



International Journal of Current Research and Academic Review

ISSN: 2347-3215 Volume 2 Number 1 (January, 2014) pp. 121-136

www.ijcrar.com



The effects of leadership styles and sociability trait emotional intelligence on employee engagement – A study in Binh Duong City, Vietnam

Mai Ngoc Khuong* and Nguyen Hoang Yen

School of Business Administration, International University, Vietnam National University – HCMC, Vietnam

*Corresponding author

KEYWORDS

Leadership style;
employee engagement;
employee sociability.

A B S T R A C T

The purpose of this study is to empirically investigate the effect of leadership styles on employee engagement in Binh Duong City. In addition, the effect of employee sociability on employee engagement and its mediation were also examined. Quantitative approach was the major method used, with statistical techniques applied, including factor, multiple regression, and path analyses. The unit of analysis was at individual level with the sample size of 269 office employees of five dominant industries in Binh Duong. The findings of this study indicated that the higher levels of employee sociability, ethical leadership and visionary were positively associated with the higher level of the employee engagement. In contrast, the transactional leadership style had negatively correlated with the employee engagement. Besides that, this study also found that ethical leadership and visionary leadership positively affected employee sociability. Based on the results of the data analysis, this research recommended that in order to enhance engagement of employee, companies should apply visionary leadership and ethical leadership, avoid or limit using transactional leadership styles. Companies should also select employee who are high sociability in order to have higher level of employee engagement.

Introduction

In recent years, the urgent problem organization faces is that employees easily leave their job. The survey of Nguoi Lao Dong News (2008) discovered that there are 74 percent employees leave their job after one to two year working. Similarly,

Loan Le Limited Company surveyed employees in 300 small and medium enterprises, the result showed that the stable of labor is too low, up to 41 percent employee working in enterprise in period 1 to 6 months and then leaving job or laid off.

Binh Duong city is also facing to problem of how engages employee. Each year, Binh Duong has attracted investment from 400-500 project investment from domestic and abroad, the total demand of the labor is from 30,000 to 40,000 per year. That leads to the fierce competition of attracting good employee as well as keep them among companies in Binh Duong. Moreover, according to Cong San magazine, although labor increases about 10 percent annually, the labor fluctuation is up to nearly 60 percent. Those caused both the labor shortage for enterprise and having no stable labor for ensuring productivity. In addition, companies complain that problem also leads to the cost of effort and money for training staffs. Therefore, in order to solve that challenge, the problem is stated is how to enhance employee engagement. Recognizing that, many researchers studied about the relationship between the leadership style and employee engagement. Some studies found that leadership has been recognized as one of single biggest elements which contribute to employee perceptions in the workplace and workforce engagement (Wang and Walumbwa, 2007; Macey and Schneider, 2008). Attridge (2009) concluded that leadership style is very important in enhancing employee engagement.

Therefore, firstly, this study aimed to find out the effect of leadership styles on employee engagement in Binh Duong's industries. Secondly, this research examined the impact level of employee sociability on the relationship between leadership styles and employee engagement. Finally, through the result, this research proposed improvement and development recommendations which managers or leaders should apply to improve their employee engagement.

Literature review

Leadership style has been described in various ways (Lee and Chang, 2006) and most research studies about leadership styles are based on Bass's (1985) typology. However, those theories have limitation. The first limitation is that some conceptions do not mention the interactions between leader and followers. Second, Bass's model overemphasizes the importance of one or two leadership styles only and do not focus on other styles (Jing and Avery, 2008; Trottier, Van Wart, and Wang, 2008; Avolio, Walumbwa, and Weber, 2009). Third, Bass's theoretical distinctions between idealized influence and inspirational motivation have become blurred over time (Barbuto, 1997). In addition, a number of conceptual and methodological problems in Bass's model that cast doubt on the validity of its theoretical construct (Yukl, 1999). However, the leadership typology of Avery's (2004) including: classical leadership, transactional leadership, visionary leadership and organic leadership, overcomes some weaknesses of Bass's theory. Avery's (2004) styles integrate the mentioned approaches in order to provide a wide foundation for different forms of leadership that have evolved at different times and in different places. The styles are useful for showing that there is no single best way of thinking about leadership; rather, different kinds of leadership reflect social and historical roots (Tanyu Zhang, 2010). By including a full range of leadership styles, Avery's styles allow leadership to depend on the context, respond to organizational needs and preferences, and involve many interdependent factors that can be manipulated (Jing and Avery, 2008). Furthermore, Zhang (2010) proved that there are relationship between Avery's

leadership styles and employee engagement. Therefore, this study applied four leadership styles of Avery's (2004) typology, including: classical leadership, transactional leadership, visionary leadership and organic leadership. Besides that, Walumbwa and Schaubroeck (2009) found a positive relationship between ethical leadership and employee engagement in voice behavior including reporting problems to management and sharing constructive ideas for work improvements. In the study of Den Hartog & Belschak (2012) and Heine (2013), they also concluded that when employees perceived their leaders as acting ethically, these employees also tended to report enhanced engagement in terms of feeling more vigor, dedication, and absorption at work. Ethical leadership can ensure that ethical practices are carried out throughout the organization, which may have an effect on the morale and loyalty of workers. Leaders have high ethical standards encourage employees in the organization to meet that same level. Then, ethical employees meet standards for quality in their work, which can enhance the company's reputation for quality products and service. That is also one of the important factors of employee engagement. Therefore, this study added ethical leadership into conceptual framework in order to measure the effect of ethical leadership on employee engagement.

