



2528-9705

*Örgütsel Davranış Araştırmaları Dergisi*  
Journal Of Organizational Behavior Research  
Cilt / Vol.: 4, Sayı / Is.: 2, Yıl/Year: 2019, Sayfa/Pages:34-53



## RELATIONSHIP BETWEEN LEADERSHIP STYLES ON TALENT RETENTION THROUGH EMPLOYEE COMMITMENT AND MOTIVATION: EVIDENCE FROM THE BANKING SECTORS, PAKISTAN

Muhammad MASOOD MIR<sup>1\*</sup>, Sahar KHAN<sup>2</sup>, Mehran TUNIO<sup>3</sup>, Muhammad OMER<sup>2</sup>,  
Shamroze SAJID<sup>4</sup>, Sameer HUSSAIN<sup>4</sup>

<sup>1</sup> Assistant Professor at KASB institute of technology and PhD scholar at Muhammad Ali Jinnah University, Karachi Pakistan.

<sup>2</sup> Lecturer, Department of Management Science, KASB Institute of Technology, Karachi, Pakistan.

<sup>3</sup> Lecturer, Department of Management Science, Shaheed Benazir Bhutto University, Nawabshah, Pakistan

<sup>4</sup> Masters Student, KASB Institute of Technology, Karachi, Pakistan

**\*Corresponding Author**

### ABSTRACT

*Employees are the key factors and elements for any of the firms as the betterment of the firm is dependent on these core factors. Organizations get their peak time when employees stay committed for the long term. While this research focused on determining the relationship between leadership styles and talent retention with the mediating effects of commitment and motivation evidence from the banking sector. This study provided insight that helped to retain talented employees through the indicators of different styles. The sample data of 171 was collected through the structured questionnaire process from the private banking sector. Furthermore, it was tested by using Smart PLS approach. The study showed that the democratic leadership style had no impact on talent retention and organizational commitment, but had a positive impact on Motivation. The study revealed that there was an effect of organizational commitment and motivation on talent retention. As firms have been moreover dependent on the productivity of talented employees as they have been the sources which utilized their skills. The findings suggested that, appropriate laissez-faire leadership style which makes a significant relationship with talent retention, should be focused on this particular sector.*

**Keywords:** Democratic, laissez-faire, Charismatic, Intellectual stimulation, Organizational commitment, Motivation, Talent retention.

### INTRODUCTION

Leadership is a quite popular and the misconceived phenomenon, and there is a connection between the followers and the leaders, who drive for change and the results have shown the visionary approach they are on to achieve organizational goals (Daft and Marcic, 2006). Favour (2016) at his research, found the relationship between Charismatic, laissez-faire, Democratic, Autocratic and transformational leadership styles and retention of employees, but it has not been as simple. In this research, the phenomena has been more explored by providing a link that would surpass the mediating effect of either commitment and motivation that would help to retain employees in a different sector. Further, it has also been found out by Nyamekye (2012) where he determined the impact of motivation on the retention of employees in the banking industry. In addition to it, Kassa (2015) also found and supported

that the most important and effective role was played by the motivational factors. There have been various factors that determine the rewards, promotions, benefits, compensation, challenging work, and career opportunities that lead to motivation (Chiang and Canter 2008). Although it has also been found by Anis, Rehman, Rehman, Khan, and Humayoun (2011) who emphasized that commitment has also been a mediator for encouraging employees to be effective on the basis of long-term, further those who were committed to organizations were less likely to be in absenteeism and turnover intentions (Golden and Veiga, 2008). This research provided a gateway and new dimension to the banking sectors of Pakistan. And this study provided a suitable and appropriate leadership style to be implemented. Besides that, it might help to lower the attrition rates, make employees committed and motivated towards work. Although generalizability was low, as the results could not be implemented in the overall sector. Further different dimensions could also be explored in future researches as of different leadership styles. The findings from this research would provide values to the banking sector by providing leaders that would help to retain a talented employee. In addition to that, when competitive pressure increases among the firms, or when conflicts arise, leaders are the ones who have to take side by side decisions, and in order to cope up with this situation and to overcome such issue, appropriate leadership should be implemented. Transformational leadership style is also a quite renowned phenomenon as it provides the initiative that makes a task important, it provides such enthusiasm that helps to retain and make employees committed by giving learning environment (Arnold, Barling, & Kelloway, 2001). In Pakistan, inflation is very high, and it is the factor which makes difficult for individuals as well as banks go through different structures such as privatization, nationalization, mergers, acquisition, and environment but also leadership styles as per required situation, and they lead to unemployment. Moreover in other researches it is also been found by Shubaka (2014), where he analyzed that there have been certain human resource strategies that developed commitment among employees which made them retain in organizations, it included the annual review of salary, rewards, trainings and benefits. Additionally, Sushil (2013) investigated the strategies of motivation which would enhance the retention through the implementation of Hr practices, he further elaborated that decreased in job satisfaction leads to low commitment, eventually he concluded that the success of firms depend on how they retain and attract employees through motivational factors. This study aimed to investigate Autocratic, Democratic, Laissez-faire, Charismatic and intellectual stimulation leadership styles on talent retention among the banking sector of Pakistan with the motivational factors, which made them committed with the organization.

### ***Democratic Leadership***

Yao, Woan, Li, & Bin Ahmad's (2017) study statistically proved that democratic style might be more suitable and more adopted by firms as compared to the autocratic one. Bhatti, Maitlo, Shaikh, and Hashmi (2012) stated that the under democratic style employee felt more motivated, and worked effectively not just for the good compensation but for the organization well-being, and it would help to enhance their human skills. Bakker and Schaufeli (2008) founded that employees who had a positive relationship with the manager were more engaged. Democratic leadership would provide autonomy to employees and encourage them to participate in decision making (Saleem, Batool, & Khattak, 2017). There have been certain leadership styles that have been followed in different organizations, they have been considered



to be the basic steps for the succession (Laohavichien, Fredendal, & Cantrell, 2009). Hamdia and Phadett (2011) have also suggested making employees committed to organization by satisfying their needs so they would prefer the organization as the first place. Furthur, Saleem et al. (2015) suggested that democratic leadership style had a positive relationship with the organizational commitment, which led to the retention of employees.

Fiaz, Su, Amir, & Saqib (2017) stated that the democratic leadership style had an insignificant impact on personal motivation. As a democratic leadership style can be used to increase employee performance by eliminating the negative impacts of bureaucratic leaders and ensuring democracy (Fiaz, Su, Ikram, & Saqib, 2017). Furthermore, a study was conducted by Aunjum, Abbas, & Sajid, (2017) on the transformational style in the banking sector where he suggested that it was a task for upper management to influence subordinates to achieve organizational goals, whereas this style has also followed the subordinates' interests as well.

