

## THE IMPACT OF TRANSFORMATIONAL LEADERSHIP AND ETHICAL CLIMATE TOWARDS EMPLOYEE ENGAGEMENT AMONG EMPLOYEES OF A MALAYSIAN PUBLIC AGENCY

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### ABSTRACT

*The aim of this study was to determine the effects of transformational leadership and ethical climate on employee engagement among staff of a Malaysian Public Agency. Civil servants have a vital role to play in the execution of various national economic transformation plans in realizing vision 2020. Therefore, employee engagement is important and has a huge influence on employee performance on the task given. The research constructs were measured through the Multiple Leadership Questionnaire, Ethical Climate Questionnaire (ECQ), and Utrecht Work Engagement Scale (UWES). Regression analysis indicated that the participants' perceived ethical climate was significantly related to the level of employee engagement, however, transformational leadership was found not related to employee engagement in this study. This study is significant to provide some indication and benefit to policymakers and managers in public sector organizations for better planning to increase employee willingness and improve their attitudes.*

Keywords: Employee Engagement, Ethical Climate and Performance.

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### INTRODUCTION

Employee engagement is a positive attitude that leads employees to improve performance, business atmosphere, and organizational values. During engagement, people easily employ and express themselves physically, cognitively and emotionally. Disengaged employees lack initiatives, take long breaks (such as extending morning tea breaks), drug addict, unwilling to learn new things, introvert and lack of energy. Gallup's State of the Global Workplace (Gallup, 2017) report was conducted on global employee's workplace engagement in 2014, 2015 and 2016 across countries and regions. Gallup's (2017) report explained that majority of employees worldwide are not engaged at the workplace which they found only 15% of employees worldwide are engaged at work. According to this survey, about 17% are engaged, 70% are not engaged and 13% of Malaysian employees are actively disengaged, which is lower compare to our close neighbour Thailand but higher than Indonesia. This survey found that disengaged employees lack of motivation and not likely to make the effort to contribute in achieving organizational goals and outcomes. Actively disengaged employees are not happy, does not perform well at work and inclined to bring negative influence to co-workers. This research highlights the level of employees who are truly engaged with their job within a country specifically Malaysia, but does not clearly differentiate the level of engagement between private and public sectors. While some studies reveal that transformational leadership and ethical climate play an important role in influencing employee engagement (Dutch Evelyn, 2015 and Mujdelen Yener, 2012). Transformational leadership is a type of leadership where they love to inspire their subordinate by creating vision, change towards better and positive mindset, provide challenge and motivate staff to achieve higher results. Ethics can be defined system of moral, principle and guideline of conduct an individual or group. Ethics highlight what's right and wrong, and outline the kind of behavior that businesses should not engage in. There are certain issues in MAMPU regarding ethics from researcher observation such as employees came late to work and overrule certain discipline procedures. This paper will reveal the relationship between transformational leadership, ethical climate, and employee engagement among employees in MAMPU Putrajaya.

### ISSUES IDENTIFICATION

Civil servants in Malaysia play a vital role in the execution of various national economic transformation plans in accordance to vision 2020. In order to realize this aspiration, government machineries and public service delivery system must act as catalyst provide necessary support for the economic growth. Government constantly revises its service delivery model to remain relevant. Therefore, many initiatives were established such as establishing National Integrity Plan and Integrity Institute of Malaysia to improve governance and work ethics, to prevent misuse of power and curb corruption. Meanwhile, MAMPU plays a vital role in facilitating the implementation of modernisation and transformation programmes of the public sector delivery system. However, so far public service still fails to achieve the desired level of quality and delivery of service (Johari, Razana Juhaida, Sanusi, Zuraidah Mohd and Ismail, Aida Hazlin, 2012). In order to improve public service delivery system, National Blue Ocean Strategy has been implemented and stressed out that employee engagement is one of the main problem cause to poor performance of Malaysia Public Service, therefore in 'Strategic Thrust 4' employee engagement will be strengthen and become main focus to be improved in order to enhance service delivery which MAMPU as an agency which have high responsibility to bring towards better change in administrative and management delivery services in the public sector. According to Performance Management and Delivery Unit (PEMANDU) Chief Executive Officer Datuk Seri Idris Jala, in Transformational Road Less Travelled at the Global Transformation Forum, Malaysia need excellent leaders especially transformational leaders who can transform their department and change current lame work culture to transform Malaysia into a high-income country by 2020. (The Star, 22 March 2017). In diverse and challenging administration of government administration, transformational leaders are needed to steer public service and overcome all challenges. Therefore, MAMPU as a public delivery service transformation agency is responsible to handle and create innovative ways to facilitate and transform government delivery system.

