

UNIVERSITI TEKNOLOGI MARA

**MODERATING EFFECT OF
TRANSFORMATIONAL
LEADERSHIP ON THE
RELATIONSHIP BETWEEN
PERCEIVED ORGANISATIONAL
SUPPORT AND TURNOVER
INTENTION**

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Thesis submitted in fulfillment
of the requirements for the degree of
Doctor of Philosophy
(Business and Management)

Faculty of Business and Management

January 2023

ABSTRACT

The food and beverage industry contributes to Malaysia's economic growth by creating revenue and offering employment to the country's citizens. However, despite its essential contribution to the country, this industry faces several challenges, including high employee turnover. Employee turnover in the Malaysian food and beverages industry has been high for three years consecutively, and most of the employees working in this industry tend to have a short-term employment tenure. This caused a challenge for the impacted business since they have to hire new employees to replace them, and the cost of replacing employees is high. Thus, in overcoming these challenges, this research aims to ascertain the significant effect of perceived organisational support (POS) construct, namely organisational justice, supervisor support and organisational rewards and job conditions on employee turnover intention and examine the moderating effect of transformational leadership in the relationship between POS and turnover intention. This research postulates that increasing the POS level of employees will help strengthen the relationship between the employee and the employer and reduce their desire to seek or accept other positions. The research entails 216 employees working in the food and beverages industry in the Klang Valley, and the data were collected through survey questionnaires via purposive sampling technique. The data were further analysed using Partial Least Square-Structural Equation Modeling (PLS-SEM) to assess the research hypothesis. The findings depict that four out of the six research hypotheses proposed were supported. In terms of the direct relationship between the POS construct, the findings reveal that organisational justice and supervisor support significantly affected turnover intention. In addition, when assessing the moderating effect of transformational leadership on the POS construct and turnover intention, it was found that transformational leadership plays a significant role in strengthening the relationship between supervisor support and organisation rewards and job conditions on turnover intention. As a result, the findings of this research are believed to add to the existing literature on POS, leadership, and turnover intention, as the new element of transformational leadership as the moderator is included in this research. It is expected that studying POS and transformational leadership will aid in reducing employee turnover while also improving the satisfaction and happiness index of employees working in the food and beverage industry. Finally, the leaders or managerial level personnel in this industry are recommended to practice and display transformational leadership behaviours to encourage employees to stay longer with the organisation

ACKNOWLEDGEMENT

Bismillahirrahmanirrahim

In the name of ALLAH s.w.t., the Most Gracious and the Most Beneficent

Seven years of my life now, I truly understand the meaning of “time is relative”. All praises to Allah for the strengths and blessings in the completion of this thesis. The submission of this thesis would not have been possible without the support of my family, supervisors, and friends. Therefore, I would like to take this opportunity to thank all of those who have contributed to my success during my PhD journey.

First and foremost, I would like to thank Dr. Ramlee bin Abdul Rahman, who was initially appointed as my main supervisor. Unfortunately, we cannot ride this journey until the end due to your retirement. However, your early supervision, guidance and advice have brought me to this finishing line today. I truly appreciate your support. My deepest appreciation and gratitude also go to both my supervisors, Dr. Irzan bin Ismail and Assoc. Prof. Dr. Muhammad Iskandar bin Hamzah, who patiently and tactfully guided me through the journey of completing this thesis. I stumbled and deviated, but they truly believed in me and were always there to encourage, provide invaluable support and advice, guide me and challenge my intelligence. It has been a great pleasure to be working under your supervision.

My extreme gratitude goes to my parents, Kol (R) Norizan bin Ahmad (an Advocate and Solicitor) and [REDACTED]. Your never-ending support emotionally and financially is very much appreciated. I am so blessed to have both of you as my parents and great supporters. Also, to my mother-in-law, [REDACTED] [REDACTED] my brother, Mohd Natashah and my sister, Nor Syahira, my in-laws, nephews, Asyqi, Aysar, Ariq and beloved niece, Dahlia, thank you for your sincere prayers, love and support, which are the elements that have made this journey possible. In addition, my heartfelt gratitude goes to my beloved husband, Ahmad Fadhly bin Arham, for being my supportive partner during this journey. Even though you came up after I had started the journey, your presence has made it all possible. Thank you for your prayer, advice, patience, understanding, love and support. There is no word to describe what you mean to me.

I would also like to extend my gratitude to Universiti Teknologi MARA (UiTM), staff at the Department of Postgraduate & Professional Studies, FBM, faculty members at UiTM Cawangan Melaka, for the various assistance given to me during my studies. Finally, not to forget, special thanks to my supportive colleagues, Fatanah, Siti Hajar, Fatrisha, Hainnuraqma, Siti Nurul Akma and Siti Norashikin for the moments we shared together in making this journey a wonderful experience. Thank you all.

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