



Loosing Your Best Talent: Can Leadership Retain Employees? The Dilemma of the Banking Sector of Hyderabad Sindh, Pakistan: A Mediation Investigation

Nadeem Khalid¹, Munwar Hussain Pahi², Umair Ahmed^{3*}

¹Universiti Utara Malaysia, Malaysia, ²Universiti Utara Malaysia, Malaysia, ³Universiti Utara Malaysia, Malaysia.

*Email: umairahm@gmail.com

ABSTRACT

Country expects that commercial banking systems contribute to the overall development, but this development depends upon qualified and competent employees of the commercial banks institutions. Retaining this resource is of utmost importance for higher commercial banks. However, commercial banks are finding it hard to retain competent and qualified faculty in the face of competition from the industry. Retention is becoming a big dilemma for developing countries. The present study investigates the relationship between leadership style, job satisfaction, organization commitment and retention of employee in commercial banks of Sindh, Pakistan. The data was collected from the commercial bank of Sindh whereby, SmartPLS 2.0 was used for data analysis. The results have indicated a strong and positive relationship between leadership style and employee retention. Job satisfaction and organization commitment mediate the relationship between leadership style and employees retention. This study is significant for top management of commercial banks who are facing retention problems. Findings of study could provide them with guidelines regarding to how the leadership style retain talent employees in the commercial bank. Limitation and Future reconditions also discussed.

Keywords: Leadership Style, Employee Retention, Organization Commitment, Job Satisfaction, Commercial Bank of Pakistan

JEL Classifications: M5, M21

1. INTRODUCTION

Employee retention is described as the capability of an organization to retain employees in an organization. According to Mondy and Mondy (2012), employee retention is intention of the organization to keep the maximum number of employees. In global competitive environment, organizations facing challenges concerning to employees' retention. Recently survey conducted in UK and US on human resource professionals found that companies facing difficulties in retaining key talent of companies; 60% among the leaders surveyed, respond that retention strategy was not good enough in to retain the employees (Juhdi et al., 2013). In recent professional bodies of human resources in Malaysia, Hong Kong and Singapore have different views about the employee's retention but this problem is widespread and same among all countries although they have a different culture (Asia Pacific Management News, 2012). Employee retention has always received significant focus by management experts and academia in recent years

after realizing the ever increasing need to strengthen financial performance of organization and competitiveness (Eshiteti et al., 2013). Organizations invest time and money on new employees for the purpose of grooming through learning and skill enhancement. This is done in order to retain valued and skillful employees (Ferreira, 2014). Employee retention has been the matter of attention for management to avoid bearing the cost associated with training and recruitment of new employees (Hwang and Chang, 2008). Organization should satisfy the employees to retain the employees in the organization.

Particularly, service organizations strive to satisfy and commit employees to retain them. Ramlall (2004) and Acton and Golden (2003) have stated that employee retention does not only matter in terms of the loss of money but also with regards to loss of resources, knowledge, and experiences employee which contributing in the organization growth and performance. Previous researches have focused on the consequences of

2. LITERATURE REVIEW

2.1. Leadership Style and Employees Retention

The role of individual leadership in an organization is to treat employees with respect and dignity (Caldwell and Dixon, 2010). Accountability and responsibility of retaining talented employees lies in the hands of leaders, leaders and leadership skills build climate for retention, the environment and supportive culture will help employees, and in this way they gain encouragement from it and retain, its best way to defense against unwanted turnover (Chitra, 2013). When boos or leaders show interest and concern, employees who received regular positive feedback from leaders and work get recognition, those employees want to stay in the organization. The relationship of leaders with employees can impact on employee's intention to continue their work and retain in organization (Michael, 2008). Similarly, when a leader shows interest, this will influence on retention of employees (Netswera et al., 2005). Furthermore, high quality relationship between employees and leaders provides confirmation to an organization that employee would stay for a longer period. Gwavuya (2011) stated that poor relationship between leadership and employees causes dissatisfaction, less commitment to a turn into employees thinking to leave the organization. Other studies showed that a positive relationship between leader and employees is important to increase the intention of employees to remain with the organization (Cowin, 2002). Study conducted in health care by Bycio et al. (1985) showed higher degree of leadership relationship with lower intention of the employee to leave the organization. Northouse (2015) asserts that ineffective or inappropriate leadership styles can directly affect the performance and retention of employees in contemporary organizations.

