THE RELATIONSHIP BETWEEN TRUST-IN-LEADERSHIP AND INTENTION TO QUIT: THE CASE OF A SOUTH AFRICAN FINANCIAL INSTITUTION

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(HNRJEN002)

A research project submitted in partial fulfilment of the requirements for the award of the Degree of Master of Philosophy in People Management

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COMPULSORY DECLARATION:

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works of other people has been attributed, cited and referenced.

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ABSTRACT

Orientation: Employee turnover (ET) has become one of the central challenges faced by organisations today. Managers of local organisations should be asking themselves the following pivotal question: Why are skilled and top-performing employees leaving organisations?

Research purpose: The purpose of this paper is to gain a better understanding and to examine the relationship of trust-in-leadership (TIL) and intention to quit (ITQ) and the effects on ET within a financial institution in South Africa.

Motivation for the study: Cost of ET is not the only negative impact for an organisation, the loss of human capital (human intellect) in terms of knowledge, skills and experience also effects the organisation negatively. Managers need to understand how they can decrease their ET and retain their talented and skilled employees. Prior to leaving an organisation staff have an intention to quit (ITQ) and managers are encouraged to focus on preventative measures by identifying the antecedents of ITQ.

Research design: A quantitative research approach was used to determine the extent of the relationship between TIL and ITQ among staff, where a cross-sectional field survey generated the primary research data for this study. An online survey consisting of 19 questions was e-mailed to all 400 employees within a financial institution within South Africa staff.

Main Findings: Study results showed a significant negative relationship between TIL and ITQ.

Practical and/or managerial limitations/implications: This paper highlights the importance of considering the relationship of TIL on ITQ, directed at employees to become proactive
with retention strategies in order to reduce ET. TIL is a variable that is often overlooked in ITQ and it is crucial for understand.

The implications of ET, as a consequence of ITQ, can affect the bottom line of an organisation. It thus becomes critical for managers to find means to limit the loss of employees.

**Contribution and/or value-add:** In the South African context, only a few recent studies has been found in this field. Notwithstanding, this study differs from previous research in this area in that it was conducted in the financial service sector in South Africa with a specific focus on TIL and ITQ.

**Key words:** Employee turnover (ET), intention to quit (ITQ), trust-in-leadership (TIL)

Paper Type: Research paper
Table of Contents

Chapter 1: Introduction .............................................................................................................. 1
  Rationale for Study ................................................................................................................ 3

Chapter 2: Literature Review ..................................................................................................... 4
  Employee Turnover ............................................................................................................... 4
    Importance of Employee Turnover (ET) ........................................................................... 4
    Effects of ET ...................................................................................................................... 5
    Antecedents of Employee Turnover ................................................................................ 10
  ITQ as Antecedent of ET ..................................................................................................... 11
    Defining ITQ ................................................................................................................... 12
    Antecedents of ITQ .......................................................................................................... 12
  Trust-in-leadership (TIL) ..................................................................................................... 15
    Trust-in-leadership (TIL) as Antecedent to ITQ ............................................................. 16
    Relationship between TIL and ITQ ................................................................................. 16
    Antecedents of TIL .......................................................................................................... 17
  Conclusion ........................................................................................................................... 21

Chapter 3: Research Design ..................................................................................................... 22
  Research approach ............................................................................................................... 22
  Measuring Instruments ......................................................................................................... 22
    TIL ................................................................................................................................... 22
    ITQ .................................................................................................................................. 24
    Demographics ................................................................................................................. 24
  Participants and Sampling .................................................................................................... 24
  Data-collection Procedures .................................................................................................. 33
  Statistical Analysis ............................................................................................................... 34

Chapter 4: Results .................................................................................................................... 35
  Scale Structures and Internal Consistency ........................................................................... 35
    Trust-in-leadership (TIL) ............................................................................................... 37
    Intention to quit (ITQ) ..................................................................................................... 37
  Descriptive statistics .......................................................................................................... 37
  Results Relating to Hypothesis ............................................................................................ 38
List of Tables

Table 1: Cost of replacing executives, managers and supervisors per hotel annum (Davidson et al., 2010, p.460) ............................................................................................................. 6
Table 2: Cost of replacing each operational staff member (Davidson et al., 2010, p.460) ...... 6
Table 3: Regression model of perceived support dimensions and ITQ (Mc White, 2009) ..... 14
Table 4: Descriptive statistics of respondents (n=69) .............................................................. 32
Table 5: Items removed from TIL scale .................................................................................. 36
Table 6: Item removed from ITQ scale.................................................................................... 36
Table 7: Results from factor analysis for ITQ and TIL scales.................................................. 36
Table 8: Cronbach’s Alpha coefficients for EFA derived results............................................ 37
Table 9: Descriptive statistics of scales ................................................................................... 37
Table 10: Results for simple linear bivariate regression analysis of TIL and ITQ ................. 38
Table 11: Results for simple linear regression analysis of TIL and ITQ ................................. 38

List of Figures

Figure 1: A proposed model of trust in managers (Connell et al., 2003, p.575) ............... 18
Figure 2: Integrated multi-level framework for understanding trust-in-leaders (Burke et al., 2007, p.613) ..................................................................................................................... 20
Figure 3: Gender of respondents.............................................................................................. 25
Figure 4: Age of respondents ................................................................................................... 26
Figure 5: Years of service of respondents .............................................................................. 27
Figure 6: Qualification of respondents .................................................................................... 28
Figure 7: Job level of respondents ........................................................................................ 29
Figure 8: Ethnicity of respondents ......................................................................................... 30
Figure 9: Area of respondents ............................................................................................... 31
Figure 10: Proposed new integrated-multilevel framework for understanding TIL model of

Burke et al (2007) ........................................................................................................................................... 44
Chapter 1: Introduction

Employee turnover (ET) has become one of the central challenges faced by organisations today (Davidson, Timo & Wang, 2010). In 2008, financial, intermediation, real-estate and business services within South Africa employed a total of 1.91 million employees; however, the number of employees had declined to 1.84 million at the end of 2013 (Statistics South Africa, 2014). This decline in the total number of employees has an impact on the industry. Managers of local organisations should be asking themselves the following pivotal question: Why are skilled and top-performing employees leaving organisations?

According to Coomber and Barriball (2007), Davidson et al. (2010) and Gould-Williams (2003), ET has been a concern in Human Resource Management (HRM) literature for the past few years, with a focus on both voluntary and involuntary staff exits.

Studies have shown that what is concerning about ET is its negative impact on the bottom line of an organisation (Agarwal, Datta, Blake-Beard & Bhargava, 2012; Morell, Loan-Clarke & Wilkinson, 2004; Zimmerman & Darnold, 2009). Researchers have identified the following negative impacts: the loss of experienced and skilled staff (intellectual capital); the negative productivity impact; the increase in reworks and spoiled goods; the loss of productivity, sales and management’s time; and the impact on the profitability of the organisation. Another impact is the cost of employee replacement, which includes the recruitment, selection and interviewing of new incumbents (Agarwal et al., 2012; Davidson et al., 2010; Zimmerman & Darnold, 2009).

Organisations have become increasingly competitive in terms of the poaching of human capital, and retaining skilled staff has become a challenge (Bakos, 2007). According to Van Zyl (2011) and Bakos (2007), both the governmental and private sectors within South Africa are struggling to retain highly skilled employees.
International recruitment of skilled human capital has also exacerbated the skill shortage in the South African labour market (Bakos, 2007; Muteswa & Ortlepp, 2011; Nel, Werner, Haasbroek, Poisat, Sono & Schults, 2008). Competing with international organisations makes it more challenging to retain employees within organisations in South Africa (Muteswa & Ortlepp, 2011). Additionally, increasing globalisation, international competition and technological advancements mean that it is even more critical for managers to retain and manage their resources, including human capital, to enable them to become more competitive (Nadiri & Tanova, 2010). According to Ramlall (2003), highly competent employees within the financial industry are migrating overseas from South Africa for better-paid jobs. When these employees migrate, they sometimes move with their clients’ assets, which affect investments in South Africa and has a negative effect on the economy (Ramlall, 2003). Through proactive retention of skilled staff, organisations can decrease their ET and ultimately boost their profitability (Davidson et al., 2010). These findings reinforce the notion that organisations should focus on reducing their ET.

