

Assessing the Effect of Leadership Styles on Employee Engagement: A Case Study of Construction Companies in Bhaktapur District

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ABSTRACT

The effect of leadership styles on employee engagement is widely recognized as an indispensable factor in organizational success. While previous studies have explored the relationships between leadership styles and employee engagement in different contexts, no research has yet scrutinized how leadership styles influence employee engagement specifically in construction companies within Bhaktapur. Thus, this study investigates the influences of various dimensions of leadership styles, such as transformational, transactional and laissez-faire leadership styles, on employee engagement in construction companies. This study utilized a quantitative research approach to analyse the effect of leadership styles on employee engagement. A combination of research designs, including descriptive, relational and causal research designs, was employed in the study. Relevant information was collected through a questionnaire from 137 samples, and the sampling method used in this study was convenient. The study indicates that an employee's level of engagement with work is strongly influenced by leadership style. The results of the analysis show that transformational and transactional leadership styles have a positive but insignificant effect on employee engagement. Similarly, the laissez-faire leadership style positively and significantly affects employee engagement.

Keywords: Leadership styles, employee engagement, construction companies, Bhaktapur

Online Access

Website:

<https://nepjol.info/index.php/njbms>

DOI: 10.3126/njbms.v2i1.67729

E-ISSN: 2961-1660

P-ISSN : 2961-1652

Article History

Received: 20 March 2023

Revised: 5 April 2023

Accepted: 18 July 2023

Vol. 2, No. 1, Page: 33-50

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1. Background of the problem

Interest in the engagement of employees has surged, driven by the understanding that maintaining a high level of employee engagement is essential for both attracting and retaining talented employees within a competitive business environment (Kompaso & Sridevi, 2010). The engagement of employees in their work or job is an essential aspect that plays a vital role in elevating organizational efficacy and facilitating achievement and success (Zahid & Ozyapar, 2017). The effective operation of an organization and the designation of its employees as engaged or committed requires a healthy, dedicated, committed and motivated workforce. Engaged or committed employees have a tendency to offer a higher level of job performance with greater effort (Sibanda, Muchen & Ncube, 2014). By tracking and analysing various perspectives or viewpoints regarding employee engagement, Abasilim, Gberevbie and Osibanjo (2019) believe that employee engagement depends upon the emotional condition, the organization's development strategy, personal advancement and leadership. Employees seek short-term careers in various organizations with different and new expectations (Smith & Markwick, 2009).

Scrutinizing the most influential factors regarding employee engagement, the researcher diagnosed leadership as a crucial factor. Leadership style can impact employees and enhance their engagement toward more desirable success, as reported by Wiley (2010). Each leader practices different leadership styles, which is most crucial when considering the extent to which subordinates strive for innovation, creativity, and organizational engagement

(Amabile, Schatzel, Moneta & Kramer, 2004; Panuwatwanich, Stewart & Mohamed, 2008). Effective leadership adds to a stable working environment for workers instilling confidence in job positions. Guidelines and directions provided by well-experienced and confident leaders increase employee motivation to be engaged in organizational functions with high effort and dedication (Ferrer, 2005). Leadership entails practicing different forms of leadership, such as transformational leadership, transactional leadership and laissez-faire leadership. Practicing the right leadership style leads to desirable outcomes (Felix, Ahmad & Arshad, 2016).

Each person is inspired by the role model created by leaders (Akanbi & Itoia., 2011). In this regard, numerous studies by various researchers have explored leadership dimensions such as transformational leadership, transactional leadership and laissez-faire leadership, which have major impacts on employee engagement, but the conclusions drawn from these studies are different. Employees require motivation as well as guidelines and direction from leaders, including inspiration, encouragement, distinct vision, mission and the laissez-faire approach to decision making and leadership duties, which leads to success in business (Thanh & Quang, 2022). This means that all leadership factors have a positive impact on employee engagement. On the other hand, employees can enhance their work performance and commitment based on inspiration, encouragement, reward and recognition, but a lack of proper direction and guidelines leads to decreased work commitment and engagement (Ismail, Arumugan, Kadir & Alhosani, 2021). The adoptive, understanding and supportive nature of leaders leads to greater job per-

formance and engagement (Krishnaveni & Karpagaavalli, 2021).

In Nepalese organizations, the focus on employee engagement has surged rapidly, discerning the potential to enhance organizational productivity. In Nepal, leadership has emerged as a key determinant of employee engagement. Transformational leadership, which inspires and encourages employees, has shown a positive association with employee engagement in various Nepalese firms (Shrestha & Adhikari, 2017). Similarly, supportive leadership characterized by providing emotional support and resources has been linked to employee engagement in service-oriented businesses in Nepal (Bhandari & Joshi, 2019). Given the unique challenges and dynamics within the construction sector, understanding how leadership styles influence employee engagement is crucial for fostering a productive and cohesive workforce. Thus, this study attempts to answer the following questions for the Nepalese Construction Company within the Bhaktapur district.

