

CHAPTER 2: LITERATURE REVIEW

Zimbabwe's manufacturing industry constitutes a cornerstone of the national economy, serving as both a generator of employment and a substantive contributor to GDP. Within this sector, employee retention emerges as a critical organisational priority, given that elevated turnover rates precipitate financial burdens, disrupt continuity of operations, and undermine organisational performance. Transformational leadership—distinguished by visionary, inspirational, and supportive behaviours—has increasingly been advanced as a leadership paradigm capable of addressing retention challenges. This chapter surveys the corpus of scholarship on the interplay between transformational leadership and employee retention, with specific reference to Zimbabwe's manufacturing sector.

A literature review, as articulated in methodological texts, entails a systematic evaluation, integration, and synthesis of existing scholarly contributions pertinent to a given research problem (Smith, 2018; Jones & Brown, 2020). Its objective is to identify key themes, theoretical frameworks, methodological approaches, and empirical findings relevant to the subject matter, whilst simultaneously exposing lacunae warranting further investigation (Anderson, 2021; Miller, 2019). For the present study, sources were drawn primarily from electronic repositories such as Google Scholar, PubMed, JSTOR, and EBSCO, using search terms including *transformational leadership*, *employee retention*, *manufacturing sector*, and *Zimbabwe*. Priority was accorded to studies published between 2018 and 2022, supplemented through snowballing techniques to capture seminal contributions cited within the reviewed works.

Transformational leadership has been conceptualised as a leadership orientation capable of engendering fundamental change in individuals

and organisational systems (Dechawatanapaisal, 2018). It is premised on the transformation of followers into emergent leaders by stimulating their intrinsic motivation, elevating morale, and catalysing performance. Mechanisms through which this occurs include linking followers' personal identities to the mission of the organisation, modelling behaviours that inspire emulation, encouraging ownership of tasks, and aligning responsibilities with individual strengths (Sharma & Dhar, 2015). The framework is operationalised through four dimensions: idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration (Chew & Wong, 2018).

Employee retention constitutes a pivotal marker of organisational resilience, reflecting an institution's capacity to sustain a motivated and committed workforce (Carter *et al.*, 2019). Attrition extends beyond operational disruption to encompass tangible financial repercussions, such as recruitment expenditure, productivity losses, and the erosion of institutional knowledge. Scholarly inquiry has thus foregrounded the economic rationale for retention, emphasising that investments in retention initiatives yield returns that outweigh the costs associated with turnover (Carter *et al.*, 2019). The determinants of retention are multifaceted, spanning demographic variables such as age, education, experience, and gender (Deshwal, 2015), as well as interpersonal and organisational factors.

Peer support has been identified as a significant determinant of retention, with strong collegial relations fostering loyalty and commitment (Ali *et al.*, 2017). Similarly, recruitment and selection practices influence retention by shaping employees' initial perceptions of organisational culture and job expectations (Olendo & Muindi, 2017). Retention is also mediated by organisational culture, recognition schemes, work-life balance initiatives, and opportunities for professional growth. Recognition of employee contributions, coupled with sustained training and development, enhances satisfaction and

commitment, thereby embedding employees within the organisational fabric (Olendo & Muindi, 2017).

Leadership is widely recognised as a central determinant of retention outcomes. Transformational leadership in particular has been shown to exert direct and indirect effects on employee retention, not only through role modelling and inspiration but also by shaping organisational culture, enhancing motivation, and increasing job satisfaction (Amankwaa & Anku-Tsedee, 2015; Khan, 2015; Nohe & Hertel, 2017). Bass and Riggio's (2006) Transformational Leadership Theory provides the principal theoretical foundation, positing that transformational leaders mobilise vision, charisma, and intellectual stimulation to inspire their followers. Complementary theoretical perspectives include Social Exchange Theory (SET), which emphasises reciprocity in employer-employee relations, and Expectancy Theory, which explains motivation through the perceived relationship between effort, performance, and rewards (Vroom, 1964).

