

Transformational Leadership, Soft HR Approach, and Millennial Workforce Engagement in International NGOs in Nairobi, Kenya

Lucas N. Mburu, Dr. Mary Ragui, PhD, Dr. Walter Ongeti, PhD

Department of Leadership, Pan Africa Christian University

DOI: <https://dx.doi.org/10.47772/IJRISS.2024.804098>

Received: 27 March 2024; Accepted: 11 April 2024; Published: 10 May 2024

ABSTRACT

Engagement of the Millennial Workforce is a significant focus within the workplace. Their shared values and attitudes, influenced by similar social and economic circumstances, are of ongoing scholarly interest. Extant research indicates concerning levels of disengagement among Millennials in the workforce, with many open to new job opportunities due to intolerance for conflicts and ambiguity, despite demonstrating the ability to delve deep into issues. The current study aimed to investigate the issue of Millennial Workforce engagement within Kenya's international non-governmental organization (INGO) sector as a leadership issue by examining the interaction between transformational leadership, soft HR management, and Millennial Workforce engagement. The study was anchored on McGregor's Theory Y. The research was a cross-sectional survey involving a purposive sample of 384 Millennials drawn from 32 selected INGOs with physical presence in Nairobi. Data was collected using Multifactor Leadership Questionnaire, researcher-developed Soft HR scale, and the Utrecht Work Engagement Scale. The data was subjected to mediator analysis following a four-step process using the Statistical Package for the Social Sciences. The analysis demonstrated partial mediation, thus confirming the role of a soft HR approach as an intermediary in the connection between leadership and engagement. Creating a workplace environment that values Millennial's input and participation is essential for driving their engagement. By providing forums for expression, listening to and acting on feedback, and involving them in decision-making processes, organizations can cultivate a culture of inclusivity, trust, and collaboration that keeps them highly engaged.

Keywords: Millennials, Soft Human Resource, Transformational Leadership, Workforce Engagement

INTRODUCTION

Millennials, construed as those born between 1981 and 1996, are among the recent generation to enter the workplace (Smith & Nichols, 2015). As of 2016, Millennials comprised about 36% of the workforce, a figure that was projected to grow to almost 50 percent in less than 5 years (Blanchard, 2016). By the year 2025, Millennials will constitute up to 75% of the entire global workforce (Catalyst, 2019). With this increase in Millennials at work, managers face significant challenges, particularly in retention (Akeyo & Wezel, 2017). Millennials, highly ambitious but also expecting instant results alongside quick growth, often seek experiential opportunities and are prone to changing jobs frequently (Meola, 2016). This trend contributes to lower staff engagement and high turnover, which is characteristic of the Millennial workforce (Fullen, 2019).

Engagement of the Millennial Workforce, referring to the involvement, motivation, and commitment of individuals born between 1980 and 2000 within the workplace, is a significant topic of interest (Smith & Nichols, 2015). Millennials, due to their proximity to the turn of the millennium, shares common values and attitudes shaped by similar social and economic circumstances (Kovic & Hänslı, 2018). Understanding

Millennials in the workplace is crucial, as they aspire to be treated as valued colleagues, a sentiment emphasized by Blanchard (2016). Millennials are therefore receiving considerable attention in the workplace due to their distinctive attitudes, values, beliefs, and aspirations compared to previous generations. While some characterize Millennials as impatient, self-important, and disloyal, they are also recognized for their ambition and appreciation of organizational training.

Research findings by Clifton (2016) reveal concerning levels of disengagement among Millennials in the workforce. Approximately 55% are not engaged with their work or company, and an additional 16% are entirely disengaged, posing potential risks to their respective organizations. Moreover, surveys in the USA suggest that around half of Millennials anticipate remaining with the same company in the next year, while 60% remain open to new job opportunities (Clifton, 2016). Rezvani and Monahan (2017) further contribute to the understanding of Millennials in the workplace by highlighting their intolerance for conflicts and ambiguity, which may contribute to their propensity to seek new job opportunities. Although Millennials exhibit lower trust levels compared to Generation X and Baby Boomers, they demonstrate the ability and determination to delve deep into issues rather than making surface judgments.

Soft human resource (HR) approach, which prioritizes employee welfare and recognizes their intrinsic value within organizations, holds particular relevance when viewed through the lens of Millennial workforce engagement (Armstrong, 2020; Gado, 2018). This approach emphasizes fostering dedication, flexibility, and exceptional abilities among employees, aligning with Millennials' desire for meaningful work and recognition of their contributions (Rao, 2016; Feather, 2019). By acknowledging the value of human capital and creating positive work environments, organizations can effectively engage Millennials, enhancing their motivation, commitment, and productivity (Obi-Anike & Ekwe, 2014).

Embracing the soft HR approach potentially offers numerous benefits for organizations seeking to engage Millennial employees effectively. Prioritizing employee welfare and recognizing their intrinsic value cultivates a culture of loyalty, commitment, and dedication, resonating with Millennials' desire for purpose-driven work (Obi-Anike & Ekwe, 2014). Additionally, investing in Millennials' personal and professional development unleashes their full potential, fostering innovation and performance improvement (Feather, 2019). Soft HR management also adapts to the evolving labour market, addressing Millennials' changing needs and aspirations, which enhances retention rates and reduces turnover (Ozcelik, 2015; Akeyo & Wezel, 2017).

