

Analysing the moderating role of sociocultural context in between leadership styles and employees engagement

Samantha Janes

MSc, Marketing

Princeton University, Princeton

ABSTRACT

Purpose: Increasing business competition exerts top-down pressure on organisational executives to search for methods that could improve productivity and reduce systemic challenges. Leadership is propounded to occupy a central role in this regard. However, its effectiveness depends upon the context and technique it is applied through. The current research aimed at analysing the influence of leadership styles on employee engagement with respect to moderating effect of sociocultural contexts.

Method: In the present study, relevant ethical norms were also upheld. Using a survey questionnaire, the researcher ensured that the key participants who were a part of the analysis gave their consent

Results: The analysis determined that there is a substantial impact of employee orientation leadership, production orientation leadership and transformational leadership style over the employee engagement. However, the moderating effect of sociocultural context was identified over the relationship of employee orientation leadership style, production-oriented leadership style and employee engagement. While the moderating effect of Sociocultural context was identified insignificant over the relationship of transformational leadership style and employee engagement.

Keywords: *Socioculture, Leadership, leadership styles, employees engagement*

INTRODUCTION

Employee engagement and the factors influential on it has have become a debated and extensively enquired subject in the domain of organisational management (Anitha, 2014). While the topic is an important concern for human resource management, it is also of paramount importance from perspective of business growth and market competitive edge. Despite of the momentum of research, there is a paucity of agree upon factors which impact employee engagement from a management perspective (Aninkan, 2014). This is partly due to a large number of internal and external factors influencing the confluence of management and employee engagement (Sure, 2019). On the other hand, there is a dearth of objective studies regarding the relationship of social and cultural factors which determine the extent and scope of employee engagement within an organisation.

Literature lacks convergence about the functional universal definition of employee engagement. According to Sambrook et al. (2014), employee engagement can be viewed as a process of harnessing the employee's selves with their work roles so that they could express themselves physically, emotionally, and cognitively through their works. This definition associate's employee's engagement with work performance of individuals. It's crucial to think about whether comparable commitment tactics function for employees from societies of varying cultures and economies. The worldwide exploratory consultant International Survey Research (ISR), in 2004, completed comprehensive research into the causes and nature of employee commitment, as well as the manner in which businesses might further enhance commitment to boost business execution. In Brazil and the United States, 75% of employees were seen as linked to their organisations, but only 59% of French workers were (Kular et al., 2018). The findings reveal that there is no one-size-fits-all approach to motivating employees to commit to their organisations and jobs. In case of Australia, Hong Kong, and Singapore, it was noted in subsequent studies that the extent of respect gained by the company management is a strong determinant of employees' engagement. Whereas, in the United Kingdom and the United States, the extent of employee engagement was found to be strongly dependent upon level of opportunities, job benefits, and long-term employment safety is provided by the company (Kular et al., 2018). Such studies indicate towards

a high relevance of social and cultural factors which influence the relationship between the styles of leadership and employee engagement.

Therefore, the current study aims to empirically examine the impact of moderating role of sociocultural factors on the relationship between leadership style and employee engagement. To realise this aim, the research was constructed upon the entailing objectives:

- To evaluate the relationship between leadership style and employee engagement
- To assess the moderating role of sociocultural context on the relationship between leadership style and employee engagement
- To contextualise sociocultural factors impactful on employee engagement

LITERATURE REVIEW

Literature of leadership is replete with discussion upon different dimensions and types of leadership styles. Despite this, there is a lack of consensus regarding the most beneficial leadership style for a business organisation. It is also found that appropriateness of a leadership style is highly context dependent, and sometimes there is no singular style that could be deemed as the best one even for a single organisation (Alonderiene et al., 2016). Transformational leadership style gained momentum in the last three decades replacing the convention transactional leadership which depended upon the principle of give and take between leader and employee. Whereas, transformational leadership contains positive change and continuous growth as its ethos (Hayati et al., 2014). It is intended to drive employee motivation and performance through continuous drive towards achieving better outcomes, which is deemed as beneficial for both, the organisation as well as the employees. However, it is also propounded that transformational leadership is predisposed towards taking risks and confronting challenges, which exposes organisations to market risks (Othman et al., 2017). Moreover, a confronting stance towards risks is a high cultural aspect, since many cultures are inherently risk averse while others are more open to risk (Naile et al., 2014). Those cultures which are more open to risks mainly rely upon the big reward which often entails the risk. However, it is also found that highly transformational culture posses' high resourcefulness as well, which mitigates the chances of risks jeopardising day to day functioning

