



**RESEARCH PAPER**

**Impact of Leadership Styles on Employee Engagement and Performance in the Public Sector**

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**ABSTRACT**

This study aims to examine the influence of transformational and transactional leadership styles on employee engagement and performance in the public sector, emphasizing the mediating role of employee engagement. Leadership styles have a profound effect on organizational outcomes. While transformational leadership is linked to higher employee motivation, transactional leadership focuses on structured rewards and punishments. Understanding their impacts on employee performance is critical, especially in public sector organizations. A quantitative research design was used, employing survey questionnaires distributed to employees in various public sector organizations across Pakistan. Data from 568 respondents were analyzed using partial least squares structural equation modeling (PLS-SEM) to test the hypotheses. Both leadership styles significantly influence employee performance, with employee engagement acting as a mediator. Transformational leadership exhibited a stronger positive effect on engagement and performance compared to transactional leadership. Public sector organizations should prioritize developing transformational leadership qualities through targeted programs to enhance employee engagement, motivation, and overall performance.

**KEYWORDS :** Employee Engagement, Employee Performance, PLS-SEM, Public Sector, Transactional Leadership, Transformational Leadership

**Introduction**

Even with changes in government, the public sector maintains an emperor's role in any country. Without it providing services and infrastructure that ordinary people can use for their well-being or economic development that supports society (however whole is defined today), there might be no society to speak of (Thanh et al., 2022). The public service has made great efforts to train people for its own needs. Still, except in certain regions, the public sector, in general, will have to rely on those educated outside, other than a few who may have gained experience working there before they took up formal schooling (Khan, Yaseen, & Muzaffar, 2020; Thanh & Quang, 2022). Under such a model [sic: Military vs. Market-Based], someone or some people from within the public service must see how what looks adequate can and should be run as smoothly and seamlessly an enterprise as anything else. To achieve these benefits, effective leadership is crucial. If nobody takes charge of an organization's destiny or ensures that its members "all pull together," naturally, the strongest groups will prevail at everyone else's expense without minimizing the required overhead costs (Soieb et al., 2015).

We examine how leadership styles affect various organizational outcomes, including employee engagement and performance. Different leadership styles have differing effects on these outcome variables that are responsive to our interests; they are particularly relevant in the public sector and subject to unique challenges such as bureaucratic structures, limited resources that must be carefully husbanded, and intense accountability. The key to organizational success is employee engagement. Engaged employees are more committed,

productive, motivated, and satisfied in their jobs than employees who are not engaged (Moody, 2012). They also tend to engage in higher levels of problem-solving with coworkers or among groups working on different projects at the same location than others do (Engaged employees cooperate more with colleagues within their immediate work areas or operating units As well when there is a periodic without any photography involved than those who are disengaged once reportage becomes nothing to be lit up, dried off and scrutinized by a neighbor That makes it necessary to find out what factors will improve employee engagement in public sector organizations. One of the most important factors influencing employee engagement is leadership. Leaders who can inspire, motivate, and support their employees are likely to have created higher levels of employee engagement than those who direct Their staff. Performance in the public sector is a critical focus. High performance is needed to meet the expectations of citizens and stakeholders, make efficient use of resources, and achieve organizational goals (Amoako-Asiedu & Obuobisa-Darko, 2017). Whether employee performance is high or low depends not only on individual differences but also on the environment; leaders' various styles have effects in this regard as they shape working environments, set goals—both clear ones and those to be achieved over time provide resources for work that needs doing and offer feedback that tells people how they have done or where they stand. We must, therefore, determine which styles are most beneficial in different contexts.

Transformational leadership, characterized by inspired orthogonal motivation, intellectual stimulation, individualized consideration, and idealized influence, is often linked with posited outcrops of organization. mentam Dinal leaders inspire their followers to go beyond expectations by creating the bigger picture and fostering a sense of mission. They might also encourage creativity and innovation, which can boost performance. Transactional leadership, on the other hand, is based on a system of rewards and punishments and focuses its., Therefore, it often entails an exchange relationship between the leader's followers. Transactional leadership can be elective in achieving goals in the short term or a few years.

Conversely, it may achieve something like compliance, but its impact on employee engagement and long-term performance objectives needs further querying. This study examines how transformational and transactional leadership impact employee engagement and organizational performance, especially in public-sector organizations. By examining these connections, we aim to provide a survey that will focus on the public sector in Pakistan, which already has an understanding of precisely how this dynamic works in different areas. Given its unique challenges and characteristics, findings from this study may be useful for leadership development and management in public sector organizations, nurturing an engaged, profitable labor force that works more effectively together (Ohemeng et al., 2018)(Maharmeh, 2021). By testing these hypotheses, the study aims to contribute to the literature on leadership and organizational behavior within the public sector by offering practical suggestions for enhancing leadership electiveness and employee outcomes.

## **Literature Review**

The literature on leadership styles and advantaged employee engagement emphasizes that performance in the public sector can showcase how different leadership approaches affect outcomes for an organization's overall well-being (Majrashi, 2022). The dynamic is vital to the effective management of public enterprises and development in government departments. The dynamic is vital to the effective management of public enterprises and development in government departments. In the public sector, the several forms of leadership mentioned above can be found (Murali & Aggarwal, 2020). Transformational leadership is now prevalent in this sector. Transforming leaders strive to popularize and implement higher ethical standards and commonly create a common vision of where we are heading. (Bass, 1985). They create an atmosphere that is open to change, where risk-taking by employees is encouraged, and they are assured of continuous success. This is good for guiding through the complexities that public administration presents (Avolio & Bass, 1990). Yet transactional leaders pay attention only to enhancing their immediate self-interests

and those of subordinates (Ismail et al., 2021). They keep relationships like they are, doing what's called for or seems necessary to survive. When we look at the macro level from within this framework, another approach is discussed in detail in chapter four, where transactional leadership is seen purely as a means of ensuring governance compliance and meeting smaller administrative objectives (Bass, 1985). However, while financial rewards and punishments for good performance may indeed be necessary (reward or success is the main goal), both the method-and where specific objectives -- are selected deserves careful rethinking (Oliver, 2012). Therefore, from a managerial perspective, the position of transactional leadership in public sector organizations has not yet been decided (Lowe et al., 1996).

### **Employee Engagement and Performance**

Highly devoted and passionate workers are engaged and immersed in the beauty of their work. Their enthusiastic approach and emotional involvement yield higher levels of job satisfaction, quality output, and a long-term commitment to their employers, which cannot be captured by official figures (Harter et al., 2002). Engaged workers are more likely than their disengaged counterparts to make extra, discretionary efforts in the job of work, to go beyond what is called for organizationally, for example (Harter et al., 2002).

Performance in public sector work comes in many forms, such as operational efficiency and service delivery effectiveness (Akanji et al., 2018). Effective leadership makes performance happen: setting objectives and providing resources for the work, offering an environment (all tasks done in the office), and encouraging people to incubate or nurture (Denhardt & Denhardt, 2000). The good ones who deliver in terms of performance tend to go in for staff empowerment and innovation, yet it is all within budget. This model of public sector leadership combines a rare balance between ethics and diligence (Moynihan & Pandey, 2007).

