

## **Impact of Transformational Leadership on Employee Performance with the mediation impact of employee engagement**

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### **Abstract**

The objective of the current study is to examine the mediating effect of Employee Engagement (EE) in the association between Transformational Leadership (TFL) and Employee Performance (EP). The study employed a cross sectional descriptive method and was based on 218 front line employees who were working at MOH Offices in the Jaffna District. Simple random sampling method was employed. Established questionnaires were used to measure the variables. Exploratory factor analysis was used to get the factor structure of each study construct. Subsequently regression analysis was performed to identify the association among the variables. The results revealed that TFL positively influences EP as well as EE. EE also positively influences EP. In addition, EE mediates the association between TFL and EP. The study highlights the importance of TFL in promoting performance among the health sector employees.

**Keywords-** Employee engagement, Work performance, Transformational leadership, Health sector.

### **1. INTRODUCTION**

Effective leadership is vital for efficient service to the people. Many researchers have investigated the associations among leadership and employee behavior, while in Sri Lanka, studies on these variables are not adequate. This study will attempt to identify the effect of TFL on EP among the frontline employees working at MOH Offices in Jaffna District, while exploring the mediating role of EE in the effect

of these leadership styles on employees' work performance. Jaffna District is the one with more MOH Offices in the Northern Province and thus the region was considered for this study. The health sector plays an important role in promoting the healthy life of people in the country. The staff in this sector contribute much to people's lives. The style of leadership of

administrators in this sector could have an impact on the behavior of staff and the service provided to the communities. Thus, this study is an effort to understand the effect of TFL style on employees' job performance and the interaction effect of EE in the effect of leadership style on employees' job performance.

MOHs are the primary service delivery points in preventive health. They act as the frontline preventive health units in Sri Lanka. The designated preventive health personnel attached to MOH offices include Medical Officer of Health, Public Health Midwives, Public Health Inspectors, Community Dental Officers and supervisory staff (National Institute of Health Sciences, 2012). The role of MOH Offices is critical due to the emergence of COVID-19 pandemic as they are responsible for prevention of the pandemic in the community (Sri Lanka, Ministry of Health, 2020). Therefore, understanding of the job performance of frontline employees working at MOH Offices is vital in the current crisis situation.

There are evidences on the linkage between leadership and performance of employees in different countries and various industries (e.g. Rasool, Arfeen, Mothi & Aslam, 2015; Gimuguni, Nandutu & Magolo, 2014). Chan (2010) advocates that a particular leadership style cannot be effective in all situations and

contexts. In the Sri Lankan context, previous researchers have not given much attention to the Sri Lankan health service sector. Therefore, the current study attempts to recognize the role of TFL in EP in the health service sector in the Jaffna District.

There are evidences of studies examining the associations between leadership and employee outcomes in different contexts and sectors (e.g. Lopez-Dominguez, Enache, Sallan & Simo, 2014; Vonger, 2009; Basham, 2012; Sani & Maharani, 2012; Bolden et al., 2012). However, these researches have been carried out in Western context where the cultural aspects of people differ remarkably. Therefore, the present study attempts to survey how TFL style affects EP and the interaction effect of EE in the connection between perceived TFL and EP among the front line employees in the health sector.

## **2. RESEARCH PROBLEM**

People rely on public service for satisfying their day to day needs, however, there is distrust among people regarding the public service. Public sector organizations were seen to experience poor performance, and were burden for the government (Corea, 1988). Gunaruwan (2016) also found that there is inefficiency in the public sector in Sri Lanka and the poor employee performance was the main cause of inefficiency. Warnakula and

Manickam (2010) reported the same results. Hence, exploring the effect of TFL on EP and assessing how far EE mediates the relationship between the variables become necessary.

There are few evidences of studies that examined the effect of TFL on various employee outcomes (e.g. Raveendran, 2021; Chamika & Gunasekara, 2016; Athukorala, Perera, & Meedeniya, 2016; Dhammika, Ahmad & Sam, 2013; Mathotaarachchi, 2013), etc. However, there is need for research to identify how far TFL predicts EP in the health service organizations in the Jaffna District.

