The Impact of Leaders’ Coaching Skills on Employees’ Happiness and Turnover Intention

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Abstract: This study seeks to provide a more comprehensive understanding of how leaders with coaching skills can affect an individual’s turnover intention through the mediating role of happiness. The sample includes 271 individuals from diverse organizations. Based on a survey, employees assessed their leaders’ coaching skills and reported their own happiness and turnover intention. The findings demonstrate that leaders’ coaching skills have a negative impact on employees’ turnover intention and a positive impact on their happiness, with the latter mediating the relationship between the first two variables. Organizations should note that a leader’s coaching skills are useful not only for the employee’s happiness, but also for avoiding turnover intention; therefore, organizations should encourage leaders to integrate more coaching skills into their leadership styles. The identification of an employee’s happiness as a mediator of the relationship between a leader’s coaching skills and employees’ turnover intention is an original contribution, thereby extending previous research over these topics.

Keywords: leaders’ coaching skills; happiness; turnover intention

1. Introduction

Although coaching seems to be a subject with little highlight in Portugal, it is a practice that has gained relevance and visibility in organizations and has proven to be a vital path to improving the performance of organizations (Beattie et al. 2014). Based on personal learning and development, coaching challenges the employees to understand themselves, their needs, and desires (Perez et al. 2018), and helps develop more proactive attitudes and bond the employee to the values and mission of organizations.

The relationship between employees and leaders is fundamental in creating effective people and successful companies (Abbasi and Hollman 2000) by guiding the individual towards understanding the differences and similarities they have with the organization and enabling leaders to provide employee development.

Leaders with coaching skills build a safe working environment that employees can trust (Riddle and Ting 2006) and improve work performance, develop employee self-awareness, and increase their satisfaction with their work, leader, and company (Kalkavan and Katrinli 2014). A leader coach not only shares their knowledge but also recognizes effort, advises, and provides attentive feedback (Ali et al. 2020). This leadership style is seen as an organizational tool to motivate, promote, and satisfy innovative behaviors in workers.
A satisfied and happy employee provides the organization with superior productivity, sales, and customer service (Kumar and Mathimaran 2017). Organizations need employees who are willing to learn and develop their vision and mission. The best way to achieve this is for employees to experience positivism and satisfaction in organizations (Walsh et al. 2018) so that they are better professionals in a positive work environment.

Happiness at work, or simply affective well-being, is one of the most important psychological well-being indicators (Diener and Larsen 1993) by referring to the frequent experience of positive affect and infrequent experience of negative affect (Daniels 2000). Happiness is a term widely used in different contexts (Chekola 2007). In the work context, it helps employees to do their job, which drives the company forward (Al Suwaidi 2019). A happy worker is, above all, a person that has good experiences and finds integrity, trust, and compassion (Al Suwaidi 2019; Pryce-Jones 2010).

Employees must feel that their interests matter, that the company understands their situations and that, even so, they want to invest in their training and development. The employees understand and reflect on the good intentions of the company and create a strong sense of organizational belonging (Siew 2017). On the other hand, the absence of understanding and guidance creates labor dissatisfaction causing discouragement and doubt, which contributes to turnover intention.

Turnover Intention, that is, an individual’s plan to leave their organization (Mobley et al. 1979), has been theoretically and empirically established as a reliable predictor of turnover behavior (Gim and Ramayah 2019; Mobley 1982). Employees’ turnover intention may be caused by low job satisfaction and low psychological well-being. For companies, turnover is expensive at all levels (Al-khrabsheh et al. 2018), as it negatively affects productivity and the quality of the product and service provided, in addition to harming the company and the fulfillment of pre-planned objectives and goals.

Leaders play a dominant role in employee behavior (Lee et al. 2019). To satisfy and retain an employee, a leader must exhibit coaching skills (Stelter 2007), such as listening skills and communication that involves others, setting clear performance expectations, increasing self-awareness, providing constructive feedback, and having regular conversations with subordinates in which individual and organizational goals are discussed (Larsson and Vinberg 2010; Sparks and Gentry 2008).

Empirical research on leaders’ coaching skills is still scarce. A few studies have investigated individual (Huang and Hsieh 2015; Hsieh and Huang 2018; Ribeiro et al. 2020) and organizational outcomes (Dello Russo et al. 2017; Ellinger 2013; Zuñiga-Collazos et al. 2020) of leaders’ coaching skills. Research on the relationship between a leader’s coaching skills and the emotions, attitudes, and behaviors of employees is also still insufficient (Hsieh and Huang 2018; Ribeiro et al. 2020; Tanskanen et al. 2018).

