



**The relationship between employee engagement,
transformational leadership, perceived support and intention to
quit: An exploratory study**

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ABSTRACT

Employee engagement (ENG) is a concern for most organisations as it influences productivity rates and ultimately the financial outcome of an organisation. In order to increase the levels of ENG it is important that organisations identify the antecedents of ENG. There are many antecedents of ENG, for the purposes of this study, the antecedents are: transformational leadership (TFL) and perceived support (PS). It is also important for organisations to gain an understanding of how employee engagement influences employees' intention to quit (ITQ) an organisation. This study is an exploratory attempt to see if firstly, direct relationships exist between the constructs: TFL and ENG; ENG and ITQ; PS and ENG; TFL and PS; TFL and ITQ; PS and ITQ. Secondly, to see if indirect relationships exist between: TFL and ITQ when mediated by ENG and PS and ITQ when mediated by ENG. Pearson's Product Moment correlations, Standard Multiple Regression and partial correlation were used to assess the above propositions. Baron and Kenny's (1986) 3 step process was used to test for mediation. The sample consisted of 43 employees from a financial institution. A significant positive relationship was found between: TFL and ENG; TFL and PS; PS and ENG. A direct negative relationship was found between: ENG and ITQ; TFL and ITQ; PS and ITQ. The TFL-ITQ relationship was found to be completely mediated by ENG. The PS-ITQ relationship was found to be partially mediated by ENG. PS was the only construct that made a unique contribution when predicting ENG and ITQ. Implications include the fact that PS in organisations may be crucial. It not only has a significant contribution to ENG, but to retaining employees as well. If organisations seek to maximise their resources, they need to focus on the implications that PS has on ENG.

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CHAPTER 1

INTRODUCTION

According to Guthridge, Komm and Lawson (n.d) companies promote the idea that employees are their competitive advantage. However most organisations are unprepared for the challenges of attracting, motivating and developing their employees. Guthridge, Komm and Lawson (n.d) further state that executives must constantly rethink their strategy to attract, motivate and retain employees. In the knowledge worker era, retention of talented employees is most important and employee engagement is not far behind (Frank, Finnegan & Taylor, 2004). Employee engagement and employee retention are closely related (Frank et al., 2004). In an economy where profit is the main objective for most organisations, how well employees perform in their job is most important (Frank et al., 2004). There is a growing awareness in organisations that there is a need to focus attention and energy on not only retaining talented employees, but keeping them highly engaged as well (Frank et al., 2004). Employee engagement has been found to be directly related to business financial performance (Frank et al., 2004). In a study conducted by ISR (2003 as cited in Frank et al., 2004) data from over 360 000 employees from 41 companies were collected and analysed. The companies that had low overall engagement lost 2.01 percent operating margin and were down 1.38 percent in net profit over a three year period. Organisations that had a high overall employee engagement, over the same three year period, gained 3.74 percent operating margin and 2.06 percent net profit margin (Frank et al., 2004). Employee engagement impacts the bottom line and is therefore not only the concern of HR but of the executive committee as well (Frank et al., 2004). In order to develop new strategies of employee engagement, the decision makers in organisations need to understand employee engagement, what drives it as well as what the consequences are.

Employee engagement is a relatively new term. There are many definitions for employee engagement (Saks, 2006). Employee engagement has been identified as an important factor for individual and organisational performance (Frank et al., 2004). Kular, Gatenby, Rees, Soane and

Truss (2008) in their literature review on employee engagement, stated that the factors that promoted individual and organisational performance in the past, are the same that now describes employee engagement. Factors such as reward systems, commitment, job satisfaction, organisational citizenship behaviour (OCB) were among the factors identified in the literature (Kular et al., 2008). Saks (2008) refers to employee engagement as 'old wine in new wine skins.' Despite the change in terminology, employee engagement has and continues to attract interest from researches (Kular et al., 2008). The interest in employee engagement is driven by the fact that it has positive consequences for organisations (Saks, 2006). For example, employee engagement has links to customer satisfaction, safety, employee turnover, individual performance and profitability for the organisation (Bates, 2004; Britt, Adler & Bartone, 2001; Harter, Schmidt & Hayes, 2002).

Definitions of employee engagement

There are many definitions explaining employee engagement indicating how multi-faceted employee engagement is. Employee engagement is "...a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli, Salanova, Gonzalez-Roma & Bakker, 2002, p. 4). "Employee engagement has to do with how individuals employ themselves in the performance of their job" (Saks, 2006, p.2). Frank et al. (2004) state that employee engagement is the emotional and intellectual commitment exhibited and the discretionary effort shown by employees in their job. Employee engagement is further defined as the employees' willingness and ability to contribute to the organisations' success (Towers Perrin, 2003). Truss et al. (2006) simply defines employee engagement as a passion for work.

Despite the fact that employee engagement has been defined and operationalised in various ways, it is clear that what is central to the definitions is the discretionary effort that employees place in their work performance. Discretionary effort that employees place in their work may

take the form of extra time, brainpower and energy (Towers Perrin, 2003) and this contributes to their personal performance as well as the organisation's performance.

History of employee engagement

In one of the first studies on employee engagement, Kahn (1990) defined employee engagement as the manner in which people express themselves physically, cognitively and emotionally during their work performance. Kahn (1990) conducted a qualitative study where he interviewed summer camp counsellors and employees of an architecture firm. He asked the participants questions related to moments of engagement and disengagement at work. Kahn (1990) discovered that there are three psychological conditions related to engagement and disengagement at work: meaningfulness, safety and availability. According to Kahn (1990) workers were more engaged when these three psychological conditions were present in their job environment. May, Gilson and Harter (2004) conducted an empirical study on Kahn's (1990) employee engagement research. In their study it was confirmed that meaningfulness, safety and availability had a significant relationship to employee engagement. Meaningfulness had the strongest relationship to employee engagement (May et al., 2004).

Literature also describes employee engagement as the opposite of burnout. Maslach and Leiter (1997) conducted research on job burnout, in their findings they defined engagement and burnout as opposite ends on a continuum, "...burnout is rephrased as an erosion of engagement with the job" (Schaufeli, Salanova, Golzalez-Roma & Bakker, 2002, p.71). Maslach and Leiter (1997) described the burnout factors as: exhaustion, depersonalisation and reduced sense of efficacy. The opposite factors for engagement were described as: high energy, strong involvement and sense of efficacy (Maslach & Leiter, 1997).

Schaufeli et al. (2002) later identified that engagement is more than simply the opposite of burnout. Schaufeli et al. (2002) felt that employee engagement is a construct that can stand alone. Schaufeli et al. (2002) developed a model to measure employee engagement using the following measurements: vigor; dedication and absorption. Vigor was defined as, "... high levels of energy and mental resilience while working, the willingness to invest effort in one's work, and persistence even in the face of difficulties" (Schaufeli et al., p.74). Dedication was defined as, "...sense of significance, enthusiasm, inspiration, pride and challenge" (Schaufeli et al., p.74). Lastly, absorption was defined as, "...being fully concentrated and deeply engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work" (Schaufeli, 2002, p.74). The constructs defined by Schaufeli et al. (2002) not only link into the work by Maslach and Leiter (1997), but the earlier work by Kahn (1990) as well.

Reports have shown that the amount of disengaged employees are fast outgrowing that of engaged employees (Athey, 2004; Bates, 2004). In a study conducted by Towers Perrin (2003) it was identified that the workforce can be divided into three sections, namely; highly engaged, engaged and highly disengaged. The largest percentage of the workforce falls into the highly disengaged group (Towers Perrin, 2003). The highly engaged portion of the workforce made up a small percentage of the workforce leaving the remainder to the engaged group. The danger of having disengaged employees is that their job performance will deteriorate over time, which will have a negative impact on the financial results of the organisation (Towers Perrin, 2003). It is crucial that employers identify ways in which to increase employee engagement amongst the highly disengaged and to ensure that the employees in the engaged group do not slide towards the disengaged group (Towers Perrin, 2003).

The culture of the work environment plays a crucial role in cultivating employee engagement (Frank et al., 2004) and their desire to offer discretionary effort in their job. For any organisation, creating this culture is not easy, but it is essential for organisational success and employee performance (Frank et al., 2004). Results of the study conducted in the US market by Towers

Perrin (2003) identified that certain factors are important in building and sustaining a highly engaged workforce. These factors that add meaningful and rich work experience are: strong leadership, accountability, autonomy, a sense of control over one's environment, a sense of shared destiny and opportunities for development and advancement (Towers Perrin, 2003). Building a culture that allows for employee engagement is a continual process that takes time and requires commitment from employers, leaders and employees (Towers Perrin, 2003).

Although not the only drivers of employee engagement, this study will focus on transformational leadership style and perceived support as drivers of engagement. The study will also discuss intention to quit as a consequence of a lack of employee engagement.

Rationale for the study

Employee engagement plays a critical role in the work environment. It not only influences employee behaviour, but influences the business outcomes as well. Various empirical studies exist that focus on the antecedents of employee engagement. This study proposes an integrated approach that examines the mediating effect employee engagement has on the relationship between 1) transformational leadership and intention to quit 2) perceived support and intention to quit. Another goal of the study is to examine the direct relationships between transformational leadership and perceived support; perceived support and intention to quit.

This study aims to contribute to the growing body of research on employee engagement. It is hoped that the results of this study will provide managers and organisations with insight into how critical transformational leadership and perceived support are to employee engagement. It is also hoped that insight is provided into how employee engagement, transformational leadership and perceived support influence employees' intention to quit. Recommendations from the study may result in higher levels of employee engagement and lower levels of intention to quit. This is an

exploratory attempt to investigate the above mentioned relationships in the context of a company in the financial industry. As this is an exploratory study, it is vital to see if there is a relationship/s between the constructs that will motivate for further studies.

Aims and objectives of the study:

The aim of this study is to investigate how to keep staff engaged and not wanting to leave. The following aspects will be focused on in order to answer these questions.

