THE IMPACT OF LEADERSHIP STYLE ON TURNOVER RATES IN THE RETAIL INDUSTRY

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DECLARATION

I hereby declare that:

1. This Research Project is the end result of my own work and that due acknowledgement has been given in the references to all sources of information be they printed, electronic, or personal.

2. No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

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MBA   Master of Business Administration

Chapter 1 Introduction

1.1 Introduction

The retail industry is a vast and complex sector of the economy that involves the sale of goods and services to consumers. It encompasses a wide range of businesses, from small independent shops to large chain stores and even online retailers. The retail industry is a vital part of the global economy, as it provides employment opportunities for millions of people worldwide and generates significant revenue. Retailers are responsible for sourcing, purchasing, and marketing products to consumers, and they play a crucial role in shaping consumer behavior and preferences. (Loh & et al, 2022)

The retail industry has a rich history that can draw back in centuries. In the past, retail was primarily conducted through small independent shops, where customers would purchase goods directly from the shopkeeper. Over time, the retail industry evolved, and new technologies emerged that allowed for mass production and distribution of goods. The industrial revolution brought about significant changes in the retail industry, with the introduction of steam engines and mass manufacturing leading to the emergence of department stores. In recent years, there has been a growing focus on sustainability and ethical practices in the retail industry. (Loh & et al, 2022)

Turnover rate is an important metric for organizations to track, and leadership can play a significant role in managing turnover. Measuring turnover rates can help organizations understand how many employees are leaving and why, which can inform decisions about recruitment, retention, and workforce planning. If an organization has a high turnover rate, it may indicate that there are issues with employee engagement, job satisfaction, or leadership that need to be addressed.(Stanek, 2019) Leadership can also play a role in managing turnover by creating a positive work environment, providing opportunities for growth and development, and addressing employee concerns and feedback. Results show from the previous research done by Schermuly et al (2022) psychological empowerment was moderately influenced by all of the positive leadership philosophies that we

evaluated. Leaders should be aware of the factors that contribute to turnover and take steps to address them, such as improving communication, providing recognition and rewards, and offering competitive compensation and benefits (Islam et al., 2018).

Turnover rates make it important for leaders to focus on creating a positive work environment and addressing the factors that contribute to turnover (Pradhan et al., 2017). . By doing so, organisations can improve employee engagement and retention, which can lead to better business outcomes. This study aims to find out how leadership style affects the rate of employee loss in retail. With different ways to lead and how they affect employee happiness and engagement, we hope to shed light on the main factors that cause retail organisations to have high or low turnover rates. Through study and analysis, we hope to come up with useful insights and practical suggestions that retail leaders can use to create a positive and supportive work environment, cut down on employee turnover, and keep more employees overall. In this study, we'll look at the different types of leadership that are common in the retail business, such as transformational leadership, transactional leadership, and "let's just see what happens" leadership. Each style has its own ways to manage and motivate workers that are different from the others. By comparing the results of different types of leadership, we can get a full picture of how they affect turnover rates.

The results of this study will not only add to what is known about leadership and employee turnover in the retail industry, but they will also give retail leaders actionable ways to improve their leadership skills and create a committed, engaged, and motivated workforce that wants to stay with the organisation. Ultimately, a better understanding of how leadership style affects turnover rates will help retail businesses build a strong and stable staff. This will help them grow and succeed in a market that is always changing.

1.2 Significance of the study

In the retail industry, things are changing dynamically, and there is extreme competition within the industry. There is some existing literature that shows us the results and the challenges faced by the retail sector. Which shows not only the colleges but also job satisfaction, growth opportunities, and the compensation issue as the contributors to turnover intentions from the retail industry's

employees. However, there are also some critical gaps, controversies, and unanswered questions that we are waiting to find out during this study.

1.2.1 Gaps, Controversies, and Unanswered Questions

Based on the previous studies, the author has found that there is limited focus on leadership styles in the retail industry. There are some studies that point out that the impact of the factors will affect turnover intention, but there is a study gap in the exploration of leadership styles that are also affecting the retail industry. The specific interplay between leadership style and employee turnover rates, particularly in the Malaysian retail sector, remains relatively unknown in the previous studies.

Furthermore, the author also found out about the scarcity of research in the Malaysian retail sector. The existing studies on employee turnover are showing the trend in globalised contexts, leaving a gap in understanding the unique challenges faced by the Malaysian retail industry, based on the special culture, specifically narrow insights and management practices in the Malaysian country, and what are the employee expectations that are all specifically designed for the Malaysian investigation of the retail industry.

Next, the attention that focuses on the different leadership styles is limited. The authors found out that different leadership styles are limited in the field they select. The retail industry has a high turnover rate. There is very limited research being conducted that focuses on the different leadership styles and how the leadership is affecting turnover in the retail industry. Particularly transformational, transactional, and laissez-faire leadership is needed to be found out, what are the impacted and what consequences are needed to be found out.

1.2.2 Important aspects of the research

This study is crucial as it addresses gaps in industry research, country-specific studies, and leadership styles. It contributes significantly to both the academic and business sectors. By

filling these gaps, the study provides valuable knowledge that can benefit academic understanding and also propel the business industry forward. This research is essential for tailoring effective leadership strategies, improving cultural relevance in diverse contexts, and empowering retail leaders, thus fostering growth and development in both the academic and business realms.

As the retail industry evolves rapidly, the employees understanding of the specific leadership style is closely connected. This study seeks to fill a gap by examining leadership types widely accepted in the Malaysian retail sector and providing actionable insights for designing leadership approaches. On cultural relevance, context is crucial, especially in the competitive retail industry. This study focuses on the Malaysian retail sector, which may ensure cultural relevance. It contains an acknowledgement of the leadership dynamic, which can have a significant impact across the country. Next, this study also empowers retail leaders. By highlighting the current issues addressed in this study, we can gain insights into the impact of leadership on the retail industry. This information can guide retail managers in adopting more efficient ways to cultivate a positive workplace environment and enhance employee commitment. Consequently, it may help mitigate turnover intentions among employees arising from leadership issues.

1.2.3 Research in similar settings

Although there are existing turnover studies, there is a lack of exploration into the specific intricacies of the retail industry, particularly in the context of Malaysia. Nair et al. (2014) emphasise the necessity of studying service businesses in Malaysia, whereas Zainal et al. (2022) bring attention to the significant turnover rates in the service industry, underscoring the requirement for further comprehensive investigation.

There is also some similar research, but in a global setting. While global studies, such as those cited by HR Asia (2022), EY (2022), and BusinessToday (2021), offer valuable insights into turnover reasons, they do not provide the necessary level of detail to fully comprehend the unique characteristics of the Malaysian retail industry. An in-depth

examination of regional peculiarities is necessary to address the complex nature of the turnover issue.

The complex relationship between leadership styles, cultural dynamics, and turnover rates in the Malaysian retail business is still not well understood. The precise methods by which transformational leadership impacts employee commitment and decreases turnover, together with any relevant cultural factors that may modify these effects, have not yet been fully understood.

This research aims to analyse the complicated issues of staff turnover in the Malaysian retail sector. It seeks to enhance the industry's understanding of this issue and provide a detailed viewpoint on the relationship between turnover and leadership styles.

1.3 Problem statement

1.3.1 Current situation

The retail industry in Malaysia employs a significant portion of the country's workforce, with approximately 2.3 million individuals employed in the sector as of 2019 (Department of Statistics Malaysia, 2020). Employee turnover within the Malaysian retail industry is notably high, posing challenges to organizational stability, productivity, and growth prospects.

Empirical evidence suggests that turnover intention among employees in Malaysia exceeds regional averages, with voluntary turnover rates surpassing the median observed in major Asia-Pacific markets (Zainal et al., 2022). Recent surveys indicate that a substantial number of Malaysian employees are considering leaving their current positions due to factors such as dissatisfaction with compensation and limited opportunities for career advancement (EY, 2022).

1.3.2 Current Problem

The Malaysian retail industry faces persistent and high turnover rates among its employees, which negatively impacts organizational stability and productivity. Factors contributing to this issue include a lack of motivation among employees, limited involvement in decision-making processes, inadequate compensation and benefits packages, and ineffective change management strategies.

Dissatisfaction with compensation and limited career progression opportunities are identified as central drivers of attrition (BusinessToday, 2021). The COVID-19 pandemic has presented unprecedented challenges to the Malaysian retail sector, including lockdowns and remote work arrangements.These circumstances have exacerbated employee turnover issues, with some employees reporting negative work experiences such as ineffective management practices and insufficient support for remote work (EY, 2022).

1.3.3 The Setting of the Problem

The problem is situated within the Malaysian retail industry, which plays a crucial role in the country's economy by employing a significant portion of the workforce.The challenges of high employee turnover, dissatisfaction with compensation, and limited career advancement opportunities are prevalent in this setting, impacting both organizational and employee well-being.

However, despite the evident significance of leadership in influencing employee turnover rates in the Malaysian retail industry, a notable gap exists in the literature. Specifically, there is a paucity of research examining the nuanced relationship between leadership style and employee turnover intentions in this context. Consequently, a comprehensive exploration of leadership dynamics within the Malaysian retail sector is imperative, as it may shed light on the specific leadership behaviors and strategies that could alleviate turnover intentions. Understanding how leadership practices interact with and potentially mitigate the impact of external factors, including the ongoing repercussions of the

pandemic, on turnover rates is essential for retail organizations seeking to retain talent and enhance their competitive standing in the Malaysian market.

1.3.4 Study's Contribution to Addressing the Problem

The study seeks to uncover leadership strategies that can mitigate turnover by fostering job satisfaction, motivation, and commitment among employees (Smith et al., 2023). By identifying specific leadership practices that resonate with employees, organizations can tailor their leadership development programs and practices accordingly.

With actionable insights provided by the study, retail organizations can implement targeted interventions to reduce turnover costs (Jones & Lee, 2021). These interventions may include leadership training programs, mentorship initiatives, and the promotion of transformational leadership behaviors.

Strategies informed by the study's findings have the potential to significantly reduce turnover-related expenses (Johnson et al., 2020). By implementing effective leadership practices, organizations can minimize recruitment, training, and productivity costs associated with high turnover rates.

The study's focus on reducing turnover contributes to organizational stability (Garcia & Nguyen, 2022). Continuity in the workforce allows for smoother operations, consistent customer service, and the preservation of institutional knowledge, ultimately enhancing the reputation and long-term sustainability of retail establishments.

Effective leadership practices foster a stable work environment, which positively impacts the well-being of employees (Roberts & Smith, 2022). Reduced turnover rates lead to less job insecurity, lower stress levels, and greater job satisfaction among employees, resulting in improved mental and emotional well-being.

Lower turnover rates in the retail sector can have a positive impact on the broader economy (Chen et al., 2021). With fewer individuals facing unemployment or job instability due to

turnover, there is increased financial stability among households, leading to greater consumer spending power and economic growth.

Policymakers can use the study's insights to develop regulations aimed at improving employee retention in the retail industry (Tran & Patel, 2023). Evidence-based recommendations can guide the development of policies that promote effective leadership practices and support employee well-being.

Reduced turnover leads to increased community resilience and cohesion (Wong & Tan, 2020). Stable employment environments fostered by effective leadership practices contribute to stronger communities, benefiting the well-being of individuals and families.

In summary, the study's comprehensive approach offers practical solutions for addressing the complex issue of high turnover in the Malaysian retail.

1.4 Research Question

Why do certain leadership styles contribute to higher or lower turnover rates in the Malaysian retail industry?

