

**POSITIVE ORGANISATIONS: THE IMPACT OF LEADER RELATIONS AND
ROLE CLARITY ON TURNOVER INTENTION**

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REMARKS

The reader is reminded of the following:

- The references as well as the editorial style complies with the requirements prescribed by the Publications Manual (5th edition) of the American Psychological Association (APA).
- The use of APA style in all scientific documents is in line with the policy but in place for the Programme in Industrial Psychology of the North-West University as from January 1999.
- The mini dissertation is submitted in the form of a research article.

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SUMMARY

Title: Positive organisations: The impact of leader relations and role clarity on turnover intention.

Keywords: Leadership, leader member-exchange, role clarity and intention to stay/turnover intention.

Organisations of today demand efficiency, rationality and personal sacrifice to achieve company goals and profit margins. The integral part that leader relations play in organisations is becoming more evident in the current economic climate. It is therefore vital that organisations focus on good relations in order to achieve engagement, resulting in lower levels of turnover intention. Organisations can be viewed as positive when leaders focus on the importance of people to enhance performance and employee wellness.

The general objective of this study was to determine the relationship between leader member-exchange, role clarity, psychological empowerment, engagement and turnover intention. A specific financial institution within the Gauteng province was selected and regional managers, branch managers and consultants participated in the research. A cross-sectional survey design was used to collect data. The Leader-Member Exchange questionnaire, Role Conflict and Ambiguity Questionnaire, Measuring Empowerment Questionnaire, Engagement Questionnaire and Intention-to-leave Scale were administered. Statistical analysis was carried out by means of SPSS and AMOS.

Factor analysis indicated a one factor structure for LMX7, MRCAQ, WEQ, TIS and a four factors structure for MEQ. The scales all showed acceptable reliabilities. The results showed that LMX, role clarity, psychological empowerment, work engagement, and turnover intention were related. Role clarity mediated the relationship between LMX and psychological empowerment, while psychological empowerment mediated the relationship between role clarity and work engagement as well as turnover intention.

The results indicate the importance of leader relationship skills to clarify expectations, empower and engage people in order to retain them.

CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1. INTRODUCTION

This mini-dissertation focuses on the relationship between the constructs of leader-member exchange (LMX), role clarity, psychological empowerment, engagement and turnover intention. In this chapter the problem statement is discussed and the objectives are set for the research. Next the research method will be explained and, in conclusion, the division of chapters is given.

1.1 PROBLEM STATEMENT

1.1.1 Overview of the problem

In today's world of work, organisations demand efficiency, rationality and personal sacrifice to achieve company goals and profit margins. There is a constant shift between what organisations want and the needs and desires of employees (Briskin, 1998; Schwartz, 2010). South Africa, similar to the rest of world, is undergoing major changes in political, economic, social and organisational environments. One of the best ways to approach such changes is to become a positive and healthy organisation (Wilson, DeJoy, Vandenberg, Richardson & McGrath, 2004).

Conley (2007) argues that in order to be a positive and successful organisation the focus should be on health and performance. A healthy and high- performing positive organisation will then focus on the health of their workforce with one of many outcomes being the retention of talent (Ulrich, Brockbank, Johnson, Sandholtz & Younger, 2008). Luccier and Achua (2004) reported that 77% of the American workforce is unhappy in their current roles. This could ultimately influence the perception of the role, efficiency and performance of individuals.

The war for talent has been an ongoing battle. The current state of the world economy is also adding to the pressure of keeping resources and has become a top priority for organisations

worldwide (Bhatnagar, 2007). Since knowledge is stored within employees, retention of key employees is vital for organisations in this knowledge era (Hughes & Rog, 2008). The current talent management mindset seems to be mainly performance driven and can lead to unhappy staff with lower performance, eventually reflecting lower engagement (Pfeffer & Sutton, 2006). Benefits of an effectively managed talent management strategy are lowered employee turnover intention, increased engagement, with direct operational improvement and financial performance (Hughes & Rog, 2008). Fegley (2006) adds that the lack of available skilled workers makes finding and retention of talented individuals a focal point for organisations. Turnover intention can be improved by retention strategies (Drucker, 1999), leadership techniques (Aryee & Chen, 2006) and creating a positive organisational culture (Brewster, Sparrow & Harris, 2005; Youssef & Luthans, 2008).

For years psychologists have focussed on the rectification and healing of the pathological functioning and behaviour of human beings. Recent research started moving away from methodology forming and theory building to a focus which is positive, healthy and right. Seligman and Csikszentmihalyi (2000) explain that the aim of this emerging positive approach is to move away from predominantly pathological views and start focussing on ways to build positive qualities and virtues that enable individuals and organisations to prosper.

Positive organisations are viewed in a number of ways, according to literature. Burke and Cooper (2009) state that organisations can be viewed as positive when leaders focus on the importance of people, instead of their crucial role in organisational success. Cameron, Dutton & Quinn (2003) is of the notion that a positive organisation focuses on enhancing, predicting and utilizing positive affects in order to enhance performance, increase commitment and promote wellness. Some constructs include, hope, happiness, meaning (in work and life) and optimism. Wilson et al. (2004) conceptualised a positive and healthy organisational model consisting of interrelated components such as organisational attributes and climate, various job aspects, employee health and well-being and psychological work adjustment. McHugh and Brotherton (2000) are of the notion that learning organisations can be classed as positive due to their competitiveness in ever-changing environments. Positive organisational psychology can be described as consisting of two main building blocks. The first is positive behaviour (POB) and secondly positive organisational scholarship (POS) (Cameron & Caza 2004; Donaldson & Ko, in press). This positive paradigm takes an explicit view on

nourishing and enriching organisations. It is however, important to emphasize that these constructs should not be viewed in isolation or under the assumption that they constitute POB in its totality (Youssef & Luthans, 2008). These positive approaches could enable leaders to play a critical role in the creation of positive organisations.

A belief is often held that leaders have the single biggest direct impact on employee work attitudes and are responsible for maintaining a satisfied and committed workforce. House and Javidan (2004) describe leadership as the ability not only to influence but motivate and enable others to contribute towards the success and effectiveness in organisations. Drucker (1999) states that what potentially differentiates companies from one another is the way in which the employee-employer relationship is managed. Bono and Illies (2006) are of the opinion that leaders who express more positive emotions instil the same emotions in subordinates.

Graen and Uhl-Bien (1995) argue that leadership is not only built on the leader and/or the subordinate but on the relationship formed. The relationship between the leader and the employee has enjoyed more attention over the past decade. The term leader-member exchange (LMX) is a concept which was introduced in the mid-nineteen seventies (Dansereau, Graen & Haga, 1975; Graen & Cashman, 1975 & Graen, 1976) and originated from the vertical dyad linkage theory. The LMX theory proposes that leaders form a unique relationship with each individual to enable greater support and growth (Graen & Scandura, 1987). Morrow, Suzuki, Crum, Ruben and Pautsch (2005) state, according to the LMX theory, that relationships between the superiors and the employees develop as a result of interaction in the workplace. The emphasis of the LMX theory is focussed on the quality (high or low) of the relationship established between the leader and followers rather than isolating the leaders' traits and behaviour in research. In the further development of the LMX concept, variables such as affect, contribution, loyalty and professional respect were used as a basis for the construct. For the purpose of this study LMX will be measured as a relationship (Dienesch & Liden, 1986; Liden & Maslyn, 1998).

In a working relationship Bauer, Morrison and Callister (1998) state that new employees have a need for role clarity. Kramer (1995) found that a strong relationship between LMX and role clarity exists and also explains that individuals in high-quality LMX relations have more frequent interaction with their leaders. This is further emphasised by Bauer, Erdogan, Liden

and Wayne (2006) stating that LMX is associated with better role adjustment in terms of performance. Gerstner and Day (1997) found that the impact of low-quality LMX had a lack of role clarity as one of the outcomes. In research conducted on health care workers in the United Kingdom, Bridges and Meyer (2006) found that the modernising of organisations requires the redesign of roles. The benefits of new role designs are believed to tap into a great source of talent and skills, creating phenomenal career opportunities. LMX therefore has a significant influence on role clarity (Gerstner & Day, 1997) and plays an important part in turnover intention (Erdogan & Liden, 2002).

Due to leader-member relationships, empowerment became a popular word which is used abundantly in today's organisations. Greco, Laschinger and Wong (2006) found that leader behaviour is associated with increased feelings of psychological empowerment. Based on the social exchange theory, Keller and Dansereau (1995) argued that by adopting leadership practices, resembling high-LMX, leaders foster a sense of empowerment regarding their subordinates. These empowered individuals then respond by engaging in exchange relationships with fewer problems. The application of different leadership techniques in development relates to high-quality LMX experienced by subordinates and enhanced empowerment cognitions (Aryee & Chen, 2006).

Psychological empowerment can assist individuals to perform their roles with more motivation, meaning, competence, self-determination and impact (Spreitzer, 1995). According to Mitchell and Daniels (2003) psychological empowerment can result in higher intrinsic motivation and focussed attention, producing increased persistence during tasks, in which task strategies improve. In a study on middle managers, Spreitzer (1995) found that role clarity was associated with psychological empowerment. Aryee and Chen (2006) found that role clarity will increase psychological empowerment. Similar research has also indicated that lower levels of role clarity (role ambiguity) resulted in lower levels of empowerment (Nykodym, Simonetti, Warren & Welling, 1994; Smith & Langfield-Smith, 2003; Spreitzer, 1996). From the above-mentioned it is evident that role clarity has a positive influence on psychological empowerment.

Role clarity has been established as a factor influencing engagement. Russel (2008) found that increased clarity of expectations enhanced positive emotions of employees that led to engagement. In conjunction with the prior statement, Harter, Schmidt and Hayes (2002) state

when expectations are not clear, employees are not engaged. In the presence of high role clarity, psychological strain is found to be minimal (Bliese & Castro, 2000).

In practice, where employees are psychologically empowered they will also engage in a way which influences others positively (Conger & Kanungo, 1988). Khan (1990) defined engagement as the harnessing of organisational members' selves to their work role. Empowered individuals are more engaged and express themselves better on a physical, emotional and cognitive level during role performances (May, Gibson & Harter, 2004). Greco et al. (2006) found that nurses who experience psychological empowerment tend to be more engaged. In addition, Greasley et al. (2008) found that empowered individuals tend to demonstrate more characteristics of engagement.

Kahamuza and Schlechter (2008) found that individuals who intend to leave the organisation are usually psychologically detached, show little willingness to contribute effectively and the absence of engagement prevails. Towers Perrin (2003) found that 66% of highly engaged employees plan to stay with their current employers, compared to only 12% of disengaged employees. Engagement therefore has a significant influence on the intention of employees to stay.

1.2 LITERATURE REVIEW

Constructs taken into consideration for this specific study are represented in the literature. The relationships between constructs will be explored and will further be defined through the literature.