Within the framework of Millennial workforce engagement, the soft HR approach entails empowering, involving, collaborating with, and fostering teamwork among Millennial employees (Gado, 2018). Empowerment grants Millennials the authority, autonomy, and responsibility to make decisions, aligning with their desire for autonomy and meaningful contributions (Ngqeza & Dhanpat, 2021; Khan & Ullah, 2021). Involvement provides avenues for Millennials to contribute ideas and expertise, enhancing their sense of ownership and commitment towards organizational goals (Susita et al., 2021; Al-Suraihi et al., 2021). Collaboration fosters communication, creativity, and synergy among Millennial employees, enabling them to leverage diverse perspectives and expertise to achieve shared goals (Zaki & Norazman, 2019; Rodjam et al., 2020). Teamwork, a manifestation of collaboration, promotes a cohesive work environment where Millennials work together towards shared objectives, fostering a sense of belonging and camaraderie (Sanyal & Hisam, 2018; Kerns, 2019). By implementing these soft HR practices, organizations can effectively engage Millennial employees, leading to improved job satisfaction, productivity, and retention within this demographic.

The soft HR approach can play a role in the relationship between transformational leadership and Millennial workforce engagement, offering leaders a framework to inspire and empower employees effectively (Kouzes & Posner, 2017). Transformational leadership prioritizes forward-looking vision and individualized attention to engage followers intellectually (Northouse, 2018; Bass & Riggio, 2018), aligning with the

principles of the soft HR approach emphasizing employee welfare and positive work environments (Armstrong, 2020). Transformational leaders foster trust and loyalty critical for organizational success (Barbosa, 2021; Puni et al., 2018; Suyanto et al., 2019), creating environments where Millennials feel valued and empowered (Avolio & Yammarino, 2018). The soft HR approach complements transformational leadership by prioritizing employee welfare and fostering a culture of trust and innovation (Messmann et al., 2022; Brown, 2018; Hemby, 2017), while emphasizing continuous learning and growth (Sánchez-Cardona et al., 2018). Ultimately, through encouraging innovation and questioning assumptions, transformational leaders contribute to organizational effectiveness (Sinek, 2019).

While prior research has investigated how leadership impacts organizational efficiency, there is still a gap in comprehending the influence of transformational leadership and soft HRM practices on the engagement of Millennial Workforce, particularly within Kenya's INGO sector. Previous studies have not adequately addressed the interplay between leadership styles, HRM approaches, and Millennial engagement within this specific context (Wawira, 2022). Therefore, there is a necessity for research that examines the connection between transformational leadership, soft HR management, and Millennial Workforce engagement within INGOs in Nairobi, Kenya, aiming to offer evidence-based strategies for improving employee engagement and retention (Farhan, 2021; Njoroge et al., 2021). It is within this context that the current study aimed to investigate the issue of Millennial Workforce engagement within Kenya's INGO sector as a leadership concern by examining the interaction between transformational leadership, soft HR management, and Millennial Workforce engagement

LITERATURE REVIEW

Theory Y, introduced by McGregor in 1957, provides a perspective through which the potential mediation role of soft HR in the relationship between transformational leadership and millennial workforce engagement can be understood. According to this theory, management's fundamental task is to create conditions within organizations where individuals can autonomously direct their efforts towards achieving both personal and organizational goals (Lawter et al., 2015). Lawter et al. (2015) elucidate that, under favourable circumstances, individuals are capable of finding enjoyment, motivation, and fulfilment in their work. The soft approach model, therefore, aligns with Theory Y, suggesting that organizational objectives can be attained through the self-directed commitment and motivation of employees rather than through external control mechanisms. Feather (2019) supports this notion by highlighting that HRM can demonstrate to leadership the effectiveness of soft approaches in enhancing staff engagement, which ultimately leads to increased commitment and productivity, as quantifiable outcomes.

While Theory Y offers a positive and humanistic perspective on employee motivation and behaviour, it does have its limitations (Gürbüz et al., 2014). Critics argue that the theory's ambiguity makes it challenging to apply across varying levels of subordinate staff development (Shonhiwa, 2016), and there is insufficient evidence demonstrating how it directly leads to employee engagement and improved performance, particularly within complex and dynamic groups (Ihuah, 2014). Additionally, Theory Y tends to prioritize intrinsic motivation and personal growth, often overlooking the influence of external factors such as compensation and job security, which can significantly impact workforce engagement (Shonhiwa, 2016). Despite its shortcomings, Theory Y serves as the theoretical framework for understanding the soft HR approach in relation to millennial workforce engagement. Evidence suggests that operationalizing Theory Y principles could yield significant improve.

Armstrong and Taylor (2014) propose that a comparative analysis of two companies, one employing soft methodologies and the other hard techniques, demonstrated contrasting outcomes. The company fostering positive workplace conditions and nurturing good relationships between staff and management observed heightened employee engagement as a favourable result. Conversely, in the company emphasizing increased

employee effort for enhanced productivity, there was noticeable staff disengagement. Armstrong and Taylor's (2014) findings on the contrasting outcomes of companies employing soft and hard approaches are particularly relevant to understanding the dynamics within International NGOs (INGOs) in Nairobi, Kenya. As INGOs often operate in complex socio-cultural contexts, the effectiveness of leadership styles and HR approaches can significantly impact workforce engagement. By examining how these approaches manifest in INGO settings, we can gain insights into their implications for engaging millennial employees. For instance, understanding how positive workplace conditions and strong staff-management relationships influence engagement can inform strategies for fostering a supportive organizational culture within INGOs, which is crucial for retaining and motivating millennial workers.

Feather (2019) argues that soft approaches in human resources can effectively boost staff engagement, leading to heightened commitment and ultimately increased productivity, which can be quantifiably measured. His emphasis on the effectiveness of soft HR approaches in enhancing staff engagement and commitment provides a valuable framework for examining the relationship between leadership styles, HR practices, and millennial workforce engagement in INGOs. Given the diverse and often idealistic nature of millennial employees in the NGO sector, strategies that prioritize employee well-being and empowerment are likely to resonate positively. Investigating the impact of soft HR approaches, such as promoting work-life balance and providing opportunities for professional development, can shed light on their role in fostering a sense of purpose and belonging among millennial staff in INGOs in Nairobi.