Several studies on retention (Firth, Mellor, Moore & Loquet, 2004; Holtom, Mitchell, Lee & Eberley, 2008; Kahumuza & Schlechter, 2008; Loi, Hang-yue & Foley, 2006) have demonstrated that, prior to employees formally resigning, their attitude is typically characterised by an intention to quit (ITQ). ITQ has been shown to be one of the key antecedents to actual quitting. ITQ explains to a large extent the variance of actual turnover (Carmeli & Weisberg, 2006). The evidence suggests a relationship between ITQ and ET.

In order to reduce ET, managers need to gain a deeper understanding of the complex behaviours involved in turnover decisions. Firth et al. (2004), argued that, instead of researchers and employers focusing solely on quitting behaviours, the focus should also be on intention to quit, as this is a strong indicator of quitting. Trust-in-leadership (TIL) is among the factors that contribute to employees’ intention the quit their jobs (Connell, Ferres
& Travogline, 2003; McGee-Cooper, 2003; Taplin & Winterton, 2007). It is critical that managers understand the factors that mediate the relationship between TIL and ITQ. These mediating factors were the focus of the present study.

**Rationale for Study**

According to Kahumuza and Schlechter (2008), most turnover research has focussed on attitudinal inducements (such as job satisfaction) and tangible inducements (such as pay) as preventative measures against turnover, with only limited research investigating trust-in-leadership’s impact on intention to quit.

Given the manifold challenges that managers encounter in retaining their skilled, top-performing staff, the present study posed the following fundamental research question: To what extent does trust-in-leadership impact on intention to quit within financial institutions?

This study aims to contribute meaningfully to the growing body of research on turnover, since little research exists on this specific subject area in South Africa. It also aims to address the lack of literature available on these variables and their relationship, specifically literature that examines the relationship between TIL and ITQ and how this relationship affects ET. Once the direct link between TIL and ITQ is demonstrated, organisations can start implementing preventative measures and retention strategies long before their staff quit, by training their leaders in behaviour that builds trust among employees. In decreasing employee turnover, organisations can retain both human capital and customer loyalty, and in turn save substantial amounts of money.

In order to provide context and justification for the current research project, a review of contemporary and local research on the effects of ET will be presented in the following chapter. The focus will remain on the concept of intention to quit (ITQ), which was the dependent variable of this study. ET and ITQ are, as previously mentioned, interrelated concepts, as intention to quit precedes staff turnover.
Chapter 2: Literature Review

This chapter will offer a detailed discussion of the reviewed literature regarding the constructs under investigation in this study, namely, the effects and antecedents of ET, ITQ and TIL.

Employee Turnover

ET was defined by Phillips and Connell (2003) as the percentage of employees leaving a company, for whatever reason, per annum. According to Glover and Leonard (2003), it is a measure used to calculate the loss of staff that creates job openings, which may then need to be filled.

In general terms, turnover\(^1\) includes both voluntary and involuntary exits. Coomber and Barriball (2007) defined a voluntary staff exit as a situation where an employee leaves the organisation of his or her own accord through resignation, early retirement or voluntary retrenchment. An involuntary staff exit, on the other hand, was defined as a situation where an employee is dismissed or retrenched from an organisation (Coomber & Barriball, 2007). The focus of this study was on voluntary staff exits.

Importance of Employee Turnover (ET). According to Davidson et al. (2010), the loss of human capital and corporate knowledge places considerable strain upon any organisation. Employees are one of the most valuable assets of an organisation and the cost of loss of human capital through unnecessary turnover is of critical importance to bottom-line performance (Davidson et al., 2010). Organisational success is dependent on the retention of skilled and talented staff. As Yi (2012, p.1) noted, “The availability and sustainability of the right type of human resources at the right time and right place is the essence to every

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\(^1\) The terms “staff turnover” and “employee turnover” are used interchangeably in this document.
organisation’s success”. Not only should organisations have the right people in place at the right time, but management should also be able to retain these employees.

**Effects of ET.** The effects of ET on an organisation, its employees and its customers will be further explored in this subsection. Though each of these effects is discussed individually, an interrelation exists between them, as highlighted in several studies (Aladwan, Ramudu & Fish, 2013; Cairncross & Kelly, 2008; Calisir, Gumusooy & Iskin, 2011; Carmeli & Weisberg, 2006; Coomber & Barriball, 2007; Davidson et al., 2010; Holtom et al., 2008; Kahumuza & Schlechter, 2008; Ramlall, 2003; Van Zyl, 2011).

**Effects on Organisation**

*Staff-replacement cost.* ET has a significant financial impact on an organisation (Aladwan et al., 2013; Coomber & Barriball, 2007; Davidson et al., 2010; Holtom et al., 2008). One example of this impact involves the cost of staff replacement (Holtom et al, 2008), which is typically the equivalent of up to one year’s salary of the employee. The financial institute examined in this study, for instance, spends over R5.8 million on staff replacement per annum (C. Fisher, personal communication, December 3, 2014). Replacement of an employee and recruitment of a new employee involves advertising, training, induction and skills development, all of which represent a direct cost to the organisation (Davidson et al., 2010).

ET’s impact on staff-replacement costs was further revealed in a study conducted by Davidson et al. (2010, p.460) among 64 hotels in Australia. The study showed the average annual cost of replacing executives, managerial and supervisory staff (Table 1) and operational employees (Table 2). This cost excluded intangible costs such as loss in quality, decision making, business acumen and leadership hiatus. The overall combined annual replacement costs amounted to $119 500.
Table 1: Cost of replacing executives, managers and supervisors per hotel annum (Davidson et al., 2010, p.460)

<table>
<thead>
<tr>
<th>Cost</th>
<th>Average cost per respondent establishment ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising for replacement executives, managers and supervisors</td>
<td>8,931</td>
</tr>
<tr>
<td>Management time spent interviewing and selecting employees</td>
<td>14,417</td>
</tr>
<tr>
<td>Management time and expenses spent on training new employees</td>
<td>28,841</td>
</tr>
<tr>
<td>Agency fees</td>
<td>13,895</td>
</tr>
<tr>
<td>Contract staffing</td>
<td>13,400</td>
</tr>
<tr>
<td>Uniforms</td>
<td>10,800</td>
</tr>
<tr>
<td>election test</td>
<td>4,071</td>
</tr>
<tr>
<td>egal law</td>
<td>3,357</td>
</tr>
<tr>
<td>Relocation expenses</td>
<td>9,141</td>
</tr>
<tr>
<td>Medicals</td>
<td>3,056</td>
</tr>
<tr>
<td>Total</td>
<td>109,909</td>
</tr>
</tbody>
</table>

**Note:** Low response rates were identified for these items

Table 2: Cost of replacing each operational staff member (Davidson et al., 2010, p.460)

<table>
<thead>
<tr>
<th>Cost</th>
<th>Average cost per respondent establishment ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising for replacement executives, managers and supervisors</td>
<td>1,186</td>
</tr>
<tr>
<td>Management time spent interviewing and selecting employees</td>
<td>2,519</td>
</tr>
<tr>
<td>Management time and expenses spent on training new employees</td>
<td>2,921</td>
</tr>
<tr>
<td>Agency fees</td>
<td>2,400</td>
</tr>
<tr>
<td>Uniforms</td>
<td>565</td>
</tr>
<tr>
<td>Total</td>
<td>9,591</td>
</tr>
</tbody>
</table>

In short, staff attrition is of concern to organisations owing to the high associated cost.
Casual employees. Davidson et al. (2010) highlighted that the utilisation of casual employees impacts on ET cost, where casual employees are recruited until the permanent replacement member has been found. Cost is incurred to upskill, training and developing these employees (Davidson et al., 2010). According to Cairncross and Kelly (2008), casual employees might not deliver high quality service and will be difficult to retain.

