The effect of transformational leadership on intention to quit through perceived organisational support, organisational justice and trust

Authors: Amos Engelbrecht; Olorunjuwon M. Samuel

Affiliations: 1Department of Industrial Psychology, Stellenbosch University, Stellenbosch South Africa 2School of Economic and Business Sciences, University of the Witwatersrand, Johannesburg, South Africa

Corresponding author: Olorunjuwon Samuel, or olorunjuwon.samuel@wits.ac.za

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Background: The literature has extensively presented evidence to establish that employee turnover is costly and destructive to organisational processes and outcomes. Organisations in South Africa are experiencing a high rate of turnover and it is becoming increasingly difficult to retain employees whose skills are critical to organisational success. This provides a compelling necessity to direct research attention to turnover intention in order to avoid actual turnover.

Aim: The purpose of this article was to use partial least squares to test the relationships among selected antecedents of intention to quit.

Setting: The study was conducted using employees in organisations that were surveyed in both public and private sectors in the Western Cape, Eastern Cape and Gauteng provinces of South Africa.

Methods: The study employed a survey research design using a quantitative research strategy. Data collected from 207 conveniently sampled respondents were used to validate a structural model developed through the review of existing literature. A standardised measurement instrument consisting of all the variables under investigation was used for data collection.

Results: The results indicate the following path sequences in predicting employee turnover intention: transformational leadership through perceived organisational support and transformational leadership through organisational justice impact intention to quit. However, the path sequence from transformational leadership through organisational trust impacting intention to quit was not confirmed.

Conclusion: A replication of this study using a longitudinal research design is recommended in order to overcome the methodological limitations of the current study. The conceptual model developed in this study provides relationships that could be used as guidelines to effectively manage the retention of key employees in organisations.

Keywords: Intention to quit; employee turnover; structural equation modelling; transformational leadership; perceived organisational support; organisational justice; organisational trust.

Introduction

Withdrawal of employees from an organisation could have a substantial negative impact on organisational processes and outcomes, particularly when such withdrawal is voluntarily motivated. The consequences of employee turnover for organisations are multidimensional and include loss of employees who possess valuable competencies and, most often, organisational memory that is difficult to replace. Similarly, organisations incur the high cost of recruiting and training new employees, diminished morale among remaining employees; and the psychological and social disruption experienced by colleagues of departed employees (Tirelli & Goh 2015). A high rate of turnover thus potentially has a negative outcome for the level of organisational productivity, customer service delivery and, ultimately, the organisation’s profitability. The category of employees presenting a high rate of turnover most often includes those who have essential skills and whose services are critical to the achievement of organisational goals and success. Ironically, less talented employees whose skills and experiences are in less demand by employers demonstrate less intention to quit (Tanova & Holtom 2008).

Employee turnover has been heightened by the rapidly shrinking global labour market and this portends implications for the mobility of talented employees across geographical work locations. Previously, a plethora of research has been conducted to understand the complexity of turnover in organisations (e.g. Abubakar, Chauhan & Kura 2014; DeConinck 2010). However, the
phenomenon continues to be a dominant discourse in contemporary management literature. A major directional shift in research is, however, swinging attention from actual turnover to turnover intention among employees. Turnover intention or intention to quit (ITQ) generally refers to an employee’s intention to move from the present employment to another in the near future (Nadiri & Tanova 2010). It represents a deliberate thought process in which an individual employee evaluates the present job conditions in order to determine their continued membership of the organisation.

Transformational leadership potentially decreases a follower’s intention to leave an organisation since the leader enables followers to identify with their leaders, builds emotional commitment to work goals and shows individualised consideration towards followers (Bass & Riggio 2006; Hughes, Avey & Nixon 2010). Various studies found that transformational leadership has an indirect influence on ITQ through perceived organisational support (Maertz et al. 2007; Rhoades & Eisenberger 2002), organisational justice (Engelbrecht & Chamberlain 2005; Loi, Hang-Yue & Foley 2006) and organisational trust (Loi et al. 2006; Marques de Lima Rua & Araújo 2013).