According to Avery (2004), classical leadership refers to dominance by a pre-eminent person or an 'elite' group of people. Classical leaders dictate or control others to achieve an objective, which may or may not be explicitly stated. Under classical leadership, leaders and followers accept the right or duty of the leader(s) to command others. Having others make decisions, give directions, and take

responsibility has the advantage of setting followers free from these activities (Avery, 2004). In short, in Avery's (2004) classical leadership, leaders normally have an autocratic style, they make decisions by themselves and never or very rarely allow followers to join in the decision-making process. They also do not empower followers in the organization. Classical leaders tend to be highly directive, they accept unskilled followers. The followers' engagement comes from their fear of or respect for the leaders. The organization's activity becomes routine and can be predicted. The organization is highly controlled by the leaders (Tanyu Zhang, 2010).

Transactional leader approach followers with intent to exchange one thing for another as well as to appeal to followers' self-interest (Burns, 1978). Transactional leadership may be described as process-focused, involving close attention to day-to-day tasks which need to be completed to keep a team or department operating smoothly; transactional goals are pursued using contingent reward and management-by-exception behaviours (Bass, 1985; Garman, Davis-Lenane and Corrigan 2003). In terms of Avery's (2004) classification, transactional leader and followers interact and negotiate agreements, that is, they engage in 'transactions'. Transactional leaders adopt a consultative style for making decisions. They consult individual followers to different degrees, but the leaders remain the final decision makers. Leaders do not empower followers very much. In contrast to classical leaders, transactional leaders normally employ not only unskilled staff, but also a small number of skilled staff for their organizations. The source of followers' commitment comes from the rewards, agreements, and expectations

negotiated with the leader. The operations in the organization become routine and predictable as well. The organization is mostly highly controlled by the leaders (Avery, 2004).

Since the late 1970s, visionary leadership has been researched and known as namely charismatic or transformational leadership (Burns, 1978; Bass, 1985, 1997; Conger and Kanungo, 1994; Kroeck and Sivasubramaniam, 1996). Although the distinctions can be found between charismatic, transformational, and visionary leadership theories, many studies concluded that there is a strong convergence among the empirical research and the differences are relatively minor (Judge and Piccolo, 2004; Howell and Shamir, 2005; Benjamin and Flynn; Keller; McCann, Langford, and Rawlings, 2006; Podsakoff and Kuskova, 2010). Following Avery's (2004) definition, visionary leaders work through a vision that appeals to followers' needs and motivations. That is, visionary leaders are expected to provide a clear vision of the future, develop a road map for the journey ahead, and motivate followers to perform and achieve goals beyond normal expectations. The universally recognized characteristics of visionary leadership include: being trustworthy, just, and honest; being inspirational, encouraging, positive, motivational, confidence building, dynamic, good with teams, excellence-oriented, decisive, intelligent, a win-win problem solver; and exercising foresight (Den Hartog, House, Hanges, Ruiz-Quintanilla, and Dorfman, 1999).

Under organic leadership of Avery (2004), the organization adopts a mutual decision-making style so that affected members make decisions collectively. Employees become interacting partners in determining

what makes sense, how to adapt to change, and what is a useful direction for the organization (Avery, 2004). The final decisions is accepted by group decision and based on group consensus. Each member has a high level of power. The source of followers' commitment comes from the vision, values, and strong culture shared by all the organizational members, and possibly from peer pressure. Operations in the organization become more self-organizing and unpredictable. Formal control in the organization is provided by peer pressure, group dynamics, and the shared vision, values, and culture, besides mentoring, communication, and solid transactional processes, such as feasibility study processes and performance management processes. Communication and sharing information occupy considerable time. Diverse values and views are accepted and accorded equitable treatment (Avery, 2004).

Gini (1997) stated that ethical leadership demonstrates how leaders use their social power to make decisions, engage in actions and influence others. Expanding theory from moral self-regulation, Brown & Trevino (2002, p. 1) identified ethical leadership as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making". Further research by Treviño et al., (2003), "ethical leaders were perceived as being honest, trustworthy and fair. In addition, ethical leaders also proactively manage morality. Developing research of Treviño et al., (2003), Brown and colleague based on social learning theory of Bandura (1977, 1986) to find out how ethical leaders influence on their followers. Brown and Treviño (2006)

pointed out that “ethical leaders are likely sources of guidance because their attractiveness (demonstration of fairness, care, and concern), credibility (trustworthiness and practicing what they preach), power, and status as role models draw attention to their modeled behavior”. In addition, ethical leadership is positively related to affective trust in the leader, negatively related to abusive supervision, and unrelated to rater demographics or demographic similarity between leader and subordinate (Brown et al. ,2005). In short, ethical leaders are truthful, considerate, principled individuals who are fair and balanced decision-makers. They communicate frequently and openly with their followers, setting clear ethical standards and using rewards and punishments to ensure that those standards are upheld (Strang, 2008).