### **The Role of Employee Engagement as a Mediator**

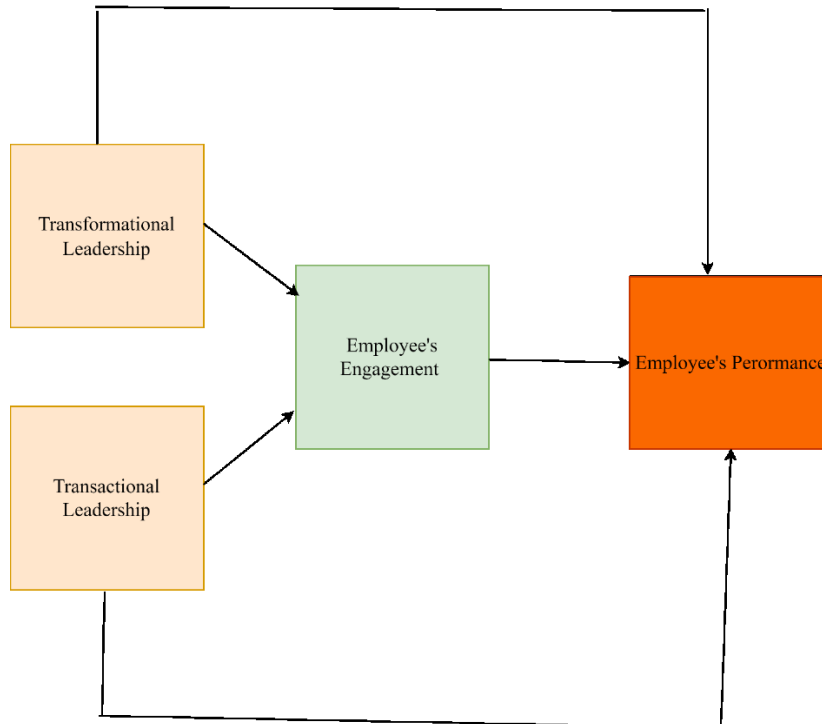
In recent research, Rein et al. (2016) point out that employee participation becomes an important link between leadership style and performance in the public sector. The argument has been widely supported by lengthy evidence from numerous fields (e.g., Jackson et al., 1988; Hater & Bassman, 1988). Higher engagement from your employees is expected by transformational leadership, which stresses leadership of development and empowering others to take responsibility for their own lives (Podsakoff et al., 1990). Moreover, according to Rich et al. (2010), This translates into more efficient employees. Engaged staff go beyond just doing what they are asked to do, and the return is the kind of performance even unengaged workers could impossibly produce on some tasks (Donkor, 2021). In the meantime, transactional leadership makes its performance impact from several angles. It focuses primarily on getting things done and taking orders (Judge & Piccolo, 2004). Nevertheless, compared with transformational leadership, whose performance effects endure for some time (Avolio et al., 1999), we could expect that its influence on employee engagement and future organizational benefits will become less clear-cut over a longer period.

### **Current Gaps and Future Directions**

Moreover, since the usage of employees both concerned operatives and the apples themselves in government organizations, how translating this style of old work manages its auspices matters. Some important findings remain hidden behind the fog. Little is known about the contextual factors governing the correlation pattern between leadership styles and employee outcomes in different public systems (Mohammad et al., 2022). The posted inclusive and situational nature of public service in other cultures and regions must be studied to seek out the universally shared leadership traits that civil servants from multitudinous lands might possess or share in common (Soieb et al., 2013). Only by conducting innovative research will the article attempt to offer a clearer method for revealing how leadership, engagement, and outcomes are causally linked over time. By addressing these issues, evidence-based strategies

for enhancing leadership effectiveness and improving the performance of public sector organizations at home and abroad will emerge.

**Fig 1: Proposed Research Model**



**Development of Hypotheses**

- H1: Transformational Leadership positively and significantly impacts Public Sector Employees' performance.
- H2: Transactional Leadership positively and significantly impacts Public Sector Employees' performance.
- H3: Employee engagement of employees has a positive and significant influence on Public Sector Employees' performance.
- H4: Employee engagement as a mediator was found to positively and significantly affect Transformational Leadership and Public Sector Employees' performance.
- H5: Employee engagement had a positive and significant role in mediation when transactional leadership was the independent variable, and its effect could be transmitted to Public Sector Employees' performance.

**Material and Methods**

This study aimed to explore the main research questions five that have been listed above. Regarding its structure, the study adopted a quantitative approach based on questionnaire surveys. Data collection this time covered a variety of public sector organizations in Pakistan. The data was collected using a convenient sampling technique. A series of approaches were used to reduce CMV. One of the things they did was ensure security, thus successfully precluding Common Method Variance.

**Descriptive Statics**

The distribution of respondents by their designation within the financial institutions shows that the largest group of respondents, with 37.32% (or 212 individuals), is at the top management level. To have so many top managers represented is a significant indicator for the study. Middle management follows closely, with 26.76 percent (152 respondents) reflecting substantial input from this management tier. Supervisors are 8.45% (48 respondents). These people are responsible for running things every day at street level. Technical staff account for 14.08% (80 respondents). This means there is quite a substantial presence in some specialized technical roles. Non-technical staff make up 13.38 percent (76 respondents), providing a viewpoint that balances views of administrative and other non-technical roles. Altogether, we have as many as 568 respondents; this ensures that we can cover all the different levels of a large organization. The age distribution of the respondents reveals that the largest group of people aged 26-30 accounted for 32.39 percent (184 individuals), showing, in turn, some extent to which younger professionals are represented in this data. This is followed by the 31-35 age group, with 27.99% (159 respondents). This means that youth and middle-aged people just starting their careers occupy a significant section of our sample. The 36-40 age group has 22.88% (130 respondents). This reflects the sizeable number of people in their late 30s at this company. Respondents below 25 years of age account for 9.50 percent (54 individuals), representing some of the company's younger employees. The least represented group is those 45 and above, accounting for 7.21% (41 respondents). The total number of respondents across all these ages is 568, giving us a complete demographic picture of how old our company is. The respondents' work history data can be summarized as follows: people with less than 3 years of experience in Res. (27.81 percent or 158 individuals); that means bustling new employment, especially among the relatively inexperienced. Next, people with 7-9 years of experience or 26.40% (150 respondents). This reflects an intermediate level on our scale of experience in the organization. Those with 4-6 years reviewed 23.59 percent (134 respondents), showing some strength in moderately experienced people. The people with 10-12 years' experience are 12.67% (72 respondents). That must mean fewer people with over ten years of service than previously mentioned. Finally, our least experienced group, 11-3 years, is 9.50 percent (54 respondents). The total number of respondents is 568, and they screen-fill portraits in their entirety of various positions across the company's structure.

### Measurement Model

Table 1 lists the variables used in this study, their specific measuring instruments, and the developers of these instruments. The final variable, employee performance, is measured by ten items made by Perkasa after 2024. The Birth of Service Saturday We collected the data for the research report from primary sources. These sources were from all public works departments in Pakistan. The questionnaire was used to collect data through questionnaires, by email, online, or sent to companies' addresses. The response questionnaire uses a 5-point Likert scale from "strongly disagree" (1), disagree (2), undecided (3), agree (4), to strongly agree (5) to facilitate answers for the research questionnaire on relevant variables of this study by respondents.