Rao (2016) suggests strategies for becoming a more effective soft HR leader, emphasizing communication skills, balanced decision-making, and maintaining a realistic perspective on goals while ensuring task execution. His suggestions offer practical insights for managing millennial employees in INGOs. Nairobi's vibrant and dynamic NGO sector, coupled with the unique challenges faced by international organizations operating in Kenya, underscores the importance of adaptive and emotionally intelligent leadership. By examining how leaders in INGOs implement these strategies and navigate the complexities of multicultural teams, we can better understand their impact on millennial workforce engagement and organizational effectiveness.

Mazzetti and Schaufeli (2022) investigated the influence of engaging leadership on workforce engagement and team effectiveness, mediated by personal and team resources. They conceptualized engaging leadership as a three-dimensional construct similar to transformational leadership facets. The study, conducted among employees of a Dutch public service agency, employed structured questionnaires and multilevel structural equation modelling to analyse cause-and-effect relationships. Results indicated partial mediation of engaging leadership on workforce engagement, providing insights into the potential of soft HR approaches as mediators between leadership and employee engagement. However, there were conceptual gaps concerning the explicit investigation of transformational leadership and the limited generalizability of the research to other contexts. Mazzetti and Schaufeli's (2022) provides a relevant framework for investigating the interplay between transformational leadership, soft HR approaches, and millennial workforce engagement in INGOs in Nairobi. Understanding the dimensions of engaging leadership, such as inspiration, strengthening, and connecting, can help identify leadership practices that resonate with millennial employees in the NGO sector. By examining how leaders in INGOs leverage soft HR approaches to foster employee engagement and team effectiveness, we can identify strategies for cultivating a supportive and inclusive organizational culture that empowers millennial staff to thrive.

Majrashi (2022) explored the impact of transformational leadership on employee engagement in government agencies, focusing on mechanisms of manifestation. Data collection utilized the Multifactor Leadership Questionnaire (MLQ) and the Utrecht Work Engagement Scale (UWES). The study highlighted the role of employee empowerment, a facet of soft HR approaches, in explaining the relationship between transformational leadership and employee engagement. While the study demonstrated a statistically

significant relationship, it lacked exploration of the mediating effect of soft HR approaches and overlooked certain organizational sectors. Majrashi's (2022) research highlights the importance of employee empowerment as a facet of soft HR approaches. Applying this lens to the context of INGOs in Nairobi, Kenya, can provide valuable insights into how transformational leaders empower millennial employees to contribute meaningfully to organizational goals. By exploring the mechanisms through which transformational leadership influences employee engagement and the role of soft HR approaches in mediating this relationship, we can identify strategies for maximizing the potential of millennial workforce engagement in the NGO sector.

Thanh et al. (2022) investigated the correlation between leadership style and staff work engagement in Vietnam's public sector, emphasizing transformational leadership's contribution. Their findings suggested a positive association between transformational leadership and work engagement, demonstrated through innovation and task execution. Soft HR approaches such as team building and trust enhancement were implicit in the study, influencing the interaction between transformational leadership and workforce engagement. Thanh et al.'s (2022) study underscores the relevance of soft HR approaches such as team building and trust enhancement in fostering collaboration and employee involvement. Translating these findings to the context of INGOs in Nairobi, Kenya, can inform strategies for building cohesive and resilient teams of millennial employees. By investigating how transformational leaders in the NGO sector leverage soft HR approaches to enhance workforce engagement and innovation, we can identify best practices for maximizing the impact of millennial talent in achieving organizational objectives.

Yeshitila and Beyene (2019) examined the mediation of employee engagement between transformational leadership and job performance in Ethiopia's banking sector. Their results indicated partial mediation of job performance by employee engagement, underscoring the significant association between transformational leadership and employee engagement. However, the study did not explicitly consider soft HR approaches as mediating factors or examine the INGO sector, leaving room for further exploration in similar contexts. Their research highlights the importance of understanding the mechanisms through which leadership styles and HR practices influence workforce outcomes. Applying this framework to the context of INGOs in Nairobi, Kenya, can provide insights into the mediating role of soft HR approaches in enhancing millennial workforce engagement and organizational effectiveness. By examining the relationship between transformational leadership, soft HR approaches, and millennial workforce engagement, we can identify strategies for optimizing employee performance and organizational impact in the NGO sector.

The literature review has demonstrated that studies highlight the effectiveness of soft HR approaches in fostering engagement (Armstrong & Taylor, 2014; Feather, 2019; Mazzetti & Schaufeli, 2022), gaps exist in explicitly exploring their mediating role and ensuring generalizability to diverse organizational contexts. The identified gaps provided the impetus for advancing research in this area in the Kenyan context.