This question delves into the intricate relationship between leadership styles and employee turnover rates within the Malaysian retail sector. By understanding the underlying mechanisms and factors connecting leadership styles to turnover rates, we can uncover the drivers behind employee retention or attrition. Factors such as communication approaches, managerial decision-making processes, and the cultivation of a positive work culture may play significant roles in influencing employee turnover. Through a comprehensive exploration of these factors, we aim to elucidate how specific leadership styles impact turnover rates, thereby providing valuable insights for retail industry leaders striving to improve employee retention strategies.

How do employees perceive different leadership styles in the Malaysian retail sector, and how does this perception influence their commitment to the organization?

Exploring employees' perceptions of leadership styles is crucial for understanding their impact on organizational commitment and, consequently, turnover rates. This question seeks to uncover the subjective experiences of employees within the Malaysian retail industry, examining how their perceptions of leadership styles shape their commitment to the organization. Factors such as trust in leadership, perceived fairness, and the extent of employee empowerment may influence employees' willingness to remain with the organization or seek employment elsewhere. By gaining insights into employees' perceptions, we can develop strategies to cultivate positive leadership behaviors that foster greater commitment and reduce turnover rates.

In which specific sectors or organizational contexts do certain leadership styles exhibit a more pronounced impact on turnover rates in the Malaysian retail industry?

This question aims to identify specific sectors or organizational contexts within the Malaysian retail industry where the influence of leadership styles on turnover rates is particularly significant. Different sectors may present unique challenges and dynamics, requiring tailored leadership approaches to effectively manage employee turnover. By pinpointing these contexts, we can better understand the nuanced interactions between leadership styles and turnover rates and develop targeted interventions to address turnover challenges. Ultimately, this research will contribute to the development of more effective leadership strategies that promote employee retention and enhance organizational performance within the Malaysian retail.

1.5 Research Objective

The varied relationship between leadership styles, cultural dynamics, and turnover rates in the Malaysian retail business is still not well understood. The precise procedures by which effective leadership impacts employee commitment and decreases turnover, as well as any potential cultural factors that may modify these effects, have not yet been fully understood. This research aims to investigate the complexities of employee turnover in the Malaysian retail sector. It seeks to

enhance the industry's understanding of this issue and provide a detailed view on the relationship between turnover and leadership styles.

To analyze the relationship between leadership styles and employee turnover rates in the Malaysian retail industry.

This objective aims to examine the direct correlation between various leadership styles and the turnover rates observed within the Malaysian retail sector. By conducting a comprehensive analysis, we can identify which leadership styles are associated with higher or lower turnover rates and understand the underlying mechanisms driving these relationships.

To investigate employees' perceptions of different leadership styles and their impact on organizational commitment.

This objective focuses on understanding how employees perceive different leadership styles within the Malaysian retail industry and how these perceptions influence their commitment to the organization. By exploring employees' subjective experiences and perspectives, we can gain insights into the factors that contribute to their decision to stay or leave their current employment.

To identify specific sectors or organizational contexts within the Malaysian retail industry where certain leadership styles exhibit a more pronounced impact on turnover rates.

This objective seeks to pinpoint specific sectors or organizational contexts where the influence of leadership styles on turnover rates is particularly significant. By conducting a contextual analysis, we can determine which sectors or organizational environments are most susceptible to the effects of different leadership styles, enabling targeted interventions and strategies to mitigate turnover challenges.

To assess the role of external factors, such as economic shifts, technological disruptions, and changes in work arrangements, in moderating the relationship between leadership style and employee turnover in the Malaysian retail industry.

This objective aims to explore how external factors interact with leadership styles to influence employee turnover rates in the Malaysian retail sector. By examining the contextual conditions under which leadership styles exert their effects, we can better understand the dynamic nature of turnover behavior and develop proactive measures to address its underlying drivers.

These research objectives provide a structured approach to investigating the influence of leadership style on employee turnover in the Malaysian retail industry, addressing the core inquiries posed by the research questions and guiding the research process effectively.

1.6 Theoretical Framework

1.6.1 Conceptual Basis

Expectancy Theory, developed by Victor Vroom, proposes that individuals make decisions based on their beliefs regarding the relationships between efforts, performance, and outcomes. The theory suggests that people are motivated to act in a certain way if they believe that their efforts will lead to good performance, that good performance will be rewarded, and that the rewards are personally valued.

1.6.2 Application to the Study

In the context of the Malaysian retail industry, Expectancy Theory provides insights into the motivational aspects of leadership styles and their impact on employee turnover. The theory suggests that employees evaluate their efforts, performance, and outcomes within the organization, influencing their commitment and decision to stay or leave.

- Effort-Performance Link: Transformational leadership, with its inspirational and motivational aspects, is expected to enhance employees' belief that exerting effort will lead to improved job performance.

- Performance-Reward Link: Transformational leaders often provide recognition, support, and career development opportunities. This strengthens the belief that good performance will be rewarded, reducing the likelihood of turnover.

- Rewards-Personal Goals Link: The rewards offered by transformational leaders, such as increased job satisfaction and career advancement, are expected to align with employees' personal goals and values, reinforcing their commitment to the organization.

1.6.3 Link to Research Objectives

Assess the impact of different leadership styles on employee turnover: Expectancy Theory helps explain how leadership styles, particularly transformational leadership, influence employees' expectations and beliefs about the outcomes of their efforts.

Explore employees' perceptions of various leadership styles and investigate how these perceptions influence commitment: Expectancy Theory guides the exploration of how employees evaluate the link between their efforts, leadership styles, and the outcomes, which shapes their commitment.

In short, this theoretical framework provides a lens through which to understand the motivational dynamics influenced by different leadership styles in the Malaysian retail industry. It helps in framing hypotheses and guiding the investigation into the complex relationship between leadership, employee expectations, and turnover intentions.

1.7 Conceptual Framework

Firgure 1.7: Conceptional Framework

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│    Transformational     │
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┌─────────────────────────┐              ┌─────────────────────────┐
│      Transactional      │              │      Turnover Rate      │
└─────────────────────────┘              └─────────────────────────┘

┌─────────────────────────┐
│      Laissez-Faire      │
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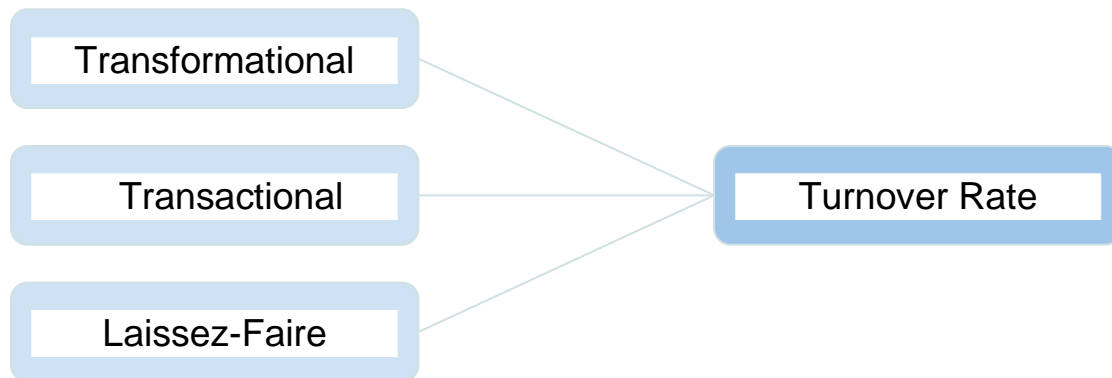
1.7.1 Independent Variables (IVs)

Transactional Leadership Style, Characterized by contingent rewards and management by exception.

Transformational Leadership Style, Characterized by inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation.

Laissez-Faire Leadership Style, Characterized by a hands-off approach and minimal guidance or direction.

1.7.2 Dependent Variable (DV)

Turnover Rate, The proportion of employees who leave the organization within a certain period of time.

1.7.3 Hypothesized Relationships

H_{01}: There is no significant difference in employee turnover rate between organizations with transformational leadership and those with other leadership styles.

H_{11}: Organizations with transformational leadership will have a lower employee turnover rate compared to organizations with other leadership styles.

H_{02}: There is no significant difference in employee turnover rate between organizations with transactional leadership and those with other leadership styles.

H_{12}: The effect of transactional leadership on employee turnover rate will be mixed, depending on the specific nature of contingent rewards and management by exception practices.

H_{03}: There is no significant difference in employee turnover rate between organizations with laissez-faire leadership and those with other leadership styles.

H_{13}: Organizations with laissez-faire leadership will have a higher employee turnover rate compared to organizations with other leadership styles.

1.8 Methodology

1.8.1 Research Methodology: Survey

This study aims to investigate the relationship between leadership styles and employee turnover intentions among retail managers in the Klang Valley area, Malaysia. The research methodology for this study will involve a survey using a structured questionnaire to collect quantitative data.

1.8.2 Population and Sample

The target population for this study comprises retail managers operating within the Klang Valley region. The research will aim for a sample size of 30-50 participants to capture a representative sample of the retail landscape in the region.

The consideration of the population size and desired characteristics is paramount. It is widely acknowledged within academic research that selecting a sample size ranging between 30 to 50 individuals represents an optimal approach for data collection.

This determination is contingent upon a thorough estimation of the total population size and a deliberate identification of the specific attributes deemed crucial for representation within the sample. The prescribed sample size strikes a delicate balance, affording sufficient participant representation while simultaneously ensuring the feasibility and practicality of the survey administration process.

1.8.3 Sampling Strategy

A combined sampling technique will be employed, utilizing both random and stratified approaches. Random sampling will ensure inclusivity, while stratification will introduce an additional layer of representativeness by dividing the population into sub-groups (strata) based on retail subsectors (e.g., clothing, electronics, grocery). This ensures that the final sample reflects the diversity of the retail landscape in the Klang Valley area.

1.8.4 Data Collection and Analysis

Quantitative data will be collected through a structured questionnaire. This questionnaire will be developed specifically for this study and will gather information on demographic characteristics of participants, leadership styles perceived by the managers within their organizations, turnover perceptions and intentions, and other relevant variables potentially influencing turnover (e.g., job satisfaction, work environment).

Statistical software (e.g., SPSS) will be utilized to analyze the collected data. Descriptive statistics will be employed to summarize demographic data, leadership styles, turnover perceptions, and other relevant variables. Subsequently, reliability and inferential statistical tests (e.g., ANOVA, regression) will be conducted to explore the relationships between leadership styles, employee turnover intentions, and other potential influencing factors.

1.8.5 Ethical Considerations

The survey question have been approved by the ethical clearance from the University Tunku Abdul Rahman. Throughout the research process, the utmost importance will be placed on to ethical principles. This includes obtaining informed consent from all participants prior to their involvement in the study, guaranteeing the anonymity and confidentiality of all participants' data, and clearly communicating the voluntary nature of participation and the right to withdraw from the study at any point.

This research design ensures a robust and ethical approach to investigate the complex relationship between leadership styles and employee turnover intentions in the retail industry, while also capturing the diverse nature of the retail sector within the Klang Valley region.

Chapter 2 Literature Review

2.1 Introduction

Employee turnover, the voluntary departure of employees from an organization, poses a significant challenge for businesses of all sizes. It results in substantial costs associated with recruiting, onboarding, and training new employees, while also disrupting workflow, impacting productivity, and potentially damaging morale. In today's competitive business landscape, retaining a skilled and engaged workforce is crucial for organizational success.