Productivity. Davidson et al. (2010) showed that ET resulted in a loss of productivity of 82.6% in the hotel industry, which may have resulted in the ineffective operation of the hotel. The inability to find a suitable replacement can also lead to a loss in productivity, especially if the exiting staff member was a high performer. This loss in productivity can then result in an increase in absenteeism due to low staff morale and tiredness, which compounds the decrease in productivity and the increase in ET (Coomber & Barriball, 2007; Davidson et al., 2010). According to Hinkin and Tracey (2008), lost productivity resulting from ET may account for more than two thirds of total turnover costs.

Loss of competitive advantage. In addition to the direct costs involved, the exit of employees also implies the loss of valuable intellectual capital and thus competitive advantage (Holtom et al., 2008). The knowledge, skills and contacts that an employee leaving the organisation takes from the organisation can constitute a huge loss (Bakos, 2007). These assets are in most cases lost to a competitor organisation that may use them to gain competitive advantage (Holtom et al., 2008). Organisations are therefore encouraged to build a talent bank of staff, which has been identified as a predictor of organisational success and competitive advantage (Brown, Duncan, Harris & Kelly, 2003).

It follows that organisations should design and implement retention strategies to retain their skilled employees.

Retention strategies. According to Ramlall (2003), retention strategies are required by an organisation not only to maintain and increase its competiveness but also to meet the
challenge of retaining its best employees. When developing retention strategies, organisations should focus on remuneration and other monetary benefits (Herzberg, Mausner & Snyderman, 1959) as well as on non-monetary benefits, such as time off, flexible working hours and crèche at work.

Quality and Service. Results of the study conducted by Davidson et al. (2010) showed that ET had an 87.6% impact on the service quality of organisations’ operations. The experience level of a new recruit can have an impact on the quality of work delivered and the amount of reworks required (Davidson et al., 2010). A possible increase in reworks can, in turn, have a negative impact on customer service and on customers’ experience of the service or product received (Davidson et al., 2010), which indicates a consistent need for new staff to be trained. Davidson et al. (2010) further stated that casual employees would consistently have to be trained and instructed on the service standards required.

As turnover increases, service quality may decline, as it takes time and resources to “back fill” departing employees, especially at a busy hotel. If the organisation does not find a suitable replacement, overtime costs increase, since remaining staff members have to work longer hours in order to compensate for the loss of productivity. Increased work hours can lead to increased levels of fatigue and reduced levels of concentration among employees, which in turn can lead to poor work quality and poor customer service. This can result in a potential loss of customers to the organisation (Aladwan et al., 2013).

Besides leading to potential financial and customer losses, new recruits’ non-adherence to processes and procedures also poses a security risk to the organisation and can impact heavily on the corporate brand.

Effects on Employee

Loss of Skilled Staff and Overtime. As mentioned, the loss of skilled staff affects not only ET but also the employees of an organisation (Coomber & Barriball, 2007; Holtom et
al., 2008). Remaining employees are required to give more of their time and work longer hours in order to produce the same quantity of products, in cases where an organisation cannot find a suitable replacement for the lost staff member (Holton et al., 2008).

Absenteeism. Employee turnover can increase the rate of absenteeism among remaining staff members, who are covering the shortfall created by staff members who have left the organisation. This has a downward-spiral effect on productivity, with more pressure placed on non-absented employees, and absenteeism and turnover increasing as a result (Coomber & Barriball, 2007).

Effects on Customer

Poor Customer Service. An increase in staff turnover also has an impact on an organisation’s customers. New recruits might not fully understand the procedures and products of the organisation and might deliver poor customer service or low-quality products (Aladwan, et al., 2013; Davidson et al., 2010). This can result in a loss of customers, which ultimately affects the bottom line of the organisation.

Effects on Economy. Several studies reviewed (Agarwal, et al., 2012; Holton et al., 2008; Kemal, 2002; Morrel et al., 2004; Zimmerman & Darnold, 2009) suggested that the loss of skilled staff within organisations has a direct impact on the profitability of an organisation, which can also have an indirect impact on the economy. According to Finnegan (2009), a depressed economy limits turnover, but good employees still leave their jobs during recessions, which become highly expensive for a company.

The decline of employment from 2008 to 2013 within the financial, intermediation, real-estate and business services of South Africa has impacted the economy of the country, by causing an increase of unemployment and a decrease in salaries contributing to the economy (Statistics South Africa, 2014).
Antecedents of Employee Turnover. Previous research conducted in this area has identified a number of antecedents that affect employee turnover (Burke, Sims, Lazzara & Salas, 2007; McWhite, 2009; Loi, Hang-yue & Fole, 2006; Nadiri & Tanova, 2010; Ramlall, 2003; Sellgren, Goran & Tomson, 2007). The intention of this literature review is not to survey all the antecedents in depth but rather to examine the relationship between TIL and ITQ specifically.

Perceived Organisational Justice. Perceived organisational justice has been defined as the perception of individuals or groups regarding the fairness of treatment received from an organisation and the behaviour reaction to such perceptions (James, 1993).

McWhite (2009) stated that organisations with well-established structures are perceived to have more procedural justice than organisations that have not established their structures. Additionally, organisations with established fair procedures and fairness in the allocation of resources and rewards may have a positive effect on organisational outcomes (McWhite, 2009). According to Nadiri and Tanova (2010), a perceived lack of fairness may also lead to an increased turnover of employees. Organisations must ensure that their policies and practices reinforce employees’ justice perceptions in order to avoid ET within their organisations (Loi et al., 2006).

Job Satisfaction and Organisation Commitment. Key organisational-behaviour constructs that have been identified as influencing retention include job satisfaction and employees’ commitment to the organisation (Firth et al., 2004). Oshagbemi (2000) referred to job satisfaction as an individual’s positive emotional reaction to a particular job. Results of a study conducted by Sellgren et al. (2007) among 426 nursing staff at the Karolinska hospital in Stockholm, Sweden have shown that there is a significant relationship ($p < -0.005$) between staff turnover and job satisfaction.
Employees put more effort into accomplishing tasks when they are supported and cared for by their immediate supervisors (Agarwal et al., 2012). Mohsin, Lengler and Kumar (2013) stated that employee commitment is generated when staff members know the employer is investing time and money into them, which further helps the organisation and its employees achieve mutual goals. According to Gill (2008), employees with a higher degree of trust will have higher levels of job satisfaction, which results in them staying with an organisation for longer.

**Employee Engagement.** There are various definitions of employee engagement. According to Eisenberg, Armeli, Rexwinkel, Lynch and Rhoades (2001), as well as Meyer and Allen (1991), people who intend to quit are usually psychologically detached from their job, and less motivated or willing to contribute effectively to their organisation, because they are not engaged. Towers Perrin (2003) defined employee engagement as employees’ willingness and ability to contribute to the organisations’ success, while Truss, Soane, Edwards, Wisdom, Croll and Brunett (2006) defined the term as a passion for work.

An exploratory study conducted among four major banks—namely, ABSA bank, Standard bank, Nedbank and First National bank—with 70 participants has shown lack of opportunity, the desire to take on new challenges and lack of appreciation to be the principle reasons for ET (Van Zyl, 2011).

**ITQ as Antecedent of ET**

As previously mentioned, ITQ is one of the key antecedents to actual quitting. Maertz and Campion’s (2004) process models of turnover focus on how people quit. The authors discussed the fact that employees become dissatisfied with their jobs, think about quitting, search for better jobs, form intentions to quit and then finally quit.

According to Loi et al. (2006), ITQ relates to turnover behaviour and explains more variance in ET than other affective or emotional responses such as job satisfaction. ITQ,
which causes an individual to resign, is influenced by other predictors. This subsection will focus on and discuss ITQ in more detail.

**Defining ITQ.** Boshof, Van Wyk, Hoole and Owen (2002) defined intention to quit as the strength of an individual’s conviction that he or she does not want to stay with his or her employer. Intention to quit has also been referred to as a worker’s intention to leave the present organisation (Cho, Johanson & Guchait, 2009). Van den Berg and Nelson (1999, p.1315) defined intention to leave as an “individual’s own estimated probability (subjective) that they are permanently leaving the organization at some point in the near future”.

