

# **Analysing the impact of leadership styles and employee engagement on job satisfaction of salespeople in the speciality chemical industry**

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## **PREFACE AND ACKNOWLEDGEMENTS**

Firstly I must express my gratitude to our Lord and Saviour, Jesus Christ, for making this study possible. Without Him this work would not have realised. Thank you Lord!!

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## **ABSTRACT**

The study was performed to determine the impact of leadership styles and employee engagement on the job satisfaction of salespeople in the speciality chemical industry in South Africa. The normal working environment of the respondents in the identified organisation was utilized to conduct the study.

The study involved a cross-sectional design at a single time point. Purposive target sampling as a form of non-probability sampling was used to ensure that a definite, systematic sampling method was followed.

A questionnaire - specifically for the study - was designed by the researcher in order to find comprehensive information regarding the perceptions, opinions and understanding of the research variables from the salespeople in the identified organisation.

A total of 190 questionnaires were electronically distributed to the identified respondents which formed part of the "Sales Stream" of the identified organisation by means of a group email. 82 questionnaires were electronically submitted and all 82 were usable (N=190; n=82), representing a response rate of 42.3%. The research data was analysed by means of descriptive statistics, exploratory factor analysis and correlation coefficients.

The statistical results defined leadership style and employee engagement in terms of job satisfaction. Both transformational and transactional leadership is present at the identified organisation with respondents agreeing that laissez-faire leadership style is not being practised at the organisation.

The results indicate that transformational leadership has a positive relation to job satisfaction. Transactional leadership also has a positive relationship with job satisfaction. The results clearly indicated that laissez-faire leadership style has a negative relationship with job satisfaction. Leadership styles do have a positive or negative relationship with job satisfaction and employee engagement will positively influence job satisfaction.

As the study has shown that leadership styles and employee engagement do impact job satisfaction of employees it is important that the organisation strongly focus on these variables to ensure that their employees are satisfied with their jobs. The organisation also needs to properly equip leaders through leadership development programs to ensure leaders have the means to encourage salespeople with high levels of job satisfaction. Employee engagement is a term not clearly understood and the organisation needs to ensure that their salespeople

understand what the term means. An engaged culture of employees needs to be promoted through awareness campaigns.

**Key Terms:** leadership style, job satisfaction, employee engagement, transformational leadership style, transactional leadership style, laissez-faire leadership style

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## LIST OF ABBREVIATIONS

EFA:	Exploratory factor analysis
II:	Idealised influence
IC:	Individualised consideration
IES:	Institute for Employment Studies
IS:	Intellectual stimulation
JDI:	Job Descriptive Index
JIG:	Job in general scale
KMO:	Kaiser-Meyer-Olkin measure of sampling adequacy
MBE:	Management-by-exception
MLQ:	Multifactor Leadership Questionnaire
MSQ:	Minnesota Satisfaction Questionnaire
NWU:	North West University
SD:	Standard deviation
SPSS:	Statistical Package for Social Sciences
$\bar{x}$ :	Arithmetic mean

# CHAPTER 1: NATURE AND SCOPE OF THE STUDY

## 1.1 Introduction

This study concentrates on analysing the impact of leadership styles and employee engagement on the job satisfaction of salespeople in the speciality chemical industry.

This chapter provides the background to the research area, motivation for the study and the contribution the study will provide to the individual, organisation and the literature.

The problem statement for this study is presented along with the primary and secondary objectives. The research methodology is explained, in order to achieve these objectives. Furthermore, the attention is also drawn to some limitations and benefits of the study. The chapter concludes with a layout of the structure of the study by a brief description of the content of each chapter.

## 1.2 Background to the research area

A great deal of research has been done on leadership and the concept is widely discussed and debated (Khan & Malik, 2010:1). It is regarded as a subject that needs attention and plays an important role in individual and organisational networking (Obiwuru *et al.*, 2011:101).

According to Pretorius (2013) more than 14 million books and articles have been written on leadership and management. So much intellectual literature is available on effective leadership and a leader's impact on subordinates (France, 2008:5). Leadership plays an essential role in the sustainable growth and development of an organisation. Through proper leadership an organisation communicates a strategic vision and guides employees towards achieving the vision. Organisations expect employees to follow and transform the strategic vision into everyday life (McShane & Von Glinow, 2010:360).

According to Corner and Dubinsky (cited by Dubinsky *et al.*, 2001:17) in a sales environment sales managers can have an extraordinary impact on their sales subordinates. Further according to Walker, Churchill and Ford (cited by Dubinsky *et al.*, 2001:18) the leadership approach adopted by the sales manager towards his or her sales people can influence other dimensions in the manager/salesperson relationship. It can either be an advantageous, neutral or deleterious relationship which can directly influence the salespeople's job satisfaction, motivation and performance.

Leadership models have progressed over the years (Khan & Malik, 2010:1). This study discusses three major models; transactional, transformational and laissez-faire. Previous

research done by Bennis and Nanus (cited by Dubinsky *et al.*, 2001:18) founded that transformational leadership will advance organisations forward, create strategic visions for opportunities, encouraged commitment to change within salespeople and established new cultures and strategies within organisations.

The term transformational leadership was first coined by Downton in 1973. Influenced by Abraham Maslow's Theory of Human Needs, Burns later described the concept as an ongoing process by which "leaders and followers raise one another to higher levels of morality and motivation". Transformational leaders inspire followers to exceed expectations. By utilizing social and spiritual values as a motivational leverage, transformational leaders play to people's need for a sense of meaning and identity (Anon., 2007). Many authors argue that transformational leadership is best conceptualized as a leader-follower relationship rather than something a leader does to his or her followers (Ehrhart & Klein, 2001). Contrary to political transactional leaders who attempt to motivate their followers by exchanging with them rewards for services rendered, transformational leaders relate to their followers by articulating four important characteristics. These comprised charismatic leadership or idealized influence; inspirational motivation, intellectual stimulation and individualized consideration (Bass, 1996).

Engagement was first introduced in the academic vocabulary in the social psychological work of Kahn (cited by Truss *et al.*, 2013:2658). Kahn (cited by Truss *et al.*, 2013:2658) suggests that individual engagement come about when "people bring in or leave out their personal selves during work-role performances". Kahn (cited by Truss *et al.*, 2013:2659) further stated that behaviours such as these are defined by the extent to which individuals will make use of physical, cognitive and emotional levels during work related performances. From Kahn's (cited by Truss *et al.*, 2013:2659) observations engaged employees express their individuality by means of physical involvement, cognitive awareness and emotional influences. On the other hand a disengaged employee disconnects themselves from their work by limiting personal commitment in physical, cognitive and emotional issues of work.

### **1.3 Motivation of the study**

From the above introduction and short peek at the literature it can be derived that leadership style is directly related to the job satisfaction of employees and each leadership style will use a different approach to ensure employee job satisfaction. Research on determining the leadership style is thus very important to an organisation as it will determine the way organisations will ensure the job satisfaction of their sub-ordinates. This study will determine the appropriate leadership style within the organisation and these results can then be used to focus on the job satisfaction of employees through the levels of employee engagement. Engaged employees will exert high levels of job satisfaction which will benefit the business outcomes of the organisation

by having more productive and committed employees which in turn will lead to a more profitable organisation.

A vast plethora of literature is available on leadership style and job satisfaction. Employee engagement is less researched but it is a new field that are gaining interest and momentum. However relevant research on these constructs and its effect on salespeople in their working environment are not so readily available, as found during the literature review.

### **1.3.1 Contribution for the individual**

The study will make salespeople in the speciality chemical industry aware of which leadership style is the most applicable to the industry. The salespeople will become more aware of which leadership style they need to align themselves with, to be more engaged and ultimately give them the highest job satisfaction.

### **1.3.2 Contribution for the organisation**

The study will help organisations determine the relationship between these constructs and the possible effects on each other. The study findings can have a significant contribution to senior management in the speciality chemical industry. By applying the most relevant leadership style both the organisation and employees will benefit. Literature has shown that highly engaged employee will have higher levels of motivation which in turn will have a positive impact on the employee's overall performance and job satisfaction.

### **1.3.3 Contribution for the organisational literature**

Leadership is a very important aspect of any organisation and determining the leadership style that can positively contribute to the effectiveness of the organisation can have a significant effect on the bottom-line of the organisation in the form of increased profits and employee satisfaction. This will also give the organisation an advantage over their competitors. The contribution of this study to the industry can therefore be significant in terms of the organisation's sustainability.

## **1.4 Problem statement and research question**

Warrick (1981:155) states that there are few leaders that fully understand the true significance of how influential their leadership style is on the performance and satisfaction of their employees. Employees' behaviour is often created by leaders that control both interpersonal and material rewards and punishments which have a severe influence on the performance and attitude of employees.

According to Hoyle (2006:1) the mystery still remains unresolved as to why one leader's style is more effective than another's. Leadership style is a combination of a leader's general personality, demeanor and communication patterns to guide others toward reaching organisational or personal goals. Hoyle (2006:1) mentions that the literature reveals little empirical research about why some leadership styles in certain situations are successful and others are dismal failures. Observers have pondered why some successful leaders use a consistent style in all situations and others use a more situational style and the general consensus found from research is that some leaders are better than others in reading the environment and adjusting their style to address specific issues (Hoyle, 2006:1).

As mentioned by Hoyle (2006:1) the categories of leadership styles have enlarged in the postmodern literature and amongst the more recent categories are charismatic leadership, social justice leadership, gender and race leadership, moral leadership, spiritual leadership, authoritarian, participative, transactional and transformational leadership.

Job satisfaction is an integral part of any organisation and will only exist when the interest of both employees and the organisation are in balance with each other. Leadership and job satisfaction are two crucial factors in the effectiveness of any organisation (Voon *et al.*, 2011:24).

It has been noted that employee engagement has the potential to raise levels of organisational performance and profitability (Truss *et al.*, 2013:1).

This study attempted to assess the impact of leadership style and employee engagement on the job satisfaction of salespeople in the South African speciality chemical industry. To successfully deal with this research subject it is necessary to present and answer the following research questions:

#### **1.4.1 Research questions**

- What is the relationship between transformational, transactional and laissez-faire (passive/avoidance) leadership style and job satisfaction?
- What is the relationship between leadership style and employee engagement?
- What is the relationship between employee engagement and job satisfaction?

## **1.5 Research objectives**

The research objectives are divided into two sections, namely: a general objective and specific objectives.

### **1.5.1 General objective**

The general objective of this study was to analyse the impact of leadership styles (transformational, transactional and laissez-faire) and employee engagement on job satisfaction of salespeople in the South African speciality chemical industry.

### **1.5.2 Specific objectives**

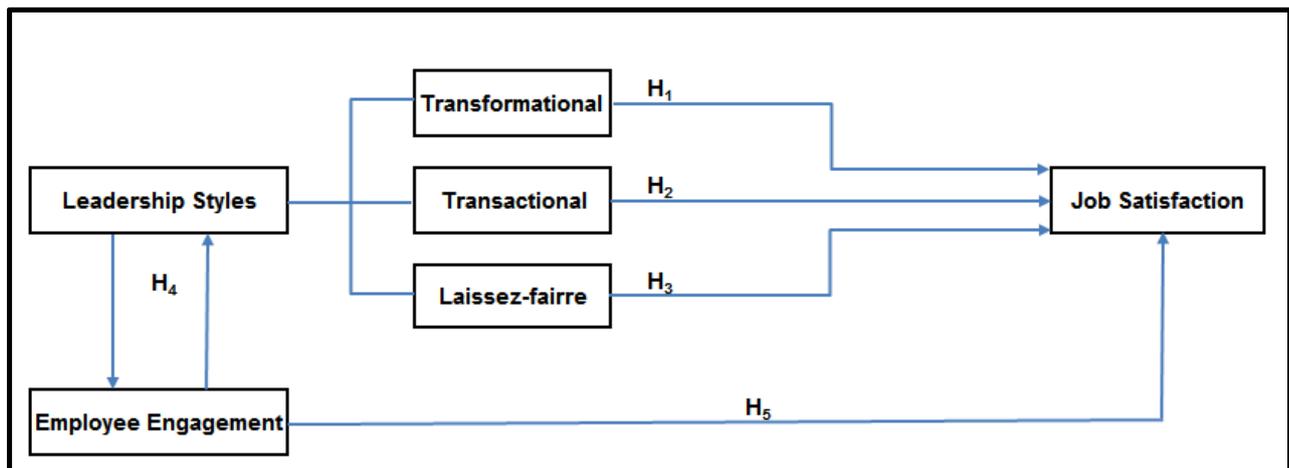
The specific objectives of this study were to:

- Determine the relationship between transformational, transactional and laissez-faire (passive/avoidance) leadership style and job satisfaction;
- Determine the relationship between leadership style and job satisfaction;
- Determine the relationship between leadership style and employee engagement; and to
- Determine the relationship between employee engagement and job satisfaction.

### **1.5.3 Research Hypotheses**

The expected outcome from the research in terms of the empirical research questions can be summarised as being:

- Transformational leadership is an effective leadership style;
- Transformational leadership will have a positive impact on the salespeople's employee engagement and job satisfaction; and
- Transactional leadership and laissez-faire leadership will have a negative impact on the salespeople's employee engagement and job satisfaction.



**Figure 1.1: Conceptual Framework**

Source: Adapted from Chi *et al.* (2007:201)

*H1: There is a positive relationship between transformational leadership and job satisfaction.*

*H2: There is a negative relationship between transactional leadership and job satisfaction.*

*H3: There is a negative relationship between laissez-faire leadership and job satisfaction.*

*H4: There is a relationship, positive or negative, between leadership styles and employee engagement.*

*H5: There is a positive relationship between employee engagement and job satisfaction.*

## **1.6 Research design/method**

### **1.6.1 Literature review**

The purpose and objectives of the literature review is to examine the key concepts relevant to this study. This will be done by:

- Firstly, reviewing the recommended conceptual model and its components in the context of leadership styles and leadership characteristics.
- Secondly, presenting the recommended model for the study.
- Thirdly, discussing the past history and hypotheses of the recommended model.

The key concepts of the study include:

- Dependent variable: Job satisfaction;
- Independent variable: Leadership style;
  - In this research topic leadership style will be defined on three levels:
    - Transactional leadership style;
    - Transformational leadership style; and
    - Laissez-Faire (passive/avoidance) leadership style.
- Independent variable: Employee Engagement.

The sources that will be consulted for the literature review of this study predominantly consists of relevant peer-reviewed scientific journals, articles, textbooks and research documents obtained from credible search engines on the NWU databases and include (NWU, 2015):

- EbscoHost: International journals on Academic Search Premier, Business Source;
- Emerald: International Quality journals;
- ScienceDirect;
- Internet: Google Scholar and internet articles;
- NWU online-library;
- SACat: National catalogue of books and journals in South Africa;
- SAePublications: South African journals;
- Premier, Communication and Mass Media Complete and EconLit; and
- ProQuest: International dissertations in full text.

## **1.6.2 Empirical research:**

### **1.6.2.1 Research participants**

The research survey questionnaire distribution is limited to the employees of the identified organisation's sales people in South Africa, Africa and the Indian Ocean islands. The electronic survey questionnaire was distributed to all sales people of the organisation, thus representing the full population. The survey questionnaire was sent to the following sales related staff:

- Sales Managers;
- Regional Sales Managers;
- Senior Account Managers;
- Account Managers;
- Area Managers; and

- Sales Technologists 1 to 3.

This covered everybody that forms part of the “Sales Stream” as per the company departmental lists that were obtained from the identified organisation.

### **1.6.2.2 Research approach**

The research methodology used for this study is a quantitative research approach to evaluate the study objectives. The quantitative research approach was followed due to its reliability and objectivity. Quantitative research approaches allow for the research of the relationships between study variables so that a cause and effect can be established using a specific measuring instrument. Quantitative research approaches allow the testing of the research hypotheses (Anon., 2015).

Research data gathering was done by applying primary data collection techniques. Primary data collection involves the researcher collecting the data himself (Welman *et al.*, 2012:149). The primary data for the study was obtained through a non-experimental, cross-sectional design as data measurement will involve a single time dimension. Questionnaires were selected as the most appropriate method to gather the primary data. Questionnaires are practical and the results can be quickly and easily quantified by using statistical software packages making it more objective than other forms of research instruments.

The data analysis will involve exploratory factor analysis and correlational design where the independent variable's relationship will be tested against the dependent variables. The relationship between these variables will then be analysed through the use of descriptive statistical techniques supported by statistical data analysis software.

### **1.6.2.3 Research procedure**

For the study to continue, permission was obtained from the identified organisation to partake in the research. A personal appointment was made with the Executive Director of the organisation to explain the goals and objectives of the study and what benefits it will bring to the organisation. The issues of ethics and anonymity during the collection of data were addressed during this conversation. With the directors buy-in a departmental list was obtained to identify the relevant sales departments that were targeted for the study.

The participation in the study was made as easy as possible and an electronic based questionnaire were designed and loaded onto Google Forms by the NWU Statistical Consultancy Services. Once permission was granted by the organisation, the researcher dispatched the electronic questionnaires via a group email with a web link inserted into an

explanatory e-mail to the identified research respondents which were the sales people of the identified organisation. By clicking on the link the respondent gained access to the research survey questionnaire and could anonymously submit the response. During the two week window period that was allowed for responses, four reminder group mails were sent to all the respondents. On completion of the electronic questionnaires the respondents submitted their responses. All the respondent's responses were gathered at a central data collection point via Google Forms at the NWU Statistical Consultancy Services from where the data were exported and analysed.

The electronic questionnaires had an introductory cover letter to introduce the objectives of the research and to assure respondents that the responses are done anonymously and voluntarily. The purpose for this assurance being to obtain more truthful answers, as presenting questions on work-related issues is regarded as sensitive. The questionnaire also had a short explanation of the important research variables.

#### **1.6.2.4 Measuring instrument(s)**

A measurement tool to analyse the impact of leadership styles and employee engagement on job satisfaction is a research survey. An existing questionnaire to assess the three variables of leadership styles, employee engagement and job satisfaction was designed by the researcher specifically for the study to find comprehensive information regarding the perception, opinion and understanding of these variables for the sales people at the identified organisation.

The questionnaire consisted of four individual sections:

- Demographic Information;
- Section A: Leadership styles;
- Section B: Job satisfaction; and
- Section C: Employee engagement.

A number of questionnaires were reviewed for background information which was of assistance in the design of the questions. The formulation and selection of questions was specifically for the purpose of this study. All the questions covered in Sections A, B and C and were measured on a five-point Likert scale as follow:

1. Strongly disagree;
2. Disagree;

3. Neither disagree nor agree;
4. Agree; and
5. Strongly agree.

A copy of the research survey questionnaire is provided in the Appendix A.

The researcher realised that more descriptive responses would be necessary to obtain quality information and therefore provision was made for open-ended questions in the leadership style and employee engagement sections. This also allowed for truthful responses from the respondents on what they perceive as being the current state of affairs in the organisation. According to Welman *et al.* (2012:174) an open-ended question is a question which the researcher asks and there is no expected or predetermined list of answers. The advantage of open-ended questions is that the respondent's answer is not influenced excessively by the researcher and the replies by the respondents can be responsible for a valuable stream of varied information regarding the perceptions of the respondents (Welman *et al.*, 2012:175).

#### **1.6.2.5 Data analysis methods**

Data and statistical analysis were used to split up the gathered research data into manageable topics, groupings and relationships. The main goal of data analysis is to understand the different building blocks of the study through the relationships between the variables and to determine if any patterns can be established (Cooper & Schindler, 2003:87).

Data were collected from the respondents and captured into an appropriate statistical data analysis software package. The statistical analysis was used to interpret the data, draw conclusions and make the necessary recommendation regarding the research objectives (Efox, 2015).

Quantitative statistical analysis was conducted using the Statistical Package for Social Sciences (SPSS) statistical program. SPSS's predictive analytics software makes it possible to compute what could happen next in order to make smarter decisions, solve problems and improve the end result (IBM, 2015). The SPSS software was used to create a data file and to compute the descriptive statistics.

Descriptive statistics and effect sizes were used to determine the significance of the research findings. The research results were rationalised and correlated through mean and standard deviations. The mean was used to quantify the central tendency of the research results. The standard deviation displays the average distance of the individual scores from the mean.

Exploratory factor analysis (EFA) was used to determine the validity of the questionnaires. Cronbach's alpha coefficient was used to assess the reliability of the constructor variables that were measured in this study.

In addition to statistical significance to determine the practical relevance of relationships, effect sizes were used. Effect sizes will indicate whether gotten results are important, where statistical significance could present results which are of trivial practical relevance. Using only statistical significance testing in a repetitive manner is problematic and numerous researchers have suggested more emphasis on effect sizes. Cut-off points of 0.1 (small effect), 0.30 (medium effect) and 0.50 (large effect) were set for the practical significance of correlation coefficients (Cohen, 1988).

According to Cohen and Cohen (cited by Dubinsky *et al.*, 2001:22) hypotheses testing was conducted by means of correlation analysis. All five hypotheses of the study were tested with correlation analysis (Dubinsky *et al.*, 2001:22).

### **1.7 Possible limitations of the study**

The main limitation was that the study had been conducted using a sample of respondents working for one speciality chemical company and therefore might not represent the industry as a whole. For the purpose of the study the targeted respondents were the sales people in the organisation and not the organisation as a whole. Generalisation will therefore be limited to the department that was sampled in the organisation.

How an individual feels about the organisation's leadership and how it is perceived by employees can be a sensitive subject and the truthfulness of the answer given in the study could be a concern to the researcher.

The objective of the study was to establish if there is correlating relationships between the variables and to determine what the strength of the relationships is. The study had no intention to prove underlying relationships between the variables.

### **1.8 Expected Benefits**

- The outcome of the study is expected to contribute towards understanding the current status with regards to the identified organisation's leaders' characteristics. This can be used as a baseline for integrated organisational improvements for current and future challenges.

## **1.9 Layout of chapters**

### Chapter 1: The Nature and Scope of the Study

The objective of this chapter is to introduce the study. A contextual background of the current state of affairs regarding leadership styles, job satisfaction and employee engagement is presented. The purpose for the study is specified leading to the problem statement and research questions. The research objectives and methodology is clarified in order to attain the goal of the study.

