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## Article information:

To cite this document:

Sangeeta Sahu, Avinash Pathardikar, Anupam Kumar, (2017) "Transformational leadership and turnover: Mediating effects of employee engagement, employer branding, and psychological attachment", Leadership & Organization Development Journal, <u>https://doi.org/10.1108/LODJ-12-2014-0243</u> Permanent link to this document: <u>https://doi.org/10.1108/LODJ-12-2014-0243</u>

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# Transformational leadership and turnover

# Mediating effects of employee engagement, employer branding, and psychological attachment

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Received 18 December 2014 Revised 18 December 2014 2 August 2016 11 March 2017 2 April 2017 18 September 2017 Accepted 18 September 2017

#### Abstract

**Purpose** – The purpose of this paper is to report the findings of a study which examines the relationship between transformational leadership and intention to leave through the mediating role of employee engagement, employer branding, and psychological attachment.

**Design/methodology/approach** – Transformational leadership, employee engagement, employer branding, and psychological attachment were assessed in an empirical study based on a sample of 405 full-time employees working in information technology (IT) organizations in India. The data which were obtained using Google doc and a printed questionnaire was analyzed through structural and measurement model.

**Findings** – The results reveal that transformational leadership style directly influences employee intention to leave. Transformational leadership and employer branding is mediated by employee engagement. The leadership relation with psychological attachment is mediated by employer branding. **Practical implications** – The implications of the study are of utmost importance for Indian IT industries

**Practical implications** – The implications of the study are of utmost importance for Indian IT industries facing high voluntary turnover in recent times. Transformational leaders in teams contribute to develop employee engagement, employer branding, and psychological attachment. Imparting transformational leadership training to team leaders can help in generating psychological attachment with the employees which would go a long way. **Originality/value** – This study explores the relationship among transformational leadership style, employee engagement, employer branding, and psychological attachment which has not been explored theoretically and tested empirically in an Indian context.

Keywords Transformational leadership, Employee engagement, India, Employer branding,

Intention to leave, Psychological attachment

Paper type Research paper

#### Introduction

The evolution of leadership theory and practice has attracted researchers on a quest to explain the influence of leadership by developing models. A review of developments in the field of leadership published in the Annual Review of Psychology (Avolio *et al.*, 2009) raises the need to determine causal mechanisms that link leadership to various organizational interim and ultimate outcomes, and highlights the importance of a strategy-driven leadership. It points toward further research to examine the role of mediators, in order to explain the significance of leadership for organizational outcomes.

Transformational leadership is one of the most sought after approaches to leader behavior that transforms and inspires followers to be of greater value to the organization (Ghadi *et al.*, 2013). Earlier research on the outcomes of transformational leadership shows that it can predict job behavior (Piccolo and Colquitt, 2006) and financial performance over a length of time (Bass *et al.*, 2003). The present study focuses on the transformational leadership style of information technology (IT) professionals. One of the most important human resource (HR) challenges faced by IT industries in India is the high rate of voluntary employee turnover, as revealed by triangulation research. The challenges faced by these organizations call for



Leadership & Organization Development Journal © Emerald Publishing Limited 0143-7739 DOI 10.1108/LODJ-12-2014-0243 transformational leaders to lead and deliver results (Agrawal *et al.*, 2012). Our research starts with transformational leadership as the main component in the hypothesized model, followed by employee engagement, employer branding, and psychological attachment as intervening variables, helping to explain employee intention to leave the organization. Through a postpositivist approach we examine whether transformational leaders can control attrition amongst IT employees. We suggest leadership training to address the issues leading to employee turnover in the IT industry. A systematic review of 72 studies, from 1980 to 2008, and focused on the intention of IT personnel to leave, supports the need for clarity in communication, to reduce role ambiguity and role conflict and highlights the manager's initiative in team management (Ghapanchi and Aurum, 2011). Transformational leadership is studied for its virtues which are idealized influence, motivation, intellectual stimulation, and individualized consideration. These virtues display an association with employee outcomes and occupational success (Nielsen *et al.*, 2009; Höper *et al.*, 2012).

