

CORPORATE LEADERSHIP



ASSIGNMENT # 07

Submitted to:

Dr. RABIA MUSHTAQ

Submitted by:

HAREEM FATIMA

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TRANSFORMATIONAL LEADERSHIP AND JOB PERFORMANCE: THE MEDIATING ROLE OF WORK ENGAGEMENT

Fong-Yi Lai¹, Hui-Chuan Tang², Szu-Chi Lu¹, Yu-Chin Lee³, and Cheng-Chen Lin

1. Research question:

What is the relationship between Transformational Leadership, work engagement and other its other outcomes?

2. Managerial/organizational problem/s addressed:

The article focuses on the difficulty of inspiring workers in a complex work environment to go above and beyond formal job expectations. It investigates the relationship between transformational leadership and employee engagement, task performance, and helpful behaviors. The crux of the managerial dilemma lies in the necessity for leaders to encourage voluntary, advantageous actions in addition to the mandated job duties. The study offers guidance to human resource managers in creating successful leadership programs and contends that encouraging work engagement is a crucial means of accomplishing this aim.

3. Hypotheses and the theoretical arguments supporting each of them:

Hypothesis 1 (H1):

Statement: Transformational leadership is positively related to work engagement.

Theoretical Argument: Transformational leaders, through behaviors like idealized influence and inspirational motivation, are expected to create a work environment where employees find holistic goals meaningful and attainable, fostering engagement.

Hypotheses 2a and 2b (H2a, H2b):

Statements:

H2a: Work engagement is positively related to task performance.

H2b: Work engagement is positively related to helping behaviors.

Theoretical Argument: Engaged employees, who invest physical, cognitive, and emotional energies in their work roles, are expected to perform tasks more effectively (H2a) and be more willing to help their peers (H2b).

Hypotheses 3a and 3b (H3a, H3b):

Statements:

H3a: Work engagement mediates the positive relationship between transformational leadership and task performance.

H3b: Work engagement mediates the positive relationship between transformational leadership and helping behaviors.

Theoretical Argument: Transformational leaders, by creating a meaningful and supportive work environment, are hypothesized to influence task performance and helping behaviors through the mediating role of work engagement.

4. Population choice and sample characteristics

The study focuses on a sample of 507 nurses working in two hospitals in Taiwan. The choice of population is specific to the healthcare sector, particularly nurses, reflecting an interest in understanding leadership dynamics in this professional context.

5. Methods (operationalization of key variables, data sources and statistical specification)

A 5-point scale ranging 1 (Strongly disagree) to 5 (Strongly agree) was considered, a multipath analysis was conducted, a multisource and multitemporal research design was used.

Operationalization:

Transformative Leadership: Nurses' view of head nurses' transformative actions.

Work Engagement: Self-reported psychological presence scale.

Task Performance: Head nurses' ratings of nurses' task effectiveness.

Helping Behaviors: Head nurses' ratings of voluntary, extra-role contributions.

Data:

Two Taiwanese hospitals.

Three-wave data: perceptions, engagement, performance, and behaviors.

Stats:

Multilevel path analysis in Mplus 7.4.

Confirmatory factor analyses for variable distinction.

Control: LMX, self-efficacy, transactional leadership, demographics.

Model comparison: two-factor vs. seven-factor for validity.

6. Results:

H1 (Transformational Leadership & Work Engagement): Supported; Transformational leadership positively related to work engagement.

H2a (Work Engagement & Task Performance): Supported; Work engagement positively related to task performance.

H2b (Work Engagement & Helping Behaviors): Supported; Work engagement positively related to helping behaviors.

H3a (Mediation: Transformational Leadership → Work Engagement → Task Performance): Supported; Work engagement mediated positive relationship between transformational leadership and task performance.

H3b (Mediation: Transformational Leadership → Work Engagement → Helping Behaviors): Supported; Work engagement mediated positive relationship between transformational leadership and helping behaviors.