### **3. OBJECTIVE**

The main objective of this study is to examine the impact of perceived TFL on EP and the interaction effect of EE in the connection between TFL and EP among the frontline employees working at MOH Offices in the Jaffna District.

### **4. RESEARCH QUESTIONS**

This research is directed towards answering the following research questions:

- To what extent perceived TFL style impacts EP of the frontline employees working at MOH Offices in Jaffna District of Sri Lanka?
- Does EE mediate the impact of TFL style on EP?

### **5. LITERATURE REVIEW**

#### **5.1 Transformational Leadership**

Leadership is defined as the process in which a person influences other people to enthusiastically exert efforts towards the organizational goal achievement (Nel et al., 2004). Leaders' style can be divided into two main categories: transformational and transactional leadership (Bass & Avolio, 1997; 2000). Since the work of Burn (1978) on this phenomenon, these styles have become popular. Leaders who adopt TFL inspire people to attain better results. They allow autonomy among workers in their jobs and the authority to make decisions. TFL comprises of the components of idealized influence (attributes and behavior), inspirational motivation, intellectual stimulation and individualized consideration (Avolio, Bass & Jung, 1999; Bass & Avolio, 1990).

Despite plenty of researches has been carried out on leadership all over the world, there are very few studies available in the literature to recognize the link between leadership styles and EP and the mediating effect of EE in the linkage between TFL and EP in the Sri Lankan context. Particularly, Raveendran and Gamage (2019) examined organizational commitment as a mediator in the effect of TFL on EP in the Divisional Secretariats in the Jaffna. Similarly, few other

researches on leadership styles and employee outcomes in Sri Lankan context have been reported (Jayakody, 2008; KasturiArachchi, 2011; Athukorala, Perera & Meedeniya, 2016; Fernando, 2018).

### **5.2 Employee Performance**

EP is a construct consisting of various work related dimensions. According to Nmadu (2013), EP is the level of completion of tasks that make up an employee's job. The performance is measured against the standard set for employees in terms of accuracy, speed, quality, quantity, timeliness, etc. An accepted model used for measuring EP is the Individual Work Performance Scale of Koopmans et al (2013) which contains three dimensions of performance, namely task performance, contextual performance and counter-productive work behaviour. Task performance can be defined as the ability of an individual in performing the core tasks in his/her job (Campbell, 1990). This includes the quantity and quality of work, job related skills and job related knowledge (Rotundo & Sackett, 2002; Campbell, 1990). Contextual performance can be defined as the behaviour that supports the organizational, social and psychological environment (Borman & Motowidlo, 1993). This includes efforts, supporting for colleagues at work, cooperation and effective communication (Rotundo &

Sackett, 2002; Campbell, 1990). Counterproductive work behaviour can be defined as the actions of employees that can harm the functioning of the organization (Rotundo & Sackett, 2002). This type of behaviour includes absence from work, off-task behaviour, substance abuse, theft, etc. (Koopmans et al., 2011).

### **5.3 Transformational Leadership and Employee Performance**

Several researchers have reported that TFL is positively correlated with EP, job satisfaction and commitment (e.g. Walumbwa, Wang, Lawler & Shi, 2004). Emery and Barker (2007) found that TFL leads to more satisfaction among employees than do transactional style. Purwanto, Purba, Sijabat and Bernarto (2021) reported that TFL positively impacts innovative work behaviour. In addition, Ratnaningtyas, Handaru and Eryanto (2021) found that TFL has a positive effect on work productivity. Walumbwa et al (2004) found that TFL style boosts employees' organisational commitment and job satisfaction. Moreover, Walumbwa, Orwa, Wang and Lawler (2005) found that TFL has positive effect on organizational commitment and job satisfaction of employees. Cavazotte, Moreno and Bernardo (2013) reported that TFL positively influences task performance. Many other studies have confirmed the same effect

(e.g. Jiang, Lu & Le, 2016; Sparkling, Mollaoglu & Kirca, 2016; Spangler & Braiotta, 1990; Andreani & Petrik, 2016; Ng, 2017; Buil, Martínez & Matute, 2019). A few studies conducted in Sri Lanka also reported a positive effect of TFL on EP (e.g. Chamika & Gunasekara, 2016; Karunajeewa, 2018).

