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## **Abstract**

Many organizations are facing turnover issues caused by many factors such as unsupportive leadership, disparity in labor market, bad work climate, job dissatisfaction, and so on. Reducing employee turnover is not rocket science; however, many companies struggle with very high turnover year every year. The common denominator of high turnover in organizations is poor leadership. Therefore, organizations that stress leadership development have an inherent advantage that can mean the difference between survival and extinction, work quality diminishes productivity decreases, attitudes drop. Consequently, it is very important to study if there is a relation between the leadership behaviors which impact on staff turnover. The study determined the relationship between leadership style and employee turnover intentions at XYZ Company. The study employed a descriptive research design. The study targeted population of 420 employees from XYZ Company and obtained a sample of 200 respondents. The study used both primary and secondary data sources. The study employed descriptive analysis and regression analysis. The findings showed that taking all other independent variables at zero, a unit increase in Transformational leadership style would lead to a 0.862 increase in the employee turnover intentions in XYZ

Company. Further, the findings shows that a unit increases in Transactional leadership would lead to a 0.735 increase in employee turnover intention in XYZ Company. In addition, the findings show that a unit increase in Laissez-faire leadership style would lead to a 0.564 increase in employee turnover intentions in XYZ Company. Also, the findings show that a unit increase in democratic leadership style would lead to a 0.437 increase in employee turnover intentions in XYZ Company. Leaders were expected to find and correct their own errors. Leaders had good knowledge of appropriate social control mechanism. The study concluded that the manager- employee relationship was characterized by fear. Leaders involved staff in making organizations programs. Leaders delegated duties to members and expected them to accomplish without supervision and were less concerned with what staff members do. They had a vision of extra ordinary goals and the ability to motivate employees to achieve better performance. Leaders at XYZ Company should consult the group and manager should tell employees what to do and how to do it. Leaders need to involve staff in making organizations programs, gets group approval in important matters before going ahead and is friendly, supportive and considerate towards others. Leaders need to be concerned with what staff members. Leaders should have a vision of extra ordinary goals and the ability to motivate employees to achieve better performance.

**Keywords:** *Transactional Leadership, Transformational Leadership Style, Democratic Leadership Style, Laissez-Faire Leadership, Turnover Intentions and XYZ Company.*

## **1.0 Introduction**

### **1.1 Background to the Study**

Many organizations are facing turnover issues caused by many factors such as unsupportive leadership, disparity in labor market, bad work climate, job dissatisfaction, and so on. Meanwhile, the factors are linked to both internal and external sources through job dissatisfaction. Consequently, to make a business run effectively by concerning on job satisfaction is a way to reduce staff turnover (Sirithan, 2010). According to Wolf (2012), workers generally leave organizations whose leaders fail to link up with the needs and desires of employees. In such organizations, workers efforts are hardly recognized and the consequences boarder on dissatisfaction and the response is take off. Such leadership is based on the feeling of indispensability of the leader, making critical organizational decision with little or no people involvement, an attitude that helps to disperse rather than hold workers in the organization. If an organization does not possess a positive culture, the work environment will be unpleasant (Sirithan, 2010). With other considerations, this adds to the reasons why employees quit. Simple attitudes towards shift meals, uniform policies, breaks, and lack of benefits can decrease employee morale.

Managers must provide solid, positive leadership to keep their employees happy. Line level workers quickly lose respect for managers that are unwilling to roll up their sleeves when needed Boardman (2010). Reducing employee turnover is not rocket science; however, many companies struggle with very high turnover year after year. The common denominator of high turnover in organizations is poor leadership. Therefore, organizations that stress leadership development have an inherent advantage that can

mean the difference between survival and extinction, work quality diminishes, productivity decreases and attitudes drop (Whipple, 2013). An organization's employees should be focusing on the advancement of the organization's goals, not on their manager.

Employees must be given adequate space to participate in the decision making processes of the organization, and by doing so, their loyalty to the organization could be increased (Marta, 2010). Human resource executives and senior-level operations executives would do well by measuring the authentic leadership of front-line managers and connect those data points with front-line employee turnover (Jared, 2012). Most organizations today are aware of the need for greater transparency and accountability, and many recognize that unethical behavior has an immediate and lasting negative impact on company performance. Employees lose faith in organizations that allow inauthentic leaders to go unchecked, and these employees will leave such organizations. The number one reason an employee will seek new opportunities is leadership.