According to SET, relationships are sustained by a perceived equilibrium of benefits, with trust and reciprocity underpinning long-term commitment (Thibaut & Kelley, 1959; Sun & Wang, 2017). Employees who perceive organisational support and fair exchange are more likely to reciprocate through loyalty, effort, and reduced turnover intentions (Shah & Asad, 2018). The framework emphasises mutual accountability and fairness, establishing a moral basis for retention. Job embeddedness has similarly been associated with lower turnover intentions, reflecting the role of psychological fields in binding individuals to organisations (Lewin, 2016; Peltokorpi, Allen & Froese, 2019).

Expectancy Theory (Vroom, 1964) further illuminates the motivational pathways through which transformational leadership may enhance

retention. The *effort–performance expectancy* dimension posits that employees are motivated when they believe their exertion will yield improved performance, particularly under supportive and empowering leadership. The *performance–reward expectancy* dimension highlights the role of tangible or intangible rewards in sustaining commitment, while *valence* underscores the subjective importance employees attach to these rewards (Eisenbeiss, Knippenberg & Boerner, 2018). Transformational leadership strengthens all three components by cultivating meaningful work, rewarding performance, and creating a supportive environment that elevates the perceived value of continued organisational membership.

Existing frameworks, such as Bass and Avolio's (1994) Full Range Leadership Model, provide an integrated conceptualisation of leadership styles, of which transformational leadership is the most influential in enhancing retention. Empirical evidence corroborates the claim that transformational behaviours are negatively correlated with turnover intentions (Alatawi, 2017). Studies further demonstrate that transformational leadership improves productivity, morale, and satisfaction, thereby embedding employees within organisations (Vinno, 2020; Breevaart & Zacher, 2019).

The four behavioural dimensions of transformational leadership are consistently emphasised in the literature (Bass & Riggio, 2006). *Idealised influence* fosters trust and respect by encouraging followers to emulate leaders' values; *inspirational motivation* instils a collective vision; *intellectual stimulation* challenges followers to innovate and problem-solve creatively; and *individualised consideration* reflects empathy through mentoring and tailored support. Together, these dimensions create a work climate conducive to retention by aligning individual aspirations with organisational objectives (Rothfelder, 2021; Gao, 2020).

Transformational leaders therefore not only elevate individual performance but also generate collective commitment to organisational vision. They act as reservoirs of positive emotion, promoting enthusiasm, resilience, and loyalty (Venera, 2019). Companies that empower employees through such leadership practices experience stronger organisational attachment and, by extension, greater stability in employee retention (Anderson & Huang, 2018).

Han *et al.* (2016) emphasise that empowering employees requires transparency in sharing organisational performance data with front-line staff. However, access alone is insufficient; employees must be trained to interpret and apply this information for better decision-making and accountability. Phong, Hui and Son (2018) add that when employees understand performance metrics such as product profitability, their decisions align more effectively with organisational objectives, thereby improving outcomes.

Goleman (2017) identifies emotional intelligence (EI) as a defining attribute of transformational leaders. EI is the ability to recognise, understand, and manage one's own emotions while influencing the emotions of others (Goleman, Boyatzis & McKee, 2021). Leaders with high EI display adaptive behaviours consistent with transformational leadership (Brown & Moshavi, 2015). Kotter (2019) argues that emotionally intelligent leaders are better positioned to drive change in volatile and competitive environments.

Goleman (2017) proposes five EI competencies critical to transformational leadership:

- Self-awareness: recognising personal emotions, strengths, limitations, and self-worth.
- Self-regulation: managing disruptive impulses while acting with integrity (Goleman, Boyatzis & McKee, 2021).

- Motivation: pursuing achievement for intrinsic satisfaction rather than extrinsic gain (Fowler, 2019).
- Empathy: understanding others' emotions and applying this to mentoring and retention strategies.
- Social skills: leveraging interpersonal connections to inspire and resolve conflicts constructively.