Second factor that contributed to low level of employee engagement is ethical climate. For many years, it is “apparent that “bad ethics” (i.e. ethical and legal scandals) can lead to catastrophic outcomes and reinforced arguments that “good ethics” is also “good business (Prottas, 2013). Employees are influenced by morality and good ethics where there is positive relationship between ethical citizenship and work engagement if their firms conduct business ethically (Lin, 2010). Based on researcher’s personal observation of ethical climate in MAMPU, there are few employees who do not follow ethical standards such as coming late to the office, using office equipment for personal use and allocating funds to implement program which does not really give a positive impact to the public. To strengthen the need to study ethical climate, table 1 shows the statistic of cases regarding with employees’ ethical issue at MAMPU starting January until Jun 2017. From these statistics, researcher feels that ethical climate is a crucial issue to be study and believe it has influence towards employee engagement in MAMPU which also will affect their task performance.

**Table 1: Statistic of MAMPU Employees Ethical Issues in 2017**

No	Type of Case	Total
1	Absence from duty	4 cases
2	Offence of immoral behavior	3 cases
3	Not complying with working hours	1 case

Several studies on transformational leadership affects towards employee engagement fueled this investigation of the “Effects of Transformational Leadership on Employee Engagement: The Mediating Role of Employee Engagement.” Dutch Evelyn (2015) and Bezuidenhout and Schultz (2013) studies on Transformational Leadership and Employee Engagement In The Mining Industry reveals that there is positive relationship the between transformational leadership style and employee engagement. Ethical climate approach to this study was derived from previous study on “The Effect of Ethical Climate on Work Engagement” by Mujdelen Yener, Miray Yaldiran and Sinem Ergunin in 2012 and conducted on 199 employees of one of the biggest automotive manufacturers located in Bursa, Turkey has hypothesized the significant relationship between ethical climate and work engagement. Based on the above scenario, the researcher would like to explore the factors affecting employee engagement such as transformational leadership and ethical climate towards the employee in MAMPU. This is important where the result obtained can be applied as the solution to the issues presented.

**RESEARCH OBJECTIVES**

The purpose of this research is to measure the factors affecting employee engagement among employees in MAMPU Putrajaya by focusing and analyzing the influence of 4 dimensions of transformational leadership; ideal influence, motivation inspirational, individual influence and intellectual stimulation and ethical climate on employee engagement. The research objectives of this study are:

**Table 2: Research Objectives**

No	Research Objectives
RO1a	To determine the relationship between idealised influence and employee engagement.
RO1b	To determin the relationship between intellectual stimulation and employee engagement.
RO1c	To determine the relationship between inspirational motivation and employee engagement.
RO1d	To determine the relationship between individualised consideration and employee engagement
RO2	To determine the relationship between ethical climate and employee engagement.

**LITERATUE REVIEW**

**Theoretical Review**

The theory of employee engagement was first developed by Kahn (1990) who described engaged employees as workers that are fully emotionally, cognitively and physically connected with their work roles. Bakker (2011) echoes this definition when he says that engagement refers to focused energy that is fixed toward organizational goals. Engagement is reflected by the investment of personal energies into their roles, physically, emotionally and cognitively. High energy means engagement and low energy means disengagement. According to (Den Hartog & Belschak, 2012), workers that are engaged likely to be more positive and have less work deviants. Engaged employees work with passion and feel an emotional connection to their company. They drive innovation and move the organisation forward. They are characterized as being loyal, committed, productive and deliver results (Mellanie, 2014).

