Using Transformational Leadership to Predict Employees’ Turnover Intention: The Mediating Effects of Trust and Employees’ Job Performance in Bangkok, Thailand

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Abstract

Transformational leadership has been found to have negative relationship to employee turnover intention but there does not seem to have any study that examines the mediating effects of trust and job performance on the relationship of transformational leadership to turnover intention. This study attempted to fill this knowledge gap by investigates the meditational effect with multiple mediators. The study was conducted among 187 employees’ of the international fast food chains in Bangkok, Thailand. A non-probability convenience sampling technique was used to collect the data. Transformational leadership was operationalized as the extent a leader who transforms followers to perform beyond their expectation by triggering their intellectual works, raising confidence and creativity. Trust was operationalized as the extent to a psychological state comprised the expectations, assumptions or beliefs about the likelihood that another’s future actions will be beneficial, favorable or at least not detrimental. Job performance was operationalized as the extent to an aggregated set of behaviors that an employee contributes directly and indirectly to the organization. Turnover intention was operationalized as a cognitive process of thinking, planning and desiring to leave a job. Regression analysis with bootstrap method was used to analyze the data. The results supported the meditational model whereby transformational leadership was both directly and indirectly predicted turnover intention, and the mediating effects of trust and job performance were significantly negative on the relationship of transformational leadership to turnover intention.

Introduction

The past two decades the relationship of transformational leadership to positive attributes in organizations has become an often researched topic. Studies found positive impacts of transformational leadership on various job outcomes such as higher job satisfaction (Medley & Larochelle, 1995), unit cohesion (Sparks & Schenk, 2001), motivation (Masi, 2000), unit effectiveness (Lowe & Galen Kroeck, 1996), team cohesiveness (Stashevsky & Koslowsky, 2006) and organizational learning (Zagoršek, Dimovski, & Škerlavaj, 2009).

Transformational leader is a leader who has ability to transforms employees’ followers’ preferences and self interest for the betterment of the organization goal (Mackenzie, Podsakoff, & Rich, 2001; Warrick, 2011). Turnover intention is a phenomenon that jeopardizes the process of achieving predetermined goals regardless of its location and size (Hom & Kinicki, 2001). In general, turnover intention associated with tremendous negative outcomes such as increased unnecessary financial costs (Gschwandtner & Lambson, 2006), reduced organizational commitment (Chao-Sung, Pey-Lan, & Ing-Chung, 2001).
2006; Harris & Cameron, 2005) and employees’ job stress (Zhong, Siong, Mellor, Moore, & Firth, 2006) and have fundamentally negative ties to performance in both private and public sector (Shaw, Gupta, & Delery, 2005). Trust has been identified as a one of the important variable to build organizational success. Trust is defined as the extent to a persons’ willingness to ascribe good intentions to and to have confidence in the words and actions of other people (Colquitt & Rodell, 2011). Job performance is a construct that is widely used in industrial/organizational psychology, organizational behavior, and human resources management (Yafang & Shih-Wang, 2010). Job performance refers to scalable actions that an employee contributes to the organization (Rich, Lepine, & Crawford, 2010).

This study is a meditational model, where the theoretical framework of the proposed model was based on Bandura (1986) social cognitive theory model that hypothesized triadic reciprocal relationship among persons, the environment and behavior variables.

Objective of the Study

The objective of this study is to investigate the mediating effects of trust and job performance on the relationship of transformational leadership to turnover intention in fast-food industry in Bangkok, Thailand. Specifically this study proposes that there is a negative relationship between transformational leadership and followers’ turnover intention and that relationship is mediated by trust and job performance.

Hypotheses

To carry out the objectives of the study, the following hypotheses were tested.

Hypothesis 1: Transformational leadership would negatively and significantly predict turnover intention.

Hypothesis 2: Trust would mediate the relationship of transformational leadership to turnover intention.

Hypothesis 3: Job performance would mediate the relationship of transformational leadership to turnover intention.

Literature Review

1. Transformational leadership

The concept of transformational leadership was first developed by Burns (1978) in a political science context, and was later formulated into a theory of leadership in organizations by (Bass, 1985). Bass and his colleagues, Avolio and Bass (1999); and Hartog, Van Muijen, and Koopman (1997), claimed that transformational leadership was the most effective leadership as compared to other major leadership theories (e.g. transactional or laissez-faire leadership). There has been accumulating evidences of transformational leaderships’ positive effect to the followers job satisfaction (Berson & Linton, 2005), and organizational goals (Berson & Avolio, 2004).

