

Predicting Employee Engagement:  
An Exploration of the Roles of Transformational Leadership,  
Power Distance Orientation, Psychological Collectivism,  
and Psychological Empowerment in Korean Organizations

A DISSERTATION  
SUBMITTED TO THE FACULTY OF THE GRADUATE SCHOOL  
OF THE UNIVERSITY OF MINNESOTA  
BY

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IN PARTIAL FUFILLMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF  
DOCTOR OF PHILOSOPHY

Dr. Shari Petersen, Advisor

December, 2015

## ACKNOWLEDGEMENTS

*Thanks God for being with me and my family.*

*“Put out into deep water, and let down the nets for a catch.” (Luke 5:4)*  
*“The heart of man plans his way, but the Lord establishes his steps.” (Proverbs 16:11).*

In the journey of entire my life and career, completing this dissertation is certainly an important milestone. Many people helped me complete this dissertation.

I would like to express my deepest gratitude to my adviser, Dr. Shari Peterson. With her invaluable guidance as well as constant support, encouragement, consideration, and help, I have been able to go through all the challenges that I have faced. She helped me improve all aspects of this dissertation through her precious input. I am particularly thankful for her carefully reading and commenting on my dissertation. It was an honor and a privilege to work with her, and I am forever grateful.

My sincere gratitude also goes to my dissertation committee members Dr. Alexandre Ardichvili, Dr. Louis Quast, and Dr. David A. Christesen. I would like to thank them for their constructive comments and feedbacks for my dissertation.

I would like to thank Pastor Tom Kramer and his wife, Lois Kramer, for their continuous prayer and fellowship for me and my family.

I am also thankful to my family. My beloved parents, sisters, and brother have given me their enduring love for which my mere expression of thanks does not suffice. I am also very grateful to my parents-in-law for their profound understanding and support.

Finally, I would like to express great gratitude to my beloved wife, Ena Park for her love, patience, and enduring support for me. She is my soul mate and she has always believed in me more than I believed in myself. She has sacrificed much of her life to

support me and our children. She has been always by my side in times of pain as well as joy. Without her patience and support, I would never have been able to complete this journey. I wish that I can support her forever in my life, just in the way you have supported me. I also thank my two lovely princesses, Yerin and Chaerin, who are the most precious gifts from God in my life. Thanks for your trust and love toward your dad as well as giving me joy and inspiration whenever I needed it. I could not imagine how I could live a day without my wife and my girls.

## DEDICATION

This work is dedicated to  
my beloved wife, Ena Park and two daughters, Yerin and Chaerin  
for their love, understanding, patience, and  
continuous encouragement

## ABSTRACT

The purpose of this study was to determine whether the characteristics of transformational leaders influence employee engagement in their jobs within Korean cultural values. To do so, this study first examined the relationship between transformational leadership and employee engagement with data from Korean companies. Then the study investigated whether Korean cultural values, such as power distance orientation and psychological collectivism, moderate the relationship between transformational leadership and employee engagement. In addition, the study examined the effects of transformational leadership on employee engagement, as mediated by psychological empowerment. In sum, the study found a relationship between transformational leadership and employee engagement, and the extent to which this relationship was influenced by (a) power distance, (b) psychological collectivism, and (c) psychological empowerment.

Data from a survey were collected and analyzed from 265 employees with at least one year of experience in Korean for-profit organizations in South Korea. The survey instrument was developed by adopting measurement instruments used in previous studies. Statistical techniques including moderated multiple regression, and structural equation modeling were mainly used to test the seven hypotheses. A series of confirmatory factor analyses was also conducted to test the construct validity of the measurement model for the latent variables.

The findings of this study indicated that transformational leadership and psychological collectivism positively predicted employee engagement. In addition, psychological empowerment fully mediated the influence of transformational leadership

on employee engagement. However, power distance orientation did not significantly affect employee engagement, and both power distance orientation and psychological collectivism did not moderate the relationship between transformational leadership and employee engagement.

The findings of this study could provide the conceptual basis for specific programs and HR interventions that are designed to promote employee engagement, transformational leadership, and psychological empowerment in organizations. Implications from both theoretical and practical standpoints were discussed and several recommendations for future research were presented as well.

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## **CHAPTER 1**

### **INTRODUCTION**

One of the primary challenges for Human Resource researchers and practitioners today is how to motivate employees to be willingly engaged in their roles so they can successfully achieve the organizational goals and perform better (Alagaraja, & Shuck, 2015; Albrecht, Bakker, Gruman, Macey, & Saks, 2015; Gupta & Shaw, 2014; Vidyarthi, Anand, & Liden, 2014). Prior empirical research has shown that engagement positively relates to many beneficial organizational outcomes such as organizational performance, productivity, and profitability (e.g., Agarwal, 2014; Bae, Song, Park, & Kim, 2013; Harter, Schmidt, & Hayes, 2002; Rayton & Yalabik, 2014; Sibanda, Muchena, & Noube, 2014; Thirapatsakun, Chanongkorn, & Mechinda, 2014), and is an important source of competitive advantage (Shuck, Twyford, Reio, & Shuck, 2014; Shuck & Wollard, 2010). Due to the effectiveness of employee engagement, research on employee engagement has become an increasingly popular topic since Kahn's initial study in 1990 (e.g., Harter et al., 2002; Macey & Schneider, 2008; Oswick, 2015; Rich, Lepine, & Crawford, 2010; Shuck, 2013).

Along with employee engagement, many scholars have taken great interest in the area of leadership. Since the "Great Man Theory" in the 1840s, millions of studies have focused on leadership. These studies have provided a broad range of explanations in terms of how leadership positively impacts the motivation, thinking, behaviors, and performance of employees (e.g., Avolio, Reichard, Hannah, Walumbwa, & Chan, 2009; Bass, 1985, 1997; Jung & Avolio, 1999; Kim, 2013; Podsakoff, MacKenzie, Morrman, & Fetter, 1990; Walumbwa & Lawler, 2003). Due to the importance of leadership, most

organizations have invested the largest percentage of their training and development budget in leadership development (Ardichvili & Manderscheid, 2008). Of the research on leadership over the past three decades, transformational leadership has gained the most attention from the academic community, and has been used widely in organizational leadership development across the globe (Avolio & Gardner, 2005; Bass, 1997) because of its positive impact on individuals, groups, and whole organizations (e.g., Gillet & Vandenberghe, 2014; Joo & Lim, 2013; Howell & Avolio, 1993; Yukl, 1999, 2002; Zhang, Avery, Bergsteiner, & More, 2014).

Despite the importance of transformational leadership, there has been little emphasis on the mechanisms through which transformational leaders influences their followers' motivation and performance (Yukl, 1998; Zhang et al., 2014). Clearly, because there are relatively few studies related to these mechanisms showing how transformational leadership influences work attitudes like employee engagement, there needs to be greater attention given to this area to develop a further understanding of the inner workings of transformational leadership.

### **Statement of the Problem**

Prior research on employee engagement and transformational leadership has offered valuable knowledge and insights in this area. However, there are still some important unanswered questions. First, although numerous studies have indicated that engagement is an important factor impacting employees' performance in their organizations, extant research and perspectives on engagement have focused primarily on many beneficial organizational outcomes (e.g., Harter et al., 2002; Rich et al., 2010;

Schwartz, 2011; Shuck & Wollard, 2010). Although engagement research on organizational performance is currently being conducted (e.g., Agarwal, 2014; Bae et al., 2013; Rayton & Yalabik, 2014; Sibanda et al., 2014; Thirapatsakun et al., 2014), recent studies have focused on engagement as a mediating or moderating factor toward organizational performance such as innovative work behaviors, turnover intent, organizational citizenship behavior, and deviant behaviors (e.g., Kim, 2013; Park, Song, Yoon, & Kim, 2014; Shantz, Alfes, Truss, & Soane, 2013; Shuck et al., 2014). Some research has also focused on the relationship between various leadership styles and engagement (e.g., Ghadi, Fernando, & Caputi, 2013; Shuck & Reio, 2014; Soieb, Otheman, & D'Silva, 2013; Zhang et al., 2014), and dealt with the antecedents of engagement such as job resources, coworker support, and supervisor support (e.g., Menguc, Auh, Fisher, & Haddad, 2013; Sarti, 2014). In addition, other studies have dealt with building and reframing the conceptual model (e.g., De Clercq, Bouckennooghe, Raja, & Matsyborska, 2014; Rana, Ardichvili, & Tkachenko, 2014; Shuck, 2013; Shuck & Rose, 2013; Valentin, 2014). These previous studies have discovered that leaders play a critical role in influencing followers' thoughts, attitudes, and behaviors by spending time with the followers in the workplace and thereby helping the followers successfully achieve the organization's goals (Bass, 1985, 1990; Burn, 1978; Howell & Avolio, 1993; Kark, Shamir, & Chen, 2003; Podsakoff et al., 1990). Although there has been much independent research on employee engagement and transformational leadership with various organizational outcomes, relatively little research has been done on the relationship between transformational leadership and employee engagement.

Another unanswered question is related to cultural value orientation. Culture has been widely used in the research to determine the effects on organizational outcomes, leadership, and employee behaviors (e.g., McLean & McLean, 2001; Peterson, 1997; Kuchinke, 1999). Triandis (1995) maintained that individuals' cultural value orientation can vary by culture. In this sense, individual perceptions of cultural values as a potential predictor of employee behaviors and organization performance have been examined and been given considerable attention. Kirkman, Chen, Farh, Chen, and Lowe (2009) revealed how leaders' behaviors interact with employees' cultural value orientations to influence followers' attitudes, mindset, and behaviors. Nevertheless, little is known about the influences of cultural value orientations on employee engagement. Specifically, there has been no research on how Korean cultural values in organizations (e.g., power distance orientation and psychological collectivism) function in the relationship between transformational leadership and employee engagement.

The last unanswered question relates to the relationship between the individual perception of empowerment and engagement in an organization but little research has been conducted on this relationship. Extant research on engagement has examined the impact of antecedents of engagement including diverse factors ranging from the individual level to the organizational level. These studies have examined numerous antecedents including three psychological conditions (meaningfulness, safety, and availability), an individual's personality, race, gender, self-esteem, job design, task variety, task identity, procedural justice, rewards and recognition, and coworker relations (e.g., Avery, McKay, & Wilson, 2007; Avolio, Gardner, Walumbwa, Luthans, & May,

2004; Kahn, 1990, 1992; May, Gilson, & Harter, 2004; Rich et al., 2010; Saks, 2006). Psychological empowerment has been defined as a set of psychological states that are necessary for individuals to feel in control with regard to their work (Joo & Lim, 2013; Spreitzer, 1995; Thorlakson & Murray, 1996), and has been considered a critical factor that influences employees' behaviors, attitudes, and decision making (Spreitzer, 1995, 1996). However, despite the importance of empowerment, little research has examined the extent to which psychological empowerment influences the relationship between transformational leadership and employee engagement.

### **Purpose of the Study and Research Questions**

The purpose of this study was to determine whether a transformational leader's characteristics influence employee engagement in their jobs within Korean cultural values. To do this, this study first examined the relationship between transformational leadership and employee engagement with data from Korean companies. Specifically, the study investigated whether Korean cultural values, such as power distance orientation and psychological collectivism, moderate the relationship between transformational leadership and employee engagement. In addition, the study examined the effects of transformational leadership on employee engagement, as mediated by psychological empowerment. In sum, the study addressed the larger questions: "What is the relationship between transformational leadership and employee engagement?; To what extent is that relationship influenced by (a) power distance, (b) psychological collectivism, and (c) psychological empowerment." The five narrowed research questions were as follows:

1. What is the relationship between transformational leadership and employee engagement?
2. Is the relationship between transformational leadership and employee engagement influenced by power distance orientation?
3. Is the relationship between transformational leadership and employee engagement influenced by psychological collectivism?
4. What is the relationship between psychological empowerment and employee engagement?
5. Is the relationship between transformational leadership and employee engagement mediated by psychological empowerment?

### **Significance of the Study**

This paper extends the current research on transformational leadership and employee engagement. In particular, it aims to explore the effect of transformational leadership on employee engagement offering both theoretical and practical implications. Theoretically, this study proposes a theoretical relationship between transformational leadership and employee engagement that has been largely ignored. This research is also the first attempt to use data from Korea regarding transformational leadership and employee engagement. This study suggests that transformational leadership is one of the critical ways to encourage employees to become engaged in their organizations even during the long economic downturn. In creating a model of the relationship between transformational leadership and employee engagement, this study further draws on the

concept of psychological empowerment to explain a potential mediating effect on the relationship of the two factors.

In addition, this study is a new attempt to apply Korean cultural values, such as power distance orientation and psychological collectivism, to the relationship between transformational leadership and employee engagement. In particular, it explores two potential critical moderators (power distance orientation and psychological collectivism) in the relationship between transformational leadership and employee engagement. Power distance orientation and psychological collectivism deal with individuals' beliefs and feelings about status within organizations (Triandis, 1994). The study examines if these two factors, such as power distance orientation and psychological collectivism, moderate the relationship between transformational leadership and employee engagement. This contributes to future research such as the relationship between other leadership models and employees' behaviors within an Asian, and particularly a Korean context.

Lastly, the study offers significant implications for the practice. The answers to the research questions in this paper may suggest a direction of the types of characteristics a leader need to develop to become an effective leader in the organization, especially in a society like Korea with culture of collectivism and strong power distance. Since leadership development is one of the most important themes in the organization, practitioners need to pay closer attention to intervention programs so employee can learn the features of transformational leadership, to foster competent managers. HR practitioners can also use the characteristics of transformational leadership as evaluation criteria based on such traits for selecting and promoting individuals for upper-level

managerial positions. These individuals are more likely to become transformational leaders and motivate employees to become more engaged in their workplaces. Additionally, if the research reveals that psychological empowerment plays a critical role between transformational leaders and engagement, practitioners at work can better acknowledge the direction to take and create programs or interventions to help employees feel high psychological empowerment resulting in probably becoming more engaged.

### **Definitions of Key Terms**

The following terms and definitions are used in the study. A brief description of each term is provided below, with extended reviews included in subsequent chapters.

#### **Employee Engagement**

Shuck and Wollard (2010) identified engagement as, “an individual employee’s cognitive, emotional, and behavioral state directed toward desired organizational outcomes” (p. 103). This definition is in line with the notion that Kahn (1990) first proposed: Engaged people “employ and express themselves physically, cognitively, and emotionally during role performances,” while disengaged people “withdraw and defend themselves physically, cognitively, or emotionally during role performances” (p. 694).

#### **Meaningfulness**

Kahn (1990) defined meaningfulness as the positive “sense of return on investments of self in role performance” (p. 705). Employees can feel meaningfulness when they believe that they can add value and significance to their organizations (Kahn, 1990; Shuck, Reio, & Rocco, 2011).

#### **Safety**

Kahn (1990) identified safety as the ability to show one's self "without fear or negative consequences to self-image, status, or career" (p. 705). He posited that employees needed to trust their working environment in ways that allow employees to be their authentic selves at work as well as reasonably understand what is expected of them when they are working (Fleming & Asplund, 2007; Harter et al., 2002).

### **Availability**

Kahn (1990) defined availability as the "sense of possessing the physical, emotional, and psychological resources necessary" for completing their work (p. 705). Employees expect that they can obtain the tools and resources which they need to complete their work. These include tangible tools and resources such as supplies, sufficient budget, and manpower (Harter et al., 2002) and intangible tools and resources such as opportunities for learning and skill development, a reasonable degree of job fit, and commitment to the organization (Czarnowsky, 2008; Meyer & Allen, 1997).

### **Transformational Leadership**

Bass (1990) indicated that transformational leadership is evident when leaders expand their followers' interests, when they create awareness and acceptance of the purposes and mission of the group, and when they inspire their followers to look beyond their own self-interests and look more at the group goals. Podsakoff et al. (1990) described a transformational leader as having six unique behavior features: articulating a vision, providing a model, communicating high performance expectations, providing individual support, fostering acceptance of group goals, and providing intellectual stimulation.

## **Culture**

Hofstede (1980) identified culture as “the collective programming of the mind which distinguishes the members of one human group from another” (p. 21). House and Javidan (2004) defined it as “commonly experienced language, ideological belief systems (including religion and political belief systems), ethnic heritage, and history” (p. 15).

## **Power Distance Orientation**

Power distance is the extent to which an individual accepts the unequal distribution of power in institutions and organizations (Hofstede, 1980, 2001). In a somewhat different position from the term power distance, prior scholars differentiated the term power distance orientation to identify an individual-level construct (e.g., Earley & Erez, 1997; Kirkman et al., 2009).

## **Psychological Collectivism**

Collectivism “is characterized by a tight social framework in which people distinguish between in-groups and out-groups, they expect their in-group to look after them, and in exchange for that they feel they owe absolute loyalty to it” (Hofstede, 1980, p.45). Triandis, Leung, Villareal, and Clack (1985), for instance, maintained that both individualism-collectivism could be viewed as psychological facets that correspond to constructs at the cultural level. Like Triandis et al. (1985), this paper casts collectivism as an individual difference, using the term psychological collectivism, as an individual-level construct.

## **Psychological Empowerment**

Thomas and Velthouse (1990) conceptualized psychological empowerment as an experienced psychological state or set of cognitions residing within individuals, reflecting an active orientation towards a work role. Based on Thomas and Velthouse (1990), Spreitzer (1995) later developed the conception of psychological empowerment as a process or psychological state manifested in four-cognitive dimensions: competence (a sense of feeling that one's work is personally important), meaning (self-efficacy, or belief in one's ability to successfully perform tasks), self-determination (perceptions of freedom to choose how to initiate and carry out tasks), and impact (the degree to which one views one's behaviors as making a difference in work outcomes).

### **Work Group and Work Team**

In Korea, the words “group” and “team” are, for the most part, interchangeable - at least most people use them that way. Despite this, there might be distinct differences between groups and teams. In the business world, according to Park (2007) a work team has members who work interdependently on a specific, common goal to produce an end result for their business. A work group is two or more individuals who are interdependent in their accomplishments and may or may not work in the same department. A work team is much more formal, with a focused goal and objective, while also having its members take a participative role in how the work team functions. On the other end of the scale, we have work groups who work more independently of each other and usually have one leader directing work flow (Park, 2007) .

### **Summary and Overview of Remaining Chapters**

Employee engagement is an important source of competitive advantage (Shuck et al., 2014; Shuck & Wollard, 2010). Specifically, employee engagement had a positive relation with many beneficial organizational outcomes such as organizational performance, productivity, and profitability (e.g., Agarwal, 2014; Bae et al, 2013; Sibanda et al., 2014; Thirapatsakun et al., 2014). Along with employee engagement, transformational leadership also had a positive impact on individuals, groups, and whole organizations (e.g., Gillet & Vandenberghe, 2014; Joo & Lim, 2013; Howell & Avolio, 1993; Yukl, 1999, 2002; Zhang et al., 2014). Although prior research has offered valuable knowledge and insights on employee engagement and transformational leadership, there are still some important unanswered questions. Therefore, the aim of this study was to determine whether the characteristics of transformational leaders influence employee engagement in their jobs within Korean cultural values. To do so, this study first examined the relationship between transformational leadership and employee engagement with data from Korean companies. Next, the study investigated whether Korean cultural values, such as power distance orientation and psychological collectivism, moderate the relationship between transformational leadership and employee engagement. Finally, the study examined the effects of transformational leadership on employee engagement, as mediated by psychological empowerment.

Chapter 2 provides a comprehensive review of the literature on employee engagement, transformational leadership, Korean cultural values, and psychological empowerment used in this study. In addition, the next chapter more explicitly draws together previously outlined evidence to create specific hypotheses. Next, Chapter 3

explains the research methods and procedures used in this study and then Chapter 4 shows the results of the data analysis. Finally, in Chapter 5, I discuss the findings presented in the previous chapter and also provide theoretical and practical implications from the findings, limitations, and directions for future research.

## **CHAPTER 2**

### **LITERATURE REVIEW**

The purpose of this study was to find out whether a transformational leader's characteristics influence employee engagement in their jobs within Korean cultural values. To do this, this study first examined the relationship between transformational leadership and employee engagement with data from Korean companies. Next, the study investigated whether Korean cultural values, such as power distance orientation and psychological collectivism, moderate the relationship between transformational leadership and employee engagement. Finally, the study examined the effects of transformational leadership on employee engagement, as mediated by psychological empowerment.

The integrated literature review method (Torraco, 2005) was chosen as the primary angle to synthesize diverse streams of literature. Many publications, including journal articles, books, book chapters, and even consulting reports were comprehensively reviewed to examine the definitions, core concepts, and specific features in terms of employee engagement, transformational leadership, power distance orientation, psychological collectivism, and psychological empowerment.

To conduct broad, scholarly, and multidisciplinary research, I searched the fields of human resource, human resource development, management, psychology, sociology, and health care using multiple database sources (e.g., EBSCO Academic Search Premier, Business Source Premier, ERIC, JSTOR, PsychInfo, Google Scholar, ABI/Inform, Proquest, Jstor, the Academy of Management database, and all four Academy of Human

Resource Development Journals). Key descriptors and keywords were used independently to cast a wide net over existing literature. The keywords included engagement, personal engagement, employee engagement, work engagement, job engagement, leadership, leadership theory, leadership model, leadership history, evolution of leadership, transformational leadership, transformative leadership, behavioral leadership theory, contingency model, situational leadership, attribution theory, charismatic leadership theory, social exchange theory, culture, culture dimension, culture value, Korea culture value, collectivism, psychological collectivism, power distance, power distance orientation, empowerment, and psychological empowerment.

The units of literature were first sorted into several categories. All of the articles were screened for relevance by reviewing each abstract (Torraco, 2005), and then were thoroughly investigated to examine appropriate content. Next, the literature section was reviewed in the following categories: employee engagement, transformational leadership, culture values such as power distance orientation and psychological collectivism, and psychological empowerment. Finally, the hypotheses were formulated based on the literature review.

### **Employee Engagement**

Since Kahn's (1990) initial study, many researchers have focused on developing the conceptualization of engagement which has led to a slightly different set of concepts and contexts in the definitions of engagement (Zigarmi, Nimon, Houson, Witt, & Diehl, 2009). Each definition has contained somewhat different concepts and contexts, but each

one has developed and evolved clearly and concisely. This section explores three main stream of employee engagement literature.

