The relationship between responsible leadership and organisational commitment with the mediating effect of turnover intentions: An empirical study with Australian employees

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Abstract
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Keywords
effect, turnover, empirical, intentions, relationship, study, between, responsible, mediating, leadership, organisational, commitment, employees, australian

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The relationship between responsible leadership and organizational commitment and the mediating effect of turnover intentions: An empirical study with Australian employees

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Sub-theme 27: Re-conceptualizing Leadership and its Development: Space, Place and the Virtual World

Purpose

The purpose of this paper is to report the findings of an Australian study testing the relationship between responsible leadership and organizational commitment. We further test and report the mediating effect of turnover intentions of employees.

Theoretical Background

Responsible Leadership

The concept of responsible leadership (RL) is centred on the relationships between leaders and followers as stakeholders both internal and external to the organization. It also focuses on sustainable outcomes that benefit the organization, local communities, and the larger social and natural environment. Thus, RL has been defined as the ability to build, cultivate and sustain trustful relationships with different stakeholders, both inside and outside the organization, and in co-ordinating responsible action to achieve a meaningful, commonly shared business vision (Maak, 2007). Using the notion of responsibility, RL attempts to bridge existing gaps in leadership theory and practical challenges facing leadership for the lack of ‘responsible’ paradigm. RL seeks to define what being ‘responsible’ means in the context of organizational leadership. It considers social and relational phenomena that focus on the leader–follower relationship (Pless and Maak, 2011).
From a broader perspective, RL represents a concept that exists at the intersections of two existing fields of study; social responsibility and leadership (Waldman and Balven, 2014). While much has been written about social responsibility, such as its relationship to firm financial performance (Orlitzky et al., 2003), less is known about leadership links with focuses on organizations’ employees and their outcomes. The domain of RL cannot be thoroughly considered without a focus on individuals (Waldman and Balven, 2014). In this study, we have focus on RL from an individual perspective and examine the employees’ perception about their managers’ RL responses and its effect on organizational commitment and turnover intentions.

**Organizational Commitment**

Employee commitment is a multidimensional construct that can take different forms (e.g., Meyer and Allen, 1991; O’Reilly and Chatman, 1986). It can be directed at different targets, or foci, including organizations, work teams, projects, and goals (e.g., Becker, 1992; Reichers, 1985). In this study, we focus on employee commitment to the organization (i.e., organizational commitment) because it has been studied most extensively, particularly within the context of leadership (Jackson et al., 2013).

Organizational commitment is regularly conceptualized as an affective attachment to an organization. Accordingly, this affective attachment leads an individual to share organization’s values, and increases the desire to remain in the organization and the willingness to exert more effort (Mowday et al., 1979). Researchers have found that organizational commitment is a function of several variables such as job satisfaction, motivation, decision making, organizational support, reward, communication and leadership styles (Alarape and Akinlabi, 2000; Brown, 2003; Salami and Omole, 2005).

Meyer and Allen (1993) identified and defined three components of organizational commitment as affective, continuance, and normative commitment. These three components of organizational commitment are alternatively described by Brief (1998) as the product of (1) emotional attachments (affective commitment), (2) the costs of leaving, such as losing attractive benefits or seniority (continuance commitment) and (3) the individual’s personal values (normative commitment). Affective commitment refers to feelings of belonging and sense of attachment to the organization and it has been related to personal characteristics,
organizational structures, and work experiences such as pay, supervision, role clarity and skill variety (Hartman, 2000). According to Meyer and Allen (1993), affective commitment is concerned with employees’ attachment to, identification with and involvement in the organization. It therefore, follows that affective commitment to the organization could be characterized by sharing the values, a desire to maintain membership and working without any expectations for the benefit of the organization. Due to affective commitment, employees want to maintain their memberships in the organization (Dawley et al., 2005).

Continuance commitment refers to employees’ comparison of the costs associated with leaving the organization or staying. Employees who perceive that the costs of leaving the organization are greater than the costs of staying remain because they need to. In other words, individuals do not leave a company for fear of losing their benefits, taking a pay cut, and not being able to find another job (Murray et al., 1991). Normative commitment refers to an employee’s feelings of compulsion to remain with the organization. According to Meyer and Allen (1991), the individual commits to and remains with an organization because of feelings of obligation.

Committed employees perform better (Larson and Fukami, 1984), and organizational commitment has been considered as an antecedent to many positive organizational outcomes (Meyer and Allen, 1997; Meyer et al., 2002). For example, organizational commitment has been found to impact performance, absenteeism, attendance, and turnover (Mathieu and Zajac, 1990). There is a significant body of literature that implies the relationship of leadership style to organizational commitment. This literature suggests that the leadership style of managers can lead to higher measures of organizational commitment in their direct reports. Several researchers such as Bass et al. (2004), Bass and Avolio (1990), Rowden (2000), Hersey and Blanchard (1977) and (Stogdill, 1963) have demonstrated positive relationships between numerous leadership styles and employee attitudes, motivation and performance; all of which can affect organizational commitment levels.

