June, 2020

# Transformation Leadership and Employee Engagement: Moderating Role of Organizational Trust in Confectioner Industry

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#### Abstract

The continue survival of any organization largely depends on the performance her employees. Human resource is the most important resource available to any organization and her performance can positively or negatively chart her course. Employee engagement outlook worldwide is scary and a cause of concern for organizations. The number of engaged employees versus disengaged employees worldwide cost companies annually billions of dollars in lost revenues. The study examines the effects of transformational leadership on employee engagement; moderating role of organizational trust in confectioner Industry. The study adopted quantitative research design and data were collected by using instruments adapted from past studies. A total of 108 employees of Gusau Sweet Factory participated in the research. The study utilized partial least square structural equation modelling PLS-SEM through Smart PLS 3.1 software. The results of the structural model showed that transformational leadership dimensions of vision and intellectual stimulation have significantly effects on employee engagement. It also confirmed that organizational trust has a positive significant effect on employee engagement. The result further revealed that organizational trust moderated the relationship between transformational leadership dimension of vision and employee engagement. Finally, the study also revealed that organizational trust did not moderate the relationship between intellectual stimulation and employee engagement. The study recommended that an open and transparent workplace should be encouraged by the leadership and that necessary policies and strategies be enacted to foster employee engagement in the organization.

**Keywords**: Transformational Leadership, Vision, Intellectual Stimulation, Employee Engagement and Organizational Trust.

# 1. Introduction

Over the past decade, organizational psychologist, researchers and practitioners have paid increasing attention in studying various human positive states (Alqarni, 2016). One of the aspects of positive psychology that has gained increased attention and unprecedented popularity is work engagement because, more than ever employees need psychological capabilities in

order to thrive and to make organizations survive (Schaufeli, 2013). According to Schaufeli and Salanova (2010), work engagement is the antipode or the direct opposite of burnout. Schaufeli and Bakker (2010) define it as a positive, affective-motivational state of high energy (vigor) combined with high levels of dedication and a strong focus on work.

Leadership is a widely studied concept, often considered as a major driver of performance among managers and employees in the organization (Sudha, Shahnawaz & Farhat, 2016). Lester (1975) defined leadership as the resources that an individual or a group uses to enable an organization do want it needs, should and wants to do. According to Akanji, Mordi, Ajonbadi and Mojeed-Sanni (2018) although, the definition of the concept of leadership is disputed, in its broadest sense, leadership is defined as a relationship through which an individual or group influences the behaviour and actions of others.

There are different leadership styles, Bass (1988) categorized leadership styles into transactional and transformational leadership styles. Transactional leadership style is defined as the exchange of rewards and targets between employees and management (Howell & Avolio, 1993). This type of leader adopts the traditional carrot and stick approach in driving performance in the organization. Transactional leaders fulfill employee needs of rewards when targets are met (Bass, 1990).

According Abazeed (2018)transformational leadership is seen as the leadership that helps raise the level of achievement and self-development, while promoting the development of groups and organizations. The transformational leader in the apprentices raises a higher level of awareness of the key issues while increasing the self-confidence of the employees themselves, thus changing their goals from their care and interest to survival to higher achievement, progress and self-development. Transformational leadership acts as a bridge between leaders and followers to develop clear understanding of follower's interests, values and motivational level (Bass, 1994). Shockley-Zabalak, Ellis and Winograd (2000) described organizational trust as

positive expectation individuals have about the intent and behaviours of multiple organizational members based organizational roles, relationships and experiences and interdependencies. If the organization must be successful, Swathi (2013) believed that the employees must trust the management. He argued that trust is a "Two-Street" employees need to trust their leaders and the leaders must likewise trust the employees to help drive organizational success.