ITQ is often measured in time (e.g., within the next two months) and is the last in a sequence of withdrawal cognitions that an employee may have before actually quitting (Schlechter, 2006). In other words, ITQ is the attitude, and quitting is the actual behaviour (Schlechter, 2006). People hold the attitude of quitting before they actually quit.

**Antecedents of ITQ.** The literature reviewed (Connell et al., 2003; Dannhauser & Boshoff, 2006; Dirks & Ferrin, 2002; Schlechter & Strauss, 2008) stated that the major influences on ITQ are job satisfaction, employee commitment, perceived organisational support, and transformational leadership, which are similar to the influences on ET discussed previously. In some instances, personal and contextual factors influence an individual’s ITQ (Bothma & Roodt, 2013).

Although extensive research has been conducted on the antecedents of ITQ (Agarwal et al., 2012; Aladwan et al., 2013; Boshoff, Van Wyk, Hoole & Owen., 2002; Brannon, Zinn, Mor & Davis, 2002; Connell et al., 2003; Dannhauser & Boshoff, 2006; Firth et al., 2004; Dirks & Ferrin, 2002; Kahumuza & Schlechter, 2008; Schlechter & Strauss, 2008), due to time and length constraints only certain antecedents will be discussed here, with the focus remaining on TIL as the dependent variable to ITQ.
Job satisfaction. Lack of job satisfaction influences an employee’s intention to leave. In a study by Carmeli and Weisberg (2006) exploring turnover intentions among three professional groups—financial officers, lawyers and social workers—job satisfaction was found to impact turnover intentions.

Another study conducted by Nadiri and Tanova (2010) among four five-star hotels suggested that the fairness of organisations’ procedures influences both turnover intentions and job satisfaction.

Research conducted by Kahumuza and Schlechter (2008) in the financial industry has shown that job satisfaction is one of the predictors of ITQ. When employees become dissatisfied with their jobs, they develop intentions of leaving and start seeking better opportunities, when these opportunities are found, they leave (Maertz & Champion, 2004).

A study by Pienaar, Siberhagen and Mostert (2007) conducted among mining staff in South Africa with a response rate of 206 respondents has shown that job satisfaction with ITQ was practically significant ($p \leq 0.65$).

On the basis of the literature reviewed it can be concluded that, if employees do not have job satisfaction at their workplace, they are likely to develop the intention to leave.

Perceived Organisational Support (POS). Rhoades & Eisenberger (2002) defined perceived organisational support (PO) as an employee’s beliefs about the organisation’s willingness to reward employees and ensure employees’ overall wellbeing. PO has been found to have an influence on intention to quit (Kahumuza & Schlechter, 2008). According to Firth et al. (2004), POS is an antecedent to ITQ.

In a South African study within the financial sector (Kahumuza & Schlechter, 2008), it was discovered that POS is one of the predictors of ITQ. Results from studies by Kahumuza and Schlechter (2008) investigating the validity of a three-dimensional perceived support construct (organisational, leader and co-worker) showed a strong relationship
between PLS and ITQ ($r=-0.52; p<0.01$), which emphasizes the importance of leadership in an organisation and the effect leaders can have on employees’ intentions to quit.

In another study conducted by Loi et al. (2006) among practising solicitors in Hong Kong, PO was found to mediate employees’ organisational commitments and their intentions to leave.

**Perceived Support (PS).** Perceived support ($P$) has been defined as an individual’s interpretation of an organisation’s willingness to help an individual complete his or her work and show support during stressful situations (Rhoades & Eisenberger, 2002). According to Kahumuza and Schlechter (2008), the individual’s interpretation is subjective, as an individual’s personal experience with either the organisation or the supervisor will influence their perception. Results from a study by Schlechter (2008), has shown that PS had a direct negative relationship with ITQ ($r=-0.525, p < 0.01$).

A study conducted by McWhite (2009) on 102 employees working in various industries such as advertising and media, engineering, sales and retail, telecommunications, project management, construction, consulting, finance, property, FMCG and other industries showed that the two dimensions (perceived organisational support and perceived supervisory support) of perceived support are statistically significant predictors of ITQ. Table 3 shows that the overall regression model is significant ($F = 20.86, p <0.05$).

Table 3: Regression model of perceived support dimensions and ITQ (Mc White, 2009)

<table>
<thead>
<tr>
<th>Model</th>
<th>$F$</th>
<th>$R$ Square</th>
<th>$R$</th>
<th>Adjusted $R$ square</th>
<th>$t$</th>
<th>B</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>(constant)</td>
<td>20.857</td>
<td>.303</td>
<td>.550</td>
<td>.288</td>
<td>10.716*</td>
<td>8.010</td>
<td>.000</td>
</tr>
<tr>
<td>Perceived Supervisor Support</td>
<td>-1.883*</td>
<td>-2.479</td>
<td>-.349</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Organisational Support</td>
<td>-2.749*</td>
<td>-.491</td>
<td>-.239</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

*Note: Predictors: Perceived Supervisor Support and Perceived Organisational Support

*Dependent variable: ITQ

$* p < 0.05$
**Employee engagement.** According to Schlechter (2006) employee commitment and morale have a negative effect on ITQ. Engagement was found to contribute to 52% of the variance in ITQ in a study conducted by Firth et al. (2003). Once employees become disengaged with an organisation, they are no longer as dedicated or productive as before (Branham, 2005).

**Organisational Culture.** Gregory, Way, LeFort, Barrett and Parfrey (2007) found that the role of organisational culture on ITQ is integral, given its direct effect on organisational commitment and its indirect effects (through trust in leadership and job satisfaction) on employees’ commitment and intent to stay.

**Organisational Commitment.** In studies conducted by Loi et al. (2006) as well as by Firth et al. (2004), organisational commitment was found to have a statistically significant and negative relationship with ITQ and actual staff turnover.

In a study by Calisir et al. (2011) among 204 IT professionals in Turkey, it was discovered that organisational commitment had the highest effect on turnover intention among IT professionals.

**Trust-in-leadership (TIL)**

Rousseau, Sitkin, Butt and Camerer (1998, p.395) have defined trust as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another”. According to McGee-Cooper (2003) trust is the most valuable and intangible quality of servant leadership. In the literature review of his 2003 paper, McGee-Cooper stated that trust is the confidence that employees have in the fact that their leaders will act in their best interests. It involves employees’ assurance that their leaders will serve the larger group without sacrificing their individual rights. Accordingly, the leader is partly accountable and responsible for building the trust relationship that his subordinates then follow.
According to Mishra and Mishra (2013), trust cannot be built through interpersonal means alone, institutional mechanisms, such as an open-door policy and no separate parking lots, are required to develop a sustainable culture of trust.

**Trust-in-leadership (TIL) as Antecedent to ITQ.** TIL has been researched by numerous academics (Agarwal et al., 2012; Bijlsma & van de Bunt, 2003; Burke et al., 2007; Connell et al., 2003; Gregory et al., 2007; McGee-Cooper, 2003; Paillé, Bourdeau & Galios, 2010; Schlechter a Strauss, 2008; Taplin & Winterton, 2007) and certain of their findings will be explored and discussed in this subsection.

**Relationship between TIL and ITQ.** In a study conducted among white-collar employees in a business school in France by Paillé, Bourdeau and Galios (2010), a workplace that encouraged trust was found to sustain employees in their desire to cooperate (organisation-citizenship behaviour), which in turn decreased their intention to leave the organisation. The trust between a leader and his or her employee impacts on variables such as job satisfaction and staff commitment, thus impacting intention to quit (Gregory et al., 2007).

Results of a study conducted by Connell et al. (2003) found that increased trust in managers (TIL) could be expected to increase levels of affective and continual commitment and reduce turnover.

Researchers Dirks and Ferrin (2002) explored different types of leadership actions and practices and found that some variables had larger observed relationships with trust than others. The findings of the study showed that TIL showed sizeable relationship with ITQ ($r = -.40$).