H1: Leadership style will have positive impact on the employee's retention.

2.2. Leadership Styles and Job Satisfaction and Employee Retention

A bunch of studies conduction to examine the link between leadership style and job satisfaction (Tsai, 2008; Nemanich and Keller, 2007). Nielsen et al. (2009) found out that leader especially were seen to have a direct link with employees' job satisfaction. Besides, Berson and Linton (2005) claimed that there is a more potent influence of both transformational and transactional leadership style on job satisfaction was illustrated in a research and development setting where the work environment pressures were less prominent. For example, Gharibvand et al. (2013) conducted a study about this relationship and the results obtained were confusing as researchers argued that some respondents were feeling satisfied while some respondents are not with the leadership style. Leadership style has been to increase the job satisfaction and promote staff retention (Kleinman, 2013). The relationship between leadership style and job satisfaction has received a great deal of attention in previous research. However, there are mixed results. Fleishman and Harris (1962), Yunker and Hunt (1976), Petty and Bruning (1980), Sheridan et al., (1975) found positive relationship and negative relationship between Pool (1997). However, Lowin et al., (1969) found no relationship between the two. According to Nemanich and Keller (2007), there should

employees' retention and causes (Abbasi and Hollman, 2000; Khilji and Wang, 2007). When organizations fail to satisfy their employees which, results in badly influencing service quality and performance (Chiboiwa et al., 2010). Now day's retention of employees is a major issue particularly where the employee job satisfaction is low. Dissatisfaction and less committed employees are difficult to hold on. According to Muindi (2011) dissatisfaction of employees increases ratio of employees leaving. Similarly, Gwavuya (2011) stated that less job satisfaction intention to leave the organization. Most of the service organizations are facing challenges of retaining employees to remain committed towards their organizations (Caligiuri et al. (2001). According to Brown and Yoshioka (2003), without appropriate plan and strategies, organizations suffer from high turnover ratio. Study conducted in the health sector where nurses expressed less satisfaction with numerous job factors thus affecting their retention. Leiter et al. (1998) Notably, Michael (2008) has outlined that job opportunities are available outside the organization but committed employees never think about leaving organization. This hence asserts that satisfaction with the job is critical in order to handle the issue of employee retention.

Same issue is also found in the banking sector of Pakistan particularly when they are not satisfied with their jobs (Salman et al., 2014). Number of employees leaving or switching the organization is more the ratio of people joining the sector (Anis et al., 2011). According to Masood (2013), there are severe issues concerning to retention in the Pakistani banking sector. Furthermore, employees always in stress to leave the organization which ultimate effects on the employee retention. Previous literature indicated that most of time employees leave the management and not the organization (Beardwell and Claydon, 2007). Similar statement by Beardwell and Claydon (2007) underlines that employees do not leave organization but they leave leaders. Literature has indicated that leadership influence can be phenomenal when it comes to employee retention and plays a vital role in saving the organization's talent. Leadership style is very important and helps to retain employees (Ng'ethe et al., 2012). Similarly, Ng'ethe et al. (2012) stated that leadership style plays a significant role in employee retention. Furthermore, leadership has ability to decrease and increase the level of the retention in the organization (Ng'ethe et al., 2012). Rochelle (2012) believed that leadership style has such characters that mostly interaction to employee to solve issue satisfy and committed them to retain the employee in the organization. Most interaction of employees depends on the quality of leadership (Albion and Gagliardi, 2007). Therefore, organizations need more committed leadership style which not only production or better service but satisfied and committed towards organization and retain employees (Iheriohanma et al. 2014; Iheriohanma, 2009). Hence the main objective of the present study underlined the leadership style enhances the employee's retention strategies with job satisfaction and committed. This paper contributes in employee's retention literature in different ways and debates the issues of retention and which factors improve employee's retention in Pakistan commercial banks. Present research paper indicated as to how leadership style influences employee retention with job satisfaction and organization commitment.

