

# A Systematic Literature Review of Transformational Leaderships Impact on Employee Engagement in CSR Activities within MNCs

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**Abstract:** Employee engagement in corporate and social responsibility (CSR) activities has become an essential component for corporate success and excellence in today's competitive business world. Transformational Leaders encourage greater participation in the work as a result of their subordinates, leading in increased efficiency and, total employee satisfaction improves. For any organization's success, both leadership and engagement are important. Employee engagement is one of the most studied topics and so is Leadership. However, together their relationship has not been explored much specially with respect to mediating effect of employee engagement in MNCs. Transformational leadership entails individualized consideration, recognition and motivation among other aspects. There is no doubt that transformational leadership contributes to employee engagement more than transactional leadership does. Following its effectiveness, multinational corporations (MNCs) in India use transformational leaders to attain competitive advantage in the context of rising employee engagement in CSR activities. This review paper aims to improve our understanding of the relationship between transformational leadership style and its impact on employee involvement by doing a systematic literature review. 40 articles were selected for examination following careful screening through databases like Scopus, Web of Science, PubMed, ProQuest, and Google Scholar. Peer-reviewed journal articles, conference papers, and reputable industry reports were inclusion criteria that published between 2015 and 2023. Non-peer-reviewed articles, opinion pieces, and editorials as the exclusion criteria. The findings emphasised the need for additional research into how all of these variables interact in CSR activities industries.

**Keywords:** Transformational Leadership, Employee Engagement, CSR, Organization Culture, Literature review.

## 1. Introduction

Organisation is a human grouping and human resource is the most important resource for any organisation. Therefore, no organisation can afford to ignore the importance of human wealth. With time, the complexities of organisation and the environment in which organisation is functioning are increasing manifold, leading to enhanced focus on Transformational Leadership and Engaged Workforce. Transformational leadership is associated with employee engagement in a variety of companies, ranging from service organizations [1-3]. According to several studies, transformational leadership, which includes coaching, constructive feedback, and individualised support, is a crucial factor in improving employee engagement [4-6]. Furthermore, transformational leadership is seen as an important job resource because it provides social support, which is linked to employee engagement [7]. As a result, factors such as transformational leadership should be considered and further investigated, as transformational leaders aim to foster employee engagement to bring the organisation closer to its desired vision [8-10], and who would bring better financial performance [11].

Turnover and burnout are quite common in the airline business, which is costly to the carriers [12-13]. Employee engagement is a desirable goal for every airline since it is an emotional motivating measure of work-related well-being [14], which has an opposite relation with both burnout and turnover [15-17]. Few research, however, have looked at the factors that influence work engagement among airline personnel [18,19]. As previously stated, evidence suggests that transformational leadership is a strong predictor of employee engagement [20-22], still there is very limited research relating the two in context of Airline industry. In this regard, it is claimed that there is little study on employee

engagement in the airline business [23], hence the current paper is important since it tries to explore this idea in order to acquire a better knowledge of the issue. Furthermore, much of the research on the positive impact of transformational leadership on employee engagement has concentrated on the health sector [24], education [25,26], financial services [27,28], and consulting firms [29]. The research paper seeks to build on and extend previous studies that demonstrate a beneficial association between Transformational leadership and employee engagement, but in a different environment and with mediating effect of Culture and Organisational Citizenship Behaviour. Thus, this work tries to go beyond previous research and provide practical implications for airline management in particular and to see how transformational leadership affects employee engagement in the aviation industry.

Table 1: Lists the study variables and their definitions as provided in the literature.

Table 1 Variables included in the study and their Definitions.

Variable	Definition	Components	Reference
Transformational Leadership Perception (TLP) (Independent Variable)	Transformational Leadership Perception (TLP) is the interpretation of transformational leadership traits within an organization. It involves understanding how leaders raise awareness among	<ul style="list-style-type: none"> <li>- Idealized Influence</li> <li>- Inspiration Motivation</li> <li>- Charisma</li> <li>- Intellectual</li> <li>- Stimulation</li> <li>- Individual Consideration</li> </ul>	[1-4]

	colleagues or followers about important aspects.		
Employee Participation in CSR Activities (EPCA) (Independent Variable)	Employee Participation in CSR Activities (EPCA) refers to employees' active engagement in corporate social responsibility initiatives within an organization.	<ul style="list-style-type: none"> <li>- Volunteerism</li> <li>- Engagement</li> <li>- Advocacy</li> <li>- Innovation</li> <li>- Alignment</li> <li>- Dedication</li> </ul>	[5,10]
Company Type (CT) (Independent Variable)	Company Type (CT) categorizes organizations based on factors like industry sector, ownership, size, geography, and legal structure.	<ul style="list-style-type: none"> <li>- Industry Sector</li> <li>- Ownership Structure</li> <li>- Size</li> <li>- Geographic Scope</li> <li>- Legal Structure</li> </ul>	[4,13]
Employee Demographic Information (EDI) (Independent Variable)	Employee Demographic Information (EDI) comprises data on workforce composition based on age,	<ul style="list-style-type: none"> <li>- Age</li> <li>- Gender</li> <li>- Ethnicity</li> <li>- Education Level</li> <li>- Marital Status</li> <li>- Tenure</li> </ul>	[6-8]

