

The Effect of Transformational Leadership on Employee Engagement

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Abstract

Based on the hypothesized model and the data obtained from the questionnaire, this paper analyzed the data using the statistical analysis software SPSS 25.0 and AMOS 20.0 to empirically prove the relationship between the variables of transformational leadership, organizational support, organizational justice, and employee engagement. It was found that: First, transformational leadership has a significant positive effect on employee commitment; Second, transformational leadership has a significant positive effect on perceived organizational support. Third, perceived organizational support has a significant effect on employee commitment; Fourth, in the relationship between transformational leadership and employee commitment, the mediating effect of perceived organizational support on them holds; At last, organizational justice plays a moderating role in the relationship between transformational leadership and the perceived organizational support. This study enriches and integrates the theoretical systems and research categories of employee engagement, organizational justice, transformational leadership, and perceived organizational support.

Keywords: *Transformational Leadership; Perceived Organizational Support; Organizational Justice; Employee Engagement*

1. INTRODUCTION

Transformational leadership is considered effective leadership style by many managers and scholars. The transformational leader leads by example, positively portrays a vision of the company's future development to employees in the management process, creates a trusting work environment for employees, motivates subordinates to constantly challenge themselves to new goals, and brings out the innovation and self-potential of employees in the pursuit of excellence [1]. A growing body of literature shows that transformational leadership has a significant impact on employee performance and attitudes [2]. Therefore, transformational leaders will have an impact on employee engagement.

This study enriches and integrates the theoretical system and research scope of engagement, organizational justice, transformational leadership, and organizational support to a certain extent and makes employees and managers pay more attention to the degree of "engagement" of employees to improve organizational performance, which has theoretical and practical double-layer significance.

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2. RESEARCH HYPOTHESIS AND MODEL

2.1 Transformational Leadership and Perceived Organizational Support

Transformational leaders should have a unique influence on the organization and be able to maximize employees' ability to accomplish organizational goals through caring for and motivating them at work and in life [3]. The perceived organizational support highlights the following two points: the degree to which employees feel that the organization values them as individuals; and the degree to which employees experience individual well-being in the organization [4]. In other words, whether employees feel supported by the organization in all aspects of their well-being. Using perceived supervisor support should be one of the main components of perceived organizational support and that support from the organization includes support from supervisors and colleagues [5]. Therefore, this study proposes the following hypothesis:

H1: Transformational leadership has a positive effect on perceived organizational support.

2.2 Transformational Leadership and Employee Engagement

Transformational leaders can arouse employees' enthusiasm for their work with a good vision and drive them to strive to achieve the vision of organizational development by creating fun and satisfaction [6]. Through analysis of transformational leaders, concluded that these leaders have exemplary leadership and unique leadership charisma in organizations and that they can influence employees through their charisma, evoke their intrinsic motivation, and encourage them to transform from their ordinary selves to their excellent selves to achieve the need for self-actualization [7]. Transformational leaders have a positive impact on employees' work attitudes, behaviors, and job performance [8]. In summary, this study proposes the following hypotheses:

H2: Transformational leadership has a positive effect on employee engagement.

2.3 Perceived Organizational Support and Employee Engagement

POS creates a sense of obligation for employees to care about the well-being of the organization and to help the organization achieve its goals [9]. Employees who perceive organizational support make it their responsibility to focus on the organization's development and help it achieve its goals [10]. As a result, when employees feel valued and cared for by the organization, they will spontaneously put in more effort for the benefit of the organization and will consciously exhibit the behavior expected by the organization [11]. By providing work resources to meet employees' individual work-related needs, organizations inspire employees to develop a sense of responsibility and mission for the organization, which makes employees feel responsible for supporting organizational goals in return for organizational support through practical actions [12]. Therefore, based on previous research on authentic leadership and positive psychological competencies, we proposed the following hypotheses:

H3: Perceived organizational support has a positive effect on employee engagement.