of the society (Jeong et al., 2016). Transformational leadership has been found to guide employees in times of risks to achieve a productive workforce. Employees who feel more closely connected to their organisation also feel more committed to their work (Hayati et al., 2014). Therefore, transformational leadership could invigorate feelings of organisational commitment in employees, which influences their day-to-day engagement.

Hypothesis 1: Transformational leadership style has a significant impact on employee engagement

According to the change, production, and employee model (CPE model) of Ekvall and Arvonen, leadership dimension could be better explicated with respect to its orientation towards production, change, and employee (Lornudd et al., 2015). Production oriented approach refers to task centred leadership which emphasises on production (tasks) as the basis of relationship between the leader and the employees. Task orientation leadership has been found to be generally more attuned to day-to-day challenges faced by the organisation (Kocisek et al., 2012). Production orientation style helps the leader in focusing on the tasks at hand and realising the aims and objectives of the organisation. Meanwhile, it is propounded that achievement of organisational objectives. Production orientation maintains day to day productivity and task completion as the centrepiece of interpersonal culture of the organisation. Due to this, it is propounded to also evaluate the importance of employee base on the basis of their productivity (Uddin et al., 2013). However, production orientation is also expounded to be rigid in terms of fluctuating working conditions (Ronald, 2014). Since production orientation leadership emphasises on employee productivity to drive growth, it also tends to neglect the influence of internal and external cultural factors which may be influential on employee's performance. Despite of this, production orientation enhances employee engagement by focusing productive capital of the workforce to motivate the employees.

Hypothesis 2: Production orientation leadership style has a significant impact on employee engagement

Employee oriented leadership is effective at driving growth through nurturing of employees. Employee oriented leadership refers to placing employees at the centre of organisations operations and management (Larrson et al., 2021). In this lieu, employee-oriented leadership also considers employees as drivers of growth instead of organisational processes, capital, and / or management. However, it has been propounded that without the required groundwork based on cultural transformation, employee-oriented leadership cannot translate into achievement of desired outcomes. Supervisors or leaders at various strata should practise employee-oriented initiative approach to ensure that the employees are entirely considered as integral part of the firm (Shariq et al., 2018). The employees are treated fairly, as individuals, and decisions are made with their needs and abilities in mind. The leaders not only condemn in a proper manner, but they also create an environment devoid of conflict and other activities that promote the employee's success. The result is consistent with the hypothesis that persons who have strong sentiments towards organisation will respond positively by displaying appealing behaviours.

Hypothesis 3: Employee orientation leadership style has a significant impact on employee engagement

The cognitive component of employee's engagement circumscribes their beliefs regarding the company, about the leadership, and overall work (Andrew & Sofian, 2012). Meanwhile, the emotional factors address emotional perception of employees about the above-mentioned factors along with their positive and negative attitudes. Nonetheless, studies are scarce on sociocultural factors which interplay amidst these dynamics. Moreover, employee engagement is also described as emotional and intellectual commitment to one's organisation (Popli & Rizvi, 2016). Given the growing number of global associations and the use of reevaluating, a global examination of representative commitment is beneficial.

Hypothesis 4: Sociocultural context significantly moderates the relationship between transformational leadership style and employee engagement

Sociocultural factors shape the internal culture and interpersonal relationships among employees. Internal culture determines leader-employee relationship and accentuates the impact of leader decisions on employee action (Flores, 2016). Whereas, it has been noted that social factors such as self-perception of employees, their social satisfaction, social standing, and social outreach is translated into their work satisfaction. The role of engagement with operations of organisations bars complacency among employees (Dheer and Shukla, 2018), nevertheless, presence of social satisfaction is deemed important for enhancement of commitment. Whereas, employee commitment.