	gender, ethnicity, education, marital status, tenure, and job roles	- Job Role	
Employee Engagement (EE) (Dependent Variable)	Employee Engagement (EE) reflects the level of commitment, motivation, and involvement employees have towards their work and organization.	- Emotional Commitment - Motivation - Involvement - Job Satisfaction - Alignment with Organizational Goals	[2,5,10]
Employee Job Satisfaction (EJS) (Dependent Variable)	Employee Job Satisfaction (EJS) denotes the level of fulfillment and contentment employees experience in their roles within an organization.	- Work Content - Compensation - Career Development - Work-Life Balance - Relationships - Organizational Culture	[2,10,13]
Organization Culture (OC) (Mediating Variable)	Organization Culture (OC) refers to the shared values, beliefs, norms, and	- Values - Norms - Behaviors - Symbols - Language	[15,18,22]

	behaviors that characterize the social environment within an organization.	- Leadership Style	
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## 2. Transformational Leadership Perception (TLP)

Transformational Leadership Perception (TLP) encapsulates how individuals interpret and perceive the characteristics and behaviors associated with transformational leadership within organizational contexts. Drawing from existing literature, research suggests that TLP is a multifaceted construct influenced by various factors [4].

Transformational leadership involves inspiring and motivating followers through vision, charisma, and individualized consideration [30]. Transformational leaders are often seen as role models who stimulate their followers' intellectual curiosity and creativity. This leadership style emphasizes moral and ethical dimensions, focusing on collective goals and ethical stewardship [6].

The perception of transformational leadership can be influenced by organizational culture and context. Employees' views on the effectiveness of transformational leadership may depend on how well corporate social responsibility initiatives align with organizational values. Additionally, organizational justice plays a critical role; fair treatment and transparency can enhance the perceived effectiveness of transformational leaders [11].

Individual differences among followers also impact transformational leadership. Personality traits such as openness to experience and conscientiousness can influence how receptive followers are to transformational leadership behaviors. Furthermore, situational factors like task complexity and environmental uncertainty can moderate the relationship between leadership

behaviors and the effectiveness of transformational leadership [9].

Leadership styles refer to the approaches and behaviors that leaders employ to influence and guide their team members towards achieving organizational goals. There are various leadership styles, each with its own characteristics and implications for team dynamics and performance. Some common leadership styles are shown in figure 1.

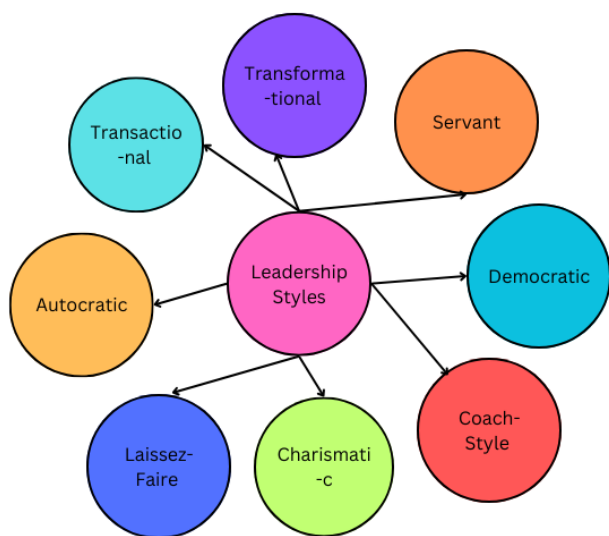


Figure 1: Leadership styles

Transformational leaders inspire and motivate their followers by articulating a compelling vision, fostering enthusiasm, and promoting individual growth and development. Transactional leaders focus on clarifying roles and responsibilities, setting goals, and providing rewards or punishments based on performance. Servant leaders prioritize the well-being and development of their followers, emphasizing empathy, humility, and a commitment to serving others. Democratic leaders involve their team members in decision-making processes, soliciting input, and considering their opinions before making final decisions. Autocratic leaders make decisions independently and exert strict control over their team members, with little input or participation from others. Laissez-faire leaders adopt a hands-off approach, providing minimal guidance or direction to their team members and allowing them to make decisions autonomously. Charismatic leaders possess a compelling

personality and vision, inspiring followers through their enthusiasm, energy, and ability to articulate a clear and inspiring vision. Coach-style leaders focus on developing the skills and abilities of their team members through mentorship, feedback, and support. Each leadership style has its own strengths and weaknesses, and effective leaders often adapt their style based on the specific needs of their team and the circumstances they face. Moreover, the most effective leadership style may vary depending on factors such as organizational culture, team dynamics, and the nature of the task or project at hand.

