

Leadership and Employee Turnover



Introduction

The contemporary world of management and business is full of changes, which take place both in the internal environment of companies and in the external business sphere. Leadership and employee turnover have always been related to each other. These terms interrelate in a management system, which consists of a myriad of elements. The following discussion is a literature review dedicated to one of the most widespread business issues. Every source of information discusses leadership and employee turnover to the extent, which proves that it is an issue worth attention.

The Impact of Leadership on Employee Turnover Rate in Journal Articles

The essence of the problem is discussed in every journal article dedicated to the issue of employee turnover through the lenses of leadership and its components. Zain-UI-Aabdeen and his co-authors worked on the reflection of the issue involving overall effectiveness of leadership, work-related stress, and organizational commitment. The authors collected information by interviewing 200 employees belonging to the banking sector (Khan, Khan, Farooq, Salman, & Rizwan, 2016). As a result, the authors found that ethical leadership helped reduce work-related stress and improve motivation, which positively influenced the organizational commitment and employee turnover rate. In this way, a thorough analysis of each component helped the authors to understand that the connection between leadership and organizational commitment has a positive effect on the development of a balanced internal environment.

In addition, Sajid Gul and his co-authors paid attention to the problem of employee turnover and leadership. However, the authors looked at the issue from a different perspective. The authors of the article aimed to find the essence of a myriad of

leadership styles, turnover intentions, and the mediating role of the organizational commitment (Gul, Ahmad, Rehman, Shabir, & Razzaq, 2012). Questionnaires helped the authors to find the important information, which revealed that transactional and transformational leaderships have a negative effect on the organizational commitment. In this way, the authors proved that the mentioned leadership styles are the reasons for increased employee turnover rate.

Another perspective of one of the most popular business issues involved a deeper insight made by Saba Iqbal and his co-authors. The authors added to the major objectives job satisfaction and leadership support in the context of employee turnover intentions. As a result, each variable including job stress, job satisfaction, organizational commitment, and leadership support had a direct connection to the employee turnover rate. The authors proved that there is a negative relationship between employee turnover and job satisfaction. The more employees are satisfied with their workplace conditions, the less they want to find another job (Iqbal, Ehsan, Rizwan, & Noreen, 2014). In addition, the article supported the idea that transformational leadership had a negative effect on the retention based on answers of the participants.

Imen Keskes, a Spanish author, also dedicated his article to the connection between various leadership styles and organizational commitment. The author viewed the organizational commitment as the core of employee retention. Nevertheless, the author supported one of the doubtful ideas that transformational leadership has a positive effect on the employee retention rate (Keskes, 2014). In this way, the Keskes (2014) opposes the points of view of other authors and their studies. However, it was mentioned in the article that it is important to continue research related to transformational leadership. In general, the author proved that there is a direct connection between leadership and organizational commitment.

Choi Sang Long and his co-authors also discussed the connection between leadership styles and employee turnover intention. The main finding of the authors continues to support the opinions of other authors who revealed in their studies that transformational leadership has a negative effect on employee retention (Long, Thean, Wan Ismail, & Jusoh, 2012). In fact, both types of leadership lead to the increase in the employee turnover rate. However, the authors selected academic staff as the core of the analysis. The results of the questionnaire showed that leadership has no influence on the employee retention strategy in the light of the educational sector.

Albert Amankwaa and Olivia Anku-Tsede dedicated their research to the doubtful point of transformational leadership in relation to employee turnover. The authors used correlational and hierarchical regression analytical procedures, which proved that there is an existing negative influence of transformational leadership. The findings proved that employees tend to increase their intention to leave the organization under the pressure of the transformational leadership (Amankwaa & Anku-Tsede, 2015). In general, the article revealed the situation in Ghana, which does not mean that transformational leadership has the same effect on employee turnover rate on the global level. However, the authors proved that there is an existing proof of the negative influence of transformational leadership, which is a focus of many studies.

Review of Leadership and Employee Turnover in Management Books

Waddell et al. dedicated their book to the evaluation of the most recent changes in management. Leadership is a small piece of information, which reveals the complexity of the myriad of processes taking place in the development of

management. In terms of the selected topic, it is possible to review the information from the book by mentioning that leadership and employee retention strategy have a direct connection (Waddell, Jones, & George, 2013). The authors continue to support the idea that outstanding leaders are capable of inspiring employees to follow them. In this way, leaders create appropriate working atmosphere, which meets the needs of all employees and reduces the overall employee turnover rate.

Lewis et al. also dedicated their book to various changes taking place in management. The 8th edition of *Management: Challenges for Tomorrow's Leaders* provides a discussion of the complexity of challenges faced by the contemporary leaders (Lewis, 2007). The interconnection of business, political, and social spheres reveals the essence of all problems. In this light, the authors prove that leadership is the key to the successful management and appropriate regulation of employee retention strategy. The authors mention in their book that job satisfaction and job stress are key components in the development of employee retention strategy.

George, Sims and Gergen dedicated their work to the importance of the development of authentic leadership. The book describes the way to understanding the personal mind and evaluating personal leadership needs. In this way, the authors teach how to lead others after learning everything about personal leadership style. The authors show the connection that employees are more willing to follow those leaders who know everything about themselves (George, Sims, & Gergen, 2007). It means that both a leader and a follower will find a natural balance in the performance. According to George, Sims and Gergen (2007), it is the key aspect in understanding others and inspiring them to stay loyal and committed to a single leader.

Jim Collins also worked on the development of the idea of leadership development. He wrote a book, which reflects the essence of leadership on the example of the



outstanding companies including Coca-Cola, Intel, General Electric, and others (Collins, 2001). The author collected findings of the case studies, which revealed the success of companies and their leading positions for more than fifteen years. In terms of the analyzed topic, the book is a mixture of results, which were collected partially from other sources. Moreover, the author made his book a powerful boost of inspiration and motivation for young leaders willing to retain their followers and build a strong business entity.

Leadership and Employee Turnover in Business Magazines

Duane Dike describes in his article that many business leaders can hardly understand the reasons of high employee turnover rates. The author describes the situation when newly hired employees are full of enthusiasm, which inspires to work with high productivity. As soon as enthusiasm is not valued or appreciated by a leader, the employee starts thinking that he/she chose the wrong job (Dike, 2012). It becomes the ignition of the increase of employee turnover rate, which has a destructive effect on the reputation of the company. Moreover, the author mentions that morale and internal environment also play a significant role in the development of employee turnover intentions. By the end of the article, it becomes obvious that ethics and leadership have to work in a common direction in order to meet the needs of all employees.

Karen Higginbottom also dedicated her article to the problem of employee turnover. She mentioned that the majority of surveys indicated that employees leave their jobs because of lacking recognition and overwork (Higginbottom, 2015). In this way, contemporary leaders create tension and stress and do not pay much attention to the recognition of the achievements made by employees. Nevertheless, appropriate

relations with managers help employees to feel motivated and inspired to contribute to the development of the company and achieve success. In general, the article supports theoretical aspects from other sources by means of statistical data.

Conclusion

In conclusion, it is necessary to mention that the literature review successfully revealed the contemporary connection between leadership and employee turnover. It proved that academic sources and business magazines continue to raise the awareness of leaders on the problems, which they should overcome in order to remain competitive. In general, the literature review provided a reflection on the complexity of the issue from the point of view of different authors. Finally, every source was worth reading in order to understand the key aspects of effective leadership.

