

**RELATIONSHIP OF TRANSFORMATIONAL LEADERSHIP
AND TURNOVER INTENTION IN START-UP**



**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULLFILLMENT OF REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2019**

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Thematic paper
entitled
**RELATIONSHIP OF TRANSFORMATIONAL LEADERSHIP
AND TURNOVER INTENTION IN START-UP**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management
on
January 12, 2019



.....
Mr. Nghia Doan
Candidate

.....
Assoc. Prof. Sooksan Kantabutra,
Ph.D.
Advisor

.....
Assoc. Prof. Vichita Ractham,
Ph.D.
Chairperson

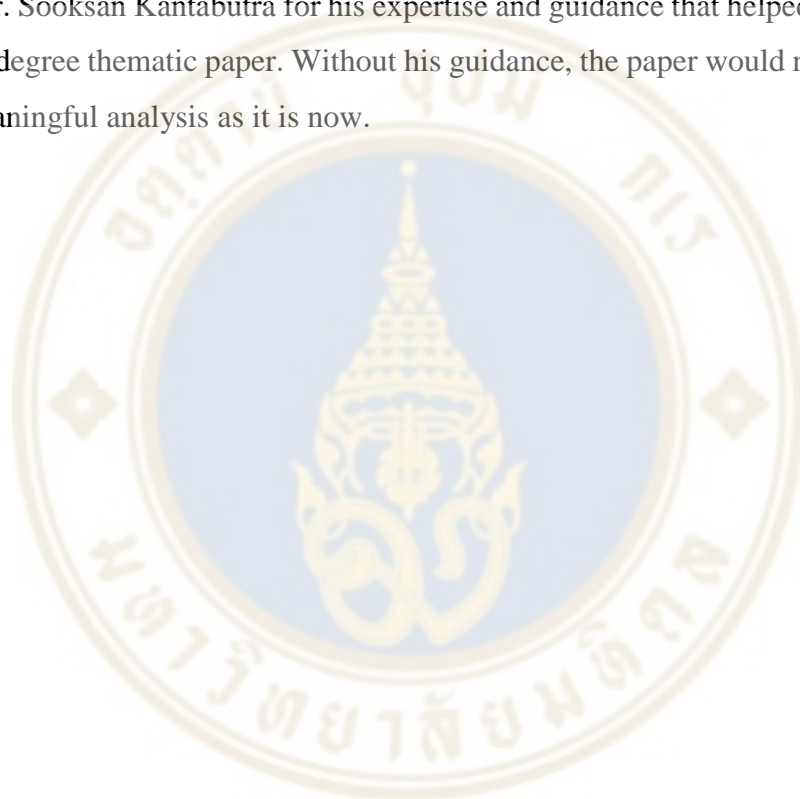
.....
Duangporn Arbhasil,
Ph.D.
Dean
College of Management
Mahidol University

.....
Asst. Prof. Decha Dechawatanapaisal,
Ph.D.
Committee member

ACKNOWLEDGEMENTS

Firstly, I would like to express my respect and gratitude to my family for all their support and encouragement for my time study in master degree in College of Management Mahidol University. Secondly, I would like to thank my advisor, Assoc. Prof. Dr. Sooksan Kantabutra for his expertise and guidance that helped me through my Master degree thematic paper. Without his guidance, the paper would not be interesting and meaningful analysis as it is now.

Nghia Doan



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NGHIA DOAN 6049047

M.M. (MARKETING AND MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASSOC. PROF. DR. SOOKSAN
KANTABUTRA, Ph.D., ASSOC. PROF. DR. VICHITA RACTHAM, Ph.D., ASST.
PROF. DR. DECHA DECHAWATANAPAISAL, Ph.D.

ABSTRACT

The purpose of this paper is to test out the relation between four transformational leader elements and employee turnover intention in a small start-up company in Bangkok Thailand. The method was to collect questionnaires from all employees in the start-up company about how they think about their CEO and which level they are at turnover intention using Multifactor Leadership Questionnaire form 6S (MLQ-6) to measure the employees point of view about CEO's transformational leader and Turnover Intention Statement (TIS-6) to measure the employee's turnover intention level. Then analyzed to find the relationship of the four elements with turnover intent by Pearson's correlation and linear regression to find out if the four elements can predict the employees' turnover intention. The finding of this paper is two out of four elements which are inspirational motivation and idealized influence have a weak correlation with turnover intention and the four elements of transformational leadership cannot predict the employee turnover level. The research found that when segment the employees by age, gender, job position, and job tenure, the result has shown the evidence of different expectation for a leader from different groups.

KEYWORDS: Transformational Leadership / Turnover Intention / SME Thailand

36 Pages

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CHAPTER I

INTRODUCTION

90 percent of startups fail for many reasons. A startup company that this research will use for testing has been a startup for more than five years. The company won the most promising startup in a startup competition in 2012. Leadership is one of the most important element to make a business success. Strong leadership can help the business maximize the effectiveness and efficiency of the employee to fulfill business goals. The topic of which is the best leadership style has always been complex to answer. Many studies have shown the effectiveness of transformational leadership to business. To measure the level of transformational leadership we need to know how the followers feel about their leader. It is complex because it is about measuring the relationship between the leader and the followers. Another element to make the business successful is the employee. Currently, many big businesses are aiming for sustainable business that is to retain employees and consider more about the employees' growth. All employees want to work in an environment where every employee is happy and not frustrated with their work. The leadership of the company is the motivation to light the fire in each individual by being the role model, provide guidance to followers, give the followers challenges and balance followers' individual needs and company needs.