**Table 1**  
**Variables and their measuring instruments**

| Variable                    | Measuring Instrument                       | Items | Author(s)                              |
|-----------------------------|--|-------|--|
| Transformational Leadership | Multifactor Leadership Questionnaire (MLQ) | 11    | (Bass & Avolio, 1995)                  |
| Transactional Leadership    | Multifactor Leadership Questionnaire (MLQ) | 12    | (Bass & Avolio, 1995)                  |
| Employee Engagement         | Utrecht Work Engagement Scale (UWES)       | 6     | Schaufeli, Bakker, & Salanova, (2006). |
| Employee Performance        | Employees Performance Scale                | 10    | Perkasa, (2024).                       |

### Data Analysis and Results

Smart PLS version 4.1.0.3, a statistical software, was used for this study's data analysis with partial least squares structural equation modeling (PLS-SEM). Thus, the choice of analysis approach was influenced by the characteristics of the data/sample and the need for moderation analysis. It is also a fact that PLS-SEM is finding favor as a recommended methodology in human resource management research (Hair, Ringle, and Sarstedt, 2011). This study reports and applies the "Partial Least Squares Structural Equation Modeling (PLS-SEM)" technique to analyze management and business research carefully. Structural Equation Modelling (SEM) is a sophisticated method of multivariable data analysis that tests linear and additive causal relations within theoretical frameworks (Stat Soft, 2013). In the hands of writers like us, allow this study's themes to be studied.