The manufacturing sector plays a pivotal role in the growth and development of Nigeria's economy. It has contributed enormously to the Nigerian economy. Evident in the report released by Nigeria Bureau of Statistics (NBS), the manufacturing sector contributed 11.32% to the country's Gross Domestic Product (GDP) as at the end of first quarter of 2019. Although, the Nigerian manufacturing sector had been developing positively as a result of foreign direct investment, many problems were discovered which responsible for the low growth and development in the manufacturing sector. Some of these problems are dependency on oil for income, weak infrastructure, shortage of skilled labour, lack of adequate financial resources, lack of proper management and planning, poor employees' engagement and high employees' turnover (Ku & Goh, 2010). Employees' engagement poses a very serious challenge with critical and crippling effect on both the individual employee and the organization. AON Report in 2018 reported that only 27% of employees worldwide are actively engaged leaving 73% employees moderately engaged, passively disengaged and actively disengaged, costing companies annually billions of dollars in lost revenues. Studies (e.g., Jabbar, Nawaz, Rehman, Bhatti, & Choudhary 2019; Alzyoud, 2018; Eghlidi & Karimi 2016; Agu 2015 & Salanova, Agut, & Peiró, 2005) have documented negative effect of poor employee engagement on the organization. Hayati, Charkhabi and Naami (2014) also reported a strong significant relationship between transformational leadership and employee engagement. They further asserted that these leaders transfer their enthusiasm and high power to their subordinate by way of modelling. Employee engagement outlook worldwide is scary and a cause of concern for organizations.

Some researches in the leadership and psychology identified positive have leadership style as a determinant of employee engagement. Some studies (e.g., Sandel 2012 & Pugar & Parahyanti 2017) found no relationship significant between transformational leadership and employee engagement. However, other results did not confirm past researches, but showed contrary findings (e.g., Datche & Mukulu 2015; Soieb, Othman & D'Silva 2015 & Vila-Vazquez, Castro-Casal, Alvarez-Perez & Rio-Araujo 2018) showed that transformational leadership has significant effect on employee engagement. Baron and Kenny (1986) argued that where there exist inconsistencies in literature, a moderator can be integrated in the model which may likely explains this none consensus among findings. With the level of employee complexity, the issue of organization trust has become very imperative because it contribute substantially in the progress of positive or negative emotions of employees regarding their job, affecting their organizational thus commitment (Lashari, Moazzam, Salman & Irfan, 2016). Agarwal (2014) noted that without trust in the organization it is impossible for employees to be engaged with their work. It is on this note that this current study resolved to test the moderating effect of organizational trust relationship between transformational leadership and engagement among employees of Gusau

Sweet Factory Limited, Zamfara state. Gusau Sweet Factory is one of few manufacturing companies situated in Gusau township Zamfara state. It is a confectionary company mainly into production of candies, sweets and biscuit.

## 2. Literature Review

# 2.1 Employee Engagement

Work engagement is easy to recognize in practice yet difficult to define (Schaufeli, 2013). Schaufeli and Salanova (2011) believed that burnout and work engagement are each other's perfect counterparts. Agu (2015), noted that Engaged employees are fully involved in, and enthusiastic about their work. Singh and Chopra (2018) is of the opined that engagement at work has positive consequences for employees as well as employers. Schaufeli, Salanova, González-Romá, and Bakker (2002), defined employee engagement as a positive, fulfilling, work related state of mind that is characterized by vigor, dedication, and absorption. According to Schaufeli (2013) vigor refers to high levels of energy and mental resilience while working, the willingness to invest effort in one's work, and persistence even in the face of difficulties; dedication refers to being strongly involved in one's work, and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge; absorption refers to being fully concentrated and happily engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work.