Carless, Wearing, and Mann (2000) pointed out transformational leadership contained seven type of behaviors. Those behaviors are vision, staff development, supportive leadership, empowerment, innovative or lateral thinking, leads by example and charismatic leadership. Vision behavior refers to the transformational leaders’ creation of a dynamic organizational vision that often necessitates a metamorphosis in cultural values to reflect greater innovation. To achieve the vision, leaders attempt to secure greater effort and commitment from employees by bonding individual and collective interests (Rafferty & Griffin, 2004). Staff development behavior refers to leaders’ cooperation and positive harmony towards the employees’ professional development. Supportive leadership refers to a leaders’ behavior that emphasizes to create a psychological supportive work environment for followers. Empowerment refers
to empower subordinates by encourage autonomy in choosing valued goals. Through empowerment behavior leaders encourage independence to subordinates decision-making rather than control. Innovative or lateral thinking behavior refers to leaders’ innovative thinking by implementing unconventional strategies. The effects of Innovative or lateral thinking have seen to increase followers’ abilities to conceptualize, comprehend, and analyze problems and improve the quality of solutions that they generate. Leads by example’ refers to the leaders’ fairness, justice, and consistency that have been promised. Charismatic leadership behavior refers to the leaders’ ability to influence follower. Charismatic behavior encourage leaders to takes risk that is oppose the status quo and accept personal sacrifices (Babcock-Roberson & Strickland, 2010).

Meta-analysis by DeGroot, Kiker, and Cross (2000) found that, transformational leadership successfully improved employee’s operational efficiency and reduced their absenteeism. Likewise, a massive research based on profit based businesses, commercial firms, professional coaches and nursing study found that, when leaders are more transformational employees tend to minimize their voluntary turnover intention, because of the leader’s high standards of ethical conduct (Gill, Mathur, Sharma, & Bhutani, 2011; Sang & Yean, 2012).

2. Trust

Trust has been identified as one of the significant variable to the success of an organization. Trust is defined as a expectations, assumptions or beliefs about the likelihood that another’s future actions will be beneficial, favorable or at least not detrimental (Rousseau, Sitkin, Burt, & Camerer, 1998). According to game theory trust increase prisoner’s dilemma-type scenarios, where trustee believes cooperation will be reciprocated (Stashefsky & Koslowsky, 2006).

There have been existed negative correlations of transformational leadership to trust. A meta-analysis by Dirks and Ferrin (2002) found, strong positive correlation between trust in transformational leadership (.72). Podsakoff, MacKenzie, Moorman, and Fetter (1990) also found positive association between transformational leadership, trust, and organizational citizenship behaviors, the finding indicated, transformational leadership predicted trust, and trust predicted organizational citizenship behavior. Another mediation analysis also found trust significantly mediates the relationship of transformational leadership to followers’ job performance (Jung & Avolio, 2000).

There have been existed negative correlations of trust to employees’ turnover intention. Tremblay (2010) found trust mediated the relationship between transformational leadership and unit commitment and turnover intention of Canadian Forces Personnel. Chinese context base study with a sample of 295 firms found that, employees’ who trust in the organizations were less likely to quit job (Yui-Tim, Hang-Yue, & Chi-Sum, 2003). Over nine different chain restaurants research by Davis, Schoorman, Mayer, and Hwee Hoon (2000) allocated low trust was negatively related to sales, profits and employee turnover. A Meta analysis by Dirks and Ferrin (2002) also found, significant negative impact of trust to employee’s intention to leave (-.41).

3. Job performance

Job performance is a behavioral that has an effect on organizational effectiveness either positive or negative. According to Rich et al. (2010) job performance is an aggregated behaviors that an employee contributes directly and indirectly to the organization.

Growing number of research have begun to highlight how transformational leadership’s influence job performance. A field experiment found, during transformational leadership training organizations magnificently boosted financial performance through employee’s credit cards and personal loan sales (Barling, Weber, & Kelloway, 1996). An exploratory research by Howell and Avolio (1993) found, transformational leader-
ship significantly generated follower’s unit performance through offering an exceptional working environment.


4. Turnover intention

Turnover intention is the cognitive process of thinking, planning and desiring to leave a job. Turnover intention refer to the subjective estimation of an individual regarding the probability of leaving organization in the near future (Mobley, 1982). Prior of research has proved staff turnover involved negative impact on decreasing firms competitiveness globally or even locally (Joy, 1989). In high staff turnover organization’s employee’s suffers increased of workloads which typically disrupt team cohesion. This contradiction eventually interrupts organizational sales, customer service and consumer satisfaction (Kacmar et al., 2006; Long, Thean, Khairuzzaman, Ismail, & Jusoh, 2012).