According to Gibbons’s (2006), employee engagement was defined as “a heightened emotional and intellectual connection that an employee has for his/her job, organization, manager, or coworkers that, in turn, influences him/her to apply additional discretionary effort to his/her work”. It means that employee understand their role in the business strategy, attempt to accomplish their job as effective as possible. They have a passion and excitement in work (Baumruk, 2004). In addition, Cook (2008) summed employee engagement is “how positively the employee: thinks about the organization; feels about the organization; is proactive in relation to achieving organizational goals for customers, colleagues and other stakeholders.” In the other word, engaged employee are persons who have a strong connection and fully commitment to the company and their colleagues. It means they really care about the benefit as well as difficulty of company and their colleagues.

They love their job and work for the company’s goal, not for their salary or promotion. From having emotional commitment, they are willing to exert extra time, and effort in order to contribute to company success (Towers Perrin, 2003; Kevin Kruse, 2012). They are involved and enthusiastic in their job through willing to strive to go above and beyond in their jobs. They also care about their colleagues and have strong connection with them.

Leadership has been recognized as a critical component in the effective management of employees (Liu, Lepak, Takeuchi, and Sims, 2003). Leadership has also been known as one of the biggest elements which contribute to employee perceptions in the workplace and workforce engagement (Wang and Walumbwa, 2007; Macey and Schneider, 2008). Attridge (2009) asserted that leadership styles are crucial for encouraging employee engagement. Therefore, knowing the employee engagement levels could help leaders optimize the employee-employer relationship and facilitate employees moving to the next engagement level (Sanchez & McCauley, 2006).

Sociability is known as one characteristic of trait emotional intelligence. Some researcher found out that employees who possessed a high level of emotional intelligence helped to positively impact business performance (Goleman, 1996; Sala& Mount, 2006; Bar-on, 2010). The higher engaged employee is, the higher performance company has. Thus, there may be an existence of the relationship between employee engagement and employee emotional intelligence, employee sociability in detail. Besides that, some researchers demonstrated that emotional intelligence has a correlation with leadership, but almost researches studied

about the effect of emotional intelligence leaders on employees. However, there may have the effect of leadership on employee emotional intelligence. Therefore, there may be possible moderate variable considered as employee sociability in the relationship between leadership style and employee engagement.

According to Petrides and Furnham (2006), sociability has three facets including social awareness, emotional management and assertiveness. First, Social awareness emphasizes social relationships and social influence. Persons with high sociability have a better social interaction. They believe they have good listening skills and can communicate clearly and confidently with people from very diverse backgrounds. They also believe that they are good negotiators or networkers. Second, Emotional management means a capable of influencing other people's feeling, not person's own emotion. Persons with high emotional management can manage others' emotional by sympathizing with them, calming them down and motivating them. Last, Assertiveness explains how person is forthright, frank and willing to stand up for his or her rights.

In order to obtain all the objectives and further analyses, this study hypothesizes that:

H₁: Classical, transactional, visionary, organic and ethical leadership directly affect employee's sociability.

H₂: Classical, transactional, visionary, organic and ethical leadership directly affect employee job engagement.

H₃: Employee's sociability directly affects employee job engagement.

H₄: Employee job engagement is indirectly affected by leadership styles through employee's sociability.

Methodology

The target population is employees who are working in five industries in Binh Duong: textile industry; leather and footwear industry; chemical industry; electronics, telecommunications and information technology industry; and mechanical industry. According to Decision Number 3357/QD-UBND, in period 2011-2020, the priority industry includes textile industry; leather and footwear industry; chemical industry, and two key industries are electronics, telecommunications and information technology industry; and mechanical industry. Binh Duong will focus on those industries to develop in period 2011-2020. Thus, those five industries will play an important role in development of Binh Duong. They will not attract an investment from both domestic and foreign only, but also a huge labor source. Therefore, from the nature of this research, employees of those five industries are target population. According to Gorsuch (1983, p.332) and Hatcher (1994, p.73), a minimum subject to item ratio of at least 5:1 in Exploration Factors Analysis (EFA), but they also have stringent guidelines for when this ratio is acceptable, and they both note that higher ratios are generally better. Based on the number of items (in dimensions) are about 41 items, and each item needs 5 cases to ensure reliability and validity. Therefore, the survey will be delivered to at least 205 cases in order to assure for the reliability and validity of this study.

Questionnaire design

The survey was built based on the items of factors from conceptual framework: five leadership styles, sociability employee and employee engagement that were mentioned in literature review. In order to ensure

reliability and validity of the research, the statements in the questionnaire were raised as closely as possible to each component of those factors. A five-point Likert scale (Likert, 1932) was adopted for all statement in questionnaire, ranging from 1 was “strongly disagreed” to 5 was “strongly agreed”.

Data collection

The questionnaire was conveniently and directly delivered to official employees who are working in five industries in Binh Duong: textile industry (N=70); leather and footwear industry (N=69); chemical industry (N=43); electronics, telecommunications and information technology industry (N=50); and mechanical industry (N=37). The total number of usable filled questionnaires was 269.

