



Positivity at the Workplace: Organisational Citizenship Behaviour as a Mediator of the Transformational Leadership - Employee Turnover Dyad

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Abstract. Employee turnover is a costly affair, as it can cost up to five times more to hire a new employee than to maintain a current one. Although previous studies highlight transformational leadership as a means to reduce employee turnover, there are insufficient studies that examine the mediating effect of organisational citizenship behaviour (OCB) in this framework. OCB are positive behaviours by an individual that are not part of his or her contractual obligations nor job description. Due to this, there are no expectations whatsoever for the employee to behave in such a way, nor are there punishments for not doing so. In line with this, a lack of studies examine how leaders trigger these helpful and voluntary behaviours and its consequence on turnover. The current study therefore proposes that OCB mediates the relationship between transformational leadership and turnover. This is because employee's with higher OCB are more emotionally attached and invested in the organisation, and are therefore less likely to jump ship when problems arise.

Keywords: Transformational leadership, organisational citizenship behaviour (OCB), emotional attachment, turnover

1 Introduction

In terms of employee retention (ER), companies deal with a lot of unpredictability and complexity [1]. Leadership is essential for improving organizational citizenship behavior (OCB) [2] and for keeping workers [3]. By attracting people to high moral ideals and concepts, TL motivates followers [4]. TL dramatically boosts staff commitment within the company as compared to transactional leadership. Additionally, TL improves workers' intellectual capacity [5]. According to previous studies, many of the world's most prosperous businesses have used the TL method to achieve their objectives. The success of a business depends on its ability to retain its employees. Because experienced workers are crucial to an organization's performance, ER has historically been a major concern for businesses [6]. In spite of the fact that it is a difficult work in current era of fierce competition, ER substantially affects the lifetime of companies. Individual and group turnover are two degrees of retention that

have been studied by academics [7]. Therefore, with the aid of the human resource management division, leaders must do away with the causes of poor ER.

Employee performance and retention are impacted by TL factors such as "idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration" [8]. The trust between managers and staff is the foundation of the connection between TL and OCB. The effects of OCB on the ER cannot be disregarded because to the direct and indirect consequences of interconnected behaviors. Individual OCB has an impact on ER in that it decreases the likelihood of employees leaving their organizations the more they demonstrate individual OCB and a macrointerest in them. Additionally, organizational elements like assistance, civic virtue, and sportsmanship have an impact on employees' OCB, which has an additional negative impact on ER [9]. However, the focus of this work is on how OCB mediates the relationship between TL and ER. However, there is little study on the primary causes of high turnover in SMEs, which is primarily because they invest less in employee welfare than do large firms [10]. The contributions of this work are as follows. Our strategy adopts a more open-minded viewpoint to embrace the intricate mediation function of OCB on ER. In earlier research on TL, the mediation impact of OCB on ER. We do, however, look at the OCB's mediating effect on ER. Additionally, earlier research on TL looked at how communication improves worker efficacy and productivity [11].

2 Literature Review

2.1 Transformational Leadership

According to [12] and [13], transformation leadership theory focuses on leadership behaviors that encourage followers to commit to a shared vision, push followers to be creative problem solvers, coach followers, and show followers care and support.

2.2 OCB

Early in the 1980s, the term "OCB" originally developed to characterize a certain type of employee conduct within a business. In order to improve OCB, researchers cited "organizational commitment and individual traits" [14]. Employees' voluntary efforts to establish themselves as responsible members of the company are known as OCB [15]. Similar to this, without OCB, an organization's performance is crucial [16].

2.3 Employee Retention

Employee Retention (ER) is a management strategy used to keep personnel on board for longer periods of time than the competition [17]. Employee retention is a practice that encourages workers to remain around the company for the longest possible time [18].

2.4 Direct relationship between Transformational Leadership and Employee Retention

There is a lot of material about ER that emphasizes how important it is for all kinds of businesses. Employee retention through compensation programs is significantly cheaper than the expense of losing them [19]. Leadership has advantages for both people and companies, and in particular, it has a direct and indirect impact on ER [20]. By attaining organizational objectives [21] and developing a compensation system to keep workers [22], transformational leaders enhance the performance of their subordinates. Employee retention decisions are influenced by transformational leadership [23]. The association between TL and ER is also highly supported by the notion of transformative leaders [24]. According to this study, leaders who demonstrate personalized influence, IS, inspiring motivation, and individualized influence had greater levels of staff retention. Through the lens of TL theory, previous research have investigated the connection between TL and ER. Based on the evidence observed within literature, it is proposed that:

Proposition 1: Transformational Leadership behaviours have a positive influence on Employee Retention