TLP is a complex construct influenced by various factors, including leadership behaviors, organizational culture, follower characteristics, and situational context. Understanding TLP is essential for organizations aiming to foster effective leadership practices and promote employee engagement and commitment to organizational goals.

### 3. Dimensions and subdimensions of transformational leadership

Transformational leadership is characterized by several core dimensions and subdimensions that describe the behaviours and actions of transformational leaders [5-8, 31-34]. These main dimensions and their subdimensions include:

#### 3.1 Idealized Influence (Attributed and Behavioural)

*Attributed Idealized Influence:* This subdimension refers to the personal charisma and the admiration followers have for the leader. Leaders are perceived as role models.

*Behavioural Idealized Influence:* This involves the leader's actions and behaviors that are consistent with their values and ethical standards. Leaders demonstrate high moral and ethical standards.

#### 3.2 Inspirational Motivation

*Articulation of Vision:* Leaders articulate a clear, appealing, and inspiring vision of the future.

*Communication of High Expectations:* Leaders express confidence that followers can achieve

high standards and provide encouragement and optimism.

### 3.3 Intellectual Stimulation

*Encouraging Innovation:* Leaders stimulate followers to be creative and innovative, encouraging them to think critically and solve problems in new ways.

*Questioning Assumptions:* Leaders challenge assumptions and promote intelligence, rationality, and careful problem-solving.

### 3.4 Individualized Consideration

*Personalized Support:* Leaders provide personalized encouragement and support to each follower, recognizing their unique needs and capabilities.

*Developmental Focus:* Leaders act as coaches or mentors, helping followers achieve their full potential by providing learning opportunities and tailored feedback.

These dimensions collectively enable transformational leaders to inspire and motivate their followers to exceed expectations, fostering a positive and high-performance organizational culture. Each dimension addresses different aspects of leader-follower interactions and contributes to the overall effectiveness of transformational leadership.

## 4. Employee Participation in CSR Activities (EPCA)

Employee participation in corporate social responsibility (CSR) activities (EPCA) serves as an influential independent variable that impacts various organizational and individual outcomes. EPCA involves employees voluntarily engaging in initiatives that aim to contribute to societal and environmental well-being, such as community service projects, environmental sustainability efforts, and ethical labor practices [5,10,32]. The level and nature of employee engagement in these activities can significantly shape multiple aspects of organizational performance and employee well-being.

### 4.1 Organizational Outcomes

*Enhanced Corporate Reputation:* Employee involvement in CSR activities can significantly

enhance the company's public image. When employees actively participate in CSR, they help convey the organization's commitment to social and environmental issues, improving public perception and strengthening brand reputation. This positive image can attract customers, investors, and top talent who value corporate responsibility.

*Improved Organizational Performance:* High levels of employee engagement in CSR activities can lead to better overall organizational performance. Engaged employees often exhibit increased motivation and productivity, contributing to operational efficiency and innovation. CSR participation can also drive a culture of continuous improvement and ethical behaviour, which can enhance business outcomes.

*Talent Attraction and Retention:* Companies that encourage and support employee participation in CSR activities are often seen as more attractive employers. Prospective employees, especially millennials and Gen Z, tend to prefer organizations with strong CSR commitments. Additionally, current employees who engage in meaningful CSR activities are more likely to feel loyal to their employer, leading to higher retention rates and reduced turnover costs.

### 4.2 Employee Outcomes

*Increased Job Satisfaction:* Participation in CSR activities can enhance employees' job satisfaction by aligning their personal values with their professional roles. Engaging in meaningful CSR work provides a sense of purpose and fulfillment, making employees feel that their work contributes to a greater good. This alignment can lead to increased overall job satisfaction and morale.

*Personal and Professional Development:* Employees who participate in CSR activities often gain valuable skills and experiences that contribute to their personal and professional growth. CSR initiatives frequently involve teamwork, project management, leadership, and problem-solving, which can enhance employees' competencies and career prospects.

*Enhanced Employee Engagement:* CSR participation fosters a stronger connection between employees and their organization, leading to higher levels of engagement. When employees feel that their employer is committed

to social and environmental causes, they are more likely to be emotionally and intellectually invested in their work. This heightened engagement can result in better performance, lower absenteeism, and a more positive workplace culture.