Method

1. Participants

The population for this study comprised of the international fast food restaurants in Bangkok, Thailand. The participants were full-time employed and the restaurant locations were varied from Terminal 21, Siam Paragon, MBK, Gateway Ekamai, Fortune Town, Platinum Fashion Mall, Central World, Central Plaza Chaengwattana, Major Cineplex (Major Sukhumvit), Paradise Park, Seacon Square, The Esplanade and The Mall Bangkapi. Each outlet operated seven days per week, the fast-food environment was upscale, counter service was offered and the food was prepared on premises. Mention that, all of the restaurants operation, staff job description and the managers’ job characteristics were similar, and that was their commonality.

To distribute the questionnaire, I visited 31 restaurants of 15 international brands; where I presented myself, my research and the purpose the study to the managers. However, I had been refused to conduct the survey from 11 stores of five particular brands. Some of the reasons of rejection were staff’s lack of time and less interest. Only twenty restaurants of nine brands were allowed me to distribute the questionnaire and those restaurants were Starbucks, KFC, Pizza Company, McDonald’s, Subway, Domino’s Pizza, Dunkin Donut, Au Bon pain, and Burger King.

Under the permission of the management, self administrated questionnaires were distributed to the 400 full time employees’ (except manager) and requested to answer in their most convenient time. The managers collected the questionnaire at the end of the day and returned the questionnaire to me on the same day. An accompanying letter was attached with every questionnaire that explained the purpose of the study (see Appendices). The participants signed the consent form acknowledging that their participations were voluntary, that they had the right to refuse participation without having to give reasons. While distribute the questionnaire I assured that all responses were kept confidential and the results would not disclose any personal data. Neither the managers nor the participants were compensated for their assistance or participation. The study was conducted from September 2013 to January 2014. Total 187 sets of complete questionnaires were returned from employees of 9 different brands of 20 fast-food chains in Bangkok, Thailand. That suggest the total response rate was 43%. According to www.soidb.com (2014) the participated fast food brands had total 632 branches and 8,850 employees’ in all around
Bangkok, Thailand.

The majority of the participants were sixty percent (60%) female while forty percent (40%) were male. The educational distribution showed that three fifths of the participants (63%) hold a degree under bachelor’s degree; about three fifths (29%) hold bachelor’s degree and almost a tenth (8%) have higher than bachelor’s degree. The participants in this study were young. Three tenths of the participants (32.2%) were 20 to under 20 years. About one thirds (37%) were 21-25 years. Slightly higher than tenth (13.3%) were 26-30 years, 31-35 years (11.7%), a small number of the participants were 36-40 years (4.3%) and 41-Above years (0.5%). the largest numbers of respondents were those aged 21 to 25 years old and their mean age were 24.17 years. The participant’s income per month of Baht (equivalent to US$ 1 at the Baht 30 to US$) were 0-9,999 (28%), 10,000-19,000 (48%), 20,000-29,000 (14%), 30,000-39,000 (6.4%) and 40,000 or more was (3.2%). The mean score of income was 2.09, which indicates two fourth (48.1%) earned a monthly income of Baht 10,000-19,000 (US$ 333- 633).

2. Instruments

The questionnaire of this study contained five parts 1) Transformational leadership, 2) Trust, 3) Job performance, 4) Turnover intention and 5) Demographics (gender, age, income and education). The original scales were in English. However, the scales were translated into Thai and the translation was checked by three language experts from a university language institute. The reason to distribute the Thai questionnaire was to enhanced the respondents’ understanding of the statements.

2.1 Transformational Leadership. The transformational leadership scale was adapted from Hartog et al. (1997). This scale correlated with Bass Multifactor Leadership Questionnaire (MLQ) and their correlation was (.99). Participants were required to rate their manager’s transformational leadership behavior using five-point scale ranging from (1=Strongly Disagree) to (5=Strongly Agree). Sample items included: My manager treats me as an individual rather than just a member of the group. For this study the Cronbach’s alpha reliability was .87 and the factor analysis of the scale accounted for 67% variance.

