# Leadership Effectiveness, Turnover Intention and the Mediating Role of Employee Commitment: A Case of Academic Institutions of Pakistan

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#### **Abstract**

According to its scope of practice and research, Leadership is one of the most important areas these days. Many scholars have theorized different definitions and dimensions of this very construct leadership that gives a clear indication about its importance both in society and also in the context of people management in organizations in different countries. In today's world where complexity driven by different factors has changed the face of organizations, different procedures have been devised to retain the employees in the organization. But apart from all the system level changes, there is one important factor that directly links with the employee turnover intention and that is leadership effectiveness. There has been much focus on leadership effectiveness and many researches have been done to study it. This study is trying to address the issue at hand that is about studying the effectiveness of leadership. For this purpose this study is investigating the relationship of leadership effectiveness and turnover intention along with a third variable participation that is employee commitment in the academic sector of Pakistan. This study is focusing on the relationship of leadership effectiveness and employee turnover intention specifically in the academic institutions and implying the facts that how these institutions are constructing this relationship according to the specific culture and norms posed by the Pakistani context. In this study the predictor is leadership effectiveness and outcome is turnover intention. Besides, this study is also focusing on the third variable involvement that is employee commitment. So this study is testing and reflecting upon whether such relationship exists in this context or not. This study uses the sample size of 345. The population is faculty members of different academic institutions. The software used is SPSS along with process plugin to run the regression (mediation) analysis.

This study has presented some important findings related to the nature of the relationship of leadership effectiveness, employee commitment and turnover intention that will be an important knowledge addition in the literature and will be helpful for the management to make important decisions regarding the management and turnover of employees in the academic institutions of Pakistan.

Keywords: Leadership, Turnover, Employee, Pakistan

## Introduction

To achieve success every organization needs effective leadership with strong soft skills competencies. Leadership is strongly connected to individuals' inside inspiration systems (Kark & Van Dijk, 2007). In this manner, a leader's aptitude to develop a workplace that enlarges representative inspiration proves critical (Marvel, Griffin, Hebda, & Vojak, 2007). Simultaneously, we observe that communications are the necessary setting up of individual inspiration. Organizations and their leaders commit little consideration regarding correspondence strategies and

skills, in any case (Argenti, Howell, & Beck, 2005) Authoritative leadership behaviors affect actions in the work environment that empower change (Gilley, Gilley, & McMillan, 2009). In spite of the unquestionable enthusiasm of researchers in figuring out which leaders are effective and which are not, there has been no accord on the most fitting criteria of pioneer effectiveness among researchers. (Ghasabeh, Soosay, & Reaiche, 2015); Lowe, Kroeck, and Sivasubramaniam (1996) have divided leader effectiveness in two categories.

First category included "quasi-institutional measures" having connection to leader's effectiveness. Measures included in this category are achievements of organizational goals, financial performance of the organizational working units and administrative firm performance. Second category included "subordinates measures of leader effectiveness" which face highly criticism just because of its strong impact on end findings concerning leadership style effectiveness correlation. Study of Mesterova, Prochazka, Vaculik, and Smutny (2015) concentrate on three forms benchmarks of leader effectiveness: Group performance, leadership emergence and perceived leader effectiveness.

If employees attempts or are willing to leave the workplace that is called turnover intention (Takase, 2010). Employees who feel themselves imperfect for a job they leave organization and do not spend long life in that organization. However, workers who feel ethical behavior by their organization have less intention to leave. So, Organizational climate have its impact on turnover intention (Wong & Laschinger, 2015). If we want to investigate the relationship between leadership and turnover intentions of employees than we have to take into account several moderating variable like components of job satisfaction Clemens, Milsom, & Cashwell (2009); Harris, Wheeler, & Kacmar (2009) and Wells & Peachey (2011). Present study is examining the mediating role of employee commitment in the relationship of leadership effectiveness and turnover intention in the academic institutions of Pakistan.

## Research Objectives

Following are the objectives of this study:

- 1: To study the association between leadership effectiveness and turnover intentions
- 2: To study that whether employee commitment mediates the association between leadership effectiveness and turnover intentions

## Research Questions

Following research questions has been devised on the basis of the above study objectives:

Q no 1: What is the association between leadership effectiveness and turnover intention?

Q no 2: Does employee commitment mediates the association between leadership effectiveness and turnover intentions?

## Literature review

This section describe existing research conducted on under study variables which are; Leadership Effectiveness, Turnover Intention and Employee Commitment.

Leadership is one the most researched area in management literature. Many scholars have theorized different definitions and dimensions of this very construct leadership. The volume of research available is this area gives a clear indication about its importance both in society and also in the context of people management in organizations (Robbins, 2005; Nielsen, Yarker, Brenner, Randall & Borg, 2008).