Hypothesis 5: Sociocultural context significantly moderates the relationship between production-orientation leadership style and employee engagement

In the field of individual contrasts among employees, the literature is divided. Some people believe that opinions in the workplace deliver commitment, while others believe that dedication is something that the person brings to the workplace. Furthermore, it is said that a person's character and understanding, i.e., how they perceive the world, determines and coordinates how an employee would be drawn in (Antiha, 2014). Feelings and wealth have also been linked to commitment, although many studies have overlooked the substantial benefits of the two ideas. Individual differences that impact commitment also influence outcome elements such as the intention to quit and make distinctions in the manner in which various groups of people, such as individuals, are engaged (Dheer and Shukla, 2018). Social and cultural factors influence emotional perception of individuals which further shapes their belief system regarding an organisational infrastructure. Administrative employees are more cognisant of the need of nurturing a culture of work that makes people feel valued and involved, and they seek to employ authoritative styles that foster these feelings (Andrew & Sofian, 2012).

In task-oriented work contexts, Individual thoughts might frequently suffer as a result of a strong concentration on reaching results. When individuals feel abandoned, the nature of their work, as well as their loyalty to the company, may begin to erode (Dheer and Shukla, 2018). This can set off a chain reaction in which the authority loses respect and buy-in from their group, and efficiency

decreases as a result. This conversation extends out to people from all around the world. If a colleague believes they will be paid attention to, they are more likely to be upfront about problems they may be having elsewhere in their career, allowing problems to be avoided before they become serious.

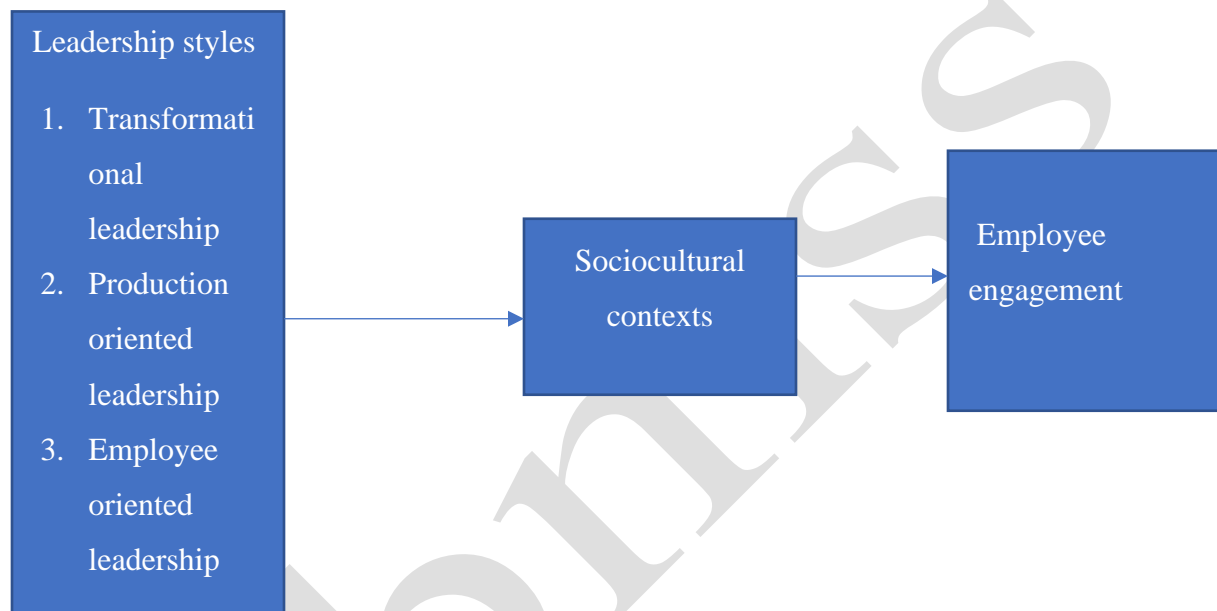


Figure 1: Conceptual framework

Source: Author (2022)