With the above rationale in mind, this study will examine; (1) the construct validity and the reliability of the each scale; 2) the direct relationships between the constructs: TFL and ENG; ENG and ITQ; PS and ENG; TFL and PS; TFL and ITQ; PS and ITQ; (3) the indirect relationships between: TFL and ITQ when mediated by ENG and PS and ITQ when mediated by ENG; (4) the relative importance of the constructs in relation to intention to quit; (5) the relative importance of the constructs in relation to employee engagement.

CHAPTER 2

LITERATURE REVIEW

This chapter will give a brief outline of the background literature relating to the constructs under investigation in this study, that is; employee engagement; transformational leadership; perceived support and intention to quit.

Transformational leadership and employee engagement

Transformational leadership theory is based on the principle that certain leadership behaviours allow for higher level thinking in followers (Bass, 1985; Burns, 1978 as cited in Piccolo & Colquitt, 2006). Transformational leadership allows for the empowerment of subordinates by providing individualised consideration and support of their ideas (Bass & Avolio, 1993). Transformational leadership allows employees to feel that they are in a partnership with their manager as they have the ability to influence outcomes of decisions that affect them directly (Kraft, Engelbrecht & Theron, 2004). Transformational leadership has been defined as a leaders' influence on employees (Tsai, Chen & Cheng, 2009). According to Bass (1985) transformational leaders motivate followers to do more than what is expected of them for the purpose of the greater collective group. This is achieved by developing a high sense of trust, admiration, loyalty and respect towards the leader (Bass, 1985). Bass (1985) developed a seven factor model that conceptualised transformational and transactional leadership at opposite ends of a leadership continuum.

The seven factors in the model were charisma; inspirational motivation; intellectual stimulation; individualised consideration; contingent reward; management-by-exception and laissez-faire leadership. Later studies identified that charisma and inspirational motivation were not distinct concepts (Bass & Avolio, 1993). Intercorrelations ranging between 0.80 and 0.90 have been identified between charisma and inspirational motivation (Bass & Avolio, 1993). The two factors

have therefore been combined, resulting in the model being reduced to six leadership factors (Bass, 1988). The six factors in the model known as the Multifactor Leadership Questionnaire (MLQ) have been divided into three leadership types namely, laissez-faire leadership; transactional leadership and transformational leadership (Avolio, Bass & Jung, 1999).

Of the six factors idealised influence (charisma), inspirational motivation, individualised consideration, and intellectual stimulation have been associated with transformational leadership (Bass, 1988; Bass & Avolio, 1993; Murphy, 2005). Idealised influence and inspirational motivation takes place when the leader provides a clear sense of purpose and vision that energises followers (Avolio et al., 1999). Individualised consideration is defined as the leaders' ability to focus on understanding the needs of each follower and assist him or her to develop to their full potential (Avolio, Bass & Jung, 1999; Piccolo & Colquitt, 2006). Intellectual stimulation, "...gets followers to question the tried and true ways of solving problems, and encourages them to question the methods they use and to improve upon them" (Avolio et al., 1999, p.444).

Transformational leaders have the ability to foster an appeal to followers' values and ideals, that action them to move towards the common vision and identifying ways in which to solve work problems on their own (Piccolo & Colquitt, 2006). When leaders allow subordinates to become empowered by thinking through problems themselves and assisting in decision making, which is viewed as intellectual stimulation, these employees become more engaged (Murphy, 2005; Kular et al., 2008).

Transformational leadership behaviours when practised at top level leadership, will cascade down the organisation (Bass et. al, as cited in Murphy, 2005). Transformational leaders create environments of positive emotions by their idealised influence and inspirational motivation (Kular et. al., 2008). Pillai, Schriesheim and Williams (1999) have established a significant

relationship between transformational leaders and trust. In two studies conducted by Pillai et al., (1999) strong correlations, ($r = 0.75$ and $r = 0.58$ respectively, $p < 0.01$), were found between transformational leadership and trust. Trust is a reciprocal process, for empowerment to take place, both the leader and follower must trust each other (Kular et al., 2008). The element of trust allows for the shared sense of purpose and meaning between the leader and followers (Kular et al., 2008; Pillai et al., 1999). As previously stated, when there is a shared sense of purpose employees are more engaged.

Previous studies (eg. Judge & Piccolo, 2004; Lowe, Kroeck & Sivasubramaniam, 1996; Piccolo & Colquitt, 2006) have also identified a positive relationship between transformational leadership and task performance (Tsai, Chen & Cheng, 2009). In a meta-analysis of 247 articles, Piccolo and Colquitt (2006) identified a true score correlation of 0.44 between transformational leadership and task performance. An environment where involvement and pride in one's work is encouraged results in an environment where employees are engaged (Holbeche & Springett, 2003; Robinson, 2006).

A leader that successfully empowers his/her followers, develops a climate of engagement and fosters a commitment to the organisational goals and acts as a catalyst for high quality work (Kular et al., 2008). Similarly research (eg. Bates, 2004; Towers Perrin, 2003) has shown that front-line leaders play a critical role in building employee engagement. Gopal (2003) further states that the root of disengagement is bad management. Based on the arguments presented above, the following proposition was formulated.

Proposition 1: A direct positive relationship exists between transformational leadership and employee engagement.

Employee engagement and intention to quit

Turnover is the unplanned loss of employees that managers would have preferred to keep (Frank et al., 2004). Intention to quit on the other hand is a dependent variable used to predict whether an individual will remain with the organisation in the near future (Boshoff, Van Wyk, Hoole, & Owen, 2002). In a study (Firth, Mellor, Moore & Loquet, 2003) it was found that engagement accounted for 52% variance in employee intention to quit. Employees who have strong intentions to quit the organisation are usually psychologically detached from the organisation and are disengaged (Eisenberger, Armeli, Rexwinkel, Lynch & Rhoades, 2001; Meyer & Allen, 1991). Intention to quit does not lead to immediate turnover. According to Maertz and Champion (2004) there is a process that individuals go through before they quit. Employees become dissatisfied with their jobs, they think about leaving, seek better opportunities and when found they finally quit (Maertz & Champion, 2004). It is therefore imperative that managers identify the means of meeting the specific requirements of talent that needs to be retained (Frank et al., 2004). Employee turnover has cost implications for recruitment and training of replacement staff (Boshoff et al., 2002). It is therefore highly important that the antecedents of intention to quit are focussed on (Boshoff et al., 2002). For the purpose of this study employee engagement as an antecedent is highlighted.

Employee engagement and employee retention are closely related (Frank et al., 2004). Holbeche and Springett (2003) state that employees' perceptions of 'meaning' with regard to their work are clearly linked to employee engagement. This corroborates the empirical findings of May et al. (2004), that identified meaningfulness to be significantly related to employee engagement ($r = 0.74, p < 0.05$). Unless organisations are able to provide employees with a sense of meaning in their work, they are likely to quit (Holbeche & Springett, 2003). In a South African study (Maharaj & Schlechter, 2007) it was also discovered that meaning is related to intention to quit.

For the purposes of this study we will understand burnout as the opposite to employee engagement. Maslach, Schaufelli and Leiter (2001) identified that burnout was associated with job performance, withdrawal, absenteeism, intention to quit and actual turnover. In the literature review on employee engagement (Kular et al., 2008) it was confirmed that the more employees are engaged the lower their intention to quit and hence the lower the employee turnover. In an independent study, Schaufeli and Bakker (2004) identified a significant negative relationship ($r = -0.51$) between employee engagement and intention to quit. According to Frank et al., (2004) employee engagement and employee retention are intertwined. Based on this and other studies the following proposition was formulated.

Proposition 2: There is a direct negative relationship between employee engagement and intention to quit.

Perceived support and employee engagement

Social Exchange Theory (SET) argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence (Adam, 1965; Blau, 1964; Cole et al., 2002; Gouldner, 1960 as cited in Rhoades & Eisenberger, 2002; Saks, 2006). A basic tenet of SET is that relationships evolve over time into trusting, loyal and mutual commitments as long as the parties abide by certain rules of exchange (Cropanzano & Mitchell, 2005). According to Cropanzano and Mitchell (2005) an example of these rules of exchange are when individuals receive economic and socio-emotional resources from their organisation, they will then feel obligated to respond in kind and repay the organisation. Employee engagement is a two-way relationship between employer and employee (Robinson et al., 2004). The manner in which employees repay the organisation is through their varying level of employee engagement (Saks, 2006). These levels of engagement vary in response to the resources that employees receive from the organisation or those associated with the organisation (Saks, 2006). SET is a strong rationale for explaining employee engagement (Saks, 2006). Kular et al., (2008) further state that SET is an antecedent of employee engagement.

This study specifically looks at one aspect of the exchange relationship described above, perceived support. The notion of perceived support was introduced by Eisenberger, Huntington, Hutchinson and Sowa (1986). Perceived support focuses on how individuals interpret actions or resources directed towards him or her and may not be objective (Eisenberger et al., 1986). According to Eisenberger et al. (1986) PS consists of three dimensions. These three dimensions are: perceived organisational support (POS), perceived supervisor support (PSS) and perceived co-worker support (PCWS). The three dimensions are discussed further below.

Perceived organisational support and employee engagement

Perceived organisational support (POS) refers to employees' general belief, based on their perception (Shapiro & Conway, 2005), that the organisation values their contribution and cares about their well-being (Rhoades & Eisenberger, 2002). This happens as a result of employees personifying the organisation (Eisenberger et al., 1986). POS creates a feeling of obligation in the employee to care about the organisation's welfare (Rhoades, Eisenberger & Armeli, 2001). This is done by employees increasing their commitment, loyalty and performance to the organisation therefore assisting the organisation to attain the objectives set (Rhoades et al., 2001).

Rhoades and Eisenberger (2002) identified three psychological processes underlying the consequences of POS. Firstly, POS should produce a felt obligation in employees to care about the organisation and to assist in achieving the organisational objectives. Secondly, the caring, approval and respect connoted by POS should fulfill employees' socio-emotional needs therefore leading employees to increase their organisational membership and role status in their social identity. Thirdly, POS should assist with increasing employees' beliefs that the organisation recognises, values and rewards their contribution. These underlying processes should result in a heightened positive mood for employee, which in turn should increase their level of employee engagement. This relationship is corroborated by Rhoades et al. (2001) who found that

employees who have higher POS may exhibit greater engagement to assist the organisation to reach its objectives.