- ***Laissez Faire Leadership Style***

Manning and Curtis (2009) suggested they used modernizing techniques of motivating their employees to do their bests at their workplace, and elaborated that the older types of techniques failed when it came to the open communication or coaching others to succeed in what they failed to do. Eikenberry (2007) suggested that leaders should also get influenced by the change they were required to adapt and work accordingly. laissez-faire leadership style provided less guidance to employees but gives full autonomy to them (Khan, et al., 2015). Apart from this, Eeden, Cilliers, and Deventer (2008) stated that laissez-faire provided direction to their employees so they could handle critical situations easily.

Leng, Xuan, Sin, Leng, and Yan (2014) mentioned that laissez fair leadership styles had the most significant impact on employees' commitment as compared to the other styles. In Addition, it was also suggested by Jermier and Berkes (1979) that those who had the freedom to make a decision also stayed committed for a longer span as compared to the others. Chukwura (2017) conducted a research on leadership style where his study emphasized that as also suggested by Skogstad, Aasland, Nielsen, Hetlant, and Matthiesen (2014) that laissez-faire style took time to make employees committed to the organization if it did so, the employees would be committed for a long time.

Chaudhry and Javed (2012) stated that laissez fair leadership style had a lesser role for motivating employees. Moreover, Nyamekye (2012) emphasized that indicators which were related to the motivation in banking sectors were salary, benefits, job security which kept the employees committed to the firm. In addition to it, Chipunza, Samuel, and Mariri (2011) suggested about the style which should be adopted in the banking sector, his research concluded that laissez-faire style was more commonly adopted, while another research by Peters and Waterman Jr (2004) highlighted that in a laissez-faire style, the leader did not provide support and guidance. While Lee (2005) also talked about this phenomenon where he investigated that transformational style was more likely to have an impact comparing to the laissez-faire style which had impact on employees' commitment and motivation.

- ***Charismatic Leadership Style***

Izidor and Iheriohanma (2015) conducted a research on retaining talent through various leadership styles; his study observed that when the subordinates were encouraged by the leader, their confidence and morale boosted, and they got good knowledge for the attainment of goals, further he emphasized that there was a synergic approach between the leadership



style and retention of talent. Another research by Sow, Ntamon, and Osuoha (2016) revealed that the relationship between charismatic leadership style and retaining talent was negatively correlated in the health sector, his study was also supported by the findings of (Hamstra, Van Yperen, Wisse and Sassenberg, 2011; Landman, 2012; Wells and Peachey, 2011) who also suggested that there was a correlation between charismatic leadership style and intention to leave.

It is a talent and a process that inspires the followers to create a sense of belonging with the followers. Idealized influence supplied its followers with a visionary and missionary approach and had a very high principled norms and values, they are a very noble kind of people (Northouse, 2015). Inspirational motivation inspired and motivated the member or participant in a group or a company towards the group mission and organizational goals. Inspirational motivation boosted teams' morale and devotion to work efficiently and effectively (Northouse, 2015).

Alkahtani (2016) concluded in his study that transformational leadership styles containing all elements like Idealized Influence, Individualized Consideration, Inspirational Motivation, Intellectual Stimulation had a positive relationship with the organizational commitment. As found in the study that the transformational leadership style had a strong relationship with the organizational commitment (Ahmadi, Ahmadi, and Zohrabi, 2012).

The research was conducted on the four elements of transformational leadership styles (Idealized Influence, Individualized Consideration, Inspirational Motivation, Intellectual Stimulation) in which charisma was the most important and worthy among all four dimensions, it helped in identifying that charisma leadership style or the quality of charisma in leaders helped to make employees relaxed while working around (Hadi, 2018). Ahmad, Abbas, Latif, and Rasheed (2014) in their study found that the transformational leadership style had a strong relationship with motivation. Furthermore, Pongpearchan (2016) discussed that transformational leadership styles and high-performance work systems had a perfect or perhaps a strong relationship with the work motivation. Ansar, Aziz, Majeed, and Rassol (2016), in their study, concluded that charisma leaders and motivation had a significant relationship which led to the organizational effectiveness; charismatic leadership style motivated and aligned employees towards the organizational goals and effectiveness.

- ***Intellectual Stimulation***

Talented employee retention is massive, so it helps to boost organization and employee relationship if we provide delivering the promise of quality health care, providing a personal touch, doing more than adequate job and execution of the business strategy more consistently and reliably than the competition (Boateng, Kwarteng, Awuruche, Boateng, and Sarpong, 2012).

It is an approach where leaders support their subordinates to be creative and innovative, it also enhances problem-solving techniques as described by (Northouse, 2015). Another research conducted by Mahmood (2015) emphasized that commitment more likely depends upon transformational or transactional styles as well as on the nature of the firm. Apart from it, Chowdhury (2014) mentioned in her research, that the transformational leadership style was positively correlated with the organizational commitment, further, found in the study that employees' commitment level to organizations was prominent.



When managers or leaders motivate employees for innovation, intellectual stimulations arise (Quintana, Park, and Cabrera, 2014). As we know, everything is not perfect and sometimes we are expecting the results positive but they will not, but that kind of leaders who show patience and good intentions, awakens trust and respect in employees that a high yielded organizations should have (Schweitzer, 2014). Motivation is a basic tool or a directive for employees' work behavior (OLUSOLA, 2011). The organizations are highly profitable or well established because of employees' efforts, commitment, and engagement. So motivation plays a vital role because leadership adds the power to motivate employees, as this is one of the most important jobs (Achua and Lussier, 2012). Furthermore, many types of research have been conducted on this phenomenon. Chowdhury (2014) in her study stated that transformational leadership styles (intellectual stimulation) had a positive relationship with employees' motivation.

- ***Organizational Commitment***

It has been found that previous employees faced with problems on job security, while nowadays issues of retaining talent have become a concern for the firms regarding the study done by (D'Amato & Herzfeldt, 2008). It also suggested the intentions of different managers across the globe in addition, he found out that staying committed to firms was much more complex for the new generation, but they were much more capable to learn and be innovative and seek challenges (Gabriel, 1999, Brousseau, Driver, Eneroth, & Larsson, 1996). Furthermore, Dockel (2003) investigated the retention of employees through commitment, and he found out that there have been certain factors of compensation, career opportunity and support which were the indicators which made the employees committed and helped in retaining them. In addition to it, Sattigeri (2016) stated about different practices to make employees committed; additionally, in his study, he also suggested that retaining top employees would be through the development of leaders, his research also claimed that critically leadership styles played a significant role in retaining talented employees. Shubaka (2014) also claimed that commitment had a huge difference on retaining employees, he further elaborated that training and development also played a key role as talented employees can be found to be more committed as they find ways to learn and grow, and have better opportunities.