### 2.2 Transformational Leadership

In 1978, Burns created the concept of transformational leadership as a characteristic of political leaders who transform the values and beliefs of their followers but Bass (1985) later expanded the scope to include leaders in the organization. According to Chowdhury (2014) Transformational leadership style composes

of the components of idealized influence, intellectual stimulation, inspirations and individualized consideration and has been largely suggested as the optimum style for This managing change. leadership concentrates on the improvement subordinates' involvement with the goals of the organization (Bass & Jung, 2003). Pugar eta ls, (2018) defined transformational leadership as a one in which the leader can inspire and motivate individuals to produce performance beyond the expectations. Gözükara and Simsek (2016) are of the opined that because transformational leaders serve as role models to their employees their enthusiasm often lead to incremental in employee commitment and devotion to the organization hence, engagement. Similar view is supported by Datche eta ls (2015) and Soieb eta ls (2015) on the significant effect of transformational leadership style employee engagement.

Rifferty and Griffin (2004) reexamined the theoretical model developed by Bass (1994) identify five sub-dimensions to transformational leadership; vision, communication, inspirational supportive leadership, intellectual simulation personal recognition. This study examines two (2) five sub-division transformational leadership; Vision and Intellectual Simulation and their effect on employee engagement.

#### **2.2.1 Vision**

According to Rifferty eta ls (2004) vision as important leadership dimension encompassed by the more general construct of charisma. Bass (1985) argued that the most general and important component transformational leadership is charisma. (1977)defined House vision transcendent ideal that represents shared values, and which is ideological in nature. The study sees transformational leadership vision as defined by Rifferty et al (2004) as

the expression of an idealized picture of the future based around organizational values.

**H1:** Transformational leadership Vision has significant effect on employee engagement

## 2.2.2 Intellectual simulation

According to Gozukara eta ls (2016) intellectual stimulation refers to stimulating intelligence and promoting creativity by making followers question the status quo and challenging them to find new ways of solving problems. Through this process, followers become more active and creative in decision-making processes at work and thus more dedicated Intellectual stimulation is defined as the ability of an individual to be logical, rational and able to intelligently adopt from certain situations (Dionne, Yammarino, Atwater & Spangler, 2003).

**H<sub>2</sub>:** Transformational leadership Intellectual Simulation has significant effect on employee engagement.

# 2.3 Organizational Trust

While there is considerable consensus that trust in organizations is important to their success, there is less consensus about what trust is may be a reflection of researchers having different areas of interest. instance, some researchers are interested in interpersonal trust among members of an organization, trust between employees and their leaders or managers within organization while others are interested in the nature of generalized organizational trust, or institutional trust in a particular culture (Morreale & Shockley-Zalabak, 2014). Koodamara. Rao. Prabhu. However. Noronha and Rio (2019) noted that interpersonal trust among the employees is highly influenced by the organizational trust and hence, if the employees do not have trust in the organization then employees will lose trust in their coworkers.

Shockley-Zalabak, Morreale and Hackman, (2010) defined organizational trust as the

overarching belief that an organization in its communication and behaviors is competent, open and honest, concerned, reliable, and worthy of identification with its goals, norms, and values. To Yanik and Gosoy (2015) organizational trust is a climate of hope built within the organization and can be figured as positive expectations members of the organization have about other members.

In this twenty first century, trust is critical to excellence organizational (Shockley-Zalabak, Morreale & Hackman 2010). Organizational trust has been linked to decrease in exhaustion and intention to quit (Trussell, 2015), increased organizational profitability, innovativeness, efficiency, successful international trade and wellbeing of the organization, as well as the employees' significant perceptions -such as satisfaction. commitment and loyalty engagement, (Shockley-Zalabak et al., 2010 cited by Yanik et al, 2015). This research defines organizational trust as the level of reliance, belief, credibility and sureness that an employee has on the organization in doing what is needful and essential at all times.

**H3:** Organizational trust has significant effect on employee engagement

### 2.4 Organizational Trust as a moderator

addition hypothesized to the leadership-employee transformational engagement relationship, availability of organizational trust may also act as a moderating variable to the relationship. Moderators usually alter the strength or direction, either negatively or positively, of a bivariate causal relationship. To Baron and Kenny (1986), within a correlation framework, a moderator is a third variable that affects the zero-order correlation between two other variables.