RESEARCH METHODOLOGY

The research design chosen for this study was a cross-sectional survey. Its primary objective was to elucidate the factors contributing to Millennial Workforce engagement, specifically focusing on the roles of transformational leadership and a soft HR approach. The study aimed to survey Millennial employees of NGOs located in Nairobi, Kenya, particularly those with international mandates registered as INGOs. According to Kenyan government regulations, all NGOs and INGOs must be registered with the NGO coordination board. Therefore, the target population consisted of the Millennial Workforce within 251 INGOs registered with the NGO Board in Nairobi, based on a database acquired in 2022. The registered INGOs served as the unit of analysis, while the Millennial Workforce, whose perspectives on leadership were sought, served as the unit of observation. From the total pool of 251 INGOs, a subset of 32 INGOs was chosen for the study. While there isn't a documented figure specifying the total count of Millennials

employed within these selected INGOs, a formula for calculating sample from unknown populations led to sample size of 384 (Mugenda & Mugenda, 2019). Millennials, renowned for their inclination to work for organizations that align with their values, often gravitate towards positions in the nonprofit sector (Espinoza et al., 2015). In Kenya specifically, Millennials represent the largest segment of the working populace (Katumpe & Kyongo, 2023). Hence, it was presumed that Millennials constituted the predominant demographic among the employees of the listed INGOs. Consequently, from the study's sample size of 384 Millennials sourced from the 32 selected INGOs situated in Nairobi, 230 responses were received representing 60% of the total.

The study utilized a systematic random sampling approach to select 32 INGOs for inclusion. This method, as described by Sekaran (2003), involved employing the formula $K=N/n$ to determine the intervals for selecting the final sample. Subsequently, a stratified sampling technique was employed to determine the allocation of respondents from each of the 32 selected INGOs. Due to the absence of available statistics on the number of Millennials within each NGO, the total sample size of 384 Millennials was evenly distributed among the 32 INGOs, resulting in 12 Millennials representing each INGO.

To fulfil the study's objectives, a purposive sampling method was employed. This method entails intentionally selecting specific individuals, cases, or elements from a population based on predetermined criteria or relevant characteristics related to the research question (Creswell, 2014). The aim is to obtain a sample that represents a particular subgroup or possesses specific qualities (Njie & Asimiran, 2014). Researchers exercise their discretion in selecting participants who can offer valuable insights into the research topic (Terrell, 2022). In this study, purposive sampling was chosen because the researcher aimed to gather data specifically from the Millennial Workforce rather than from all employees within the INGOs. Given that the term "Millennial" in this context refers to individuals aged 23 to 43 years, purposive sampling was deemed the most appropriate method for recruiting workers within this age bracket from each INGO.

Quantitative data was collected through the utilization of a structured questionnaire divided into four sections. The initial section encompassed demographic inquiries such as age, gender, and tenure of the respondent. Following this, the second section incorporated the Multifactor Leadership Questionnaire (MLQ) designed to gauge transformational leadership. As highlighted by Batista-Foguet et al. (2021), the MLQ is a prominent survey instrument initially devised to examine the Avolio and Bass model of leadership. According to Alban-Metcalfe and Alimo-Metcalfe (2000), the MLQ effectively measures core transformational factors including charismatic and inspirational leadership, intellectual stimulation, and individualized consideration. To suit the study's context, the questionnaire was adapted, particularly considering the mixed-method approach adopted. Similar studies conducted in Kenya, such as that by Otieno and Njoroge (2019), have successfully employed modifications of this instrument. The third section consisted of Likert scale items developed by the researcher to assess the soft HR approach. This section comprised 12 items representing four dimensions: empowerment, involvement, collaboration, and teamwork. Lastly, the fourth section featured the Utrecht Work Engagement Scale (UWES) scale, a 9-item scale developed by William et al. (2019), utilized to evaluate Millennial Workforce engagement. The reliability analysis resulted in Cronbach's alpha coefficients of .947 for transformational leadership, .935 for the soft HR approach, and .768 for Millennial Workforce engagement. These findings indicate a remarkably high level of internal consistency among the items assessing each construct.

To investigate the mediating effect of the soft HR approach on the relationship between transformational leadership and Millennial Workforce engagement (H05), a mediation test was conducted using composite scores for transformational leadership (TL), soft HR approach, and Millennial Workforce engagement.

Mediation, as conceptualized by Abu-Bader and Jones (2018), involves proposing a causal link among three variables, wherein the first variable influences a second variable, which in turn affects a third variable. This

process typically follows four steps outlined by Baron and Kenney (1986):

Initially, Millennial Workforce engagement (MWE) was regressed on transformational leadership (TL) using a simple linear equation, with statistical significance accepted at $p < .05$: $MWE = \beta_0 + \beta_1 \times TL + \epsilon$ If the null hypothesis in this step is rejected, the analysis proceeds to the second step.

In the second step, soft HR approach (SHR) was regressed on TL using a simple linear equation, also at $p < .05$: $SHR = \beta_0 + \beta_1 \times TL + \epsilon$ If the null hypothesis in this step is rejected, the analysis advances to Step 3.

Step 3 involves employing a multiple linear equation to assess the predictive power of SHR on MWE while controlling for TL: $MWE = \beta_0 + \beta_1 \times SHR + \beta_2 \times TL + \epsilon$

During Step 4, a mediation analysis is conducted to determine if the mediator variable (SHR) plays a significant mediating role in the relationship between the independent variable (TL) and the dependent variable (MWE). This step integrates the procedures outlined in steps 1, 2, and 3. If the association between TL and MWE (Step 1) loses significance upon the inclusion of SHR (Step 3) in the regression model, it suggests complete mediation. This indicates that the effect of TL on MWE is entirely mediated by SHR, underscoring SHR's pivotal role in linking TL to MWE. Conversely, if the connection between TL and MWE (Step 1) remains statistically significant but weakens with the introduction of SHR (Step 3), it suggests partial mediation. This implies that SHR still influences the TL-MWE relationship, albeit TL retains a direct impact on MWE even after considering the influence of SHR. In this scenario, both TL and SHR individually contribute to variations in MWE.

RESULTS AND DISCUSSIONS

A total of 230 Millennial successfully participated in the study. Participants were requested to assess the frequency of soft HR approach implementation within their organization on a scale ranging from 1 to 5, with 1 representing “not at all” and 5 indicating “frequently”. Table 1 displays the mean and standard deviation of the scores for each individual item.