Factor Analysis and Reliability

Two exploratory factory analyses, which used the principal component extraction method and varimaxrotation of 11 items of the group of dependent variables including: employee sociability, employee engagement and 30 items of the group of independent variables: classical, transactional, visionary, organic and ethical leadership, were conducted on the sample of 269 employees who are working in five dominant industries in Binh Duong. Prior to running the analysis with the SPSS, the data was screened by examining the descriptive statistics on each item, inter-item correlations, and possible univariate and multivariate assumption violations. From this initial assessment, all variables were found to be continuous, variable pairs appeared to be bivariate normally distributed, and all cases were independent of one another. For this study, the factor

analysis procedure was applied twice; once for the group of dependent variables, including 2 variables, and again for the group of independent variables, including 5 variables.

The Kaiser-Meyer-Olkin measure of sampling adequacy was .875 for the dependent variables and .807 for the independent variables (according to Pallant, 2005, to be significant, the value has to be .60 or above), indicating that the present data was suitable for principal components analysis. Similarly, Bartlett’s test of sphericity (Bartlett, 1954) was significant ($p < .001$), indicating sufficient correlation between the variables to proceed with the analysis. Using the Kaiser-Guttman’s retention criterion of Eigenvalues greater than 1.0, a two-factor solution provided the clearest extraction for the group of dependent variables, including 11 items (Guttman, 1954; Kaiser, 1974). The two factors accounted for 64.94% of the total variance and the Cronbach’s coefficients ranged from .630 to .918 among the factors, indicating good subscale reliability. In addition, a four - factor solution was conducted for the group of independent variables consisting of 26 items. The four factors accounted for 60.195% of the total variance. The four factors were considered appropriate and retained for further analysis. The Cronbach’s coefficients ranged from .782 to .894 among the four factors indicating good subscale reliability.

In addition, a five-factor solution was conducted for the group of independent variables consisting of 24 items. The five factors accounted for 62.86% of the total variance. The five factors were considered appropriate and retained for further analysis. The Cronbach’s coefficients ranged from .612 to .930 among the five factors indicating good subscale reliability.

Table.1 Summary of Dependent Variables with Reliability Coefficients

Factors	Number of items	Cronbach's Alpha (N= 269)
Factor 1: Employee Job Engagement (JOBENGA)	8	.918
Factor 2: Employee Sociability (EMSOCIA)	3	.630

Table.2 Summary of Independent Variables with Reliability Coefficients

Factors	Number of items	Cronbach's Alpha (N= 269)
Factor 1: Classical Leadership (CLASLEAD)	4	.630
Factor 2: Transactional Leadership (TRANSLEAD)	5	.690
Factor 3: Organic Leadership (ORGALEAD)	3	.676
Factor 4: Visionary Leadership (VISILEAD)	3	.612
Factor 5: Ethical Leadership (ETLEAD)	9	.930

Research findings

Profile of Employees Involved in the Study

Most of office employees who are working in five dominant industries in Binh Duong are female with 71%, while male accounts only 27.5%. Among those employees, the single employees account higher percentage than the married ones, 55% of single status and 43.5% of married status.

Regard to job seniority, employees who have worked from 4 to 6 year take the majority of the sample occupied 30.9%. The group of employee who has worked from 1- 3 year is also high with 27.9%. The percentage of employee having 7-10 year seniority is a little bit higher than that over than 10 year which is respectively 17.1% and 15.6%. The group of employee who has worked less than 1 year takes lowest percentage with 8.2 % only.

About age, employees from 23-30 years old account the majority the sample of occupied 63.9%, whereas, the percentage of employee from 46- 60 years old is only 0.4%. People from 18- 22 years old also take low percentage with 5.2%. The group of 31-45 years old occupies quite high with 30.1%. There are 160 out of 268 respondents have university level of education, account for 59.5%. A little bit lower is college level with 27.5%. Next group is vocational school level with 7.8%. The post university account smaller percentage with 3.3% and the lowest group is high school with 1.5% only.

Correlations between variables

The results of correlation coefficients as presented in Table 4 indicated that there were significant relationships between the dependent variable of EMSOCIA and

the independent variables of CLASLEAD, TRANSLEAD, VISILEAD, ORGALEAD, and ETLEAD. Among these significant relationships, there was quite strongly positive correlation between VISILEAD and EMPJOSA ($r = .435, p < .001$). Besides that, the variables of ETLEAD was also positively correlated with EMPJOSA ($r = .389, p < .001$). In addition, ORGALEAD has a low positive correlation with EMPJOSA ($r = .108, p < .05$). This means that higher level of classical, transactional and organic leadership could lead to higher level of the employee sociability.

Table 5 showed that there was significantly positive relationship between the two dependent variables, JOBENGA, and EMSOCIA ($r = .371, p < .001$). This means that the higher was employee sociability, the better employee engaged in their jobs.