A transformational leader's behavior in terms of "visioning" and "inspiring" is of much importance in bringing about employee engagement (Densten, 2005). Studies have reported that a leader's support and positive relation aids the achievement of high level engagement by the team (Xu and Thomas, 2011; Ghadi *et al.*, 2013). Under such team leadership, followers display integrity and perform effectively. In our study, we analyze the role of mediating variables such as employee engagement, employer branding, and psychological attachment in establishing a nomological network between transformational leadership and intention to leave. Furthermore, transformational leader contribution in building brand image in the new economy, by achieving a congruence of identities of a variety of stakeholders has been validated through quantitative and qualitative research (Kaufmann *et al.*, 2012). The mediating role of a leader between the corporate branding structure and an individual has been explored, using grounded theory that portrays leaders as an "integrating force," responsible for unifying the elements which contribute to corporate identity (Vallaster and De Chernatony, 2005). However, its limitation with regards to generalizability gives scope to further investigation into the role of a leader.

Our study aims to test the role of transformational leadership on employee intention to leave and the effect of employee engagement, employer branding, and psychological attachment in the process. By examining the mediating role of employee perception in Hong Kong and Japan, representing collectivist culture, it is observed that identification contributes to the reduction of turnover (Abrams *et al.*, 1998). Moreover, as identification is an important element of attachment, as realized by subordinates, it is affected by the superior leadership style (Shalit *et al.*, 2010). We explore this relationship with transformation leadership. A causal relationship is established through the analysis of self-rated data from IT professionals, using structural equation modeling (SEM). Results show that transformational leadership contributes to employee engagement and employer branding, developing a feeling of identification and internalization among them.

Industry reports show that attrition in Indian organized sector is the highest globally (Hay Group, 2013). The attrition rate in the IT industry within India ranges from 15 to 50 percent, depending on the size of the organization and structure (NASSCOM Annual Report, 2013). This raises concerns for employee engagement and retention. Therefore, for growth and sustainability of the organization, innovative practices need to be developed in order to retain talent. Our findings of the causal relationship among the different factors in the organization address some of the issues related to the training of team leaders on transformational leadership.

#### **Conceptual framework**

#### Turnover

Various organizational and environmental factors, including leadership, supervision, perceived job characteristics in terms of motivational potential and pre-employment

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expectation, as antecedents to intention to leave lead to turnover among employees (Miller *et al.*, 1979; Mobley *et al.*, 1978). The present research uses the theory of reasoned action (TRA) (Fishbein and Ajzen, 1975) and theory of planned behavior (TPB) (Ajzen, 2011) to examine these factors. According to the theories, behavioral intentions result from the combination of attitudes and subjective norms. The TRA explains 40-50 percent of the variance in intention (Sutton, 1998). A longitudinal study using the TPB shows that behavioral intentions are the best predictors of turnover, in which the effects of all the variables such as job satisfaction, organization commitment, age, and tenure were accounted for (Van Breukelen *et al.*, 2004). In this paper, transformational leadership is operationalized as the subjective norm, and employee engagement, employer branding, and psychological attachment as the attitude of the employee. The study in collectivist culture attempts to apprehend the relation of these factors with intention to leave (Besser, 1993; Luu and Hattruo, 2010).

#### Psychological attachment

Psychological attachment is based on the basic inclination of human beings to relate affectionately to a person or place (Bowlby, 1977). This attachment is observed in the form of a relationship between employees and their organization (Lin, 2010). O'Reilly and Chatman (1986, p. 493) identified psychological attachment as: "[...] the degree to which the individual internalizes or adopts characteristics or perspectives of the organization." They proposed that psychological attachment can be predicted through compliance (instrumental involvement for specific, extrinsic rewards), identification (involvement based on a desire for affiliation), and internalization (involvement predicated on congruence between individual and organizational values). Often individuals conform to the behavior to gain rewards, noted as compliance or exchange. The process of individuals identifying with a person, place, object, or group starts with congruence in their values or attributes. Incorporation of these attributes into one's cognition brings about internalization of the values or attributes which is reflected in their behavior. The base of attachment and degree to which an individual is attached varies psychologically, depending on various antecedents.

Our study uses O'Reilly and Chatman's definition to conceptualize and operationalize psychological attachment owing to two reasons: first, it includes both identification and internalization of values as intrinsic factors leading to behavior; and second, it includes compliance components that help to interpret the role of extrinsic rewards. This definition has been often used by researchers as a tool to measure psychological attachment among different samples, to establish their reliability and validity (Sutton and Harrison, 1993; Martin and Bennett, 1996; Pillai *et al.*, 1999).

#### Employer branding

The concept of employer branding lies in the idea of brand as "a mixture of attributes, tangible and intangible, symbolized in a trade mark, which if managed properly, creates value and influence" Swystun (2007) said. Employer branding in a HR setting is defined by Ambler and Barrow (1996, p. 185) as "The package of functional, economic and psychological benefits provided by employment, and identified with the employing company."