### Chapter 2: Leadership Styles, Job Satisfaction and Employee Engagement

The objective of this chapter is to critically review and evaluate literature on the key constructs which will provide sufficient background to the planned study. The key constructs include leadership styles, job satisfaction and employee engagement. The conceptual framework as presented in Figure 2.1 is assessed and discussed in the context of leadership style and employee engagement impact on job satisfaction.

As already stated previously, masses of research have been done on leadership and the concept is widely talked about (Khan & Malik, 2010:1). It is regarded as a subject that needs attention and plays an important role in individual and organisational networking (Obiwuru *et al.*, 2011:101). Therefore the construct of leadership and leadership style need to be clearly defined and all possible relationships with the other research constructs, job satisfaction and employee engagement, must be identified.

### Chapter 3: Research Methodology

The objective of this chapter is to outline the study in relation to the empirical research design, the participants of the study, the proposed measuring instruments and the data analysis methods. This chapter will discuss the data gathering methods which include ethical considerations. Special attention will be given to the measuring instruments used to measure the constructs of the study in terms of authentication and accuracy. Data analysis methods will be explained in detail.

### Chapter 4: Results

The objective of this chapter is to present the results of the study. The results on the biographical profile of the research participants will be discussed. The descriptive statistical results on the constructs of leadership styles, job satisfaction and employee engagement will be provided. Possible relationships between the constructs will be assessed by means of

exploratory factor analysis and correlation coefficients. Cronbach's alpha coefficient will be used to assess the reliability of the measuring instrument.

#### Chapter 5: Conclusions, Recommendations and Limitations

The objective of this final chapter is to discuss the research results, to note the limitations of the study and to make conclusions based on the hypotheses presented by either accepting or rejecting the hypotheses. This will be followed by recommendations to the organisation and recommendations on future research based on the findings of the study.

##### **1.10 Chapter summary**

This chapter offered an overview as well as an introduction to the study. The problem statement, research objectives, the research methodology, limitations and the chapter layout were covered.

Chapter 2 will focus on the relevant literature to the study.

# **CHAPTER 2: LEADERSHIP STYLES, JOB SATISFACTION AND EMPLOYEE ENGAGEMENT**

## **2.1 Introduction**

The purpose of this chapter is to critically review and evaluate theories and literature on the key constructs which will provide proper theoretical foundation for this study. The key constructs include leadership styles, job satisfaction and employee engagement. The conceptual framework as presented in Figure 1.1 is assessed in the context of leadership style.

A plethora of research has been done on leadership and the concept is widely talked about (Khan & Malik, 2010:1). It is regarded as a subject that needs endless attention and plays an important role in individual and organisational networking (Obiwuru *et al.*, 2011:101). Therefore the construct of leadership and leadership style need to be clearly defined and all possible relationships with the other research constructs, job satisfaction and employee engagement, are to be identified.

## **2.2 Operationalisation of the major concepts**

### **2.2.1 Leadership**

Leadership is the process whereby a leader inspires individuals to accomplish common goals (Kreitner & Kinicki, 2010:467). According to Kellerman (cited by Kreitner & Kinicki, 2010:467), the various definitions of leadership has four shared goals: (1) leadership is a process between a leader and followers, (2) leadership involves social influence, (3) leadership occurs at multiple levels in an organisation, and leadership focuses on goal accomplishment. .

### **2.2.2 Leadership style**

#### **2.2.2.1 Transformational leadership style**

Transformational leaders are defined by Kreitner and Kinicki (2010:485) as individuals that “engender trust, seek to develop leadership in others, exhibit self-sacrifice and serve as moral agents, focusing themselves and followers on objectives that transcend the more immediate needs of the work group”.

Transformational leaders are capable of having an important effect on organisational change and results because this leadership approach fosters higher levels of intrinsic motivation, trust, commitment and loyalty from their followers, than do transactional leadership. However it is important to realise that transactional leadership is an important prerequisite for effective leadership and that the best leaders will learn to display both transactional and transformational

leadership approaches (Kreitner & Kinicki, 2010:485). Transformational leaders will change followers' perspectives by transforming their goals, values, needs, beliefs and aspirations. (Kreitner & Kinicki, 2010:486).

Transformational leadership theory is by definition about leadership with values and meaning that focus on high order needs. The theory has evolved from the elements of leadership such as traits, situational and transactional leadership. Transformational leaders are concerned about their followers and their personal needs and development. This is because transformational leaders have strong beliefs about their followers; they have higher levels of performance and satisfaction than work groups controlled by other types of leaders. Thus, they inspire and motivate their followers to exceed normal levels of performance. Transformational leadership consists of four major characteristics: (1) idealised influence, (2) inspirational motivation, (3) individualised consideration and (4) intellectual stimulation (Varol & Varol, 2012). The characteristics are summarised in table 2.1 below.

**Table 2.1: Characteristics of transformational leadership**

<b>Characteristic</b>	<b>Definition</b>
Charisma	Provides vision and sense of mission, instils pride, gains respect and trust
Inspiration	Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways
Intellectual stimulation	Promotes intelligence, rationality and careful problem solving
Individualised stimulation	Gives personal attention, treats each employee individually, coaches, advises

Source: Adapted from Bass (1991:22)

Transformational leadership style is recognised as the leadership style that plays an important role in understanding a successful and discovering change in organisations.

By reflecting on the above definitions and literature (Kreitner & Kinicki, 2010; Varol & Varol, 2012) it is clear that through transformational leadership style the followers are given a shared vision and by sharing this vision the followers create their own mission. These leaders will make changes to organisational culture and make followers believe that these cultural changes will enhance their performance; transformational leadership style inspires the followers to exceed their performance compared to the original performance goals.

Furthermore the above definitions from the literature on transformational leadership style describe this leadership style as the chosen leadership style to apply in organisations today. Transformational leaders are servants to their followers and will do whatever it takes to develop the environment for their follower through continued support by means of coaching, training and personalised attention. The transformational leader embeds a trusting relationship with their followers and gets their follower to follow their vision and ultimately the vision of the organisation. This is a mutually beneficial situation for both leader and follower.

### 2.2.2.2 Transactional leadership style

This type of leadership focuses on role clarification of employees and providing rewards dependent on performance. Transactional leadership is made up of the fundamental managerial actions of setting goals, monitoring progress toward goal achievement and rewarding as well as punishing individuals for their level of goal completion. From this description it is apparent that transactional leadership is based on extrinsic motivation for improved productivity of employees (Kreitner & Kinicki, 2010:484).

Transactional leadership is essentially based on the fact that that reward or punishment is based on the individual's performance. Organisations tend to adopt transactional leadership in an attempt to increase performance and productivity of their employees. The characteristics of transactional leadership are: contingent reward, active management-by-exception and passive management-by-exception (Varol & Varol, 2012). The characteristics are summarised in table 2.2 below.

**Table 2.2: Characteristics of transactional leadership**

Characteristic	Definition
Contingent reward	Contracts exchange of rewards for effort, promises rewards for good performance, recognises accomplishments.
Management-by-exception (active)	Watches and searches for deviations from rules and standards, takes corrective action
Management-by-exception (passive)	Intervenes only if standards are not met
Laissez-Faire	Abdicates responsibilities, avoids making decisions

Source: Adapted from Bass (1991:22)

Robbins (cited by Chaudhry & Javed, 2012:259) defined transactional leadership as a process where the leader uses social exchanges for employees to perform a specific transaction. It is

based on the expected reward from the leader by the followers in return for the obedience with their effort, productivity and loyalty (Oguz, 2010:1089).

Mothilal (2010:10) criticises transactional leadership because it is only suitable for more stable environments. According to Marques (2007:116) the trait of transactional leaders of setting goals and promising reward motivate the followers which ultimately can lead to improved performance. According to Bass (1990:22) a transactional leader is characterised by the leader’s use of contingent reward and management by exception (both active and passive).

Tutar *et al.* (cited by Ünsar, 2014:17) describes transactional leaders as leaders that practise the style of doing work or making other people do the work by making their ongoing activities more proficient and developed. These leaders apply authority to provide the necessary material rewards and status to motivate their followers to perform. For transactional leaders innovative and creative thinking by their followers is not important. In a sense the transactional leader applies traditional structure in an effort to preserve beneficial historic traditions and convey these traditional ways to the next generations.

Even though the transactional leadership style is grounded on bureaucratic and legal power in an organisation it give emphasis to the importance of the completion of the task and the organisational reward (Ünsar, 2014:17). According to Altun (cited by Ünsar, 2014:17) the expectations and needs of the employees are important to the transactional leader. The transactional leader also assigns a specific meaning to moral values.

Bakan (cited by Ünsar, 2014:17) describes the leader-follower interaction of a transactional leader as a sort of “exchange”. The transactional leader will also focus on the efficient implementation of management techniques.

**Table 2.3: Difference between transactional and transformational leadership**

<b>Transactional Leadership</b>	<b>Transformational Leadership</b>
Leadership status quo	Leadership changes
Followers achieve organisational goals through the process of rewarding or punishing	Motivating followers in process of achieving the tasks through establishing a common vision, ideals and moral values
Organisational culture is not changed	Change of organisational culture
	Followers are motivated by group interests that coexist with individual interests of group members

Source: Adapted from Nikezić *et al.* (2012:290)

Table 2.3 shows a number of differences between transactional and transformational leadership styles. According to Nikezić *et al.* (2012:290) Table 2.3 indicates that transactional leadership cannot develop the maximum of leadership potential. Transformational leadership is providing a full range of leadership functions by creating conditions for intermittent changes (Nikezić *et al.*, 2012:290).

From the above literature on transactional leadership it is clear that there is a definite place in today's organisations for transactional leadership style. The characteristics of contingent reward and management by exception form an important basis for organisations to improve performance in today's volatile economic environment where you need to achieve higher performance and better results with fewer resources. It is however emphasised that transactional leadership is a complement to transformational leadership and that today's organisations should strive to get a balance between these two leadership styles to ensure future success.

### **2.2.2.3 Laissez-faire leadership style**

Laissez-faire leadership is a dimension of leadership making available the possibility of freedom in the selection of goals and behaviour of organisational members. The leader is avoiding responsibility for decisionmaking and therefore creates inefficient and unprofitable organisational relationships (Nikezić *et al.*, 2012:287).

According to Yörük (cited by Ünsar, 2014:26) this leader will give followers a goal and the followers are completely free to achieve these goals with their skills and the leader will only be responsible for the supply of the resources. The laissez-faire leader has little decisionmaking skills and the followers need to motivate and train themselves emphasising these leaders inability to take responsibility and power.

Şafakli (cited by Ünsar, 2014:26) states that the biggest disadvantage of laissez-faire leadership style is the absence of strong leadership resulting in unnoticed and directionless unhappy followers causing the organisation to fall into chaos.

Laissez-faire leadership is generally seen as a leadership style that is characterised by a general failure to take responsibility for leading, for instance failing to assist followers to set performance goals, failing to give performance feedback, being so disconnected that followers are inadequately informed as to what is expected from them and more. In general laissez-faire leadership style is an ineffective way for a leader to conduct them and should be avoided. Organisations should identify such leaders early in their careers and train, coach and develop

such leaders to display transactional and transformational leadership behaviours (Kreitner & Kinicki, 2010:484).

The above definitions of laissez-faire leadership style emphasises that the inability to make decisions and support your followers is the biggest failure of this type of leadership style. It is therefore necessary to eliminate this type of leadership style in the modern organisation and focus on transactional and transformational leadership styles in the 21<sup>st</sup> century.

### **2.2.3 Job satisfaction**

Job satisfaction is a subject matter of wide interest for both organisations and people researching the term. The term job satisfaction is the most frequently studied concept in the discipline of organisational behaviour. It is considered to be the leading concept for research and organisational development extending from job design to supervision (Spector, 1997:1).

Job satisfaction has been defined in a number of different ways and a definite explanation for the concept is not likely to emerge (Cabrita & Perista, 2007:4). Job satisfaction displays how fulfilled individuals are with their jobs. In pursuing job satisfaction a vital component is “meaning”, because it creates a sense of belonging both in the in the job and in the organisational culture. This creates an environment to perform effectively (Hennicks, 2014:39).

A general definition for job satisfaction is stated by Spector (1997:2) as: “Job satisfaction is simply how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs.”

According to Mosadeghrad (cited by Rad & Yarmohammadian, 2006:xii) an employee’s job satisfaction is the attitude they have with regards to their jobs and the organisations in which they do these jobs. Further Mosadeghrad (cited by Rad & Yarmohammadian, 2006:xii) defined job satisfaction “as an employee’s affective reaction to a job, based on a comparison between actual outcomes and desired outcomes.”

Misener *et al.* (cited by Rad & Yarmohammadian, 2006:xii) describe job satisfaction as a complicated concept which includes employee feelings concerning several job elements, both intrinsic and extrinsic. Specific aspects of satisfaction is included like the employee’s remuneration, fringe benefits, job advancement, working environments, supervision, organisational customs and interactions with co-workers.

Organisations are seen as social structures where human capital is the most important factor for success and productivity. Without the efforts and commitment from the workforce an

organisation will fail and job satisfaction forms a critical part in retaining and attracting well educated individuals (Rad & Yarmohammadian, 2006:xi).

From the above descriptions and definitions it becomes clear that job satisfaction traits can be summarised as a subject where there is no definite explanation that will emerge, it is about how people feel and it determines whether people are satisfied or dissatisfied.

#### **2.2.4 Employee engagement**

Shuck and Reio (2014:47) operationally define employee engagement “as a series of psychological states (cognitive, emotional and behavioural) ultimately representing an intention to act that encompasses motivation-like qualities.”

Research done by the Institute for Employment studies revealed that engaged employees demonstrate the following behaviours (Robinson *et al.*, 2004:ix):

- Belief in the organisation;
- Desire to work to make things better;
- Understanding of business context and the ‘bigger picture’;
- Respectful of, and helpful to, colleagues;
- Willingness to ‘go the extra mile’; and
- Keeping up-to-date with developments in the field.

It is clear that the term employee engagement have overlaps with concepts like commitment and organisational citizenship behaviour, but there are differences. Engagement in particular involve a two-way relationship where the organisation need to work to engage employees and the employee need to decide what level of engagement to offer the employer (Robinson *et al.*, 2004:ix).

Macey and Schneider (2008:24) concurred in their research that high employee engagement can be a critical component in competitive advantage of an organisation. Employee engagement consists of complex interrelated and clearly identifiable theories. These theories include state engagement, behavioural engagement and trait engagement.

Organisations with strong employee engagement and gender diversity have a business unit level financial benefit. This means that organisations making diversity a priority and that create an engaged organisational culture for the workforce could generate increased financial benefit (Badal & Harter, 2014:362). Trust and support from leaders and colleagues could boost the level of employees’ work engagement and this can in the end realise improved organisational performance (Hughes, 2015:49).

When reflecting on the definitions and literature above it is clear that employee engagement plays an important role in the performance of any organisation. It is therefore critical that organisational leadership realise the importance of an engaged workforce and work towards implementing a strategic plan to ensure that employees is maximally engaged in the working environment.

### 2.3 Theoretical framework

Figure 2.1 is the conceptual model for the study. The model hypothesises key leadership styles: Transformational, transactional and laissez-fairre leadership styles, as the independent variables have significance with and impact on the dependent variable job satisfaction. The model also tries to determine the influence of leadership styles on the independent variable, employee engagement. It further tries to determine the influence of employee engagement on the dependent variable job satisfaction.

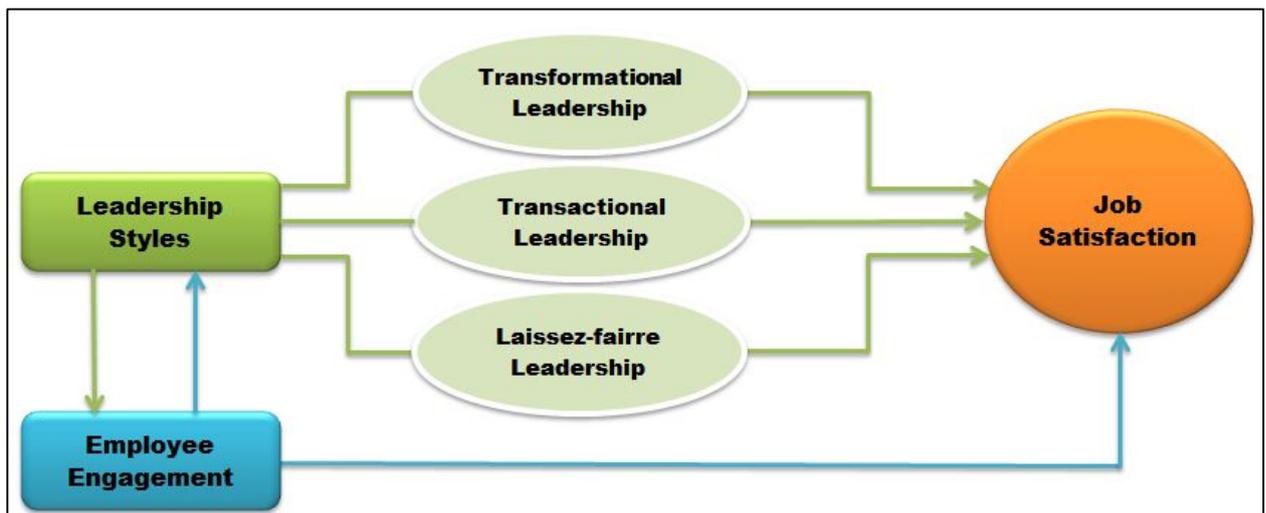


Figure 2.1: Conceptual/Hypothesised Model (Own Research)

Source: Adapted from Lushozi (2013:11)

### 2.4 Leadership

Leadership can be defined as a collaborative process providing the necessary guidance and direction. The three interacting foundations of leadership are: a leader, employees and a situation (Goodnight, 2004:820).

Leadership has been conceptualised in many different ways and the following components can be identified as being central to the leadership phenomena (Northouse, 2013:5):

- Leadership is a process;
- Leadership involves influence;
- Leadership take place in groups; and
- Leadership incorporates common goals.

Through the process of leadership the leader of an organisation will influence a group of followers to accomplish a common purpose. The key elements of this definition of leadership involve the process, influence, groups and mutual purpose. Defining leadership as a process emphasises that leadership is not a trait or characteristic but it is a transactional event between a leader and the followers. Leaders therefore affect and are affected by followers, highlighting that leadership is not a linear, one way event but an interactive event (Northouse, 2013:5).

Influence is concerned with how the leader affects his followers without which leadership cannot exist. Leadership will always be in the context of a group, where the leader will inspire a group of followers to reach a common purpose. Common purpose being the leaders directed energies to guide a group of followers to complete something together (Northouse, 2013:5).

Good leaders are seen as people who can influence, motivate and enable employees to be part of the effectiveness and accomplishment of the organisation (McShane & Von Glinow, 2010:360). Leaders must provide the necessary direction and support to ensure the organisation's sustainability (Goodnight, 2004:820). Good leadership is a critical part of the success of an organisation in today's challenging business environment (Ghorbanian *et al.*, 2012:1). True leaders are not necessarily in the organisation's executive but can be throughout the organisation in different ways and at different times (McShane & Von Glinow, 2010:360).

Leadership is a process where the most critical factor is influence; without influence a leader will not succeed. Leadership needs a group to function and a good leader will inspire followers to reach a shared goal. Good leadership is a critical part of an organisation's success and without good leadership an organisation will not be successful.

## **2.5 Leadership styles**

Warrick (1981:155) states that there are few leaders that fully understand the true significance of how influential their leadership style is on the performance and satisfaction of their employees. Employees' behaviour are often created by leaders that control both interpersonal and material rewards and punishments which have a big influence on the performance and attitude of employees. Leaders can affect an employee's health and energy level by creating an inspiring work climate or one filled with pressure and fear (Warrick, 1981:155).

According to Hoyle (2006:1) the mystery still remains unresolved as to why one leader's style is more effective than another's. Leadership style is a combination of a leader's general personality, demeanour and communication patterns to guide others toward reaching organisational or personal goals. Hoyle (2006:1) mentions that the literature reveals little empirical research about why some leadership styles in certain situations are successful and others are dismal failures. Observers have pondered why some successful leaders use a consistent style in all situations and others use a more situational style and the general consensus found from research is that some leaders are better than others in reading the environment and adjusting their style to address specific issues (Hoyle, 2006:1).

The three-part integrative leadership theories will be the focus of this research and include Transformational Leadership Style, Transactional Leadership Style and Laissez-faire Leadership Style

### **2.5.1 Transformational leadership style**

The phrase transformational leadership was first used by J.V. Downton in 1973. The transformational leadership approach emerged as an important leadership approach in James Macgregor Burns's classic work titled *Leadership* (1978). Burns defined the concept of transformational leadership as an ongoing process by which leaders and followers raise one another to higher levels of morality and motivation. A transformational leader pays attention to the needs and motives of their followers and helps them to reach their highest potential (Northouse, 2013:186).

Transformational leaders stimulate and inspire followers to exceed expectations and during this process develop their leadership ability. By responding to each follower's individual needs a transformational leader will grow and develop leaders through empowering them and aligning individual objectives and goals to that of the leader, group and the greater organisation (Bass & Riggio, 2006:3). Many authors argue that transformational leadership is best conceptualised as a leader-follower relationship rather than something a leader does to his or her followers (Ehrhart & Klein, 2001:154).

A transformational leader constructs and communicates a vision for the organisation and through action and motivation empowers employees to achieve the vision (McShane & Von Glinow, 2010:371). A transformational leader will inspire employees to look beyond self-interest to the benefit of the organisation (Bass, 1991:21). These leaders will focus on the long-term future goals of the organisation and not necessarily on the short-term problems and opportunities (Dubinsky *et al.*, 1995:19).

Transformational leaders set up an environment where every person is empowered to fulfil his or her highest needs and becomes a member of a dynamic learning community. Transformational leaders are servants to others and guide them in creating and embracing a vision for the organisation that inspires, brings forth top performance and creates a belief environment of integrity, a cause beyond oneself, diversity of thought and inclusiveness for all races and genders. Transformational leadership enhances the motivation, morale and performance of employees through various mechanisms such as connecting the follower's sense of identity and self to the project, the identity of the organisation, being a role=model for employees, challenging employees to take more ownership of their work, understanding their employees' strengths and weaknesses in order to align their tasks to enhance their performance (Odumeru & Ifeanyi, 2013:356). Qualities of transformational leadership can be listed as the following (Odumeru & Ifeanyi, 2013:359):

- Transformational leaders are proactive;
- Leaders work to change the organisational culture by implementing new ideas; and
- Transformational leaders motivate employees by encouraging them to put group interest first.