### **Three Main Streams of Study on Employee Engagement**

The first main stream of engagement studies is based on Kahn's approach. Kahn (1990) is widely credited with the first application and use of engagement theory in the workplace in his article "Psychological Conditions of Personal Engagement and Disengagement at Work," which appeared in the *Academy of Management Journal*. In his study, Kahn interviewed 32 employees, 16 summer camp counselors, and 16 financial professionals, and defined engagement by dividing employees into two groups: 1) engaged people "employ and express themselves physically, cognitively, and emotionally during role performances" (p. 694), and 2) disengaged people "withdraw and defend themselves physically, cognitively, or emotionally during role performances" (p. 694). Kahn (1990) suggested three psychological conditions including meaningfulness, safety, and availability. He maintained that these conditions were important to fully understand why a person would become engaged in his or her work. (See later sections for a more detailed explanation of these conditions). May et al.'s (2004) study was the first study to empirically test Kahn's three psychological conditions. Using a sample of 203 employees from a large insurance firm, the results indicated that engagement had a positive relation to meaningfulness ( $r = .63$ ), safety ( $r = .45$ ), and availability ( $r = .29$ ). Additionally, Rich et al. (2010) identified job engagement as a "multidimensional motivational concept reflecting the simultaneous investment of an individual's physical, cognitive, and emotional energy in active, full work performance" (p. 619). They stated that engagement

involves investing one's hand, head, and heart (physical, cognitive, and emotional energy, respectively) during the performance of a role (Ashforth & Humphrey, 1995).

Another research stream is the study on engagement as the antithesis to burnout. Many researchers focusing on burnout have considered engagement to be the opposite concept to the negative state of burnout (e.g., Maslach & Leiter, 2008; Maslach, Schaufeli, & Leiter, 2001; Saks, 2006; Schaufeli & Bakker, 2004). Maslach et al. (2001), a decade after Kahn's (1990) study, began to study why employees experienced job burnout. They also conceptualized employee engagement as a positive and opposite concept to burnout and defined employee engagement as "a persistent, positive affective-motivational state of fulfillment in employees that is characterized by high levels of activation and pleasure" (p. 417). Burnout was theorized to be the erosion of engagement (Maslach et al., 2001). Thus, engagement was treated as the reverse of scores on the Maslach Burnout Inventory (Maslach & Leiter, 1997) as it was thought that anyone who was not experiencing burnout must be engaged. Schaufeli and Bakker (2004) also identified burnout and engagement as two different independent, but interrelated constructs. They defined work engagement as "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (p. 74).

The last research stream emphasizes practitioner-focused research. A study by Harter et al. (2002) was one of the earliest practitioner-focused studies on engagement published in an academic journal. They used data from a meta-analysis of 7,939 business units across multiple industries. Harter, who was an industrial/organizational psychologist as well as a professional at Gallup Consulting, integrated his practical

experience and perspectives into this research with involvement, satisfaction, enthusiasm, and engagement. The definition of engagement by Harter et al. (2002) was identified as “the individual’s involvement and satisfaction with as well as enthusiasm for work” (p. 269). Since Harter et al.’s study, many practitioner-perspective studies have been published (e.g., Fleming & Asplund, 2007; Harter et al., 2002; Shuck & Wollard, 2010).

### **Psychological Condition of Employee Engagement**

According to Kahn (1990), individual differences are not enough to entirely explain whether employees engage or disengage in the workplace. To clearly explain why people become engaged in their work, Kahn conducted research on when employees experience engagement and disengagement. As a result, he proposed three psychological conditions (meaningfulness, safety, and availability) as antecedents for engagement. He concluded that whether employees are engaged or not is based on the degree to which these three psychological conditions are perceived.

Meaningfulness was defined as the positive “sense of return on investments of self in role performance” (Kahn, 1990, p. 705). Employees can feel meaningfulness when they believe that they can add value and significance to their organizations (Kahn, 1990; Shuck, Reio, & Rocco, 2011). Safety was defined as the ability to show one’s self “without fear or negative consequences to self-image, status, or career” (Kahn, 1990, p. 705). Kahn (1990) posited that employees needed to trust their working environment in ways that allowed employees to be their authentic selves at work as well as reasonably understand what was expected of them when they were working (Fleming & Asplund, 2007; Harter et al., 2002). Availability was defined as the “sense of possessing the

physical, emotional, and psychological resources necessary” for completing their work (Kahn, 1990, p. 705). Employees expect that they could obtain the tools and resources which they need to complete their work. These tools and resources include tangible ones such as supplies, sufficient budget, and manpower (Harter et al., 2002) and intangible ones such as opportunities for learning and skill development, a reasonable degree of job fit, and commitment to the organization (Czarnowsky, 2008; Meyer & Allen, 1997).

### **Antecedents and Consequences of Employee Engagement**

As mentioned earlier, Kahn (1990) proposed three psychological conditions, such as meaningfulness, safety, and availability, as antecedents for engagement. Beyond these, other antecedents of employee engagement include diverse factors ranging from an individual level to organizational level. These antecedents include an individual’s personality, race, gender, self-evaluation, self- efficacy, self- esteem, optimism, job design, perceived organizational support, task variety, task identity, task significance, task autonomy, procedural justice, rewards and recognition, coworker relations, organizational value, and various types of leadership (e.g., Avery et al., 2007; Avolio et al., 2004; Bailey, Madden, Alfes, & Fletcher, 2015; Jones & Harter, 2005; Kumar, & Pansari, 2015; Rich et al., 2010; Saks, 2006). For instance, according to Avery et al. (2007), when employees were highly satisfied with their similar aged coworkers, the engagement level increased. Jones and Harter (2005) also reported that racially diverse management-employee dyads showed higher intention to stay when engaged than the same-race management- employee dyads. Rich et al. (2010) and Saks (2006) proposed

that perceived organizational support has a positive relation with engagement, and perceived that the level of procedural justice also has a positive relation with engagement.

Contrary to the antecedents of engagement, there has been relatively less research about the consequences of engagement. Prior studies on the consequences of engagement indicated that employees' overall satisfaction, commitment, intention to stay, employee well-being, organizational citizenship behavior, customer satisfaction, customer loyalty, productivity, profitability, and financial returns are the main outcomes of engagement (e.g., Harter et al., 2002; Rich et al., 2010; Shuck & Reio, 2011; Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2009). For example, Harter et al.'s (2002) meta-analysis, which was based on 7,939 business units of 198,514 employees, proposed that engagement has a close relationship with customer satisfaction, productivity, profitability, and reduced turnover. Saks (2006), studying a sample of 102 employees, found that engagement has a positive relationship with job satisfaction, organizational commitment, and organizational citizenship behavior.

### **Distinguishing Employee Engagement from Existing Constructs**

Engagement is different from other existing constructs in organizational psychology, such as job satisfaction, organizational commitment, or job involvement (Maslach et al., 2001). Employee engagement is conceptually distinct from job satisfaction, organizational commitment, and job involvement based on the definitions and theoretical implications of these various constructs (e.g., Christian, Garza, & Slaughter, 2011; Kanungo, 1982; Mowday, 1998). Employee engagement is different from job satisfaction in that job satisfaction stands for satiation, whereas engagement

implies activation (Macey & Schneider, 2008). Furthermore, job satisfaction is an evaluative process, whereas engagement is a description of an individual's holistic experience resulting from the work (Christian et al., 2011). Organizational commitment, on the other hand, implies that the employee has an emotional attachment to the organization (Mowday, 1998). Thus, employee engagement is different from job commitment because employee engagement is more than just an evaluative process or an affective reaction to the work environment. According to Kahn (1990), engagement represents the holistic investment of one's full self into the work role, which involves cognitive, physical, and emotional investment. Christian et al. (2011) also maintained that organizational commitment is a facet of employee performance, suggesting that employee engagement is, indeed, a unique construct which is different from organizational commitment. As for job involvement, Macey and Schneider (2008) stated that job involvement is closely related to employee engagement, but still distinct from the full construct of employee engagement. Kanungo (1982) posited that job involvement is distinct from employee engagement in that job involvement refers to only cognitive states, whereas engagement encompasses cognitive, physical, and emotional experiences.

### **Measurement of Employee Engagement**

This section investigates three major instruments which have been used to measure engagement since the 1990s. These instruments are based on Kahn's (1990) initial concept of engagement (May et al., 2004; Rich et al., 2010; Saks, 2006), the Utrecht Work Engagement Scale (UWES) (Schaufeli, Bakker, & Salanova, 2006;

Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002), and the Gallup Q12 (Gallup Organization, 1993-1998).

May et al. (2004) modified the instrument based on Kahn's (1990) initial work. Their study identified the significant relationships among Kahn's personal engagement—the three psychological conditions (meaningfulness, safety, and availability)—and other hypothesized predictors of engagement such as job enrichment and work role fit. Their instrument has 24 items in three sub-dimensions (cognitive, emotional, and physical engagement) which measure psychological engagement. Their instrument was meaningful in that it reflected the original concept of engagement by Kahn (1990). Later, Saks (2006) also created an instrument for engagement to examine the antecedents and outcome variables of engagement. He measured the psychological presence of self in one's job engagement and organizational engagement using 11 items. More recently, Rich et al. (2010) developed the engagement instrument with an 18-item questionnaire (six items for each sub-dimension), which measure the preconditions of engagement: physical (e.g., "I devote a lot of energy to my job"), emotional (e.g., "I am enthusiastic in my job"), and cognitive engagement (e.g., "At work, I focus a great deal of attention on my job"). All items use a five-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree).

The Utrecht Work Engagement Scale (UWES), which was developed by occupational health psychologists as a self-report questionnaire, includes three constituting dimensions of work engagement: vigor, dedication, and absorption. Originally, the UWES included 24 items, but after a psychometric evaluation, seven

unsound items were eliminated so that three scales, a total 17 of items, remained (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002): vigor (six items), dedication (five items), and absorption (six items) scales. Subsequent psychometric analyses revealed another two weak items (item 6 in the scale of vigor and item 6 in the scale of absorption (see Schaufeli and Bakker, 2004), and hence, a 15-item version of the UWES was developed. Recently, a shorter 9-item version (three items for each sub dimension) of the UWES (UWES-9) was also developed (Schaufeli, Bakker, & Salanova, 2006), and it has been the most widely used engagement instrument not only in burnout and stress studies but also in human resources and organizational research (e.g., Salanova & Schaufeli, 2008; Schaufeli & Bakker 2004; Schaufeli et al., 2002; Schaufeli & Taris, 2005; Storm & Rothmann, 2003). The UWES items reflect three underlying dimensions, which are measured with three items each: vigor (e.g. “At my work, I feel bursting with energy”); dedication (e.g. “I am enthusiastic about my job”); and absorption (e.g. “I get carried away when I am working”). All items were scored on a 5-point frequency rating scale ranging from 1 (never) to 5 (always).

The Gallup Q12 with 12 items developed by Gallup (Gallup Organization, 1993-1998) has also been used to measure engagement, especially in the consulting industry. After hundreds of focus groups and thousands of interviews with employees in a variety of industries in terms of the validity and reliability of items, Gallup came up with Q12, a 12-question survey that identifies strong feelings of employee engagement. These Q12 items well reflect Kahn’s (1990) three psychological conditions (meaningfulness, safety, and availability) for promoting engagement (Avery et al., 2007), which are measured

with each item: meaningfulness (e.g., “Does the mission/purpose of your company make you feel your job is important?”); psychological safety (e.g., “In the last seven days, have you received recognition or praise for doing good work?”); availability (e.g., “Do you have the materials and equipment you need to do your work right?”). These items capture employee perceptions of these psychological conditions, thereby “measuring the extent to which employees are ‘engaged’ in their work” (Harter, Schmidt, Killham, & Asplund, 2006, p. 9). All items were used a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

### **Social Exchange Theory (SET) as a Theoretical Foundation**

SET is a theoretical foundation of employee engagement. According to Blau (1964), SET is a strong influential conceptual paradigm for understanding workplace behavior. Blau posited that the basic rule of SET refers to a reciprocal interaction, that the behaviors of one party create an action and response by the other party. Liden, Sparrowe, and Wayne (1997) also indicated that leader-follower relationship development in an organization begins with the initial interaction between the members of a dyad. Social exchange involves a series of interactions that generate obligations (Emerson, 1976). Reciprocity or repayment in kind is a fundamental behavior rule within a leader-follower relationship from the perspective of SET (Blau, 1964). If individual employees receive certain resources from an organization, they feel obliged to react and repay the organization (Liden et al., 1997). Kahn’s engagement model reflects SET’s basic mechanism well. When employees believe they can obtain all the necessary resources, such as knowledge, skills, their manager’s concern, and affective support from their

organizations, they feel obliged to immerse themselves more deeply in their jobs and workplaces as repayment for the resources provided, resulting in becoming more engaged in their jobs and workplaces (Macey & Schneider, 2008; Shuck & Wollard, 2010). From the perspective of SET, employees make a decision regarding the extent to which they will become engaged in response to the resources and support from their organizations (May et al., 2004; Saks, 2006).

### **Transformational Leadership**

Leadership has been an interesting topic for scholars and practitioners for over a century. Since the great man theory in the 1840s, millions of documents on leadership have been published. Many leadership theories have emerged and then faded out, but these theories have provided a broad range of explanations regarding leaders' impact on followers' motivation, thinking, behaviors, and performance (Avolio et al., 2009).

### **Leadership Theories from the Great Man to Transformational Leadership**

This section explores transformational leadership by investigating the main leadership theories, ranging from the great man theory to transformational leadership from a historical perspective. It provides readers with useful insights and an overview of the evolution of major leadership theories. This analysis is roughly divided into four periods: (a) the trait and behavioral leadership theory, (b) the contingency model and situational leadership theory, (c) the attribution theory and charismatic leadership theory, and (d) the transformational leadership theory.

#### **The period of trait and behavioral leadership: before the mid-1960s.**

In the initial period of studying leadership, the major theories were the great man theory, trait theory, and behavioral leadership theory. The great man theory by Carlyle (1841) and trait theory by Stogdill (1948) are similar in that they looked primarily at the characteristics of a leader. They proposed that successful leaders possess certain unique personality traits and individual characteristics that set them apart from ordinary followers. These two theories identified unique traits that effective leaders possess such as dominance, assertiveness, intelligence, physical stature, and social sensitivity (Carlyle, 1841; Stogdill, 1948).

Although individual differences are certainly important in identifying effective leaders, these theories have been criticized because the diverse situations in which leaders function were overlooked as a critical consideration of leadership effectiveness (Chemers, 2000).

The behavioral leadership theory was based on studies from Iowa (Lewin, Lippitt, & White, 1939), Ohio (Halpin & Winer, 1957), and Michigan (Likert, 1961), and the managerial grid model (Blake & Mouton, 1964), which initially sought to identify the patterns and effectiveness of leaders' behaviors. This leadership research used categories of behavior and leadership types. For instance, a study at the University of Iowa used an autocratic category (where staff simply did what they were told) and a democratic category (where staff had some say over what happened in their workplaces). A study at Ohio State University used two major clusters: (a) initiating structure (task) and (b) consideration for workers (relationships). A study at the University of Michigan also examined production-oriented (task-oriented) and employee orientated (relationship-

oriented) leaders. The managerial grid model used two similar dimensions of (a) concern for people (relationships) and (b) concern for production (tasks). Behavioral leadership researchers concluded that the most effective leaders incorporated both dimensions (i.e., both a high concern for people and a high concern for results) but paid the most attention to employees (Lussier & Achua, 2004; Blake & Mouton, 1964).

The behavioral approach to leadership provided better insights in understanding leadership effectiveness; however, it was criticized because a situation factor in determining the best leadership style was overlooked as a critical variable in identifying effective leaders (Lussier & Achua, 2004).

**The period of contingency model and situational leadership: the mid-1960s to the mid-1970s.**

In this period, the main theories were the contingency model and situational leadership.

The contingency model by Fiedler (1967) is a leadership approach based on the interaction between leadership style and situational favorableness. Fiedler's model assumed that personal leadership includes either a task-oriented or relationship-oriented style, and situational favorableness refers to three factors: leader-member relations, the task structure, and a leader's power position. Specifically, task-oriented leaders focus on completing the job. Relationship-oriented leaders put people first and emphasize employee creativity and teamwork. Leader-member relations refer to the level of confidence and trust which team members have in their leaders. Task structure describes how much the leader and followers understand about the task at hand. Finally, the

leader's power position refers to how much influence a leader brings to the situation. In this model, leadership effectiveness is the result of the interaction between the style of the leader and the characteristics of the situation in which the leader works. This model concluded that groups led by task-oriented leaders performed best in situations of high control and predictability or very low control and predictability, and groups led by relationship-oriented leaders performed best in situations of moderate control or predictability (Strube & Garcia, 1981).

Fiedler's model helped predict leadership effectiveness using an individual variable (leadership style) and organizational variable (situation favorableness). However, this model was weak because it was inflexible and ignored a leader's potential for adaptability either through training or personal style. In addition, this model only labeled a leader as task-oriented or relationship-oriented and did not allow for partial styles between a task-oriented and relationship-oriented leader (Yukl, 2002).

Situational leadership, which is under the umbrella of the contingency leadership model (Fiedler, 1967), argued that a leader's task behavior and relationship behavior interacted with subordinate maturity (a follower's competence and commitment to a given task) to significantly influence a leader's effectiveness (Hersey & Blanchard, 1969). The foundation of this leadership theory is that there is no single best style of leadership (Hersey & Blanchard, 1969). In other words, this theory acknowledges that different situations need different leadership actions (Ardichvili & Manderscheid, 2008). Specifically, the most successful leaders are those who adapt their leadership styles to the

maturity of the individuals or groups they are attempting to lead/influence (Hersey & Blanchard, 1969).

Situational leadership theory has been much cited in the academic literature as an important approach to leadership effectiveness (Northouse, 2007). Nevertheless, this leadership theory has been criticized in that it lacked an empirical foundation and validity of the approach (Yukl, 2002).

**The period of attribution theory and charismatic leadership: the mid-1970s to the mid-1980s.**

In this period, the major theories were the attribution theory and the theory of charismatic leadership. The attribution theory by Meindl, Ehrlich, and Dukerich (1985) proposed that employees have a general preference which overestimates the role of leadership in determining organization performance. This theory emphasizes the importance of a leader's role in an organization from the follower's perspective. Tsui, Zhang, Wang, Xin, and Wu (2006) asserted that most employees believe that leaders have tremendous responsibility for organizational outcomes. Similarly, Pfeffer (1981) pointed out that the leader's role is to create something meaningful, which encourages employees to maintain positive thoughts, attitudes, and feelings within the organization; hence, leaders critically influence organizational performance.

The attribution theory is meaningful in that it emphasizes the importance of a leader's role over any other factor in an organization. Nevertheless, this theory was criticized because the leader's role was overly emphasized (Kelley, 1973).

The charismatic leadership theory by Weber (1947) emphasizes a somewhat super-human attribute, or a gifted talent (Bass, 1985). This is a comprehensive theory in which a leader's traits, behaviors, influence, and situational factors combine to increase subordinates' receptivity to ideological appeals (Conger & Kanungo, 1987; House, 1977). To explain this leadership trait, Tucker (1968) proposed two types of charismatic leadership: the prophet, who excels in communicating a vision, and the activist, who exhibits exceptional practical leadership skills. House (1977) suggested three characteristics that charismatic leaders possess: a strong belief in the moral righteousness of one's beliefs, high levels of self-confidence, and a strong need to influence and dominate others. He also proposed that these leaders display unique behaviors such as dramatic goal articulation, are role models of desired attitudes, have high expectations of followers' performance, show confidence in their followers, and expect desired behavior like altruistic motives from their followers.

In the initial period of studying charismatic leadership, it was common to only describe charismatic leadership as a special personal characteristic, but recent research has focused on charismatic leadership as the relationship between leaders and followers and the influence on followers, instead of on unique characteristics that leaders possess (Klein & House, 1995).

### **The period of transformational leadership: after the mid-1980s.**

Since the late 1980s, transformational leadership has been the focus of the most significant research stream related to leadership (Bass & Riggio, 2006). The term transformational leadership was first coined by Burns (1978) in his book *Leadership*, and

later Bass (1985) popularized this concept. Burns (1978) identified transformational leadership as a process, in which a leader influences followers to transcend personal interests and become transformed into agents of collective achievement. Bass (1990) further noted that transformational leadership “occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their own self-interest for the good of the group” (p. 21). Bass and Avolio’s (1994) explanation has been the most acknowledged in academia. They identified transformational leadership as four unique but interrelated behaviors: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Many studies have maintained that transformational leaders show these unique behaviors to realign the followers’ values and norms, foster individual and organizational changes, and support followers to achieve performance that is beyond expectations (Bass, 1985; Howell & Avolio, 1993; Jung & Avolio, 1999).

### **Summary of leadership theories from the great man to transformational leadership**

Leadership theories have evolved to overcome the limitations of each theory or to adjust to the changing organizational environments, resulting in leadership being seen as transformative in nature. Specifically, from the turn of the twentieth century through the 1940s, much leadership research focused on identifying leaders’ unique personalities or traits that distinguish leaders from non-leaders (e.g., the great man and trait theories). However, since Stogdill’s (1948) review of the leader trait research could not find a

universal set of traits that consistently differentiated effective leaders from non-leaders, many researchers shifted their research focus away from leaders' traits to the study of leaders' behaviors and behavioral styles (e.g., behavioral leadership). This behavioral leadership approach dominated the research through the middle of the 1960s when it became apparent that the failure to include situational variables that moderate the relationship between leader behavior and a follower outcome measure was problematic and had resulted in much literature with inconsistent findings (e.g., Johansen, 1990; Lussier & Achua, 2004). After recognizing the importance of situational variables, many researchers turned their attention to the contingency model and situational leadership (e.g., Fiedler, 1967; Hersey & Blanchard, 1969; Johansen, 1990). This leadership approach was more theoretical than much prior leadership research, denying the notion of universally effective leadership traits and behaviors. The contingency model considered situational aspects as important influences on the relationships between leader traits and behaviors and follower behavioral and psychological outcomes (Strube & Garcia, 1981). Inconsistent findings and methodological problems resulted in increasing dissatisfaction with this type of leadership research throughout the 1960s and 1970s (Bryman, 1992). Thus, the leadership research focus shifted to the impact of leaders on the followers within the leader-follower relationship. Specifically, they admitted that leaders should play a significant role in an organization by creating something meaningful for followers in the organization, and communicating a profound vision with followers (e.g., attribution leadership). Furthermore, leaders should encourage their followers to transform their thoughts, attitudes, and behaviors to be competent subordinates who are able to

successfully accomplish their jobs (e.g., charismatic leadership). Through the change and development of leadership, leadership ultimately had arrived at the level of being transformative in nature by the middle of the 1980s. At the beginning of studying transformational leadership, both Burns and Bass attempted to conceptualize the model. Burns (1978) identified new leadership as a form of transforming leadership which involves the pursuit of collective interests through real and intended social change. Considerable research on transformational leadership indicated that transformational leaders influence followers to transcend personal interests and become agents of collective achievement. Specifically, transformational leaders motivate their subordinates to perform at a higher level by inspiring their followers, offering intellectual challenges, paying attention to individual developmental needs, and thus leading followers to transcend their own self-interest for a higher collective purpose, mission, or vision (Howell & Avolio, 1993; Jung & Avolio, 1999).