METHODS

Research philosophy refers to the fundamental conceptual belief which shapes the research approach of the researcher. There are two fundamental types of research philosophies; interpretivism and positivism (Bryman, 2016). The current study has used positivism to shape its research approach. Positivism emphasises on dependence on factual knowledge in order to discern the authenticity of idea formed regarding some observed phenomenon. The relationship between leadership styles and employee’s engagement involves several objective factors which are also

included in performance management of the organisation. Therefore, it was suitable to take a fact-based stance on this research rather than an interpretive one. Through quantifiable observations, the researcher was further able to design fact-based research which mitigated possibility of qualitative biases.

The research design is a broad outline of the steps that the investigator would follow to answer the questions in the research (Patten & Newhart, 2017). The qualitative and quantitative research designs are the two types of research designs. The current study used a quantitative methodology, which mostly uses statistics and computations to describe and assess the degree of occurrences. The use of a quantitative study design allows the researcher to collect numerical data in order to estimate and evaluate the objective relationship between leadership styles and employee's engagement under the sociocultural context. A quantitative research design also minimises the possibility of a divergent research which could derail the researcher in data inquiry since the subject already has a broad-scope. Therefore, quantitative research design facilitated in narrowing down the study to the most impactful factors and aspects.

The process of data collection forms one of the pillars upon which the edifice of scientific inquiry is constructed. The process is executed under consideration of most relevant sources of information available to obtain maximum knowledge about the factors involved (Chu & Ke, 2017). Two kinds of data collection methods are generally used; primary method and secondary method. In this respect, the present study has opted for a primary data collection, in which the researcher collected required data first-hand through survey. Closed-ended questions were formed and distributed among the participants which were based on the hypothesis formulated in the above literature review section. Questions were designed in a manner that the obtained information from participants either agrees or disagrees with the hypothesis. A sample population of 200 was selected for the survey which belonged to middle level managerial roles and employees in business sector organisation.

Among a diverse range of data analysis techniques, the researcher impedes statistical correlation and regression modelling. The objective of using statistical correlation and regression was to ascertain statistical proofs of the observations, which formed the hypothesis of the study. Through

regression analysis, it was possible for the researcher to statistically verify the conceptual model synthesised to explain the relationship between employee engagement and styles of leadership. In the present study, relevant ethical norms were also upheld. Using a survey questionnaire, the researcher ensured that the key participants who were a part of the analysis gave their consent. The researcher also ensured that any optional source information used with the objective of writing the paper was referenced with the author's identity and that credit for using the data in the present work was given.

RESULTS

Descriptive Statistics

The below table shows the descriptive statistics from which it can be determined from the below table 1 that the mean value for employee engagement was 1.541 which shows that average responses were inclined towards neutral while it is expected to deviate from agree. On the other hand, the mean value for employee orientation leadership style was computed to be 1.661 which shows that average responses were inclined towards neutral which are also expected to deviate from agree. In addition to this, the mean value for production orientation leadership style was computed to be 1.478 which shows that average responses were inclined towards agree and are also expected to deviate from agree. Moreover, the mean value for sociocultural context is determined to be 1.02 which shows that the average response was inclined towards agree and is expected to deviate from Agree. Lastly, the mean value for transformational leadership style was identified to be 1.428 which shows that average response is inclined towards agree and is also expected to deviate from agree.