Shah, Said and Mahar (2019) examined the impact of organizational Communication strength on employee engagement: the mediating role of perceived supervisor

and moderating role of support organizational trust. Data was collected from a sample 244 employees of banking sector in Pakistan. Correlation and regression analyses were used to analyze the hypothesized relationships. The findings revealed a significant positive relationship between communication strength and employee's engagement. Perceived supervisor support mediated the relationship of communication employee's strength and engagement. Organizational trust moderated relationship of Perceived supervisor support and employee's engagement.

Alzyoud (2015) examined the effect of job satisfaction and on work engagement moderated by trust. A total of 700 questionnaires were distributed to 4 public universities staff in Bahrain. The findings obtained revealed that, job satisfaction statistical and significantly affected work engagement, and trust significantly moderated such relationship.

Nair and Salleh (2015) studied the of linking performance appraisal justice, trust and employee engagement: a conceptual framework. They concluded that performance appraisal (distributive, procedural, interpersonal and informational) justice have significant effect on employee engagement. They proposed a theoretical integration between all dimensions of performance appraisal justice, employee engagement and trust as moderator

Agarwal (2014) studied linking justice, trust and innovative work behaviour to work engagement used trust as a mediator suggested for future research that trust in the organization can be used a moderator of linking justice, innovative behaviour to work environment.

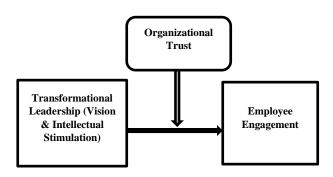
**H4:** Organizational trust does significantly moderate the relationship between

June, 2020

transformational leadership vision and employee engagement

H<sub>5</sub>: Organizational trust does significantly moderate the relationship between transformational leadership Intellectual Simulation and employee engagement

## 2.5 Conceptual Framework



# 2.6 Social Exchange Theory

The theoretical foundation of this study is the social exchange theory. According to Cherry (2019) this theory suggests that social behaviour is the end-product of an exchange process and the aims of this process to optimize benefits and reduce cost. relationship between transformational leadership and employee engagement can be viewed from social exchange. Agarwal (2013) noted that when the organizations provides fair and equitable leadership, employees will reciprocate, because people naturally believe in reciprocation and engagement is a form of response or reciprocation to good leadership. Trust is a manifestation of social exchange, which underpins showing mutual goodwill, loyalty and support (Aryee, Budhwar & Chen, 2002). When employees trust the organization to do the needful and stand by them at all times it could spur them to be dedicated, show vigor and absorption in the workplace.

# 3. Research Methodology

# 3.1 Research Design

A quantitative research design is used for the purpose of this study because the researcher used a structured questionnaire which was administered to the respondents. The use of questionnaires is advantageous because questionnaires are economical, speedy, there minimize bias, and the possibility of anonymity and privacy encourages candidates to be willing to respond on sensitive issues, and do so with great honestly.

# 3.2 Population and Sample size

The population of the study comprised of the entire staff of Gusau Sweet Factory Limited. According to the data made available by the Human Resources Department, their staff strength is 140. The study, using Krejcie and Morgan (1970), sample size table at 5% confident interval, arrived at 103 employees as sample size. For the purpose of increased representation, 30% of the sample size as recommended by Israel (2013) citied by Olajide and Otori (2018) was added bringing the total to  $134 (86 + 30\% = 86 \times 1.3 = 134)$ . This takes care of other unavoidable errors such as incorrect filling and failure of some respondents to return questionnaire. The questionnaires were distributed to participating employees. However, 108 questionnaires were filled and returned representing 81 percent success rate.