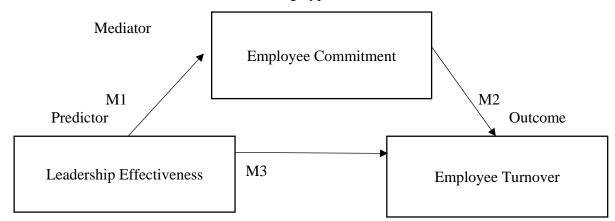
We can all notice that there is not a single standard definition of leadership until now although there have been tremendous of research work been done on the very area. Different authors have presented different definitions of leadership. Some of the definitions are quoted here to understand the topic of leadership.

Jennifer & Jones (2002) define leadership in terms of a leaders activities, according to him a leader plans and execute work related arrangements in the organization, these activities are mainly related to resource allocation, communication process and facilitation of work process. Laurie (2005) says that to engage and motivate people by the use of persuasion techniques is called leadership.

There are many reasons which justify the importance of leadership which it has gained by the time. To achieve the goals and objectives of the organization leadership is very crucial because it mobilizes and motivates people to perform in the desired direction and to achieve the mission and objectives (Robbins, 2005). The business process efficiency and effectiveness is effected by the leadership process. This is because efficiency and effectiveness are linked to the performance and performance is only achieved in the desired manner when leaders influence the employees to work with motivation and enthusiasm (Mullins, 2005). We can clearly understand that outcomes in terms of performance of employees are directly linked with the leadership. People will be motivated to work in the organization and don't want to leave it when there will be good and effective leadership and vice versa (Maddox, 2014; Ribelin, 2003).

## **Theoretical Framework**

The figure of conceptual framework shows that how Leadership Effectiveness which is independent variable, Employee Turnover intentions which is dependent variable and Employee Commitment which is a mediator is related to and influenced by each other. This theoretical framework is the basis on which the following hypothesis are formulated.



# Hypothesis

- H1: Significant inverse association exists between leadership effectiveness and turnover intention
- H2: Significant inverse association exists between employee commitment and turnover intention
- H3: Significant positive association exist between leadership effectiveness and employee commitment
- H4: Employee commitment mediates the relationship between leadership effectiveness and turnover intention.

# Methodology

# **Participants**

The population of this study comprises of the faculty members working in academic institutions. Only faculty members working at different hierarchal level (lecturer, assistant professor etc.) were selected to collect the data.

#### **Process**

Total three hundred and forty five questionnaires were filled by the participants. Sample was selected by using a non-probability convenience sampling technique. Assurance was given to all participants that there responses will be kept confidential and will only be used for study purposes. Questionnaires were distributed among the respondents by personally visiting them in their offices.

## **Results and Discussion**

Data was analyzed through the software SPSS +Process Plug in. Regression analysis was run to check that whether the relationship of Leadership effectiveness and employee turnover is mediated by employee commitment or not.

The demographic characteristics of the respondents are shown below:

Results shows that majority of the people in the survey (237) falls in the range of 26 to 40. 70 people are under the age of 25. 34 respondents are in the range of 41 to 55. 4 respondents are above the age of 55. Next talking about the marital status of respondents, among the 345 respondents 174 are single and 170 are married and one is included in the others category.

Results indicates that 260 respondents are holding the MPhil or equivalent degree, 36 holds PhD degree, 46 holds Masters or equivalent degree and 3 respondent holds post doctorate degree.

If we look at the designation level then we can see 231 respondents are lecturers, 49 are Assistant professors, 12 are Associate professors, 11 are professors and 42 are in the category of others which includes Research assistants and associates mainly.

Model one is checking that whether our predictor which is Leadership effectiveness is predicting the mediator which is Employee commitment or not. The p value in the model results is .0000 and is less than .05 means is significant. It means our predictor is significantly predicting the mediator. So in simple words we can say that Leadership effectiveness is predicting the mediator variable which is employee commitment. And we can also conclude that there is a significant positive association exist between leadership effectiveness and employee commitment hence proving/accepting our H3.

Table 1: Relationship between Leadership Effectiveness and Employee Commitment

Model summary							
	R	R-sq	MSE	F	Df1	Df2	р
.2544		.0647	76.5048	23.7590	1.0000	343.0000	.0000
Model							
		Coeff	se	t	p	LLCI	ULCI
Constant		30.9941	2.0332	15.2441	.0000	26.9950	34.9932
Leadership		.5142	.1056	4.8712	.0000	.3066	.7219

Table 2 refers to the next part of the analysis that the predictor (Leadership Effectiveness) and mediator Employee Commitment) is predicting our outcome (Employee Turnover). We again check the p value of employee commitment which is .0000 and is less than .05 it means that relationship is significant. Employee commitment is significantly predicting the outcome which is

Employee turnover intention. The p value of leadership effectiveness which is .0000 is indicating highly significant value. So we can say that leadership effectiveness is significantly predicting our outcome which is employee turnover intention. So we can say that both Leadership effectiveness and employee commitment are predicting the outcome (Employee turnover intention). In terms of decision making related to our hypotheses we can say that we are accepting both H1 and H2 because both leadership effectiveness and employee commitment have a significant inverse association with turnover intention. Inverse relationship is proved from the negative values of coefficient (-.2700, -.3729). Inverse relationship means that if there is increase in leadership effectiveness and employee commitment then there will decrease in turnover intention and vice versa.

