

# EFFECT OF LEADERSHIP STYLE ON EMPLOYEE ENGAGEMENT WITH MOTIVATIONAL FACTOR AS MEDIATOR

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## ABSTRACT

*This study aims to extend the literature by examining the mediating effect of motivational factors between the relationship of leadership styles and employee engagement in the Readymade Garments (RMG) industry in Bangladesh. The study is used Herzberg's two-factor theory and full range leadership theory. Using the deductive approach and quantitative technique, the study has collected data from 387 employees of the RMG industry via a closed-ended researcher-administered questionnaire. The findings show that intrinsic and extrinsic motivational factors, as well as transactional leadership style, have a significant effect on employee engagement in the RMG industry. Motivational factors (intrinsic and extrinsic) mediate the relationship between the relationship of leadership styles (transformational and transactional) and employee engagement. It is suggested that the industry should focus on transactional leadership style and motivational factors for filling the ambitious target in the future.*

**Keywords:** Readymade Garments (RMG), Employee Engagement, Intrinsic and Extrinsic Motivational Factor, Transformational and Transactional Leadership Style

## INTRODUCTION

The world's top-performing organizations recognize employee engagement drives business outcomes and performances. Growing competition for talented employees has forced firms to review their engagement strategies in order to attract, motivate and retain the type of workforce that will help them to be successful, which include benchmarking against companies that are considered to be leaders in engagement (Fulmer, Gerhart & Scott, 2003; Waldron, 2017). Harter, Schmidt and Hayes (2002) explains that engaged employees look out for the needs of their co-workers and the overall enterprise. Organizations with an engaged workforce also have low absenteeism and low turnover rate and satisfying quality of work and health (Kahn, 1990; Putra, Cho & Liu, 2015; Saks, 2006). Based on the literature reviews from past studies, most of them have pointed out engagement as significant to business success because business needs make employees feel energetic, dedicated and are able to absorb their work in order to maximize outcome (Bakker & Schaufeli, 2008; Rothmann & Rothmann, 2010). An engaged employee could deliver higher productivity, superior service quality, high job satisfaction, lower absenteeism, more commitment, lower intention to quit job, attract satisfied and loyal customers, increased organizational citizenship behavior and improved bottom-line results (Endres & Smoak, 2008; Jose & Mampilly, 2012). These performance outcomes shape up engagement concept and becomes popular as well as important in organizational management around the world. Abraham (2012) points out that companies that have highly engaged employees will improve on productivity by 26%, and total returns to shareholders are increased by 13% over a period of five years. This notion is supported by Anitha (2014) who states that companies with higher level of engagement significantly impact employee performance, higher levels of profits and increase in earnings per share (Kumar & Pansari, 2015) and increment of operating income (Perrin, 2003).

Research suggests that engaged employees can play a critical role in achieving organizational (*i.e.*, managerial) goals, improving organizational effectiveness, and helping organizations become and remain competitive (Alagaraja & Shuck, 2015; Bakker, 2017; Eldor, 2016; Eldor & Harpaz, 2016). Therefore, this study is going to investigate the effect of leadership styles on employee engagement while motivational factors play mediating role between them.

## LITERATURE REVIEW

### Employee Engagement

Employee engagement means the members of organization give their best performance everyday by putting extra time, energy and brain power to achieve organization goal. Kahn (1990) is among the first scholar who introduces the concept of employee engagement. He proposes three psychological conditions necessary for engagement. Psychological meaningfulness; the level of employees perception on what they are doing in the organizations is worthwhile and valuable; psychological safety, or the extent to which employees are comfortable with their roles in the organizations; and psychological availability; *i.e.*, the extent to which resources, tools, skills are accessible for executing their roles in the organization. These conditions can be further defined in the following ways:

- i. When employees are given tasks that challenge their creativity and they are able to perform they feel worthy and appreciated and such condition is defined as psychological meaningfulness.
- ii. When the employees are employed and they feel secured and positive with the workplace surrounding and the nature of the job the condition is known as Safety.
- iii. When the employees have balanced personality which is portrayed physically, emotionally and psychologically stable, the condition is described as Availability.

Gibbons (2008) proposes eight factors for employee engagement which include trust and integrity, shared individual performance and company performance, personal relationship with manager, career growth opportunities, pride of the company, employee development opportunities, nature of the job and teamwork among the coworkers/team members. These notions are consistent with the scope of job resources as proposed in Job Demands-Resources (JD-R) model (Schaufeli & Bakker, 2004).