Table 1: Descriptive Statistics of Soft HR Approach Items

| The human resource approach in my organization ... | \bar{x} | sx |
|---|-----------|-------|
| Grants me freedom to innovate and problem solve | 4.08 | .929 |
| Accords me independence in how I carry out my tasks and achieve my goals | 4.02 | .988 |
| Trusts me to make decisions within my designated roles and responsibilities | 4.00 | 1.064 |
| Promotes synergy and cohesion among employees | 3.92 | 1.097 |
| Works with me as a team to achieve organizational goals | 3.86 | 1.132 |
| Provides me with training and tools I need to succeed in my job role | 3.85 | 1.032 |
| Shares information freely with staff | 3.81 | 1.109 |
| Recognize me for my contributions achievement | 3.71 | 1.108 |
| Provides a forum where I can share my ideas, concerns and suggestions | 3.68 | 1.146 |
| Listen to and acts on my feedback | 3.68 | 1.116 |
| Includes me in in decisions that affect my work and life | 3.58 | 1.267 |
| Puts emphasis on collective effort | 3.90 | 1.092 |

The highest mean score was obtained for the statement “the human resource approach in my organization grants me freedom to innovate and problem solve” ($\bar{x} = 4.08$). This suggests that employees perceive a

significant level of autonomy and support for creative thinking in their workplace. This finding resonates with literature emphasizing the importance of autonomy and empowerment in the workplace. Coyle (2018) emphasizes that providing employees with autonomy and decision-making power can enhance their engagement and sense of ownership. Conversely, the lowest mean score was obtained for the statement “the human resource approach in my organization recognizes me for my contributions and achievements” ($\bar{x} = 3.71$). This indicates that while employees feel somewhat recognized for their efforts, there is room for improvement in acknowledging their contributions and achievements. This suggests a gap in acknowledging and appreciating employee efforts, which contrasts with the literature emphasizing the importance of recognition and rewards in promoting engagement and motivation (Saleem et al., 2019). Overall, the findings highlight a positive perception among employees regarding aspects such as autonomy and teamwork within the organization, but also indicate areas where recognition and appreciation could be enhanced to further promote engagement and satisfaction among the Millennial Workforce.

To examine the potential mediating influence of a soft HR approach, the following null hypothesis was assessed: H_{01} : There is no statistically significant mediating effect of a soft HR approach on the association between transformational leadership and Millennial Workforce engagement in international non-governmental organizations based in Nairobi, Kenya.

To evaluate the mediating role of a soft HR approach on the link between transformational leadership and Millennial Workforce engagement, a mediator analysis was conducted utilizing Baron and Kenney’s (1986) four-stage approach:

Stage 1: Regression of Millennial Workforce Engagement on Transformational Leadership

Initially, a regression analysis was performed with the Millennial Workforce engagement composite score as the dependent variable and the transformational leadership composite score as the independent variable. The results are presented in Table 2.

Table 2: Regression of Millennial Workforce Engagement on Transformational Leadership

| Model Summary | | | | | | |
|--|-----------------------------|-----------------------------|-------------------|----------------------------|--------|-------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .493 ^a | .243 | .240 | .604 | | |
| a. Predictors: (Constant), Transformational Leadership | | | | | | |
| ANOVA ^a | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 26.096 | 1 | 26.096 | 71.549 | .000 ^b |
| | Residual | 81.335 | 229 | .365 | | |
| | Total | 107.431 | 230 | | | |
| a. Dependent Variable: Millennial Workforce Engagement Composite Score | | | | | | |
| b. Predictors: (Constant), Transformational Leadership | | | | | | |
| Coefficients ^a | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.220 | .201 | | 11.046 | .000 |
| | Transformational Leadership | .440 | .052 | .493 | 8.459 | .000 |
| a. Dependent Variable: Millennial Workforce Engagement Composite Score | | | | | | |

According to Table 2, there was a notable predictive capability of transformational leadership concerning Millennial Workforce engagement, with an R^2 of .243, $F(1) = 71.549$, significant at $p < .01$. Consequently, the null hypothesis was refuted, indicating a direct link between transformational leadership and Millennial Workforce engagement. Analysis of the regression coefficient indicates that for every unit increase in transformational leadership, there was a corresponding 0.493 unit increase in Millennial Workforce engagement ($\beta = 0.493$, $t = 8.459$, $p < .01$).

Stage 2: Regression of Soft HR Approach on Transformational Leadership

Given the rejection of the null hypotheses in the previous step, the investigation advanced to the second stage, involving the regression of the soft HR approach on transformational leadership. The results are detailed in Table 3.

Table 3: Regression of Soft HR Approach on Transformational Leadership

| Model Summary | | | | | | |
|---|-----------------------------|-----------------------------|-------------------|----------------------------|---------|-------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .639 ^a | .409 | .406 | .67278 | | |
| a. Predictors: (Constant), Transformational Leadership | | | | | | |
| ANOVA ^a | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 69.717 | 1 | 69.717 | 154.024 | .000 ^b |
| | Residual | 100.938 | 229 | .453 | | |
| | Total | 170.655 | 230 | | | |
| a. Dependent Variable: Soft HR Approach Composite Score | | | | | | |
| b. Predictors: (Constant), Transformational Leadership | | | | | | |
| Coefficients ^a | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.134 | .224 | | 5.067 | .000 |
| | Transformational Leadership | .720 | .058 | .639 | 12.411 | .000 |
| a. Dependent Variable: Soft HR Approach Composite Score | | | | | | |

The results displayed in Table 3 similarly demonstrate that transformational leadership significantly forecasted the soft HR approach, with $R^2 = .409$, $F(1) = 154.024$, and significance at $p < .01$. Consequently, the null hypothesis was dismissed, indicating that transformational leadership had a statistically significant capacity to explain variations in the soft HR approach. Analysis of the regression coefficients reveals that for every unit increase in transformational leadership, there was a corresponding .639 unit increase in the soft HR approach ($\beta = .639$, $p < .01$).