However, Idris, Suyuti, Supriyanto and As (2022) reported that TFL does not affect EP. Tseng and Huang (2009) pointed out that TFL does not fit to all categories of organizations. Based on the majority of the empirical evidences, the hypothesis 1 was established.

H1: Transformational leadership has a significant positive influence on job performance of employees

#### **5.4 Employee engagement**

The idea of EE was established by Kahn (1990). He defines EE as the harnessing of organization members to their work roles. The dimensions of EE include physical engagement cognitive engagement and emotional engagement (Kahn, 1990). The cognitive dimension of EE is concerned with employees' beliefs about their organization and its leaders. The emotional dimension is concerned with how employees feel about the organization and its leaders. It is related to the attitude toward the organization and its leaders. The physical aspect of empowerment

is concerned with the physical energy exerted to accomplish the employees' roles.

#### **5.5 Association between transformational leadership style and employee engagement**

TFL is considered as a key factor in determining EE (Mansor, Mun, Farhana & Tarmizi, 2017). Thisera and Sewwandi (2018) reported that TFL positively influences employee engagement in the hospitality sector in Sri Lanka. Surveying 450 employees working in the service sector in India, Agrawal (2020) reported positive impact of TFL on employee engagement. Murali and Aggarwal (2020) also reported the same results in the IT sector in United Arab Emirates. Likewise, many researchers have reported that TFL has a positive impact on EE (e.g. Perera & Wijewantha, 2015; Balasuriya & Perera, 2021). However, the results of the study by Mozammel and Haan (2016) revealed that applying TFL style does not guarantee that the employees would be fully engaged. Based on the literature, the following hypothesis was formulated.

H2: Transformational leadership has a significant positive influence on employee engagement

#### **5.6 Association between employee engagement and employee performance**

Many researchers (e.g. Harter et al., 2002; Towers Perrin, 2007)

have confirmed that EE positively influences EP. Research also shows that high engagement leads to higher satisfaction, commitment, innovation and creativity, and lower turnover and absenteeism (Gichohi, 2014). Saxena and Srivastava (2015) conducted a study in different manufacturing industries located in Maharashtra and Gujarat and found that EE was strongly related to organizational culture, effective communication with superiors, empathic attitudes towards the employees, participation in the decision making process, career development, etc. These aspects ultimately result in increased performance among employees.

Sendawula, Kimuli, Bananuka and Muganga (2018) reported positive linkage between EE and EP. Particularly, EE predicts performance of employees as it leads to positive behaviours among employees (Otieno et al., 2015). Highly engaged employees work with peers to enhance job performance for the betterment of the organization (Ologbo & Sofian, 2013). The same results have been reported by many researchers (e.g. Shantz et al., 2013; Ariani, 2013)

H3: Employee engagement has a significant positive influence on employee performance

### **5.7 The mediation of employee engagement between transformational leadership and employee performance**

Balasuriya and Perera (2021) reported that EE plays a mediating role in the linkage between TFL and EP in selected *porcelain manufacturing companies in Sri Lanka*. Mariam (2020) reported that EE mediates the association between TFL and EP. Pourbarkhordari, Zhou and Pourkarimi (2016) also reported the same finding. Al-Amin (2017) carried out a survey of employees in various jobs in Bangladesh and proved the mediation of EE in the association between the variables. Considering the empirical evidences, the current study hypothesized the mediation of EE as given below.

H4: Employee engagement mediates the influence of transformational leadership on employee performance

## **6. METHODS**

### **6.1 Conceptualisation and operationalisation**

The conceptual model was constructed with the study variables as shown in Figure 1. The variables of the study were operationalised as shown in Table 1.