In short, TIL plays a critical role in staff retention and can influence ITQ (Taplin & Winterton, 2007). The above research findings concur that a leader’s relationship with employees, and more specifically employees’ trust in their leaders, influences ITQ.
Antecedents of TIL. TIL is brought about by a number of factors. These include: organisational commitment; job satisfaction; organisational citizenship behaviour; goal commitment; belief in information; perceived organisational support; monitoring performance, support in the case of trouble with others; openness to the ideas of subordinate; cooperative problem solving; decision commitment; satisfaction with leaders’ emotional intelligence; procedural justice; and transformational leadership (Bijlsma & Van de Bunt, 2003; Connell et al., 2003; Dirks & Ferrin, 2002; Schlechter & Strauss, 2008). For the purpose of this review, only a few of these factors will be discussed.

POS, Procedural Justice and Transformational Leadership. The study conducted by Connell et al. (2003) showed that POS, procedural justice and transformational leadership were significant predictors of trust in managers and that turnover intent and commitment were significant outcomes. Their model explaining the predictors and outcomes is presented in Figure 1. The Connell et al. (2003, p.575) study was conducted within a large Australian public-health organisation and had a response rate of 291. One of the most important findings in this study was the strong influence of perceived organisational support on trust in managers. The researchers’ results showed significant correlations between trust in managers and conscientiousness: \( r = 0.13, n = 275, p < 0.05 \) and \( r = 0.74, n = 275, p < 0.001 \) for trust in managers and perceived organisational support, and a significant positive relationship between procedural justice and trust in managers\( (r = 0.71, n = 275, p < 0.05) \).
Processes and Systems. Trust within organisations is not only the trust employees have for their managers; trust can also relate to employees’ peers and to the organisation as a whole, which includes the trust in the processes and systems employed (Burke et al., 2007). When leaders do not follow the processes, policies and procedures fairly it can have a negative impact on the trust between employees and leaders, as it may be seen as evidence regarding the leaders’ integrity (Burke et al., 2007). Therefore, aligning leaders to processes, systems and procedures will enhance a sense of trust between leaders and employees (Burke et al., 2007).

Ability, Benevolence and Integrity. Although there are various latent variables influencing an employee’s decision to quit his or her job, Burke et al. (2007) came up with a model of TIL (Figure 2). The model proposed leaders play a key role in determining organisational effectiveness across all the levels (individual, team and unit) that exist within
organisations. As this model shows, a key component of a leader’s ability to be effective within the organisational environment is the degree to which subordinates and co-workers trust him or her.

Burke et al., (2007) and Schoorman, Mayer and Davis (2007), have demonstrated that most of the antecedents of TIL proposed within the larger literature-base fall within the following three categories: ability, benevolence and integrity. These three characteristics of a leader—or the lack thereof—most influence employees’ TI. These three core antecedents were further defined (Figure 2, p.613) according to the specific behavioural indicators that followers look for when making a judgement regarding TIL (Burke et al., 2007).

Figure 2 identifies various latent variables that have an impact on TIL and are influenced by moderators or motivators at the individual level, as well as team and organisational factors. The figure also explains the relationship between TIL and certain important proximal outcomes (behaviour and affect) and distal outcomes (performance quality and quantity, turnover, adaptation and trust). If leaders fail to gain the trust of employees, employees are likely to seek other job opportunities (Burke et al., 2007).

In Figure 2, TIL has been framed in terms of the antecedents that impact on TIL and the proximal outcomes that result from it. No reference has been made, however, to the fact that ITQ, as a mediating factor, can have a direct impact on the distal outcomes of turnover and trust.
Figure 2: Integrated multi-level framework for understanding trust-in-leaders (Burke et al., 2007, p.613)
Conclusion

Research has shown that some of the effects of ET are the same as those of ITQ. In addition, ET, ITQ and TIL share some of the same antecedents, such as job commitment, organisation commitment, citizenship behaviour, perceived support and job satisfaction.

The studies reviewed in this chapter indicated that TIL is not one of the main antecedents of ITQ. Although TIL has been broadly discussed by several authors, only a few studies have touched on the impact it has on employees’ intention to quit. Research by Cornell et al. (2003), for example, has demonstrated that employees having more trust in their managers predicted significantly decreased intentions to turnover, and greater levels of organisational commitment.

According to Hatzakis (2009), the ability of managers to understand the dynamics of trust and foster trust may be increasingly consequential for enhancing organisational life performance and increasing staff retention.

The current research study therefore proposed that TIL is related to the probability of ITQ. Specifically, the hypothesis of this research study is that an increase in TO; would be linked to a lower ITQ among staff in a financial institution.
Chapter 3: Research Design

The purpose of this research assignment was to explore the relationship between employees’ TIL and their ITQ.

This section presents the method used for the study. It is divided into five sections: research approach; measuring instruments; participants and sampling; data-collection procedures and statistical analysis techniques.

Research approach

A quantitative research approach was used to determine the extent of the relationship between TIL and ITQ among staff, where a cross-sectional field survey generated the primary research data for this study.

Research was conducted within an international financial institution, due to limited research conducted within South Africa this research only focused within this country. All 400 staff members were included in the study.

The aim of the research is to establish the relationship between the dependent variable (ITQ) and the independent variable (TIL).

An online questionnaire was used to collect the quantitative data.

Measuring Instruments

This section provides information about the measures used to assess the relationship between TIL and ITQ.

TIL. To assess TIL, part of Cook and Wall’s (1980) scale was used. The Cook and Wall questionnaire consists of 36 items that assess trust in leadership according to three dimensions, namely, co-worker level (12 items), organisational level (12 items) and immediate-manager level (12 items). These items are measured on a seven-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree).
The 12 items relating to immediate managers were chosen for use, as they focus directly on the trust-in-leadership component of this research. A five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), was employed to keep responses scales consistent. The 12 response scales were:

1. I feel that my manager trusts his/her employees to work without excessive supervision.
2. I feel that my manager is available when needed.
3. I feel that my manager listens to what I have to say.
4. I proceed on the basis that my manager will act in good faith.
5. I act knowing that my manager will keep his/her word.
6. I act on the basis that my manager displays integrity in his/her actions.
7. I believe that my manager keeps personal discussions confidential.
8. I think that my manager appreciates additional efforts I make.
9. I believe that my manager follows through promises with action.
10. Employees generally believe that management provides honest answers.
11. It is frequently acknowledged by employees at X that their immediate managers/supervisors reward those who perform well.
12. Most people at X feel comfortable with their immediate managers/supervisors.

The Cook and Wall scale was chosen as the measure for trust in leadership as it has shown adequate internal consistency, with reliability scores of 0.69 (Cook and Wall, 1980) and 0.86 (Connell et al, 2003). According to Nunnaly (1978), in order to be an acceptable reliability-coefficient, the Cronbach’s alpha should not be less than 0.7. This finding indicates that the Cook and Wall (1980) scale was an acceptably reliable tool to use.

An additional item—“I trust my leader”—was included, to gather a more direct response to the question of trust-in-leadership.
To measure intention to quit, a scale designed by Roodt (2004) was used. Aladwan et al (2013) used this 14-item scale and obtained a Cronbach’s alpha of 0.91.

For this study, six items of the scale were used. In research conducted by Bothma and Roodt (2013), using the six–item scale produced a Cronbach’s alpha of 0.80, which validated the reliability of the measuring tool. The six-item scale used for this study was:

1. How often have you considered leaving your job?
2. To what extent is your current job satisfying your personal needs?
3. How often are you frustrated when not given the opportunity at work to achieve your personal work-related goals?
4. How often do you dream about getting another job that will better suit your personal needs?
5. How likely are you to accept another job at the same compensation level, should it be offered to you?
6. How often do you look forward to another day at work?

Participants responses were collected with a five-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree).

**Demographics.** Six questions regarding demographics of respondents was asked relating to gender, education level, job level, years of service, ethnicity and age (Appendix A). Respondents could only select one answer per question.

**Participants and Sampling**

The research was conducted within a financial institution in the Western Cape province of South Africa. The organisation consists of approximately four hundred permanent staff members and leaders, all of whom were invited to participate in the survey.

A total of 89 (n=89) staff members responded to the survey, 20 of these participants had to be removed from the sample as they did not complete all the items on the survey,
which made it impossible to conduct meaningful statistical analysis on the responses. The final sample of participants therefore consisted of 69 (77%) staff members.