The concept of leadership is arguably the most cited and comprehensively researched theory when it comes to investigating phenomena relating to leadership behaviours. Lee (2005) states that leadership behaviours can range from various styles such as non-leadership, also known as *laissez faire*, to transactional and ultimately transformational leadership. Transformational leadership, according to Lee (2005), goes beyond economic and social gain and focuses on developing a relationship between the leader and the subordinate. One theory which studies the relationship of leaders and subordinates is called the LMX theory. LMX can also be seen as a system of relationships and their components, which include both leaders and subordinates in interdependent behavioural patterns. Through these behavioural

patterns one can establish values and environmental perceptions, as well as root causes to behavioural problems (Luccier & Achua, 2004).

Dienesch and Liden (1986) proposed the initial three constructs of LMX. *Affect* (also referred to as mutual liking) is extremely important and can be developed or hindered. This is primarily evident when the leader and subordinate enjoy each other's company. In addition, Lee (2005) states that commitment and friendship can develop as a result of work interactions. *Contribution*, according to Mardanov and Heischmidt (2008), refers to the perception of the amount, direction and quality of work activity each member contributes towards the mutual goals of the group. *Loyalty* occurs when good-quality LMX is displayed by both the member and the leader (Dienesch & Liden, 1986). According to Liden and Maslyn (1998) loyalty forms an instrumental part in determining the types of tasks that are entrusted to members. A fourth construct of *professional respect* was later added by Liden and Maslyn (1998). Truckenbrodt (2000) explains that professional respect classifies an employee in one of two groups. The first is the "in-group" who are employees forming high-quality relationships with supervisors, characterised by mutual trust, respect, liking and reciprocal influence. "Out-groups" on the other hand, have low-quality relationships characterised by limited trust and support, resulting in low results. LMX relationships constitute "social capital" for organisations and may play a crucial role in organisational performance (Erdogan, Liden & Kraimer, 2006). It is important to note that these relationships are based and formed on task-related behaviour (Liden & Maslyn, 1998; Truckenbrodt, 2000).

Role clarity is the extent to which an employee's work goals and responsibilities are communicated clearly and whereby the employee understands the process required to achieve the specific goals (Sawyer, 1992). Rizzo, House, and Lirtzman (1970) conceptualised role clarity in terms of two parts - role conflict and role ambiguity. Role conflict is explained by Robbins, Judge, Odendaal and Roodt (2009) as a state of tension and uncertainty experienced by individuals through inconsistent expectations. Role ambiguity is described as the uncertainty when it comes to expectations to be performed by employees (Forsyth, 2006). Vaananen et al. (2004) suggest that poor role clarity has been linked to ill health, resulting in periods of absenteeism up to three times longer under white collar workers, compared to when roles are clear. Research by Blumethal, Lavender and Hewson (1998) also established that changes in roles and responsibilities can cause increased levels of stress and absenteeism.

Bauer et al. (2006) states that high-quality LMX was associated with better role adjustment resulting in increased performance.

Psychological empowerment is defined by Spreitzer (1995) as a motivational attribute consisting of four dimensions, namely meaning, competence (self-efficacy), self-determination and impact (choice). Meaning is the value of work goals or purpose which is judged in relation to an employee's own standards or ideals. Competence (self-efficacy) can be defined as an individual's believe in his or her ability to perform a task with skill. Self-determination (choice) is defined by Spreitzer (1995) as an individual's sense of having choice in initiating and regulating actions. Impact is defined by Ashforth (1989) as the extent to which an individual has influence on strategic, operating and administrative outcomes at work. Spreitzer (1995) mentions that psychological empowerment has an active impact on work roles. Psychological empowerment can be viewed as one subsection of empowerment as described by Greasley et al. (2008). The other subsection is explained as structural empowerment and refers to organisations where policies and structures are in place to develop and promote decision-making power of employees pertaining to work. Empowered employees are known to offer organisations increased productivity and the ability to adapt to change and be responsive. Benefits to empowered employees are reduced role conflict, role clarity and environmental control (Greasley et al., 2008).

Engagement was conceptualised by Khan (1990) as the harnessing of organisational members' selves to their work role. Engaged individuals employ and express themselves physically, cognitively and emotionally during such role performance. Physical demands (or exertion) require some level of physical effort. The individual's ability to meet these demands varies in terms of strength, stamina and flexibility (May & Schwoerer, 1994). Cognitive requirements vary between roles and some roles require more information processing than others. Individuals may become overwhelmed at the amount of information to process and then lack the ability to think clearly - also described as overload (Thompson, Chaiken & Hazlewood, 1993). Morris and Feldman (1996) refer to emotional demands of the job by looking at frequency, intensity and emotional display. Some roles present more emotional demands which can lead to the depletion of emotional energy. May et al. (2004) mention that the presence of physical, cognitive and emotional demands will lead to greater availability. Schaufeli, Salanova, Gonzales-Roma, and Bakker (2002) describe work engagement as state of mind, inclusive of positivity and work-related satisfaction (consisting of vigour, absorption

and dedication). Leiter and Maslach (1999) express the view that engagement can be characterised by energy, involvement and efficacy which is the direct opposite of burnout, which is characterised by exhaustion, cynicism and ineffectiveness.

When retention, intention to stay, turnover intention or intention to leave is mentioned it is almost impossible not to venture into a leader relation and talent management discussion. Luccier and Achua (2004) mentions that leader behaviour has a significant impact on turnover intention. We know that talent management has a strong influence on retention and that a high retention rate is of paramount importance to organisations for financial performance (Hughes & Rog, 2008). Currently the talent management mindset seems to be performance-focussed, ultimately reflecting lower engagement (Pfeffer & Sutton, 2006). Empowered and engaged employees hold great benefits for organisations in terms of higher intention-to-stay rates directly impacting on performance (Hughes & Rog, 2008; Towers Perrin, 2003).

In considering the above, there is a need to conduct research with regard to the effects of leadership and role clarity on turnover intention. Taking into account that very little is known on this topic, especially with relation to financial institutions, the study will further explore the leader-member exchange relationship coupled with role clarity, psychological empowerment, engagement and turnover intention. For the purpose of this research, a specific financial institution was chosen from which to collect the data. The decision was made to conduct the research within this specific organisation due to the fact that the organisation is in a phase of rapid expansion and was recently subjected to an intense change management process. A closer look is required due to the pace of expansion and change, especially in terms of how relationships are impacted between branch managers and consultants (LMX). The question also arises on how LMX will affect role clarity and engagement in particular and what the end result will be in terms of turnover intention?

Based on the problem statement and literature review the following research questions can be formulated:

- How are the constructs and relationships for LMX, role clarity, psychological empowerment, engagement and turnover intention conceptualised in the literature?

- What is the relationship between LMX, role clarity, psychological empowerment, engagement and turnover intention?
- How will the theoretical, hypothesized model be tested?

The study will further contribute to the positive organisational psychology dimension by looking at LMX as a wellness variable that can shed light on the clarification of roles, empowerment and how this will impact on engagement and turnover intention within financial institutions. Recommendations will also be made on how role clarity can be used in a leadership relationship to improve empowerment, engagement, staff retention strategies and add value in terms of return on investment.

1.3 RESEARCH OBJECTIVES

The research objectives include general and specific objectives:

1.3.1 General objective

The general research objective aims to establish the relationship between leader-member exchange (LMX), role clarity, psychological empowerment, engagement and turnover intention.

1.3.2 Specific objectives

The specific objectives will be:

- To conceptualise LMX, role clarity, psychological empowerment, work engagement and turnover intention from the literature.
- To study the relationships between LMX, role clarity, psychological empowerment, work engagement and turnover intention in a business unit.
- To determine if significant correlations exist between LMX, role clarity, psychological empowerment, engagement and turnover intention.
- To investigate if role clarity mediates the relation between LMX and psychological empowerment.
- To investigate if psychological empowerment mediates the relation between role clarity and engagement.

- To determine if engagement mediates the relation between empowerment and intention to leave.

1.4 PARADIGM PERSPECTIVE

Mouton and Marais (1992) state that the intellectual climate and the market of intellectual resources dictate a paradigm perspective that will guide the specific research within a positive organisation.

1.4.1 Intellectual climate

The variety of non-epistemological convictions that are endorsed by a discipline in a specific period refers to the intellectual climate. They are convictions, values and assumptions that are not directly connected to the epistemological aims of the specific research practice (Mouton & Marais, 1992). These convictions are often not directly testable or are not meant to be testable. In order to determine the intellectual climate of the research, the disciplinary relevance and meta-theoretical assumptions are discussed.

1.4.2 Discipline

This research falls within the boundaries of the behavioural sciences and, more specifically, Industrial Psychology. Industrial psychology refers to the scientific study of people within their work environment by making use of the methods, facts and principles of the science of psychology (Muchinsky, Kriek & Schreuder, 2002). Industrial psychology can further be divided into subsections. This research has focal points which include organisational psychology, personnel psychology and psychometrics.

Organisational Psychology encompasses a profession which concerns itself with leadership, job satisfaction, employee motivation, organisational communication, conflict management, organisational change, and group processes within an organisation (Aamodt, 2004). The role of an organisational psychologist can involve the conducting of surveys to evaluate organisational issues and making recommendations based on the findings.

Psychometric testing is also utilised. Foxcroft and Roodt (2005) refer to the field of study concerned with psychological measurement which includes the measurement of knowledge, abilities, attitudes, and personality traits in order to obtain information about a person.

1.4.3 Meta-theoretical assumptions

The research will be conducted within the paradigm of positive psychology. Gable and Haidt (2005), define positive psychology as the study of the conditions and processes that contribute to optimal functioning of people, groups, and institutions. Positive organisational psychology also aims to study and identify the capacities that individuals need to thrive and then amplify their strengths (Seligman & Csikszentmihalyi, 2000). Positive psychology comprises two approaches that are in parallel but also complementary to each other. Firstly, positive organisational behaviour (POB; Luthans, Youssef & Avalio, 2007) which consists of constructs such as hope, optimism, resilience, self-efficacy, self-determination, meaning and impact. Secondly, positive organisational scholarship (POS) (Cameron & Caza, 2004) is concerned with the study of positive outcomes, processes and attributes of organisations and their members.

Organisations are realising that absence of problems does not automatically result in holistically healthy individuals (Pittman, 2003). Faller (2001) adds that it is not enough to help individuals in need but that most people would need assistance in achieving a fuller existence.

1.5 MARKET OF INTELLECTUAL RESOURCES

The market of intellectual resources refers to the assumptions with epistemological status as scientific hypotheses, in other words, with their status as knowledge-claims (Mouton & Marais, 1992). It is divided into theoretical and methodological beliefs.