Research suggests that leadership style plays a critical role in influencing employee turnover. Leaders who foster a positive work environment, motivate employees, and provide opportunities for growth and development can contribute to reduced turnover rates. Understanding the specific ways in which different leadership styles impact employee retention is essential for organizations seeking to build a stable and successful workforce.

2.2 Leadership Style

Different leadership styles affect how leaders guide and interact with followers. Transformational, transactional, and laissez-faire leadership are widely studied. Although these styles are frequently referenced in leadership literature, there are additional styles. As the choice of leadership style significantly impacts an organization's culture, employee motivation, and overall success, effective leaders frequently modify their approach to meet the requirements.

This literature review will explore the relationship between leadership styles and employee turnover. It will begin by discussing the key theoretical frameworks that inform our understanding of leadership and its impact on employee behavior. Subsequently, it will delve into the specific characteristics and theoretical underpinnings of transformational, transactional, and laissez-faire leadership styles.

2.2.1 Transformational Leadership Style

The Transformational Leadership Theory is a prominent leadership model that emphasizes inspiring and motivating followers to achieve outcomes beyond expectations while fostering their personal growth and development (Bass & Avolio, 1994). It is credited to James MacGregor Burns, who distinguished transformational leaders from transactional leaders by their ability to inspire followers to pursue ambitious goals (Burns, 1978). Transformational leadership has gained attention due to its interpersonal, inspirational, and visionary approach (Bass & Riggio, 2006).

Recent research suggests that transformational leadership is empirically related to new leadership models like ethical, authentic, and servant leadership, leading to concerns about construct proliferation (Hoch et al., 2018). The abundance of leadership models with different names that tap into similar ideas can create challenges for both research and practice. HRD professionals seeking to develop effective leadership programs may face confusion about which model to adopt, potentially leading to ineffective spending of resources (Hoch et al., 2018).

In the context of the manufacturing industry, transformational leadership has been studied in relation to organizational learning and its effect on performance (Hulpia et al., 2011; Kadiyono et al., 2020). Transformational leadership has been found to positively influence performance by promoting organizational learning and innovation (Purwanto et al., 2021a,b). Overall, transformational leadership remains a significant and relevant leadership theory, particularly in understanding the impact of leadership styles on employee behavior and organizational outcomes.

2.2.2 Transactional Leadership Style

Transactional Leadership style is a management approach that focuses on managing employee interactions while upholding organizational structure. Originating in the 1960s and 1980s, this theory gained popularity due to its alignment with the human relations model, closed-systems thinking, and consideration of worker perspectives. In today's virtual workplace, transactional leadership continues to play a vital role (Swan, 2018), and its application in the healthcare sector has been explored. For instance, Richards (2020) found that transactional leadership can effectively help achieve short-term goals and facilitate the completion of projects in the healthcare domain, suggesting the potential benefits of integrating transactional leadership with other leadership approaches to enhance healthcare efficacy.

In contrast, transformational and transactional leadership styles have been studied among Ethiopian public hospital health workers, revealing that transformational leadership has a greater impact on organizational readiness for change compared to transactional leadership (Mekonnen & Bayissa, 2023). This highlights the significance of considering different leadership approaches in specific contexts to effectively address organizational challenges and changes. Jensen et al. (2019) underscore the need for a reassessment of the effects of both transformational and transactional leadership on organizational performance, emphasizing the importance of developing robust and contextually relevant public-private solutions to enhance leadership effectiveness.

Transactional leadership's role in fostering organizational innovation through information sharing has been a subject of exploration in various research projects, particularly in emerging economies. Hussain et al. (2017) propose further investigation into how transactional leadership influences creativity and innovation, especially in large businesses and projects. This reflects the ongoing interest in understanding the potential impact of transactional leadership on promoting innovative practices and driving organizational growth.

Overall, the body of research on transactional leadership contributes valuable insights into its application in diverse settings and industries, underscoring the need for a nuanced approach to leadership that takes into account the specific organizational context and challenges. The study of transactional leadership's effects on creativity, innovation, and organizational performance further highlights the dynamic nature of leadership research and its ongoing evolution to meet the demands of modern workplaces and organizational dynamics. As researchers continue to explore and refine leadership theories, a comprehensive understanding of transactional leadership's role in different contexts will enable organizations to make informed decisions and design effective leadership strategies to foster growth, innovation, and success.

2.2.3 Laissez-Faire Leadership Style

In the Laissez-Faire Leadership Theory, the leader does not actively guide or assist in colleagues' work. According to this approach, workers are given limited direction and assistance as they complete their tasks. Lax leadership has been shown to negatively affect both personnel outcomes and organizational performance negatively, even though most studies have concentrated on more effective leadership styles. Evidence links it to lower levels of job satisfaction, less effective leadership, and less productivity. Laid-back management styles are still widely used in today's businesses, despite the harm they cause.

Several studies have examined Laissez-Faire Leadership Theory and turnover. A study at the Academy of Management Annual Meeting Proceedings examined how passive

leadership, such as laissez-faire leadership, affects turnover. Organizational identity threat explains how a leader's laissez-faire style might boost employee turnover. According to social identity theory, workers develop an "organizational identity" at work. Laissez-faire executives who don't interact with employees risk lowering affective organizational commitment and increasing turnover intentions (Donkor, 2021). Organizational identity threat mediated two three-wave time-lagged studies (Robert & Vandenberghe 2022). Laissez-faire leadership may negatively impact employees with high relational self-concepts, resulting in less teamwork and less emotional involvement in the organization (Chen, 2021). Active leadership during organizational reorganizations is essential for smooth transitions and reduced worker stress. However, "let them handle it" leadership styles raised employee stress (LeBaron, 2021). These data show that "hands-off" executives may hurt retention and productivity.

These leadership styles can significantly impact employee perceptions of their work environment, job satisfaction, and ultimately, their decision to stay with the organization.

2.3 Importance of understanding leadership's impact on turnover

Understanding the link between leadership styles and employee turnover is crucial for several reasons. Firstly, it allows organizations to identify leadership practices that contribute to employee retention and develop strategies to promote these practices. This can lead to significant cost savings associated with high turnover rates and contribute to building a more stable and productive workforce.

Secondly, understanding how leadership styles influence employee motivation and satisfaction can inform the development of leadership training programs and interventions. By equipping leaders with the necessary skills and knowledge to adopt effective leadership styles, organizations can foster a more positive work environment and encourage employees to reach their full potential.

Finally, exploring the relationship between leadership and turnover can contribute to the advancement of leadership theory and research. By analyzing the various ways leadership styles

influence employee behavior, researchers can gain a deeper understanding of the complex dynamics at play within organizations and develop more effective leadership models for the future.

Having established the significance of understanding leadership's impact on turnover, the next section will delve into the theoretical frameworks that inform our understanding of leadership and its relationship with employee behavior.

2.4 Theoretical Framework

Understanding employee turnover goes beyond existing frameworks. Integrating Expectancy Theory (Vroom, 1964) adds valuable insights. This theory proposes three factors influencing employee motivation and performance. Which included the expectancy, instrumentality and Valence.

Expectancy refers to an employee's belief that their effort invested in their work will translate into achieving desired outcomes, typically good performance. Imagine this as a clear path from effort to success. Factors like clear goals, access to necessary resources, and confidence in skills all play a role in shaping this belief. If employees lack clarity on what constitutes good performance, feel under-equipped to do their jobs, or doubt their abilities, their expectancy weakens, potentially hindering their motivation.

Instrumentality, the second piece of the puzzle, refers to an employee's belief that achieving good performance will lead to desired rewards. These rewards can be both intrinsic, such as personal satisfaction or professional development opportunities, and extrinsic, including bonuses, promotions, or public recognition. The strength of this belief depends on factors like transparency in the reward system, its perceived fairness, and alignment with individual values. If employees perceive the reward system as unclear, biased, or offering rewards that don't resonate with their personal aspirations, their motivation to strive for good performance may falter.

Next, valence comes into play. It refers to the importance or value that employees attribute to the potential rewards associated with good performance. The same reward may hold different levels of value for different individuals depending on their personal circumstances and career goals.

Imagine two employees, one highly values career advancement, while the other prioritizes work-life balance and financial stability. For the first employee, a promotion opportunity might hold significant valence, while for the second, a flexible work schedule or a pay raise might be more valuable. Understanding individual needs and preferences, as well as considering alternative opportunities available outside the organization, is crucial in assessing the valence of rewards for each employee.

By understanding these three components of Expectancy Theory, organizations can gain valuable insights into the unique factors that motivate their employees. This knowledge empowers them to design strategies that foster a positive work environment, establish clear performance expectations, offer meaningful rewards that resonate with individual values, and provide the necessary resources and support. Ultimately, this approach can contribute to increased employee motivation, improved performance, and reduced turnover, creating a win-win situation for both the organization and its workforce.

2.4.1 Transformational Leadership

Transformational leaders inspire, motivate, and empower their followers. They create a sense of purpose and meaning in work, fostering a strong expectancy among employees by setting clear goals, offering training and support, and expressing confidence in their abilities. By clearly linking good performance to promotions, recognition, and career development opportunities, transformational leaders strengthen instrumentality, as employees see a clear path from their effort to desired rewards. Furthermore, these leaders cultivate a sense of purpose and align individual goals with organizational ones, increasing the valence of rewards like career growth and contributing to a larger mission.

2.4.2 Transactional Leadership

Transactional leaders focus on exchanging rewards and punishments based on performance. While setting clear performance expectations and offering contingent rewards (e.g., bonuses tied to performance) can contribute to increased expectancy if

perceived as fair, transactional leadership may not necessarily enhance instrumentality in the long run. The sole focus on extrinsic rewards like bonuses or promotions may not resonate with all employees, potentially diminishing the perceived value (valence) of these rewards compared to the intrinsic rewards fostered by transformational leadership.

2.4.3 Laissez-faire Leadership

Laissez-faire leaders offer minimal guidance and support, leaving employees to fend for themselves. This lack of direction can hinder employees' sense of efficacy, leading to decreased expectancy as they lose confidence in their ability to achieve desired performance. The absence of clear performance expectations and a reward system weakens instrumentality, as employees become unclear about how their efforts translate into potential rewards. Additionally, without a clear understanding of the organization's values and purpose, it becomes difficult for employees to understand the valence of potential rewards associated with good performance.

By understanding how leadership styles influence employee motivation through Expectancy Theory, organizations can develop strategies to foster a positive work environment and reduce turnover. Leaders who adopt practices that create clear expectations, offer meaningful rewards, and cultivate a sense of purpose through transformational leadership principles can create a more engaged and motivated workforce, ultimately contributing to organizational success and employee well-being. However, it's important to remember that leadership style is just one factor influencing employee turnover. Addressing work-life balance, compensation packages, and company culture are also crucial aspects of a comprehensive retention strategy.

2.5 Historical Context

The existing literature provides valuable insights into the factors and strategies influencing employee turnover and retention across diverse industries. Saleh et al. (2022) conducted a study that highlights the significant impact of ethical leadership on employees' intentions to leave their jobs. Using Partial Least Square-Structural Equation Modelling (PLS-SEM) analysis on data from

260 surveys of full-time bank workers, the study reveals that ethical leadership contributes to the creation of a positive ethical climate, reducing the likelihood of employees wanting to leave their positions.