Transformational leadership is a leadership mode that attempts positive shifts “in those who follow” and that accomplishes hoped changes by the “strategy and structure” of the governance (Geib and Swenson, 2013). According to Bass et al. (2003) divides transformational leadership into four areas which embrace: Idealised influence, Inspirational motivation, Intellectual stimulation

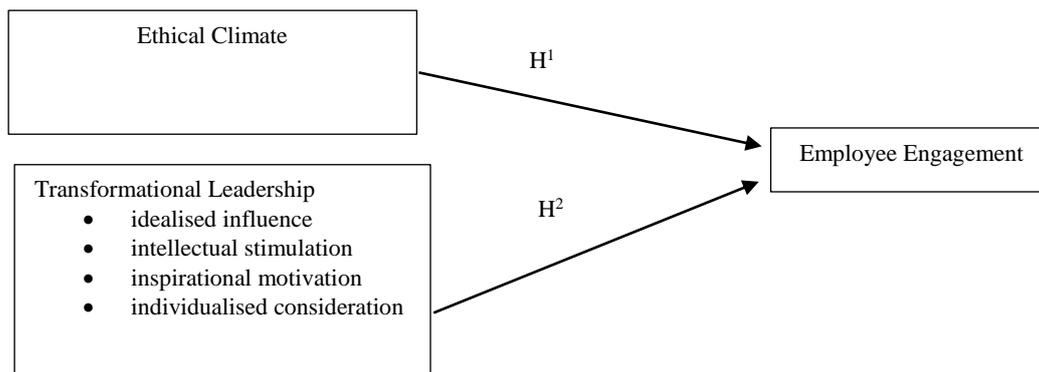
and Individualised consideration. Idealised influence is the charismatic approach and behaviors by leaders regarding values, belief and mission where leaders encourage emotional bonds with their subordinates based on pride, faith and trust. The leaders create compelling vision, mission and good standards of emulation. Inspirational motivation is where the leaders develop and communicate appealing vision that contain challenging goals, boost team spirit, enthusiasm and optimism by modeling the behaviours that are viewed as suitable. Intellectual stimulation is the initiative of leaders to encourage new ways in handling problems, perform job and task innovatively by altering belief and values towards positive mode and encouraged to take risks intellectually. It activating the followers in their beliefs to attain an ambitious but realizable vision. Individual consideration is where leaders acknowledge followers by give moral support, encourage, coaching, give constructive feedback for development enable followers to grab chances for growth and self-actualization.

Ethical climate always been ignored in previous public sector empirical studies, but psychological environment in public sector always affect their perceptions. In latest literature review, Ethical work climate forms the basis of employees’ attitudes and behaviours towards business ethics (Shafer, 2015). Qadeer and Jeffery (2014) reason that organisational climate could possibly guide and inspire employees’ psychological capital. Positive ethical climate components at individual level could empower employees by advancing psychological capital (Golparvar and Azarmonabadi, 2014). Therefore, based on studies explained before, researcher found that this study is significant to relate transformational leadership to the employee engagement. Based on above explanation, a hypothesis is established as follows:

**Table 3: Research Hypothesis**

No	Hypothesis
H <sup>1a</sup>	There is a significant relationship between idealised influence and employee engagement.
H <sup>1b</sup>	There is a significant relationship between intellectual stimulation and employee engagement.
H <sup>1c</sup>	There is a significant relationship between inspirational motivation and employee engagement.
H <sup>1d</sup>	There is a significant relationship between individualised consideration and employee engagement.
H <sup>2</sup>	There is a significant relationship between ethical climate and employee engagement.

**Figure 1: Research Framework**



**METHODOLOGY**

In this study, population for this study is all employees of MAMPU which consist of 809 employees. In this study, the sampling frame for this study is all employees at MAMPU Putrajaya which consist of 227 employees. In this study, proportionate stratified random sampling will be applied, where each stratum will be proportionate to the total number of elements in the representative strata. In this study, there are two group; firstly support group consist of employees grade 11 to 40 and second group is employees grade 41 to 54. The reason for apply 80% proportionate sampling is to increase the accuracy in reliability of this survey. The total sample will be 181 of 227 employees in MAMPU Putrajaya. Researcher apply formula by Kerjie and Morgan (1970), which provides guideline for the sample size decision. Therefore, since the population is 227 employees, the sample size should be collected are 140 employees only. The sample size of this study was drawn from the population of the employees in MAMPU.