1.5.1 Theoretical beliefs

Mouton and Marais (1992) describe theoretical beliefs as all beliefs that yield testable results regarding social phenomena. Theoretical hypotheses serve as a starting point for this research and are divided into conceptual definitions and models.

1.5.2 Conceptual definitions

The relevant conceptual definitions are given below:

Positive organisation: Cameron, Dutton & Quinn (2003) is of the notion that a positive organisation focuses on enhancing, predicting and utilizing positive affects in order to enhance performance, increase commitment and promote wellness.

Leadership: In order to explain leader-member exchange one has to look at the brief definition of leadership which, according to House and Javidan (2004), refers to the ability of an individual to influence, motivate and enable others to contribute to the organisation of which they are members.

Leader-member exchange: Sparrow and Liden (1997) describe leader-member exchange where leaders form high-quality social exchanges that are based on trust and liking with some organisational members, whereas with other members they form lower-quality economic exchanges that do not extend beyond the employment contract. The concept consists of four constructs, namely affect, contribution, loyalty and professional respect (Liden, Wayne & Stilwell, 1993).

Affect (also referred to as mutual liking) is extremely important and can be developed or hindered. This is primarily shown when the leader and subordinate enjoy each other's company. It is then through work interactions that commitment and friendship can develop (Lee, 2005).

Contribution, according to Mardanov and Heischmidt (2008), "refers to the perception of the amount, direction and quality of work-orientated activity each member puts forth towards the mutual goals of the dyads."

Loyalty occurs when a good-quality LMX is displayed by both the member and the leader. According to Liden and Maslyn (1998), it forms an instrumental part in determining the types of tasks that are entrusted to members.

Professional respects, as explained by Truckenbrodt (2000), classify an employee in one of two groups, one being the "in-group" which are employees forming high-quality relationships

with supervisors classified by mutual trust, respect, liking and reciprocal influence. “Out-groups,” on the other hand, have low-quality relationships characterised by limited trust. These relationships are based and formed on task-related behaviour.

Role clarity is the extent that an employee’s work goals and responsibilities are communicated clearly and the extent to which the employee understands the process required for such goals to be achieved (Sawyer, 1992).

Psychological empowerment is defined by Thomas and Velthouse (1990) as increased intrinsic motivation manifested in four cognitions that reflect an individual’s orientation to his or her work role. The four cognitions include: meaning, competence (self-efficacy), self-determination (choice) and impact.

Engagement is defined by Khan (1990) as the harnessing of organisational members’ self to their work roles. People employ and express themselves physically, cognitively and emotionally during role performances when engaged.

Intention to stay is the perception of the likelihood estimated for continued membership in an organisation (Price & Mueller, 1981) and is also described in the literature as the final step in an employee’s decision-making process to stay or leave an organisation (Mobley, Griffeth, Hand & Meglino, 1979).

1.5.3 Theories and models

A theory is described by Marais and Mouton (1992) as a set of interrelated constructs and definitions that present a systematic view of phenomena by specifying relations between variables, with the exact purpose of explaining or predicting such phenomena. Positive organisational behaviour (POB) is the theory that will inform this study. Luthans and Jensen (2002) describe POB as “the study and application of positively orientated human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today’s workplace”. Apart from resource capacity and positivity to be included in the positive organisational framework it should meet the following criteria: a) the capacity must be theory and researched based and be validly measurable; b) must be state-like, meaning open to change and development (Youssef &

Luthans, 2008). POB is thus differentiated from other positive psychology theories due to the fact that it is research and theory based, open to development and not substantiated from self-help books and management fads (Youssef & Luthans, 2008).

Marais and Mouton (1992) describe a model to be aimed at which provides ways of answering a question in a structured way. By doing so it tries to reproduce the dynamics of an occurrence through the relations of main elements. The objective of this study is to investigate the relationship between LMX and role clarity on turnover intention, with specific reference to the positive organisational psychology environment. It is therefore that the healthy work organisation model of Wilson et al. (2004) was used as a starting point to stimulate thoughts and will be considered in the LMX turnover intention model proposed for this study. This model attempts to incorporate the core aspect of a healthy work organisation. A healthy work organisation (positive organisation) is described by Wilson et al. (2004) as intentional, systematic and collaborative efforts to maximise employee well-being and productivity by providing well-designed and meaningful jobs, a supportive social-organisational environment, and accessible and equitable opportunities for career and work life enhancement. Another model considered is the social exchange model as presented by Aselage and Eisenberger (2003), which also includes aspects of leader-member exchange and perceived organisational support. Their findings highlight the interconnection of social exchange and the contract process between individuals and groups.

Mouton and Marais (1992) state that a model is aimed at the simplified expression of relationships between main components in a process. The researcher has developed a model based on the healthy organisation model of Wilson et al. (2004).

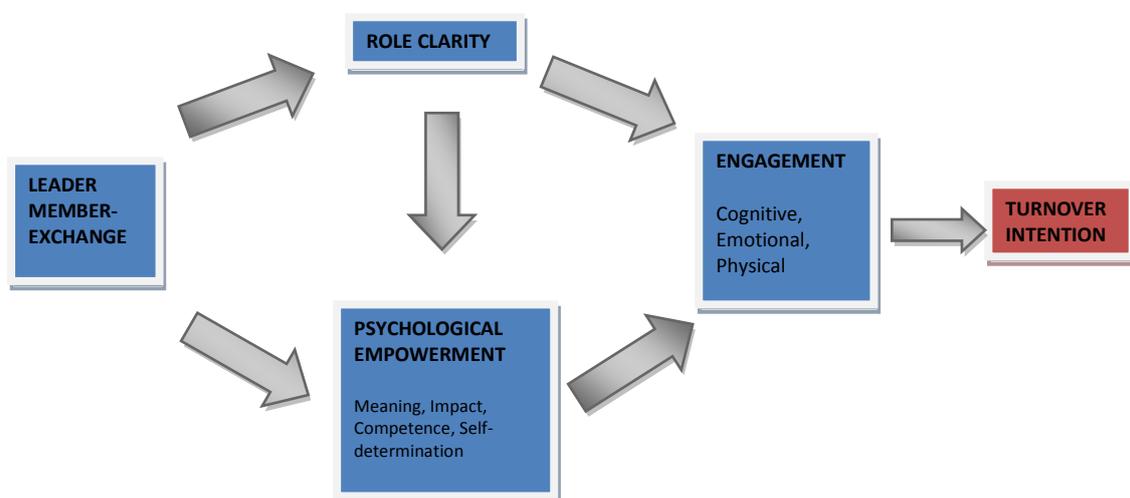


Figure 1: The proposed leader-member exchange and turnover intention model.

1.6 RESEARCH METHOD

1.6.1 Phase 1: Literature review

The literature review will focus on gathering information on the concepts of LMX, role clarity and retention within a positive organisational environment (psychological empowerment and engagement).

1.6.2 Phase 2: Empirical study

The empirical study will consist of the research design, participants, data-collection, measuring instruments and the statistical analysis.

1.6.3 Research design

Mouton and Marais (1992) state that the purpose of a research design is to provide research guidelines and minimise the potential sources of error which might become apparent during the research. The research design highlights the type of sampling method to be used, how data will be collected and the way in which this data will further be analysed to meet the primary objective (Mouton & Marais, 1992). Descriptive research attempts to describe situations such as demographic characteristics and the degree in which product usage varies regarding age, marital status, years of service and qualification level. Where flexibility characterises research, descriptive statistics attempt to give accurate descriptions on specific situations (Struwig & Stead, 2001).

The specific design that will be utilised is a cross-sectional survey design to collect data. During a cross-sectional design a group of people is observed at a point in time (Du Plooy, 2001). There is some economic advantage to this design as it saves time and money and complexities are minimised as data are only collected at one period in time. The data will be used to ascertain the prevalence of certain variables in a population beneficial to the study (Cartwright & Cooper, 2002).

1.6.3.1 Study participants

Participating individuals will be from a financial institution in South Africa. This population will predominantly consist of sales consultants and middle level management within the chosen financial institution in Gauteng, South Africa. An availability sample (n=889) will be taken from branches in Gauteng.

1.6.3.2 Measuring instruments

The following measuring instruments will be used in this study:

Self-constructed biographical questionnaire. This questionnaire will aim to establish the biographical characteristics of the participants, such as age, gender, language, race, marital status, number of dependants, years of service, years in current position and level of educational qualification, while still allowing for the participants to remain anonymous.

The *Leader-Member Exchange Questionnaire* (LMXQ) of Liden, Wayne and Stilwell (1993) will be utilised. The original questionnaire consisted of four constructs, namely affect, contribution, loyalty and professional respect. The 7-item questionnaire will be used to measure LMX quality as one construct. Response options ranged from 1 (*strongly disagree*) to 7 (*strongly agree*). Sample items include “My immediate supervisor understands my problems and needs” and “My working relationship with my immediate supervisor is effective”. The Cronbach alpha coefficient of the scale’s reliability is 0.82 (Liden et al., 1993).

The *Measures of Role Conflict and Ambiguity Questionnaire* (MRCAQ) was developed by Rizzo et al. (1970). Mukherjee and Malhorta (2006) found that role ambiguity could be renamed role clarity and will be used as such for this study. The original 30-item questionnaire consists of 15 role-ambiguity, and 15 role-conflict questions. A 6-item questionnaire extracted from the original questionnaire will be used to determine role clarity. Response options ranged from 1 (*strongly disagree*) to 7 (*strongly agree*). Sample items include “I know what my responsibilities are”. High scores indicate high role clarity (or low-role ambiguity). The Cronbach alpha coefficient measured 0,85 (Rizzo et al., 1970).

The *Measuring Empowerment Questionnaire* (MEQ) (Spreitzer, 1995) will be used to measure psychological empowerment. A 12-item questionnaire will be used. Response options range from 1 (*strongly disagree*) to 7 (*strongly agree*). Sample items for each of the four sub-dimensions of psychological empowerment are meaning, “the work I do is meaningful to me”; competence, “I have mastered the skills necessary for my job”; self-determination, “I have significant autonomy in determining how to do my job” and impact, “I have a great deal of control over what happens in my department” (Spreitzer, 1995). Spreitzer (1995) found an overall Cronbach alpha coefficient of 0,72.

The Engagement Questionnaire (EQ) of Khan (1990) for psychological engagement will be used as measuring instrument. The original 24 questions were reduced to 13-items through a factor analysis by May et al. (2003). The 13-item questionnaire of May et al. (2003) will be used. This instrument has three subscales namely, physical (4 items), emotional (5 items) and cognitive engagement (4 items). The measurement makes use of a 5-point Likert scale. Response options range from 1 (*strongly disagree*) to 5 (*strongly agree*). Sample items include for physical, “I stay until the job is done”; emotional, “I really put my heart into the job” and cognitive, “time passes quickly when I perform my job”. May et al. (2004) determined a Cronbach alpha coefficient of 0,77.