Given this context, the present research aims to examine the association between leaders’ coaching skills and employees’ happiness and turnover intentions. The above consideration helped formulate the research question: do leaders’ coaching skills promote happiness and avoid employee turnover intention in organizations?

2. Research Background and Hypotheses Development

2.1. Leaders’ Coaching Skills

Coaching has gained notoriety in the business environment throughout the contemporary world. According to Whitmore (2002), coaching maximizes the potential of the individual. The construction of consciousness and responsibility help create a sustained and true form of personal values, allowing people to reach further and live a better life.
According to Grande et al. (2015), coaching is a form of systematic feedback that aims to improve professional skills, interpersonal awareness, and the effectiveness of the individual. This method creates a collaborative relationship between coach and coachee that promotes individual change (Grant and Gerrard 2020).

In the organizational setting, leaders have the strategic role of transmitting the organization’s principles and values (Valar et al. 2020). The leadership style affects not only the performance of employees, but it can also promote their discouragement and injure the company’s ability to achieve. According to Valar et al. (2020, p. 52), “one way to develop leaders is to invest in coaching, empowering leaders to act as leaders coach”.

O’Shaughnessy (2001) explained that the presence of a leader coach is akin to the process of unlocking the potential of employees and the improvement of organizations. By challenging employees to maximize their talent and achieve goals, the coaching leadership creates a pleasant working environment (Cox et al. 2014; Dello Russo et al. 2017; Lee et al. 2019).

A leader coach is identified by Riddle and Ting (2006) as the person responsible for employees’ professional behavior. According to Kołodziejczak (2015), appropriate treatment, the offer of training, clarification about company decisions, and the feedback provided are actions linked to this process.

For the authors Fillery-Travis and Lane (2020), the main reason for leaders to fail is lack of motivation and the inability to generate satisfactory conditions for the growth of employees. Wasylyshyn (2003) stated that the main characteristics of coaching leaders are the ability to create strong connections with the worker, professionalism, and the use of clearly communicated values and methodologies.

According to Kołodziejczak (2015), a coaching leadership is seen as a special conversation that requires skills such as active listening, open-ended questions, use of paraphrasing, deliberation, feedback, and adjusting tone and rhythm of speech to the coachee. The coach must be an impartial observer (Perez et al. 2018) who creates empathy and redirects ideas and thoughts towards shared goals between employees and organizations. This practice aims to understand the employee’s feelings and investigate existing problems.

Leaders’ coaching skills bring together knowledge bases that allow organizations to reach higher levels of performance (Lange and Karawiejczyk 2014). According to Faustino (2017, p. 19), a leader coach “must develop capabilities that prepare them for the coaching process, with a significant emphasis on personal and relational skills”.

McLean et al. (2005) presented a set of managerial skills that includes effective coaching characteristics in terms of (1) maintaining effective and open communication, (2) focusing on teams, (3) valuing people overs tasks, and (4) accepting the ambiguous nature of working environments in order to enhance employees’ development and improve their performance. The authors also validated a multidimensional measure of managerial coaching skills, later revised by Park et al. (2008).

In the coaching literature, two approaches appear to be dominant: a behavioral-based approach (Ellinger 2013), and a skills-based approach (McLean et al. 2005). In the first, managerial coaching is seen exclusively as a behavioral indicator, identified through specific behaviors exhibited by managers (Hagen and Peterson 2015). The skills-based approach (McLean et al. 2005; Park et al. 2008) addressed managers as coaches if they displayed not only behaviors, but also attitudes or beliefs that support a coaching mentality (Hagen and Peterson 2015). Skills are more attitudinal, cognitive, and affective in nature, and are related to aptitude and ability (Hagen and Peterson 2015). Therefore, in this study, coaching skills are considered essential for better leadership, fostering employee happiness, development, and retention, and, consequently, performance improvement.
2.2. Leaders’ Coaching Skills and Employees’ Happiness

Authors have stated that leaders play a decisive role in the subjective well-being of workers and, in turn, contribute to the well-being of the organization (De Neve and Ward 2017). According to Al Suwaidi (2019), there is a direct relationship between the employees’ happiness and the work environment, and the positive behavior of leaders promotes positive emotions in employees, subjective well-being, and organizational citizenship behaviors. Vitória and Rego (2010) explained that employees who interact with the leader are exposed to situations of influence in feelings, attitudes, and behaviors and this helps to create a solid and meaningful relationship between the employee, their happiness, and the organization.