Transformational leaders relate to their followers by articulating four important characteristics. This is supported by Bass (1991:21; 1999:11) who suggest that transformational leadership consists of four different dimensions or components, also referred to as the 4 I's, where a leader will move beyond self-interest by means of:

- *Charisma or idealised influence (II)*: Transformational leaders are seen as role=models to their followers. These leaders "are admired, respected, and trusted". Followers connect with the leader and try to be like them. Followers see these leaders as having exceptional know-hows, drive and purpose (Bass & Riggio, 2006:6). As stated by Bass and Riggio (2006:6) idealised influence has two important components: "the leader's behaviours and the elements that are attributed to the leader by the followers and associates".

The charismatic leader serves as a role=model to employees with a distinct set of values (Odumeru & Ognonna, 2013:356). The charismatic component describes the leader as being special and gets followers to follow the vision that is developed for the organisation. These leaders will provide the "followers with a vision and a sense of mission" (Northouse, 2013:191). The employees are emotionally fulfilled and intellectually stimulated by the leader's inspiring behaviour (Bass, 1991:21). The charismatic leader encourages pride and command respect from their employees through trust and confidence (Dubinsky *et al.*, 1995:19). Further according to Dubinsky

*et al.* (1995:19) a charismatic sales manager will emotionally appeal to salespeople through extra ordinary esteem, affection, admiration and trust to get the job done.

According to Moriano (2014:106) the dimension of idealized influence consist of leadership behaviours like:

- Sacrificing for the benefit of the group
- Displaying high ethical standards that inspire follower's admiration, respect and trust.

This is supported by Breevaart *et al.* (2014:140) which describes idealized influence as the way that followers trust, respect and connect with their leaders.

Avolio (cited by Shibru *et al.*, 2011:285) summarise: "They set high standards for work conduct and are a role model for those standards. They build trust in people because those who work with them know they are committed to the common good and their sacrifices along the way evidence the consistency of their actions with their values. Transformational leaders in applying idealized influence can see the good in others first and when it is not obvious they work to bring it out through continuous endeavour"

- *Intellectual stimulation (IS)*: Intellectual stimulation is defined as "the degree to which the leader challenges assumptions, takes risks, and solicits followers' ideas" (Judge & Piccolo, 2004). Intellectual stimulation can also be defined as the ability expressed by a leader to keep followers focussing on the task at hand, asking questions, solving problems and finding alternatives as needed, resulting in people who are capable of independent thinking (Varol & Varol, 2012:274).

Leaders with this trait encourage creativity and empower followers to pursue new and controversial ideas without sufferings from their mistakes, resulting in continuous improvement and innovation. They encourage their followers to approach old problems in new ways, to see difficulties as problems to be solved, and to emphasize rational solutions. A transformational leader assists followers to apply innovative ideas to think about existing problems and challenge old beliefs (Yahaya *et al.*, 2011:9639).

Transformational leaders see unexpected situations as opportunities to learn. Followers are encouraged to learn from mistakes and to investigate alternative ways to execute their tasks. Hereby followers develop and improve their own intellectual skills. In their leadership role, managers with intellectual stimulation promote critical thinking and problem solving to make the organisation a better place (Hall *et al.*, 2012).

Intellectual stimulation inspires creativeness and innovativeness among followers and contests the followers, leaders' and organisations' principles and values (Northouse, 2013:193). It provides a framework for employees to creatively overcome any obstacles by logical solutions and careful problem solving. This is accomplished by looking at past problems and finding new solutions (Bass, 1991:21). Nobody is publicly criticised on individual mistakes or criticised for not having the same approach as the leader (Bass & Riggio, 2006:7). This is a typical bottoms-up type of influence where two-way communications takes place (Ahangar, 2009:357)

According to Moriano (2014:106) intellectual stimulation includes behaviours that boost awareness of problems and challenge followers to be innovative through questioning assumptions, reframing problems and dealing with old situations in new ways. This is supported by Breevaart *et al.* (2014:140) who emphasises that intellectual stimulation is the challenging of followers to reconsider certain ideas and to take a different position on difficulties faced in their working environment.

Intellectually stimulated sales managers will inspire their salespeople to become skilled in identifying and responding to the specific needs, problems and buying motives of each new prospect (Dubinsky *et al.*, 1995:20).

- *Individualised consideration (IC)*: Individualized consideration can be defined as “the degree to which the leader attends to each follower’s needs, acts as a mentor or coach to the follower, and listens to the follower’s concerns and needs” (Judge & Piccolo, 2004:755). In individual consideration followers are encouraged to reach goals that help will both the followers and the organisation (Hall *et al.*, 2012:2).

Individualised consideration is the degree to which the transformational leader will be individually involved in each employee (Bass, 1991:21). The leader acts as a mentor or coach and listens to the concerns and needs of the employees by keeping the communication lines open through an open door approach (Bass & Riggio, 2006:7; Dubinsky *et al.*, 1995:20; Odumeru & Ognonna, 2013:356). These leaders concur in assisting the followers in growing to be fully actualised (Northouse, 2013:193).

Transformational leaders in an organisation with new learning opportunities and a supportive climate will practise individualised consideration. These leaders are also considered to be effective listeners and will delegate certain tasks to followers for personal development. These tasks will be closely monitored for further guidance, support and to assess the progress (Bass & Riggio, 2006:7).

According to Moriano *et al.* (2014:106) the dimension of individualised consideration in leaders includes traits like providing support, encouragement and coaching to followers. Breevaart *et al.* (2014:140) further describes individual consideration as leaders being mentors and that leaders recognise that every follower has their own desires and talents.

Dubinsky (1995:20) reinforces that a feeling of individualised consideration will be embedded into salespeople if a sales manager applies personalised mentoring, coaching and counselling.

- *Inspirational motivation (IM)*: Transformational leaders practising inspirational motivation communicate high expectations to followers and through motivation encourage them to be committed and part of the vision of the organisation (Northouse, 2013:193; Odumeru & Ognonna, 2013:356). The team's inner self is enhanced by this leader (Northouse, 2013:193) and "followers display higher degrees of self-confidence, optimism and enthusiasm to achieve the mission" (Ahangar, 2009:357).

To ensure commitment from followers transformational leaders will through self-determination, passionate and motivational communication inspire employees to achieve the objectives and goals of the organisation (Dubinsky *et al.*, 1995:19). According to Bass and Avolio; House (2014) idealised influence leadership and inspirational motivation usually form a combined charismatic-inspirational leadership where this combined leadership displays the same characteristics than the charismatic leadership theory (Bass & Riggio, 2006:6).

Moriano *et al.* (2014:106) describe inspirational motivation as the conception and expression of an attractive vision for the future as well as the display of confidence and enthusiasm. Breevaart *et al.* (2014:140) support this view and refer to inspirational motivation as creating and sharing a fascinating vision of the future and the leader's passion about the future.

Through inspirational motivation the sales manager will on an emotional level stimulate and encourage salespeople because the sales manager will normally have been in the same situation before. By emotionally attaching themselves to their employees they convince the employees that they are capable of achieving much more than at first thought possible (Dubinsky *et al.*, 1995:19).

According to Srivastava (cited by Shibru, 2011:284) organisations need to apply transformational leadership approach because old leadership theories which concerns the power of performance-reward association has become obsolete due to the dynamic global environment. As stated by McGough (cited by Shibru, 2011:284) in this context,

“Transformational leadership is essentially open ended in enabling organizations not only to cope up with change, but also to be proactive in shaping their future.”

From the above literature it is evident that a transformational leader considers the needs and motives of his followers first. The transformational leader will stimulate and inspire his followers so that they can exceed their expectations, in the process developing their leadership abilities. Communication plays a vital role in the passing on of the organisational vision and a transformational leader will empower his followers to achieve the vision by means of continued motivation. Transformational leaders are seen as servants to their followers and will enhance the motivation, morale and performance of their followers through individual involvement with each follower. Considering all the above it is important that organisations actively pursue transformational leadership as a preferred leadership style in today’s changing global environment.

### **2.5.2 Transactional leadership style**

Transactional leadership is still a widely used leadership approach by organisations (Yahaya *et al.*, 2011:9639). The transactional approach as defined by Burns (cited by Bass & Riggio, 2006:3, Yahaya *et al.*, 2011:9639) is seen as an exchange relationship where one thing is exchanged for another. According to Bass (cited by Reddy, 2011:2) the transactional leader “pursues a cost benefit, economic exchange to meet subordinates current material and psychic needs in return for “contracted” services rendered by the subordinate”. Followers need to achieve agreed-upon goals through the consistent performance encouragement of the leader. The relationship between the leader-follower is an economic transaction where rewards or punishments are used to enhance performance and at the same time satisfying the self-interest of the subordinate (Reddy, 2011:2). As stated by Bass (1999:10) transactional leadership is the exchange relationship between the leader and the follower to meet both parties’ self-interest.

Transactional leadership or managerial leadership concentrates on the role of supervision, organisation and group performance. The leader inspires compliance from his followers by way of rewards and punishments. The transactional approach does not offer changing the future but merely to maintain the status quo. Transactional leadership is an effective approach to use during emergency situations and to oversee projects that demand a specific procedure (Odumeru & Ogbonna, 2013:358).

The transactional leadership approach involves the efficient completion of organisational objectives by improving employee job performance and job satisfaction through a performance rewards system. The transactional leader will make sure that employees are equipped with the

correct tools to achieve the desired objectives of the organisation (McShane & Von Glinow, 2010:371).

Transactional leadership involves the basic managerial functions of planning, leading, organising and controlling. Transactional leadership is focussed on clearly defined goals, standards, policies, procedures rules and controls. This style of leadership does not support creativeness or innovation through new concepts (Nikezić *et al.*, 2012:287).

According to Crosby (cited by Yahaya *et al.*, 2011:9639) the transactional leadership concept is constrained as it does not consider the entire situation, employee or future of the organisation when giving rewards. The transactional leader makes sure that subordinates understand what is expected of them and what they will receive as rewards. Punishments for not achieving the set goals are not always mentioned but subconsciously it is understood. The subordinate is responsible for completing the task on time. Failing to complete the task for whatever reason will result in punishment. However successful completion of the task will result in the promised rewards. Transactional leaders will often give credit and praise subordinates for going beyond expectations (Yahaya *et al.*, 2011:9639).

According to Nikezić (2012:287) transactional leadership is summarised by assuming that employees will achieve performance goals with a clearly defined management hierarchy and are motivated by means of rewards and punishment. Further the primary goal of the employees is to ensure that the leader's communicated guidelines are met. The leader then needs to monitor employees to ensure that organisational performance objectives and goals are achieved (Nikezić, 2012:287).

According to Kuhnert (cited by Northouse, 2013:195) the difference between transactional leadership and transformational leadership is the leader's inability to individualise the needs and the personal development of subordinates and also the transactional leader's only interest is to exchange rewards for the promotion of their own and subordinate's agendas. Transactional leadership can be characterised by the following factors:

- *Contingent reward*: This is a transaction between the leader and the follower, where the follower will receive a quantified reward for tasks completed. The leader will establish consent from the followers on the task at hand and the reward for doing so (Northouse, 2013:195). According to Yahaya *et al.* (2011:9639) incentives and rewards are used to motivate employees to complete the specific task. This is supported by Bass (1999:11) who states that the leader will clarify by way of "direction or participation what the follower need to do to be rewarded for the effort."

According to Breevaart *et al.* (2014:139) contingent reward involves followers receiving incentives after accomplishing tasks to enthuse a follower's task motivation. When contingent reward incentives are material like bonuses it is seen as transactional. However when the incentive is psychological in nature for instance when the leader praises an employee for work well done it can be transformational (Breevaart *et al.*, 2014:139).

- *Management-by-Exception (MBE)*: This leadership approach consists of corrective criticism, negative feedback and negative reinforcement. MBE can be classified into being either passive or active. With passive management-by-exception the leader will only take corrective action when the subordinate failed to follow standards and when complications take place (Northouse, 2013:195). The leader may interfere by threatening to impose his authority should the subordinate deviate from the task specifications. The passive leader will punish his subordinates for noncompliance to task specification (Yahaya *et al.*, 2011:9639). The active management-by-exception leader will monitor his subordinates for slip-ups or noncompliance to standards and will eliminate the cause of the problem or take corrective action (Northouse, 2013:195). The active leader will reward subordinates for achieving their task specification but will also correct substandard work through the appropriate punishment (Yahaya *et al.*, 2011:9639).

MBE is more ineffective than contingent reward. MBE active anticipate that followers will make mistakes and ensure that the rules are enforced to stop mistakes from taking place. This is in contrast with MBE passive where the leader will confront followers and express disapproval about their mistakes (Breevaart *et al.*, 2014:139).

A sales manager that uses transactional leadership in a rewards based sales organisation will typically promote the "No orders, No money" motto to his salespeople (Dubinsky *et al.*, 1995:19). An active management-by-exception leader in the sales organisation will monitor the salespeople's prescribed approach to customers and will correct the salespeople's approach should it become necessary (Northouse, 2013:195). Transactional leadership is generally believed to be ineffective leaders and applying this leadership style will hamper the leader's potential and those of their followers (Howell & Avolio, 1993:892).

Transactional leadership style focuses on rewards and management-by-exception to motivate their followers. Contingent reward can either be transactional or transformational depending if it is material or psychological in nature. Transactional leadership is not necessarily ineffective but needs to be practiced concurrently with transformational leadership and together these leadership styles can be very effective in a 21<sup>st</sup> century global organisation.

### 2.5.3 Transformational versus transactional leadership

There is a difference between transformational and transactional leadership. By definition, transactional leadership entails the achievement of organisational goals through a reward system and by contrast transformational leadership involve leading the organisation through change of organisational strategies and culture to fit in to the surrounding environment in which the organisation operates. It is important that organisations have both transactional and transformational leaders to achieve organisational efficiency and direct the organisation onto the right course of action respectively (McShane & Von Glinow, 2010:371).

Transformational leaders ensure that organisations are aligned with their external environment and the lack of these leaders within an organisation can lead to misalignment of the organisation with the stakeholders in the area which they operate (McShane & Von Glinow, 2010:372).

Transactional leadership can harvest positive outcomes on employees but transformational leadership will bring about greater results (Dubinsky *et al.*, 1995:19). According to Bass (cited by Dubinsky *et al.*, 1995:20) transformational leadership is complementary to transactional leadership. This means that a transactional leader can exhibit the qualities of a transformational leader for example, intellectual stimulation and individualised consideration. Once these dimensions of behaviour are shown by a leader, the leader will be considered a transformational leader (Dubinsky *et al.*, 1995:20).

Babou (2008:2) explained the relationship of transformational leadership as being mutually complementary to transactional leadership style. Transformational leadership style is likely to be unsuccessful if not backed up by the transactional relationship between leaders and subordinates (Babou, 2008:2). According to Bolden *et al.* (2003:15) transactional leadership has been the conventional approach of leadership followed by organisations with its roots from an organisational or business point of view being in the “bottom-line”, while transformational leadership according to Covey (cited by Bolden *et al.*, 2003:15) place emphases on the “top line”.

Both transactional and transformational leadership are necessary in organisations. Transactional leadership remained the preferred approach for organisations which have not moved into or sanctioned the transformational role considered necessary in today’s challenging business surroundings (Bolden *et al.*, 2003:15). Table 2.1 shows the differences between transactional and transformational leadership.

Table 2.4: Comparison of transactional and transformational leadership

Transactional Leadership	Transformational Leadership
Leaders are aware of the link between the effort and reward	Leaders arouse emotions in their followers which motivates them to act beyond the framework of what may be described as exchange relations
Leadership is responsive and its basic orientation is dealing with present issues	Leadership is proactive and forms new expectations in followers
Leaders rely on standard forms of inducement, reward, punishment and sanction to control followers	Leaders are distinguished by their capacity to inspire and provide individualized consideration, intellectual stimulation and idealized influence to their followers
Leaders motivate followers by setting goals and promising rewards for desired performance	Leaders create learning opportunities for their followers and stimulate followers to solve problems
Leadership depends on the leader's power to reinforce subordinates for their successful completion of the bargain	Leaders possess good visioning, rhetorical and management skills, to develop strong emotional bonds with followers
Leader supports structures and systems that reinforce the bottom-line, maximise efficiency and guarantee short-term profits	Leaders motivate followers to work for goals that go beyond self-interest. Aligns internal structures and systems to reinforce goals

Source: Adapted from Babou (2008)

From the above it is clear that even if transactional leaders are effective in the sense of promoting follower job performance, transformational leaders will be more effective in the sense of promoting follower job performance beyond the transactional leaders abilities (Breevaart *et al.*, 2014:139). According to Bass (cited by Breevaart *et al.*, 2014:139) all leaders will use both transactional and transformational leadership to some extent but leaders that use transformational leadership more frequent is more effective than the leader using transactional leadership more frequently.

This makes it straightforward that transactional and transformational leadership are complements of each other. Organisations should focus on embedding both transactional and transformational leadership skills when developing and training leadership both for now and in the future. Getting a leader that has the perfect balance between transactional and transformational skills will be a more effective leader.

#### **2.5.4 Laissez-faire or passive/avoidance leadership style**

In some instances laissez-faire leadership is considered to be the fourth characteristic of transactional leadership (Yahaya *et al.*, 2011:9639). This leadership style is characterised by actions that are non-transactional and as the French expression implies, the laissez-faire leader's approach has got the point of view of being hands-off and letting-things-ride (Northouse, 2013:196). A laissez-faire approach involves "no leadership" as the leader does not manage the employees and over delegate responsibilities to such an extent that the leader takes no notice of problems when they take place. Employees will make decisions and the leader provides no well-defined vision and objectives (Yahaya *et al.*, 2011:9639). However, in the organisational hierarchy the leader is still the accountable person when it comes to the decisionmaking process.

Laissez-faire leadership, also referred to as passive/avoidance leadership, is characterised by leaders who abandon their duties and bypass decisionmaking (Bass, 1991:20). Leaders practising this leadership style provide insufficient guidance to subordinates and expect them to solve problems on their own. Laissez-faire leaders are typically characterised of being distracted, unsympathetic, regularly preoccupied and uninfluential. Employees will be compelled to ask for support and guidance elsewhere within the organisation (Dubinsky *et al.*, 1995:18).

The laissez-faire leader provides inadequate direction to subordinates and manages in a crisis or reaction mode. This sometimes leads to out of control situations. The laissez-faire leader accepts that subordinates share the same goals and objectives as the organisation, but no pre-defined plan is in place to accomplish these goals and objectives. Agreement or commitment to these goals and objectives is assumed (Goodnight, 2004:822).

In sales management a severe application of the laissez-faire leadership will represent a "sink or swim" strategy. According to Dubinsky *et al.* (1995) the sales manager will be of the opinion: "maybe they will succeed and maybe they will not". It is for this reason that sales managers applying the laissez-faire leadership style in their area of responsibility will have the attitude, that if the subordinate cannot succeed in his working environment on his own, management do not need to invest time or attention (Dubinsky *et al.*, 1995:18).

The laissez-faire leadership style is however not observed frequently in any industry but managers do, to a limited extent, still practise this leadership style (Dubinsky *et al.*, 1995:18). However, as a leadership tool, this style would be appropriate in situations where the subordinates are experienced and know the job better than the leader. The laissez-faire approach will only be effective where the subordinates are highly competent, motivated and qualified to perform the duties on their own (Goodnight, 2011:822). Furthermore, Goodnight

(2011:822) suggested that this is a style that will lead to anarchy, chaos and inefficiency and can be dismissed as being useless, overall the effects of this leadership style is negative.

The definitions and literature above emphasise that the laissez-faire leadership style is a form of leadership that is ineffective in today's global organisation and should be avoided. The laissez-faire approach to leadership will lead to chaos in an organisation and definite financial ruin.

## **2.6 Job satisfaction**

Job satisfaction can be rationalised as an emotional reaction to actual job outcomes compared to the wanted, expected and earned (Oshagbemi, 1999:108). In 1976 Locke (cited by Yang, 2012:33) defines job satisfaction "as a pleasurable or positive emotional state resulting from appraisal of one's job and job experience".

Job satisfaction is a measurement of the implicit job characteristics, work surroundings and emotional experiences when at work. Employees with high levels of satisfaction have a positive view of their jobs due to their understandings and emotional experiences. Job satisfaction can be seen as an assortment of attitudes regarding the diverse aspects of the job and work conditions (McShane & Von Glinow, 2010:108).

Positive emotions relating to working conditions and positive responses from the organisation enhance job satisfaction. Job dissatisfaction results from an employee's negative attitude towards his job (Robbins *et al.*, 2003:72). Job satisfaction or dissatisfaction is not only dependent on job description but also on what the employee expects the job to offer in return (Oshagbemi, 1999:108).

Job satisfaction is a reflection of how much an individual gets pleasure from his or her job. Kreitner and Kinicki (2010:170) formally define job satisfaction as an affective or emotional act concerning different aspects of one's job. This definition implies that job satisfaction is not an integrated concept but rather a concept of being satisfied with one part of a job but dissatisfied with one or more other parts (Kreitner & Kinicki, 2010:170).

Positive emotional responses and individuals' way of behaving towards the job they are performing defines job satisfaction (Roelen *et al.*, 2006:434). Coetsee (2002:45) explains the concept of job satisfaction as being an individual's attitude, positive or negative, towards the job they are carrying out and this attitude is a result of the individual's perception about the job. More importantly the attitude that an individual will have towards his job will be determined by the individual's perception of how good they fit into the organisation (Coetsee, 2002:45).