Communication emerges as a recurring theme in various studies, underscoring its importance in the realm of leadership and employee turnover. Pryce's research (2016) emphasizes the pivotal role of effective communication in building credibility between leaders and employees, enhancing overall productivity, and ultimately reducing turnover rates. Focusing on the retail sector, a study utilizes the Herzberg 2-factor theory as its conceptual framework to investigate high employee turnover in small retail businesses in San Antonio, Texas. Through the utilization of focus groups, interviews, and descriptive survey research, the study aims to identify successful tactics employed by retail leaders to mitigate turnover rates effectively.

Marete's (2016) research highlights the relationship between leadership styles and employee job satisfaction, underscoring the significance of organizational obligations in shaping employees' happiness with their jobs. The study employs a semi-structured questionnaire and a descriptive poll method to examine how leadership styles influence employees' sense of detachment from their jobs in private organizations in Kenya.

Nica and Potcovaru (2017) stress the importance of understanding various leadership styles and their potential to motivate workers effectively. Their research involves attending meetings to observe prevalent leadership styles and conducting surveys to gauge their impact. However, the researchers caution against a one-size-fits-all approach, as the effectiveness of different leadership styles can vary based on situational factors.

Hamadi et al. (2019) emphasize the critical role of job satisfaction in the context of home health workers. They shed light on the influence of the work environment and leadership support on employee satisfaction and retention. Similarly, Kahlid's (2022) study delves into diverse leadership styles and their impact on organizational performance. The research suggests that successful leadership involves providing opportunities for employees, fostering a sense of belonging, and involving employees in decision-making processes.

Azmi et al. (2022) delve into hotel leadership, highlighting the importance of leaders fostering commitment and demonstrating genuine concern for employees. Aligning with organizational goals is also identified as a crucial aspect of effective leadership. Additionally, Hassan and Basit's (2021) investigation in the IT sector of Klang Valley, Malaysia, explores how leadership styles influence employee commitment and satisfaction in the workplace.

Collectively, these studies underscore the multifaceted nature of leadership's influence on employee turnover and retention. The diverse research efforts shed light on various dimensions of leadership, emphasizing the significance of ethical leadership, effective communication, job satisfaction, and organizational support in promoting employee engagement and reducing turnover rates. Organizations can adopt tailored approaches to optimize employee retention and create a positive work environment that fosters long-term organizational success by understanding the intricacies of different leadership styles and their contextual implications.

Researchers have employed various methodologies, including PLS-SEM analysis (Saleh et al., 2022), focus groups and surveys (Herzberg 2-factor theory research), and semi-structured questionnaires (Marete, 2016) to explore leadership styles, employee satisfaction, and their relationship with turnover. These studies emphasize the multifaceted nature of leadership's influence on employee turnover, highlighting the significance of various factors such as ethical leadership, communication, job satisfaction, and organizational support.

In short, the existing literature provides valuable insights into the factors and strategies influencing employee turnover and retention across diverse industries. Studies like Saleh et al. (2022) highlight the positive impact of ethical leadership on reducing turnover intentions, while Pryce (2016) emphasizes the importance of effective communication in building trust and reducing turnover rates.

2.6 Highlight of Seminal Studies and Influential Scholars

A wealth of research has shed light on the complex factors influencing employee turnover and retention. Studies examining leadership styles, work environment, and organizational culture have paved the way for a deeper understanding of this crucial aspect of organizational success.

Researchers like Nica and Potcovaru (2017) and Marete (2016) have explored the diverse impact of leadership styles on employee satisfaction and motivation. Their findings highlight the importance of tailoring leadership approaches to specific contexts, as different styles can have varying effects depending on the situation.

Furthermore, studies by Hamadi et al. (2019) and Khalid (2022) emphasize the critical role of the work environment. Their research suggests that fostering a positive environment with strong leadership support and high job satisfaction is key to retaining talent.

Additionally, Azmi et al. (2022) and Hassan and Basit (2021) delve into the significance of organizational culture and employee engagement. Their work highlights the importance of aligning employee needs with organizational goals, fostering commitment, and involving employees in decision-making. By creating a culture that fosters a sense of belonging and purpose, organizations can significantly reduce turnover intentions.

These studies and scholars collectively contribute to a comprehensive understanding of the multifaceted relationship between leadership, employee behavior, and the decision to stay or leave an organization. Their insights are crucial for organizations seeking to develop effective strategies for workforce retention and create a thriving work environment.

2.7 Evolution of Understanding

The understanding of employee turnover and retention has evolved over time. Early research focused on individual factors like job dissatisfaction, while recent studies increasingly emphasize the role of leadership styles, communication, and the broader organizational context.

The emergence of new frameworks like Expectancy Theory (Vroom, 1964) provides insights into how leadership styles can influence employee motivation and ultimately turnover, by affecting their beliefs about the relationship between effort, performance, and desired rewards.

This evolution highlights the need for a multifaceted approach to addressing employee turnover, focusing not only on individual factors but also on creating a positive and supportive work environment through effective leadership practices.

The understanding of employee turnover has undergone a significant transformation, shifting from a focus on individual factors to a more comprehensive appreciation of the multifaceted influences at play. This section delves into this historical trajectory, highlighting the evolution of understanding over time.

2.7.1 Early Research (1960s-1980s)

Early research primarily focused on individual characteristics as the key drivers of employee turnover. Job satisfaction, work-life balance, and compensation were prominent factors investigated in this period (Price, 1975). This approach, while offering initial insights, presented a limited scope, neglecting the complex interplay between various factors and the broader organizational context (Mobley, 1977).

2.7.2 Shifting Perspectives (1990s-2000s)

The emergence of influential frameworks like Expectancy Theory (Vroom, 1964), developed in the mid-1960s, and the Job Characteristics Model (Hackman & Oldham, 1976) provided a more nuanced understanding by considering factors like employee motivation and job design in influencing turnover intentions. These frameworks shifted the focus beyond solely individual characteristics, acknowledging the influence of work-related factors on employee behavior and decisions (Meyer & Allen, 1991).

Research during this period began exploring the impact of leadership styles on employee motivation, satisfaction, and ultimately, turnover. Studies by Judge et al. (2004) and Avolio

et al. (1999) highlighted the influence of leadership practices, specifically transformational leadership, on employee behavior and perceptions, contributing to a more comprehensive understanding of the factors influencing turnover intentions.

2.7.3 Contemporary Understanding (2010s and onwards)

Contemporary research takes a holistic approach, acknowledging the complex interplay of various factors. This includes individual factors (e.g., personality, skillsets, career aspirations), organizational factors (leadership styles, company culture, work environment), and external factors (economic conditions) that can influence employee turnover (Mobley, 1977; Price, 1975). This multifaceted approach allows for a more comprehensive understanding of the complex dynamics at play (Griffeth et al., 2000).

Besides, the importance of understanding how these factors interact within specific organizational contexts is increasingly recognized. While certain factors might hold greater influence in some contexts (e.g., compensation in blue-collar jobs), others may play a more significant role in different organizational settings (e.g., work-life balance in tech startups). This contextual understanding allows for the development of more tailored and effective strategies for managing turnover within specific organizations (Haar et al., 2019).

The understanding of employee turnover continues to evolve as new research emerges, and organizational dynamics and employee expectations change. Exploring the impact of technological advancements (e.g., remote work), changing demographics (e.g., aging workforce), and evolving employee expectations (e.g., focus on purpose and work-life balance) remains crucial in developing effective strategies for managing turnover in today's dynamic workplaces.

Building on the foundation of existing research, the following section will delve deeper into the specific leadership styles (transformational, transactional, and laissez-faire) and their nuanced impact on employee turnover intentions. It will explore how these styles influence employee attitudes and behaviors, ultimately shaping their decisions to stay or leave their organizations.

2.8 Impact of Transformational Leadership on Turnover Rate

This review examines the impact of transformational leadership on various employee outcomes by delving into eight research articles. These studies encompass diverse industries like healthcare, retail, manufacturing, and hospitality, offering a comprehensive perspective on the influence of this crucial leadership style.

2.8.1 Review of empirical studies and theoretical perspectives

Several studies consistently highlight the positive influence of transformational leadership on employee outcomes, supporting its effectiveness in numerous aspects which Enhanced Trust, Commitment, and Altruistic Intention , Reduced Turnover Intention, Improved Organizational Performance and Mediating Role of Employee Engagement.

2.8.1.1 Enhanced Trust, Commitment, and Altruistic Intention

Kement et al. (2024) demonstrate that transformational leadership cultivates trust by fostering transparency, honesty, and reliability. This fosters commitment, as employees feel valued and empowered to contribute meaningfully. Additionally, altruistic intention, the willingness to go beyond individual needs to help others, increases as employees experience a sense of purpose and shared goals under transformational leadership.

2.8.1.2 Reduced Turnover Intention

Pattali et al. (2024) reveal that both transformational and authentic leadership styles contribute to lower turnover intention among nurses in private hospitals. This finding emphasizes that leaders who inspire, motivate, and value their team members can significantly impact employee retention.

Chandra et al. (2023) highlight how transformational leadership strengthens the employer brand by effectively communicating the organization's values and vision. This attracts and

retains talent by fostering a sense of organizational identification, where employees feel connected to the organization's purpose and values, ultimately reducing turnover intention.

2.8.1.3 Improved Organizational Performance

Chandra et al. (2023), although not directly exploring the mediating role of transformational leadership, suggest a positive association between a strong organizational culture and financial performance in the Italian manufacturing sector. This suggests that the positive leadership environment fostered by transformational leaders likely contributes to a strong organizational culture, ultimately leading to better performance.

2.8.1.5 Mediating Role of Employee Engagement

While not directly addressing transformational leadership, Diko & Saxena (2023) shed light on the mediating role of employee engagement. Their study demonstrates that transformational leadership positively influences engagement, which in turn leads to reduced turnover intention. This further strengthens the connection between transformational leadership and positive employee outcomes.

2.8.1.6 Challenges and Considerations

Alshahrani et al. (2024) provide a unique perspective, suggesting that transformational leadership may not always act as a mediator between innovative work behavior (IWB) and organizational performance in the Saudi healthcare sector. This highlights the need for further research to understand the context-specific factors influencing the effectiveness of transformational leadership.

Overall, these findings establish a consistent link between transformational leadership and various positive employee outcomes, including increased trust, commitment, reduced turnover intention, and potentially improved performance. However, further research is needed to explore the nuances of this relationship and identify contextual factors that influence its effectiveness.

2.8.2 Supporting of Positive influences

Building upon the identified positive influences, this section delves deeper into specific findings from the reviewed studies, Kement et al. (2024) demonstrate that transformational leaders cultivate trust by creating an environment characterized by transparency, honesty, and reliability. This ultimately leads to commitment, as employees feel valued and empowered to contribute their best. Additionally, altruistic intention, the willingness to go beyond individual needs to help others, increases as employees experience a sense of purpose and shared goals under transformational leadership. This fosters a collaborative and supportive work environment where individuals are more likely to help one another and go the extra mile.

Pattali et al. (2024) highlight that transformational leaders inspire and motivate employees, fostering a sense of psychological empowerment and ownership. They empower their team members to make decisions, take initiative, and contribute their unique skills and perspectives. This empowers them to feel valued and involved in the organization's success, leading to increased job satisfaction and reduced feelings of burnout and dissatisfaction. Additionally, Chandra et al. (2023) emphasize how transformational leaders create a strong employer brand by effectively communicating the organization's values and vision. This attracts and retains talent by fostering a sense of organizational identification, where employees feel connected to the organization's purpose and values. This sense of belonging and shared purpose reduces the likelihood of employees seeking opportunities elsewhere.