Perceived supervisor support and employee engagement

Empirical research (eg. Eisenberger et al., 2001; Eisenberger et al., 2002; Shanock & Eisenberger, 2006 and Yoon & Lim, 1999) found that PSS is related to POS. Employees view supervisors as agents of the organisation, in that they provide resources to employees on behalf of the organisation. Therefore PSS and POS are both dimensions of perceived support.

Psychological safety as discussed by Kahn (1990) can be seen to be related to perceived organisational and supervisor support. Kahn (1990) discovered that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. Psychological safety is a driver of employee engagement (Kahn 1990). Perceived supervisor support is an antecedent of employee engagement (Firth et al., 2003). First-line supervisors play an integral part in building employee engagement and are often at the root cause of disengagement in employees (Bates, 2004; Frank et al., 2004).

Perceived co-worker support and employee engagement

Kahn (1990) identified that supportive co-workers create psychological environments of safety that encourage engagement. Maslach, Schaufelli and Leiter (2001) identified community and support as conditions of their model for employee engagement. Schaufeli and Bakker (2004) also identified that support from colleagues was a measure of job resources that directly impacted employee engagement.

The level of employee engagement is determined by the individuals' desire and willingness to display discretionary effort (Frank et al., 2004). The challenge of employee engagement however has to do with how the employee feels and perceives they are treated in a work environment (Frank et al., 2004). The following proposition has therefore been formulated.

Proposition 3: A direct positive relationship exists between perceived support and employee engagement.

Transformational leadership and perceived support

The similarity between transformational leadership and perceived support constructs lies in the fact that they are influenced by the employees' ability to trust their leaders, organisation, supervisor and/ or colleagues. According to Whitener et al. (cited in May, Gilson & Harter, 2004) employees' perception of managers' trustworthiness have been linked to five categories of behaviour: behavioural consistency (behaving in the same manner across time and context), behavioural integrity (consistency between words and deeds), sharing and delegation of control (employee participation in decision making), communication (accuracy, explanations and openness) and demonstration of concern (protecting employees interests). These behaviours are split among both the transformational leadership construct and perceived support, specifically supervisor support.

In a study by Kraft et al. (2004) a significant relationship was found between transformational leadership and interactional justice (based on SET). Interactional justice is the manner in which transformational leaders communicates information in a sensitive, considerate and honest way, building on trust (Kraft et al, 2004). For transformational leaders to be effective, the relationship between the leader and follower should be based on trust (Murphy, 2005). Perceived support which is based on SET, is based on trust as well. For both perceived support and transformational leadership to be effective, an element of trust from the followers is required. Based on the arguments presented above the following proposition was formulated.

Proposition 4: There is a direct positive relationship between transformational leadership and perceived support.

Transformational leadership and intention to quit

Empirical studies (Bycio, Hackett & Allen, 1995; Ferres, Travaglione & Connell, 2002; Connell, Ferres & Travaglione, 2003; Schlechter, 2005) have found transformational leadership to be negatively related to intention to quit. As previously stated transformational leadership has been empirically linked to organisational commitment, trust and increased performance (Kular et al., 2008). These constructs reduced employee intention to quit. Frank et al. (2004) indicate that employees leave an organisation because they do not trust their leader. A study conducted by the HRI Institute (as cited in Frank et al., 2004) found that employees remain in an organisation if they have a good relationship and open communication with their immediate boss. Frank et al., (2004) confirm that the front-line leader plays a crucial role in the retention of employees.

These empirical studies support the idea that there is a direct relationship between transformational leadership and intention to quit. The following proposition was formulated.

Proposition 5: There is a direct negative relationship between transformational leadership and intention to quit.

Perceived support and intention to quit

Firth et al. (2003) identified that perceived support plays an integral role in reducing intention to quit. In two separate studies conducted by Allen, Shore and Griffeth (2003), it was identified that there was a significant negative relationship between POS and intention to quit. In another study conducted by Eisenberger et al. (2001) it was found that POS was negatively related to intention to quit ($r = -0.51, p < .001$).

Firth et al. (2003) in their study found that a significant direct negative relationship exists between perceived supervisor support and intention to quit ($r = -0.25, p < 0.05$). Various researches (Rhoades & Eisenberger, 2002; Shanock & Eisenberger, 2006) found that PSS leads to job retention and therefore has a negative relationship to intention to quit.

Co-worker support is another form of social support in the workplace (Mossholder, Settoon & Henagan, 2005). However PCWS has been overlooked in research (Cole, Schaninger & Harris, 2002; Sherony & Green, 2002). Employees in most instances do not work in isolation, they are members of teams and the organisation itself. The perceived support employees receive from being members of a team is important (Bishop, Scott, Goldsby & Cropanzano, 2005). In a study conducted by Mossholder et al. (2005) it was found that perceived co-worker support is negatively related to turnover. Cole et al. (2006) found PCWS to be a predictor of intention to quit. Rayton (2006) identified that PCWS led to an increase in commitment and therefore a decrease in intention to quit.

Based on the empirical studies discussed above, it is believed that POS, PSS and PCWS are related to intention to quit. As previously mentioned, POS, PSS and PCWS are dimensions of the perceived support construct. Based on the arguments presented above the following proposition has been formulated.

Proposition 6: There is a direct negative relationship between perceived support and intention to quit.

Indirect relationships between variables

In examining the indirect relationship between transformational leadership and intention to quit as well as between perceived support and intention to quit, the nature of mediators was considered and will be discussed in the section that follows.

According to Baron and Kenny (1986), a variable functions as a mediator when the following three steps are met. Firstly, variations in the levels of the independent variable significantly account for variations in the presumed mediator variable. Secondly, variations in the presumed mediator significantly account for variations in the dependent variable. Thirdly, when the paths described above are controlled for, a previously significant relationship between the independent and dependent variable is no longer significant. If the correlation in the third step is zero when controlling the mediator, then complete mediation has taken place. However, if the relationship between the independent variable and dependent variable is reduced in absolute size, but the correlation is not zero when the mediator is controlled, partial mediation has been demonstrated (Judd & Kenny, 1981; Baron & Kenny, 1986).

Transformational leadership, employee engagement and intention to quit

According to Jacob, Bond, Galinsky and Hill (2008) it has become more challenging for organisations to recruit top talent, engage employees, retain employees and maximise productivity in the face of fierce competition, complicated jobs and changing workforce dynamics. As previously discussed empirical research has been conducted that links transformational leadership to employee engagement as well as indicating the importance of employee engagement as an antecedent of intention to quit. Jacob et al. (2008) identified factors that influence employee engagement as well as workplace outcomes of employee engagement. In their study they identified that providing employees with job autonomy ($r = 0.71$), learning opportunities ($r = 0.67$) and allowing employees to be involved in management decisions increased their engagement. Job autonomy, learning opportunities and involvement in

management decisions are factors related to transformational leadership. In the study (Jacob et al., 2008) which included 2810 respondents, 72% of the sample that indicated high degree of job autonomy were also highly rated on job retention compared to 49% that rated low on the degree of job autonomy in their role. Of the sample 74% that were rated as high job retention, indicated a high degree of learning opportunities in their role compared to 50% that indicated low learning opportunities. Lastly, 71% of the sample that were rated as high job retention candidates, indicated a high involvement in managerial decisions compared to 43% of the sample that indicated a low extent in managerial decisions. (Jacob et al., 2008).

Organisations where there is a high sense of purpose and meaning for employees, derived through transformational leaders, the more engaged employees are and the less likely they are to quit (Kular et. al., 2008). However as stated by Kerfoot (2007) unless the manager/ leader is engaged it is difficult for employees to be engaged. This indicates that there is a relationship between the leader, employee engagement and intention to quit. From the previous assumptions and findings the following proposition can therefore be proposed:

Proposition 7: Employee engagement mediates the relationship between transformational leadership and intention to quit.

Perceived support, employee engagement and intention to quit

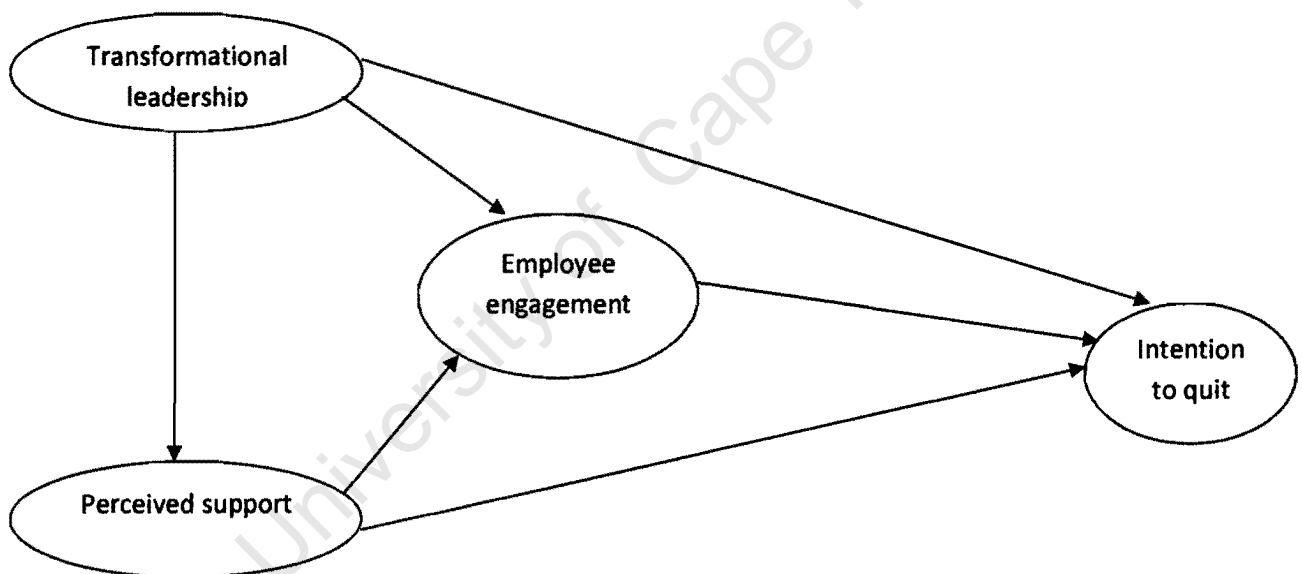
Based on SET, engagement is viewed as a two-way relationship between employer and employee (Robinson et al., 2004). Employees repay the organisation through their level of engagement (Saks, 2006). Various studies (eg. Bates, 2004; Firth et al., 2003; Frank et al., 2004; Maslach et al. 2001; Schaufeli & Bakker, 2004) have linked perceived support, either supervisor support or co-worker support, to employee engagement. As previously stated, the greater the level of engagement the greater the retention level (Kular et al., 2008). Based on the arguments presented the following proposition has been proposed.