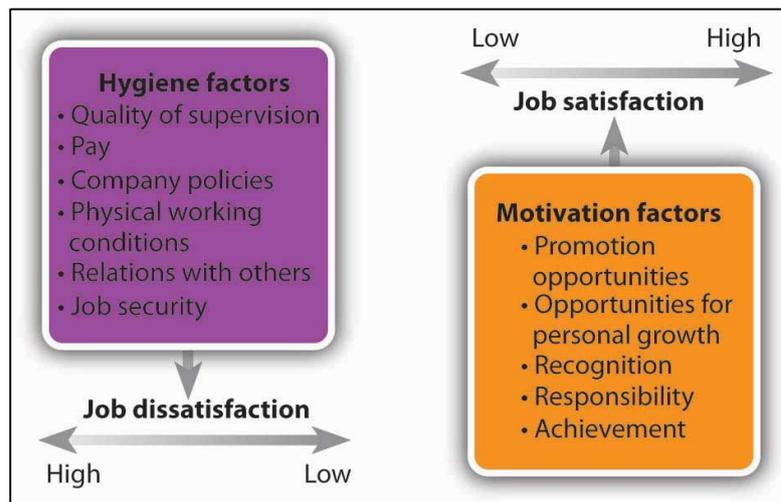
Job satisfaction is not only job related it also depends on the working environment, leadership, interpersonal connection of colleagues, salary and organisational culture. Job satisfaction is also determined on the characteristics of the job assigned to an employee (Parveen & Tariq, 2014:2).

According to Herzberg *et al.* (1959:157) the foremost model describing job satisfaction or dissatisfaction is the two-factor theory of job satisfaction. This theory state that job satisfaction consists of intrinsic and extrinsic factors (Kalleberg, 1977:128). The two-factor theory suggests that there are various factors or dimensions present that cause job satisfaction. This however does not mean that the absence of job satisfaction implies dissatisfaction or that the absence of dissatisfaction implies satisfaction, it merely indicates no satisfaction or no dissatisfaction (Herzberg, 1968:93). Satisfaction and dissatisfaction are therefore theories that stand alone (Theron, 2014:10).

Job satisfaction is determined by intrinsic factors and is associated with motivators. The intrinsic factors is related to the kind of job being performed and is concerned with tasks like achievement, recognition, the work itself, responsibility and advancement (Kreitner & Kinicki, 2010:216). According to Kalleberg (1977:128) the intrinsic factors refer to the job itself.

Job dissatisfaction is determined by the extrinsic factors and is associated with hygiene factors. The extrinsic factors refer to the actual environment in which the work is being performed and include factors like physical working conditions, relations with others, pay and company policies (Kreitner & Kinicki, 2010:216). According to Kalleberg (1977:128) the extrinsic factors refer to the aspects of the job that is external to the job itself.

Understanding Herzberg's motivator-hygiene theory entails believing that satisfaction is not the opposite of dissatisfaction, therefore the dissatisfaction-satisfaction continuum has a zero midpoint where dissatisfaction-satisfaction are not present (Kreitner & Kinicki, 2010:217). A graphical representation of Herzberg's two-factor theory of job satisfaction is shown in Figure 2.2, below.



**Figure 2.2: Herzberg's two-factor theory of job satisfaction**

Source: Collins (2009)

According to Rose (cited by Chatzoglou *et al.*, 2011:131) job satisfaction consists of intrinsic and extrinsic satisfaction. Intrinsic satisfaction relates to the content of one's job such as autonomy, degree of responsibility, variety of skills and supervision whereas extrinsic satisfaction involves the working environment i.e. conditions such as working hours, safety, promotion possibilities, tangible rewards and other financial rewards (Chatzoglou *et al.*, 2011:131).

Employee satisfaction is influenced by the employee's perception of both management and the organisation as people tend to prefer work settings which match their character (Perry & Mankin, 2007:169). Rothman (2001:43) stated that that an employee will only experience job satisfaction if individual abilities, knowledge and values can be made use of in the working environment which in turn will offer opportunities and rewards.

According to DeCremer (cited by Ugwa, 2014:115) leadership style plays an important role in an employee's job satisfaction and that the relationship between a leader and his follower influences the self-esteem and job satisfaction of such individuals. Yukl (cited by Ugwa, 2014:115) further claims that leaders that are considerate and supportive will have followers with higher levels of job satisfaction.

A leader can affect the job satisfaction of his followers and every segment of the economy requires a leader who can show them the way in such a manner, that it helps the followers to accomplish their goals (Parveen & Tariq, 2014:2).

According to Bennet (2009:40) Bass's model suggests that transformational leadership will have a more significant influence on the subordinate's extra effort in performing the task, job effectiveness and satisfaction with their management than transactional leadership or laissez-faire leadership. Bennett (2009:114) found that both transformational and transactional leadership will help in predicting the level of satisfaction of the subordinate with their leadership. However, both these leadership variables will in some situations not be responsible for the ultimate satisfaction of subordinates, but is only considered as partially fulfilling the subordinate's expectations (Riaz & Haider, 2010:30).

Bass and Riggio (2006:41) state that the transformational leader's employees will have higher levels of job satisfaction than non-transformational leaders. A study done by Medley and Larochelle (1995:64NN) confirmed that subordinates with a leader applying transformational leadership style is likely to have higher levels of job satisfaction compared to leaders with transactional leadership style. A study by Molero *et al.* (2007:366) found that subordinates who scored the transformational leaders high, experienced that their work groups are more effective, willing to apply extra effort and have a higher levels of satisfaction.

According to Bass (cited by Nemanich & Keller, 2007:52) the transformational leader strengthens job satisfaction via individualised consideration (giving employees a sense of feeling special) and idealised influence and inspiration motivation (making employees believe they are called to a higher purpose). Bass (cited by Nemanich & Keller, 2007:52) further stated; "Transformational leaders makes subordinates feel as if they are called to work toward a valuable purpose, such as building a new larger firm". The transformational behaviours will lead to more satisfied employees because the leader will emphasise the importance and value of their work contributions (Nemanich & Keller, 2007:52).

Herzberg's two-factor theory of job satisfaction is one of the most talked about theories on job satisfaction in the literature. This two-factor theory consists of hygiene and motivation factors that will determine the level of job satisfaction or dissatisfaction. The hygiene factors (such as salary, quality of supervision, policies and work condition) will not increase the employee's level of job satisfaction but will only determine the levels of dissatisfaction or, on the other hand no dissatisfaction. Motivation factors (such as promotion, personal growth opportunities and recognition), on the other hand, determine the level of job satisfaction.

From the literature it is evident that transformational leadership behaviours increase the levels of job satisfaction through its different dimensions. Organisations pursuing a transformational leadership approach will benefit by having a workforce with high levels of job satisfaction, a higher level of job satisfaction will increase performance and ultimately have a positive effect on the bottom line of the organisation.

## 2.7 Employee engagement

Employee engagement is seen as a relatively new concept (Macey & Scheneider, 2008:3). Employee engagement has grown into a well-used and prominent term (Robinson *et al.*, 2004:1). However, literature is limited to writings about employee engagement found in practitioner journals where the focus is on practise and not necessarily theory and empirical research (Saks, 2006:601). This is confirmed by Robinson *et al.* (2006:2) which found that little academic and empirical research have been done on the subject in spite of subject popularity.

Imandin *et al.* (2014:518) support the popularity of employee engagement and state that the subject “is gaining momentum and popularity, acquiring international attention as it has become accepted belief that engaged employees feel a connection to their work which impacts positively on their performance”. McShane and Von Glinow (2010:143) also support the increased popularity of employee engagement and argue that it is due to the fact that evidence shows that it improves organisational effectiveness. Macey and Schneider (2008:3) suggest that the appeal of employee engagement to organisational management is driven by the claims that employee engagement pushes the organisations’ bottom-line.

In spite of employee engagement gaining this much popularity an exact definition of the concept is still hard to pin down due to the continuous research and redefinition of the topic (Imandin *et al.*, 2014:518). The concept of employee engagement is complex with many issues having an influence on engagement levels. Therefore, many approaches do exist to encourage engagement, with no “one kit fits” all organisations. Even if organisations may define employee engagement differently, at the end the key to effective engagement will be the flexibility and appropriateness of each approach followed by the firm (Lockwood, 2007:2). Employee engagement definitions from various authors are therefore considered to try and understand the impact of the concept on organisations.

From a business-outcome approach employee engagement can be defined as: “Engagement is the extent to which employees commit - rationally or emotionally - to something or someone in the organisation, how hard they work as a result of this commitment and how long they intend to stay” (Council, 2004:42). Research has shown that this more business-like approach to the definition of employee engagement has identified that the most important drivers of employee engagement is the connection between an employee’s job and organisational strategy as well as understanding the importance of the job to the success of the organisation (Lockwood, 2007:2).

Macey *et al.* (cited by Mone *et al.*, 2006:206) define employee engagement as being an employee’s sense of purpose and focused energy that is evident to others through the display

of personal initiative, adaptability, effort and persistence directed toward the organisation's goals.

Employee engagement can be defined as the individual's involvement, satisfaction and enthusiasm to perform work (Kreitner & Kinicki, 2010:170). Employee engagement is closely related to employee motivation, and a well talked about subject in organisational behaviour. (McShane & Von Glinow, 2010:143). An engaged employees "is fully involved in, and enthusiastic about, his or her work". General agreement exists in the midst of academics and practitioners that engaged employees are emotionally involved with the organisation and cognitively vigilant (Seijts & Crim, 2006:1).

According to Rothbard (2001) employee engagement can be defined as the employee's emotional and cognitive motivation, self-efficacy to get the job done, understanding of the organisation's vision and the employee's exact role in that vision, and the belief of the employees that they have the resources to perform the job. Shuck and Reio (2014:1) defines employee engagement as the cognitive, emotional, and behavioural energy an employee directs toward positive organisational outcomes.

The Institute for Employment Studies (IES) defines employee engagement as being a positive attitude held by the employee towards the organisation and its values. Employees are conscious of the business environment and will work with co-workers to increase performance in the job they perform for the greater benefit of the organisation. Organisations need to cherish engagement through a two-way relationship between employer and employee (Robinson *et al.*, 2004:ix). Organisational leaders find the concept of employee engagement very attractive as research draws attention to numerous organisational benefits which are directly related to engaged employees (Crabb, 2011:28).

Engaged employees are more productive than disengaged employees and they believe they can make a difference in an organisation. It is therefore not difficult to understand why organisations are focussing on getting their employees engaged, because it can clearly differentiate great organisations from just good ones (Seijts & Crim, 2006:2). Highly engaged employees improve organisation effectiveness and are also associated with higher level of organisational citizenship and lower employee turnover rates (McShane & Von Glinow, 2010:143). However, actively disengaged employees have a tendency to be disruptive at work and not only detached (McShane & Von Glinow, 2010:144).

Employees engagement can be classified into three groupings (Crabtree, 2005):

- Engaged employees: this is employees doing their job with passion and they have an intense relationship with their organisation. They direct innovation and reposition the organisation to prosper.
- Not-engaged employees: this is typically employees who are there “to receive a salary”. They have no passion or energy for their work.
- Actively disengaged employees: these employees act out their discontent with their work and threaten the accomplishments of their engaged colleagues.

According to Imandin *et al.* (2014:519) a more robust definition for the 21<sup>st</sup> century workplace of employee engagement is presented by the 2012 Global Workforce study where sustainable engagement describes the intensity of employee’s connection to their organisation, based on three core elements (Towerswatson, 2012):

- The extent of employees’ discretionary effort committed to achieving work goals (being engaged);
- An environment that supports productivity in multiple ways (being enabled); and
- A work experience that promotes well-being (feeling energized).

Towerswatson (2012) also categorises employees into four distinct segments:

- *Highly engaged*: Those who score high on all three aspects of sustainable engagement;
- *Unsupported*: Those who are traditionally engaged, but lack enablement and/or energy;
- *Detached*: Those who feel enabled and/or energized, but lack a sense of traditional engagement; and
- *Disengaged*: Those who score low on all three aspects of sustainable engagement.

Imandin *et al.* (2014:519) conclude that all the above definitions of employee engagement have one important shared relation; “the extent of employee discretionary effort to his/her work”.

Another business definition for engagement is summarised as a blend of three prevailing concepts: (1) job satisfaction; (2) commitment to the organisation; and (3) extra-role behaviour, in other words a discretionary attempt to go beyond the job description (Truss *et al.*, 2013:18).

There is a lack in empirical research on the subject of employee engagement. Employee engagement is a very complex construct in the organisational context and many issues can have control over employee engagement. Furthermore from the above literature and definitions on employee engagement it is clear that employee engagement plays an important role in the well-being and bottom-line of an organisation. When employees are engaged they feel a

specific connection to their work and this will have a positive effect on their performance as well as improved effectiveness in the organisation. Engaged employees are emotionally involved and cognitively motivated and this directs the employee to positive organisational outcomes. In conclusion focusing on getting employees engaged can differentiate great organisations from the good ones.

## **2.8 Chapter summary**

In this chapter the aim was to review the literature on leadership, leadership styles, job satisfaction and employee engagement. The three part integrative leadership theories that were focussed on include transformational leadership style, transactional leadership style and laissez-faire leadership style.

From the literature it is clear that transformational leadership is at the forefront for organisations due to the positive relationship with increased organisational effectiveness. Transactional leadership is seen as a complement of transformational leadership and in the organisational environment a balance must be found in applying these leadership styles effectively. Laissez-faire leadership style is an old leadership practice and should be avoided as it can have detrimental consequences for the organisation's performance.

Job satisfaction is a popularly researched subject with a wide variety of literature. Job satisfaction is divided into hygiene and motivation factors that determine the level of job satisfaction or dissatisfaction. From the literature it is apparent that organisations that apply the transformational approach to leadership have employees with higher levels of job satisfaction.

Employee engagement is the emotional and cognitive motivations that will roll-out an improvement in organisational outcomes. Literature on employee engagement connects engaged employees to positive performance and increased organisational bottom-lines.

The next chapter provides an outline of the research methodology utilized for this study. The research approach, research procedure, ethical considerations, the target research population and sample as well as the designed measuring instruments used are discussed. This is followed by the process of data collection and the statistical analysis tabled.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter defines the research methodology used in the study in terms of the research design, the participants of the study, the designed measuring instrument and statistical data analysis techniques.

Furthermore, a discussion on the data collection method and an introduction of the target participants are included in this chapter with a special mention of the ethical considerations of the study.

The measuring instrument design is discussed in detail. Biographical characteristics of the research participants of the sample are summarised. Statistical data analysis methods are explained and the research hypothesis is put forward.

### **3.2 Research Approach**

Welman *et al.* (2012:2) define research as the process to obtain scientific knowledge through objectivity in different methods and procedures where the research methods and techniques are the tools in the research approach. Research is the discerning search of the truth (Hair *et al.*, 2015:3). Information obtained from research is turned into knowledge and the knowledge from research contributes to better decisionmaking in organisations (Hair *et al.*, 2015:xv).

The research methodology used for this study is a quantitative research approach to evaluate the study objectives opposed to a qualitative approach. The quantitative research approach was followed due to its reliability and objectivity. Quantitative research approaches allow for the research of the relationships between study variables so that a cause and effect can be established using a specific measuring instrument. Quantitative research approaches allow the testing of the research hypotheses (Anon., 2015).

### **3.3 Research procedure**

Research data gathering were done by applying primary data collection techniques. Primary data collection involves the researcher collecting the data himself (Welman *et al.*, 2012:149). The primary data for the study was obtained through a non-experimental, cross-sectional design as data measurement involved a single time dimension.

Questionnaires were selected as the most appropriate method to gather the primary data (Welman *et al.*, 2012:149). Questionnaires are practical and the results can be quickly and

easily quantified by using statistical software packages making it more objective than other forms of research instruments (Welman *et al.*, 2012:174).

The data analysis will involve a correlational design where the independent variable's relationship will be tested against the dependent variables. The relationship between these variables will then be analysed through the use of descriptive statistical techniques supported by statistical data analysis software.

For the study to continue, permission was obtained from the identified organisation to partake in the research. A personal appointment was made with the Executive Director of the organisation to explain the goals and objectives of the study and what benefits it will bring to the organisation. The issues of ethics and anonymity during the collection of data were addressed during this conversation. With the directors consent a departmental list was obtained to identify the relevant sales departments that were targeted for the study.

The participation in the study was made as easy as possible and an electronic based questionnaire were designed and loaded onto Google Forms by the NWU Statistical Consultancy Services. Once permission was granted by the organisation, the researcher sent out the electronic questionnaires via a group email with a web link inserted into an explanatory e-mail to the identified research respondents which were the sales people of the identified organisation. By clicking on the link the respondent gained access to the research survey questionnaire and could anonymously submit the response. During the two-week window period that was allowed for responses, four reminder group mails were sent to all the respondents. On completion of the electronic questionnaires the respondents submitted their responses. All the respondents' responses were gathered at a central data collection point via Google Forms at the NWU Statistical Consultancy Services from where the data were exported and analysed.

The electronic questionnaires had an introductory cover letter to introduce the objectives of the research and to assure respondents that the responses are done anonymously and voluntarily. The purpose for this assurance being to obtain more truthful answers, as presenting questions on work-related issues is regarded as sensitive. The questionnaire also had a short explanation of the important research variables.

In comparing electronic questionnaires with hard copy questionnaires Brace (2008:38) stated that electronic questionnaires got similar depth as hard copy questionnaires. The fact that the researcher had no personal contact with the respondent encouraged the respondents to answer sensitive questions more truthfully with online survey questionnaires conducted anonymously (Brace, 2008:39).

### **3.4 Ethical considerations**

Welman *et al.* (2012:181) state that, for ethical considerations the codes for research ethics are no harm to research respondents; respondents participate freely based on informed consent, and the respondents have a right to privacy. During the study the anonymity and permission of the respondents were emphasized.

Even though a departmental register was obtained from the organisation, this register was only used to determine the population and sample size. The register will be kept confidentially by the researcher. The responses returned to the researcher, were returned as anonymous responses with no connection to a specific person.

Every questionnaire's cover letter emphasized the following to the respondents:

- The aim and objectives of the study before they complete the questionnaire.
- Ensuring anonymity and free will of participation in the study
- Inform respondents that this research questionnaire was only conducted for the purpose of an academic study.
- Permission from the organisation's executive management was obtained to conduct the study.

The study was approved by the Research Ethics Committee of the Faculty of Economic Management Sciences of the North-West University.

### **3.5 Target population and sampling**

The population of a study can be described as the study object from which the researcher wants to generalise and include individuals, human products and happenings or the surroundings to which they are exposed. A population consists of all the units of analysis from which the researcher wants to make unambiguous interpretations (Welman *et al.*, 2012:52).

A sample is defined as a subgroup of the identified population and contains a selection of members from the particular population. Correctly defining the sample is very important as the results of a study are as trustworthy and generalizable as the representatively of the sample on the whole population. The sample must therefore be a mini representation of the population with exactly the same properties; it should be a mirror image of the greater population (Welman *et al.*, 2012:55).

### **3.5.1 Target Population**

The research survey distribution is limited to the employees of the identified organisation's sales people in South Africa, Africa and the Indian Ocean Islands. Africa and the Indian Ocean island operations include countries like: Angola, Botswana, Burkino Faso, Cameroon, Congo, Cote D'Ivoire, Democratic Republic of Congo, Ethiopia, Ghana, Guinea, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Nigeria, Senegal, Seychelles, Swaziland, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe. The electronic survey questionnaire was distributed to all sales people of the organisation, thus representing the full population. The survey questionnaires were sent to the following sales related staff:

- Sales Managers;
- Regional Sales Managers;
- Senior Account Managers;
- Account Managers;
- Area Managers; and
- Sales Technologist's 1 to 3.

This covered everybody that forms part of the "Sales Stream" as per the company departmental lists that were obtained from the identified organisation.

The Sales Manager is leading an assigned sales stream. The Regional Sales Manager reports to the Sales Manager and is responsible for the development, directing and co-ordinating of the sales staff in an assigned region or group to increase sales volume and profits for new and existing customers. Sales staff reporting to the Regional Sales Manager includes Senior Account Managers, Account Managers, Area Manager and Sales Technologists.

### **3.5.2 Sampling**

The population of sales people in the sales stream of the identified organisation was considered to be small (N = 190). The sample therefore included the entire population. The sample consisted of Sales Managers, Regional Sales Managers, Senior Account Managers, Account Managers, Area Managers and Sales Technologists.

Purposive target sampling as a form of non-probability sampling was used to ensure that a definite, systematic sampling method was followed. In purposive sampling the sample is taken with a specific purpose in mind. In the case of this study we had one specific predefined group in mind (Trochim, 2006). The method involved identifying the sample population from the obtained departmental lists of the organisation. The specific research population was identified as the "Sales Stream" employees in the organisation and due to the size and the respondents'

accessibility to electronic media the whole population was sampled by compiling a research respondents list from the departmental list and sending a group mail to these selected participants.

### **3.6 Time horizon**

The study involved a cross-sectional design at a single time point. The reason for the selection of this design for the study was because the criterion group will typically comprise different age groups; for example university of technology, university or organisational year groups, which is known as cohorts. Each of these cohorts would be studied in terms of the research variables (Welman *et al.*, 2012:95).

### **3.7 Measuring Instrument**

A measurement tool to analyse the impact of leadership styles and employee engagement on job satisfaction is a research survey. An existing questionnaire to assess the three variables of leadership styles, employee engagement and job satisfaction was designed by the researcher specifically for the study to find comprehensive information regarding the perception, opinion and understanding of these variables for the sales people at the identified organisation.

The questionnaire consisted of four individual sections:

- Demographic Information;
- Section A: Leadership styles;
- Section B: Job satisfaction; and
- Section C: Employee engagement.

A number of questionnaires were reviewed for background information which was of assistance in the constructing of the questions. Questionnaires reviewed:

- Leadership Style questionnaires
  - Multifactor Leadership Questionnaire(MLQ; Bass & Riggio, 2006)
- Job satisfaction questionnaires
  - Job Satisfaction Survey (JSS; Spector, 1997:8)
  - Job descriptive Index (JDI; Spector, 1997:12)
  - Minnesota Satisfaction Questionnaire (MSQ; Spector, 1997:15)
  - Job in General Scale (JIG; Spector, 1997:18)
- Employee engagement questionnaires (Macey *et al.*, 2009)

The formulation and selection of questions was specifically for the purpose of this study. All the questions covered in Section A, B and C were measured on a five point Likert scale as follow:

1. Strongly disagree;
2. Disagree;
3. Nether disagree nor agree;
4. Agree; and
5. Strongly agree.

A copy of the research survey questionnaire is provided in the Annexure B.

The researcher realised that more descriptive responses were necessary to obtain additional information and therefore provision was made for open-ended questions in the leadership style and employee engagement sections. This also allowed getting truthful responses from the respondents on what they perceived as being the current state of affairs in the organisation. According to Welman *et al.* (2012:174) an open-ended question is a question which the researcher asks and there is no expected or predetermined list of answers. The advantage of open-ended questions are that the respondents' answer is not influenced excessively by the researcher and the replies by the respondents can be responsible for a valuable stream of varied information regarding the perceptions of the respondents (Welman *et al.*, 2012:175).