The *Turnover Intention* scale (TI) developed by Sjöberg and Sverke (2000) is aimed at determining the strength of an individual’s intention to leave. A 3-item questionnaire will be used. Response options range from 1 (*strongly disagree*) to 5 (*strongly agree*). Sample items include “If I was completely free to choose I would leave this job” (Sjöberg & Sverke, 2000). The Cronbach alpha coefficient measured 0,83 by Sjöberg and Sverke (2000) which is adequate and reliable. A high score here would represent a high intention to leave.

1.6.3.3 Statistical analysis

The data analysis (SPSS Inc, 2009) will consist of quantitative measures and therefore the data analysis will be discussed in terms of such measurements. Statistical analysis will be conducted regarding the reliability and validity of measuring instruments and descriptive statistics. Factor analysis will be used to determine validity. Cronbach alpha coefficients (α) and inter-item correlations will be used to determine the reliability of the measuring instruments.

Descriptive statistics (e.g. means, standard deviations, alpha coefficients and correlations) will be used to describe the data (Clark & Watson, 1995). Pearson's product-moment correlation coefficients will be determined to indicate the extent to which one variable is related to another. The value for statistical analysis will be set at a 95% confidence interval level ($p \leq 0,05$). Effect sizes will be used to determine the practical significance of relationships between variables (Steyn, 2002). A cut-off point of 0,30, which represents a medium effect and 0,50, which represent a large effect (Cohen, 1988), will be set for the practical significance of correlation coefficients.

Structural equation modelling as implemented in AMOS (Arbuckle, 2008) will be used to test the structural model of leader-member exchange (LMX), role clarity and turnover intention, including psychological empowerment and engagement constructs, using the maximum likelihood method. Among the fit indices produced by the AMOS program is the Chi-square statistic (χ^2), which is the test for absolute fit of model. The χ^2 value is however sensitive to sample size. Therefore, additional goodness-of-fit indices such as the Goodness-of-Fit Index (GFI), the Adjusted Goodness-of-Fit Index (AGFI), the Normative Fit Index (NFI), the Comparative Fit Index (CFI), the Incremental Fit Index (IFI) and the Root Mean Square Error of Approximation (RMSEA) will be used in this study.

1.6.3.4 Research procedure

The research procedure can be divided into the following steps:

- Step 1: Conduct a literature study to reach a clear understanding of all concepts related to the study.
- Step 2: Compile the measuring questionnaire.
- Step 3: Request permission from management of the specific organisation in order to make use of its members during this research.
- Step 4: Obtain consent for participation.
- Step 5: Draw a sample.
- Step 6: Questionnaires will be e-mailed to individuals for the completion and feedback requested.
- Step 7: The data obtained from the questionnaires will be coded and analysed and then statistically interpreted. The findings will be presented in the form of a research article.

- Step 8: Conclusions will be drawn and recommendations made in terms of retention and LMX.

1.6.3.5 Ethical considerations

Participation in the research will be completely voluntary and no direct or subtle coercion will occur in the recruitment process. Confidentiality will remain the most important ethical issue during this study and each participant's privacy will be protected and anonymity guaranteed by. Respondents will give informed consent and sign a letter of consent. They will also be informed about the research. Participants will not receive any benefits or compensation for taking part in the study.

1.7 DIVISION OF CHAPTERS

Chapters are arranged as follows:

Chapter 1: Introduction, problem statement and methodology

Chapter 2: Research article

Chapter 3: Conclusions and recommendations

1.8 CHAPTER SUMMARY

In this chapter current issues affecting organisations internationally as well as in South Africa were discussed in order to highlight the purpose of this proposed study. A literature review was then conducted to identify constructs to be used in the research. The current existing relationships were then identified and explored. Based on the above, research questions were then formulated and general and specific objectives were set. The paradigm in which the study will be conducted was described in the discipline of which the study was intended. Theories and models applicable to the study were investigated. The research method consisted of the explanation of the research design, participants, measuring batteries suggested and statistical analysis techniques to be utilised. Outlining the division of the chapters in the mini-dissertation concluded chapter 1.

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CHAPTER 2

RESEARCH ARTICLE

POSITIVE ORGANISATIONS: THE IMPACT OF LEADER RELATIONS AND ROLE CLARITY ON TURNOVER INTENTION

ABSTRACT

The objective of this study was to investigate the relationship between leader-member exchange (LMX), role clarity, psychological empowerment, engagement and turnover intention within a changing financial organisation in South Africa. A cross-sectional survey design was used and an availability sample was taken ($N = 278$). The Leader-Member Exchange questionnaire, Role Conflict and Ambiguity Questionnaire, Measuring Empowerment Questionnaire, Engagement Questionnaire and Intention-to-leave Scale were administered. The results showed that LMX, role clarity, psychological empowerment, work engagement, and turnover intention were related. Role clarity mediated the relationship between LMX and psychological empowerment, while psychological empowerment mediated the relationship between role clarity and work engagement as well as turnover intention.

The pressures of modern organisations place high demands on working relations all over the world. South Africa, similar to the rest of world, is undergoing major changes in political, economic, social and organisational environments (Schreuder & Coetzee, 2006; Schwartz, 2010). Due to these changes there seems to be a constant disconnect in terms of organisational expectations from employers and the individual needs and desires of employees. In order to breach the gap, to succeed as an organisation and sustain profitability, specific needs and desires of employees should be addressed (Briskin, 1998; Chen & Chen, 2008). Luccier and Achua (2004) reported that 77% of the American workforce is unhappy in their current role. Engagement (e.g. in a work role) and empowerment of employees are important components of their happiness (Peterson, Park & Seligman, 2005), which will affect their intention to stay in an organisation (Davenport & Harris, 2007; Ulrich, Brockbank, Johnson, Sandholtz & Younger, 2008).

In South Africa, turnover cost is estimated at several million rand per annum due to decreased productivity, quality problems and increased accidents (Grobler, Warnich, Carrell, Ebert & Hatfield, 2006). Fegley (2006) adds that the lack of available skilled workers makes finding and retention of talented individuals a focal point for organisations. Currently the state of the world economy is also adding to the pressure of keeping talent and has become a top priority for organisations worldwide (Bhatnagar, 2007; Hughes & Rog, 2008). The benefits of an effective talent management strategy are increased engagement, with direct operational improvement, financial performance and improved employee turnover intention (Hughes & Rog, 2008). These improvements can be made by implementing retention strategies (Drucker, 1999), for example, by creating a positive organisational culture (Brewster, Sparrow, & Harris, 2005; Youssef & Luthans, 2008) and improving leadership techniques (Aryee & Chen, 2006). Such strategies can lead to greater individual empowerment which will increase organisational commitment and engagement (Lee, 2005; Menon, 2001) and thereby contribute to the creation of positive organisations.

The investigation of positive organisations has received much attention in recent years (Luthans & Youssef, 2007; Spreitzer, 2006). Positive organisations can be seen to focus not only on the absence of illness, but on the creation of health and overall wellness (Seligman & Csikszentmihalyi, 2000; Wilson, DeJoy, Vandenberg, Richardson & McGrath, 2004). Some components of this paradigm under investigation include leader relations (Avey, Wernsing & Luthans, 2008), empowerment (Kim & George, 2005), role clarity (Bliese & Castro, 2000),

engagement (Steele & Fullager, 2008) and turnover intention (Kahumuza & Schlechter, 2008). Buckingham and Coffman (1999) explain that the leader member relation is of paramount importance in creating an environment within an organisation where people would want to stay. In other words, the retention of employees is highly influenced by the relationship with the leader (LMX) and is often the reason singled out as to why individuals leave organisations.

The success and effectiveness in positive organisations is driven by the influence and motivation displayed by leadership (House & Javidan, 2004). Leadership is not only built on the leader and/or the subordinate but on the relationship formed, also referred to as leader-member exchange (LMX) (Graen & Uhl-Bien, 1995). In the adoption of leadership practices characterised by high-quality LMX, leaders are able to foster subordinates' sense of empowerment (Avey, Hughes, Norman & Luthans, 2008; Keller & Dansereau, 1995). This interaction, coupled with more accurate role clarity, has been found to lead to greater psychological empowerment of employees (Greasley et al., 2008). The situation in today's organisations appears to be one where the presence of good leader-member relations causes role clarity and increased psychological empowerment, which in turn could result in engagement and eventually could lead to a decrease in turnover intention (Kim & George, 2005; Stander & Rothmann, 2010).

It can be expected that relations (or exchanges) established between leaders and subordinates will impact on psychological empowerment, engagement and turnover intention. The mediating effect that leader-member exchange will have on role clarity is still unclear. There was also no evidence in the literature exploring the possible mediating or moderating effect of role clarity on the relationship between leader-member exchange (LMX), psychological empowerment and turnover intention.

The particular company used for this study is constantly subjected to change management initiatives. The general feeling on a recently completed project indicated that employees were not satisfied with the communication and roll-out process during the project and therefore low commitment levels were experienced during this project. The role clarity in terms of what was expected from each level of employee was not communicated accordingly. These aspects initially caused poor customer focus and ultimately resulted in the organisation having difficulty in attaining organisational objectives. Due to maintained pressure to make

the change in a short period of time, many employees were not able to adjust to the changes effectively and ultimately resigned. The above situation called for a much-needed investigation in terms of how leader-member relations and role clarity influence turnover intention. The aim of this study is to determine the relationships between LMX, role clarity, psychological empowerment, engagement and turnover intention in the banking sector, since very little evidence exists in the literature.

Leader-member exchange, role clarity and psychological empowerment

The leader-member exchange (LMX) theory explains that a relationship between the superior and the employee develop as a result of interaction in the workplace (Mardanov & Heischmidt, 2008; Morrow et al., 2005). LMX is described by Sparrow and Liden (1997) as interaction where leaders form high-quality social exchanges with some organisational members and lower-quality economic exchanges, which do not extend beyond the employment contract, with other members. The quality of LMX is determined by social exchanges including trust, interaction, support, rewards, mutual respect, liking and reciprocal influence, which have a significant effect on organisational performance (Dansereau & Haga, 1975; Erdogan, Liden & Kraimer, 2006; Graen, Novak, & Sommerkamp, 1982; Liden & Graen, 1980; Scandura & Graen, 1984). Bauer, Erdogan, Liden and Wayne (2006) and Kramer (1995) found high-quality LMX to be associated with good role clarity and role adjustment while Gerstner and Day (1997) found a lack of role clarity to be associated with low-quality LMX.

Nahrgang, Morgeson, and Ilies (2009) proposed LMX as the result of role-taking, role-making and role-behaviours displayed by both supervisors and subordinates. The behaviour of employees is dependent on how the employees experience the leader-member exchange (Mardanov & Heischmidt, 2008). Mukherjee and Malhorta (2006) explain that feedback from the leader, participation and team support significantly increase role clarity. Hong, Nahm, and Doll (2004) add that leaders who provide employees with appropriate guidance and instruction to do their task create less uncertainty. Kramer (1995) found that a strong relationship between LMX and role clarity exists and explains that individuals in high-quality LMX relations have more frequent interaction with their leaders. This view is strongly supported by Hong et al. (2004) found that certain leader behaviours can positively influence the role clarity of their employees.