Objective of the study

The objective of this study was twofold. The first was to conceptualise and empirically test existing relationships between selected predictors of ITQ (i.e. transformational leadership, perceived organisational support, organisational justice, organisational trust). The second objective was to validate the predictor variables within the framework of a structural model. The research objectives were formulated on the basis of the need to focus attention on predicting turnover intentions rather than actual turnover, since it is possible for management to manage turnover intentions by devising corrective mechanisms rather than the actual turnover. Ajzen and Fishbein’s (1980) theory of reasoned action, which postulates that behavioural intentions are the best predictor of behaviour, provided the theoretical framework for this study.

Development of hypotheses

The relationship between perceived organisational support and intention to quit

Perceived organisational support (POS) concerns the estimation by employees regarding the importance attached to their inputs and the extent to which the organisation cares for their well-being in the course of employment (Riggle, Edmondson & Hansen 2009). The construct is postulated within the context of the social exchange theory and reciprocal behaviour (Lee & Peccei 2007).

Perceived organisational support as a key predictor of turnover intention is well documented in the literature (Maertz et al. 2007). It is reasonable to assume that turnover intention would be low among employees who feel that they have received the necessary support from their employer since employees often respond positively to the support they receive from their organisations (Sherony & Green 2002). Perceived organisational support therefore promotes a strong intention to stay among employees. This explanation accounts for a number of research reports that found a negative association between POS and employee intention to leave an organisation (Rhoades & Eisenberger 2002; Van Schalkwyk, Els & Rothmann 2011). The general context of organisational psychology research suggests that employees with a high level of POS tend to express stronger feelings of affiliation and loyalty to their organisation (Loi et al. 2006). Thus, the following hypothesis based on the above literature can be formulated:

H1: POS has a significantly negative effect on ITQ.

The relationship between organisational justice and intention to quit

Organisational justice represents the perception of fairness by organisational members in terms of the processes, procedures and reward mechanisms in an organisation (Greenberg & Baron 2003). Cropanzano, Bowen and Gilliland (2007) identify the ability of organisational justice to inspire substantial trust and commitment of employees to both the organisation and its managers. The perception of such fairness or the lack thereof evokes the decision about whether an employee wants to continue or terminate the employment relationship (Cohen-Charash & Spector 2001). Perception of justice therefore remains a crucial determinant of ITQ (Loi et al. 2006). It is on the strength of this literature that the following hypothesis was formulated:

H2: Organisational justice has a significantly negative effect on ITQ.

The relationship between organisational trust and intention to quit

Due to its multidimensional nature, there is no common definition of the concept of organisational trust. However, this study relates more to the definition provided by Gilbert and Tang (1998) as the feeling of confidence and belief in both organisational leadership and goals on the part of employees. This belief also includes the expression of confidence in the extent that organisational actions will ultimately be to the benefit of employees (Gilbert & Tang 1998). Based on this confidence, employees are willing to engage in positive work behaviour on the assumption that the employer is sincere and intends to act in a manner that most benefits employees (Restubog et al. 2008).

The link between trust and ITQ is well supported in the literature (Ferres, Connell & Travaglione 2004). This link has resulted in a strong and negative relationship between organisational trust and the individual employee’s turnover intention (Ooi, Safa & Aumugam 2006). The promotion of trust as a deliberate organisational culture thus presents a decisive factor for decreasing turnover intentions (Ooi et al. 2006). This conclusion is based on the premise that employees are willing to maintain their membership of an organisation that shows concern for their well-being and also values their
services (Ng & Feldman 2012; Tekleab & Chiaburu 2011). The ensuing hypothesis was therefore stated as:

**H3:** Organisational trust has a significantly negative effect on ITQ.

**The relationship between transformational leadership and POS**

The relationship between transformational leadership and POS appears not to have been adequately evaluated in the literature. However, a handful of studies have shown that employees who have been well supported by the organisation over a period of time, as assessed by POS, are likely to engage in a high-quality exchange relationship with their supervisor (Asgari et al. 2008). Because the supervisor acts on behalf of the organisation when evaluating an employee’s performance and allocating rewards, employees consider the discretion they are allowed by the supervisor as a signal of organisational support (Eisenberger et al. 2002).