Leonard-Cross (2010) suggested that organizations seek a “coaching culture” with leaders who bring the methods and tools for the development of organizations on a larger scale and increasing employee job satisfaction. The author has indicated that coaching has a positive impact on teamwork, work quality, communication, job satisfaction, performance, and career planning. According to Pinto and Kharbanda (1996), the key to the entire organization is the leader with coaching skills, as they are the ones who develop processes to coordinate and motivate employees. Hernandez (2003) indicated that understanding human needs is essential to satisfying them. A coaching leader must familiarize themselves with their employees, the way they act and think, and understand what their concerns are and what their dreams and aspirations are.

In short, the leader coach must have specific skills, such as active listening, respect for others, and understanding, and must provide the employee with the necessary feedback so that they feel satisfied in the organization. Recently, researchers have found that a coaching leadership helps employees feel more valued in organizations, as well as happier and more committed to the company (Ali et al. 2020; Lee et al. 2019; Perez et al. 2018). Zhao and Liu (2020) consider this style of leadership as an advantage in creating a cooperative and supportive work environment, which in turn helps to develop attitudes of affection and focus. Consistent with the foregoing research, the following hypothesis was proposed:

**H1:** Leaders’ coaching skills are positively associated with employees’ happiness.

2.3. Leaders’ Coaching Skills and Employees’ Turnover Intention

Organizational support is important for creating bonds, commitment, and feelings of responsibility in employees (Ali et al. 2018). When organizations support employees, they become more loyal and confident in fulfilling goals. Kumar and Mathimaran (2017) point to investment in employee training as the main reason for retaining them in organizations. An organization that invests in the training and development of its employees will be ensuring returns in productivity, efficiency, and innovation at work.

Ali et al. (2020) and Hamlin et al. (2006) agree that coaching practices are essential for learning and development. The empirical study by Cabrera et al. (2006) revealed that employee behaviors are affected by the guidance of leaders. When employees feel supported by their leader, they become more committed to the organization and seek improvements and innovation at work. Organizational commitment is strongly related to the employee’s decision to continue or leave. Meyer and Allen (1997) and Simões (2020) argued that an employee’s commitment to the organization is based on reasons such as attitude and behavior. They explained that ‘commitment to attitude’ focuses on the thinking of employees about relationships with organizations, considering personal values and goals as opposed to those of the organization. Behavioral commitment, on the other hand, focuses on the processes in which the employee creates bonds with the organization and how it deals with it.
The analysis of leadership style, according to Mullins (2007), should be the first step in identifying turnover intention, since it is the relationship of the leader with the employee that explains the existing commitment between the employee and the organization. There are leadership styles that help create strong connections between employee and leader and affective commitment between employee and organization (Duarte et al. 2021; Semedo et al. 2018; Siew 2017). Belete (2018) pointed out that employees under autocratic leaders are more prone to turnover. On the other hand, in a democratic leadership style, the tendency to think about turnover intention is lessened, as the approach taken helps bring the leader closer to the employee.

From this perspective, several authors agree that leaders with coaching skills have a positive influence on employees’ attitudes (Ali et al. 2020; Kim 2014; Lee et al. 2019). A leader that practices active listening and that understands and gives feedback on an employee’s job performance helps them feel more valued, satisfied, and committed to the organization. A coaching leadership motivates, develops, and retains employees in organizations (Park et al. 2008). This leadership approach is increasingly recognized as coaching practices improve affection between employees and organizations. In view of these considerations, the following hypothesis was proposed:

**H2:** Leaders’ coaching skills are negatively associated with turnover intention.

### 2.4. Employee’s Happiness and Turnover Intention

According to Shaw et al. (1998), departures from a company are mainly due to new and better work proposals or dissatisfaction in the work environment. Employees are the “backbone” of organizations, and they need to be motivated and maintained at all costs in order to maximize their effort, make them more productive, and generate quality for the customer (Ongori 2007).

