

Psychological Contract Fulfilment: A Suitable Umpire Between Transformational Leadership and Employee Engagement in the Ghanaian Public Sector

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<https://doi.org/10.51137/ijarbm.2023.4.1.5>

Abstract – Daily transformational leadership behavior encourages employee work engagement. Psychological contract fulfilment significantly enhances employees' and affect employees' attitude, behavior, engagement and performance in general. The study sought to examine the significant role transformational leadership play in psychological contract and employee engagement. Using a quantitative cross-sectional study approach and a snowball sampling technique, a self-designed questionnaire was used to gather data from two hundred and forty-seven employees from the public sector of Ghana. Hypotheses were tested by means of structural equation modelling with maximum likelihood estimation using Stata 15 software. The findings reveal that Transformation leadership had a positive significant relationship toward psychological contract and also towards employee engagement. Transformational leadership had a positive significant relationship towards employee engagement and also, psychological contract positively mediates the relationship between transformational leadership and employee engagement. The study contributes to clarifying and extending the social exchange theory and the job demand resource theory by unravelling how the transformational leaders motivate, encourage and reward employees in the reciprocal relationship between himself and their subordinates.

Keywords – Psychological contract, employee engagement, transformational leadership, and public sector.

1 Introduction

The modern business environment's features, including globalization, hyper competition, the expansion of options for people in communities and cultures, and the complexity of technical and social connections, have compelled firms to continually modify their tactics (Cascio & Aguinis, 2008; Schreyo"gg & Sydow, 2010). Leaders are crucial in fostering an empowering work environment that may lead to fruitful consequences for both individuals and organizations (Cummings et al., 2010) and therefore crucial for the modification of these changes. Leadership is a crucial factor that affects the workplace and how people view their work (Christian, Garza, & Slaughter, 2011). Although there exist different types of leadership, transformational leaders are the "perfect individuals" to have during substantial organizational change because they motivate staff to strive toward realizing the organization's goal (Clegg, Kornberger, & Pitis, 2008) as a result of high levels of engagement (Aftab, et al., 2022; Breevaart & Bakker, 2018). The onset of the COVID-19 pandemic called for substantial changes in the operation in organisation as well as the management of the human resource and this required a transformational leader. This is because employees who feel the need to be inspired and empowered in turbulent and unpredictable times respond favorably to the emotive and charismatic aspects of transformational leadership (Hughes 2010). Employees who are engaged, according to Bakker and Demerouti (2008), are more creative, productive, and eager to go above and beyond. Employee engagement thus been cited as a prominent facilitator for organization performance and success (Suhartanto & Brien, 2018; Sibanda et al., 2014). Several studies confirm a positive relationship between employee engagement and lower absenteeism, increased loyalty, improved citizenship behavior (Darban et al., 2022; Shrotryia et al., 2021) and enhanced customer service (Ghlichlee & Bayat, 2020). Conversely, employee disengagement result in low production, lack of creativity and high labor turnover. Workplace Report found that only 21% of workers globally were engaged at work, and it continues to remain low and holding back great growth potentials (Gallup, 2022). Additionally, after interviewing employees in 142 countries it was observed that only 180 million employees in those countries are engaged with their leaders (Gallup, 2014) and similar to the global level only 21% of employees are engaged in the sub-Saharan Africa, and Ghana 18% being engaged (Gallup, 2022). This low level of engagement has compounded the challenges the public sector face and therefore the need to find appropriate antecedents to it. Another major factor which influences employees' readiness to modify their tactics in times of change is psychological contract. Psychological contract is predicated on the assumption that the employee understands their commitments to their employer, and it includes expectations for pay, promotion, job stability, and daily task performance (Chih et al., 2017).