Table 1 Descriptive Statistics

	Employee Engagement	Employee orientation leadership style	Production orientation leadership style	Sociocultural context	Transformational leadership style
Mean	1.541516	1.661853	1.478941	1.024067	1.428400
Maximum	4.000000	4.000000	4.000000	3.666667	3.333333
Minimum	0.000000	0.000000	0.000000	0.000000	0.000000

Std. Dev.	0.972851	0.978007	0.964370	0.866387	0.748178
Sum	427.0000	460.3333	409.6667	283.6667	395.6667
Sum Sq. Dev.	261.2170	263.9936	256.6827	207.1729	154.4966
Observations	277	277	277	277	277

Correlation Analysis

The below table shows the results of correlation analysis carried out in this study. From this table, it can be determined that there is a significant and positive relationship between employee engagement and Employee orientation leadership style as the sig value is obtained as 0.00 which is lower than 0.05. On the other hand, the relationship of employee engagement and production orientation leadership style is also determined to be significant and positive as the sig value is less than 0.05. In addition to this, the relationship between employee engagement and sociocultural context is also positive and significant as the sig value is computed to be 0.00 which is also under 0.05. Lastly, the relationship of employee engagement and transformational leadership style is also identified to be positive and significant as the sig value is determined to be 0.00 which is under 0.05.

Table 2 Correlation Analysis

	Employee Engagement	Employee orientation leadership style	Production orientation leadership style	Sociocultural context	Transformational leadership style
Employee Engagement	1				
Employee orientation leadership style	0.930*	1			
Production orientation leadership style	0.890*	0.886*	1		
Sociocultural context	0.746*	0.779*	0.745*	1	

Transformational leadership style	0.517*	0.525*	0.548*	0.505*	1
-----------------------------------	--------	--------	--------	--------	---

Regression Analysis

The below table shows the regression analysis with respect to the variables considered in this study. Therefore, it has been determined based on the below table 3 that there is a significant effect of employee orientation leadership over the employee engagement as $B= 0.866$, $p= 0.000 < 0.01$. It depicts that the change in employee orientation leadership will also result the change in employee engagement. Instead, the below table also recognised that there is a significant effect of Production orientation leadership style over employee engagement as $B= 0.275$, $p= 0.000 < 0.01$. This effect was determined to be positive which shows that increase in the Production orientation leadership style will also result in the increase of employee engagement. However, the below table determined that there is an insignificant direct effect of sociocultural context over the employee engagement as $B= 0.009$, $p= 0.681 > 0.1$. Lastly, the influence of Transformational leadership style was also resolute to be significant on employee engagement as $B= -0.184$, $p= 0.000 < 0.01$. This effect was determined to be negative which shows that increase in transformational leadership style will result in the decrease of employee engagement.

Table 3 Regression Analysis

Employee Engagement	Coefficient	Std. Error	t-Statistic	Prob.
Employee orientation leadership style	0.866***	0.036	24.237	0.000
Production orientation leadership style	0.275***	0.032	8.527	0.000
Sociocultural context	0.009	0.022	0.411	0.681
Transformational leadership style	-0.184***	0.032	-5.712	0.000
C	-0.129	0.027	-4.807	0.000

R-squared	0.973	Adjusted R-squared	0.972
-----------	-------	--------------------	-------

***Significant at 1%; **Significant at 5%; *Significant at 10%

Interactive Regression Model

The below table shows the interactive regression model through which it can be determined that there is a significant moderation of socio cultural context among the relationship of employee orientation and employee engagement as $B = 0.755$, $p = 0.000 < 0.01$. On the other hand, the moderation of socio cultural context was also significant over the relationship of production orientation leadership and employee engagement as $B = 0.260$, $p = 0.000 < 0.01$. Moreover, the moderation of socio cultural context was insignificant over the relationship of transformational leadership and socio cultural context as $B = -0.041$, $p = 0.127 > 0.1$.