Its framework is based on the outcome of brand associations in the form of employer attraction and employee productivity and highlights the role of organization identity, as an input for intention to quit and turnover. The differentiation in a firm's characteristics, presented as its unique feature, for value creation, to attract potential employees and retain current employees, is of paramount importance and gives the organization an identity, in terms of employer branding (Backhaus and Tikoo, 2004; Dell and Ainspan, 2001). It is an important building block for strategic HR management. Hence, the inclusion of employer branding in this study is used to establish the nomological network.

#### Employee engagement

Employee engagement has been defined in many different ways (Harter and Schmidt, 2008; Macey and Schneider, 2008). The initial outline of employee engagement as cognitive, emotional, and physical resources (Kahn, 1990) put forth by employees in their work, was expanded to describe three facets of engagement, namely individual trait (views of life), state (feelings of energy), and behavior (extra role), displayed by an employee at workplace (Macey and Schneider, 2008).

In many organizations, employee engagement is evaluated by the Gallup Q12 questionnaire that operationalizes the resources and opportunities available to boost engagement (Buckingham and Coffman, 1999). However, the relevance of the questionnaire was raised by some scholars as it only reports on the conditions in organization which facilitate employee engagement (Harter and Schmidt, 2008; Macey and Schneider, 2008). Such issues were addressed by a meta-analysis of Gallup Q12 used by 8,000 business units that showed a positive relation between levels of employee engagement and business unit performance (Harter *et al.*, 2002). Due to its relevance in engagement research for organization outcomes, Gallup Q12 is used in the present research. Furthermore, it will be of value for further discussion on employer branding, which is graded on characteristics of the organization.

#### Transformational leadership

Transformational leadership comprises four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1998). Such leaders promote and motivate their followers by projecting and communicating attractive visions, common goals, and shared values (Bass and Riggio, 2006). Idealized influence is the leader's ability to build loyalty and devotion among the team members, assisting them to identify with the leader. Inspirational motivate them to work in that direction. Intellectual stimulation activates the followers to be risk-taking and innovative at work. The last one, individualized consideration, is related to the behavior of the leader to pay attention to the individual needs of the followers. A strong association between leadership behavior and desirable outcomes has been proved in some studies (Ghadi *et al.*, 2013; Men and Stacks, 2013; Piccolo and Colquitt, 2006).

According to Lacity *et al.* (2008), research on IT turnover in India indicates the routine nature of work to be one of the most important reasons. Their revised model identifies job satisfaction, organizational satisfaction, and social norms as main determinants of employee's intention to leave. A systematic review of past studies shows that role clarity, role ambiguity, and perceived workload add to high turnover among these professionals (Ghapanchi and Aurum, 2011). They place an emphasize on the manager's role in developing strategies to overcome these barriers. Leadership styles that are focused on communication, development, innovative work distribution, and autonomy at workplace may reduce attrition. Among different leadership styles, conceptualized, transformational leadership appears to fit the requirement for an innovative leader.

#### Hypothesis development

#### Transformational leader and intention to leave

A cluster study on the taxonomy of antecedents of IT turnover intentions identifies five main categories, including individual, organizational, job-related, psychological, and environmental factors (Ghapanchi and Aurum, 2011). The issues covered in these clusters are related to autonomy, work schedule, supervisor support, intrinsic motivation, affective commitment, future uncertainty, discrimination, distributive justice, lack of team work, and

career orientation. Transformational leaders are observed to inspire and motivate team members to work in the direction of realizing the organization's vision through innovation (Chen *et al.*, 2012), and generate commitment for the accomplishment of said vision (Eisenbeiss *et al.*, 2008; Bass and Riggio, 2006). Their ability to manage team diversity, fostering utilization of member potential, provides an outlet to individual cognitive endeavors (Kearney and Gebert, 2009), and boosts team work and intrinsic motivation of the teams working in the IT sector.

It has been observed that psychological empowerment experienced by followers under a transformational leader predicts their intention to leave (Larrabee *et al.*, 2003; Avey *et al.*, 2008). A positive impact on a follower's motivation has been noted in terms of their self-actualization needs, extra efforts, and helps to stimulate their personal development (Dvir *et al.*, 2002; Hughes *et al.*, 2010). It moderates the relation between emotional exhaustion and turnover intention (Green *et al.*, 2013). Regression results also provide support for differential mediating effects between the influence of transformational leadership and followers' withdrawal cognition (Tse, 2008). Moreover, trust in a leader and follower relationship contributes to employees well-being (Kelloway *et al.*, 2012) and builds their moral identity (Zhu *et al.*, 2011). These observations indicate the significance of the four transformational leadership dimensions on employee intention to leave.