7. Limitations:

The study admits a number of restrictions that limit how broadly applicable its conclusions can be. Because the Taiwanese nursing sample is predominately female, questions concerning the results' applicability to various professional contexts and gender representations are raised. The use of self-reported data continues to be a constraint even with efforts to reduce common method variance. Future longitudinal studies are suggested because the cross-sectional design limits the establishment of causal relationships. Furthermore, the narrow focus on nurses' perceptions of leadership behavior and the omission of some variables may limit a thorough understanding of the phenomena under study. The complex nature of transactional leadership may

be oversimplified if contingent reward is the only metric used to measure it. Moreover, the nursing industry presents a potential limitation in extrapolating findings to other sectors, necessitating the need

8. Avenues for future research:

The paper makes a number of interesting research directions recommendations. First, there is a request to investigate whether the results can be applied to other occupational contexts in addition to the Taiwanese nursing sample, which is predominately composed of women. Second, strengthening causal claims and revealing the dynamic relationships over time are the goals of the recommendation for longitudinal designs. Third, to further improve the study's comprehensiveness, future research could examine the effects of unexamined variables on work engagement and related outcomes. Furthermore, examining possible differences in how various employee groups perceive leadership behavior provides a way to do more in-depth research. The proposal to create more precise metrics for transactional leadership aims to appropriately represent its complex nature. It is suggested to conduct comparative studies between industries to identify factors unique to each one that affect employee and leadership

9. Contribution:

This article emphasizes the mediating role of work engagement, which makes a significant contribution to our understanding of the impact of transformational leadership. By identifying work engagement as a motivational mechanism through which transformational leaders influence employees, the study closes a critical gap in knowledge and promotes improved task performance and helpful behaviors. The robustness of the results is increased by the methodological rigor, which includes a multitemporal research design and consideration of alternative mediating mechanisms. Human resource managers can learn a lot from the practical implications when creating training programs and personnel selection strategies for transformational leaders. All things considered, the paper adds to theoretical understanding, makes methodological advances, and gives organizational practitioners useful information.

THE IMPACT OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE RETENTION: MEDIATION AND MODERATION THROUGH ORGANIZATIONAL CITIZENSHIP BEHAVIOR AND COMMUNICATION

1. Research question:

How does transformational leadership influence employee retention, and to what extent are organizational citizenship behaviour and communication mechanisms mediating and moderating factors in this relationship?

2. Managerial/organizational problem/s addressed.

The difficulties with staff retention in Chinese small and medium-sized businesses (SMEs) are discussed in the article. It looks at the relationships between Organizational Citizenship Behavior (OCB) and Transformational Leadership (TL) and employee retention, as well as how good communication balances them. According to the study, increasing employee retention in Chinese SMEs requires fostering positive organizational behaviors, establishing clear communication strategies, and cultivating transformational leadership qualities.

3. Hypotheses and the theoretical arguments supporting each of them:

Hypothesis 1 (H1): TL has a positive and significant impact on OCB.

Theoretical Argument:

Drawing from Bass's (1985) theory, the study argues that transformational leaders, through their traits such as individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence, enhance OCB in employees.

Hypothesis 2 (H2): TL has a positive and significant impact on ER.

Theoretical Argument:

The study posits that transformational leadership positively influences employee retention by promoting individualized influence, intellectual stimulation, inspirational motivation, and idealized influence. This aligns with the idea that TL improves subordinates' performance and contributes to organizational goals.

Hypothesis 3 (H3): OCB has a positive and significant impact on ER.

Theoretical Argument:

Building on previous research, the study argues that engaging in OCB, such as showing genuine concern, courtesy, and loyalty toward coworkers, positively affects employee retention. This behavior enhances both individual and team performance.

Hypothesis 4 (H4): OCB positively mediates the relationship between TL and ER.

Theoretical Argument:

The study suggests that OCB plays a crucial mediating role between TL and ER. Transformational leaders, by fostering OCB in employees, contribute to higher levels of employee retention. This mediation is grounded in the idea that OCB is an essential factor in the relationship between TL and ER.

Hypothesis 5 (H5): Communication positively moderates the relationship between TL and OCB.

Theoretical Argument:

The study introduces the moderating role of communication, suggesting that effective communication enhances the positive influence of TL on OCB. This aligns with the notion that leaders' effective communication fosters a positive organizational climate and employee behaviors.

Hypothesis 6 (H6): Communication positively moderates the relationship between OCB and ER.