## 6.2 Sample and measures

In this study, the front line employees working at the MOH Offices in Jaffna District were considered as the study population. This includes midwives, public health inspectors and supervisory staff. A sample of 295 employees covering all categories were selected based on random sampling method. Out of the surveys distributed, a total of 218 usable surveys were returned.

TFL was measured using Multifactor Leadership Questionnaire - Form 5X (rater form) developed by Bass and Avolio (2000). EP was measured using Individual Work Performance Questionnaire of Koopmans et al (2013). EE was measured using Job Engagement Scale (JES) developed by Rich et al (2010). A pilot test was conducted with 36 employees who were selected based on convenience sampling method. Based on respondents' feedback, the items were modified. The questionnaires were directly administered to the respondents.

## 6.3 Method of data analysis

Data were analysed using SPSS 21.0 for Windows. Exploratory Factor Analysis (EFA) was performed to extract the factors. Tolerance and VIF values, and Collinearity statistics were assessed to detect multicollinearity issues among the variables. Finally, regression analysis was conducted to identify

the association among the study variables.

## 7. ANALYSIS AND RESULTS

Initially, the reliability was examined by estimating Cronbach's alpha of the subscales and the results are shown in Table 2.

### 7.1 Testing assumptions for factor analysis

Normality was tested based on skewness and kurtosis values for items of the questionnaires. The values for skewness and kurtosis between -2 and +2 are considered acceptable to confirm that the data are normally distributed (George & Mallery, 2010). In the current study, the skewness and kurtosis values of items fall between -2 and +2. This confirms that the data are normally distributed.

### 7.2 Exploratory Factor Analysis (EFA)

The study constructs were subjected to EFA to extract the items measuring each sub-construct. The Results of EFA of transformational leadership, EE and EP are shown in Table 3, Table 4 and Table 5 respectively. Principal Component Analysis was used to extract factors and Promax rotation method was employed in SPSS.

In EFA for TFL construct, the low factor loading items were removed and the items measuring the five sub-constructs were extracted. The total variance explained by the factors extracted



is 62% which is considered adequate. In EFA for EE construct, the low factor loading items were removed and the items measuring the three sub-constructs were extracted. The results of EFA of EE are depicted in Table 4. As shown in the table, the total variance explained by the factors extracted is 59%.

In EFA for EP construct, the items measuring the three sub-constructs namely task performance, contextual performance and counterproductive work behaviour were extracted and the results of EFA are portrayed in Table 5. After extraction of factors, the scores of the items measuring the counterproductive work behaviour were reversed as the counterproductive behaviour is a negative aspect of EP. After that, scores of extracted factors of EP were summed up to get the total score for the variable. The total variance explained by the factors extracted is 57% which is considered adequate.

After performing EFA, the items measuring the variables were summed up to get the total score of each study variable and regression analysis was performed to identify the association among the variables. Tolerance and VIF values were assessed to detect multicollinearity issues among the variables. As shown in Table 6, the Tolerance value is greater than 0.1 and the VIF value is below 10 for the variables of this study. As the values are within the cut-off

limits (Hair et al., 2014), there is no multicollinearity problem among the variables. Therefore, analysis could be performed to find the linkage between the variables.

### 7.3 Testing Hypotheses

#### **H1: Transformational leadership has a significant positive influence on job performance of employees**

As per results reported in Table 7c, TFL significantly and positively impacts EP ( $\beta = .683$ ,  $p = .01$  level). In addition, the ANOVA results reported in Table 7b portrays that the F value is significant at 0.01 level. As per R square value depicted in Table 7b, 22.5% of the variation in EP is accounted for the variation in transformational leadership. Based on the results, the hypothesis 1 is supported.

#### **H2: Transformational leadership has a significant positive impact on employee engagement**

As per results reported in Table 8b, TFL has a positive impact on EE ( $\beta = .704$ ,  $p = .05$  level). In addition, the ANOVA results reported in Table 8a shows that the F value is significant at 0.01 level. As per results of regression analysis, R square value is .210. Thus, 21% of the variation in EE is accounted for the variation in transformational leadership.



Based on the results, the hypothesis 2 is supported.