## **5. Company Type (CT)**

In the context of corporate social responsibility (CSR) and employee participation, the type of company (CT) serves as a critical independent variable influencing various outcomes, including the extent and nature of employee engagement in CSR activities [4,13,34]. Company type can be categorized based on several dimensions such as industry sector, company size, ownership structure, and geographical presence. Each of these dimensions plays a significant role in shaping the company's CSR strategies and the opportunities it provides for employee involvement.

### **5.1 Industry Sector**

Different industries have varying impacts on society and the environment, which influences their approach to CSR and employee participation. For instance, companies in the manufacturing and energy sectors might focus heavily on environmental sustainability due to their significant environmental footprints. In contrast, service-oriented industries like finance and technology might emphasize community engagement and ethical labor practices. These industry-specific CSR priorities can dictate the types of activities employees are encouraged to participate in and the resources allocated to these initiatives.

### **5.2 Company Size**

The size of the company significantly affects its CSR capabilities and employee participation levels. Large multinational corporations (MNCs) often have more extensive resources and dedicated CSR departments, allowing them to implement comprehensive and well-funded CSR programs. These companies can offer a wider range of CSR activities, from local community projects to global sustainability initiatives, providing ample opportunities for employee involvement. In contrast, small and medium-sized

enterprises (SMEs) may have limited resources but can still foster a strong sense of community and employee engagement through localized and focused CSR efforts.

### **5.3 Ownership Structure**

The ownership structure of a company—whether it is publicly traded, privately held, or a family-owned business—also impacts its CSR approach and employee participation. Publicly traded companies may prioritize CSR to enhance their corporate reputation and meet the expectations of diverse stakeholders, including investors, customers, and regulators. They often have formalized CSR policies and programs that encourage broad employee participation. Private and family-owned businesses, while possibly having fewer formalized CSR programs, might engage in CSR activities driven by personal values and long-term community relationships, fostering a culture of employee involvement through more intimate and direct engagement.

### **5.4 Geographical Presence**

The geographical presence of a company, especially for MNCs, influences its CSR activities and employee engagement. Companies operating in multiple countries must navigate various cultural, regulatory, and socio-economic contexts, which can shape their CSR strategies. MNCs often implement global CSR frameworks while allowing local adaptations to address specific regional needs and opportunities. This dual approach can enhance employee participation by making CSR activities more relevant and impactful for employees in different locations.

The type of company determines the scope, nature, and resources dedicated to CSR activities, which in turn influence employee participation. Employees in larger, resource-rich companies may have more structured opportunities and incentives to engage in CSR. In contrast, employees in smaller firms might participate in more personalized and community-focused initiatives. Additionally, the industry sector can shape employees' perceptions of CSR importance and their willingness to engage, as seen in sectors with direct environmental impacts versus those more focused on social issues. The company type

as an independent variable significantly shapes the CSR landscape and the level of employee participation in CSR activities. Understanding these dynamics helps organizations tailor their CSR strategies to maximize employee engagement, leveraging their specific industry characteristics, size, ownership structure, and geographical presence to create meaningful and effective CSR programs.

## **6. Employee Demographic Information (EDI) as an Independent Variable**

Employee Demographic Information (EDI) is a critical independent variable that significantly influences various organizational dynamics, including employee participation in corporate social responsibility (CSR) activities. EDI encompasses attributes such as age, gender, educational background, tenure, cultural background, and job level. These demographic factors can shape employees' perspectives, motivations, and behaviors, impacting their engagement in CSR activities and other organizational outcomes.

### **6.1 Age**

Different age groups may have varying attitudes towards CSR. Younger employees, particularly Millennials and Generation Z, often prioritize CSR and sustainability more than older generations. They are generally more motivated to engage in CSR activities as they seek purpose and value alignment in their work. Conversely, older employees might participate in CSR activities due to a sense of duty or to set an example for younger colleagues, although their participation levels might vary based on personal interests and career stages.

### **6.2 Gender**

Gender can influence the type and extent of participation in CSR activities. Studies have shown that women are often more engaged in CSR activities, particularly those related to community welfare and social causes. This difference may stem from varying socialization experiences and gender norms that encourage women to be more community-oriented and empathetic.

### **6.3 Educational Background**

Employees with higher educational levels may have greater awareness and understanding of CSR issues, leading to higher participation rates in CSR activities. Educated employees are more likely to recognize the importance of CSR and be knowledgeable about its benefits to society and the environment, motivating them to contribute actively.

### **6.4 Tenure**

The length of time an employee has been with an organization can also impact their participation in CSR activities. Long-term employees who are more familiar with the company's culture and values might feel a stronger connection to CSR initiatives. Conversely, new employees might engage in CSR activities as a way to integrate and build relationships within the organization.

