outputs for passive-avoidant as predictor of employee engagement is shown below.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.259[a]	.067	.057	.882696

a. Predictors: (Constant), Passive Avoidant

b. Dependent Variable: Engagement(8Q)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.323	1	5.323	6.832	.010[b]
	Residual	74.019	95	.779		
	Total	79.343	96			

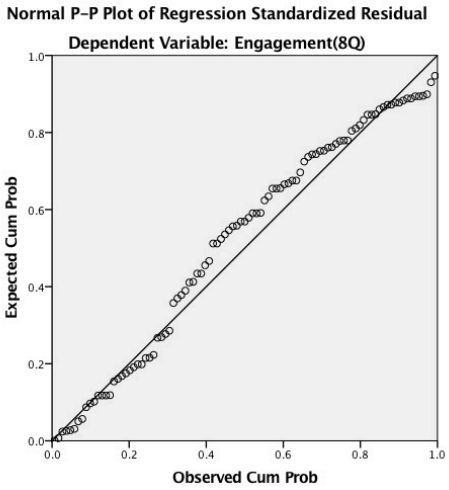
a. Dependent Variable: Engagement(8Q)

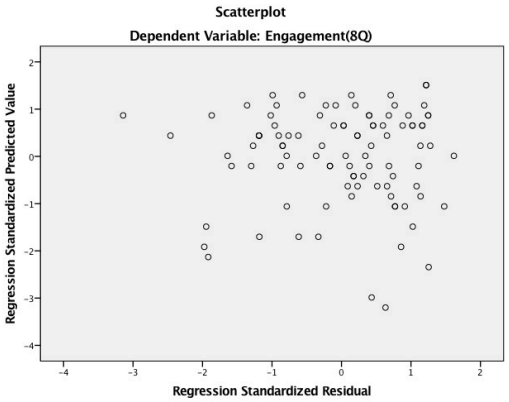
b. Predictors: (Constant), Passive Avoidant

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	6.328	.304		20.830	.000	5.725	6.931
	Passive Avoidant	-.403	.154	-.259	-2.614	.010	-.710	-.097

a. Dependent Variable: Engagement(8Q)





Hypothesis 4

SPSS regression outputs for performance management as predictor of employee engagement is displayed below

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.459[a]	.211	.202	.812001

a. Predictors: (Constant), Performance Management

b. Dependent Variable: Engagement(8Q)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.705	1	16.705	25.336	.000[b]
	Residual	62.638	95	.659		
	Total	79.343	96			

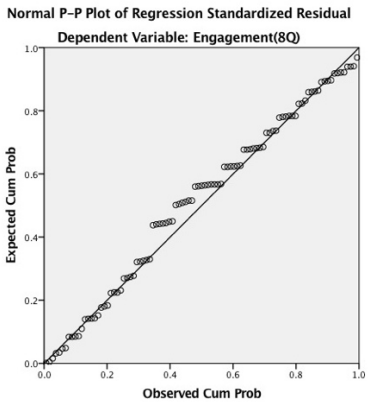
a. Dependent Variable: Engagement(8Q)

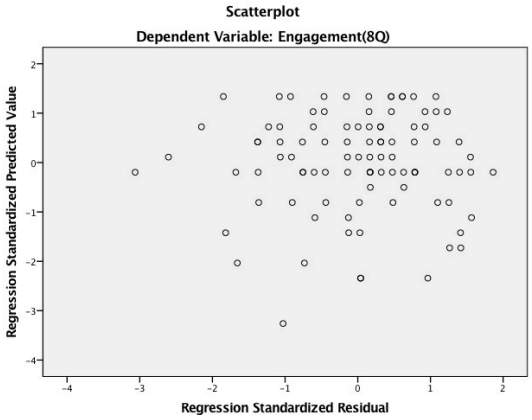
b. Predictors: (Constant), Performance Management

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.931	.531		5.525	.000	1.878	3.985
	Performance Management	.639	.127	.459	5.033	.000	.387	.891

a. Dependent Variable: Engagement(8Q)





Hypothesis 5

SPSS outputs for transactional leadership as predictor of performance management is shown below.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.346[a]	.120	.110	.615600658

a. Predictors: (Constant), Transactional Leadership
b. Dependent Variable: Performance Management

ANOVA[a]