According to Tett and Meyer (1993), employee turnover intention is related to job satisfaction and commitment. For Maertz and Griffeth (2004), the eight reasons for turnover intention are: emotional pressures, calculating the future, perceived obligation to the company, desire to avoid dismissal costs, confidence in finding alternatives, perceived expectations of others, maintaining consistency between behaviors and values, and good relationships with coworkers. According to Belete (2018), there are also demographic variables such as age, marital status, professional experience, leadership style, commitment, culture, justice and the organizational environment, promotion of career opportunities, remuneration, organizational stress, and job satisfaction. Therefore, if organizations support employees and produce these kinds of work conditions, it is expected that employees would feel more satisfied and happier, and consequently they would not want to leave the organization.

Vitória and Rego (2010) explained that when an employee is not valued for their skills, nor helped in their difficulties, nor guided on their hard and soft skills, this will result in their loss and reduce organization efficiency. Organizations must show interest and concern for their employees by creating emotional connections (Rego et al. 2010). Thus, employees will feel appreciation and happiness in the work environment, be more committed to the organization, and turnover intention therefore decreases. In view of these considerations, the following hypothesis was proposed:

**H3:** Employees’ happiness is negatively associated with turnover intention.

### 2.5. Employees’ Happiness Mediating the Relationship between Leaders’ Coaching Skills and Employees’ Turnover Intention

Leaders’ coaching skills become immensely relevant tools for the development and improvement of an employee’s attitudes and behaviors (Ali et al. 2018). Coaching leadership provides communication, feedback, and monitoring skills that help employee performance and facilitate organizational success (Joo and Park 2010; McLean et al. 2005).
According to Colquitt et al. (2007), employees who are guided by a coaching leadership feel the responsibility and duty to engage in positive attitudes, which benefits the organization. For this, a relationship is created between the employee and the organization based on well-being, commitment, and motivation. The relationship between worker and workplace can also be translated into a positive and stable state of mind that includes competence, autonomy, and good relationships, which leads to happiness at work (Fisher 2010; Xiong and Wen 2020).

Happiness at work is an important ingredient for an employee’s well-being and the productivity of the organization (Butt et al. 2020; Pryce-Jones 2010). Fisher (2010) affirms that a happy worker will perform their tasks better, be more effective, more productive, and more committed to their work. Authors have explained that an employee’s commitment to the organization is mainly due to their positive satisfaction, an effect that influences turnover intention (Lee et al. 2019; Tett and Meyer 1993). Thus, “if an employee is deeply engaged in his job, then it is unlikely that he would leave his job” (Ali et al. 2018, p. 261). However, turnover intention can happen if there is a low connection with the type of work, leaders, and job satisfaction (Xiong and Wen 2020). Turnover intention often exists when the employee does not feel valued or supported in their performance (Vitória and Rego 2010). Park et al. (2008) indicate that such intentions can be avoided if the organization invests in a different leadership style, such as coaching.

In short, leaders with coaching skills can promote employee happiness (Ali et al. 2020; Lee et al. 2019; Perez et al. 2018) which, in turn, provides the achievement of goals and performance improvements that avoid employee turnover intention (Fisher 2010; Rego et al. 2010). Based on the above findings, the following hypothesis was proposed:

**H4**: Employee’s happiness mediates the relationship between leaders with coaching skills and employee turnover intention.

The research model is depicted in Figure 1.

**Figure 1.** Conceptual model.

3. Methods

3.1. Procedures and Sample

To test the research hypotheses, a self-report survey was administered to a non-probabilistic convenience sample. The survey was disseminated online, through a specific link, by social networks. Information on research goals, the confidentiality of the data collected, and respondents’ anonymity was provided in the questionnaire.

The final sample was composed of 271 employees from various organizations, of which 62.4% were females. The respondents were quite young, with a 54.2% majority between 22 and 38 years old. In regard to level of education, 76.8% of individuals surveyed had received higher education. Regarding job tenure, 18.5% of the respondents had been employed in their organizations for less than one year, 46.5% from one to four years, 21.8% from five to ten years, and 13.3% for more than ten years. The average time employees had had with their leaders was slightly shorter on average, with 16.6% having less than one year of continued contact with their leaders, 39.5% from one to four years, 21.4% from five to ten years, and 22.5% more than ten years.
3.2. Measures

The constructs were measured with validated scales from the relevant literature (see Appendix A). Using a 7-point Likert scale (1 = “Does not apply at all”; 7 = “Applies completely”), employees were asked to think about their leader and how they behave (i.e., perceptions of their leader’s coaching skills). With a 5-point Likert scale (1 = “Does not apply at all”; 5 = “Applies completely”), employees were asked to think about themselves (i.e., feelings and emotions) and to think about the possibility of leaving the workplace (i.e., organizational commitment).