### Leadership

Kahn (1990) posits that organizational leader's drive psychological factors in which employees feel meaningfulness, safety and availability at the workplace and lead them to have positive engagement (Rich, Lepine & Crawford, 2010). Scholars such as Robbins (2007) describes leadership as the ability to influence a group toward a vision or set of goals. Mung, Chiun, Sing and Ayob (2011) suggest that leadership could influence the behaviour of subordinates to achieve the organizational goals. There are many types of leadership but the popular and well known are authoritarian, paternalistic, democratic, laissez-faire, transformational and transactional (Schaefer, 2015). Burns (1978) conceptualizes leadership style in terms of transformational and transactional characteristics. According to Bass (1985, 1999) transactional leaders motivate their followers to fulfill their leaders' expectations, while transformational leaders motivate their followers to perform beyond what is expected of them (Breevaart et al., 2014). Many scholars recognized the important of transformational and transactional leadership styles including Breevaart et al. (2014) who argue that specific leadership behaviors can influence the actual availability of followers' job resources.

## Relationship between Leadership Style and Motivational Factor

The transformational leadership theories indicate that the core leadership function is stimulating innovation (Jiang & Chen, 2018). According to Burns (1978) transformational leadership style is the process by which leaders and followers raise one another in order to motivate followers towards their higher ideals. Furthermore, Bass (1985) expands the work of Burns and exposes that transformational leadership occurs when leaders broaden and elevate their interest as well as their employees. Bass also believes that transformational leaders stir their employees to look beyond their self-interest for the betterment of the group. Moreover, Stewart (2006) also indicates that transformational leaders pay followers morality values by motivating them. According to Pieterse, Knippenber, Schippers and Stam (2009) transformational leadership can be demarcated as a flair of leadership that changes supporters to escalate their selfishness by shifting their morals, ethics, and inspiring them to show better performance gradually. Odumeru and Ogbonna (2013) argue transformational leaders are preemptive and promote the supporter's mindfulness as well as assist them to attain astonishing goals. İşcan, Ersarı and Naktiyok (2014) describe transformational leadership identically to those who visualized positive situations and prospects in the organization. They also believe that the leaders who have transformational minds are primarily engaged to improve the follower's self-confidence that help followers to realize their self-potential.

Gilbert, Horsman and Kelloway (2016); Bass and Bass (2008); Barling, Christie and Hopton (2011) observe that transformational leaders motivate their employees based on intrinsic motivation such as desire, and fear. Chaudhry, Javed and Sabir (2012) discover that intrinsic motivation and its components have positive and significant association with Transformational leadership style. Transformational leaders encourage employees intrinsically such as by trusting the employees, admiring their loyalty, and respect. According to the full range leadership theory, transformational leader motivates the employees intrinsically using the elements which drive the motivation factors suggested by Herzberg. Again intrinsic motivations are interrelated with Transformational leaders (Barbutto, 2005). Based on this point, the hypothesis is formulated.

*H1: There is positive significant effect of transformational leadership style on intrinsic motivational factors in the RMG industry in Bangladesh.*

*H2: There is positive significant effect of transformational leadership style on extrinsic motivational factors in the RMG industry in Bangladesh.*

Burns (1978) believes that transactional leadership style occurs when the contractual obligation of followers and leaders initiate an effort to exchange valuable information (Kuhnert & Lewis, 1987). According to (Bass, 1985 & 1990), transactional leadership is a way of leading followers by exposing and engaging them in a transaction with their leaders. Moreover, leaders who tend to follow transactional leadership style not only explain the requirement clearly but also indicate the benefits or rewards if the requirements are achieved. Further, İşcan, Ersarı and Naktiyok (2014) define transactional leadership as an exchange of relationship between the leader and followers. The characteristic of transactional leadership style according to Hackman and Johnson (2013) are 1) focusing on short term ventures, 2) working under strict policies and rules, 3) adhering strictly to instructions, 4) working to gain personal rewards, 5) more concerned on work to rule, 6) making oneself rigid and inflexible, and 7) unchanging in the work processes.

Bass (1990), Charles and Katherine (2007) and Schaefer (2015) specify that transaction leaders use reward and punishment methods to motivate the employees. It is expected that when a leader has high instrumental motivation, he/she will likely have transactional behaviors. According to the full range leadership theory, transactional leader motivates the employee extrinsically and the element is driven by hygienic factors of Herzberg. Moreover, extrinsic motivations are interrelated with transactional leadership (Barbutto, 2005) and the third and fourth hypothesis is based on this perspective.