Theoretical Argument:

The study proposes that communication moderates the relationship between OCB and ER, indicating that effective communication strengthens the positive impact of OCB on employee retention.

4. Population choice and sample characteristics

Population Choice:

The study focused on employees in manufacturing Small and Medium-sized Enterprises (SMEs) in Jiangsu Province, Mainland China.

Sample Characteristics:

Sample Size: 505 participants.

Gender Distribution: 80% male, 20% female.

Age Groups: Primarily in the 20–40 age range, with a small percentage in the 41–60 range.

Education Levels: Varied, with participants having high school, bachelor's, master's, and Ph.D. degrees.

Work Experience: Participants with diverse work experience, ranging from less than 1 year to more than 15 years.

5. Methods (operationalization of key variables, data sources and statistical specification)

The study employed a quantitative approach to investigate the impact of transformational leadership (TL) on organizational citizenship behavior (OCB), employee retention (ER), and the moderating role of communication in Chinese small and medium-sized enterprises (SMEs). Transformational leadership was assessed through a five-item scale, while OCB, ER, and communication were measured using corresponding five-item scales. Data was collected from 505 employees in manufacturing SMEs in Jiangsu Province, China. The analysis utilized SmartPLS software, encompassing measurement model techniques, discriminant validity checks, collinearity assessment, and structural equation modeling. The study's methodology provides a robust framework for understanding the complex relationships between leadership, employee behavior, and communication in the context of Chinese SMEs.

6. Results (i.e., whether hypotheses were supported or not, use abbreviations like H1 for Hypothesis 1)

The results of the study supported several hypotheses. H1, stating that transformational leadership (TL) has a positive and significant impact on organizational citizenship behavior (OCB), was confirmed ($b = 0.169$, $p < 0.000$). Similarly, H2, indicating a positive and significant impact of TL on employee retention (ER), was supported ($b = 0.356$, $p < 0.000$). H3, which proposed a positive and significant impact of OCB on ER, was also confirmed ($b = 0.179$, $p = 0.033$). Furthermore, H4, suggesting that OCB positively mediates the relationship between TL and ER, received support ($b = 0.030$, $p < 0.05$). The moderation effects of communication were not explicitly mentioned in the summary. Overall, the results provide empirical evidence for the relationships proposed in the theoretical model.

7. Limitations:

The study has several limitations. Firstly, it relies on cross-sectional data, limiting the ability to establish causality. Longitudinal studies are recommended for a more comprehensive understanding of the relationships over time. The sample is confined to SMEs in China, restricting the generalizability of the findings to other cultural contexts. Additionally, the sample size could be increased for greater robustness. The study acknowledges potential alterations in applying the results to different sectors and suggests exploring other mediating variables in future research. Moreover, the data were self-reported, introducing the possibility of response bias. Finally, ethical considerations and data availability could affect the replicability and extension of the study.

8. Avenues for future research, especially your own ideas

Several avenues for future research emerge from this study. Longitudinal investigations could provide a dynamic perspective on the relationships studied, allowing for the exploration of changes over time. Comparative analyses between private and public sector organizations would offer insights into potential sector-specific variations. Exploring cultural differences in the application of transformational leadership in diverse settings could enhance the generalizability of findings. Additionally, investigating other mediating variables, such as job satisfaction or supervisor conflicts, could deepen the understanding of the mechanisms at play. Future research might also delve into the impact of contextual factors on the proposed relationships. Furthermore, examining the implications of digital communication tools on leadership and organizational behavior in the modern workplace could be a relevant and timely area of exploration.

9. Contribution

The study makes several contributions to the literature. It advances our understanding of the complex interplay between transformational leadership, organizational citizenship behavior, and employee retention in the context of Chinese SMEs. The identification of organizational citizenship behavior as a crucial mediator in the relationship between transformational leadership and employee retention provides valuable insights. Moreover, the examination of communication as a moderator adds nuance to the understanding of these dynamics. The study's findings offer practical implications for leaders in SMEs, emphasizing the importance of fostering transformational leadership qualities and promoting organizational citizenship behavior for enhanced employee retention. Additionally, the study contributes methodologically by employing structural equation modeling to analyze the proposed relationships.