The results of correlation coefficients as presented in Table 6 indicated that there were significant relationships between the dependent variable of JOBENGA and the independent variables. Among these significant relationships, there was strongly positive correlation between ETLEAD and JOBENGA ($r = .480, p < .001$). Besides that, the variables of VISILEAD, ORGALEAD were also positively correlated with EMPJOSA, ($r = .253, p < .001$) and ($r = .114, p < .05$) respectively. This means that the more ethical, visionary, and organic leadership style a leader uses, the better employee engaged in their job. There was a negative correlation between TRANSLEAD and JOBENGA ($r = -.183, p < .001$). It indicates that the higher level of transactional leadership could lead to the lower employee job engagement.

Factors directly affect to Employee sociability

The first multiple regression result, as showed in table 7, indicated that the two out of five independent variables of this research including ETLEAD and VISILEAD had directly significant effects on employee sociability with ($\beta = .294, p < .001$) and ($\beta = .319, p < .001$), respectively. This means that every 1-standard deviation increase in ethical leadership, or visionary leadership yielded an increase of score of .294, or .319 respectively in employee sociability.

Factors directly affect to Employee engagement

The result of the second multiple regression, as shown in table 8, indicated two independent variables that had directly effects on the JOBENGA. The effect of each independent variable on the JOBENGA varied; ETLEAD provided the direct effect on the JOBENGA with ($\beta = .433, p < .05$) and TRANSLEAD with ($\beta = -.187, p < .05$). This means that every 1-standard deviation increase in ethical leadership, or transactional leadership yielded an increase of score of .433, or a decrease of score of -.187 respectively in employee job engagement. The result of simple linear regression between employee sociability and employee engagement, as shown in Table 9, indicated that EMSOCIA provided a direct effect on the JOBENGA with ($\beta = .371, p < .001$). This means that every 1-standard deviation increase in employee sociability yielded an increase of score of .371 in employee job engagement.

Table.4 Descriptive Statistics and Variables' Correlations of the EMSOCIA Model

Factors	EMSOCIA	1	2	3	4	5
1. ETLEAD	.389**	1.000				
2. CLASLEAD	.085	-.058	1.000			
3. TRANSLEAD	.066	-.058	.271**	1.000		
4. ORGALEAD	.108*	.304**	.298**	.323**	1.000	
5. VISILEAD	.435**	.380**	.157*	.104*	.155*	1.000
Mean	3.3978	3.7138	3.0688	2.7628	3.5403	3.3544
Std. Deviation	.56865	.57973	.65321	.60996	.62471	.57589

Note: * Significant level at $p < .05$, ** Significant level at $p < .001$

Table.5 Correlation Coefficients between Dependent Variables

Factors	1	2
1. JOBENGA	1.000	
2. EMSOCIA	.371*	1.000
Mean	4.0919	3.3978
Std. Deviation	.57751	.56865

Note: * Significant level at $p < .001$

Table.6 Descriptive Statistics and Variables' Correlations of the JOBENGA Model

Factors	JOBENGA	1	2	3	4	5
1. ETLEAD	.480**	1.000				
2. CLASLEAD	.000	-.058	1.000			
3. TRANSLEAD	-.183**	-.058	.271**	1.000		
4. ORGALEAD	.114*	.304**	.298**	.323**	1.000	
5. VISILEAD	.253**	.380**	.157*	.104*	.155*	1.000
Mean	4.0919	4.0919	3.0688	2.7628	2.7628	3.3544
Std. deviation	.57751	.57973	.65321	.60996	.62471	.57589

Note: * Significant level at $p < .05$, ** Significant level at $p < .001$

Indirectly effect to Employee engagement

The factor of employee sociability was affected by two leadership styles: ethical leadership ($\beta = .294$) and visionary leadership ($\beta = .319$). These two factors directly effected on the mediating variable of employee sociability and then employee sociability directly caused an effect on employee engagement ($\beta = .371$). Therefore, through the mediating variable of employee sociability, ethical leadership and visionary leadership created indirect effects on employee engagement at $\beta = .109$ and $\beta = .118$ respectively.

These findings indicated that the factors of ethical leadership and visionary leadership had significant positive effects on both employee sociability and employee engagement. Thus this study found that when employees followed a leader who used ethical and visionary leadership styles, they showed higher level of sociability and engaged more in their current job.

Total Causal Effects of Employee Loyalty

According to the total effects (Table 10), the ethical leadership had the strongest effect on employee engagement with ($\beta = .651$, $p < .001$), this considered as a very strong effect (De Vaus, 2002). Next is the employee sociability factor with ($\beta = .371$). The third is visionary leadership factor with ($\beta = .118$, $p < .001$) this means that visionary leader provided a moderate effect on the employee engagement. Finally, the factor of transactional leadership negatively effects on employee engagement with ($\beta = -.187$). The total effect of these factors on employee engagement was 1.14

Basing on the degree of effects of those factors, this study concluded that ethical

leadership was the most important factor that affected engagement of employees who work in Binh Duong city. Employee sociability, transactional leadership and visionary leadership also had effects on employee engagement.

In the other word, the result of this study indicated that employees in five dominant industries in Binh Duong city valued ethical leadership as the most important and necessary factor in order to lead them to engage more in their current job, following by employee sociability, transactional leadership and visionary leadership. Regarding to transactional leadership, although it provided negatively effect on employee engagement, but it did not significantly affect employee sociability. It means that in five dominant industries in Binh Duong city, whether employees had high level of sociability or not, under transactional leadership, they engaged less in their job.