*H3: There is positive significant effect of transaction leadership style on extrinsic motivational factors in the RMG industry in Bangladesh.*

*H4: There is positive significant effect of transaction leadership style on intrinsic motivational factors in the RMG industry in Bangladesh.*

## **Relationship between Motivation and Employee Engagement**

Herzberg (1968) suggests that motivator increase the employee engagement as well as caution the suitable quantities of consideration should be given to the external elements to avoid dissatisfaction. Grounded by the theory, the researcher proposes employers should give immediate consideration to the basic hygienic requirements prior to providing the intrinsic motivational factors to improve satisfaction and job achievement. Promotion and growth, recognition, creativity, freedom, social ethics, obligations as well as ability to utilize are intrinsic motivation that is crucial and could only be achieved if the basic hygiene requirements are achieved. Conversely, job security, salary, connections with fellow employees, connections with the employers, workplace environment, company policy as well as procedure, authority, variety are extrinsic motivation which encourages employees to be engaged in their work seriously. Motivational factors have direct impact on engagement (Bergstrom & Martinez, 2016; Khan & Iqbal, 2013). Mehmood et al., (2013) indicate that attractive and reasonable reward system could improve employee's engagement and better performance management in the organization.

Kathirvel (2010) focuses on job security, salary, working conditions, relationship with superiors, relationship with co-workers, rewards and recognition, suggestions and opportunities to use ideas, nature of work and concept of self, communication and relationship with management, welfare measures, health conditions, training, individual adjustment, safety, social and community life, opportunity for advancement, job clarity, cleanliness, stress relaxation and opportunity to learn a job as factors which influence employee engagement. He examines these factors at several organizations such as the Jaganath Textile industry, the Murugan Mills, the Saradha Mills, the Sugana Textile Mills and the Cambodia Textile Mills in Coimbatore. Devi (2016) finds these are the significant factors which affect the climate of an organization and it has major influence on productivity of individuals and their engagement at the workplace.

San, Theen and Heng (2012) show effective reward strategies not only fulfill the employee's basic requirement but also increase their engagement in the organization. Prior to that, Mujtaba and Shuaib (2010) discuss that organizational rewards enhance good working habits and significantly boost the performance of each employee. Through reward strategies, management can attract a pool of qualified candidates and maintain a highly motivated workforce in the organization. Successful companies use the rewards programs to motivate and retain the top talent employee. Iqbal (2015) reveals that positive effect of reward is associated with higher level of engagement. Thus, the following hypotheses are formulated based on this fact.

*H5: There is positive significant effect of intrinsic motivation on employee engagement in the RMG industry in Bangladesh.*

*H6: There is positive significant effect of extrinsic motivation on employee engagement in the RMG industry in Bangladesh.*

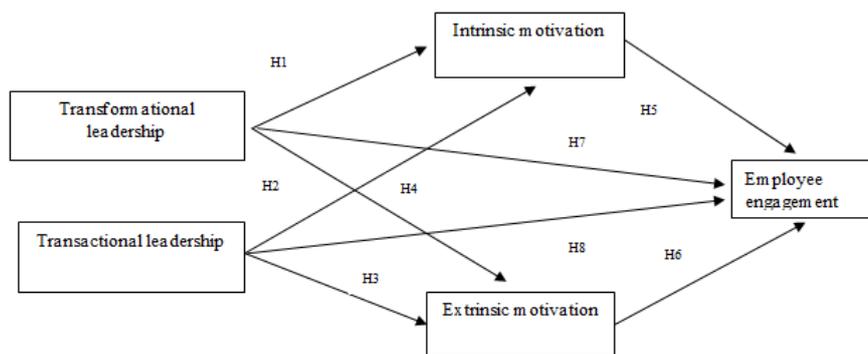
## **Relationship between Leadership Style and Employee Engagement**

Leadership styles try to increase individual's engagement (Chandani, Mehta, Mall & Khokhar, 2016). Hossan et al., (2020); Schaefer (2015); Schmitt, Hartog and Belschak, (2016) state that there is a positive relation between transformational leadership, transactional leadership and employee work engagement. Actually transformational and transactional leaders have the capacity to directly impact the engagement levels of their employees (Batista-Taran et al., 2013; Nohria, Groysberg & Lee, 2008). Based on full range leadership theories, leaders

wants to increase employee engagement by providing intrinsic motivation. This is done by trusting the workers, and express admiration for their loyalty, and respect. Full range leadership theories also suggest leader wants to reduce dissatisfaction among the employees by providing extrinsic motivation to prevent burn out and increasing engagement.