be more study on investigating the relationship between job satisfaction and leadership style in the health sector. There is a previous study which conducted in health care by Lorber and Savič (2012) resulted that leadership style can influence job satisfaction among nurses. It is worth mentioning that studies regarding the relationship of leadership and job satisfaction needed to have more empirical evidence in order to render it more reliable. Job satisfaction improved employee retention in the organization as there is a positive relationship between job satisfaction and employee retention (Terera and Ngirande, 2014). If organizations want to retain employees in an organization they must increase the level of job satisfaction, of employees Kabungaidze et al. (2013) reported statically significant relationship between employee retention and job satisfaction. Many studies have shown a negative relationship with job satisfaction and employee leaving (Griffeth et al., 2000), when employees' dissatisfaction increases also intention to leave increase the organization. However, employee satisfied with job; they probably decide to remain in the organization (Vandenberghe et al., 2011). High turnover and absenteeism related to job dissatisfaction ultimately has its effect on employee retention (Saifuddin et al., 2008). Similarly Lambert et al. (2001) and Lam and Zhang (2003) documented that a higher level of job satisfaction will result in low retention of employees in the organization. Hence, hypothesis is developed:

H2: Job satisfaction mediates the relationship between leadership style and employees retention.

2.3. Leadership Style and Organizational Commitment and Employee's Retention

Previous research has great attention to the relationship of leadership style and organizational commitment. According to Choi (2006) organization commitment reflects that person is committed and involved into organization goals and values process. Organization commitment also defined as investment of human capital and engagement that will produces best of social quality in organization and useful for betterment of organization (Sihombing and Gustam, 2007). Employee commitment also indicates the characters of employees to continue membership and remains in organization (Blankenship, 2010). Leader's ability to motivate employees to involve in work and recognize effort of every employee is helpful to achieve potential (Avolio et al., 1999), achievements of organizational commitment (Walumbwa and Lawler, 2003). Some studies found a negative relationship between leadership and organization commitment. O'Reilly and Roberts (1978) and, Hunt and Liesbscher (1973) reported no relationship between leaders and organization commitment. On the contrary, (Newman, 1974; Porter et al., 1976) they found a positive relationship between leadership and organization commitment between two variables. According to (Bogler, 2001) leadership style transformational and transactional strongly influence on the organization commitment. Committed employee preferred to retain in the organization and they feel better for organization and perform beyond a normal job requirement. Valuable and highly skilled employees very important for the organization to retain these employees to maintain success and better performance (Mayfield and Mayfield, 2008). Organizations reach goals and increase organization affective commitment to reduction in

turnover (Eisenberger et al., 2001; Eisenberger et al., 1986; Rhoades et al., 2001). Leaders can increase employee commitment (Shamir et al., 1993) through providing regular feedback in a positive way, motivate followers, solve problems and build employees commitment for organization and remain employee in an organization (Piccolo and Colquitt, 2006; Wang, & Zhang, 2014). Similarly, Ng'ethe et al. (2012) stated that leadership has ability to increase commitment of employees and retain talented employees in the organization. Similar results were reported by Pahi et al. (2015) Hence, hypothesis three was tested as follows:

H3: Organizational commitment mediates the relationship between leadership style and employees retention.

3. METHODOLOGY

Quantitative research design was used to investigate the relationship between leadership style, mediating job satisfaction, and organization commitment with employee retention.

3.1. Population and Sampling of the Study

This study target population was private commercial banks employees in the Hyderabad city of Sindh province in Pakistan. Numbers of commercial banks in the city were 233 (State Bank of Pakistan, 2014).