2.5 Transformational Leadership and OCB

In order to effectively accomplish organizational goals, transformational leadership focuses on current issues. According to studies, every manager inside the firm should also act as a leader rather than just a manager [25]. The improved impacts of TL increase organizational success [26]. According to [27], TL also improves employee performance in teams and groups. There has been a lot of study on TL and its connections to various outcomes during the last 10 years. According to [28] TL has a considerable impact on OCB. When a TL style is utilized, employees go above and above their given tasks [29]. All four TL aspects are critically important for growing OCB inside SMEs [8]. The beneficial impact of TL characteristics on OCB has been studied in the past. Thus, based on the evidence observed within literature, it is proposed that:

Proposition 2a: Transformational Leadership behaviours have a positive influence on OCB

2.6 OCB and Employee Retention

OCB describes the actions that staff members take when not performing their official duties. Employers may improve their OCB with the assistance of leaders [30]. Additionally, OCB refers to discretionary conduct, which the official incentive system does not directly or officially acknowledge. However, according to [31], such actions support the organization's efficient operation. Individual and team performance are improved by OCB [29-32]. There aren't many research that have looked at the negative correlation between turnover intention and OCB [33]. Higher levels

of OCB have a substantial impact on ER. Thus, based on the evidence observed within literature, it is proposed that:

Proposition 2b: OCB have a positive influence on employee retention

2.7 Psychological Capital as mediator of the Transformational Leadership -Employee Retention relationship

According to academics, OCB is crucial to the success of SMEs [34]. Both directly and indirectly, TL has an impact on ER in SMEs [35]. According to [8], more than half of the impacts of TL on long-term employee performance were mediated by OCB. [36] investigated the role of OCB in mediating the connection between intention to leave the company and perceived organizational support. The favorable and substantial mediating function of OCB between TL, creativity, and ER was further explored by [37]. [38] discovered that in Chinese SMEs, OCB strongly influences the link between organizational justice and performance. According to [39], the association between perceived organizational support and work performance was somewhat mediated by OCB. Individualized influence, inspiring motivation, individual attention, and individual support are the four characteristics of [40] thesis that help leaders acquire particular leadership qualities. In their followers, transformational leaders support the growth of OCB [41], which in turn promotes ER [21]. However, there hasn't been much research done on this connection with SMEs' viewpoint. based on the evidence observed within literature, it is proposed that:

Proposition 3: OCB mediates the positive relationship between Transformational Leadership and Employee Retention.

3 Proposed Conceptual Framework

The current study proposes a conceptual framework whereby OCB mediates the relationship between transformational leaders and employee retention.

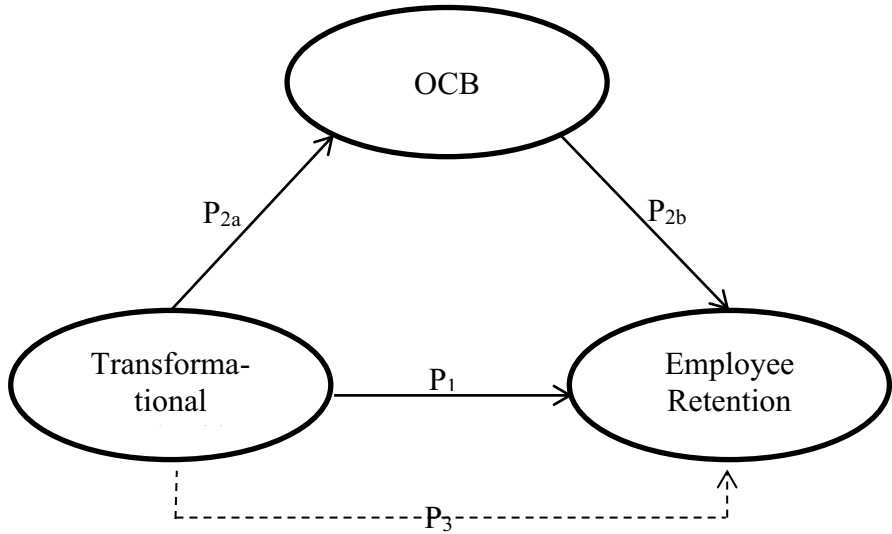


Fig 1. Conceptual framework

4 Proposed Methodology

The current study will utilize SmartPLS software to analyze the relationships among the constructs in the proposed conceptual framework.

5 Expected Outcome and Significance of the Study

This study gives a few useful suggestions on how TL influences the rise in ER. It's critical to comprehend that TL qualities help managers get the abilities necessary to keep personnel. Companies ought to train leaders to instill TL traits in them. As a result, in order to improve ER, leaders should work to put into practice the TL qualities of creating an inspiring vision for their team, focusing on goal attainment, and allocating time to the team's training and growth.

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