Diko & Saxena (2023) further suggest that transformational leaders create an environment that fosters intrinsic motivation, psychological safety, and a sense of belonging. Intrinsic motivation refers to the desire to engage in work for the inherent satisfaction it brings, as opposed to external rewards. Psychological safety refers to the feeling of being able to take risks, share ideas, and make mistakes without fear of punishment or judgment. A sense of belonging refers to the feeling of being accepted, valued, and supported by colleagues and the organization. This combination of factors leads to increased engagement, where

employees are not only physically present but also mentally and emotionally invested in their work. Engaged employees are more likely to be productive, innovative, and committed to the organization's success, ultimately leading to reduced turnover intention and potentially improved organizational performance.

Chandra et al. (2023) suggest a positive association between a strong organizational culture and financial performance. While not directly testing the mediating role of transformational leadership, it can be inferred that transformational leaders likely contribute to building a strong organizational culture. Transformational leaders often set clear goals, articulate the organization's values, and encourage open communication and collaboration. This fosters a culture of trust, respect, and innovation, which can lead to increased employee satisfaction, engagement, and ultimately, improved organizational performance.

It is important to note that these findings point to potential relationships, and further research is needed to fully understand the causal mechanisms at play. Additionally, the effectiveness of transformational leadership can be influenced by various contextual factors such as organizational size, industry, and national culture. Future research should explore these nuances to provide a more comprehensive understanding of how transformational leadership influences employee outcomes in different contexts.

2.8.3 Mechanisms for inspiring and motivating employees

Effective leadership goes beyond management; it inspires. Transformational leaders cultivate thriving workforces by fostering intellectual curiosity, recognizing unique strengths, and embodying strong values.These leaders challenge the status quo, encouraging creative problem-solving and continuous learning (Bass & Avolio, 1990). They treat each employee as an individual, providing personalized support and development opportunities (Bass & Avolio, 1994).Passionate and enthusiastic, they paint a compelling vision for the future, motivating employees to excel and contribute (Bass & Steidlmeier, 1999). Leading by example, they uphold high ethical standards, inspiring a positive work environment (Bass & Steidlmeier, 1999).

Furthermore, they acknowledge and reward achievements aligned with organizational goals, reinforcing positive behavior and driving continued high performance (Bass & Avolio, 1990). These interwoven mechanisms create a powerful cycle that fuels motivation and engagement.The impact of transformational leadership extends beyond individual employees. Research suggests it fosters increased trust, commitment, and reduced turnover intention (Judge & Piccolo, 2004), ultimately leading to improved organizational performance (Lowe, Kroeck, & Sivasubramaniam, 1996).

By understanding and implementing these key mechanisms, organizations can unlock the power of transformational leadership, cultivating an environment where employees thrive and contribute to long-term success. It is important to note that these mechanisms often work in synergy, creating a reinforcing cycle that fosters employee motivation and engagement. For example, intellectual stimulation can lead to a sense of accomplishment, which can be further reinforced by contingent rewards.

In conclusion, transformational leadership has a significant positive impact on various employee outcomes, including trust, commitment, reduced turnover intention, and potentially, improved organizational performance. This influence is likely achieved through various mechanisms, including intellectual stimulation, individualized consideration, charisma, inspirational influence, and contingent rewards. By understanding and implementing these mechanisms, organizations can leverage the power of transformational leadership to create a more engaged, motivated, and productive workforce.

2.9 Impact of Transactional Leadership on Turnover Rate

Employee turnover, the voluntary or involuntary departure of employees from an organization, is a costly and disruptive issue for businesses. Understanding factors influencing turnover is crucial for organizations to retain valuable talent and maintain operational efficiency. This review examines the existing literature on the relationship between transactional leadership and employee turnover, exploring both its potential positive and negative effects, and the influence of various contextual factors.

Transactional leadership, a widely studied style, emphasizes clear expectations, contingent rewards, and active monitoring of performance (Bass & Avolio, 1994). Leaders set clear goals and expectations for their subordinates, offer rewards and recognition for achieving those goals, and intervene when performance deviates from expectations. This approach focuses on short-term outcomes and relies on a transactional exchange relationship between leader and follower (Judge & Piccolo, 2004).

2.9.1 Relationship with Turnover in Positive Effects

Some studies suggest that transactional leadership can have positive effects on employee retention (Cahyadi & Cahyadi, 2023; Maundu et al., 2020). These positive effects might stem from increasing clarity and direction, motivation through rewards and recognition and improved job security.

Transactional leaders set clear expectations and define roles, minimizing ambiguity and uncertainty. This fosters a sense of purpose and direction for employees, increasing job satisfaction and potentially reducing their motivation to leave (Judge & Piccolo, 2004).

By offering tangible rewards for achieving established goals and providing recognition for good performance, transactional leaders can enhance employee motivation and commitment. This, in turn, can lead to less job seeking and higher retention rates (Ene, 2020).

Transactional leadership's focus on clear expectations and performance monitoring can create a perception of increased job security for employees who consistently meet those expectations (Persia & Dwianto, 2024). This sense of stability can deter them from actively seeking new opportunities elsewhere.

2.9.2 Relationship with Turnover in Negative Effects

However, other studies suggest a potential negative relationship between transactional leadership and employee turnover (Aljumah, 2023; Udayanga, 2020).

Transactional leadership primarily focuses on short-term goals and extrinsic motivation, potentially neglecting employee growth and development opportunities (Aljumah, 2023). This lack of focus on intrinsic motivators like personal development can lead to dissatisfaction and a desire for new experiences, increasing turnover.

The emphasis on monitoring and control in transactional leadership may create a feeling of micromanagement and a lack of autonomy for employees (Udayanga, 2020). This can lead to decreased engagement and job satisfaction, ultimately pushing employees to seek alternative work environments.

By focusing primarily on adherence to established procedures and meeting pre-defined goals, transactional leadership may stifle creativity and innovation (Zhao & Sun, 2024). This lack of opportunity for independent thinking and problem-solving can demotivate and lead employees to seek more stimulating workplaces.

The literature on transactional leadership and turnover presents mixed findings, suggesting a complex relationship with both potential positive and negative effects. While clear expectations, rewards, and monitoring can enhance employee clarity, motivation, and perceived job security, an over-reliance on these elements may limit growth, autonomy, and innovation, ultimately contributing to increased turnover.

2.9.3 Discussion of effects

The positive effect of transactional leadership style providing clear expectations and goals ensures employees understand their roles and responsibilities, reducing ambiguity and contributing to a sense of purpose. This clarity can lead to increased focus, improved performance, and ultimately, higher job satisfaction. Next, When employees receive tangible rewards and recognition for achieving goals, it reinforces their desired behaviors and increases their motivation to continue performing well. This reinforcement cycle can lead to increased commitment, loyalty, and reduced turnover intentions. Transactional leaders often create systems to monitor performance and provide feedback regularly. While

this can feel restrictive, it can also create a perception of fairness and consistency in evaluation practices. This, in turn, can lead to a sense of job security for employees who consistently meet expectations, potentially reducing turnover.

Move to the Negative effect, the leadership might leads to an overemphasis on short-term results and extrinsic motivation within transactional leadership can neglect the importance of employee growth and development. This lack of focus on intrinsic motivators and career advancement opportunities can lead to decreased job satisfaction and a desire for new challenges and learning experiences, potentially increasing turnover.

Also, the emphasis on close monitoring and control in transactional leadership can stifle individual initiative and creativity. This over-reliance on external control can lead to feelings of micromanagement, reduced autonomy, and decreased employee engagement. These negative feelings can ultimately contribute to higher turnover as employees seek work environments that allow for more independence and ownership over their work. Transactional leadership may unintentionally discourage innovative thinking and problem-solving. This lack of opportunity for creativity and individual expression can lead to stagnation, boredom, and a lack of engagement. As a result, employees may seek more stimulating work environments that encourage independent thinking and innovation, increasing turnover.

It's important to note that transactional leadership can be an effective tool when used strategically and balanced with other leadership styles. Leaders can leverage the benefits of transactional leadership, such as clear expectations and goal setting, while also incorporating elements of transformational leadership that emphasize development, inspiration, and individual growth opportunities. This balanced approach can create a more engaging and motivating work environment that fosters both retention and performance.

2.9.4 Evaluation of contextual factors

While the provided research primarily focuses on transactional leadership and its connection to employee turnover, the findings suggest the influence of various contextual factors on this relationship. Here, we explore the impact of industry, organizational culture, and employee characteristics.

The nature of an industry can influence the effectiveness of transactional leadership. In industries with standardized tasks and clear performance metrics, like Cahyadi & Cahyadi's (2023) study on the fertilizer industry, transactional leadership can be effective. Clear expectations and contingent rewards can minimize ambiguity and contribute to a sense of purpose, potentially reducing turnover (Maundu et al., 2020). However, in creative or knowledge-intensive industries, employees often value autonomy and growth opportunities, which transactional leadership may not adequately provide (Zhao & Sun, 2024).

The prevailing organizational culture further shapes the impact of leadership styles. Ene (2020) found transactional leadership to be positively associated with employee intention to stay in insurance companies, suggesting its potential effectiveness in cultures that emphasize hierarchy and control. However, in cultures that value collaboration and empowerment, transactional leadership might feel restrictive, potentially leading to increased turnover (Cahyadi & Cahyadi, 2023).

Beyond industry and culture, individual preferences and personality traits also play a role. Employees who thrive on structure and rewards might be more receptive to transactional leadership, as seen in Ene's (2020) study. Conversely, employees who value autonomy and personal growth might find it limiting and seek opportunities that fulfill those needs (Aljumah, 2023).

By acknowledging the complex interplay between transactional leadership, contextual factors, and employee characteristics, organizations can develop a more strategic approach to leadership development. Leaders who adapt their approach based on the specific context, industry, culture,

and individual needs can maximize the positive influence of their leadership style on employee retention and overall organizational success.

2.10 Impact of Laissez-Faire Leadership on Turnover Rate

Laissez-faire leadership, often translated as "let do," embodies a hands-off approach to leadership where leaders minimize interventions and grant employees significant autonomy. While this style seemingly empowers employees, it has garnered significant attention in leadership research due to its potential drawbacks. This review delves into the existing research on laissez-faire leadership, exploring its diverse perspectives, potential benefits, and, more prominently, its documented detrimental effects on various individual and organizational outcomes. Additionally, the review contrasts laissez-faire leadership with active leadership styles known to foster employee engagement.

2.10.1 Relationship of turnover

While traditionally viewed with negative connotations, recent research suggests a more nuanced understanding of laissez-faire leadership. Ali and Ullah (2023) found that in the context of the Bangladeshi pharmaceutical industry, laissez-faire leadership positively impacted talent attraction, development, and engagement, particularly for talented employees who valued autonomy. This finding highlights the potential benefits of this style when aligned with specific organizational contexts, employee characteristics, and cultural norms.

Furthermore, laissez-faire leadership can be differentiated from abusive supervision, which involves actively harming or undermining employees. Robert and Vandenberghe (2022) through their study demonstrate that while both styles can negatively impact employee well-being, laissez-faire leadership generally leads to less severe consequences compared to abusive supervision. This distinction is crucial when interpreting research findings and understanding the nuances of different leadership approaches.