According to Lee, Willis, and Tian (2018), two different psychological processes are responsible for the empowering benefits of a leader. First of all, employees feel empowered at work if they perceive their work to be significant, consistent with their values, competent in their skills (i.e., self-efficacy),

and have the capacity to change the world. Second, employees are more inclined to have faith in managers they believe to be empowering. One-way leaders can build this faith is to ensure greater autonomy or shared decision-making since followers tend to interpret it as a sign that the leader believes in them and is presenting them with chances for personal improvement. The fulfilment of these psychological contract challenges calls for both leaders and subordinates to relate well to manage them. Although transformational leadership, employee engagement and psychological contract have been the subject of other research (Gordon, 2020; Sandhya & Sulphrey, 2020; Azka et al, 2021), there are very limited or no research works which attempt to study the transformational leadership style, employee engagement and psychological contract from the SET and JD-R theory perspective after such a catastrophic time. This study is therefore carried out to bridge this knowledge gap, which will be useful for leaders and researchers in this field.

This study therefore focusses on the viewpoint on the interaction between a transformational leadership style and the involvement of the workforce to ensure employee engagement and solve psychological contract challenges or difficulties. Using the social exchange theory (SET) and the Job-demand resource (JD-R) theory, we argue that since psychological contracts are based on exchanges where "the fulfilment of promissory obligations by one party is reliant upon the fulfilment of commitments by the other," (Coyle-Shapiro & Parzefall, 2008, p. 20), as the transformational leader fulfil his commitment by involving employees in decision making and providing the required resources, employee will reciprocate by being engaged. This research therefore examines psychological contracts and employee engagement and discusses how these two concepts relate to transformational leadership in the public sector in Ghana.

The public sector plays a vital role in developing the economy of every country by contributing to its growth and civilizational stability (Abdullah & Anwar, 2021). Nevertheless, this sector has encountered numerous challenges which stimulates from the failure on the part of leaders to engage public servants in decision making as well as complying to agreed-upon promises (Akkaya, 2020). Hence, the importance of conducting the research in the public sector to address the phenomenon. The paper thus proceeds in the following way. After this introduction is review of literature on transformational leadership, psychological contract, employee engagement, social exchange theory and the Job-Demand resource theory. The next section covers the methodology used for the study, then the presentation of results, discussion, conclusion and suggestion for future research.

2 Literature Review

2.1 Theoretical framework

The social exchange theory (SET) and the job demand resource (JD-R) theory provided a theoretical framework that helped to clarify the connections between the study's elements. According to JD-R theory, the workplace

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environment has a significant impact on how motivated and passionate individuals are about their job and how engaged they are (Bakker & Demerouti, 2014; Demerouti et al., 2001). The Job Demand theory indicate that work characteristics are grouped into two: job resources and job demand, and each job has both (Demerouti et al., 2001; Bakker & Demerouti, 2007). Work demands are those aspects of a job that call for ongoing effort and thus demand a certain degree of psychological and physical effort (Bakker, 2009; Demerouti, 2017). Job resources, on the other hand, refer to elements of a job that promote personal development and assist in achieving professional goals (Demerouti et al., 2001; Xanthopoulou et al., 2007).

The Social Exchange Theory (SET), considered as one of the most influential theories which help clarify workplace behavior (Cropanzano & Mitchell, 2005), proposes that behaviors can be thought of as the result of cost-benefit analyses by people attempting to interact with society and the environment (Jonason & Middleton, 2015). According to the theory, social exchange involves a process where participants negotiate reciprocal trades. In other words, when connections between leaders and employees develop, certain reciprocal duties are created, such as psychological significance, safety, or availability when leaders demonstrate true personal recognition or supportive leadership (Zhu et al., 2009). When leaders of any organization offer creative work environments and employment resources like assistance, knowledge, or feedback, employees feel obliged to reciprocate with high levels of engagement. Psychological contract fulfilment (PCF), which has its roots in social exchange theory, is made up of unstated demands for favorable treatment, fair compensation, opportunities for advancement, secure working conditions, ethical conduct in business, and other things in exchange for good performance (Ahmad & Zafar, 2018; Ahmad et al., 2018).

According to previous research, PCF significantly affect employee's behavior and attitude such as commitment (Fontinha et al., 2013), innovation at work (Chang et al., 2003), extra-role behaviors (Ahmad et al., 2018; Mo & Shi, 2015), work engagement and turnover (Sharma, Sharma, & Agarwal, 2021), job satisfaction and organizational commitment (Mazumdar et al., 2022), as well as decreases employees' engagement (Collins, 2010).