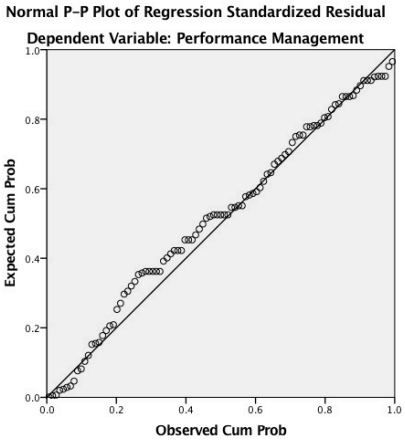
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.893	1	4.893	12.912	.001[b]
	Residual	36.002	95	.379		
	Total	40.895	96			

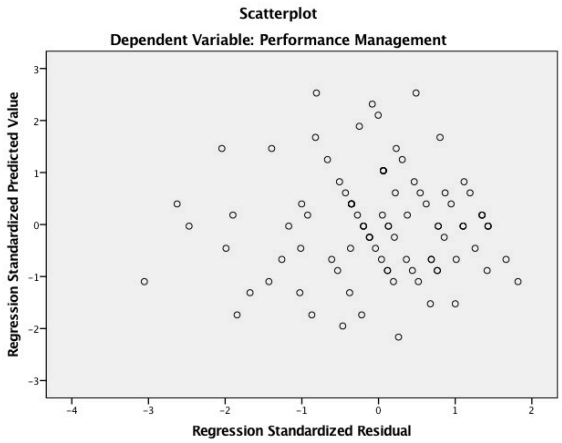
a. Dependent Variable: Performance Management
b. Predictors: (Constant), Transactional Leadership

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.772	.382		7.252	.000	2.013	3.532
	Transactional Leadership	.385	.107	.346	3.593	.001	.172	.598

a. Dependent Variable: Performance Management





SPSS Outputs for transformational leadership as predictor of performance management is shown below

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.681[a]	.464	.459	.480258522

a. Predictors: (Constant), Transformational Leadership

b. Dependent Variable: Performance Management

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.983	1	18.983	82.304	.000[b]
	Residual	21.912	95	.231		
	Total	40.895	96			

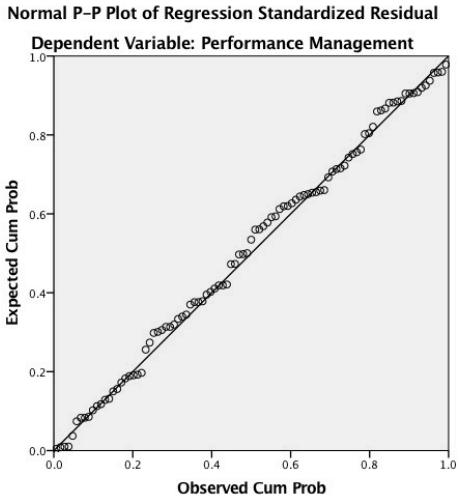
a. Dependent Variable: Performance Management

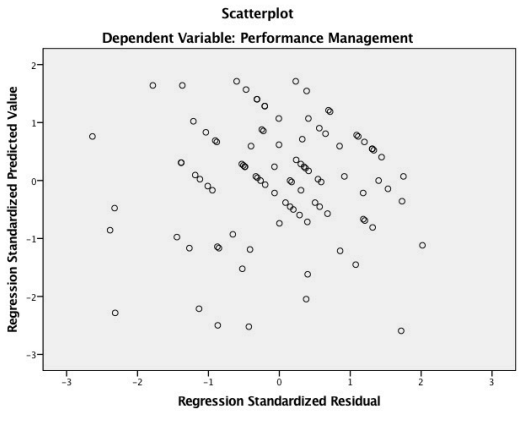
b. Predictors: (Constant), Transformational Leadership

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.716	.270		6.351	.000	1.180	2.253
	Transformational Leadership	.635	.070	.681	9.072	.000	.496	.773

a. Dependent Variable: Performance Management





Hierarchical regression for transformational and transactional leadership as predictors of performance management is shown below.

Model Summary[c]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.346[a]	.120	.110	.615600658
2	.686[b]	.471	.460	.479683514

a. Predictors: (Constant), Transactional Leadership

b. Predictors: (Constant), Transactional Leadership, Transformational Leadership

c. Dependent Variable: Performance Management

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.893	1	4.893	12.912	.001[b]
	Residual	36.002	95	.379		
	Total	40.895	96			
2	Regression	19.266	2	9.633	41.865	.000[c]
	Residual	21.629	94	.230		
	Total	40.895	96			

a. Dependent Variable: Performance Management

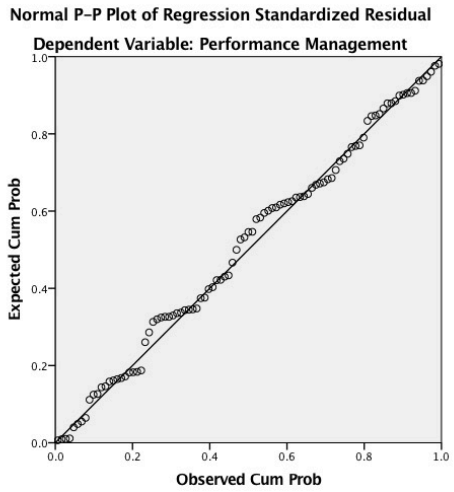
b. Predictors: (Constant), Transactional Leadership