**INSTRUMENT AND MEASUREMENT**

For this study, researcher utilized the 4 dimensions of Transformational Leadership. There are Idealised Influence (8 items), Inspirational Motivation (4 items), Intellectual Stimulation (four items), and Individual Consideration (4) (Multiple Leadership Questionnaire (Avolio and Bass, 1995) and adapted by Engelbrecht, Van Aswegen and Theron (2005), 14 items for Ethical Climate (Ethical Climate Questionnaire (ECQ) (Victor and Cullen, 1987)) and 12 items for Employee Engagement (Utrecht Work Engagement Scale (UWES) (Shaufeli et al., 2002)). In this study, researcher distribute 181 questionnaires randomly to 2 target group in this study, however researcher successfully only obtained 111 respondents to answer and submit all questions given. This indicates that only 61.33% of total sample give feedback where 77 respondents are from support group and 34 respondents from management and professional group. Therefore, only 111 returned data will be analyzed in details in this study.

## DATA ANALYSIS AND FINDINGS

### Frequency Analysis

Majority of respondents are female, which the result show 70 of 111 or 63.1 percent respondents are female and remaining 41 respondents or 36.9 percent are male. Majority of the respondents are permanent staff or 100 of total respondents or equivalent to 90.1 percent and only 11 respondents or 9.9 percent are working for temporary period only. Almost half of the respondent aged between 31 to 40 years old or 47.7 percent, meanwhile 34 respondents aged between 20-30 years old. Only 16 respondents or aged between 41-50 years old and 8 respondents aged between 51-60 years old.

### Descriptive Analysis

From this finding, idealised influence mean was 3.49, ranging between sometimes and frequently in the likert scale. This implies that averagely respondents perceived that their leaders show the leadership attributes of idealized influence on occasion. The highest mean of 8 items in this dimension was 3.84 for question 1 (TL1) where respondents mainly agreed that their immediate supervisor/manager always acts in ways that builds my respect. Meanwhile the lowest mean score was question 6 (TL6) at 2.77 where respondents had mix perception regarding the statement that their supervisor/ manager instils pride in being associated with him/her. Intellectual stimulation mean was 3.59, ranging between sometimes and frequently in the Likert scale. This implies that averagely respondents perceived that their leaders show the leadership attributes of intellectual stimulation on occasion. The highest mean of 4 items in this dimension was 3.68 for question 4 (TL4) where respondents mainly agreed that their immediate supervisor /manager always seeks differing perspectives when solving problems. Meanwhile the lowest mean score is question 16 (TL16) at 3.48. Inspirational motivation mean was 3.62, ranging between sometimes and frequently in the Likert scale. This implies that averagely respondents perceived that their leaders show the leadership attributes of inspirational motivation on occasion. The highest mean of 4 items in this dimension was 3.77 for question 7 (TL7) where respondents mainly agreed that their immediate supervisor /manager talks enthusiastically about what needs to be accomplished. Meanwhile the lowest mean score was question 5 (TL5) at 3.46. From this finding also, individualised consideration mean was 3.59, ranging between sometimes and frequently in the Likert scale. This implies that averagely respondents perceived that their leaders show the leadership attributes of individualised consideration on occasion. The highest mean of 4 items in this dimension was 3.73 for question 1 (TL9) where respondents mainly agreed that their immediate supervisor /manager always spends time supporting and coaching. Meanwhile the lowest mean score was question 15 (TL15) at 3.49.

For Ethical Climate, in this survey, most of respondents agreed with statement “The effect of decisions on the public are a primary concern in this organization” with mean 4.66. Where most respondents acknowledge the decision made by organization must consider the impact to public interest. The lowest mean for ethical climate is 3.57 for question 13 “each person in this organization decides for himself what is right and wrong”. In conclusion, perception on ethical climate among employees in MAMPU is above average with many respondents slightly agree by responding “somewhat true” with majority of statement. As overall, mean for ethical climate is 4.30 which a positive result indicate that employees had positive view on current ethical climate in MAMPU and the result of standard deviation was 0.96. From this study can indicate that employees acknowledge the importance of making good decision that benefiting public, making efficient solution is always demanded, all people should follow legal or professional standards.

For employee engagement, most respondents feel they frequently contribute something meaningful while working in MAMPU and this question get highest mean at 3.85. Meanwhile the lowest mean is 2.1 where most respondents did not agree they have lack attention while working. As overall, the mean of employee engagement is 3.06 which is reasonably good indicate that employees in MAMPU feel that level of employee engagement are slightly good and the result of standard deviation was 0.91.