The purpose of this study is to explore the level of transformational leadership of the top leader, chief executive officer of the startup company and the current situation of employee turnover intention to find the relationship of transformational leadership and employee turnover intention and whether we can predict the turnover intention base on how employee, see the top leader. At the end of the study, we will be able to find the relationship of transformational leadership with the employee turnover intention from different groups of ages, genders, job position and job tenure.

CHAPTER II

LITERATURE REVIEW

2.1 Situation Overview

Working in a small company such as startup company is very challenging for the employees. There are pros and cons to this. The company is a startup company, but they have been around for more than six years already since 2012. When I first joined the company in 2015 there were only two founders and three employees here: one worked as customer service, 1 worked as stock and packing, I worked in the IT department. The two founders also work full time here Chief Operation Officer and Chief Executive Officer. In 2015, the founders decided to take the business more seriously and expanded to around 60 employees in 2018. Now we have CEO, COO, and CTO as the top management team. We used to have CMO earlier, he left and was replaced and the person who replaced him left. As we can see on the top management 1 out of 4 left. For the employees' level, the marketing team all left. For even lower level in the organization such as packing, messengers, bar staffs come and go a lot of time. I strongly believe the problem of employee turnover is due to the reason leadership. For this paper purpose, I will find the gap of the transformational leadership to recommend the solution for the employee turnover problem. This section of the study reviews the related articles and studies that relate to the topic of examining the reduction of turnover intention in startup by practice the approach of transformational leadership. The related articles are focusing on leadership in small business, transformational leadership, job satisfaction, and employee turnover.

2.2 Transformational leadership

An approach in leadership theory that changes follower to be aware of the organization objective by shaping individual motivation, morale, and performance. The end goal is to develop followers become leaders. This includes connecting follower's

self-interest and the interest of the whole organization. Leaders need to be a role model, understand the strength and weakness of followers to be able to inspire and challenge followers to take responsibility for their own work. Transformational leadership has four elements (Burns 1978):

1. Idealized Influence - Leader being a role model for high ethical behavior for followers to gain trust and respect.

2. Inspirational Motivation - The leader's vision should inspire and motivate the followers through communication of future goals. This provides energy to the follower to drive forward with their development. The follower will invest more effort in their work and encouraged optimistically positive about their ability.

3. Intellectual Stimulation - The leader challenges the assumption and takes the risk for follower's idea. The leader needs to encourage the followers to have voice and creativity in the organization process. When facing an unexpected situation is the opportunity to learn and figure out the better way.

4. Individualized Consideration - The leader listens to follower's concerns and needs such as supporting, coaching and mentoring. The leader gives empathy, respect and celebrate the contribution from follower so that follower will have aspirations and motivation for self-development.

2.3 Leadership and business profitability

Experience and knowledgeable leader can over the entire business operation. The leader should focus on the organization's vision so business failure does not obstruct the leader achieve success. Small business failures are the cause of leader incompetence of business owner. Leadership has a direct effect on job satisfaction, productivity, and organizational success. The finding in (Valdiserri, G. A. 2009) shows that the employees supported transformational and transactional leadership are effective to achieve profitability and success through employees' job satisfaction and leadership is the key to organizational success. Employee performs better under transformation and transactional leadership, transformational leadership is more effective with a higher score than transactional leadership follows by laissez-faire leadership that has a low relationship to organization success. (Valdiserri, G. A., 2009).

2.4 Startups and mature firms

Both have in common in leadership. Henning Brüggemann found the evidence of entrepreneurs' leadership from both startups and mature firms are pursuing the democratic goal oriented and transformational leadership. Many firms seem to provide employees with choices and flexibility at work. During a project, leaders would let the followers try to handle first and offer help when necessary. (Brüggemann, 2015) Especially when SME firms are in the change in the way a company operates and change in management it is similar to having a startup starts to organize their process. Shahriar Nazari found that in small medium business, entrepreneurs agreed about the importance of recognizing and give personal attention to employees' needs such as providing mentoring, training programs. Leaders need to communicate with employees openly, listen to them and give them the voice in the decision-making process will help the change in management. (Nazari, 2017) The keys to the relationships of leaders and followers are the development of pleasant, open communication, flexible culture with a consistency of training and coaching for employees' opportunities to grow (Tiffany McKinnon- Russell, 2015). The study of Simon Zaech, Urs Baldegger had examined the effect of CEO's behavior on startup performance. The study has found that for leaders, CEOs, founders adopt transformational leadership practice would have a positive effect on startup performance. Transactional and Laissez-faire leadership has a negative relationship with the small startup performance, but positive to larger startup performance. (Zaech, Baldegger 2017)

2.5 Multifactor Leadership Questionnaire (MLQ)

MLQ is the set of questions that link to measure leadership full range includes Laissez-Faire, transactional leadership, and transformational leadership which is developed by Avalio and Bass (1992). MLQ set of questions scale from range 0 - 4 that are "Not at all", "Once in a while", "Sometimes", "Fairly often" and "Frequently". MLQ focus on measuring 7 elements of leadership which are part of transformational leadership, transactional leadership, and laissez-faire leadership:

Element 1 - the score for idealized influence measure the level that the follower believes, respect their leader, and see their leader as the role model. The leader influences the followers' hopes and dreams of their future.

Element 2 - The score for inspirational motivation measures the level of the leader provides an organizational and follower's individual vision to motivate the followers to try hard at work and understand that their work is important to the company business.

Element 3 - the score for intellectual stimulation shows the level to which the leader encourages others to utilize their creativity for solving problems at work. The leader challenges others to have the beliefs and values that are similar to the organization's value.

Element 4 - The score for individualized consideration indicates the degree to which the leader shows his consideration in other's well-being, assign projects individually, and pay attention to those who seem less involved in the team to bring out the best of that individual.