### **3.7.1 Demographic Information**

As part of the data gathering exercise a demographic information section was included in the questionnaire. The section on demographic information included gender, age (in years), race, highest qualification obtained, duration of employment in current position (in years), job grading, region stream, region department.

### **3.7.2 Leadership Styles**

This section of the questionnaire included statements on transformational, transactional and laissez-faire leadership styles. See Annexure A for a list of the quantitative research questions on leadership styles.

#### **3.7.2.1 Transformational leadership**

The following sub-dimensions of transformational leadership were covered:

- Idealised Influence: Statements A1, A3, A4, A5;
- Inspirational motivation: Statements A6;

- Intellectual stimulation: Statements A7, A8; and
- Individual consideration Statements A9, A10, A11.

### **3.7.2.2 Transactional leadership**

The following sub-dimensions of transactional leadership were covered:

- Contingent reward: Statements A12, A13, A14, A15; and
- Management by exception: Statements A2, A16, A17.

### **3.7.2.3 Passive/Avoidant**

The following sub-dimensions of transformational leadership were covered:

- Laissez-Faire: Statements A18, A19.

### **3.7.2.4 Open ended questions**

The following open-ended questions were included in the section of leadership styles to get a deeper feeling of the perceptions of the research respondents:

- Explain in your own words what you perceive as the ideal leadership style a manager must possess; and
- Give general comments about your organisation's leadership.

### **3.7.3 Job satisfaction**

See Annexure A for a list of the quantitative research questions on job satisfaction. This section of the questionnaire included statements on job satisfaction, B1 to B15.

The following sub-dimensions of job satisfaction were covered:

- Intrinsic – motivators: Statements B3, B7, B8, B9, B10, B11, B13, B14; and
- Extrinsic – hygiene factors: Statements B1, B2, B4, B5, B6, B12, B15.

### **3.7.4 Employee engagement**

See Annexure A for list of the quantitative research question on employee engagement. This section of the questionnaire included statements on employee engagement. The following sub-dimensions of employee engagement were covered:

- Engage leadership: Statements C1, C2, C3, C6, C10, C15;

- Engage feeling: Statement C4, C5, C7, C9;
- Employee capacity to engage: Statement C8, C13, C14; and
- Employee reason to engage: Statement C11, C12.

#### **3.7.4.1 Open ended questions**

The following open-ended questions were included in the section of employee engagement to get a deeper feeling of the perceptions of the research respondents:

- What would be different if employees at your organisation were maximally engaged?
- Give your understanding of what employee engagement is.
- Are your organisation's leadership engaged?

### **3.8 Data analysis methods**

Data and statistical analysis were used to split up the gathered research data into manageable topics, groupings and relationships. The main goal of data analysis is to understand the different building blocks of the study through the relationships between the variables and to determine if any patterns can be established (Cooper & Schindler, 2003:87).

Data were collected from the respondents and captured into an appropriate statistical data analysis software package. The statistical analysis was used to interpret the data, draw conclusions and make the necessary recommendation regarding the research objective (Efox, 2015).

Quantitative statistical analysis was conducted using the SPSS statistical program. SPSS's predictive analytics software makes it possible to compute what will happen next in order to make smarter decisions, solve problems and improve the end result (IBM, 2015). The SPSS software was used to create a data file and to compute the descriptive statistics.

Descriptive statistics and effect sizes were used to determine the significance of the research findings. The research results were rationalised and correlated through mean and standard deviations (Levine, *et al.*, 2014:137). The mean statistic is used to quantify the central tendency of the research results while the standard deviation displays the average distance of the individual scores from the mean (Levine, *et al.*, 2014:143).

Exploratory Factor Analysis (EFA) was used to determine the validity of the questionnaires. Cronbach's alpha coefficient was used to assess the reliability of the constructor variables that are measured in this study.

In addition to statistical significance to determine the practical relevance of relationships, effect sizes were used. Effect sizes indicate whether gotten results are important, where statistical significance could present results which are of trivial practical relevance. Using only statistical significance testing in a repetitive manner is problematic and numerous researchers have suggested more emphasis on effect sizes. Cut-off points of  $<0.3$  (small effect),  $0.30$  to  $<0.5$  (medium effect) and  $>0.50$  (large effect) were set for the practical significance of effect sizes (Cohen, 1988).

Spearman's rho was used to assess the practical significance of correlations between variables. The cut-off points was  $<0.1$  to  $<0.3$  being a small correlation,  $0.3$  to  $<0.5$  being a medium correlation and  $> 0.5$  being a large correlation.

According to Cohen and Cohen (cited by Dubinsky *et al.*, 2001:22) testing for hypothesis correlational analysis was selected as statistical tool. Resultantly the five hypotheses were tested with correlational analyses (Dubinsky *et al.*, 2001:22).

### **3.9 Research objectives**

The general objective of this research is to analyse the impact of leadership styles such as transformational, transactional and laissez-faire and employee engagement on job satisfaction of salespeople in the South African speciality chemical industry.

To achieve the main objective of the study, the following specific objectives were addressed:

- To determine the relationship between transformational, transactional and laissez-faire (passive/avoidance) leadership style and job satisfaction;
- To determine the relationship between leadership style and job satisfaction;
- To determine the relationship between leadership style and employee engagement; and to
- Determine the relationship between employee engagement and job satisfaction.

### **3.10 Research hypotheses**

The following research hypotheses were formulated for the purpose of the study:

*H1: There is a positive relationship between transformational leadership and job satisfaction.*

*H2: There is a negative relationship between transactional leadership and job satisfaction.*

*H3: There is a negative relationship between laissez-faire leadership and job satisfaction.*

*H4: There is a relationship, positive or negative, between leadership styles and employee engagement.*

*H5: There is a positive relationship between employee engagement and job satisfaction.*

### **3.11 Chapter summary**

This chapter discussed the research methodology that was applied in the study. The steps in the research approach were discussed and a detailed discussion of the research procedure. The ethical considerations were highlighted. The target population and the sampling method of the identified organisation of the survey were discussed. The short time horizon of the study was presented, followed by a detailed discussion on the rationale for designing and using the proposed measuring instrument. In addition, data analysis methods and the statistical packages used to analyse data were highlighted. Finally, the chapter examined the research objectives and the achievement of such objectives.

The following chapter presents the research results. The chapter concentrates on the answers given by the respondents to the questions in the questionnaire. Pie charts and tables will be used to assist in the analysis of the research data.

## **CHAPTER 4: RESULTS**

### **4.1 Introduction**

In this chapter the results of the study are presented. The North-West University's Statistical Consultation Services provided the results and the data were analysed using the IBM 2015 SPSS predictive statistics version 22 computer software program which can predict with confidence what will happen next so that informed decisions can be made.

Firstly, the results for the demographic profile of the respondents will be presented. Secondly the descriptive statistics will be applied to the research variables of leadership styles, employee engagement and job satisfaction.

The possible relationships between the research variables of leadership styles, employee engagement and job satisfaction will be evaluated by using factor analysis and correlation coefficients.

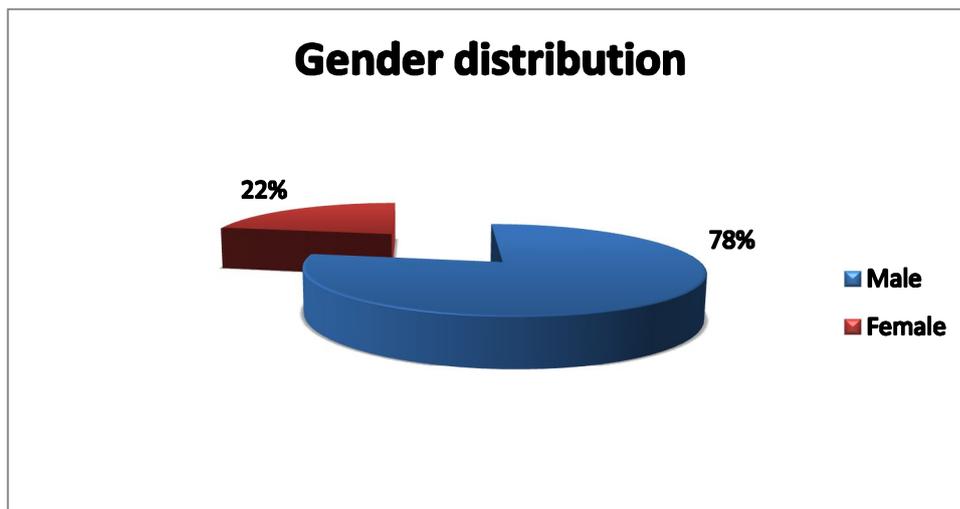
### **4.2 Demographic profile**

The sample size accomplished for the purpose of this study was 82 respondents. The discussion to follow summarises the frequencies of the demographic information of the research respondents in the study.

During the analyses of the demographic data, the following was found pertaining to the 190 respondents who were requested to complete the electronic survey questionnaire on leadership styles, job satisfaction and employee engagement.

A response rate of 42.3% was managed from 82 respondents who completed and submitted the electronic survey questionnaire. In the South African context research done by scholars on average realise a response rate of 25% to 38%. Measured in this context a response rate of 42.3% is above the South African average. However international research sees response rates of 5% up to 61% (Marx, 2009:12).

#### 4.2.1 Gender distribution

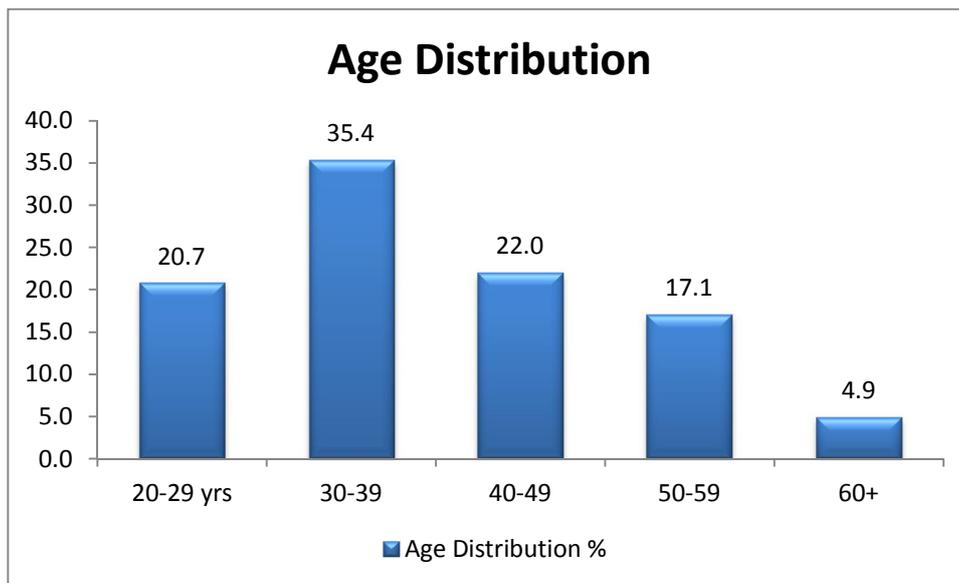


**Figure 4.1: Gender distribution**

Reviewing Figure 4.1 indicates that there was a gender distribution of 78% males and 22% females, making the males the majority of the respondents.

In accordance with the millennium development goals set by the United Nations, the employment of men and women should be in a 50/50 ratio and both genders should have similar levels of employment. But South Africa is predicted to fail to achieve this by the end 2015 (Oliphant, 2015). In view of the above ratio of male to female respondents that was part of the study this organisation will not achieve the United Nation's goals.

#### 4.2.2 Age distribution



**Figure 4.2: Age distribution**

Figure 4.2 indicates that the largest group of respondents were between the ages of 30 to 39 years at 35%. The second largest group were between the age group of 40 to 49 years at 22%. This is closely followed by the third largest group that is between the ages of 20 to 29 years at 21%. The age group of 50 to 59 years is at 17% and the over 60 age group is the minority age group at 5%.

This organisation's employee age distribution can be described as very favourable. From the results it can therefore be assessed that the biggest group of employees are still young, 56% for the 20 to 39 year age group. This means that these employees can still spend a lot of productive years at the organisation making a positive contribution. The organisation should focus on career development of these employees. The age group of 40 to 59 years which makes out 39% of the workforce should be used to coach these younger employees ensuring that skills and experience are transferred.

#### 4.2.3 Race distribution

From Table 4.1 below the white respondents was by far the majority at 54%. The second largest group was black respondents at 28%. The rest of the respondents were the minority with Indian respondents at 11%, coloured respondents at 5% and 2% indicated that they are from other races than the ones specified on the research survey questionnaire.

**Table 4.1: Race distribution**

Race	Percentage (%)
Black	28.0
White	53.7
Coloured	4.9
Indian	11.0
Other	2.4

#### 4.2.4 Highest qualification distribution

Below Table 4.2 indicates that the respondents are well qualified persons with 33% having a diploma, 31% having a degree and 17% having a post graduate qualification. This should be expected as the sales people need to be technically competent to do their job, so this distribution of qualifications is no surprise. The focus for the organisation for this group of individuals will be to involve them in management development programs to develop their management skills as the future leadership of the organisation will be from this group of individuals.

Only 14% of the respondents indicated that they only have a Grade 12 qualification. The organisation should focus on learner programs to uplift the standards of these 14% respondents with only a Grade 12 qualification. This should lead to a more productive and satisfied employee as they should feel more connected and equal to employees in the organisation.

**Table 4.2: Highest qualification**

Highest Qualification	Percentage (%)
Grade 12	13.6
Certificate	4.9
Diploma	33.3
Degree	30.9
Post Graduate	17.3

4.2.5 Duration of employment distribution

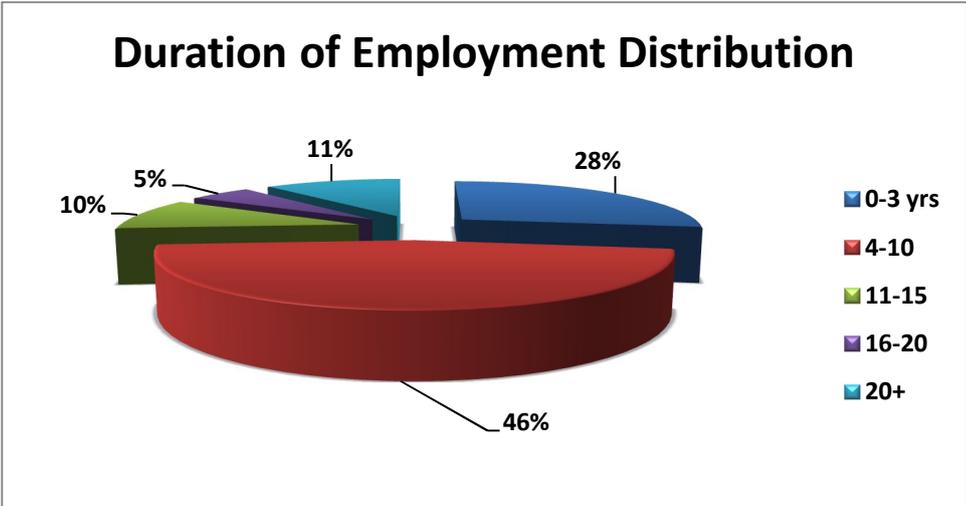
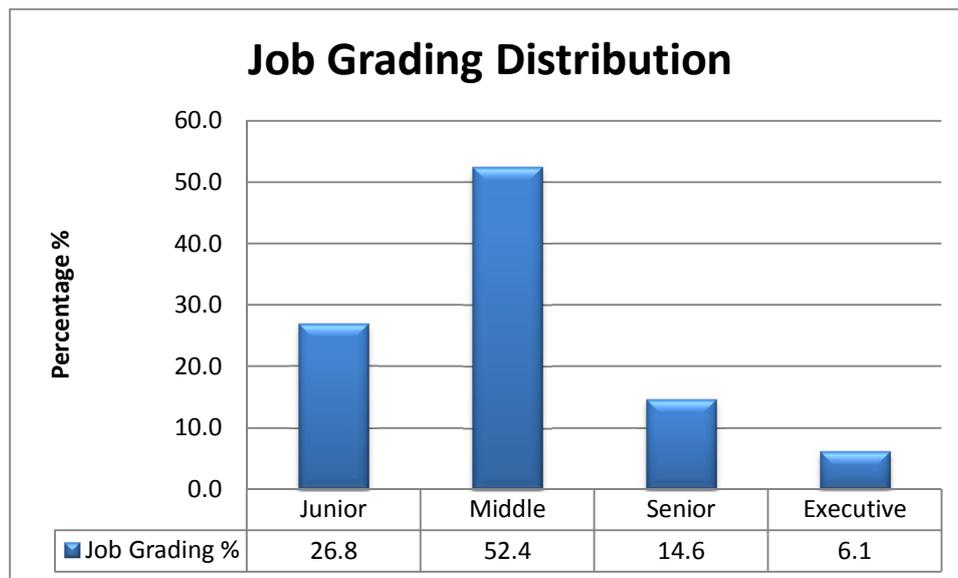


Figure 4.3: Duration of Employment Distribution

Figure 4.3 shows that the respondents' duration of employment, 46% indicated that they had worked for 4 to 10 years, 28% indicated that they worked for 0 to 3 years, 11% indicated that they worked for more than 20 years, 10% indicated that they had worked for 11 to 15 years and 5% indicated that they had worked for 16 to 20 years.

The group of respondents that worked for 0 to 10 years represents 74%. This high percentage is a little bit worrying as this show that three quarters of the organisation's sales people worked for less than ten years at the organisation. Only 26% had been working longer than ten years. These are the people with the skills and experience in the organisation and they need to transfer their skills to employees with less years' experience.

#### 4.2.6 Job grading distribution



**Figure 4.4: Duration of employment distribution**

Figure 4.4 shows the spread of job grading distribution where the majority of respondents at 52% were on the middle management level. Some 27% of the respondents are on the junior management level, 15% of respondents are on the senior management level and 6% is on the executive management level.

Junior and middle management level sales people are typically the employees that report to the so called leadership of the organisation which is grouped into the senior and executive management levels. It is therefore important to track the respondents in the junior and middle management level's responses on the research variable of leadership style so that it can be determined what type of leadership style is showed by the leadership of the organisation.

This distribution of job grading is in line with the objectives of the study which were to analyse the impact of leadership style and employee engagement on the job satisfaction of the sales people within the organisation.

#### 4.3 Descriptive statistics

In this section the means and standard deviations were determined by means of applying descriptive statistical techniques. The descriptive statistical data was used to describe the data.

### 4.3.1 Leadership styles

The results for the empirical survey on leadership styles are presented in Table 4.3 below.

Firstly items A1 and A3 to A11 measure the sub-dimension of transformational leadership style. Secondly items A2 and A12 to A17 measure the sub-dimension of transactional leadership style. Lastly items A18 and A19 measure the sub-dimension of laissez-faire or passive avoidance leadership style.

Table 4.3 indicates the means for the transformational leadership style are all above 3 in the neither agree nor disagree range. The average mean is 3.421 which can be a tendency to lean more to the agree range.

Transactional leadership style has values of above 3 which also lies in the neither agree nor disagree range. The average mean is calculated to be 3.321. Again the tendency is towards the agree range.

Laissez-faire leadership style has values of below 3. The average mean was calculated to be 2.475 which is a clear tendency towards the disagree range.

Item A4 has the largest mean of 3.667 which is a clear tendency towards the agree range. Item A4 specifically measures the idealised influence or charisma part of transformational leadership. The lowest mean value was 2.457 which is clear tendency towards the disagree range.

More than 70% of the standard deviation (SD) values in the leadership style section had a value of over 1.000 with the largest being 1.185. The smallest measured SD is 0.871 for item A12. In the section leadership styles none of the items could be considered outliers. Statistically it means that the distribution around the mean is concentrated with a more bell shaped normal distribution.