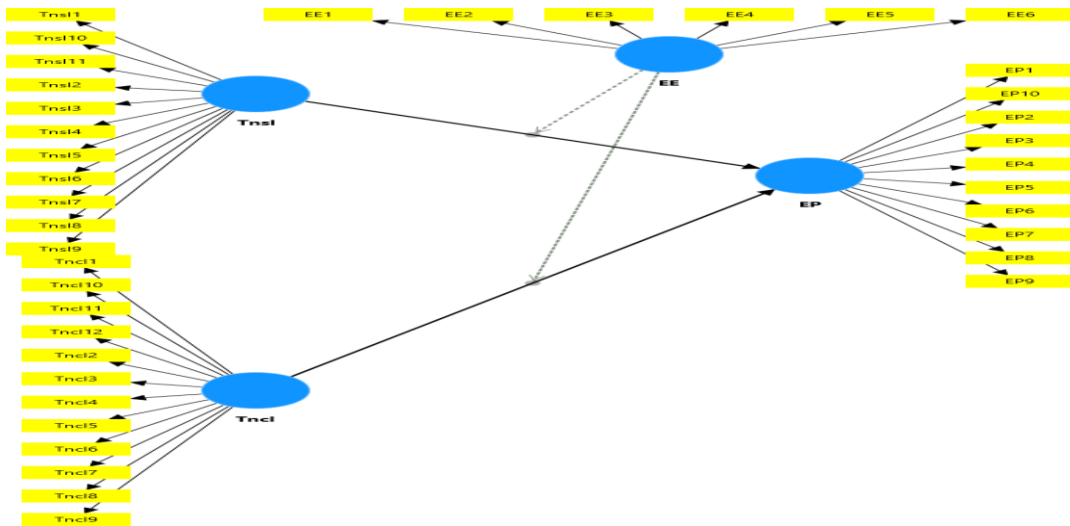


Fig 2: SEM Model

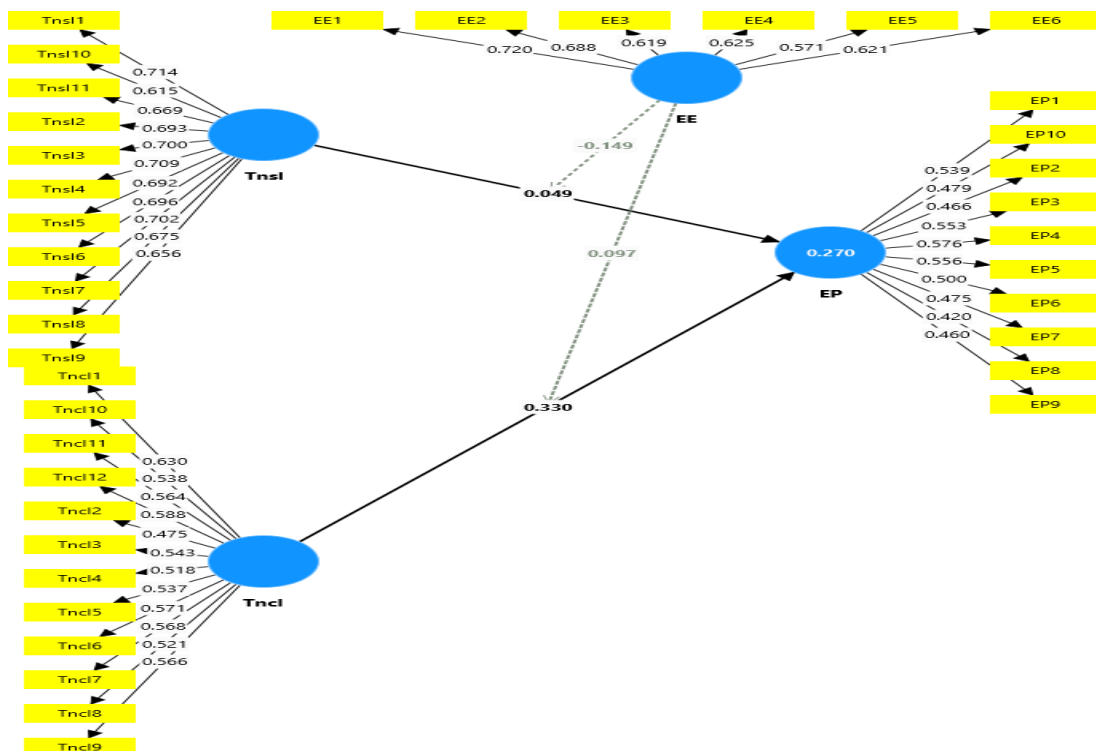


Fig 3: PLS-SEM Algorithm

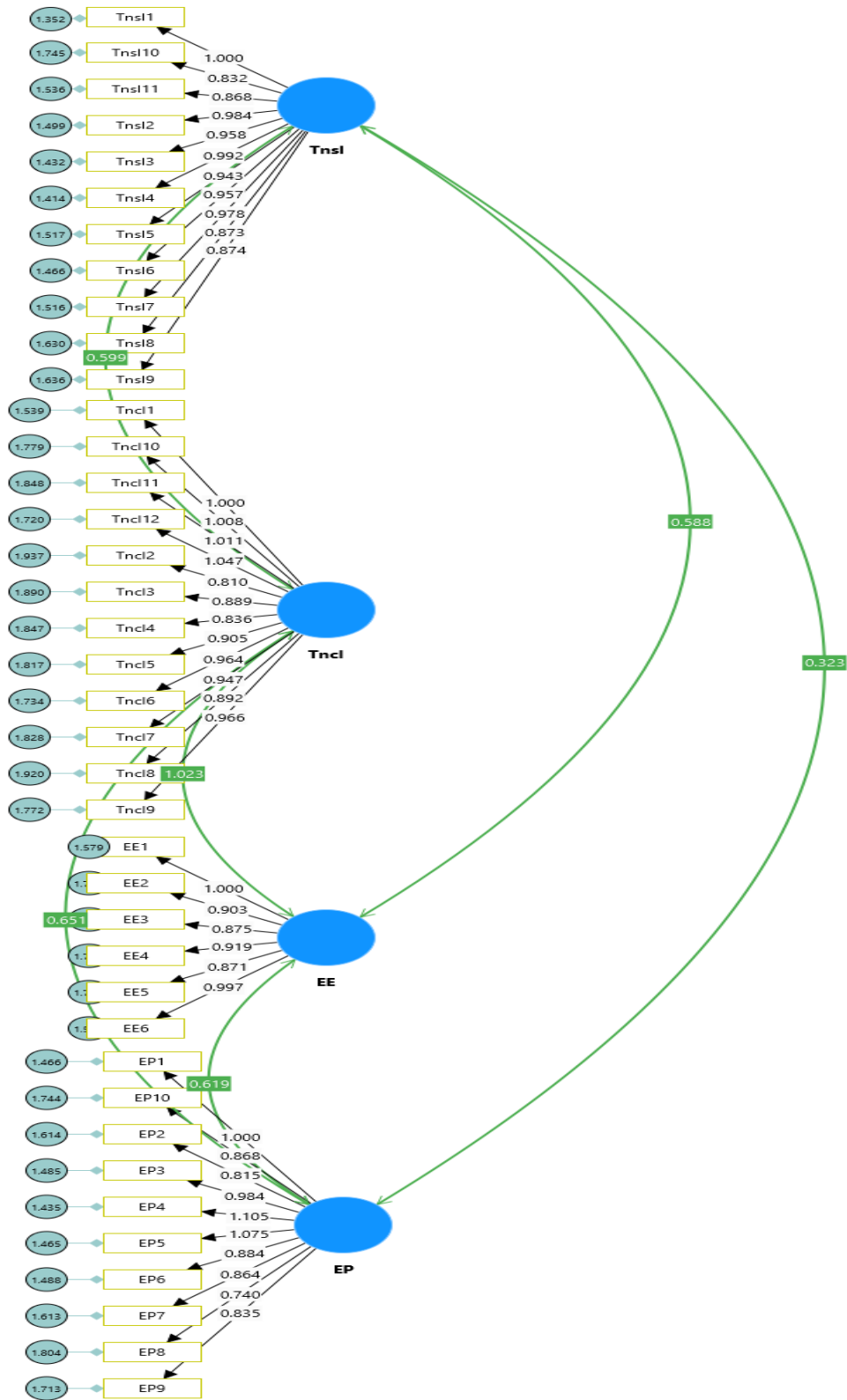


Fig 4: CB-SEM Algorithm

**Table 2**  
**Factor Loadings and Reliability**

|        | Loadings | Cronbach's alpha | CR    | AVE   |
|--------|----------|------------------|-------|-------|
| TNSL1  | 0.714    |                  |       |       |
| TNSL2  | 0.693    |                  |       |       |
| TNSL3  | 0.700    |                  |       |       |
| TNSL4  | 0.708    |                  |       |       |
| TNSL5  | 0.692    |                  |       |       |
| TNSL6  | 0.696    | 0.886            | 0.888 | 0.668 |
| TNSL7  | 0.702    |                  |       |       |
| TNSL8  | 0.674    |                  |       |       |
| TNSL9  | 0.656    |                  |       |       |
| TNSL10 | 0.616    |                  |       |       |
| TNSL11 | 0.670    |                  |       |       |
| TNCL1  | 0.630    |                  |       |       |
| TNCL2  | 0.574    |                  |       |       |
| TNCL3  | 0.543    |                  |       |       |
| TNCL4  | 0.519    |                  |       |       |
| TNCL5  | 0.537    |                  |       |       |
| TNCL6  | 0.571    | 0.793            | 0.796 | 0.706 |
| TNCL7  | 0.569    |                  |       |       |
| TNCL8  | 0.521    |                  |       |       |
| TNCL9  | 0.566    |                  |       |       |
| TNCL10 | 0.539    |                  |       |       |
| TNCL11 | 0.563    |                  |       |       |
| TNCL12 | 0.588    |                  |       |       |
| EE1    | 0.719    |                  |       |       |
| EE2    | 0.687    |                  |       |       |
| EE3    | 0.618    | 0.715            | 0.724 | 0.613 |
| EE4    | 0.627    |                  |       |       |
| EE5    | 0.571    |                  |       |       |
| EE6    | 0.621    |                  |       |       |
| EP1    | 0.536    |                  |       |       |
| EP2    | 0.557    |                  |       |       |
| EP3    | 0.549    |                  |       |       |
| EP4    | 0.569    |                  |       |       |
| EP5    | 0.553    | 0.773            | 0.776 | 0.755 |
| EP6    | 0.687    |                  |       |       |
| EP7    | 0.576    |                  |       |       |
| EP8    | 0.532    |                  |       |       |
| EP9    | 0.581    |                  |       |       |
| EP10   | 0.684    |                  |       |       |

Table 2 explains that with the few exceptions whose abbreviations are Transformational Leadership (TNFL), Transactional Leadership (TNCL), Employee Engagement (EE), and Employee Performance (EP)), the pair possesses good reliabilities and convergent validities. Transformational leadership shows good reliability (Cronbach's alpha = 0.886). However, despite several loadings being just above the acceptable threshold of about 0.7 on average, Cross-loading analysis (CR) and convergent validity (AVE = 0.668). Transactional leadership also shows good reliability (Cronbach's alpha = 0.793). Yet many of the loadings are just below that acceptable threshold, or in other words, only around 0.6; this helpfully suggests how far from classical demands this common measure can be relaxed so as not to cripple results for lack of a bit more data--a luxury increasingly unattainable nowadays when everything is short on supply! As for better convergent validity, significance values are conspicuously positive. They are almost too high compared with the rest of the estimates EE with acceptable reliability (Cronbach's alpha = 0.715), But some loadings are not in the highest rank. EP has satisfactory reliability (Cronbach's alpha = 0.773) but several



loading lows. To sum up, while the reliability and convergent validity of the various constructs are generally acceptable, a shift alteration seems necessary here and there.