The sample was composed of 55.1% females and 44.9% males (Figure 3).

*Figure 3: Gender of respondents*
The age distribution of the sample was as follows: 36.2% between 18 and 30 years of age; 30.4% between 31 and 39 years of age; 26.1% between 40 and 49 years of age; 2.9% between 50 and 59 years of age; and 4.3% over 60. The sample consisted predominantly of younger generations, with 66.6% of participants younger than 40 years of age (Figure 4).

Figure 4: Age of respondents
The years of service among participants were as follows: 34.5% had less than 1 year service; 33.3% had more than 4 years service; and 46.4% had more than 6 years service (Figure 5).

**Figure 5: Years of service of respondents**
Of the participants, 1.4% had no formal qualifications and 69.9% had formal tertiary qualifications. The majority of participants had tertiary qualifications and were highly skilled (Figure 6).

![Qualification of respondents](image)

Figure 6: Qualification of respondents
49.3% of respondents were at the non-managerial level, 14.5% were at the supervisory level and 36.2% were at the managerial level, reflecting an even spread of staff and leadership participation (Figure 7).

Figure 7: Job level of respondents
To the question regarding ethnicity, the majority (52.2%) responded White, 33.3% responded Coloured, 8.7% responded Black, 1.4% responded Indian. 1.4% of the respondents chose “other” and 2.9% chose “prefer not to answer” (Figure 8).

Figure 8: Ethnicity of respondents
The majority of the respondents (95.7%) were from the Cape Town head office, with 4.3% from the Johannesburg office (Figure 9).

Figure 9: Area of respondents
The socio-demographic breakdown of participants is presented in Table 4.

**Table 4: Descriptive statistics of respondents (n=69)**

<table>
<thead>
<tr>
<th>Socio-demographic</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
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<td></td>
</tr>
<tr>
<td>Females</td>
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</tr>
<tr>
<td>Males</td>
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<td>44.9</td>
</tr>
<tr>
<td>Total</td>
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<td>100</td>
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<tr>
<td><strong>Age</strong></td>
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<tr>
<td>18 – 30</td>
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</tr>
<tr>
<td>31 – 39</td>
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<td>30.4</td>
</tr>
<tr>
<td>40 – 49</td>
<td>18</td>
<td>26.1</td>
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<td>50 – 59</td>
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<td>2.9</td>
</tr>
<tr>
<td>60 – 69</td>
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<tr>
<td>Total</td>
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<tr>
<td><strong>Years of service</strong></td>
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</tr>
<tr>
<td>0 - 6 months</td>
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</tr>
<tr>
<td>7 - 11 months</td>
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<td>5.8</td>
</tr>
<tr>
<td>1 - 5 years</td>
<td>23</td>
<td>33.3</td>
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<tr>
<td>6 - 10 years</td>
<td>14</td>
<td>20.3</td>
</tr>
<tr>
<td>11 years and longer</td>
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<td>100</td>
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<td><strong>Qualification</strong></td>
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<td>Attended high school</td>
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<td>1.4</td>
</tr>
<tr>
<td>Graduated from high school</td>
<td>7</td>
<td>10.1</td>
</tr>
<tr>
<td>Attended college/technikon</td>
<td>6</td>
<td>8.7</td>
</tr>
<tr>
<td>Graduated from college/technikon</td>
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<td>13.0</td>
</tr>
<tr>
<td>Graduate studies with degree</td>
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<td>27.5</td>
</tr>
<tr>
<td>Postgraduate studies with degree</td>
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<td>30.4</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>8.7</td>
</tr>
<tr>
<td>Total</td>
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<td>100</td>
</tr>
<tr>
<td><strong>Job level</strong></td>
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<td></td>
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<tr>
<td>Non-managerial level</td>
<td>34</td>
<td>49.3</td>
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<tr>
<td>Supervisory level</td>
<td>10</td>
<td>14.5</td>
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<tr>
<td>Managerial level</td>
<td>25</td>
<td>36.2</td>
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<tr>
<td>Total</td>
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<td>100</td>
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<tr>
<td><strong>Ethnicity</strong></td>
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<tr>
<td>Black</td>
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<td>8.7</td>
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<tr>
<td>White</td>
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<td>52.2</td>
</tr>
<tr>
<td>Asian</td>
<td>1</td>
<td>1.4</td>
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<tr>
<td>Coloured</td>
<td>23</td>
<td>33.3</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>1.4</td>
</tr>
<tr>
<td>Prefer not to answer</td>
<td>2</td>
<td>2.9</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100</td>
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<tr>
<td><strong>Area</strong></td>
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<td></td>
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<tr>
<td>Cape Town</td>
<td>66</td>
<td>95.7</td>
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<tr>
<td>Johannesburg</td>
<td>3</td>
<td>4.3</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100</td>
</tr>
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</table>
Data-collection Procedures

The research was conducted upon receipt of approval of the proposal from the Ethics in Research Committee of the University of Cape Town’s Commerce Faculty.

An online questionnaire, created on Qualtrics, was used as the survey tool. The rationale for using an online survey was that the tool is cost-effective, and the feedback is in real time. Using an online survey also eliminated both the logistical problems and the time involved in the manual collection of response forms.

The questionnaire was conducted in English as this is the official business language used within this particular financial institution. Communication regarding the survey was distributed electronically via e-mail to the participants. Included in the communication was a letter from the head of Human Resources positioning the survey, as well as a letter from the researcher describing the purpose of the research and the time required to complete the questionnaire. A link to the survey’s universal resource locator (URL) was also provided. The proposed time required to complete the survey was 20 minutes, although participants were allowed to complete the survey in their own time.

Participation in the research was voluntary and responses were anonymous. Staff members were informed that the information obtained during the study would remain confidential and that the study was conducted in line with the American Psychological Associations guidelines for research (American Psychological Association, 2009).

The communication documents were emailed to all permanent staff members. Respondents were requested to complete the questionnaire by a certain date and a follow-up email (which included the contents of the first e-mail) was sent to the participants as a reminder of the submission date. Data collection took place over three months, from July to September 2014.
**Statistical Analysis**

Data collected from the online survey required cleaning and coding, and missing data was deleted. The data were transferred from Qualtrics to SPSS (version 22), which was used as the tool for statistical analyses. Statistical analysis was performed using descriptive statistics and reliability, validity and factor analyses, as well as regression.
Chapter 4: Results

This chapter will describe the results of the relevant statistical analyses used in the study. It is divided into three sections consisting of scales structures and internal, descriptive analysis and results of the hypothesis will be presented.

Scale Structures and Internal Consistency

In order to test the dimensionality of the scales, factor analysis was used with the principal axis extraction method. The test used to assess the suitability of the data for factor analysis was Kaiser-Meyer Olkin (KMO) test and Bartlett’s test of sphericity. When KMO was greater than 50 and Bartlett’s test produced significant results the data was considered to be appropriate for the procedure. Using Kaiser’s criterion (Kaiser, 1970), factors with eigenvalues greater than 1 were considered important. Item factor loadings greater than .30 were judged as significant (Kline, 1986).

The data for the TIL scale was found to be suitable for factor analysis (KMO = .90; Bartlett’s Test: $X^2 (df = 36) = 566.01$). The scale was found to be bidimensional with two factors emerging (eigenvalue: 7.24 and 1.39; variance explained: 60.34 and 71.93). After inspecting the factor loadings, cross-loading for items 10 (.67 and .47), 11 (.61 and .63) and 12 (.39 and .72) were observed. Items 10, 11, 12 as shown in Table 5, were removed from the scale and factor analysis was rerun. The new 9-item scale was then found to be unidimensional with a single factor emerging and improved explained variance (eigenvalue: 6.44, explained variance: 71.57%) and all items loading on one factor (factor loadings: $.706 < r < .911$). The factor was thus assumed to be TIL. The eigenvalues, explained variance and factor loadings for the final 9-item scale are shown in Table 7.