- Are employees encouraged to share ideas and suggestions for improving work processes?
- What is the relationship between transformational leadership, transactional leadership, laissez-faire leadership, and employee engagement?
- What is the effect of transformational leadership, transactional leadership, and laissez-faire leadership on employee engagement?
- Are there any significant differences in the perceptions of transformational

leadership, transactional leadership, laissez-faire leadership, and employee engagement across age groups?

- Which dimension of leadership styles plays an important role in fostering employee engagement?

2. Objectives of the study

The main objective of this study is to examine the factors or determinants affecting employee engagement in construction companies within the Bhaktapur district. This study aimed to ascertain the effect of transformational, transactional, and laissez-faire leadership styles on employee engagement. Therefore, the specific purposes of the study are as follows:

- To determine whether employees are encouraged to share ideas and suggestions for improving work processes.
- To analyse the differences in the perceptions of transformational leadership, transactional leadership, laissez-faire leadership, and employee engagement across age groups.
- To examine the relationships among transformational leadership, transactional leadership, laissez-faire leadership, and employee engagement.
- To identify the effects of transformational leadership, transactional leadership, and laissez-faire leadership on employee engagement.
- To explore the most influential dimension of leadership styles for fostering employee engagement.

3. Literature survey

Various theories have attempted to elucidate the concept of employee engagement, among which self-determination theory is one that states how intrinsic motivation, such as a sense of autonomy competence and relatedness, plays a crucial role in fostering engagement and involvement at work. Deci and Ryan (1985) developed this theory by considering that if the basic needs and psychological needs of individuals are satisfied, individuals are more likely to be engaged in a job with high effort. Gagne (2005) used the concept of this theory and implemented it in the workplace to understand the actual forces of employee engagement and better job performance.

An additional theory related to employee engagement is job characteristic theory, which conceptualizes the major workplace characteristics that enable employees to be engaged in a job with high effort and extortion. Hackman and Oldman (1976) stated that task identity, variety of skills, task significance, autonomy and feedback are the core job dimensions that dedicate and devote employees to performing tasks or jobs effectively and efficiently.

The degree of engagement among employees is profoundly influenced by the principles and objectives of the organization, as well as the endeavours of leaders to consolidate employees for the collective privilege of the company (Marow, 1983). Similarly, a strong level of engagement demonstrates a well-maintained relationship between higher management, supervisors, leaders and employees, fostering a steady employment setting and encouraging innovation and creativity among employees (Suliman &

Iles, 2007). Tracking and analysing different standpoints on employee engagement within an organization, it is considered that employees' engagement in work depends upon their connections, confidence in an organization's development strategy, and prospects for personal advancement that motivate them to put in effort and leadership (Abasilim, Gberevbie & Osibanjo, 2018).

Ismail, Arumugan, Kadir and Alhosani (2021) conducted research on the Malaysian civil defense force and determined that transformational leadership plays a significant role in employee engagement because the employee assented that transformational leadership fosters an environment where the employee feels the ease in the presence of leaders and leaders comprehended that every employee has different needs, capabilities and motivations. Therefore, leaders convey exceedingly straightforward sentences and languages that make it easy to understand what needs to be done to inspire employees to engage in jobs with high effort. Similarly, Thanh and Quang (2021) ascertained that by furnishing inspiration, catalysts share value visions and understand employees' capacity. Transformational leaders effectively nurture a culture of employee engagement and commitment. Furthermore, Krishnaveni, Karpagaavalli (2021) compared the level of employee engagement in pre-COVID-19 and post-COVID-19 scenarios and concluded that practicing transformational leadership develops strong organizational bonds for employees and increases engagement. Thus, this study proposes the following hypothesis:

Transformational leadership does not lead to a higher level of engagement among employees.

Ismail, Arumugan, Kadir and Alhosani (2021) demonstrated that focusing on the exchange of rewards and punishments with subordinates in light of performance substantially affected employee engagement. Leaders prioritizing the addressing of problems, accusation, and faults tend to be reactive and responsive, managing and resolving issues effectively and becoming complacent to the fulfilment of the minimum requirements of employees to build the confidence of employees toward the job, which leads to greater engagement at work. Likewise, employees' expectations of receiving recognition or compensation, possibilities or reinforcement and punishment associated with meeting or falling leadership tasks can potentially lead to decreased work engagement under transactional leadership (Thanh & Quang, 2022). Thus, the study hypothesizes the following:

Transactional leadership does not manifest a notable association with the level of employee engagement.