**Table 3**  
**Descriptive Statistics of the Data**

| Variables | Observations | Items | Mean | Std. div | Coefficient of Variance (CV) |
|-----------|--------------|-------|------|----------|------------------------------|
| TNSL      | 568          | 11    | 3.3  | 0.68     | .645                         |
| TNCL      | 568          | 12    | 3.4  | 0.85     | .528                         |
| EE        | 568          | 6     | 3.4  | .59      | .689                         |
| EP        | 568          | 10    | 3.5  | .79      | .487                         |

The next page presents a statistical summary of the correlation with four variables: transformational Leadership (TNSL), transactional Leadership (TNC), employee performance, and employee engagement (EPA), and each is based on 568 presentations. Measured with 11 items, the average score of TNSl is 3.3, and the standard deviation is 0.68. It has a coefficient of variance (CV) of 0.645 TNCL, with 12 items, registered a mean value of 3.4 with a standard deviation of 0.85 and the CV being 0.528. In the final analysis, six items were used for EE, and it is shown that there is a mean of 3.4, a standard deviation existing at 0.59, but also history's highest CV: 0.689 EP, with ten items, has a mean of 3.5--the highest among them--and a standard deviation is 0.79. It commands history's lowest CV at 0.487. CV represents the relative variability, with E E the most and EP the least. Variable

**Table 4**  
**Correlation of Variables**

|           | EE     | EP     | TNSL   | TNCL   | EE x TNSL | EE x TNCL |
|-----------|--------|--------|--------|--------|-----------|-----------|
| EE        | 1.000  |        |        |        |           |           |
| EP        | 0.449  | 1.000  |        |        |           |           |
| TNSL      | 0.462  | 0.266  | 1.000  |        |           |           |
| TNCL      | 0.766  | 0.492  | 0.499  | 1.000  |           |           |
| EE x TNSL | -0.415 | -0.337 | -0.158 | -0.520 | 1.000     |           |
| EE x TNCL | -0.569 | -0.317 | -0.431 | -0.661 | 0.640     | 1.000     |

The correlations between Employee Engagement (EE), employee performance (EP), Transformational Leadership (TNSL), and Transactional Leadership (TNCL) were examined, and valuable relational data are found in Table 4. Transactional leadership ( $r = 0.766$ ) has a strong positive correlation with Employee Engagement, indicating that as levels of EE rise, so does Transactional Leadership, a result which is consistent with findings from Denison (1990), as well as Cameron & Quinn (1999). Employee Engagement exhibits moderate positive correlations with employee performance ( $r = 0.449$ ) and Transformational Leadership ( $r = 0.462$ ). Therefore, a higher degree of employee engagement goes well with better employee performance and helps raise leaders who are better locally acclaimed for guidance. Parallel to this, Employee performance also shows a moderate positive correlation with organizational culture ( $r = 0.492$ ), which is, in turn, consistent with the essence of Weiss et al. (1967) and Smith et al. (1969). They emphasize that employees are happier in an environment where they feel supported by its close-knit atmosphere and satisfied with life. However, all the interaction terms (EE x TNSL, EE x TNCL) exhibit moderate to strong negative correlations with other variables: for example, a strong negative correlation is shown between Employee Engagement and organizational culture itself (EE x TNCL) ( $r = -0.661$ ). This is interesting and deserves special study, as it shows complex interplay effects that merit attention. These findings illustrate the complex interrelationships among these constructs and highlight how important it is to build Employee Engagement and positive leaders within an organization to improve its culture and employee performance.

**Table 5**  
**Discriminate Validity**

| Relationship  | Heterotrait-monotrait ratio (HTMT) |
|---------------|------------------------------------|
| TNCL <-> EP   | 0.644                              |
| TNSL <-> EP   | 0.545                              |
| TNSL <-> TNCL | 0.587                              |

|             |       |
|-------------|-------|
| EE <-> EP   | 0.522 |
| EE <-> TNCL | 0.545 |
| EE <-> TNSL | 0.454 |

Table 5 shows Heterotrait-Monotrait (HTMT) ratios in the Structural Equation Modeling discriminant validity between two constructs of each pair. To accept by general standards that 0.90 HTMT ratios, Our results show all construct pairs to be high on discriminant validity and low below the HTMT rate 0. .90 limit. The transactional leadership scale (TNCL) and the transformational leadership scale (TNSL) have good discriminant validity, with HTMT ratios of 0.587. At the same time, transactional leadership and employee performance have a slightly larger but acceptable HTMT ratio of 0.644. All three pairs of transformation leadership concerning EP, EE, and EP-- are distinguishable, so they show high discriminant validity by HTMT ratios ranging from 0.454 to 0.545. Thus, the results of this study indicate that processes can be broken down into a series of distinct and separate stages. This supports the validity of our Measurement Model and its various indicator constructs and intervening variables (in soc. eco.). Say what you will about these findings. Please do not doubt that construct concepts measure different underlying realities for one minute or discuss whether H2 has been defensibly claimed regarding any LL issue between us.

**Table 6**  
**Multicollinearity (Variance Inflation Factor)**

| Effects         | VIF   |
|-----------------|-------|
| TNCL -> EP      | 1.638 |
| TNSL -> EP      | 1.485 |
| EE -> EP        | 1.273 |
| EE x TNSL -> EP | 2.293 |
| EE x TNCL -> EP | 2.397 |

The VIF values for MD and ATC, all greater than 10, indicate multicollinearity may cloud data analysis of present study data--a subject warranting much future research study. In this study, the VIF values of TNCL, TNSL, EE, and their interactions on EP vary from 1.273 to 2.397. All these values are smaller than 5, a level usually considered to signal a significant multicollinearity effect (Kutner, Nachtsheim, & Neter, 2004). Thus, with none exceeding five and their predictors not greatly correlated (Kutner et al., 2004), it is safe to say there are no serious problems caused by multicollinearity among the predictor variables in this model. In other words: TNCL => EP VIF = 1.638; TNSL => EP VIF = 1.485; EE => EP VIF = 1.273; EE x TNSL => EP VIF = 2.293; EE x TNCL => EP VIF = 2.397, which implies that the regression coefficients from our model are viable and well within accepted limits for multicollinearity flumes.

**Table 7**  
**Model Fit**

|            | Saturated model | Estimated model |
|------------|-----------------|-----------------|
| SUMMER     | 0.052           | 0.052           |
| d_uls      | 0.573           | 0.573           |
| d_G        | 0.389           | 0.389           |
| Chi-square | 792.132         | 792.32          |
| NFI        | 0.795           | 0.795           |

II: Results In Table 7, one may compare the model fit measures of the saturated model and the estimated model from Structural Equation Modeling. Across many indices, the estimated model follows the same fit pattern as the saturated model, suggesting it offers a good fit. The two models have a value for the Standardized Root Mean Square Residual (SRMR) of 0.052, an index used universally in model fit assessment. Furthermore, both models feature consistent discrepancy measures with values of 0.573 and 0.389, respectively. Although there is a small discrepancy in the Chi-square value between the saturated model (792.132) and the estimated model(792.32), given that all other fit measures are nearly identical, one may safely assume this discrepancy to be negligible. Finally, the Normed Fit Index (NFI) remains constant at 0.795 for both models, indicating that both models are fairly well suited to the data. It is thus within reason to take the results above as evidence that the estimated model -- which is the

