



Conceptual Framework: The Role of Work Engagement Mediate the Relationship Between Transformational Leadership, Transactional Leadership with Employee Performance

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INTRODUCTION

The dynamics of worldwide competition and technological innovations are applying on business is more important than the past to make it to learn and adapt companies to increase the organizational performance. Whether it is private or public employees and leaders in an organization are the most critical strategic assets and by improving their skills and knowledge organization might act successfully and remain highly competitive within their domain. In the current economic climate worldwide, the circumstances and environment for companies constantly change, and organizations to compete in the future have to take and adopt new conditions and market requirements. Otherwise, they are forced to be out of business. Following the rapid change in the field of leadership will help develop and enhance the work in organizations. The main impact on organizational development is upon the performance of human resource departments, and how an organization's leaders deal with this issue. Successful and operative organizations generally have the advantage of engaged employees concentrating on their job psychologically, physically, and intellectually (Ababneh, Macky, 2015). Organizations are facing comprehensive rivalry constantly and organizations have invested significant large portion of money in human resource development to improve leaders and employees' knowledge, skills, abilities and attitudes which in turn effect to overall performance. Thus, till today researchers, professionals, and practitioners have concentrated to the factors those have effect on the organizational performance (Awais Bhatti et al. 2014; Sookhai & Budworth, 2010).

Leadership is a concept that is originally developed in folk psychology to explain social influence on groups (Chua, et al, 2018). Every organization works hard to attain long lasting success. The success of an organization depends upon many factors, among which is human

resource as an important contributor. Leadership has a relevant connection with the employees' work performance and their work engagement. An effective leader is the one who is searching continuously to increase the employees' performance and work engagement to the extent that guarantees achieving the work objectives smoothly. According to Jones & Harter (2005), "engagement leads to human benefits for the individual who is experiencing it." Generally it is summarized that leaders are people who do the right thing; managers are people who do things right and Leadership is the art of getting someone else to do something you want done because he wants to do it (Eisenhower, 2012). James MacGregor Burns (1978) first introduced the concept of transforming and transacting leadership in his descriptive research on political leaders, but this terms is now used in organizational psychology as well. The purpose of this study is to suggest model which describe the key factors of leadership and its effect on employee's job performance.

EMPLOYEE PERFORMANCE

Management is a process for establishing a shared workforce understanding about what is to be achieved at an organization's level. It is about aligning the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results. In this respect, (Khoueilat, Khalafi, 2014). states that employees' performance as a function of the interaction between the ability and the motivation. In studying management, employees' performance is a matter that needs careful deliberation, since an employee's individual performance in an organization takes part in the overall organization's performance and can determine the performance of that organization. The success or failure of the employees' performance gained by that organization will be affected by the individual's or group's levels of performance.

(Ekaningsih, 2014). state that performance as an organizational behavior is directly related to goods production or service delivery. A person's performance is thought as the submission of assignments, coming from the thinking activities required by the job. The performance is a result of the assignments connected to organizational purposes such as quality, efficiency and other effectiveness criteria. Performance reflects how good and how correct an individual fulfills the assignment's request. Accordingly, performance is both a qualitative and quantitative result. The success and failure of the performance reached by an organization is affected by the individual's or group's levels of performance, to be measured by instruments developed in a study depending on general performance measurement. The measured performance is then to be translated into basic behavior assessment so that it can cover various matters, namely: job quantity, job quality, proposed opinion or statement, decision reached in performing the job and job description.

TRANSFORMATIONAL LEADERSHIP

Transformational leadership is a sort of leadership that creates vision and environment which motivates its employees to excel beyond expectation. In this case, the employees trust, admire, respect and extend loyalty to their leaders, so that they are motivated to do more than what is expected of them (Susilo, D. 2018). (Bass, 1993). It is a leadership that encompasses organizational change efforts, and this style is believed to lead to superior performance in an organization that faces renewal and change (Bass, 1993). Burns (1978) defines transformational leadership as a means in which both the leaders and his/her followers improve each other to higher levels of morality and motivation. The components of the transformational leadership were first proposed by Burns, and then they were developed by Bass and Avolio (1994). They

consist of four dimensions, namely: idealized influence, inspirational motivation, intellectual stimulation and individual consideration.