### **Core Characteristics of Transformational Leadership**

In 1978, Burns first used the term transformational leadership in his book *Leadership*, but Bass (1985) made transformational leadership a more popular concept. Numerous contemporary scholars including Burns and Bass have attempted to define transformational leadership. According to Burns (1978), transformational leaders rely on intangible objectives, such as vision, shared values, and ideas to develop relationships with their subordinates, giving a wide sense to individual activities and affording common ground to subordinates in changing environments. Yukl (2002) pointed out that a transformational leader articulates the vision in a clear and appealing manner, explains

how to attain the vision, acts confidently and optimistically, expresses confidence in the followers, emphasizes values with symbolic actions, leads by example, and empowers followers to achieve the vision. He posited that transformational leadership is a process of building commitment to organizational objectives and then empowering followers to accomplish those objectives.

To further understand transformational leadership, this presents several core characteristics of transformational leaders' behaviors because they specifically depict what transformational leadership really looks like.

Research mainly from Bass (1985) and Podsakoff et al. (1990) have laid the foundation in the field. They crystallized the core components of transformational leadership from slightly different angles, but their studies maintained that transformational leadership is multidimensional in nature. The core behaviors of transformational leadership according to these studies are examined below.

Bass (1985) identified the following four components of transformational leadership:

**Idealized Influence (Charismatic Influence).** Leaders act as role models, share risks with followers and behave in a manner consistent with their articulated ethics, principles, and values. As a result, followers admire, respect, and trust their leaders and want to identify with and emulate them. Idealized influence in leadership also involves integrity in the form of ethical and moral conduct.

**Inspirational Motivation.** Transformational leaders inspire and motivate their followers by providing meaning and challenges within the followers' jobs. Leaders

inspire their subordinates to take a look at the attractive future state, while communicating expectations and demonstrating a commitment to goals and a shared vision.

**Individual Consideration.** Transformational leaders give individual attention to followers and provide new learning opportunities based on the individual follower's needs for achievement and growth. They often act as mentors to their followers, coaching and advising them with individual attention. Therefore, these leaders help the followers successfully reach higher levels of potential.

**Intellectual Stimulation.** This is characterized by promoting intelligence, rationality, logical thinking, and careful problem solving. Transformational leaders stimulate their followers to become innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. However, there is no ridicule or public criticism of the follower's mistakes.

In another imperative study on transformational leadership, Podsakoff et al. (1990), proposed six key behaviors associated with transformational leadership:

**Identifying and Articulating a Vision.** Transformational leaders develop and articulate the new vision and inspire their followers with their vision for the future. Specifically, the leaders help their followers understand clearly where they are going, and suggest new opportunities for the organization. They are able to inspire followers to be committed to their dreams.

**Providing an Appropriate Model.** Transformational leaders become a role model for their followers, which is consistent with the values the leader espouses. These leaders also lead their followers by “doing,” rather than simply by “telling.”

**Fostering the Acceptance of Group Goals.** Transformational leaders encourage their followers to cooperate with each other and to achieve the organizational goals. Specifically, they inspire the followers to develop a team attitude and spirit and to encourage the group to work together for the same goal.

**Setting High Performance Expectations.** Transformational leaders clearly articulate their expectations for excellence, quality, and high performance. Specifically, the leaders always urge the followers to obtain better performance by suggesting only the best performance.

**Providing Individualized Support.** Transformational leaders respect their followers and pay attention to individuals’ feelings and needs. Specifically, these leaders behave in a considerate manner regarding the followers’ personal needs and feelings.

**Providing Intellectual Stimulation.** Transformational leaders encourage and challenge their followers to find creative solutions and new approaches to solve problems that will result in better performance. Instead of solving problems for their subordinates, transformational leaders motivate their followers to re-examine some of their assumptions about their work to find these new solutions. In particular, these leaders challenge the followers to re-think old problems in new ways and ask questions that prompt the followers to think deeper.

Bass' (1985) and Podsakoff et al.'s (1990) concepts posited that the essence of transformational leadership is found in a leader's ability to transform the hearts and minds of followers to reach higher levels of motivation and performance (Jung & Avolio, 2000).

### **Antecedents and Consequences of Transformational Leadership**

Prior empirical evidence has discovered that transformational leadership has a positive relationship with organizational performance (e.g., Bono & Judge, 2003; House & Shamir, 1993; Howell & Avolio, 1993; Song, Kolb, Lee, & Kim, 2012; Yukl, 2002). These studies were conducted in the lab and in a wide variety of settings including the military, education, and business in numerous countries, and at various levels from CEOs to supervisors (e.g., Ardichvili, 2001; Bass & Riggio, 2006; Gillet & Vandenberghe, 2014; Joo & Lim, 2013; Yukl, 1989; Zhu, Avolio, & Walumbwa, 2009).

Most antecedents of transformational leadership are related to a leader's individual characteristics which include the leader's sensing or intuition, thinking or feeling, intelligence, warmth, conformity, behavioral coping, and athletic experience (e.g., Atwater & Yammarino, 1993; Howell & Avolio, 1993). Other antecedents include internal locus of control, emotional intelligence, emotion recognition, and personality (e.g., Chemers, 2000; Sosik, 2005; Yukl, 2002).

Consequences of transformational leadership are related to diverse factors ranging from an individual level to organizational level. These consequences include employee satisfaction, employee motivation, turnover intention, trust, satisfaction with supervision, level of stress among employees, organizational commitment, affective

emotion, levels of creativity and innovation, confidence, organizational citizenship, technological innovation, leader effectiveness ratings, organizational learning, sharing their expert knowledge, and profit or productivity increases (e.g., Avolio et al., 2009; Boerner, Eisenbeiss, & Griesser, 2007; Gillet & Vandenberghe, 2014, Joo & Lim, 2013; Judge & Piccolo, 2004; Sarros, Cooper, & Santora, 2008; Walumbwa & Lawler, 2003).

### **Measurement of Transformational Leadership**

This section explores two major instruments which have been used to measure transformational leadership. It covers the Multifactor Leadership Questionnaire (MLQ) Form 5X short version by Bass and Avolio (2000) and an instrument developed by Podsakoff et al. (1990).

The MLQ Form 5X short version, developed and validated by Bass and Avolio (2000), has mainly been used to measure transformational leadership (e.g., Antonakis, Avolio, & Sivasubramaniam, 2003; Bono, Hooper, & Yoon, 2012; Piccolo, Bono, Heinitz, Rowold, Duehr, & Judge, 2012). Since the initial MLQ introduction by Bass (1985), MLQ measurement has undergone several revisions in attempts to better measure the component factors (Bass & Avolio, 2000). The constructs comprising the full-range leadership theory, proposed by Bass and Avolio, (2000), denote three typologies of leadership behavior; transformational, transactional, and laissez-faire leadership.

The MLQ Form 5X short version contains 45 items: 36 items that represent the nine leadership factors (e.g., each leadership scale is comprised of four items), and nine items that assess three leadership outcome scales (e.g., transformational, transactional, and laissez-faire) (Avolio, 1999). The MLQ 5X short version assesses four dimensions of

transformational leadership: idealized influence (e.g., “Goes beyond his/her own self-interest for the good of the group”), inspirational motivation (e.g., “Specifies the importance of having a strong sense of purpose”), intellectual stimulation (e.g., “Seeks differing perspectives when solving problems”), and individualized consideration (e.g., “Treats each of us as individuals with different needs, abilities, and aspirations”). Using a 5-point Likert scale ranging from 1 (not at all) to 5 (frequently, if not always), respondents judged how frequently their supervisors displayed specific leader behaviors.

Another imperative instrument of transformational leadership is the work of Podsakoff et al. (1990), which included a 23-item scale. Many empirical studies have used this measure (e.g., Pillai & Meindl, 1998; Podsakoff, Niehoff, MacKenzie, & Williams, 1993; Spreitzer, Perttula, & Xin, 2005). This instrument was developed and validated with multiple dimensions, including six transformational leader’s behaviors. This instrument measures six dimensions of transformational leadership: articulating a vision (e.g., “Talks about the future in an enthusiastic, exciting way”), providing a model (e.g., “Sets a positive example for others to follow”), communicating high performance expectations (e.g., “Will not settle for second best”), providing individual support (e.g., “Shows concern for me as a person”), fostering acceptance of group goals (e.g., “Encourages a team attitude and spirit among employees”), and providing intellectual stimulation (e.g., “Suggests new ways of looking at how we do our jobs”). Using a 5-point Likert scale ranging from 1 (not at all) to 5 (frequently, if not always), respondents judged how frequently their supervisors displayed specific leadership behaviors.

### **SET as a Theoretical Foundation**

SET is a theoretical foundation of transformational leadership. According to Blau (1964), SET focuses on the exchange of the heart, attitudes, and behaviors between leaders and members. As mentioned earlier, transformational leaders try hard to motivate and develop their followers according to the individual concerns, affection, and consideration (Bass & Avolio, 1994), and inversely the followers respond to their leaders' efforts and enthusiasm with feelings of obligation (Konovsky & Pugh, 1994). Transformational leaders empower their followers to take more responsibility for their tasks and jobs, and trust their followers (Behling & McFillen, 1996). Through this experience with their leaders, followers tend to reciprocate towards their leaders in the organization (Uhl-Bien, Graen, & Scandura, 2000) and consider the relationship with their leaders as going beyond the standard economic contract; resulting in feeling obliged to repay their leaders (Konovsky & Pugh, 1994).

### **Culture Values**

Culture has a complex definition. Hofstede (1980) identified culture as “the collective programming of the mind which distinguishes the members of one human group from another” (p. 21). House and Javidan (2004) defined it as “commonly experienced language, ideological belief systems (including religion and political belief systems), ethnic heritage, and history” (p. 15). Thus, cultural value orientation (or individually held cultural values and beliefs) plays a critical role in how employees behave at work and their attitudes about their jobs (e.g., Diener & Diener, 1995; Earley, 1993; Gelfand, Erez, & Aycan, 2007; Gelfand & Realo, 1999; Kirkman, Lowe, & Gibson, 2001). It also influences employees' beliefs about what behaviors, styles, skills, and

personality traits characterize effective leadership (Ardichvili & Kuchinke, 2002; Javidan, Dorfman, De Luque, & House, 2006; Lord, 1985; Yiing & Ahmad, 2009).

### **Initial Development of Hofstede's Cultural Value Dimensions**

For three decades after the publication of Hofstede's book, *Culture's Consequences: International Differences in Work-Related Values* (Hofstede, 1984), many scholars have used his framework in thousands of empirical studies.

To develop his cultural value dimensions, Hofstede (1980) used employee morale surveys twice at IBM between 1967 and 1969 and again between 1971 and 1973. His samples included over 116,000 responses from 66 countries (subsequently reduced to 40 countries). The questionnaire measured various aspects of employees' work experiences including employee morale for organizational development purposes. At the beginning, Hofstede did not intentionally create a theoretical model. However, several years after the publication of his original work, Hofstede (1983) expanded his database and his cultural model evolved into four cultural value dimensions.

### **Definition of Cultural Dimensions**

Hofstede's initial research (1980), using a factor analysis of his data that collected in 40 countries, identified four major dimensions of national culture: individualism-collectivism, power distance, uncertainty avoidance, and masculinity-femininity. Hofstede (1980, p. 45) identified individualism as "a loosely knit social framework in which people are supposed to take care of themselves and of their immediate families only," whereas collectivism was defined as an "individual's concern about other's actions, sharing material and non-material benefits and resources

respectively, tendency and willingness of acceptance of other's views and opinions, belief in correspondence of personal outcomes with others, concern about how they would present themselves to others, and tendency to participate and contribute in other's life" (Hui & Triandis, 1986, p. 225). Hofstede identified power distance as "the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally" (p. 45). Uncertainty avoidance was identified as "the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid these situations by providing greater career stability, establishing more formal rules, not tolerating deviant ideas and behaviors, and believing in absolute truths and the attainment of expertise" (p. 45). Lastly, he identified masculinity-femininity as "the extent to which the dominant values in society are 'masculine'-that is, assertiveness, the acquisition of money and things, and *not* caring for others, the quality of life, or people" (p. 46). Several years later, Bond (1988) added a fifth dimension, long-term versus short-term orientation to the original four culture dimensions, and later it was further developed by Hofstede and Bond (1988). Long-term orientation was defined as values oriented towards the future like persistence and thrift (e.g., saving), whereas short-term orientation was identified as values oriented towards the past and present like respect for tradition and fulfilling social obligations.

### **Psychological Empowerment**

Empowerment is a set of managerial practices focused on the delegation of responsibilities (Leach, Wall, & Jackson, 2003); however, psychological empowerment is an individual motivational construct which originated from an employee's thought of

having choice in initiating and regulating actions, and which was able to influence the organizational/business external/internal environment, and the meaningfulness of the job (Spreitzer, 1995).

Prior scholars examining empowerment have suggested two different perspectives on empowerment: Structural empowerment and psychological empowerment (e.g., Liden & Arad, 1996; Spreitzer, 2008; Zhu, May, & Avolio, 2004). Structural empowerment refers to a top-down process (Conger & Kanungo, 1988) as well as a mechanistic process (Quinn & Spreitzer, 1997; Wilkinson, 1998). Accordingly, structural empowerment implies distribution of power, sharing power, and delegating authority to subordinates within the lower levels of the organizational hierarchy (Liden & Arad, 1996). Siegall and Gardner (2000) also posited that the focus of this perspective is on cascading power to the lower levels of the organizational hierarchy. According to this perspective, power includes authority, the ability to make decisions, and to have control over resources within the organization (Lawler III, 1986).

Another perspective on empowerment, the psychological perspective of empowerment, focuses on the employee's perception of empowerment (Conger & Kanungo, 1988; Spreitzer, 1995, 1997; Thomas & Velthouse, 1990). According to Conger and Kanungo (1988), empowerment was identified as motivational processes. Conger and Kanungo (1988) also maintained that psychological empowerment is considered the mechanism through which contextual factors have impact on individual attitudes and behaviors at work. Drawing on Bandura's (1986) concept of self-efficacy, Conger and Kanungo (1988) also identified that psychological empowerment is "a

process of enhancing feelings of self-efficacy among organizational members through the identification of conditions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information” (p. 474). Based on their view, empowerment is an enabling process, which is just one condition for empowering workers (Hakimi, Van Knippenberg, & Giessner, 2010; Humborstad & Kuvaas, 2013). Accordingly, empowered employees feel that they can perform their work competently, which in turn takes impact on their jobs initiation. Thomas and Velthouse (1990) extended Conger and Kanungo’s (1998) approach by further proposing a multidimensional cognitive model in terms of empowerment and identified empowerment as an increased intrinsic task motivation that is manifested in four cognitions that reflect an individual’s orientation to one’s work role: meaningfulness, competence, impact, and choice. They pointed out that employees who feel psychologically empowered consider themselves as competent workers who can influence their jobs and work environments in meaningful ways, facilitating proactive behavior, showing initiative, and acting independently.

Based on both Conger and Kanungo (1988) and Thomas and Velthouse (1990), Spreitzer (1995) expanded the focus of empowerment to the feelings of empowerment that people have and argued that the empowerment context created by various organizational factors must be perceived by employees and must prompt psychological reactions in employees. Empowerment was defined as a process or psychological state manifested in four cognitions: meaning, competence, self-determination, and impact (Spreitzer, 1995). Specifically, meaning refers a feeling that his/her work is personally

critical and important. Competence means self-efficacy, or an individual's belief that he/she possesses the ability to successfully perform tasks. Self-determination refers to the perception of freedom to make decisions on how to implement their jobs. Impact refers to the degree to which one views his/her behaviors as creating a difference in their job performance.

After Spreitzer's (1995) initial measurement instrument of psychological empowerment, this measurement has been widely used empirically in various studies. Previous studies posited that the psychological empowerment was examined together with the social context surrounding employees (Liden, Wayne, & Sparrowe, 2000). Prior research has also focused on the relationship with other variables including leadership, organizational climate, organizational commitment, job satisfaction, workplace learning, interpersonal relationships, and trust (e.g., Avolio, Zhu, Koh, & Bhatia, 2004; Mok & Au-Yeung, 2002; Moye, Henkin, & Egley, 2005; Liden et al., 2000; Randolph, & Kemery, 2011; Siu, Laschinger, & Vingilis, 2005). More recently, many scholars have increasingly conducted research on the moderating or mediating effects of psychological empowerment between the organizational variables; the relation between leaders' moral competence and employee outcomes, transformational leadership and career satisfaction, transformational/transactional leadership and innovative behavior, job characteristics and mental health, and transformational and active transactional leadership and followers' organizational identification (e.g., Bhatnagar, 2013; Hempel, Zhang, & Han, 2012; Joo & Lim, 2013; Kim & Kim, 2013; Pieterse, Van Knippenberg, Schippers, & Stam, 2010; Srivastava & Singh, 2013; Van der Sluis, & Poell, 2003; Zhang & Bartol, 2010; Zhu,

Sosik, Riggio, & Yang, 2012).

### **Research Model and Hypotheses**

The hypotheses for this study were formulated based on the literature review. In addition, the theoretical and empirical rationale for the hypothesized relationships between the constructs was provided for the study. This section provides an overview of the theory and constructs of the research, and lays the foundation for examining the relationship between transformational leadership and employee engagement. In addition, this study explores the moderating effects of power distance orientation and psychological collectivism on the relationship between transformational leadership and employee engagement, and it examines transformational leadership mediated by psychological empowerment. Based on the above comprehensive literature review, I present seven hypotheses.

***Hypothesis 1.*** Transformational leadership behaviors are positively related to employee engagement.

***Hypothesis 2.*** Power distance orientation is positively related to employee engagement.

***Hypothesis 3.*** Power distance orientation moderates the positive relationship between transformational leadership and employee engagement.

***Hypothesis 4.*** Psychological collectivism is positively related to employee engagement.

***Hypothesis 5.*** Psychological collectivism moderates the positive relationship between transformational leadership and employee engagement.

***Hypothesis 6.*** Transformational leadership is positively related to psychological empowerment.

***Hypothesis 7.*** Psychological empowerment mediates the relationship between transformational leadership and employee engagement.

### **Transformational Leadership and Employee Engagement**

To reveal the relationship between transformational leadership and employee engagement, this study investigated the cognitive, emotional, and behavioral aspects and psychological conditions of engagement as they relate to transformational leadership.

Research on engagement has argued that when employees' individual beliefs and values are stimulated and intellectual commitment is requested at work, they are cognitively influenced, resulting in an improved level of engagement (e.g., Harter et al., 2002; Kahn, 1990; Macey & Schneider, 2008; May et al., 2004; Saks, 2006; Shuck, 2013, Shuck & Rose, 2013). Research on leadership has posited that transformational leaders can positively stimulate the cognitive aspects of followers. Transformational leaders, for instance, intellectually stimulate followers' thoughts, views, and cognitive judgment, and promote intelligence, rationality, logical thinking and careful problem solving, so followers can determine new solutions for existing problems, with high intellectual commitment (e.g., Bass, 1985; Bass & Avolio, 1994; Park et al., 2014; Shuck, 2013; Walumbwa, Orwa, Wang, & Lawler, 2005). These leaders also provide consistent and continuous explanations about the meaning of their jobs and roles in the workplace, connecting followers' values to the organization's identity, resulting in followers accepting and internalizing the values and beliefs articulated by their leaders (Avolio &

Bass, 1995). Through these interactions, transformational leaders positively influence followers' intellectual commitment as well as personal values and beliefs over time (Bass, 1985); therefore, followers become cognitively more engaged in their jobs.

Numerous studies have pointed out that when employees experience enthusiasm, satisfaction, and affect from their leaders or colleagues, as well as have a positive state of mind toward their leaders, they can be emotionally influenced, resulting in an improved level of engagement (e.g., Kahn, 1990; Macey & Schneider, 2008; Saks, 2006; Schaufeli & Salanova, 2007). Research on leadership has shown that certain behaviors of transformational leaders encourage followers to experience positive emotions, satisfaction, and a positive state of mind. Transformational leaders, for instance, respect their followers and pay special attention to the followers' individual needs, desires, and feelings, and support them for better achievement and growth (Bass & Avolio, 1994). These leaders also behave as mentors in a considerate manner to improve the followers' satisfaction and emotional level (Kim, 2013; Podsakoff et al., 1990). They use positive emotions and messages to communicate their vision and to motivate followers to move to higher levels of potential and performance (Shamir, House, & Arthur, 1993). Because of the leaders' consideration and continuous support, followers experience more satisfaction and a positive state of mind towards their leaders (Podsakoff et al., 1990). Through these positive feelings with leaders, followers not only see the leaders' enthusiasm and experience complete satisfaction from their leaders, but they also respect and trust their leaders (Bass & Avolio, 1994). As a result, the followers can become more emotionally engaged in their jobs and in the workplace.

Prior studies on engagement have posited that when employees are encouraged by their leaders to show discretionary efforts, organizational citizenship behavior, role expansion, and proactive behavior, they work more actively, resulting in an improved level of engagement (e.g., Fischer & Smith, 2006; Harter et al., 2002; Kim, 2013; Soieb et al., 2013). Much research on leadership has found that transformational leaders encourage followers to put forth more effort to work and display proactive behaviors in their jobs. Transformational leaders, for instance, motivate their followers to have higher standards and expectations, and thus encourage their followers in excellence, high quality, and high performance (Bass, 1985; Podsakoff et al., 1990). By providing continuous challenges for their followers, these leaders motivate their followers to work harder and to become deeply involved in achieving better performance (Jung & Avolio, 2000). Because followers need to work hard to meet these leaders' expectations and standards, the leaders' high expectations play a role in driving the followers to be motivated and further committed (Scholl, 1981). Through coaching and advising the followers with individual attention as mentors, the followers show organizational citizenship behavior, such as helping coworkers, dedicating themselves to their jobs, and working extra hours in their organization (Bass & Avolio, 1993; Biswas, 2013; Park, Song, Yoon, & Kim, 2013; Sosik, 2005). According to Brown and Leigh (1996), leaders' supportive attitudes encourage their followers to display these organizational citizenship behaviors. By experiencing leaders' high expectations and steady supportive efforts to motivate them, their followers can become behaviorally more engaged in their jobs and workplaces.

Finally, transformational leadership is closely related to three psychological conditions (meaningfulness, safety, and availability) of employee engagement (Kahn, 1990; May et al., 2004). According to Kahn's model, when employees believe that they can add value and significance to their organizations, they can experience meaningfulness (Chalofsky & Krishna, 2009; Kahn, 1990; Maslow, 1943, 1970; Shuck & Wollard, 2010). Transformational leaders keep inspiring followers to have the positive idea that they can accomplish great things for the organization (Shamir et al., 1993). Sosik (2006) maintained that through the use of inspirational motivation and intellectual stimulation, transformational leaders could encourage their followers to rethink old ways of working and discover innovative and new approaches to cope with their situations. Because of these leaders' efforts, their followers can accomplish their goals by themselves with self-efficacy (Bandura, 1986). Through these experiences, followers can experience psychological meaningfulness and believe that they can make valued contributions and play a significant role in their organizations, resulting in these followers becoming more engaged.