**Table 4.3: Results for leadership styles**

Item	Question	Frequency					Missing	Mean ( $\bar{x}$ )	Standard deviation (SD)
		Strongly Disagree (1)	Disagree (2)	Neither agree or disagree (3)	Agree (4)	Strongly agree (5)			
A1	My manager displays transformational leadership	7.4	14.8	24.7	42.0	11.1	1	3.346	1.097
A2	My manager displays transactional leadership	3.8	10.0	26.3	43.8	16.3	2	3.588	1.002
A3	My manager is a role model for his subordinates	7.4	13.6	21.0	44.4	13.6	1	3.432	1.117
A4	My manager reassures his subordinates that obstacles will be overcome	4.9	11.1	17.3	45.7	21.0	1	3.667	1.084
A5	My manager draws attention to the importance of having a shared sense of mission	6.3	11.3	15.0	53.8	13.8	1	3.575	1.065
A6	My manager communicates an exciting vision of the future	2.5	17.3	27.2	43.2	9.9	1	3.407	0.972
A7	My manager challenges me to think about old problems in new ways	2.5	19.0	17.7	46.8	13.9	3	3.506	1.036
A8	My manager challenges others to think about old problems in new ways	6.2	11.1	27.2	45.7	9.9	1	3.420	1.023
A9	My manager spends time to train his subordinates	7.6	24.1	29.1	25.3	13.9	3	3.139	1.163
A10	My manager spends time to coach his subordinates	6.2	17.3	29.6	34.6	12.3	1	3.296	1.089
A11	I prefer my manager's leadership style over other leadership styles	11.3	11.3	25.0	33.8	18.8	2	3.375	1.236
A12	My manager set clear performance goals	2.5	8.8	18.8	60.0	10.0	2	3.663	0.871
A13	My manager displays transactional leadership through rewarding good performance	6.3	11.3	31.3	45.0	6.3	2	3.338	0.980
A14	My manager displays transactional leadership through disciplining bad performance	2.5	24.7	35.8	30.9	6.2	1	3.136	0.945
A15	My manager specify the rewards that will be received when achieving set goals	4.9	16.0	22.2	48.1	8.6	1	3.395	1.021
A16	My manager pays attention to failures to meet standards	3.8	15.2	22.8	50.6	7.6	3	3.430	0.970
A17	My manager takes no action until complaints are received	7.6	41.8	16.5	26.6	7.6	3	2.848	1.133
A18	My manager displays a management style of little involvement	13.6	50.6	14.8	18.5	2.5	1	2.457	1.025
A19	My manager postpone reacting to urgent requests	21.0	38.3	17.3	17.3	6.2	1	2.494	1.185

### 4.3.2 Job satisfaction

**Table 4.4: Results for job satisfaction**

Item	Question	Frequency					Missing	Mean ( $\bar{x}$ )	Standard deviation (SD)
		Possible Answers Strongly Disagree (1)	Disagree (2)	Neither agree or disagree (3)	Agree (4)	Strongly agree (5)			
		Percentage %							
B1	I am satisfied with my job	3.7	18.5	12.3	51.9	13.6	1	3.531	1.062
B2	My job measure up to my expectations	6.3	12.5	23.8	47.5	10.0	2	3.425	1.041
B3	My manager influences my level of job satisfaction	4.9	16.0	21.0	39.5	18.5	1	3.506	1.119
B4	Knowing what I know now about my organisation, I will still take my job	4.9	14.8	25.9	39.5	14.8	1	3.444	1.072
B5	I would recommend a job like mine to a friend with similar interests	4.9	14.8	25.9	40.7	13.6	1	3.432	1.060
B6	My job provides job security	1.2	7.4	32.1	44.4	14.8	1	3.642	0.871
B7	My manager supports me at work	1.2	7.4	12.3	59.3	19.8	1	3.889	0.852
B8	I'm satisfied with the way my manager treats me	3.7	12.3	23.5	45.7	14.8	1	3.556	1.012
B9	My manager does sufficient supervision	2.5	16.0	17.3	51.9	12.3	1	3.556	0.987
B10	My manager gives me recognition for good work	2.5	13.9	17.7	50.6	15.2	3	3.620	0.991
B11	My manager can make competent decisions	3.7	4.9	14.8	50.6	25.9	1	3.901	0.970
B12	I'm satisfied with the remuneration/salary that I receive	18.8	21.3	28.8	27.5	3.8	2	2.763	1.161
B13	My manager promotes open communication with his subordinates	6.2	11.1	11.1	48.1	23.5	1	3.716	1.132
B14	I take a positive attitude towards my manager	2.5	2.5	14.8	53.1	27.2	1	4.000	0.866
B15	I'm satisfied with my life	9.9	16.0	23.5	42.0	8.6	1	3.235	1.132

The results for the empirical survey on job satisfaction are presented in Table 4.4 above. Items B1 to B15 measure the general job satisfaction of the organisation's employees.

Firstly items B3, B7, B8, B9, B10, B11, B13 and B14 measure the sub-dimension intrinsic job satisfaction which is normally the motivators of job satisfaction. Secondly items B1, B2, B4, B5,

and B12 measure the sub-dimension of extrinsic job satisfaction normally associated with the hygiene factors of job satisfaction.

Table 4.4 show the means for job satisfaction to be all above 3. The average mean is 3.548 which is a clear tendency to lean more to the agree range.

Item B14 has the largest mean of 4.000 which is a clearly in the agree range. The lowest mean value was 2.763 for item B12 which is clear tendency towards the disagree range.

More than half of the SD values in the job satisfaction section had a value of over 1.000 with the largest being 1.161. Item B7 measured the smallest SD of 0.852. In the section job satisfaction none of the items could be considered outliers. Statistically it means that the distribution around the mean is concentrated with a narrower bell shaped normal distribution. This is the same as for leadership style which imply that perceptions on leadership style are about the same as for job satisfaction.

#### **4.3.1 Employee engagement**

The results for the empirical survey on employee engagement are presented in Table 4.5 below.

***Table 4.5 follows on the next page***

**Table 4.5: Results for employee engagement**

		Frequency					Missing	Mean ( $\bar{x}$ )	Standard deviation (SD)
		Strongly Disagree (1)	Disagree (2)	Neither agree or disagree (3)	Agree (4)	Strongly agree (5)			
Item	Question	Percentage %							
C1	My organisation takes employee engagement seriously	9.9	16.0	23.5	42.0	8.6	1	3.235	1.132
C2	There is a common understanding of what engagement means	7.4	24.7	29.6	33.3	4.9	1	3.037	1.042
C3	The role of engagement in the organisation is well defined	8.6	22.2	27.2	35.8	6.2	1	3.086	1.086
C4	I understand what employee engagement is	1.2	7.4	9.9	61.7	19.8	1	3.914	0.840
C5	I am maximally engaged when I'm at work	1.3	8.8	16.3	58.8	15.0	2	3.775	0.857
C6	My colleagues is maximally engaged when they are at work	6.2	11.1	46.9	30.9	4.9	1	3.173	0.919
C7	I feel confident that I can meet the goals of my job	1.3	6.3	11.3	52.5	28.8	2	4.013	0.879
C8	I have received the necessary training to perform my job well	1.2	13.6	16.0	55.6	13.6	1	3.667	0.922
C9	Time goes by very fast when I am at work	2.5	7.4	11.1	45.7	33.3	1	4.000	0.987
C10	I feel confident in the future of the organisation	2.5	10.0	26.3	41.3	20.0	2	3.663	0.993
C11	My manager assists me to develop confidence in my own ability to do my job	3.7	9.9	38.3	29.6	18.5	1	3.494	1.026
C12	My manager supports my need to balance my work and personal life	4.9	18.5	28.4	38.3	9.9	1	3.296	1.042
C13	I have enough information to do my job well	0	7.4	14.8	61.7	16.0	1	3.864	0.771
C14	My job makes good use of my skills and abilities	2.5	6.2	21.0	50.6	19.8	1	3.790	0.918
C15	The people that work at my organisation share common values	1.2	13.6	44.4	32.1	8.6	1	3.333	0.866

Firstly items C1, C2, C3, C6, C10 and C15 measure the sub-dimension of engaged leadership. Secondly item C4, C5, C7 and C9 measure the sub-dimension of engagement feeling. Thirdly items C8, C13 and C14 measure the sub-dimension of the employee's capacity to engage. Lastly items C11 and C12 measure the sub-dimension of the employee's reason to engage.

Table 4.5 the means for engaged leadership are all above 3 in the neither agree nor disagree range. The average mean is 3.255 which can be seen as a tendency to lean more to the agree range.

Engagement feeling has a value of almost 4 which is a clear indication of the agree range. The mean for this dimension was calculated to be 3.926.

The employee capacity to engage dimension has values of above 3. The mean is calculated to be 3.774 which is a clear tendency towards the agree range.

Lastly the employee has reason to engage dimension has values of above 3. The mean is calculated to be 3.395 which is a clear tendency towards the agree range.

Item C7 has the largest mean 4.013 which is a clear tendency towards the agree range. The lowest mean value was 3.037 which is clear tendency towards the neither agree nor disagree range.

Two thirds of the SD values in the employee engagement section had a value of lower than 1.000 with the smallest being 0.771. The largest measured SD is 1.132 for item C1. None of the items in the employee engagement section could be considered outliers.

Statistically it means that the distribution around the mean is very concentrated with a very narrow bell shaped normal distribution. This differs from the leadership style and job satisfaction sections which imply that perceptions are less on employee engagement than leadership style and job satisfaction.

#### **4.4 Exploratory Factor Analysis**

##### **4.4.1 Leadership Styles**

An EFA performed on the 19 statements of leadership styles to uncover the construct equivalence and factorial structure.

Table 4.6 below summarises the items in the leadership style section of the research questionnaire into three sub-dimensions of leadership theory as well as the mean and standard deviation of each sub-dimension. The three distinct factors were identified after exploring various multifactor solutions. This is in accordance with the three part integrative leadership theories as set out in the literature study. The three factors were labelled as:

- Factor 1: Transformational leadership style;
- Factor 2: Transactional leadership style; and
- Factor 3: Laissez-faire (passive/avoidance) leadership style.

**Table 4.6: Pattern Matrix<sup>a</sup> for leadership styles**

Statement	Leadership Styles			Communalities
	Factor 1	Factor 2	Factor 3	
	Transformational Leadership Style	Transactional Leadership Style	Laissez-faire Leadership Style (Passive/Avoidance)	
a5	.889			0.755
a7	.868			0.774
a8	.843			0.638
a4	.840			0.664
a11	.816			0.668
a1	.808			0.737
a3	.798			0.784
a9	.788			0.708
a6	.772			0.696
a10	.742			0.635
a12	.511			0.668
a14		-.713		0.492
a2		-.596		0.466
a13		-.505		0.678
a15		-.490		0.626
a16		-.471		0.485
a18			.782	0.676
a19			.746	0.640
a17			.643	0.607
Cronbach's Alpha	0.927	0.701	0.681	
Factor Mean	3.357	3.341	2.475	
Factor Standard Deviation	0.839	0.588	0.965	

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy measured 0.879. According to Field (2009:647) values between 0.8 and 0.9 are considered to be great values and therefore exploratory factor analysis is appropriate for the data sets. A p-value of Bartlett's test of sphericity was calculated to be smaller than 0.05 which is an indication of a sufficiently large correlation between the statements and therefore an exploratory factor analysis is suitable to perform.

The determinant correlation matrix measured 0.000000483 which indicates that multi-collinearity can be present in the data.

#### 4.4.1.1 Factor 1: Transformational Leadership Style

Statements that loaded onto factor 1 were A5, A7, A8, A4, A11, A1, A3, A9, A6, A10, A12, A13, A15 and A16. Factor 1 is related to the "Transformational leadership style" factor. In the factor analysis statement A5, A7, A8, A4, A11 and A1 have factor loadings exceeding 0.8. For statement's A3, A9, A6 and A10 the factor loadings were above 0.7. Statement A12 has a factor

loading of above 0.5 and the rest of the statements A13, A15 and A16 had factor loadings of above 0.4. The calculated communalities for all the statements had values above 0.4.

From Table 4.6 the mean of Factor 1 is 3.357 therefore tending towards the positive side of the scale which means that the respondents agree that the leadership style practised tends to be the transformational approach. This is a positive result for the identified organisation as transformational leadership is considered to be the preferred style of leadership in today's global environment.

The measured SD as indicated in Table 4.6 for Factor 1 is small and this shows that the respondents did not differ significantly in their responses to the research questions regarding transformational leadership style. This is an indication that the respondents have relatively the same perceptions of transformational leadership styles.

#### **4.4.1.2 Factor 2: Transactional leadership style**

Statements that loaded on Factor 2 were A12, A14, A2, A13, A15 and A16. Factor 2 is linked to the "Transactional leadership style" factor. All the statements for transactional leadership style loaded together, but negatively, therefore the absolute values will be considered in the explanation and the values will be treated as if they were positive. In the factor analysis statement A14 has a factor loading above 0.7. For statement's A2 and A13 the factor loadings were above 0.5. Statement A12, A15 and A16 has factor loadings of above 0.4. The calculated communalities for all the statements in Factor 2 had values above 0.4.

From Table 4.6 above the factor mean for Factor 2 is 3.341 which is a clear tendency towards the positive side of the scale which means that the respondents agree that the transactional leadership style approach are practised. This can be seen as a positive result for the identified organisation as the literature indicate that transactional leadership is a compliment for transformational leadership style.

The measured SD as indicated in Table 4.6 is small and this shows that the respondents did not differ significantly in their responses to the research questions. This is an indication that the respondents have relatively the same perceptions of transactional leadership style.

#### **4.4.1.3 Factor 3: Laissez-faire or passive/avoidance leadership style**

Statements that loaded onto Factor 3 were A18, A19 and A17. Factor 2 is associated with the "Laissez-faire or Passive/Avoidance leadership style" factor. In the factor analysis statement A18 and A19 have factor loadings above 0.7. For statement A17 the factor loading was above 0.6. The calculated communalities for all the statements had values above 0.6.

From Table 4.6 Factor 3 has a factor mean, 2.475, that clearly tends to the negative side of the scale meaning that the respondents disagree that laissez-faire leadership style is practiced in the organisation, also a positive result for the organisation as laissez-faire leadership style is criticised in the literature as being a non-participative leadership style which usually cause chaos in an organisation.

The measured SD for Factor 3 as indicated in Table 4.6 is also small and this shows that the respondents did not differ significantly in their responses to the research questions associated with the factor of laissez-faire or passive/avoidance leadership style. This is an indication that the respondents have relatively the same perceptions of this leadership style.

#### **4.4.1.4 Total variance**

In Table 4.7 the exploratory principal axis factor analysis was used as extraction method using the Oblimin with Kaiser Normalisation rotation method. A minimum Eigenvalue of 1.0 served as cut-off value to select the factors (Field, 2009:660).

Table 4.7 indicates the results of the factor analysis for leadership styles. Three factors were identified during the factor analysis. These factors explain an acceptable cumulative variance of 65.243%.

**Table 4.7: Leadership styles total variance explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	9.136	48.082	48.082	9.136	48.082	48.082	8.693
2	1.873	9.857	57.939	1.873	9.857	57.939	3.193
3	1.388	7.304	65.243	1.388	7.304	65.243	3.176

#### **4.4.1.5 Leadership styles summary**

From Table 4.6 above it can be understood that the factor means for Factor 1 and Factor 2 are relatively close to each other, which implies that there is not a huge difference on average how the two factors are measured. The means of Factor 1 and Factor 2 tend towards the positive side of the scale which means that the respondents agree that the leadership style practiced tends to be the transformational and transactional approach. This is a positive result for the identified organisation. Factor 3 has a factor mean that clearly tends to the negative side of the scale meaning that the respondents disagree that laissez-faire leadership is practiced in the organisation, also a positive result for the organisation.

The measured SD's for all the factors as indicated in Table 4.6 is small and this shows that the respondents did not differ significantly in their responses to the research questions. This is an indication that the respondents have relatively the same perceptions of all leadership styles.

#### **4.4.2 Job satisfaction**

An EFA was performed on the 14 statements of job satisfaction to uncover the construct equivalence and factorial structure.

Table 4.8 below summarises the items in the job satisfaction section of the research questionnaire into two sub-dimensions of job satisfaction as well as the mean and standard deviation of each sub-dimension. Two distinct factors were identified after exploring various multifactor solutions. This is in accordance with the two-factor theory by Kalleberg (1977:128) that suggests that job satisfaction is divided into intrinsic and extrinsic factors as discussed in the literature study. The two factors were labelled as:

- Factor 1: Intrinsic – motivators; and
- Factor 2: Extrinsic – hygiene factors.

**Table 4.8: Pattern Matrix<sup>a</sup> for Job satisfaction**

Job satisfaction			
Statement	Factor 1	Factor 2	Communalities
	Intrinsic - motivators	Extrinsic - hygiene factors	
b13	.891		0.754
b7	.876		0.786
b8	.847		0.730
b11	.828		0.679
b14	.797		0.646
b9	.789		0.655
b10	.749		0.517
b3	.428		0.417
b4		.958	0.807
b1		.910	0.778
b5		.899	0.750
b2		.681	0.721
b12		.537	0.503
b6		.430	0.467
Cronbach's Alpha	0.920	0.890	
Factor Mean	3.718	3.378	
Factor Standard Deviation	0.788	0.846	

The KMO measured 0.885 for the job satisfaction section. According to Field (2009:647) values between 0.8 and 0.9 is considered to be great values and therefore exploratory factor analysis is appropriate for the data responses. A p-value of Bartlett's test of sphericity was calculated to be smaller than 0.05 which is an indication of a sufficiently large correlation between the statements and therefore an exploratory factor analysis is appropriate.

The determinant correlation matrix measured 0.0000185 which indicates that multi-collinearity is very limited in the data.

#### **4.4.2.1 Factor 1: Intrinsic factor of job satisfaction**

Statements that loaded onto factor 1 were B13, B7, B8, B11, B14, B9, B10, B3 and B6. Factor 1 is related to the "Intrinsic" factor of job satisfaction which is associated with motivators. In the factor analysis statement B13, B7, B8 and B11 have factor loadings greater than 0.8. For statement's B14, B9 and B10 the factor loadings were above 0.7. Statement B3 has a factor

loading of above 0.4 and B6 had factor loadings of above 0.3. The communalities for all the statements had calculated values above 0.4.

From Table 4.8 the mean of factor 1 is 3.718 therefore favouring towards the positive side of the scale which means that the respondents agree that intrinsic factors of job satisfaction are present. This is a positive result for the identified organisation.

The measured SD as indicated in Table 4.8 for factor 1 is small and this reveals that the respondents did not hold significant different views in their responses to the research questions which relates to intrinsic factors of job satisfaction. This is an indication that the respondents have relatively the same perceptions of intrinsic job satisfaction factors.

#### **4.4.2.2 Factor 2: Extrinsic factor of job satisfaction**

Statements that loaded onto Factor 2 were B4, B1, B5, B2, and B12. Factor 2 is related to the “extrinsic” factor of job satisfaction which is associated with hygiene factors. In the factor analysis statement B4, B1 and B5 have factor loadings greater than 0.9. For statement B2 the factor loadings were above 0.6. Statement B12 has a factor loading of above 0.5. The communalities for all the statements had calculated values above 0.4.

From Table 4.8 the mean of Factor 1 is 3.378 therefore favouring towards the positive side of the scale which means that the respondents agree that extrinsic factors of job satisfaction are present. This is a positive result for the identified organisation.

The measured SD as indicated in Table 4.8 for factor 1 is small and this reveals that the respondents did not hold significant different views in their responses to the research questions which relates to intrinsic factors of job satisfaction. This is an indication that the respondents have relatively the same perceptions of extrinsic job satisfaction factors.

#### **4.4.2.3 Total variance**

In Table 4.9 the exploratory principal axis factor analysis was used as extraction method using the Oblimin with Kaiser Normalisation rotation method. The two components with Eigenvalues greater than 1.0 were used as measure for selecting the factor (Field, 2009:660).

Table 4.9 indicates the results of the factor analysis for job satisfaction. Two clear factors were identified during the factor analysis and the first two components that had Eigenvalues of above 1.0 explained a satisfactory 65.786% of the variance.

**Table 4.9: Job satisfaction total variance explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	7.602	54.301	54.301	7.602	54.301	54.301	6.852
2	1.608	11.485	65.786	1.608	11.485	65.786	5.776

#### 4.4.2.4 Job satisfaction summary

From Table 4.8 it can be understood that the factor means for Factor 1 and Factor 2 are relatively close to each other, which implies that there is not a huge difference on average how the two factors are measured. The means of Factor 1 and Factor 2 tend towards the positive side of the scale which means that the respondents agree that both intrinsic and extrinsic factors related to job satisfaction are present in the organisation. This is a positive result for the identified organisation.

The measured SD's for all the factors as indicated in Table 4.8 is small and this shows that the respondents did not differ significantly in their responses to the research questions. This is an indication that the respondents have relatively the same perceptions on job satisfaction in general.

#### 4.4.3 Employee engagement

An EFA was done on the 15 statements of employee engagement to find the construct similarity and factorial structure.

Table 4.10 below summarises the items in the employee engagement section of the research questionnaire into four sub-dimensions of employee engagement as well as the mean and standard deviation of each sub-dimension. Four factors were identified after exploring various multifactor solutions. The four factors were labelled as:

- Factor 1: Engage leadership;
- Factor 2: Engage feeling;
- Factor 3: Capacity to engage; and
- Factor 4: Reason to engage.

**Table 4.10: Pattern Matrix<sup>a</sup> for Employee engagement**

Employee engagement					
Statement	1	2	3	4	Communalities
	Engage leadership	Engage feeling	Capacity to engage	Reason to engage	
c2	.925				0.890
c3	.912				0.868
c1	.889				0.823
c15	.726				0.732
c6	.719				0.582
c10	.663				0.634
c7		.858			0.708
c4		.857			0.703
c5		.736			0.792
c9		.603			0.573
c14			.885		0.782
c13			.835		0.749
c8			.419		0.529
c12				.864	0.904
c11				.745	0.789
Cronbach's Alpha	0.916	0.826	0.750	0.834	
Factor Mean	3.250	3.924	3.774	3.395	
Factor Standard Deviation	0.857	0.721	0.713	0.958	

The KMO measure of sampling adequacy measured 0.827 for the employee engagement section. Field (2009:647) stipulates that values for the KMO of between 0.8 and 0.9 are considered to be great values and therefore exploratory factor analysis is appropriate for the data responses. A p-value of Bartlett's test of sphericity was calculated to be smaller than 0.05 which is an indication of a sufficiently large correlation between the statements and therefore an exploratory factor analysis is appropriate.

The determinant correlation matrix measured 0.0000170 which indicates that multi-collinearity is very limited in the data.

#### **4.4.3.1 Factor 1: Engage leadership**

Statements that loaded onto factor 1 were C2, C3, C1, C15, C6 and C10. Factor 1 is related to the “engage leadership” factor of employee engagement. In the factor analysis statement C2 and c3 has factor loadings greater than 0.9. For statement C1 the factor loading was above 0.8. Statement C15 and C6 have a factor loading of above 0.7. The statement C10 had a factor loading of above 0.6. The communalities for all the statements had calculated values above 0.5.

From Table 4.10 the mean of Factor 1 is 3.250 therefore favouring towards the positive side of the scale which means that the respondents agree that the organisation has engaged leadership. This is a positive result for the identified organisation as engaged leadership is important to promote the importance of engagement throughout the organisation.

The measured SD as indicated in Table 4.10 for Factor 1 is small and this reveals that the respondents did not hold significant different views in their responses to the research questions which relates to the engage leadership part of employee engagement. This is an indication that the respondents have relatively the same perceptions of engage leadership.

#### **4.4.3.2 Factor 2: Engage feeling**

Statements that loaded onto Factor 2 were C7, C4, C5, C9 and C8. Factor 2 is related to the “engage feeling” factor of employee engagement. In the factor analysis statement C7 and C4 have factor loadings greater than 0.8. For statement C5 the factor loading was above 0.7 and statement C9 has a factor loading of above 0.6. Statement C8 has a factor loading of above 0.3. The communalities for all the statements had calculated values above 0.5.

From Table 4.10 the mean of factor 2 is high at 3.924 indicating definite trend towards the positive side of the scale which means that the respondents fully agree that there are an environment in the organisation that is positive towards an engage feeling. This is a positive result for the identified organisation as employees who feel engaged will be better performers which can have a positive outcome on the profits of the organisation.