**Coaching leaders’ skills (predictor variable).** This variable was measured with 20 items from a study by McLean et al. (2005). According to the authors, factor analysis validated a multi-dimensional measure of coaching skills with four dimensions: open communication, team approach, value given to people, and acceptance of ambiguity. This was adapted for measuring employees’ perceptions of their leaders’ skills, which includes not only behaviors, but also attitudes and beliefs that support a coaching mentality (Hagen and Peterson 2015). These items were also translated into Portuguese by following the standard procedures for research instrument translation (Brislin 1986). A sample item is: “When asked to volunteer for work-related projects, I choose team tasks”; “I generally enjoy working on tasks I work with others to complete”; “As part of a workplace group, I prefer to work for group consensus”; “When facilitating meetings, I leave time for relationship building”; “In the workplace, I look for connections with others”; “In my work I tend to focus more on the people”; “When seeking solutions to problems, I like to try new solutions” (Cronbach alpha [α] = 0.88).

**Happiness (criterion, predictor, and mediator variable).** Participants are asked to think about their feelings over the organization using fifteen items from Daniels (2000) and used and validated by Rego et al. (2010) in Portuguese context. Sample items are: “Full of energy”; “Motivated”; “Happy”; “Enthusiastic”; “Optimistic”; “Cheerful” (α = 0.93).

**Turnover intention (criterion variable).** Three items developed by Abid and Butt (2017) were used to measure turnover intention. A sample item is: “I intend to leave my current job in the next 12 months”; “I hope to be able to resign in the next 12 months”; “I look forward to leave my current organization in the next 12 months” (α = 0.99).

**Demographic variables.** To characterize the respondent, sociodemographic issues, such as age, gender, educational qualifications, time of collaboration with the leader, and seniority in the organization, were also included.

4. Results

Harman’s test was performed for common method bias on data (Podsakoff and Organ 1986), showing that the data is robust to significant common method bias errors. Subsequently, the data were analyzed using SPSS version 27 software.

4.1. Descriptive and Correlations Analysis

Table 1 presents the means, SDs, and Spearman’s correlation coefficients between variables.

In the study, it was observed that the variable Leaders’ Coaching Skills is positively correlated with Happiness (ρ = 0.46; p < 0.01), indicating that leaders with coaching skills promote happier employees in organizations. In turn, Happiness is negatively correlated with Turnover Intention (ρ = −0.47; p < 0.01), implying that happier employees have less intention to leave organizations. The Leaders’ Coaching Skills variable is negatively correlated with the Turnover Intention variable (ρ = −0.16; p = 0.01), indicating that leaders with coaching skills enhance an employee’s lower intention for leaving an organization.

Regarding sociodemographic variables, the age of participants has a statistically positive and significant relationship with Leaders’ Coaching Skills (ρ = 0.14; p < 0.05) and with Happiness (ρ = 0.15; p < 0.05), as well as a negative and significant relationship with Turnover Intention (ρ = −0.29; p < 0.01). In turn, the seniority of employees in organizations has a negative and significant relationship with Turnover Intention (ρ = −0.13; p < 0.05).
The remaining sociodemographic variables do not present statistically significant correlations with any of the research variables, so they are excluded from further analyses (see Table 1).

**Table 1.** Means, SDs, and correlations between variables and Cronbach’s alpha.

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders’ Coaching Skills</td>
<td>4.85</td>
<td>1.35</td>
<td>(0.90)</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Happiness</td>
<td>3.91</td>
<td>1.19</td>
<td>0.46 **</td>
<td>(0.93)</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover Intention</td>
<td>2.16</td>
<td>1.39</td>
<td>-0.16 **</td>
<td>-0.47 **</td>
<td>(0.99)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age (a)</td>
<td>3.52</td>
<td>0.96</td>
<td>0.14 *</td>
<td>0.15 *</td>
<td>-0.29 **</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seniority in Organization (b)</td>
<td>2.50</td>
<td>1.02</td>
<td>-0.08</td>
<td>-0.11</td>
<td>-0.13 *</td>
<td>0.49 **</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**The correlation is significant at level 0.01 (2 ends); * The correlation is significant at level 0.05 (2 ends); (a) 1—up to 21 years; 2—between 22 and 38 years; 3—between 39 and 54 years; 4—more than 55 years; (b) 1—less than 1 year; 2—between 1 and 4 years; 3—between 5 and 10 years; 4—more than 10 years; Cronbach coefficients in parentheses.**

### 4.2. Hypothesis Testing

The estimation of direct and mediating effects is presented in the following tables. The results show that leaders’ coaching skills have a significant positive effect on happiness. This relationship is statistically significant ($p = 0.00$) (see Table 2). Therefore, hypothesis 1 was confirmed.