Stage 3: Regression of Millennial Workforce Engagement on Transformational Leadership and Soft HR Approach

Given the rejection of the null hypothesis in the previous step, the analytical process proceeded to Step 3, where a multiple linear regression equation was utilized to evaluate the predictive capability of the soft HR approach on Millennial Workforce engagement while controlling for transformational leadership. The

results are depicted in Table 4.

Table 4: Regression of Millennial Workforce Engagement on Transformational Leadership and Soft HR Approach

| Model Summary | | | | | | |
|--|----------------------------------|-----------------------------|-------------------|----------------------------|--------|-------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .554 ^a | .307 | .301 | .580 | | |
| a. Predictors: (Constant), Soft HR Approach Composite Score, Transformational Leadership | | | | | | |
| ANOVA ^a | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 33.006 | 2 | 16.503 | 49.013 | .000 ^b |
| | Residual | 74.412 | 228 | .337 | | |
| | Total | 107.418 | 230 | | | |
| a. Dependent Variable: Millennial Workforce Engagement Composite Score | | | | | | |
| b. Predictors: (Constant), Soft HR Approach Composite Score, Transformational Leadership | | | | | | |
| Coefficients ^a | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.921 | .204 | | 9.420 | .000 |
| | Transformational Leadership | .252 | .065 | .282 | 3.874 | .000 |
| | Soft HR Approach Composite Score | .262 | .058 | .330 | 4.533 | .000 |
| a. Dependent Variable: Millennial Workforce Engagement Composite Score | | | | | | |

The data presented in table 4 reveals that the multiple linear regression model demonstrated a notable explanatory influence on Millennial Workforce engagement, with an R² value of .307 and statistically significant findings, F(2)= 49.013, p<.01. These findings indicate that both transformational leadership (β=.282, t=3.874, p<.01) and a soft HR approach (β=.330, t=4.533, p<.01) were significantly linked to Millennial Workforce engagement.

The study conducted a mediation analysis to investigate whether the mediator variable (soft HR approach) plays a significant mediating role in the relationship between the independent variable (transformational leadership) and the dependent variable (Millennial Workforce). The integration of steps 1, 2, and 3 of the analysis indicates partial mediation, as the connection between transformational leadership and Millennial Workforce engagement remained statistically significant but decreased in magnitude from .493 to .282 with the inclusion of the soft HR approach. Consequently, the null hypothesis was rejected, suggesting that the soft HR approach has a statistically significant mediating effect on the relationship between transformational leadership and Millennial Workforce engagement in international non-governmental organizations within Nairobi, Kenya.

CONCLUSIONS AND RECOMMENDATION

The research confirms the role of a soft HR approach as an intermediary in the connection between leadership and engagement, which resonates with McGregor’s Theory Y. This theory asserts that effective

leadership involves establishing conditions within the organization that empower individuals to direct their own efforts toward personal and organizational goals. Consistent with the findings of this study, Theory Y suggests that Millennials can derive satisfaction and motivation from their work when conducive conditions are present. Rooted in Theory Y, the soft approach model emphasizes achieving organizational objectives through self-directed commitment and motivation rather than external coercion. The study advocates for the expansion of HR theories to encompass softer components that contribute to employee engagement, such as empowerment, recognition, and fostering a supportive work environment. By highlighting the multifaceted nature of engagement, the findings extend existing theories on employee engagement, emphasizing that it is not solely influenced by leadership styles but also by HR practices. This underscores the importance of adopting a holistic perspective that considers both leadership and HR approaches in conjunction. Regarding theory development, the research underscores the necessity for theoretical frameworks on employee engagement to incorporate leadership and HR variables, thus offering a more comprehensive understanding of the factors that influence engagement levels.

The research enhances theoretical comprehension by proposing and validating the mediating function of a soft HR approach in the connection between transformational leadership and Millennial Workforce engagement. This indicates that the influence of leadership on engagement partly operates through HR strategies. Moreover, it contributes to employee engagement theory by emphasizing the significant role of a soft HR approach in engaging Millennial employees. The study corroborates and affirms the positive mediating effect of soft HR on the relationship between transformational leadership and Millennial Workforce engagement, consistent with existing motivational and engagement theories. This underscores the importance of adopting a comprehensive approach to nurturing employee engagement. These findings may influence the evolution and enhancement of engagement models and frameworks to incorporate soft HR as a crucial factor, offering a thorough understanding of how transformational leadership, soft HR practices, and Millennial Workforce engagement interact within international NGOs in Nairobi, Kenya. The implications identified suggest that organizations can enhance their effectiveness by strategically aligning leadership styles and HR practices with the specific needs and expectations of the Millennial workforce.

Considering the favourable association between the human resource approach and engagement among Millennial employees, HR professionals within INGOs should enhance their HR policies by adopting a more compassionate and employee-centric approach. This might entail empowering employees through delegation of responsibilities, granting them decision-making autonomy, and fostering a supportive work environment. Encouraging policies that facilitate effective collaboration among employees across various departments is also advisable. This could entail organizing collaborative meetings, community-building activities, and retreats aimed at fostering teamwork and improving organizational outcomes.

