



**LEADER MEMBER EXCHANGE, EMPLOYEE CREATIVITY AND EMPLOYEE  
ENGAGEMENT IN HAIR MANUFACTURING ORGANISATIONS: A CASE OF  
CASCADE INDUSTRIES LIMITED AND SCD (U) LIMITED**

**GILBERT MAFABI**

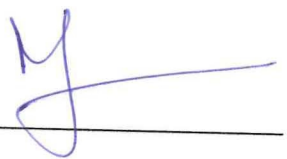
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**A DISSERTATION SUBMITTED TO THE GRADUATE SCHOOL IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF  
MASTER OF ORGANISATIONAL PSYCHOLOGY OF  
KYAMBOGO UNIVERSITY**

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**DECLARATION**

I, Gilbert Mafabi, hereby declare that this study titled, "Leader Member Exchange; Employee Creativity and Employee Engagement in Hair Manufacturing Organisations: A case of Cascade Industries Limited and SCD (U) Limited", is my personal research and has never been submitted to any institution for any academic award.

Signature: 

Date: 13-10-2021

Gilbert Mafabi

## APPROVAL


This is to confirm that this piece of work titled, “Leader Member Exchange, Employee Creativity and Employee Engagement in Hair Manufacturing Organisations: A case of Cascade Industries Limited and SCD (U) Limited”, has been completed and submitted to the Kyambogo University Graduate School under our supervision and approval.

### Supervisors:

Assoc.Prof. James Kagaari

Sign

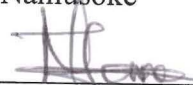
Date

  
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13/10/2021

Dr. Jane Namusoke

Sign:

Date

  
\_\_\_\_\_  
13.10.2021

## **DEDICATION**

This Dissertation is devoted to my Late Father, Gimei Semei who, amidst pain, encouraged me to continue with the search for more knowledge and to pursue graduate studies.

## **ACKNOWLEDGEMENT**

Big thanks go to my Supervisors Assoc. Prof. James Kagaari and Dr. Jane Namusoke for their guidance and support that delivered me to this quality work. I would like to thank my mother Mrs. Nabuduwa Alice Gimei, for her prayers and encouragement throughout the course. Many thanks also go to my family for bearing with my absence, and my siblings for their support and encouragement.

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**LIST OF ACRONYMS**

LMX	:	Leader Member Exchange
LMX-MDM	:	Leader Member Exchange Multidimensional Measure
SPSS	:	Statistical Package for Social Scientists
COVID-19	:	Corona Virus Disease
CIL	:	Cascade Industries Limited

## ABSTRACT

The study aimed at establishing the relationship between leader member exchange, employee creativity and employee engagement. This research was situated in a quantitative approach and adopted a cross sectional survey design. This survey design was adopted because the researcher intended to come up with an accurate description of findings that reflect the facts about the topic at one point in time. This research plan was also chosen because it enabled the researcher to collect and analyse data and make meaningful recommendations from the research objectives. Results obtained showed that there is a significant positive relationship ( $r = .189$ ,  $P \leq .01$ ) between leader member exchange and employee engagement. The study, further, discovered a statistically significant positive relationship ( $r = 0.371$ ,  $P \leq .01$ ) between employee creativity and engagement. Findings also revealed that there was a significant positive relationship ( $r = 0.273$ ,  $P \leq .01$ ) between employee creativity and leader member exchange. Similarly, results revealed that leader-member connection raised predictive power of employee engagement by 3.6% (R Square Change = 0.036) implying that leader-member exchange is a significant predictor of staff engagement. The researcher concluded that there are significant positive relationships between variables and a strong mediation effect of creativity on engagement. Finally, the researcher recommended that managers of manufacturing firms should put their first priority on employee creativity as it indicated high contribution to employee engagement.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

In today's competitive business world, employee engagement has emerged as a crucial factor for business success (Thakur, 2014). Uncertainties brought about by COVID-19 shock require need to urgently accelerate engagement to help individuals and organisations to remain relevant in their sectors (Kevin et al., 2020). According to Kincentric Trends in Global Employee Engagement Survey (2019), engagement levels globally were at 66 percent in 2019, up by 1 percent from 65 percent in 2018. The findings suggest that now, more than ever before, employees are ready to fully engage themselves in work. Employee engagement, as a result of leadership is improved when a leader has a coordinated relationship with the workers. Organisational leaders must encourage and support creativity among their workforce to stimulate the level of engagement (Kortmann et al., 2014).

In Africa, employees are more engaged than in any other region of the world, with the rate of engagement standing at 66 percent in 2017 as compared to 61 percent in 2016 (Aon, 2018). On the other hand, while Sub-Saharan Africa Employee Engagement report shows that 72 percent of employees are engaged, Africa cannot be viewed as one unit in terms of employee engagement due to significant differences in engagement levels on the continent, with East Africa rating 74 percent followed by Southern Africa at 70 percent and South Africa standing at 68 percent, (Aon, 2013). According to Anitha (2014), employee engagement occurs when an employee is willing and is actively absorbed at work reflected by commitment to organisational goals and values. Employee engagement is manifested when employees show a business-related state of satisfaction characterised by vigour, devotion and absorption as its center measurements (Schaufeli et al., 2002).

The Employer of the Year Award Survey that was conducted by the Federation of Uganda Employers in partnership with the Makerere University Institute of Psychology revealed that only 49% of the workers are exceedingly engaged and they display solid enthusiastic and objective commitment towards work, while 6% are disengaged and 45% are moderately engaged, (Federation of Uganda Employers, 2018). This implies that majority of the organisations in Uganda have employee engagement challenges which also impacts on their level of creativity.

Employee creativity is considered critical in fostering an engaged workforce because creativity is the foundation for organisational innovation (Alison, 2016). Creativity amongst employees is a vital factor in business development, effectiveness and survival (Wang, 2016). Employees who are creative at work tend to generate ideas that are not only unique but also practical and address real life problems (Wang, 2016). The ideas generated by creative employees increase the probability that other workers will apply them in their own work, advance the creation of new thoughts and transfer them to other people within the organisation (Gomez, 2010). According to Talana (2005), creative employees tend to be motivated at work, autonomous driven, intellectually active, self-assured and self-directed in thoughts and deeds, self-aware, and at the same time open to environmental stimulation. Maria et al. (2015) assert that, creativity among subordinates is increasingly attracting attention of most organisational leaders.

The theory that best explains the phenomena is the Leader Member Exchange theory, which presents leadership as a relationship that is embedded in the interactions between leaders and their followers (Dionne, 2000). The relationship between leaders and subordinates is the subject of leader member exchange theory (Green, 2008). According to Liden and Maslyn (1998), worth of Leader Member connection is shaped by four multidimensional elements including loyalty from the side of the follower, emotional experiences, contribution and mutual respect.

That perceived fairness generated from the exchange relationship is instrumental in enhancing the feeling of trust which also inspires the workforce and promotes information sharing and creative behavior (Sebastian et al., 2017). According to Jungmin (2016), the exchange relationship is essential in the development of work related interactions between supervisors and employees. Leader-member exchange relationships are essential in realising employee engagement because it encourages the development of work related interactions between employees and their superiors (Wat & Shaffer, 2004). The high quality of leader member exchange in a work place fosters a sense of creativity amongst the workforce which culminates into higher levels of engagement (Alison, 2016).

Whereas leader-member exchange and employee creativity are considered important drivers for fostering employee engagement, some leaders have not adequately utilised the interaction in promoting an engaged workforce (Yoeung, 2016). For Instance, in hair manufacturing industries, there is an indication that the level of work force engagement is low. In addition, there is a low level of employee engagement at SCD Uganda Limited, also called “Darling Uganda” and Cascade Industries Limited, also known as “CIL”, manifested through a high rate of absenteeism of 9% and high rate of attrition of 11% (National Union of Theatricals Domestic and General Workers, 2019). The report also reveals that managers of these industries irregularly communicate to their subordinates, pay less attention to employees’ concerns and often take decisions without engaging them, which often impacts on their level of creativity. Unless the leaders of these manufacturing companies address gaps associated with the leader member interaction and employee creativity, they will never realise employee engagement.



## **1.2 Statement of the problem**

Several organisations in the manufacturing and services sectors experience employee disengagement in their work places which has affected their growth endeavors (Thakur, 2014). In the same connection, SCD Uganda Limited and Cascade Industries Limited have not been an exception. Despite several interventions for example timely payment of wages and salaries, employees of SCD Uganda Limited and Cascade Industries Limited, exhibit disengaged behavior evidenced by industrial strikes, low levels of productivity and a high rate of attrition and absenteeism (National Union of Theatricals Domestics and General Workers Report, 2019). This is also corroborated by the works of Morrow et al (2005) and Schyns et al (2007) who argued that the results of disengaged employees are expanded turnover, absenteeism, low job satisfaction, and low performance. This could be attributed to low levels of interaction between leaders and their subordinates, lack of creativity that would promote employee engagement.

## **1.3 Purpose of the study**

The study sought to establish the relationship between leader member exchange, employee creativity and employee engagement.