**Employee Turnover Intentions**

Employee turnover intention is considered as withdrawn behavior (still at work but not engaged) of employees in their jobs that end up as turnover. It is defined as individuals who have withdrawn from their occupation or organization and looking for other jobs or career
alternatives (Moore, 2000; Blau, 2007). Turnover intentions have been studied by researchers in various disciplines and through attitudinal, behavioral and organizational factors (Samad, 2006). For example, work-related issues (managerial leadership or organizational commitment), personal (health conditions or illness), external (social impression about the organization) and job-related factors (job environment) play an important role in employee’s decision to remain or leave the organization. Moreover, employees’ demographic variables of such as age and tenure have been found very significant to turnover intentions (Cohen, 1993).

For organizations, employee turnover is an important indicator to survive but is difficult to manage. O’Connel and Chuang-Kung (2007) state that employee turnover is one of the most persistent and frustrating problems organizations face and has been a focus of investigations related to organizational phenomena by many disciplines. Reducing turnover is very important and organizations spend millions of dollars in building their human capital while dealing with turnover issues. Bernat (2007) referred to the reduction of turnover as a financial deliverance for organizations. Myatt (2008) considered that employees leave their jobs for several reasons, most of which have direct or indirect relationship with various leadership styles. Therefore, researchers are now very much concerned about the direct role leadership play in employee turnover (Chen and Silverthorne, 2005; Ekvall et al., 2007; Myatt, 2008).

**Hypothesis Development**

Based on the theoretical background presented above, we claim that various managerial leadership styles have predicted employees’ organizational commitment meaningfully; however, RL has not been extensively examined and need to be scrutinized. This gap in the literature can be predicted by the expectation that RL may influence organizational commitment significantly. Thereby, RL is considered to be linked to employees’ organizational commitment. Thus we hypothesized as follows:

**H1: There is a positive relationship between perceived responsible leadership and organizational commitment.**

To understand the reason many employees leave one employment for another, the concept of leadership in relation to employees’ demands need to be explored. Although numerous literature exists on the subject, it has not been clearly established as to which leadership style is most effective to reduce turnover intention better than others (Loke, 2001; Seavey, 2004;
Thus, in light of other leadership styles, we consider that greater the managers’ display of RL, employees’ turnover intentions in their jobs is likely to decrease. Accordingly, we hypothesized as follows:

**H2a**: There is a negative relationship between perceived responsible leadership and employee turnover intentions.

Interest in organizational commitment (OC) has been stimulated largely by its demonstrated negative relation to turnover (Sahi and Mahajan, 2014). As turnover is costly to organisations, commitment is generally assumed to be a desirable quality that should be fostered in employees because committed employees have been found to be less likely to leave an organisation than those who are uncommitted (Angle and Perry, 1981; Porter et al., 1974). Hence, organizational commitment has been studied extensively and is considered to be important for employees’ turnover intentions or stay with the organization and vice versa (Manzoor and Naeem, 2011; Lee et al., 2012). Committed employees are willing to go beyond the minimum requirements of their duties and are more likely to remain with the organization than uncommitted employees (Meyer and Allen, 1991). The interests in organizational commitment are based on the belief that it is related to employee turnover (Meyer and Allen, 1997).

A number of studies are related to intentions to leave or turnover and reported significant associations between organizational commitment and turnover intentions (Koch and Steers, 1978; Stumf and Hartman, 1984; Lee and Bruvold, 2003; Aydogdu and Asikgil, 2011; Jung and Kim, 2012). Organizational commitment has been found to more accurately predict and measure employees’ turnover rate and intention to stay in organizations than job satisfaction (Yousef, 2000; Wagner, 2007). Hence, it is expected to have a negative relation between organizational commitment and employee turnover intentions. Thus, in this study we hypothesized that:

**H2b**: There is a negative relationship between employees’ turnover intentions and organizational commitment.

Given the above relationships the question arises as to whether turnover intentions mediate the relationship between perceived responsible leadership and organizational commitment. Employees who are highly influenced with RL come to work despite having turnover intentions and may show higher organizational commitment. However, employees’ turnover intentions may have some relations with organizational commitment to ignore the RL effect.
also. A number of previous studies have reported significant associations between organizational commitment and turnover intentions (Manzoor and Naeem, 2011; Aydogdu and Asikgil, 2011; Jung and Kim, 2012; Lee et al. 2012).

Taken together, the associations described above warrant investigating whether turnover intentions mediate the relationship between RL and employees’ organizational commitment which describes the mediation approach of the following hypothesized model. Hence, with this gap in knowledge, it can be concluded that turnover intentions can act as a possible mediator on the RL-organizational commitment relationship. Accordingly, we hypothesised as follows:

\textit{H3: Employees’ turnover intentions mediate the association between responsible leadership and organizational commitment.}

The hypothesized model for this study is depicted in Figure 1.