An employee's relationship with his or her supervisor is one of the most critical factors in creating a work environment that encourages productivity and dedication to a company and its mission. Without a strong sense of mutual respect, the people you lead will always be looking for a way out (Jared, 2012). Poor leadership can cause employee turnover, which ends up costing the organization time and money. The expense of recruiting and training employees can eat away funds that would otherwise have been used to finance other critical activities in projects undertaken by the organization. In addition, the lack of seasoned employees can diminish your production, customer service and efficiency (Kevin, 2011). Reducing employee turnover is not rocket science; however, many companies struggle with very high turnover year after year. The common denominator of high turnover in organizations is poor leadership.

Employee turnover is influenced by employee dissatisfaction within the job environment, which reduces contributions to the job, and has influenced employee decisions to leave an organization (AlBattat & Som, 2013). Commitment can be defined as the relative strength of an individual's identification with an organization and involvement in the organization. Commitment to the team is linked to vital work-related factors such as; employee absenteeism, employee turnover, employee performance and employee citizenship behavior (Alkhatani, 2016). According to Gautam (2005), many studies support the fact that employees leave an organization for many reasons, but the two most frequent causes are the quality of the selection system and the quality of leadership. Many factors influence employees' decisions to stay at or quit their current jobs. Leadership style has been one of the recognized causes of turnover (Abbasi & Hollman, 2000; Griffith, 2003; Kalliath & Beck, 2001; Kleinman, 2004; Mobley, 1982; Ongori, 2007; Price, 2001; Weibo, Kaur, & Zhi, 2010).

### **1.1.1 Employees' Turnover**

The rate at which an employer gains and losses its staff is called employee turnover (Manning & Curtis, 2009). If an employer is said to have a high turnover, it most often means that employees of that organization have a shorter tenure than those of other organization. When employees leave, valuable knowledge is lost (Kysilka, 2013). Hiring a new employee ramped up to performance levels similar to the one you've lost takes time and money. A certain amount of turnover is necessary and healthy for an institution;

too much staff turnover can lead to excessive costs. Turnover is a major problem for many organizations because it is extremely costly for the employer, particularly in jobs which offer higher education and extensive on the job training (Kysilka, 2013). Today's effective leaders do not use the power tactics of the past. Modern managers find that the practice of threatening employees is usually counterproductive. Instead, they view their task as one of motivating employees to do their best (Manning & Curtis, 2009). Within the hospitality industry, the one singular leadership trait is excellent interpersonal skills. These include listening, questioning, negotiating and interaction with both guests and employees (Hunter, Tinton & Mannall, 2010).

Deloitte (2010) reports that the value of human capital in the industry is self-evident. The average hotelier spends approximately 45 percent of operating expenses and 33 percent of revenues on labor cost namely employee compensation and benefits. Despite these significant levels of labor spend, employee turnover in the industry continues to remain high. According to Deloitte (2010) reports, the key to the brand promise is the talent delivering it. However average staff turnover is still at 31 percent with staff costs accounting for 45 percent of operating expenses and the strong correlation between staff retention and guests satisfaction. Operators need to consider how best to recruit, reward and retain talent to ensure consistent guest satisfaction. The workforce in the hospitality industry is characterized by unskilled, semi-skilled, skilled supervisory and management. Due to globalization, the hospitality labor market is also fast changing.

The modern corporate environment has initiated many changes in all organizational functions that have inevitably affected the performance of managerial roles. The latter is now facing a major challenge that has to do with the content of managerial work. There is a shift from the traditional roles to outcomes of managerial roles, making stakeholders interested in the way in which managerial roles contributes to the organizational success and performance (Wadongo, Odhuno & Kambona, 2010). Moreover, the research on managerial roles and choice of performance measure in the Kenya five star hotels. Wadongo et al. (2010) and Kysilka, (2013) observed the need to invest in management training programs that will make their managers perform managerial roles efficiently.

### **1.1.2 Leadership Style**

Leadership is a crucial factor in the management and control of employees and the organization and, can be viewed as a series of managerial attitudes, behaviors, characteristics, and skills, based on individual and organizational values, leadership interests and, the reliability of employees in different situations (Alkhatani, 2016). Leadership is executed in different styles depending on the leader's personality and the situation at hand. Irwin (2014) suggests that style is the outward face of a leader because it is the most readily observable way we interact with others. According to Yukl (2002) leadership is the process by which shared objectives can be achieved through facilitating individual and collective efforts, it is also a process of what and how things can be done effectively by influencing others. Although the concept of leadership has been contested over the past decade (Grint, 1997, 2005; Tejeda et al., 2001), empirical evidence shows that transformational leadership characterizes an effective form of leadership at the organizational, sectorial and national levels (Garcia-



Morales et al., 2012; Gyensare et al., 2016; Howell and Avolio, 1993; Nemanich and Keller, 2007).