## **1.4 The objectives of the study**

The research was directed by the following objectives;

- i. To examine the relationship between leader member exchange and employee engagement.
- ii. To examine the relationship between employee creativity and employee engagement.
- iii. To examine the relationship between leader member exchange and employee creativity.
- iv. To establish the mediation effect of employee creativity on leader member exchange and employee engagement.

- v. To establish the extent to which leader member exchange and employee creativity predict employee engagement.

## **1.5 Hypotheses**

The research was guided by the following research hypotheses;

- i. H1: There is a statistically significant positive relationship between leader member exchange and employee engagement.
- ii. H2: There is a statistically significant positive relationship between employee creativity and employee engagement.
- iii. H3: There is a statistically significant positive relationship between leader member exchange and employee creativity.
- iv. H4: There is a statistically significant mediation effect of employee creativity on leader member exchange and employee engagement.
- v. H5: Leader member exchange and employee creativity significantly predict employee engagement.

### **1.6.0 The scope of the study**

#### **1.6.1 Content Scope**

The content scope of the study was limited to the relationship between leader member exchange and employee engagement, employee creativity and employee engagement.

#### **1.6.2 Geographical Scope**

Geographically, the study was limited to Hair Manufacturing Industries of SCD Uganda Limited (Manufacturers of Darling Hair Products) and Cascade Industries Limited (Manufactures of hair additions) both located in Wakiso District.

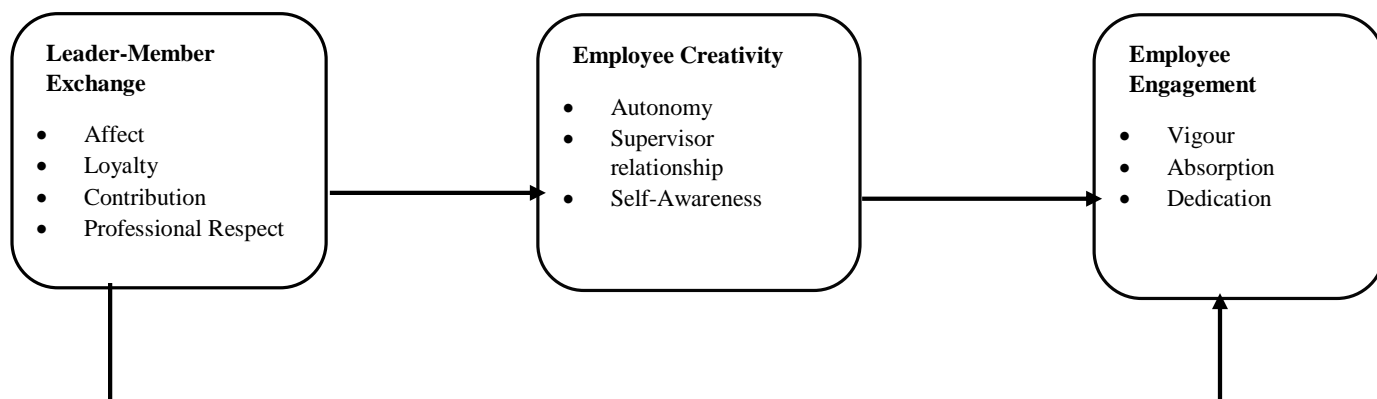
These hair manufacturing industries were chosen because they are in the fashion industry where creativity is highly required and therefore where interaction between leaders and subordinates is highly valued.

### **1.7 The significance of the study**

The findings of the study may be of significance in the following ways;

- i. The findings of the study may enable the Hair Manufacturing Industries and other manufacturing organisations to improve on their policies to boost employee engagement.
- ii. Findings may also provide vital information to supervisors and managers of Cascade Industries Limited that might enable them make fair, efficient and effective decisions while dealing with their subordinates.
- iii. The results of the study may also add to the existing knowledge on leader-member exchange relationship, employee creativity and employee engagement, which in future might act as a reference source for the researchers seeking to expound on the subject matter.
- iv. The findings may also guide managers in different organisations on the how to build an engaged work force that can exhibit the required work behavior.

## 1.8 Conceptual Framework



**Figure 1.0: The Conceptual Framework**

**Source:** *Self developed from Literature Review* (Schaufeli et al., 2002; Liden & Maslyn 1998; Aktar, 2016; Robinson et al., 2004; George & Zhou 2001; Albdour & Altarawneh 2014; Areej, 2012; Yoeung, 2016; Wat & Shaffer, 2004; Talana, 2005; Alison, 2016; Wang, 2016; Devi & Narayanamma, 2016).

### Description of the Conceptual Framework

The conceptual framework shown above attempts to explain the relationship between leader-member exchange and employee engagement, employee creativity and employee engagement, including the predictability of leader member exchange and employee creativity on employee engagement. The model shows that the leaders' and subordinates' emotional experiences, loyalty and mutual respects cultivate creativity among subordinates manifested in terms of autonomy, drive or individual motivation and self-confidence, which ultimately lead to greater level of employee engagement reflected by vigour, dedication and assimilation. According to Devi and Narayanamma (2016), in engagement, employees express themselves by demonstrating their physical and emotional strength during work, which fosters creativity at the workplace. The model also shows that when leaders and subordinates display their feelings to each other coupled with loyalty and respect, employees are likely to be attracted to their superiors, thus, making them more absorbed and dedicated towards work.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1.0 Employee Engagement**

Many scholars have described employee engagement differently. Pratima and Bhagirathi (2016) describe employee engagement as the level of the employees' commitment and dedication towards their entity and its principles. The success of any organisation entirely depends on employees' productivity, which is championed through an individual commitment towards the organisation (Chandani, Mall & Khokar, 2016). Usually, engaged employees tend to focus more on their work, which results into more efficiency and organisational productivity. The realisation of organisational goals depends on the employees' potential, which is enhanced through employees' dedication and loyalty towards the organisation.

According to Robinson et al. (2004), employee engagement is portrayed as a positive demeanor embraced by an employee towards the business entity and its values. An engaged worker is mindful of the business setting and works with members of the team to make strides in performance for the good of the business. Markos et al. (2010) argues that the labour force that is not committed is bound to squander its endeavours on low level errands and neglect to completely resolve assignments which ultimately shortens their stay within the organisation. According to Chandani, Mall & Khokar (2016), an engaged worker is one who realizes output, stays with the organisation much longer and, more importantly, is the ambassador of the business at all times. According to Anitha (2014), most organisations contend that workforce commitment is a basis for business success. Findings from several agencies have shown that there may be a significant connection between engagement and institutional goals (Thakur, 2014).

Schaufeli et al. (2002) identified the unique drivers of workforce engagement as dedication, vigour, absorption and environment for employees to impress their managers through commitment to the organisational core values. According to Bateman and Hines (2005), employee engagement means how each individual is immersed in the company and the unique connection with customers, company products and organisational leaders.

### **2.2.0 Employee Creativity**

Employee creativity is one of the pillars in organisational innovation, effectiveness and business survival (Wang 2016). Hon et al. (2013) describe creativity as the foundation for new and positive thoughts regarding items and administrations, as well as thoughts and techniques shaped by individuals working together within a large social team. Employees who are creative at work do not only generate ideas that are unique but also essential and that address actual organisational problems (Shalley & Gilson, 2004). Talana (2005) maintained that individuals who are creative tend to be motivated, punctual persevering, confident and open to challenges from internal and external environments. Also, research indicates that creativity does not take place in isolation but is embedded within a consolidated process between organisational leaders and members of the team. Leaders should realize that to stay serious in the present quick moving unique workplace, they need their workers to be effectively engaged in their work and attempt to create novel and suitable cycles and approaches (Shalley & Gilson, 2004).

### **2.3.0 Leader-Member Exchange**

Leader member exchange is vital for the development of professional interactions between supervisors and employees (Reuben & Pautsch, 2005; Wat & Shaffer, 2004). Employee engagement has been studied to relate with leader member exchange and according to a theory by Wat and Shaffer (2004).

Ansari and Bhal (2007) clearly bring out the relationship between leaders and subordinates arguing that, in the dyadic conceptualization, low and high levels of interaction differ on the basis of trust of the leader and strength of subordinates. The Leader-Member Exchange Theory suggests that the nature of the relationship relies upon the kind attributes of the people (Green, 2008).

According to Liden, Erdogan, Wayne, & Sparrowe (2006), followers can detect the difference among them and their superiors, consequently captivating social comparisons. Moreover, followers value their relative worth with leaders comparable to others on the ground because being in an excellent relationship with a leader permits them to get more assets, backing, and information just as ideal performance evaluations, paying little mind to their real exhibition (Ma and Qu, 2010). Besides, followers in inferior quality connections can feel relatively denied for what they have lost in comparison with colleagues in top notch connections (Liden, Erdogan, Wayne, and Sparrowe,2006). These social correlation measures level of engagement that workers take part in and their commitment in work processes, which, thus, impacts their conduct and business priorities (Hooper and Martin, 2008; Roberson and Colquitt, 2005).