Table 4 Interactive Regression Model

Employee Engagement	Coefficient	Std. Error	t-Statistic	Prob.
Employee orientation*Socio Cultural Context	0.755	0.039	19.532	0.000
Production orientation*Socio Cultural Context	0.260	0.042	6.263	0.000
Transformational leadership*Socio Cultural Context	-0.041	0.027	-1.534	0.127
C	-0.043	0.044	-0.971	0.333
Adjusted R-squared				
R-squared	0.943		squared	0.942

***Significant at 1%; **Significant at 5%; *Significant at 10%

DISCUSSION

S.NO	Hypothesis	Status
H ₁	Transformational leadership style has a significant impact on employee engagement	Rejected

H ₂	Production orientation leadership style has a significant impact on employee engagement	Accepted
H ₃	Employee orientation leadership style has a significant impact on employee engagement	Accepted
H ₄	Sociocultural context significantly moderates the relationship between transformational leadership style and employee engagement.	Reject
H ₅	Sociocultural context significantly moderates the relationship between employee-oriented leadership style and employee engagement.	Accepted

As per the above hypothesis development, the results supported them. First, it has been observed that there is a transformational leadership style that has a noteworthy on engaging employee is rejected as per the results tested. As it is determined that transformational leadership styles are found as the guide for the employees at the time of risks for attaining a productive workforce as the culture of highly transformational leadership tends towards high resourcefulness that possesses towards mitigating the chance of risks that is functioning on daily basis in the society (Milhem, Muda, & Ahmed, 2019). Likewise, another hypothesis determines that production orientation leadership style has an important influence on the engagement of employees which is observed as the right statement. As production-oriented leadership style helps the leader to emphasise the daily based tasks by focusing on the aims and objectives of the firm. As production-oriented leadership possess towards maintaining daily based production along with the completion of tasks as the centrepiece of an interpersonal culture of the firm.

Other than that, the third hypothesis depicts that employee orientation leadership style has a noteworthy impact on engaging employee that was accepted during the testing. Employee-oriented leadership is considered as the driver for employees' production instead of the growth of the organisation. Leaders are required to ensure that the workforce working under them are completely developed and optimised for obtaining the highest level of productivity along with assuring that these talented people are retained based on fair payment and promotion that could be an effective growth strategy for the organisation (Othman, et al., 2017). Similarly, the fourth hypothesis is

based on a socio-cultural context that significantly controls the association among transformational leadership style and employee engagement which indicates that as per the results it was rejected because an effective transformational leadership from administration can improve employees ownership feeling for the organisation. In addition, it is determined that emotional factors address the emotional perception of employees about the above-mentioned factors along with their positive and negative attitudes.

Fifth, sociocultural context meaningfully diminishes the association among employee-oriented leadership style and employee engagement has a positive and significant impact. Several social aspects for instance employees' self-perception, their social satisfaction, social standing and social outreach are translated in their work satisfaction that directs towards positive and productive outcomes (Nurtjahjani, et al., 2021). Lastly, sociocultural context knowingly restrains the affiliation among production-orientation leadership style and employee engagement has a positive and significant influence. As social and cultural aspects impact an individual's emotional perception that develops their belief systems with regards to the organisational infrastructure. Although, the wealth and feelings of the individuals are associated with the commitment that has an effective effect on the employees engagement.

CONCLUSION

The current research was aimed at examining the relationship between leadership styles and employee engagement under the moderating effect of sociocultural context. The research employed a primary quantitative method to gain valuable data from survey conducted on 277 participants. Through statistical analysis, it was revealed that there is a significant effect of employee orientation leadership, production orientation leadership and transformational leadership style over the employee engagement. However, the moderating effect of sociocultural context was identified over the relationship of employee orientation leadership style, production oriented leadership style and employee engagement. While the moderating effect of Sociocultural context was identified insignificant over the relationship of transformational leadership style and employee engagement. Since the current research mainly revolved around transformational

leadership, production-oriented leadership, and employee-oriented leadership, it is pertinent to investigate this domain with respect to other prevalent and propounded types of leadership such as adaptive leadership and transactional style. Future research could take facilitation from the current study through its conceptual foundation and work towards formulation of objective theoretical foundation.