2.2 Trust. Trust was assessed by the Robinson (1996) seven-item of trust scale. Trust measure were obtained on a 5-point scale ranging from (1=strongly disagree) to (5=strongly agree) to evaluate their trust in manager. Scale Items included: My manager is not always honest and truthful (R). According to the (Robinson, 1996) trust questionnaire, three items (3, 5 and 7) were reverse-scored that means (i.e. 1 to 5, 2 to 4, 3 to 3, 4 to 2 and 5 to 1), therefore the same procedures has been applied in this study. For this study the Cronbach’s alpha reliability was .87 and the factor analysis of the scale accounted for 53% variance.

2.3 Job performance. Job performance scale was adopted from Robinson (1996) to assess employee job performance. The participants were measure job performance on a 7-point scale ranging from 1=Poor, 2=Very Bad, 3=Bad, 4=Moderate, 5=Good, 6=Very good and 7=Excellent. Items include the following: How would your manager probably rate your work performance. The Cronbach’s alpha reliability index for this study was .84 and the factor analysis of the scale accounted for 54% variance.

2.4 Turnover intention. Turnover intention was assessed by turnover intention scale of Ariyabudhiphongs and Marican (In press). Turnover intention is evaluated on a 4-point scale ranging from 1 (“Not at all”) to 4 (“Regularly”). Items included: If an organization offers you a job at the same level of pay, would you consider leaving your job. The Cronbach’s alpha reliability index for this study was .77 and the factor analysis of the scale accounted for 81% variance.

3. Procedure

I used non-probability sampling method was
employed by using the convenience sampling. Convenience sampling is a sampling technique that obtains and collects the relevant information from the sample or the unit of study that are conveniently available.

3.1 Data Collection
The data were collected September 2013 to January 2014. All of the responses were used for reliability analysis measured by Cronbach’s alpha using SPSS 22. From the result, all of the constructs reached Cronbach’s alpha 0.6 and above.

3.2 Sample Size, Power, and Precision
To reduce the probability of type II error over the hypotheses, I have tested the statistical power using G*power 3.1. G*power is a power analysis program for many statistical tests commonly used in the social, behavioral, and biomedical sciences (Erdfelder, Faul, Buchner, & Mayr, 2007). G*Power program perform various types of power analysis in terms of identify the required sample size for the specific analysis (Erdfelder et al., 2007). From the calculation of the G*Power power resulted at the effect size=.15, alpha=.05, power=.95, and 4 predictors, total sample size of 129 was sufficient for this study.

3.3 Research Design
Research design refers to the overall structure used to conduct the entire study. This study was non-experimental; I used multiple regression analysis with bootstrapping called “indirect script” of Preacher and Hayes (2008) to evaluate the research model in an indicative manner. I have chosen bootstrap method because several approaches have been suggested for assessing the specific indirect effects in multiple mediator models, among them the bootstrap method has been argued as a superior approach, especially for testing multiple mediations (Preacher & Hayes, 2008). MacKinnon, Lockwood, Hoffman, West, and Sheets (2002) compared, bootstrapping to the traditional product of coefficients approach in a large-scale simulation study and found that bootstrapping provided more accurate Type I error rates and greater power for detecting indirect effects than the product of coefficients strategy and other competing methods.

Results
1. Preliminary Analysis
Data were analyzed using Statistical Package for the Social Sciences 22th version for Mac OSX. Table 1 presents means and standard deviation of respondents’ gender, age, income, education and their correlations with transformational leadership, trust, job performance and turnover intention.

Correlations between education and turnover intention were not statistically significant (see table 1). Age was negatively correlated with turnover intention. Table 1 shown that their mean age was 24 years, which indicated young workers were likely to have higher turnover intentions compared to midcareer and mature workers. Age was also significantly related to income, education, transformational leadership and job performance. This means the older participants tended to earn more money, have higher education, perceive their managers to exhibit transformational leadership, and precede a higher level of performance.

Income was negatively related to turnover intention (see Table 1), and had a significant effect on the outcome variable turnover intention. That means those who earned higher income were not intended to leave because their income can meet their needs for basic necessities in life. As income was related to turnover intention, it was entered as a control variable and had been analyze through indirect script of Preacher and Hayes (2008).

The participant’s education had no impact on turnover intention. Transformational leadership was related to trust and job performance and these interactions were negatively related to turnover intention. Job
performance was also negatively related to turnover intention (see Table 1).