Therefore, having a transformational leader who is known to boost employees' morale through his vision, inspirational communication, support, intellectual stimulation and personal recognition (Rafferty & Griffin, 2004) is able to connect with his subordinates for them to perceive the leader as willing to compensate and treat them fairly, provide opportunity for advancement, and thus will exchange for engagement and good performance (Ahmad & Zafar, 2018; Ahmad et al., 2018).

2.2 Transformational leadership

Organizations need leaders who have the potentials to inspire and motivate employees and one of such is the Transformational leaders. The transformational leader inspires, motivate, energies employees (Cote, 2017). Hogg, Martin and Weeden (2003, p.19) explained that transformational leadership is that

kind of "leaders' transactions with followers which are characterized by idealized behaviour, inspirational motivation, intellectual stimulation, and individualized consideration, which motivate followers to work for group goals that transcend immediate self-interest". Rafferty and Griffin (2004) after re-examining the theoretical model developed by Bass (1985) identified five sub-dimensions of transformational leadership, including vision, inspirational communication, intellectual stimulation, supportive leadership, and personal recognition. They defined vision as the expression of an idealized picture of the future based around organizational values; inspirational communication as the expression of positive and encouraging messages about the organization, and statements that build motivation and confidence; supportive leadership as expressing concern for followers and taking account of their individual needs; intellectual stimulation as enhancing employees' interest in, and awareness of problems, and increasing their ability to think about problems in new ways; and lastly, personal recognition as the provision of rewards such as praise and acknowledgement of effort for achievement of specified goals (Rafferty & Griffin, 2004).

2.3 Hypothesis Development

Transformation leadership and psychological contract - Leaders can play a significant role in the psychological conditions which influence employee attitudes and performance (Erkutlu & Chafra, 2013; Philipp & Lopez, 2013). Whilst the relationship is important "no contemporary approach to leadership has explicitly considered using the psychological contract as a framework to fully understand this leader-follower relationship" (Salicru & Chelliah, 2014, p. 39). The transformational leader is cited as one who strategically creates an emotional bond with his subordinates with the aim of shaping their values, priorities and aspiration to align with that of the organization (Antonakis & House, 2002).

This happens because as a result of the idealized characteristic, defined as behavior that portrays the leader to be trustworthy, respectable and energetic (Rowold & Heinitz, 2007), he is able to transform his subordinates by causing them to modify their goals, needs, values, aspirations and values (Rowold & Heinitz 2007; Yukl, 2013, Behery et al., 2012; Chen & Wu, 2017).

The intellectual stimulation dimension reflects in the leader's ability to be involved in innovative activities that encouraged subordinates to challenge their own values, beliefs as well as that of the leader (Ngodo, 2008) which enables these subordinates to critique and be independent in decision making (Kreitner & Kinicki, 2006; Wang & Hsieh, 2013). The transformational leader is interested in addressing the individual needs of their followers, i.e., Individualized characteristic. This characteristic lead to leader's actions that offer support, encouragement and training to followers (Avolio, Bass & Jung, 1999; Yukl, 2006), and give personal attention, treat each employee individually, coach and advise followers (Taylor, 2005). The inspirational motivation makes leaders appeal to employees' emotions to offer their best and possibly beyond (Ngodo, 2008). As leaders exhibit these characteristics is likely to create an

environment where employees benefit from fulfilment of their psychological contract. Based on the philosophy of reciprocity in SET, it is hypothesized that transformational leadership.

H1; Transformational leadership will have significant impact on psychological contract.

2.4 Transformational leadership and employee engagement

Transformational leadership divided into four dimensions: Idealized influence, Inspirational motivation, Intellectual stimulation and Individualized consideration (Bass et al., 2003). These characteristics make the transformational leader self-confident, see positive view of the future, the use novel ways in acting and exhibition of interest in subordinates' wellbeing. These influences employees' attitude and engagement (Hayati et al., 2014). Engagement is the focus of considerable practitioner and academic interest (Bailey, C. (2022). It is defined as engagement as "an individual's involvement and satisfaction with as well as enthusiasm for work" (Harter et al., 2002: 417). Schaufeli, et al., (2002) conceptualized engagement as "a positive fulfilling work-related state of mind which is characterized by Vigour, dedication and absorption."(p. 74).