- ***Motivation:***

Studies and researches have investigated to retain talent in every firm, therefore, there are certain strategies that have been implemented all across firms to retain talent. As Kassa (2015) claimed and found out that motivational factors such as recognition and promotions keep employees retained with the firm. Sushil (2013) investigated the relationship between motivation and retention of employees where he emphasized that motivation makes organizations achieve their objectives as their employees are much more aligned with the goals, it has also been considered that it's a valid tool to achieve the optimum performance. Apart from that, Kämpe (2012) stated that retention is a matter of concern for every firm, therefore, each organization by providing best resources in terms of career development, rewards, and promotions tries to make the atmosphere much more perfect for the talented employees. Ajmal, Shamim, Saleh, and Malik (2016) conducted a research where he stated that retention is significantly aligned by motivation with indicators of compensations and benefits.



## METHODOLOGY:

### *Purpose and Hypothesis of the Study*

The purpose of the study was to examine the existing theory of leadership styles and talent retention on the basis of the evidence available in the literature; and this paper highlighted important leadership styles in the banking sector which can be used for retaining talented employees, so employees can be led to organizational commitment, and be motivated at the workplace. So, in this study, the post-positivism philosophical assumption which was also suggested by (Phillips & Burbules, 2000) was used. Thus, the constructed hypothesis for these relationships were:

*HA1: There is a Direct relationship between Democratic Leadership Style and Talent Retention.*

*HA2: There is an Indirect Relationship between Democratic Leadership Style and Organizational Commitment.*

*HA3: There is an Indirect relationship between Democratic Leadership Style and Motivation.*

*HA4: There is a Direct relationship between Laissez-Faire Leadership Style and Talent Retention.*

*HA5: There is an Indirect Relationship between Laissez-Faire Leadership Style and Organizational Commitment.*

*HA6: There is an Indirect relationship between Laissez-Faire Leadership Style and Motivation.*

*HA7: There is a Direct relationship between Charismatic Leadership Style and Talent Retention.*

*HA8: There is an Indirect Relationship between Charismatic Leadership Style and Organizational Commitment.*

*HA9: There is an Indirect relationship between Charismatic Leadership Style and Motivation.*

*HA10: There is a Direct relationship between Intellectual Stimulation and Talent Retention.*

*HA11: There is an Indirect Relationship between Intellectual Stimulation and Organizational Commitment.*

*HA12: There is an Indirect relationship between Intellectual Stimulation and Motivation.*

*HA13: There is a Direct relationship between Motivation on Talent Retention.*

*HA14: There is a Direct relationship between Organizational Commitment on Talent Retention.*

- ***Data Collection and Measurement Tools:***

The data was measured using -point scale, done by a 5-point adaptive questionnaire with having a sample size of 171 from the banking sector selected randomly, in which researchers identified 25 unengaged responses, 34 missing values, and normality from the data. The data which was found normally distributed showed the value of skewness and kurtosis which has been suggested by Westfall (2014) who stated that an acceptable value of skewness is  $2 >$  showing that the data is normally distributed. While kurtosis is defined as the peak of a distribution which has the acceptable value of kurtosis value of  $>7$  which showed the normality as suggested by (Westfall, 2014). Further, for results and analysis smart PLS was used which validated the results, and also explained the mediating effect in the study as also suggested by (Bøe, 2016), and (Abdullah and Rosli, 2015).



**RESULTS AND ANALYSIS:****Table 1: Demographics**

DEMOGRAPHICS	CATEGORY	FREQUENCY	PERCENTAGE
SEX	MALE	133	77.7 %
	FEMALE	38	22.3 %
	<b>Total</b>	<b>171</b>	<b>100%</b>
EDUCATION	BACHELORS	82	47.9%
	MASTERS	86	50.35%
	OTHERS	3	1.75%
	<b>Total</b>	<b>171</b>	<b>100%</b>
EXPERIENCE	1-3	57	33.3%
	3-5	31	18.1%
	5-7	34	19.8%
	7 & ABOVE	49	28.6%
	<b>Total</b>	<b>171</b>	<b>100%</b>

As it could be seen in the above table (Table 1), this section consisted of demographic information of the respondents from the banking sector of Pakistan. It includes biographical data related to Sex, education, and experience in Banking Sector. From the results, it could be analyzed that there was a higher number of males with 77.7% as compared to 22.3% of females in a total of 171 respondents. While another factor was their level of education, the majority had a bachelor degree (47.9%) and a master degree (50.35%); respectively. As it could be seen on the basis of experience, most employees lay between the scale of 1-3 years with having (33.3%), and above 7 years experience (28.6%). While 18.1% had 3-5 years' experience, and 19.8% had 5-7 years' experience. Which showed that the banking sector contained lots of possession in terms of experience.

**Table 2: Construct Reliability and Validity**

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Charismatic Leadership Style	0.732	0.969	0.827	0.617
Democratic Leadership Style	0.712	0.838	0.834	0.629
Intellectual Simulation	0.725	0.820	0.835	0.629
Laissez-faire Leadership Style	0.847	0.848	0.897	0.686
Motivation	0.796	0.809	0.880	0.711
Organizational Commitment	0.847	0.850	0.908	0.767
Talent Retention	0.847	0.848	0.891	0.620

As it is shown in Table 2, from the reliability analysis by the questionnaire and answers of the respondents, it can be seen that the data which was collected was reliable as the values of Cronbach's alpha, rho\_A, Composite Reliability were well above 0.7 as suggested by (Fornell &

Larcker, 1981). Furthermore, Ave was also well above 0.5 which showed that the data was valid as suggested by (Hair, Black, Babin, & Anderson, 2010).