As for psychological safety, employees expect that they should be allowed to freely share their perspectives and opinions among colleagues in mutually trusting relationships without any negative feedback (Fleming & Asplund, 2007). When they make mistakes, transformational leaders do not criticize them publicly, but rather encourage them to think more critically or to discover new ideas and approaches (Bass & Avolio, 1994). Similarly, by offering constructive and positive feedback to their followers, transformational leaders help improve followers' sense of psychological safety

(Deci & Ryan, 1985; Harter et al., 2002). Through their experiences with transformational leaders, followers can feel safe at work, resulting in becoming more engaged.

Regarding availability, employees expect the possibility of obtaining necessary resources, such as the physical, emotional, and psychological resources they need for the completion of their work (Kahn, 1990). Transformational leaders are interested in and concerned about their followers, and provide them with resources such as finances, information, skills, affect, support, learning opportunities, and other working tools, depending on each follower's individual needs. Because leaders show individualized consideration and sufficient support for each individual, followers can successfully accomplish their goals and perform well (Bass, 1985; Podsakoff et al., 1990, Sarti, 2014; Shuck & Rose, 2013; Shuck et al., 2014). Through these experiences, followers can feel that their leaders are more available at work, resulting in followers becoming more engaged (Sarti, 2014; Shuck et al., 2014)

Taken all together, transformational leaders not only encourage followers to become cognitively, emotionally, and behaviorally engaged in their workplace, but they also create an environment where the followers can feel the three psychological conditions of engagement and thus feel supported by their workplace. On the basis of this theory and research, this paper proposes the following hypothesis,

*Hypothesis 1.* Transformational leadership behaviors are positively related to employee engagement.

### **Moderating Role of Power Distance Orientation**

Hofstede (1980) identified power distance as the extent to which the less powerful people in a society accept that power is distributed unequally and this inequality of power creates hierarchical superior-subordinate relationships. High power distance cultures perceive their superiors' decision making style as autocratic and persuasive, and also prefer this decision making style over a consultative one. In general, organizations within a high power distance societal culture are mainly characterized by tall hierarchies, with the power being centralized at the top, subordinates expecting to be told what to do, and the ideal boss being a paternalistic one (Tjosvold, Sun, & Wan, 2005). Individuals in high power distance countries are dependent on their superiors (Hofstede, 2001). These phenomena typically exist in Korea.

Hofstede's country cultural index of Korea regarding power distance is 60 out of 100, which is higher than the world average number of 55 and the United States' score of 40 (Hofstede, 2014). It could be explained that Korea has a relatively high hierarchical orientated value in both organizations and society. Specifically, Korean companies are characterized by a high degree of centralization and formalization, (Dorfman, Hanges, & Brodbeck, 2004). These phenomena of Korea are closely related to Confucianism which states that all human relationships are hierarchical in order (Wang, Wang, Ruona, & Rojewski, 2005), such as superiors versus subordinates and rulers versus the ruled, and include hierarchy in gender and age (Yang, 2006). Korean society has been influenced by Confucianism for centuries (Yang, 2006). Thus, such vertical hierarchical power has influenced and permeated all aspects of Korean society (Koo & Nahm, 1997). Because of this impact, a respectful attitude toward the older generation has been highly emphasized

in Korea (Paik & Sohn, 1998). Koreans have been taught to respect and obey their parents, their elders, and the authorities since their childhood; thus, most Koreans tend to respect and obey their elders (Yang, 2006). In the same manner, employees' respectful attitudes toward their elders and senior employees are considered a natural code of social ethics and a junior employee's obligation in Korea. Koreans have the tendency to especially respect, trust, follow, and obey influential, ethical, and moral leaders in organizations (Koo & Nahm, 1997). Due to these cultural features in Korean society and organizations, employees' work attitudes might be seriously influenced by the power distance culture.

Previous studies have shown a moderating effect of organizational culture (including power distance orientation) in relationships between leadership and other variables in organizations (e.g., Bochner & Hesketh, 1994; Clugston, Howell, and Dorfman, 2000; Eylon & Au, 1999; Kim, 2013; Lee, 2001; Oh, 2003). For instance, Bochner et al.'s (1994) research, which studied 263 workers from 28 different countries employed in an Australian bank, revealed that employees in a high power distance culture were less open with their leaders, had more contact with their leaders, and were more task-orientated than employees in low power distance cultures. Clugston et al. (2000) also studied the relation between an employee's level of commitment and power distance culture. The study examined 175 employees, including accountants, auditors, assessors, legislative and tax law experts, and management and support staff, from a public agency in a sparsely populated Western U.S. state, which is responsible for the administration of the state's tax revenue. They revealed that employees in high power distance cultures had

higher levels of normative commitment (that is, "based on a sense of duty, loyalty, or obligation", p.7) to their organizations and supervisors. They also hypothesized that the submissive attachment to superiors of individuals could be different depending on the degree of power distance culture as a moderator. The result revealed that individuals in high power distance cultures were more likely to form submissive attachments to superiors than those in low power distance cultures. In addition, Oh (2003) hypothesized that the extent that a hierarchical culture is a moderator might differently influence decision-making and regulation of behavior. His results showed that leaders' behaviors more strongly influence decision-making and regulation of employees' behavior in strong hierarchical cultures than ones in weak hierarchical cultures. Similarly, Lee's (2001) study on organizational behavior revealed that the degree of organizational vertical hierarchical culture as a moderator influenced the communication pattern of leaders and subordinates in the organization. He concluded that the higher the degree to which employees perceived higher power, the more it influenced stronger communication rigidity between the leaders and followers. Lastly, employees in low power distance orientation cultures reacted more positively to a high level of empowerment, one of the features of transformational leadership (Eylon & Au, 1999).

Despite the extensive work on power distance orientations, no empirical studies have tested power distance orientation as a moderator of the relationship between transformational leadership and employee engagement. However, prior research has shown a positive or negative impact on the relationship between leaders' behavior and employee attitudes which is similar to employee engagement in organizations. Thus, this

study further examines that the impact of transformational leadership is moderated by power distance orientation. On the basis of this theory and research and Korean culture features, this paper proposes the following hypotheses,

*Hypothesis 2.* Power distance orientation is positively related to employee engagement.

*Hypothesis 3.* Power distance orientation moderates the positive relationship between transformational leadership and employee engagement.

### **Moderating Role of Psychological Collectivism**

Hofstede (1980) identified collectivism as “a tight social framework in which people distinguish between in-groups and out-groups, they expect their in-group to look after them, and in exchange for that they feel they owe absolute loyalty to it” (p.45). In the same vein, collectivism cultures emphasize harmony for the loyalty and success of the group (Clugston et al., 2000; Wagner, 1995), stress the importance of co-workers’ support at work, endurance, persistence and obedience (Waxin, 2004), and underline long-term goal orientation leading to a long-term commitment to the organization (Hofstede, 1997).

Hofstede (1980, 2001, 2014) identified Korean culture as highly collectivistic as opposed to the individualist Western culture. Hofstede’s index score of Korea regarding individualism/collectivism is 18 out of 100, which is much lower than the world average score of 43, and the United States’ score of 91 (Hofstede, 2014). This low score means that collectivism is a high value in Korea. Specifically, it could be explained that individuals in Korea are perceived as group members rather than as separate individuals.

Thus, Koreans are expected to think and behave as group members and society members (Yang, 2006). To maintain group harmony, an individual's desires and interests are relatively subordinated to the goals of the family, group, organization, and nation (Lee, 2001). Because Korean society has emphasized interpersonal and group harmony within the family, group, community, and society (Chang, & Chang, 1994), this phenomenon also exists in organizations. Most Korean employees in organizations within collectivist cultures, tend to think, judge, and act to maintain harmony among colleagues in the organizations (Chung, Lee, & Jung, 1997; Selmer, 1997). They tend to support, follow, and respect what leaders and co-workers request without objection, to sustain harmony in the organizations (Chen, 1995, Leung, Koch, & Lu, 2002).

Empirically, there have been some indirect relations to the research indicating that psychological collectivism may play the role of moderator. For instance, extant research (e.g., Bass, 1985; Rafferty & Griffin, 2004) on leadership and organizational variables has suggested that transformational leadership may influence followers' performance or organization outcomes in some countries more than in others, thereby suggesting that societal culture could be an important moderator for the relationship between a leader and followers' behaviors and performance. Similarly, Jung and Avolio's (1999) study on leadership and followers' cultural values revealed that employees' performance was different according to their cultural values, and showed that there was a moderating effect of individualism-collectivism. They concluded that collectivist Asian-Americans had a more positive relationship to both quantity and practicality of performance than individualist Caucasian-Americans. In addition, Walumbwa and

Lawler (2003), studied 577 employees from banking and financial sectors in three emerging economies, China, India, and Kenya, and examined the moderating effect of collectivism (low, medium, and high collectivism) on the relationship between transformation leadership and work-related attitudes including satisfaction with co-workers, satisfaction with supervisors, satisfaction with work in general, and organizational commitment. Their results did not show any significant differences with other outcome variables related to low, medium, and high collectivism. Despite their finding, they determined that transformational leadership positively impacted employees in low, medium, and high collectivism cultures. In addition, Earley and Erez (1997) proposed that individualism/collectivism cultures might influence performance differently under conditions of highly shared responsibility and low accountability. He concluded that high individualistic people performed poorest under conditions of highly shared responsibility and low accountability, whereas high collectivistic people performed better under conditions of highly shared responsibility, regardless of accountability. Felfe, Yan, and Six (2008) collected data in Germany, Romania, and China and examined the influence of cultural differences on employees' commitment. They found that the correlation between leadership and employees' attitudes about the organization was stronger among employees with a strong collectivist culture than employees in more individualist cultures. The relationships between commitment and outcomes were also stronger in the collectivistic contexts. Walumbwa, Lawler, and Avolio (2007) examined a sample of 825 employees from the United States, Kenya, China, and India, building on previous exploratory research (Walumbwa & Lawler, 2003),

and found that individual differences moderated the relationships between leadership and followers' work-related attitudes. Specifically, allocentrics (e.g., focused on the thoughts and feelings of others, not egocentric) reacted more positively when they viewed their managers as being more transformational. Idiocentrics reacted more positively when they rated their managers as displaying more transactional contingent reward leadership. The pattern of the results was stronger for transformational leadership in more collectivistic cultures among allocentrics and stronger among idiocentrics in individualistic cultures for transactional contingent reward leadership.

No empirical studies have tested psychological collectivism as a moderator of the relationship between transformational leadership and employee engagement. However, prior research has indicated that there is a positive or negative impact on the relationship between leaders' behavior and employee attitudes which is similar to employee engagement. Thus, this study further examines if the impact of transformational leadership is moderated by psychological collectivism. On the basis of this theory and research, this paper proposes the following hypotheses,

*Hypothesis 4.* Psychological collectivism is positively related to employee engagement.

*Hypothesis 5.* Psychological collectivism moderates the positive relationship between transformational leadership and employee engagement.

### **Mediating Role of Psychological Empowerment**

Spreitzer (1995) identified empowerment as "increased intrinsic task motivation manifested in a set of four cognitions reflecting an individual's orientation to his or her

work role: competence, impact, meaning, and self-determination” (p. 1443). In keeping with this view, this study proposes that psychological empowerment is a mechanism and process through which transformational leadership influences employee engagement. To do this, this study adopts the notion of transformational leadership as developed by Podsakoff et al. (1990) focusing on “realizing the meaningfulness of work,” “possessing self-efficacy and confidence in high performance,” and “providing autonomy and empowerment while doing their job.”

By providing subordinates with consistent and continuous explanations about the meaning of their jobs and roles in the workplace, connecting followers’ values to the organization’s identity, and helping subordinates realize the importance of their contribution to organizational performance, transformational leaders enhance employees’ beliefs that they are doing meaningful jobs (Avolio et al., 2004; Joo & Nimon, 2013). These leaders also articulate the vision in a clear and appealing manner, explain how to attain the vision, act confidently and optimistically, and then they entirely empower followers to achieve the vision by themselves (Yukl, 2002). These leaders play a role of coach and mentor for followers to help them prepare to take on more responsibility, and ultimately to develop subordinates into leaders with confidence at work (Gillet & Vandenberghe, 2014; Walumbwa, Avolio, & Zhu, 2008; Yukl, 1998). In addition, these leaders improve their followers’ capability by giving feedback and encouragement, and showing individualized consideration by paying close attention to their followers’ needs for achievement and growth (Bass & Avolio, 1994; Gillet & Vandenberghe, 2014; Podsakoff et al., 1990). According to Sosik (2006), through the use of intellectual

stimulation, such leaders could encourage their followers to rethink old ways of working and discover innovative and new approaches to cope with their situations. Because of these leaders' efforts, their followers can accomplish their goals by themselves with self-efficacy and strong confidence (Bandura, 1986).

Through transformational leaders' behaviors, their followers can ultimately trust their ability and competence and respond to the leaders' behavioral cues by feeling more psychologically empowered (Kim & Kim, 2013; Kirkman & Rosen, 1999). Accordingly, the above arguments suggest that transformational leadership is likely to lead to higher psychological empowerment. Building on the above arguments, I hypothesize that,

*Hypothesis 6.* Transformational leadership is positively related to psychological empowerment.

Psychologically empowered individuals perceive themselves as competent and believe that they have the ability to influence their work environments and they have a choice in initiating actions (Conger & Kanungo, 1988; Kim & Kim, 2013; Spreitzer, 1995; Thomas & Velthouse, 1990). Because psychologically empowered employees have an active orientation toward their roles (Joo & Lim, 2013; Raub & Robert, 2010; Wayne, Liden, & Sparrowe, 2000), they are more likely to proactively suggest new ways of doing tasks for improvement. Additionally, they would be expected to execute extra-role efforts, act independently, and have a higher commitment to their organizations (Spreitzer, 1995). That is, employees who feel more empowered are more likely to reciprocate by being more committed to their organizations (Dust, Resick, & Mawritz, 2014; Joo & Lim, 2013; Kraimer, Seibert, & Liden, 1999). Dust et al. (2014) and Thomas and Velthouse (1990)

suggested that empowered employees have higher levels of concentration, initiative, and resiliency, which, in turn, enhance their level of organizational commitment. In the same way, Kahn (1990, 1992) explained that employees deriving a greater sense of meaning from their work would have higher levels of being engaged in their organizations and energy to perform. Moreover, Behling and McFillen (1996) posited that because transformational leaders empower their subordinates to have more responsibility in their jobs and tasks, the subordinates feel higher job satisfaction and organizational commitment. Fernandez and Moldogaziev (2013) also maintained that employees with power and opportunities in their jobs feel empowered and happy and are more productive at work.

No empirical studies have tested psychological empowerment as a mediator of the relationship between transformational leadership and employee engagement. However, previous studies have supported a positive relationship between psychological empowerment and employee behaviors which is similar to employees' attitudes about the organization (e.g., Spreitzer, De Janasz, & Quinn, 1999). Thus, this study further examines whether the impact of transformational leadership is mediated by psychological empowerment. Building on the above arguments, I hypothesize that,

*Hypothesis 7.* Psychological empowerment mediates the relationship between transformational leadership and employee engagement.

### **Summary**

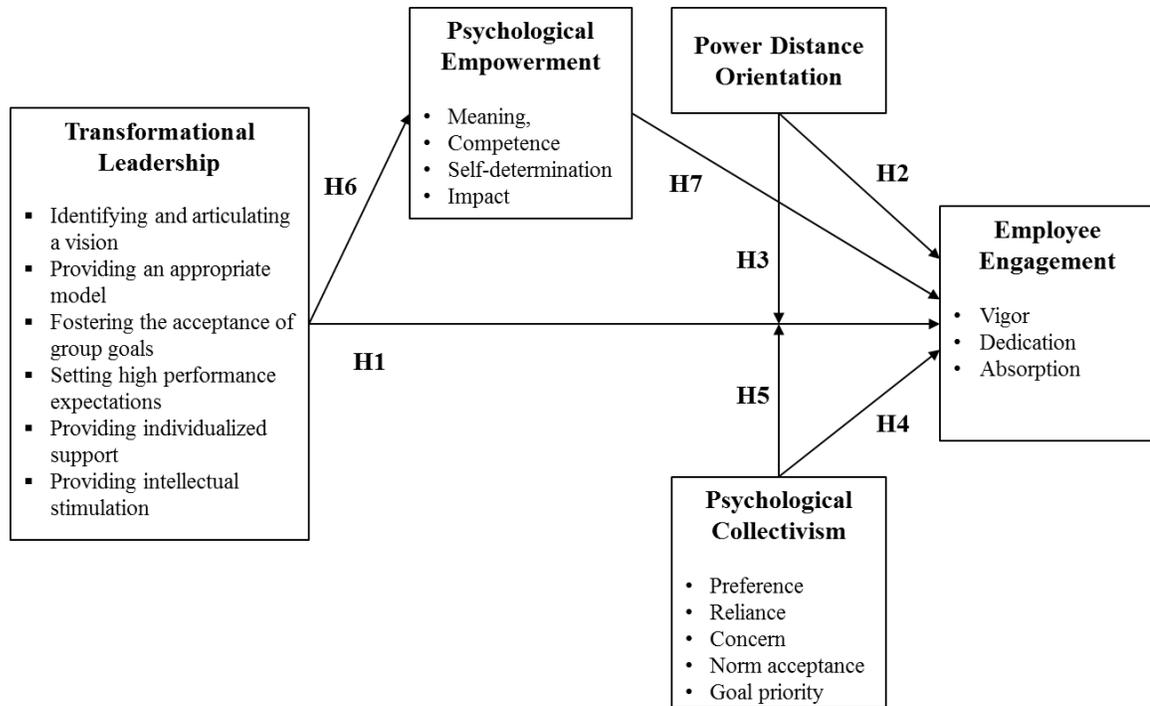
This chapter has provided an overview of the theory and constructs related to this study, including employee engagement, transformational leadership, power distance

orientation, psychological collectivism, and psychological empowerment. Employee engagement as employee behaviors in their jobs was reviewed based on the conceptualizations of Kahn (1990), Maslach et al. (2001), and Harter et al. (2002). Leadership was also reviewed with the assertions of Bass and Avolio (1994) and Podsakoff et al. (1990) regarding transformational leadership. Additionally, empowerment factors affecting employee engagement were also reviewed, and the extant literature on psychological empowerment were examined. Finally, cultural values focusing on power distance orientation and psychological collectivism were discussed.

In sum, this chapter laid the foundation for examining the relationship between employee engagement behavior and transformational leadership, and the moderating effects of power distance orientation and psychological collectivism on the relationship between transformational leadership and employee engagement. It also explored the relationship between transformational leadership and employee engagement, as mediated by psychological empowerment.

Drawing on a comprehensive literature review, seven hypotheses are presented. Figure 1 depicts the hypothesized research model. The next chapter discusses the research methods that were used to empirically test the hypothesized relationships.

Figure 1. Hypothesized research model



## **CHAPTER 3**

### **METHODS**

The purpose of this study was to determine whether a transformational leader's characteristics influence employee engagement in their jobs within the Korean cultural values. To do this, this study first examined the relationship between transformational leadership and employee engagement with data from Korean companies. In particular, the study investigated whether Korean cultural values, such as power distance orientation and psychological collectivism, moderate the relationship between transformational leadership and employee engagement. In addition, the study examined the effects of transformational leadership on employee engagement, as mediated by psychological empowerment.

This chapter discusses the research methods that were used to empirically test these hypothesized relationships. To explore the factors that lead to employee engagement, I make several generalizations from the sample being studied to broader groups beyond this sample. Thus, it is appropriate to use a quantitative research method for this study (Holton & Burnett, 2005). The following section describes the methodology plan for the study.

#### **Population, Sample, and Data Collection Procedure**

The target population for the study included employees of Korean companies within Fortune global 500 companies in for-profit corporations. They were employees who at the time of the study were working in organizations which are headquartered in Korea, because this study was related to culture values, specially, Korean context. The

data were collected from ten for-profit organizations with between 1,000 and 5,000 employees within Korean conglomerates in the oil, construction, mobile communication service, internet service, pharmaceuticals, informational technology, and semiconductor sectors. Sampling at multiple sites allows the researcher to increase the external validity of the research (Lucas, 2003; Scandura & Williams, 2000; Seale, 2004).

The organizations and divisions targeted for a survey were contacted through my personal network in Korea, and individuals from these organizations were asked to participate in the research. The organizational rank of the participants of this study ranged from clerks to general managers. The preferred work experience of the participants was at least one year. Employees with less than one year work experience were excluded because of their insufficient understanding of the organization and insufficient interaction with their leaders. When I contacted the target organizations, the primary contact at the participating companies was a manager in an internal human resource development or organization development team who worked closely with me to facilitate data collection. All participants were specifically provided with information on research topic, the objectives, advantages, and risks of this study. If they agreed to participate in the study, the research support consent form was signed by the participant employees.

Prior to the data collection, I obtained approval from the Institutional Review Board (IRB) at the University of Minnesota for review of the research. In addition, I completed the Collaborative Institutional Training Initiative (CITI) designed for individuals involved in the use of human subjects in research.

Participants completed the questionnaire either online survey (Survey Monkey) or in paper-and-pencil survey. Prior to the survey, subjects were briefly informed that the study pertained to their perceptions of themselves, their immediate supervisors, their job, and the organizations they worked for. In the last section in the survey, respondents were asked to include their demographic information, including gender, age, education, rank (hierarchical level), organizational tenure, job function, and industry type. To ensure anonymity of responses, the information collected in the survey did not identify a respondent. I did not collect any further information, such as the participant's name and contact information, to protect individual privacy. In accordance with IRB's protocol, written assurances were provided that individual responses were kept confidential and that employees were free to decide not to participate in the study or to terminate their participation at any time without question.

According to Gall, Gall, and Borg (2007), for statistical power, an adequate sample size should normally be more than around 250 participants in the social or educational studies. They also suggested that such a sample size (over around 250) would be needed for a factor analysis, a multiple regression, and a structured equation model (SEM). Additionally, they recommended that regarding the gathering data, because many social and educational research studies use data collection methods like surveys, the response rates are typically well below 100%. Thus, this kind of sampling needs oversampling, considering 40~50% lost mail and uncooperative subjects (Salkind, 1997).