Role clarity is the extent to which employees feel they have an extensive understanding of their fit-and-function within the working environment (Foote, Seipel, Johnson & Duffy, 2006). The fast pace of change in modern organisations requires the redesign of roles (Bridges & Meyer, 2006). According to Bauer, Morrison and Callister (1998), new employees have a need for role clarity. In a study of middle managers, Spreitzer (1995) found that role clarity was positively associated with psychological empowerment. Hall (2008) found that role clarity has a positive influence on psychological empowerment.

Role clarity has been established as a factor influencing engagement (Saks, 2006; Steele & Fullagar, 2009) and Russel (2008) found that increased clarity of expectations enhanced positive emotions of employees that led to engagement. Harter, Schmidt and Hayes (2002) found that when expectations are not clear, employees are not engaged. In the presence of high role clarity, psychological strain is found to be minimal (Bliese & Castro, 2000). According to Hong et al. (2004), certain leader behaviours positively influence employees' role clarity. Therefore, leaders who provide employees with appropriate guidance and instruction to do their task create less uncertainty. Saks (2006) mentions that employees who perceive their work environment as more stable and predictable are more engaged at work.

Psychological empowerment is defined by Spreitzer (1995) as a motivational attribute consisting of four dimensions, namely meaning, competence (self-efficacy), self-determination (choice) and impact. Meaning is the value of work goals or purpose; competence (self-efficacy) is an individual's belief in his or her ability to perform a task with skill; self-determination (choice) refers to an individual's sense of having choice in initiating and regulating actions, and impact is the extent to which an individual has influence on strategic, operating and administrative outcomes at work (Ashforth, 1989). When leaders allow individuals to make meaningful work contributions, engagement will increase (Greco, Laschinger & Wong, 2006).

Allowing autonomy in decision making relates to high-quality LMX experienced by subordinates and enhanced empowerment cognitions (Aryee & Chen, 2006). High quality LMX is therefore associated with higher feelings of psychological empowerment (Greco et al., 2006; Laschinger, Finegan, & Wilk, 2009). Empowered individuals then respond by engaging in exchange relationships with fewer problems. Empowered employees will contribute to organisations through increased productivity and the ability to adapt to change

and be responsive (Greasley et al., 2008). This interaction combined with more role clarity can lead to greater psychological empowerment of employees (Greasley et al., 2008).

Empowered individuals are more engaged and express themselves better on a physical, emotional and cognitive level during role performances (May, Gibson, & Harter, 2004). In practice, where employees are psychologically empowered they will also engage in a way which influences others positively (Conger & Kanungo, 1988). Greco et al. (2006) found nurses who experience psychological empowerment to be more engaged. Empowered individuals tend to demonstrate more characteristics of engagement (Greasley et al., 2008; Stander & Rothmann, 2010).

Britt, Thomas, & Dawson (2007) suggested employees who experience psychological empowerment in terms of work importance and personal relevance may be more likely to feel that their work matters to them, and thus experience increased engagement. Another subsection connected to psychological empowerment is the ability to perform work roles with confidence. Employees who present these traits feel more responsible and are more committed to their work and are therefore more engaged (Green-Shortridge, 2008; Stander & Rothmann, 2010). This view is also shared by Mullins and Peacock (1991) who found empowered employees to have a greater sense of motivation and organisational loyalty as they feel more involved in achieving organisational goals. This involvement stems from engagement, as Sacks (2006) found engagement not to be too different from affective organisational commitment. Empowered and engaged employees hold great benefits for organisations in terms of higher levels of intention to stay (lower turnover intention), which impacts directly on performance (Hughes & Rog, 2008; Towers Perrin 2003).

Engagement and turnover intention

Engagement was conceptualised by Khan (1990) as the harnessing of organisational members' selves to their work role. Engaged individuals employ and express themselves physically, cognitively and emotionally during such role performance. Physical demands (or exertion) require some level of physical effort. The individuals' ability to meet these demands varies in terms of strength, stamina and flexibility (May & Schwoerer, 1994). Cognitive demands vary between roles and some roles require more information processing than others. Individuals may become overwhelmed at the amount of information to process and then lack

the ability to think clearly - also described as overload (Thompson, Chaiken & Hazlewood, 1993). Morris and Feldman (1996) refer to emotional demands of the job by looking at frequency, intensity and emotional display.

Turnover intention (intention to stay) is the perception of the likelihood estimated for continued membership in an organisation (Price & Mueller, 1981), and is also described as the final step in an employee’s decision-making process to stay with or leave an organisation (Mobley, Griffeth, Hand, & Meglino, 1979). Kahumuza and Schlechter (2008) add that intention to leave is the strength of the individual viewpoint in terms of not staying with their employer. They also found that individuals who intend to leave the organisation are usually psychologically detached, show little willingness to contribute effectively and thus, the absence of engagement prevails.

Baskin (2007) found that engagement was negatively related to turnover. Steele and Fullagar (2009) support this statement by adding that employees show higher levels of intention to leave when roles are not made clear due to a lack of engagement. Towers Perrin (2003) found that 66% of highly engaged employees plan to stay with their current employers, compared to only 12% of disengaged employees. This view is supported by Baskin (2007), stating that individuals who are not engaged are more likely to leave an organisation. Past research has found engagement to be related to turnover (Harter et al., 2003) and it is clear that engagement therefore has a significant influence on the turnover intention of employees.

Based on the above literature discussion the following hypothesized model will be tested.

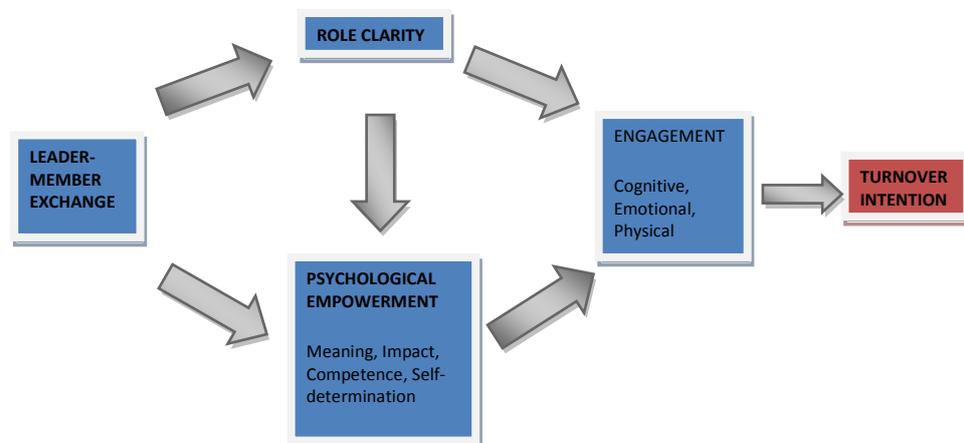


Figure 1. Hypothetical model based on the literature review

HYPOTHESES

Based on the discussion above the following hypotheses are formulated:

- H1: Significant correlations exist between LMX, role clarity, psychological empowerment, engagement and turnover intention.
- H2: Role clarity partially mediates the relation between LMX and psychological empowerment.
- H3: Psychological empowerment partially mediates the relation between role clarity and engagement.
- H4: Engagement mediates the relation between psychological empowerment and intention to leave.

METHOD

Research design

A survey design was used to reach the objectives set out for the research. The specific design which was chosen to reach the research objectives is a cross-sectional design, since this design allows for the research sample to be drawn from a specific population at exactly the same time (Huysamen, 2001).

Participants

The participants consisted of regional managers, branch managers and sales consultants in a bank. A total of 889 questionnaires were distributed in the Gauteng region of the bank, of which 278 were returned. Table 1 shows the characteristics of these participants and is representative of the population.

The study population consisted of 31% male participants and 60% females. The sample furthermore consisted of African (86%), White (5%), Coloured (1%), and other (1%) participants. The ages of participants ranged from 35 years and younger (88%) to 36 years and older (8%). Of the participants 69 % are single and 39% are qualified at a diploma level.

Table 1

Characteristics of the Participants (N=278)

Item	Category	Frequency	Percentage
Gender	Male	85	31,0
	Female	169	60,0
	Missing values	26	9,0
Race	African	240	86,0
	White	13	5,0
	Coloured	3	1,0
	Other	5	1,0
	Missing values	19	7,0
Age	35 years and younger	247	88,0
	36 years and older	21	8,0
	Missing values	10	4,0
Marital Status	Single	186	69,0
	Married/Life partner	81	27,0
	Missing values	11	4,0
Qualifications	Up to grade 11	7	3,0
	Grade 12	135	49,0
	Diploma	105	39,0
	Degree and Degree +	19	5,0
	Missing values	12	4,0
Service	Less than 1 year	71	26,0
	2 – 5 years	159	57,0
	6 – 10 years	31	11,0
	More than 10 years	1	0,0
	Missing values	18	6,0

Measuring instruments

The following measuring instruments were used in the empirical study:

The *Leader-member Exchange Questionnaire* (LMX7) of Liden, Wayne and Stilwell (1993) was utilised. The 7-item questionnaire was used to measure LMX quality. Response options ranged from 1 (*strongly disagree*) to 7 (*strongly agree*). Sample items include “My immediate supervisor understands my problems and needs” and “My working relationship with my immediate supervisor is effective”. Liden et al. (1993) found the Cronbach alpha coefficient of the scale’s reliability as 0,82, whereas Madlock et al. (2007) found the Cronbach alpha coefficient in their study on communications traits of subordinates to be 0,91. In this study the Cronbach alpha coefficient measured 0,91. An analysis of eigenvalues (>1,00) and scree plot indicated that one factor could be extracted which explained 65% of the variance. The component loadings varied from 0,69 to 0,89.

The *Measures of Role Conflict and Ambiguity Questionnaire* (MRCAQ) was developed by Rizzo, House and Lirtzman (1970). A 6-item questionnaire extracted from the original questionnaire of Rizzo et al. (1970) was used to measure role clarity. Response options ranged from 1 (*strongly disagree*) to 7 (*strongly agree*). Sample items include “I know what my responsibilities are”. High scores indicate high role clarity. The Cronbach alpha coefficient measured 0,85 (Rizzo et al., 1970). In other research done, the Cronbach alpha coefficients for the instrument measuring role clarity measured 0,85 (Koustelios, Theodorakis & Goulimaris, 2004). Steele and Fullager (2009) found the Cronbach alpha coefficient for the extracted 6-item questionnaire to be 0,81. An analysis of eigenvalues (>1,00) and scree plot indicated that one factor could be extracted which explained 56% of the variance. Component loadings varied from 0,55 to 0,83.