**Table 3: Discriminant Validity:Fornell-Larcker Criterion**

	Charismatic leadership style	Democratic Leadership style	Intellectual Stimulation	Laissez-faire leadership style	Motivation	Organizational Commitment	Talent Retention
Charismatic leadership style	<b>0.785</b>						
Democratic Leadership style	0.528	<b>0.793</b>					
Intellectual Stimulation	0.435	0.471	<b>0.793</b>				
Laissez-faire leadership style	-0.045	-0.104	-0.026	<b>0.828</b>			
Motivation	0.073	0.044	0.135	0.538	<b>0.843</b>		
Organizational Commitment	-0.030	-0.128	-0.039	0.657	0.514	<b>0.876</b>	
Talent Retention	-0.016	-0.165	-0.112	0.680	0.608	0.664	<b>0.787</b>

**Table 4: Cross Loading**

	Charismatic Leadership Style	Democratic Leadership Style	Intellectual Stimulation	Laissez-faire Leadership Style	Motivation	Organizational Commitment	Talent Retention
CHAR Q1	0.705	0.521	0.367	-0.024	0.026	-0.051	0.016
CHAR Q2	0.736	0.502	0.370	-0.107	0.049	0.034	-0.014
CHAR Q5	0.901	0.367	0.347	-0.015	0.079	-0.035	-0.025
DEMO1	0.334	0.679	0.280	-0.033	0.000	-0.090	-0.097
DEMO2	0.364	0.777	0.332	-0.080	0.101	-0.127	-0.025
DEMO3	0.516	0.907	0.467	-0.116	0.023	-0.101	-0.211
IS Q1	0.293	0.425	0.878	-0.014	0.178	-0.067	-0.063
IS Q2	0.463	0.295	0.752	-0.040	0.045	-0.061	-0.124
IS Q3	0.324	0.418	0.742	-0.008	0.045	0.106	-0.104
LEZ1	-0.041	-0.068	-0.056	0.798	0.412	0.583	0.500
LEZ2	-0.047	-0.136	-0.035	0.846	0.398	0.554	0.598
LEZ3	-0.025	-0.082	-0.002	0.844	0.419	0.531	0.596
LEZ4	-0.037	-0.059	0.004	0.824	0.547	0.511	0.557
MO1	0.135	0.089	0.147	0.323	0.767	0.371	0.493
MO2	0.014	-0.030	0.076	0.496	0.867	0.407	0.540
MO3	0.050	0.063	0.126	0.523	0.891	0.517	0.507
OC1	-0.041	-0.070	0.053	0.583	0.443	0.879	0.569
OC2	-0.017	-0.119	0.019	0.648	0.446	0.915	0.564





OC3	-0.020	-0.149	-0.181	0.489	0.464	0.831	0.615
TR1	0.020	-0.122	-0.069	0.501	0.483	0.526	0.785
TR2	-0.067	-0.178	-0.167	0.504	0.503	0.596	0.806
TR3	-0.057	-0.118	-0.065	0.521	0.421	0.515	0.774
TR4	-0.006	-0.153	-0.123	0.585	0.478	0.476	0.798
TR5	0.049	-0.075	-0.009	0.567	0.503	0.499	0.773

Table 5: Heterotrait-Monotrait Ratio (HTMT)

	Charismatic Leadership Style	Democratic Leadership Style	Intellectual Simulation	Laissez-faire Leadership Style	Motivation	Organizational Commitment	Talent Retention
Charismatic Leadership Style							
Democratic Leadership Style	0.774						
Intellectual Simulation	0.631	0.619					
Laissez-faire Leadership Style	0.095	0.139	0.055				
Motivation	0.115	0.129	0.192	0.645			
Organizational Commitment	0.072	0.172	0.146	0.774	0.625		
Talent Retention	0.088	0.188	0.166	0.803	0.741	0.785	

As shown in the above table (table 3) that the square root of AVE was greater than the off-diagonal values as they were above 0.7 as suggested by (Fornell & Larcker, 1981). So that, the data was considered to be valid. Furthermore, as shown in table 4, that independent variables should load greater in their own latent variable as they should not cross other variables' value as stated by (Hair et al., 2010). Moreover, as shown in Table 5, all the relationships between the constructs showed that the values were below 0.8 which has been suggested by (Henseler, Ringle, & Sarstedt, 2015). Hence, discriminate validity was established between all the constructs.

Table 6: R Square

	R Square	R Square Adjusted
Motivation	0.313	0.287
Organizational Commitment	0.436	0.415
Talent Retention	0.620	0.598

As it can be seen in table 6 that the mediating variable motivation showed 31.3 % variation explained by the independent variables, while organizational commitment was another mediating variable which showed 43.6 % variation explained by the independent variable. Furthermore, it was seen that the dependent variable of talent retention showed 62 % variation which was more than the mediating variable explained by the independent variable.