#### The transformational leader and employee engagement

Engaging employees is one of the greatest challenge that organizations face in present times (Frank *et al.*, 2004). Research in the area of positive organization behavior is focused on employee engagement, for improving organizational outcomes (Bakker and Schaufeli, 2008). Transformational leaders influence their subordinates' perception of meaning of work, leading to higher engagement (Ghadi *et al.*, 2013; Xu and Thomas, 2011). The antecedent conditions proposed by Kahn (1990) also includes psychological meaningfulness, availability, and safety which can be enhanced by a leader's behavior. These conditions can be influenced by supportive interactions, autonomy, and creativity at work, thus boosting the self-confidence of subordinates (Bakker and Demerouti, 2007; Hallberg and Schaufeli, 2006; Bakker and Xanthopoulou, 2009).

The relationship between engagement and employee intention to leave comes from high levels of dedication to work (Halbesleben and Wheeler, 2008). In light of social exchange theory, it is seen as an obligation generated between the individuals and resources in the organization (Cropanzano and Mitchell, 2005). Individuals pay for the resources in organization through their level of engagement. In some studies, employee engagement is a mediator between the perceived supervisor support and intentions to quit (Saks, 2006) and between leadership empowerment behavior and turnover intention (Van Schalkwyk *et al.*, 2010). Furthermore, the level of engagement among the members in supervising employee dyad predicts intent to remain (Jones and Harter, 2005). Therefore, we anticipate that:

*H1*. Employees' engagement mediates the relationship between employees' perception of transformational leadership behavior and their intention to leave (Figure 1).

#### Transformational leader and employer branding

Among the antecedents of brand building behavior, leadership style has been known to have an impact, through role identity salience and value congruence (Kaufmann *et al.*, 2012). Discourse on employer branding and organization behavior theory have proposed that organizations demonstrating open communication and fairness are more likely to attract high levels of identification and commitment from employees (Edwards, 2009). It has been observed that employee interactions, involvement, and empowerment contribute to brand building behavior (Kaufmann *et al.*, 2012). Social identity theory (SIT) advocates increased

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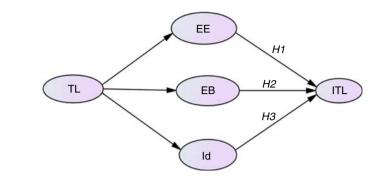


Figure 1. Hypotheses proposed

belongingness of an individual toward an organization with a higher brand value (Tajfel, 1979; Reade, 2001). The brand-oriented leadership exhibited by transformational leaders serves as the key integrating concept, aligning vision, culture, and image. It also ensures brand building among the employees. Brand-specific transactional leaders influence followers through a process of compliance, leading to an increase in turnover intentions and a decrease in in-role and extra role brand building behaviors, whereas transformational leaders influence followers through a process of internalization and decreased turnover (Barling *et al.*, 1996; Morhart *et al.*, 2009).

The influence of employer brand on organizational outcomes is evident from interrelations amongst the brand and commitment (Vaijayanthi *et al.*, 2011). Strong employer brand indicates greater employee satisfaction and an employee's higher affinity toward the brand (Davies, 2008). Moreover, employee satisfaction is attributed to employee trust of the employer, by being more supportive and open. The above discussion makes it relevant to the study of the mediating role of employer branding in the leadership-turnover relationship. Hence, we hypothesize:

*H2.* Employer branding mediates the relationship between employee perception of transformational leadership behavior and intention to leave.

#### Transformational leadership and psychological attachment

The literature on antecedents of psychological attachment includes group-leader relations. such as participative leadership (Mathieu and Zajac, 1990). We argue that transformational leader behavior contributes to building attachment with employees. Attachment theory states that the need for attachment is fulfilled through an emotional bond and emphasizes the value congruence among the players as an essential factor (O'Reilly and Chatman, 1986; Bennett and Durkin, 2000). The vision of a transformational leader acts as a unifying force, leading to convergence of values between a leader and his team members (Kirkpatrick and Locke, 1996; Krishnan, 2001). Laboratory simulation by Krishnan displayed that a transformational leader's vision of quality and its implementation affects self-set goals and self-efficacy, giving rise to performance. Moreover, providing a vision and motivating followers toward achievement shows their dependence and personal identification with the leader (Kark *et al.*, 2003). The individualized consideration demonstrated by these leaders develops attachment among the members (Bass, 1998; Keller and Cacioppe, 2001). Transformational leaders foster ethical approaches to work and fairness in following norms and procedures (Pillai et al., 1999; Odom and Green, 2003). Their role in enhancing the effective commitment supports follower attachment (Bycio et al., 1995; Allen and Meyer, 1996).