### **2.3.1 Leader Member Exchange Theory**

The Leader Member Exchange (LMX) Theory presents leadership as a cycle that is installed in the collaboration within leaders and followers (Dionne, 2000). It encompasses formation of dyadic connections at the workplaces where some employees interact more with their supervisors getting more attention from their supervisors as compared to their colleagues (Dionne, 2000). According to Liden et al. (2000), LMX tries to establish the nature of connections, or dyads between leaders and their subordinates, and the outcomes of various sorts of connections as far as the mentalities and practices of subordinates are concerned.

LMX recommends that both leader and follower add value to the exchange to build up an excellent working relationship. LMX suggests that it is imperative to perceive the presence of in-groups and out-groups inside an entity (or inside a sub-arrangement of that association). The theory also argues that leaders ought to make an uncommon relationship with all their subordinates, comparable to the connections depicted as in-group (Northouse, 2010). It has been argued that the results of not doing so are expanded turnover, absenteeism, low job satisfaction, and low performance (Morrow et al., 2005; Schyns et al., 2007). In spite of the fact that emphasis is put on the corresponding connection between a leader and a follower, LMX recognizes that the two players add to the turn of events and upkeep of the progressing relationship quality (Schyns and Day, 2010).

#### **2.4.0 Relationship between leader member exchange and employee creativity**

Yoeung (2016) presents that leaders are the most powerful agents of innovativeness at the work place. For example, outstanding leader member connections foster greater innovativeness contrasted with low quality connections since workers are more focused on their assignments and undertakings in the work place. Dionne (2000), believed that workers need to be involved in through making them a piece of the whole cycle. Employees tend to enjoy a unique leader member connection, and share the engagement in public and inventive work forms. According to Harter et al. (2002), workers feel connected with each other when they are cognitively and emotionally invested in the same piece of work; when they feel valued and when they know what is expected of them on their job. Harter et al. (2002) also argues that high levels of engagement exist if the employees possess the requirements needed to execute their responsibilities if they perceive the organisation as supportive and when they feel that they have the opportunity for career development.



Dionne (2000) discovered that leaders help to establish a climate that impacts the practices of their subordinates at work. Likewise, the practices of leaders in work environments make dyadic connections among them and their loyal cadres. This establishes a climate of creativity among followers. According to Robinson (2006), personal variations form a fundamental part in deciding a worker's expected degree of commitment. Individuals analyse circumstances around, through their own character, past encounters, information, assumptions, necessities, needs, and interests.

According to (Mahfooz & Ansari (2014), leader-member exchange assumes a critical part in invigorating a significant degree of inventiveness. According to evidence established by (Mahfooz & Ansari, 2014), leader-member connection has a substantial outcome on employee creativity. Since leader member exchange has a huge effect in cultivating worker innovativeness, supervisors ought to know that relationship quality is of utmost importance in promoting creativity. Managers ought to appreciate that leader member relationship enhances feelings of innovative behaviour.

According to Shalley and Gilson (2004), there is an expanding need for a more prominent comprehension of the relevant components that may promote worker's innovativeness at the workplace. Besides, it is important to recognize the value of leader member exchange (LMX) in promoting employee creative behavior at a workplace. According to Farzaneh (2014), business leaders cautiously need to work with information creation and dividing cycles to advance inventiveness and development within the worker force. The portrayed objectivity can advance more prominent sensations of trust, which equally enhances information flow that fosters creativity (Yoeung, 2016).

There is an arising conviction that leaders' commitment is crucial to business achievement, taking note that proactive and well engaged workers are the foundation for building up a great workplace (Cleland et al., 2008). Amy (2008) argues that Leaders, as promoters of individual and institutional learning, are under obligation to add value to the learning platforms through which leaders influence their followers intellectually and genuinely. Providing employees with the required knowledge and adequate support leads to good quality service in in any organisation. Also, if employees are properly catered for by management, they tend to reciprocate the same fair treatment through service delivery (Hartog & Verburg, 2002). Further, leader member exchange emphasises that outstanding leader member connection ought to encourage subordinates to meet both group goals and leaders' expectations.

#### **2.5.0 Relationship between employee creativity and employee engagement**

Having a highly creative workforce is a huge opportunity for any business today. Employee creativity accelerates employee engagement, coupled with high levels of work fulfilment and a feeling of belongingness. The scholar argues that highly engaged workers serve as the fountain of creativity in any business entity. According to Muhammad (2014), employee engagement is vital for creativity within the workforce. They are more beneficial, more client - oriented, more secure, and bound to withstand compulsions to leave the organisation. Muhammad (2014) argues that managers should provide training and empowerment to the employees as a measure to realize higher levels of engagement.

Hon, Chan and Lu (2013) maintain that one of the reliable ways of meeting today's business challenges is to focus heavily on promoting creativity amongst the workforce. Novel ideas generate benefits for both individual employees and the entire organisation. Employee creativity leads to increased productivity, absorption, trust, and profitability.

George and Zho (2001) noted that innovativeness is considered in situations where new ideas are made by workers in a team with a mutual goal. Creative employees exhibit loyalty to their leaders and often work longer with their managers and organisations. Managers need to provide shared communication and make sure that their subordinates are creative in their jobs by giving them sufficient knowledge and skills through learning, establishing sound reward strategies and building a unique work environment that promotes a strong sense of engagement (Hon & Lu, 2015).

According to Nair and Gopal (2011), the overall goal of fostering creativity is to improve the performance of the organisation at all levels. The ability of an organisation to realize its full potential depends on the level of creativity. People who are highly creative can adjust their time which fosters higher levels of engagement at work. Shalley and Gilson (2004) contended that if creativeness is to be recognized as an achievement in the work environment, leaders must be willing to encourage employees investigate new ideas that can add value to the existing substance. In all, workplace leaders must lead in a manner that will produce creative outcomes.

According to the study conducted by Birdi, Leach and Magadley's (2016), employees who believed that they possessed more skills in innovation, identifying problems, as well as introducing and assessing solutions, reported higher levels of engagement.

Carmeli et al. (2007) contended that business leaders ought to recognise the value of creative workers and ceaselessly investigate approaches to support their initiatives in order to stimulate engagement. Moreover, Park et al. (2014) noted that realising creativity in a workplace requires organisations to strongly put in place different instruments for information sharing that meet the business prerequisites.

Shalley and Gilson (2004) noted that leaders can impact the degree of working environment and inventiveness by inspiring employees' work setting. Supporting this contention, the investigation led by Henker et al (2015) revealed that leadership and employee creativity was positively related.

### **2.6.0 Relationship between leader member exchange and employee engagement**

Empirical studies conducted by different scholars have established that an outstanding unique connection between leaders and followers has significant positive impact on staff creativity (Chen & Chang, 2013; Hon & Chan, 2013). Leaders, as influencers, play a critical duty in employee engagement, promoting and setting the ground for the establishment to become an employer of choice (Irfan, 2016). According to the scholar, the positive interaction between leaders and followers promotes retention of talent, fosters customer loyalty, and increases confidence in the workforce. Men (2015) argues that engagement is evidenced by energy exerted in the work activity, level of absorption, individual involvement, vigour and dedication, enthusiasm and a positive individual mindset towards the job and the organisation as a whole.

Shantz et al. (2013) also contend that an absorbed and dedicated workforce exhibits desirable boldness towards the assigned task with full loyalty, which enhances commitment and job satisfaction. According to Gichohi (2014), there is a huge positive connection between commitment and business execution (Shantz et al., 2013). Employee engagement creates opportunities for followers to hold their leaders accountable, including individual workers, and the business unit as a whole (Men, 2015).

According to Otieno et al. (2015), employees give all their best to work roles by exerting all their energy and being completely immersed in their duties, giving rise to superior output and great levels of creativity. Organisational Leaders often make decisions on working conditions, rewards and recognitions, performance management, training and development all of which bears a significant impact on organisational innovation. High quality leader member exchange relationship influences decision making which ultimately impacts on workforce commitment (Walumbwa et al. 2011). Subordinates are propelled to impact others in the interest of their business units and this depends on the level of interaction between the business and workers.

When employees are well connected with their organisation, they create an emotional affection with the organisation and their leaders. This influences the level of interaction within the organisation across its leaders, clients, and, thus, shaping productive interaction between leaders and their followers. Lee (2005) discovered a connection among LMX and responsibility with affect and expert regard related progressively to emotional responsibility. According to Byrne et al. (2009) leaders occupy a unique position in fostering a positive climate for creativity in their organisations. One of the essential leadership traits is to enhance creativity and promote a well engaged work environment. Cheung and Wong (2011) observed that interpersonal attributes of leaders are critical to building an actively committed workforce. Byne et al. (2009) contends that business leaders are better positioned to impact the climate for innovation and advancement in different perspectives. A business climate that is strong, agreeable and strategically and monetarily stable is fundamental in boosting creative endeavors since it spurs and influences innovative personalities (Tsai et al. 2015).

Irfan (2016) discovered that there is a huge positive connection between contemporary leadership styles and worker commitment. The scholar argues that good leadership styles enhances employee identification with the organisation, fosters feeling of loyalty and at the same time offers the framework within which performance can be checked and turnover can be reduced. Organisations in today's world realize that employees who are emotionally bound with their bosses demonstrate high levels of commitment towards organisational values. Stronger leader member relationship makes employees feel more worthwhile, useful, and engaged (Liden et al., 2006), since the two associates in the relationship recognize shared ventures and work endeavors. Leader member exchange is a stronger predictor of employee engagement reflected by the two-route connection between the superior and the subordinate. Dooley and O'Sullivan (2001) argue that due to the intensity of global competition, leaders of organisations should think outside the box by providing innovative products and services.