The *Measuring Empowerment Questionnaire* (MEQ) (Spreitzer, 1995) was used to measure psychological empowerment. The MEQ consists of 12 items. Response options range from 1 (*strongly disagree*) to 7 (*strongly agree*). Sample items for each of the four sub-dimensions of psychological empowerment include (Spreitzer, 1995): “The work I do is meaningful to me” (meaning); “I have mastered the skills necessary for my job” (competence); “I have significant autonomy in determining how to do my job” (self-determination), and “I have a great deal of control over what happens in my department” (impact). Stander and Rothmann (2009) reported acceptable alpha coefficients of 0,88 (meaning), 0,81 (competence), 0,85 (self-determination) and 0,77 (impact) in a sample of selected organisations (Stander & Rothmann, 2009). Four factors with eigenvalues larger than one, explaining 77% variance, were extracted using principal factor analysis with a direct oblimin rotation.

An adapted version of the *Work Engagement Questionnaire* (WEQ) of May et al. (2004) was used to measure work engagement. This adapted WEQ has 13-items which measure three dimensions of work engagement, namely physical, 4 items, emotional, 5 items and cognitive engagement, 4 items. Sample items include “I stay until the job is done” (physical), “I really put my heart into the job” (emotional) and “Time passes quickly when I perform my job” (cognitive engagement). A Likert scale was used varying from 1 (*strongly disagree*) to 5 (*strongly agree*). May et al. (2004) found a Cronbach alpha coefficient of 0,77 for the WEQ. Principal component analysis in this study supported a unifactorial solution for the WEQ. An analysis of eigenvalues ($>1,00$) and scree plot indicated that one factor could be extracted which explained 20% of the variance. Component loadings varied from 0,43 to 0,78.

The *Turnover Intention Scale* (TIS) developed by Sjöberg and Sverke (2000) was used to measure intention to leave. The TIS consists of three items. An example of an item is “If I was completely free to choose I would leave this job” (Sjöberg & Sverke, 2000). Response options range from 1 (*strongly disagree*) to 5 (*strongly agree*). The Cronbach alpha coefficient for the TIS was 0,83. Principal component analysis of the TIS in this study supported a unifactorial solution explaining 74% of the variance. The component loadings varied from 0,73 to 0,94.

Statistical analysis

In order to answer the research questions the SPSS program (SPSS Inc, 2009) and AMOS program (Arbuckle, 2008) were utilised to analyse data. Descriptive statistics were used to analyse the distribution of scores. Factor analysis was used to test for validity. Cronbach alpha coefficients were computed to determine the reliability of constructs measured in this study. To specify relationships between variables the Pearson product-moment correlation coefficients were used. The practical significant cut-off points for correlation coefficients were set at 0,30 which represents a medium effect and 0,50 for a large effect (Cohen, 1998; Steyn, 2002).

Structural equation modelling (SEM), as implemented in AMOS (Arbuckle, 2008) was utilised to test the structural model by calculating the maximum likelihood analysis. The following indices produced by AMOS were used in this study: the chi-square statistic, which is used to determine the absolute fit of the proposed model, the Goodness-of-Fit index (GFI),

the Normative Fit Index (NFI), the Comparative Fit Index (CFI), the Incremental Fit Index (IFI) and the Root Mean Square Error of Approximation (RMSEA).

RESULTS

Descriptive statistics and correlations

Descriptive statistics, Cronbach alpha coefficients and correlation coefficients were obtained for all the constructs measured, and are illustrated in Table 2. Table 2 shows that the Cronbach alpha coefficients for LMX, role clarity, psychological empowerment, engagement and turnover intention are all acceptable compared to the recommended cut-off value of 0,70 (Cicchetti, 1994).

Table 2 shows that LMX is statistically significantly related to role clarity (practically significant, large effect). LMX was also statistically significantly related to meaning, impact, self-determination and work engagement (practically significant, medium effects). LMX further correlated statistically significantly and negatively with turnover intention (practically significant, medium effect). Role clarity correlated statistically and practically significantly with meaning, competence, and self-determination (all large effects), and impact (medium effect). Role clarity correlated statistically significantly with work engagement (practically significant, large effect). Role clarity correlated to statistically significantly and negatively with turnover intention (practically significant, medium effect).

Work engagement correlated statistically significantly with meaning (large effect), as well as impact, competence, and self-determination (all medium effects). Turnover intention correlated statistically significantly and negatively with meaning, impact and self-determination (practically significant, medium effects). Turnover intention correlated statistically significant (negative) with engagement. Based on the results of the correlational analysis, hypothesis 1 is accepted.

Table 2

Descriptive Statistics, Cronbach Alpha Coefficients and Correlation Coefficients of the Measuring Instruments

	Mean	SD	α	1	2	3	4	5	6	7
1. LMX	3,40	0,92	0,91	--	-	-	-	-	-	-
2. Role clarity	5,54	1,08	0,82	0,56 ^{**++}	-	-	-	-	-	-
3. Meaning	5,66	1,31	0,89	0,32 ^{**+}	0,56 ^{**++}	-	-	-	-	-
4. Impact	4,96	1,42	0,81	0,37 ^{**+}	0,38 ^{**+}	0,48 ^{**+}	-	-	-	-
5. Competence	6,03	0,97	0,86	0,19 ^{**}	0,51 ^{**++}	0,52 ^{**++}	0,29 ^{**}	-	-	-
6. Self-determination	5,03	1,40	0,78	0,38 ^{**+}	0,54 ^{**++}	0,42 ^{**+}	0,46 ^{**+}	0,46 ^{**+}	-	-
7. Work engagement	3,96	0,72	0,73	0,35 ^{**+}	0,50 ^{**++}	0,55 ^{**++}	0,37 ^{**+}	0,40 ^{**+}	0,34 ^{**+}	-
8. Turnover intention	3,22	1,37	0,89	-0,31 ^{**+}	-0,35 ^{**+}	-0,38 ^{**+}	-0,34 ^{**+}	0,12 [*]	-0,30 ^{**+}	-0,25 ^{**}

** Statistically significant $p < 0,01$

* Statistically significant $p < 0,05$

+ Correlation in practically significant $r > 0.30$ (Medium effect)

++ Correlation in practically significant $r > 0.50$ (Large effect)

A structural model of leadership, role clarity, psychological empowerment, engagement and turnover intention

One of the five dimensions (namely psychological empowerment) was covered by at least two scales. For this dimension a latent variable was specified on which the corresponding scales loaded, separating random measurement error from true score variance. For LMX, role clarity, and work engagement there was only one indicator, meaning that in these cases there was a one-to-one correspondence between the manifest variables (scales) and the underlying latent dimensions. No distinction is usually made in these cases between random error variance and true score variance, so that the correlations among these one-indicator latent variables and other latent variables may be biased (Little, Cunningham, Shahar & Widaman, 2002). This problem was overcome by means of a procedure proposed by Bagozzi and Heatherton (1994). Firstly, a one-factor model was fitted for all items belonging to the four scales. Secondly, separate indicators for each scale were formed by selecting items on the basis of their loadings, alternating items with high and low loadings. Thus two parcels of items were created for LMX, role clarity, and work engagement. The scale which measures turnover intention had only three items, and parcels were not created for this variable. Given that the reliability coefficient for the scale which measures turnover intention was known, the following formula was used to determine the error variance of the variable: Error variance = $(1 - \alpha) \times SD^2$. Bootstrapping as explained by Hayes (2009) was used to construct two-sided bias-corrected confidence intervals to evaluate mediation effects in the structural model.

A model including the hypothesized relationships was tested in a path model. The latent variables included LMX (consisting of two parcels), role clarity (consisting of two parcels), psychological empowerment (consisting of four variables, namely meaning, competence, impact, and self-determination), work engagement (consisting of two parcels), and turnover intention (a manifest variable).

Next, the hypothesised structural model (see Figure 1) was tested using structural equation modelling as implemented by AMOS (Arbuckle, 2008). The first hypothesis stated that LMX predicts role clarity, which predicts psychological empowerment, which in turn predicts work engagement and turnover intention (model 1). The fit statistics showed a less than acceptable fit of the model 1 to the data: $\chi^2 = 122,69$ ($df = 39$, $p > 0,01$); GFI = 0,93, NFI = 0,91, CFI = 0,94, IFI = 0,94, and RMSEA = 0,09. The chi-square value is statistically significant, which

indicates the data did not fit the theoretical model well. The CFI value was lower than the recommended value of 0,95. The RMSEA value was higher than the recommended 0,08 upper cut-off value, which indicates a problem with the parsimony of the model. Inspection of the regression coefficients showed that the path from role clarity to work engagement was not statistically significant ($\beta = 0,09$; $p > 0,01$). The path from LMX to psychological empowerment was also not statistically significant ($\beta = 0,02$; $p > 0,01$). Furthermore, the modification indices showed that the fit of the model could be improved by including a path from psychological empowerment to turnover intention (MI = 18).

It was therefore decided to re-specify model 1 by removing the paths from role clarity to work engagement and from LMX to psychological empowerment, and by including a path from psychological empowerment to turnover intention (model 2). The fit statistics for model 2 showed statistically significant increase of fit to the data: $\chi^2 = 104,69$ ($df = 40$, $p > 0,01$); GFI = 0,94, NFI = 0,92, CFI = 0,95, IFI = 0,95, and RMSEA = 0,08. Inspection of the regression coefficients showed that the path from work engagement to turnover intention was not statistically significant ($\beta = 0,12$; $p > 0,01$). Therefore it was decided to respecify model 2 by excluding the path from work engagement to turnover intention (model 3).

The results showed an acceptable fit of model 3 to the data: $\chi^2 = 105,73$, ($df = 41$, $p > 0,01$); GFI = 0,93, NFI = 0,92, CFI = 0,95, IFI = 0,95, and RMSEA = 0,08. The model is given in Figure 2.