Past research combines the TRA and SIT to aid the explanation of identification as a consistent predictor of turnover intentions across cultures. Management systems that

support organizational identification may succeed in reducing turnover (Abrams *et al.*, 1998). As discussed in the conceptual part of this paper, psychological attachment consists of identification and internalization. A psychological bonding develops when members take the defining characteristics of the organization as defining characteristics of themselves (Dutton *et al.*, 1994). Hence, building on these justifications, we hypothesize as follows:

Mediating effects of employee engagement

*H3.* Psychological attachment mediates the relationship between employee perception of transformational leadership behavior and intention to leave.

#### Methods

A quantitative survey was conducted on middle management level employees from 12 multinational IT organizations, located in four different cities in India, each having more than 500 employees. The responses were collected via online and pen and paper methods as per the respondent's convenience.

#### Sample and procedures for data collection

A total of 700 questionnaires were distributed, of which 400 were sent using a Google Doc survey and 300 were printed and distributed along with the assurance of confidentiality. Out of 426 responses received, 405 fully completed questionnaires were analyzed (21 were incomplete) – a sufficient number for SEM (Kline, 2005; Shah and Goldstein, 2006). As no significant difference was observed between online and pen and paper data sets by independent sample *t*-test across all variables, they were analyzed as one collective.

The demographic profile of the participants, in terms of age, gender, qualification, experience, and nature of work (technical/non-technical) are presented in Table I.

#### Measures

The five measures, namely transformational leadership, employee engagement, employer branding, psychological attachment, and employee turnover intention examined in the study are outlined below.

*Transformational leadership*. Multifactor Leadership Questionnaire (MLQ) form 6S, having 12 items to assess four sub-variables, namely, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration of transformational leadership was used (Bass, 1998; Bass and Avolio, 1992). These variables were taken as

Item	Category	Frequency	%	
Age (in years)	21-25	136	33.70	
3 ( ) /	26-30	217	53.70	
	31 and above	52	12.6	
Experience (in years)	Up to 3 years	186	46.00	
	3-6 years	158	39.1	
	Above 6 years	61	14.9	
Qualification	Graduates	191	47.2	
-	Post graduates	214	52.8	
Gender	Male	367	90.6	
	Female	38	9.4	
Marital Status	Married	168	41.5	
	Unmarried	237	58.5	
Department	Technical	380	93.8	
- F - F - F - F - F - F - F - F - F - F	Non-technical	25	6.2	
<b>Note:</b> <i>n</i> = 405				

indicators to create a single factor to measure transformational leadership. The response format of MLQ ranges from 0 (not at all) to 4 (frequently, if not always). A sample item is "I have complete faith in my superior." Cronbach's  $\alpha$  reliability of the available scale was 0.96.

*Employee engagement.* Gallup Q12 (Mann and Ryan, 2014) was used to measure employee engagement. This instrument is widely used by researchers (Luthans and Peterson, 2002; Bhatnagar, 2007). In total, 12 items pooled into two parcels were taken as indicators on a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree). An example of an item is "At work, I have the opportunity to do what I do best every day." The original Cronbach's  $\alpha$  coefficient 0.88 showed excellent internal consistency.

*Psychological attachment*. A 12-item scale (O'Reilly and Chatman, 1986) was used to assess psychological attachment of employees. The scale has sound psychometric properties, with high reliabilities, ranging from 0.86 to 0.90 (Martin and Bennett, 1996; Pillai *et al.*, 1999; Sutton and Harrison, 1993). Employees were asked to rate their perceptions on a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). An eight-item sub-variable "identification and internalization" was divided into two parcels and taken as indicators. Sub-variable "compliance" was excluded from further analysis due to its poor relationship. An item of the scale is "How hard I work for this organization is directly linked to how much I am rewarded." Cronbach's  $\alpha$  was 0.87 and showed soundness of scale.

*Employer branding.* A 25 items employer branding scale, which includes a refinement and extension of the three dimensions scale proposed by Ambler and Barrow (1996), was employed. It has superior psychometric properties (Berthon *et al.*, 2005). Responses were obtained on a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). The scale was divided into five parcels (Hall *et al.*, 1999) for further analysis. Sample item included "Recognition/appreciation from management is good in this organization." The internal consistency for employer branding was found to be excellent, as Cronbach's  $\alpha$  was 0.95 in the study.