Longenecker and Mallin (2019) note that EI fosters strong interpersonal skills, enabling transformational leaders to engage followers beyond transactional expectations. However, critics highlight potential downsides. O'Reilly and Chatman (2020) liken transformational leaders to individuals displaying traits of narcissistic personality disorder, including grandiosity and manipulation. Yukl (2006) further critiques idealised influence, warning of the risks of excessive charisma and denial of failure. Lin, Scott and Matta (2019) argue that while beneficial for followers, transformational leadership may increase leaders' emotional exhaustion, heightening turnover risk at the leadership level.

Harpelund *et al.* (2019) reveal that 46% of first-time hires leave within 18 months, and over 25% exit within the first year. Kotter (2017) attributes this to mismatched expectations between employees and organisations, underscoring the psychological contract underpinning recruitment. Davila and Pina-Ramirez (2018) argue that reliance on interviews and personality tests fails to address this gap, advocating structured onboarding to shape early perceptions of organisational culture. Poor onboarding undermines retention, whereas positive early experiences foster long-term commitment.

Longenecker and Mallin (2019) highlight personal development programmes as pivotal in sustaining employee commitment. Hosmer (2015) associates coaching with continuous feedback and encouragement, directly enhancing performance. Gao (2020)

emphasises training and development as empowerment tools, equipping employees with competencies to adapt to evolving tasks and customer demands. Gunn, Cappuccitti and Lee (2020) caution that negative perceptions of career progression in sectors such as retail deter long-term commitment, suggesting structured internships and transparent career pathways to counteract these attitudes.

Buchanan (2014) conceptualises organisational commitment as a psychological bond creating loyalty and belonging. Transformational leadership nurtures this bond by aligning employees with meaningful organisational goals (Hartley *et al.*, 2019). In contrast, transactional leaders rely on extrinsic rewards, which research shows are less effective in cultivating loyalty (Hill, 2019). Branham (2019) reports that 80–90% of turnover stems from leadership, culture, and working conditions rather than remuneration, highlighting the critical role of leadership in reducing push factors.

Mitchell *et al.* (2021) introduce job embeddedness as a framework explaining retention beyond job satisfaction and alternatives. It's three components—links, fit, and sacrifice—capture the extent of employees' social and professional integration. Basheer (2020) stresses that increased links create normative pressure to stay. Erkutlu and Chafra (2019) demonstrate that positive leader–follower relationships enhance embeddedness, while Burrows, Porter and Amber (2021) connect empowerment with stronger employee retention. Employees embedded through meaningful connections and support networks are less likely to leave, even absent formal rewards.

Job satisfaction reflects employees' emotional responses to their work. Azeez *et al.* (2019) show its inverse relationship with turnover, highlighting its strategic value for retention. Herzberg's (2009) two-factor theory explains satisfaction through motivators (e.g.,

recognition, growth) and hygiene factors (e.g., pay, conditions). Prasad and Karumuri (2018) emphasise satisfaction's role in customer-facing industries where employee performance shapes consumer experiences. Motivation, a key driver of satisfaction, can be intrinsic or extrinsic. Intrinsic rewards, such as personal growth and purpose, align with transformational leadership and generate long-term engagement (Meunier & Bradley, 2019). Extrinsic rewards, common in transactional leadership, are effective short-term but risk unethical behaviours or disengagement once removed (Adair, 2017). Locke and Schattke (2019) argue that leaders must tailor motivational strategies to individual preferences, with effective transformational leaders integrating both reward types (Howieson, 2019).

Employee performance, defined as achieving organisational goals through quality, punctuality, and innovation, is strongly influenced by transformational leadership (Yukl, 2016; MacKenzie *et al.*, 2021). Judge and Piccolo's (2019) meta-analysis confirms its positive correlation with organisational performance. However, the relationship between performance and turnover is less clear. Jackofsky (2019) identifies positive, negative, and curvilinear patterns, with methodological limitations complicating conclusions. March and Simon's (2008) model suggests high performers may leave due to external opportunities (ease of movement), while low performers may exit under pressure from negative appraisals.