For instance, the preference and predisposition of employees to remain in the organization contribute enormously to workforce stability and organizational effectiveness. However, this decision is only feasible and pragmatic when employees feel satisfied with the leadership style being practiced in the organization (Gyensare, 2013; Gyensare et al., 2016). For that reason, employees in both private and public organizations are more likely to remain with their organizations when managers instill in them pride, respect and trust them, treat them as individuals, and communicate high expectations with them which are all attributes of transformational leaders.

Despite many studies linking transformational leadership to voluntary turnover intention (Alexandrov et al., 2007; Burton and Peachey, 2009; Chang et al., 2013; Dimaculangan and Aguilin, 2012; Dupré and Day, 2007; Wells and Peachey, 2011), the mechanisms and processes that mediate the relationship between the aforementioned constructs is one area that researchers have grappled with over the past two decades. Besides, previous research has examined affective commitment and psychological climate as independent predictors of voluntary turnover intention (Biswas, 2011; Eby and Rothrauff-Laschober, 2012; Soane et al., 2012; Gyensare, 2013; Gyensare et al., 2016). Affective organisational commitment is an employee's emotional attachment to, identification with and involvement with the organisation (Meyer and Allen, 1991). For instance, Meyer et al.'s (2002) meta-analytic study revealed that among the three components of commitment, affective commitment had the strongest and most favorable correlations with organization and employee-related outcomes.

## **1.2 Statement of the Problem**

XYZ Company has approximately a turnover of 100 employees who are professionals and specialists in their respective civil engineering fields annually. The high employee turnover experienced at XYZ Company has been attributed to the leadership style that is manifested by the leaders. Employee turnover has resulted in large cost to XYZ Company since adjustments have to be made, and it has become a critical problem facing the leaders (Nor & Suleiman, 2012). Many staffs at XYZ Company are leaving the organization to seek for jobs in other sectors and this has been linked to poor leadership experienced in the organization. Employee retention stands as a great challenge at XYZ Company which results from dissatisfaction by their leaders. A high turnover rate has many disadvantages for organizations and general country economies as well (Long, Adjgbe, Nor & Suleiman, 2012). It is a huge challenge for decision makers as well as managers to deal with the employee turnover and reduce the turnover percentage in present and future. Literature is replete on leadership and voluntary employee turnover intention, with studies in both private and public sectors by various writers (Nor & Suleiman, 2012). Even though most of these studies substantially found transformational leadership to be a strong mitigate of turnover, there is still inconclusive and contrasting findings with respect to which style of leadership mitigate the effects of turnover.

Consequently, it is very important to study if there is a relation between the leadership behaviors which impact on staff turnover. Improve the knowledge of understanding the

leadership behaviors will help leaders to be more effective and efficient in retaining and attracting talented employees (Sellgren, Ekvall & Tomson, 2007). According to (Sellgren, Ekvall & Tomson, 2007), argued that there is no significant direct relation found between leadership behavior and staff turnover was shown in their study which among nursing. Nevertheless, the relationship between the employees' perceptions of their leaders' transformational and transactional leadership behaviors and employee turnover intentions has been a matter of research for various types of organizations. For instance, these studies have been conducted on project managers, assistant coaches, engineers and technicians, research and development personnel in the communication industry, and other employee groups (Dimaculangan & Aguiling, 2012; Hughes et al., 2010; Manafi, 2012; Raup, 2004; Wells & Peachey, 2010). Bernardin (2003) and Armstrong (2006) have identified the existence of poor relations in the work place as causes of staff turnover. Blau (2006) stated that the causes of turnover have received significantly less attention from researchers and hence the researcher bridged this gap. However, it appears that limited studies have focused on the significant relationship between perceived leaders' leadership styles and turnover intention for employees employed by a large public system of higher education. Therefore, this study intended to resolve this problem by identifying relationships between employees' perceptions of their leaders' transformational and transactional leadership styles and turnover intention.

### **General Objectives of the Study**

To determine the relationship between leadership style and employee turnover intentions at XYZ Company.

### **Specific Objectives of the Study**

- i. To assess the effects of transactional leadership on employee turnover intentions in the XYZ Company.
- ii. To determine the effects of transformational leadership style on employee turnover intentions in the XYZ Company.
- iii. To find out the effects of democratic leadership style on employee turnover intentions in the XYZ Company.
- iv. To determine the effects of Laissez-faire leadership style on employee turnover intentions in the XYZ Company.