Thanh and Quang (2022) studied the factors influencing employee engagement in Vietnam's public sector and revealed that even though the laissez-faire leadership style is normally associated with employees having a tendency to leave the organization or less commitment toward work, in the context of Vietnam's public sector, employees demonstrate a sustained level of engagement because of employees' associated autonomy in decision making, which is less direct to leaders. Similarly, Ismail, Arumugan, Kadir and Alhosani (2021) reported that adopting a laissez-faire leadership style indicates that leaders prioritizing only important things and necessities without expecting additional demand and complicating with any employee leads to lower commitment to

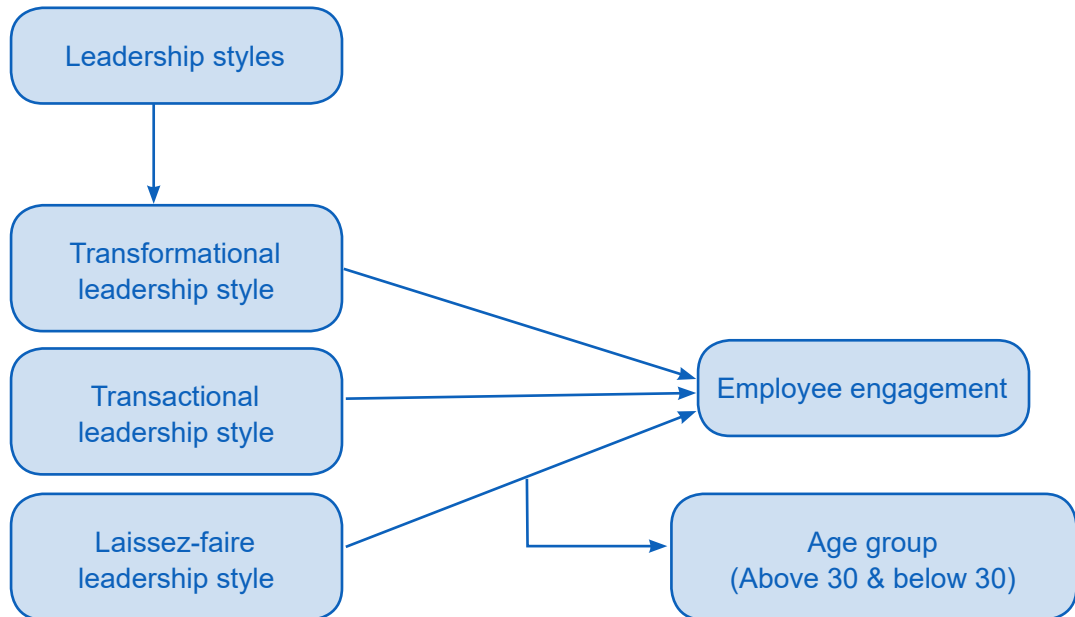


Figure 1. Research framework of the study

job performance or work. Based on the literature, the following hypothesis were formulated:

Laissez-faire leadership does not have a clear relationship with the level of employee engagement.

The perception of employee engagement does not vary across employees aged below 30 and above 30.

The research framework shown in *Figure 1* illustrates the complicated relationship between leadership styles and employee engagement, segmented by age groups, especially those above and below 30 years old. This framework assists as a key roadmap, clarifying the dynamic interplay between the variables, thereby facilitating the formulation and testing of hypotheses. By depicting this relationship, this study aims to elucidate the nuanced way in which leadership behaviours impact the engagement levels of employees belonging to different age cohorts. Through the systematic analysis of leadership styles, including transformational, transactional, and laissez-faire styles associated with indicators of employee engagement, such as commitment, motivation and job satisfaction, a research framework was developed to determine the mechanism underlying organizational dynamics.

Here, transformational leadership style is characterized by its focus on inspiring and motivating employees to achieve the highest potential and outperform employees' own expectations. Transformational leadership prioritizes the personal growth and development of employees, cultivating an environment where employees are energized to flourish. According to Burns

(1978), traditional leadership is anchored in value, such as fairness, justice, honesty and honour, which are regarded as indiscriminate, and these values are believed to cultivate creativity and empower leaders to harness shared wisdom and inspire new ideas.

The transactional leadership style focuses on managing and controlling subordinates through reinforcement and punishment. Transactional leadership concentrates on the results and complies with the existing structure of an organization and assessment success in accordance with the reward and penalties system of an organization. Transactional leadership styles are often characterized as a system where rewards are given in return or exchange for completing a particular task or job, resembling the "carrot and stick" approach (Bass, 1997). This leadership style motivates employees to fulfil their leadership responsibilities.