![Figure 1: Hypothesised Model](image)

**Methods**

**Sample and Procedures for Data Collection**

A total of 3,500 email invitations to complete a web-based questionnaire were sent out via a professional survey company based in the USA. The participants constituted a sample of full-time employees working under a direct supervisor in various sectors in Australia. The part-time employees were excluded from this study because they would have different perceptions of and attitudes about the study variables from full-time employees. The targeted sample size

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of this study was 200 in reference to similar studies (Nyberg et al., 2008; Gilbreath and Karimi, 2012). In addition, a power analysis was conducted with the effect size of .15 with error probability .05 and a size of at least 200 was also deemed sufficient. Finally, a total of 323 responses were collected to have the complete 200 survey responses for the final data analysis. However, 123 incomplete questionnaires were eliminated from the study, resulting in an overall response rate of 61.92 percent.

In this study, RL was measured using the Doh et al. (2011). This scale had a total of thirteen items including three subscales to operationalize RL from employees’ perspective and their views of manager’s actions. There were three subscales of the scale, namely; stakeholder culture, HR practices, and managerial support. Items were responded to on a 7-point Likert scale (1 being ‘strongly disagree’ to 7 being ‘strongly agree’). However, the questionnaire was simplified with some alternative or synonymous words based on pilot test responses to improve responders’ comprehension. In this study, the reliability score (Cronbach’s alpha) of perceived RL was .94 with all three components as a composite scale. However, the components of stakeholder culture, HR practices, and managerial support had the alpha value of .87, .93, and .95 respectively.

Organizational commitment was measured using the three commitment scales adapted from Meyer et al. (1993). This scale had three subscales, namely; affective, continuance, and normative and distributed over 18 questions for the questionnaire. All the items were responded to using a 5-point scale (1 being ‘strongly disagree’ to 5 being ‘strongly agree’). Ko et al. (1997) conducted a study using the Meyer et al.’s (1993) scales and reported coefficient alphas of 0.86 (affective commitment), 0.58 (continuance commitment), and 0.78 (normative commitment) and 0.87, 0.64, and 0.76, respectively in sample 1 and sample 2 respectively. However, in this study, the reliability score (Cronbach’s alpha) of organizational commitment was .88 with all three components as a composite scale and the components of affective, continuance, and normative commitment had the alpha value of .86, .73, and .90 respectively.

Employees’ turnover intention was measured with the scale developed by Donnelly and Ivancevich (1975). The three items scale used a 5-point Likert scale (1being ‘strongly disagree’ to 5 being ‘strongly agree’). Donnelly and Ivancevich (1975) provided evidence of the scale’s criterion validity, and the reliability of the scale was indicated with a Cronbach’s
alpha of 0.88 (Fournier et al., 2010). However, the reliability score (Cronbach’s alpha) of turnover intentions in this study was .90.

For the demographic profile, respondents were asked to provide information about their gender, age, marital status, personal income, academic background, duration of service at work, hours worked per week, the industry they presently work, and the duration of service under the reporting supervisor or manager at the time of data collection.

**Data Analysis Procedures**

This study used Structural Equation Modeling (SEM) to conduct the data analysis. SEM is a feasible statistical tool for exploring the multivariate relationships among some or all of the variables and it also provides a comprehensive approach to a research question for measuring and analysing theoretical models (Anderson and Gerbing, 1988; Burnette and Williams, 2005). In this study, the two-step process for SEM techniques (Anderson and Gerbing, 1988) was used to test the hypothesized model. For the data analysis, SEM and factor analysis were performed with IBM SPSS Statistics 19 software. This study also considered the mediation effect of employees’ turnover intentions over the relationship of employees’ perceived RL and organizational commitment.

**Hypotheses Testing**

The hypotheses were tested using the parameter estimates from the structural model, and it is important to assess whether the collected data violate certain key assumptions within SEM. Hence, multicollinearity and normality were checked in the analysis. Moreover, results of tolerance value and variance inflation factor confirmed that they were in the suitable value without multicollinearity, whereas the skewness value was in the range for all constructs (.27 to -.48) indicating a normal distribution.

**Discussions and Conclusions**

According to the hypothesis 1, the direct relationship between RL and organizational commitment was supported. The findings demonstrated that employees who perceive higher level of RL from their managers are more likely to be more committed at their work. The result of this hypothesis among Australian employees is in line with the previous studies conducted with other various types of leadership and organizational commitment (Stogdill,
However, this study is incorporating the relationship of RL on employees’ turnover intentions and organizational commitment in line with above-mentioned leadership studies. Here, the different domains of RL have distinct relationships (or in some cases, no relationships) with various dimensions of organizational commitment.

This study also identified that RL influence turnover intentions that employees retain (as hypothesized in H2a) and that turnover intentions also predicts employees’ organizational commitment (as expected in H2b). Finally, the results of hypothesis 3 lend support to a partial mediation of turnover intentions between RL and organizational commitment. These results address conceptual claims (Joyce, 2006; Myatt, 2008; Manzoor and Naeem, 2011; Aydogdu and Asikgil, 2011; Jung and Kim, 2012; Lee et al., 2012) that turnover intentions play positive and negative role with various leadership styles and organizational commitment accordingly. Therefore, we extend previous research findings of turnover intentions to explain its mediational role between RL and organizational commitment in this study.
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