### **6.5 Cultural Background**

Cultural diversity within an organization can lead to a variety of perspectives on CSR. Employees from different cultural backgrounds may have unique motivations and approaches to CSR based on their cultural norms and values. For example, employees from cultures that emphasize collectivism and community welfare might be more inclined to participate in CSR activities that benefit the broader community.

### **6.6 Job Level**

An employee's position within the organizational hierarchy can influence their involvement in CSR activities. Senior-level employees might participate in CSR as part of strategic initiatives and leadership roles, whereas entry-level employees might engage more in hands-on activities. Middle managers often play a crucial role in bridging the gap between strategic CSR initiatives and operational execution, facilitating broader employee participation.

## **7. Employee Engagement (EE) as a Dependent Variable**

Employee Engagement (EE) represents a crucial dependent variable influenced by various organizational factors, including corporate social responsibility (CSR) activities. EE refers to the emotional and intellectual commitment

employees have towards their work and organization, leading to higher levels of motivation, productivity, and satisfaction. The extent to which employees are engaged directly impacts organizational performance, retention rates, and overall workplace culture. CSR activities play a significant role in shaping EE by providing opportunities for employees to connect with their work, colleagues, and the organization's broader mission and values.

### **7.1 Sense of Purpose and Meaningful Work**

Participation in CSR activities often provides employees with a sense of purpose and meaning in their work. Engaging in activities that contribute to societal or environmental well-being allows employees to see the tangible impact of their efforts, fostering a deeper connection to their job and organization. This sense of purpose enhances EE by instilling a sense of pride and fulfilment in employees' contributions.

### **7.2 Alignment of Values**

CSR activities that align with employees' personal values can significantly impact EE. When employees perceive that their organization shares their commitment to social and environmental causes, they are more likely to feel emotionally invested in their work. This alignment of values strengthens the psychological contract between employees and the organization, leading to higher levels of engagement.

### **7.3 Opportunities for Collaboration and Social Connection**

Participating in CSR activities often involves teamwork, collaboration, and social interaction. Employees working together towards a common goal develop stronger relationships and a sense of camaraderie, which enhances EE. Collaborative CSR initiatives promote a positive work environment characterized by trust, respect, and mutual support, fostering higher levels of engagement among employees.

### **7.4 Recognition and Reward**

Recognition for CSR contributions can significantly impact EE. When employees receive acknowledgment and appreciation for their efforts in CSR activities, they feel valued and respected

by their organization. This positive reinforcement reinforces their commitment to the organization and encourages continued engagement in CSR initiatives.

### **7.5 Personal Growth and Development**

Participation in CSR activities offers opportunities for personal growth and development, which contributes to EE. Employees acquire new skills, experiences, and perspectives through their involvement in CSR initiatives, enhancing their sense of competence and self-efficacy. This continuous learning and development foster a sense of progress and fulfilment, leading to higher levels of engagement.

## **8. Employee Job Satisfaction (EJS) as a Dependent Variable**

Employee Job Satisfaction (EJS) represents a critical dependent variable influenced by various organizational factors, including corporate social responsibility (CSR) activities. EJS refers to the extent to which employees are content with their jobs, including aspects such as work environment, compensation, relationships with colleagues, and opportunities for growth and development. High levels of job satisfaction are associated with increased productivity, lower turnover rates, and better overall organizational performance. CSR activities can significantly impact EJS by contributing to a positive work environment, fulfilling employees' intrinsic needs, and aligning with their values and beliefs.

### **8.1 Sense of Fulfilment and Meaningful Work**

Participation in CSR activities often provides employees with a sense of fulfilment and meaningful work. Engaging in activities that contribute to societal or environmental well-being allows employees to see the positive impact of their efforts, which can enhance their sense of purpose and satisfaction with their jobs. Contributing to meaningful causes through CSR activities fulfils employees' intrinsic needs for purpose and significance, leading to higher levels of job satisfaction.

### **8.2 Perceived Organizational Support**



When organizations prioritize CSR initiatives, employees perceive that their employer cares about societal and environmental issues beyond profit-making. This perception of organizational support for CSR activities fosters a positive psychological contract between employees and the organization, leading to higher levels of job satisfaction. Employees feel valued and appreciated by their organization, which enhances their overall satisfaction with their jobs.

### **8.3 Opportunities for Skill Development and Growth**

Participating in CSR activities offers employees opportunities for skill development and personal growth, which can contribute to job satisfaction. Employees who engage in CSR initiatives acquire new skills, experiences, and perspectives that enhance their professional development. The opportunity to learn and grow within the organization increases employees' satisfaction with their jobs and enhances their commitment to the organization.

### **8.4 Social Connection and Teamwork**

CSR activities often involve teamwork, collaboration, and social interaction, which can contribute to job satisfaction. Employees who work together towards a common CSR goal develop stronger relationships and a sense of camaraderie, leading to higher levels of job satisfaction. Collaborative CSR initiatives create a positive work environment characterized by trust, support, and mutual respect, which enhances employees' satisfaction with their jobs.