Laissez-faire leadership is characterized by a hands-off approach in which the leaders provide minimum direction or guidelines concerned with or "let it be". The laissez-faire approach stimulates innovation and creativity, facilitates nurturing decision making and allows employees to make independent decisions. Laissez-faire leaders abstain from intervening in the actions, thoughts and ideas of employees, even in challenging circumstances where guidance is necessary (Giao & Hung, 2018; Goodnight, 2011).

Employee engagement is the level of commitment, dedication, idealized influence, inspiration, motivation and intellectual stimulation enthusiasm of employees toward jobs. The degree of engagement considerably relies upon the objectives and principles of the organization, as well as

the leader's aspiration to unite employees toward the mutual benefit of the organization and employees (Marrow, 1983).

4. Research methodology

This study seeks to identify the elements that influence employee engagement across three dimensions of leadership style. In this regard, this research employed a quantitative approach to scrutinize how different dimensions of leadership styles, including transformational, transactional and laissez-faire leadership styles, impact employee engagement. To address the diverse issues highlighted in the study, a combination of descriptive, causal, and relational research designs was employed. A descriptive research design was used primarily to provide an understanding of the variables being studied. A descriptive research design was applied to describe the sample characteristics and to explain the status of transformational, transactional and laissez fair leadership under study. To analyse the relationships between transformational leadership, transactional leadership, laissez fair leadership and employee engagement, this study used a relational research design. This research aimed to evaluate the associations between the variables. Additionally, to understand the extent and nature of the cause-and-effect relationship between leadership styles and employee engagement, this study employed a causal research design with regression as an analytical tool.

This study targeted employees working in different construction companies within the Bhaktapur district as its population. Construction companies were chosen due to their significant contributions to economic development and employment

opportunities. There are a total of twenty construction companies within the Bhaktapur district, six of which are Chakreshwori Nirman Sewa Pvt. Ltd., Dhukuchhu Construction Pvt. Ltd., Civil Engineering and Construction Pvt. Ltd., Sapneshwor Construction Pvt. Ltd., Sher Construction Pvt. Ltd., and Riconirman Sewa Pvt. Using a convenience sampling method, Ltd. were selected as the sample companies because it was deemed appropriate because it allowed for straightforward selections of construction companies within Bhaktapur, ensuring accessibility and ease of data collection. In this study, participants were selected based on accessibility and availability rather than through random sampling. The respondents consisted of working-level employees from selected companies. Employing the convenience sampling method, the study determined a sample size of 137 from approximately 3600 employees, adhering to a 95% confidence level, a 38% sample proportion and a + 8% margin error (Deniel, 1999). Prior to visiting the companies, the manager of each company was duly informed and requested permission for the collection of data from employees working in those companies. The data collection process commenced with visits to Chakreshwori Nirman Sewa Pvt. Ltd., and Dhukuchhu Construction Pvt. Ltd. on February 13, 2023, yielding 27 and 20 responses, respectively. Following this, visits to Civil Engineering and Construction Pvt. Ltd., and Sapneshwor Construction Pvt. On February 14, 2023, 30 and 19 responses were collected, respectively. On February 15, 2023, visits were made to the remaining two companies, namely, Sher Construction Pvt. Ltd., and Riconirman Sewa Pvt. Ltd., resulting in 24 and 25 responses, respectively.

The survey questionnaire was thoroughly designed to gather primary data. A self-administered structured questionnaire consisting of a five-point Likert scale ranging from “strongly disagree” to “strongly agree” was designed and distributed. The Likert scale items were gathered from previous studies, with minor language adjustment for clarity. To assess transformational leadership, three items were drawn by Bass and Riggio (2006) and Arero and Yusuf (2023). Similarly, three items used to measure and assess transactional leadership were from the scale developed by Arero and Yusuf (2023). Similarly, laissez fair leadership was measured using the items developed by Avolio and Bass (2004). All the items used to measure employee engagement were extracted from Likert scale items developed by Niraula (2020).

The questionnaire commences by providing a concise overview of the study’s objectives and ensuring confidentiality. In the preliminary section or background section, respondents were queried about their age, gender, monthly salary, and education status or level. Likewise, the basic and variable-related information encompassed a range of question types, including yes/no questions, multiple choice questions, and order and Likert scales. These were employed to evaluate and analyse employees’ perceptions of the influence of leadership styles and employee engagement.