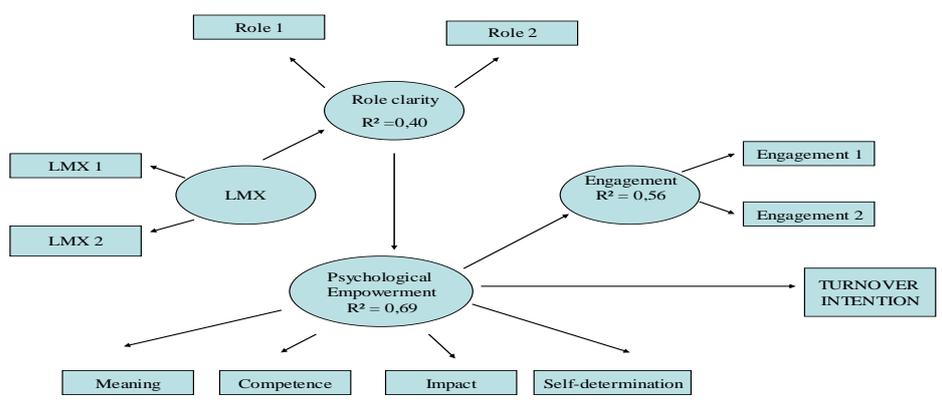


Figure 2: The maximum likelihood estimates for the leader-member exchange and turnover intention model

As can be seen in Figure 2 and Table 3, the path from LMX to role clarity was significant and positive. Role clarity mediates the relationship between LMX and psychological empowerment. This means that employees who experience high-quality LMX are likely to report higher levels of role clarity, which in turn are associated with higher psychological empowerment. The path from psychological empowerment to work engagement is significant, meaning that the higher levels of psychological empowerment are associated with higher levels of work engagement. Psychological empowerment mediates the relationship between role clarity and work engagement. Furthermore, psychological empowerment was negatively related to turnover intention. Psychological empowerment mediates the relationship between role clarity and turnover intention.

Table 3
Standardised Regression Weights

		Estimate
Role clarity	<--- LMX	0,63
Psychological empowerment	<--- Role clarity	0,83
Engagement	<--- Psychological empowerment	0,75
Parcel 1 LMX	<--- LMX	0,94
Parcel 2 LMX	<--- LMX	0,88
Parcel 1: Role clarity	<--- Role clarity	0,81
Parcel 2: Role clarity	<--- Role clarity	0,81
Parcel 1: Work engagement	<--- Work engagement	0,68
Parcel 2: Work engagement	<--- Work engagement	0,83
Self-determination	<--- Psychological empowerment	0,65
Impact	<--- Psychological empowerment	0,58
Competence	<--- Psychological empowerment	0,63
Meaning	<--- Psychological empowerment	0,76
Turnover intention	<--- Psychological empowerment	-0,44

Note. All the coefficients are significant $p < 0,05$.

Following the procedure explained by Hayes (2009), bootstrapping was used to construct two-sided bias-corrected confidence intervals so as to evaluate mediation effects. Table 4 shows the bootstrap estimated indirect effects of LMX and role clarity.

Table 4

Descriptive Statistics of the Independent Variable with Standardised Indirect Effects

	LMX				Role clarity			
	Estimate	SE	90%CI	P	Estimate	SE	90%CI	P
Psychological empowerment	0,53	0,05	0,45 to 0,61	0,001	-	-	-	-
Work engagement	0,39	0,05	0,32 to 0,48	0,001	0,62	0,05	0,54 to 0,70	0,001
Turnover intention	-0,23	0,05	-0,30 to 0,17	0,001	-0,36	0,05	-0,45 to 0,29	0,001

Statistically significant $p < 0,01$

Table 4 shows that the bootstrap estimated indirect effects of LMX on psychological empowerment, work engagement, and turnover intention were statistically significant ($p < 0.001$) (Preacher & Hayes, 2008). Furthermore, the bootstrap estimated indirect effects of role clarity on work engagement and turnover intention were statistically significant ($p < 0.001$). Table 4 also shows that 90% bootstrap confidence intervals (2000 trials) for all indirect effects do not include zeros. Therefore, it is concluded that the indirect effects are different from zero, thereby providing support for the importance of mediation effects of role clarity on psychological empowerment.

Hypothesis 2, which states that role clarity partially mediates the relation between LMX and psychological empowerment is partially accepted. The results show that role clarity fully mediates the relationship between LMX and psychological empowerment. Hypothesis 3 is also partially accepted. Therefore, psychological empowerment fully mediates the relation between role clarity and engagement.

In the structural model (see Figure 1), LMX explained 40% of the variance in role clarity, role clarity explained 69% of the variance in psychological empowerment, while psychological empowerment explained 56% of the variance in work engagement 19% of the variance in turnover intention.

From the analysis there was however no evidence that hypothesis 4: “*Engagement mediates the relation between empowerment and intention to leave*” could be accepted. Therefore hypothesis 4 is rejected.

DISCUSSION

The analyses showed that leader-member relations can influence many aspects within a working environment. The correlations indicate that when high-quality relationships between leaders and members are formed (LMX), higher role clarity will be experienced. This implies that a leader’s approach toward subordinates has a big influence on how subordinates perceive their roles and expectations required in this organisation.

LMX further correlated with meaning, indicating that a good relationship can aid subordinates to work purposefully in their roles by relating work benefits back to their own goals and standards. LMX also showed a strong correlation with impact which could give subordinates a sense that they have influence in how a task is approached (Ashforth, 1989). Self-determination was also a construct influenced by LMX. This indicates that subordinates understand their choice in performing roles and also the implications of their choices and actions (Aryee & Chen, 2006; Greco et al., 2006).

LMX further showed a strong correlation with engagement. This correlation is obtained through role clarity and psychological empowerment and indicates that good leader relations can engage subordinates on a cognitive, emotional and physical level (Aryee & Chen, 2006; Conger & Kanungo, 1988). Engagement on all three of these levels has a direct return on investment for organisations (Carson & King, 2005).

LMX showed a negative correlation with turnover intention which gives an indication that employees will be more inclined to stay with the organisation when there is a strong

relationship with the leader (Bauer et al., 2006). LMX therefore have a significant influence on role clarity, psychological empowerment, engagement and turnover intention.

Role clarity correlated with each of the psychological empowerment constructs (consisting of meaning, impact, competence, self-determination). The correlation between role clarity and psychological empowerment can cause employees to act with more choice, understanding and confidence when performing roles. This will foster a sense of empowerment with less uncertainty during role performance, and have more effectiveness, efficiency and productivity as a result (Greasley et al., 2008).

Role clarity further correlated with engagement. Employees will therefore be able to make better decisions, to process and relate information better to required role performance (Gibbons, 2006). Emotionally, employees will be able to cope better with demands of the role, display greater (emotional) energy and show more involvement. Role clarity related negatively to turnover intention predicting that when roles are clear, employees will be more engaged and the intention to leave the organisation could be lower, thus employees are retained. Role clarity can therefore engage individuals who will display greater availability, involvement, energy and the intention to stay with the organisation. These findings are in line with previous research by Russel (2008).

Psychological empowerment constructs (consisting of meaning, impact, competence, self-determination) correlated positively with engagement and negatively with turnover intention. When there is meaning in their roles, employees are shown to be more engaged. Similarly, when employees have the experience of having an input, influence and/or making a strategic contribution (impact) at work, they will also be more engaged. Competence correlated to a lesser degree with engagement. Self-determination correlated well with engagement showing that individuals who can influence their environment will be more energetic, determined to achieve goals and exhibit behaviour characteristic of engagement. This could be influenced by either the leader or alternatively an individual's own goals and motivation. Psychological empowerment of employees is also known to offer organisations increased productivity and the ability to adapt to change and be more responsive (Carson & King, 2005). Towers Perrin (2003) found that 66% of highly engaged employees plan to stay with their current employers, compared to only 12% of disengaged employees. The same goes for employees who are psychologically empowered, who will also be more engaged.

Engagement correlated negatively with turnover intention. Albeit to a lesser degree, there is still value in the correlation in the sense that engaged employees are less likely to leave an organisation.

LMX has a significant effect on psychological empowerment through role clarity. This shows the importance of role clarity in enabling leaders to psychologically empower employees. Role clarity can serve as a valuable tool for leaders to ensure roles are clarified before a task by testing for understanding in terms of the role that an employee understands he/she has, as an individual, in the organisation, business unit and task specific team. Leader (empowerment) behaviour in this study was seen to have an indirect influence on employees through role clarity.

Role clarity has an indirect and very significant influence on the engagement of employees through psychological empowerment. This means that more clarity in an employee's role will empower the individual and lead to greater engagement on cognitive, emotional and physical levels. This is also supported by the correlation that role clarity has with meaning. When employees experience meaning in their role, engagement is likely to be achieved, resulting in lower turnover intention (Towers Perrin, 2003).

Psychological empowerment has a strong and direct effect on engagement and turnover intention. Engagement, however, does not mediate the effect of turnover intention as was hypothesised. It could mean that employees who are psychologically empowered can show low levels of turnover intention without being engaged. This could be due to employees being equipped (psychologically empowered) to fulfil the requirements of their current role without necessarily feeling engaged towards the organisation, the team or the role itself. The current recession status in South Africa (as in the rest of the world), could also be a contributing factor towards employee turnover intention levels in this organisation. Employees have the skill to perform their role, thus feeling empowered, but could be afraid to leave their organisation.

In conclusion, research found statistically significant relationships between LMX, role clarity, psychological empowerment, engagement and turnover intention. Role clarity partially mediates the relation in the model between LMX and psychological empowerment. Psychological empowerment mediates the relation between role clarity and engagement. The

results found highlight the importance of developing good relations between leaders and subordinates. Leaders can influence employees on many levels and their development is critical to business success. Leader-member relations will create better understanding of roles, which will empower and engage employees. This will aid in the creation of positive organisations resulting in lower turnover intention.

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CHAPTER 3

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

In this chapter conclusions regarding the objectives are given. Limitations of the study will also be discussed and recommendations will be made to the organisation and for future research.

3.1 CONCLUSIONS

The general objective of this study was to determine the relationship between leader member-exchange (LMX), role clarity, psychological empowerment, engagement and turnover intention. Based on the results found in chapter two, the following conclusions can be drawn.

The first objective was to theoretically conceptualise leader member-exchange (LMX), role clarity, psychological empowerment, engagement and turnover intention.

Positive organisations are the foundation on which the research was built (Seligman & Csikszentmihalyi, 2000). Positive organisations can be seen to focus not only on the absence of pathology, but on the creation of overall wellness (Wilson, DeJoy, Vandenberg, Richardson, & McGrath, 2004). Positive organisational psychology consists of many aspects which include leader relations (Avey, Wernsing & Luthans, 2008), empowerment (Kim & George, 2005), role clarity (Bliese & Castro, 2000), engagement (Steele & Fullager, 2008) and turnover intention (Kahumuza & Schlechter, 2008).

Leader-member exchange (LMX) is a relationship described by Sparrow and Liden (1997) where leaders form high-quality social exchanges that are based on trust and liking with some organisational members. Low-quality exchanges with other members are formed and are based on economic exchanges that do not extend beyond the employment contract. LMX relationships constitute “social capital” for organisations and may play a crucial role in organisational performance (Erdogan, Liden & Kraimer, 2006).

For the purpose of this study, role clarity has been conceptualised as the absence of role ambiguity. Rizzo, House and Lirtzman (1970) define role ambiguity as the clarity and predictability of behavioural outcomes. Role clarity is the extent to which an employee's work goals and responsibilities are communicated clearly and whereby the employee understands the process required, in which such goals can be achieved (Nielsen, Randall, Yarker & Brenner, 2008; Sawyer, 1992). Bauer et al. (2006) state that high-quality LMX was associated with better role adjustment resulting in increased performance.