## **Instrumentation**

A self-reporting survey with sixty seven (67) questions was administered to each participant to measure employee engagement (EE), transformational leadership (TL), power distance orientation (PD), psychological collectivism (PC), and psychological empowerment (PE). All five instruments were not developed and validated in the Korean context, so I prepared a Korean-version questionnaire based on translation-back-translation procedures (Brislin, 1980). The items were translated to Korean and back-translated into English. To initiate the back-translation process, one bilingual translator translated the questionnaire from English into Korean. The resulting Korean version was then back-translated into English by another bilingual translator who had not seen the initial question items in English. Through repetition of this process, I obtained the Korean version of the instruments for the study. All items were measured on a 5-point Likert scale ranging from 1 (strongly disagree/ never) to 5 (strongly agree/always). Respondents reported the degree to which they agreed with each item.

### **Employee Engagement**

To measure employee engagement, this study used the measurement instrument, UWES-9, developed by Schaufeli et al. (2006), which is a 9-item scale including three dimensions: vigor (three items), dedication (three items), and absorption (three items). Sample items for each subscale are “At my work, I feel bursting with energy” (vigor); “I am enthusiastic about my job” (dedication); and “I am immersed in my job” (absorption). This study treated employee engagement as a unidimensional construct. The reliability

for this scale (represented by Cronbach's alpha) ranged from .85 to .92 (Schaufeli et al., 2006).

### **Transformational Leadership**

To measure transformational leadership, this study used the measurement instrument developed by Podsakoff et al. (1990) which is a 23-item scale including six dimensions: Articulating a vision (five items), providing an appropriate model (three items), fostering the acceptance of group goals (four items), setting high performance expectations (three items), having individualized consideration (four items), and providing intellectual stimulation (four items). Sample items for each subscale are "My leader has a clear understanding of where we are going" (articulating a vision); "My leader leads by "doing", rather than simply by "telling" (providing an appropriate model); "My leader fosters collaboration among work groups" (fostering the acceptance of group goals); "My leader shows us that he/she expects a lot from us" (setting high performance expectations); "My leader shows respect for my personal feelings" (providing individualized support/consideration); and "My leader challenges me to think about old problems in new ways" (providing intellectual stimulation). This study treated employee engagement as a unidimensional construct. Several empirical studies have used this measure of transformational leadership (e.g., Podsakoff, MacKenzie, & Bommer, 1996; Podsakoff et al., 1993; Rubin, Munz, & Bommer, 2005). The reliability for this scale at the individual level ranged from .78 to .91 (Podsakoff et al., 1990).

### **Power Distance Orientation**

To measure power distance orientation, this study used the measurement instrument developed by Earley and Erez (1997) which is an 8-item scale for an individual-level measure. A sample item includes, “In work-related matters, managers have a right to expect obedience from their subordinates.” The reliability for this scale is .74 (Earley & Erez, 1997).

### **Psychological Collectivism**

To measure psychological collectivism, this study used the measurement instrument developed by Jackson, Colquitt, Wesson, and Zapata-Phelan (2006). This is a 15-item scale for an individual-level measure, which includes five dimensions: preference (three items), reliance (three items), concern (three items), norm acceptance (three items), and goal priority (three items). Sample items for each subscale are “I prefer to work in those groups rather than working alone” (preference); “I feel comfortable counting on group members to do their part” (reliance); “I am concerned about the needs of those groups” (concern); “I follow the norms of those groups” (norm acceptance); and “I care more about the goals of those groups than my own goals” (goal priority). This study treated psychological collectivism as a unidimensional construct. The reliability for this scale ranged from .80 to .90 (Jackson et al., 2006).

### **Psychological Empowerment**

Psychological empowerment was measured using a 12-item measure developed by Spreitzer (1995) which includes four dimensions: meaning (three items), competence (three items), self-determination (three items), and impact (three items). Sample items for

each subscale are “The work I do is meaningful to me” (meaning); “I am confident about my ability to do my job” (competence); “I have significant autonomy in determining how I do my job” (self-determination); and “I have significant influence over what happens in my department” (impact). The reliability for this scale ranged from .62 to .72 (Spreitzer, 1995). This study treated psychological empowerment as a unidimensional construct.

### **Control Variables**

Because sample data were collected from multiple organizations, it was necessary to control for the possibility of variation due to organizational differences. For the analysis, the study controlled for some demographic variables, including respondents’ characteristics such as gender, age, education, rank, organization tenure, job function, and industry. According to Riketta (2005), age, gender, and organizational tenure were significantly associated with organizational identification. Thus, this study controlled for these variables.

### **Data Analyses**

This study mainly used moderated multiple regression and SEM method that is used to measure latent variables with maximal reliability and validity and to test causal theories (Gall et al., 2007).

After gathering the survey questionnaires, I did data screening. To detect univariate and multivariate outliers, I conducted a couple of analyses, such as studentized residual, scatterplots, and Mahalanobis distance (Tabachnick & Fidell, 2007). And then, the descriptive statistics, Cronbach’s alpha coefficient estimates, and correlation coefficients were analyzed. Cronbach’s alpha values display the internal consistency of

the items, and the correlation coefficients represent a general description about the relationships across the constructs and sub-constructs among the proposed variables (Sprinthall & Fisk, 1990). When the *p*-value was less than .05, it was considered statistically significant (Baron & Kenny, 1986; Holton & Burnett, 2005).

After I conducted descriptive statistics, confirmatory factor analysis (CFA) using the SEM method was conducted to analyze the data of the study. That is, I conducted a CFA to assess the construct validity of the measurements (Hair, Black, Babin, & Anderson, 2010; Jöreskog & Sörbom, 1993). Through SEM, latent (unobserved) variables and observed variables were examined. A latent variable is a hypothesized and unobserved concept that can only be approximated by observable or measured variables. The measured (observed) variables are gathered directly from respondents through data collection methods (Hair, Anderson, Tatham, & Black, 2005). There are five latent variables in the study: employee engagement (EE), transformational leadership (TL), power distance orientation (PD), psychological collectivism (PC), and psychological empowerment (PE). Examination of each measurement model showed factor loadings between the indicators and a construct, overall model fit indices, and the Cronbach's alpha coefficient. To assess the overall model fit indices,  $\chi^2$ , comparative fit index (CFI), root mean square residual (RMR), and root mean square error of approximation (RMSEA) were reported (Kline, 2005; Weston & Gore, 2006).

Moderated multiple regression analysis was conducted to test the main and moderating effect. This analysis is appropriate when a single metric dependent variable is hypothesized to have relationships with two or more metric independent variables (Kline,

2005). I adopted the moderated causal steps approach derived from Baron and Kenny's (1986) procedure and examined the following effects hierarchically: direct effects first, followed by moderating effects. That is, I tested the main effects of transformational leadership and employee engagement, power distance and employee engagement, and psychological collectivism and employee engagement, and the moderating effects of power distance orientation and psychological collectivism (Hypotheses 1 through 5).

To examine the mediating effect of psychological empowerment on the relationship between transformational leadership and employee engagement (Hypotheses 6 and 7), I used the SEM method. This method has the advantage of enabling researchers to explicitly examine measurement errors and can test both direct and indirect structural hypotheses (Egan, Yang, & Bartlett, 2004). According to Byrne (2009), SEM is a statistical method which is mainly used to examine the mediating effect in studies and is helpful when scholars test the relationships between multiple latent variables. I followed these steps which are similar to the basic idea of testing mediation using regression analyses by Baron and Kenny (1986).

These analyses used SPSS 22.0 and AMOS 22.0 in this study.

### **Summary**

This chapter described the data collection, measures, and analysis method, as well as target population and sample of this study. The target population was Korean employees in non-managing roles in for-profit organizations in South Korea. This study incorporated previously validated instrumentation to form a survey instrument. Five instruments were administered to form a Korean-version questionnaire based on

translation-back-translation procedures. Surveys were distributed to potential participants with paper-and-pencil survey and online survey.

A series of CFA were conducted to test the construct validity of the measurements. Consistent with accepted practices in SEM, several fit indices were used to assess the fit of the model. This study used moderated multiple regression analyses to test the main effect and moderating effects of power distance orientation and psychological collectivism on the relationship between transformational leadership and employee engagement (Hypotheses 1 through 5). SEM was used to test the mediation of psychological empowerment on the relationship between transformational leadership and employee engagement (Hypotheses 6 and 7).

## **CHAPTER 4**

### **RESULTS**

The purpose of this study was to determine whether the transformational leader's characteristics influence employee engagement in their jobs within Korean cultural values. To do this, this study first examined the relationship between transformational leadership and employee engagement with data from Korean companies. Specifically, the study investigated whether Korean cultural values, such as power distance orientation and psychological collectivism, moderate the relationship between transformational leadership and employee engagement. In addition, the study examined the effects of transformational leadership on employee engagement, as mediated by psychological empowerment.

This chapter presents the results of the data analysis. First, descriptive statistics including the means and standard deviations of all the items of the survey are reported. Second, the result of CFA is presented. That is, five measurement models are investigated for the validity of the measurements, and reliabilities of the instruments with multiple items are assessed to confirm internal consistency. Next, the results of the moderated multiple regression analysis for testing the hypotheses on the main and interactive effects were provided. Finally, the results of the SEM analysis for testing the hypotheses on the mediating effects are presented. This study used SPSS 22.0 and AMOS 22.0, and an alpha level of .05 at least was set for all statistical analyses.

#### **Preliminary Analysis**

Prior to the analysis, I examined the z-scores of each of the overall scales and

Mahalanobis distances among the variables to check for outliers (Tabachnick & Fidell, 2007). No extreme outliers were found.

### **Descriptive Statistics**

The survey used for data collection was divided into two sections: (a) a demographic section and (b) an organizational input and outcome section. The demographic section includes gender, age, education, tenure, rank, industry, and job function. In the second section, the organizational input and outcome survey has a total of 67 items including employee engagement (9 items), transformational leadership (23 items), power distance orientation (8 items), psychological collectivism (15 items), and psychological empowerment (12 items).

For the study, five extant scales were used to collect data from a sample of 265 employees in Korean for-profit companies in South Korea. Surveys were distributed to 600 potential participants. In total, 250 paper-and pencil surveys and 350 online surveys were distributed. Out of 600 distributed questionnaires, 297 were submitted or returned. This represented an overall response rate of 49.5 percent. Specifically, paper-and-pencil surveys were completed by 182 out of 250 employees and online surveys were completed by 115 out of 350 employees. This represented response rates of 72.8 percent for paper-and-pencil surveys and 32.9 percent online surveys. However, 32 cases were eliminated from the sample due to suspect responses or inappropriate responses (e.g., participants responding with all 1's or all 5's across all items, or no response to some items). Therefore, the effective sample size used to test the hypotheses was 265.

In the sample of 265 participants, 75.5% were male, and 96.6% held at least a

university degree. In terms of age, 14.0% of the participants were younger than 30 years old, 82.3% were between the ages of 30 and 44, and 4.0% were older than 45 years old. The average age of the participants was 35.2 years, ranging from 24 to 49 years. All participants had been employed by their organizations for at least one year. On average, participants had 8.9 years of work experience. Table 1 provides a summary of the demographic characteristics of the participants, and Table 2 demonstrates the descriptive statistics of survey items.

Table 1

*Demographic Information*

Demographics	Category	Frequency	Percentage
Gender	Male	200	75.5
	Female	65	24.5
Total (N=265)			
Age	Less than 25	1	0.4
	25-29	36	13.6
	30-34	89	33.6
	35-39	77	29.0
	40-44	52	19.6
	45 or over	10	3.8
Total (N=265)			
Education	High school graduate	3	1.1
	Associate degree	6	2.3
	Bachelor's degree	151	56.9
	Master's degree	72	27.2
	Doctoral degree	33	12.5
Total (N=265)			
Rank	Clerk/Senior clerk	33	12.5
	Assistant manager	77	29.0
	Manager/ Senior manager	114	43.0
	General manager	41	15.5

Total (N=265)			
Tenure	2–4	64	24.0
	5–10	84	32.0
	10–15	89	34.0
	More than 15	28	10.0
Total (N=265)			
Job Function	Administration/Management	90	34.0
	Marketing/Sales	65	24.5
	Research and Development	45	17.0
	Finance/Accounting	42	15.8
	Production	21	7.9
	Others	2	0.8
Total (N=265)			
Industry Type	Manufacturing	95	35.8
	IT/ Mobile Telecom	90	34.0
	Oil	26	9.8
	Finance/Insurance	25	9.4
	Construction	14	5.3
	Pharmaceutical/Medical	5	1.9
	Others	10	3.8
	Total (N=265)		

*Note.* Out of 297 respondents, 32 cases were eliminated due to suspect responses or inappropriate responses (e.g., participants responding with all 1's or all 5's across all items, or no response to some items)

Table 2

*Descriptions, Means, and Standard Deviations for Survey Items*

Items	Mean	SD	SD/X
<b><i>Employee Engagement</i></b>			
ee1: At my work, I feel bursting with energy.	3.74	0.73	0.20
ee2: At my job, I feel strong and vigorous.	3.77	0.75	0.20

ee3: When I get up in the morning, I feel like going to work.	3.25	1.02	0.31
ee4: I am enthusiastic about my job.	3.95	0.77	0.20
ee5: My job inspires me.	3.62	0.88	0.24
ee6: I am proud of the work that I do.	3.97	0.82	0.21
ee7: I feel happy when I am working intensely.	4.21	0.68	0.16
ee8: I am immersed in my job.	4.05	0.73	0.18
ee9: I get carried away when I am working.	3.50	0.88	0.25

Totals (N=265)

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***Transformational Leadership (My leader...)***

tl1: Has a clear understanding of where we are going.	4.03	0.85	0.21
tl2: Paints an interesting picture of the future for our group.	3.70	0.94	0.26
tl3: Is always seeking new opportunities for our organization.	3.88	0.94	0.24
tl4: Inspires others with his/her plans for the future.	3.67	1.02	0.28
tl5: Is able to get others committed to his/her dream.	3.53	1.02	0.29
tl6: Leads by “doing” rather than simply by “telling.”	3.61	1.07	0.30
tl7: Provides a good model for me to follow.	3.55	1.05	0.30
tl8: Leads by example.	3.57	1.03	0.29
tl9: Fosters collaboration among work groups.	3.69	1.08	0.29
tl10: Encourages employees to be “team players.”	3.68	1.02	0.28
tl11: Gets the group to work together for the same goal.	3.63	0.99	0.27
tl12: Develops a team attitude and spirit among employees.	3.58	1.02	0.28
tl13: Shows us that he/she expects a lot from us.	3.52	0.92	0.26

tl14: Insists on only the best performance.	3.33	0.99	0.30
tl15: Will not settle for second best.	3.03	1.01	0.33
tl16: Acts without considering my feelings. (R)	3.47	1.12	0.32
tl17: Shows respect for my personal feelings.	3.46	1.02	0.29
tl18: Behaves in a manner thoughtful of my personal needs.	3.47	0.98	0.28
tl19: Treats me without considering my personal feelings.(R)	3.55	1.09	0.31
tl20: Challenges me to think about old problems in new ways.	3.71	0.86	0.23
tl21: Asks questions that prompt me to think.	3.58	0.96	0.27
tl22: Has stimulated me to rethink the way I do things.	3.57	0.91	0.26
tl23: Has ideas that have challenged me to reexamine some of my basic assumptions about my work.	3.42	0.97	0.28
Total (N=265)			

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***Power Distance Orientation***

pd1: In most situations, managers should make decisions without consulting their subordinates.	2.75	1.04	0.38
pd2: In work-related matters, managers have a right to expect obedience from their subordinates.	2.81	1.14	0.40
pd3: Employees who often question authority sometimes keep their managers from being effective.	2.54	1.11	0.44
pd4: Once a top-level executive makes a decision, people working for the company should not question it.	3.30	1.11	0.34
pd5: Employees should not express disagreements with their managers.	3.03	1.15	0.38
pd6: Managers should be able to make the right decisions without consulting with others.	2.96	0.95	0.32

pd7: Managers who let their employees participate in decisions lose power.	2.42	0.94	0.39
pd8: A company's rules should not be broken—not even when the employee thinks it is in the company's best interest.	2.83	0.95	0.34

Total (N=265)

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***Psychological Collectivism***

pc1: I prefer to work in groups rather than working alone.	3.48	0.88	0.25
pc2: Working in groups is better than working alone.	3.42	0.94	0.28
pc3: I want to work with groups as opposed to working alone.	3.65	0.83	0.23
pc4: I feel comfortable counting on group members to do their part.	3.92	0.74	0.19
pc5: I am not bothered by the need to rely on group members.	4.08	0.74	0.18
pc6: I feel comfortable trusting group members to handle their tasks.	3.87	0.70	0.18
pc7: The health of groups is important to me.	4.11	0.65	0.16
pc8: I care about the well-being of groups.	3.99	0.66	0.17
pc9: I am concerned about the needs of groups.	3.97	0.62	0.16
pc10: I follow the norms of groups.	4.11	0.65	0.16
pc11: I follow the procedures used by groups.	4.18	0.62	0.15
pc12: I accept the rules of groups.	4.15	0.59	0.14
pc13: I care more about the goals of groups than my own goals.	3.40	0.92	0.27
pc14: I emphasize the goals of groups more than my individual goals.	3.38	0.88	0.26
pc15: Group goals are more important to me than my personal goals.	3.23	0.90	0.28

Total (N=265)

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***Psychological Empowerment***

pe1: The work I do is very important to me.	4.06	0.75	0.18
pe2: My job activities are personally meaningful to me.	3.88	0.78	0.20
pe3: The work I do is meaningful to me.	4.01	0.75	0.19
pe4: I am confident about my ability to do my job.	3.94	0.76	0.19
pe5: I am self-assured about my capabilities to perform my work activities.	3.89	0.76	0.19
pe6: I have mastered the skills necessary for my job.	3.69	0.85	0.23
pe7: I have significant autonomy in determining how I do my job.	3.63	0.92	0.25
pe8: I can decide on my own how to go about doing my work.	3.32	0.98	0.30
pe9: I have considerable opportunity for independence and freedom in how I do my job.	3.33	0.92	0.28
pe10: My impact on what happens in my department is large.	3.34	0.94	0.28
pe11: I have a great deal of control over what happens in my department.	2.97	0.91	0.31
pe12: I have significant influence over what happens in my department.	3.21	0.92	0.29
Total (N=265)			

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*Note.* All variables used five-point Likert type scales.

### **Confirmatory Factor Analysis (CFA): Testing Measurement Models**

This current study measured employee engagement (EE), transformational leadership (TL), power distance orientation (PD), psychological collectivism (PC), and psychological empowerment (PE) from same source and used translated measures. Thus, prior to testing the hypotheses, I conducted a series of confirmatory factor analyses to ensure the construct distinctiveness of the measures using SEM method (Jöreskog & Sörbom, 1993). According to Weston and Gore (2006), measurement models must be

assessed to evaluate how well the measured variables combine to identify the underlying hypothesized construct (i.e., latent variables). There were five latent variables in the study: employee engagement (EE), transformational leadership (TL), power distance orientation (PD), psychological collectivism (PC), and psychological empowerment (PE).

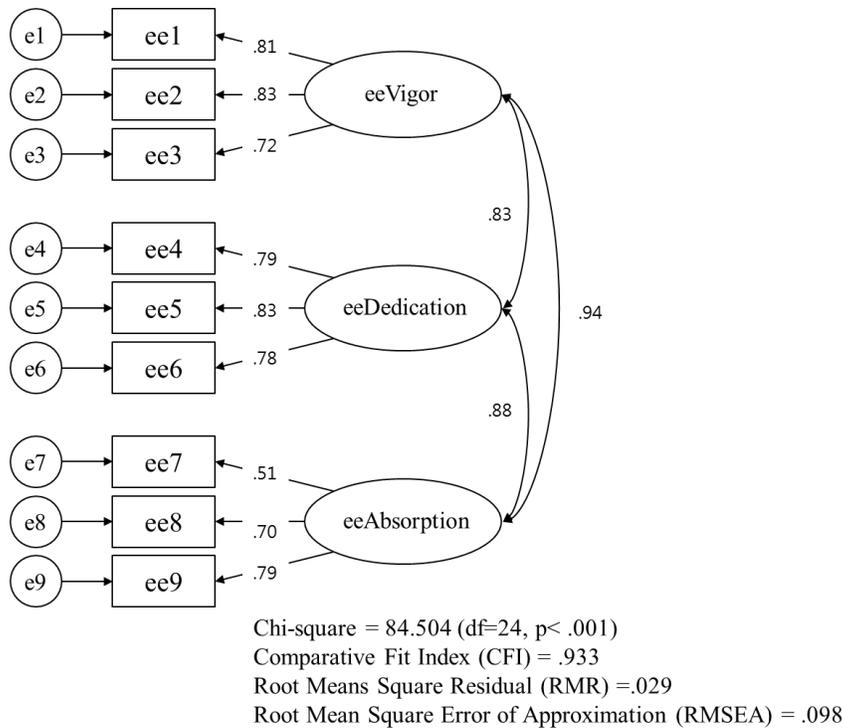
Examination of each measurement model shows factor loadings between the indicators and a construct, overall model fit indices, and the Cronbach's alpha coefficient. The overall model's chi-square, CFI, RMR, and RMSEA were used to assess model fit.

### **Testing Employee Engagement (EE)**

The first measurement model examined the relationships among the nine measured items of employee engagement (EE). The measurement model contains three sub-dimensions of the construct: vigor, dedication, and absorption. These sub-dimensions have three items for each sub-dimension. Cronbach's alpha for the overall construct of EE was 0.90 with the following breakdown: 0.80 for vigor, 0.84 for dedication, and 0.70 for absorption. All three sub-dimensions had relatively high reliability coefficients.

Figure 2 demonstrates the standardized estimates for the measurement model of EE with nine items. The factor loadings between the items and the underlying construct ranged from .51 to .83. This measurement model appears to represent the data quite well since all of the overall fit indices demonstrated acceptable values ( $\chi^2 = 84.504$ ;  $df = 24$ ; CFI=.933; RMR= .029; RMSEA= .098).

