

The Relationship between Leadership Styles and Employee Engagement: Evidences from Construction Companies in Malaysia

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The growing global economy has intensified the complexity of the discrete but interrelated tasks involved in construction project. In order to achieve project success, the interactions between the team leaders and followers are vital. Taking into consideration the importance of leader to the organization, this study is therefore to examine the relationship between leadership styles (i.e. autocratic, democratic and laissez-faire) and employee engagement among the construction industry in Malaysia. Forty (40) sets of questionnaires were collected from the companies registered under the Construction Industry Development Board (CIDB) Grade 7, located in Kuantan, Malaysia. The study reveals that the democratic leadership style is more frequently practiced by practitioners than the other two coexisting leadership styles, autocratic and laissez-faire. The level of employee engagement in the construction industry shows frequently high. And the three leadership styles are positively and significantly associated with employee engagement; but still the democratic leadership style demonstrates stronger association with the employee engagement. Hence, in order to ensure employees more vigorous, dedicated as well as absorbed in their work, project leaders are suggested to be more trustable, honest, fair and communicative towards their followers.

Keywords: Leadership Styles, Employee Engagement, Project Management, Construction

1. Introduction

In a hypercompetitive business environment, effective leadership has become an essential requirement for an organization to achieve success. Leadership has been convinced in improving employees' performance and increasing the chance to achieve organizations' goals, as well as increasing employees' engagement with the organization (Daft and Marcic, 2006). Northouse (2012) stated that a good leader with excellent leadership skills is able to influence a group or team to achieve certain objectives and goals. They can motivate their followers through their knowledge and skills. Without effective leadership, the organization would lose clear directions, suffer morale drop, slow decision making, resource mismanagement, soulless employees, etc. (Papalexandris and Galanaki, 2009).

Employee engagement gains academic popularity since 1990s. It originally referred to high job performance, strong contribution and high job involvement. Saks (2006) defined employee engagement as emotional and intellectual commitment to an organization or the amount of effort given by employees in their work. It is characterized by a high level of energy and identification with the work. Basically, when employees are engaged with their current job, they will enjoy, feel happy and willing to contribute to the organization all the time (Joo Yee, 2012). Engaged employees tend to care about their organization, their work and will continue improving themselves to reach the organization's goals. Low employee engagement will lead to high turnover as they are not interested, feel bored or less satisfied with the organization.