## **2.0 Literature Review**

### **2.1 Theoretical Review**

#### **2.1.1 Maslow's Hierarchy of Needs**

Maslow (1943) stated that people are motivated by the desire to achieve or maintain the various conditions upon which these basic satisfactions rest and by certain more intellectual desires as the average number of societies is most often partially satisfied and partially unsatisfied in all of one's wants. He believed that human beings aspire to become self-actualized and viewed human potential as a vastly underestimated and unexplained territory (Stephens, 2000). Maslow was of the view that human beings go through a set of five needs i.e. physiological, safety, love, esteem and self-actualization whereby, the first,

which is physiological need is the broadest stage which includes the need for food, shelter, clothing, physical comfort etc. this stage provides the basis of life.

If an organization provides employees the necessary factors for promotion such as facilities, ability and skills, then employees will be automatically motivated and satisfied. Promotion and satisfaction have a direct relationship. Naveed and Bushra (2011) indicated that Maslow's hierarchy of need theory also described that when esteem needs (autonomy, power, recognition and status) of people are fulfilled, they will be more satisfied with their job. Herzberg theory of motivation states what employees demand from their job. Three need theories tell that there is a need of achievement and need for power in people. People will be more satisfied and motivated when their needs are fulfilled (Ramasodi, 2010).

### **2.1.2 Herzberg's Two Factor Theory**

The Two-factor theory developed by Herzberg (1959) a Psychologist, (also known as Herzberg's motivation-hygiene theory and Dual-Factor Theory) states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. Two- factor theory fundamentals: Attitudes and their connection with industrial mental health are related to Maslow's theory of motivation. In relation to intrinsic and extrinsic, Herzberg derived hygiene (dis-satisfiers) factors associated with the conditions under which the work is performed i.e. salary, benefits, company policy, supervisor, work conditions or working with competent and social co- workers; and motivation factors which consist of work dimensions of autonomy and responsibility. Motivators sometimes referred to as satisfiers encourage employee growth and development resulting in satisfaction whereas, hygiene factors also called dissatisfies can prevent dissatisfaction with a job, but do not contribute to job satisfaction. His findings have had a considerable theoretical, as well as a practical, influence on attitudes toward administration.

Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes but are independent phenomena. Pay, working conditions, co-workers, and even supervision are objects in the work place which are potentially job-outcomes, but which are not a fundamental part of the work. Dealing with others and friendship interactions are sources of extrinsic outcomes (Golshan, Kaswuri & Aghashahi, 2011). This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in un-pleasurable dissatisfaction.

## **2.2 Empirical Review**

### **2.2.1 Transformational Leadership and Employee Turnover Intention**

Hamstra, Yperen, Wisse, and Sassenberg (2011), in a quantitative study on how a fit between leadership styles and followers' regulatory focus will mitigate followers' turnover intention, found that transformational leadership was negatively related to turnover intention for highly promotion-focused followers, but not for those low in promotion focus. Similarly, Pieterse- Landman (2012) in a non-experimental quantitative study examined the relationship between leadership and employee



turnover intention. Using a data from a sample of 185 managers in local JSE-listed manufacturing companies in South Africa, the author found a significant negative relationship between transformational leadership and intention to quit.

Consistent with these findings, a study by Hughes, Avey and Nixon (2010) on leadership and followers' quitting intention and job search behaviors reported that followers' perceptions of transformational leadership shared significant inverse relationships with their intention to quit. In other words, these scholars found that when followers perceive their leaders as behaving transformational and thus report a higher-quality exchange relationship, their preparatory job search feelings and intention to quit are less salient. Furthermore, Long *et al.* (2012) in an exploratory study examined the relationship between leadership styles and employee turnover intention among academic staff in a community college in Malaysia. Najm (2010) in Kuwait also found a negative relationship between transformational leadership and employees' turnover intention.

Wells and Pearcey (2011) undertook a study to investigate the relationship between leadership behaviors (transformational and transactional), satisfaction with the leaders, and voluntary turnover intention on 200 participants from National Collegiate Athletic Association Division I softball and volleyball assistant coaches in the USA. The outcome of their study showed significant negative correlation between transformational leadership style and voluntary turnover intention as well as the relationship between transactional leadership behaviour and voluntary organizational turnover intention. Based on the foregoing review, it was conjectured that transformational leadership behavior would have a significant inverse relationship with employees' turnover intention.

### **2.2.2 The Transactional Leadership Style and Employees' Turnover Intention**

Transactional leadership style relies on the leader's ability to bargain the suitable behavior of followers on the basis of rewards or punishment (Rees & French (2013). Nwokocha and Iheriohanma (2015) define transactional leadership as an exchange process that ensures that the follower is in compliance with the leader's request but very unlikely to produce commitment and zeal to the task objectives. According to Bass and Bass (2008), the transactional leadership style is composed of, or is subject to two factors. They identified the factors as contingent rewards and management by exception. For contingent rewards, the leader assigns a task to a follower and provides a psychological or material reward in exchange for a satisfactory execution of the task. Management by exception is referred to as "a corrective transaction" (Bass & Bass, 2008). It could be either passive or active. If active, the leader monitors the mistakes, errors and then employs some corrective measures; if passive, the leader takes no corrective action.