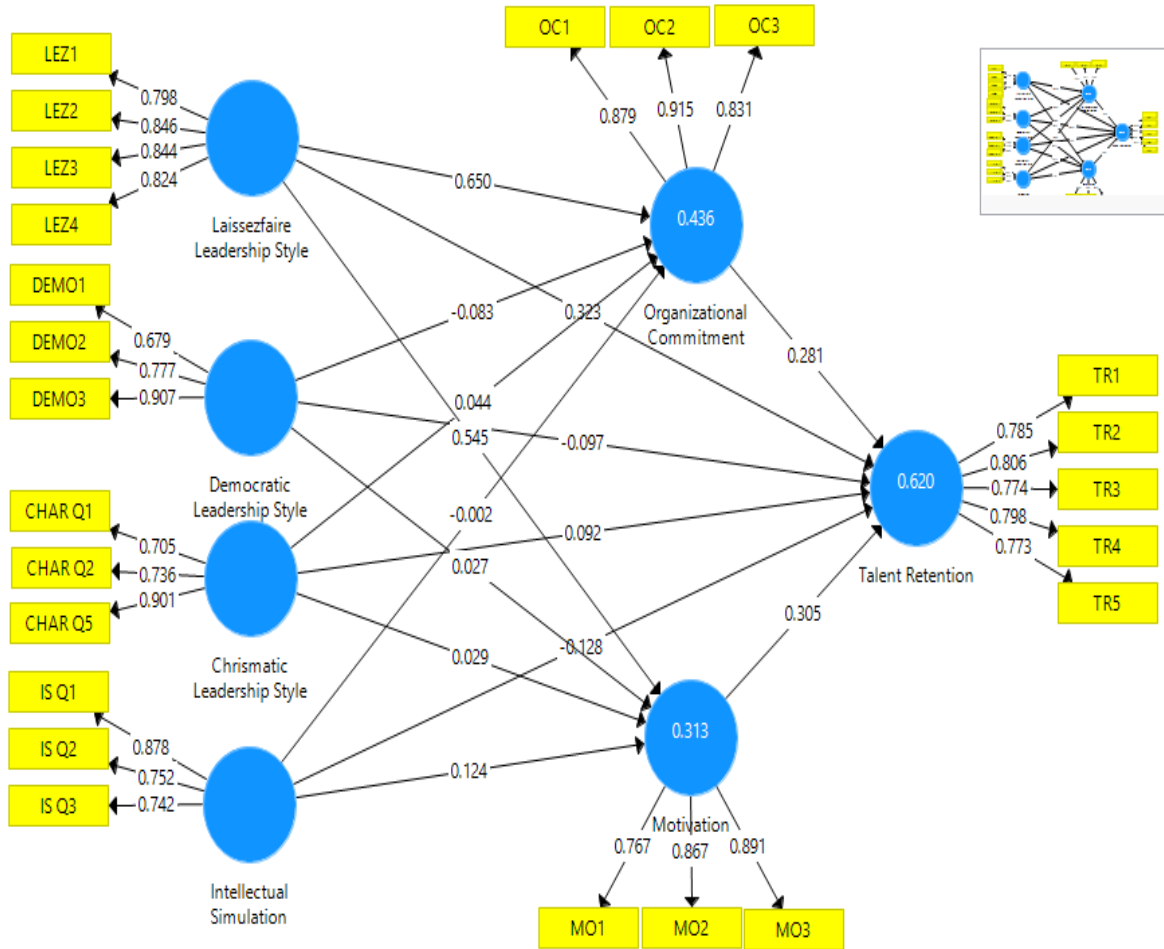


Figure 1: SEM

Table 7: Bootstrapping:

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Charismatic Leadership Style -> Motivation	0.029	0.049	0.110	0.267	0.790
Charismatic Leadership Style -> Organizational Commitment	0.044	0.052	0.128	0.347	0.728
Charismatic Leadership Style -> Talent Retention	0.092	0.090	0.086	1.066	0.287
Democractic Leadership Style -> Motivation	0.027	0.033	0.105	0.259	0.796
Democractic Leadership Style -> Organizational Commitment	-0.083	-0.104	0.096	0.862	0.389
Democractic Leadership Style -> Talent Retention	-0.097	-0.086	0.096	1.014	0.311
Intellectual Simulation -> Motivation	0.124	0.097	0.123	1.007	0.315

Intellectual Simulation -> Organizational Commitment	-0.002	0.015	0.123	0.017	0.987
Intellectual Simulation -> Talent Retention	-0.128	-0.133	0.082	1.558	0.120
Laissez-faire Leadership Style -> Motivation	0.545	0.547	0.088	6.171	0.000
Laissez-faire Leadership Style -> Organizational Commitment	0.650	0.644	0.061	10.734	0.000
Laissez-faire Leadership Style -> Talent Retention	0.323	0.318	0.092	3.524	0.000
Motivation -> Talent Retention	0.305	0.307	0.078	3.882	0.000
Organizational Commitment -> Talent Retention	0.281	0.283	0.084	3.345	0.001

Table 7 shows the results of bootstrapping and the results of the effects on the mediating variable and the dependent variable (i.e. organizational commitment, Motivation, and Talent Retention) by the independent variables (i.e. Democratic, laissez-Faire, Charismatic leadership styles, and Intellectual stimulation). As shown in the above table, the charismatic leadership style was insignificant, and had a no mediation with the organizational commitment and motivation (i.e. T value, 0.267, 0.347, 1.066  $\leq \pm 1.96$ ; *p*-value, 0.790, 0.728, 0.287 > 0.05) so failed to reject the null hypothesis meaning that there is no relation of charismatic leadership style with organizational commitment, motivation, and talent retention. Moreover, as can be seen in the above table, the democratic leadership style was insignificant with motivation, organizational commitment and talent retention showing the values of (i.e. T- value, 0.259, 0.862, 1.014  $\leq \pm 1.96$ ; *p*-value, 0.796, 0.389, 0.311 > 0.05); so, there was no mediation between both constructs. As well, the intellectual stimulation was insignificant with motivation, organizational commitment and talent retention showing the values of (i.e. T-value, 1.007, 0.017, 1.558  $\leq \pm 1.96$ ; *p*-value, 0.315, 0.987, 0.120 > 0.05); so, the hypothesis was accepted, and also there was no mediation between the constructs. Laissez-faire leadership style and talent retention had a partial mediation with the organizational commitment and motivation (i.e. 6.171, 10.734, 3.524  $\geq \pm 1.96$ ; *p*-value, 0.000, 0.000, 0.000 < 0.05); so, the hypothesis was rejected, and showed the direct and indirect relationship between the constructs. So in the above table, it was shown that talent retention had a partial mediation with motivation (i.e. T-value, 3.882  $\geq \pm 1.96$ ; *p*-value, 0.000 < 0.05); so, the hypothesis was rejected, and showed the direct and indirect relationship between the constructs. Moreover, talent retention had a partial mediation with the organizational commitment showing the values of (i.e. T-value, 3.345  $\geq \pm 1.96$ ; *p*-value, 0.001 < 0.05); so, the hypothesis was rejected, and showed the direct and indirect relationship between the talent retention and the organizational commitment.