3.2. Sampling Technique

Convenience sampling techniques was used whereby, 390 questionnaires were distributed among all commercial banks of employees in Hyderabad Sindh, Pakistan.

3.3. Instrumentation and Data Collection Procedure

For measurement, leadership style adapted (MLQ 5x-short form) Transformational, and Transactional (Bass, 1990) on the suggestion of (Boehnke et al, 2003) with 36-items. Recently used uni-dimension by (Pahi and Hamid, 2015a, 2015b) and (Hashim and Mahmood, 2011). Job satisfaction based on 18 items adopted Mertler (2001) and Ssesanga and Garrett (2005) studies. The measurement of organization commitment based on the 6 items affective commitment by Tett and Meyer (1993). Employees retention was adapted from Kyndt et al., (2009). Questionnaires were self-administered to collect individual data from the respondents (commercial bank employees). A total 390 questionnaires were distributed to bank employees out of which, 238 were received back. 28 responses were discarded due to main part of questionnaires was unfilled thus, 210 questionnaires were usable for the further data analysis.

4. DATA ANALYSIS

SmartPLS 2.0 was used for structural equation modeling (Ringle et al., 2005). In the measurement model to examine internal consistency reliability, individual item reliability, and convergent validity, and discriminate validity, R^2 values along with structure model assessment were done to confirm the relationship between the predictor and outcome variables to examine the significance of path coefficients.

5. RESULTS

Respondents were requested for the basic demographic information. Table 1 shows male (52.4%) and female (47.6%) which outlines slight majority of women in the commercial banks of Hyderabad. In the perspective of age, 61.8% indicated to be from 20 to 30 years category. Also, Table 1 also showed that 62.7% reported to be having MBA qualification. 53.3% underlined to be married. The result also shows that 39.2% of the respondents had work experience between 1 and 5 years.

5.1. Measurement Model Estimation

In measurement model, the psychometric properties of constructs are assessed. Firstly, examination of individual item reliability for each construct is suggested by (Hair et al., 2014). The loadings should be 0.50 or above as the rule of thumb suggested by (Chin, 1998; Barclay et al., 1995). Loadings lower than 0.50 were therefore deleted.

The measuring of composite reliability for determining the internal consistency reliability. According to Hair et al., (2011), Bagozzi and Yi, (1988) and Chin (1998), composite reliability should be not <0.7 for each variable. Table 2 shows that all latent constructs above 0.7 and all on an acceptable level in the measurement model. Average variance extracted (AVE) should be 0.50 and above on suggestion of Chin (1998). Table 2 is showing that AVE is above 0.50 for all latent constructs. Further, Table 3 is showing the discernment validity of all latent constructs on the suggestion of (Fornell and Larcker, 1981), to use AVE for discriminate validity. Additionally, square root of the AVE must be greater than the corrections among latent variables.

Table 3 is showing that square roots of AVE were greater than correlations among latent variables. Table 3 specified the no issue of discriminate validity in the present study.

Table 1: Respondents, profile (n=210)

Category	Frequency (%)
Gender	
Male	111 (52.4)
Female	101 (47.6)
Age	
20-30	131 (61.8)
30-40	63 (29.7)
30-50	15 (7.1)
50-60	3 (1.4)
Qualification	
MBA	133 (62.7)
BBA	20 (9.4)
BA	8 (3.8)
Others	51 (24.1)
Status	
Single	99 (46.7)
Married	113 (53.3)
Length of service (years)	
1	69 (32.5)
1-5	83 (39.2)
5-10	48 (22.6)
10-15	5 (2.4)
Above 15	7 (3.3)

5.2. Structural Model

In the structure to determine the significance of the path coefficients with 5000 bootstrapping sample with cases 212 (Henseler et al., 2009; Hair et al., 2012). Significant path of the research model is presented in Table 4 and Figure 1.