Element 5 - The score for contingent reward shows the level to which the leader tells others what to do in order to be rewarded, let them know what he expects from their work. The leader will recognize his follower for their achievements in front of others.

Element 6 - The score for management by exceptions assesses whether the leader tells others about their job requirement clearly and show them the expected standard.

Element 7 - The score for laissez-faire measures whether the leaders shows only little requirement and let others do their own thing to solve his problem.

2.6 Turnover intention

Turnover intention is when the employees are not satisfied with their job and organization has no trust in the employees will result in the employees leaving the organization and their time working in the organization low (Saeed, Waseem, Sikander, Rizwan 2014). There are two types of turnover intention: voluntary and involuntary. Involuntary turnover intention is when the manager asks the employee to leave.

Voluntary turnover is when the employee wants to leave by himself (Saeed, Waseem, Sikander, Rizwan 2014). Turnover has always been problems with many organizations. The study of turnover intention connection with transformational leadership is a negative relation. When the leaders at a workplace are practicing transformational leadership, there is the lower turnover rate. The study of Janelle E. Wells, Jon Welty Peachey find the same result as Exit-voice theory, which the employees express, their dissatisfaction with workplace to their supervisor or choose to leave. In the transformational leadership practice, the leader encourage the followers to voice their view and concerns therefore the problem of employee turnover will be lesser (Wells, Peachey 2011) In 2014, the study of Iqra Saeed, Momina Waseem, Sidra Sikander, Muhammad Rizwan found the negative impact of job performance, job satisfaction, leader relationship on turnover intention. When the performance does not get better, it will lead to the increment of employees wanting to quit and the better job satisfaction will lower the chance of quitting intention. Better communication and high information exchange generate a loyal relationship with leader and follower will result in lower turnover intention (Saeed, Waseem, Sikander, Rizwan 2014). Emotional intelligence is awareness, control of own, and other's emotions. The relationship between emotional intelligence and turnover intention is difficult to find since people are hiding their true feeling (Saeed, Waseem, Sikander, Rizwan 2014).

2.7 Turnover intention statement

Turnover Intention Statement (TIS-6) is the measurement that was adapted by Roodt G. in the year 2004 from his 15 questions to measure the scale of employee intention to stay or to leave the company. (Giffen, 2015) The questions are answered by picking a level of frequency from never to always to the question about if the employee wants to find another job, they will accept another offer if there is, if they look forward to another day at work.

2.8 Research Question

Does turnover intention of the company depend on the transformational leadership of the current CEO? How does the current leadership stand on the scale of four elements of transformational leadership? Can we predict the level turnover intention of the employee base on how he values each element of transformational leadership of the CEO in a small startup?



CHAPTER III

RESEARCH METHODOLOGY

Total of 22 questionnaires was collected through offline distribution 4 questions about demographics, 12 questions about 4 elements of transformational leadership and 6 questions about the employee's turnover intention. This research is conducted with the purpose of testing the relationship between transformational leadership with employee's turnover intention and test if the employees' point of view on four transformational leadership of the top leader can predict the employee turnover intention level. The research will analyze the collected questionnaires survey answer from all employees at a small start-up company. The current positions are 4 managers, 6 team leaders and 30 employees will be taking part in the survey. All answer will be anonymous. The survey is divided into three parts which are demographic, the Multifactor Leadership Questionnaire form 6S (MLQ-6) and Turnover Intention Statement (TIS-6). There are three parts will be tested. First part is testing the correlation between the transformational leadership and separate four elements of transformational leadership to employee turnover intention. The second part will be finding the coefficient of correlation of regression linear of the impact of each transformational leadership.

3.1 Framework

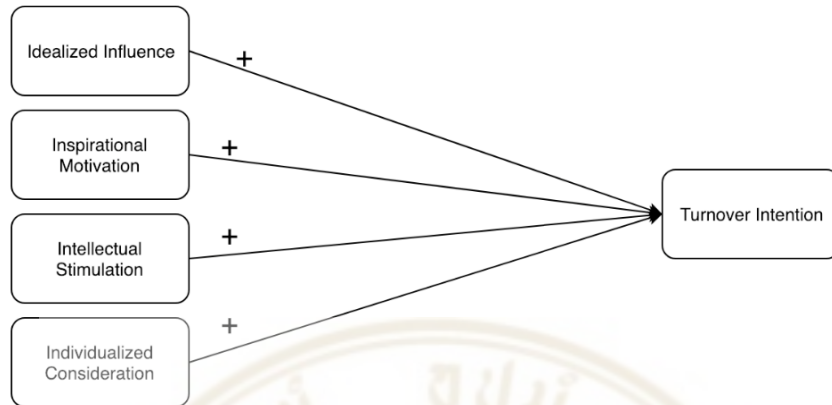


Figure 3.1 Framework

I used only the transformational part of MLQ-6S which will measure the four elements which are idealized influence, inspirational motivation, intellectual stimulation and individual consideration of transformational leadership. Each element will be measured by adding points of the related question together. TIS-6 was used to measure the level of turnover intention by adding points from 6 questions together. After calculating all of the above, first part will use each transformational leadership elements and the average employee's sum of total transformation leader to find the correlation with the score of turnover intention using Correlation calculation.

3.2 Hypotheses

After calculating all of the above, first part will use each transformational leadership elements and the average employee's sum of total transformation leader to find the correlation with the score of turnover intention using Correlation calculation.

H1: Idealized influence has a negative correlation with turnover intention.

H2: Inspirational motivation has a negative correlation with turnover intention.

H3: Intellectual stimulation has a negative correlation with turnover intention.