One study, by Ali and Ullah (2023), suggested a potential positive impact of laissez-faire leadership on talent management within the pharmaceutical industry of Bangladesh. This finding suggests that in specific contexts and for certain personality types (e.g., employees who value autonomy), laissez-faire leadership might not lead to increased turnover. However, there are still limited generalizability and there are potential negative consequences on the study. This finding is based on a single study in a specific context and might not generalize to other industries, cultures, or employee characteristics. Even within this specific context, the study doesn't explicitly state whether laissez-faire leadership decreases turnover. It only suggests a possible positive impact on talent management, which doesn't necessarily translate to lower turnover.

Therefore, while there's a mention of a potential positive impact on turnover in a very specific context, the overwhelming evidence from the reviewed studies suggests that laissez-faire leadership is generally associated with increased employee turnover due to its negative effects on well-being, motivation, and engagement.

2.10.2 Detrimental Effects of Laissez-Faire Leadership

Despite the potential benefits in specific settings, the majority of research paints a concerning picture of laissez-faire leadership's detrimental effects across various contexts which included reduced employee well-being, hindered performance and innovation and increased employee turnover.

Studies by Khan and Tidman (2021), Robert and Vandenberghe (2022), and Desgourdes et al. (2023) consistently demonstrate a negative association between laissez-faire leadership and employee well-being. These studies link this leadership style to decreased job satisfaction, increased stress, burnout, and depressive symptoms. The lack of direction, clear expectations, and support from laissez-faire leaders can create feelings of ambiguity, uncertainty, and decreased sense of control, ultimately impacting employee well-being negatively.

Research suggests that the lack of guidance and support associated with laissez-faire leadership can stifle individual and team performance (Judge et al., 2004). Additionally, the absence of clear direction and vision can hinder creativity and innovation within teams (Amabile et al., 1996).

Broyles (2022) explores the impact of principal leadership on teacher turnover, revealing that experienced teachers are more likely to leave schools led by laissez-faire principals. This finding highlights the potential consequences of this leadership style on workforce stability, particularly in critical sectors like education.

2.10.3 Mechanisms Underlying the Detrimental Effects

The reviewed studies also shed light on the potential mechanisms through which laissez-faire leadership exerts its negative influence on Reduced Autonomy Paradox and Perceived supervisor status.

Desgourdes et al. (2023) identify a key mediating role of employee autonomy. While laissez-faire leadership might initially appear to grant autonomy, the lack of clear direction and support can ultimately lead to reduced autonomy. When leaders adopt a laissez-faire approach, employees may lack the crucial tools and guidance needed to make informed decisions and perform their tasks effectively. This can lead to feelings of helplessness and reduced autonomy, ultimately impacting their well-being and performance.

Robert and Vandenberghe (2022) explore the moderating effect of perceived supervisor status. They suggest that the detrimental effects of laissez-faire leadership are amplified when employees perceive their supervisor as holding high organizational status. This power disparity can exacerbate feelings of powerlessness and contribute to decreased well-being and motivation.

While some studies suggest potential benefits of laissez-faire leadership in specific contexts, the overwhelming evidence paints a cautionary picture. This leadership style can have detrimental effects on employee well-being, talent management, performance, innovation, and workforce

stability. It is important to acknowledge the potential context-specific nuances and consider the characteristics of both the leader and the followers when evaluating the potential impact of laissez-faire leadership. However, the research strongly suggests that leaders should generally strive to adopt active leadership styles that emphasize clear communication, direction, and support to foster employee engagement, well-being, and ultimately, organizational success.

2.10.4 Discussion of detrimental effects

While the surface appeal of laissez-faire leadership lies in its apparent trust and empowerment of employees, a closer examination reveals a multitude of detrimental consequences across various organizational levels. This section delves deeper into the multifaceted nature of these negative effects, exploring their impact on individual well-being, performance, and broader organizational outcomes. One of the most concerning aspects of laissez-faire leadership is its detrimental impact on employee well-being. Studies by Khan and Tidman (2021), Robert and Vandenberghe (2022), and Desgourdes et al. (2023) consistently demonstrate a negative association between this leadership style and various well-being indicators.

The absence of clear direction, expectations, and support from laissez-faire leaders creates ambiguity and uncertainty for employees. This lack of guidance can lead to chronic stress, manifested in symptoms like anxiety, fatigue, and difficulty concentrating. Furthermore, the constant struggle to navigate uncertainty and make decisions independently can lead to burnout, characterized by emotional exhaustion, cynicism, and reduced sense of accomplishment. When employees lack clear understanding of their roles, goals, and how their work contributes to the organization, their sense of purpose and satisfaction diminishes. This can lead to decreased motivation, reduced effort, and a general feeling of apathy towards their work. The combination of chronic stress, decreased job satisfaction, and feelings of isolation can contribute to the development of depressive symptoms among employees under laissez-faire leadership. This can have severe consequences for both individual well-being and overall organizational productivity.

Beyond its impact on well-being, laissez-faire leadership can also hinder individual and organizational performance. Studies suggest several detrimental aspects like Hindered Performance and Innovation: Stifling Potential at Individual and Collective Levels. The absence of clear direction and guidance associated with laissez-faire leadership can leave employees unsure about what is expected of them, how to accomplish their tasks, and how their work fits into the broader organizational goals. This lack of support can significantly hinder individual performance and productivity. The hands-off approach of laissez-faire leaders can hinder the development of strong team dynamics. Without clear direction and guidance, team members may struggle to collaborate effectively, leading to communication breakdowns, conflicting priorities, and ultimately, reduced team performance. The lack of clear vision and direction associated with laissez-faire leadership can create an environment that stifles creativity and innovation. Without guidance and encouragement to explore new ideas, employees may be less likely to take risks or think outside the box, hindering the organization's ability to innovate and adapt in a competitive marketplace.

The detrimental effects of laissez-faire leadership can extend beyond individual well-being and performance, impacting the broader organization through increased employee turnover. Broyles (2022) found that experienced teachers are more likely to leave schools led by laissez-faire principals. This finding is not unique and applies across various industries. The frustration, stress, and lack of support experienced under this leadership style can ultimately lead employees to seek out new opportunities in organizations that offer clearer direction, support, and opportunities for growth. The cost of employee turnover is significant, including the direct costs associated with recruitment, training, and lost productivity, as well as the indirect costs of lost knowledge, expertise, and organizational morale. Therefore, the negative impact of laissez-faire leadership on employee retention can have a substantial financial and operational burden on organizations.

In conclusion, the research on laissez-faire leadership paints a concerning picture of its detrimental effects on individual and organizational well-being, performance, and stability. From reduced

employee well-being and hindered performance to increased turnover, the costs associated with this leadership style are substantial. While some research suggests potential benefits in specific contexts, the overwhelming evidence suggests that leaders should strive to adopt more active leadership styles to foster employee engagement, well-being, and ultimately, organizational success.

2.10.5 Review of studies on active leadership and employee engagement

Authoritative leadership, characterized by setting clear expectations, providing constructive feedback, and holding employees accountable, also contributes to employee engagement. Studies by Avolio et al. (1999) and Yukl (1998) demonstrate that authoritative leadership fosters engagement by Creating a Predictable and Stable Work Environment, Promoting Accountability and Ownership and Encouraging Teamwork and Collaboration.

By setting clear expectations and providing consistent feedback, authoritative leaders create a predictable and stable work environment where employees understand what is expected of them and how their performance will be evaluated. This sense of structure and clarity reduces uncertainty and anxiety, allowing employees to focus on their work and contribute more effectively.

Authoritative leaders hold employees accountable for their performance while also providing them with the autonomy and resources needed to succeed. This sense of ownership and accountability fosters a sense of responsibility and motivates employees to perform at their best.

Authoritative leaders create a climate of collaboration and teamwork by promoting cooperation and mutual support among team members. This fosters a sense of belonging and connection, which can enhance employee engagement and overall job satisfaction.

Active leadership styles, such as transformational and authoritative leadership, stand in stark contrast to laissez-faire leadership. Research consistently demonstrates that these styles foster employee engagement by providing a sense of purpose, meaning, structure,

and support. By adopting active leadership styles, leaders can create a work environment that motivates employees, enhances their well-being, and ultimately contributes to organizational success.

It is important to note that leadership effectiveness is complex and influenced by various factors beyond specific styles. However, the research reviewed here provides compelling evidence that active leadership styles play a crucial role in promoting employee engagement and fostering a positive and productive work environment.

In conclusion, this review highlights the significant impact of leadership styles on various employee and organizational outcomes. The identified themes and patterns offer valuable insights into the effectiveness of different approaches. To further explore these findings and gain deeper understanding, the next step involves discussing the chosen research methodology employed in the original studies. This methodology will guide the investigation and analysis of these leadership styles in greater detail.

Chapter 3 Methodology

3.1 Introduction

This research employs a quantitative survey methodology to investigate the impact of leadership styles on employee turnover in the Malaysian retail industry, specifically focusing on retail managers in the Klang Valley area. This section outlines the sampling strategy, data collection instrument, data collection procedure, data analysis plan, ethical considerations, limitations, and the proposed timeline.

3.2 Sampling Strategy

3.2.1 Population

This study focuses on investigating the impact of leadership style on turnover rates within the diverse retail industry of Klang Valley, Malaysia. While the initial definition encompassed various subsectors, for greater analytical depth and feasibility, we will now specifically target the fashion retail industry. This decision allows us to collect data from a homogenous population, reducing potential confounding variables stemming from diverse business models and product offerings across different retail subcategories.

3.2.2 Sample Size

We aim to acquire responses from more than 50 retail managers to ensure a statistically representative and reliable dataset. Determining the precise population size of retail managers within the fashion industry in Klang Valley presents a challenge. However, we will leverage industry reports, government statistics, and data from retail associations to provide a best-case estimate. Additionally, we will utilize a commonly employed confidence level of 95% and a moderate margin of error of 5%. Based on these parameters, online sample size calculators will be employed to arrive at a definitive sample size, taking into account an anticipated response rate of approximately 50%. Should the preliminary calculations suggest a larger sample size requirement, we will adjust our recruitment strategy accordingly.

3.2.3 Sampling Technique, Mixed Sampling Collection

In the vibrant retail landscape of Klang Valley, Malaysia, understanding the dynamics of leadership styles and their impact on turnover rates is paramount for organizational success. To delve into this intricate relationship, we employ a mixed sampling collection technique, blending both random and conventional methodologies. This approach aims to ensure the

representativity of our research findings while accessing a diverse range of perspectives from top management in the retail sector.

In the random sampling methodology, we embark on a comprehensive listing of retail establishments across the Klang Valley, emphasizing those with over 10 workers. By utilizing a random selection process, we meticulously choose a subset of these establishments for participation in our survey. This systematic approach guarantees equal opportunity for all qualifying establishments, fostering a representative snapshot of the industry.

Concurrently, our conventional data collection methodology focuses on targeted engagement with top management individuals within retail establishments possessing more than 10 workers. Leveraging personal connections, friends, and former co-workers are tasked with distributing structured survey questionnaires to eligible participants within their networks. This personalized approach facilitates access to key decision-makers while fostering trust and candid responses.

By synergizing both random and conventional sampling techniques, we aim to harness the strengths of each approach. Random sampling ensures diversity and representativity across retail establishments, while conventional sampling facilitates targeted engagement with top management individuals. This combined approach enables us to capture a holistic understanding of leadership styles and turnover rates among retail leaders in Klang Valley, Malaysia, fostering actionable insights for the industry.

3.3 Data Collection Instrument

To delve into the quantitative aspects of our investigation, we will construct a structured questionnaire in a quantitative designed to collect data on several key areas which included,

3.3.1 Demographics

Basic information such as age, gender, and years of experience in retail management will provide context for individual responses and help identify potential demographic patterns related to leadership style or turnover perception.