*H7: There is a positive significant effect of transformational leadership on employee engagement in the RMG industry in Bangladesh.*

*H8: There is a positive significant effect of transactional leadership on employee engagement in the RMG industry in Bangladesh.*



**FIGURE 1  
RESEARCH FRAMEWORK**

*H9: Intrinsic motivation mediates the relationship between transformational leadership style and employee engagement in the RMG industry in Bangladesh.*

*H10: Intrinsic motivation mediates the relationship between transactional leadership style and employee engagement in the RMG industry in Bangladesh.*

*H11: Extrinsic motivation mediates the relationship between transformational leadership style and employee engagement in the RMG industry in Bangladesh.*

*H12: Extrinsic motivation mediates the relationship between transactional leadership style and employee engagement in the RMG industry in Bangladesh.*

## METHODOLOGY

This study used a cross-sectional survey design featuring a researcher-administered questionnaire as the study instrument and a quantitative research design as the study framework. The population of the study is the permanent lower-level employees (who have no supervisory power) at the readymade garments industry in Bangladesh. The non-probability sampling specifically convenient sampling used to draw the sample as it is identified to be a better approach for this study, since the employees are sampled for their availability (Battaglia, 2011). The data were obtained from 387 employees from 25 readymade garments factories in Dhaka, which have more than 300 employees. The intrinsic and extrinsic job satisfaction are measured using the scales developed by Weiss, Dawis, England and Lofquist (1967) and also was used by Ghanbahadur (2014) known as the 'Minnesota Satisfaction Questionnaire.' The scale of employee engagement was developed by Schaufeli, Bakker and Salanova (2006) and was tested by Vanam (2009) consisting of 9 items in the questionnaire to measure employee engagement. The transformational and transactional leadership constructs are measured by multifactor leadership questionnaire (MLQ) (5X) and the scale was developed by Avolio and Bass (1991). The questions had been retrieved from validity study of the MLQ 5X form by Antonakis (2001). Partial least squares structural equation modeling has been used to analyze the data in this study.

## DATA ANALYSIS

## Respondent's Profile

There are 260 males (67.2 per cent) and 127 females (32.7) respondents; 226 employees are married (58.4 per cent), 161 employees (41.6 per cent) are single out of 387 respondents. They indicate there are 6 employees (1.6 percent) holding bachelor, 29 employees (7.3 percent) holding higher secondary certificate, 157 employees (40.6 percent) have completed their secondary certificate and 195 employees (50.4 percent) have completed primary education. 114 respondents (29.5 percent) work between 55 and 60 hours per week, 93 employees (24 percent) work between 48 and 54 hours, 68 employees (17.6 percent) work between 61 and 66 hours, 67 employees (17.3 percent) works between 67 and 72 hours. 40 employees (10.3 percent) work more than 72 hours and only 5 employees (1.3 percent) work below 48 hours per week.