H4: Individualized consideration has a negative correlation with turnover intention.

The second part will test the coefficient of correlation method will be used to explore the current expectation of leadership in the company to rank the most important to the least important element of transformational leadership. The coefficient of correlation indicates the relationship between the dependent variable, which is the turnover intention, and independent variables to predict are the four elements of transformational leadership. From the ranking, I will focus on giving recommendation accordingly.

H5: The four elements of transformational leadership can predict the turnover intention.

The third part will test the correlation of four elements of transformational leadership to the turnover intention of the employees grouping by age, gender, job position level and job tenure for further understanding of each employee group point of view on the top leader would affect their turnover intention.

H6: Idealized influence has a negative correlation with turnover intention in employee group of age 20 to 29.

H7: Inspirational motivation has a negative correlation with turnover intention in employee group of age 20 to 29.

H8: Intellectual stimulation has a negative correlation with turnover intention in employee group of age 20 to 29.

H9: Individualized consideration has a negative correlation with turnover intention in employee group of age 20 to 29.

H10: Idealized influence has a negative correlation with turnover intention in employee group of age 30 to 39.

H11: Inspirational motivation has a negative correlation with turnover intention in employee group of age 30 to 39.

H12: Intellectual stimulation has a negative correlation with turnover intention in employee group of age 30 to 39.

H13: Individualized consideration has a negative correlation with turnover intention in employee group of age 30 to 39.

H14: Idealized influence has a negative correlation with turnover intention in male employees.

H15: Inspirational motivation has a negative correlation with turnover intention in male employees.

H16: Intellectual stimulation has a negative correlation with turnover intention in male employees.

H17: Individualized consideration has a negative correlation with turnover intention in male employees.

H18: Idealized influence has a negative correlation with turnover intention in female employees.

H19: Inspirational motivation has a negative correlation with turnover intention in female employees.

H20: Intellectual stimulation has a negative correlation with turnover intention in female employees.

H21: Individualized consideration has a negative correlation with turnover intention in female employees.

H22: Idealized influence has a negative correlation with turnover intention in employee group of team lead and manager.

H23: Inspirational motivation has a negative correlation with turnover intention in employee group of team lead and manager.

H24: Intellectual stimulation has a negative correlation with turnover intention in employee group of team lead and manager.

H25: Individualized consideration has a negative correlation with turnover intention in employee group of team lead and manager.

H26: Idealized influence has a negative correlation with turnover intention in employee group of normal employee.

H27: Inspirational motivation has a negative correlation with turnover intention in employee group of normal employee.

H28: Intellectual stimulation has a negative correlation with turnover intention in employee group of normal employee.

H29: Individualized consideration has a negative correlation with turnover intention in employee group of normal employees.

H30: Idealized influence has a negative correlation with turnover intention in employees that have job tenure of less than 1 year.

H31: Inspirational motivation has a negative correlation with turnover intention in employees that have job tenure of less than 1 year.

H32: Intellectual stimulation has a negative correlation with turnover intention in employees that have job tenure of less than 1 year.

H33: Individualized consideration has a negative correlation with turnover intention in employees that have job tenure of less than 1 year.

H34: Idealized influence has a negative correlation with turnover intention in employees that have job tenure of 1 to 2 years.

H35: Inspirational motivation has a negative correlation with turnover intention in employees that have job tenure of 1 to 2 years.

H36: Intellectual stimulation has a negative correlation with turnover intention in employees that have job tenure of 1 to 2 years.

H37: Individualized consideration has a negative correlation with turnover intention in employees that have job tenure of 1 to 2 years.

H38: Idealized influence has a negative correlation with turnover intention in employees that have job tenure of 3 to 4 years.

H39: Inspirational motivation has a negative correlation with turnover intention in employees that have job tenure of 3 to 4 years.

H40: Intellectual stimulation has a negative correlation with turnover intention in employees that have job tenure of 3 to 4 years.

H41: Individualized consideration has a negative correlation with turnover intention in employees that have job tenure of 3 to 4 years.

In the hypothesis testing, a probability value (p-value) must be considered to accept or reject the hypothesis. The p-value needs to be lower than 0.05 for the research to be accepted as significant.

CHAPTER IV

FINDINGS AND DATA ANALYSIS

4.1 Demographic analysis

Table 4.1 Survey respondents' demographic

		Frequency	Percentage
Age			
	20-29	34	72.34%
	30-39	12	25.53%
	40+	1	2.13%
Gender			
	Male	26	55.32%
	Female	21	44.68%
Position Level			
	Manager	3	6.38%
	Team Lead	6	12.77%
	Employee	38	80.85%
Job Tenure			
	Less than 1 year	21	44.68%
	1-2 years	13	27.66%
	3-4 years	12	25.53%
	4 year+	1	2.13%

The survey was about employees' point of view of the Chief Executive Officer of the company and their turnover intention related questions. Total of 47 employees were asked to do the survey. 26 females and 21 males 38 normal employees,

6 team leaders and 3 managers from different marketing, IT, accounting, bar staff and operation team.

4.2 Results score for Idealized Influence, Inspirational Motivation, Individualized Consideration, Intellectual Stimulation, and Turnover Intention

Table 4.2 The average score from all employees

Variable	Average Score (0-4)
Idealized Influence	2.36
Inspirational Motivation	2.30
Intellectual Simulation	2.05
Individualized Consideration	2.06
Turnover Intention	2.01

The average score for transformational leadership elements between 2.05 to 2.36, it is at a medium level of transformational leadership. The turnover intention score is 2.01 is also at a medium level.