### Reliability and Correlation Analysis

**Table 4: Result of Descriptive, Reliability and Pearson Correlations Analysis**

Variables	Mean	Standard Deviation	Employee engagement	Idealised Influence	Intellectual Stimulation	Inspirational Motivation	Individualised	Ethical Climate
Employee Engagement	3.06	0.40	(0.77)					
Transformational Leadership								
- Idealised Influence	3.49	0.65	0.40**	(0.84)				
- Intellectual Stimulation	3.59	0.71	0.35**	0.83**	(0.81)			
- Inspirational Motivation	3.62	0.73	0.29**	0.78**	0.77**	(0.85)		

- Individualised Consideration	3.59	0.72	0.38**	0.80**	0.82**	0.77**	(0.81)
Ethical Climate	4.30	0.60	0.43**	0.68**	0.58**	0.61**	0.57** (0.88)

**Note. \*\* : Correlation is significant at the 0.01 level (2 tailed). Cronbach Alpha in parenthesis**

Based on the table 4, all dimension in transformational leadership displayed good result of alpha coefficient as idealised influence cronbach’s alpha value score was 0.84, intellectual stimulation 0.81, inspirational motivation 0.85 and individualised consideration 0.81. Among of these dimensions, inspiration motivation scored the highest value at 0.85 and the lowest are intellectual stimulation and individualised consideration which are both scored the same value at 0.81. Meanwhile, ethical climate’s alpha coefficient was at 0.88 which was a good result of reliability and employee engagement scored 0.77 of alpha coefficient considered as acceptable result. As conclusion, ethical climate produced the most reliable and consistent result in this survey, followed by inspirational motivation and meanwhile, employee engagement displayed the weakest score among all. As overall, all these variables revealed reliable and consistent score which all score above than recommended value 0.70.

The result of Pearson Correlation between 4 dimensions under transformational leadership - idealised influence; intellectual stimulation; inspirational motivation; individualised consideration, ethical climate and employee engagement are presented based on Table4. Based on Table 4, among transformational leadership subscales idealised influence scored the highest result as  $r = 0.40$  and correlation is significant at the level 0.01 and indicate idealised influence has positive moderate correlation with employee engagement. Meanwhile intellectual stimulation, inspirational motivation and individualised consideration only have positive low correlation with employee engagement as intellectual stimulation  $r = 0.35$ , inspirational motivation  $r = 0.29$  and individualised consideration  $r = 0.38$  and correlation is still significant at 0.01 level. Meanwhile, ethical climate and employee engagement has substantial relationship or positive moderate correlation ( $r = 0.43$ ) and this relationship is significant at the 0.01 level. Finally, all dimension in transformational leadership have positive moderate correlation or substantial relationship with ethical climate as all the Pearson correlation result is between 0.57 and 0.68 and this relationship is significant at the 0.01 level. As conclusion, all independent variables in this study have relationship with dependent variable in range between small to moderate correlation. Therefore, this result indicates that all independent variables contribute positively to employee engagement in MAMPU. Among independent variables, ethical climate has the highest score for correlation with employee engagement ( $r = 0.43$ ), meanwhile the inspirational motivation has the weakest correlation with employee engagement ( $r = 0.29$ ). Any change of mean in any variables will affect the net strength of relationship.

**Regression Analysis**

**Table 5: Result of Regression Analysis**

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.73	0.25		6.83	0.00
<b>Transformational Leadership</b>					
- Idealised Influence	0.07	0.12	0.11	0.57	0.57
- Intellectual Stimulation	0.02	0.10	0.03	0.16	0.88
- Inspirational Motivation	-0.12	0.09	-0.21	-1.38	0.17
- Individualised Consideration	0.14	0.10	0.25	1.42	0.16
<b>Ethical Climate</b>	0.22	0.08	0.33	2.80	0.006
R <sup>2</sup>	0.23				
Adjusted R <sup>2</sup>	0.19				
F-value	6.26				
Sig	0.00				