3.3.2 Leadership Style Assessment

To effectively measure the perceived leadership styles within participating stores, we will utilize a validated tool like the Multifactor Leadership Questionnaire (MLQ). This tool assesses transformational, transactional, and laissez-faire leadership styles, allowing us to understand the predominant leadership approaches and their variations across participating outlets.

3.3.3 Turnover Perception

We will incorporate items designed to gauge managers' perceptions of turnover rates within their teams or organizations. Utilizing Likert-scale statements covering key factors like job satisfaction, career development opportunities, and compensation, we will capture their personal assessments of the turnover phenomenon.

3.4 Quantitative Survey Approach

This study will exclusively utilize a quantitative survey methodology to investigate the relationship between leadership style and employee turnover in the Klang Valley fashion retail industry. While acknowledging the potential value of open-ended exploratory methods, this study chooses to focus solely on quantitative data for the following reasons:

3.4.1 Standardization and Comparability

Quantitative surveys employ consistent, closed-ended question formats such as multiple-choice items, Likert scales, and semantic differentials. This ensures all participants respond

to the same questions in a structured manner, minimizing interpretation discrepancies and facilitating data comparison and analysis.

3.4.2 Quantifiable Data for Statistical Analysis

Quantitative surveys yield numerical data readily amenable to statistical analysis. This allows researchers to leverage statistical software to identify trends, assess correlations between variables, and build models to explore the potential impact of leadership styles on employee turnover.

3.4.3 Efficient Data Collection and Analysis

Compared to open-ended methods, quantitative surveys offer greater efficiency in data collection and analysis. This allows for the inclusion of a larger sample size within a reasonable timeframe, ultimately leading to more generalizable and robust findings.

While acknowledging the potential richness of qualitative data, this study prioritizes the benefits of standardization, quantifiable data, and efficient analysis inherent to quantitative surveys. By thoroughly analyzing the collected data, this study aims to gain valuable insights into leadership styles associated with varying employee retention rates within the Klang Valley fashion retail industry.

3.5 Pilot Testing

Before widespread distribution, the questionnaire will undergo a rigorous pilot test with a diverse group of 10-15 retail managers. This pilot stage ensures the instrument's clarity, relevance, and reliability. Participating managers will provide valuable feedback on question comprehension, flow, and potential biases. Their insights will guide crucial adjustments, enhancing the validity of the tool and ultimately strengthening the quality of collected data. This pilot testing phase paves the way for a robust data collection process, laying the foundation for meaningful analysis and impactful conclusions.

3.6 Data Collection Procedure

The heart of our research lies in gathering reliable and meaningful data. To achieve this, we will implement a meticulous data collection procedure utilizing efficient online platforms and strategic follow-up strategies.

3.6.1 Electronic Survey Administration

We will leverage the accessibility and reach of online survey platforms to administer our carefully crafted questionnaire. Popular platforms like SurveyMonkey, Qualtrics, or Google Forms offer user-friendly interfaces and data security features, making them ideal for collecting responses from dispersed participants.

3.6.2 Targeted Invitations

To ensure participation from relevant individuals, we will send personalized email invitations to our sample of fashion retail managers. These invitations will clearly explain the study's purpose, its ethical considerations, and emphasize the importance of confidentiality. Additionally, they will feature a unique link directing participants directly to the online survey, streamlining the process and encouraging completion.

3.6.3 Transparency and Trust

Building trust with participants is paramount. The cover letter accompanying the email invitation will transparently outline the research objectives, provide contact information for inquiries, and reiterate our commitment to confidentiality. This transparency fosters participant willingness to engage and provide honest responses, ultimately strengthening the data's integrity.

3.6.4 Follow-Up

Maximizing response rates is crucial for ensuring the representativeness of our findings. Therefore, we will implement a strategic follow-up plan. Approximately one week after the initial invitation, a gentle reminder email will be sent to non-respondents. This reminder will briefly mention the importance of their participation and reiterate the study's goals, potentially nudging them to contribute valuable data. Depending on the initial response rate, additional follow-up emails may be considered at strategic intervals, striking a balance between persistence and respect for participants' time.

3.7 Data Analysis

Once the data collection period concludes, we embark on the exciting journey of data analysis. This analytical process will be guided by several key principles which included Descriptive Analysis, Correlation Analysis, ANOVA, Normality test, Independent t-test (Levene test), Reliability test, Multiple Regression, and Hypothesis Testing.

3.7.1 Statistical Software

We will utilize specialized statistical software packages like SPSS (Statistical Package for the Social Sciences) or R to conduct rigorous quantitative analysis. These software tools offer powerful analytical capabilities, allowing us to efficiently perform complex calculations and generate insightful results.

3.7.2 Descriptive Statistics

According to Kaur, Stoltzfus and Yellapu (2018). Descriptive statistics are adopted to summarize data in an organized way through describing the relationship between variables in a sample or population. Descriptive statistics comprise of the types of variables such as nominal, ordinal, interval, and ratio. Besides, descriptive statistics also include measures of frequency, central tendency, dispersion/variation, and position.

As a foundational step, we will employ descriptive statistics to provide a comprehensive overview of the collected data. This involves calculating measures like central tendency (means, medians) and dispersion (standard deviations, ranges) for various variables such as age, experience, perceived leadership styles, and turnover rates. Additionally, we will analyze the distribution of categorical variables like gender or store size. This initial exploration sets the stage for deeper analysis by offering a clear understanding of the data's characteristics and potential patterns.

3.7.3 Inferential Statistics

Moving beyond mere description, we will delve into the heart of our research question by utilizing inferential statistics. Through hypothesis testing, we will explore the relationships between our key variables: leadership styles, turnover rates, and potentially influencing factors like job satisfaction or employee characteristics.

3.7.4 Frequency Analysis

Frequency analysis can be defined as a statistical method that used to examine the data. It is adopted to forecast how frequent certain values of a variable phenomenon may occur as well as to examine the prediction reliability.

3.7.5 Correlation Analysis

Correlation analysis is conducted to examine whether there is a relationship between variables and subsequently find out the magnitude of the relationship. Correlation between the variables was measured by the correlation coefficient. Correlation coefficient is used to evaluate the degree of the linear association between two variables. Besides, in a scatter plot, correlation coefficient also describes how nicely a straight line fits these data. The ranges of correlation coefficient are between -1 to 1. When the correlation coefficient equal to -1 or 1, it means that we can describes all the observations perfectly by using a straight

line Another words, there is a perfect linear relationship between the variables (Janse et al., 2021). According to Schober, Christa and Lothar (2018), the interpretation of the Correlation Coefficient is as shown in the table below.

Table 3.7.5 Rules of Thumb for Pearson Correlation Coefficient

Correlation Coefficient	Association Strength
±0.00 to ±0.09	Negligible Correlation
±0.10 to ±0.39	Weak Correlation
±0.40 to ±0.69	Moderate Correlation
±0.70 to ±0.89	Strong Correlation
±0.90 to ±1.00	Very Strong Correlation

Note. Adapted from Schober, Christa and Lothar (2018).

3.7.6 Normality

According to Mishra et al. (2019), normality test plays an important role in determining the measures of central tendency. Another words, normality test is used to examine whether sample data has been drawn from a normally distributed population. There are some steps involved in the procedure of the normality test. First, form the null and alternative hypothesis. The hypothesis of normality test can be written as H_0 = the groups / samples are normally distributed population, H_1 = the groups / samples are not normally distributed population. Second, compare the p-value with the chosen significant level. If the p-value

is less than the chosen significant level, reject H_0. Otherwise, do not reject H_0 (Khatun, 2021). There are two types of methods can be used to examine the normality which are Shapiro-Wilk test and Kolmogorov-Smirnov test. There are some different between both methods. For Shapiro-Wilk test, it is more suitable to use for small sample sizes (when n < 50 samples). While for Kolmogorov-Smirnov test, it is more suitable to use for big sample sizes (when n ≥ 50 samples)(Mishra et al., 2019).

3.7.7 Independent t- Test

According to Kim (2019), independent samples t-test is applied in comparing the 2 groups means. The compared groups are independent to each other (e.g men and women). Through independent sample t-test, researcher can know whether there is a statistically significant difference in the mean of two compared groups. There are 4 steps involved in conducting an Independent Sample t-test. First, formulate null and alternative hypothesis. The hypothesis of independent samples t-test can be written as H_0: $\mu_1 = \mu_2$, H1: $\mu_1 \neq \mu_2$. Second, state and find out the the level of significance, degree of freedom as well as the critical value. Third, calculate the test statistics. Forth, compare the test statistic with the critical value and make decision whether to reject or do not reject the null hypothesis. If the test statistics fall into rejection region (greater than upper critical value or smaller than the lower critical value), reject H_0. Otherwise, do not reject H_0. Fifth, can make a conclusion (Gerald, 2018). We also can use p-value to compare with significant level to decide whether to reject H_0. If p-value is less than significance level, reject H_0. Otherwise, do not reject H_0.

3.7.8 Reliability Test

According to Surucu and Maslakci (2020), reliability can be defined as the measuring instrument used stability as well as its consistency over time. Jugessur (2022) indicate that Cronbach's alpha can be known as the reliability coefficient. The internal consistency as well as the reliability of the data collection process, data collection instrument can be measured by Cronbach's alpha. The stronger the correlation exists between the results of the measuring instrument, the more reliable and trustworthy the measure is (Surucu and Maslakci, 2020). According to Jugessur (2022), the interpretation of the Cronbach's alpha coefficient is as shown in the table below.

Table 3.7.8 Rules of Thumb for Cronbach's Alpha Coefficient

Cronbach's alpha coefficient range	Association strength
More than or equal to 0.9	Excellent
0 .70 to 0.89	Good
0.60 to 0.69	Acceptable
0.5 to 0.59	Poor
Less than 0.5	Unacceptable

Noted. Adopted from Jugessur (2022).

Multiple Linear Regression predicts dependent variables based on multiple independents, assuming linearity, normal distribution of errors, independence, constant error variance, and low multicollinearity. Both methods aid in understanding relationships and predicting outcomes in data analysis.

3.7.9 ANOVA

ANOVA stands for Analysis of Variance, and it is a statistical method used to analyze the differences among group means in a sample (Henson, 2015). In this research, ANOVA was used to measure the independent variables and Dependent Variables.

3.7.10 Multiple Regression Analysis

Multiple regression analysis is a statistical method used to examine the relationship between two or more independent variables and a dependent variable (Kelley and Bolin, 2013). The general formula in using was

When

Y   = dependent variable.

B0   = intercept (the value of Y when all independent variables are zero).

B1, B2, Bn   = coefficients that represent the change in Y for a one-unit change in each respective variable, holding all other variables constant

E   = error term

Thus, the formula that we used in this study was

$$Y = B0 + B1X1 + B2X2 + \cdots + e$$

3.8 Ethical Considerations

Our research is grounded in the principles of ethical responsibility and participant respect. We are committed to upholding the highest ethical standards throughout the study, ensuring the well-being and rights of participants.

3.8.1 Informed Consent

Prior to survey participation, we will obtain formal approval from UTAR's ethical clearance committee. This ensures our research adheres to established ethical guidelines. Additionally, participants will be presented with a comprehensive informed consent form. This document will clearly explain the research objectives, data collection methods,

potential risks and benefits, and procedures for ensuring confidentiality. Participation will be entirely voluntary, and participants can withdraw at any stage without penalty.