Ojokuku (2012) suggest that the transactional leader can be a problem with expectations. This suggests that if the expectation of one person is not met, the exchange process may be interrupted. Although Nwokocha and Iheriohanma (2015) identify that the inability of team members and followers to improve their job satisfaction level could result in turnover in the organization, they point out that the transactional leadership style can help to clarify the employees' roles and

responsibilities and that employees who are motivated by rewards often perform and succeed in such organizations. This suggests that the transactional leadership style could bring about a positive or negative effect in the organization. Employees who are motivated by the external rewards could work towards better performance which could have a positive impact on the organization and the employee. This likewise could impact on the retention rate of employees. It could also have a negative impact on the organization if the exchange process is interrupted which could instigate employee turnover. Transactional leaders are fault finders as they always find a way of tracing back faults or mistakes to their employees (Akhigbe, Finelady & Felix, 2014). Vito, Higgins and Denney (2014) are of the opinion that both the leaders and followers have a considerable level of power and influence. The power and influence an employee has in an organization is capable of influencing their intention to remain or leave such an organization.

### **2.2.3 Laissez- Faire Leadership Style and Employees' Turnover Intention**

Laissez faire is a French phrase which means "let it be" and it is also known as the "hands off style" (Nwokocha & Iheriohanma, 2015). According to Gill (2014) it means leaving subordinates to complete tasks and jobs in the way they choose without adherence to any strict policies or procedures. Bass (2008) describes the laissez faire leadership style as one in which the leader has no belief in their own ability to supervise. He further stated that the leader has no clear set goals towards how they may work, do not help the group in making decisions and so leave too much responsibility with their subordinates.

According to Puni, Ofei and Okoe (2014), the laissez-faire leader avoids controlling his employees and so only relies on the few available employees who are loyal to get a task done. A laissez faire leader does not believe in employee development as they believe that employees can take care of themselves (Puni et al, 2014). This leadership style cannot be said to be operational in the banking sector which requires that both the leader and subordinates have an input in the decision making process and completion of tasks to ensure the success of the organization.

### **2.2.4 Democratic Leadership Style and Employees' Turnover Intention**

The democratic leadership style is also referred to as the participative leadership style. The focus of this leadership style is on performance and people (Puni *et al.*, 2014). It encourages employees to participate in the decision making process of the organization (Nwokocha & Iheriohanma, 2015). Daft (1999) describes the democratic leader as one who delegates authority to subordinates or employees, encourages contributions from employees and depends on the knowledge of the subordinates to complete tasks as well as on their respect for influence. According to Puni et al (2014) decision making in a democratic system is not centralised and high performance is recognized and rewarded. Nwokocha and Iheriohanma (2015) on the other hand suggest that there is potential for poor decisions to be made by the subordinates as a result of the leader depending on the contributions made by the employees or subordinates. This can be said to have a negative impact on the organisation and can also instigate turnover intention in employees. The democratic leadership sounds good in theory but it is often bogged down in its slow

decision making process and the results which could seem workable would always require a lot of time and effort (Nwokocha & Iheriohanma, 2015).

### **2.2.5 Factors Influencing Employee Turnover Intentions**

Retention factors are utilized as an important topic for managers, organizations and organizational researchers (Abbasi & Hollman, 2000). Consequently, retention of talented employees can be a source of advantage for an organization. However, there are challenges in attempting to retain these employees. Compensation, job characteristics, training and development opportunities, supervisor support and promotion were identified as the top five retention factors. A high turnover rate in an organization may affect the reputation and image of the organization. Employee replacement is problematic and costly because the organization has to train a new employee if an experienced employee resigned. Some studies have identified that lack of job dissatisfaction, low levels of empowerment and low levels of support of superiors may lead to turnover (Becker & Huselid, 2000). Human resources policies must focus at giving more self-governance to the employee to avoid turnover and job burnout. Becker and Huselid (2000) found that human resource policies play a strategic role in employee retention through stimulating skilled labor. The goal-setting process that involves employee can enhance employee empowerment as the employee considers himself more empowered knowing his or her job.