The measured SD as indicated in Table 4.10 for factor 2 is small and this reveals that the respondents did not hold significant different views in their responses to the research questions which relate to engage feeling. This is an indication that the respondents have relatively the same perceptions of engage feeling within the organisation.

#### **4.4.3.3 Factor 3: Capacity to engage**

Statements that loaded onto factor 3 were C14, C13 and C8. Factor 3 is related to the “capacity to engage” factor of employee engagement. In the factor analysis statement C14 and C13 have factor loadings greater than 0.8. For statement C8 the factor loading was above 0.4. The communalities for all the statements had calculated values above 0.5.

From Table 4.10 the mean of Factor 3 is high at 3.774 indicating a trend towards the positive side of the scale which means that the respondents agree that there is an environment in the organisation that is positive towards a capacity to engage. This is a positive result for the identified organisation as employees who are willing to engage are better performers which again can have a positive outcome on the profits of the organisation.

The measured SD as indicated in Table 4.10 for factor 3 is small and this reveals that the respondents did not hold significant different views in their responses to the research questions which relates to capacity to engage. This is an indication that the respondents have relatively the same perceptions of capacity to engage within the organisation.

#### **4.4.3.4 Factor 4: Reason to engage**

Statements that loaded onto Factor 4 were C12 and C11. Factor 4 is related to the “feeling to engage” factor of employee engagement. In the factor analysis statement C12 has a factor loading greater than 0.8. For statement C11 the factor loading was above 0.7. The communalities for the statements had calculated values above 0.7.

From Table 4.10 the mean of Factor 4 is high at 3.3951 showing a trend towards the positive side of the scale which means that the respondents agree that there are an environment in the organisation that is positive towards a feeling to engage. This is a positive result for the identified organisation as employees who got the feeling to engage will be better performers and this can also have a positive outcome on the profits of the organisation.

The measured SD as indicated in Table 4.10 for Factor 4 is small and this reveals that the respondents did not hold significant different views in their responses to the research questions which relates to feeling to engage. This is an indication that the respondents have relatively the same perceptions of feeling to engage within the organisation.

#### 4.4.3.5 Cumulative variance

In Table 4.11 the exploratory principal axis factor analysis was used as extraction method using the Oblimin with Kaiser Normalisation rotation method. The three components with Eigenvalues greater than 1.0 were used as measure for selecting the factor (Field, 2009:660).

Table 4.11 indicates the results of the factor analysis for employee engagement. Four distinct factors were identified during the factor analysis and the first four components with Eigenvalues of above 1.0 sufficiently explained a cumulative variance of 73.730%.

**Table 4.11: Employee engagement total variance explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6.533	43.552	43.552	6.533	43.552	43.552	5.502
2	2.270	15.134	58.686	2.270	15.134	58.686	3.704
3	1.288	8.586	67.272	1.288	8.586	67.272	3.253
4	.969	6.458	73.730	.969	6.458	73.730	2.731

#### 4.4.3.6 Employee engagement summary

From Table 4.10 it can be understood that the factor means for factor 1 and 4 are and for 2 and 3 are relatively close to each other, which implies that there is not a huge difference on average how these grouping of the four factors are measured. The means of factor 1 to 4 tend towards the positive side of the scale which means that the respondents agree that employee engagement do exist in the organisation. This is a positive result for the identified organisation.

The measured SD's for all the factors as indicated in Table 4.10 is small and this shows that the respondents did not differ significantly in their responses to the research questions. This is an indication that the respondents have relatively the same perceptions on employee engagement in general.

#### 4.4.4 Reliability

According to Hair *et al.* (2011:233) a measuring instrument is deemed reliable “if its repeated application results in consistent scores. This is contingent on the definition of the concept (construct) being unchanged from application to application. Reliability is concerned with the consistency and internal stability of the research findings.” Below in Table 4.12 the rule of thumb for interpreting alpha values is summarised:

**Table 4.12: Rules of Thumb about Cronbach's Alpha Coefficient Size**

Alpha coefficient range	Strength of association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
≥ 0.9	Excellent
<i>Note:</i> If alpha > 0.95, items should be inspected to ensure they measure different aspects of the concept	

Source: Hair *et al.* (2011:235)

The reliability indicators are summarised below in Table 4.13:

**Table 4.13: Reliability Indicators**

Variable	Cronbach's alpha	Mean inter-item correlation	Mean	Std. Deviation
L_Transformational	0.927	0.552	3.357	0.839
L_Transactional	0.701	0.270	3.341	0.588
L_Passive	0.681	0.522	2.475	0.965
JS_Intrinsic	0.920	0.601	3.718	0.788
JS_Extrinsic	0.890	0.573	3.378	0.846
EE_Eng_Lead	0.916	0.644	3.250	0.857
EE_Eng_Feel	0.826	0.547	3.924	0.721
EE_Capacity	0.750	0.508	3.774	0.713
EE_Reason	0.834	0.715	3.395	0.958

According to Table 4.13 above the Cronbach's alpha values of all the different constructs in the measuring instrument are above or close to 0.7. This is an indication that the measuring instrument that was used in this study was reliable. This confirms the validity and that the design of the measuring instruments and the items that were constructed to measure the variables were well formulated and clearly understood by all the research respondents.

According to Field (2009:821) high Cronbach's alpha's is an indication that multi-collinearity is present. The Determinant of Correlation Matrix for leadership styles measured  $< 0.00001$ , which is an indication of multi-collinearity. Assessing the mean inter-item correlation for the leadership style variables (Transformational, transactional, passive) it was concluded that multi-collinearity is not severe in this variable. The mean inter-item correlation for the leadership styles variables is close to the value of 0.3 to 0.6 which are suggested as a preferred value according to Field (2009:678).

From the above it can be concluded that the questions included in the measuring instrument do measure the different variables in the study. Further, the above Cronbach's alpha values and mean inter-item correlations are proof that there is an adequate amount of correlation and that each of the variables are reliable.

#### 4.5 Correlation Analysis

This section focusses on the correlations between the study's variables that were covered by this research. The correlations between the variables covered in the study are presented in Table 4.14.

**Table 4.14: Correlation coefficients between variables**

		1	2	3	4	5	6	7	8	9
1	L_Transformational	1.000								
2	L_Transactional	.449**	1.000							
3	L_Passive	-.393**	-.311**	1.000						
4	JS_Intrinsic	.734**	.348**	-.371**	1.000					
5	JS_Extrinsic	.570**	.551**	-.275*	.616**	1.000				
6	EE_Eng_Lead	.471**	.296**	-.103	.399**	.563**	1.000			
7	EE_Eng_Feel	.108	.268*	.016	.289**	.415**	.303**	1.000		
8	EE_Capacity	.271*	.352**	-.025	.419**	.615**	.374**	.542**	1.000	
9	EE_Reason	.652**	.368**	-.286**	.743**	.656**	.491**	.292**	.458**	1.000

\*\* . Correlation is significant at the 0.01 level / \* . Correlation is significant at the 0.05 level

From Table 4.14 transformational leadership is practically significant positively correlated (large correlation) with intrinsic job satisfaction (0.734), extrinsic job satisfaction (0.570) and employee engagements reason to engage (0.652). Transformational leadership is practically significant positively correlated (medium correlation) with employee engagements engage leadership (0.471) and transactional leadership (0.449). Transformational leadership is practically significant positively correlated (small correlation) to employee engagements capacity to engage (0.271) and engage feeling (0.108). Transformational leadership is practically significant negatively correlated to passive-avoidance or laissez-faire leadership style (-0.393).

Transactional leadership is practically significant positively correlated (large correlation) with extrinsic job satisfaction (0.551). Transactional leadership is practically significant positively correlated (medium correlation) to transformational leadership (0.449), employee engagements reason to engage (0.368) and capacity to engage (0.352) as well as intrinsic job satisfaction (0.348). Transactional leadership is practically significant positively correlated (small correlation)

to employee engagements engage leadership (0.296) and engage feeling (0.268). Transactional leadership is practically significant negatively correlated to passive-avoidance or laissez-faire leadership style (-0.311).

Laissez-faire or passive-avoidance leadership style is only marginally positively correlated to employee engagements engage feeling (0.016). Laissez-faire or passive-avoidance leadership style is practically significant negatively correlated to the rest of the variables.

Intrinsic job satisfaction is practically significant positively correlated (large correlation) with employee engagements reason to engage (0.743), transformational leadership (0.734) and extrinsic job satisfaction (0.616). Intrinsic job satisfaction is practically significant positively correlated (medium correlation) to employee engagements capacity to engage (0.419) and engage leadership (0.399) as well as transactional leadership (0.348). Intrinsic job satisfaction is practically significant positively correlated (small correlation) to employee engagements engage feeling (0.289). Intrinsic job satisfaction is practically significant negatively correlated to passive-avoidance or laissez-faire leadership style (-0.371).

Extrinsic job satisfaction is practically significant positively correlated (large correlation) to employee engagements reason to engage (0.656), intrinsic job satisfaction (0.616), employee engagements capacity to engage (0.615), transformational leadership (0.570), transactional leadership (0.551) and employee engagements engage leadership (0.563). Extrinsic job satisfaction is practically significant positively correlated (medium correlation) to employee engagements engage feeling (0.415). Extrinsic job satisfaction is practically significant negatively correlated to passive-avoidance or laissez-faire leadership style (-0.275).

Employee engagements engage leadership is practically significant positively correlated (large correlation) to extrinsic job satisfaction (0.616). Employee engagements engage leadership is practically significant positively correlated (medium correlation) to employee engagements reason to engage (0.491), transformational leadership (0.471), intrinsic job satisfaction (0.399) and employee engagements capacity to engage (0.374) and engage feeling (0.303). Employee engagements engage leadership is practically significant positively correlated (small correlation) to transactional leadership (0.296). Employee engagements engage leadership is practically significant negatively correlated to passive-avoidance or laissez-faire leadership style (-0.103).

Employee engagements engage feeling is practically significant positively correlated (large correlation) to employee engagements capacity to engage (0.542). Employee engagements engage feeling is practically significant positively correlated (medium correlation) to extrinsic job satisfaction (0.415) and employee engagements engage leadership (0.303). Employee engagements engage feeling is practically significant positively correlated (small correlation) to

employee engagements reason to engage (0.292), intrinsic job satisfaction (0.289), transactional leadership (0.268) and transformational leadership (0.108). Employee engagements engage feeling is practically significant very slightly positively correlated to passive-avoidance or laissez-faire leadership style (0.016).

Employee engagement's capacity to engage is practically significant positively correlated (large correlation) to extrinsic job satisfaction (0.615) and employee engagement's engage feeling (0.542). Employee engagements capacity to engage is practically significant positively correlated (medium correlation) to employee engagement's reason to engage (0.458), intrinsic job satisfaction (0.419), employee engagements engage leadership (0.374) and transactional leadership (0.352). Employee engagements capacity to engage is practically significant positively correlated (small correlation) to transformational leadership (0.271). Employee engagements capacity to engage is practically significant negatively correlated to passive-avoidance or laissez-faire leadership style (-0.025).

Employee engagements reason to engage is practically significant positively correlated (large correlation) to intrinsic job satisfaction (0.743), extrinsic job satisfaction (0.656) and transformational leadership (0.652). Employee engagements reasons to engage is practically significant positively correlated (medium correlation) to employee engagements engage leadership (0.491) and capacity to engage (0. 0.458) as well as transactional leadership (0.368). Employee engagements feeling to engage is practically significant positively correlated (small correlation) to employee engagements engage feeling (0.292). Employee engagements reason to engage is practically significant negatively correlated to passive-avoidance or laissez-faire leadership style (-0.286).

## **4.6 Open-ended questions**

Open-ended questions are questions that can have a variety of answers with no wrong or right answer but rather reflects the feelings and viewpoints of the respondents. Welman *et al.* (2010:174) describe the advantage of open-ended questions as being questions where the answers are not influenced by the researcher or interviewer but are rather a genuine source of diverse responses.

### **4.6.1 Leadership styles**

In the section of the questionnaire on leadership styles two open-ended questions was posed to the respondents:

#### 4.6.1.1 Explain in your own words what you perceive as the ideal leadership style a manager must possess

From the 82 respondents that completed the research survey questionnaire, a total of 74 commented on the question “Explain in your own words what you perceive as the ideal leadership style a manager must possess”.

Respondents indicated that the ideal leadership style should have the following characteristics:

Role-model	Rewards and recognition	Communication
Motivation	Punishment	Ethics
Inspiration	Support	Professional
Respect	Encouragement	Fairness
Participation	Employee development (training and coaching)	Transformational and transactional
Lead-by-example	Servant leadership	
Innovation	Trust	

From the above it is clear from the literature review that most of these characteristics are included in transformational leadership. Characteristics like rewards, recognition and punishment is clear components of transactional leadership. From the comments it also became clear that most of the respondents feel that the ideal leadership style will be a combination of transformational and transactional leadership styles which is also supported by the literature.

The following are some of the quotes that substantiate the above-mentioned conclusions:

- Role-model: “A manager should be a role=model for his subordinates. He should be involved with his people and support them so that they can together reach the set goals of the organisation and personal goals.” (Electronic questionnaire: Timestamp, 21/07/2015 21:36:04).
- Motivation: “Managers should be positive, motivated people who motivate their people by setting reachable goals...” (Electronic questionnaire: Timestamp, 14/08/2015 10:31:20).
- Inspiration: “An ideal leadership style would be leading from the front displaying leadership ability rather than being just a manager. Leaders must lead managers as well as leaders. Talk to a manager you will know who is important. Speak to a leader and you will know that you are important.” (Manual submitted, respondent 9)

- Trust And respect: “A manager that one can trust and respect...” (Electronic questionnaire: Timestamp, 16/08/2015 11:03:31).
- Servant leadership and lead-by-example: “Transformational leadership shared with servant leadership. Lead by example!!” (Electronic questionnaire: Timestamp, 12/08/2015 20:24:13).
- Innovation and development: “Someone who gives his subordinates freedom to do what they know but being there when they need him. Being able to understand and maximize the strengths and help developing the developmental areas of his subordinates...” (Electronic questionnaire: Timestamp, 19/08/2015 08:20:14).
- Reward and Punishment: “There is no perfect leadership style for all situations at work, but it’s a perfect blend of the two. A manager should motivate his followers to do more than what is expected of him, not for the follower’s financial gain, but a sense of pride (Transformational leadership). But in order to maintain this motivation and punish those who do not comply, transactional leadership is needed in the form of a reward system and a penalty system.” (Electronic questionnaire: Timestamp, 11/08/2015 09:26:47).
- Fairness and Recognition: “A style that is not biased, recognising that a subordinate is doing their job to the best of their ability...” (Electronic questionnaire: Timestamp, 19/08/2015 14:30:46).
- Support: “Manager needs to be supportive to his subordinates.” (Electronic questionnaire: Timestamp, 11/08/2015 09:41:02).
- Coaching (Employee development): “Managers must coach, measure and review performance...” (Electronic questionnaire: Timestamp, 19/08/2015 09:50:32).
- Training (Employee development): “... My manager should be able to know my strengths to keep them stronger and weaknesses and plan to train me in my weak areas. My manager should be willing to discuss with me my development plan / carrier path and be able to motivate me to grow in my career both experience and training.” (Electronic questionnaire: Timestamp, 20/08/2015 16:01:58).
- Communication: “...Constant communication is key ...” (Electronic questionnaire: Timestamp, 16/08/2015 08:45:45).
- Ethics: “...A manager should have very high ethical standards.” Electronic questionnaire: Timestamp, 19/08/2015 09:18:09).
- Professional: “Discipline, honesty, professional.” (Electronic questionnaire: Timestamp, 19/08/2015 12:21:33).
- Transformational leadership: “Transformational leadership is important especially for the sales environment which is challenging.” (Manual respondent, respondent 6)
- Transformational and transactional: “A combination of the transformational and transactional styles.” (Electronic questionnaire: Timestamp, 11/08/2015 10:19:02).

#### 4.6.1.2 Give general comments about your organisation's leadership.

From the 82 respondents that completed the research survey questionnaire 71 commented on the question "Give general comments about your organisations leadership". The comments differed from being very positive to being very negative, a clear indication of an organisation that has a diverse perspective on the wellness of the leadership in the organisation as perceived by the sales people.

The following are some of the quotes from the survey questionnaires that give a glimpse of how sales people within the organisation perceive the leadership of the organisation:

Negative feedback:

- "Poor feedback" (Manual response, respondent 1).
- "Talk the talk, but do not walk the walk" (Manual response, respondent 2).
- "Organisations goals are not instilled at leadership level and people are not stroked and given enough personal recognition for great work. This is demotivating to high achievers." (Manual response, respondent 5).
- "Recent acquisitions have created a leadership bereft of ideas, toothless, aimless and with a totally disengaged sales force. Urgent transformational leadership, performance management, and taking tough decisions is needed." (Electronic questionnaire: Timestamp, 14/08/2015 07:01:03).
- "The process is very dictatorial and profit based." (Electronic questionnaire: Timestamp, 14/08/2015 10:33:18).
- "Too busy to be engaging. Find the leadership is disconnected from the organisation" (Electronic questionnaire: Timestamp, 16/08/2015 08:45:45).
- "Being someone in Africa, I sometimes work like a lone ranger. In our organisation leadership style is mainly transformational and transactional leadership whereby employees are motivated to achieve set goals and rewards are given. Reminders on goal achievements and rewards made to employees." (Electronic questionnaire: Timestamp, 20/08/2015 16:01:58).
- "Stuck to old ways of doing business." (Electronic questionnaire: Timestamp, 19/08/2015 08:13:09).
- "Lack of communication is one of the major obstacles in this organisation..." (Electronic questionnaire: Timestamp, 19/08/2015 09:50:32).
- "There seems to be very little notice given to red flags until it is too late. They are reactive rather than proactive. There is also very little review / guidance given to people in the field to address the basic causes of the red flags that are being seen. Very little

also seems to be done even if issues are raised – the same problems continue to re-occur. They know there are problems but not sure how they go about actually trying to get it resolved.” (Electronic questionnaire: Timestamp, 26/08/2015 09:50:23).

#### Positive feedback

- “As a whole the organisation’s leadership is very goal focused. Motivation is provided to instil in people a common vision and drive towards a common goal, but more teamwork needs to be established. People need to be willing to help each other to reach the ultimate end result of the company.” (Manual response, respondent 7).
- “I can say my direct manager displays a good blend of the two leadership styles but leans more to the transformational leadership style. I feel motivated to do more than what is expected of me. But I also need to say that this is not the case in all districts and management levels.” (Electronic questionnaire: Timestamp, 11/08/2015 09:26:47).
- “I can say my direct manager displays a good blend of the two leadership styles but leans more to the transformational leadership style. I feel motivated to do more than what is expected of me. But I also need to say that this is not the case in all districts and management levels.” (Electronic questionnaire: Timestamp, 11/08/2015 09:26:47)
- “My manager is the perfect example of the above. He clearly communicates the organisational vision with an energetic and positive outlook on the future. He spends time to train and coach and understands the challenges that we face. He is self-sacrificing. My manager also encourages me to move out of my comfort zone. He sets clear goals and celebrates with me when they are met.” (Electronic questionnaire: Timestamp, 11/08/2015 10:17:23).
- “I truly believe I've a manager that inspires ordinary people to do extra ordinary things.” (Electronic questionnaire: Timestamp, 13/08/2015 11:40:35)
- “Very good leadership, good people.” (Electronic questionnaire: Timestamp, 14/08/2015 12:14:39 ).
- “Our organisation meets the criteria around leadership.” (Electronic questionnaire: Timestamp, 16/08/2015 11:03:31).
- “Good rewards on good performance, High ethical standards, Good feeling of teamwork.” (Electronic questionnaire: Timestamp, 19/08/2015 09:18:09).
- “Very good.” (Electronic questionnaire: Timestamp, 19/08/2015 09:42:05 )
- “Involved management.” (Electronic questionnaire: Timestamp, 20/08/2015 11:40:15).
- “Overall good leadership from EXCO level down. Clear and structured approach and goal orientation.” (Electronic questionnaire: Timestamp, 24/08/2015 21:00:25).

## 4.6.2 Employee engagement

In the section of the questionnaire on employee engagement three open-ended questions were posed to the respondents:

### 4.6.2.1 What would be different if employees at your organisation were maximally engaged?

From the 82 respondents that completed the research survey questionnaire 60 commented on the question “What would be different if employees at your organisation were maximally engaged?” The respondents had a general idea of what maximally engaged employees will mean to the organisation and it included the following outcomes for both the employee and organisation:

More productive	Increased productivity
Job satisfaction	Increased performance
More motivated	Increased profitability

The following is some of the responses that substantiate the above-mentioned outcomes of maximally engaged employees:

- “Personnel would be far more motivated when feeling fully engaged with both management and Colleagues. An environment of engagement is well documented where openness and communication is encouraged and practiced. This leads to a far more balanced working environment where staff are happy doing their work and where Team effort is encouraged.” (Manual response, respondent 5).
- “We would be more productive, and happier at work, because we would have ownership over the tasks we do and feel satisfied when we achieve our goals.” (Electronic questionnaire: Timestamp, 20/08/2015 14:09:41).
- Growth of business, reduced delays in meeting deadlines, team spirit would be strong, customer satisfaction, brand loyalty, more innovative ideas tabled and implemented, ownership spirit and care. (Electronic questionnaire: Timestamp, 20/08/2015 16:01:58)
- There will be improved commitment for employees and this will increase revenue for the organisation. The people will be more effective and take own initiatives to resolve matters. They will go out of their way to ensure the work is done (Electronic questionnaire: Timestamp, 22/08/2015 07:03:33)
- The company would prosper, grow and would be known for its service, would be a force to be reckoned with (Electronic questionnaire: Timestamp, 25/08/2015 15:55:25).

#### 4.6.2.2 Give your understanding of what employee engagement is.

From the 82 respondents that completed the research survey questionnaire 60 commented on the question “Give your understanding of what employee engagement is.” From the response it is clear that the respondents had a very vague idea of what employee engagement really is.

The following two quotes from the respondents are probably the closest to the definition of employee engagement according to the literature:

- “The harnessing of organisation members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. It is employee’s willingness and accomplishment to help their company succeed.” (Electronic questionnaire: Timestamp, 12/08/2015 09:58:20).
- “This is an emotional commitment from employees to the organization. They actually care about their work and their company. They don’t work just for a salary, or just for the next promotion, but work on behalf of the organisation’s goals. When employees care they use discretionary effort. Engaged employees behave like they are the owners of the company.” (Electronic questionnaire: Timestamp, 22/08/2015 07:03:33).