Table 4.3 The frequency of Idealized Influence result

Value	Frequency	Percentage
Low	6	12.77%
Medium	24	51.06%
High	17	36.17%

The result shows that 36.17% of employees believe that the CEO has high idealized influence element in his leadership, 51.06% of the employees do not seem much of his idealized influence and 12.77% thinks that he does not have idealized influence at all.

Table 4.4 The frequency of Inspirational Motivation result

Value	Frequency	Percentage
Low	5	10.64%
Medium	29	61.70%
High	13	27.66%

The result shows that 27.66% of employees believe that the CEO has high inspirational motivation element in his leadership, 61.7% of the employees do not seem much of his inspirational motivation and 10.64% thinks that he does not have inspirational motivation at all.

Table 4.5 The frequency of Intellectual Stimulation result

Value	Frequency	Percentage
Low	6	12.77%
Medium	30	63.83%
High	11	23.40%

The result shows that 23.4% of employees believe that the CEO has high intellectual stimulation element in his leadership, 63.83% of the employees do not seem much of his intellectual stimulation and 12.77% thinks that he does not have intellectual stimulation at all.

Table 4.6 The frequency of Individualized Consideration result

Value	Frequency	Percentage
Low	8	17.02%
Medium	28	59.57%
High	11	23.40%

The result shows that 23.4% of employees believe that the CEO has high individualized consideration element in his leadership, 59.57% of the employees do not

seem much of his individualized consideration and 17.02% thinks that he does not have individualized consideration at all.

Table 4.7 The frequency of Turnover Intention

Value	Frequency	Percentage
Low	6	12.77%
Medium	37	78.72%
High	4	8.51%

From the result, employees' turnover intention is not very high. 78% of the employees have a medium intention, 12.77% of the employees have a low intention and 8.51% have high intention to leave.

4.3 Pearson Correlation and Regression linear

Table 4.8 The Pearson Correlation of four transformational leadership elements to turnover intention of all employees

All Employees		Turnover Intention
Idealized Influence	Pearson Correlation	-0.38
	Sig. (2-tailed)	0.009
	N	47
Inspirational Motivation	Pearson Correlation	-0.41
	Sig. (2-tailed)	0.004
	N	47

Table 4.8 The Pearson Correlation of four transformational leadership elements to turnover intention of all employees (cont.)

All Employees		Turnover Intention
Intellectual Stimulation	Pearson Correlation	-0.22
	Sig. (2-tailed)	0.147
	N	47
Individualized Consideration	Pearson Correlation	-0.27
	Sig. (2-tailed)	0.064
	N	47

From table 8, the result shows that all four elements have a negative correlation to the higher the score of transformational leadership elements, the lower the score of employee turnover intention.

H1: Idealized Influence has a negative correlation with turnover intention. Significant for H1 is 0.009, we can accept H1.

H2: Inspirational Motivation has a negative correlation with turnover intention. Significant for H2 is 0.004, we can accept H2.

H3: Intellectual Stimulation has a negative correlation with turnover intention. Significant for H3 is 0.147, H3 is rejected.

H4: Individualized Consideration has a negative correlation with turnover intention. Significant for H4 is 0.064 and very close to 0.05, but H4 is rejected.

Inspirational motivation Pearson correlation with turnover intention is -0.41, idealized influence Pearson correlation with turnover intention is -0.38. The value of correlation is between 1 and -1, thus that the score for inspirational motivation and idealized influence Pearson correlation with turnover intention is a low negative correlation.

Table 4.9 Result for regression linear of transformational leadership elements and turnover intention

Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.48	0.23	0.16	0.59

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.39	4	1.1	3.2	0.022
Residual	14.39	42	0.34		
Total	18.78	46			

Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	2.8	0.26	0	10.67	0
Idealized Influence	-0.33	0.19	-0.47	-1.78	0.082
Inspirational Motivation	-0.25	0.16	-0.34	-1.58	0.122
Intellectual Stimulation	0.31	0.18	0.45	1.72	0.093
Individualized Consideration	-0.04	0.13	-0.05	-0.3	0.767

The regression linear result is showing that all transformational leadership elements have a negative impact on turnover intention except intellectual stimulation. The regression linear adjusted R square shows are 0.16 that turnover intention has 16% which can be explained by four elements of transformational leadership. The coefficients significance is Idealized Influence 0.082, Inspirational Motivation 0.122, Intellectual Stimulation 0.093, Individualized Consideration 0.767. All coefficients significant are more than 0.05, therefore we found no significant from the data that prove

the four elements of transformational leadership can predict the turnover intention. H5 is rejected.

Table 4.10 Pearson Correlation of four transformational leadership elements to the turnover intention of employees age 20 to 29

Age 20-29		Turnover Intention
Idealized Influence	Pearson Correlation	-0.33
	Sig. (2-tailed)	0.057
	N	34
Inspirational Motivation	Pearson Correlation	-0.31
	Sig. (2-tailed)	0.073
	N	34
Intellectual Stimulation	Pearson Correlation	-0.20
	Sig. (2-tailed)	0.252
	N	34
Individualized Consideration	Pearson Correlation	-0.05
	Sig. (2-tailed)	0.790
	N	34

H6: Idealized influence has a negative correlation with turnover intention in employee group of age 20 to 29 is not significant since the p-value is $0.057 > 0.05$ there for H6 is rejected.

H7: Inspirational motivation has a negative correlation with turnover intention in employee group of age 20 to 29 is not significant since the p-value is $0.073 > 0.05$ there for H7 is rejected.

H8: Intellectual stimulation has a negative correlation with turnover intention in employee group of age 20 to 29 is not significant since the p-value is $0.252 > 0.05$ there for H8 is rejected.