Since transformational leaders empower followers to identify with their leaders, clarify work goals and objectives and show individualised support towards followers (Bass & Riggio 2006; Hughes et al. 2010), these leaders may have a positive impact on POS (Rhoades & Eisenberger 2002). It could therefore be argued that:

**H4:** Transformational leadership has a significantly positive effect on POS.

**The relationship between transformational leadership and organisational justice**

Facilitating and encouraging employees to express their concerns is a notable role of transformational leadership (Wells & Peachey 2010). This role is linked to the justice theory. There is therefore a tendency for organisations to experience lower levels of ITQ when employees are able to express their concerns regarding the fairness of organisational processes (Wells & Peachey 2011). Empirical evidence has shown that organisational commitment and trust in the leader are positively affected when people perceive that fair procedures are used to determine the outcomes they receive (e.g. Yusof & Shamsuri 2006). Engelbrecht and Chamberlain (2005) and Krafft, Engelbrecht and Theron (2004) variously found a positive association between transformational leadership and organisational justice. The deduction from the literature thus is expressed as:

**H5:** Transformational leadership has a significantly positive effect on organisational justice.

**The relationship between transformational leadership and organisational trust**

Earlier seminal studies on transformational leadership (e.g. Bennis & Nanus 1985) argue that effective transformational leaders earn the trust of their followers, thus creating a direct relationship between transformational leadership and trust. This relationship becomes more essential because of the need for a transformational leader to mobilise followership commitment to the leader’s vision (Bass & Avolio 1994). This argument has led to the existence of a direct positive linkage between transformational leadership and organisational trust, with transformational leadership enhancing organisational trust (Marques de Lima Rua & Araújo 2013). Interestingly, however, Krafft et al. (2004), as well as Engelbrecht and Chamberlain (2005), have failed to establish support for a significant direct association between transformational leadership and trust. Rather, the scholars provided a new insight regarding the extent to which interactional justice probably plays a mediating role in the relationship between the two constructs. Thus, it is argued that:

**H6:** Transformational leadership has a significantly positive effect on organisational trust.

**Conceptual model**

Based on the relationships proposed above, we developed a structural model of the antecedents of ITQ (see Figure 1).

**Research methodology**

**Sample**

Participants comprised 232 conveniently sampled employees drawn from various organisations (public and private sectors) in three provinces of South Africa. The gender composition was 101 (44%) males and 131 (56%) females. The majority (40.8%) of the respondents occupied middle-level management positions.

**Measuring instruments**

Self-administered and online questionnaires were used to collect data. The questionnaire contained statements concerning the opinions of the respondents regarding the selected variables of the study. All items were measured on a six-point Likert scale.

**Intention to quit**

Intention to quit was measured using a six-item scale adapted from Cohen (1993) (two items), DeConinck and Johnson (2009) (one item) and Becker (1992) (three items).

![Theoretical model of the effect of transformational leadership on intention to quit through perceived organisational support, organisational justice and organisational trust.](http://www.sajems.org)
Perceived organisational support
We adapted 12 items from the original version of the Survey of Perceived Organisational Support (SPOS) (Eisenberger et al. 1986) as modified and used by Cho, Johnson and Guchait (2009).

Organisational trust
Organisational trust was measured by using an adapted 24-item Workplace Trust Survey (WTS) developed by Ferres et al. (2004). For the purpose of this study, only two of the three subscales of the WTS were used, namely trust in the supervisor or leader (10 items) and trust in the organisation (14 items).

Organisational justice
An adapted 21-item Organisational Justice Scale developed by Niehoff and Moorman (1993) was used to measure distributive justice (five items), procedural justice (six items) and interactional justice (nine items). One additional item was adapted from the Interactional Justice Scale developed by Colquitt et al. (2001).

Transformational leadership
Transformational leadership was measured using the 20-item Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (1995) and adapted by Engelbrecht, Van Aswegen and Theron (2005). Transformational leadership was assessed through four subscales: (1) idealised influence (eight items), (2) inspirational motivation (four items), (3) intellectual stimulation (four items), and (4) individualised consideration (four items).