The research was carried out within the setting of international NGOs based in Nairobi, Kenya. Scholars and practitioners in the fields of leadership and organizational behaviour are encouraged to assess the transferability of these findings to alternative sectors, geographic areas, or demographic cohorts. This study prompts investigations into the potential effectiveness of transformational leadership and soft HR practices in bolstering workforce engagement across diverse organizational settings beyond the INGO sector. Subsequent future research endeavours could thus investigate whether comparable outcomes are observed in varied cultural environments and among different types of organizations, thereby enriching the breadth of applicability of these results.

REFERENCE

1. Abu-Bader, S. & Jones, V. (2021). Statistical mediation analysis using the Sobel test and Hayes SPSS process macro. *International Journal of Quantitative and Qualitative Research Methods*, 9 (1), 42-61.
2. Akeyo, M., & Wezel, F. (2017). Influence of remuneration factors on staff turnover in humanitarian sector. *Human Resource and Leadership Journal*, 2(1), 33-49.

3. Alban-Metcalfe, R. J., & Alimo-Metcalfe, B. (2000). The transformational leadership questionnaire (TLQ-LGV): a convergent and discriminant validation study. *Leadership & Organisation Development Journal*, 21(6), 280-296.
4. Armstrong, M. (2020). *Armstrong's strategic human resource management*. Kogan Page.
5. Armstrong, M., & Taylor, S. (2014). *Armstrong's Handbook of Human Resource Management* (13th ed.). Koganpage.
6. Avolio, B. J., & Yammarino, F. J. (2018). *Transformational and charismatic leadership: The road ahead*. Emerald Publishing Limited.
7. Barbosa, A. (2021). *Strategies for motivating and retaining Millennials* [Walden University]. Walden University
<https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=11838&context=dissertations>
8. Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173-1182. doi:10.1037/0022-3514.51.6.1173
9. Bass, B. M., & Riggio, R. E. (2018). *Transformational leadership* (3rd ed.). Routledge.
10. Batista-Foguet, J. M., Esteve, M., & van Witteloostuijn, A. (2021). Measuring leadership an assessment of the Multifactor Leadership Questionnaire. *PloS one*, 16(7), e0254329.
11. Blanchard, K. (2016). Millennials in the workplace: How do managers inspire them? *The Leadership Difference*, Article 111416. kenblanchard.com
12. Brown, B. (2018). *Dare to Lead: Brave Work. Tough Conversations. Whole Hearts*. Random House.
13. (2019). Generations-demographic trends in population and workforce: Quick take. *Catalyst*.
<https://www.catalyst.org/research/generations-demographic-trends-in-population-and-workforce/>
14. Clifton, J. (2016). *How Millennials want to work and live*. gallup.com
15. Creswell, J. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (4th ed.). Sage Publications.
16. Farhan, B. (2021). Customizing leadership practices for the Millennial Workforce: A conceptual framework. *Cogent Social Sciences*, 7(1).
<https://doi.org/https://doi.org/10.1080/23311886.2021.1930865>
17. Feather, K. (2019). Helping HR to measure up: Arming the soft function with hard metrics. *Strategic HR Review*, 7(1), 28-33. <https://doi.org/https://doi.org/10.1108/14754390810847531>
18. Fullen, J. (2019). *Retaining Millennials in the Workforce* (Unpublished Thesis, Northcentral University).
19. Gado, A. S. K. (2018). *Human resource models: Hard and soft*. (Unpublished Thesis, Istanbul Commercial University).
20. Gürbüz, S., Şahin, F., & Köksal, O. (2014). Revisiting of Theory X and Y: A multilevel analysis of the effects of leaders' managerial assumptions on followers' attitudes. *Management Decision*.
21. Hemby, S. (2017). Creating a leader credibility climate as modelled in the leadership of Jesus. *Journal of biblical perspectives in leadership*, 7(1), 46-64.
https://www.regent.edu/acad/global/publications/jbpl/vol7no1/7_Hemby.pdf
22. Ihuah, P. (2014). A review of soft and hard approaches of human resource management and the success of real estate development in Nigeria. *Journal of Business Management and Economic Development*, 1(1), 16-23. <http://www.newgroundresjournals.org/journals/JBMED>
23. Katumpe, G. S. O., Kyongo, J. K. (2023). Millennials' workplace challenges and global market trends. *International Academic Journal of Human Resource and Business Administration*, 4(3), 436-452.
24. Kerns, C. D. (2019). Managing teamwork: A key leadership practice. *Journal of Leadership, Accountability and Ethics*, 16(1), 40-53.
25. Kouzes, J. M., & Posner, B. Z. (2017). *The Leadership Challenge*. Jossey-Bass.
26. Kovic, M., & Hänslı, N. (2018). Do Millennials care about NPOs? Intergenerational differences in attitudes towards nonprofit organisations. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organisations*, 29(5), 1112-1127.
27. Lawter, L., Kopelman, R. E., & Prottas, D. J. (2015). McGregor's theory X/Y and job performance: A