**Table 2.** Regression (X = Leaders’ Coaching Skills and Y = Happiness).

<table>
<thead>
<tr>
<th>Happiness</th>
<th>Model Resume</th>
<th>ANOVA</th>
<th>Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R² Adjust</td>
<td>Durbin–Watson</td>
<td>F</td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.27</td>
<td>0.26</td>
<td>1.99</td>
</tr>
<tr>
<td>Leaders’ Coaching Skills</td>
<td>0.51</td>
<td>0.04</td>
<td>9.49</td>
</tr>
<tr>
<td>Age</td>
<td>0.71</td>
<td>0.43</td>
<td>1.35</td>
</tr>
</tbody>
</table>

Dependent variable: Happiness.

The results have also revealed that leaders’ coaching skills and happiness have a significant negatively effect on turnover intention ($p = 0.00$) (see Tables 3 and 4), so hypotheses 2 and 3 were supported by the results.

**Table 3.** Regression (X = Leaders’ coaching Skills and Y = Turnover Intention).

<table>
<thead>
<tr>
<th>Turnover Intention</th>
<th>Model Resume</th>
<th>ANOVA</th>
<th>Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R² Adjust</td>
<td>Durbin–Watson</td>
<td>F</td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.11</td>
<td>0.10</td>
<td>1.83</td>
</tr>
<tr>
<td>Leaders’ Coaching Skills</td>
<td>-0.17</td>
<td>0.03</td>
<td>-2.91</td>
</tr>
<tr>
<td>Age</td>
<td>-0.25</td>
<td>0.45</td>
<td>-3.65</td>
</tr>
<tr>
<td>Seniority in Organization</td>
<td>-0.01</td>
<td>0.27</td>
<td>-0.16</td>
</tr>
</tbody>
</table>

Dependent variable: Turnover Intention.
Table 4. Regression (X = Happiness and Y = Turnover Intention).

<table>
<thead>
<tr>
<th>Turnover Intention</th>
<th>Model Resume</th>
<th>ANOVA</th>
<th>Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R²</td>
<td>R² Adjust</td>
<td>Durbin–Watson</td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.27</td>
<td>0.26</td>
<td>1.80</td>
</tr>
<tr>
<td>Happiness</td>
<td>-0.45</td>
<td>0.04</td>
<td>-8.30</td>
</tr>
<tr>
<td>Age</td>
<td>-0.18</td>
<td>0.41</td>
<td>-2.81</td>
</tr>
<tr>
<td>Seniority in Organization</td>
<td>-0.08</td>
<td>0.25</td>
<td>-1.31</td>
</tr>
</tbody>
</table>

Dependent variable: Turnover Intention.

To perform the test for the mediation effects proposed in the fourth hypothesis of this study, the linear regression method of Baron and Kenny (1986) was followed. Furthermore, the proposed mediation effects were tested using the Sobel Test (Sobel 1982). As an option, control variables such as age and seniority were included in the test.

Regarding the mediation procedure, the steps proposed by the authors were followed. First, it was verified that Leaders’ Coaching Skills and Turnover Intention were significantly related ($\beta = -0.10; p = 0.00; R^2$ Adjust = 0.11) (Model 2, Table 5) (step one). We have also verified that Leaders’ Coaching Skills was significantly related with Happiness ($\beta = 0.51; p = 0.00; R^2$ Adjust = 0.26) (Table 2) (step two). Subsequently, when controlling the effect of Happiness in the relation between Leaders’ Coaching Skills and Turnover Intention (Model 3, Table 5), the effect of Leaders’ Coaching Skills in Turnover Intention became non-significant ($\beta = 0.03; p = 0.35$) and the effect of Happiness on Turnover Intention was negative and significant ($\beta = -0.41; p = 0.00; R^2$ Adjust = 0.52), revealing a full mediation effect of Happiness, i.e., the relation between Leaders’ Coaching Skills and Turnover Intention is fully mediated by Happiness (step three and four).

Table 5. Regression of the predictor variable on the criteria to control the mediator. How Happiness mediates effect of Leaders’ Coaching Skills on Turnover Intentions.