Research ethics
The conduct of the empirical research conformed to all ethical standards and was approved by the ethics committee at the University of Stellenbosch.

Statistical analysis
Item analysis and exploratory factor analysis (EFA) were used to determine the reliability and unidimensionality of the measuring instruments (Pallant 2010). Structural equation modelling (SEM) through partial least squares (PLS) was conducted to evaluate the construct validity of the structural model (Henseler, Ringle & Sinkovics 2009). Partial least squares was also performed to determine the relationships among selected antecedents of ITQ among employees of the surveyed organisations. One important motivation for using the PLS path modelling, is its suitability for prediction-oriented research with emphasis on the explanation of endogenous constructs (Henseler et al. 2009). The results are reported in the following section.

Item and dimensionality analysis
Results of the item analysis showed that all the Cronbach’s alpha values exceeded the 0.70 criterion and indicated excellent reliability (> 0.90) (Nunnally & Bernstein 1994; Pallant 2010) (see Table 1). In addition, all items presented satisfactory item-total correlations (> 0.20) (Nunnally & Bernstein 1994). Furthermore, all variables achieved acceptable composite reliabilities (> 0.60), as well as average variance extracted (AVE > 0.50) (Henseler et al. 2009), as depicted in Table 1. Each scale was therefore considered to be internally consistent and reliable.

Exploratory factor analyses were conducted to confirm the unidimensionality of each scale and subscale. Unrestricted principal axis factor analysis with oblique rotation was performed on the various scales and subscales. All the scales and subscales demonstrated unidimensionality. Sampling adequacy was evaluated to determine the suitability of the correlation matrix of the items in the scales before performing the EFA. A Kaiser-Meyer-Olkin (KMO) test exceeded 0.60 and a significant (p < 0.05) Bartlett’s test of sphericity confirmed that data were suitable for factor analysis (Pallant 2010). The guideline provided by Kinnear and Gray (2004), that is, ‘eigenvalue greater than 1’ was used to determine the number of factors to be extracted. All the factor loadings for the subscales were acceptable (> 0.50) (Kinnear & Gray 2004), except for one POS item with a factor loading of 0.42. The items in the scales explained an acceptable percentage of the variance extracted (AVE > 0.50) (Henseler et al. 2009), as depicted in Table 1. Each scale was therefore considered to be internally consistent and reliable.

Missing values
The method of imputation was used to address the problem of missing values (Lohr 1999). The PRELIS software (Jöreskog & Sörbom 1996) was used to impute missing values in the data set. After eliminating data that contained missing values using imputation, a total of 207 of the original 232 questionnaires were found to be useable for analysis.
variance in the specific latent variables (71% – 90.4%) (Tabachnick & Fidell 2001).

**Discriminant validity**

Discriminant validity is a measure of the degree to which the measures of two constructs that theoretically should not be related, are in fact not related. Discriminant validity was assessed by using the heterotrait-monotrait ratio of each construct, as well as the 95% confidence intervals. It was established that all the postulated related latent variables demonstrate discriminant validity (Farrell 2010; Henseler et al. 2009), as depicted in Table 2.

**Ethical consideration**

The substantive empirical study (PhD) was approved by the ethics committee at Stellenbosch University.

**Discussion of findings**

The PLS methodology was used to test the relationships among the selected antecedents of ITQ. One important motivation for using the PLS path modelling, is its suitability for prediction-oriented research with emphasis on the explanation of endogenous constructs (Henseler et al. 2009). The results are reported in this section.

**Hypothesis 1: Perceived organisational support has a significantly negative effect on intention to quit**

The PLS results confirmed a low (Tredoux & Durrheim 2002), but significantly negative relationship between POS and ITQ (see H1) (path coefficient = –0.36, p < 0.05) (see Table 2). This finding is supported by previous studies (e.g. Loi et al. 2006; Maertz et al. 2007; Rhoades & Eisenberger 2002; Van Schalkwyk et al. 2011). The finding from the present study supports the expectation that employees who perceive lack of sufficient care and support from their organisation will seek alternative employment, thus heightening their turnover intentions. Research outcomes regarding perceived organisation support in relation to turnover intentions are often explained in the context of the social exchange or organisational support theories (Ahmed et al. 2014; Islam et al. 2013). These theories postulate that employees, when they perceive support from their organisation, reciprocate this support by means of positive job-related outcomes such as job satisfaction and commitment. This reciprocal behaviour decreases employees’ turnover intention. In line with these theories, the present study illustrates that turnover intention would be low among employees who feel that they receive the necessary support from their employer.