As shown in Table 4 there is a direct and positive relationship ($\beta = 0.087$, $t = 7.934$) between leadership styles and employees retention. The relationship has resulted 64.1% variance hence, H1 was supported. For mediation H2 and H3 we assessed on the explanations of Preacher and Hayes (2008; 2004) where, bootstrapping approach was applied to assess the indirect effects. From result of bootstrapping the indirect effect for mediating job satisfaction between leadership style and employee retention ($\beta = 0.463$, $t > 4.413$). Additionally, Preacher and Hayes (2008) that the indirect effect does not straddle a 0 in between indicating there is mediation. 95% Boot CI: (LL = 0.109, UL = 0.415) results indicating both values more than 0 which suggests that there is a mediation. Thus, job satisfaction mediated the relationship between leadership styles and employee retention. Concerning to H3, where the mediation of organization commitment was assessed between leadership style and employee retention ($\beta = 0.516$, $t > 3.714$) and 95% Boot CI: (LL = 0.241, UL = 0.215) results show that organizational commitment also mediated the relationship between leadership style and employees retention. Conclude that H1 and H2 were supported both job satisfaction and organization commitment significantly mediates between leadership style and employees retention. Job satisfaction and organization commitment R^2 values were 0.435 and 0.291 respectively.

6. DISCUSSION

This paper discusses the leadership style and employee retention via the mediating role of job satisfaction and organization commitment. Findings of the current study have suggested that leadership style has a positive relationship with employee's retention. The finding is parallel to Chitra (2013) who stated that leadership style can influence employee retention. Leaders create the climate of retention which enables employees to realize that they are important part of the organization and encourage them to stay in the organization. Weberg (2010) stated that leadership style increases satisfaction and high influence on employee retention. Leadership style and retention have positive link when leaders communicate and interest to consider the employees in every activities and leaders feel that employees are part of organization Ribelin, (2003). Long et al. (2012). Further, Good Relationship of leaders and employees influence on the retention of employees. Ng'ethe et al. (2012) stated that leadership styles have the potential to retain employees in the organization. Chew (2004) believed that leadership has a positive relationship with retention. Netswera et al. (2005) conducted in South Africa where the findings of the study clearly defined that leadership style is most prominent for retention. Hypothesis 2 results are understandable pertaining to mediation of job satisfaction between leadership and employee retention in the banking sectors of Pakistan. As Kleinman (2013) asserted that leadership enhances job satisfaction of employee and retains in the organization. According to (Kleinman, 2004), leaders have the ability and skills to increase job satisfaction of employees