Employee empowerment can create a feeling of obligation among employees to stay in the organization. Hence, the employees tend to remain in the organization even when facing pressure from others who intend to leave the organization because they feel that they are a part of the organization (Choong, Wong & Lau, 2011). In essence, the intention to remain or leave the organization among the employees is based on the job satisfaction of employees. The individual with a higher job satisfaction tends to be more committed to the organization. They will be more likely to remain in the organization

Implications of Employee Turnover to Organizations

The loss of key employees, which is characterized as being highly interdependent and specialized, may influence the ability of remaining employees in fulfilling their tasks. In some organizations, higher turnover rate is found in lower hierarchy levels because replacing these positions is not that difficult for the organization. According to Staw (1980), "the higher the level of position to be filled the greater the potential for disruption". Employees leave organizations with perceived reasons and these reasons arguably are strong sources of demoralization among other employees in the organization. The argument is that if the perceived reasons of turnover are caused by individual factors, then, demoralization is less existent; however, if the perceived reasons are caused by organizational factors, such as leadership behaviors, then it is likely to result in demoralization. This assertion is in line with Staw's (1980) position that, "If those who leave are members of a cohesive work group or possess high social status among the organizational membership, then turnover will likely lead to greater demoralization.

### 3.0 Research Methodology

This study will employ a descriptive research design. A descriptive survey attempts to describe or define a subject often by creating a profile of a group of problems, people or events through the collection of data and tabulation of the frequencies on research variables or their interaction as indicated by Cooper and Schindler (2014).

The study targeted a population of 420 employees from XYZ Company. XYZ Company provides consultancy services in Feasibility Studies, Preliminary and Detailed Engineering Design, Planning & Organization, Execution and Project Management in Roads and Highways, Airport Infrastructure and Planning, Buildings, Waste-water Management, Water Supply & Sanitation, Environmental Management, Social Development, Technical, Performance and Financial Audits. The Company also offers consultancy services to contractors on Design & Build projects. The population consisted of top, middle and low management level.

The sampling frame for this study consisted of 200 employees from XYZ Company. These employees included those from the management levels; top, middle and low. In line with Mugenda and Mugenda (2008), the model that was used for selecting the sample from the target population is:

$$n = (z^2pq)/d^2$$

Where: n = is the desired sample size when the target population is > 10,000

z = standardized normal deviations at a chosen confidence level, for instance if the confidence level is 95% then z = 1.96

P= the proportion in the target population that assumes the characteristics being sought. In this study, the optimal 50:50 basis is assumed.

q = The balance from p to add up to 100%. That is 1-P, which in this case yielded 1-50% (0.5)

d = the appropriate significance level, for instance at 95% confidence, the level of significance is 0.05.

As such the sample size for this study was found to be:

$$n = (1.96^2 \times 0.5 \times 0.5) / 0.05^2 = 384$$

Since the target population in this study is less than 10,000, the sample of 384 was adjusted using the formula  $n_r = n / (1 + n/N)$  where  $n_r$  is the desired sample size when sample size is less than

10,000 and n is the sample size when the target population is more than 10,000 while N is the target population from sampled size (Mugenda & Mugenda, 2008). Accordingly,

$$n_r = n / (1 + n/N) = 384 / (1 + 384/420) = 200$$

The study used both primary and secondary data sources. Primary data was obtained from the selected respondents of the research project while secondary data already exists, data intended for other purposes other than the study itself. Primary data was collected through

questionnaire while secondary data was collected from the firms' annual records. Secondary data was also obtained from XYZ Company reports and records.

Inferential statistics was used for data analysis. Correlation analysis measured the strength of the association between leadership style and employee turnover intentions. Regression analysis was used to established the influence of leadership style and employees' turnover intention.

#### **Regression Model**

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where

Y = Employee turnover intentions

$\beta_0$  = Models constant,  $\beta_1$  to  $\beta_4$  are the model's coefficients.

$X_1$  = Transformational leadership style

$X_2$  = Transformational leadership style

$X_3$  = Democratic leadership style

$X_4$  = Laissez-faire leadership style

e = Error term

## **4.0 Results and Findings**

### **4.1 Questionnaire Return Rate**

The field responses obtained were 170 respondents out of the 200 respondents surveyed responded to the questionnaires. Thus the return rate was 85% for respondents studied. This response rate can be attributed to the fact that the researcher with his research assistant personally administered the research instrument.

### **4.2 Effects of Transactional Leadership on Employee Turnover Intentions in the XYZ Company**

The study sought to find out the effects of transactional leadership on employee turnover intentions in the XYZ Company. From the results, the respondents were undecided if members who did not meet the set objectives were threatened with punishment, actions without consulting the group and manager directed employees on what to do and how to do it and serves as an example for the employees as indicated by a mean of 3.2, 3.1 and 3.0 respectively.

In addition, the respondents were undecided if the manager-employee relationship was characterized by fear, manager was not bothered about attitude of the staff towards the organizations performance but, rather concerned about getting the task done and tough supervisory practices/master servant relationship as indicated by a mean of 2.9, 2.7 and 2.6 respectively.