- multilevel, multi-source analysis. *Journal of Managerial Issues*, 84-101.
28. Majrashi, A. Y. (2022). The impact of leadership styles on employee engagement from the point of view of government agencies employees in Tabuk City. *Global Journal of Economics and Business*, 12(5), 659-671.
 29. Mazzetti, G. & Schaufeli, W. B. (2022). The impact of engaging leadership on employee engagement and team effectiveness: A longitudinal, multi-level study on the mediating role of personal- and team resources. *PLoS ONE*, 17(6), 1-25. e0269433. <https://doi.org/10.1371/journal.pone.026943>
 30. Meola, C. (2016). Addressing the needs of the Millennial Workforce through equine assisted learning. *Journal of Management Development*, 35(3), 294-303. <https://doi.org/https://doi.org/10.1108/JMD-08-2015-0110>
 31. Messmann, G., Evers, A., & Kreijns, K. (2022). The role of basic psychological needs satisfaction in the relationship between transformational leadership and innovative work behaviour. *Human Resource Development Quarterly*, 33(1), 29-45.
 32. Mugenda, O. M., & Mugenda, A. G. (2019). *Research methods quantitative & qualitative approaches (Revised)*. ACTS
 33. Ngqeza, K., & Dhanpat, N. (2021). Investigating the effects of employee empowerment on turnover intention in a mining organisation. *SA Journal of Human Resource Management/SA Tydskrif vir Menslikehulpbronbestuur*, 19(0), a1564. <https://doi.org/10.4102/sajhrm.v19i0.1564>
 34. Njie, B., & Asimiran, S. (2014). Case study as a choice in qualitative methodology. *Journal of Research & Method in Education*, 4(3), 35-40.
 35. Njoroge, N., Ndirangu, A., & Kiambi, D. (2021). Leading Millennial generation towards engagement in organisations. *PAC University Journal of Arts & Social Sciences*, 3(1), 45-55.
 36. Northouse, P. G. (2018). *Leadership: Theory and practice (8th ed.)*. SAGE Publications.
 37. Obi-Anike, h., & Ekwe, M. (2014). Impact of Training and Development on organisational Effectiveness: Evidence from Selected Public Sector Organisations in Nigeria. *European Journal of Business and Management*, 6(29), 66-75. iiste.org
 38. Otieno, B. N., & Njoroge, J. G. (2019). Effects of leadership styles on employee performance: Case of Technical University of Kenya. *International Journal of Education and Research*, 7(6), 115-132.
 39. Ozcelik, G. (2015). Engagement and retention of Millennial generation in the workplace through internal branding. *International Journal of Business and Management*, 10(3), 1-10. <https://doi.org/10.5539/ijbm.v10n3p99>
 40. Puni, A., Mohammed, I., & Asamoah, E. (2018). Transformational leadership and job satisfaction: the moderating effect of contingent reward. *Leadership & Organisation Development Journal*.
 41. Rao, M. (2016). Hard versus soft leadership? Examples and illustrations. *Strategic HR Review*, 15(4), 174-179. <https://doi.org/https://doi.org/10.1108/SHR-02-2016-0016>
 42. Rezvani, S., & Monahan, k. (2017). *The Millennial mindset: Work styles and aspirations of Millennials*. Deloitte Greenhouse. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/us-cons-Millennial-mindset.pdf>
 43. Rodjam, C., Thanasrisuebewong, A., Suphuan, T., & Charoenboon, P. (2020). Effect of human resource management practices on employee performance mediating by employee job satisfaction. *Sys Rev Pharm*, 11(3), 37-47.
 44. Saleem, M.A., Bhutta, Z.M., Nauman, M., & Zahra, S.(2019). Enhancing performance and commitment through leadership and empowerment: An emerging economy perspective. *International Journal of Bank Marketing*, 37(1), 303-322. <https://doi.org/10.1108/IJBM-02-2018-0037>
 45. Sánchez-Cardona, I., Salanova Soria, M., & Llorens-Gumbau, S. (2018). Leadership intellectual stimulation and team learning: The mediating role of team positive affect. *Universitas psychologica*, 17(1), 221-236.
 46. Sanyal, S. & Hisam, M. W. (2018). The Impact of Teamwork on Work Performance of Employees: A Study of Faculty Members in Dhofar University. *IOSR Journal of Business and Management*, 20(3), 15-22. <https://www.iosrjournals.org/iosr-jbm/papers/Vol20-issue3/Version-1/C2003011522.pdf>

47. Sekaran, U. (2003). *Research Methods for Business: A Skill-Building Approach* (4th ed.). John Wiley & Sons, Inc.
48. Sheldon, K. M., & Williams, G. C. (2010). *Self-Determination Theory in the Clinic: Motivating Physical and Mental Health*. Yale University Press.
49. Shonhiwa, C. (2016). An examination of the situational leadership approach: Strengths and weaknesses. *Cross-Currents: An International Peer-Reviewed Journal on Humanities & Social Sciences*, 2(2), 35-40.
50. Sinek, S. (2019). *The Infinite Game*. Portfolio.
51. Smith, T., & Nichols, T. (2015). Understanding the Millennial generation. *Journal of Business Diversity*, 15(1), 39-47. <https://www.researchgate.net/publication/324922926>
52. Suyanto, U., Mu'ah, Purwanti, I., & Sayyid, M. (2019). Transformational leadership: Millennial leadership style in industry 4.0. *Manajemen Bisnis*, 9(1). <https://doi.org/10.22219/jmb.v9i1.9437>
53. Terrell, S. R. (2022). *Writing a proposal for your dissertation: Guidelines and examples*. Guilford Publications.
54. Thanh, N. H., Quang, N. V., Anh, N. N. (2022). The relationship between leadership style and staff work engagement: An empirical analysis of the public sector in Vietnam. *Humanities & Social Sciences Communications*, 1-12. <https://doi.org/10.1057/s41599-022-01354-7>.
55. Wawira, N. C. (2022). *Effect of leadership on operational efficiency of Non-governmental organisations in Nairobi County, Kenya*. (Unpublished Thesis, University of Nairobi).
56. Yeshitila, B. & Beyene, A. (2019). The Mediating Effect of Employee Engagement between Transformational Leadership and Job Performance in the Commercial Bank of Ethiopia. *European Journal of Business and Management*, 11(25), 33-43. DOI: 10.7176/EJBM Vol.11, No.25, 2019.