H9: Individualized consideration has a negative correlation with turnover intention in employee group of age 20 to 29 is not significant since the p-value is 0.790 > 0.05 there for H9 is rejected.

There is no proof that shown the for elements of transformational leadership that has correlation with the turnover intention of employee age from 20 to 29 years old.

Table 4.11 Pearson Correlation of four transformational leadership elements to the turnover intention of employees age 30 to 39

Age 30-39		Turnover Intention
Idealized Influence	Pearson Correlation	-0.51
	Sig. (2-tailed)	0.088
	N	12
Inspirational Motivation	Pearson Correlation	-0.65
	Sig. (2-tailed)	0.230
	N	12
Intellectual Stimulation	Pearson Correlation	-0.39
	Sig. (2-tailed)	0.215
	N	12
Individualized Consideration	Pearson Correlation	-0.76
	Sig. (2-tailed)	0.004
	N	12

H10: Idealized influence has a negative correlation with turnover intention in employee group of age 30 to 39 is not significant since the p-value is 0.088 > 0.05 there for H10 is rejected.

H11: Inspirational motivation has a negative correlation with turnover intention in employee group of age 30 to 39 is significant since the p-value is 0.023 < 0.05 there for H11 is accepted.

H12: Intellectual stimulation has a negative correlation with turnover intention in employee group of age 30 to 39 is not significant since the p-value is 0.215 > 0.05 there for H12 is rejected.

H13: Individualized consideration has a negative correlation with turnover intention in employee group of age 30 to 39 is significant since the p-value is 0.004 < 0.05 there for H13 is accepted.

The employee group age from 30 to 39 years old shown that the idealized influence has a negatively moderate correlation with employee turnover intention where R value is -0.51 and individual consideration has a negatively strong correlation with employee turnover intention where R value is -0.76.

Table 4.12 Pearson Correlation of four transformational leadership elements to the turnover intention of male employees

Male		Turnover Intention
Idealized Influence	Pearson Correlation	-0.36
	Sig. (2-tailed)	0.074
	N	26
Inspirational Motivation	Pearson Correlation	-0.40
	Sig. (2-tailed)	0.043
	N	26
Intellectual Stimulation	Pearson Correlation	-0.18
	Sig. (2-tailed)	0.375
	N	26
Individualized Consideration	Pearson Correlation	-0.07
	Sig. (2-tailed)	0.731
	N	26

H14: Idealized influence has a negative correlation with turnover intention in male employees is not significant since the p-value is $0.074 > 0.05$ there for H14 is rejected.

H15: Inspirational motivation has a negative correlation with turnover intention in male employees is significant since the p-value is $0.043 < 0.05$ there for H15 is accepted.

H16: Intellectual stimulation has a negative correlation with turnover intention in male employees is not significant since the p-value is $0.375 > 0.05$ there for H16 is rejected.

H17: Individualized consideration has a negative correlation with turnover intention in male employees is not significant since the p-value is $0.731 > 0.05$ there for H17 is rejected.

The male employee group result has shown that inspirational motivation has a negatively weak correlation with employee turnover intention where the R value is -0.40.

Table 4.13 Pearson Correlation of four transformational leadership elements to the turnover intention of female employees

Female		Turnover Intention
Idealized Influence	Pearson Correlation	-0.40
	Sig. (2-tailed)	0.710
	N	21
Inspirational Motivation	Pearson Correlation	-0.42
	Sig. (2-tailed)	0.570
	N	21
Intellectual Stimulation	Pearson Correlation	-0.30
	Sig. (2-tailed)	0.181
	N	21

Table 4.13 Pearson Correlation of four transformational leadership elements to the turnover intention of female employees (cont.)

Female		Turnover Intention
Individualized Consideration	Pearson Correlation	-0.52
	Sig. (2-tailed)	0.016
	N	21

H18: Idealized influence has a negative correlation with turnover intention in female employees is not significant since the p-value is $0.071 > 0.05$ there for H18 is rejected.

H19: Inspirational motivation has a negative correlation with turnover intention in female employees is not significant since the p-value is $0.057 > 0.05$ there for H19 is rejected.

H20: Intellectual stimulation has a negative correlation with turnover intention in female employees is not significant since the p-value is $0.181 > 0.05$ there for H20 is rejected.

H21: Individualized consideration has a negative correlation with turnover intention in female employees is significant since the p-value is $0.016 < 0.05$ there for H21 is accepted.

The female employee group result has shown that inspirational motivation has a negatively moderate correlation with employee turnover intention where the R value is -0.52.

Table 4.14 Pearson Correlation of four transformational leadership elements to the turnover intention of team leads and managers

Team Leads and Managers		Turnover Intention
Idealized Influence	Pearson Correlation	-0.79
	Sig. (2-tailed)	0.012
	N	9

Table 4.14 Pearson Correlation of four transformational leadership elements to the turnover intention of team leads and managers (cont.)

Team Leads and Managers		Turnover Intention
Inspirational Motivation	Pearson Correlation	-0.37
	Sig. (2-tailed)	0.333
	N	9
Intellectual Stimulation	Pearson Correlation	-0.49
	Sig. (2-tailed)	0.185
	N	9
Individualized Consideration	Pearson Correlation	-0.41
	Sig. (2-tailed)	0.272
	N	9

H22: Idealized influence has a negative correlation with turnover intention in employee group of team lead and manager is significant since the p-value is $0.012 < 0.05$ there for H22 is accepted.

H23: Inspirational motivation has a negative correlation with turnover intention in employee group of team lead and manager is not significant since the p-value is $0.333 > 0.05$ there for H23 is rejected.