Discussions and Recommendations

This study presented empirical evidence regarding the factors affecting employee engagement directly and indirectly, as well as measured theoretical dimensions such as employee engagement, employee sociability and leadership styles. As mentioned in the literature, the implementation of leadership styles had been proven to have potential benefits of enhancing employee engagement in organization (Zhang, 2010; Wong et al., 2010; Tims, Bakker & Xanthopoulou, 2011; Hartog and Belschak, 2012; Heine, 2013). The empirical results of this study indicated that ethical leadership positively affected employee engagement, which was supported by the studies of Hartog and Belschak, 2012 and Heine, 2013. In Zhang (2010) research, he found out that visionary

Table.7 Coefficients between IVs and EMSOCIA

Variables	Standardized Coefficients (Beta)	Sig.	Correlation (Part)
ETLEAD	.294	.000	.252
CLASLEAD	.056	.334	.052
TRANSLEAD	.056	.341	.051
ORGALEAD	-.065	.294	-.056
VISILEAD	.319	.000	.288

Note: Dependent Variable: EMSOCIA: Employee Sociability

- Predictors: VISILEAD, TRANSLEAD, CLASLEAD, ORGALEAD, ETLEAD

- ANOVA: $F(5, 268) = 17.951$, Sig.=000, $p < .001$

- Model summary: $R^2 = .254$

Table.8 Coefficients between IVs and JOBENGA

Variables	Standardized Coefficients (Beta)	Sig.	Correlation (Part)
ETLEAD	.433	.000	.370
CLASLEAD	.058	.317	.053
TRANSLEAD	-.187	.001	-.171
ORGALEAD	.010	.868	.009
VISILEAD	.097	.097	.088

Note: Dependent Variable: JOBENGA: Employee Job Engagement

- Predictors: VISILEAD, TRANSLEAD, CLASLEAD, ORGALEAD, ETLEAD

- ANOVA: $F(5, 268) = 19.227$, Sig.=000, $p < .001$

- Model summary: $R^2 = .268$

Table.9 Coefficients between EMSOCIA and JOBENGA

Variables	Standardized Coefficients (Beta)	Sig.	Correlation (Part)
EMSOCIA	.371	.000	.371

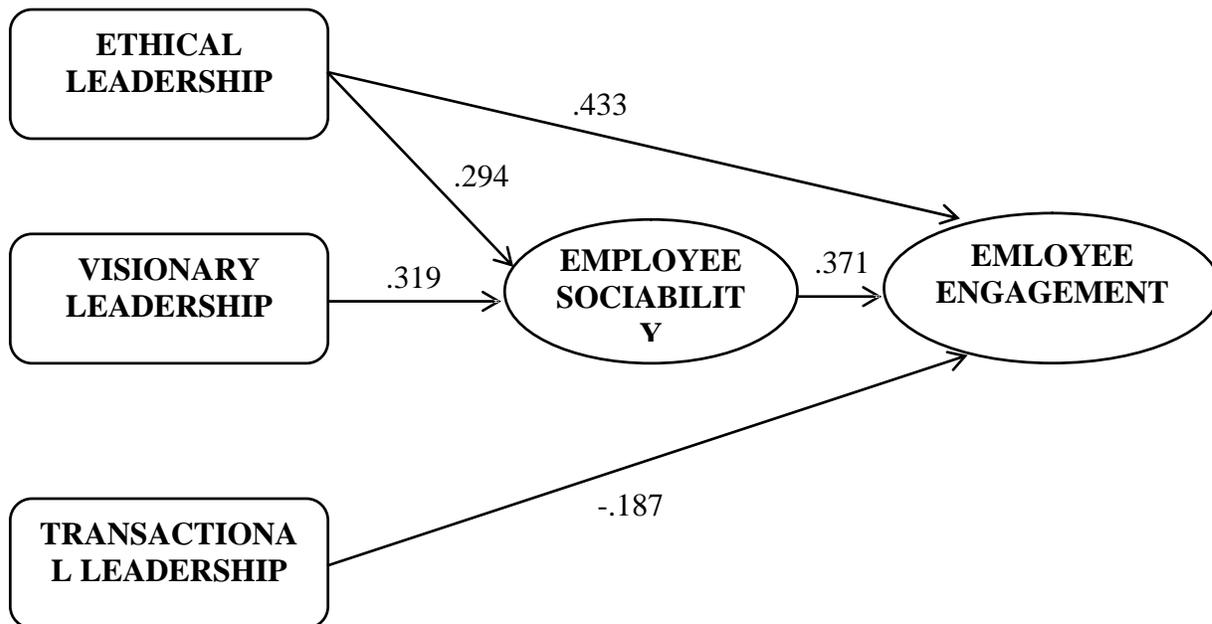
Note: Dependent Variable: JOBENGA: Employee Job Engagement

- Predictors: EMSOCIA: employee sociability

- ANOVA: $F(1, 268) = 42.740$, Sig.=000, $p < .001$

- Model summary: $R^2 = .138$

Figure.1 Path Coefficients of the Structural Equation for Hypothesis Testing



Note: All coefficients in the model were significant at the .001 level.