**Note: Dependent Variable: Employee Engagement**

Based on table 5, the  $r^2$  result of 0.23 indicates that 23 percent variance in the dependent variable explained by the variance in the independent variables. Meanwhile the other 77 percent is not explained by the independent variables in this study. It means, there are other independent variables that are not included in this study. Adjusted  $r^2$  is at 0.19. F-test is significant base on the value of 0.00. Hence, all independent variables significantly explained dependent variable and indicate good fit for the data. Based on the table, it was found that all 4 dimensions of transformational leadership are not significant to explain and have no relationship with employee engagement as idealised influence, intellectual stimulation, inspirational motivation and individualised consideration significant level are above than recommended level at 5 percent. The results are idealised influence ( $p=0.57$ ), intellectual stimulation ( $p=0.88$ ), inspirational motivation ( $p=0.17$ ), and individualised consideration ( $p=0.16$ ). Therefore,  $H1a$ ,  $H1b$ ,  $H1c$  and  $H1d$  are rejected and all the 4 dimensions of transformational leadership are not significantly related to employee engagement in MAMPU ( $p>0.05$ ). Meanwhile, ethical climate is significant to explain dependent variable as the significant level is lower than 5 percent significant level as recommended where  $p=0.006$  ( $p<0.05\%$ ). So,  $H2$  is supported and ethical climate is positively related to employee engagement in MAMPU. Based the study, regression analysis displayed that independent variables included in this study only influenced 23 percent. Meanwhile, remaining 79.5 are the other variables that not included in this study. Researcher may include other independent variables such as reward strategy (Bratton & Gold (2007) and good life balance (Schaufeli, Taris and Van Rhenen, 2008) to increase the influence of independent variables toward dependent variables.

**Summary of Finding Based on Hypothesis**

**Table 6: Summary of Finding Based on Hypothesis**

Hypothesis	Hypothesis	Conclusion
$H^{1a}$	There is a significant relationship between idealised influence and employee engagement.	Rejected
$H^{1b}$	There is a significant relationship between intellectual stimulation and employee engagement.	Rejected
$H^{1c}$	There is a significant relationship between inspirational motivation and employee engagement.	Rejected
$H^{1d}$	There is a significant relationship between individualised consideration and employee engagement.	Rejected
$H^2$	There is a significant relationship between ethical climate and employee engagement.	Support

**DISCUSSION**

**To find out the relationship between transformational leadership and employee engagement (RO1)**

The first objective of this study is to find out the relationship between transformational leadership and employee engagement. In pearson correlation analysis, 4 dimensions of transformational leadership has positive relationship with employee engagement. Meanwhile, according regression analysis, it was found that all 4 dimensions of transformational leadership are not significant to explain and have no relationship with employee engagement as Idealised influence, Intellectual stimulation, inspirational motivation and individualised consideration significant level are above than recommended level at 5 percent. Therefore,  $H1a$ ,  $H1b$ ,  $H1c$  and  $H1d$  are rejected and all the 4 dimensions of transformational leadership are not significantly related to employee engagement in MAMPU. However, the negative result in of this finding is in conformity with other studies (D.Rama and N.Lakshmi, 2016 and Shinhee Jeong, etc al., 2016).As all result above 0.70, indicate the all items in transformational leadership questionnaire are reliable and consistent for this study. The mean score for the 4 dimensions in Transformational leadership is 3.57 and standard deviation was 0.90, indicate that employees in MAMPU acknowledge that their managers/ immediate supervisors have displayed the characteristics of all four dimension in Transformational Leadership; i. idealized influence, ii. inspirational motivation, iii. intellectual stimulation and iv. individualised consideration at almost frequent level. Finally, from this study may indicate that even though employees in MAMPU regards the existence and contribution of transformation leadership in MAMPU and as mean result of employee engagement is the lowest mean among variables in this study, may indicate that some of employees in MAMPU not happy with the current atmosphere/ workload or work culture in MAMPU. As MAMPU has a very ambitious vision to transform public delivery service, many staff feel that there are a huge burden for them to handle on. This possibility is strengthened by a high turnover among staff in MAMPU. However, they can engage with their job without or little influence of transformational leaders as mostly of MAMPU employees have good background of education level and vast working experience. The second possibility is the ability to work with limited supervision, more skills discretion and freedom of making decision may reduce the influence of transformational leadership towards employee engagement in MAMPU.