In the course of the research, various statistical and descriptive methods were applied to analyse the data, including frequency, percentage, mean, median, standard deviation, etc., to measure different aspects of the data in this study. Similarly, inferential techniques such as correlation,

regression, and analysis were utilized to investigate more profoundly the relationships between the variables. Independent sample t tests were used to examine the differences between two age groups, i.e., younger than 30 years and older than 30 years. Leven’s test under the independent sample t test was used to determine whether the variability within the age group was similar or significantly different. This test is used to ensure the reliability and validity of the results by identifying issues related to variance heterogeneity among the age groups. In the analysis of the results, the following equation was used for the multiple regression model:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

where,

Y = Employee engagement

a = Intercept

x₁ = Transformational leadership style

x₂ = Transactional leadership style

x₃ = Laissez-faire leadership style

b₁ = coefficient of transformational leadership style

b₂ = coefficient of transactional leadership style

b₃ = coefficient of laissez-faire leadership style

e = error term

5. Presentation and analysis of the data

The survey data were initially entered into MS Excel and then analysed using various statistical techniques. SPSS software was utilized to facilitate coding, recording, and data processing. This study intends to shed light on the factors affecting employee engagement. The data collected through the questionnaire, which included different sections such as

Table 1
Gender of the respondents

Gender	Frequency	Percent	Cumulative %
Male	105	76.6	76.6
Female	32	23.4	100
Total	137	100	

Table 2
Age group of the respondents

Age group	Frequency	Percent	Cumulative %
Below 30	44	32.1	32.1
Above 30	93	67.9	100
Total	137	100	

general background, yes/no questions, multiple choice questions, ranking order and Likert scale, were organized, tabulated and analysed to facilitate several descriptive statistics, independent t tests correlation and regression analyses. In the survey questionnaire, employee demographics were outlined based on several elements, such as gender, age group, academic qualification, and income level, which offered valuable insights into the diverse perspectives within the workforce. The analysis of the data was conducted with IBM SPSS software version 20. The tables presented herein originate from the data output generated by SPSS software and further edited and formatted in Microsoft Excel to enhance clarity and readability.

Table 1 depicts an unbalanced distribution of the respondents regarding gender. The results show that among the 137 respondents, 105 and 32 were male and female, respectively. This finding emphasizes the notable difference in showing a greater presence of males than females in the sample. More precisely,

76.6 percent of the total respondents were male, and the remaining 23.4 percent were female, which shows that the significant majority of the respondents were male.

The data presented in *Table 2* indicate a clear distribution of respondents across age brackets below 30 years and above 30 years. Notably, 44 respondents were under the age group of 30 years and younger, while 93 respondents were under the age group of 30 years and older. This analysis revealed that approximately 32% of the total respondents were 30 years old or younger, and approximately 68% of the total respondents were aged 30 years and older.

Examining the respondents' profiles based on education levels, the table illustrates distinct strata. Of the total 137 participants, 30 were classified as illiterate, 100 held an intermediate-level education, and 7 had a bachelor's degree. *Table 3* highlights that the predominant educational category was the intermediate level, constituting 73% of the total participants. Similarly, 21.9 percent of the respondents were illiterate, and the remaining 5.1 percent of the respondents

Table 3
Academic qualifications of the respondents

Academic qualification	Frequency	Percent	Cumulative %
Illiterate	30	21.9	21.9
Intermediate	100	73.0	94.9
Bachelor	7	5.1	100
Total	137	100	

Table 4
Monthly income level of the respondents

Monthly income level (Rs. in "000")	Frequency	Percent	Cumulative %
Below 20	43	31.4	31.4
20-30	92	67.2	98.5
Above 30	2	1.5	100
Total	137	100	

Table 5
Descriptive statistics for all samples

Variables/Statistics	Mean	Median	Std. Deviation	Variance
Transformational leadership	3.18	3.33	0.65	0.42
Transactional leadership	3.32	3.33	0.51	0.32
Laissez-faire leadership	2.53	2.33	0.57	0.33
Employee engagement	2.84	2.67	0.55	0.30

were at the bachelor's level, showing the lowest representation compared with the other levels.

The differences in the monthly income distribution among the 137 respondents are presented in *Table 4*. This shows that 43 respondents earn less than Rs. 20,000 monthly, while the majority, consisting of 92 respondents, earn Rs. 20,000 to Rs. 30,000 monthly. Only 2 respondents earned more than Rs. 30,000 monthly. Analysing the percentage of the income level, approximately 67 percent of respondents fall under the category of income level Rs. 20,000 to Rs. 30,000 per month. Similarly, a lower percentage (1.5 percent) of the

total respondents earned above Rs. 30,000 monthly.