Table.10 Direct, Indirect and Total Causal Effects

Variables	Direct	Indirect	Total
ETLEAD	.433	.109	.651
VISILEAD	----	.118	.118
TRANSLEAD	- .187	----	-.187
EMSOCIA	.371	----	.371
Total	.617	.227	1.14

and organic leadership were positively affected employee engagement and transactional leadership provided negative effect on employee engagement. However, this study showed that only had transactional leadership negatively effect on employee engagement. In addition, this study also found that employee sociability positively affected employee engagement; and employee sociability was mainly predicted by visionary and ethical leaderships.

Basing on the empirical results, this study practically suggested supervisors and managers in Binh Duong City that, firstly, at the recruitment stage, companies should select employee who exhibit characteristics that predict potentially high employee engagement. This study found that employee sociability is positively associated with their engagement. This finding provided important managerial implications for recruiting. That was,

companies should select employee who possesses high sociability under ethical and visionary leadership. This employee's trait emotional intelligence provides the potential for high employee engagement. Of course, other skills fit with company culture and requirements are also importance in employee recruitment, but selecting employee with high sociability may be better in having high employee engagement. Secondly, companies should work with direct supervisors to ensure that they apply appropriate leadership styles that promote employee engagement. From the analysis result, this study found that using appropriate leadership styles could enhance employee engagement. Visionary leadership and ethical leadership should be encouraged at the work place, which were more likely to create higher employee engagement than classical and organic leadership. As a result, companies and supervisors should avoid using transactional leadership as it was found in this study that transactional leader negatively affected to employee engagement. Thirdly, this study suggested that companies and supervisor should consider employee trait emotional intelligence when apply leadership style to enhance employee engagement. The result proved that employee sociability played an important role in the interactions between supervisors and employees. This study discovered that through employee sociability, companies and supervisor could improve employee engagement by using ethical leadership and visionary leadership.

Conclusion

All the objectives of this study have been successfully obtained: firstly, to find out the effect of leadership styles on employee engagement; secondly, examining the mediation of employee sociability in the relationship between leadership styles and

employee engagement; and finally, recommending which leadership styles managers or leaders should apply to enhance employee engagement.

The application of the multivariate statistical techniques with factor analysis, standard multiple regression analyses, simple linear regression and path analysis allows the exertion of a causal relationship between the leadership styles, employee sociability, and employee engagement. Explanations and suggestions given were based on the review of the literature and the empirical findings of the study. In terms of significant relationships, bivariate correlations and Pearson product-moment correlation coefficients were employed to explore the relationship and its strength between each independent variable and employee engagement, as well as between each intervening variable and the dependent variable of the study. The direct and indirect effects of employee engagement were discussed and explained in order to obtain clear answers and evidence for all research hypotheses. Thus, this study theoretically contributes in building a more comprehensive research model for measuring employee engagement directly and indirectly through the mediation of employee sociability and providing a better understanding of the effects of ethical, visionary, transactional leadership styles on employee engagement, thereby contributing to the existing diversified literature in the field of organization management.

References

- Arnold, K. A., Turner, N., Barling, J., Kelloway, E. K. and McKee, M. C. 2007. 'Transformational leadership and psychological well-being: The mediating role of meaningful work', *Journal of Occupational Health Psychology*, 12(3), 193-203.