Vigour refers to the exhibition of high levels of energy, mental resilience, willingness to invest efforts in one's work, and persistence in difficulties (Schaufeli, et al., 2002; Schaufeli & Bakker, 2004), while dedication is seen through the show of enthusiasm, inspiration, pride and challenge at work ((Schaufeli, et al., 2002; Schaufeli and Bakker, 2004, 2010).

Finally, absorption means the exhibition of high concentration, focus, attachment to one's work and deep engrossment in work whereby time passing so fast and seem intangible and being detached from the job is difficulties for them (Schaufeli, et al., 2002; Gonzalez-Roma et al., 2006; Liorens et al., 2007). There is extant literature on Transformational leadership and Employee engagement. Researchers have suggested that leadership is one of the most important factors contributing to employee engagement (Caniëls et al., 2018; May et al., 2004; Aftab et al., 2022). The transformational leader inspires, motivate and shows interest in the unique needs of individuals. From the social exchange theory's perspective, employees will then reciprocate by being engaged (Zhang et al., 2014; Aftab et al., 2022; Popli & Rizvi, 2016; Caniëls et al., 2018) and consequently put in extra by being dedicated, absorbed and work with Vigour for organizational success. It is therefore hypothesized that;

H2; Transformational leadership will have a significant impact on employees' engagement

2.5 Psychological contract and employee engagement

One of the most important assets for any organization is its employees. They offer innovative, creative and productive ideas, to ensure the organization survives. It is therefore important that such employees are engaged to offer their best. Employee engagement is one of the key determinants fostering high levels of employee performance (Anitha, 2014; Alfes et al., 2013) and

therefore either makes or breaks organization (Rao, 2017). Employee engagement refers to “an individual employee’s cognitive, emotional, and behavioral state directed toward desired organizational outcomes” (Shuck & Wollard, 2010). These characteristics prevail if employees perceive their organizations are meeting their expectation. Organizations need to understand employees’ expectation to fulfil for mutual benefits. Thus, there should not be any form of psychological contract breach. A psychological contract is defined as “employees’ beliefs about the reciprocal obligations between them and their organization” (Morrison & Robinson, 1997, p. 226).

At the basis of the psychological contract is social exchange theory, which is based on the principle of reciprocity. “Reciprocity refers to the degree of agreement about the reciprocal exchange” between employee and employer (Dabos & Rousseau, 2004, p. 53). It involves a process of exchanging things with other people with the aim of mutual benefit. Employees and employers therefore have obligations towards each other, and these obligations are interdependent (Coyle-Shapiro & Kessler, 2002). A breach in this relationship affects each negatively. For instance, if employees perceive the organization is not fulfilling its side of the contract they tend not to be engaged (Soares, & Mosquera, 2019; Karani et al., 2021) and may leave. It is therefore hypothesized that.

H3; Psychological contract will have a significant impact on employees’ engagement.

2.6 Mediator: Psychological contract

Bae and Jung (2007) verified the mediating effect of psychological contracts on employee attitude and leader-member exchange (LMX). This study theoretically references social exchange theory which explains the exchange relationship between members and organization, and job demand-resource (JD-R) model that combines job demands and job resources. An empirical study was conducted on 277 employees at 18 companies of diverse industries including manufacturing, distribution, and finance, and to eliminate the common method bias problem, the dependent variable was measured using peer evaluation. The results of this study showed that: 1) both transformational leadership and organizational justice had a significant positive effect on work engagement and significant negative effect on psychological contract breach; and 2) psychological contract breach played a partial mediating role in the relationship between transformational leadership and work engagement as well as between organizational justice and work engagement. One of the major components of transformational leadership is its ethical dimension (Vlachos et al., 2013).

The transformational leader engenders trust, interconnectedness, and goal alignment (Behery et al., 2012), it causes employees to be engaged (Obuo-bisa-Darko & Ameyaw Domfeh, 2019; Wang & Hsieh, 2013). This positive relation gets improved when employees perceive their psychological contract has been fulfilled and as a result have opportunity to advance, fairly treated and have secure working conditions (Ahmad & Zafar, 2018; Ahmad et al.,

2018). This will lead to a trusting relationship and consequently, to the enhanced feeling of PCF. It is therefore hypothesized that:

H4; Psychological contract will significantly mediate the relation between transformation leaders and employees' engagement.