Table 2: Relationship of Leadership Effectiveness, Employee Commitment and Employee Turnover

#1 110 V C1							
Model summary							
	R	R-sq	MSE	F	Df1	Df2	р
		.2944	26.0091	71.3334	2.0000	342.0000	.0000
.5426							
Model							
		Coeff	se	t	p	LLCI	ULCI
Constant		33.3416	1.5354	21.7150	.0000	30.3216	36.3617
employee		2700	.0315	-8.5762	.0000	3319	2081
Leadership		3729	.0636	-5.8585	.0000	4981	2477

In model M3 we are observing the total effect of the process in terms we are predicting that our predictor (Leadership effectiveness) is predicting the outcome (Employee turnover). Here we can see that the p value is .0000 which shows that relationship is significant. It means that leadership effectiveness is predicting the employee turnover. But if we see the value of coefficient which is -.511 which shows that this relationship is negative or we can say inversely proportional. It means when there is increased leadership effectiveness then there will be less employee turnover but when there is decrease in leadership effectiveness then there will be an increase in employee turnover. Hence proving our H1 which is that there is an inverse significant association between leadership effectiveness and turnover intention.

**Table 3: Total Effect Model** 

Model summary							
	R	R-sq	MSE	F	Df1	Df2	p
.3776		.1426	31.5105	57.0479	1.0000	343.0000	.0000
Model							
		Coeff	se	t	p	LLCI	ULCI
Constant		24.9731	1.3049	19.1386	.0000	22.4066	27.5396
Leadership		5117	.0677	-7.5530	.0000	6450	3785

In the next part of the outcome the most important section is the indirect effect of X on Y. Here from the indirect values we can decide that whether the indirect effect is small or large. If it is large it means the mediator is mediating the process significantly. We check the effect value and the values of Bootstrap confidence intervals.

Here why we are so interested in the bootstrap confidence intervals because it will give us more valid values related to the population spread. As we know boot strapping is the latest technique which helps us to avoid the issues in the data related to normality. In boot strapping small samples are collected and their means are calculated separately. This way the issue of normality is avoided. Here we are also interested in the Boot strap lower and upper confidence intervals which are (-.2278, -.0742) which shows the manner how the population is distributed according to the confidence intervals. So here we can say observe from these values and value of coefficient which is -.1388 that there exist a mediation effect but this is partial mediation. So we can accept our H4 which is that employee commitment mediates the relationship between leadership effectiveness and turnover intention. Hence the above stated results shows that all the hypothesis are accepted.

### Conclusion

Employees are one of the most important assets of organization and so that it is very important and crucial to manage this valuable asset. Leadership can play an important role to manage and enhance the contribution of employees towards achieving the goals of organization by leading them in an efficient way. This study has revealed that there is a significant inverse relationship between leadership effectiveness and turnover intention which means if the organizations work on the effectiveness of the leaders and increase it then turnover rate will decrease. This study has shown that faculty members in the academic institutions are inclined towards effective leaders and they believe in effective leadership. Moreover they also believe in employee commitment. As employee commitment is very necessary for the leaders or supervisors to keep their employees motivated and satisfied.

This study has highlighted some important results about the process of leadership effectiveness in the academic institutions of Pakistan. The readers can have a better view after reading this study about the linkage of leadership effectiveness and employee turnover behavior in the universities set up of Pakistani. Every sector has its own attributes due to the specific and unique relationship of leader and employee in that sector. Usually business organizations are targeted for such type of studies but this study has took universities to have an insight that how leadership concept is prevailing in this sector and to study the relationship of turnover intentions of employees and employee commitment with leadership effectiveness.

#### Limitations

More researches could target academic sector to study leadership with the incorporation of more dimensions like leadership styles and their effect on specific contexts. Faculty member's perceptions regarding which leadership style is effective could be a valuable addition to the study. For the generalizability of these results other sectors could be targeted. This study could also be replicated in another setup where management hierarchy would be different then it could be concluded that whether same behavior exist there or not. Some other variables like organization citizenship behavior, job satisfaction and job security could be incorporated in the study as mediators and moderators to have an insight about more dimensions of leadership.

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