Proposition 8: Employee engagement mediates the relationship between perceived support and intention to quit.

Empirical model under investigation

Flowing from the (bivariate) arguments presented above, the following is the empirical model under investigation. This study will now attempt to find empirical support for this model.

Figure 2.1: Integrated conceptual model under investigation



CHAPTER 3

METHOD

The research design, description of the method of data collection and analysis used in the study, will be presented in this chapter.

Research approach

Exploratory research was conducted using a pilot study. The aim of the study was to explore the hypothesised theoretical model which explains the relationships between transformational leadership, perceived support, employee engagement and intention to quit. These constructs are well established and empirical research has been conducted on each of them. A limited amount of empirical research has, however been conducted on the relationships between the constructs and none could be found which investigated this proposed theoretical model. Exploratory research takes place during the early stages of a phenomenon, to gain insight on a topic and provide a basis for more in-depth research (Forza, 2002). This pilot study was therefore conducted in order to explore the theoretical model and investigate the relationships between the constructs.

The study can be further described as quantitative, cross-sectional and of the ex-post facto variety. Ex-post facto is "...a systematic empirical enquiry in which the scientist does not have direct control of independent variables because their manifestations have already occurred or because they are inherently not manipulable." (Kerlinger & Lee, 2000, p.379).

Participants

A non-probability (i.e. convenience) sample was obtained from a financial services company in the Western Cape. The participants in the survey included employees and managers across various departments within the organisation. Management encouraged participation in the survey and allowed participants to complete the questionnaire during regular working hours. A total of 134 individuals were targeted. After the incomplete questionnaires were removed a total of 43 completed surveys were captured for further analysis (giving a low response rate of 34%). In an attempt to increase the sample size, the link to the survey was sent a second time, managers also encouraged staff to complete the questionnaire. The sample was quite small, however the aim of the study was to explore the relationships between the constructs in the model. Exploratory research does not require large samples (Forza, 2002). The sample was therefore considered to be sufficient. According to Kerlinger and Lee (2000), as a convenient sample was used, the study cannot claim to be representative of the South African workforce in the Financial Industry.

The sample consisted of 46.5% males (n=20) and 53.5% females (n=23). The sample had quite an even gender split. In terms of the level of education of the sample, 16.3% had a matric qualification, 55.8% had a diploma or degree and 23.3% had a post-graduate degree, the remaining 4.7% indicated 'other' as a qualification. As the majority of the group have had some form of higher education, the sample appears to be well educated. The majority of the respondents (93%) indicated their work tenure to be between one and five years. When taking into consideration the length of time respondents have been reporting to their immediate supervisor, the majority of the respondents (53.5%) indicated less than one year, while the remaining 46.5% indicated between one to five years. The table 3.1 summarise the characteristics of the sample.

Table 3.1: Respondents' biographical data

<i>Biographical Variable</i>	<i>Number</i>	<i>Percentage</i>
GENDER		
Male	20	46.5
Female	23	53.5
Total	43	100.0
EDUCATIONAL LEVEL		
Matric	7	16.3
Diploma	12	27.9
Degree	12	27.9
Post graduate	10	23.3
Other	2	4.7
Total	43	100.0
TENURE AT COMPANY		
< 1 year	2	4.7
Between 1-3 years	25	58.1
Between 3-5 years	15	34.9
Between 5-10 years	1	2.3
Total	43	100.0
TENURE WITH SUPERVISOR		
< 1 YEAR	23	53.5
Between 1-3 years	13	30.2
Between 3-5 years	7	16.3
Total	43	100.0

Data collection approach

Data was collected using a composite questionnaire based on established scales that are known to be valid and reliable. The questionnaire was distributed by means of an on-line survey. A consent form and covering letter was built into the questionnaire. Participants were aware that their participation in the study was voluntary and their responses would be anonymous. Respondents were asked to assess: 1) the leadership style of their supervisor/line manager, 2) their own level of perceived support (from the organisation, supervisor/line manager and co-workers), 3) their own level of engagement in the workplace, and 4) their own intention to quit level. The on-line questionnaire was designed in such a way that respondents could only choose

one option per question and all questions had to be answered before being allowed to continue onto the next sub-scale or section.

Measurement instruments

The composition questions consisted of 5 sections, each assessing the four constructs under investigation as well as a biographical section.

Transformational leadership

Transformational leadership was measured in this study using an adapted version of the Multifactor Leadership Questionnaire (MLQ) (Engelbrecht, 2001). The MLQ was originally developed by Bass (1985). The MLQ comprises of items that measure both transformational and transactional leadership. The MLQ is the most widely used measurement of transformational leadership (Pillai et al., 2003). For the purposes of this study only the transformational leadership subscale was used. The transformational leadership subscale consists of 20 items assessing four dimensions: 1) Idealised Influence (CH), 2) Inspirational Motivation (IM), 3) Intellectual Stimulation (IS), and 4) Individualised Consideration (IC). Respondents had to measure their supervisor/line manager's transformational leadership style by answering 20 statements on a 7-point Likert scale (ranging from 1="almost never" to 6 = "almost always").

A meta-analysis of the MLQ literature identified that the MLQ scales were reliable and possessed good predictive validity (Lowe et al., 1996). Bass and Avolio (1993) reported a Cronbach alpha of 0.89 for the MLQ. Later studies that used the transformational leadership subscale identified Cronbach alpha coefficients of 0.93 for Idealised Influence, 0.72 for Inspirational Motivation, 0.81 for Intellectual Stimulation and 0.75 for Individualised Consideration (Den Hartog, Muijen & Koopman, 1997). Engelbrecht and Chamberlain (2005) conducted a study in a South African context using the MLQ as a measure of transformational

leadership, they found Cronbach alpha coefficients of 0.94 for Idealised Influence, 0.92 for Inspirational Motivation, 0.92 for Intellectual Stimulation and 0.92 for Individualised Consideration.

Perceived support scale

The Survey of Perceived Organisational Support (SPOS) (Eisenberger et al., 1986) was used to measure the three dimensions of perceived support (Perceived Organisational Support [POS], Perceived Supervisor Support [PSS] and Perceived Co-worker Support [PCWS]). The full version of the scale that measures SPOS consists of 36 items. Due to the high internal reliability reported for the SPOS (Eisenberger et. al., 1990; 1986) an adapted version of the SPOS questionnaire was developed. The shortened version consists of the 8 items that was found to have the factor loading (Eisenberger et. al., 1990; 1986). The items are responded to on a 7-point Likert scale (ranging from 1 = “strongly disagree” to 6 = “strongly agree”).

Past studies (Bishop, Scott, Goldsby & Cropanzola, 2005; Eisenberger et. al., 2002; Eisenberger et. al., 2001, Eisenberger et al., 1997; Eisenberger et al., 1990; Eisenberger et al., 1986) have used both the full and shortened version of SPOS questionnaire to measure POS and reported high reliability scores for both versions. Eisenberger et al. (1986) used the full version (36 items) in their study and reported a Cronbach alpha of 0.97, with item total correlations ranging from 0.42 to 0.83. Eisenberger et al. (1997) also used the shortened version in their study and reported a Cronbach alpha of 0.9.

Perceived Supervisor Support (PSS) and Perceived Co-Worker Support (PCWS) were also measured using the adapted version of the SPOS. In these studies the word ‘organisation’ was replaced with my supervisor’ or ‘co-worker’ where required. Studies that have used this

approach to measure supervisor and co-worker support have done so successfully both overseas and in South Africa (Bishop et al., 2005; Kahumuza & Schlechter, 2008; Yoon & Thye, 2000).

Employee engagement scale

The engagement scale that was used to measure the respondents' level of engagement consisted of 17 items (Schaufeli, Salanova, Gonzalez-Roma and Bakker (2002). Respondents had to indicate their level of employee engagement by answering the 17 statements on a 5-point Likert scale (ranging from 1 = "strongly disagree" to 6 = "strongly agree"). The items reflected three underlying dimensions of employee engagement: 1) Vigor (VI), which comprised of 6 items and has a reported Cronbach alpha of 0.80; 2) Dedication (DE), 5 items with a Cronbach alpha of 0.89 and; 3) Absorption (AB), 6 items with a Cronbach alpha of 0.72 (Schaufeli, et al., 2002).

Intention to quit scale

Cohen's (1993) three-item scale was used to measure respondents' intention to leave the organisation. Respondents had to answer the three statements on a 7-point Likert-type response scale (ranging from 1="strongly disagree" to 6 = "strongly agree").

The three items of the scale are:

1. I think a lot about leaving the organisation.
2. I am actively looking for an alternative to the organisation.
3. When I can, I will leave the organisation.

This scale was used in three independent studies (Boshoff et al., 2002; Kahumuza & Schlechter, 2008; Schlechter, 2005) within the South African context. The scale was found to be reliable in

all three studies. Kahumuza and Schlechter (2008) reported a Cronbach alpha of 0.90 and Schlechter (2006) obtained a Cronbach alpha of 0.91 in his study.