Table 2: Overall reliability of the constructs and factor loadings of indicators

Items	Code	Loading	AVE	CR
Leadership style (transactional and transformational)			0.771	0.874
Provides with assistants an exchange for my effort	TS1	0.899		
Discusses with specific terms who is responsible for achieving performance targets	TS2	0.695		
Clarifies my expectation when meeting perform expectation goal	RC3	-		
Expresses satisfaction when meeting performance	TS4	0.778		
Focuses attention on irregularities/mistake deviation from standards	TS5	0.876		
Gives all attention in dealing with mistake/complains/failure	TS6	0.846		
Keeps track of all mistakes	TS7	0.743		
Directs my attention towards failures to meet standards	TS8	0.803		
Do not fail interfere until the problem is serious	TS9	0.868		
Wait for things go to wrong before taking action	TS10	0.84		
Hospital believes in not making changes unless necessary	TS11	0.851		
Takes action only when problem become serious	TS12	0.854		
Instils pride in me for being associated with her/him	TSL1	0.783		
Goes beyond self-interest for the good of staff	TSL2	0.873		
Have my respect	TSL3	-		
Displays sense of power and confidence in me	TSL4	0.858		
Talks only on most important values and beliefs	TSL5	-		
Specific importance of having a strong sense of purpose	TSL6	0.732		
Considers moral & ethical consequences of decisions	TSL7	-		
Emphasizes important of group's mission	TSL8	0.843		
Talks optimistically about future	TSL9	0.874		
Is excited about what needs to be accomplished	TSL10	-		
Articulates a compelling vision	TSL11	0.856		
Expresses confidence on goal achievement	TSL12	0.675		
Raises critical assumption to question whether they appreciate or not	TSL13	-		
Seeking deferent perspective in problem solving	TSL14	0.867		
Allows me look at problems different angles	TSL15	-		
Suggests new ways to completing my work	TSL16	0.869		
Spends time on training and caching	TSL17	0.865		
Treats me as individual rather than member of group	TSL18	0.745		
Considers me as having different needs/abilities/aspiration	TSL19	0.80		
Helps me to develop my strength	TSL20	0.871		
Organization commitment			0.864	0.892
I am not really attached to my supervisor	OC1	0.823		
I feel proud to work with my supervisor and organization	OC2	7.213		
I feel a sense of respect for my supervisor	OC3	0.730		
My supervisor means a lot to me	OC4	0.513		
I feel little admiration for my supervisor	OC5	0.541		
Job satisfaction			0.625	0.734
I have the opportunity to do multiple tasks from time to time	JS1	0.871		
I am free to use my discretion when performing my work	JS2	0.910		
I feel satisfied with my pay with what I produced in my organization	JS3	0.612		
My work promises a good career prospect	JS4	0.574		
I am satisfied with the organizational working environment including air conditioning	JS5	0.761		
Light and the surroundings 0.694	JS6	0.587		
My supervisor guided me and helps to simplify my tasks	JS7	0.592		
My superior perceived everyone as equally important	JS8	0.679		
I received recognition due to my perfection in work	JS9	0.912		
The promotion opportunity in this university is easy	JS10	0.651		
I have a good relationship with my counterpart	JS11	0.681		
I feel this university possesses good image at the eyes of public	JS12	0.871		
The work policy which is practiced in this university is good	JS13		0.811	0.94
Employee retention		0.932		
I'm planning on working for another organization within a period of 3 year	ER	0.891		
Within this organization my work gives me satisfaction	ER	0.813		
If I wanted to do another job or function, I would look first at the possibilities within this organization	ER	0.878		
I see a future for myself within this company	ER	0.917		
It doesn't matter if I'm working for this organization or another, as long I have work	ER	0.712		
If it were up to me, I will definitely be working for this organization for the next 5 years	ER	0.571		
If I could start over again, I would choose to work for another organization	ER	0.813		
If I received an attractive job offer from another organization, I would take the job	ER	0.684		
The work I'm doing is very important to me	ER	0.645		
I love working for this organization	ER	0.542		
I have checked out a job in another organization previously	ER	0.835		

TS: Transactional, TSL: Transformational leadership style, AVE: Average variance extracted, CR: Composite reliability, JS: Job satisfaction. 5 Strongly disagree; 3 disagree agree; 4 neutral; 2 agree; 1 strongly agree, ER: Employee retention, OC: Organization commitment

Table 3: Discriminant validity

Latent variable correlations				
TS	0.844			
OC	0.632	0.929		
JS	0.298	0.391	0.790	
ER	0.423	0.478	0.237	0.900

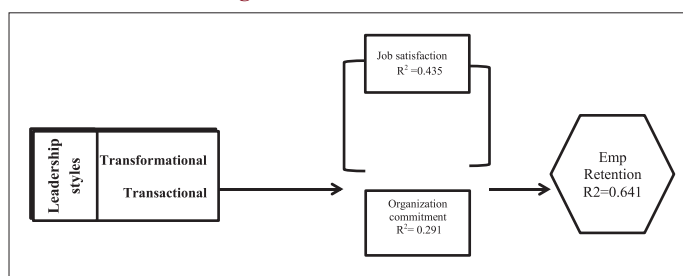
LS: Leadership style, ER: Employee retention, OC: Organization commitment, JS: Job satisfaction

Table 4: Results of the hypothesis testing

Hypothesis	Relation	Standard beta	SE	T-value	Decision
H1	LS-ER	0.731	0.087	7.934	Supported
H3	LS-JS-ER	0.463	0.106	4.413	Supported
H4	LS-OC-ER	0.516	0.096	3.714	Supported

LS: Leadership style, ER: Employee retention, OC: Organization commitment, SE: Standard error, JS: Job satisfaction

Figure 1: Structural Model



and retain them for a longer period of time. Furthermore, leadership of service organization retains employees because of high influence on the employees.