<table>
<thead>
<tr>
<th>Turnover Intention</th>
<th>R²</th>
<th>R² Adjust</th>
<th>F</th>
<th>$\beta$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td>10.97</td>
<td>0.00</td>
</tr>
<tr>
<td>Age</td>
<td>0.28</td>
<td>0.08</td>
<td>11.33</td>
<td>-1.89</td>
<td>0.00</td>
</tr>
<tr>
<td>Seniority in Organization</td>
<td></td>
<td></td>
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<tr>
<td>Happiness</td>
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The Sobel Test was also performed by bringing a more direct evaluation of the indirect effects, and as such, it may be seen as a complementary analysis of Baron and Kenny’s (1986) method. Due to the equation for estimating the indirect effect $[Z\text{-value} = a \times b / \text{SQRT}$
(b2*sa2 + a2*sb2)], the test results confirmed the mediational effect (Z = −0.17; p = 0.00). Based on these results, it is possible to see that the fourth hypothesis is verified.

5. Discussion and Conclusions

5.1. Main Findings

The results indicate that employees’ perceptions of their leaders’ coaching skills stimulate these workers’ happiness in organizations. Leaders with coaching skills convey positive emotions to employees and this positive effect provides a motivated, happy, and committed work environment (Al Suwaidi 2019; Ali et al. 2018; De Neve and Ward 2017; Lee et al. 2019). According to several studies, leaders with coaching skills positively influence employee attitudes (Al Suwaidi 2019; Ali et al. 2020; Salas-Vallina et al. 2020; Zhao and Liu 2020). Organizations that promote leaders’ coaching skills are helping their employees to develop and improve their capabilities, so this behavior positively affects employee happiness in organizations.

The present results have also shown that happy employees have less turnover intention. The organizational environment plays an important role in employee commitment and can have a negative effect on their turnover intention (Ribeiro et al. 2020), it is therefore up to organizations to create an environment of satisfaction between the employee and their work (Al Suwaidi 2019; Carr et al. 2003; Rego et al. 2010; Tett and Meyer 1993). According to several studies, an employee guided and motivated by a leader coach is an employee who feels a commitment to their work and is motivated, thus limiting turnover intention (Ali et al. 2018; Hamlin et al. 2006; Kumar and Mathimaran 2017; Park et al. 2008). In conclusion, a happy employee has no intention of leaving the organization.

Finally, the study’s results suggest that the relationship between employees’ perceptions of their leaders’ coaching skills and their own turnover intention is mediated by happiness. In other words, leaders with coaching skills positively influence the employee’s happiness which, in turn, negatively influences their turnover intention (Al Suwaidi 2019; Ali et al. 2018; Joo and Park 2010; Lee et al. 2019; and McLean et al. 2005). This effect may occur because leaders with coaching skills provide high levels of happiness, which subsequently prevents the intention of the employee to abandon the organization. These findings are consistent with research on coaching leaders creating a safe working environment which the employee can rely on to improve their work performance, develop their self-awareness, and increase satisfaction (Kalkavan and Katrinli 2014; Riddle and Ting 2006). Thus, the leader with coaching skills not only shares knowledge, but also provides feedback, recognizes quality work, and advises the employee (Ali et al. 2020). This type of leadership stimulates employees satisfactorily, which provides happiness at work (Leonard-Cross 2010). Happiness drives employees to improve their performance, acquire positive experience, and commit to the company (Siew 2017). In turn, the lack of follow-up and employee training implies job dissatisfaction, which causes demotivation and lack of confidence (Vitória and Rego 2010). Employees tend to decrease their efficiency once they do not feel valued for their skills, helped in their difficulties, or even guided to improve performance (Vitória and Rego 2010).

Coaching leaders play a major role in employee behavior since they harness the organization’s potential and build a strategy to create satisfied and committed employees (Harper 2012). Leaders with coaching skills have a positive influence on employee attitudes, as they help them through active listening, understanding, and feedback on their work performance. This type of leadership promotes appreciation of the individual, job satisfaction, and commitment to the organization in the long term (Ali et al. 2020; Kim 2014; Lee et al. 2019).

The existence of a coaching leader in organizations influences employee attitudes and drives them to develop skills and improve performance, providing appreciation, satisfaction, and commitment to the organization (Ali et al. 2020; Kim 2014). In this perspective, the satisfaction, well-being, and commitment of the employee influence their

5.2. Theoretical Contributions and Implications for Management

The main findings of this study have important practical implications for organizations and useful theoretical developments for coaching in the workplace.