**H3: Employee engagement has a significant positive influence on employee performance**

As per regression results reported in Table 9b, EE has a significant positive impact on EP ( $\beta = .216$ ,  $p = .01$  level). In addition, the ANOVA results reported in Table 9a shows that the F value is significant at 0.01 level. The results of regression analysis show that R square value is .210. Thus, 21% of the variation in EP is accounted for the variation in EE. Based on the results, the hypothesis 3 is supported.

**H4: Employee engagement mediates the influence of transformational leadership on employee performance**

The Table, 10a, 10b and 10c show the results of mediation effect using regression analysis. As per the results reported in Table 10c, impact of TFL style on EP mediated by EE is significant ( $B = .649$ ,  $p < 0.05$ ). Here, the impact of TFL on EP remained significant with the inclusion of employee engagement. The Table 10a depicts the R-square change when the mediator variable was included. Further, the ANOVA results reported in Table 10b shows that the F value is significant at 0.01 level after the inclusion of employee

engagement. Therefore, EE mediates the effect of TFL on EP among the front line employees working at the MOH offices in Jaffna. Thus, the hypothesis 4 was supported.

**8. DISCUSSION**

The present study reveals that TFL has a positive impact on EP. The result is congruent with the findings of previous studies (for example, Jiang, Lu, & Le, 2016; Sparkling, Mollaoglu & Kirka, 2016; Chamika & Gunasekra, Karunajeewa, 2018). Based on the study of banking sector in Sri Lanka, Chamika and Gunasekara (2016) stated that supervisors have to use TFL or rather embrace transactional leadership style. Thus, TFL could have effect on employee productivity and and performance. Karunajeewa (2018) reported that TFL has a positive impact on EP. Therefore, the results of this study comply with the empirical evidences in Sri Lanka.

This study has shown that TFL positively impacts EE. The finding is consistent with studies of Thisera and Sewwandi (2018), Agrawal (2020) and, Murali and Aggarwal (2020). The study also revealed that EE positively influences EP. The result is congruent with the existing literature (e.g. Towers Perrin, 2007; Sendawula, Kimuli, Bananuka & Muganga, 2018; Ologbo & Sofian, 2013)

As an important part of the study, the mediation effect of EE in the

linkage between TFL and EP was examined. The findings reveal that EE mediates the impact of TFL on EP and the finding is concurrent with the prior studies conducted by Balasuriya and Perera (2021), Mariam (2020) and Pourbarkhordari, Zhou and Pourkarimi (2016). TFL promotes EE and leads to go extra mile in employees' work and thus the performance of employees is enhanced.

## 9. CONCLUSION

The current study revealed that TFL is a predictor of EP. Further, EE mediates the impact of TFL on EP. The findings would be useful for the administrators in the health sector. Practicing appropriate leadership style in the health sector becomes vital. Bearing the finding of the present study in mind, the leaders of the health sector may consider adopting transformational style to boost EP and EE levels among employees.

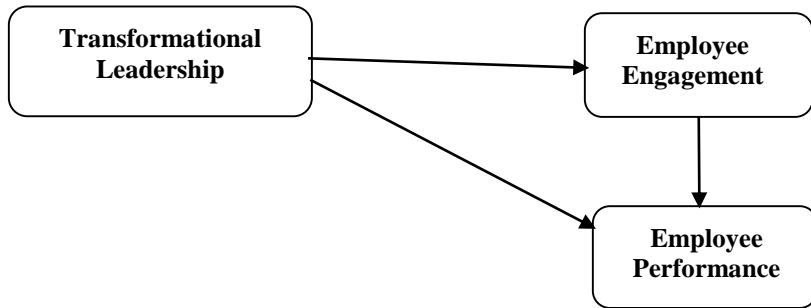
The current study emphasizes that EE should be enhanced in job for promoting performance among employees. Previous studies have not adequately examined the mediating role of EE in the leadership-performance relationship in the health sector in Sri Lankan context. Therefore, the present study would contribute to the body of knowledge. The study will be a base for further researchers to further investigate

the association among the variables TFL, EP and EE. The health sector may consider the findings of this research for developing leadership programmes to enhance appropriate leadership skills.