*Turnover intention.* A three-item employee turnover intention scale developed by Mobley *et al.* (1978) was used as it predicted turnover more accurately then others (Hom *et al.*, 1979). Responses were obtained on a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Example included is "I am actively searching for an alternative to this organization." Cronbach's  $\alpha$  reliability coefficient for turnover intention was found to be 0.85 in this study.

#### Procedures for data analysis

In the first phase of data analysis, mean, standard deviation, reliability, and Pearson's correlation were conducted. Confirmatory factor analysis (CFA) was conducted to identify factor loadings and goodness-of-fit indices for the variables. During the second phase we took a two-stage approach in conducting SEM (Anderson and Gerbing, 1988). This was done in order to identify the relationships amongst constructs by specifying how each construct appeared in the model. For this, different scale fit indices and factor loading required were checked as recommended by Hu and Bentler (1999) and Byrne (2010).

#### Results

#### Descriptive statistics and correlation test

Descriptive statistics, correlation coefficients, and Cronbach's  $\alpha$  for all the study variables are presented in Table II. A moderate to high correlation (Cohen, 1992) between constructs (r = -0.149 and 0.778, p < 0.01) was observed. An initial evidence to support the hypotheses was that the outcome variable – intention to quit – showed a negative relationship with all other variables included in the study.

For the distinctiveness of the measures, CFA was performed using the AMOS software. Cronbach's  $\alpha$  was obtained under the assumption of parallelity, i.e. all factor loadings and all error variances are constrained to be equal. As Cronbach's  $\alpha$  may over or underestimate reliability (Raykov, 1998), composite reliability (CR) and average variance extracted (AVE) were calculated (CR assesses the internal consistency of the measure and AVE represents the ratio of total variance which is due to the latent variable). A variance extracted 0.50 indicates that the validity of both the constructs and individual variables are high (Dillon and Goldstein, 1984). In the study, the constructs had sound reliability and validity, as CR was greater than 0.70 and AVE was greater than 0.50 in the model. It proved that the constructs had sound discriminant validity (Hair *et al.*, 1998). Each variable was found to be distinct from each other.

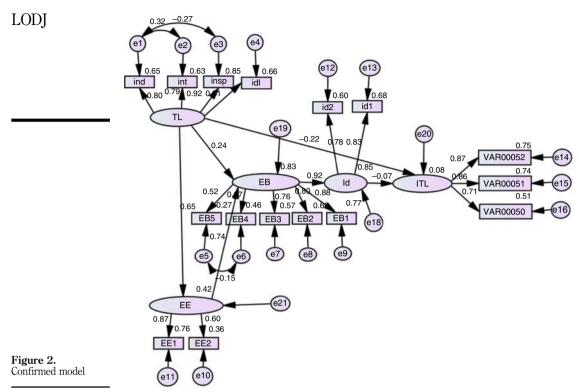
The results of CFA showed that all the variables in the study had strong psychometric properties validating the distinct characteristics of the constructs in the study ( $\chi^2 = 190.120$ ; df = 91; GFI = 0.944; NFI = 0.952; IFI = 0.974; TLI = 0.966; CFI = 0.974; RMSEA = 0.052). All values for the loadings were significant at p < 001. Furthermore, Cronbach's  $\alpha$  for each scale was above the preferred 0.70 requirement of acceptability (Nunnally, 1978). The hypothesized model fit the data adequately ( $\chi^2 = 203.384$ ; df = 95; GFI = 0.939; NFI = 0.949; IFI = 0.972; TLI = 0.964; CFI = 0.972; RMSEA = 0.053) after imposing three additional constrains in the form of modification indices in the model (Steiger, 1990) (see Figure 2).

Kline (2005) suggested that a satisfactory model fit can be inferred when the  $\chi^2$ /df ratio is below 3.00 (CFA: 2.089; SEM: 2.140) and values for CFI and other incremental fit indices are above 0.90. In addition to this, the RMSEA value for CFA and confirmed model (0.052 and 0.053) also indicated model fit. For RMSEA, values of 0.05 or less indicate close fit, between 0.05 and 0.08 indicate reasonable fit, and between 0.08 and 0.10 indicate marginal fit (Browne and Cudeck, 1992) (Table III).

Transformational leadership explained 42 percent of variance in employee engagement ( $R^2 = 0.418$ ;  $\beta = 0.647$ ; n < 0.0001), whereas transformational leadership and employee engagement contributed 83 percent of the variance ( $R^2 = 0.832$ ). The regression weights ( $\beta$ ) were 0.240 (n < 0.0001) and 0.738 (n < 0.0001) for transformational leadership and employee engagement, respectively explained employer branding (EB = TL + EE); whereas sub-variable identification and internalization of psychological attachment explained 85 percent ( $R^2 = 0.848$ ) in the model (Id = TL + EE + EB). The indirect effect on identification and internalization was also significant ( $\beta' = 0.661$ ).