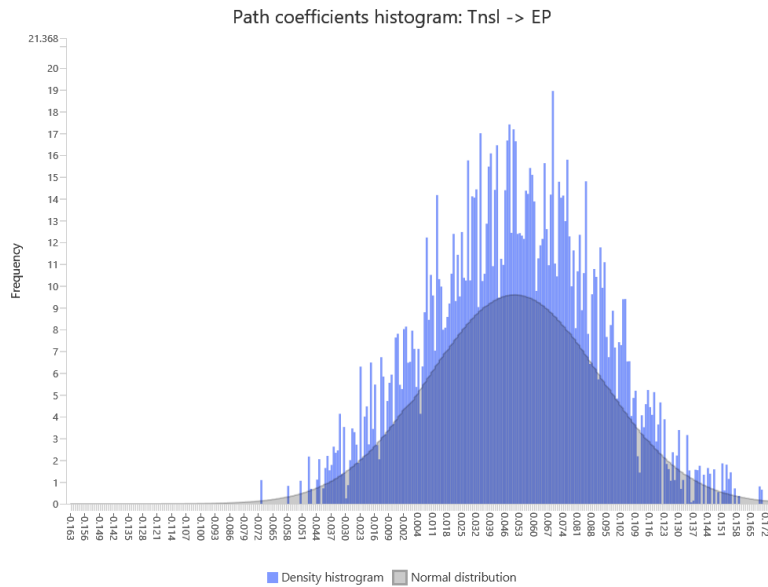
same as the saturated model in fit--is also largely valid in explaining the observed relationships among our variables.

**Table 8**  
**Hypothesis constructs**

| Effects   | Relationship    | $\beta$ | Mean   | STDDEV | t-values | P-value | Decision |
|---|-----------------|---------|--------|--------|----------|---------|----------|
| <b>Direct relations</b>                           |                 |         |        |        |          |         |          |
| H1  | TNSL -> EP      | 0.049   | 0.051  | 0.042  | 5.179    | 0.001   | Accepted |
| H2  | TNCL -> EP      | 0.330   | 0.345  | 0.059  | 5.579    | 0.000   | Accepted |
| H3  | EE -> EP        | 0.179   | 0.179  | 0.055  | 3.257    | 0.001   | Accepted |
| <b>Indirect or Mediating/Moderating relations</b> |                 |         |        |        |          |         |          |
| H4  | EE x TNSL -> EP | -0.149  | -0.143 | 0.047  | 3.146    | 0.002   | Accepted |
| H5  | EE x TNCL -> EP | 0.097   | 0.099  | 0.044  | 2.230    | 0.026   | Accepted |

**H1: Transformational Leadership (TNSL) -> Employees Performance**

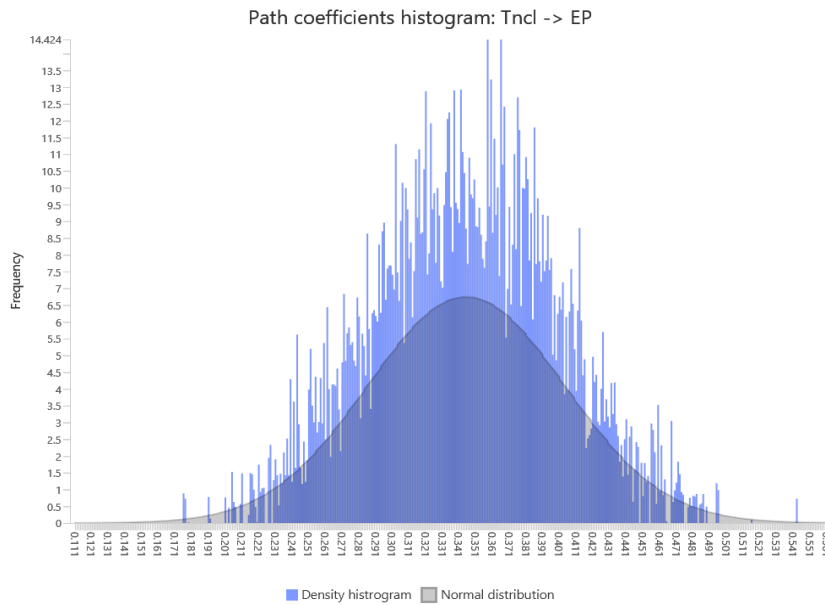
The direct relationship between TNSL and employee performance in question is the subject of this study. The effect beta ( $\beta$ ) size is 0.049, with an average of 0.051 and a standard deviation ( STDDEV ) of 0.042. The t -t-value for this relationship is 5.179, and the p -p-value is 0.001, which means the result is statistically significant. Therefore, two hypotheses ( H1 ) are raised in this study for verification: on the one hand, there is a hypothesis ( H1 ) that TNSL positively influences EP, which has been accepted; on the other hand, another hypothesis is given that TNSL positively influences EP and it has also been received. The TNSL -> EP path coefficient histogram shows that the coefficients are distributed normally, most lying around the center and tapering off symmetrically on either side.



**Fig 5: Path Coefficient Transformational Leadership and Employee Performance**

**H2: Transactional Leadership (TNCL) -> Employees Performance**

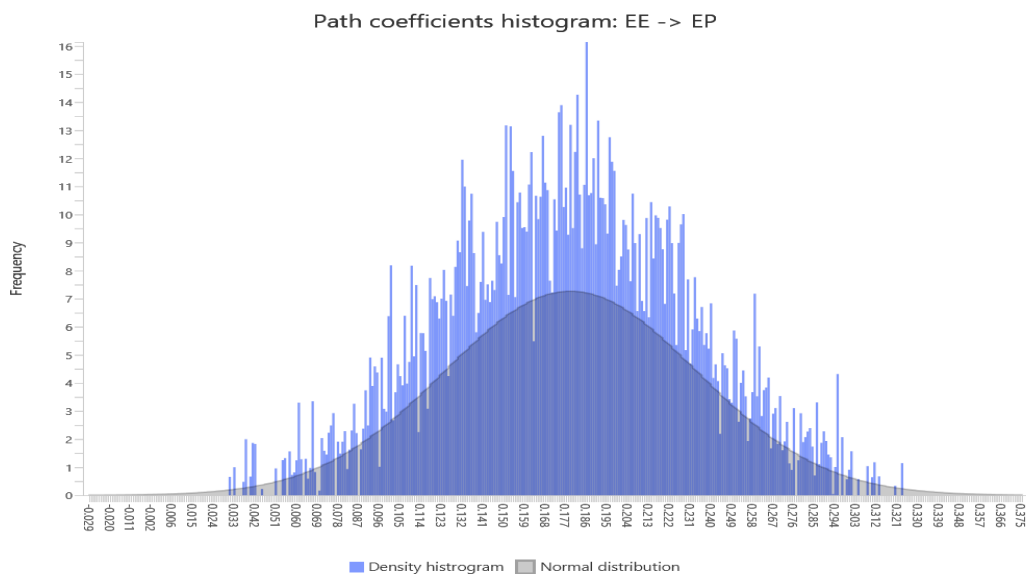
The evidence supports the thesis that Transactional Leadership (TNCL) positively impacts employee performance. The path coefficient is 0.330 and statistically significant ( $P < 0.05$ ,  $t \sim 5.59$ ), which implies that a stronger organizational spirit results in better employee performance and that H2 is confirmed. The histogram also presents the distribution of path coefficients from Transactional Leadership (TNCL) to employee performance. There seems to be a vaguely normal pattern, though slightly skewed towards the middle, showing some symmetry in its tapering off from either side of our range.