TRANSACTIONAL LEADERSHIP

Transactional leadership focuses on the exchanges that occur between leaders and followers (Bass 1985; Burns, 1978). Transactional leadership also meant that followers agree with, accept, or comply from the leader in exchange for praise, rewards, and resources or in order to avoid disciplinary action. After rewards and recognition to provide the followers, can make the followers to carry out their roles successfully and assignments (Bass & Riggio, 2006). Although the theory has gone through a number of revisions, the most recent version include three dimensions of transactional leadership (Judge and Piccolo, 2004). These dimensions are management-by-exception active, management-by-exception passive, contingent reward (Sadeghi and Pihie, 2012). Transactional Leadership, also known as managerial leadership, focuses on the role of supervision, organization, and group performance; transactional leadership is a style of leadership in which the leader promotes compliance of his followers through both rewards and punishments Odumeru & Ogbonna (2013).

WORK ENGAGEMENT

Work engagement is a positive, fulfilling and work-related state of mind that is characterized by vigor, dedication and absorption (Kuok, et al, 2017). Contemporary organizations need employees who are psychologically connected to their work, willing and able to invest themselves fully in their roles and proactive and committed to high quality performance standards. They need employees who are engaged with their work (Bakker & Leiter, 2010). In essence, work engagement captures how workers experience their work as: i) stimulating and energetic and something to which they really want to devote time and effort (the vigor component); ii) a significant and meaningful pursuit (dedication); and iii) engrossing and something on which they are fully concentrated (absorption).

LITERATURE REVIEW

Examining the influences of transformational leaderships on employee performance, Elgelal & Noermijati (2015) investigating the effect of a direct transformational leadership on employee motivation, jobs satisfaction and employee performance and indirect transformational leadership on employee performance through employee motivation and job satisfaction. The findings of this study above revealed that transformational leadership gives a positive and significant effect on employee motivation and job satisfaction, but no significant effect was found on employee performance. In another study by Pourbarkhordari et al., (2016), he connected the term 'transformational leadership' to job performance through measuring the employees' work engagement. The findings revealed that individual-focused 'transformational leadership' and Employee Work Engagement were significantly related to job performance. Were Manzoor et al., (2019) examined the impact of transformational leadership style on employee job performance. And argued that transformational leadership has an effective role upon the employees' performance.

Shah & Hamid (2015) investigates the relationship between transactional leadership and job performance in the six large banks of Pakistan. The findings of the study reveal that transactional leadership has significant relationship with job performance. Masa'deh et al. (2016). Investigate both transformational and transactional leadership styles that influence employees' knowledge

sharing practices, and the impact on job performance, and then on firm performance. The findings revealed that both transformational and transactional leadership styles have significant impact on job performance, and on firm performance. Also, it was found that transactional leadership impacted knowledge sharing, whereas transformational leadership did not.

Voon et al., (2011). Determine the aspects of transactional and transformational leadership that affect employee's job satisfaction in the public sector in Malaysia. The results showed that transformational leadership style has a positive relationship with job satisfaction whereas transactional leadership style has a negative relationship with job satisfaction in government organization. Asrar-ul-Haq & Kuchinke (2016) examining the impact of managers' leadership styles on subordinates' performance. The results indicated that transformational leadership style had the greatest effects on all outcome variables (effectiveness, satisfaction, extra effort, and organizational commitment). However, mixed relationship was found between transactional leadership style and outcome variables. Contingent reward was found significant predictor of satisfaction, whereas no other dimension of transactional leadership styled had significant relationship with any outcome variable.