### **4.3 Effects of Transformational Leadership Style on Employee Turnover Intentions in the XYZ Company**

The study sought to find out the effects of transformational leadership style on employee turnover intentions in the XYZ Company. From the results, the respondents



were undecided if transformational leadership style promoted and defended the interest of the group, provided necessary training and coaching or arranged others to do so, respected employee opinions regarding organizations improvement and got superiors to act for the welfare of the group as indicated by a mean of 3.1, 3.0, 3.0 and 3.0 respectively.

In addition, the respondents were undecided if transformational leadership style involved staff in making organizations programs, got group approval in important matters before going ahead and was friendly, supportive and considerate towards others as indicated by a mean of 2.8, 2.7 and 2.7 respectively.

#### **4.4 Effects of Democratic Leadership Style on Employee Turnover Intentions in the XYZ Company**

The study sought to find out the effects of democratic leadership style on employee turnover intentions in the XYZ Company. From the results, the respondents were undecided if democratic leadership style, expected employees to create their own targets and accomplish them on their own, expected to find and correct their own errors and fails to take necessary action as indicated by a mean of 2.9, 2.9 and 2.8 respectively. In addition, the respondents were undecided if democratic leadership style delegated duties to members and expected them to accomplish them without supervision and if it was less concerned with what staff members do as indicated by a mean of 2.7 and 2.6 respectively.

#### **4.5 Effects of Laissez-faire Leadership Style on Employee Turnover Intentions in the XYZ Company**

The study sought to find out the effects of Laissez-faire leadership style on employee turnover intentions in the XYZ Company. From the results, the respondents were undecided if Laissez-faire leadership style and had high confidence, dominance and strong convictions in their beliefs and had good knowledge of appropriate social control mechanism as indicated by a mean of 2.9 and 2.9 respectively. In addition, the respondents were undecided if Laissez-faire leadership style, had good knowledge of appropriate social control mechanism, had a vision of extra ordinary goals and the ability to motivate employees to achieve better performance, tended to behave more in itself than employees and sparked a sense of belonging towards the organization and inspired employees towards achieving good performance as indicated by a mean of 2.7, 2.7 and 2.6 respectively.

#### **4.6 Employee Turnover Intentions**

The study established the employee turnover intentions in the XYZ Company. Results indicated that the respondents agreed that they had too much to do at work, The benefit package they was equitable, they liked their supervisor, there were benefits they did not have which they should have had, they felt satisfied with their chances for salary increases and their supervisor showed too little interest in the feelings of subordinates as indicated by a mean of 4.7, 4.6, 4.5, 4.5, 4.5 and 4.5 respectively. In addition, the respondents agreed that there were few rewards for those who worked there, the benefits they received were as good as most other organizations offer, they committed to their work, they worked harder

at their job because of the incompetence of people they work with and their supervisor was unfair to them as indicated by a mean of 4.4, 4.4, 4.3, 4.3 and 4.3 respectively.

Additionally, the respondents agreed that they did not feel that the work they did was appreciated, those who did well on the job stood a fair chance of being promoted, raises are too few and far between, their supervisor was quite competent in doing their job and there is really too little chance for promotion on their job as indicated by a mean of 4.2, 4.2, 4.2, 4.2 and 4.2 respectively. Moreover, the respondents agreed that there was too much bickering and fighting at work, they had too much paperwork, they often felt they did not know what was going on with the organization, people got ahead as fast as they do in other places and their efforts to do a good job was seldom blocked by red tape as indicated by a mean of 4.1, 4.1, 4.1, 4.1 and 4.1 respectively. The respondents agreed that many of rules and procedures made doing a good job difficult, they were not satisfied with the benefits they receive, their job was enjoyable, they didn't feel their efforts were rewarded the way they should be, they felt a sense of pride in doing their job and the goals of the organization was not clear to them as indicated by a mean of 4.1, 4.1, 4.0, 4.0, 4.0 and 4.0 respectively.

#### 4.7 Regression Analysis

Multiple regression analysis was conducted to establish the relationship between leadership style and employees turnover intentions.

**Table 1: Multiple Regression between Leadership Styles and Employee Turnover Intentions**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.821	.674	.672	.1037
a Predictors: (Constant), transactional leadership, transformational leadership style, democratic leadership style and Laissez-faire leadership style.				

The data in Table 1 indicated that R-Square (coefficient of determination) that is a commonly used statistic to evaluate model fit is 0.674this implies that 67.2% of the employee turnover intentions in XYZ Company in Kenya could be attributed to the combined effect of the predictor variables (Leadership style).