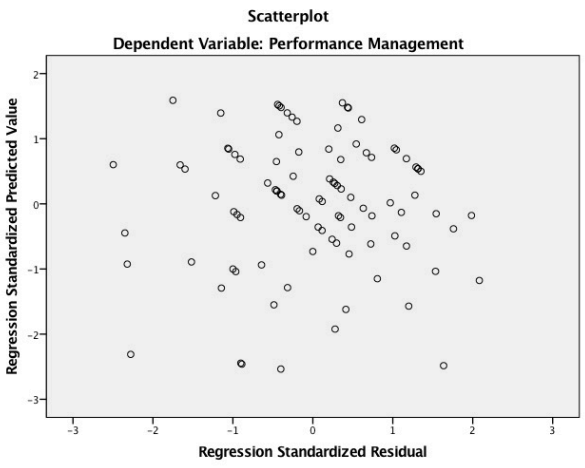
c. Predictors: (Constant), Transactional Leadership, Transformational Leadership

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	95.0% Confidence Interval for B Upper Bound
1	(Constant)	2.772	.382		7.252	.000	2.013	3.532
	Transactional Leadership	.385	.107	.346	3.593	.001	.172	.598
2	(Constant)	1.902	.318		5.987	.000	1.271	2.532
	Transactional Leadership	-.116	.105	-.104	-1.108	.271	-.325	.092
	Transformational Leadership	.693	.088	.744	7.903	.000	.519	.868

a. Dependent Variable: Performance Management





SPSS regression output for passive-avoidant leadership as predictor of performance management is shown below

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.440[a]	.194	.185	.589115891

a. Predictors: (Constant), Passive Avoidant

b. Dependent Variable: Performance Management

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.924	1	7.924	22.833	.000[b]
	Residual	32.970	95	.347		
	Total	40.895	96			

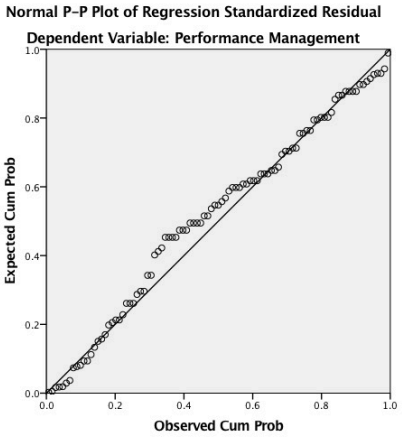
a. Dependent Variable: Performance Management

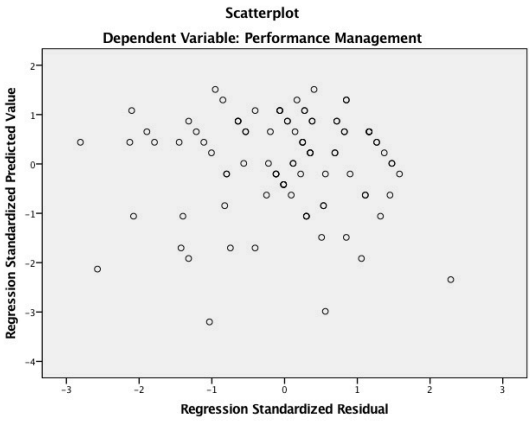
b. Predictors: (Constant), Passive Avoidant

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	5.054	.203		24.924	.000	4.651	5.456
	Passive Avoidant	-.492	.103	-.440	-4.778	.000	-.696	-.288