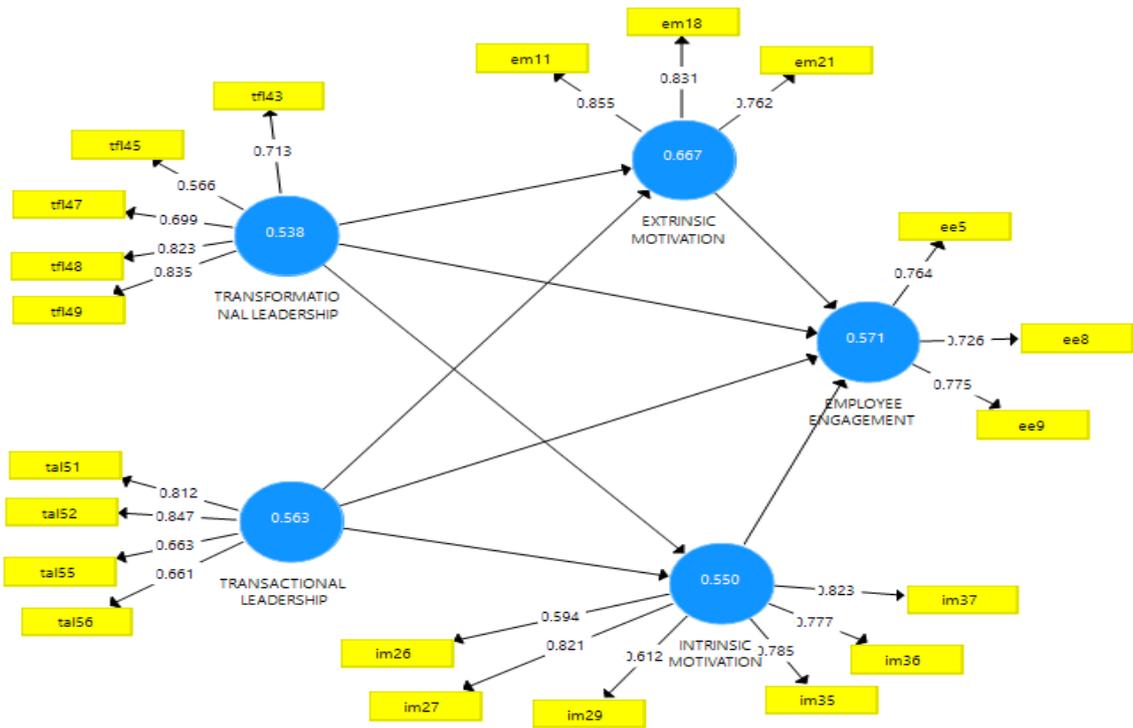
## Data Analysis Using Smart PLS

According to the standard procedure, the measurement model should be assessed before the structural model. The measurement model analysis includes measuring construct reliability, convergent validity, and discriminant validity. Hair, et al., (2014) suggested the use of composite reliability to assess the internal consistency of the study and the threshold value should achieve the value of 0.7. Based on Table 1, the composite reliability values of 0.799 (Employee engagement), 0.857 (Extrinsic motivation), 0.878 (Intrinsic motivation), 0.836 (Transactional leadership) and 0.851 (Transformational leadership) demonstrate that these constructs have high levels of internal consistency in this study.

	<b>Outer Loadings</b>	<b>CA</b>	<b>CR</b>	<b>AVE</b>
<b>EMPLOYEE ENGAGEMENT</b>		0.624	0.799	0.571
ee5	0.764			
ee8	0.726			
ee9	0.775			
<b>EXTRINSIC MOTIVATION</b>		0.749	0.857	0.667
em11	0.855			
em18	0.831			
em21	0.762			
<b>INTRINSIC MOTIVATION</b>		0.832	0.878	0.55
im26	0.594			
im27	0.821			
im29	0.612			
im35	0.785			
im36	0.777			
im37	0.823			
<b>TRANSACTIONAL LEADERSHIP</b>		0.744	0.836	0.563
tal51	0.812			
tal52	0.847			
tal55	0.663			
tal56	0.661			
<b>TRANSFORMATIONAL LEADERSHIP</b>		0.782	0.851	0.538
tfl43	0.713			

tfl45	0.566			
tfl47	0.699			
tfl48	0.823			
tfl49	0.835			

Average Variance Extracted (AVE) is used to check the level of convergence of a given individual construct in comparison to the measure of other constructs (Urbach & Ahlemann, 2010). This indicates the degree upon which a latent construct elaborates the variances that exist within its indicators (Hair et al., 2017). Table 1 illustrates that all of the AVE values for this study are above 0.5.



**FIGURE 2  
MEASUREMENT MODEL**

Discriminant validity, as suggested by Fornell-Larcker (1981), is commonly used to assess the degree of shared variance between the latent variables of the model. The results in Table 2 illustrate satisfactory or sufficient discriminant validity as recommended, where the square roots of AVE (diagonal) are higher than the correlations (off-diagonal) for all the reflective constructs.

Construct	Fornell-Larcker Criterion					Inner VIF			f Square		
	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y1	Y2	Y3
EMPLOYEE ENGAGEMENT (Y1)	0.755										
EXTRINSIC MOTIVATION (Y2)	0.654	0.817				3.005			0.046		
INTRINSIC MOTIVATION (Y3)	0.69	0.737	0.741			2.992			0.086		
TRANSACTIONAL LEADERSHIP (Y4)	0.612	0.625	0.691	0.751		2.054	1.284	1.284	0.044	0.278	0.49

TRANSFORMATIONAL LEADERSHIP (Y5)	0.543	0.73	0.673	0.47	0.734	2.37	1.284	1.284	0.001	0.667	0.422
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According to the results shown in Table 2, it can be observed that the inner VIF values for each construct are within the range of 3.00-1.28, thus there is absence of multicollinearity issues in this study (Diamantopoulos & Sigouas, 2006).

The f square value of 0.35, 0.15 and 0.02 represents large, medium, and small effect sizes, respectively (Hair, Hult, Ringle & Sarstedt, 2016). Based on the result in Table 2, transformational leadership (0.001), transactional leadership (0.044), intrinsic motivation (0.086) and extrinsic motivation (0.046) are shown to have a small effect size (f square) on employee engagement. Transformational leadership (0.667) and transactional leadership (0.278) have large and medium effect on extrinsic motivation, respectively. Transformational leadership (0.422) and transactional leadership (0.490) have large effect on intrinsic motivation.

**Table 3**  
**R SQUARE AND Q SQUARE**

Construct	Construct Cross Validated Redundancy				
	R Square	R Square Adjusted	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
EMPLOYEE ENGAGEMENT	0.543	0.539	1161	809.426	0.303
EXTRINSIC MOTIVATION	0.634	0.632	1161	676.405	0.417
INTRINSIC MOTIVATION	0.632	0.63	2322	1523.586	0.344

The coefficient of determination score is used to assist a given model's ability to predict. In other words, the R square measures a given model's predictive ability. Hair et al., (2017) proposed a range of 0.75, 0.5, and 0.25 as typical substantial, moderate, and weak levels of predictive accuracy, respectively. Table 3 suggests that employee engagement, extrinsic motivation and intrinsic motivation are responsible for 54.3%, 63.4% and 63.2% by predictive variables that are moderate effects.