**Hypothesis 2: Organisational justice has a significant negative effect on intention to quit**

A low (Tredoux & Durrheim 2002), but significant negative relationship between organisational justice and ITQ (path coefficient = –0.37, p < 0.05) was found, as postulated in H2 (see Table 2). This finding is consistent with a similar finding by Nadiri and Tanova (2010). The fairness of the manner in which rewards are distributed and procedures adopted in the decision-making process concerning well-being and career development and progression are of utmost importance to employees. Adam’s (1965) equity theory provides support for the empirical finding in this study to the extent that employees conduct comparative input-reward ratio analysis in order to determine the degree of fairness that is demonstrated by management. The outcome of such analysis could potentially influence an individual employee decision to quit or to remain in an organisation. Thus, the present study confirmed that a lack of perceived organisational justice could stimulate turnover intentions.

**Hypothesis 3: Organisational trust has a significant negative effect on intention to quit**

The PLS results indicated a non-significant relationship between organisational trust and ITQ (H3) (see Table 2). Therefore, no support was found for Hypothesis 3.

The PLS result contradicts the literature (Ferres et al. 2004; Ooi et al. 2006). One possible explanation could be the influence of the values of POS and organisational justice, which are related to ITQ. Low POS can reduce the influence of trust on intention to leave if employees do not feel that the organisation provides sufficient support for their well-being in exchange for their input. Employees’ trust in the organisation to fulfil its promises will also reduce if they have previously perceived unfair treatment and unjust practices. This explanation is supported by Schoorman, Mayer and Davis (2007: 346) who argued that ‘the level of trust is an indication of the amount of risk that one is willing to take’. It is important that organisational managers make an effort to sustain mutual trust through perceived support, as well as fairness in decision-making and treatment of employees (Paillé et al. 2010). organisational trust could therefore be a mediator between POS and ITQ, as well as between organisational justice and ITQ. However, according to the present study the promotion of trust in organisations does not decrease turnover intentions.

**Hypothesis 4: Transformational leadership has a significantly positive effect on perceived organisational support**

The PLS analysis indicated a moderate (Tredoux & Durrheim 2002), but significant, positive relationship between
transformational leadership and POS (path coefficient = 0.61, \( p < 0.05 \)) (see Table 2). Building on the leader-member-exchange theory, Hassan and ul-Hassan (2015) affirmed that demonstration of POS resulted in employees’ decision to improve on their performance as a way of compensating the organisation for treating them in a favourable manner. The significantly positive relationship that was postulated in H4 between transformational leadership and POS therefore found both theoretical and empirical support.

**Hypothesis 5: Transformational leadership has a significantly positive effect on organisational justice**

A strong (Tredoux & Durrheim 2002) relationship between transformational leadership and organisational justice (path coefficient = 0.72, \( p < 0.05 \)) was found, as postulated in H5 (see Table 2). Some of the attributes that define an effective transformational leader are trustworthiness and integrity (Palanski & Yammarino 2009). Leadership ability to effectively inspire subordinates is largely determined by the degree of integrity that is demonstrated by the leader (Bacha & Walker 2013). A leader with the attribute of integrity is perceived to be acting fairly and, as such, creates a sense of enthusiasm and optimism in subordinates when communicating the organisation’s vision (Bacha & Walker 2013). The above assertion thus provides an essential basis for a positive relationship between transformational leadership and organisational justice, as found in the present study.