3 Methodology

This study employs a quantitative cross-sectional study approach. This quantitative approach was chosen because it was original research, conducted in an unbiased objective manner where the researchers decided upon the questions to ask, collected quantitative data, and analyzed it statistically (Creswell, 2011). The study's population entailed all employees working in the public sector specifically in Greater Accra Region, Ghana. The public sector was chosen due to the frequent complaints regarding challenges which stimulates from the failure on the part of leaders to engage public servants in decision making as well as complying to agreed-upon promises (Akkaya, 2020).

In sampling of the organizations for the study, purposive sampling was adopted initially, where the public sector institutions were selected. Due to the difficulty in identifying the HR Directors of the public sector institutions, snowball sampling technique was employed. Beginning with one or more research participants, snowball sampling spreads outward based on recommendations from others. Using the purposive and snowball sampling technique, the study firstly recruited senior officers of the HR department who then recruited other employees for the study. Survey questionnaire was prepared, and administered to the employees. We first contacted organizations to gain access and explain to the HR department of each organization the purpose and scope of the project, ensuring confidentiality and voluntary participation. The questionnaire comprised 29 items measuring transformational leadership, employee engagement as well as demographic characteristics such as age, gender, educational level, industry, position and length of employment. A total of 350 questionnaires were sent and a total of 247 completed questionnaires were returned, yielding a response rate of 70.57%.

Rafferty and Griffin's (2004) scale was used to measure transformational leadership. The original scale is comprised 15 items, however, the study used 9 items in assessing the dimensions of inspirational communication, intellectual stimulation, personal recognition, supportive leadership and vision (Rafferty & Griffin, 2004). Employee engagement was measured using 9 items using the Utrecht Work Engagement Survey-9 items (UWES-9) (Schaufeli, et al., 2002). which comprised 3 items each assessing employees' vigor, dedication and absorption. Finally, we used Raja, Johns, and Ntalianis (2004) 18-item scale to measure psychological contract, 5 items were selected from the 18-item scale. All Participants indicated their responses on a five-point Likert scale with anchors (1) strongly disagree to (5) strongly agree.

Hypotheses were tested by means of structural equation models with maximum likelihood estimation using Stata 15 software. First, we investigated the fit of the measurement model by means of exploratory factor analysis (EFA). Before fitting the structural models, we checked reliability of the variable using

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Cronbach alpha and composite reliability since these: Cronbach alpha (1951) and Composite reliability, have been acknowledged as the most recommended measures of reliability in the scientific literature. From 0 to 1, the value of alpha will fluctuate, and the closer it is to 1, the more trustworthy the signal is. Most recent studies have concluded that a reliability range of 0.50–0.60 is appropriate, but that a reliability coefficient of 0.7 or higher is desirable (Hair et al., 2014). The study employed, Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity and finally communalities before conducting the structural equation model. The Kaiser-Meyer-Olkin (KMO) test determines if the data is appropriate for factor analysis. The Bartlett's Test of Sphericity is a null hypothesis test that looks for an identity matrix in the correlation matrix, which gives the bare minimum for factor analysis to proceed (AskingGlof, 2020). Hair et al. (2009) recommends a value of >0.50 for the measure of sampling adequacy (KMO). When the KMO test and Bartlett's test of sphericity are significant, Hair et al. (2010) recommended that factor analysis can be used. It can be observed from table. All values are less than 0.50. Child (2006) suggests that value of communality below 0.2 should be removed, and this was done.

4 Conceptual Framework

The study identifies the relationships between the transformational leadership, and employee engagement, with psychological contract mediating.