Biographical data

The questionnaire included a section that required information regarding the participants' biographical and demographic information. Due to ethical reasons this section was not compulsory and no statistical inferences would be based on the variables. The information was collected to gain a better understanding of the demographics of the sample and to evaluate if it was a fair representation of the organisation. The biographical items requested information on respondents':

- gender
- education level
- department
- number of years working in the organisation
- number of years working for their current supervisor/line manager

Data analysis approach

As the survey was electronic, the responses were automatically captured, thereby eliminating data capture error on the part of the researcher. Only questionnaires that were fully answered were used for analysis. Once the data was cleaned and coded in Microsoft Excel it was exported to the Statistical Package for Social Scientists (SPSS) version 14, with which it was analysed further.

The reliabilities of the scales were assessed by calculating the Cronbach alpha coefficients (α). Pearson's product-moment correlation and Standard Multiple Regression were used to

investigate the direct and indirect relationships between the variables. The results from the analysis are presented in the next chapter.

University of Cape Town

CHAPTER IV

RESULTS

Three research questions were investigated. The first research question addressed the reliability of each scale. It was not possible to investigate the validity of each scale used in this study as the sample size was too small to do this. The sample size may also be too small to investigate the propositions of this study. However, the validity of the scales have been established in previous studies and it is believed they are valid. The second research question investigated the direct and indirect (i.e. mediated) relationships between the variables. The third question explored the possibility of statistically significant differences in the importance of the constructs in their relationship with intention to quit. Various statistical techniques were used to investigate the above research questions and the results are presented in the sections below.

Internal reliability of measurement scales

As stated above the validity of the scales could not be assessed, however the reliability of the measurement scales were assessed before they were used to investigate the relationships between the constructs.

Transformational leadership scale

The internal reliability of the transformational leadership (TFL) scale was assessed using Cronbach alpha coefficients. The subscales of the transformational leadership scale were also assessed for internal reliability.

Cronbach alpha for the intellectual stimulation sub-scale was found to be 0.861. This is considered to be satisfactory as it is greater than the 0.70 recommendation proposed by Nunnally (1978). Cronbach alpha for the idealised influence sub-scale was found to be satisfactory ($\alpha = 0.917$). Cronbach alpha for the inspirational motivation scale was found to be 0.823. From table 4.3 above, it is clear that each item in the scale contributes highly to the total Cronbach alpha. The Cronbach alpha for the individualised consideration scale was found to be 0.892 and therefore satisfactory. The Cronbach alpha for the combined transformational leadership scale was further found to be satisfactory (0.967). Removing any item from the scales would not lead to any increase in the Cronbach alpha coefficient of the scales.

Perceived support scale

The Cronbach alphas for the POS, PSS and PCWS scales were found to be 0.855, 0.889 and 0.874 respectively. These are all above the 0.70 recommendation proposed by Nunnally (1978). The PS scale combined the POS, PSS and PCWS scales and a Cronbach alpha of 0.929 for the whole scale was found. Removing any item from the scale would not lead to any increase in the Cronbach alphas.

Employee engagement scale

The reliability of the employee engagement scale was assessed by calculating the Cronbach alpha coefficients. The Cronbach alphas for the vigour (VIG), dedication (DED) and absorption (ABS) scales were found to be 0.808, 0.917 and 0.798 respectively. These are all above the 0.70 recommendation proposed by Nunnally (1978). The employee engagement scale combined the VIG, DED and ABS scales and a Cronbach alpha of 0.931 for the whole scale was found. Removing any item from the scale would not lead to any increase in the Cronbach alphas.

Intention to quit scale

The 3 items on Cohen's (1993) intention to quit scale were tested for internal reliability using the Cronbach alpha. According to Pallant (2001), for items to have internal reliability the Cronbach alpha coefficient of a scale should ideally be above 0.7. The Cronbach alpha for Cohen's (1993) intention to quit scale in the current study was 0.95, which was well above the recommended value of 0.7. The Cronbach alpha reflected a very good internal consistency of the 3 items in this sample. Removing any item from the scale would not lead to any increase in the Cronbach alphas. As the scales and sub-scales had demonstrated adequate reliability, it was believed that they would be appropriate to use in the subsequent analysis.

Relationships between constructs

In order to answer the second research question the direct and indirect relationships between the constructs were explored. Correlation analysis, Pearson's Product Moment correlation (r) was used to assess the bivariate relationships between the constructs. According to Pallant (2001), correlation analysis is used to describe the strength and direction of the linear relationship between two variables. Pearson's Product Moment correlation ranges between 1 and -1. The value of the correlation represents the strength of the relationship between the variables and the sign, either positive or negative, represents the direction of the relationship (Pallant, 2001). Cohen (1988) further suggests when interpreting the correlation values that the following guidelines should be applied:

$r = .10$ to $.29$	Weak relationship
$r = .30$ to $.49$	Medium relationship
$r = .50$ to 1	Strong relationship

These guidelines will be used to interpret the correlations presented in table 4.1 below.

Table 4.1: Pearson correlation coefficients for all constructs

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Perceived Organisational Support	1													
2. Perceived Supervisor Support	.653**	1												
3. Perceived Co-worker Support	.635**	.417**	1											
4. Perceived Support	.904**	.827**	.800**	1										
5. Intellectual Stimulation	.387**	.663**	.325*	.548**	1									
6. Idealised Influence	.422**	.731**	.405**	.621**	.877**	1								
7. Inspirational Motivation	.302*	.587**	.351*	.494**	.820**	.928**	1							
8. Individualised Consideration	.466**	.792**	.380**	.654**	.806**	.895**	.826**	1						
9. Transformational Leadership	.420**	.736**	.386**	.615**	.929**	.978**	.942**	.934**	1					
10. Vigour	.423**	.505**	.443**	.542**	.414**	.480**	.547**	.479**	.506**	1				
11. Dedication	.641**	.546**	.653**	.725**	.416**	.525**	.520**	.525**	.524**	.697**	1			
12. Absorbtion	.590**	.559**	.614**	.695**	.521**	.532**	.539**	.554**	.567**	.746**	.770**	1		
13. Engagement	.619**	.591**	.639**	.729**	.491**	.565**	.586**	.572**	.584**	.878**	.929**	.914**	1	
14. Intention to Quit	-.542**	-.488**	-.519**	-.611**	-.251	-.331*	-.272*	-.328*	-.313*	-.451**	-.581**	-.426**	-.547**	1

** . Correlation is significant at the 0.01 level (1-tailed).

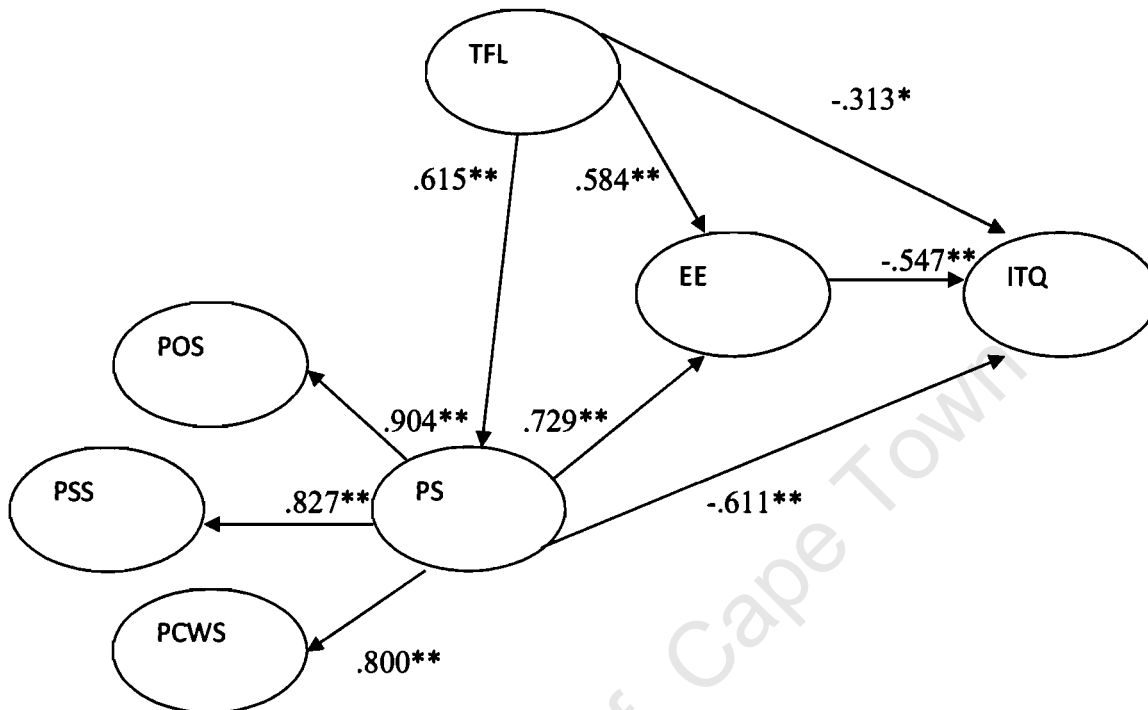
* . Correlation is significant at the 0.05 level (1-tailed).

Based on Cohen's (1988) recommendations, the following correlations can be found from table 4.1. A strong positive correlation was found between the transformational leadership construct and the employee engagement construct ($r = 0.584, p < 0.01$). H_0 is therefore rejected. A strong negative correlation was found between the employee engagement and intention to quit scales ($r = -0.547, p < 0.01$), i.e., there is a strong negative relationship between employee engagement and intention to quit. This result is believed to support proposition 2. Another strong positive relationship of 0.729 ($p < 0.01$) was found between the perceived support and employee engagement scales, i.e., there is a strong positive relationship between perceived support and employee engagement. Proposition 3 was supported on the basis of this result. A strong positive relationship of 0.615 ($p < 0.01$) was found between the transformational leadership and perceived support scales, i.e., there is a direct positive relationship between transformational leadership and perceived support. This result led to the support of proposition 4. A medium negative correlation was found between the transformational leadership and intention to quit scales ($r = -0.313, p < 0.05$). Proposition 5 was therefore supported, there is a direct negative relationship between transformational leadership and intention to quit. There is a strong negative correlation of -0.611 ($p < 0.01$) between the perceived support and intention to quit scales. Proposition 6 is therefore supported, there is a direct negative relationship between perceived support and intention to quit.