### **2.7.0 Mediating effect of creativity on leader member exchange and employee engagement**

A creative mindset within the workforce is regarded as an essential tool for generating competitive advantage (Shalley, Zhou & Oldham, 2004). Botella and Lubart (2019) stated that an inventive thought is set apart by three tenets, namely: originality, appropriateness and usefulness. Gong et al. (2012) established that creativity of an employee has an immediate beneficial outcome on engagement. Thus, organisations must consider that employees' creativity influence engagement (Shalley & Gilson, 2004). According to Farzaneh et al. (2014), once the organisation meets the needs of its workforce, employees often pay back with positive contribution to work by showing more prominent feeling of obligation in their work processes. Innovative and absorbed employees are able to apply additional exertion to satisfy the assumptions of their superiors.

A creative mindset makes them more proactive at work and therefore more determined to generate solutions needed to address immediate problems facing the organisation. Wang and Sun (2010), also suggest that employee creativity positively impacts the leaders' performance through generation of new and novel ideas. On the other hand, average and poor performing employees tend to be forced by intense pressure to become creative if they are to survive in their jobs, which, ultimately, fosters engagement at the workplace (Hon and Lu, 2015).

Weinzimmer et al. (2011) endeavoured to establish the relationship among inventiveness and execution. The outcomes showed that there existed a connection among innovativeness and execution. More still (Zhou et al. 2012) studied the relationship between a task's critical thinking and innovativeness in three Chinese entities. The discoveries showed a positive connection between critical thinking and workers' innovativeness.

As indicated by Egan (2005), inventiveness assists organisations with responding to improving innovation, changing work environments, changing hierarchical structures or procedures, eliminate opponents, satisfying customer wishes and advance social order progressively as influenced by worldwide concerns. Several studies showed that various components of worker creativity interceded the connection between leadership and employee' commitment. According to Shalley & Gilson (2004), employees should focus on making their jobs more desirable by generating novel ideas and diverse alternatives tailored towards facilitating creative outcomes. Thus, it is expected that employee creativity plays a positive role in boosting employee engagement.

### **2.8.0 Predictive potential of leader member exchange (LMX) and employee creativity on employee engagement**

Leader member exchange, employee creativity, intrinsic and extrinsic rewards, form some of the paradigms that are regarded as key attributes of employee engagement (Hakanen et al., 2006; Saks, 2006). The emotional experiences of leaders and those of subordinates, loyalty and mutual respect enhance creativity among subordinates manifested in terms of perseverance, drive or individual motivation and self-confidence, which, ultimately, lead to higher levels of employee engagement evidenced by traits of individual drive, dedication and absorption (Rich et al., 2010). According to Shin and Zhou (2003), individuals who are fully engaged at work are happy, loyal to their bosses and enjoy maximum satisfaction in their jobs. Leader member exchange, therefore, is seen as a significant predictor of employee engagement because it reinforces productive behaviour. A recent study by Egan (2005) also argues that, a leader can give people confidence to explore new methods and, hence, promote engagement. More still, the findings of James et al. (2011) established that managerial backing coupled with workforce contentment and loyalty and professional advancement are indicators of engagement.

Leadership is a central factor that can induce the workforce to be creative in their occupations (Mumford et al., 2012). According to Michelman (2004), superior managers always work towards boosting the engagement levels of their subordinates through motivation and establishment of development initiatives. Good managers often support their subordinates, reward their good performance and develop their talent through productive assignments (Shin & Zhou, 2003). According to Saks (2006), supportive supervisors towards employees and creative behaviours are strong predictors of employee engagement.



### **2.9.0 Conclusion**

With reference to the different empirical studies carried out over the years as discussed above, it is evident that there exists a relationship between the variables under study. Despite the significant impact creativity and leader member exchange have had on employee engagement, available research information provides insufficient empirical data to evaluate the relationships between variables. In an endeavour to fill this research gap, this analysis has been done to examine between variables in the manufacturing context. It is clear that engaged employees show aspiration to improve work reliably, understand the unique business techniques, create capacity to cooperate effectively, show ability to give additional exertion, and reliably upgrade their range of abilities and information base to serve the organisation. It is, therefore, necessary for the business organisations to prioritise on getting the workers to concentrate on the business mission and to keep them totally associated with the business goals and core objectives.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.0 Introduction

Franklin (2012) defines methodology as the organized exploration of the strategies connected to the field of study theoretically. Kothari (2004) explains research methodology as a method of discovering an answer to a research question. This section records in detail the guidelines and key instruments employed during the study.

#### 3.1 Research Design

Kothari (2004) depicts design as a blueprint strategy of the investigation with the intention to get answers to inquiries under investigation. The researcher employed a cross sectional survey design using a quantitative approach. This design was adopted because the researcher intended to come up with an accurate description that reflect the facts in the topic at one point in time (Amin, 2005).

#### 3.2 Study Population

Study population consists of items with similar observable features (Mugenda and Mugenda, 2003). The study focussed on a population of 3500 employees from two hair manufacturing companies, embedding 2000 employees of SCD Uganda Limited (Human Resource Handbook, 2016) and 1500 employees of Cascade Industries Limited (Human Resources Management Manual, 2019), all from Wakiso District. These Hair Manufacturing companies were selected because they operate in the fashion industry where creativity and engagement are highly required and therefore where interaction between leaders and subordinates is highly valued.

### 3.3 Sample Size

According to Amin, (2005), a sample size is a portion of a given population. The research sample size consisted of 346 employees out of the population of 3500 employees from SCD Uganda Limited and Cascade Industries Limited, all ascertained using the recommended statistical sampling Table of Krejcie and Morgan, (1970).

**Table 3. 1: Showing Sample Size of Respondents**

SN	Description	Target Population	Sample size
1.	SCD Uganda Limited	2000	198
2.	Cascade Industries Limited	1500	148
	<b>Total</b>	<b>3500</b>	<b>346</b>

Krejcie and Morgan (1970) advances that given a population of 3500, a sample size of 346 is deemed suitable to represent a cross section of the population. The approved Table for determining sample size as developed by the scholar is attached in appendix 2.

### 3.4 Sampling Technique

Simple random sampling was employed to select respondents from the population in order to give all participants an equal chance of being selected. This agrees with Amin (2005) who argues that simple random sampling ensures that all members in the sample have equal chances of being recruited into the sample. Besides, the researcher constructed a sample frame where members from the population were randomly sampled.

### 3.5 Data Collection Instruments

Amin, (2005) describes a questionnaire as an instrument which contains coordinated questions arranged by a scholar about a given exploration being investigated based of the study. A questionnaire was chosen to collect data because it has the advantage of collecting huge

amounts of information in a limited timeframe (Amin, 2005). The instrument consisted of a nominal scale for measuring demographic characteristics of respondents as well as a likert scale ranging from one (1) “completely agree without doubt” to six (6) “completely disagree without doubt” for measuring leader member exchange, employee creativity and employee engagement. This likert scale was used because it commits respondents to extreme end of the scale to avoid nonaligned responses, (Gwinner, 2011).

### **3.6 Measurement of the Research Variables**

Leader member exchange was measured by using Liden and Maslyn (1998) instrument and a multi-dimensional measure capturing LMX dimensions of contribution, affect, loyalty and professional respect. LMX-MDM was chosen because the scale covers a wide range of aspects that reflects the unique attributes of the dyadic relationship (Wang, et al., 2005). Employee creativity was measured by borrowing and modifying scales developed by George & Zhou (2001), Perry-Smith (2006), Tierney, Farmer & Graen (2002). Employee engagement was on the other hand determined by adapting a scale advanced by (Schaufeli & Bakker, 2003) which uses Dedication, Vigour, and Absorption as its core constructs.

#### **3.7.1 Reliability**

Kothari (2003) presents reliability as the degree to which the instrument creates steady outcomes under same conditions. Reliability was measured through conducting Cronbach alpha coefficient test in order to ensure that there is consistence of the questions (Cooper & Schindler, 2003). Further still, the Cronbach alpha test was performed since it is the most upheld proportion of measuring consistency based on acceptable values equal or above .70 (Nunnally, 1998), cited in (Kagaari et al., 2010) as seen below;

**Table 3.2: Reliability Measure**

<b>Variabile</b>	<b>Cronbach's Alpha</b>	<b>Number of Items</b>
Leader member exchange	.857	12
Employee creativity	.748	18
Employee engagement	.850	17

Cronbach's Alpha analysis for measuring internal consistence, of the instrument was performed, as seen in Table 3.2. All variables, including Leader-member exchange, employee creativity and Employee engagement, were discovered to be solid since they had a coefficient above 0.70 edge (Nunnally and Nunnally, 1978)

### **3.7. 2 Validity of the instrument**

Amin (2005) describes validity as an extent to which the tool selected accurately meets the purpose. The researcher carried out pilot study to check validity of the tool. The grounds for piloting was because is in line with the scholarly work of Mugenda and Mugenda (2005) who asserts that piloting promotes accuracy of results which in turn generates reliable results. Secondly, the researcher conducted exploratory analysis to determine the degree to which the objects measure the individual variables. This analysis was done since it is one of the perceived and trusted techniques for purpose authentication (Costello et al., 2005). Specifically, the exploratory analysis was employed to determine the hierarchical importance of the different dimensions of key constructs and the indicators of the constructs that best explain the constructs by virtue of the factor loadings associated with them.