Interestingly, intention to leave did not show direct significant relationship as unstandardized parameter estimated value was non-significant ( $R^2 = 0.077$ ; B = -0.044; n < ns; indirectly  $\beta' = -0.048$ ). Thus, it can be inferred that the variables did not significantly affect the intention to quit in the model.

Sl.	Variables	Mean	SD	CR	AVE	1	2	3	4	5	
1 2	Transformational leadership Emplovee engagement	2.384 3.58		0.901 0.707		(0.902) 0.539**	(0.826)				
3	Employee engagement Employer branding Identification and	0.00	0.603			0.650**	0.761**	(0.922)			
4 5	internalization Intention to leave	3.296 2.913	0.730 1.06			$0.534^{**}$ - $0.248^{**}$	$0.609^{**}$ - $0.195^{**}$	0.778** -0.228**	(0.805) -0.149**	(0.852)	Table II. Descriptive statistics and Pearson's
<b>Notes:</b> $n = 406$ . CR, composite reliability; AVE, average variance extracted. Values given in the parenthesis are Cronbach's $\alpha$ reliability coefficients. ** $p < 0.01$ level (two-tailed)							correlation coefficients for the five variables				



	Structural relationships	Unstandardized parameter estimates ( <i>B</i> )	Standardized parameter estimates $(\beta)$	Standardized indirect effect $(\beta')$	$R^2$
<b>Table III.</b> Unstandardized and standardized parameter estimates in the model	$\begin{array}{l} TL \rightarrow ITL \\ EE \rightarrow EB \\ TL \rightarrow EB \\ EB \rightarrow Id \\ Id \rightarrow ITL \\ TL \rightarrow EE \\ TL \rightarrow EE \rightarrow EB \\ TL \rightarrow EE \rightarrow EB \rightarrow Id \\ TL \rightarrow EE \rightarrow EB \rightarrow Id \rightarrow ITL(ns) \\ \textbf{Notes:} TL, transformational intentification and internalization \\ \end{array}$			0.477 0.661 –0.048 nployer brandir	0.418 0.832 0.848 0.077 g; Id,

#### Discussion

The purpose of this study was to investigate the influence of transformational leadership, employer engagement, employer branding, and psychological attachment on employee intention to leave the organization. The first hypothesis, that employee engagement mediates a relationship between respondents' perception of transformational leadership of their supervisor and intention to leave, was not supported. Rather, it was observed that employee engagement mediated positively between transformational leader and employer branding. This finding may be due to the inclusion of employer branding and psychological attachment in the nomological network. There are other outcomes influenced by engagement, such as job satisfaction and organizational commitment (Saks, 2006). Though, it was found that transformational leadership positively influenced employee engagement significantly (Bhatnagar, 2007; Ghadi *et al.*, 2013; Tims *et al.*, 2011; Salanova *et al.*, 2011), the role of employee engagement as a mediator between transformational leadership and employer branding expanded the understanding of transformational leaders' brand building behavior through better engagement of employees.

In our second hypothesis, we posited that employer branding mediates the relationship between transformational leadership and intention to leave. This hypothesis was not supported, as employer branding mediated between transformational leader and psychological attachment, and between employee engagement and psychological attachment. These observations surfaced because various factors influencing intention to leave were taken into consideration in the study.

The employer branding initiatives taken by a leader encourages a sense of identification with the organization (Edwards, 2009; Davies, 2008; Schlager *et al.*, 2011). It is construed that leader behavior leads to the vigor, absorption, and dedication of the employee, resulting in a positive image of the employer. Our findings help to extend the understanding of employer branding as an intermediary between transformational leadership behavior and psychological attachment. It also explored the influence of an engaged employee in building the employer as brand.

Direct mediation of psychological attachment in the relationship between transformational leadership and intention to leave was not observed, hence, our third hypothesis was not supported. The influence of transformational leaders on identification and internalization was recognized through employee engagement and employer branding, due to five constructs being studied in the model. Our findings are substantiated by a study that expands the conceptualization derived from attachment theory to the area of leadership (Popper *et al.*, 2000). It is noted that transformational leadership has a significant, positive correlation with a secure attachment style. It supports the theory that attachment is an important aspect in determining security (Bowlby, 1969). Our research has important implications for understanding this approach to leadership and attachment process.