Based on the above Pearson's Product Moment correlation coefficients, transformational leadership produced positive relationships with employee engagement and perceived support as well as a negative relationship with intention to quit. Perceived support produced a positive relationship with employee engagement and a negative relationship with intention to quit. Lastly employee engagement produced a negative relationship with intention to quit. Of the propositions proposed evidence was found that supported the propositions.

The correlations from table 4.1 are presented in the research model below. These are based on the total scores of the constructs.

Figure 4.1: Pearson Correlation Coefficients based on the research model



Indirect relationships between: transformational leadership and intention to quit as well as perceived support and intention to quit

This study proposed the indirect or mediated relationships between transformational leadership and intention to quit, as well as between perceived support and intention to quit, as mediated by employee engagement.

According to Judd and Kenny (1981) as well as Baron and Kenny (1986), a variable functions as a mediator when:

- Variations in the levels in the independent variable significantly account for variations in the presumed mediator.
- Variations in the mediator significantly account for variations in the dependant variable
- When the relationship between the independent variable and the mediator and that between the mediator and the outcome variable are controlled, a previously significant

relationship between the independent and dependent variables is no longer significant, with the strongest demonstration of mediation occurring when direct path is zero.

The relationship between transformational leadership and intention to quit as mediated by employee engagement

To establish mediation, Baron and Kenny (1986) recommend the following three step process:

1. The independent variable is significantly correlated with the dependent variable.
2. The independent variable is significantly correlated with the mediating variable.
3. The independent and mediating variables are simultaneously used (i.e. as a model) in a regression equation to significantly predict the dependent variable.

Judd and Kenny (1981) added a fourth step that tests for partial or complete mediation. It is not necessary to perform this last step of the process in order to test for mediation, however partial or complete mediation better describes the strength of the relationship between the independent variable and the dependent variable.

4. To establish complete mediation, the effect of the independent variable on the dependent variable should be zero, when statistically controlling for the mediator.

To test proposition 7, Baron and Kenny's three step process and the fourth step (Judd and Kenny, 1981) was used and the results are presented below.

Step 1: From table 4.1 it can be seen that there is a significant negative relationship between transformational leadership and intention to quit ($r=-0.313$, $p < 0.05$).

Step 2: It can be seen from table 4.1 that there is a strong positive relationship between transformational leadership and employee engagement ($r=0.584$, $p < 0.01$).

The results from the Standard Multiple Regression analysis are presented in table 4.2 below.

Table 4.2: Results for the Standard Multiple Regression (transformational leadership, employee engagement and intention to quit)

Independent variables	Beta	T value	Sig. T	F value	Sig. F	R Square
Model*				8.563	.001	.300
Constant		6.438	.000			
ENG	-.554	-3.397	.002			
TFL	.011	.067	.947			

Dependent variable = Intention to Quit

* Predictors: (Constant), Employee Engagement and Transformational Leadership

Step 3: From table 4.2 it can be seen that the model consisting of transformational leadership and employee engagement, significantly predicted intention to quit and further explained 30% of the variance in intention to quit (mediation has been demonstrated).

Step 4: To assess this step of Judd and Kenny's (1981) mediation, a partial correlation coefficient was calculated for the relationship between transformational leadership and intention to quit, when controlling for employee engagement. This relationship was found to be smaller but still significant ($r = 0.011$, $p < 0.05$) and partial mediation was determined.

These results suggest partial mediation as the relationship between transformational leadership and intention to quit was reduced in size and was close to zero when employee engagement was controlled for.

Based on the above findings proposition 7 was supported, as partial mediation was found. Therefore a conclusion can be made that employee engagement partially mediates the relationship between transformational leadership and intention to quit in this sample.

The relationship between perceived support and intention to quit, as mediated by employee engagement

To test proposition 4, the four step approach was once again used. The results are as follows:

Step 1: It can be seen from the table 4.1, there is a significant negative relationship between perceived support and intention to quit ($r = -0.611$, $p < 0.01$).

Step 2: From table 4.1, there is a significant positive relationship between perceived support and employee engagement ($r = 0.729$, $p < 0.01$).

The results from the Standard Multiple Regression analysis are presented in table 4.3 below.

Table 4.3: Results for the Standard Multiple Regression (perceived support, employee engagement and intention to quit)

Independent variables	Beta	T value	Sig. T	F value	Sig. F	R square
Model*				13.103	.000	0.396
Constant		7.029	.000			
ENG	-.217	-1.207	.235			
PS	-.453	-2.522	.016			

Dependent variable: Intention to Quit

* Predictors: (Constant), Employee Engagement and Perceived Support

Step 3: From table 4.3 it can be seen that the model consisting of perceived support and employee engagement, significantly predicted intention to quit. This model further explained 39.6% of the variance in intention to quit. Perceived support was identified as a significant predictor of unique variance intention to quit, but not employee engagement.

Step 4: A partial correlation coefficient was calculated for the relationship between perceived support and intention to quit, when statistically controlling for employee engagement. This relationship was found to be significant ($r = -0.370$, $p < 0.05$). The fourth requirement needed to show complete mediation was not satisfied. The reason being, the relationship between the

independent and dependent variables should have become zero when controlling for the mediator to show complete mediation.

The first three steps of indicating mediation were met, in accordance to Baron and Kenny's (1986) requirements for mediation, therefore proposition 8 was supported. However, when conducting the fourth step (Judd and Kenny, 1981), complete mediation was not met. It can be concluded that employee engagement partially mediates the relationship between perceived support and intention to quit.

Statistical importance of the construct relationships with intention to quit

Multiple Regression was used to see if the independent variables (IV) are significant predictors of variance in the dependent variable and if they can be ranked. The Beta values explain the unique contribution each independent variable makes on the dependent variable while controlling for the variation (Pallant, 2001). Therefore the Beta values were compared in order to rank the contribution that each independent variable made to intention to quit. The higher the Beta value the stronger is the independent variable's relative contribution to the dependent variable (Pallant, 2001). However, when predictors are highly correlated, not all of them will show high beta coefficients in a multiple regression.

Using PS, TFL and ENG to predict intention to quit

Of the regression model PS, TFL and ENG explained 41.1% of the variation in ITQ when the total scores of the variables were simultaneously regressed.

Table 4.4: Variance of intention to quit explained by PS, TFL and ENG

Independent variables	Beta	T value	Sig. T	F value	Sig. F	R square
Model*				9.054	0	0.411
Constant		7.031	.000			
PS	-.517	-2.707	.010			
TFL	.159	.987	.330			
EE	-.263	-1.416	.165			

Dependent variable: Intention to quit

Predictors: (Constant), perceived support, transformational leadership, employee engagement

Perceived support was the only IV that predicted unique variance ($\hat{\alpha} = -0.517$, $p = 0.010$) in the dependent variable (DV), intention to quit.

Using POS, PSS, PCWS, IS, CH, IM, IC, VIG, DED and ABS to predict intention to quit

When analysing the subscales of PS, TFL and ENG the following was found. The regression model consisting of POS, PSS, PCWS, IS, CH, IM, IC, VIG, DED and ABS explained 46% of the variation in intention to quit when simultaneously regressed.

Table 4.5: Variance of intention to quit explained by POS, PSS, PCWS, IS, CH, IM, IC, VIG, DED and ABS

Independent variables	Beta	T value	Sig. T	F value	Sig. F	R square
Model*				2.730	.015	.460
Constant		4.987	.000			
POS	-.119	-.538	.594			
PSS	-.338	-1.215	.233			
PCWS	-.230	-1.189	.243			
IS	.024	.082	.935			
CH	-.037	-.068	.946			
IM	.047	.109	.914			
IC	.188	.561	.579			
VIG	-.184	-.819	.419			
DED	-.362	-1.459	.154			
ABS	.268	1.050	.301			

Dependent variable: Intention to quit

Predictors: (Constant), POS, PSS, PCWS, IS, CH, IM, IC, VIG, DED and ABS

When analysing the contribution of the sub-constructs of the PS, TFL and ENG the following was observed. From the results in table 4.5 above, of the perceived support construct, perceived supervisor support (PSS) had a $\hat{\beta} = -0.338$ ($p = 0.233$), followed by perceived co-worker support (PCWS) with a $\hat{\beta} = -0.230$ ($p = 0.243$) and lastly perceived organisational support (POS) with a $\hat{\beta} = -0.119$ ($p = 0.594$). The transformational leadership subscales were analysed and individualised consideration (IC) had a $\hat{\beta} = 0.188$ ($p = 0.579$), inspirational motivation (IM) had a $\hat{\beta} = 0.047$ ($p = 0.914$), idealised influence (CH) had a $\hat{\beta} = -0.037$ ($p = 0.946$) and lastly intellectual stimulation (IS) had a $\hat{\beta} = 0.024$ ($p = 0.935$). The contribution variations of the sub-constructs of employee engagement were analysed as follows, dedication (DED) had a $\hat{\beta} = -0.362$ ($p = 0.154$), followed by absorption (ABS) with a $\hat{\beta} = 0.268$ ($p = 0.301$) and lastly vigour (VIG) with a $\hat{\beta} = -0.184$ ($p = 0.419$). All of Sig. T values are not significant ($p > 0.05$) and therefore none of the IVs predict unique variation in the DV.

Statistical importance of the construct relationships with employee engagement

In order to identify the relative contribution of each variable in the relationship with employee engagement, Standard Multiple Regression was used.

Using PS, TFL to predict Employee Engagement (ENG)

The regression model consisting of PS and TFL explained 56.2% of the variation in employee engagement when simultaneously regressed.