Gözükara & Şimşek (2015) The study's independent variable was transformational leadership while the dependent variables were employee performance and work engagement, this study demonstrated that: the effect of transformational leadership on job satisfaction was fully mediated by work engagement, work engagement was an important personal resource.

Salman et al. (2016) aimed at realizing the relationship between participative leadership style and employee performance through a mediating effect of work engagement. The results of the study revealed that a participative leadership style and employee performance had a strong relationship. An employee engages in work through the participative leadership style. Work engagement was also indicated to have partial mediation between PLS and employee performance.

For instance, Choudhary, Akhtar, & Zaheer (2013) demonstrate the impact of transformational leadership on organizational learning, demonstrating that this approach can be used to improve the ability of the organization to change and innovate. This can prompt growth and expansion indicating successful organizational performance (Choudhary et al., 2013). Transformational leadership was also found by De Jong and Bruch (2013) to have a direct impact on organizational climate; they argue that, through transformational leadership, the climate of an organization can be strengthened creating an environment in which employees are motivated and energized. This facilitates the achievement of organizational goals and, hence, increased performance (Jong & Bruch, 2013). Giroux & McLarney (2014) also provide an expanded evaluation of the impact of transformational leadership on climate noting that this outcome has systemic implications for employees, customers and shareholders. Motivated employees working in a supportive climate provide more effective customer service, bolstering organizational performance and leading to financial gains for shareholders (Giroux & McLarney, 2014).

Therefore, the following hypothesis is suggested in this study:

H1: Transformational leadership have positive impact on employee performance.

The relationship between transformational leadership and organizational performance has been briefly examined in the introduction and literature to this study.

Riaz & Haider, (2010) determine the impact of transformational and transactional leadership style on job success and career satisfaction. Results showed positive trends of all variables. Transactional leadership is found significantly related to job success, and job success is more dependent on transformational and transactional leadership as compared to career satisfaction.

Obiwuru et al., (2011) investigated the effects of leadership style on organizational performance in small scale enterprises. The result showed that while transactional leadership style had significant positive effect on performance, transformational leadership style had positive but insignificant effect on performance. The study concluded that transactional leadership style was more appropriate in inducing performance in small scale enterprises than transformational leadership style. Masa'deh et al., (2016) investigate both transformational and transactional leadership styles that influence employees' knowledge sharing practices, and the impact of the latter on job performance, and then on firm performance. The findings revealed that both transformational and transactional leadership styles have significant impact on job performance.

Transactional leadership has been found to be related to job performance in literature. MacKenzie et al. (2001) who found that transactional leadership has a positive influence on salesperson's performance. Zhou (2012) also concluded that transactional leadership has a direct relationship with job performance. On the other hand, Awamleh et al. (2005) contradicted the findings of this study as they revealed that no significant relationship exists between transactional leadership and employee performance. Shahhosseini et al. (2013) also indicated that no significant relationship exists between transactional leadership and job performance. The idea here is that transactional leaders' most important weapon is the rewards they can offer in exchange of achieving a specific goal, this method works to a certain extent as individuals have certain needs to be fulfilled in order to be motivated but once their basic needs are fulfilled relying solely on reward as a motivator no longer pays off therefore employees may be motivated to a certain extent to perform their jobs but in order to improve or maintain that performance other means of motivation need to be provided that are not in the job description of transactional leaders (Dessler, 2015). The following hypothesis is suggested in this study:

H2: Transactional leadership have positive impact on employee performance.

Work Engagement is a mediator between participative leadership and employee performance by taking together hypotheses H1 and H2. It is indicated that work engagement mediates the relationship between participative leadership style and employee performance (Baron & Kenny, 1986). Participation in decision making is a key aspect which makes employees to be engaged in work (Salanova & Schaufeli, 2008) and engagement leads to employee performance (Bakker & Leiter, 2010; Christian et al., 2011). The previous literature indicates the mediation effect of work engagement (Bakker & Demerouti, 2008; Bakker, Demerouti, Isabel, & Sanz-Vergel, Saks, 2014; Schaufeli & Bakker, 2005; Song, Kolb, Lee, & Kim, 2012). Moreover, Roberson and Strickland (2010) link charismatic leadership with organizational commitment. Keeping in view their study, this study also links participative leadership style and employee performance through work engagement. Therefore, the following hypothesis is suggested in this study:

H 3: work engagement have positive impact on employee performance

Previous studies indicate that work engagement shows extra-role performance (Demerouti et al., 2010). Work engagement enhances creativity, mindfulness, motivation, authentication and ethical behavior (Harter et al., 2002). Customer loyalty is also a positive association between work engagement and service climate (Salanova, Lorente, Chambel, & Martínez, 2011). Moreover, engagement constructs to employee advocacy, well-being, success and productivity (Robertson-Smith & Markwick, 2009). On the basis of a previous study's findings, the researcher can easily conclude that work engagement is helpful in predicting job performance (Halbesleben, 2010).

Therefore, the following hypothesis is suggested in this study:

H4: Work engagement mediate the relationship between transformational leadership and employee performance.

H5: Work engagement mediate the relationship between transactional leadership and employee performance.

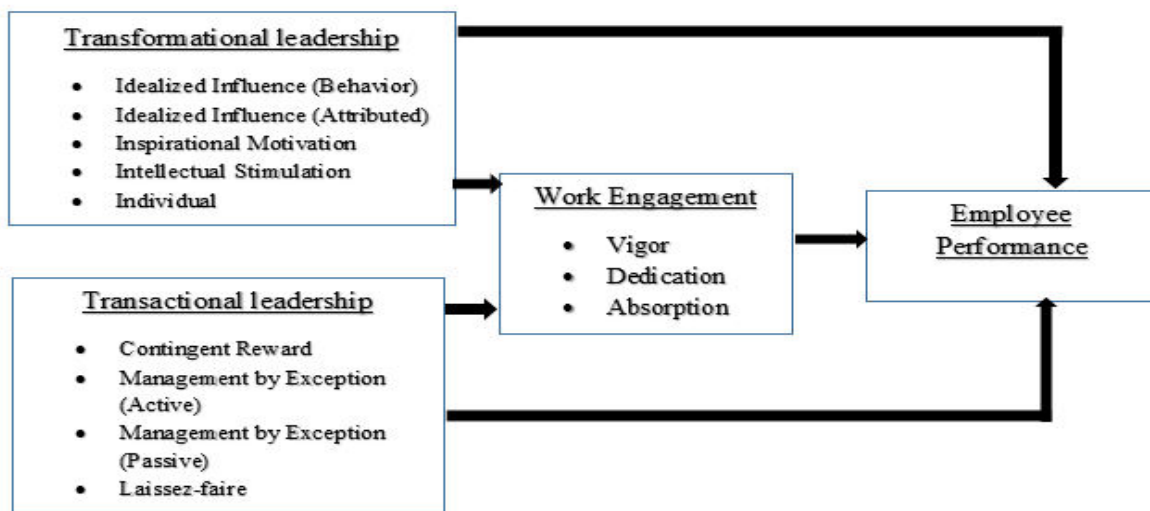


Figure 5-1: conceptual framework

CONCLUSION

The purpose of this research was to set a conceptual framework about the mediate role of work involvement on the relationship between transactional and transformational leadership and Employee Performance. A conceptual relationship has been drawn between leadership style transformation and transactional leaderships and employee performance. This relationship has implications for approaching the concept of leadership development for organizations looking to develop higher levels of employee engagement. The results of this study were considered important in order to provide insight into the different leadership styles necessary for successful business performance. From a theoretical perspective, this study proposes to fill the gap in body knowledge in the practices of transformation and transnational leadership and employee performance by addressing this issue of the present study intends to investigate the mediating

role of work engagement among leadership styles. From a practical perspective, the findings of this study will be useful to top management and practitioners in developing their leadership style within the strategic situation at the macro and micro-organizational level to improve the performance of employees.

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