Figure 2. Measurement model of employee engagement (EE)



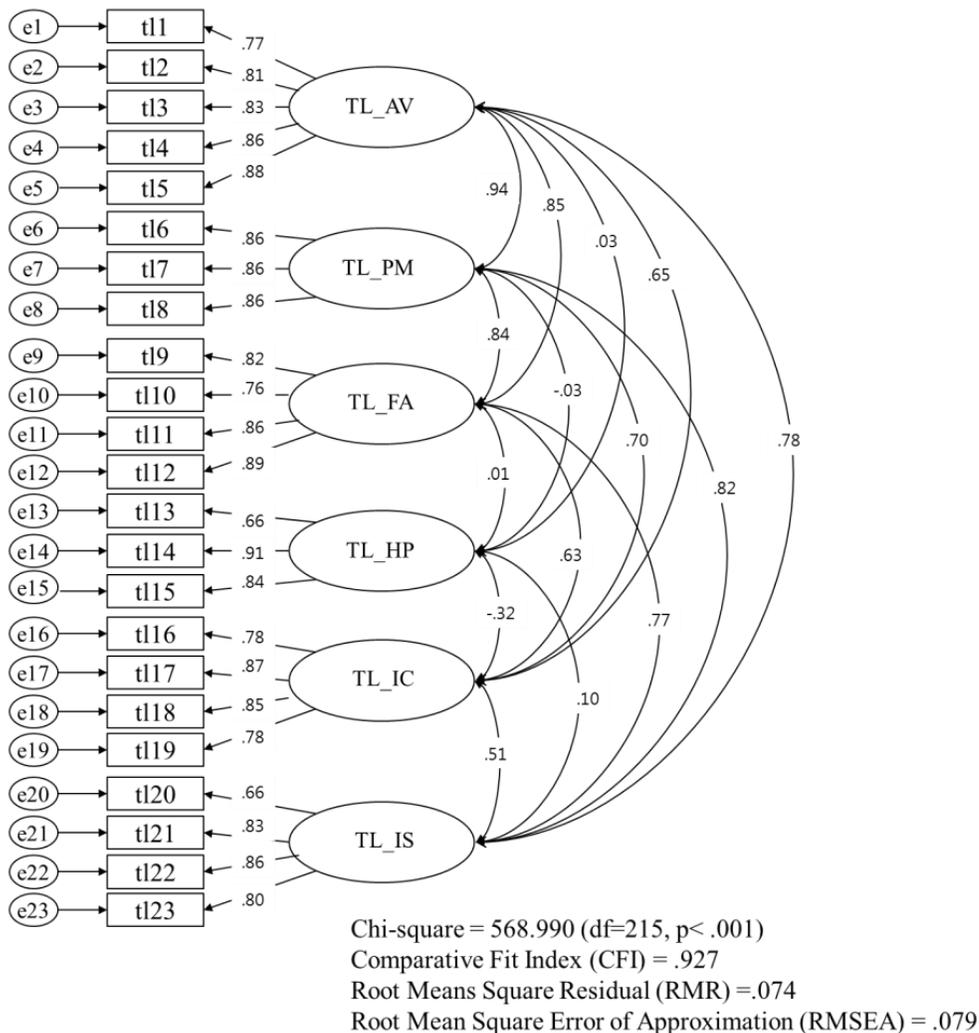
### Testing Transformational Leadership (TL)

The second measurement model examined the relationships among the 23 measured items of transformational leadership (TL). The measurement model contains six sub-dimensions of the construct. The sub-dimensions are articulating a vision, providing an appropriate model, fostering the acceptance of group goals, setting high performance expectations, having individualized consideration, and providing intellectual stimulation. These sub-dimensions were measured by five, three, four, three, four, and four items, respectively. Cronbach's alpha for the overall construct of TL was .94 which included .92 for articulating a vision, .89 for providing an appropriate model, .90 for fostering the acceptance of group goals, .85 for setting high performance expectations, .89 for having individualized consideration, and .87 for providing

intellectual stimulation. All six sub-dimensions had relatively high reliability coefficients.

Figure 3 demonstrates the standardized estimates for the measurement model of TL with 23 items. The factor loadings between items and the underlying construct ranged from .66 to .91. This model appears to represent the data quite well since all of the overall fit indices demonstrated acceptable values ( $\chi^2 = 568.990$ ;  $df = 215$ ; CFI= .927; RMR= .074; RMSEA= .079).

Figure 3. Measurement model of transformational leadership (TL)

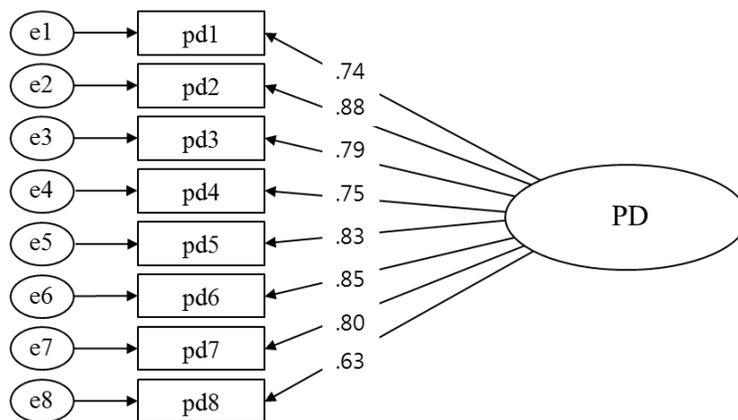


### Testing Power Distance Orientation (PD)

The third measurement model examined the relationship between the measured items and the underlying construct of power distance orientation (PD). This measurement model contains eight items without sub-dimension. Cronbach's alpha of the eight items for this construct was .81.

Figure 4 demonstrates the standardized estimates for the measurement model of PD with eight items. The factor loadings between items and the underlying construct ranged from .63 to .88. This measurement model appears to represent the data quite well since all of the overall fit indices demonstrated acceptable values ( $\chi^2 = 71.703$ ;  $df = 20$ ; CFI=.964; RMR=.039; RMSEA=.099).

Figure 4. Measurement model of power distance orientation (PD)



Chi-square = 71.703 (df=20,  $p < .001$ )

Comparative Fit Index (CFI) = .964

Root Means Square Residual (RMR) = .039

Root Mean Square Error of Approximation (RMSEA) = .099

### Testing Psychological Collectivism (PC)

The fourth measurement model examined the relationships among the 15 measured items of psychological collectivism (PC). The measurement model contains

five sub-dimensions of the construct. The sub-dimensions were preference, reliance, concern, norm acceptance, and goal priority. These sub-dimensions were measured by three items for each sub-dimension. Cronbach's alpha for the overall construct of PC was .89 including the following: .87 for preference, .72 for reliance, .83 for concern, .90 for norm acceptance, and .90 for goal priority. All five sub-dimensions had relatively high reliability coefficients.

Figure 5 demonstrates the standardized estimates for the measurement model of PC with 15 items. Factor loadings between the items and the underlying construct ranged from .67 to .93. This measurement model appears to represent the data quite well since all the overall fit indices demonstrated acceptable values ( $\chi^2 = 140.748$ ;  $df = 80$ ; CFI=.973; RMR=.024; RMSEA=.054).

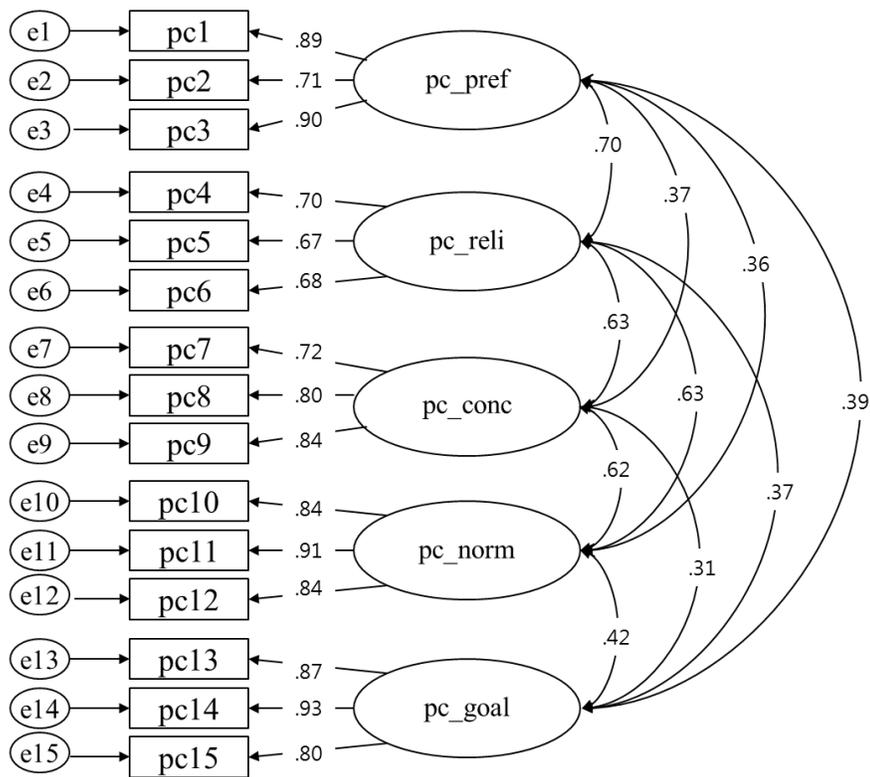
### **Testing Psychological Empowerment (PE).**

The fifth measurement model examined the relationships among the 12 measured items of psychological empowerment (PE). The measurement model contains four sub-dimensions of the construct. The sub-dimensions include meaning, competence, self-determination, and impact. These sub-dimensions were measured by three items for each sub-dimension. Cronbach's alpha for the overall construct of PE was .89 including .87 for meaning, .85 for competence, .87 for self-determination, and .90 for impact. All four sub-dimensions had relatively high reliability coefficients.

Figure 6 demonstrates the standardized estimates for the measurement model of PE with 12 items. Factor loadings between items and the underlying construct ranged from .73 to .94. This measurement model appears to represent the data quite well since all

of the overall fit indices demonstrated acceptable values ( $\chi^2 = 93.263$ ;  $df = 48$ ; CFI= .977; RMR= .037; RMSEA= .060).

Figure 5. Measurement model of psychological collectivism (PC)



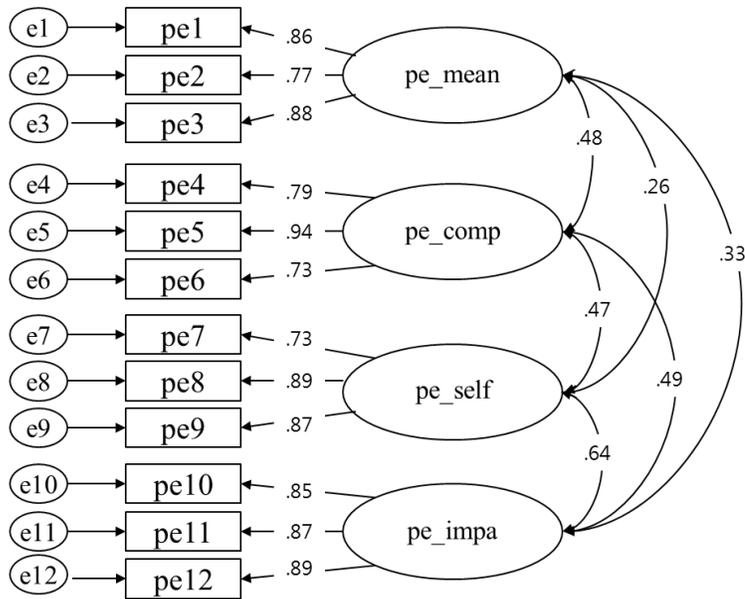
Chi-square = 140.748 (df=80,  $p < .001$ )

Comparative Fit Index (CFI) = .973

Root Means Square Residual (RMR) = .024

Root Mean Square Error of Approximation (RMSEA) = .054

Figure 6. Measurement model of psychological empowerment (PE)



Chi-square = 93.263 (df=48,  $p < .001$ )

Comparative Fit Index (CFI) = .977

Root Means Square Residual (RMR) = .037

Root Mean Square Error of Approximation (RMSEA) = .060

Construct validity of each instrument was determined by the results of CFA obtained using AMOS 22.0. The model fit estimates, as presented in Table 3, indicated that all measurements have construct validity.

Table 3

*Results of CFA: Fit Indices for Measurement Models and Reliabilities of Constructs*

Measurement Models	Chi-square	df	CFI	RMR	RMSEA	Cronbach's Alpha
EE	84.504	24	.933	.029	.098	.90(.70- .84)
TL	568.990	215	.927	.074	.079	.94(.85- .92)
PD	71.703	20	.964	.039	.099	.93
PC	140.748	80	.973	.024	.054	.89(.72- .90)
PE	93.263	48	.977	.037	.060	.89(.85- .90)

Note. CFI = comparative fit index; RMR = root mean square residual; RMSEA = root mean square error of approximation. ( ) is Cronbach's alpha of each subscale.

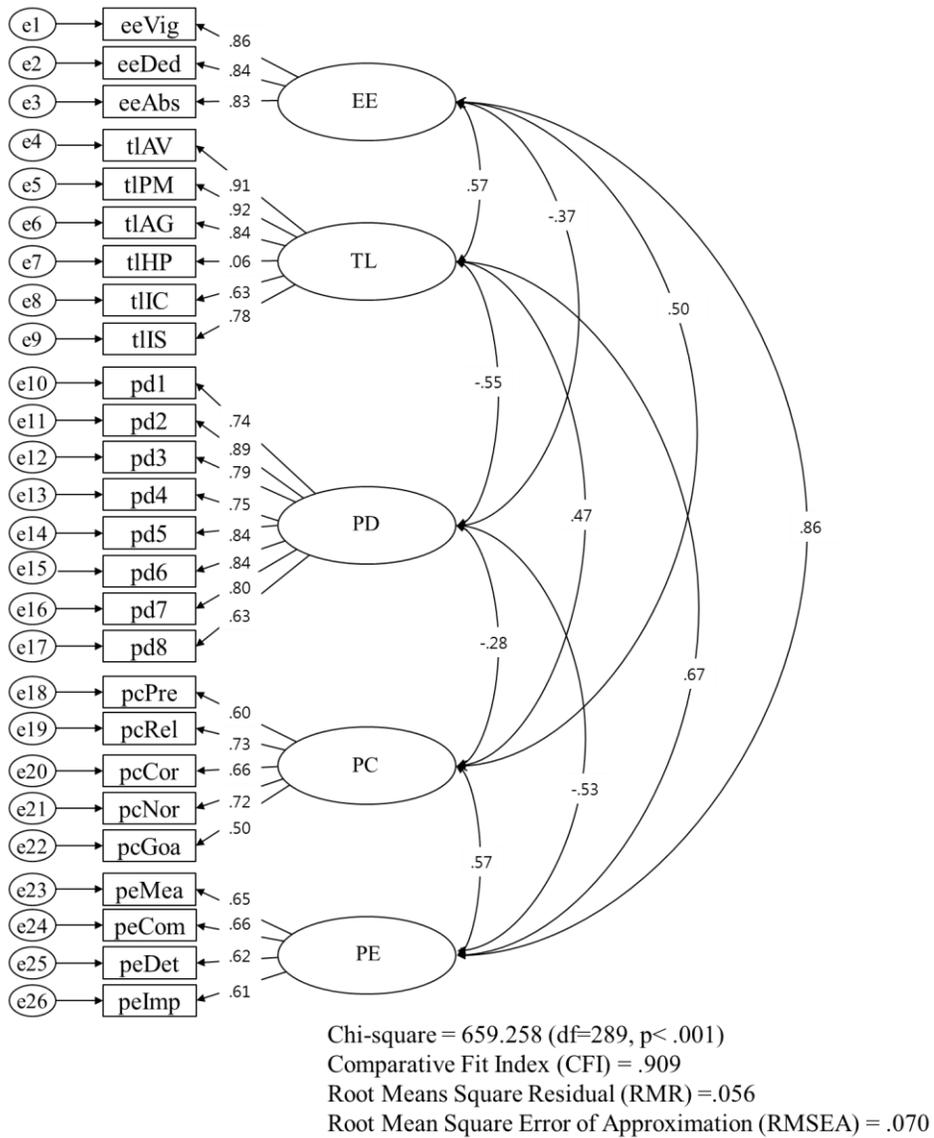
**Testing Overall Measurement Model**

After conducting CFA for each construct, I developed an overall measurement model and conducted CFA. The overall measurement model included five latent variables: EE, TL, PD, PC, and PE.

Figure 7 illustrates the results of the CFA for the overall measurement model. In this model, I found one extremely low factor loading: the factor loading between tHP (high performance expectation among transformational leadership) and TL (Transformational Leadership). The item with the very low factor loading seemed to cause the low construct reliability and validity of the overall measurement model, so it was reasonable to consider deleting the item. The low factor loading of tHP was interpreted to reflect the confusion of translation into Korean. Through this process, the

original connotation of the statement was contaminated. In a Korean context, out of the tHP items, one item (“Leaders insist on only the best performance”) might be perceived as an extremely negative nuance for Korean people because of the word “only.” Since tHP did not measure as being as valid as intended, I removed tHP from the TL. After that, the re-specified overall measurement model was obtained as shown in Figure 8.

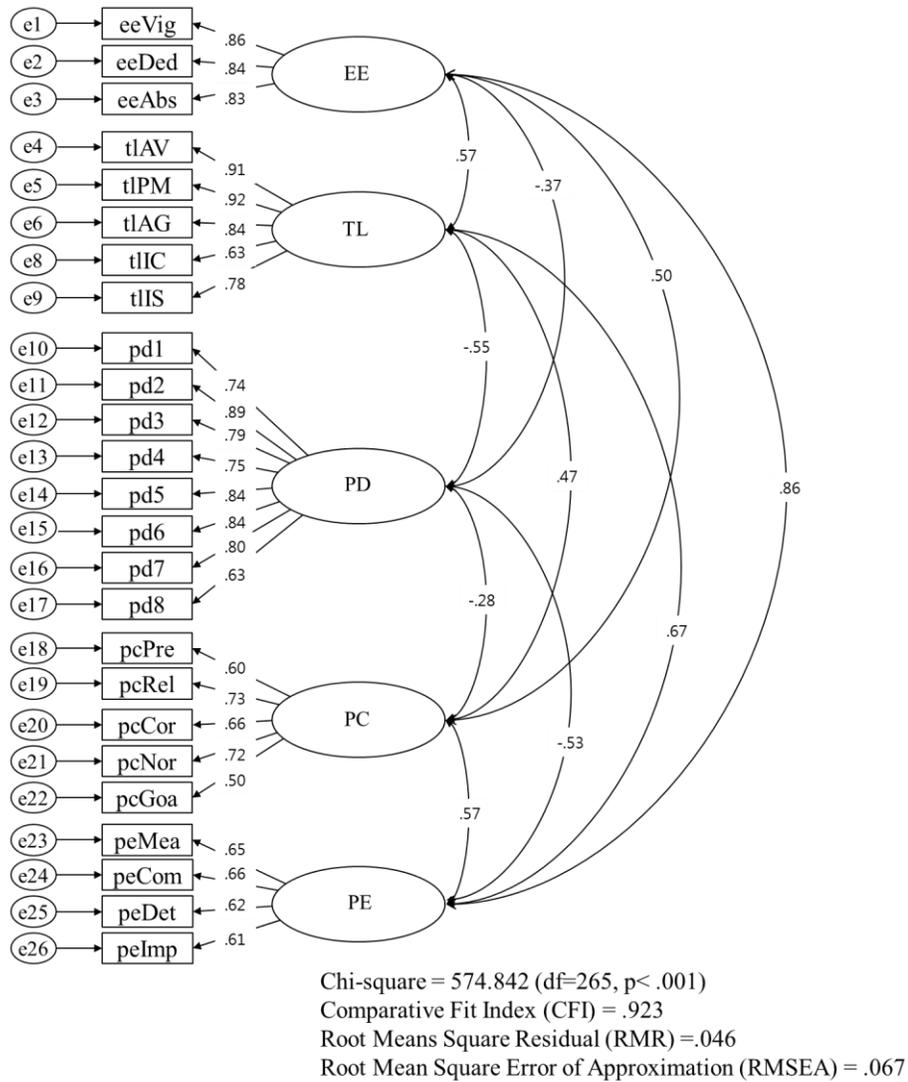
Figure 7. Original overall measurement model



Deleting the one area (tlHP) with an extremely low factor loading improved the overall fit indices even though most of the correlations between the sub-constructs were the same in the new measurement model. Figures 7 and 8 show that a slight improvement is found with all of the overall fit indices indicating that the model fits well with the data;  $\chi^2 = 659.258(df = 289) \rightarrow 574.842 (df = 265)$ ; CFI = .909  $\rightarrow$  .923; RMR = .056  $\rightarrow$  .046; RMSEA = .070  $\rightarrow$  .067. This means that re-specifying the original model resulted in an improvement in the overall fit.

Table 4 presents the means, standard deviations, and intercorrelations of the variables in the study, based on the results of each measurement model. An inspection of the correlations indicated that employee engagement was positively and significantly related to transformational leadership, psychological empowerment, and psychological collectivism, whereas power distance orientation was inversely related to employee engagement. Transformational leadership was significantly correlated with psychological collectivism and psychological empowerment, whereas power distance orientation was inversely related to transformational leadership. Power distance orientation was inversely and significantly related to psychological collectivism and psychological empowerment. Psychological collectivism was positively and significantly related to psychological empowerment. Among the demographic variables, education and rank were positively and significantly related to employee engagement

Figure 8. Re-specified overall measurement model



### Hypotheses Tests

The hypothesized research model in the study was based on the seven hypothesized theoretical relationships proposed in Chapter 3 and the measurement model developed through the CFA and the re-specified model in a previous section of this chapter.

Table 4

*Means, Standard Deviations, and Correlations between Variables*

Variable	M	SD	1	2	3	4	5	6	7	8	9	10
1. Gender	1.25	.43	1									
2. Age	35.25	5.24	-.29**	1								
3. Education	3.49	.83	-.03	.13*	1							
4. Tenure	8.92	5.05	-.17**	.80**	.04	1						
5. Rank	2.62	.89	-.22**	.85**	.17**	.78**	1					
6. EE	3.78	.61	-.03	.08	.13*	.10	.13*	1				
7. TL	3.61	.75	-.14*	.15*	.03	.14*	.18**	.51**	1			
8. PD	2.83	.86	.11	.00	-.04	.03	-.03	-.34**	-.53**	1		
9. PC	3.80	.48	-.11	.05	.14*	.06	.07	.43**	.42**	-.26**	1	.
10. PE	3.61	.57	-.18**	.26**	.11	.26**	.28**	.67**	.56**	-.45**	.45**	1

*Note.*  $N=265$  after listwise deletion of missing/error data. EE = Employee engagement; TL = Transformational leadership; PE = Psychological empowerment; PD = Power distance orientation; PC = Psychological collectivism. \*  $p < .05$ , \*\*  $p < .01$

In this section, the associations among one independent variable (TL), two moderating variables (PD, PC), one mediating variable (PE), and one outcome variable (EE) are hypothesized. The purpose of the following step was to determine whether the hypothesized model was supported by the data.

### **Testing the Main and Interaction Effects**

To test Hypotheses 1 through 5, moderated multiple regression analyses were performed. In step 1, all of the control variables were entered. In step 2, the three main effect variables, transformational leadership, power distance orientation, and psychological collectivism were added. In step 3, I tested for interactions by entering the product of transformational leadership and power distance orientation (transformational leadership  $\times$  power distance orientation) and the product of transformational leadership and psychological collectivism (transformational leadership  $\times$  organizational psychological collectivism).

As shown in Table 5, none of the control variables, gender ( $\beta = -.02, p > .05$ ), age ( $\beta = -.15, p > .05$ ), education ( $\beta = .12, p > .05$ ), tenure ( $\beta = .08, p > .05$ ), and rank ( $\beta = .17, p > .05$ ), were significantly related to employee engagement.