**Table 1** Descriptive Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gender</td>
<td>1.5</td>
<td>.49</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Age</td>
<td>24</td>
<td>5.6</td>
<td>-.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Education</td>
<td>1.4</td>
<td>.64</td>
<td>-.05</td>
<td>.67**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Income</td>
<td>2.0</td>
<td>.98</td>
<td>-.18*</td>
<td>.65**</td>
<td>.58**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Transformational Leadership</td>
<td>69</td>
<td>10</td>
<td>.20**</td>
<td>.14*</td>
<td>.07*</td>
<td>-.16*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Trust</td>
<td>24</td>
<td>4.3</td>
<td>.20**</td>
<td>-.05</td>
<td>-.00</td>
<td>-.03</td>
<td>.35**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Job Performance</td>
<td>8.9</td>
<td>1.4</td>
<td>.19**</td>
<td>-.17*</td>
<td>.06</td>
<td>-.07</td>
<td>.43**</td>
<td>.10</td>
<td></td>
</tr>
<tr>
<td>8. Turnover Intention</td>
<td>4.4</td>
<td>1.5</td>
<td>-.20**</td>
<td>-.09</td>
<td>-.02*</td>
<td>-.17*</td>
<td>-.50**</td>
<td>-.45**</td>
<td>-.46**</td>
</tr>
</tbody>
</table>

* Significant at the P<0.05 level. ** Significant at the P<0.01 level. *** Significant at the P<0.001 level.

2. Evaluating the Hypothesized Relations between the Transformational leadership, Trust, Job Performance and Turnover Intention

2.1 Tests of Hypotheses

Regression analysis in the SPSS 22th program with indirect script Preacher and Hayes (2008) was used to test the model. Table 2 and Figure 1 display the results of the regression analysis.

**Table 2** Bootstrap results to test significance of mediation effects

<table>
<thead>
<tr>
<th>Path/Effect</th>
<th>Standardized β</th>
<th>SE</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income → Turnover Intention</td>
<td>-.19</td>
<td>.08</td>
<td>.031</td>
</tr>
<tr>
<td>c</td>
<td>-.07</td>
<td>.00</td>
<td>.000</td>
</tr>
<tr>
<td>a Transformational Leadership → Trust</td>
<td>.06</td>
<td>.02</td>
<td>.000</td>
</tr>
<tr>
<td>Job Performance</td>
<td>.06</td>
<td>.00</td>
<td>.000</td>
</tr>
<tr>
<td>b Trust → Turnover Intention</td>
<td>-.12</td>
<td>.02</td>
<td>.000</td>
</tr>
<tr>
<td>Job Performance → Turnover Intention</td>
<td>-.33</td>
<td>.06</td>
<td>.000</td>
</tr>
<tr>
<td>c Transformational Leadership → Turnover Intention</td>
<td>-.03</td>
<td>.01</td>
<td>.000</td>
</tr>
<tr>
<td>a x b Indirect Effects: Total</td>
<td>-.04</td>
<td>.00</td>
<td>.000</td>
</tr>
<tr>
<td>Trust</td>
<td>-.02</td>
<td>.00</td>
<td>.000</td>
</tr>
<tr>
<td>Job Performance</td>
<td>-.02</td>
<td>.00</td>
<td>.000</td>
</tr>
</tbody>
</table>
Note. Bias corrected and accelerated confidence intervals -.0560 to -.0258, bootstrap re-samples = 5000. The 95% confidence interval for the standardized result was produced with bias corrected and accelerated option in the bootstrap dialogue box in indirect script (Preacher & Hayes, 2008).

Figure 1: Upper figure: Total effect of transformational leadership to predict turnover intention c=-.07. Lower figure: Indirect effect, with trust and job performance as mediator, and income as control variables. *p<.05, **p<.01, ***p<.001.

2.2 Analysis of the Hypotheses

The mediation effect was tested using a bootstrap script (Preacher & Hayes, 2008), specifying 95% confidence interval and 5,000 bootstrap re-samples (Zhao, John G. Lynch, & Chen, 2010). Table 2 displays the results of the mediating effects of trust and job performance on the relationship of the transformational leadership to turnover intention.

As shown in Table 2 and Figure 1 path coefficient of control variable income for turnover intention was found to be negative and significant -.19 (t = -2.17; p > .031). The relationship of the transformational leadership to turnover intention (c path) was hypothesized in our study and found significant (β = -.0740; p < .000). Transformational leadership negatively predicted turnover intention and for every one-unit increase in transformational leadership decreased turnover intention by -.07 units. In the mediation model with trust and job performance as mediators, the direct effects of the transformational leadership on trust (a path, β = .16; p < .000), and on job performance (b path, β = .06; p < .000) were significant. Likewise, The direct effect of trust on turnover intention (b path, β = -.12; p < .000), and job performance on turnover intention (b path, β = -.33; p < .000) were significant. This result indicates that transformational leadership predicted trust and job performance while trust and job performance negatively predicted turnover intention.