Table 5 displays an overview of the descriptive statistics for the entire dataset. Evidently, the mean value for the independent variable transactional leadership is the highest at 3.32, followed by transformational leadership at 3.18 and laissez-faire leadership at 2.53. The mean value for the dependent variable, employee engagement, is 2.84. The median value for both transformational and transactional leadership styles is 3.33, and the lowest median value is 2.53 for the laissez-faire leadership style. According to the analysis, transformational leadership has the highest

Table 6
Independent sample t test for mean equality across age groups

Variables	Equal variance	Levene's Test for Equality of Variances		t test for Equality of Means			
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference
Transformational leadership	Equal variances assumed	0.884	0.349	1.784	135	0.077	0.211
	Equal variances not assumed			1.861	94.147	0.066	0.211
Transactional leadership	Equal variances assumed	1.007	0.317	0.573	135	0.568	0.060
	Equal variances not assumed			0.611	99.586	0.543	0.060
Laissez-faire leadership	Equal variances assumed	1.125	0.291	-1.161	135	0.248	-0.122
	Equal variances not assumed			-1.092	72.963	0.278	-0.122
Employee engagement	Equal variances assumed	0.019	0.890	-1.567	135	0.120	-0.158
	Equal variances not assumed			-1.561	83.75	0.122	-0.158

standard deviation (0.625), and transactional leadership has the lowest (0.517).

Table 6 displays the findings assuming equal variance for transformational, transactional and laissez-faire leadership along with employee engagement. For transformational leadership, the P value of 0.349 indicates that the mean difference between the age groups younger than 30 years and older than 30 years is 0.211, with a P value of 0.077, suggesting that there is no significant mean difference accepting the null hypotheses. Similarly, in transactional leadership, assuming an equal variance P value of 0.327, the mean difference across the age groups is 0.06, with a P value of 0.568 indicating that there is no significant mean difference across the age groups, supporting the null

hypotheses. Similarly, for laissez-faire leadership, the P value of 0.291 indicates that the mean difference between the age groups is -0.122, with a P value of 0.248, suggesting that there is no significant mean difference; thus, the null hypotheses are accepted. The case is also true for employee engagement, where assuming an equal variance P value of 0.89, the mean difference across the age group below 30 and above 30 is -0.158, with a P value of 0.120, indicating no significant mean difference; thus, the null hypotheses are accepted.

Table 7 shows the results of a correlation analysis carried out on the entire sample for the study. There is a positive and statistically significant correlation or relationship between transformational leadership style,

Table 7
Relationships between variables for all samples

Variables		TFL	TSL	LFL	EE
TFL	Pearson Correlation	1			
	Sig. (2-tailed)				
TSL	Pearson Correlation	.753**	1		
	Sig. (2-tailed)	0.001			
LFL	Pearson Correlation	0.138	0.018	1	
	Sig. (2-tailed)	0.107	0.839		
EE	Pearson Correlation	.187*	.202*	.242**	1
	Sig. (2-tailed)	0.029	0.018	0.004	

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Table 8
Impact of transformational leadership on employee engagement for all samples

Coefficients ^a	Unstandardized		T	Sig.	F	Sig.	Adjusted R Square
	Coefficients						
	B	Std. Error					
(Constant)	1.65	0.325	5.08	0.001			
TFL	0.011	0.108	0.101	0.919	4.795	.003	0.077
TSL	0.182	0.122	1.489	0.139			
LFL	0.228	0.081	2.821	0.006			

a Dependent Variable: Employee engagement

transactional leadership style, laissez-faire leadership style and employee engagement. The correlation coefficient for transformational leadership style is 0.187, with a P value of 0.029 ($0.01 < 0.029 < 0.05$), indicating a positive and significant relationship between transformational leadership style and employee engagement at the 0.05 level or 95 percent confidence level. Similarly, the correlation coefficient of 0.202, with a P value of 0.018 ($0.01 < 0.018 < 0.05$), suggests that there is a positive and significant correlation or relationship between transactional leadership and employee engagement, rejecting the null hypotheses at the 0.05 level and 95% confidence level. Similarly,

the correlation coefficient of 0.242, with a P value of 0.004 ($0.01 > 0.004 < 0.05$), indicates a positive and significant correlation or relationship between the laissez-faire leadership style and employee engagement at the 0.01 level or 99% confidence level.

Regression analysis is utilized to assess the impact of employee engagement. *Table 8* demonstrates the multiple regression analysis of the variables where transformational leadership has a positive but nonsignificant influence on employee engagement, with a P value of 0.919. However, during the regression analysis employing the simple linear regression

model, a positive and significant effect was observed at the 0.05 level, with a P value of 0.029 ($0.01 < 0.029 < 0.05$). Similarly, transactional leadership has a positive and nonsignificant impact on employee engagement, with a P value of 0.139. This result is also different when a simple linear regression model was used, where positive and significant results were observed. Similarly, the multiple regression model shows that laissez-faire leadership has a positive and significant relationship with employee engagement, with a P value of 0.04 ($0.01 > 0.006 < 0.05$), rejecting the null hypotheses at the 0.01 level or 99 percent confidence level. The regression value for laissez-faire leadership of 0.232 suggests that adopting laissez-faire leadership changes the result of employee engagement by 23.2%, which means that adopting the laissez-faire leadership style in a company increases employee engagement. In this table, a P value of 0.003b indicates that the model is fit to reject the null hypothesis at the 0.05 level or 95% confidence level. Similarly, the adjustment R square in the table indicates the proportion of variables for which 7.7% of the variation in employee engagement is attributed to transformational leadership. The results regarding laissez-faire leadership also differ when a simple linear regression model is used. The evidence of the variables utilizing a simple linear regression model is presented in Appendices 1-3.