**Table 3.3: Factor Structure of Leader-Member Exchange**

	<b>Loyalty</b>	<b>Contribution</b>
My supervisor defends my decisions, even without complete knowledge of the issue in question.	0.869	
My supervisor would defend me to others in the organisation if I made an honest mistake.	0.749	
My supervisor would come to my defense if I were attacked by others.	0.714	
I provide support and resources for my supervisor that goes beyond what is specified in my job description.		0.888
I am willing to apply extra efforts, beyond those normally required, to help my supervisor meet his or her work goals.		0.805
<b>Eigen value</b>	<b>1.93</b>	<b>1.663</b>
<b>Variance (%)</b>	<b>38.601</b>	<b>33.252</b>
<b>Cumulative Variance (%)</b>	<b>38.601</b>	<b>71.853</b>

The results above demonstrate the factor structure of Leader-Member exchange comprised of two factors instead of the four as per the operationalization of LMX as depicted from the study. From their order of significance, they include; Loyalty (Eigen value = 1.930, Variance = 38.601) and contribution (Eigen value = 1.663, Variance = 33.252%). The factors respectively explained approximately; 38.6% and 33.3% variance. It is worth noting that the other two dimensions, that is affect and Professional Respect were not extracted as significant factors because their indicators either loaded under different dimensions, hence, violating discriminant validity or having factor loading below 0.5, which is an exhibition of poor indicator validity.

**Table 3.4: Factor Structure of Employee Creativity**

	Autonomy	Supervisor Relationship	Self Confidence
I am not afraid to generate new ideas	.845		
I provide solutions to my own problems	.804		
I enjoy having flexibility in the work I do	.802		
Thinking of new ideas is part of my daily work.	.713		
I have a good relationship with my supervisor		.800	
I always share my ideas with my supervisor for advice		.770	
My boss is open to hearing new ideas		.653	
I take pride in my work and accomplishments			.719
I always practice to be creative			.574
I like suggesting solutions to other people's problems			.560
I often get excited by my own new ideas.			.539
<b>Eigen value</b>	<b>2.61</b>	<b>1.741</b>	<b>1.489</b>
<b>Variance (%)</b>	<b>23.729</b>	<b>15.828</b>	<b>13.539</b>
<b>Cumulative Variance (%)</b>	<b>23.729</b>	<b>39.557</b>	<b>53.096</b>

The factor structure of Employee creativity, as shown in Table 4.3, consists of three significant factors as postulated by the study; In the order of importance, these include: Autonomy (Eigen value = 2.610, Variance = 23.729%), Supervisor Relationship (Eigen value = 1.741, Variance = 15.828%) and Self Confidence (Eigen value = 1.489, Variance = 13.539%), explaining 23.7%, 15.8% and 13.5%. All of the factors explained 53.1% of the variance in the measurement of Employee creativity.

**Table 3.5: Factor Structure of Employee Engagement**

	Dedication	Absorption
I give more time to accomplish the daily tasks	.859	
I like completing my tasks on time	.827	
I am enthusiastic about my job	.749	
I am immersed in my work		.845
I feel happy when I am working intensely		.821
Time flies when I am working		.753
<b>Eigen value</b>	<b>2.111</b>	<b>2.096</b>
<b>Variance (%)</b>	<b>35.177</b>	<b>34.935</b>
<b>Cumulative Variance (%)</b>	<b>35.177</b>	<b>70.112</b>

The factor structure of employee engagement as shown in Table 3.4, was found to consist of two significant factors instead of the three as per the operationalisation of employee engagement captured in the study; In the order of importance, these include: dedication (Eigen value = 2.111, Variance = 35.177%) and absorption (Eigen value = 2.096, Variance = 34.935%), respectively, and both factors explained 70.1% of the variance in the measurement of employee engagement. Further still, the outcomes in Table 3.5 sum up the items that featured most in their order of importance. The extent or level of significance of every item is given by the factor loadings, where a higher worth demonstrates a higher level of significance.

### **3.8.1 Data Management**

After data collection, the researcher sorted out the questionnaires and later coded and modified them for comprehensiveness and consistence. Thereafter, collected data were then entered into the computer system and a file created for analysis.



### **3.8.2 Data Analysis**

Statistical package for Social Scientists software was employed in data analysis. SPSS software was used in analysis because of its user friendliness (Martin and Acuna, 2002). Descriptive statistics involving frequency distribution Tables were generated to establish the distribution of scores. Inferential statistics involving Pearson's Coefficient of Correlation, were generated to ascertain the relationships among variables. Hierarchical regression was conducted to determine the predictability of LMX and employee creativity on employee engagement.

### **3.9.1 Data Collection Procedure**

In attempt to produce quality and reliable results, the researcher obtained a letter from Kyambogo University, which was presented to the management of hair manufacturing organisations located in Wakiso District. The researcher was granted the acceptance letters by the management of the hair manufacturing organisations for data collection with strict compliance to the organisations' rules and regulations. The researcher was introduced by the general managers of the two organisations to the supervisors who were briefed about the objectives of the study and later issued with questionnaires. The questionnaires were distributed to the employees by the supervisors and a date was set for the collection of the questionnaires. The researcher was able to collect all the questionnaires distributed to the employees after 21 days because of continuous follow up through the supervisors.

### **3.9.2 Ethical Considerations**

During administration of the questionnaire, the researcher clearly clarified the objectives of the study to respondents before issuing out questionnaires. In summary, the following ethical issues were considered as recommended by Neuman (2007):

- i. **Informed Consent:** Informing respondents about the study so as to ensure voluntary participation. Participants were requested to append their signatures on the form that formally invited them to participate in the research study with the option of choosing to participate or not.
- ii. **Confidentiality:** Respondents were assured that information would not be divulged to third parties and that information was only being used for intended purpose. To further ensure confidentiality of information, the data collected were kept on a personal computer with a password only accessible by the Researcher.
- iii. **Ensuring anonymity:** Respondents were also assured that their identity would not be revealed and that their names would not appear anywhere on the questionnaire.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.0 Introduction

This chapter contains the analysis of the data in two categories. The first category presents the percentage frequency distributions of the demographic attributes of respondents while subsequent segment presents inferential statistics which are presented according to the research objectives.

##### 4.1.1 Demographic features of respondents

This portion presents analysis of the demographic attributes of respondents that represented SCD Uganda Limited and Cascade Industries Limited in the study. The background characteristics of the respondents analysed include; gender, academic qualification, marital status, designation and duration or period of service as well as department.

The percentage distribution of the attributes of the respondents in Table 4.1 uncovers that the majority of the respondents were female (72.0%). However, the study did not focus on the differences in the gender category of the participants. The marital status of the participants was such that majority were married accounting for 53.5%, closely followed by the singles who constituted 40.5%.

Regarding the academic qualifications of the respondents, most of them (41.9%) held a certificate followed by 28.9% and 23.7% who held a diploma and degree, respectively, while the rest were master's degree holders. This education profile implies that the respondents were of and academic level enough to comprehend the questionnaire and, hence, could provide relevant responses.

Further still, most of the respondents had worked with their respective organisations for four years and less (52.0%) and 5-9 years (39.9%). This duration is long enough for the respondents to be well versed with the facts regarding the operations of their organisations. The frequency distribution of the designation was such that majority were employees of their organisations (60.4%), followed by team leaders who comprised 27.5%. This distribution by designation is typical of most organisations since this is the category of personnel responsible for everyday operations of the organisations. Notably is the fact that most of the respondents (85.8%) belonged to the production department. However, this is not surprising since it is the biggest department in both SCD Uganda Limited and Cascade Industries Limited.

**Table 4.1: Frequency Distribution of Demographic Characteristics**

<b>Variable</b>	<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
Gender	Male	97	28.0
	Female	249	72.0
	<b>Total</b>	<b>346</b>	<b>100.0</b>
Academic qualification	Certificate	145	41.9
	Diploma	100	28.9
	Degree	82	23.7
	Masters	6	1.7
	Others	13	3.8
	<b>Total</b>	<b>346</b>	<b>100.0</b>
Duration of service	0-4 Years	180	52.0
	5-9 Years	138	39.9
	10-14 Years	21	6.1
	15 Years And Above	7	2.0
	<b>Total</b>	<b>346</b>	<b>100.0</b>
Marital status	Single	140	40.5
	Married	185	53.5
	Divorced	7	2.0
	Widowed	14	4.0
	<b>Total</b>	<b>346</b>	<b>100.0</b>
Designation	Manager	14	4.0
	Assistant Manager	28	8.1
	Team Leader	95	27.5
	Employee	209	60.4
	<b>Total</b>	<b>346</b>	<b>100.0</b>
Department	Production	297	85.8
	Human Resource	11	3.2
	Sales And Marketing	15	4.3
	Finance And ICT	8	2.3
	Research And Development	1	.3
	Procurement And Stores	14	4.0
	<b>Total</b>	<b>346</b>	<b>100.0</b>

## 4.2 Correlation Analysis of the Study Variables

Pearson's Correlation Analysis was conducted so as to establish the connection between variables and to predict the influence of each of the variables.