The theory and research on turnover or employee's intention to leave is cumulative. It emphasizes the multiple factors influencing the phenomena (Holtom *et al.*, 2008). Our research also suggests that other factors in the IT industry may contribute to intention to leave. The data collected in the study primarily concentrated on entry-level employees, as voluntary turnover is high among this group. Therefore, it can be claimed that the meaningful contribution of transformational leaders in creating positive psychological conditions acts as a predictor of performance improvement through positive behavior (Bakker and Schaufeli, 2008). Their role as employer branding architecture is of paramount importance in developing attachment, which may be crucial for performance.

#### Implications

From a theoretical standpoint, we contributed to the understanding of the influence of transformational leadership, employee engagement, employer branding, and psychological attachment on intention to leave. While the three hypotheses were not supported empirically, their role in the nomological network makes a significant contribution to the leadership and psychological attachment literature. Moreover, this combination of variables and its potential in exploring the process of attachment and intention to leave has not been previously explored by scholars.

In our pursuit to further explain the factors leading to employee intention to leave, four variables were examined that influence turnover intentions. We found that transformational

leadership influenced employee intentions of turnover. The variables, employee engagement and employer branding, mediated the relation between transformational leadership and psychological attachment, but did not show significant relation to intention to leave. Hence, the employee decision-making process toward turnover is influenced strongly by a team leader's transformational leadership style. The leadership style may impact productivity and performance through engagement and attachment to the organization, but did not firmly contribute to employee intention to leave. It reflects the notion that an employee high in identification and internalization may also have intentions to leave the organization. Hence, other factors mediating the process can be explored in order to explain the phenomena.

Regarding practical recommendations, the relationships presented in the study play a significant role in understanding the forces which drive psychological attachment toward the organization. From the results, we suggest managers are trained in transformational leadership style (Nielsen and Cleal, 2011). This would help with employee engagement, which is an asset to the organization (Saks, 2006). It would further build employer image, attracting new and competent applicants to the organization and also contribute to building a positive image of the company in the eyes of its customers (Mosley, 2007). However, in our study, the influence of transformational leaders on intention to leave through employee engagement and employer branding could not be established.

The results of mediation indicate that by training managers in transformational leadership style, the team leaders in IT organizations will have more engaged employees. The input of these employees in the work process raise their perception of employer branding by building a positive view of the different contextual factors, such as opportunities in the organization for growth, security, and work environment in the organization. This acts as a source to generate psychological attachment among these employees. Research confirms that dimensions of transformational leaders can be learnt (Nielsen and Munir, 2009). Hence, more objective and focused training programs on leadership skills can be designed, based on these findings. The role of team leader and the dynamics involved in the influence of leadership style on team effectiveness has become more comprehensible, through this study.

#### Limitations and recommendations for future research

This study does have some limitations. First, it is based on self-reported surveys to generate responses from IT employees. There is the chance that the responses may suffer from bias, by responding to socially desirable options (Crowne and Marlowe, 1964) and leniency bias, especially in case of leadership theories (Schriesheim *et al.*, 1979). Future research may reduce the probability of socially desirable bias by including response from the parties, the team leader, and team members.

Another possible limitation to this study was the cross-sectional design in data collection. In order to establish the outcomes with higher confidence, longitudinal analysis can be conducted (Ghadi *et al.*, 2013). The measures used in the study have been widely tested, reducing the chances of common method bias due to item characteristics and context. Also, the items were measured on different scales, adopted as a procedural means to limit common method bias. Other than using some procedural remedies, we also made use of statistical methods to find potential effects of analysis. Harman's single-factor test was administered to find out the common method variance in the study (Podsakoff *et al.*, 2003) and 44.49 percent variance was explained against the maximum limit of 50 percent.

Finally, we recommend future studies to improve on our proposed nomological network by further explaining the relation between transformational leadership and employee intention to leave. The study of other antecedent variables in the relationship would enrich the understanding of this phenomenon. It would provide managers with crucial information to develop strategies to influence team members and increase their attachment toward the organization. Critical factors like trust and the role of person-organization fit may be of interest to researchers (BlessingWhite, 2008; Shuck *et al.*, 2011). Future studies may focus on the mediating role of other variables and extend this model to include job embeddedness (Felps *et al.*, 2009) and other performance-related outcomes. The mediating effect of meaning of work on the influence of transformational leadership and work engagement opens further avenues for research (Ghadi *et al.*, 2013). Also, the role of these variables in attachment can be studied with respect to workplace change management approaches (Inalhan, 2009).

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