An additional criterion for evaluating the quality of the model is the blindfolding procedure to assess a model's capability to predict (Hossain, Aktar & Zhang, 2020; Hair et al., 2011). Hair et al., (2011) recommended using cross-validated redundancy where the use of PLS-SEM is required to estimate both the structural model and the measurement model for data prediction. Cross-validated redundancy is perfectly suitable for the PLS-SEM approach. Fornell & Cha (1994) suggested that if the Q square value is greater than zero, then the model has predictive relevance. From Table 3, the values of Q square for intrinsic motivation, extrinsic motivation and employee engagement show that they are greater than 0, hence predictive relevance is attained.

## HYPOTHESIS TESTING

### Path Coefficient

Path coefficient is utilized to examine the significant, magnitude, and sign (positive or negative) between an independent and dependent variable. The range of the Beta shall be between -1 to 1 at significant level of 0.05, and when it is closer to 1 and -1, it demonstrates strong positive and strong negative relationship respectively (Hair et al., 2017).

Table 4 depicted that there is significant positive effect of extrinsic motivation on employee engagement (b=0.250, t=3.421, p=0.001); intrinsic motivation on employee engagement (b=0.342, t=5.364, p=0.000); transactional leadership on employee engagement (b=0.204, t=3.866, p=0.000); transactional leadership on extrinsic motivation (b=0.361,

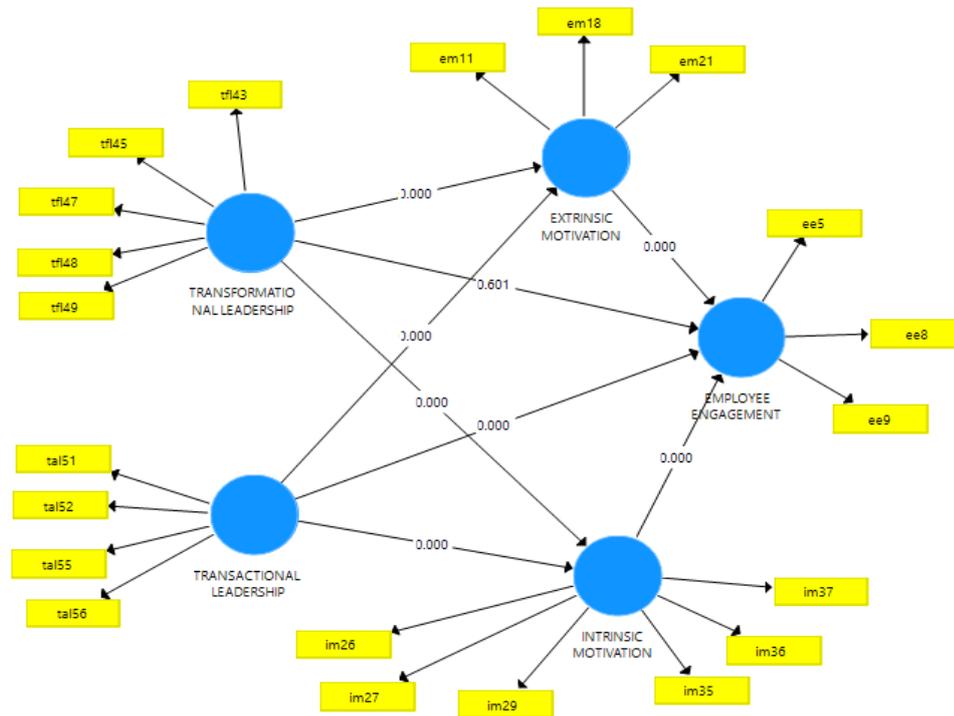
$t=10.340$ ,  $p=0.000$ ); transactional leadership on intrinsic motivation ( $b=0.481$ ,  $t=13.790$ ,  $p=0.000$ ); transformational leadership on extrinsic motivation ( $b=0.560$ ,  $t=15.567$ ,  $p=0.000$ ); transformational leadership on intrinsic motivation ( $b=0.446$ ,  $t=11.914$ ,  $p=0.000$ ). There is no significant effect of transformational leadership on employee engagement ( $b=0.034$ ,  $t=0.532$ ,  $p=0.595$ ).