## 10. DIRECTIONS FOR FUTURE RESEARCH

The present study was limited to the MOH offices in the Jaffna District. The other regions should be covered by future researchers to confirm the association between TFL, EP and EE. Further, it is necessary to survey the employees of other service sectors. In addition, as the current study employed a cross sectional survey method, it is better to do a longitudinal study and the data could be collected using different techniques. Particularly, the TFL style was taken for investigation in the present study and thus the other styles such as transactional leadership, laissez-faire leadership, servant leadership, people oriented and task oriented leadership styles could be considered by future researchers. As there are not adequate studies in Sri Lankan context, more research should follow with different samples from various sectors, types of businesses and in different regions. Moreover, future researchers may investigate the influence of leadership styles on other dimensions of employee behaviours such as absenteeism, job satisfaction, organizational commitment, organizational citizenship behaviour, etc.

**APPENDIX**



**Figure 1: The conceptual framework**

**Table 1: Operationalization**

Concept	Variable	Dimensions	Measure/Instrument
Leadership Styles	Transformational leadership	<ul style="list-style-type: none"> <li>• Idealized influence- (attributes and behaviour)</li> <li>• Intellectual stimulation</li> <li>• Inspirational motivation</li> <li>• Individualized consideration</li> </ul>	Multifactor Leadership Questionnaire (MLQ) Form 5X - Rater form Bass and Avolio (2000)
Employees' Job Performance	Perceived Job Performance	<ul style="list-style-type: none"> <li>• Task performance</li> <li>• Contextual performance</li> <li>• Counterproductive work behaviour</li> </ul>	Individual Work Performance Questionnaire (IWQP) of Koopmans et al (2013)
Employee Engagement	Employee Engagement	<ul style="list-style-type: none"> <li>• Physical engagement</li> <li>• Emotional engagement</li> <li>• Cognitive engagement</li> </ul>	Job Engagement Scale (JES) developed by Rich et al (2010)

**Table 2: Reliability of scales**

Variable	No. of items	Cronbach's Alpha
Transformational leadership		
Intellectual_stimulation	4	0.875
Inspirational_motivation	4	0.729
Individualized_consideration	4	0.717
Idealized_influence_attributes	4	0.824
Idealized_influence_behaviour	4	0.811
Employee Performance		
Task_performance	5	0.732
Contextual_performance	8	0.716
Counterproductive_work behaviour	5	0.895
Employee Engagement		
Physical_engagement	6	0.883
Emotional_engagement	6	0.847
Cognitive_engagement	6	0.804

Source: Survey data, 2021

**Table 3: EFA of transformational leadership**

Pattern Matrix <sup>a</sup>					
	Component				
	Individ. consideration	Inspir. motivation	Intell. stimulation	Ideal. influ. - behaviour	Ideal. Influ. - attributes
IN_CON2	.872				
IN_CON4	.803				
IN_CON1	.763				
ID_CON3	.553				
IN_MO1		.912			
IN_MO2		.829			
IN_MO3		.827			
IN_STI4			.806		
IN_STI2			.585		
IN_STI1			.555		
IN_STI3			.525		
ID_IN_BE1				.753	
ID_IN_BE4				.737	

ID_IN_BE3				.621	
ID_IN_AT1					.698
ID_IN_AT4					.699
ID_IN_AT2					.648
ID_IN_AT3					.622
Total variance explained	33%	12%	8%	5%	4%
Cumulative % of variance explained	33%	45%	53%	58%	62%

Source: Survey data, 2021

**Table 4: EFA of employee engagement**

<b>Pattern Matrix<sup>a</sup></b>			
	<b>Component</b>		
	Physical Engagement	Emotional Engagement	Cognitive Engagement
ENG_11	.874		
ENG_9	.751		
ENG_12	.652		
ENG_6	.611		
ENG_14	.563		
ENG_13	.457		
ENG_18		.846	
ENG_1		.615	
ENG_15		.606	
ENG_17		.540	
ENG_10		.472	
ENG_16			.726
ENG_7			.664
ENG_4			.652
ENG_2			.625
Total variance explained	38%	15%	6%
Cumulative % of variance explained	38%	53%	59%