**Table 4.2: Correlation analysis**

	1	2	3	4	5	6	7	8
<b>Leader-Member Exchange (1)</b>	1							
Loyalty (2)	.848**	1						
Contribution (3)	.879**	.493**	1					
<b>Employee Creativity (4)</b>	<b>.273**</b>	<b>.266**</b>	<b>.209**</b>	1				
Autonomy (5)	.260**	.227**	.223**	.789**	1			
Supervisor Relationship (6)	.172**	.222**	.082	.697**	.220**	1		
Self-confidence (7)	.003	-.034	.036	.268**	-.072	.029	1	
<b>Employee engagement (8)</b>	<b>.189**</b>	<b>.123*</b>	<b>.200**</b>	<b>.371**</b>	<b>.370**</b>	<b>.219**</b>	<b>-.008</b>	<b>1</b>

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

### 4.3.1: The relationship between leader member exchange and employee engagement.

Results obtained in Table 4.2 showed that there was a significant positive relationship between leader-member exchange and employee engagement ( $r = .189$ ,  $P \leq .01$ ). This finding is true among employee engagement and all constructs of LMX, the strongest being loyalty ( $r = 0.123$ ,  $P \leq .05$ ). These findings imply that an extreme level of leader-member exchange in terms of contribution and loyalty is associated with a high level of employee engagement.

#### **4.3.2: The relationship between employee creativity and employee engagement.**

Findings in Table 4.2 revealed that there was a significant positive relationship between employee creativity and employee engagement in SCD Uganda Limited and Cascade Industries Limited ( $r = 0.371$ ,  $P \leq .01$ ). Furthermore, this result also shows that there is significant positive relationship between the dimensions of all variables. Among those most notable being between autonomy and employee engagement ( $r = .370$ ,  $P \leq .01$ ). The results show that higher levels of creativity in respect represented by autonomy, supervisor relationship and self-control are associated with higher levels of employee engagement.

#### **4.3.3: The relationship between employee creativity and leader member exchange.**

Results in Table 4.2 uncovered a significant positive relationship between employee creativity and leader-member exchange ( $r = 0.273$ ,  $P \leq .01$ ). In addition, this result also shows that there is a significant positive relationship between the dimensions of both variables. The most notable being with loyalty and autonomy ( $r = 0.227$ ,  $P \leq .01$ ). The results show that a high level of employee creativity on leader-member exchange in respect to Contribution, and loyalty is associated with high level of employee creativity in regard to autonomy, supervisor relationship and self-confidence.

#### **4.4: Hierarchical Regression Models of Employee Engagement**

A hierarchical regression analysis of employee engagement on the gender, academic qualification, marital status, designation and duration or period of service, leader-member exchange and employee creativity was conducted. This analysis was intended to establish the individual predictive potential of LMX and employee creativity of employees in hair manufacturing organisations on their engagement.

**Table 4.4: Hierarchical Regression Models of Employee Engagement**

	<b>Model 1</b>				<b>Model 2</b>				<b>Model 3</b>			
	<b>B</b>	<b>SE</b>	<b>Beta</b>	<b>Sig.</b>	<b>B</b>	<b>SE</b>	<b>Beta</b>	<b>Sig.</b>	<b>B</b>	<b>SE</b>	<b>Beta</b>	<b>Sig.</b>
(Constant)	1.872	.264		.000	1.424	.287		.000	.342	.319		.285
Gender	.097	.088	.060	.274	.130	.087	.081	.137	.085	.083	.053	.307
Education	-.046	.035	-.073	.184	-.042	.034	-.066	.220	-.027	.032	-.044	.396
Duration of service	.020	.057	.019	.732	.016	.056	.015	.779	-.001	.053	-.001	.980
Marital status	.001	.055	.001	.988	.010	.055	.010	.856	-.014	.052	-.013	.791
Designation	-.076	.049	-.085	.122	-.069	.048	-.077	.155	-.072	.046	-.080	.117
Leader-Member Exchange					.223	.062	.193	.000	.111	.061	.096	.068
Employee Creativity									.593	.092	.340	.000
R Square	0.015				0.052				.156			
Adjusted R Square	0.001				0.035				.139			
R Square Change	0.015				0.036				.104			
F Change	1.053				13.03				41.777			
Sig. (F Change)	0.386				0				.000			

**The effect of leader member exchange and employee creativity on employee engagement.**

Model 1 included all the five control variables for the study namely; gender, education level, duration of service, marital status and designation. All the five independent variables in the model, were discovered to be non-significant indicators of engagement. The result, is further, confirmed by the impact of the variables at explaining employee engagement, which emerged as not significant at 5% level (F change = 1.053,  $p > 0.05$ ).



Model 2 involves the introduction of leader-member exchange to the predictor variables in Model 1. On introducing leader-member exchange into Model 2, the effect of all the control variables remained non-significant at the 5% level. Further still, leader-member exchange (beta = .193,  $p \leq 0.01$ ) emerged to have a substantial positive influence on employee engagement, implying that the better leader-member exchange gets, the higher the level of employee engagement.

Model 2, further, shows that leader-member exchange raised the predictive power of employee engagement by 3.6% (R Square Change = 0.036) and the model was also found to be significant (F change = 13.030,  $p < 0.01$ ), implying that leader-member exchange contributed significantly to the variation employee engagement.

Model 3 involved the introduction of employee creativity to the predictor variables in Model 2. Employee creativity was itself discovered to have a strong impact on employee engagement (beta = 0.340,  $p < 0.01$ ). This implies that improvement in the creativity of the employees leads to higher employee engagement.

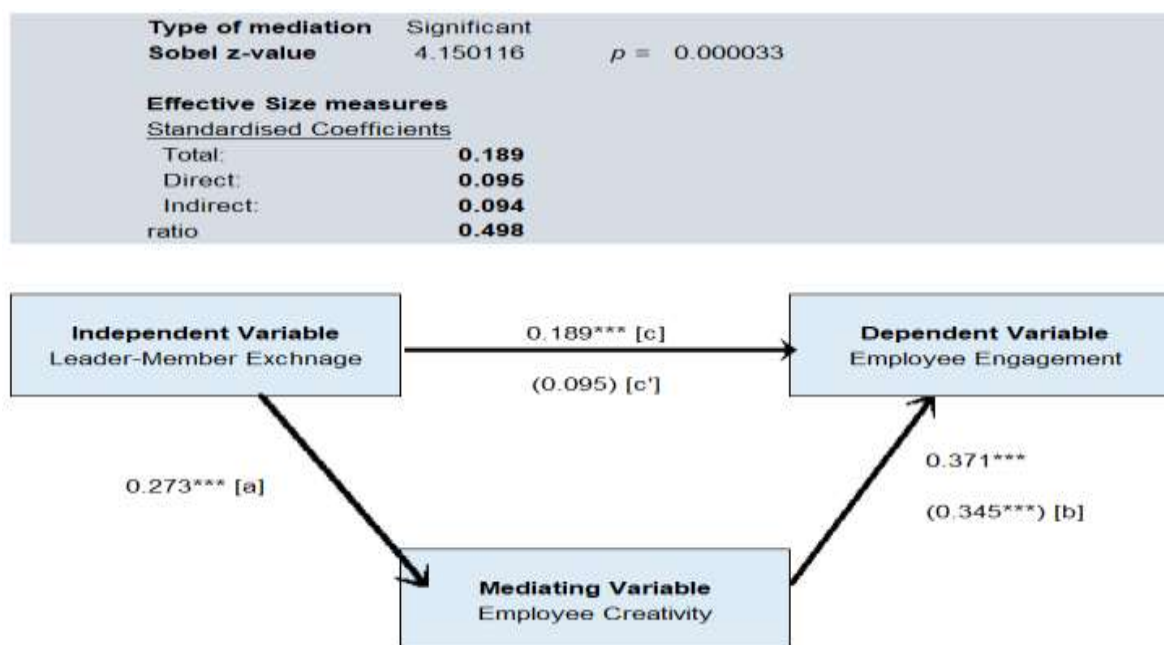
Noteworthy, however, is the finding that, on introducing employee creativity into Model 3 leader-member exchange was no longer significant (beta = 0.096,  $p > 0.050$ ), hence signifying that creativity strongly mediated the relationship between LMX and employee engagement.

Model 3 had an R Square Change of 0.104, which suggests that employee creativity had a 10.4% influence on the variations in engagement. Further, the introduction of employee creativity was significant at (F Change = 41.777,  $P < 0.01$ ).