Table 4.6: Variance of Employee Engagement when explained by PS and TFL

Independent variables	Beta	T value	Sig. T	F value	Sig. F	R square
Model*				25.645	0	.562
Constant		-.103	.918			
PS	.595	4.486	.000			
TFL	.218	1.646	.108			

Dependent variable: Employee engagement

Predictors: (Constant), perceived support, transformational leadership

In table 4.6 above it can be seen that, PS is the only significant IV, ($\hat{\alpha} = 0.595$, $p = 0.000$) that predicts unique variation in the ENG (DV). The Sig. T values of TFL is not significant ($p > 0.05$) and therefore does not predict unique variation in ENG.

Relative contribution of POS, PSS, PCWS, IC, IS, IM and CH on Employee Engagement (ENG)

The regression model consisting of POS, PSS, PCWS (subscales of PS) and IC, IS, IM, CH (subscales of TFL) explained 65.5% of the variation in employee engagement when simultaneously regressed.

Table 4.7: Variance of Employee Engagement when explained by POS, PSS, PCWS, IC, IS, IM and CH

Independent variables	Beta	T value	Sig. T	F value	Sig. F	R square
Model*				9.500	.000	.655
Constant		-1.578	.124			
POS	.252	1.581	.123			
PSS	.268	1.322	.195			
PCWS	.334	2.494	.017			
IS	-.047	-.224	.824			
CH	-.648	-1.656	.107			
IM	.848	2.913	.006			
IC	.034	.133	.895			

Dependent variable: Employee engagement

Predictors: (Constant), POS, PSS, PCWS, IS, CH, IM and IC

From the results in table 4.7 above of the transformational leadership construct: inspirational motivation (IM) had a $\hat{\beta} = 0.848$ ($p = 0.006$), followed by idealised influence (CH) with a $\hat{\beta} = -0.648$ ($p = 0.107$), then intellectual stimulation (IS) with a $\hat{\beta} = -0.047$ ($p = 0.824$) and lastly individualised consideration (IC) with a $\hat{\beta} = 0.034$ ($p = 0.895$). The perceived support subscales were analysed as and the contribution that the variables made to employee engagement were as follows. Perceived co-worker support (PCWS) had a ($\hat{\beta} = 0.334$, $p = 0.017$), followed by perceived supervisor support (PSS) with a $\hat{\beta} = 0.268$ ($p = 0.195$), lastly perceived organisational support (POS) with a $\hat{\beta} = 0.252$ ($p = 0.123$). When analysing the contribution of the subscales of the TFL and PS constructs the follow was observed, the Sig. T values of all the IVs were not significant ($p > 0.05$) and therefore none of the IVs make unique variance contribution to ENG.

This chapter made use of various statistical techniques to investigate the research questions proposed in the earlier chapter. The results reported will be discussed in the next chapter.

CHAPTER V

DISCUSSION AND CONCLUSION

In this chapter the findings, proposed propositions and research questions that have been investigated in this study will be discussed. Each research question will be discussed in context of the findings of the study, as well as linking them to previous research. The chapter will then conclude with a summary of limitations and future considerations and recommendations.

This study is an exploratory attempt to investigate the role of employee engagement and some of its antecedents and outcomes. There are many definitions of employee engagement. However, most of them define engagement and discretionary effort on the part of the employee (Kular et al., 2008). Literature exists on the nature of employee engagement and the outcomes. However there is no literature that that focuses on the exploratory research model under investigation. This study therefore aims to identify the relationships between the constructs under investigation and how they influence or are influenced by employee engagement.

Direct positive relationship between transformational leadership and employee engagement

Proposition 1 stated that a positive relationship existed between transformational leadership and employee engagement. The path was found to be significant and the null hypothesis could thus be rejected. A strong positive correlation ($r = 0.584$, $p < 0.01$) was found between the two variables.

Holbeche and Springett (2003) argue that employee engagement is achieved in workplaces where there is a shared sense of purpose. Therefore this finding is consistent with their research as the charismatic leader with his or her idealised influence provides a sense of purpose and

vision to his or her followers. According to research conducted by Towers Perrin (2003) employee engagement is high in workplaces where there is strong leadership, autonomy, a sense of control over one's environment and opportunities for development. These fundamentals are outcomes of transformational leadership. Autonomy and sense of control over one's environment is as a result of having a leader with inspirational motivation and individualised consideration characteristics. Opportunities for development arise from conversations held with a leader that shows a high intellectual stimulation characteristic of transformational leadership.

Direct negative relationship between employee engagement and intention to quit

Proposition 2 stated that a negative relationship existed between employee engagement and intention to quit. The path was found to be significant and the null hypothesis could thus be rejected. Considering the results, a strong negative correlation ($r = -0.547$, $p < 0.01$) was found between the two variables.

This finding is consistent with Holbeche and Springett (2003) study, where they found that if employees are not engaged in their role or organisation, they are likely to quit. Other studies (Bates, 2004; Schaufeli & Bakker, 2004; Truss, Soane, Edwards, Wisdom, Croll & Burnett, 2006) also reported that engaged employees are likely to have a high attachment to their organisation and therefore have a lower tendency to quit. This study is believed to corroborate this finding. Employees who are highly engaged in their role should give more discretionary effort to their job (Kular et al., 2008). If they display this extra/ voluntary effort it could be interpreted as being more committed to the organisation and therefore they would have a lower intention to quit.

Direct positive relationship between perceived support and employee engagement

Proposition 3 stated that a positive relationship existed between perceived support and employee engagement. The path was found to be significant and the null hypothesis could thus be rejected. Support for the research proposition was therefore found. Considering the bivariate results, a strong positive correlation ($r = 0.729$, $p < 0.01$) was found between the two variables.

This finding is consistent with other studies (Cropanzano & Mitchell, 2005; Robinson et al., 2004; Saks, 2006) that found a positive relationship between perceived support and employee engagement. In a meta-analysis on employee engagement (Kular et al., 2008) it was identified that employee engagement depends on the manager or supervisor. The direct relationship between supervisor and employee engagement is further supported by studies conducted by Blizzard (2004); Cufaude (2004); Lloyd (2004); MacDonald (2002); Soltis (2004). Furthermore, a study conducted by Locke and Taylor (1990) found that there is a direct relationship between perceived co-worker support and employee engagement.

Direct positive relationship between transformational leadership and perceived support

Proposition 4 stated that a positive relationship existed between transformational leadership and perceived support. The path was found to be significant and the null hypothesis could be rejected. Support for the research proposition was therefore found. Considering the bivariate results, a strong positive correlation ($r = 0.615$, $p < 0.01$) was found between the two variables.

No studies were found that directly related transformational leadership and perceived support. However previous studies (eg. Kraft et al., 2004; Whitener et al., as cited in May, Gilson &

Harter, 2004; Murphy, 2005) have found that transformational leadership and perceived support constructs lies in the fact that they are influenced by the employees' ability to trust their leaders, organisation and supervisor. This study although it is exploratory and cannot be generalised as the sample was small, indicated that there is a direct relationship between transformational leadership and perceived support. The reason for the relationship may be because employees see their direct manager/ supervisor as the one that provides the support as well as comparing the support to the manager/ supervisor's level of transformational leadership.

Direct negative relationship between transformational leadership and intention to quit

Proposition 5 stated that a negative relationship existed between transformational leadership and intention to quit. A medium significant negative correlation ($r = -0.313$, $p < 0.05$) was found between the two variables. The path was found to be significant and the null hypothesis could thus be rejected.

This finding is consistent with previous studies (Bycio, Hackett & Allen, 1995; Connel, Ferres & Travaglione, 2003; Ferres, Travaglione & Connell, 2002; Kahumuza & Schlechter, 2008) that found transformational leadership was negatively related to intention to quit. Supervisors play a crucial role in influencing employees' intention to leave an organisation (Frank et al., 2004). Employees that have open communication and a good relationship with their direct manager often have a lower intention to quit as they are able to discuss issues that are bothering them. If the manager has a transformational leadership style he/she will allow the employee to discuss the issues of concern and work with them to finding a solution. If employees are involved in making a decision their intention to quit should be lowered. Furthermore, transformational leaders influence followers to believe in a common vision and a goal. This therefore allows them to be more committed and therefore their intention to quit will be lowered. Transformational leaders play a crucial role in gaining employees commitment to the organisation.

Direct negative relationship between perceived support and intention to quit

Proposition 6 stated that a negative relationship existed between perceived support and intention to quit. The path was found to be significant and the null hypothesis could thus be rejected. Support for the research proposition was therefore found. Considering the bivariate results, a strong negative correlation ($r = -0.611$, $p < 0.01$) was found between the two variables.

This finding is consistent with previous research (Allen et al., 2003; Cole et al., 2002; Eisenberger et al., 2001; Kahumuza & Schlechter, 2008; Rhoades & Eisenberger, 2003) that found a strong negative relationship between PS and intention to quit. As will be discussed later in this section, when PS, TFL and ENG were simultaneously regressed to see the significant contribution they make to intention to quit, PS was the only variable that made a significant contribution. It is therefore important that in attempts to minimise employees' intentions to quit, perceived support within the organisation needs to be focused on. Previous studies (Eisenberger et al., 2001; Eisenberger et al., 2002; Shanock & Eisenberger, 2006; Yoon & Lim, 1999) found that employees' perceive organisational support and supervisor support as the same. This study found that perceived supervisor support and perceived co-worker support contributed a strong variance to intention to quit. This finding collaborates the findings by Kahumuza & Schlechter (2008) who identified a significant negative relationship ($r = -0.52$, $p < 0.01$) between PSS (termed PLS in their study) and intention to quit. They also identified a significant negative relationship ($r = -0.35$, $p < 0.01$) between perceived co-worker support and intention to quit. These findings indicate the significant impact that leaders and especially immediate supervisors or line managers have on employees' intention to quit.

Indirect relationships between: perceived support and intention to quit; transformational leadership and intention to quit

Baron and Kenny's 3 step process was used to test the mediating role of employee engagement in relationship between transformational leadership and intention to quit. Employee engagement

was also used to test the mediating role of employee engagement in the relationship between perceived support and intention to quit.