### **8.5 Recognition and Reward**

Recognition for CSR contributions can significantly impact job satisfaction. When employees receive acknowledgment and appreciation for their efforts in CSR activities, they feel valued and respected by their organization. This positive reinforcement reinforces employees' sense of worth and contribution to the organization, leading to higher levels of job satisfaction.

## **9. Organizational Culture (OC) as a Mediating Variable**

Organizational Culture (OC) serves as a significant mediating variable in the relationship

between corporate social responsibility (CSR) activities and both employee engagement (EE) and employee job satisfaction (EJS). OC encompasses the shared values, beliefs, norms, and practices that shape the behavior and attitudes of employees within an organization. It influences how CSR initiatives are perceived, embraced, and integrated into the organizational fabric, ultimately impacting employee engagement and job satisfaction.

### **9.1 Values Alignment**

Organizational culture determines the extent to which CSR activities align with the values and beliefs of employees. A culture that prioritizes social responsibility and ethical conduct fosters greater support and participation in CSR initiatives. Employees are more likely to engage in CSR activities when they perceive them as consistent with the organization's values and mission, enhancing both EE and EJS.

### **9.2 Norms and Expectations**

Organizational culture establishes norms and expectations regarding CSR engagement. In cultures that promote collaboration, innovation, and social impact, employees are encouraged to actively participate in CSR activities. Conversely, in cultures that prioritize individualism or short-term financial performance, CSR engagement may be less emphasized, leading to lower levels of EE and EJS.

### **9.3 Leadership Influence**

Organizational culture shapes the leadership style and behaviours exhibited by managers and executives regarding CSR. Leaders who champion CSR initiatives and embody socially responsible values set the tone for organizational culture. Their support and advocacy for CSR activities encourage employees to view CSR as integral to the organization's identity, fostering higher levels of EE and EJS.

## **10. Methodology**

The methodology follows a systematic literature review (SLR) approach to synthesize existing research on the impact of transformational leadership on employee engagement in CSR activities within multinational corporations

(MNCs). This approach ensures a comprehensive, unbiased collection and analysis of relevant studies. By systematically identifying, evaluating, and integrating the findings from multiple studies, the SLR provides a robust understanding of how transformational leadership influences CSR engagement among employees in the complex context of MNCs.

### 10.1 Research Questions

The review is guided by three primary research questions: How does transformational leadership influence employee engagement in CSR activities within MNCs? What are the key mechanisms through which transformational leadership impacts employee engagement in CSR? What are the contextual factors within MNCs that moderate this relationship? These questions aim to uncover the dynamics of leadership and engagement, identify underlying mechanisms, and explore the unique conditions within MNCs that may affect these relationships.

### 10.2 Search Strategy

The search strategy involves a comprehensive search of multiple databases to gather relevant literature. Academic databases such as Scopus, Web of Science, PubMed, ProQuest, and Google Scholar will be utilized to cover a broad range of academic journals and conference papers. Additionally, business-specific databases like Business Source Complete and Emerald Insight will be included to ensure coverage of industry-specific research and reports.

To identify pertinent studies, a combination of specific search terms will be used. Key terms include "transformational leadership," "employee engagement," "corporate social responsibility" or "CSR," and "multinational corporations" or "MNCs." Boolean operators (AND, OR) will be applied to combine these keywords effectively and refine the search results.

### 10.3 Inclusion and Exclusion Criteria

The inclusion and exclusion criteria are designed to ensure the selection of high-quality and relevant studies. Inclusion criteria encompass peer-reviewed journal articles, conference papers, and reputable industry reports. The studies must

be published in English, focus on transformational leadership, employee engagement, and CSR within the context of MNCs, and be published between 2000 and 2023 to capture recent developments in the field.

Conversely, the exclusion criteria will filter out non-peer-reviewed articles, opinion pieces, and editorials, as well as studies that do not explicitly address the intersection of transformational leadership, employee engagement, and CSR. Additionally, articles focusing on single-country organizations that do not operate as MNCs will be excluded to maintain the review's focus on multinational contexts. This stringent selection process ensures the review's relevance, quality, and applicability to the research questions.