**Table 2: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.223	4	3.112	3.264	0.0001
	Residual	92.876	212	.641		
	Total	115.099	216			

a. Predictors: transactional leadership, transformational leadership style, democratic leadership style and Laissez-faire leadership style.

b. Dependent Variable: employee turnover intentions in XYZ Company in Kenya

The data in Table 2 indicated that the probability value of 0.0001 shows that the regression relationship was highly significant in predicting how transactional leadership, transformational leadership style, democratic leadership style and

Laissez-faire leadership style influenced employee turnover intentions in XYZ Company in Kenya. The F critical at 5% level of significance was 3.264 since F calculated is greater than the F critical (value = 2.830), this shows that the overall model was significant.

**Table 3: Regression Coefficients**

	Unstandardized Coefficients	Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	1.607	0.422		3.472	0.00
Laissez-faire leadership style	0.564	0.093	0.597	2.143	0.03
Democratic leadership style	0.437	0.085	0.472	3.135	0.02
Transformational leadership style	0.862	0.087	0.902	2.349	0.003
Transactional leadership	0.735	0.084	0.826	2.257	0.001

$$Y = 1.607 + 0.564X_1 + 0.437 X_2 + 0.862 X_3 + 0.735X_4$$

The regression equation in Table 3 has established that taking all factors into account (transactional leadership, transformational leadership style, democratic leadership style and Laissez-faire leadership style) constant at zero employee turnover intentions in XYZ Company will be 1.607. The findings presented also show that taking all other independent variables at zero, a unit increase in Transformational leadership style would lead to a 0.862 increase in the employee turnover intentions in XYZ Company.

Further, the findings shows that a unit increases in Transactional leadership would lead to a 0.735 increase in employee turnover intention in XYZ Company. In addition, the findings show that a unit increase in Laissez-faire leadership style would lead to a 0.564 increase in employee turnover intentions in XYZ Company. Also, the findings show that a unit increase in democratic leadership style would lead to a 0.437 increase in employee turnover intentions in XYZ Company. Overall, democratic leadership style had the least effect on employee turnover intentions in XYZ Company and Transformational leadership style had the highest effect.

Transformational leadership style calculated p-value was found to be 0.003 which is statistically significant ( $p < 0.05$ ) which is level of confidence. The transformational leadership style had a positive significant influence on employee turnover intentions in XYZ Company. Transactional leadership calculated P-value was found to be 0.001 which is statistically significant since  $P < 0.05$ . There was a positive relationship between transactional leadership and the employee turnover intentions in XYZ Company. Laissez-faire leadership style calculated P-value was found to be 0.03 which statistically  $P < 0.05$  hence significant. There was a positive relationship between Laissez-faire leadership style and the employee turnover intentions in XYZ Company.

Democratic leadership style calculated P-value was found to be 0.02 which statistically  $P < 0.05$  hence significant.

## **5.0 Conclusions**

The study concluded that the manager-employee relationship was characterized by fear. Manager was not bothered about attitude of the staff towards the organizations performance but, rather concerned about getting the task done and tough supervisory practices/master servant relationship. The study revealed that leaders involves staff in making organizations programs. They obtained group approval in important matters before going ahead and was friendly, supportive and considerate towards others. Transformational leadership style had the highest effect on employee turnover intentions in XYZ Company. The study concluded that leaders delegates duties to members and expected them to accomplish tasks without supervision and were less concerned with what staff members do.

The study revealed that leaders had good knowledge of appropriate social control mechanism. They had a vision of extra ordinary goals and the ability to motivate employees to achieve better performance. They tend to behave more in themselves than employees and sparked a sense of belonging towards the organization and inspired employees towards achieving good performance. Democratic leadership style had the least effect on employee turnover intentions in XYZ Company.

## **6.0 Recommendations**

Leaders at XYZ Company should consult the group and manager should tell employees what to do and how to do it. Managers need to assert themselves and serve as an example for the employees. Managers should be bothered about attitude of the staff towards the organizations performance. Leaders need to promote and defend the interest of the group. They need to provide necessary training and coaching or arrange others to do so. They should respect employee opinions regarding organizations improvement and gets superiors to act for the welfare of the group. Leaders need to involve staff in making organizations programs, gets group approval in important matters before going ahead and is friendly, supportive and considerate towards others.

Leaders need to delegate duties to members and expect them to accomplish them without supervision. Leaders need to be concerned with what staff members. Leaders need to have high confidence, dominance and strong convictions in his or her beliefs and good knowledge of appropriate social control mechanism. Leaders need to have good knowledge of appropriate social control mechanism. Leaders should have a vision of extra ordinary goals and the ability to motivate employees to achieve better performance.

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