2.4 The Mediating Effect of Perceived Organizational Support

Organizational perception of support is also often used as a mediating variable between some variables, which has become a focus of research on organizational support perceptions. Organizational support perceptions completely mediated the relationship between organizational political perceptions and job satisfaction, salary satisfaction, and career tension and partially mediated the relationship between organizational political perceptions and propensity to leave, and role conflict [13]. Organizational support perceptions mainly play a fully or partially mediating role between organizational equity, managerial control,

communication, socialization strategies, and individual variables and employee attitudes and behaviors [14]. In summary, this study proposes the following hypotheses:

H4: Perceived organizational support mediates the relationship between transformational leadership and employee engagement.

2.5 The Moderating Effect of Organizational Justice

Academic studies on the mediating role of organizational justice are predominant, and very few studies have been conducted with moderating variables. According to previous studies, the perception of organizational justice will lead to employees' identification with and commitment to the organization, and employees' perception of organizational injustice will have many negative consequences for the organization. For example, when employees perceive organizational injustice, they will increase their tendency to leave, decrease their motivation and organizational commitment, reduce their organizational citizenship behavior, and even develop retaliatory behavior [15]. Organizational injustice will directly lead to lower employee satisfaction, weakened loyalty, identification, and ownership of the organization, which in turn will lead to organizational brain drain, increased human resource management costs, and threats to the core competitiveness of the company. In summary, this study proposes the following hypotheses:

H5: Organizational justice has a moderating role in the relationship between transformational leadership and perceived organizational support.

Based on the relevant theories, previous studies, and the above hypotheses, we built a research model from the hypotheses, as shown in Figure 1.

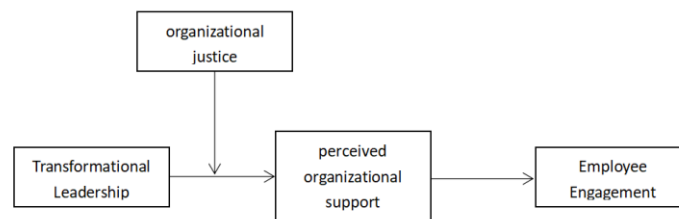


Figure 1. Research Model

3. QUESTIONNAIRE DESIGN AND DATA COLLECTION

3.1 Questionnaire Design

The questionnaire consists of the following three parts: (1) Instructions for questionnaire and research purposes. (2) Basic information about employees and company, involves the respondents' age, gender, education background, the company's industry, and other 7 measurement questions. (3) The variables involved in this study include transformational leadership, employee engagement, POS(Perceived Organizational Support), and organizational justice. There are 26 items for transformational leadership, 9 items for employee engagement, 8 items for POS, and 21 items for organizational justice.

3.2 Data Collection

The data were collected through email, WeChat, and other network channels. The sample units were all various enterprises engaged in production and business activities in China, including state-owned enterprises, such as State Grid, Ping An Insurance, China Unicom, China Tobacco, etc.; private enterprises, such as real

estate companies, etc. These enterprises are located in Henan, Beijing, Zhejiang, Guangdong, Shanghai. Most of the study subjects are middle or grassroots managers and general staff. The questionnaire of this study was issued from March 2022 to June 2022, and the data were collected from employees of enterprises across the country. A total of 310 questionnaires was distributed, of which 297 were valid after collation and analysis, with a valid questionnaire return rate of 95.8%.

3.3 Demographic Analysis

The demographic analysis is as follows: In terms of gender distribution, men accounted for 53.20% and women accounted for 46.80%. In terms of age distribution, employees aged 24 and under accounted for 10.77%, employees aged 24-28 accounted for 28.96%, employees aged 29-33 accounted for 35.02%, employees aged 34-44 accounted for 11.78%, and employees aged 44 and above accounted for 13.47%. In terms of education background, employees with bachelor's degrees are the majority, accounting for 54.55%, with 13.47% for specialists, 11.78% for those below specialists, 15.15% for postgraduates, and 5.05% for doctors.