Allen and Griffeth (2020) propose that poor performance leads employees to reassess job value, fostering turnover. Conversely, McEvoy and Cascio (2017) argue that transformational leadership mitigates these outcomes by fostering purpose and belonging. Thus, while performance–turnover relationships remain contested, leadership style plays a moderating role in shaping employee responses.

Despite extensive research on transformational leadership globally (Bass & Avolio, 2013; Podsakoff *et al.*, 2010), limited scholarship addresses its impact on employee retention within Zimbabwe's manufacturing sector, particularly the bakery industry in Harare (Gudyanga, 2017; ZimStat, 2021). Existing studies confirm transformational leadership's positive effect on satisfaction and loyalty (Bass & Riggio, 2006), yet cultural and economic contexts may alter its effectiveness (Hofstede, 1980; House *et al.*, 2014).

The bakery industry, although economically significant, remains underexplored in leadership literature (ZEPARU, 2019). This gap presents an opportunity to develop a contextualised framework that integrates transformational leadership principles with the unique challenges of Zimbabwe's manufacturing environment (Yukl, 2009). Such a framework could enhance retention strategies, guide policy, and enrich academic discourse, directly addressing a critical organisational challenge in the sector.

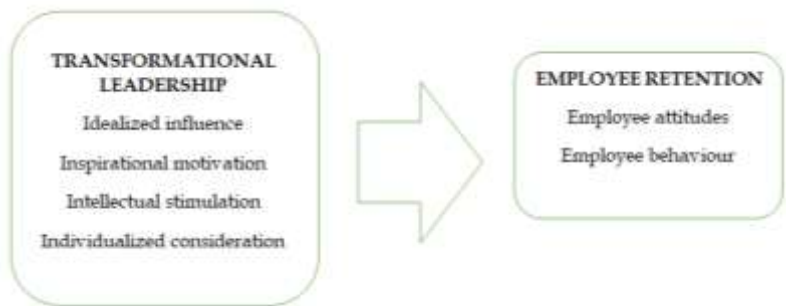


Figure 2.1 Conceptual framework (Armstrong and Taylor 2019)

This framework would help establish the relationships and effects of transformational leadership on employee retention.

However, there are contradictions in the research area. Some studies indicate that transformational leadership alone may not be sufficient to

retain employees in the manufacturing sector in Zimbabwe, suggesting the presence of moderating variables or other leadership styles that may be more effective in certain contexts.

Research propositions or hypotheses include:

- H0: Transformational leadership has no relationship with employee retention in Zimbabwean Bakery Industry.
- H1: Transformational leadership is positively related to employee retention in Zimbabwean Bakery Industry.

The research methodology for this study adopts a mixed-methods design, integrating both quantitative and qualitative approaches to provide a comprehensive understanding of the subject matter. Surveys will be administered to employees and managers within Zimbabwe's manufacturing sector to generate quantitative data, which will subsequently be analysed using statistical techniques such as correlation, regression, and comparative tests. In addition, qualitative insights will be obtained through semi-structured interviews, allowing for the exploration of participants' experiences and perceptions in greater depth. The qualitative data will be examined through thematic analysis, thereby complementing the statistical findings with nuanced, context-specific interpretations.

This chapter has provided an overview of existing literature concerning the role of transformational leadership as a catalyst for employee retention within the manufacturing sector in Zimbabwe. The review has established that transformational leadership is positively associated with employee commitment, job satisfaction, and organisational loyalty. At the same time, contradictions within empirical findings and contextual differences highlight the complexity of this relationship. Furthermore, gaps were identified in sector-specific studies, particularly within Zimbabwe's bakery industry.

Against this backdrop, the present research aims to extend existing scholarship by offering an in-depth, contextually grounded framework that elucidates the mechanisms through which transformational leadership enhances employee retention in Zimbabwe's manufacturing sector.