In hypothesis 3, whereby organization commitment mediated the relationship between leadership and employee retention was tested in the banking sector of Pakistan. Our findings are in line with Nguni et al. (2006) who suggested that leaders offer rewards and motivate employees to increase commitment of employees which helps them in maintaining retention. Similarly, Chew (2004) also found that leaders can retain employees in the organization through maintaining their employee commitment. If employees committed to organization they never think to leave organization (Anis et al., 2011). Employee retention largely depends on the leadership which highly influences on the employees with many ways (Albion and Gagliardi, 2007). Leadership style will create a work environment that to make motivation, satisfy and offers to rewards to motivate and increase the commitment to staying in the organization (Michael, 2008, Ng’ethe et al. (2012). Furthermore, employees retention can receive more influence by leadership of an organization. Also Ng’ethe et al. (2012) argued that the role of leadership style is very important to retain employees in the organization. Primary goals of the leaders to focus on the organization objectives and increase the organization commitment and satisfy employees to loyal with organization Ismail et al., (2011). Employee commitment and job satisfaction reduces the intention of the leave the organization and employees feel proud to be part of the organization (Pascal, et al., 2011). Employees are likely to remain in the organization when they feel that the leaders of organization show concern for them and give them value and

provide positive feedback on regular basis (Ng’ethe et al., 2012). Our findings are also suggesting that leadership style has the ability to create retaining environment through communicating and understanding employees and their needs. Therefore strong and inspiring leadership can be of great value for any organization. A leader must have the ability and potential to adopt the leading style according to need and vitality. A leader hence should be adaptive in nature and inspiring to foster employee retention.

7. CONCLUSION

The findings of the study clearly show the role of leadership in influencing employee retention in the commercial banks of Pakistan. Result of the study have described that employee retention can be enhanced with job satisfaction and organization commitment with leadership styles. If employees are satisfied and committed in an organization, they will boost personal productivity and business efficiency. The study has concluded that leadership styles including transformational and transactional can considerably help in enhancing employee retention in the commercial banks of Pakistan.

8. RECOMMENDATIONS

This paper proposed leadership style mediating by job satisfaction and organizational commitment to helping employees to retain in an organization for a longer period. This study findings could potentially be of value for organization management to know that, which leadership style best for retention of employees than management easily recruitment that leadership style which influence on retention. This study finding can also be noteworthy for policy makers in understanding the idea of employee retention and how leadership roles can play a crucial role in it. This study brings the role of leadership style in employee retention in the commercial banks of Pakistan. The leaders should be antiphonal to employees’ issues since responding to employee’s issues promptly; this expresses leader’s guardianship and motivates employees to stay with the organization for long. Employees in the banking sector should be spotted as a critical resource and wrathful resource that can significantly conduce to the banking industry to compete locally and globally. In simple terms it could be stated that if the best employees are not retained within the concern, an organization can be negatively influenced from the bank operations to the strategic level.

9. RESEARCH LIMITATIONS

This study was carried out only in one province (Sindh) of Pakistan which may limit the generalizability of findings. Further study therefore should be conducted in other regions including private hospitals. Additionally, the current study investigated only two leadership styles and therefore, other leadership styles may also be examined empirically both, in direct as well as in mediated relationship with employee retention. Employee retention R² - 61%, hence, remaining many other variables could be studied to explain further variance. Accordingly, the explained R² for mediation was 39% for mediation. Finally, through the tests of the

models yield several results that are consistent with the hypotheses, the cross-sectional design studied was used to limit the soundness of the causal inferences. Further studies may be undertaken with a longitudinal research strategy.

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