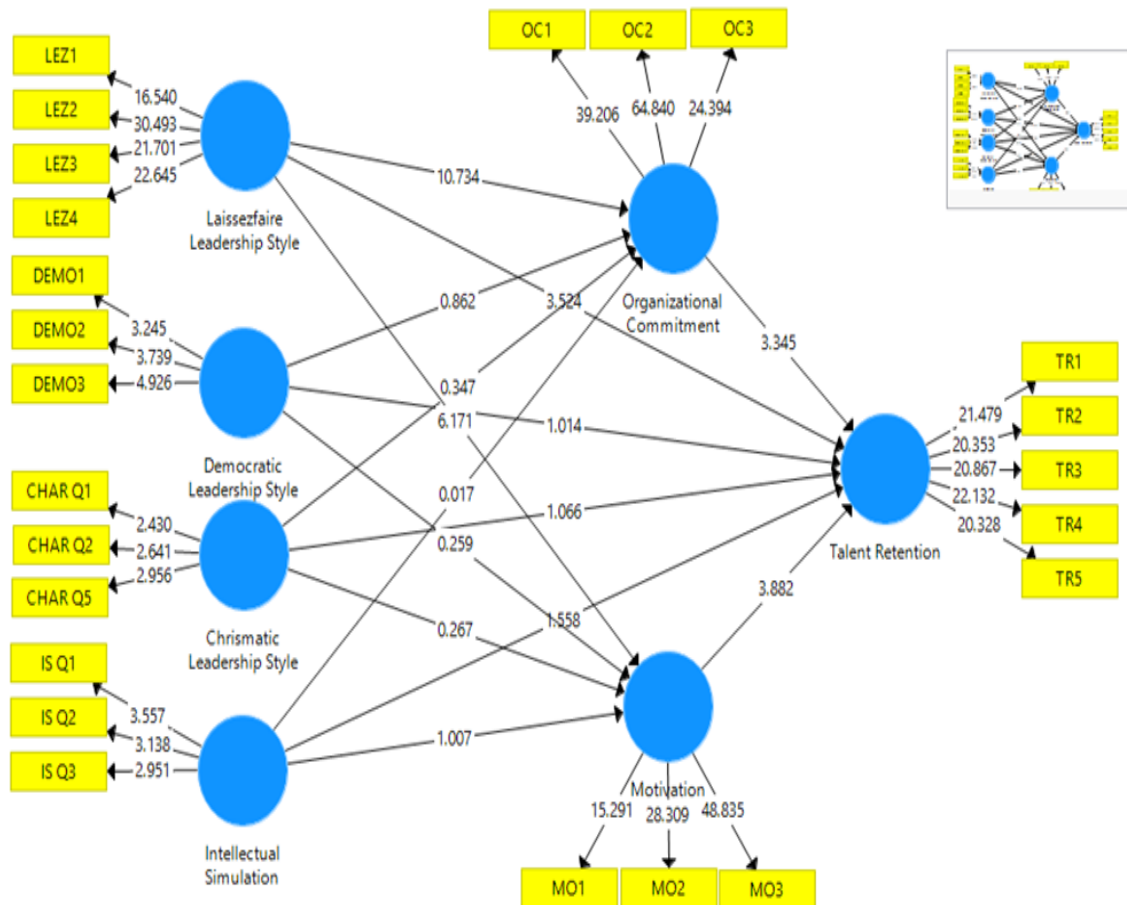


Figure 2: PLS-Bootstrapping

## DISCUSSION AND FINDINGS

This study focused on retaining talented employees by creating a motivational environment within the organization, considering the fact that different leadership styles have different aspects. As can be seen through our results, democratic leadership did not have a much significant impact with mediating on the organizational commitment which has been much more aligned and consistent as discussed by (Riaz et al., 2010), who also found that transformational leadership style had a significant impact on commitment. As it was also discussed in the results of this study, the democratic style also did not have a significant impact on motivation as motivation was not also supported by this style which was also consistent with Rawat (2015) who elaborated that this style had a minimum influence on motivation. While as discussed above, the democratic leadership also was not suitable for retaining talent in the banking sector, moreover, it was consistent with the findings of (Bakker and Schaufeli, 2008) where he emphasized that it had a significant relationship in his studies as per his findings.

Furthermore, as it was interpreted above, that laissez-faire leadership had the most significant and positive relationship with both mediating organizational commitment and motivation which was also found by (Jermier & Berkes, 1979) that committed employees favored such

suitable style which involved them in decision making. It was also suggested by Chaudhry and Javed (2012) that in banking sector although by adopting such style, a moderate level of motivation was indicated among employees, and this was also consistent with Eeden, Cilliers, and Deventer (2008) which suggested that laissez-faire style suited such employees which were having core knowledge and a good insight of work, and this was also consistent with the findings of (Manning and Curtis, 2009). Further research studies have been conducted on talent retention considering certain leadership styles, among which charismatic style was also an overall phenomenon as shown above, that it was not much significant, and did not have much impact on retaining talent as also emphasized by (Northouse, 2015) who found that there were certain factors such as inspirational motivation which reflected and boosted employees' productivity; although, his study suggested that overall transformational leadership elements had some significant impacts on employees' commitment which was also recommended by Pongpearchan (2016) that suggested transformational had a high impact as per work environment which would motivate and boost employees' performance. In addition to it, the intellectual stimulation had a negative impact with organizational commitment and talent retention, but it was much more aligned and had a positive relationship with the motivation effect as also was concluded in the research of Chowdhury (2014); whereas the findings were inconsistent with that, as it showed a significant impact of the transformational style on the organizational commitment. But it was also consistent with (Quintana, Park, and Cabrera, 2014) which also suggested that leaders' motivation for employees' stimulation would arise. Apart from that, the organizational commitment and motivation had a significant impact as shown in the above results which was also consistent with the the results of (Dockel, 2003, Shubaka, 2014) that there have been various factors such as training development, compensation, career opportunity which have been helpful in making employees committed, and this was also recommended by Kassa (2015) who found that recognition and promotions have also been among factors which keep employees motivated.

## **CONCLUSION:**

This study was about leadership styles on talent retention with the mediating effect of motivation and organizational commitment. In this research, researchers considered different variables like democratic leadership style, charismatic leadership style, laissez-faire leadership style, and intellectual stimulation. The study showed that the democratic leadership style had no impact on talent retention and organizational commitment, but had a positive impact on motivation. The study revealed that there was an effect of organizational commitment and motivation on talent retention. Furthermore, it was seen that laissez-faire leadership style had a significant impact on the organizational commitment, motivation and talent retention, and it elaborated that leaders who used the laissez-faire leadership style were more likely to motivate and engage employees to a commitment to the organization, hence it led to retaining the talented employees. Moreover, it could be assessed that Intellectual Stimulation also did not consist of components which helped to retain talented employee either by following such styles with the effect on commitment and motivation as it would not be providing that much visionary approach, neither the space of improvement for which the talented employees are looking to get better opportunities and nor different aspects to solve out the problem. In



addition to it, the charismatic leadership style hasn't got the significance to retain employees as it is to be considered that this style might consist of the approach where leaders optimistically were looking towards the future, and the employees which were engaged in such a high creative environment would eventually leave out. Apart from it, the above results, it could be emphasized that the mediation effects of commitment and motivation would help in retaining talents as they have been highly appreciated on the achievement; as well, they have got the freedom to work to achieve organizational objectives. Besides, the committed employees would avoid switching too often as they felt the pride to be a part of the firm, and they would look for the aspects to work effectively. So, it could be concluded that among the leadership styles, the laissez-faire leadership style was the most suitable and appropriate style to retaining the talented employees.

### ***Recommendation and Future Directions***

As it was observed in the study, retaining talents has been far a concern for every firm as a talented employee helps to bring the organization upfront. As firms are moreover dependent on the productivity of talented employees, they are the source which utilized their skills. Therefore, this study was conducted on retaining top talented employees through the leadership process in banking sector industry, as today, workplace employees' turnover is the most common problem. Accordingly, in this study, it was found that the appropriate laissez-faire leadership style made a significant relationship with talent retention, and should be focused on this particular sector. Secondly, with this specific style, motivation and commitment should be aligned to get the favorable results. As it was also found out that career opportunities, benefits, job security have also been the elements which engaged the talented employees. Furthermore, retaining talented employees without providing them opportunities, advancement and growth would be difficult for the firms to engage and retain them in this globalization era where competitive advantage has been growing day by day. On top of all, this study would provide a path and gateway to future studies that could be conducted on different aspects of leadership styles on various sectors, and that would help sectors to identify the appropriate styles.