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
EXTRINSIC MOTIVATION -> EMPLOYEE ENGAGEMENT	0.25	0.257	0.073	3.421	0.001
INTRINSIC MOTIVATION -> EMPLOYEE ENGAGEMENT	0.342	0.34	0.064	5.364	0.000
TRANSACTIONAL LEADERSHIP -> EMPLOYEE ENGAGEMENT	0.204	0.2	0.053	3.866	0.000
TRANSACTIONAL LEADERSHIP -> EXTRINSIC MOTIVATION	0.361	0.362	0.035	10.34	0.000
TRANSACTIONAL LEADERSHIP -> INTRINSIC MOTIVATION	0.481	0.479	0.035	13.79	0.000
TRANSFORMATIONAL LEADERSHIP -> EMPLOYEE ENGAGEMENT	0.034	0.035	0.064	0.532	0.595
TRANSFORMATIONAL LEADERSHIP -> EXTRINSIC MOTIVATION	0.56	0.562	0.036	15.567	0.000
TRANSFORMATIONAL LEADERSHIP -> INTRINSIC MOTIVATION	0.446	0.45	0.037	11.914	0.000

There is mediating effect of intrinsic motivation ( $b=0.165$ ,  $t=4.680$ ,  $p=0.000$ ) and extrinsic motivation ( $b=0.090$ ,  $t=3.325$ ,  $p=0.001$ ) between the relationship of transactional leadership and employee engagement. In the same way, extrinsic motivation ( $b=0.140$ ,  $t=3.251$ ,  $p=0.001$ ) and intrinsic motivation ( $b=0.153$ ,  $t=5.132$ ,  $p=0.000$ ) mediate the relationship between transformational leadership and employee engagement.

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
TRANSACTIONAL LEADERSHIP -> EXTRINSIC MOTIVATION -> EMPLOYEE ENGAGEMENT	0.09	0.093	0.027	3.325	0.001
TRANSFORMATIONAL LEADERSHIP -> EXTRINSIC MOTIVATION -> EMPLOYEE ENGAGEMENT	0.14	0.145	0.043	3.251	0.001

TRANSACTIONAL LEADERSHIP -> INTRINSIC MOTIVATION -> EMPLOYEE ENGAGEMENT	0.165	0.163	0.035	4.68	0.000
TRANSFORMATIONAL LEADERSHIP -> INTRINSIC MOTIVATION -> EMPLOYEE ENGAGEMENT	0.153	0.153	0.03	5.132	0.000



**FIGURE 3  
STRUCTURAL MODEL**

**DISCUSSION**

A person’s motivation does not consist of exclusive intrinsic or extrinsic motivation, it is not two different sides of one coin, it is the same side of the coin, like ying and yang, they exist and work together, and they also work against each other (Amabile 1997; Kreps, 1997). In the same way as both intrinsic and extrinsic motivation consist within a individuals motivation the presented leadership behaviors are in some extent a mixture and used together (Breevaart et al., 2014), and in this way is it possible for certain combinations of leadership behaviors to attract different amount of intrinsic and extrinsic motivation.

The first objective of this study is to investigate the effect of leadership style (transformational and transaction leadership) on employee motivation (intrinsic and extrinsic motivation). Researcher has reached first objective by hypothesis H1, H2, H3 and H4. Based on the findings of this study, hypothesis H1 and H4 has been accepted. There is positive significant effect of transformational and transaction leadership style on intrinsic motivational factors in RMG industry in Bangladesh. The effect of transactional leadership on intrinsic motivation is more than the effect of transformation leadership on intrinsic motivation. There is positive significant effect of transformational and transactional leadership style on extrinsic motivational factors in RMG industry in Bangladesh. Thus, hypothesis H2 and H3 has been accepted. The

influence of transformation leadership on extrinsic motivation is more than transactional leadership style on extrinsic motivation. The transformational leadership could for example allow high levels of autonomy by her followers that could create a creative work environment (McCleskey, 2014; Yukl, 1998). However this behavior is not always fully motivational for followers in a work context since people have certain expectations of a job (Vroom, 1995), for example a pay check that is an external mean which could be considered as a contingent reward, that is used by transactional leaders (Kreps, 1997; Lazar, 2000). Therefore bonuses and other external means could be used by leaders who want to motivate their followers extrinsically (Dysvik & Kuvaas, 2013). Transformational leaders seeks to discover and supplying followers with right resources in order to get them motivated at work (Rafferty & Griffin, 2006). The behavior could be a possible way of addressing each individual needs in order to fulfill work-tasks since the leader with this behavior accept and support individual differences, they also encouraging and coaching followers based on their individual skills and traits (Bass & Avolio, 1994). Of course there are several ways that extrinsic motivation and intrinsic motivation have a negative effect on each other (Calder & Staw, 1975; Gagné & Deci, 2005). To use incentives or external means in a wrong manner on individuals driven by intrinsic motivation can reduce the motivation for the task at hand (Bénabou & Tirole, 2003; Gagné & Deci, 2005). This could be expressed by the transactional leadership (Bass & Avolio, 1994) which fosters more control of her followers and when followers need to be autonomous or non-controlled in order to get motivated this is a good example. Otherwise contingent rewards, a transactional behaviour, which is given for a certain performance, can be lower than expected from the follower perspective which in turn gives a negative effect on follower motivation that would affect the performance done by the employee (Vroom, 1995).