For the ITQ scale, the data was found to be suitable for factor analysis (KMO = .81; Bartlett’s Test: $X^2 (df = 10) = 116.49$). A single factor emerged with an eigenvalue greater than 1
(eigenvalue = 3.40, variance explained = 56.74), and factor loadings showed all 6 items to load on a single factor. However, item 6 as shown in Table 6, loaded negatively on factor 1 (-.763) and was thus removed from the scale. Item- analysis for the ITQ scale was rerun on the new 5 item scale and the items loaded significantly on one factor (.615 < r < .845). The scale was thus found to be undimensional and the factor was assumed to represent the construct of ITQ. The eigenvalues, explained variance and factor loadings for the final 5-item scale are shown in Table 7.

Table 5: Items removed from TIL scale

<table>
<thead>
<tr>
<th>No</th>
<th>Items removed from scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Employees generally believe that management provides honest answers.</td>
</tr>
<tr>
<td>11</td>
<td>It is frequently acknowledged by employees at our organisation that our immediate managers/supervisors reward those who perform well.</td>
</tr>
<tr>
<td>12</td>
<td>Most people at our organisation feel comfortable with their immediate managers/supervisors.</td>
</tr>
</tbody>
</table>

Table 6: Item removed from ITQ scale

<table>
<thead>
<tr>
<th>No</th>
<th>Items removed from scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>I look forward to another day at work.</td>
</tr>
</tbody>
</table>

Table 7: Results from factor analysis for ITQ and TIL scales

<table>
<thead>
<tr>
<th>Scale</th>
<th>KMO</th>
<th>Bartlett’s Test of Sphericity</th>
<th>Eigenvalue</th>
<th>Explained Variance (%)</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>χ²</td>
<td>df</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TIL</td>
<td>.90</td>
<td>566.01*</td>
<td>36</td>
<td>6.44</td>
<td>.615 &lt; r &lt; .845</td>
</tr>
<tr>
<td>ITQ</td>
<td>.81</td>
<td>116.49*</td>
<td>10</td>
<td>2.91</td>
<td>.706 &lt; r &lt; .911</td>
</tr>
</tbody>
</table>

Eigenvalue of factor 1 from factor analysis without rotation

* p < .001

Internal consistency was tested using corrected item-total correlations from item analysis, and Cronbach’s alpha coefficient (Cronbach, 1951). According to Nunnally (1978)
to be an acceptable reliability coefficient the Cronbach alpha value should not be less than .70 and corrected item-total correlations must be above .30.

**Trust-in-leadership (TIL).** Cronbach’s alpha coefficient (α =.95) was found in an item analysis for the 9-item TIL scale shown in Table 8. No items were deleted from the scale, with all corrected item-total correlations being significant (.64 < r < .88).

**Intention to quit (ITQ).** A reliability analysis of the 5-item ITQ scale revealed good reliability (α=.82) as shown in Table 8. All corrected item-total correlations were found to be significant: .45 < r < .72).

Table 8: Cronbach’s Alpha coefficients for EFA derived results

<table>
<thead>
<tr>
<th></th>
<th>No of items</th>
<th>Cronbach alpha results</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITQ</td>
<td>5</td>
<td>.82</td>
</tr>
<tr>
<td>TIL</td>
<td>9</td>
<td>.95</td>
</tr>
</tbody>
</table>

**Descriptive statistics**

The means and standard deviations for ITQ and TIL are presented in Table 9. Based on the point five Likert scale used in the questionnaire with a midpoint of three, the mean scores indicate that respondents perceived relatively high level of TIL and moderate level of ITQ, with standard deviation of .81 and .88 respectively. A moderate distribution of scores around the mean is indicated by the standard deviations (Table 9).

Table 9: Descriptive statistics of scales

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIL</td>
<td>69</td>
<td>3.84</td>
<td>.81</td>
</tr>
<tr>
<td>ITQ</td>
<td>69</td>
<td>3.07</td>
<td>.88</td>
</tr>
</tbody>
</table>
Results Relating to Hypothesis

Outliers were removed and all other assumptions were met for regression analysis. Simple linear bivariate regression analysis was conducted in order to test the hypothesis as there was one dependent (ITQ) and one independent (TIL) variable to be measured. A significant predictive relationship was found ($F = 35.83; df = 1.67; p < .001$). According to Cohen’s convention (1988), a negative relationship was found between TIL and ITQ ($r = .59$; adjusted $r$ square = .34%), Table 10. TIL was found to be a significant predictor of intention to quit ($\beta = -.64; t = -5.99; p < .001$), Table 11.

Table 10: Results for simple linear bivariate regression analysis of TIL and ITQ

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>.59</td>
<td>.34</td>
<td>.339</td>
<td>.716</td>
</tr>
</tbody>
</table>

Table 11: Results for simple linear regression analysis of TIL and ITQ

<table>
<thead>
<tr>
<th>Scale</th>
<th>Unstandardized Coefficients</th>
<th>Standard Coefficients</th>
<th>t</th>
<th>Sigma</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>5.54</td>
<td>.42</td>
<td>13.16</td>
<td>.000</td>
</tr>
<tr>
<td>M-TIL</td>
<td>-.64</td>
<td>.12</td>
<td>-.59</td>
<td>-5.99</td>
</tr>
</tbody>
</table>

Dependent Variable: M_ItQ

Thus, an increase in TIL can be predicted by a decrease in ITQ. Table 11 includes the unstandardised beta coefficients for the predictor variable. The results support the hypothesis.
Chapter 5: Discussion

As previously discussed, employee turnover is a concern for organisations due to not only the loss of top performers but also the negative impact on the bottom line. Several studies on retention (Loi et al., 2006; Firth et al., 2004; Kahumuza & Schlechter, 2008; Holtom et al., 2008) have demonstrated that formal resignation is preceded by intention to quit (ITQ), which to a large extent explains the variance of actual turnover (Carmeli & Weisberg, 2006; Loi et al., 2006).

In the South African context, only a few recent studies have been conducted in this field, namely, Botha and Roodt (2012), McWhite (2009), Kahumuza and Schlechter (2008) Muteswa and Ortlepp (2011), Pienaar et al. (2007) and Van Zyl (2011). The present study differs from previous research in this area in that it was conducted in the financial service sector in South Africa with a specific focus on TIL and ITQ. The research is important as the relationship between TIL and ITQ has seldom been explored.

The aim of the study, in the context of a financial institution in South Africa, was twofold: firstly, to expand understanding of the importance of TIL in mitigating employees’ ITQ and, secondly, to contribute to the growing body of research related to intention to quit, by conducting an empirical test consisting of the two constructs (ITQ and TIL). The question posed by this research was: “To what extent does TIL impact on ITQ within a financial institution?” The hypothesis was that an increase in TIL would be linked to a lower ITQ among staff in a financial institution.

This study demonstrated that TIL impacts significantly on ITQ. The results show that an increase in TIL led to a decrease in ITQ within the financial institution under investigation. Stated differently, the less trust employees have in their leadership, the more likely their ITQ and, eventually, their resignation (Taplin & Winterton, 2007).
As expected, this study confirmed the relationship between TIL and ITQ, which aligns with the results of previous research (Connell et al., 2003; Gregory et al., 2007; Dirks & Ferrin 2002).

Building on previous research (Connell et al., 2003; Gregory et al., 2007; Kahumuza & Schlechter, 2008), the present study demonstrated that employees with a greater TIL display a significant decrease in turnover intentions. Expanding on the model by Burke et al (2007) (Figure 2), this study further emphasised the importance of leadership in an organisation and the effect leaders can have on employee turnover and, more importantly, on ITQ, an antecedent of ET.

As stated by Yi (2012), organisations need to be able to retain employees. The current study found that TIL plays a pivotal role in staff retention and can be used as a contributory mechanism to control retention. Given the findings of this study and the relation between ITQ and ET, TIL can have a significant influence on the effects of ET.

**Scale Structures and Internal Consistency**

A summary of the scale’s properties is briefly presented here.

From the previously discussed EFA analyses (Table 7), the scales for both TIL and ITQ were found to be unidimensional, with a single factor emerging greater than 1, and with all factors loading on one factor.