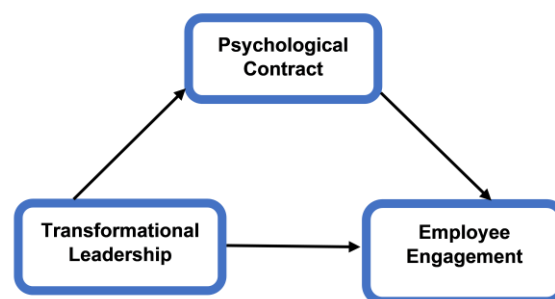


Figure 1: shows the conceptual model for the study
Authors' construct, 2022

5 Results

Table 1: Demographic profile of respondents

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	Frequency	Percentage
Gender		
• Male	138	55.9
• Female	109	44.1
Age		
• 18-25	65	26.3
• 26-33	92	37.2
• 34-41	52	21.9
• 42+	36	14.6
Educational level		
• SHS	71	28.7
• Training college	55	22.3
• Diploma	62	25.1
• 1 ST Degree and above	59	23.9
Industry		
• Manufacturing	57	23.1
• Finance	68	27.5
• Service	24	9.7
• Other	98	39.7
Position		
• Junior Staff	223	90.3
• Senior Staff	24	9.7
Length of employment (years)		
• Less than 1	44	17.8
• 1-3	86	34.8
• 4-6	62	25.1
• 7 and above	55	22.3

Source: Author's work, 2022

Table 1 shows majority of respondents (55.9%) were males while 44.1% were females. In terms of age, majority (37.2%) were between ages 26 to 33 years, while minority 14.6% were 42 years and above. With respect to educational level, 28.7% representing majority held SHS certificate, and 22.3% representing minority holds training college certificate. In relation to public sector industry, a vast majority (39.7%) are from other department while minority (9.7%) are from the finance department Also, a vast majority (90.3%) were junior staff with 9.7% were senior staff. Finally, a larger percentage (34.8%) of the respondents have been in the public sector for 1 year to 3 years while a handful of 17.8% have been in the public sector for less than a year.

5.1 Assessment of measurement model

The 3 constructs were assessed using reliability test (Cronbach alpha) and exploratory factor analysis by employing KMO and Bartlett's test and finally communality test. The findings are illustrated in Table 2, (Table 3 and Table 4 respectively).

Table 2. Reliability Test

Variable Contract	Items	Cronbach Alpha
Psychological contract (PC)	5	76.8
Employee engagement (EmpEng)	3	74.6
Transformational leadership (TL)	9	97.0

In Table 2, the Cronbach alpha value ranges from 74.6 to 97.0 which is above the acceptable reliability threshold of 0.7 (Hair et al., 2014). Details in Table 3 indicates, the KMO and Bartlett's test was conducted, and revealed the findings of the 3 constructs. The test of Kaiser-Meyer-Olkin and Bartlett's ($\chi^2 = 752.461$, KMO = 0.526, df = 10, p < 0.000), ($\chi^2 = 3792.355$, KMO = 0.632, df = 36, p < 0.000) and ($\chi^2 = 189.762$ KMO = 0.530, df = 3, p < 0.000) for PC, TL and EmpEng respectively, seen in Table 3 applicability and appropriateness of the factor analysis (Hair et al., 2010). The communality values (Table 4) of the variables of the 3 constructs. To improve the fitness, some scale items were dropped systematically to ensure the deletion of each item was necessary. Table 4 shows the 16 items which achieved the best fit indices and used for analysis after dropping those (Child, 2006).

Table 3: KMO and Bartlett's Test

		PC	TL	EmpEng
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.561	.632	.530
Bartlett's Test of Sphericity	Approx. Chi-Square	752.461	3792.355	189.762
	Df	10	36	3
	Sig.	.000	0.000	.000

Table 4: Communalities

Variable	Items	Communalities
PC	PC1	.170
	PC2	.944
	PC3	.942
	PC4	.550
	PC5	.520
EmpEn	EME1	.392
	EME2	.390
	EME3	.589
TLeadership	TL1	.922
	TL2	.984
	TL3	.991
	TL4	.973
	TL5	.945
	TL6	.988
	TL7	.989
	TL8	.993
	TL9	.989