## 11. Results

The literature review was divided into 6 aspects of the study as shown in the research framework below. While doing the systematic review, the researcher tried to find answers for four questions which became guidelines for the discussion

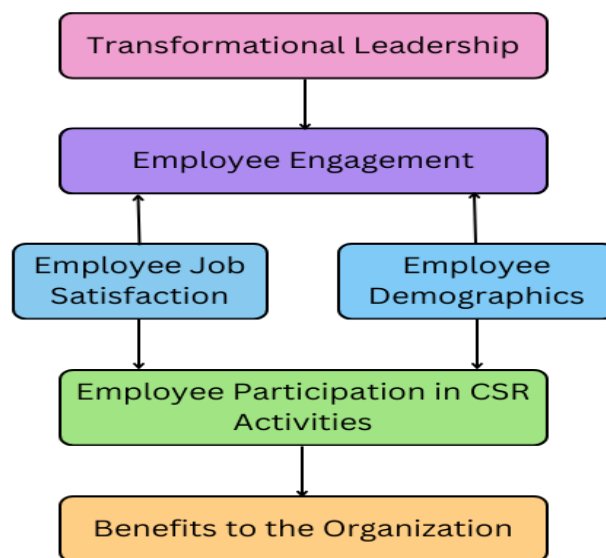


Figure 2: Research Framework Visualization

This research framework visualization as shown in figure 2 integrates various factors influencing employee participation in CSR activities and the resulting benefits for both employees and organizations. The framework draws on discussions about transformational leadership, employee engagement, job satisfaction,

organizational culture, and demographic influences to provide a comprehensive understanding of how these elements interact and contribute to CSR participation.

### **11.1 Transformational Leadership (TL)**

*Inspiration and Motivation (IM):* Transformational leaders inspire employees to engage in CSR by communicating a compelling vision and the importance of social responsibility. *Intellectual Stimulation (IS):* Leaders encourage innovative approaches to CSR activities, fostering a culture of continuous improvement and creativity.

*Individualized Consideration (IC):* Leaders recognize and support individual employee contributions to CSR, enhancing personal growth and job satisfaction.

### **11.2 Employee Engagement (EE)**

*Sense of Purpose (SP):* CSR activities align with employees' values, increasing their sense of purpose and engagement.

*Personal Fulfilment (PF):* Participation in meaningful CSR projects enhances employees' overall job satisfaction and connection to the organization.

*Recognition and Reward (RR):* Acknowledging and rewarding CSR participation boosts employee morale and further engagement.

### **11.3 Employee Job Satisfaction (EJS)**

*Positive Work Environment (PWE):* A supportive and inclusive workplace encourages employees to participate in CSR activities, leading to higher job satisfaction.

*Enhanced Loyalty (EL):* Satisfied employees are more likely to be loyal and committed to the organization, contributing to sustained CSR efforts.

### **11.4 Organizational Culture (OC)**

*Supportive Culture (SC):* A culture that values social responsibility and ethical behaviour fosters employee participation in CSR.

*Collaboration and Teamwork (CT):* Promoting teamwork in CSR initiatives enhances employee engagement and job satisfaction.

*Alignment with Values (AWP):* Ensuring that CSR activities align with organizational and employee

values strengthens overall participation and commitment.

### **11.5 Employee Demographic Information (EDI)**

*Age, Gender, and Education (AGE):* Demographic factors influence the likelihood of CSR participation, with younger, more educated, and gender-diverse workforces typically showing higher engagement.

*Tenure and Experience (TE):* Employees with longer tenure and greater experience may have a deeper connection to the organization and be more inclined to participate in CSR activities.

### **11.6 Benefits to the Organization**

*Improved Public Image (IPE):* Active CSR participation enhances the company's reputation and attractiveness to stakeholders.

*Increased Loyalty and Retention (ILR):* Engaged and satisfied employees are more likely to stay with the organization, reducing turnover costs.

*Enhanced Performance (EP):* A cohesive culture and motivated workforce contribute to better overall organizational performance.

### **Discussion A: How Transformational Leadership Impacts Employee Engagement?**

Transformational leadership, characterized by inspiration, intellectual stimulation, individualized consideration, and idealized influence, profoundly impacts employee engagement. Leaders who demonstrate these traits foster a supportive and motivating work environment, encouraging employees to go beyond their regular duties and actively engage in their work. This leadership style promotes a sense of purpose and belonging among employees, leading to higher levels of commitment, satisfaction, and overall engagement. Transformational leaders effectively communicate the organization's vision, aligning employees' personal goals with organizational objectives, thereby increasing motivation and engagement.

### **Discussion B: How does employee participation in CSR activities benefit both the employees and the organization**

Employee participation in CSR activities benefits both employees and the organization in several significant ways. For employees, engaging in CSR initiatives such as community service and environmental sustainability projects fosters personal growth, enhances job satisfaction, and strengthens their connection to the organization. These activities provide a sense of purpose and fulfilment, contributing to higher levels of employee engagement and loyalty. For the organization, encouraging employee involvement in CSR can improve its public image, attract and retain talent, and boost overall organizational performance. Additionally, a strong CSR program can lead to increased employee morale and a more cohesive corporate culture, ultimately driving the company's success and sustainability.