6. Findings and discussion

Determining the relationships among and impacts of various dimensions of leadership style, such as transformational leadership style, transactional leadership style, laissez-faire leadership style and employee engagement, on construction companies is the key objective of this research. The study

also attempts to assess potential variations in these leadership variables across different age groups among the targeted employees. The research specifically focuses on employees within construction companies located in the Bhaktapur district. On the basis of the data analysis, the findings of the study are shown below:

- The perception of transformational leadership styles among employees in construction companies in the Bhaktapur district does not seem to differ significantly based on age, with a p value of 0.077, slightly exceeding the significance level of 0.05.
- The comparison of transactional leadership styles between the two age groups does not reveal any significant differences, with a p value of 0.568, indicating no substantial departure from the significance level of 0.05.
- The perception of laissez-faire leadership among employees below and above 30 years of age within construction companies in the Bhaktapur district does not exhibit significant discrepancies, given a p value of 0.248, slightly surpassing the customary significance level of 0.05.
- A notable divergence in the perception of employee engagement between age groups younger and older than 30 years is not discernible among employees within construction companies in the Bhaktapur district, as indicated by a p value of 0.121, which slightly exceeds the customary significance level of 0.05.
- The relationships among transformational leadership, transactional lead-

ership and employee engagement are positive and significant at the 0.05 level or at the 95% confidence level, with correlation coefficients of 0.029 and 0.018, respectively. Likewise, the relationships between laissez-faire leadership and employee engagement are positive and significant at the 0.01 level or at the 99% confidence level.

- Using the multiple regression model, the analysis revealed that both transformational leadership and transactional leadership have a positive but statistically insignificant effect on employee engagement. However, utilizing the simple linear regression model, the impact of both transformational and transactional leadership is found to be positive and significant at the 0.05 level or at the 95% confidence level, which means that an increase in both leadership styles tends to increase employee engagement. Similarly, the impact of laissez-faire leadership is positive and significant at the 0.01 level or at the 99% confidence level, which implies that an increase in laissez-faire leadership tends to increase employee engagement.

This research aimed to determine what factors affect employee engagement, focusing on leadership styles such as transformational, transactional and laissez-faire styles. The effect is analysed based on the age group of the employees. The analysis demonstrates that all variables have a positive and significant relationship with employee engagement. This positive association signifies that the implementation of transformational, transactional and laissez-faire leadership styles tends to increase employee engagement in the context of construction companies operating

within Bhaktapur. When employees perceive leaders as supportive, confident, and inspirational, they are likely to engage with the organization. This finding aligns harmoniously with earlier research (Ismail, Arumugan, Kadir & Alhusani, 2021; Thanh & Quang, 2022). Researchers have concluded that transformational leaders cultivate a positive atmosphere, emphasizing transformative leaders' aspiration to inspire subordinates and exemplify role models, recognizing diverse individual requirements, needs, abilities, and desires that lead to increased performance of employees in an organization. Similarly, the relationship between transactional leadership and employee engagement is found to be positive in this study because leaders provide support in exchange for employees' effort, and direct employees' attention to failure leads to desirable outcomes and recognition of employee performance. This result is similar to the results of Ismail, Arumugan, Kadir and Alhusani (2021), who reported that leaders prioritizing problems, accusation, and faults tend to be reactive and responsive, managing and resolving issues effectively and becoming complacent in fulfilling the minimum requirements of employees to build the confidence of employees toward the job, which leads to greater engagement at work. However, this finding contradicts the results of other researchers showing that employees' expectations of receiving recognition or compensation, possibilities or reinforcement and punishment associated with meeting or falling leadership tasks potentially lead to forward lowering of work engagement under transactional leadership (Thanh & Quang, 2022). Similarly, in this study, laissez-fair leadership has a positive and significant influence on employee engagement because employees are allowed to make their own decision to manage work

because of the hands-off nature of leaders, which energizes employees to actively engage in an organization. This result aligns with the context of Vietnam's public sector, where employees demonstrate a sustained level of engagement because employees' associated autonomy in decision making is less direct to leaders (Thanh & Quang, 2022). However, the findings of this study regarding laissez-faire leadership contradict those of (Ismail, Arumugan, Kadie & Alhusani, 2021). Researchers have observed that leaders who prioritize only important things and necessities without expecting additional demand and who are complacent to any employee lead to lower commitment to job performance or work.