a. Dependent Variable: Performance Management





Appendix D: SPSS Output for Hypothesis 6

```
Run MATRIX procedure:

************** PROCESS Procedure for SPSS Release 2.16.1 ******************

          Written by Andrew F. Hayes, Ph.D.       www.afhayes.com
    Documentation available in Hayes (2013). www.guilford.com/p/hayes3

**************************************************************************
Model = 1
    Y = Eng8Q
    X = PerMan
    M = TactL

Sample size
         97

**************************************************************************
Outcome: Eng8Q

Model Summary
         R      R-sq       MSE         F       df1       df2         p
      .479      .230      .657    10.464     3.000    93.000      .000

Model
             coeff         se          t          p       LLCI       ULCI
constant     5.607       .091     61.939       .000      5.427      5.786
TactL         .141       .137      1.034       .304      -.130       .413
PerMan        .548       .132      4.163       .000       .287       .810
int_1        -.283       .222     -1.273       .206      -.724       .158

Product terms key:

 int_1    PerMan      X     TactL

R-square increase due to interaction(s):
        R2-chng         F       df1       df2         p
int_1      .012     1.622     1.000    93.000      .206

**************************************************************************

Conditional effect of X on Y at values of the moderator(s):
     TactL    Effect        se         t         p      LLCI      ULCI
     -.586      .714      .161     4.441      .000      .395     1.034
      .000      .548      .132     4.163      .000      .287      .810
      .586      .383      .207     1.850      .068     -.028      .793

Values for quantitative moderators are the mean and plus/minus one SD from mean.
Values for dichotomous moderators are the two values of the moderator.

**************************************************************************
```

```
Data for visualizing conditional effect of X on Y
Paste text below into a SPSS syntax window and execute to produce plot.

DATA LIST FREE/PerMan TactL Eng8Q.
BEGIN DATA.

     -.653     -.586     5.058
      .000     -.586     5.524
      .653     -.586     5.990
     -.653      .000     5.249
      .000      .000     5.607
      .653      .000     5.965
     -.653      .586     5.440
      .000      .586     5.690
      .653      .586     5.939

END DATA.
GRAPH/SCATTERPLOT=PerMan WITH Eng8Q BY TactL.

************************ ANALYSIS NOTES AND WARNINGS *************************

Level of confidence for all confidence intervals in output:
    95.00

NOTE: The following variables were mean centered prior to analysis:
 PerMan   TactL

NOTE: All standard errors for continuous outcome models are based on the HC3 estimator

------ END MATRIX -----
```

Appendix E: SPSS Output for Hypothesis 7

```
Run MATRIX procedure:

*************** PROCESS Procedure for SPSS Release 2.16.1 *******************

          Written by Andrew F. Hayes, Ph.D.       www.afhayes.com
    Documentation available in Hayes (2013). www.guilford.com/p/hayes3

**************************************************************************
Model = 1
    Y = Eng8Q
    X = PerMan
    M = TformL

Sample size
         97

**************************************************************************
Outcome: Eng8Q

Model Summary
          R       R-sq        MSE          F        df1        df2          p
       .484       .234       .654      8.703      3.000     93.000       .000

Model
             coeff         se          t          p       LLCI       ULCI
constant     5.598       .099     56.802       .000      5.402      5.794
TformL        .239       .153      1.561       .122      -.065       .542
PerMan        .424       .162      2.616       .010       .102       .745
int_1        -.093       .165      -.560       .577      -.421       .236

Product terms key:

 int_1    PerMan      X     TformL


 R-square increase due to interaction(s):
         R2-chng         F       df1       df2         p
 int_1      .003      .314     1.000    93.000      .577

 **************************************************************************

 Conditional effect of X on Y at values of the moderator(s):
     TformL    Effect         se          t          p       LLCI       ULCI
      -.701      .488       .175      2.794       .006       .141       .836
       .000      .424       .162      2.616       .010       .102       .745
       .701      .359       .221      1.626       .107      -.079       .797

 Values for quantitative moderators are the mean and plus/minus one SD from mean.
 Values for dichotomous moderators are the two values of the moderator.

 **************************************************************************
```

```
Data for visualizing conditional effect of X on Y
Paste text below into a SPSS syntax window and execute to produce plot.

DATA LIST FREE/PerMan TformL Eng8Q.
BEGIN DATA.

     -.653     -.701     5.112
      .000     -.701     5.431
      .653     -.701     5.750
     -.653      .000     5.322
      .000      .000     5.598
      .653      .000     5.875
     -.653      .701     5.531
      .000      .701     5.765
      .653      .701     6.000

END DATA.
GRAPH/SCATTERPLOT=PerMan WITH Eng8Q BY TformL.

************************ ANALYSIS NOTES AND WARNINGS *************************

Level of confidence for all confidence intervals in output:
    95.00

NOTE: The following variables were mean centered prior to analysis:
 PerMan   TformL

NOTE: All standard errors for continuous outcome models are based on the HC3 estimator

------ END MATRIX -----
```

Appendix F: Ethics Approval

The following approval notice was received post the ethics application process.

Dear Mr Louis de Jager

Protocol Number: **Temp2016-01453**

Title: **Influence of leadership styles and performance management on enhancing employee engagement**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,

Adele Bekker