When the moderated multiple regression was analyzed in this study, potential multicollinearity existed in the TL, PD, and PC variables. According to Frazier, Tix, and Baron (2004), when the condition index is more than 10, or the variance inflation factor (VIF) score is more than 10, multicollinearity may exist.

In Table 5, when conducting the moderated multiple regression for employee engagement, there might be potential multicollinearity problems with TL, PD, and PC in

steps 2 and 3. Specifically, there were inappropriate scores for VIF and the condition indexes in steps 2 and 3. For instance, as presented in step 3 of Table 5, there were inappropriate scores for VIF in step 3; TL (Condition Index =19.99, VIF = 82.64), PD (Condition Index = 29.00, VIF=30.40), PC (Condition Index = 58.34, VIF=22.12), TLxPD (Condition Index = 95.67, VIF=23.23), and TLxPC (Condition Index = 257.96, VIF=104.98). Thus, to reduce the potential multicollinearity problems in the model, I used the z-score of each variable (TL, PD, and PC) based on Frazier et al.'s (2004) suggestion.

Table 6 shows the results of the moderated multiple regression with the z-score of each variable. Following the transformation into the z-score, there was improvement in the “Condition Index” and “VIF” in step 3; z-score of TL (Condition Index = 5.19 (19.99; the score before transforming it into the z-score ), VIF = 1.72 (82.64; the score before transforming it into the z-score), z-score of PD (Condition Index = 8.74 (29.00), VIF=1.44 (30.40)), z-score of PC (Condition Index = 13.99 (58.34), VIF= 1.37 (22.12)), zTL x zPD (Condition Index = 16.18 (95.67), VIF= 1.12 (23.23)), and zTL x zPC (Condition Index = 46.25 (257.96), VIF= 1.13 (104.98)) in step 3.

Table 5

*Moderated Regression Results for Employee Engagement*

Variables	Employee Engagement								
	Step1			Step2			Step3		
	<i>b</i>	SE	$\beta$	<i>b</i>	SE	$\beta$	<i>b</i>	SE	$\beta$
Step 1: Control variables									
Gender	-.02	.09	-.02	.09	.08	.07	.08	.08	.06
Age	.02	.02	.15	.01	.01	-.08	-.01	.01	-.09
Education	.09	.05	.12	.06	.04	.08	.06	.04	.08
Tenure	.01	.01	.08	.01	.01	.07	.01	.01	.07
Rank	.12	.09	.17	.04	.07	.06	.04	.07	.06
Step 2: Main effects									
TL				.29	.05	.35*** (1.64 <sup>a</sup> ; 25.35 <sup>b</sup> )	.37	.38	.45 (82.64; 19.99)
PD				-.06	.04	-.09 (1.42; 32.22)	.18	.20	.25 (30.40; 29.00)
PC				.32	.07	.25*** (1.25; 59.73)	.17	.31	.14 (22.12; 58.34)
Step 3: Interaction effects									
TL x PD							-.07	.05	-.30 (23.28; 95.67)
TL x PC							.03	.08	.21 (104.98; 257.96)
$R^2$			.03			.33***			.34
$\Delta R^2$			.03			.30***			.01
Adjusted $R^2$			.02			.31***			.31

*Note.* TL = Transformational leadership; PD = Power distance orientation; PC = Psychological collectivism. Unstandardized (*b*) and standardized ( $\beta$ ) regression coefficients are shown. \*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$ . <sup>a</sup> and <sup>b</sup> in  $\beta$  are “<sup>a</sup>” for VIF score, “<sup>b</sup>” for condition index score.

Table 6

*Moderated Regression Results for Employee Engagement (Z-score)*

Variables	Employee Engagement								
	Step1			Step2			Step3		
	<i>b</i>	SE	$\beta$	<i>b</i>	SE	$\beta$	<i>b</i>	SE	$\beta$
Step 1: Control variables									
Gender	-.02	.09	-.02	.09	.08	.07	.08	.08	.06
Age	-.02	.02	-.15	-.01	.01	-.08	-.01	.01	-.09
Education	.09	.05	.12	.06	.04	.08	.06	.04	.08
Tenure	.01	.01	.08	.01	.01	.07	.01	.01	.07
Rank	.12	.09	.17	.04	.07	.06	.04	.07	.06
Step 2: Main Effects									
z-score of TL				.22	.04	.35 <sup>***</sup>	.23	.04	.37 <sup>***</sup>
						(1.64 <sup>a</sup> ; 13.48 <sup>b</sup> )			(1.72; 5.19)
z-score of PD				-.06	.04	-.09	-.05	.04	-.08
						(1.42; 15.58)	.05		(1.44; 8.74)
z-score of PC				.15	.04	.25 <sup>***</sup>	.14	.04	.23 <sup>***</sup>
						(1.25; 44.61)			(1.37; 13.99)
Step 3: Interaction effects									
zTL x zPD							-.04	.04	-.07
									(1.19; 16.18)
zTL x zPC							.01	.03	.02
									(1.13; 46.25)
$R^2$			.03			.33 <sup>***</sup>			.34
$\Delta R^2$			.03			.30 <sup>***</sup>			.01
Adjusted $R^2$			.02			.31 <sup>***</sup>			.31

*Note.* TL = Transformational leadership; PD = Power distance orientation; PC = Psychological collectivism. Unstandardized (*b*) and standardized ( $\beta$ ) regression coefficients are shown. \*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$ . <sup>a</sup> and <sup>b</sup> in  $\beta$  are “<sup>a</sup>” for VIF score, “<sup>b</sup>” for condition index score.

Hypotheses 1, 2, and 4 predicted that transformational leadership, power distance orientation, and psychological collectivism is positively associated with

employee engagement. To determine this, I conducted a moderated multiple regression analysis of employee engagement with transformational leadership, power distance orientation, and psychological collectivism (see Table 6).

As shown in step 2 in Table 6, the individual beta weights indicated that transformational leadership ( $\beta = .35, t = 5.39, p < .001$ ), and psychological collectivism ( $\beta = .25, t = 4.42, p < .001$ ) significantly and positively predicted employee engagement, supporting Hypotheses 1 and 4. However, the effect of power distance orientation on employee engagement was not significant ( $\beta = -.09, t = -1.48, p > .05$ ), which means Hypothesis 2 was not supported.

In step 3, I tested the interactions between power distance orientation and psychological collectivism with transformational leadership in predicting employee engagement. Hypothesis 3 predicted that transformational leadership and power distance orientation interacts to affect employee engagement. Hypothesis 5 predicted that transformational leadership and psychological collectivism interacts to affect employee engagement. If there is a significant change in  $R^2$  when the interaction term is added, a moderating effect is said to exist (Hair et al., 2010).

In this study, however, when the interaction term was added (interaction term of transformational leadership  $\times$  power distance orientation, and interaction term of transformational leadership  $\times$  psychological collectivism), the model was not statistically significant. In addition, as shown in Table 6, the interaction term of transformational leadership  $\times$  power distance orientation ( $\beta = -.07, t = -1.24, p > .05$ ) and the interaction term of transformational leadership  $\times$  psychological collectivism ( $\beta = .02, t = .40, p > .05$ ) turned out not to be significant for employee engagement. Thus, Hypotheses 3 and 5

were not supported.

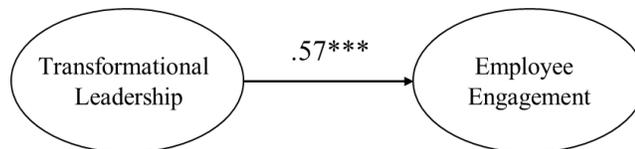
### Testing Mediation Effect

To test the mediation effect of psychological empowerment, SEM was used to assess the model fits and path coefficient estimates as Holmbeck (1997) described. In Figure 9, the ovals represent latent variables.

To test the mediating effect of psychological empowerment on the relationship between transformational leadership and employee engagement, this study divided three models and tested them accordingly. Model A of Figure 9, which is the unmediated model, indicates the relationship between transformational leadership and employee engagement with a single arrow ( $\chi^2 = 20.698$ ;  $df = 19$ ; CFI = .999; RMR = .031; RMSEA = .018). The coefficients ( $p < .001$ ) in Model A were found to be statistically significant.

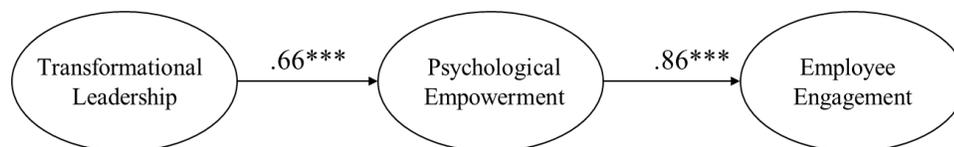
*Figure 9.* The standardized path coefficients of the mediated model of transformational leadership → psychological empowerment → employee engagement \*\*\*  $p < .001$

Model A.



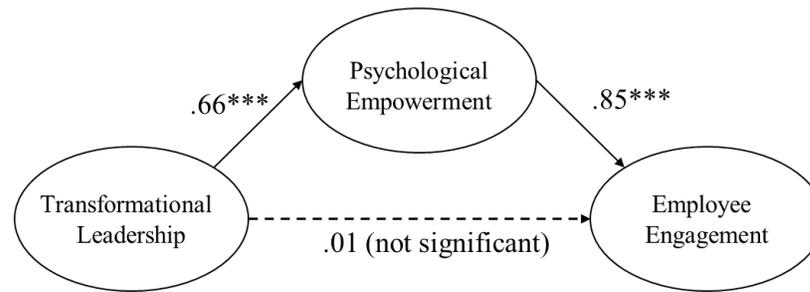
Chi-square = 20.698 ( $df = 19$ ,  $p < .001$ )  
 Comparative Fit Index (CFI) = .999  
 Root Means Square Residual (RMR) = .013  
 Root Mean Square Error of Approximation (RMSEA) = .018

Model B.



Chi-square = 164.963 ( $df = 52$ ,  $p < .001$ )  
 Comparative Fit Index (CFI) = .942  
 Root Means Square Residual (RMR) = .036  
 Root Mean Square Error of Approximation (RMSEA) = .091

Model C.



Chi-square = 164.956 ( $df = 51, p < .001$ )

Comparative Fit Index (CFI) = .942

Root Means Square Residual (RMR) = .036

Root Mean Square Error of Approximation (RMSEA) = .092

Model B shows the fully mediated model. That is, the effect of transformational leadership is mediated by a mediating variable, psychological empowerment. No indirect path was specified. The result shows that Model B fits the data well ( $\chi^2 = 164.963; df = 52; CFI = .942; RMR = .036; RMSEA = .091$ ). All path coefficients ( $p < .001$ ) in Model B were found to be statistically significant.

In Model C, a direct path from transformational leadership to employee engagement was added. Model C shows the direct and indirect mediating effect in the mediated model. As shown in Figure 9, Model C also fits the data well ( $\chi^2 = 164.956; df = 51; CFI = .942; RMR = .036; RMSEA = .092$ ). Additionally, TL significantly affects PE (.66,  $p < 0.001$ ) and PE significantly affects EE (.85,  $p < .001$ ); however, the direct impact of TL on EE was not significant (.01,  $p > .05$ ). Although the direct relationship between transformational leadership and employee engagement was not significant, the total indirect effect of transformational leadership on employee engagement was significantly positive.

Table 7 summarizes the results of the hypothesis testing regarding the mediating effect of psychological empowerment with the path coefficients of the direct and indirect

effects of each relationship, resulting in a full mediation effect.

Hypothesis 6 predicted a positive relationship between transformational leadership and psychological empowerment. As mentioned in Model C, transformational leadership was positively associated with psychological empowerment, supporting Hypothesis 6.

Hypothesis 7 predicted a mediating relationship between transformational leadership, psychological empowerment, and employee engagement. When the mediator, psychological empowerment, was specified, the relationship between transformational leadership and employee engagement remained significant, although it was not

Table 7.

*Hypothesis Testing of the Mediation Effect: Effects of Path Estimates (Standardized) in Model C*

Effect of Each Path	Total Effect	Direct Effect	Indirect Effect	Results
TL → EE	.01	.01		Not Significant.
TL → PE	+	.66 <sup>***</sup>	.66 <sup>***</sup>	Significant
PE → EE	+	.85 <sup>***</sup>	.85 <sup>***</sup>	Significant
TL → PE → EE	+	.56 <sup>***</sup>	.66 x .85 = .56 <sup>***</sup>	Full Mediation

*Note.* All estimates are based on the SEM model; <sup>\*\*\*</sup>  $p < .001$

significant in a direct impact between transformational leadership and employee engagement. In conclusion, as for the mediation effect, the findings indicated full mediation in this study, which supported Hypothesis 7.

### Summary

In this chapter, the results of data analyses were explained. First, moderated

multiple regression analyses were conducted to test the main and interactive effects. The results of the analyses showed that transformational leadership and employee engagement significantly and positively predicted employee engagement, supporting Hypothesis 1. Regarding Hypothesis 2, the effect of power distance orientation on employee engagement (Hypothesis 2) was not significant. However, the effect of psychological collectivism significantly affected employee engagement (Hypothesis 4). As for a moderating effect, both interaction terms of transformational leadership  $\times$  power distance orientation and transformational leadership  $\times$  psychological collectivism turned out not to be significant on employee engagement. Ultimately, power distance orientation and psychological collectivism did not moderate the relationship between transformational leadership and employee engagement. These findings indicate that only Hypothesis 4 was supported and Hypotheses 2, 3 and 5 were not supported.

As for a mediating effect of psychological empowerment, the results of SEM showed that psychological empowerment fully mediated the relationship between transformational leadership and employee engagement, supporting Hypotheses 6 and 7.

## **CHAPTER 5**

### **DISCUSSION AND CONCLUSIONS**

The purpose of this study was to determine whether a transformational leader's characteristics influence employee engagement in their job within the Korean cultural values. To do so, I first examined the relationship between transformational leadership and employee engagement with data from Korean companies. Specifically, I investigated whether Korean cultural values, such as power distance orientation and psychological collectivism, moderate the relationship between transformational leadership and employee engagement. In addition, I examined the effects of transformational leadership on employee engagement, as mediated by psychological empowerment.

This chapter discusses the findings presented in the previous chapter. First, a summary and discussion of the results are explored. Next, the theoretical and practical implications of the findings are discussed. Finally, the chapter concludes by discussing the limitations of the study and directions for future research.

#### **Summary and Discussion of Results**

One of the crucial issues for HR researchers and practitioners in South Korea is how to encourage employees to be more engaged in their jobs to successfully accomplish the organizational goals and perform better (Gupta & Shaw, 2014; Vidyarthi et al, 2014). Although previous research on employee engagement and transformational leadership has offered valuable knowledge and insights, scant research has focused on exploring the process and factors influencing employee engagement. Thus, the aim of this study was to determine whether transformational leadership influences employee engagement within Korean cultural values. Specifically, the study investigated whether Korean cultural

values, such as power distance orientation and psychological collectivism, moderated the relationship between transformational leadership and employee engagement. In addition, the study examined the effects of transformational leadership on employee engagement, as mediated by psychological empowerment. To do so, the study was conducted with the following seven hypotheses.

### **Hypotheses 1: Transformational Leadership and Employee Engagement**

Hypothesis 1 predicted that a transformational leader's behaviors are positively related to employee engagement. This hypothesis was confirmed with a positive relationship between transformational leadership and employee engagement. More specifically, employees who perceived that their leaders had transformational leader behaviors were more likely to be engaged in their jobs. These behaviors include not only encouraging followers to become cognitively, emotionally, and behaviorally engaged in their workplace, but also creating an environment where the followers can feel the three psychological conditions of engagement (meaningfulness, safety, availability) and thus feel supported by their workplaces (Bass, 1985; Podsakoff et al., 1990; Sarti, 2014; Shuck & Rose, 2013; Shuck et al., 2014). The current study confirmed that transformational leadership is a strong predictor of employee engagement, supporting Hypothesis 1.

### **Hypotheses 2-3: Power Distance Orientation and Employee Engagement**

Regarding power distance orientation, two hypotheses were proposed in this study: "power distance orientation would be positively related to employee engagement" (Hypothesis 2) and "power distance orientation would moderate the positive relationship between transformational leadership and employee engagement" (Hypothesis 3).

However, neither of these hypotheses was supported. In this study, employees' perceptions of power distance orientation did not have an insignificant influence on employee engagement in terms of direct influence and moderate influence on employee engagement. This result was different from the extant research on employee behaviors, which has indicated that employees in high power distance cultures have higher levels of normative commitment to their organizations and jobs (Clugston et al., 2000).

Why did the participants in this study not show consistent behavior in their engagement attitudes in their jobs under a different power distance culture? Or why did the participants in this study not present higher employee engagement behavior when they had higher perceptions of power distance orientation? The reason may be that power distance orientation in this study had an insignificant relationship to employee engagement because participants who work in large-sized Korean companies may believe that their organizations no longer have a high power distance culture; rather, they might feel that there is equal power distribution in the company. According to the results of the descriptive statistics in this study, the average score of power distance orientation was merely 2.82 on a scale of 5 with 1 indicating that there is very equal distribution of power, and 5 indicating that there is a very unequal distribution of power in the organization. Specifically, this finding means that participants, at least in the study, no longer perceive that their organizational culture has vertical, hierarchical, and unequal power distribution. Over the past two decades, many large-sized Korean companies have strived to change the hierarchical culture to a horizontal culture (Sesay & Lewis, 2002), resulting in probably changes from a traditional hierarchical organizational culture (unequal vertical power distribution in an organization) to a more equal horizontal power distribution in

organizations (Lee, Scandura, & Sharif, 2014). Although other Korean companies may still have a high power distance culture, the companies involved in this study seem to have a relatively horizontal culture compared to Hofstede's previous notion that Korean society has a very high power distance culture. Thus, it may not be reasonable to uniformly identify large-sized Korean companies' cultural traits as having high "power distance orientation." This result also indicates that the perception of power distance orientation did not statistically affect employee engagement as a predictor or on the relationship between transformational leadership and employee engagement as a moderator in this study.

#### **Hypotheses 4-5: Psychological Collectivism and Employee Engagement**

Regarding psychological collectivism, two hypotheses were suggested: "psychological collectivism is positively related to employee engagement" (Hypothesis 4), and "psychological collectivism moderates the positive relationship between transformational leadership and employee engagement" (Hypothesis 5). Of these two hypotheses, only Hypothesis 4 was confirmed, which was in line with the argument that psychological collectivism was more closely associated with a perceived responsibility to the organization (Finkelstein, 2013). Based on this finding, Korean employees in this study from a collectivism society felt an obligation to pursue the group's goals/needs more than individual needs/desires (Singelis, Triandis, Bhawuk, & Gelfand, 1995; Triandis, 2001), resulting in probably becoming more engaged in their jobs to achieve organizational goals compared to employees in individualistic cultures.

This study was the first attempt to conduct empirical tests on the relationship between psychological collectivism, transformational leadership, and employee

engagement with data from South Korea. The findings add employee engagement to a collectivist perspective. This was also in line with the idea that collectivism cultures emphasize harmony for success of the group (Clugston et al., 2000; Wagner, 1995), and stress the importance of co-workers' support, endurance, persistence and obedience at work (Waxin, 2004). In addition, it suggested that people who believe that they might have a psychologically collectivistic organizational culture become deeply engaged in achieving their companies' goals (Hofstede, 1997; Podsakoff et al., 1990; Sarti, 2014). In conclusion, the study unveiled the idea that psychological collectivism did not moderate the relationship between transformational leadership and employee engagement, but it significantly affected employee engagement directly, supporting Hypothesis 4.

#### **Hypotheses 6-7: Mediating Effect of Psychological Empowerment**

Hypothesis 6 predicted that transformational leadership is positively related to psychological empowerment. In this paper, this hypothesis was confirmed, which was in line with the argument that transformational leaders' behaviors encourage employees' psychological empowerment by enhancing their perceptions of meaningfulness, competence, impact, and self-determination (Avolio et al., 2004).

Hypothesis 7 predicted that psychological empowerment mediates the relationship between transformational leadership and employee engagement. This hypothesis was fully supported. That is, psychological empowerment fully mediated the relationship between transformational leadership and employee engagement. Yukl (2002) posited that transformational leaders articulate a clear vision, explain how to reach the vision, act confidently and optimistically, express confidence in their followers, emphasize values with symbolic actions, lead by example, and entirely empower their

followers to achieve the vision. He also pointed out that this type of leader is able to build commitment to organizational objectives, and then, followers who are empowered from their leaders are able to accomplish those objectives by themselves. This is also in line with Behking and McFillen's (1996) notion that transformational leaders empower their followers to take more responsibility for their tasks and jobs, and trust their followers. Because of this experience with their leaders, followers feel psychologically empowered from their leaders, resulting in probably becoming deeply engaged in their jobs (Eylon & Au, 1999; Uhl-Bien et al., 2000). This result is also consistent with Avolio et al.'s (2004) findings that the impact of transformational leadership on employees' attitudes about the organization is fully mediated by psychological empowerment in the study on the attitudes of nurses employed by a large public hospital in Singapore. The current study confirmed that psychological empowerment was a mediator between transformational leadership and employee engagement, supporting Hypotheses 6 and 7.

### **Theoretical Implications**

This study provided four significant theoretical contributions to the existing literature on employee engagement. First, this study might contribute to creating a new theoretical framework on the relationship between transformational leadership, power distance orientation, psychological collectivism, psychological empowerment, and employee engagement by integrating five crucial factors that have not been previously connected. It is an undeniable fact that both leadership and engagement, as research themes, are currently important and meaningful within the HR area. Research on employee engagement is one approach for investigating the dyadic relationship between leaders and employees (Konovsky & Pugh, 1994). Accordingly, because of the

importance of leadership and engagement in the organization, much previous research has separately investigated employee engagement and transformational leadership (e.g. Bass, 1985; Burn, 1978; Harter et al., 2002; Kark, Shamir, & Chen, 2003; Podsakoff et al., 1990; Rich et al., 2010). However, relatively little prior research has examined the relationship between transformational leadership and employee engagement. In addition, no research has examined the role of cultural values in predicting employee engagement in Korean cultural settings. The findings of this study confirmed that transformational leaders' behaviors, psychological collectivism, and psychological empowerment are significant predictors of employee engagement. To the best of my knowledge, the current study might be the first to jointly investigate the effects of transformational leadership, power distance orientation, psychological collectivism, and psychological empowerment on employee engagement.