## 3.3 Measurement and Instruments

The study is quantitative in nature and primary data were utilized. Instruments from past studies were adapted to measure the constructs of the study. For transformational leadership, the instrument consists of 15-item developed by Rafferty & Griffin (2004) with a reported Cronbach alpha coefficient of 0.85. This instrument inculcates five (5) dimensions of transformational leadership; vision, inspirational communication, supportive leadership, intellectual simulation and personal recognition with only two (2)

dimensions investigated: Vision and intellectual stimulation with three items each. For employee engagement the instrument used is short version of Utrecht Work called Engagement Scale UWES-9 questionnaire developed by Schaufeli, Bakker and Salanova (2006) with a reported Cronbach alpha coefficient of 0.8 shown to be internally consistent in ten (10) countries. Finally, for Organizational trust, the 7-Trust measure item by Robinson (1996) with Cronbach alpha coefficient 0.86 were assessed on 5-point Likert scale.

# 3.4 Data analysis technique

The study used SmartPLS 3.1 in other to compute the two-basic model of PLS path modeling which are measurement model and structural model. As noted by Haenlein and Kaplan (2004), some of the reasons for the use of PLS were its superiority over others in item of flexible restriction in respect distribution and study population and it has the possibility of providing a more reliable and accurate computations of mediating and moderating effects because its accounts for error that is capable of reducing the possible relationship as well as the improvement of

the validation of the theory (Henseler & Fassott, 2010).

### 4. Result

#### 4.1 Measurement Model

In the measurement model, we examined the items loadings, internal consistency and average variance extracted. The study conducted test of collinearity and found high between transformational correlation dimensions of Supportive leadership leadership and Vision, which led to the supportive leadership deletion of instructed by (Hair, Black, Babin, Anderson & Tatham, 2013). The items loadings were examined and Hulland (1999) recommended items with minimum loading of 0.5 therefore, items that loaded 0.5 and above are retained. The internal consistency was measured by composite reliability and has reached the satisfied criteria, as the lowest is 0.837 and the highest is 0.951. Also, Average Variance Extracted (AVE) was examined and have all met the criteria provided by Fornell and Larcker (1981). In other words, the values of AVE were greater than 0.5, as it ranges between 0.661 and 0.818. These are presented in table 4.1 below.

Table 4.1: Items loadings, internal consistency and average variance extracted

Construct	Indicators	Loadings	Composite Reliability	AVE
Employee Engagement	EE1	0.739	0.951	0.766
	EE2	0.877		
	EE3	0.957		
	EE4	0.895		
	EE5	0.850		
	EE8	0.917		
Vision	VSI	0.815	0.837	0.721
	VS2	0.881		
Intellectual Simulation	IS2	0.931	0.900	0.818
	IS3	0.877		
Organizational Trust	OT1	0.760	0.854	0.661
	OT4	0.830		

ISSN: 2636-4832 June, 2020

Construct	Indicators	Loadings	Composite Reliability	AVE
	OT6	0.847		

To confirm the discriminant validity of the construct, the study adopted the Fornel and Larker (1981) criteria. The square root of the AVE of each construct must be greater than the correlations between construct. The values of the square root of AVE exceed that of the inter-correlation among the constructs in the model. The square roots of AVEs are represented with the bolded value on the diagonal in Table 4.2 below

#### 4.2 Structural model

The study examined structural model to test the hypotheses of the study. A total 5000 bootstrapping were carried out to the hypothesis for both the direct and moderated relationship. The effect size was also assessed and blind folding to determine the predictive relevance was undertaken.

**Table 4.2: Discriminant Validity** 

Construct	EE	IS	OR	VS
EE	0.875			
IS	-0.408	0.904		
OR	0.582	-0.068	0.813	
VS	0.726	0.058	0.206	0.849

Figure 1: shows direct effects

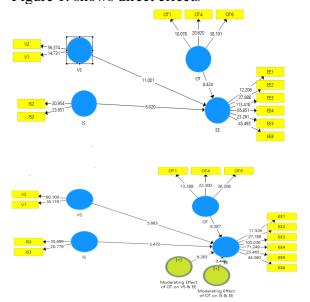


Figure 2: shows moderating effects

## Structural model and moderating effect

In the table 4.3 below transformational leadership vision has a positive significant effect at 1% on employee engagement. The positive beta value shows that an increase in transformational leadership vision by 1% will lead to a 0.664 % increase in employee engagement in the workplace.