H24: Intellectual stimulation has a negative correlation with turnover intention in employee group of team lead and manager is not significant since the p-value is $0.185 > 0.05$ there for H24 is rejected.

H25: Individualized consideration has a negative correlation with turnover intention in employee group of team lead and manager is not significant since the p-value is $0.272 > 0.05$ there for H25 is rejected.

The team leads and managers group has shown that the idealized influence has a negatively strong correlation with employee turnover intention where R value is 0.79.

Table 4.15 Pearson Correlation of four transformational leadership elements to the turnover intention of normal employees

Normal Employees		Turnover Intention
Idealized Influence	Pearson Correlation	-0.27
	Sig. (2-tailed)	0.097
	N	38
Inspirational Motivation	Pearson Correlation	-0.41
	Sig. (2-tailed)	0.010
	N	38
Intellectual Stimulation	Pearson Correlation	-0.16
	Sig. (2-tailed)	0.334
	N	38
Individualized Consideration	Pearson Correlation	-0.25
	Sig. (2-tailed)	0.125
	N	38

H26: Idealized influence has a negative correlation with turnover intention in employee group of normal employee is not significant since the p-value is $0.097 > 0.05$ there for H26 is rejected.

H27: Inspirational motivation has a negative correlation with turnover intention in employee group of normal employee is not significant since the p-value is $0.010 < 0.05$ there for H20 is accepted.

H28: Intellectual stimulation has a negative correlation with turnover intention in employee group of normal employee is not significant since the p-value is $0.334 > 0.05$ there for H28 is rejected.

H29: Individualized consideration has a negative correlation with turnover intention in employee group of normal employee is not significant since the p-value is $0.125 > 0.05$ there for H29 is rejected.

The normal employee group has shown that the inspirational motivation has a negatively weak correlation with employee turnover intention where R value is -0.41.

Table 4.16 Pearson Correlation of four transformational leadership elements to the turnover intention of employees who worked less than 1 year

Less than 1 year		Turnover Intention
Idealized Influence	Pearson Correlation	-0.33
	Sig. (2-tailed)	0.146
	N	21
Inspirational Motivation	Pearson Correlation	-0.39
	Sig. (2-tailed)	0.085
	N	21
Intellectual Stimulation	Pearson Correlation	-0.15
	Sig. (2-tailed)	0.517
	N	21
Individualized Consideration	Pearson Correlation	-0.07
	Sig. (2-tailed)	0.767
	N	21

H30: Idealized influence has a negative correlation with turnover intention in employees that have job tenure of less than 1 year is not significant since the p-value is $0.146 > 0.05$ there for H30 is rejected.

H31: Inspirational motivation has a negative correlation with turnover intention in employees that have job tenure of less than 1 year is not significant since the p-value is $0.085 > 0.05$ there for H31 is rejected.

H32: Intellectual stimulation has a negative correlation with turnover intention in employees that have job tenure of less than 1 year is not significant since the p-value is $0.517 > 0.05$ there for H32 is rejected.

H33: Individualized consideration has a negative correlation with turnover intention in employees that have job tenure of less than 1 year is not significant since the p-value is $0.767 > 0.05$ there for H33 is rejected.

There is no proof that shown that for elements of transformational leadership that has correlation with the turnover intention of employee job tenure less than 1 year.

Table 4.17 Pearson Correlation of four transformational leadership elements to the turnover intention of employees who worked 1 - 2 years

1-2 years		Turnover Intention
Idealized Influence	Pearson Correlation	-0.43
	Sig. (2-tailed)	0.139
	N	13
Inspirational Motivation	Pearson Correlation	-0.61
	Sig. (2-tailed)	0.026
	N	13
Intellectual Stimulation	Pearson Correlation	-0.11
	Sig. (2-tailed)	0.726
	N	13
Individualized Consideration	Pearson Correlation	-0.40
	Sig. (2-tailed)	0.176
	N	13

H34: Idealized influence has a negative correlation with turnover intention in employees that have job tenure of 1 to 2 years is not significant since the p-value is $0.139 > 0.05$ there for H34 is rejected.

H35: Inspirational motivation has a negative correlation with turnover intention in employees that have job tenure of 1 to 2 years is significant since the p-value is $0.026 < 0.05$ there for H35 is accepted.

H36: Intellectual stimulation has a negative correlation with turnover intention in employees that have job tenure of 1 to 2 years is not significant since the p-value is $0.726 > 0.05$ there for H36 is rejected.

H37: Individualized consideration has a negative correlation with turnover intention in employees that have job tenure of 1 to 2 years is not significant since the p-value is $0.176 > 0.05$ there for H37 is rejected.

The employee tenure from 1 to 2 years has shown that there is a negatively moderate correlation between inspirational motivation with the employee turnover intention where R value is -0.61.

Table 4.18 Pearson Correlation of four transformational leadership elements to the turnover intention of employees who worked 3 - 4 years

3-4 years		Turnover Intention
Idealized Influence	Pearson Correlation	-0.42
	Sig. (2-tailed)	0.171
	N	12
Inspirational Motivation	Pearson Correlation	-0.42
	Sig. (2-tailed)	0.172
	N	12
Intellectual Stimulation	Pearson Correlation	-0.35
	Sig. (2-tailed)	0.266
	N	12

Table 4.18 Pearson Correlation of four transformational leadership elements to the turnover intention of employees who worked 3 - 4 years (cont.)

3-4 years		Turnover Intention
Individualized Consideration	Pearson Correlation	-0.45
	Sig. (2-tailed)	0.144
	N	12

H38: Idealized influence has a negative correlation with turnover intention in employees that have job tenure of 3 to 4 years is not significant since the p-value is $0.171 > 0.05$ there for H38 is rejected.