#### **Discussion C: What Type of Company Motivates Employees to Participate in CSR Activities**

Companies that successfully motivate employees to participate in CSR activities typically have a strong organizational culture that values social responsibility and ethical behavior. These companies often integrate CSR into their core values and business strategies, clearly communicating its importance to all stakeholders. Additionally, companies that provide opportunities for employee involvement, recognize and reward participation, and offer resources and support for CSR initiatives tend to see higher levels of employee participation. Firms in industries with a direct impact on society and the environment, such as healthcare, renewable energy, and non-profits, are particularly effective in motivating CSR participation.

#### **Discussion D: Impact of Employee Demographic Information (EDI) on Participation in CSR Activities**

Employee demographic information, including age, gender, education level, and tenure, can significantly influence participation in CSR activities. Younger employees, often more socially conscious and values-driven, are typically more enthusiastic about CSR initiatives. Gender can also play a role, with research suggesting that women might be more inclined towards CSR activities, especially those related to

community and social welfare. Higher education levels often correlate with greater awareness and participation in CSR. Additionally, employees with longer tenure may feel a stronger sense of loyalty and commitment to the company, thus being more likely to engage in CSR activities.

#### **Discussion E: How Employee Engagement (EE) can be increased in CSR participation**

To increase employee engagement in CSR participation, organizations can adopt several strategies. Firstly, clearly communicating the impact and importance of CSR initiatives helps employees understand their value and relevance. Providing opportunities for employees to choose and lead CSR projects can enhance their sense of ownership and commitment. Additionally, recognizing and rewarding employee contributions to CSR initiatives can motivate further participation. Creating a supportive environment that encourages collaboration and teamwork in CSR activities can also enhance engagement. Finally, aligning CSR efforts with employees' personal values and interests ensures that they are more meaningful and fulfilling.

#### **Discussion F: How Employee Job Satisfaction (EJS) Impacts Participation in CSR Activities**

Employee job satisfaction is closely linked to participation in CSR activities. Satisfied employees are generally more committed and motivated to contribute to their organization's success, including its CSR efforts. When employees find their work environment positive and fulfilling, they are more likely to engage in activities that go beyond their job requirements, such as CSR. Moreover, participation in meaningful CSR activities can further enhance job satisfaction by providing a sense of purpose and fulfilment, creating a virtuous cycle where job satisfaction and CSR participation reinforce each other.

#### **Discussion G: How Organisational Culture impacts the relationship between Transformational Leadership and Employee Engagement?**

Organizational culture plays a pivotal role in shaping the relationship between transformational leadership and employee engagement. A culture

that supports innovation, collaboration, and ethical behaviour enhances the effectiveness of transformational leaders. Such a culture encourages open communication, trust, and mutual respect, which are essential for transformational leaders to inspire and engage their employees. In organizations with a positive culture, employees are more likely to embrace the vision and values promoted by transformational leaders, leading to higher engagement levels. Conversely, in a toxic or indifferent culture, even the most transformational leaders may struggle to engage employees effectively.

### **Discussion H: Importance of Studying Transformational Leadership and Employee Engagement in the Context of CSR Activities**

Studying transformational leadership and employee engagement in the context of CSR activities is crucial for several reasons. Transformational leaders are key drivers of CSR initiatives, as their ability to inspire and motivate employees can significantly enhance participation in these activities. Understanding this relationship helps organizations develop strategies to foster leadership styles that promote social responsibility. Additionally, engaged employees are more likely to participate in and contribute to CSR efforts, amplifying their impact. By exploring this dynamic, companies can create a more engaged workforce, drive positive social change, and achieve their CSR goals more effectively.

### **12. Limitations and Future Research**

While this discussion highlights the importance of transformational leadership and employee engagement in CSR activities, several limitations exist. Most studies focus on specific industries or regions, which may limit the generalizability of the findings. Future research should explore diverse contexts and consider longitudinal studies to understand the long-term impact of these factors. Additionally, the role of technology and remote work in shaping transformational leadership and employee engagement in CSR activities warrants further investigation. Future research should also examine the intersectionality of demographic factors to provide a more nuanced

understanding of their impact on CSR participation.

### **13. CONCLUSION**

This research highlights the pivotal role of transformational leadership, employee engagement, job satisfaction, organizational culture, and demographic factors in influencing employee participation in CSR activities within multinational corporations (MNCs). By employing a mixed-methods approach, the study provides comprehensive insights and actionable recommendations for enhancing CSR engagement in the workplace. The systematic literature review methodology underscores the importance of these elements and offers practical implications for leadership practices and CSR strategies in multinational contexts. Future research should further explore these relationships across diverse industries and longitudinal impacts to refine CSR strategies and leadership practices, thereby fostering a more engaged and motivated workforce that enhances both employee well-being and organizational performance.

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