Secondly, transformational leadership dimension of intellectual stimulation shows a positive significant at 1% on employee engagement. An increase in intellectual stimulation by 1% will lead to a 0.418% incremental in employee engagement. Likewise, organizational trust has a positive significant effect on employee engagement. Employee engagement will increase by 0.417% for every 1% increase in organizational trust.

Organizational trust moderates the relationship between transformational leadership dimension of vision and employee engagement. Shown as OT\*VS->EE with beta value of 0.035, t-value equals 6.263 significant at 1%. However, that cannot be said of OT \* IS -> EE which shows that organizational trust does not moderate the relationship between intellectual stimulation and employee engagement.

Therefore, the first hypothesis (H<sub>1)</sub> on Table 4.3 which states transformational leadership vision has significant effect on employee engagement is supported. Second hypothesis (H<sub>2</sub>) which states transformational leadership intellectual stimulation has significant effect on employee engagement is supported. Third hypothesis (H<sub>3)</sub> which states organizational trust has significant effect on employee engagement is also supported. Fourth hypothesis (H<sub>4</sub>) which states organizational significantly moderate trust does relationship between transformational leadership vision and employee engagement is also supported. Finally, the fifth hypothesis

(H<sub>5</sub>) which states organizational trust does moderate significantly the relationship between transformational leadership intellectual stimulation and employee engagement is not supported. The R squared stood at 0.8965 which was acceptable as it is above the recommended 10% by Falk and Miller (1995).

## Effect size and predictive relevance

The study assessed the effect size of the exogenous variable on endogenous variable using the F<sup>2</sup>. Cohen (1988) recommended that f<sup>2</sup> values of 0.02, 0.15, and 0.35, to represents small, medium, and large effects respectively. Q<sup>2</sup> was used to determine the predictive relevance of the exogenous variable. According to Garson (2016), Q<sup>2</sup> value of 0 or negative showed that the model is irrelevant in predictive the endogenous variable the results are presented in table 4.4 below

**Table 4.3: Hypothesis Testing** 

Hypothesi s	Relationship	Beta	Standard Error	T- value	P- value	Decision
$H_1$	VS-> EE	0.664	0.06	11.10	0.000	Supported
$H_2$	IS -> EE	0.418	0.069	6.020	0.000	Supported
H <sub>3</sub>	OT->EE OT*VS-	0.417	0.05	8.424	0.000	Supported
$H_4$	>EE	0.327	0.052	6.263	0.000	Supported
H <sub>5</sub>	OT * IS -> EE	0.035	0.079	0.046	0.657	Not Supported

Table 4.4: Effect size and predictive relevance

Construct	R <sup>2</sup> included	R <sup>2</sup> excluded	$\mathbf{F}^2$	Effect size
VS	0.8965	0.707	0.387	Large
IS	0.8965	0.521	0.300	Medium
OT	0.8965	0.654	1.086	Large
OR*VS	0.8965	0.651	0.358	Large
OR*IS	0.8965	0.502	0.042	Small

 $Q^2 0.662$ 

## 5. Discussion

effects The study examined of transformational leadership on employee engagement; moderating role organizational trust in Gusau Sweet factory The first hypothesized between limited. leadership vision transformational employee engagement is supported. The significance level was determined by the tvalues and p-values obtained from the analysis (t-value= 11.101, p=0.000). This implied that an incremental transformational leadership vision will lead to a corresponding increase in employee engagement. This is in tandem with the work of Rafferty eta ls (2004) which establish a significant relationship between transformation leadership vision and employee affective commitment and engagement

The hypothesized second between leadership intellectual transformational stimulation and employee engagement is significance level was supported. The determined by the t-values and p-values obtained from the analysis (t-value= 6.020, p=0.000). This implied that an incremental in transformational leadership intellectual stimulation will lead to a corresponding increase in employee engagement. This is in tandem with the work of Gozukara and Simsek (2016), Datche (2015), Ghafoor eta ls (2011) which all established a significant

effect of intellectual stimulation on employee engagement.