A direct positive relationship was found between TFL and ENG, as well as a direct negative relationship was found between ENG and ITQ. The results of this exploratory study indicated that the TFL-ITQ relationship was found to be completely mediated by ENG. Transformational leaders influence followers so that they ultimately become more engaged in their roles. Therefore it can be seen that TFL is an important antecedent of ENG as it assists in decreasing employees' ITQ.

The PS-ITQ relationship was found to be partially mediated by ENG. PS was the only construct that made a unique contribution when predicting both ENG and ITQ. These results indicate that PS may be an important antecedent that organisations need to focus on in order to improve the level of ENG in the workplace.

Relative importance of construct relationships with intention to quit

The results reported in this study indicate that of perceived support; transformational leadership and employee engagement, perceived support had a $\beta = -0.517$ ($p = 0.010$), employee engagement a $\beta = -0.263$ ($p = 0.165$) and transformational leadership had a $\beta = -0.159$ ($p = 0.330$). When analysing the p-values, perceived support ($p = 0.010$) was the only construct where the significant value was less than the recommended 0.05 value for significance. The significant values of both employee engagement ($p = 0.165$) and transformational leadership ($p = 0.330$) were above the recommended value. Therefore perceived support was the only construct that made a significant contribution to intention to quit.

This corroborates the findings by Firth et al. (2003) that found that perceived support plays an integral role in reducing intention to quit ($r = -0.25, p < 0.05$). Similarly Allen, Shore and Griffeth (2003) found that there was a significant negative relationship between POS and intention to quit. In another study conducted by Eisenberger et al. (2001) it was found that POS was negatively related to intention to quit ($r = -0.51, p < .001$).

The subscales of perceived support; transformational leadership and employee engagement were simultaneously regressed in order to see the variance contribution each has made to intention to quit. When analysing the contribution each construct made to intention to quit, of the perceived support construct, perceived supervisor support had a $\hat{\beta} = -0.338$ ($p = 0.233$), perceived co-worker support had a $\hat{\beta} = -0.230$ ($p = 0.243$) and perceived organisational support had a $\hat{\beta} = -0.119$ ($p = 0.594$). Of the transformational leadership construct, individualised consideration had a $\hat{\beta} = 0.188$ ($p = 0.579$), inspirational motivation had a $\hat{\beta} = 0.047$ ($p = 0.914$), idealised influence had a $\hat{\beta} = -0.037$ ($p = 0.946$) and intellectual stimulation had a $\hat{\beta} = 0.024$ ($p = 0.935$). Of the employee engagement scale, dedication had a $\hat{\beta} = -0.362$ ($p = 0.154$) absorption had a $\hat{\beta} = 0.268$ ($p = 0.301$) and vigour had a $\hat{\beta} = -0.184$ ($p = 0.419$). The p values of all the variables were well over the recommended 0.05 value for significance, therefore confirming that none of the variables when simultaneously regressed makes a significant contribution to intention to quit. As PS and TFL had a direct negative relationship with intention to quit when the total scores were analysed, it appears that the constructs do not independently influence ITQ. All the dimensions of the variables, TFL and PS are important.

Furthermore it was discovered that although a significant direct negative relationship exists between transformational leadership and intention to quit, the subscales individualised consideration, inspirational motivation, and intellectual stimulation all showed a positive relationship with intention to quit. Idealised influence however indicated a negative relationship with intention to quit. The reason for these differences in relationships between the subscales of transformational leadership will need to be further investigated. As previously mentioned most

studies have found a negative relationship between transformational leadership and intention to quit. Schlechter (2005), in his study however did not find transformational leadership and intention to quit negatively related.

When analysing the sub-constructs of employee engagement, vigour and dedication indicated a negative relationship with intention to quit, absorption indicated a positive relationship. Due to limited empirical studies conducted on employee engagement and intention to quit, there is no evidence to explain this relationship, it should be noted for further studies.

Relative importance of constructs with employee engagement

The findings for this study indicate that there is a direct positive relationship between transformational leadership and employee engagement as well as between perceived support and employee engagement. It was also found that employee engagement completely mediates the relationship between transformational leadership and intention to quit, and partially mediates the relationship between perceived support and intention to quit.

When analysing the unique contribution that perceived support and transformational leadership made towards employee engagement, perceived support had a $\hat{\alpha} = 0.595$ ($p = 0.000$) and transformational leadership had a $\hat{\alpha} = 0.218$ ($p = 0.108$). The significant value of perceived support was below the recommended value of 0.05. Perceived support therefore made a unique contribution to employee engagement. The significant value of transformational leadership was above the recommended value of significance and therefore does not have a unique significant contribution to employee engagement. This once again, as previously stated indicates the importance of PS as an antecedent of ENG.

The subscales of perceived support and transformational leadership were also simultaneously regressed in order to see the variance contribution each has made to employee engagement. When analysing the contribution each construct made to intention to quit of the perceived support construct, this time the perceived co-worker support had a $\hat{\beta} = 0.334$ ($p = 0.017$), perceived supervisor support had a $\hat{\beta} = 0.268$ ($p = 0.195$) and perceived organisational support had a $\hat{\beta} = 0.252$ ($p = 0.123$). This finding indicates that perceived co-worker support had a significant influence on ENG. Although the sample was small and the findings cannot be generalised, it is important for organisations to understand the importance of building support between co-workers. Co-workers may play a more important role in influencing employee engagement between employees than the organisation and supervisors.

Of the transformational leadership construct, inspirational motivation had a $\hat{\beta} = 0.848$, idealised influence had a $\hat{\beta} = -0.648$, intellectual stimulation had $\hat{\beta} = -0.047$ and lastly individualised consideration had a $\hat{\beta} = 0.034$. The significant value of inspirational motivation ($p = 0.006$) was the only variable that indicated a significant relationship to employee engagement. As discussed inspirational motivation (charismatic leaders) influence followers to buy into a particular vision (Piccolo & Colquitt, 2006). A charismatic leadership style therefore appears to be important in order to increase ENG in an organisation.

Limitations and recommendations for further studies

This study, similar to other research studies has certain limitations. The one limitation of the study was the size and composition of the sample. The sample was taken from employees in a financial institution within the Western Cape. Due to limited permission the entire organisation could not be sampled and therefore the sample size was limited to certain departments within the organisation. The research study was an exploratory attempt to test the relationships between the variables in a pilot study. However due to the small sample size of this study the multivariate analyses performed on such a small sample may be futile. Therefore the size of the sample,

although an important factor in research studies, is mitigated in this instance (Forza, 2002). The constructs tested in the model are universal however the research findings from this study cannot be generalised outside the sample as a non-probability sample was used.

The study was cross sectional and therefore causality could not be determined. A longitudinal study with data collected at different intervals would be more appropriate in collecting information on employee engagement and intention to quit. Due to the time and cost constraints of this study a longitudinal study was not possible. Another limitation is the mono method bias where the same individuals were used to assess a variety of constructs.

This study attempted to contribute to the growing body of research on employee engagement, especially in a South African context. Numerous studies have been conducted on the antecedents and consequences of employee engagement. However there is a limited amount of research that has been conducted on the relationships between the variables in the research model of this study and none on the proposed model as a whole. This study was exploratory and therefore studying the relationships between the variables under investigation with other instruments, more sophisticated techniques and bigger samples should be considered.

The transformational leadership construct although indicating a direct negative relationship to intention to quit in this study, did not make a unique contribution to explaining variance in intention to quit. This could be as a result of the small sample size it could also be as a result of the mediating role employee engagement has with transformational leadership and intention to quit. The recommendation therefore is for further investigation of the nature of the transformational leadership-employee engagement-intention to quit relationship.

Employee engagement, although also indicating a significant positive relationship with intention to quit, did not make a significant contribution to predicting intention to quit. This too could be a result of the small sample size of this study. The recommendation therefore is for further investigation into the relationship between employee engagement and intention to quit with a larger sample. It may be found that employee engagement does not exist in isolation to intention to quit but needs to be directly related to certain antecedents in order to be significant.

The results derived of the sub-dimensions of constructs in explaining criterion variance, may be as a result of the small sample size and therefore another limitation of the study. The constructs, TFL and PS, correlated significantly with EE however the sub-dimensions do not. It may be considered omitting the propositions and results dealing with the sub-dimensions as they add no value to the study.

This study showed satisfactory scores for reliability of the constructs and relationships between certain variables. A recommendation however is this same model is used in a research study with a greater sample size. In that way the validity of the constructs can also be analysed. It is also suggested that a more sophisticated technique like SEM be used to study the model as a whole incorporating any interaction effects.

Practical implications for organisations

Employee engagement is directly related to business results (Kular et. al, 2008). For organisations to perform well it is important that employees are engaged in their role and the organisation. Employee engagement however does not happen in isolation with the employee. Direct line managers or supervisors affect employee engagement. The manner in which employees perceive the support that they receive from the organisation, supervisor or co-worker impacts their level of engagement. The study also indicated the employees' intention to quit

results from transformational leadership, their perceived support and their level of engagement. Therefore it is critical that managers pay attention to their leadership style and aspects of transformational leadership is encouraged. It is also important that managers understand that they have an impact on employees emotions and the level of support that they show, influences employees level of engagement as well as their intention to quit. As intention to quit is a state of mind before the actual action of leaving the organisation, it may be possible that managers have a chance to influence employees by increasing their level of engagement.

Conclusion

The first aim of this study was to contribute to the growing body of research related to employee engagement. Secondly, this study sought to expand the understanding of two antecedents of employee engagement, namely, transformational leadership and perceived support. Thirdly, this study sought to expand the understanding of the importance of employee engagement, transformational leadership and perceived support in mitigating employees' intention to quit.

The study examined, presented and discussed the findings on, 1) the direct relationship between transformational leadership and employee engagement; 2) the direct relationship between employee engagement and intention to quit; 3) the direct relationship between transformational leadership and perceived support; 4) the direct relationship between transformational leadership and intention to quit; 5) the direct relationship between perceived support and intention to quit; 6) the relationship between transformational leadership and intention to quit mediated by employee engagement; 7) the relationship between perceived support and intention to quit mediated by employee engagement.

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