Source: Survey data, 2021

**Table 5: EFA of employee performance**

Pattern Matrix <sup>a</sup>			
	Component		
	Task performance	Contextual performance	Counterproductive work behaviour
P_Task1	.907		
P_Task2	.892		
P_Task3	.867		
P_Task4	.835		
P_Cont1		.872	
P_Cont2		.865	
P_Cont4		.831	
P_Cont5		.801	
P_Cont7			
P_Cwp1			.856
P_Cwp2			.825
P_Cwp3			.817
P_Cwp5			.616
Total variance explained	39%	13%	5%
Cumulative % of variance explained	39%	52%	57%

Source: Survey data, 2021

**Table 6: Collinearity statistics**

Model		Collinearity Statistics	
		Tolerance	VIF
1	Transformational leadership & Employee Performance	.813	2.972
2	Transformational leadership & Employee engagement	.593	2.663
3	Employee engagement & Employee Performance	.772	1.918

Source: Survey data, 2021

**Table 7a: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.425	1	22.425	62.678	.000 <sup>b</sup>
	Residual	77.282	216	.358		
	Total	99.708	217			

a. Dependent Variable: EP

b. Predictors: (Constant), TFL

**Table 7b: Regression Coefficients**

Model		Unstd. Coefficients		Std. Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.820	.232		7.840	.000
	Transformational leadership	.683	.086	.474	7.917	.000
a. Dependent Variable: EP						
<b>R square = .225</b>						

Source: Survey data, 2021

**Table 8a: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	405.681	1	405.681	4.669	.032 <sup>b</sup>
	Residual	18766.893	216	86.884		
	Total	19172.573	217			
a. Dependent Variable: EE						
b. Predictors: (Constant), TFL						

Source: Survey data, 2021

**Table 8b: Regression Coefficients**

Model		Unstd. Coefficients		Std. Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	19.198	3.617		12.422	.000
	Transformational leadership	.704	.344	.145	1.161	.032
a. Dependent Variable: EE						
<b>R square = .210</b>						

Source: Survey data, 2021

**Table 9a: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.030	1	4.030	9.475	.001 <sup>b</sup>
	Residual	94.678	216	.438		
	Total	99.708	217			
a. Dependent Variable: EP						
b. Predictors: (Constant), EE						



**Table 9b: Regression Coefficients**

Model		Unstd. Coefficients		Std. Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.898	.513		3.699	.000
	Employee engagement	.216	.005	.225	3.388	.001
a. Dependent Variable: EP						
<b>R square = .252</b>						

Source: Survey data, 2021

**Table 10a: Mediation of employee engagement - Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.474 <sup>a</sup>	.225	.221	.59815	.225	62.678	1	216	.000
2	.500 <sup>b</sup>	.210	.243	.58990	.025	7.089	1	215	.008
a. Predictors: (Constant), TFL									
b. Predictors: (Constant), TFL, EE									

**Table 10b: Mediation of Employee engagement - ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.425	1	22.425	62.678	.000 <sup>b</sup>
	Residual	77.282	216	.358		
	Total	99.708	217			
2	Regression	24.892	2	12.446	35.767	.000 <sup>c</sup>
	Residual	74.816	215	.348		
	Total	99.708	217			
a. Dependent Variable: EP						
b. Predictors: (Constant), TFL						
c. Predictors: (Constant), TFL, EE						

**Table 10c: Regression coefficients – Mediating effect of employee engagement**

Model		Unstd. Coefficients		Std. Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.820	.232		7.840	.000		
	Transformational leadership	.683	.086	.474	7.917	.000		
2	(Constant)	.683	.485		1.408	.160		
	Transformational leadership	.649	.086	.451	7.555	.000	.967	1.079
	Employee engagement	.211	.004	.159	2.663	.008	.811	1.309
a. Dependent Variable: EP								

Source: Survey data, 2021

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