H39: Inspirational motivation has a negative correlation with turnover intention in employees that have job tenure of 3 to 4 years is not significant since the p-value is $0.172 > 0.05$ there for H39 is rejected.

H40: Intellectual stimulation has a negative correlation with turnover intention in employees that have job tenure of 3 to 4 years is not significant since the p-value is $0.266 > 0.05$ there for H40 is rejected.

H41: Individualized consideration has a negative correlation with turnover intention in employees that have job tenure of 3 to 4 years is not significant since the p-value is $0.144 > 0.05$ there for H41 is rejected.

There is no proof that shown the for elements of transformational leadership that has correlation with the turnover intention of employee job tenure of 3 to 4 years.

4.4 Discussion

From the result above, inspirational motivation and idealized influence are that have a significant correlation with turnover intention in the finding of all employees. The findings show that the correlation of inspirational motivation and idealized influence has a low negative correlation with turnover intention. The regression linear result shows that we cannot explain the turnover intention by four elements of transformational leadership. After grouping employees by age, gender, job position and

job tenure, the result was able to find some interesting different expectation of the leadership base on the groups. For grouping by age, there are group 20 to 29 years old and group 30 to 39 years old. There is no significant correlation of four elements of transformational leadership with employee turnover because at this age employees are more into finding good income so the factors, which could affect the employees' turnover intention, would be more about transactional leadership. The employee group of age 30 to 39 years old shown the significant correlation of inspirational motivation and individual consideration with the employee turnover intention. It seem like the employees of age 30 to 39 years old wants to understand the mission and vision of the company more to get motivated in the work they put it because they are at the age of getting settled down building their own family. They also would like to see the top leader care more about them, pay more attention to their work help them to be important part of the company. For grouping by gender, there is correlation found in male employees that expect the leader to have inspirational motivation and female employees expect the leader to have individual consideration. For grouping by position level, there is significant in correlation between idealized influence and employee turnover intention for group of team leads and managers because at the higher level, employees want to have good company which as role model CEO. There is significant correlation between inspirational motivation with employee turnover intention for the normal employee group because as the frontline people wants to have more motivation to create good products and services. For grouping by job tenure, there is significant correlation of inspirational motivation with employee turnover intention for group job tenure of 1 to 2 years. The group of employee with job tenure less than 1 year has no correlation between four elements of transformational leadership with employee turnover intention because at this stage most of the employees try to adapt themselves to the team and looking for good payment from the company. The group of employee with job tenure 3 to 4 years has no correlation between four elements of transformational leadership with employee turnover intention because these employees already accept the company condition and willing to stay in their comfort zone. For the explanation of unclear and insignificant result of most part, many other factors lead to turnover intention such as the employees' development, transactional leadership, job satisfaction. The survey was conducted in a startup company around 50 employees which leads to the survey was not able to segment

out the positions of the employees to find out the different correlation of transformational leadership four elements with turnover intention in different levels such as managers, team leaders, and employees. The result of the Intellectual Stimulation element is not significant, the reason may lie on the age of the company is only a startup, therefore employees are willing to work and stay in the company because of the transactional leadership rather than transformational leadership because they would like to know about the clear process and work only in their own scope.



CHAPTER V

RECOMMENDATIONS AND CONCLUSION

5.1 Recommendation to the company

There is a weak correlation between inspirational motivation and idealized influence with turnover intention. The research grouped employees by age, gender, job position, and job tenure to find out the differences between the groups' expectation of a leader. The finding for grouping found evidence of the age 30 to 39 group expect leaders to have the inspirational motivation and individual consideration value. Group male employees expect leaders to have inspirational motivation value and group female employees expects leaders to have individual consideration value. Group team leads and managers expect leaders to have idealized influence value and group normal employees expects leaders to have inspirational motivation value. Group of employees who worked 1 to 2 years expects the leaders to have inspirational motivation value. The average score from all employee is a moderate score for all four elements of leadership, but the turnover intention is also moderate. The recommendation below is suitable for SME and startup, which has the problem of employee turnover. Transformational leadership practice is encouraged, especially inspirational motivation, individualized consideration, and idealized influence. I would suggest the company leaders consider more in inspiring the employees to make them more motivated in their work by talking to the employees more often to make sure that they understand the vision and mission of the company. More company meetings are needed to communicate new plans, strategies with employees. Make employees more concern about the company's situation by collect feedbacks from employees to motivate them to be part of the company decision. All employees need to understand the leaders' vision and mission of the company to work in the direction that the top management desire. Organize and develop key point indicators (KPIs) most suitable for the vision and mission. All information about KPIs needs to be transparent so that the employees are on track and able to adjust according to the KPI results that they see about their performance. This

would help increase the inspirational motivation. For idealized influence, leaders need to meet other departments' employees and get to know them well so they will understand and respect the top leaders more. Communication and publish internal news about company achievements to show the effectiveness of the strategy that the top leader planned for the company. The employees need to know and understand more about the leaders' action. For individual consideration, the company should have a way to communicate with employees such as having feedback box and human resource management department.

5.2 Conclusion

The research has found the weak correlation of inspirational motivation and idealized influence with the turnover intention for overall employees. Using transformational leadership four elements of the CEO to predict the employees' turnover intention is not significant. The research found that when segment the employees by age, gender, job position, and job tenure, the result has shown the evidence of different expectation for a leader from different groups. For future study, it would be better to collect a survey of the employees' view on their closest leader in Thailand because all of the time that employees do not interact with CEO even in SME. We need to consider more other types of leadership such as transactional leadership and laissez-faire leadership can influence the turnover intention more than the transformational leadership style.

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