4. ANALYSIS AND RESULTS

4.1 Reliability Analysis

The Cronbach's α coefficient of transformational leadership's was 0.92, POS was 0.93, employee engagement was 0.90, organizational justice was 0.91.

4.2 Factor Analysis

This study performed exploratory factor analysis (EFA) on the four adopted scales. First, we utilized SPSS 25.0 factor analysis indicators (such as the Kaiser-Meyer-Olkin value and Bartlett spherical test) to test whether the scales were suitable for factor analysis. To extract factors with characteristics greater than one, we utilized the principal component analysis method. If the intrinsic value was greater than 1.0, the corresponding factors could be determined as the main components, indicating good reliability.

4.3 Related Analysis

There was a significant and positive correlation between transformational leadership and employee engagement. The relationship between POS and employee engagement also had a positive correlation.

Table 1. Correlation analysis

	G	A	EB	TL	OJ	POS	EE
G	1						
A	-.043	1					
EB	.013	.315	1				
TL	.028	.674*	-.223*	1			
OJ	.215	-.058	.221	0.432**	1		
POS	.029	-.071*	.313*	0.721**	0.641**	1	
EE	.059	.042*	.086**	0.512**	0.723**	0.547**	1

N=297, *p<.05, **p<.01 ; Gender=G, Age=A, Educational Background=EB, Transformational Leadership=TL, Organizational Justice =OJ, Perceived Organizational Support= POS, Employee Engagement= EE

4.4 Regression Analysis

(1) Regression Analysis of Transformational Leadership on Employee Engagement and POS

Regression analysis was conducted on transformational leadership(TL) and employee engagement(EE), and the results are shown in Model 1 of Table 2. Regression analysis was conducted on TL and POS, and the results are shown in Model 2 of Table 2. As observed in Model 1 of Table 2, the R^2 is 0.398 and the ΔR^2 is 0.357, indicating that in the regression model, this regression equation is able to explain 35.7% of the variation in the effect of TL on EE, which means the degree of influence of TL(independent variable) on EE(dependent variable) is 35.7% from relationship between TL and EE.

As observed in Model 1 of Table 2, in the regression analysis of TL on EE, the significance coefficient of TL is 0.000, which is less than the significance level of 0.05, indicating that TL has a significant effect on EE. Hypothesis 1 is supported.

As observed in Model 2 of Table 2, the R^2 is 0.567 and the ΔR^2 is 0.539, indicating that in the regression model, this regression equation is able to explain 53.9% of the variation in the effect of TL on the POS, which means the influence of TL(independent variable) on POS(dependent variable) is 53.9% of relationship between TL and POS. As observed in Model 2 of Table 2, in the regression analysis of TL on the POS, the significance coefficient of TL is 0.000, which is less than the level of 0.05, indicating that TL has a significant effect on the POS. Hypothesis 2 is supported.

Table 2. Regression analysis of transformational leadership on employee engagement and POS

Models		Non-standardized coefficient		t	Sig.	R	R ²	ΔR^2
		B	Standard Error					
1	Constants	1.533	0.417	3.684	0.000	0.631	0.398	0.357
	A	0.567	0.074	7.726	0.000			
2	Constants	1.242	0.313	3.980	0.000	0.763	0.567	0.539
	A	0.700	0.040	12.766	0.000			

(2) Regression Analysis of POS on employee engagement

Regression analysis was conducted, and the results are shown in Table 3.

Table 3. Regression analysis of POS on employee engagement

Models		Non-standardized coefficient		t	Sig.	R	R ²	ΔR^2
		B	Standard Error					
3	Constants	0.567	0.352	1.612	0.109	0.776	0.605	0.578
	A	0.794	0.058	13.438	0.000			

As observed in Table 3, the R^2 is 0.605 and the ΔR^2 is 0.578, which indicates that in the regression model, this regression equation is able to explain 57.8% of variation in the effect of organizational support perception on EE, that is, from the relationship between POS and EE, POS(independent variable) has an effect degree of 57.8% on the EE(dependent variable).