**Hypothesis 6: Transformational leadership has a significantly positive effect on organisational trust**

Lastly, the high (Tredoux & Durrheim 2002) level of association (path coefficient = 0.75, \( p < 0.05 \)) between transformational leadership and organisational trust confirmed H6 (see Table 2). Previous authors (e.g. Lee 2008) provided consistent evidence to support the findings of the present study. This finding emerges against the backdrop of leaders assigning higher and more challenging but achievable responsibilities to subordinates who they have mentored and coached, and in whose competence they have established sufficient trust. Employees develop trust in leaders who relate to them in an open and truthful manner (Ilies, Morgeson & Nahrgang 2005). Ethical and transformational leadership revolves around building trust by personally displaying a high moral standard with integrity and involving employees in the decision-making process. The results of the present study confirmed the positive influence of transformational leadership on organisational trust.

In conclusion, the present study found a significant positive relationship between transformational leadership and POS, organisational justice, and organisational trust (see Figure 2). Furthermore, a significant negative relationship was found between ITQ and POS and organisational justice. However, no significant relationship was achieved between organisational trust and ITQ.

In conclusion, the present study found a significant positive influence of transformational leadership on organisational justice, as found in the present study. This finding emerges against the backdrop of leaders assigning higher and more challenging but achievable responsibilities to subordinates who they have mentored and coached, and in whose competence they have established sufficient trust. Employees develop trust in leaders who relate to them in an open and truthful manner (Ilies, Morgeson & Nahrgang 2005). Ethical and transformational leadership revolves around building trust by personally displaying a high moral standard with integrity and involving employees in the decision-making process. The results of the present study confirmed the positive influence of transformational leadership on organisational trust.

In conclusion, the present study found a significant positive relationship between transformational leadership and POS, organisational justice, and organisational trust (see Figure 2). Furthermore, a significant negative relationship was found between ITQ and POS and organisational justice. However, no significant relationship was achieved between organisational trust and ITQ.

**Managerial implications of the findings**

The conceptual model developed in this study provides practical implications for the formulation of human resources policy regarding employee retention. Based on this model, management may consider it most important to capacitate management employees who exercise leadership functions, as most of the antecedents of turnover intentions are motivated by or associated with leadership behaviours.

The study revealed that managers will have a positive indirect impact on organisational retention strategies if they are selected and consciously trained to embrace transformational leadership behaviours. Such behaviours are expected to have a positive influence on the organisational justice climate, as well as on employees’ perceived organisational support. The turnover intention would be low among employees who feel that they have received the necessary care and support from their leaders and organisations. We find that a good starting point for effective implementation of a retention strategy would be to train transformational leaders to develop a culture of fairness and justice in the organisation. The fairness of the manner in which rewards are distributed and procedures adopted in the decision-making process concerning well-being and career development and progression may affect the turnover intentions of employees. An organisational justice climate inspires substantial commitment and loyalty of employees to both the organisation and their leaders.

**Limitations and recommendations for future research**

A methodological limitation of this study is inherent in the use of both a non-probability sampling procedure and a cross-sectional research design. The sampling procedure raises concern about the representativeness of the respondents and, by implication, the ability to generalise the results of the study. The concern with generalisability or external validity is particularly strong in quantitative research using
a cross-sectional research design (Bryman & Bell 2011). This study should be replicated over a relatively long period of time (longitudinal design) to determine causality.

Future research should also extend the structural model of ITQ by examining the mediating effects of other variables (e.g. organisational commitment, empowerment, psychological contract, work engagement) on the relationship between transformational leadership and ITQ. It would also be useful to focus on occupation-specific (e.g. accountants), job category specific (e.g. middle-level managers) and sector specific (e.g. public service) in order to overcome the inherent limitations of this study.

Conclusion

Managers may take into consideration the specific turnover antecedents that were investigated in the structural model of this study when formulating strategic retention policies. The results indicated that organisations should focus on the indirect influence of transformational leadership on intention to quit through an organisational justice climate and perceived organisational support. Such policies should be specifically targeted at high-performing and premium employees, rather than the entire workforce.

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Competing interests

The authors declare that they have no financial or personal relationships that may have inappropriately influenced them in writing this article. The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of any affiliated agency of the authors.

Author’s contributions

O.M.S. was responsible for conceptualisation of the study and literature development, data collection, interpretation of research results, adaptation and writing of the journal article. A.E. was responsible for the construction of the study model, statistical analysis and interpretation, and writing of the journal article.

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