7. Conclusion

This research study attempts to scrutinize the factors affecting employee engagement within construction companies in the Bhaktapur district. It concentrates on three dimensions of leadership styles—transformational, transactional and laissez-faire—aiming to understand the impact of these styles on employee engagement. Furthermore, the study intends to analyse how these leadership styles differ across different age groups among employees. In this regard, both age groups have similar perceptions regarding employee engagement, commitment, dedication and enthusiasm, considering transformational, transactional and laissez-faire leadership styles as key determinants. Data collection involved structured questionnaires, and analysis involved statistical measures such as frequency, mean, standard deviation, correlation, and regression analysis.

The analysis leads to the conclusion that a transformational leadership style fosters a supportive work environment in

which employees feel inspired, valued, energized, empowered, and dedicated to contributing more to achieving common goals within construction companies in the Bhaktapur district. This finding suggests that the implementation of a transformational leadership style increases employee engagement in a given context. Similarly, if the leader is a directive who provides clear guidelines and directs employees' attention towards failure to meet standards and furnishes support in exchange for employee efforts, this directive tends to motivate employees to perform jobs effectively and efficiently to meet the target of objectives. This finding implies that the application of transactional leadership tends to increase employee engagement in construction companies. Furthermore, the results of the analysis show that adopting a laissez-faire leadership style in construction companies leads to increased employee commitment and engagement because the hands-off nature of leaders allows employees to view employees on their own and make decisions without the direction of leaders, which improves the innovation and creativity of employees and motivates them to be motivated and enthusiastic. In summary, this study demonstrates the essential role that leadership plays in modelling organizational culture and effectiveness, promoting the adoption of such innovative and supportive leadership strategies to cultivate a vibrant, committed and engaged workforce within the construction sector in Bhaktapur.

8. Implications of the study

The results of this research study have significant implications for business organizations pursuing the aim of improving

engagement. By acknowledging the robust connection between employee engagement and dimensions of leadership style, such as transformational, transactional and laissez-faire leadership styles, organizations can strategically use this approach to increase employees' commitment, devotion, creativity, dedication and effort toward the job. The findings and conclusions drawn from this study can help to cultivate a more engaged workforce not only within the construction sector but also within other sectors, such as manufacturing, services and project management. The findings of the study can help managers inspire, motivate, empower, energize and stimulate employees within the workplace. This study revealed that laissez-faire leadership style is one of the key determinants that leads to increased employee engagement even though it has been considered a demotivating factor by other previous researchers; thus, managers can use this approach in environments where employees do not require more guidance and direction, which enhances employees' creativity, novelty, innovation and organizational productivity.

9. Limitations and directions for future research

The current research has focused on examining the expression of leadership styles, particularly concentrating on three

dimensions, transformational leadership, transactional leadership and laissez-faire leadership, within a construction company in the Bhaktapur district. This study focused on the involvement of lower-level employees working on construction companies; therefore, there remains a gap in understanding leadership dynamics across different organizations and management levels. Therefore, future researchers should attempt to explore leadership dynamics across a diverse array of organizations and managerial hierarchies beyond those in the construction sector in Bhaktapur district. Likewise, the research employed only a quantitative approach through the use of questionnaires for data collection. In the future, researchers can use both qualitative and quantitative approaches to obtain a more comprehensive understanding of the phenomenon being studied. The questionnaire used in the study was unable to collect detailed or relevant information regarding employee engagement due to the use of closed-ended questions and a limited set of questions. Incorporating open-ended questions in surveys and broadening the range of inquiries could yield more intricate and pertinent insights. Similarly, the study was conducted with a small sample size, which could compromise the reliability of the findings. Therefore, it is imperative for forthcoming studies to prioritize enlarging the sample size to bolster the reliability and applicability of the findings.

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Appendices

Appendix 1

Regression result

Coefficients ^a	Unstandardized		t	Sig.	F	Sig.	Adjusted R Square
	B	Std. Error					
(Constant)	2.335	0.234	10.000	0.001			
TFL	0.159	0.072	2.214	0.029	4.900	.029	0.028

a Dependent Variable: Employee engagement

Appendix 2

Regression result

Coefficients ^a	Unstandardized		t	Sig.	F	Sig.	Adjusted R Square
	B	Std. Error					
(Constant)	2.217	0.265	8.37	0.001			
TSL	0.195	0.081	2.395	0.018	5.734	.018	0.034

a Dependent Variable: Employee engagement

Appendix 3

Regression result

Coefficients ^a	Unstandardized		t	Sig.	F	Sig.	Adjusted R Square
	B	Std. Error					
(Constant)	2.254	0.208	10.822	0.001			
LFL	0.232	0.08	2.895	0.004	8.382	.004	0.051

a Dependent Variable: Employee engagement