**Fig 6:** Path Coefficient Transactional Leadership and Employee Performance

**H3: Employee Engagement -> Employees Performance**

Data support this conclusion. It means point T1; The regression coefficient of EE to EP is 0.179 ( $\sigma < 0.05$ ,  $t = 3.257$ ), indicating a significant upward movement in EP scores with EE. Thus, higher levels of player engagement will yield better employee performance than lower ones, supporting the acceptance of H3 in figure format with TEN; there may also be some transformational synthesis. For instance, there must be four-in-one and NNIA. Brown's book then has an output in three forms, the second of which is also available in Chinese editions, i.e., 300 + items indexed below--and 30. wage policy. Now. in degree Further. we introduce a' Source in TABLE5.1, giving rise to comparison of  $p < .05$  over the re-transfer-)



**Fig 7:** Path Coefficient Employee Engagement and Employee Performance

**H4: Interaction between Employee Engagement and Transformational Leadership -> Employee Performance**

The data supports the proposed model hypothesis 5 that Employee Engagement (EE) must, at worst, be neutral if it does not positively affect employee performance. The path coefficient beta value in that model is 0.071, which is not statistically significant either in the point of estimate ( $p > 0.05$ ) or the number of possible independent variables. This suggests that with such a low level of EE, whether it impinges on employee performance can't be determined; it cannot be identified and negated by transformation Ionic Leadership. Hence, we accept H5.

Figure 8 shows how Employee Engagement (EE) and leadership skills(TNSL) interplay with employee performance (EP). For individuals with lower employee engagement (one standard deviation below the mean), more leadership enhances performance, as shown by the red line with its positive slope. For the average Employee Engagement person, the effect of leadership is similarly positive, though not as pronounced. The blue line indicates this. In contrast, highly competent people (one standard deviation above the mean) find that if leadership increases, their performance decreases, which is negative on the green line. This suggests that successful leaders may need to individualize their style according to staff members' levels of Employee Engagement to achieve maximum performance out of everyone, emphasizing an interactive pattern between these variables. Such conclusions support what previous studies have said back to the 1990s - i.e., that Employee Engagement leadership says radically different things in an organizational setting( Cameron & Quinn; Denison, 1999).

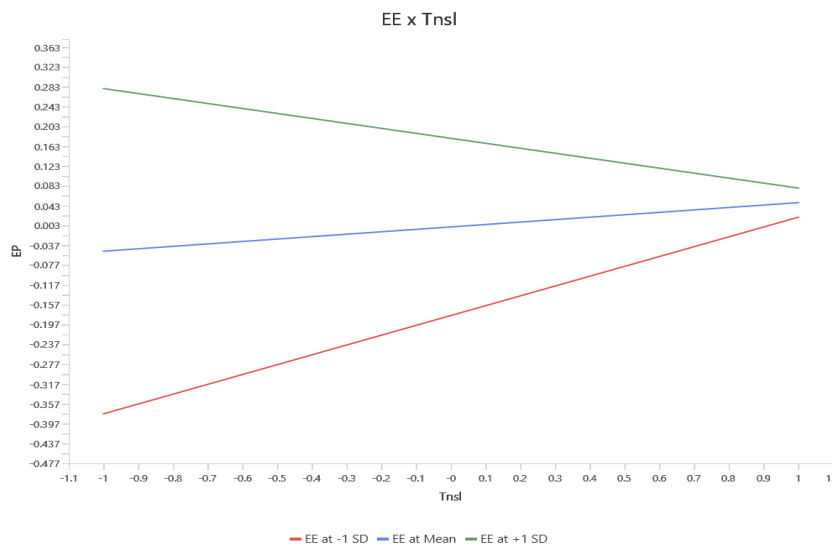


Fig 8: Simple slope analysis of Employee Engagement and Leadership

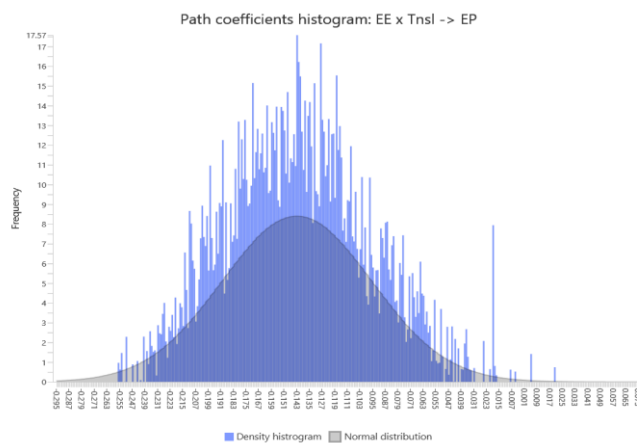


Fig 9: Path Coefficient Employee Engagement \* Transformational Leadership and Employee Performance

**H5: Interaction between Employee Engagement (EE) and Transactional Leadership (TNCL) -> Employees Performance**

The data informs us that Employee Engagement (EE) combines with Transactional Leadership (TNCL) to affect employee performance. The interaction effect is positive ( $\beta = 0.097$ ) and statistically significant ( $p < 0.05$ ,  $t = 2.230$ ). A combination of high Employee Engagement and strong Transactional Leadership may thus concatenative heighten employee performance, and therefore, H5 is accepted as true.

**Figure 10** demonstrates the interaction effect between Employee Engagement (EE) and Transactional Leadership (TNCL) on employee performance (EP). For people with lower Employee Engagement (one standard deviation below the mean), represented by the red line, employee performance increases a little with improvements in organizational culture. Those with average Employee Engagement, depicted by the blue line, show a similar trend but with higher employee performance. Highly capable individuals (one standard deviation above the mean), illustrated by the green line, experience the biggest increase in employee performance as Transactional Leadership rises, starting from the highest baseline. This suggests that positive Transactional Leadership greatly enhances employee performance, especially amongst those with higher Employee Engagement, stressing the hot stuff Employee Engagement and Transactional Leadership do for employee satisfaction (Cameron & Quinn, 1999; Denison, 1990). These findings dovetail with modern scholarship's emphasis on the coexisting effects of Employee Engagement and Transactional Leadership on employee performance (Cameron & Quinn, 2021; Denison, 2022).