### **References**

- Abdullah, D., & Rosli, N. F. (2015). Gender Managerial Workforce and Partial Least Squares On Small and Medium Enterprises (SMEs) Performances in Selangor, Malaysia. *The International Journal of Business & Management*.
- Achua, C., & Lussier, R. (2012). *Effective Leadership* (fifth ed.). Thomson South-Western.
- Ahmad, F., Abbas, T., Latif, S., & Rasheed, A. (2014). Impact of transformational leadership on employee motivation in telecommunication centre. *Journal of Management Policies and Practices*, 2(2), 11-25.
- Ahmadi, S. A., Ahmadi, F., & Zohrabi, M. (2012). Effect of the leadership styles on the organizational commitment given the staff personality traits. *Interdisciplinary Journal Of Contemporary Research In Business*, 4(1), 247-264.

Ajmal, M. M., Shamim, M., Saleh, M., & Malik, A. (2016). Motivation and compensation as predictors of employees' retention evidence from public sector oil and gas selling organizations. *Journal of Behavioural Sciences*, 26(2), 175-188.

Alkahtani, A. H. (2016). The Influence of Leadership Styles on Organizational Commitment: The Moderating Effect of Emotional Intelligence. *Business and Management Studies*; 2(1): 23-34.

Anis, A., Rehman, K. -u., Rehman, I. -U., Khan, M. A., & Humayoun, A. A. (2011). Impact of organizational commitment on job satisfaction and employee retention in pharmaceutical industry. *African Journal of Business Management*, 5(17), 7316-7324. doi: 10.5897/AJBM10.1296.

Ansar, S., Aziz, H., Majeed, A., & Rassol, U. (2016). Impact of charismatic leadership style on organizational effectiveness. *International Journal of Scientific & Engineering Research*, 7(11), 673-677.

Arnold, k. A., Barling, J., & kelloway, E. K. (2001). Transformational leadership or the iron cage: which predicts trust, commitment and team efficacy. *Leadership and organizational development journal*, 22(7), 315-320. doi: org/10.1108/EUM0000000006162

Aunjum, A. H., Abbas, G., & Sajid, M. (2017). Transformational leadership and employee motivation in banking sector of pakistan. *Advance in Business and Economics*, 5(9), 487-494. doi: 10.13189/aeb.2017.050901.

Bakker, A., & Schaufeli, W. (2008). Positive organizational behavior: engaged employees in flourishing organizations. *Journal Of Organizational Behavior*, 29, 147-154, doi:https://doi.org/10.1002/job.515

Bhatti , N., Maitlo, G. M., Shaikh, N., & Hashmi, M. A. (2012). The impact of autocratic and democratic leadership style on job satisfaction. *International Business Research*, 5(2), 192-201. doi: http://dx.doi.org/10.5539/ibr.v5n2p192

Boateng, G., Kwarteng, L. A., Awuruche, E., Boateng, K. A., & Sarpong, K. O. (2012). The Effect Of Leadership Styles On Staff Retention: A Case Study Of Council For Scientific And Industrial Research – Building And Road Research Institute.

Bøe, T. (2016). The Interaction Effect of Perceived Competence and Goal Harmony on Perceived Usefulness. *Social Science & Humanities*, 7(8), 1136-1146. doi: 10.4236/ce.2016.78118.



- Brousseau, K., Driver, M., Eneroth, K., & Larsson, R. (1996). Career pandemonium:realigning organizations and individuals. *Academy of Management Executive*10(4), 52-66.
- Chaudhry, A. Q., & Javed, H. (2012). Impact of transactional and laissez faire leadership style on motivation. *International Journal of Business and Social Science*, 3(7), 258-264.
- Chiang, C. F., & Canter, D. D. (2008). An expectancy theory model for hotel employee motivation: examining the moderating role of communication satisfaction. *International Journal of Hospitality & Tourism Administration*, 9 (4), 327-351. <https://doi.org/10.1080/15256480802427263>.
- Chipunza, C., Samuel, M. O., & Mariri, T. (2011). Leadership style, employee motivation and Commitment Empirical evidence from a consolidated retail bank operating in a depressed economy. *African Journal of Business Management*, 5(20), 8337-8346.<https://doi.org/10.5897/AJBM11.1005>
- Chowdhury, R. G. (2014). Study on the impact of leadership styles on employee motivation and commitment: an empirical study of selected organisations in corporate sector (Unpublished doctoral dissertation). Patil University, Navi, Mumbai.
- Chukwura, F. A. (2017). The impact of elected leadership styles and behaviors on employee motivation and job satisfaction (10262875) (Doctoral dissertation). Retrieved from ProQuest Dissertations and Theses database. (10262875)
- D'Amato, A., & Herzfeldt, R. (2008). Learning orientation, organizational commitment and talent retention across generations. *Journal of Managerial Psychology*, 23(8), 929-953. <https://doi.org/10.1108/02683940810904402>
- Daft, R. L., & Marcic, D. (2006). *Understanding Management* (5th ed.). South-Western College Pub.
- Dockel, A. (2003). The effect of retention factors on organisational commitment: an investigation of high tech employess. *SA Journal Of Human Resource Management*, 4(2), 20-28. doi: <https://doi.org/10.4102/sajhrm.v4i2.91>
- Eeden, v. R., Cilliers, F., & Deventer, V. v. (2008). Leadership styles and associated personality traits: support for the conceptualisation of transactional and transformational leadership. *South African Journal of Psychology*, 38(2), 253-267. doi: <https://doi.org/10.1177/008124630803800201>
- Eikenberry, K. (2007). *Remarkable Leadership: Unleashing Your Leadership Potential One Skill at a Time*. John Wiley & Sons, Inc.