ajbmss

REFERENCES

- Alonderiene, R., & Majauskaite, M. (2016). Leadership style and job satisfaction in higher education institutions. *International Journal of Educational Management*.
- Anitha, J. (2014). Determinants of employee engagement and their impact on employee performance. *International journal of productivity and performance management*.
- Bryman, A. (2016). *Social research methods*. Oxford university press.
- Chu, H., & Ke, Q. (2017). Research methods: What's in the name?. *Library & Information Science Research*, 39(4), 284-294.
- Dhir, S., & Shukla, A. (2018). The influence of personal and organisational characteristics on employee engagement and performance. *International Journal of Management Concepts and Philosophy*, 11(2), 117-131.
- Flores, W. R., & Ekstedt, M. (2016). Shaping intention to resist social engineering through transformational leadership, information security culture and awareness. *computers & security*, 59, 26-44.
- Hayati, D., Charkhabi, M., & Naami, A. (2014). The relationship between transformational leadership and work engagement in governmental hospitals nurses: a survey study. *Springerplus*, 3(1), 1-7.
- Jeong, S., Hsiao, Y. Y., Song, J. H., Kim, J., & Bae, S. H. (2016). The moderating role of transformational leadership on work engagement: The influences of professionalism and openness to change. *Human Resource Development Quarterly*, 27(4), 489-516.
- Kosicek, P. M., Soni, R., Sandbothe, R., & Slack, F. (2012, July). Leadership styles, industry fit, and quality focus. In *Competition Forum* (Vol. 10, No. 2, p. 49). American Society for Competitiveness.
- Kular, S., Gatenby, M., Rees, C., Soane, E., & Truss, K. (2008). Employee engagement: A literature review.
- Larsson, M., & Holmberg, R. (2021). Taming the Survey: Managing the Employee Survey to Create Space for Change Oriented Leadership. *Journal of Change Management*, 1-20.

- Lornudd, C., Tafvelin, S., von Thiele Schwarz, U., & Bergman, D. (2015). The mediating role of demand and control in the relationship between leadership behaviour and employee distress: A cross-sectional study. *International journal of nursing studies*, 52(2), 543-554.
- Milhem, M., Muda, H., & Ahmed, K. (2019). the Impact of Transformational Leadership Style on Employee Engagement: Using Structural Equation Modeling (Sem). *International Journal*, 2(8), 162-173.
- Naile, I., & Selesho, J. M. (2014). The role of leadership in employee motivation. *Mediterranean Journal of Social Sciences*, 5(3), 175.
- Nurtjahjani, F., Batilmurik, R. W., Puspita, A. F., & Fanggidae, J. P. (2021). The relationship between transformational leadership and work engagement. Moderated mediation roles of psychological ownership and belief in just world. *Organization Management Journal*.
- Othman, A. K., Hamzah, M. I., Abas, M. K., & Zakuan, N. M. (2017). The influence of leadership styles on employee engagement: The moderating effect of communication styles. *International Journal of Advanced and applied scienceS*, 4(3), 107-116.
- Othman, A. K., Hamzah, M. I., Abas, M. K., & Zakuan, N. M. (2017). The influence of leadership styles on employee engagement: The moderating effect of communication styles. *International Journal of Advanced and applied scienceS*, 4(3), 107-116.
- Patten, M. L., & Newhart, M. (2017). Understanding research methods: An overview of the essentials. Routledge.
- Popli, S., & Rizvi, I. A. (2016). Drivers of employee engagement: The role of leadership style. *Global Business Review*, 17(4), 965-979.
- Rothmann, S. (2013). Employee engagement in a cultural context. In *Employee engagement in theory and practice* (pp. 177-193). Routledge.
- Sambrook, S. A., Jones, N., & Doloriert, C. (2014). Employee engagement and autoethnography: being and studying self. *Journal of Workplace Learning*.
- Suresh, V., & Dyaram, L. (2020). Towards a confluence: disability inclusion and organizational change. *Journal of Indian Business Research*.

- Uddin, M. J., Luva, R. H., & Hossian, S. M. M. (2013). Impact of organizational culture on employee performance and productivity: A case study of telecommunication sector in Bangladesh. *International Journal of Business and Management*, 8(2), 63.
- Yaghi, A. (2017). Adaptive organizational leadership style: Contextualizing transformational leadership in a non-western country. *International Journal of Public Leadership*.

ajbmss