The second objective is to explore the effect of motivation (intrinsic and extrinsic) on employee engagement. The findings of this study reveals that both motivations have significant effect on employee engagement but intrinsic motivation has more influence on employee engagement than extrinsic motivation. Thus, hypothesis H5 and H6 has been accepted.

The third objectives of the study is to determine the relationship between leadership (transformational and transactional) and employee engagement among the employee of RMG industry in Bangladesh. The result of the current study discovers significant effect of transactional leadership style on employee engagement. Hypothesis H7 claims that transformational leadership style are positively related with employee engagement and the result does not support this hypothesis based on the data presented. Moreover, these findings are different with Tims, Bakker & Xanthopoulou (2011) discoveries that give proof of direct decidedly noteworthy connection between transformational leadership style and employee engagement. Hypothesis H8 suggests that transactional leaders are positively associated with employee engagement and the findings provide evidence that indicates the hypothesis is supported by the data. Tims et al. (2011) argue that transactional leaders are unable to influence the followers' work engagement but Breevaart et al. (2014) show that transactional leader behaviors are able to stimulate followers' work engagement which is similar to result of this research.

The fourth objective is to research the mediating effects of motivational factors (intrinsic and extrinsic) between the relationship leadership (transformational and transactional) and employee engagement among the employee of RMG industry in Bangladesh. Hypothesis H9, H10, H11 and H12 have fulfilled the fourth objective. Hypothesis H9, H10, H11 and H12 claim that intrinsic motivation mediates the relationship between transformational leadership and employee engagement; intrinsic motivation mediates the relationship between transactional leadership and employee engagement; extrinsic motivation mediates the relationship between transformational leadership and employee engagement; and extrinsic motivation mediates the relationship between transactional leadership and employee engagement, respectively. The findings indicate that there is mediating effect of intrinsic motivation and extrinsic motivation between the relationship of transactional leadership and employee engagement. Thus hypothesis H10 and H12 has been accepted. The mediating effect of intrinsic motivation is more than

extrinsic motivation between the relationship of transactional leadership and employee engagement. In addition, extrinsic motivation and intrinsic motivation mediate the relationship between transformational leadership and employee engagement. Therefore, hypothesis H9 and H11 has been accepted. The mediating effect of intrinsic motivation is more than extrinsic motivation between the relationship of transformational leadership and employee engagement.

## CONCLUSION

For both theoretical and practical grounds, the study has significant consequences. The majority of earlier relevant writing on employee involvement, in particular, focused on challenges in the setting of western industry. This is one of the few studies that focus on the manufacturing of readymade garments, which is one of Bangladesh's most significant industries. This study is particularly significant since the respondents were from the operational level, which in many cases are low-wage employees who have high expectations of employers who can overcome dissatisfaction and meet their satisfaction and motivational expectations. Herzberg two factors and Full range leadership theory are used to validate in the context of leadership styles and motivational factors on employee engagement in this study. The management must put more effort to increase the motivational factors of the employees before they can focus on how to improve employee engagement. In sum, the study has identified that in the case of RMG sectors in Bangladesh, the management must give attention to building the motivational factors specifically the intrinsic values. Managers must be able to clearly express their expectations and concerns to their employees using a transactional leadership style.

## LIMITATIONS OF THE STUDY AND SUGGESTIONS FOR FUTURE RESEARCH

This study utilized a survey based on transactional and transformational leadership as predictors while extrinsic and intrinsic motivational factors act as mediators. In future studies, moderators could be included. The researcher has used cross-sectional and single-source data in this study, future studies can be conducted on the basis of longitudinal and multilevel data. This is because longitudinal and multilevel data will contribute to gain deeper insights from participants based on analysis, discussions, and explanations.

## AUTHOR CONTRIBUTIONS

Author Profile: Dalowar Hossan is studying for a PhD at the School of Business and Economics, University Putra Malaysia (UPM). He has completed MSc (by research) on the topic of “motivational factors and mediating role of leadership on employee engagement in ready-made garments industry in Bangladesh” in 2020 from UPM. Any discussion/inquire related to the article can be made *via* mail at dalowarhossan.bd@gmail.com

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