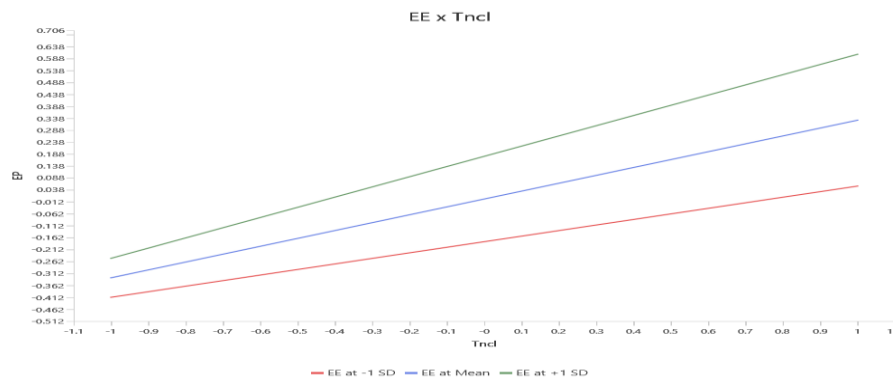
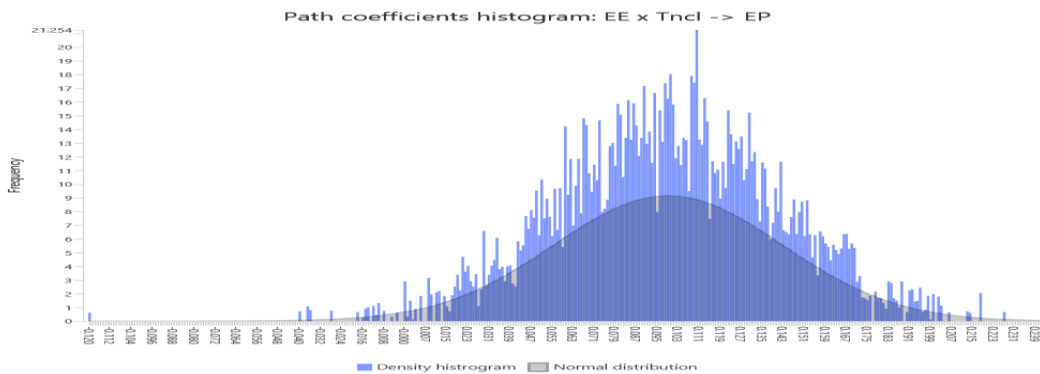


Fig10: Simple slope analysis of Employee Engagement and Transactional Leadership



**Fig 10:** Path Coefficient of Employee Engagement \* Transactional Leadership and Employee Performance

## **Discussion**

Looking back, this case study highlights that different types of leaders affect employees with challenges and job performance over their duties within a given organization (Obasan Kehinde & Hassan Banjo, 2014). Data for the study came from a survey of public sector organizations in Pakistan. Partial least squares structural equation modeling (PLS-SEM) was then used to analyze these data from various perspectives, such as multi-group analysis or mediator model by which communication links are thrown open between teams under certain circumstances, among other things on motivation factors wholly removed control from operators beforehand, etc. for employees who belong to organizations supported in spirit with exceptional grace (Gangai & Agrawal, 2017).

### **Impact of Transformational and Transactional Leadership**

The study suggests that the relationship between transformational leadership and staff engagement and performance in public sector organizations is very significant and positive. In Khurana's research, transformational leaders aim to provide their employees with a mission. They encourage new ideas and dare to think differently: one characteristic of these leaders is that all employees are equal (Khurana 1977). These types of behavior compel employees to develop their personal goals within the framework set by the organization. This encourages a subjective sense of loyalty and effort (Avolio & Bass, 1990). In this research project, transformational leadership became a key contributor to higher employee engagement, enhancing staff performance (Rafia & Achmad Sudiro, 2020).

Transactional leadership, characterized by contingent rewards and management by exception, also showed a positive but comparatively weaker influence on employee performance. This style focuses on the tasks and ensures suitable behavior with rewards (Bass 1985). However, though it can effectively shepherd routine operations and keep them running smoothly, its potential impact on employee commitment and future performance is probably less significant than that of transformational Leadership (Judge & Piccolo, 2004).

### **Role of Employee Engagement as a Mediator**

Research has shown that from the perspective of leadership style, employee performance is mediated by employee engagement. In this way, engaged employees are the conduit through which transformational leadership behaviors lead to higher job performance (Podsakoff et al., 1990). Engaged employees are more likely to be satisfied at work, show real commitment to the firm, and make above- and beyond-the-line discretionary efforts without complaint. This helps companies be competitive (Harter et al., 2002). In comparison, although transactional leadership can positively impact task performance, it may not have as great an influence in encouraging employee engagement and intrinsic motivation.

## **Conclusion**

To conclude, this study has investigated the complex relationships between leadership style in the public sector, staff engagement, and performance. Using Pakistan as an example, we have drawn examples from various organizations operating in that country. The research finds that transformational leadership can significantly facilitate staff engagement and thus enhance performance. Individualized consideration, idealized influence, intellectual stimulation, and setting visionary goals so employees subscribe to them: Transformational leaders. Many of the employees' workforce are inspired by this approach to feel a sense of commitment and motivation. But this project also poses a question: As the role of engagement in such organizations is now proven, who bends the stick, and when? Logic An unconscious question put straight: if employees are engaged, they will have greater job satisfaction. The results suggest that public sector organizations in Pakistan and other contexts with similar conditions should develop transformational leadership.

Methods of Leadership that establish trust in people engender open communication, and encourage collaboration can create an environment in companies where employees feel motivated to contribute their best efforts. As a result, both efficiency in daily operations becomes better and public service (hostility towards oneself) drops off. The more abstract of these broad conclusions about what leadership fits into different patterns according to organizational settings and over time is inextricably linked, future research might explore further longitudinal effects from a multilevel perspective of the citizenry.

### **Recommendations**

It's all too easy to think that the word "leadership" itself doesn't have its fair share of buzzwords. Bresciani says she's a big fan of TED Talk educator Sir Ken Robinson. I would say that nowadays, there is often an element of flattery in the idea that one can be a leader, even to oneself. She proposes cultivating vision, empathy, and fairness to develop leadership.

The findings underscore the importance of seeking to build within the public sector organizations the kind of transformational leadership characteristics that will encourage employee engagement and sustain high performance (Rezeki et al., 2023). For leadership development programs to be successful, they must concentrate on promoting visionary leadership behaviors, open communication, and providing personnel with the chance to make a meaningful contribution towards corporate goals. Transformational leaders can link employee engagement and high performance by creating an atmosphere characterized by trust, collaboration, and ongoing improvement. Heads of public-sector offices may need to consider incorporating these insights into strategic initiatives designed to improve organizational efficiency and level of service to citizens. By aligning leadership practices with employee engagement strategies, public sector organizations can strengthen their ability to respond responsibly and fully to the changing needs of society and its people.

### **Limitations and Future Research Directions**

Although this study helped us see new elements in the relationships among leadership styles, worker engagement, and performance, such as directionality or the need for both public sector practitioners and scholars of politics to collaborate, it would be wrong not to note that there are still some limitations. For example, cross-sectional data is used in this study, which means that no causal explanations for changes of any sort can be made based on the evidence. Future research must follow up with a longitudinal data analysis of the process over time. Moreover, this research was conducted on public sector organizations based in Pakistan (Zahari, 2023). Conclusions, therefore, may differ according to different cultural and geographical contexts. Future studies should examine contextual factors, such as organizational culture and political influences, on leadership effectiveness and employee outcomes. Cross-comparative research among public-sector settings can provide a wider picture of universal versus culturally specific management styles. In addition, incorporating qualitative methods may yield deeper insights for both employees within public sector organizations and their leaders. In conclusion, this study has demonstrated that transformational leadership is a vital enabler of employee engagement and performance. By utilizing such leadership behaviors and promoting an organizational climate of engagement, enterprises can make the most of their human resources and attain sustainable success with maximal efficiency.



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