Some of the other meaningful quotes include:

- “Being fully committed to the psychological contract, to the vision and mission and to customer centricity. It is going beyond KPIs, and being driven by a common goal that involves the whole company as well as the customer. It wants to achieve and take colleagues with them. It is someone who looks to improve, innovate, excel and make the company better and a better place to work.” (Electronic questionnaire: Timestamp, 14/08/2015 07:01:03)
- “Full commitment to ones role within the organisation. Feeling fully satisfied within ones job, and feeling that your efforts are given recognition thereby encouraging you to be loyal and want the best for the organisation. Wanting to represent the company in a good light at all times. Being motivated within one’s job however big or small the responsibilities. Wanting to go over and beyond what is required of you without someone having to ask you to.” (Electronic questionnaire: Timestamp, 14/08/2015 12:25:52).
- “Employee engagement is when employees feel belonging to the organisation and are willing to put in what it takes for better results even when no manager is watching. When employees contribute to improvement efforts.” (Electronic questionnaire: Timestamp, 17/08/2015 16:28:37).
- “Employee engagement is the relationship between an organisation and its employees.” (Electronic questionnaire: Timestamp, 19/08/2015 14:30:46).

### 4.6.2.3 Are your organisations leadership perceived to be engaged?

From the 82 respondents that completed the research survey questionnaire 59 commented on the question “Are your organisation’s leadership perceived to be engaged?” Referring to Figure 4.5 below 47.5% perceived the leadership of the organisation to be engaged, 27.1% was unsure and 25.4% indicated a definite “No”.

A quarter of the sales people of the identified organisation perceived their leadership not to be engaged. Another 27.1% was unsure about whether the leadership is engaged or not. This means that 52.5% of the sales people at the organisation either perceive their leadership not to be engaged or they are unsure; this is a worrying situation and definitely a matter of concern that needs to be addressed.



Figure 4.5: Engaged leadership

## 4.7 Chapter summary

This chapter reported on the empirical results of the study. The discussion was done in terms of the quantitative results from the measuring instrument and also qualitative open-ended questions for the leadership style and employee engagement variables. The designed questionnaire which covered demographical information, leadership styles, job satisfaction and employee engagement was administered as a single questionnaire to the identified research respondents that was sales people in the identified organisation. The theoretical and empirical objectives communicated for this study have been achieved. This study will definitely contribute to the knowledge base of the research area regarding the impact of leadership styles and employee engagement on job satisfaction.

The final chapter will cover the conclusions, hypotheses, limitations of the study, recommendations to the identified organisation and possible future research.

## **CHAPTER 5: CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter summarised the findings of the study and their link which relates to the research objectives. Based on the results obtained from the study, a discussion of the academic and doable implications was presented. The research objectives and hypothesis will be re-evaluated and conclusions based on the results of the literature and empirical study in terms of these objectives and hypotheses will be made.

The research limitations that have been identified throughout the course of the study are discussed. Recommendations to the leadership of the identified organisation, about improving job satisfaction through employee engagement and adopting the correct leadership style was also presented. Furthermore suggestions are presented on future research.

### **5.2 Conclusions**

The general research objective was to predict the impact of leadership styles and employee engagement on the job satisfaction and empirically the study found that the independent variables of leadership styles and employee engagement has a positive effect on the dependent variable of job satisfaction.

The general objective was achieved by the process of successful execution of the specific objectives of the study. This was done by conducting a thorough literature review on the variables of leadership styles, employee engagement and job satisfaction. From the literature a measuring instrument was designed that covered the necessary demographical information as well as the questions related to the research variables. This research survey questionnaire was electronically administered to the salespeople in an organisation in the speciality chemical industry.

Furthermore the primary data that was obtained from the questionnaire was statistically analysed to determine the impact of leadership styles and employee engagement on job satisfaction in the organisation. This allowed the researcher to statistically determine the relationship of leadership styles and employee engagement on job satisfaction. The empirical research results were assessed and recommendations presented to the senior and executive management of the identified organisation.

### 5.3 Hypothesis

The hypothesis listed in 3.10 was assessed and a decision whether to reject or accept is noted below:

*H1: There is a positive relationship between transformational leadership and job satisfaction.*

This hypothesis can be accepted, as the Cronbach's alpha value of transformational leadership is 0.927, as indicated in Table 4.13 and this is an indication that the measuring instrument is reliable. Also according to Table 4.14 the correlation coefficient, Spearman's rho, for transformational leadership style is for both intrinsic and extrinsic job satisfaction above 0.5 which means that leadership styles and job satisfaction are practically significantly correlated.

*H2: There is a negative relationship between transactional leadership and job satisfaction.*

This hypothesis can be rejected, even though with a calculated Cronbach's alpha of 0.701 which is only an indication that the measuring instrument is reliable as shown in Table 4.13. The correlation coefficient in Table 4.14 shows a practically significant relationship between transactional leadership style and both intrinsic and extrinsic job satisfaction with values between 0.3 and 0.6. This means that there is a medium to large positive relationship between transactional leadership style and job satisfaction.

*H3: There is a negative relationship between laissez-faire leadership and job satisfaction.*

This hypothesis can be accepted. From Table 4.13 the calculated Cronbach's alpha of 0.681, is only an indication that the measuring instrument is reliable. However the correlation coefficient in Table 4.14 shows a practically significant negative relationship between laissez-faire leadership style and both intrinsic and extrinsic job satisfaction.

*H4: There is a relationship, positive or negative, between leadership styles and employee engagement.* This hypothesis can be accepted. The Cronbach's alpha as indicated in Table 4.13 for the three leadership styles and employee engagements four components are all above 0.6 which is an indication that the measuring instrument is reliable.

When considering the correlation coefficient as presented in Table 4.14 each the three leadership styles and the four components of employee engagement should be considered separately to determine whether there is a positive or negative relationship.

- Transformational leadership style: The correlation coefficient in Table 4.14 shows a positive relationship between transformational leadership style and the four components of employee engagement ranging from a small correlation to a large correlation.

- Transactional leadership style: The correlation coefficient in Table 4.14 shows a positive relationship between transactional leadership style and the four components of employee engagement with a moderate correlation.
- Laissez-faire leadership style: The correlation coefficient in Table 4.14 shows a negative relationship between laissez-faire leadership style and the four components of employee engagement.

*H5: There is a positive relationship between employee engagement and job satisfaction.* This hypothesis can be accepted, as the Cronbach's alpha value of employee engagement's four components are all above 0.7 as indicated in Table 4.13 and this is an indication that the measuring instrument is reliable.

Also, according to Table 4.14 the correlation coefficients for the four components of employee engagement is for both intrinsic and extrinsic job satisfaction in the range of 0.3 to 0.5 which means that employee engagement and job satisfaction is practically significantly correlated.

#### **5.4 Limitations of the study**

The main limitation was that the study was conducted using a sample of respondents working for one speciality chemical company and therefore might not represent the industry as a whole. For the purpose of the study the targeted respondents were the sales people in the organisation and not the organisation as a whole. Generalisation will therefore be limited to the department that was sampled in the organisation.

In this study the respondent's participation was voluntary and was conducted at one organisation in the speciality chemical industry. These factors limit the possibility of generalising from the study findings. The study results can only be generalised to the identified organisation's sales people.

The findings of the study should therefore be interpreted with caution since the respondents were employees from a particular identified organisation and do not represent all employees in the speciality chemical industry. This study may however serve as a foundation for future studies in different organisations in the speciality chemical industry. It is therefore recommended this study be repeated in different organisations in the speciality chemical industry. This study may also serve as a foundation for future research studies, in the whole studied organisation, on a larger scale. The results of such studies can be very helpful for developing a new understanding of leadership styles and employee engagement among employees in the speciality chemical industry.

Another limitation can be the study variables as the feelings of the individual about the organisations leadership and how it is perceived by employees can be a sensitive subject and the truthfulness of the answer given in the study could be a concern to the researcher.

The objectives of the study were to establish if there are correlating relationships between the variables and to determine what the strength of the relationships is. The study had no intention to prove underlying relationships between the variables.

## **5.5 Recommendations**

The research in this study has shown that leadership styles and employee engagement do impact the job satisfaction of employees. The management of the identified organisation need to strongly focus on these variables to ensure job satisfaction of their employees. This is supported by the literature that satisfied employees will have higher levels of performance which in turn will have financial benefits for the organisation in the form of improved sales turnover.

As found by the study leadership styles and employee engagement do affect job satisfaction and therefore the focus of the organisation should be to foster leaders with a transformational and transactional leadership approach. By properly equipping and empowering leaders through leadership development programs that focusses on enhancing these styles of leadership the organisation will ensure that they have salespeople with high levels of job satisfaction.

Employee engagement is a behaviour that needs to be focussed on by the organisation's management to ensure future benefits. The organisation need to ensure that employees understand clearly what employee engagement is and how to fully engage their employees as this can have a major impact on the organisation going forward. The organisation must embark on an awareness campaign to promote an engaged culture within the organisation.

## **5.6 Future research**

It is recommended that longitudinal studies are done to assess the impact of leadership style and employee engagement on job satisfaction change over time, if any. These studies should be based on the same variables as the cross-sectional in order to draw a comparison in the research findings. Longitudinal studies, however, are difficult to conduct, as respondents may be changing employment before the study is completed.

It is recommended that larger samples with a more powerful sampling method be utilised to enable generalisation of the findings to other similar groups in the speciality chemical industry. It is also suggested that the whole organisation is included into the research exercise to determine if the same results are obtained when including the organisation as a whole.

Furthermore the research can be extended to other organisations in the speciality chemical industry.

For an even more comprehensive understanding, the causal relationships between the intrinsic and extrinsic factors of job satisfaction and leadership style should be investigated to get a more comprehensive understanding of the relationship.

Participants in different demographic groups experienced different levels of job satisfaction. Possible reasons for this should be established by further research.

Respondents that were non-whites and those who were older answered in a different way from the others. Further research is needed to determine exactly which attitudes they possess at this stage and what elements made them respond in that manner.

## **5.7 Chapter summary**

In this chapter conclusions regarding the theoretical and empirical objectives were made. The limitations of the research were pointed out and recommendations were made for the organisation in which the study took place, as well as for future research. All theoretical and empirical objectives formulated for this research, have been attained.

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## ANNEXURE 1: QUANTITATIVE RESEARCH QUESTIONS

Item	Question						
D1	Gender						
	Male				Female		
D2	Age in years						
D3	Race						
	Black	White	Coloured	Indian	Other		
D4	Highest qualification						
	Grade 12	Certificate	Diploma	Degree	Post Graduate		
D5	Duration of employment in current position in years						
D6	Job grading						
	Junior	Middle Management	Senior Management	Executive Management	Other		
D7	Region - Stream		Region - Department				
	Industrial Inland	Mpumalanga & Swaziland	Gauteng MM	Gauteng, Lesotho, Free State			
D8	Mining	Dustaway	Gold, North Cape	Platinum West	Fochville Mining	Business Develop	
	Industrial coastal	West Coast	KZN	Western Cape MM	Eastern Cape	Business Develop & Lab	
	Public water	Inland	Coastal	Export	Blendtech Local		
	Africa	West Africa	East Africa	Central Africa			
	Energy	Sasolburg	Secunda	HPI	KZN	Western cape	
	Engineering	Total water solutions	Standard equipment	Fabrication			
	Other						

## Leadership Styles

Item	Question
A1	My manager displays transformational leadership
A2	My manager displays transactional leadership
A3	My manager is a role model for his subordinates
A4	My manager reassures his subordinates that obstacles will be overcome
A5	My manager draws attention to the importance of having a shared sense of mission
A6	My manager communicates an exciting vision of the future
A7	My manager challenges me to think about old problems in new ways
A8	My manager challenges others to think about old problems in new ways
A9	My manager spends time to train his subordinates
A10	My manager spends time to coach his subordinates
A11	I prefer my manager's leadership style over other leadership styles
A12	My manager set clear performance goals
A13	My manager displays transactional leadership through rewarding good performance
A14	My manager displays transactional leadership through disciplining bad performance
A15	My manager specify the rewards that will be received when achieving set goals
A16	My manager pays attention to failures to meet standards
A17	My manager takes no action until complaints are received
A18	My manager displays a management style of little involvement
A19	My manager postpone reacting to urgent requests

## Job Satisfaction

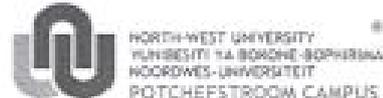
Item	Question
B1	I am satisfied with my job
B2	My job measure up to my expectations
B3	My manager influences my level of job satisfaction
B4	Knowing what I know now about my organisation, I will still take my job
B5	I would recommend a job like mine to a friend with similar interests
B6	My job provides job security
B7	My manager supports me at work
B8	I'm satisfied with the way my manager treats me
B9	My manager does sufficient supervision
B10	My manager gives me recognition for good work
B11	My manager can make competent decisions
B12	I'm satisfied with the remuneration/salary that I receive
B13	My manager promotes open communication with his subordinates
B14	I take a positive attitude towards my manager

## Employee Engagement

Item	Question
C1	My organisation takes employee engagement seriously
C2	There is a common understanding of what engagement means
C3	The role of engagement in the organisation is well defined
C4	I understand what employee engagement is
C5	I am maximally engaged when I'm at work
C6	My colleagues is maximally engaged when they are at work
C7	I feel confident that I can meet the goals of my job
C8	I have received the necessary training to perform my job well
C9	Time goes by very fast when I am at work
C10	I feel confident in the future of the organisation
C11	My manager assists me to develop confidence in my own ability to do my job
C12	My manager supports my need to balance my work and personal life
C13	I have enough information to do my job well
C14	My job makes good use of my skills and abilities
C15	The people that work at my organisation share common values

## ANNEXURE 2: RESEARCH SURVEY QUESTIONNAIRE

### Leadership Styles, Job Satisfaction and Employee Engagement



Potchefstroom Business School  
North West University  
Private Bag X8001, Potchefstroom  
South Africa 2520

Pieter Claassen and Prof Christoff Botha

July 2015

Dear Respondent

This research forms part of my MBA studies at the North West University (Potchefstroom Business School). An official application at the Ethics Committee of the North West University was done with the following reference number EMS15/03/31-1/04.

The reason for this research is: "Analysing the impact of leadership styles and employee engagement on job satisfaction of salespeople in the specialty chemical industry". Your participation will contribute towards the pool of knowledge towards the better understanding of these constructs as well as the possible influence each construct might have on the other, if any.

The success of this research depends largely on the count of participants fully completing this survey. Your participation is therefore of the utmost importance!

I can assure you that all collected information will remain confidential. I can also assure you that your participation will remain anonymous and the results of this survey will only be used for research purposes.

With the completion and submitting of the questionnaire you are giving your consent to the researcher that the information provided on the questionnaire may be used for research purposes.

The completion of this questionnaire will take approximately 25 minutes.

In case of any questions, please contact me at 082 457 9371 or mail me at [pieter.claassen@improchem.co.za](mailto:pieter.claassen@improchem.co.za)

Thank you for your envisaged participation.

Pieter Claassen

### Background Information

LEADERSHIP can formerly be defined as the process whereby a leader inspires individuals to accomplish common goals (Kreitner & Kinicki, 2010:487).

TRANSFORMATIONAL LEADERS is defined by Kreitner and Kinicki (2010:485) as individuals that "engender trust, seek to develop leadership in others, exhibit self-sacrifice and serve as moral agents focusing on themselves and followers on objectives that transcend the more immediate needs of the work group". A Transformational leader constructs and communicates a vision for the organisation and through action and motivation empowers employees to achieve the vision (McShane & Von Glinow, 2010:371).

TRANSACTIONAL LEADERSHIP focusses on role clarification of employees and providing rewards dependent on performance. Transactional leadership is made up of the fundamental managerial actions of setting goals, monitoring progress toward goal achievement and rewarding as well as punishing individuals for their level of goal completion. (Kreitner & Kinicki, 2010:484). A LAISSEZ-FAIRE approach involves "no leadership" as the leader does not manage the employees and over delegate responsibilities to such an extent that the leader takes no notice of problems when they take place. Employees will make decisions and the leader provides no well-defined vision and objectives (Yahaya, et al., 2011:9639).

Kreitner & Kinicki (2010:170) formally defines JOB SATISFACTION as an affective or emotional act concerning different aspects of one's job. This definition implies that job satisfaction is not an integrated concept but rather a concept of being satisfied with one part of a job but dissatisfied with one or more other parts (Kreitner & Kinicki, 2010:170).

"ENGAGEMENT is the extent to which employees commit- rationally or emotionally- to something or someone in the organization, how hard they work as a result of this commitment and how long they intend to stay" (Council, 2004:42). This definition of employee engagement has identified that the most important drivers of employee engagement is the connection between an employee's job and organisational strategy as well as understanding the importance of the job to the success of the organisation (Lockwood, 2007:2).

## General Instructions

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1. The selected employees are requested to complete these questionnaires.
2. Please answer the questions as objectively and honestly as possible.
3. Please answer all the questions, as this will provide sufficient information to the researcher so that an accurate analysis and interpretation can be made.
4. Indicate your answer by clicking on the relevant option.
5. Move forward through the survey by clicking the "Continue" option.
6. Move backwards through the survey by clicking the "Back" option.
7. On completion, click on "Submit" to submit the survey electronically.

## Demographic Information

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Mark the applicable option. Please complete all applicable information and questions

### 1. Gender

Mark only one oval.

Male

Female

### 2. Age (in years)

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**3. Race**

*Mark only one oval.*

- Black
- White
- Coloured
- Indian
- Other

**4. Highest Qualification**

*Mark only one oval.*

- Grade 12
- Certificate
- Diploma
- Degree
- Post Graduate

**5. Duration of employment in current position (in years)**

**6. Job Grading**

*Mark only one oval.*

- Junior
- Middle Management
- Senior Management
- Executive Management
- Other

**7. Region - Stream**

*Mark only one oval.*

- Industrial Inland
- Mining
- Industrial Coastal
- Public Water
- Africa
- Energy
- Engineering
- Other: \_\_\_\_\_

## 8. Region - Department

Mark only one oval.

- Mpumalanga & Swaziland
- Gauteng MM
- Gauteng, Lesotho & Free State
- Dustaway
- Gold, North Cape
- Platinum North West
- Fochville Mining
- Business Develop
- West Coast
- Kwazulu-Natal
- Western Cape MM
- Eastern Cape
- Business develop & Lab
- Inland
- Coastal
- Export
- Blendtech Local
- West Africa
- East Africa
- Central Africa
- Sasolburg
- Secunda
- HPI
- KZN
- Western Cape
- Total Water Solutions
- Standard Equipment
- Fabrication
- Other: \_\_\_\_\_

## Leadership Styles

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This section relates to your general views regarding how you feel about your manager leadership style. Indicate the degree to which you agree with each statement.

9. Mark only one oval per row

	Strongly Disagree	Disagree	Neither Disagree or Agree	Agree	Strongly Agree
My manager displays TRANSFORMATIONAL leadership	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager displays TRANSACTIONAL leadership	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager is a role model for his subordinates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager reassures his subordinates that obstacles will be overcome	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager draws attention to the importance of having a shared sense of mission	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager communicates an exciting vision of the future	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager challenges ME to think about old problems in new ways	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager challenges OTHERS to think about old problems in new ways	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager spends time to TRAIN his subordinates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager spends time to COACH his subordinates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer my manager's leadership style over other leadership styles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager set clear performance goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager displays transactional leadership through rewarding good performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager displays transactional leadership through disciplining bad performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager specify the rewards that will be received when achieving set goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager pays attention to failures to meet standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

My manager takes no action until complaints are received	<input type="radio"/>				
My manager displays a management style of little involvement	<input type="radio"/>				
My manager postpone reacting to urgent requests	<input type="radio"/>				

10. Explain in your own words what you perceive as the ideal leadership style a manager must possess.

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11. Give general comments about your organisations leadership.

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## **Overall Job Satisfaction**

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This section relates to your general views regarding how satisfied you are with your current job. Indicate the degree to which you agree with each statement.

12. Mark only one oval per row.

	Strongly Disagree	Disagree	Neither Disagree or Agree	Agree	Strongly Agree
I am satisfied with my job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My job measure up to my expectations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager influences my level of job satisfaction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Knowing what I know now about my organisation, I will still take my job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would recommend a job like mine to a friend with similar interests	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My job provides job security	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager supports me at work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'm satisfied with the way my manager treats me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager does sufficient supervision	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager gives me recognition for good work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager can make competent decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'm satisfied with the remuneration/salary that I receive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager promotes open communication with his subordinates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I take a positive attitude towards my manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## **Employee Engagement**

---

This section relates to your views about employee engagement in your organisation. Indicate the degree to which you agree with each statement.

13. Mark only one oval per row.

	Strongly Disagree	Disagree	Neither Disagree or Agree	Agree	Strongly Agree
My organisation takes employee engagement seriously	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There is a common understanding of what engagement means	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The role of engagement in the organisation is well defined	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand what employee engagement is	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am maximally engaged when I'm at work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My colleagues is maximally engaged when they are at work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel confident that I can meet the goals of my job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have received the necessary training to perform my job well	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time goes by very fast when I am at work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel confident in the future of the organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager assists me to develop confidence in my own ability to do my job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My manager supports my need to balance my work and personal life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have enough information to do my job well	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My job makes good use of my skills and abilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The people that work at my organisation share common values	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. What would be different if employees at your organisation were maximally engaged?

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15. Give your understanding of what employee engagement is.

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16. Are your organisations leadership perceived to be engaged?

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## ANNEXURE 3: LANGUAGE EDITING CERTIFICATE



29 October 2015

TO WHOM IT MAY CONCERN

Re: Letter of confirmation of language editing

The dissertation "Analysing the impact of leadership styles and employee engagement on job satisfaction of salespeople in the speciality chemical industry by PS Claassen (24785083) was language, technically and typographically edited. The citations, sources and referencing technique applied was also checked to comply with university guidelines. Final corrections as suggested remain the responsibility of the student.

**Antoinette Bisschoff**

Officially approved language editor of the NWU since 1998  
Member of SA Translators Institute (no. 100181)