5.2 Assessment of Structural Equation Model

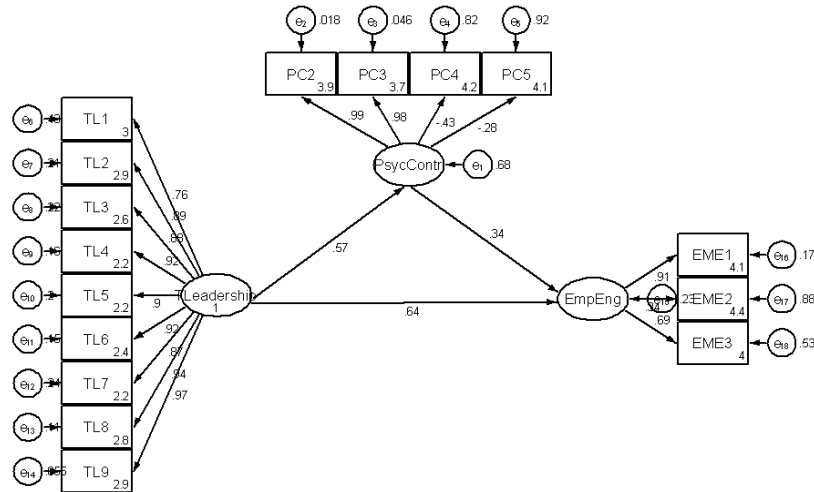


Figure 2: Structural diagram

The result of the hypothesis test indicated that transformational leadership had a positive significant relationship toward psychological contract (Beta = 0.57; p-value = 0.000) and also towards employee engagement (Beta = 0.64; p-value = 0.000). Psychological contract had a positive significant relationship towards employee engagement (Beta = 0.34; p-value = 0.000). Psychological contract positively mediates the relationship between transformational leadership and employee engagement (Beta = 0.23; p-value = 0.000). This shows H₁, H₂, H₃ and H₄ were accepted as seen in Table 5.

Table 5: Coefficient of variables

	Beta	Z	P
H1, TLeadership -> PsycContr	0.57	11.43	0.000
H2, TLeadership -> EmpEng	0.64	12.49	0.000
H3, PsycContr -> EmpEng	0.34	5.65	0.000
H4, TLeadership -> PsycContr -> EmgEng	0.23	4.714	0.000

6 Discussion

Leaders play a significant role in the psychological conditions which influence employee attitudes and performance (Erkutlu & Chafra, 2013; Philipp & Lopez, 2013). Results indicate that transformational leadership plays a major role in psychological contract in the public sector of Ghana which support our first hypothesis. Therefore, adopting transformational leadership style in the public sector will result in improved psychological contracts fulfilment perception for employees (Beta = 0.57; p-value = 0.000) Transformational leaders through their actions of encouraging new innovative ideas increase the feeling of improved PCF (Ahmad et al., 2018). From the JD-R theory's perspective, every work comprises demands in addition to resources, (Demerouti et al., 2001; Bakker & Demerouti, 2007). The job demands calls for ongoing effort and therefore a certain degree of psychological and physical effort (Bakker & YEAR; Demerouti, 2017). Job resources, on the other hand, refer to elements of a job that promote personal development and assist in achieving professional goals (Demerouti et al., 2001). The transformational leader is known to focus on the needs of others than self-interest (Lee et al., 2018; Mencl et al., 2016) and so provides the needed resources of the job which helps to promote employee's development to achieve their goals as espoused by the JD-R theory. As a result of this, employees' psychological contract is fulfilled since the leader would have given these employees the opportunity for advancement (Ahmad & Zafar, 2018).

Leadership development activities have emerged as increasingly important in promoting employee engagement (Bal, De Cooman, & Mol, 2013; Bass et al., 2016; Guest, 2014; Schmitt, et al., 2016; Tims, et al., 2011; Aftab et al., 2022). Outcome of this study shows that transformational leadership result in employee engagement (Beta = 0.64; p-value = 0.000) supporting our second hypothesis. This implies when leaders in the public sector of Ghana exhibit transformational leader style, it leads to improvement in employee engagement. This finding supports results of researchers ((Caniëls et al., 2018; May et al., 2004; Aftab et al., 2022). From the theoretical perspectives, that is the JD-R theory, employees work is characterized by elements that call for putting in efforts and therefore psychological and physical (Breevaart et al., 2013; Breevaart & Bakker, 2018). The transformational leader is known to inspire individuals communicate and recognize efforts (Rafferty & Griffin, 2004; Yukl, 2006). This motivates the employees to reciprocate as the SET posit by working with vigour, dedication and absorption. This explains when subordinates face high challenge demands, everyday transformational leadership behavior promotes employee job engagement (Breevaart & Bakker, 2018).