#### 4.5 The mediation effect of employee creativity on leader member exchange and employee engagement

The study conceptualised that employee creativity mediated the link between LMX and employee engagement, thus, the need to perform a mediation test to that effect. The results are captured in the figure below:

**Figure 4.5.1: Mediation Test**



The results in Figure 4.5.1 suggest significant relationship between leader-member exchange and engagement (beta = .189,  $p < .01$ ) but on introduction of employee creativity in the regression model employee engagement, Leader-member exchange was no longer significant, (beta = .095,  $p > .05$ ). Besides, the Sobel Test showed that mediation was significant ( $Z = 4.150$ ,  $p < .01$ ) and it is full mediation. This implies that Employee creativity fully mediated the impact of LMX on engagement. Further, results in Figure 1 show that the indirect effect to total effect ratio is 0.498, which implies that employee creativity accounts for 49.8% of the total outcome of LMX on engagement.

## **CHAPTER FIVE**

### **DISCUSSION OF THE FINDINGS, CONCLUSION, RECOMMENDATIONS AND AREAS OF FURTHER STUDY**

#### **5.0 Introduction**

The chapter comprises the discussion of the results, conclusion, recommendations and areas of further research. These findings were discussed, bearing in mind the opinions of several scholars, in comparison and contrast with their views and in relation to the views of the researcher.

#### **5.1.0 Discussion**

##### **5.1.1 Hypothesis One: There is a statistically significant positive relationship between leader member exchange and employee engagement**

The first hypothesis stated that there is significant positive relationship between leader member exchange and employee engagement. A positive relationship between variables existed as hypothesized. These findings imply that higher level of LMX is highly associated with a high level of engagement. Findings are in agreement with the works of Lee (2005) who discovered a connection among LMX and responsibility with Affect and expert regard related positively to commitment. As per Shantz, Alfes, Truss, and Soane, (2013), engaged workers have a positive outlook towards work and have work oriented attributes described by vigour, absorption and dedication which make the workers emotionally present at work, hence reducing the likelihood of making mistakes during work.

##### **5.2 Hypothesis Two: There is a statistically significant positive relationship between employee creativity and employee engagement.**

The second hypothesis was that there was statistically significant positive relationship between employee creativity and employee engagement.

Findings revealed that significant positive relationship between creativity and engagement existed in SCD Uganda Limited and Cascade Industries Limited. Further still, these findings revealed that there is a substantial positive link among the dimensions of creativity and engagement, the most notable being between autonomy and employee engagement. The results show that improved levels of creativity as represented by autonomy, supervisor relationship, including self-control, is associated with higher level of employee engagement. This discovery is in connection with the studies of Birdi, Leach and Magadley's (2016) in which they found that employees who believed that they possessed more skills in innovation, identifying problems, and introducing and assessing solutions, reported higher levels of engagement.

Carmeli et al (2007) contended that leaders ought to recognize the meaning of innovative workers and constantly investigate approaches to promote creative conduct in order to stimulate engagement. Similarly, George and Zho (2001) contended that innovativeness can be considered novel and helpful in situations where workers in a social framework cooperate with each other.

### **5.3 Hypothesis Three: There is a statistically significant positive relationship between Leader member exchange and employee creativity**

The third hypothesis stated that there was significant positive relationship between leader member exchange and employee creativity. Results indicated significant positive relationship between leader member exchange and employee creativity occurred. The outcomes are true between employee creativity and all constructs of LMX, where the most resilient is affect.

These findings imply that a higher level of LMX in terms of contribution, professional respect, affect and loyalty is associated with a high level of employee creativity. The results obtained are in line with the works of Dionne (2000) who discovered that leaders help to establish a climate that impacts the practices of their subordinates at work.

Additionally, the practices of leaders in work environments make dyadic connection among them and their followers. This establishes a climate of creativity amongst employees. According to Robinson (2006), personal differences assume a crucial part in deciding a workers' possible degree of engagement. A person identifies available opportunities around through their own behavior, past experiences, information, assumptions and necessities that eventually impact on their levels of engagement.

#### **5.4 Hypothesis Four: There is a statistically significant mediation effect of employee creativity on leader member exchange and employee engagement**

Findings revealed that employee creativity strongly mediated the relationship between Leader-member exchange and employee engagement. Further, results indicated that employee creativity fully mediated the connection between LMX and engagement. These results are not much different from those of Weinzimmer, Michel and Franczak (2011) who studied the link between innovation and productivity. The outcomes indicated that activity orientation mediated the connection between innovation and organisational productivity. Still, findings conform with the study of Farzaneh et al. (2014), who observed that once the organisation meets the needs of its workforce, employees often pay back with positive affective contribution in work by demonstrating greater feelings of trust in their job processes

In addition, Zhou, Hirst & Shipton (2012) examined the relationship between a task's critical thinking and employee creative thinking in three Chinese firms. The discoveries showed a positive connection between critical thinking and workers' innovativeness. Egan (2005) argues that innovativeness assists organisations to respond to improvements in innovation, change working atmosphere, adjust hierarchical structures or procedures, limit competitors, satisfy customer needs and advance social orders being influenced by worldwide trends in technology.

### **5.5 Hypothesis Five: Leader member exchange and employee creativity significantly predict employee engagement**

Results indicated that leader member exchange emerged to be a strong predictor of employee engagement (beta = 0.340,  $p < 0.01$ ), implying that the better leader member exchange gets, the higher level of employee engagement.

Findings, further, revealed that LMX raised predictive power of engagement and the model was also found to be significant, implying that leader member exchange contributed significantly to the variation engagement. Also, creativity emerged to have a significant positive effect on employee engagement. This implies that improvement in the creativity of the employees leads to higher employee engagement. Similarly, a recent study by Egan (2005) argued that, a leader can give people confidence to explore new methods and, hence, stimulate engagement.

Studies of James et al (2011) revealed that top leadership support, rewards and recognition, feeling of fulfilment, coupled with professional advancement, are significant indicators of worker engagement. According to Shin and Zhou (2003), employees who are deeply immersed in work feel motivated on their job, openly share information with their managers, dedicate additional effort, relate to the job willingly and compare themselves to others in terms of work achievements. This, certainly, implies that leader member exchange can subsequently predict employee engagement, since it prompts positive conduct.

## **5.6 Conclusion**

The purpose of the research was to establish the connection between LMX, employee creativity and employee engagement. Results indicated that there were significant relationships between variables. The study also revealed a strong mediation effect of employee creativity on the relationship between LMX and employee engagement. Lastly, employee creativity emerged to be the most contributing factor to employee engagement, hence organisations that foster employee creativity is likely to succeed.

## **5.7 Recommendations**

From the study, it was established, that employee engagement, is a crucial factor for business success. An engaged worker is mindful of the business setting and works with members of the team to make strides in performance for the good of the business. Also, it was also noted, that engaged workers have a positive outlook towards work and have work oriented attributes described by vigour, absorption dedication which make the workers emotionally present at work. Managers of Cascade Industries Limited and SCD (U) Limited should prioritise on getting their workers engaged in order to obtain the best out of them for the good of their organisations.

Leader member exchange was found to be a strong predictor of employee engagement. Given that fact, the researcher recommends, that hair manufacturing organisations should identify the unique leader member traits and integrate them into their management policies in order to ensure a higher level of employee engagement.

Employee creativity as observed in the correlation coefficients had a significant positive relationship with employee engagement. From that observation, hair manufacturing organisations, and indeed other companies should ensure that employees are highly involved in the formulation processes of organisational activities.

This can be achieved through ensuring that employees are completely absorbed in the activities of the organisation to the extent of being ready to formulate new ideas for the organisation in order to accomplish organisational activities. Lastly, findings, revealed that employee creativity strongly mediated the relationship between Leader-member exchange and employee engagement. In that regard, managers of SCD (U) Limited and Cascade Industries Limited should prioritise employee creativity as it indicated a high contribution to employee engagement.

### **5.8 Areas of further study**

- i. Further studies should be conducted on other factors that explain the remaining 79.7% that were not considered in this study
- ii. Further studies should also be conducted on the non-hair manufacturing firms and service sector both at national and global level. This is because there is need to obtain the views and opinions of people from a wider context so that comparisons can be made for meaningful decision-making.

### **5.9 Limitations of the study**

The researcher encountered the following limitation:

Since, the researcher adopted a quantitative research design and used only a questionnaire as a tool for data collection, this limited the qualitative understanding of the key issues in respect to leader member exchange, employee creativity and employee engagement.



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## APPENDIX I

  
**KYAMBOGO UNIVERSITY**  
 P. O. BOX 1, KYAMBOGO - KAMPALA, UGANDA  
 TEL: 041-289902, Fax 041-220464, 222643  
 www.kyu.ac.ug  
**PSYCHOLOGY DEPARTMENT**

20<sup>th</sup> October, 2020

MANAGING DIRECTOR  
 CASCADE INDUSTRIES LTD  
 P.O. BOX 33597, KAMPALA

Dear Sir/Madam,

RE: INTRODUCTORY LETTER

This is to introduce the bearer MAFABI GILBERT Reg.No. 19/11/0600/1977/PS who is a student of Kyambogo University Department of Psychology, pursuing a Degree of Masters of Organisational Psychology Year II.