Psychological empowerment is defined as a motivational attribute consisting of meaning, competence, impact and self-determination (Spreitzer, 1995). Employees will experience psychological empowerment when they perceive that they have influence, skill and control over their working environment (Conger & Kanungo, 1998). Stander and Rothmann (2009) explain that empowerment is not a personality trait which can be fixed, but rather comprises a set of cognitions shaped by the work environment.

Engagement was conceptualised by Khan (1990) as the harnessing of organisational members' selves to their work role. Engaged individuals employ and express themselves *physically, cognitively and emotionally* during such role performance. Leiter and Maslach (1999) express the view that engagement can be characterised by energy, involvement and efficacy. Engagement will, however, be measured as one construct for the purpose of this study.

Intention to leave/stay is the perception of the estimated likelihood for continued membership in an organization (Price & Mueller, 1981) and is also described in the literature as the final step in an employee's decision-making process to stay or leave an organisation (Kahumuza & Schlecter, 2008; Mobley, Griffeth, Hand & Meglino, 1979). When employees are committed to their organisation and satisfied with their jobs, their intention to leave will be low; similarly, when dissatisfaction and non-commitment is experienced the likelihood of their leaving will be high (Bergiel, Nguyen, Clenny & Taylor, 2009).

The relationship between the constructs has also been investigated in the literature. LMX will improve levels of role clarity (Bauer et al., 2006; Kramer, 1995) and also have a significant impact on psychological empowerment (Aryee & Chen, 2006). Role clarity and psychological empowerment are associated with higher levels of engagement (Russel, 2008;

Bliese & Castro, 2000). These high levels of work engagement were found to increase an employee's intention of staying with the organisation (Towers Perrin, 2003). Positive organisations have been shown to foster engagement among employees and improve the overall wellness for the organisations and their employees (Seligman & Csikszentmihalyi, 2000; Wilson et al., 2004). The constructs that were used in this study (LMX, role clarity, psychological empowerment, engagement and intention to leave/stay) are all variables in a working environment. The constructs in this study are attached to the work environment and are specifically aimed at creating a healthy organisational environment which contributes to overall wellness and eventually to the establishment of a positive organisation.

The second objective was to determine the relationship between leader member-exchange, role clarity, psychological empowerment, engagement and turnover intention.

Through statistical analysis conducted it was found that statistically significant relationships exist between all variables. Practically significant variables with a large effect were also found. LMX correlated with role clarity, psychological empowerment (meaning, impact, self-determination and competence), engagement (cognitive, emotional and physical) and turnover intention. Role clarity correlated positively with meaning, competence, self-determination and engagement. Meaning correlated strongly with engagement and negatively with turnover intention. Therefore the second objective was achieved as there is a definite relationship between all the constructs in the proposed theoretical model.

The third objective of the study was to test the hypothesised model of this study by using structural equation modelling.

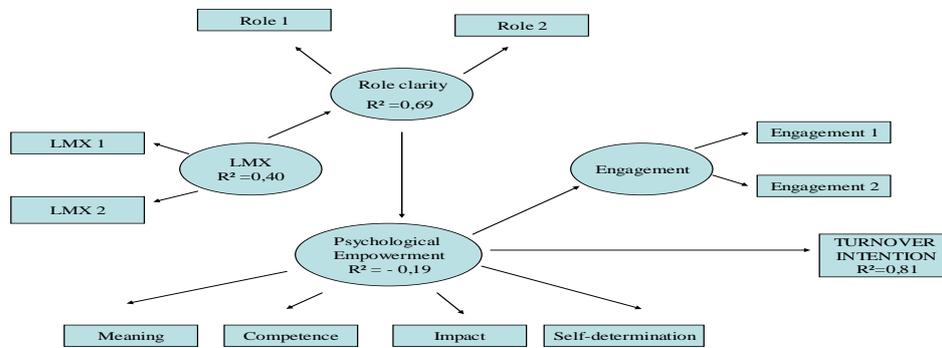


Figure 1: The maximum likelihood estimates for the leader-member exchange and turnover intention model

Role clarity mediates the relationship between LMX and psychological empowerment. This means that employees who experience high-quality LMX are likely to report higher levels of role clarity, which in turn are associated with higher psychological empowerment. The path from psychological empowerment to work engagement is significant, meaning that the higher levels of psychological empowerment are associated with higher levels of work engagement. Psychological empowerment mediates the relationship between role clarity and work engagement. Furthermore, psychological empowerment was negatively related to turnover intention. Psychological empowerment mediates the relationship between role clarity and turnover intention.

3.2 LIMITATIONS OF THIS RESEARCH

Limitations found in this study have been noted. The research design was cross-sectional and therefore limits the cause-and-effect relationships. Attitudes, feelings and opinions of participants are also only represented at one point in time.

The sampling technique involved only the operational staff of a financial institution in the Gauteng province in South Africa. This means that information can vary in other areas of the

operational business as well as other departments. Measures were administered in English and could have been limiting in the way questions were understood by participants who are not English speaking. Furthermore, some measures were self-reporting and this could lead to “method variance” and “nuisance”. The test battery used was also lengthy which could cause participants to give convenient answers as opposed to more thought-through responses. It is possible that in the changing climate some employees were sceptical about answering questions honestly, anticipating certain negative repercussions.

3.3 RECOMMENDATION

Apart from current limitations that exist for this study, the impact of the results can have serious repercussions for the organisation and future research.

3.3.1 Recommendations for the organisation

Organisations who want to establish trends and be market leaders need to recognise and understand the importance of applying overall wellness principles to the organisation as well as its employees. Applying positive organisational (psychological) principles to the overall business, including the work environment, has proven extremely beneficial in the past, resulting in lower absenteeism, lower levels of staff turnover and decreased stress levels (Wilson et al., 2004). It is recommended that interventions, focussing on overall wellness principles, be incorporated in business strategy and be implemented in this organisation in the Gauteng province. The importance of understanding and implementing the elements encompassed for a healthy organisation therefore needs to be reiterated.

Should the organisation wish to benefit from establishing a healthy and positive organisation and talent retention essentially, it should adopt empowerment behaviour in its management style with a strong focus on building internal relationships and determining clear roles for all positions (Aryee & Chen, 2006; Hughes & Rog, 2008). According to Drucker (1999), the way in which employee-employer relationships are managed is an element which distinguishes one organisation from another. This can in turn improve talent retention as well as an employee’s intention to stay (Nedd, 2006). Leader-member exchange and role clarity are therefore vital in the creation of empowered and engaged individuals for increased retention of talent.

Development has been proven as one of the most important aspects in leader-member exchanges to minimise the detrimental effect that turnover intention can have on organisations (i.e. lower turnover intention). Previous research substantiates professional development as an integral part in the retention of talent/employees (Rosser & Townsend, 2006). Curbing the cost involved in the turnover of employees, Taplin and Winterton (2007) found the proactive approach of serious investment in training to be the best possible answer for many organisations. This is reiterated by Stander and Rothmann (2009) identifying the development of employees as a key competence for managers. They point out that managers should become people developers. In order to achieve this, managers should lead by example, become coaches and mentors, delegate authority, allow participative decision making, hold employees accountable for outcomes, encourage subordinates and show concern for others' feelings. It is therefore imperative that the company advance high quality leader-member exchanges. The following can serve as guidelines:

- Leadership development: line managers should be developed to empower employees in terms of self-directed decision making, thereby engaging them in the business. This should form part of the continuous improvement strategy.
- Skills development: clarity of roles and responsibilities could be incorporated in training, the work contract and key performance indicators.
- Coaching: the leader should support intentional risk taking and new ideas, and should provide performance feedback to employees. Mistakes and setbacks should be treated as opportunities to learn.
- Role clarity: defining the role of new and existing employees in detail.
- Job description: rethink and redesign of job descriptions and roles in operations and possibly other departments to ensure role clarity from the onset.
- Information sharing and communication: employees within operations must be given all necessary information by leaders in order to ensure high-quality work performance within their specific assigned roles. Here feedback is of utmost importance.
- Accountability: it is the leader's responsibility to oversee that employees are held accountable for decisions based on assigned work, targets, performance and customer satisfaction.

Another vital aspect is to ensure that the roles of employees are clarified by providing relevant and easy accessible information, based on expectations placed upon them. The extent to which this information is then interpreted is also crucial. Roles should be further divided into tasks in a simplified way that the fit-and-function within the organisation is clear and misinterpretation is minimised. Leaders should further ensure clear career paths, structured processes to consult or enquire when clarification of exact expectations is needed.

We know that leadership relations can influence role clarity, psychological empowerment, engagement and turnover intention. Interventions deployed within the business should include empowerment elements, especially psychological empowerment. Leadership practices resembling a high quality LMX foster subordinates' sense of empowerment (Keller & Dansereau, 1995). This will contribute to the engagement of employees producing positive outcomes for the organisation (Bakker & Demorouti, 2008). By utilising the concept of engagement, employees should be less inclined to leave the organisation. This will only be achieved if leaders take the first step and prove that they are themselves engaged (Wildermuth & Pauken, 2008). The adoption of such an approach will cause employees to be focussed on company goals, be enthusiastic, and energetic, thereby contributing to overall organisational success. Saks (2006) has established that engaged employees promise higher levels of productivity, improved customer satisfaction and increased profits. To determine whether employees find their work meaningful and empowering, stay-in interviews, group discussions and meetings should be conducted. Interventions should have a strong focus on the clarifying of roles, meaningfulness of work and empowerment to increase engagement levels within the organisation (Dychtwald & Morison, 2006).

3.3.2 Recommendations for future research

The following recommendation for future research can be made based on the results of the study. A cross-sectional research design was utilised which limits the ability of this study to determine cause-and-effect relationships, therefore longitudinal studies could be utilised to establish causal effects among all variables.

The reliability and validity of the Leader-Member Exchange questionnaire, Role Conflict and Ambiguity Questionnaire, Measuring Empowerment Questionnaire, Engagement Questionnaire and Intention-to-leave Scale for other industries should be explored. What will

be very beneficial is to translate all the questionnaires into other languages, especially since 95% of participants in the selected company were not mother-tongue English speakers. This would also limit misinterpretations and language bias.

The use of appropriate randomised sampling methods could enhance the scientific value of this study. It would be beneficial to study the effect of LMX, role clarity, psychological empowerment, engagement on turnover intention/intention to leave, general health, work performance and employee wellness (e.g. stress, substance abuse, absenteeism and actual staff turnover).

3.4 CHAPTER SUMMARY

In this chapter, conclusions were made regarding the theoretical and empirical objectives as set out. The limitations of the research were discussed and, thereafter recommendations were made for the organisation as well as for future research.

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