- Favour, A. A. (2016). An investigation into the impact of leadership styles on employee retention. (Unpublished Resaearch article), National College of Ireland, Ireland.
- Fiaz, M. Su, Q. Amir, I. and Saqib, A. Leadership styles and employees' motivation: Perspective from an emerging economy. *Journal of Developing Areas*, 2017, 51(4), pp:143-156.
- Fornell, C., & Larcker, F. D. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39-50. doi: 10.2307/3151312
- Gabriel, A.R. (1999), "Retaining Gen Xers: not such a mystery any more". *Commercial Law Bulletin*, 14(4), 32-3.
- Golden, T. D., & Veiga, J. F. (2008). The impact of superior subordinate relationships on thecommitment, job satisfaction, and performance of virtual workers. *The Leadership Quarterly*, 19(1), 77-88. doi: <https://doi.org/10.1016/j.leaqua.2007.12.009>.
- Hadi, H. K. (2018). Is It True That Transformational Leadership Style Can Shape Employees Motivation and Performance? *JEMA: Jurnal Ilmiah Bidang Akuntansi dan Manajemen*, 15(2), 40-49.
- Hair, J., Black, W., Babin, B., & Anderson, R. (2010). *Multivariate Data Analysis*. Prentice-Hall.
- Hamdia, M., & Phadett, T. (2011). Conceptual framework on the relationship between human resource management practices, job satisfaction,and turnover . *Journal of Economics and Behavioral Studies*, 20(5), 11-15.
- Hamstra, M. R., Van Yperen, N. W., Wisse, B., & Sassenberg, K. (2011). Transformational-Transactional Leadership Styles and Followers'. *Journal of Personnel Psychology*, 10(4), 182-185.
- Henseler, J., Ringle, C., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of The Academy Of Marketing Services*, 43(1), 115-135.
- Izidor, N., &IheriohanmaE.B.J,. (2015). Nexus between leadership styles,employee retention and performance in organization in nigeria. *European Scientific Journal*, 11(13), 185-209.
- Jermier, J. M., & Berkes, L. J. (1979). Leader behavior in a police command bureaucracy. *Admintration science Quaterly*, 24(1), 1-23.



- Kämpe, J. (2012). Challenges in Retaining and Attracting Employees to the City of Västerås (Unpublished masters Thesis), Mälardalen University.
- Kassa, T. (2015). Employee motivation and its effect on employee retention in ambo mineral water factory. *International Journal of Advance Research in Computer Science and Management Studies*, 3(3), 10-21.
- Khan, S., Asghar, M., & Zaheer, A. (2014). Influence of Leadership Style on Employee Job Satisfaction and Firm Financial Performance: A Study of Banking Sector in Islamabad Pakistan. *Actual Problems in Economics*, 155, 374-384.
- Landman, E. P. (2012). The relationship between transformational leadership, employee engagement, job characteristics and intention to quit (Unpublished Masters Thesis). Stellenbosch University.
- Laohavichien, T., Fredendal, L. D., & Cantrell, R. S. (2009). The effects of transformational and transactional leadership on quality improvement. *Administrative Science Quarterly*, 16(2), 7-24.
- Lee, J. (2005). Effects of leadership and leader-member exchange on commitment. *Leadership & Organization Development Journal* 26(8):655-672 •
- Leng, C. S., Xuan, C. L., Sin, N. K., Leng, W. K., & Yan, W. W. (2014). The impact of leadership styles on employee commitment in retail industry. UNIVERSITY TUNKU ABDUL RAHMAN.
- Mahmood, A. (2015). Effects of leadership styles on organizational commitment in public and private sector in pakistan. University of Agder.
- Manning, G., & Curtis, K. (2009). *The Art of Leadership*. McGraw-Hill Education.
- Northouse, P. (2015). *Leadership: Theory and Practice* (7 ed.). SAGE Publications.
- Nyamekye, F. (2012). Impact of motivation on employee retention a case study of standard chartered bank ghana limited. Kwame Nkrumah University of Science and Technology.
- OLUSOLA, O. (2011). Intrinsic motivation, job satisfaction and self-efficacy as predictors of job performance of industrial workers in ijobu. *The Journal of International Social Research*, 4(17), 570-577.
- Peters, T., & Waterman Jr, R. H. (2004). *In Search of Excellence*. New York.



- Phillips, D. C., & Burbules, N. (2000). *Postpositivism and Educational Research*. Rowman & Littlefield. Lanham, Maryland.
- Pongpearchan, P. (2016). Effect of transformational leadership on strategic human resource. *The Business and Management Review*, 7(1), 256-264.
- Quintana, T. A., Park, S., & Cabrera, Y. A. (2014). Assessing the effects of leadership styles on employees outcomes in international luxury hotels. *Journal of Business Ethics*, 29(2), 469-489.
- R, M. G. (1999). Retaining Gen Xers: not such a mystery any more. *Commercial law bulletin*. 14(4), 32–33.
- Rawat, S. R. (2015). Impact of transformational leadership over employee morale and motivation. *Indian Journal of Science and Technology*, 8(86), 25-34.
- Riaz, A., & Haider, M. H. (2010). Role of transformational and transactional leadership on job satisfaction and career satisfaction. *Business and Economic Horizons*, 1(1), 29-38.
- Saleem, H. (2015). The Impact of Leadership Styles on Job Satisfaction and Mediating Role of Perceived Organizational Politics. *Procedia-Social and Behavioral Sciences*, 172, 563-569. <https://doi.org/10.1016/j.sbspro.2015.01.403>
- Saleem, Z., Batool, S., & Khattak, S.R. (2017). Relationship between Leadership Styles and Organizational Commitment: Moderating Role of Emotional Intelligence and Organizational Support. *Journal of Managerial Sciences*, 2017 - Qurtuba.Edu.Pk, Volume xi, 71–84.
- Sattigeri, M. C. (2016). Employee retention and commitment. *International Journal of Engineering Technology, Management and Applied Sciences*, 4(4), 77-81.
- Schweitzer, J. (2014). Leadership and innovation capability development in strategic alliances. *Leadership & Organization Development Journal*, 35(5), 442-469 .
- Shubaka, L. S. (2014). Relationship between employee retention strategies and commitment in insurance companies in kenya. UNIVERSITY OF NAIROBI.
- Skogstad, Aasland, Nielsen, Hetlant, & Matthiesen. (2014). The relative effects of constructive, laissez-faire, and tyrannical leadership on subordinate job satisfaction. *Zeitschrift fur Psychologie*, 222(4), 221-232.



- 
- Sow, D. M., Ntamon, A., & Osuoha, D. R. (2016). Relationship between transformational leadership and employee retention among healthcare professionals in the united states. *Business and Economic Research*, 6(2), 1-20.
- Sushil, S. (2013). Motivation and retention: hr strategies in achieving quality of work life. *Global Journal of Management and Business Studies*, 3(7), 7 63-768.
- Wells, J. E., & Peachey, J. W. (2011.). Turnover intentions Do leadership behaviors and satisfaction with the leader matter. *Team Performancemanagement: An International Journal*, 17(1/2), 23-40.
- Westfall, P. H. (2014). Kurtosis as Peakedness, 1905–2014. R.I.P.” *The American Statistician* . 68(3):191-195.
- Yao, L. Woan, K. Sh. Li, F. and Bin Ahmad, M.H. 2017. The Relationship between Leadership Styles and Employee Engagement: Evidences from Construction Companies in Malaysia. *The Social Sciences*, 12: 984-988.