**To find out the relationship between ethical climate and employee engagement (RO2)**

The second objective of this study is to find out the relationship between ethical climate and employee engagement. In this study, the regression analysis result indicates that ethical climate supported initial hypothesis as significant level is 0.6 percent which below that recommended 5 percent significant level. The positive result of ethical climate is similar to previous research (by Jeremy Mitonga, 2015; Martin & Cullen, 2006; Schaufeli & Bakker, 2004 and Yener et al., 2012). In Pearson correlation analysis, ethical climate and employee engagement has substantial relationship or positive moderate correlation ( $r = 0.43$ ) and this relationship is significant at the 0.01 level. Ethical climate produced the most reliable and consistent result in this survey as alpha coefficient scored 0.88 which is considered as good result of internal consistency stability. As overall, mean for ethical climate is 4.30 which a positive result indicate that employees had positive view on current ethical climate in MAMPU and the result of standard deviation was 0.96. From this study can indicate that employees acknowledge the importance of making good decision that benefiting public, making efficient solution is always demanded, all people should follow legal or professional standards. In this analysis, also indicated that 23 percent variance of dependent variable explain by variance in independent variable meanwhile remaining 77 percent is the other independent variables that are not included in this study. Therefore  $H1a$ ,  $H1b$ ,  $H1c$  and  $H1d$  is rejected and  $H2$  is supported.

## CONCLUSION

From this study, finally researcher gets the result of at what extent transformational leadership and ethical climate effect towards employee engagement in MAMPU Putrajaya. Based on frequency analysis, most of respondents are female, already married, Gen-Y generation, Malay, permanent staff and working less than 10 years. Based on the findings, it was found all the items of questionnaire in this survey are reliable and consistent based on Cronbach alpha reliability test which can be assumed that all respondents understand all questions and relevant to their current situation. According to Pearson correlation analysis, both independent variables have significant and positive relationship in range of small to moderate level. All 4 dimensions in transformational leadership; ideal influence, motivation inspirational, individual influence and intellectual stimulation and ethical climate are correlated to the employee engagement. Ethical climate has the highest correlation coefficient ( $r=0.43$ , positive moderate correlation) followed by idealized influence ( $r=0.40$ , positive moderate correlation) meanwhile the other 3 variables; motivation inspirational, individual influence and intellectual stimulation have positive low correlation and small relationship with employee engagement. Therefore, it indicates that good transformational leadership and ethical climate can increase level of employee engagement. As regression analysis become the ultimatum result to estimate the significance of relationship of independent and dependent variables for this study, only ethical climate has significant relationship with employee engagement in MAMPU. However, all 4 dimension of Transformational Leadership has relationship with employee engagement but not have significant influence towards employee engagement in MAMPU. This indicates H1a, H1b, H1c and H1d is rejected and H2 is supported.

This research should be suggested to be implemented on employees in MAMPU Cyberjaya, MAMPU Sabah and MAMPU Sarawak as this study is limited to MAMPU Putrajaya population only. Broader range of population will increase the level of reliability of this study. A further research should be taken and use different technique in obtaining data especially through interview with employees in different division and position to get better and different view on employee engagement. Researcher also suggest this research may be conducted for government servant working under enforcement department like Malaysian Anti-Corruption Commission, Royal Malaysia Police, Malaysia Custom Department because they are exposed to the possibility in taking bribe, misuse their power and position, besides face depressing working atmosphere. Future researcher may have intention to do further research on those 4 dimensions in transformational leadership, where has no significant relationship with employee engagement by modifying the questionnaire or re-examine the variables themselves. Based on this research's result, top management in public service generally and in MAMPU especially, should emphasis creating a good and stricter code of conduct in the public sector with clear guidelines on what is can and cannot be done as a public servant. Also, government servant who declared convicting any serious criminal or misconduct behavior should be given heavier penalty. Effects of decision making towards public interest and efficient solution to problems in organization need to be taken seriously by top management as these questions get highest mean or positive response in this survey. As ethical climate has positive relationship with employee engagement, MAMPU should take responsibility to ensure rules, procedure and professional standards always followed by people in organization. Also, leaders should make decision making by prioritize public interest and what is the best for group and individuals in MAMPU. By behaving fair and ethical manner is related in promoting better employee engagement in MAMPU. In order to eliminate the disengagement atmosphere, lack of energy and spirit, lack of dedication and poor absorption, researcher suggest leadership in MAMPU should create ambitious mission, good work environment that inspires employees to perform and love their jobs and get involvement of employees to contribute their ideas and perspective in solving workplace issues on more consistence basis.

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