Engaged employees do not only make full use of the available job resources, but they also create their own resources to stay engaged (Bakker et al., 2012). They are therefore seen as one of the key determinants fostering high levels of employee performance. This is as a result of their devotion of time and effort (vigour), seeing their work to be significant and meaningful to pursue (dedication) and interesting and engrossing (absorption) (Bakker et al., 2012). Employee engagement refers to "an individual's cognitive, emotional,

and behavioral state directed toward desired organizational outcomes" (Shuck & Wollard, 2010). These characteristics such as, being optimistic, self-efficacious, positive attitude, high activity level, create their own positive feedback in terms of appreciation, recognition, and success (Bakker, 2009), prevail if employees perceive their organizations are meeting their expectation (Morrison & Robinson, 1997, p. 226). In this current study, employees at the public sector acknowledge the existence or fulfilment of psychological contract and this had led their engagement, supporting the third hypothesis, t (Beta = 0.34; p -value = 0.000). This confirms Bal, De Cooman, and Mol, (2013) assertion that, psychological contract fulfilment relates to higher work engagement. Therefore, employee engagement levels are impacted if there is a breach in this. These results can be explained from the Social exchange theory's perspective. According to the theory, which is predicated on the notion of reciprocity, when one person helps, the other feel obliged to do same (Coyle-Shapiro & Kessler, 2002). Thus, when employees perceive a fulfilment of psychological contract, they tend to reciprocate by directing their cognitive, emotional and behavioral efforts to meet expectations.

Results show that, there exist a fulfilment of psychological contract among employees in the public sector of Ghana, and this fulfilment has contributed to the positive relationship between transformational leadership and employee engagement (Beta = 0.23; p -value = 0.000). Employees expect that their organizations would not only provide them safe working conditions, but they also expect that these organizations would fulfill their social responsibilities. One of the major components of transformational leadership is its ethical dimension (Kanungo, R. N. (2001). These according to them are judged based on their motives and assumptions. This influences them to have a strong set of internal values and ideals, and are effective in motivating followers to act in ways that support the greater good rather than their own self-interests (Armstrong & Muenjohn, 2008). This results in building a trusting relationship between the leader and his subordinates and consequently, enhanced feeling of PCF (Khan & Khan 2022). According to social exchange theory, social exchange is a process of mutually agreed-upon trades between parties while social behavior is the outcome of an exchange process. Therefore, as connections between leaders and workers develop, certain reciprocal duties, such as psychological significance, safety, availability are created as the leaders demonstrate true personal recognition or supportive leadership (Zhu et al., 2009). Therefore, as the transformational leader engender trust, interconnectiveness and goal alignment (Behery et al., 2012), it causes employees to be engaged (Obuobisa-Darko & Ameyaw Domfeh, 2019; Wang & Hsieh, 2013). This positive relation gets improved when employees perceive their psychological contract has been fulfilled and as a result have opportunity to advance, fairly treated and have secure working conditions (Ahmad & Zafar, 2018; Ahmad et al., 2018).

7 Conclusion

Managers' attitudes and conduct toward workers are influenced by their leadership abilities. Transformational leaders are the "perfect individuals" to have during substantial organizational change. Workers who feel the need to be inspired and empowered respond favorably to the emotive and charismatic aspects of transformational leadership. Based on the study finding, employees at the public sector institution in Ghana admits the existence of transformational leadership which plays a significant impact on psychological contracts as well as employee engagement. Psychological contract fulfilment creates room for improved relationship between transformational leadership and employee engagement

8 Limitation and Future Studies

The study was limited to transformational leadership in relation to psychological contract fulfilment and employee engagement. The researchers adopted a cross-sectional design with some weaknesses. In future studies, longitudinal research design may be helpful to clarify the different time effect on the outcome variable and make the result more justifiable and stronger. Again, the study adopted quantitative approach where respondents were limited to choices in specific answers. Future research can explore the use of mixed method or qualitative approach. The study focused on only the public sector. Since different sectors have different characteristics, future studies may consider a comparative study to look at the private and public sector organizations.

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