The third hypothesized between organizational trust and employee engagement was likewise is supported. The significance level was determined by the tvalues and p-values obtained from the analysis (t-value= 8.424, p=0.000). This implied that an increase in employee trust in the organization will lead to corresponding increase in their engagement. This is line with the work of Ugwu, Onyishi and Rodriguez-Sa'nchez (2013), Yildiz, Baran and Ayaz (2017) and Madhakomala and significant Santoso (2018) established relationship between organizational trust and employee engagement.

The fourth hypothesized, organizational trust did significantly moderate the relationship between transformational leadership vision and employee engagement. Thus, the hypothesis is supported. The significance level was determined by the t-values and p-values obtained from the analysis. (t-value= 6.263, p=0.000). It signified that organizational trust strengths the relationship between transformational leadership vision and employee engagement

Lastly, the fifth hypothesizes it was found that organizational trust did not significantly moderates the relationship between transformational leadership intellectual

June, 2020

stimulation and employee engagement (tvalue 0.046, p=0.657), thus the third hypothesis is not supported. It shows that organizational trust does not in any way strengthens the relationship between intellectual stimulation and employee engagement. This further implies that while the direct relationship between transformational leadership intellectual stimulation is significant, employee level of trust in the organizational to intellectually stimulate or spur them to be engaged is minimal or poor.

## 6. Conclusion and Recommendations

Employee engagement has been linked to several positive outcomes like commitment, satisfaction. involvement and overall performance in the workplace. The nature of the environment businesses are confronted with today is dynamic, complex and everchanging. This calls for proactive actions in the organization to stimulate and spur employee engagement. Leadership styles are considered a major ingredient for employee engagement. The study examines the effect of transformational leadership on employee engagement: moderating role organizational trust in Gusau Sweet Factory Gusau, Zamfara state. The finding showed that transformational leadership dimensions of vision and intellectual stimulations and organizational trust have significant effects on employee engagement. It further revealed organizational trust significantly that moderates the relationship between transformational leadership vision employee engagement. The study however, concluded that organizational trust did not significantly moderate the relationship transformational leadership intellectual stimulation and employee engagement.

The study made some important practical and theoretical recommendations based on the findings. The following are the practical recommendations made;

- 1. For the management of the organization to succeed, leadership vision and mission should be transparent so that employees can easily buy into them.
- 2. Leadership must be seen as intellectually sound by subordinates and able to stimulate performance in the workplace.
- 3. Trust is a necessary ingredient in employee engagement. Organization must create an atmosphere and culture of mutual trust where employees genuinely trust the organization to make do of said promises.
- 4. Leaders should be transformational by making necessary policies and strategies to foster employee engagement in the organization.

The study also makes theoretical recommendation based of social exchange theory. The study established and buttressed the existence of psychological contract between employers and employees in the organization. The employees expect that management will do what is best for them, have their backs, support them at all times during the process of employees getting work done effectively and efficiently.

## 7. Limitations of Study

Notwithstanding the fascinating findings this current study uncovered, the study is without its limitations highlighted below;

- 1. The study findings are only limited to a private sector specifically the manufacturing subsector. Future research can utilize a cross-sectional research design where other sectors of the economy; telecommunications, oil and Gas, financial and agricultural sectors are studied while not ignoring the public sector for easy generalization of findings.
- 2. Longitudinal study can be conducted in future studies where effects of transformational leadership and

- organizational trust on employee engagement are analyzed over a specific period of time
- 3. common method bias is a known error associated with quantitative research with this study not an exception.
- 4. The self-report questionnaires for leadership, organizational trust and engagement can be subjective, linear and social desirability bias. The study recommendation a combination of both quantitative and qualitative approach in future studies

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