The axb total indirect effect was significant bootstrap result β = -.0397 (see Table 3), the bias corrected and accelerated confidence interval (BCACI = -.0560 to .0258). Indirect effect of trust was significant (bootstrap result, β = -.0188), the bias corrected and accelerated confidence interval (BCACI = -.0301 to .0087). Indirect effect of job performance was significant bootstrap result, β = -.0209 (see Table 3); the bias
corrected and accelerated confidence interval ([BCACI] = -.0339 to -.0102). Results of the study supported all of hypotheses. Mention that according to the turnover 44% of the total variance had been explained (see Table 4).

**Table 3** Bootstrap result for indirect effects

<table>
<thead>
<tr>
<th></th>
<th>Data</th>
<th>Boot</th>
<th>Bias</th>
<th>SE</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>-.0382</td>
<td>-.0383</td>
<td>-.0002</td>
<td>.0076</td>
<td>-.0544</td>
<td>-.0246</td>
</tr>
<tr>
<td>Trust</td>
<td>-.0173</td>
<td>-.0175</td>
<td>-.0002</td>
<td>.0050</td>
<td>-.0281</td>
<td>-.0085</td>
</tr>
<tr>
<td>Job Performance</td>
<td>-.0209</td>
<td>-.0208</td>
<td>-.0000</td>
<td>.0063</td>
<td>-.0348</td>
<td>-.0099</td>
</tr>
</tbody>
</table>

Indirect effects of transformational leadership on turnover intention through proposed mediators (axb paths)

**Table 4** Model Summary for Turnover Intention Model

<table>
<thead>
<tr>
<th>R-sq</th>
<th>Adj R-sq</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>.4437</td>
<td>.4441</td>
<td>44.8410</td>
<td>3.000</td>
<td>183.0000</td>
<td>.0000</td>
</tr>
</tbody>
</table>

Discussion

The objective of this study was to investigate the mediating effects of trust and job performance on the relationship of transformational leadership to turnover intention in the fast food industry of Bangkok, Thailand.

The correlation analysis of transformational leadership, trust and job performance on turnover intentions indicated negative and significant relationship. This study supported the previous research of Gill et al. (2011) where scholars’ found transformational leadership direct influence on turnover intention. Present study also supported the previous work conducted by Tremblay (2010) on the relationship of transformational leadership to turnover intention, where trust was found to have a mediating effect. Eventually this study supported previously proven research by Wright and Cropanzano (1998) where scholar found lack of job performance caused peoples to depart from the organization.

The regression results indicated positive association between transformational leadership to trust and job performance that means a managers’ transformational leadership could generate trust and job performance to their subordinates. Regression results also indicated trust and job performance contributed a unique variance to turnover intention through negative correlations. In aggregate finding explains that, staff turnover earned by bad manager, peoples leave their bosses rather than their companies; therefore the positive impact of a managers’ transformational leadership behavior can generate trust and job performance to their subordinates and that trust and job performance can makes them less likely to leave their job. The results of this study supported all the hypotheses.

The other important issue in this study was to assess the contribution of demographic variables...
on turnover intention. It was found that, income had a negative and significant effect on turnover intention, maybe because young participants had an increase sense of job instability. this outcomes closely parallel with the earlier findings of Allan, Bamber, and Timo (2006). Another demographic factor income found to have a negative correlation to turnover intention. Ironically income or pay level and turnover intent had been reported so frequently by economists that the relationship has been accepted as a fact (Motowidlo, 1983). Even in teaching institutions, pay was a significant element explaining turnover intention (Hakanen, Bakker, & Schaufeli, 2006).

Conclusions and implication

The purpose of this study was to gain a better understanding of how transformational leadership can be negatively correlated to turnover intention, through potential mediators into the overall leadership process. Results of the study supported all of hypotheses. Results from the analyses showed that the mediation model has a unique effect on employees’ turnover decision. The analysis revealed the important value of nurturing trust and job performance in an organization. Theory also stated that the managers’ transformational leadership can increase the desire of employees’ to continuing job.

The results can be implemented into two-fold, research application and practical significance. Research application will allows organizational researchers to use the results to format their future research and build transformational leadership theory. Practical significance involves fast food administrators and organizational researchers to train managers to identify the leadership style that creates trust and job performance to reduce employee’s turnover intention.

References