As part of the requirements for their academic award, second year students carry out a research project in their field of study. For this purpose the above student would like to collect data on research project entitled:

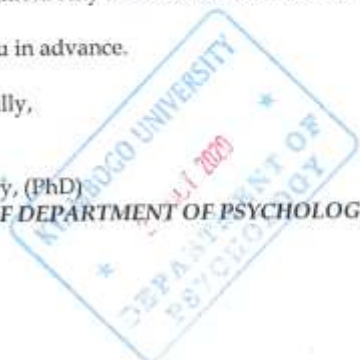
LEADER MEMBER EXCHANGE, EMPLOYEE CREATIVITY AND EMPLOYEE ENGAGEMENT IN HAWAII MANUFACTURING ORGANISATIONS

I request that you give her/him opportunity to access the relevant information from your organisation. Any information obtained will be used for academic purposes only.

Thanking you in advance,

Yours faithfully,

  
 Kibedi Henry, (PhD)  
 Ag. HEAD OF DEPARTMENT OF PSYCHOLOGY





**KYAMBOGO UNIVERSITY**

P. O. BOX 1, KYAMBOGO - KAMPALA, UGANDA  
 TEL: 041-289902, Fax 041-220464, 222643  
 www.kyu.ac.ug

**PSYCHOLOGY DEPARTMENT**

20<sup>TH</sup> October, 2020

HUMAN RESOURCE MANAGER  
 SCD (U) LTD  
 KAMPALA UGANDA

Dear Sir/Madam,

RE: INTRODUCTORY LETTER

This is to introduce the bearer MAFABI GILBERT Reg.No. 121416MB19771/PS who is a student of Kyambogo University Department of Psychology, pursuing a Degree of Masters of Organisational Psychology Year II.

As part of the requirements for their academic award, second year students carry out a research project in their field of study. For this purpose the above student would like to collect data on research project entitled:

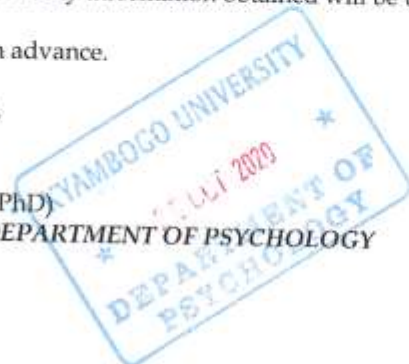
LEADER MEMBER EXCHANGE, EMPLOYEE CREATIVITY  
 AND EMPLOYEE ENGAGEMENT IN HAZAR  
 MANUFACTURING ORGANIZATIONS

I request that you give her/him opportunity to access the relevant information from your organisation. Any information obtained will be used for academic purposes only.

Thanking you in advance.

Yours faithfully,

  
 Kibedi Henry, (PhD)  
 Ag. HEAD OF DEPARTMENT OF PSYCHOLOGY



**APPENDIX II**  
**QUESTIONNAIRE**

**Dear Respondent,**

My name is Mafabi Gilbert, a graduate student of Psychology from Kyambogo University. I am carrying out an academic research on the topic titled “Leader-Member Exchange, Employee Creativity and Employee Engagement. Your participation is voluntary and you are free to participate and withdraw from the study. The data you will provide will be kept strictly confidential and will be used only for purpose of this study. You need not to indicate your name on this questionnaire.

**Section A: Background information**

Please answer as required by ticking/circling in the appropriate alternative.

1. Gender

Male	Female
1	2

2. Qualification

Certificate	Diploma	Degree	Masters	PhD	Others
1	2	3	4	5	6

3. Period of Service

0-4 years	5-9 years	10-14 years	15 years and above
1	2	3	4

4. Marital Status

Single	Married	Divorced	Widowed	Others
1	2	3	4	5

5. Designation

Manager	Asst. Manager	Team Leader	Employee	Others
1	2	3	4	5

6. Department

Production	Human Resource	Sales and Marketing	Finance and ICT	Research & Development	Procurement and Stores	Others
1	2	3	4	5	6	7

## Section B: Leader Member Exchange

You are asked to go through the issues/concerns listed below. Respond to the following questions using the scale below. Tick or circle according to how you feel on every item.

Completely disagree without doubt	Strongly Disagree	Slightly Disagree	Slightly Agree	Strongly agree	Completely agree without doubt
6	5	4	3	2	1

SN	Affect Dimension	RESPONSES					
1	I like my supervisor very much as a person.	6	5	4	3	2	1
2	My supervisor is the kind of person one would like to have as a friend.	6	5	4	3	2	1
3	My supervisor is a lot of fun to work with	6	5	4	3	2	1
	<b>Loyalty</b>	<b>RESPONSES</b>					
4	My supervisor defends my decisions, even without complete knowledge of the issue in question.	6	5	4	3	2	1
5	My supervisor would come to my defense if I were attacked by others.	6	5	4	3	2	1
6	My supervisor would defend me to others in the organisation if I made an honest mistake.	6	5	4	3	2	1
	<b>Contribution Dimension</b>	<b>RESPONSES</b>					
7	I provide support and resources for my supervisor that goes beyond what is specified in my job description.	6	5	4	3	2	1
8	I am willing to apply extra efforts, beyond those normally required, to help my supervisor meet his or her work goals.	6	5	4	3	2	1
9	I do not mind working my hardest for my supervisor	6	5	4	3	2	1
	<b>Professional Respect Dimension</b>	<b>RESPONSES</b>					
10	I am impressed with my supervisor's knowledge of his/her job.	6	5	4	3	2	1
11	I respect my supervisor's knowledge of and competence on the job.	6	5	4	3	2	1
12	I admire my supervisor's professional skills	6	5	4	3	2	1

### Section C: Employee Creativity

Respond to the following questions using the scale below. Tick or circle according to how you feel on every item.

Completely disagree without doubt	Strongly Disagree	Slightly Disagree	Slightly Agree	Strongly agree	Completely agree without doubt
6	5	4	3	2	1

SN	Autonomy	RESPONSES					
1	I am always generating new ideas independently	6	5	4	3	2	1
2	I am not afraid to generate new ideas	6	5	4	3	2	1
3	I provide solutions to my own problems	6	5	4	3	2	1
4	I enjoy having flexibility in the work I do	6	5	4	3	2	1
5	Thinking of new ideas is part of my daily work.	6	5	4	3	2	1
6	I like deciding by myself how to go about doing my job	6	5	4	3	2	1
SN	Supervisor Relationship	RESPONSES					
1	I freely interact with my supervisor	6	5	4	3	2	1
2	My supervisor always praise me for my creative work	6	5	4	3	2	1
3	I have a good relationship with my supervisor	6	5	4	3	2	1
4	I always share my ideas with my supervisor for advice	6	5	4	3	2	1
5	My supervisor often rewards me for my ideas	6	5	4	3	2	1
6	My boss is open to hearing new ideas	6	5	4	3	2	1
SN	Self Confidence	RESPONSES					
1	I have confidence in my ability to solve problems creatively.	6	5	4	3	2	1
2	I often get excited by my own new ideas.	6	5	4	3	2	1
3	I always practice to be creative	6	5	4	3	2	1
4	I take pride in my work and accomplishments	6	5	4	3	2	1
5	I always defend my creative ideas	6	5	4	3	2	1
6	I like suggesting solutions to other people's problems	6	5	4	3	2	1

### Section D: Employee Engagement

Use the following scale, how would you rate your level of engagement on the items mentioned in the Table?

<b>Completely disagree without doubt</b>	<b>Strongly Disagree</b>	<b>Slightly Disagree</b>	<b>Slightly Agree</b>	<b>Strongly agree</b>	<b>Completely agree without doubt</b>
<b>6</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

<b>SN</b>	<b>Vigour</b>	<b>RESPONSES</b>					
1	I feel energetic whenever at work	6	5	4	3	2	1
2	At my work, I always persevere, even when things do not go well.	6	5	4	3	2	1
3	I enjoy working for very long periods at time	6	5	4	3	2	1
4	I enjoy handling Challenging tasks	6	5	4	3	2	1
5	When I get up in the morning, I feel like going to work	6	5	4	3	2	1
6	At my job, I am very resilient, mentally	6	5	4	3	2	1
<b>SN</b>	<b>Dedication</b>	<b>RESPONSES</b>					
1	I am enthusiastic about my job	6	5	4	3	2	1
2	I give more time to accomplish the daily tasks	6	5	4	3	2	1
3	I like completing my tasks on time	6	5	4	3	2	1
4	I am proud of the work that I do	6	5	4	3	2	1
5	I always ask for more tasks from my supervisor	6	5	4	3	2	1
<b>SN</b>	<b>Absorption</b>	<b>RESPONSES</b>					
1	I am immersed in my work	6	5	4	3	2	1
2	Time flies when I am working	6	5	4	3	2	1
3	I feel happy when I am working intensely	6	5	4	3	2	1
4	When I am working, I forget everything else around me	6	5	4	3	2	1
5	I get carried away when I am working	6	5	4	3	2	1
6	It is difficult to detach myself from my job	6	5	4	3	2	1

*Thank you very much for your precious time*