In the regression analysis of POS on EE, the significance coefficient of POS is 0.000, which is less than the significance level of 0.05, indicating that the POS has an effect on EE. Hypothesis 3 is supported.

(3) Analysis of the mediating role of POS

Using TL and POS as independent variables and EE as dependent variables, regression analysis was conducted on the three, and the results are shown in Table 4.

Before adding the POS as an independent variable, there was a significant effect of TL on EE; there was a significant effect of TL on POS; and after adding the POS as an independent variable, the significance coefficient of TL was 0.832, indicating that TL had no significant effect on EE. The results of above three analyses meet the conditions for the establishment of a mediating variable, indicating that POS plays a mediating role between TL and employee engagement. Hypothesis 4 is supported.

Table 4. Mediating effect of POS

Models	Non-standardized		t	Sig.	R	R ²	ΔR ²
	B	Standard Error					
4	Constants	0.563	0.354	1.592	0.115		
	A	0.019	0.084	0.215	0.832	0.776	0.605
	B	0.783	0.084	9.443	0.000		0.577

(4) Analysis of the role of organizational justice

Hypothesis 5 proposes that organizational justice(OJ) will strengthen the relationship between TL and POS. In the SPSS, the POS was set as dependent variable, and then the control variables, the independent variable, and the moderating variable were introduced sequentially, and finally, the product term of the independent variable and the moderating variable was added. The results of moderating effect are shown in Table 5. The interaction between TL and OJ have a positive effect on the POS ($\beta=0.10, p<0.01$). This demonstrates that OJ plays a moderating role in relationship between TL and POS. Hypothesis 5 is supported.

Table 5. Moderating effects of organizational justice

	POS				EE			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Gender	-0.04	-0.07	-.067	-.063	0.04	0.06	0.02	0.05
Age	0.03	-0.01	-.033	-.033	0.01	-0.03	-0.02	0.05
EB	-0.12*	-0.12*	-.064	-.071	-0.02	-0.03	0.01	-0.02
Position	0.06	0.01	.043	.046	0.10	0.06	0.08	0.06
Tenure	-0.13*	-0.05	-.046	-.037	-0.12*	0.05	0.07	0.04
TL		0.58**	0.34**	0.31**		0.50**		0.41**
POS							0.39**	0.16**
OJ			0.38**	0.38**				
TL * OJ				0.10*				
R ²	0.03	0.36	0.44	0.45	0.03	0.28	0.19	0.29
ΔR ²	0.01	0.35	0.08	0.01	0.03	0.24	0.16	0.02
F value	2.03*	33.50**	39.67**	35.88**	2.31*	22.59**	13.58**	20.94**

Note: ** p < 0.01, * p < 0.05 : Educational Background=EB, Transformational Leadership=TL, Organizational Justice =OJ, Perceived Organizational Support= POS, Employee Engagement= EE

5. CONCLUSION

In this study, the relationship between TL and EE is systematically and purposefully studied, and a detailed statistical analysis is conducted to show that TL is positively related to EE. The study also analyzed the role of POS in the relationship between TL and EE and verified the moderating effect of OJ and the mediating effect of POS in the relationship between TL and EE.

This paper, based on previous research, integrates three aspects of the management process: leadership aspects, organizational aspects, and individual aspects. At the same time, the POS is used as mediating mechanism to integrate the above factors into an organic whole, and the moderating role of OJ is examined, providing a more integrated research framework, and the findings support the model of this paper. The relevant findings are as follows: First, managers need to strengthen TL behaviors and realize their importance to the future development of the company; Second, managers need to focus on the differences among employees; Third, pay attention to the improvement of employees' POS.

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