Reliability analysis for both constructs revealed good reliability, with a high Cronbach’s alpha coefficient for both the TIL (α =.95) and ITQ (α =.82) scales. Corrected-item total correlations were found to be significant: TIL (.64 < r < .88) and ITQ (.45 < r < .72).

Given that the scales worked successfully, the results can be interpreted with relative confidence and can be replicated.
**Descriptive Statistics.** The descriptive statistics obtained for ITQ and TIL are shown in Table 9, with means of M=3.84 for TIL and M=3.07 for ITQ, and standard deviations of SD=.81 and SD.88 respectively. Relative to the TIL mean, the ITQ mean was, as expected, lower.

**Relationship between the Constructs.** Having determined the reliability and validity of the measurement scales in this study, the next step was to explore the direct relationship between TI and ITQ. The Pearson’s Product Moment Correlation Coefficient (r) was used to analyse the bivariate relationship between the two constructs.

According to results previously discussed (Table 11), a negative relationship was found between TIL and ITQ (r = .59; adjusted r square = .34%). TIL was found to be a significant predictor of intention to quit (β = -.64; t = -5.99; p < .001). The results obtained demonstrate the relationship between TIL and ITQ, as was the main purpose of the study.

**Implications of Findings**
As discussed previously the implications of ET, as a consequence of ITQ, can affect the bottom line of an organisation (Aladwan et al., 2013; Carmeli & Weisberg, 2006; Davidson et al., 2010; Coomber & Barriball, 2007; Holtom et al., 2008). It thus becomes critical for managers to find means to limit the loss of employees (Nadiri & Tanova, 2010). Since this study has demonstrated the correlation between TIL and ITQ (and ultimately ET), it gives managers insight into factors that can successfully influence the retention of employees. Used in conjunction with findings from Burke et al. (2007), line managers can focus on leadership-behaviour development in an effort to foster employer/employee trust relations, thereby directly influencing retention.

Suggested interventions for leaders to build trust with their employees include: the training of leaders on the behaviours that build trust with staff and peers; effective
communication for leaders; employee-engagement surveys to assess and address any issues of concern; 360-degree leadership assessments and regular one-on-one discussions with staff (McWhite, 2009; Schlechter & Strauss, 2008; Van Zyl, 2011).

It is further proposed that in order to retain staff, organisations must have a retention strategy focussed not solely on reward and recognition but also on intrinsic rewards like time off and crèches.

Since TIL has been identified as a strong indicator of quitting jobs, researchers and employers should place more emphasis on ITQ (Connell et al., 2003; Firth et al., 2004; McGee-Cooper, 2003; Taplin & Winterton, 2007).

Limitations of study

Despite making substantive contribution to the field, this study is not without limitations.

First, the data was Scollected from employees within a financial institution in Johannesburg and Cape Town, South Africa, and the generalisability of results to organisations in other sectors or locations is uncertain.

Second, this study focussed only on TIL as variable to ITQ and could have explored the influence of additional variables impacting ITQ, such as job satisfaction and organisational commitment.

Finally, the response rate to the survey was lower than expected and could have had an impact on the results.

Recommendations for future research

Future studies should broaden the context of investigation, by including diverse geographical settings to augment the external validity of the study.

It is suggested for future research that a replication of the present study be conducted over an extended period, possibly producing more responses in a longer period of time. Due to time and cost constraints, a longitudinal study was not possible here. A longitudinal study
with data collected at different intervals would be more appropriate for collecting information on trust-in-leadership and intention to quit. Furthermore, a longitudinal study might produce a bigger sample.

It is suggested for future research that TIL not be studied in isolation and that other constructs—such as trust in the organisation and trust in teams—be included.

Given Burke et al.’s integrated multi-level framework for understanding TIL (2007), discussed previously, and the greater number of the variables represented there, it is proposed that future research attempt to include these variables. Burke et al. (2007) offered various outcome variables, and a possible enhancement of their model would be the inclusion of ITQ as a predictor to the distal outcomes, which included the turnover variable (see Figure 10).
Figure 10: Proposed new integrated-multilevel framework for understanding TIL model of Burke et al (2007)
Practical Contribution

The findings of the current research make a practical contribution to organisations, especially those with high ET rates. This study confirms TIL influences ITQ and therefore provides organisations with an opportunity to be proactive in retaining employees by implementing incentives cultivating TIL.

The impact of TIL on ITQ demonstrated herein highlights a continued need among organisations and researchers for better understanding of the factors which build TIL. Recommendations in terms of how to trust build trust between leaders and employees have previously been discussed in this chapter.

Conclusion

This study aimed to contribute meaningfully to the growing body of research on turnover, as little research exists on this specific area in South Africa. It also sought to address the lack of literature specifically examining the relationship between TIL and ITQ and investigating how this relationship affects ET.

The literature reviewed in this study and the comprehensive survey conducted contributed to employee-turnover research in South Africa. The results of the study revealed that there is a significant relationship between TIL and ITQ. This finding is important for researchers and employers since the fact that TIL influences employees’ intentions of quitting allows for organisations to be pro-active in retaining staff, and gives direction to researchers for further study. The research objectives of the study are therefore achieved.
References


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Management, 20, 448-460.


Paille, P., Bourdeau, L., & Galois, I. (2010). Support, trust, satisfaction, intent to leave and


Appendix A

Please be advised that participating in this survey you are hereby giving consent to this study.

For purpose of research analysis can we please request that you complete answers below by marking the correct box:

1. Are you:

   □ Male  □ Female

2. What is the highest level of formal education you have completed? (Please select only one)

   □ Attended High School   □ Graduated High School
   □ Attended College/Technikon   □ Graduated College/Technikon
   □ Graduate Study with Degree   □ Post-Graduate Degree
   □ Other, please specify……………………………………………………………

3. What is your job level?

   □ Non-managerial level   □ Supervisory level
   □ Managerial level

4. Years of service with current organisation?

   □ 0 – 6 months   □ 7 months – 11 months
   □ 1 to 5 years   □ 6 to 10 years
   □ 11 years and longer

5. Race/Ethnicity – for analysis purposes

   □ Black   □ White
   □ Coloured   □ Chinese
   □ Other   □ Prefer not to answer
6. Age

- [ ] Between 18 - 30
- [ ] Between 31 - 39
- [ ] Between 40 - 49
- [ ] Between 50 - 59
- [ ] Between 60 - 69
Please rate the statements below on a scale of 1 to 5 where: 1 = strongly disagree; 2 = disagree; 3 = not sure; 4 = agree and 5 = strongly agree

1. I feel that my manager trusts his/her employees to work without excessive supervision.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>○</td>
<td>○</td>
<td>○</td>
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</tbody>
</table>

2. I feel that my manager is available when needed.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

3. I feel that my manager listens to what I have to say.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>○</td>
<td>○</td>
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</table>

4. I proceed on the basis that my manager will act in good faith.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>○</td>
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</tbody>
</table>

5. I act knowing that my manager will keep his/her word.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>○</td>
<td>○</td>
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</table>

6. I act on the basis that my manager displays integrity in his/ her actions.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>○</td>
<td>○</td>
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</tbody>
</table>

7. I believe that my manager keeps personal discussions confidential.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>○</td>
<td>○</td>
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8. I think that my manager appreciates additional efforts I make.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
<tr>
<td>○</td>
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</table>

9. I believe that my manager follows through promises with action.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tr>
<td>○</td>
<td>○</td>
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</tbody>
</table>
10. Employees generally believe that management provides honest answers.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<td></td>
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</table>

11. It is frequently acknowledged by employees at our organisation that our immediate managers/supervisors reward those who perform well.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
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<td></td>
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</table>

12. Most people at our organisation feel comfortable with their immediate managers/supervisors.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
<tr>
<td></td>
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</tbody>
</table>

13. I trust my leader.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
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</table>

14. I have often considered leaving my job.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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15. My current job is satisfying my personal needs.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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</table>

16. I am often frustrated when not given the opportunity at work to achieve my personal work-related goals.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
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</table>

17. I often dream about getting another job that will better suit my personal needs.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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</table>

18. I will accept another job at the same compensation level should it be offered?
19. I look forward to another day at work.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
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