Another theoretical contribution was that this study might be the first attempt to identify Korean cultural values, such as power distance orientation and psychological collectivism, as moderators in the relationship between transformational leadership and employee engagement. Regarding power distance orientation, the results of this study indicated that employees' power distance orientation did not significantly moderate the relationship of transformational leadership with employee engagement. This was an unexpected finding. I expected that most employees in Korean for-profit companies would have the perception of high power distance orientation in their organizations. However, participants, at least in this study, no longer seemed to perceive their organizational culture as having unequal power distribution (Lee, Scandura, & Sharif, 2014). This was in line with Lee et al.'s (2014) recent research that a large portion of

employees in South Korea may already perceive equal power distribution instead of unbalanced power distribution, possibly because many large-sized Korean companies have strived to change the hierarchical organizational culture to a horizontal culture over the past two decades (Sesay & Lewis, 2002). These efforts might have already changed the culture considerably from a traditional hierarchical organizational culture (unequal vertical power distribution in an organization) to equal horizontal power distribution in an organization. Thus, we could not uniformly identify the “power distance orientation” factor as a large-sized Korean company’s culture, compared to Hofstede’s past notion of Korean culture. The results of this study indicated that the perception of power distance orientation did not play a predictor or moderator role in employee engagement.

As for psychological collectivism, Korean people may still have a strong perception of collectivism. In this study, employees’ perceptions of psychological collectivism did not play a moderator role in the relationship between transformational leadership and employee engagement with data from Korean companies, but it played a significant predictor role in employee engagement directly. Based on the results in the study, we can acknowledge Korean employees’ current view of Korean cultural values, compared to Hofstede’s prior notion of Korean culture. However, scholars need to conduct more research on Korean employees’ perspectives on Korean cultural values and accumulate data to discover how Korean organizational culture is currently perceived. According to Singelis and Brown (1995), cultural values refer to collective ideas that serve as standards or criteria of conduct for individuals, groups, and organizational behavior. Previous research has paid relatively little attention to cultural values at the individual level compared to the national level. This study may be meaningful because it

focuses on the individual-level power distance orientation and psychological collectivism instead of the national level like Hofstede's prior work. While previous research on cultural variables have used national-level cultural values (e.g., Hofstede, 2010; Kirkman, Lowe, & Gibson, 2001; Lee et al., 2014; Shim & Steers, 2012), this study considered power distance orientation and psychological collectivism as an individual-level cultural value. Thus, this study extended prior research on cultural values by investigating individual-level power distance and psychological collectivism in the Korean context. This study of two individual-level variables could reveal new findings and results regarding employee behaviors in the workplace.

Finally, this study might contribute to the employee engagement literature by examining the perception of psychological empowerment as a mediating mechanism through which leadership and the organizational context influence employee engagement using data from Korean companies. In the current samples of Korean companies, the results showed that the mediating effect was not a partial mediation effect but a full mediation effect. It would be very meaningful in that we should continue to monitor Korean employees' thoughts in practice. Before 2000, it was considered a very high power distance culture with a vertical climate in Korean organizations (Sesay & Lewis, 2002). Employees in Korean companies were accustomed to simply following the leader's orders. However, as Sesay and Lewis (2002) described, the Korean societal culture might have already changed because many Korean companies have made efforts to change the culture over the past few decades into a horizontal culture and currently encourage employees to implement self-determination in their jobs. Through these processes and their experience at work, Korean employees might have increasingly

changed their view of working, resulting in probably becoming more engaged in their jobs beyond just following the leader's requests or orders. As the results of this study indicate, current employee perceptions of empowerment may very strongly affect employee engagement in Korean employees. This finding is confirmed by prior research (e.g., Kanter, 1983; Spreitzer, 1995; Thomas & Velthouse, 1990) in that empowered employees appear to be more likely to reciprocate with higher levels of engagement in their jobs.

### **Practical Implications**

This study could provide valuable insights from diverse perspectives for HR staff on how to effectively promote the level of employee engagement in organizations. HR practitioners play a critical role in designing and implementing programs in ways that increase employee engagement. This study has already revealed that transformational leadership, psychological collectivism, and psychological empowerment were identified as potential strong leverage points to enhance employee engagement. Thus, this study could suggest a direction of specific characteristics which a leader needs to develop to become an effective leader in the organization, especially in a collectivism society like South Korea. The results of this study provided evidence that employee engagement behavior may be strongly influenced by transformational leader behavior through employees' psychological empowerment. Leadership development is one of the most important themes for HR scholars and practitioners. Bass's (1997) meta-analysis on relationships of transformational leadership with various performance criteria indicated that transformational leadership plays a critical antecedent role in desirable performance outcomes. In addition, prior research has revealed that a new transformational leadership

style can be substantially obtained through a variety of training programs (Barling, Weber, & Kelloway, 1996). Thus, HR practitioners need to pay closer attention to effective formal- or informal- training programs to improve managers' leadership competency to become transformational leaders. In addition, HR professionals could create programs that definitely include how leaders can create an atmosphere for subordinates to feel psychological empowerment as well as how to develop a transformational leader's behavioral traits.

Due to the importance of transformational leadership on employee engagement, HR practitioners could use the characteristics of transformational leadership as evaluation criteria for selecting and promoting individuals for upper-level managerial positions. Individuals with these traits are more likely to become transformational leaders. Prior researchers have argued that a transformational leader is a person who creates a shared vision of the future, intellectually stimulates subordinates, provides individuals with a great deal of support based on individual needs, recognizes individual differences, and sets high expectations (e.g., Bass, 1985; Burn, 1978; Podsakoff et al., 1990). By encouraging these behaviors, this type of leader could achieve better performance by motivating followers to become more engaged in their jobs. Thus, HR professionals could use transformational leaders' traits as evaluation criteria.

Leaders in the workplace need to consider employee engagement as a long-term and on-going process that requires continued interaction over time between the leaders and followers (Cropanzano & Mitchell, 2005). Thus, leaders need to motivate and inspire their followers to cognitively, emotionally, and behaviorally become engaged in their jobs and organizations through consistent, continuous, and clear communication (Bass &

Avolio., 1994; Podsakoff et al, 1990). To do so, HR practitioners could give their leaders at work guidelines or specific knowhow in terms of how to motivate their subordinates at work.

Finally, one of the fundamental implications from this study was that the findings could provide the conceptual basis for interventions that are designed to promote the perception of psychological collectivism among co-workers in organizations. This study indicated that psychological collectivism is recognized as a potential significant predictor of employee engagement. This finding implied that managers need to pay more attention to understanding their subordinates' perceptions of psychological collectivism and should empower their subordinates to believe that it is worthwhile to enhance team spirit and harmony with colleagues each other, resulting in probably cooperating and being more engaged in their jobs. Thus HR practitioners need to create interventions to increase team spirit for employees as well as high qualified programs to give insights to leaders to help them practically implement collectivism in the organization.

### **Limitations of the Study and Directions for Future Research**

This study has some limitations and directions for the future research. The first potential limitation is that the data were collected from individual employees' self-report, so called a single source. Specifically, engagement, the main dependent variable in the study, was assessed using only a self-report survey which might produce an inflated estimate of the true underlying correlations between variables due to common method variance. Thus, future research may benefit from the use of multiple evaluators for each employee to appropriately assess each variable. Besides individual employees' self-reports, supervisors or peers may be good sources for evaluating employee behaviors.

Second, this study investigated critical organizational factors such as leadership, organizational cultural factors, empowerment, influencing employee engagement in large-sized, for-profit companies in South Korea. However, these factors, without power distance orientation, which was identified as an insignificant factor in the study, explained only 48.6% of the variance in employee engagement. The rest of the variance in engagement was not explained. Thus, there are several factors that have not yet been examined. Missing variables possibly influencing employee engagement, such as job characteristics, individual characteristics, the degree of relationship with leaders or colleagues, and organizational support (e.g., Avery et al., 2007; Avolio et al., 2004; Jones & Harter, 2005; Kahn, 1990; May et al., 2004; Rich et al., 2010; Saks, 2006) could lead to unexpected errors in this study. Thus, more comprehensive future research needs to investigate the relationships between diverse factors and employee engagement. This approach could help determine the most influential factors among the diverse factors.

Another limitation of this study related to the traits of the sample. This study examined large-sized, for-profit companies in South Korea. However, there were very different management systems and mechanisms among large-, medium-, and small- sized companies in terms of decision making and communication styles. The nature of this sample of South Korean employees may limit the generalizability of the findings to other types of organizational settings such as small-, or medium- sized companies, and other Asian countries including China, Japan, and Taiwan. Although Korea, China, Japan, and Taiwan are located in the same East Asia area and have similar cultural features, in reality, they have somewhat different societal cultures. For instance, while Chinese people consider “guan-xi” (interpersonal and inter-organizational relationships with the

implication of continued exchanges of favors over time) (Park & Lou, 2001) to be a very critical factor, Korean people consider “informal social ties” (informal socialization) as a very crucial factor in the organization (Umphress, Labianca, Brass, Kass, & Scholten, 2003; Yang, 2006). These different cultures could be demonstrated by different employee behaviors and thoughts. Therefore, future research might be expanded to collect data from small- and medium-sized companies; moreover, it might be expanded to examine a national comparison analysis including Korea, China, Japan, and Taiwan.

Finally, from Hofstede’s index in 2014, overall Korean culture tends toward high collectivism and high power distance, but based on this study, this may no longer be the reality in large Korean companies. Based on the descriptive statistics in this study, the average score of power distance orientation was 2.82 out of 5 in the organization, which means that participants in the study probably no longer perceived their organizational culture as vertical, hierarchical, and unequal power distribution. This is in line with Sesay and Lewis’s (2002) notion that many employees in Korean organizations likely have the perspective that companies have changed their culture to be more horizontal and equal power distribution. In addition, according to Lee et al. (2014), Korean society may have a mixed culture between traditional collectivism and modernized individual culture.

Although Korean culture has rapidly changed over two decades, and thus affected the organizational culture, this study strived to identify Korean companies’ culture only as traditional. Korea has traditionally been considered a collectivistic-high power distance country (Hofstede, 2001, 2014). However, according to Tsui, Nifadkar, and Ou (2007), societal and organizational cultures are not static but changing, and cultural values also tend to change more in changing economies (Fertig, 1996). Korean people, for instance,

might be identified as having mixed cultural traits because of the westernization of Korean society over the past two decades (Liden, 2012). Thus, future research needs to first determine what the major cultural values in Korean organizations are, compared to Hofstede's traditional cultural index of 2014. And then scholars need to conduct other studies related organizational cultural values in Korean organizations. These future studies would help discover unique implications in academia and practice.

In conclusion, this study contributed to the literature on employee engagement by linking transformational leadership and organizational cultural values in a certain country. To do so, I created and tested a model of antecedents of employee engagement to examine seven specific hypotheses while creating new insights into the mechanisms related to employee engagement and transformational leadership. Along with providing new insights into the literature on employee engagement and transformational leadership, the current research could serve as a foundation for further inquiry into related research questions. As many organizations pay more attention to the development of engaged employees and leadership development, HR scholars and practitioners need to be at the forefront of practical and scholarly knowledge around this topic of study.

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APPENDIX A

Research Support Consent Form

## **RESEARCH SUPPORT CONSENT FORM**

My name is Chan Kyun Park. I am a Ph.D. student in the Department of Organizational Leadership, Policy, and Development at the University of Minnesota. I am conducting a study on ‘Predicting Employee Engagement: An Exploration of the Roles of Transformational Leadership, Power Distance Orientation, Psychological Collectivism, and Psychological Empowerment in Korean Organizations. This study is being conducted as part of Chan Kyun Park’s Ph.D. dissertation in the Department of Organizational Leadership, Policy, and Development at the University of Minnesota. I am asking you to support this study in terms of recruiting survey participants at your university.

### **Background Information**

One of the primary challenges for Human Resource researchers and practitioners today is how to motivate employees to be willingly engaged in their roles so they can successfully achieve the organizational goals and perform better. Prior empirical research has shown that engagement positively relates to many beneficial organizational outcomes such as organizational performance, productivity, and profitability, and is a dominant source of competitive advantage. Due to the effectiveness of employee engagement, research on employee engagement has become an increasingly popular topic since Kahn’s initial study in 1990.

In this context, the purpose of this study is to find out whether the transformational leader’s features have influence on the employee’s engagement in their job under the Korean cultural values. To do this, this study will examine first the relationship between transformational leadership and employee engagement with data from Korean companies. And then specifically, the study will investigate whether Korean cultural values, such as power distance orientation and psychological collectivism, moderate the relationship between transformational leadership and employee engagement. In addition, the study will examine the effects of transformational leadership on employee engagement, as mediated by psychological empowerment.

In sum, the study will figure out “What is the relationship between transformational leadership and employee engagement?; To what extent is that

relationship influenced by (a) power distance, (b) psychological collectivism, and (c) psychological empowerment.” Below is a list of my research question:

1. What is the relationship between transformational leadership and employee engagement?
2. Is the relationship between transformational leadership and employee engagement influenced by power distance orientation?
3. Is the relationship between transformational leadership and employee engagement influenced by psychological collectivism?
4. What is the relationship between psychological empowerment and employee engagement?
5. Is the relationship between transformational leadership and employee engagement mediated by psychological empowerment?

### **Procedures**

If you agree to be in this study, I would ask you to respond to a multi-item questionnaire that measures variables related to employee engagement, the perceptions of transformational leadership, power distance orientation, psychological collectivism, and psychological empowerment. Also, there are items which collect information on your role, gender, age, level of education, job title, type of job, years of working, etc. However, the collected information will be used neither by the researcher nor your employer to identify you. In addition, private information, such as your name, address or phone number will not be collected. The expected time to complete this questionnaire is 15-20 minutes.

### **Confidentiality**

The records of this study will be kept private. In any sort of report the researcher might publish, the researcher will not include any information that will make it possible to identify a subject. Research records will be stored securely and only the researcher will have access to the records. After survey responses are collected, company names will be coded appropriately. All data of this study will be maintained anonymously. Since only the aggregated results will be reported, individual results will remain confidential.

### **Voluntary Nature of the Study**

Participation in the procedure of this research is voluntary. Your decision whether or not to participate will not affect your current or future relations with your employer. Any participants are free to withdraw at any time without affecting those relationships.

### **Contacts and Questions**

The researcher conducting this study is Chan Kyun Park. If you have any comments or questions about the survey, please write or call:

Chan Kyun Park  
 XXXXXX Apt  
 Yangjae-daero 1218, Songpa-gu,  
 Seoul 138-786, South Korea  
 XXX-XXX-XXXX  
[parkx635@umn.edu](mailto:parkx635@umn.edu) (University of Minnesota)

Or you may contact my adviser, Dr. Shari Peterson, at XXXXXX@umn.edu. If you have any questions or concerns regarding this study and would like to talk to someone other than the researcher, you are encouraged to contact the Research Subjects' Advocate line at the University of Minnesota, D528 Mayo, 420 Delaware Street. Southeast, Minneapolis, MN 55455; telephone 612- 625-1650.

*You may keep a copy of this form for your records.*

### **Statement of Consent**

I have read the above information. I have asked questions and received answers. I give consent for participation in this study.

Company: \_\_\_\_\_

Department: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

APPENDIX B  
Survey Questionnaire

## Survey Questionnaire

### Section # 1. Employee Engagement (Schaufeli, Bakker, & Salanova, 2006)

*The following items assess your level of engagement in your job and organization. Please indicate the extent to which you agree or disagree with each statement.*

- | 1                                                          | 2        | 3                            | 4     | 5              |
|------------------------------------------------------------|----------|------------------------------|-------|----------------|
| Strongly<br>disagree                                       | Disagree | Neither agree<br>or disagree | Agree | Strongly agree |
| 1. At my work, I feel bursting with energy                 |          |                              |       |                |
| 2. At my job, I feel strong and vigorous                   |          |                              |       |                |
| 3. When I get up in the morning, I feel like going to work |          |                              |       |                |
| 4. I am enthusiastic about my job                          |          |                              |       |                |
| 5. My job inspires me                                      |          |                              |       |                |
| 6. I am proud of the work that I do                        |          |                              |       |                |
| 7. I feel happy when I am working intensely                |          |                              |       |                |
| 8. I am immersed in my job                                 |          |                              |       |                |
| 9. I get carried away when I am working                    |          |                              |       |                |

### Section # 2. Transformational Leadership (Podsakoff, MacKenzie, Moorman, & Fetter, 1990).

*The following items assess my perspective on my team leader's behavior. Please indicate the extent to which you agree or disagree with each statement.*

- | 1                    | 2        | 3                            | 4     | 5              |
|----------------------|----------|------------------------------|-------|----------------|
| Strongly<br>disagree | Disagree | Neither agree<br>or disagree | Agree | Strongly agree |

*My team leader...*

1. Has a clear understanding of where we are going.
2. Paints an interesting picture of the future for our group.
3. Is always seeking new opportunities for our organization.
4. Inspires others with his/her plans for the future.
5. Is able to get others committed to his/her dream.
6. Leads by “doing”, rather than simply by “telling.”
7. Provides a good model for me to follow.

8. Leads by example.
9. Fosters collaboration among work groups.
10. Encourages employees to be “team players.”
11. Gets the group to work together for the same goal.
12. Develops a team attitude and spirit among employees.
13. Shows us that he/she expects a lot from us.
14. Insists on only the best performance.
15. Will not settle for second best.
16. Acts without considering my feelings. (R)
17. Shows respect for my personal feelings
18. Behaves in a manner thoughtful of my personal needs.
19. Treat me without considering my personal feelings.(R)
20. Challenges me to think about old problems in new ways.
21. Asks questions that prompt me to think.
22. Has stimulated me to rethink the way I do things.
23. Has ideas that have challenged me to reexamine some of basic assumptions about my work.

**Section # 3. Power Distance Orientation** (Earley & Erez, 1997).

*The following items assess individual perspective on power distance in your organizational culture. Please indicate the extent to which you agree or disagree with each statement.*

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

1. In most situations, managers should make decisions without consulting their subordinates.
2. In work-related matters, managers have a right to expect obedience from their subordinates.
3. Employees who often question authority sometimes keep their managers from being effective.

4. Once a top-level executive makes a decision, people working for the company should not question it.
5. Employees should not express disagreements with their managers.
6. Managers should be able to make the right decisions without consulting with others.
7. Managers who let their employees participate in decisions lose power.
8. A company's rules should not be broken—not even when the employee thinks it is in the company's best interest.

**Section # 4. Psychological Collectivism** (Jackson, Colquitt, Wesson, & Zapata-Phelan, 2006)

*The following items assess individual psychological perspective on collectivism in your organizational culture. Please indicate the extent to which you agree or disagree with each statement.*

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

1. I preferred to work in those groups rather than working alone.
2. Working in those groups was better than working alone.
3. I wanted to work with those groups as opposed to working alone.
4. I felt comfortable counting on group members to do their part.
5. I was not bothered by the need to rely on group members.
6. I felt comfortable trusting group members to handle their tasks.
7. The health of those groups was important to me.
8. I care about the well-being of those groups.
9. I was concerned about the needs of those groups.
10. I followed the norms of those groups.
11. I followed the procedures used by those groups.
12. I accepted the rules of those groups.
13. I cared more about the goals of those groups than my own goals.
14. I emphasized the goals of those groups more than my individual goals.
15. Group goals were more important to me than my personal goals.

**Section # 5. Psychological Empowerment** (Spreitzer, 1995)

*The following items assess psychological empowerment that you are feeling. Please indicate the extent to which you agree or disagree with each statement.*

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

1. The work I do is very important to me.
2. My job activities are personally meaningful to me.
3. The work I do is meaningful to me
4. I am confident about my ability to do my job.
5. I am self-assured about my capabilities to perform my work activities.
6. I have mastered the skills necessary for my job.
7. I have significant autonomy in determining how I do my job,
8. I can decide on my own how to go about doing my work.
9. I have considerable opportunity for independence and freedom in how I do my job.
10. My impact on what happens in my department is large.
11. I have a great deal of control over what happens in my department.
12. I have significant influence over what happens in my department.

**Section # 6. Demographics**

*The following questions are to obtain demographic information about you. The information is being collected to explore basic characteristics of the respondents and will not be used to identify you. Please answer the following questions.*

1. What is your age? \_\_\_\_\_ (in years)
2. What is your gender? a) Male b) Female
3. What is your highest level of education?
  - a) High school diploma
  - b) Associate degree
  - c) Bachelor's degree
  - d) Master's degree
  - e) Doctoral degree

4. How long have you worked in your current organization? \_\_\_\_\_ (year & month)
6. What is your current position?
- a) Staff/ Clerk
  - b) Assistant Manager
  - c) Manager
  - d) Senior Manager
  - e) Others \_\_\_\_\_ (Please fill in)
7. What industry is your organization in? \_\_\_\_\_
- a) Finance/Insurance
  - b) Oil/Gas/Chemical
  - c) IT/Internet
  - d) Construction
  - e) Telecommunication Service
  - f) Manufacturing
  - g) Others \_\_\_\_\_ (Please fill in)
8. What is your job function in the organization?
- a) Planning/HR/Law/Admin.
  - b) Finance/Accounting
  - c) Marketing/Sales
  - d) Research and Development
  - e) Production/Tech/Engineering
  - f) Others \_\_\_\_\_ (Please fill in)

APPENDIX C

Letter of Approval from Institutional Review Board

FROM: irb@umn.edu  
TO: parkx635@umn.edu  
DATE: DEC. 9, 2014 at 1:03 AM  
SUBJECT: 1411E55309 - PI Park - IRB - Exempt Study Notification  
TO: chri1614@umn.edu, parkx635@umn.edu

The IRB: Human Subjects Committee determined that the referenced study is exempt from review under federal guidelines 45 CFR Part 46.101(b) category #2  
SURVEYS/INTERVIEWS; STANDARDIZED EDUCATIONAL TESTS;  
OBSERVATION OF PUBLIC BEHAVIOR.

Study Number: 1411E55309

Principal Investigator: Chan Kyun Park

Title(s):

Predicting Employee Engagement: An Exploration of the Roles of Transformational Leadership, Power Distance Orientation, Psychological Collectivism, and Psychological Empowerment in Korean Organizations

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This e-mail confirmation is your official University of Minnesota HRPP notification of exemption from full committee review. You will not receive a hard copy or letter. This secure electronic notification between password protected authentications has been deemed by the University of Minnesota to constitute a legal signature. The study number above is assigned to your research. That number and the title of your study must be used in all communication with the IRB office. Research that involves observation can be approved under this category without obtaining consent.

**SURVEY OR INTERVIEW RESEARCH APPROVED AS EXEMPT UNDER THIS CATEGORY IS LIMITED TO ADULT SUBJECTS.**

This exemption is valid for five years from the date of this correspondence and will be filed inactive at that time. You will receive a notification prior to inactivation. If this research will extend beyond five years, you must submit a new application to the IRB before the study's expiration date.

Upon receipt of this email, you may begin your research. If you have questions, please call the IRB office at (612) 626-5654.

You may go to the View Completed section of eResearch Central at <http://eresearch.umn.edu/> to view further details on your study.

The IRB wishes you success with this research.