From a theoretical perspective, the present study is pioneering, contributing to a deeper understanding of the mechanisms through which a leader’s coaching skills can influence employee outcomes, specifically happiness and turnover intention in the business context. The existing literature has reported that leaders must demonstrate coaching skills to promote efficient work, well-being at work, and the improved mental health of employees (Zhao and Liu 2020; Pelayez Zuberbühler et al. 2021), but this study is innovates by considering happiness as a mediating variable in the relationship between leaders’ coaching skills and employees’ turnover intention.

From a practical perspective, the study’s findings provide potential benefits to leaders and organizations through insights into the positive impact of leaders’ coaching skills on employees. Therefore, leaders should develop coaching skills such as: creating good relationships with employees, excellent communication and active listening, respect and empathy, and continuous feedback (João 2018; Perez et al. 2018). The results obtained seek to encourage changes in the current methodologies and procedures adopted in the management of human resources in organizations. It is important to implement coaching programs as well as create policies and strategies that involve coaching skills, to better understand how to improve the work environment and help understand the issues associated with employee turnover so as to avoid losing key members in organizations.

In conclusion, this research helps organizations reconsider their management and leadership so that leaders can reflect on how their attitudes and behaviors influence employees’ feelings, and in turn encourage employees to reconsider their intentions towards organizations.

5.3. Limitations and Future Research

The present study’s limitations indicate that more research is needed to better understand the impact of a leader’s coaching skills on employee responses. The first is convenience sampling, which, among other factors, limits the generalizability of the findings.

Second, the data was collected at a single moment in time and through the same source (i.e., the respondents rated the predictive, mediating, and outcome variables), which can increase the potential risk of inflated relationships between the variables under study. Various precautions were taken in the questionnaire’s construction to prevent common source bias, including ensuring anonymity and confidentiality and assuring respondents that no right or wrong answers existed (Podsakoff et al. 2003). Harman’s test (Podsakoff and Organ 1986) was also performed and the results suggest that common-method bias is not a serious problem for the data collected and thus not an important threat to the validity of the present findings. Nonetheless, future studies could avoid cross-sectional designs and collect data at different points in time. It will be interesting to investigate coaching in specific activities and add new variables related to the professional context, such as engagement and individual performance.

Finally, a deeper analysis of coaching skills will be pertinent, as it is still a subject with few empirical studies. In organizations, it will be interesting to integrate coaching into different management practices, preferably first in human resources, such as: recruitment and selection, performance evaluation, and professional careers.

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**Conflicts of Interest:** The authors declare no conflict of interest.

## Appendix A

### Items

#### Leaders’ Coaching Skills

*McLean et al. 2005*

- When asked to share feelings, my manager feels free to do so.
- In difficult job-related situations, my manager reveals their opinions openly and frankly.
- When talking to other people, my manager shares their feelings openly.
- When developing relationships, my manager openly shares their personal values.
- When questioned about their professional experiences, my manager willingly shares details.
- When asked to volunteer for work-related projects, my manager chooses to do these with teams.
- In general, my manager enjoys performing tasks in which my manager works with others.
- As part of a working group, my manager prefers to foster group consensus.
- When a decision has to be made, my manager prefers to consult other people.
- When my manager thinks of ways to achieve goals, my manager seeks information from other people.
- In decision-making processes, my manager overcomes feelings with logic.
- In discussions with others, my manager focuses on the individual needs of each person.
- When my manager seeks to make work meetings dynamic, my manager still allows time for building relationships.
- In the workplace, my manager finds ways to establish links with others.
- At work, my manager tends to focus more on people.
- When others are making career decisions, my manager emphasizes risk-taking.
- When my manager is looking for solutions to problems, my manager may want to try new solutions.
- My manager views conflict as constructive.
- When my manager works with others, my manager poses questions with many possible answers.

#### Happiness

*Rego et al. 2010 based on Daniels 2000*

- Anxious (r)
- Worried (r)
- Tense (r)
- Happy
- Cheerful
- Pleased
- Enthusiastic
- Motivated
- Optimistic
- Active
- Alert
- Full of energy
- Aggressive (r)
- Angry (r)
- Annoyed (r)

#### Turnover Intention

*Abid and Butt 2017*

- I intend to leave my current job in the next 12 months.
- I hope to be able to resign in the next 12 months.
- I look forward to leave my current organization in the next 12 months.

(r) Reverse-coded items.
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