- Attridge, M. 2009. 'Measuring and managing employee work engagement: A review of the research and business literature', *Journal of Workplace Behavioral Health*, 24(4), 383-398.
- Avery, G. C. and Bergsteiner, H. 2010. *Honeybees & Locusts: The Business Case for Sustainable Leadership*, Sydney: Allen & Unwin.
- Avery, G. C. 2004. *Understanding Leadership: Paradigms and Cases*, London: Sage
- Avolio, B. J. 1999. *Full Leadership Development: Building the Vital Forces in Organizations*, Thousands Oaks, CA: Sage.
- Avolio, J., Walumbwa, O. and Weber, J. 2009. 'Leadership: Current theories, research, and future directions', *Annual Review of Psychology*, 60(1), 421-449.
- Avolio, B. J., Zhu, W., Koh, W. and Bhatia, P. 2004. 'Transformational leadership and organizational commitment: Mediating role of psychological empowerment and moderating role of structural distance', *Journal of Organizational Behavior*, 25(8), 951-968.
- Burns, J. M. 1978. *Leadership*, New York: Harper and Row
- Crews, Julie Anne. 2011. *What is ethical leadership? A study to define the characteristics of ethical leadership: perspectives from Australian public and private sectors*. Unpublished dissertation, Graduate School of Business, Curtin University, Australia.
- Den Hartog, D.N., & Belschak, F.D. 2012. *Work engagement and machiavellianism in the ethical leadership process*. *Journal of Business Ethics*, 107, 35-47.
- De Vries, R. E., Roe, R. A. and Taillieu, T. C. B. 2002. 'Need for leadership as a moderator of the relationships between leadership and individual outcomes', *The Leadership Quarterly*, 13(2), 121-137.
- Eagly, A. H., Johannesen-Schmidt, M. C. and van Engen, M. L. 2003. 'Transformational, transactional, and laissez-faire leadership styles: A meta-analysis comparing women and men', *Psychological Bulletin*, 129(4), 569-591.
- Gallup, Inc. 2005. *Gallup study reveals workplace disengagement in Thailand*. Gallup Management Journal. Accessed in January, 2013 from <http://gmj.gallup.com/content/16306/gallup-study-reveals-workplacedisengagement-thailand.aspx>
- Gill, P. S., & Kustron, K. G. 2011. *Innovation and standardized qualifications: Quantitative analysis to establish relationship between indicators of creativity and formality*. The 17th International Conference on Industry, Engineering, and Management Systems. Cocoa Beach, FL – March 29, 2011.
- Gibbons, J. M. 2006. *Employee engagement: A review of current research and its implications*. New York, NY: The Conference Board Inc.
- Harter, J. K., Schmidt, F. L., & Hayes, T. L. 2002. *Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis*. *Journal of Applied Psychology*, 87(2), 268-279.
- Heine, G. 2013. *The influence of integrity and ethical leadership on trust and employee work engagement*. Unpublished thesis, Stellenbosch University. Retrieved from <http://hdl.handle.net/10019.1/80031>.
- Hinton, R. 1995. *Statistics Explained: A Guide for Social Science Students*, London: Routledge.
- House, R. J. 1971. 'A path-goal theory of leadership effectiveness', *Administrative Science Quarterly*, 16, pp. 321-338.
- House, R. J. and Dessler, G. 1974. 'The Path-Goal Theory of Leadership: Some Post Hoc and a Priori Tests', in Hunt, J. G. and Larson, L. L. (ed.) *Contingency Approaches in Leadership*, Carbondale, IL: Southern Illinois University Press.
- Huang, M., Cheng, B. and Chou, L. 2005. 'Fitting in organizational values: The mediating role of person-organization fit between CEO charismatic leadership and employee outcomes', *International Journal of Manpower*. 26(1). 35-49.
- Jing, F. 2009. 'An investigation of the relationship between leadership paradigms and organisational performance in pharmaceutical sales organisations',

- Unpublished thesis, Macquarie University, Australia.
- Jing, F. F. and Avery, G. C. 2008. 'Missing links in understanding the relationship between leadership and organizational performance', *International Business & Economics Research Journal*, 7(5), 67-78.
- Kantabutra, S. 2003. 'An empirical examination of relationships between vision components, and customer and staff satisfaction in retail apparel stores in Sydney, Australia', Unpublished PhD dissertation, Macquarie University, Sydney, Australia.
- Kisling, Reid A. 2008. Character for leadership. The role of personal characteristics in effective leadership behaviors. Unpublished thesis, Regent University.
- Kevin Kruse 2012. Employee Engagement 2.0. Access in January, 2013 from: <http://www.globoforce.com/gfblog/2012/interview-with-kevin-kruse/>
- Kwa, Wee Keng. 2008. An Empirical Study On The Moderating Effect Of Job-Related Knowledge On Charismatic And Transactional Leadership Effectiveness. Unpublished thesis, University of Newcastle.
- McGee, R., & Rennie, A. 2011. Employee Engagement. London, UK: Chartered Institute of Personnel and Development
- Moody, Vernice J. 2012. Examining leadership styles and employee engagement in the public and private sectors. Unpublished dissertation, University of Phoenix.
- Palmer, Noel. 2013. The Effects of Leader Behavior on Follower Ethical Behavior: Examining the Mediating Roles of Ethical Efficacy and Moral Disengagement. Unpublished dissertation, University of Nebraska-Lincoln.
- Pallant, Julie. 2005. SPSS survival manual: A step by step guide to data analysis using SPSS version 12 (2nd Ed). Buckingham: Open University Press.
- Treviño, L. K., Hartman, L. P., & Brown, M. E. 2000. Moral person and moral manager: How executives develop a reputation for ethical leadership. *California Management Review*, 42, 128-142.
- Treviño, L. K., Brown, M. E., & Hartman, L. P. 2003. A qualitative investigation of perceived executive ethical leadership: Perceptions from inside and outside the executive suite. *Human Relations*, 55, 5-37.
- Treviño, L. K., Butterfield, K. D., & McCabe, D. L. 1998. The ethical context in organizations: Influences on employee attitudes and behaviors. *Business Ethics Quarterly*, 8, 447-476.
- Strang, Sarah Elizabeth. 2012. Ethical leadership and leader effectiveness. Unpublished dissertation, The University of Georgia.
- Washington, Rynetta. 2007. Empirical Relationships among Servant, Transformational, and Transactional Leadership: Similarities, Differences, and Correlations with Job Satisfaction and Organizational Commitment. Unpublished dissertation, Auburn University.
- Yukl, G. 1999b. 'An evaluation of conceptual weaknesses in transformational and charismatic leadership theories', *The Leadership Quarterly*, 10(2), 285-305.
- Yukl, G. 1989. 'Managerial leadership: A review of theory and research', *Journal of Management*, 15(2), 251-289.
- Zhang, T. 2010. The relationship between perceived leadership styles and employee engagement: the moderating role of employee characteristics. Macquarie University. Retrieved from <http://hdl.handle.net/1959.14/133300>.