3.8.2 Anonymity and Confidentiality

We understand the importance of anonymity and confidentiality. We will never collect any personal identifiers linked to individual participants. Data will be stored securely and only accessible to authorized researchers. All reports and publications will present aggregated data, ensuring individual responses cannot be traced back to specific participants.

3.8.3 Voluntariness and Respect for Participant Rights

Throughout the study, we will emphasize the voluntary nature of participation. Participants will be free to choose whether or not to participate and can decline or withdraw at any point without explanation or consequence. We will respect their decisions and ensure they do not experience any pressure or coercion to participate.

By adhering to these ethical principles, we aim to conduct a responsible and respectful research study that contributes valuable knowledge while safeguarding the rights and well-being of our participants.

3.9 Limitations

While striving for robust findings, we acknowledge inherent limitations in our research design. Recognizing participant responses as self-reported data carries the potential for social desirability bias, as individuals may present information in a favorable light. Additionally, the cross-sectional nature of the study restricts our ability to establish causal relationships between leadership styles and turnover. Our findings offer a snapshot of the current landscape and cannot definitively prove cause-and-effect. We acknowledge these limitations and intend to interpret results with appropriate caution, recognizing the potential influence of these factors on our data.

3.10 Conclusion

This study dives into the world of fashion retail in Klang Valley, Malaysia, wondering how different leadership styles affect how many employees stay or leave. We'll be sending the survey to managers in different sized stores to get a wide picture. To collect information, we'll use an online survey asking them about leadership styles, how they see staff turnover, and how happy they are at work. We'll test the survey with a few managers first to make sure it's clear and helpful.

We'll crunch the numbers to see if there's a connection between things like leadership style and how many employees leave. We'll also ask open-ended questions to hear directly from managers about their experiences.While some information might be based on managers' own opinions, and the study only captures one point in time, we hope it will still offer valuable insights to help businesses understand how leadership choices can affect staff and ultimately success.

Chapter 4 Research results and interpretation of results

4.1 Introduction

On this chapter, the author will be interpretation of findings and discussion about Descriptive Analysis, Correlation Analysis, ANOVA, Normality test, Independent t-test (Levene test), Reliability test, Multiple Regression/Factor Analysis), and Hypothesis Testing.

4.2 Descriptive Analysis

The descriptive analysis presents statistical summaries for various variables within the dataset.

Statistics

		Gender	Age	Education	Years	Level
N	Valid	48	48	48	48	48

	Missing	0	0	0	0	0
Mean		1.60	2.02	2.00	2.02	1.83
Std. Error of Mean		.071	.092	.000	.092	.109
Median		2.00	2.00	2.00	2.00	2.00
Mode		2	2	2	2	2
Std. Deviation		.494	.635	.000	.635	.753
Variance		.244	.404	.000	.404	.567
Skewness		-.440	-.016		-.016	.289
Std. Error of Skewness		.343	.343	.343	.343	.343
Kurtosis		-1.887	-.390		-.390	-1.157
Std. Error of Kurtosis		.674	.674	.674	.674	.674
Range		1	2	0	2	2
Minimum		1	1	2	1	1
Maximum		2	3	2	3	3
Sum		77	97	96	97	88
Percentiles	25	1.00	2.00	2.00	2.00	1.00
	50	2.00	2.00	2.00	2.00	2.00
	75	2.00	2.00	2.00	2.00	2.00

Table 4.2.of Descriptive Statistics for Gender, Age, Race, Education, Years of Working and Level

The table of the descriptive statistics consists of 4 categories, which included Gender, Age, Education, and Level, each consisting of 48 valid observations. Gender distribution reveals a slight skew towards one gender, with a mean of 1.60 and a majority falling within a single category, evident from the mode and median values both at 2. Age categories, with a mean of 2.02, show a fairly symmetrical distribution across the range of 1 to 3, indicating a varied age representation among respondents. Education levels, however, exhibit uniformity across the dataset, with all observations at level 2, as evidenced by identical mean, median, and mode values, alongside zero variance, pointing to a lack of variability in educational backgrounds. Meanwhile, years of experience present a slightly positively skewed

distribution, with a mean of 2.02 and a majority clustered around 2 years, indicating a modest range of experience among respondents. Lastly, the distribution of levels displays a similar skewness pattern, with a mean of 1.83 and a range spanning from 1 to 3, suggesting some diversity in the expertise levels of respondents.

4.2.1 Frequency Table of Gender, Age, Level and Years of Working.

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	19	39.6	39.6	39.6
	Female	29	60.4	60.4	100.0
	Total	48	100.0	100.0	

Table 4.2.1 Frequency table for Gender

The frequency table for Gender variable reveals that out of the total 48 respondents, 19 are male, accounting for 39.6% of the dataset, while the remaining 29 respondents are female, constituting 60.4% of the total. This distribution illustrates a higher representation of females compared to males in the dataset. Specifically, females outnumber males by a notable margin, indicating a significant gender disparity among the respondents.

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-29	9	18.8	18.8	18.8
	30-34	29	60.4	60.4	79.2
	35-39	10	20.8	20.8	100.0

59

		Frequency	Percent	Valid Percent	Cumulative Percent
	Total	48	100.0	100.0	

Table 4.2.2 Table Frequency table for Age

The frequency table provides an overview of respondents' ages, segmented into three categories: 25-29, 30-34, and 35-39. Among the 48 respondents, 18.8% fall within the 25-29 age range, while the majority, constituting 60.4%, are aged between 30 and 34. The 35-39 age group accounts for 20.8% of the total respondents. These findings indicate a diverse age distribution within the dataset, with a significant proportion of respondents falling within the 30-34 age bracket.

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor's degree	48	100.0	100.0	100.0

Table 4.2.3 Frequency table for Education

The frequency table illustrates the educational attainment of respondents, indicating that all 48 participants hold a Bachelor's degree. This finding suggests a homogenous educational background among the surveyed population, with 100% of respondents having completed undergraduate studies.

Years of Working

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-5 years	9	18.8	18.8	18.8
	6-10 years	29	60.4	60.4	79.2
	11-15 years	10	20.8	20.8	100.0
	Total	48	100.0	100.0	

Table 4.2.4 Frequency table for Years of Working

The frequency table offers an overview of respondents' years of working experience, segmented into three distinct categories: 1-5 years, 6-10 years, and 11-15 years. Among the 48 participants, 18.8% report having 1 to 5 years of experience, while the majority, comprising 60.4% of the total, indicate they have been working for 6 to 10 years. Additionally, 20.8% of respondents report having accumulated 11 to 15 years of working experience. These findings highlight a diverse distribution of work experience within the dataset, with a significant proportion of respondents falling within the 6-10 years category, indicating a cohort with mid-career experience.

Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mid-Level (Team Leader, Supervisor or equivalent)	18	37.5	37.5	37.5
	Senior Level (Assistant Store Managers, Store Manager or equivalent)	20	41.7	41.7	79.2
	Level (Area Manager, Operation Manager or equivalent)	10	20.8	20.8	100.0
	Total	48	100.0	100.0	

Table 4.2.5 Frequency table for Level

The frequency table provides a breakdown of respondents' job levels within their organizations, categorized into three main groups: Mid-Level, Senior Level, and Level. Among the 48 respondents, 37.5% occupy Mid-Level positions, which include roles like

Team Leader or Supervisor. Senior Level positions, such as Assistant Store Managers or Store Managers, are held by 41.7% of respondents, representing the majority. Additionally, 20.8% of respondents are in Level positions, such as Area Manager or Operation Manager.

4.3 Frequency Analysis

The provided statistics offer a detailed examination of four key leadership variables: Transformational Leadership (AT), Transactional Leadership (ATS), Laissez-Faire Leadership (AL), and Turnover Rate (ATO).

Statistics

		AT	ATS	AL	ATO
N	Valid	48	48	48	48
	Missing	0	0	0	0
Mean		3.92	3.88	2.19	3.83
Std. Error of Mean		.148	.135	.125	.141
Median		4.00	4.00	2.00	4.00
Mode		4	4	2	4
Std. Deviation		1.028	.937	.867	.975
Variance		1.057	.878	.751	.950
Skewness		-.931	-1.038	.642	-.945
Std. Error of Skewness		.343	.343	.343	.343
Kurtosis		-.155	.405	.027	.017
Std. Error of Kurtosis		.674	.674	.674	.674
Range		3	3	3	3
Minimum		2	2	1	2
Maximum		5	5	4	5
Sum		188	186	105	184
Percentiles	25	4.00	4.00	2.00	4.00
	50	4.00	4.00	2.00	4.00

75	5.00	4.00	3.00	4.00

Table 4.3 of statistics between Turnover Rate Intention and Leadership variables

Transformational Leadership (AT) demonstrates a mean score of 3.92 with a standard deviation of 1.028, indicating a relatively high average perception of transformational leadership practices among respondents. The data's skewness of -0.931 suggests a slight leftward skew, while the kurtosis of -0.155 indicates a relatively flat distribution around the mean. The range spans from 2 to 5, with the median and mode both at 4, reflecting a central tendency towards higher scores in transformational leadership.

Transactional Leadership (ATS) exhibits a mean of 3.88 and a standard deviation of 0.937, indicating a moderate average perception of transactional leadership behaviors. The skewness of -1.038 suggests a pronounced leftward skew, while the kurtosis of 0.405 indicates a slightly peaked distribution. The range also spans from 2 to 5, with both the median and mode at 4, pointing towards a central tendency towards higher scores in transactional leadership.

Laissez-Faire Leadership (AL) demonstrates a mean score of 2.19 and a standard deviation of 0.867, indicating a lower average perception of laissez-faire leadership practices among respondents. The positive skewness of 0.642 indicates a rightward skew, while the kurtosis of 0.027 suggests a relatively flat distribution around the mean. The range spans from 1 to 4, with the median at 2 and the mode at 2, indicating a central tendency towards lower scores in laissez-faire leadership.

Turnover Rate (ATO) displays a mean score of 3.83 and a standard deviation of 0.975, suggesting a moderate average turnover rate among respondents. The negative skewness of -0.945 indicates a leftward skew, while the kurtosis of 0.017 suggests a relatively flat distribution around the mean. The range spans from 2 to 5, with both the median and mode at 4, indicating a central tendency towards higher turnover rates.

These statistics provide valuable insights into the perceptions of different leadership styles and turnover rates among respondents, highlighting their central tendencies, variability, and distributions within the dataset.

4.3.1 Frequency Table of Transformational Leadership

Transformational Leadership (AT)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Agree	9	18.8	18.8	18.8
	Agree	25	52.1	52.1	70.8
	Strongly Agree	14	29.2	29.2	100.0
	Total	48	100.0	100.0	

Table 4.3.1 for Frequency of Average of Transformational Leadership

The frequency table provides insights into respondents' perceptions regarding Transformational Leadership (AT). Among the 48 respondents, 18.8% indicated not agreeing, 52.1% agreed, and 29.2% strongly agreed with transformational leadership. Overall, the majority of respondents (81.3%) either agreed or strongly agreed with transformational leadership, indicating a prevalent alignment with this leadership style among the surveyed population.

4.3.2 Frequency Table of Transactional Leadership

Transactional Leadership (ATS)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Agree	8	16.7	16.7	16.7

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	30	62.5	62.5	79.2
Strongly Agree	10	20.8	20.8	100.0
Total	48	100.0	100.0	

Table 4.3.2 for Frequency of Average of Transactional Leadership

The frequency table provides insights into respondents' perceptions regarding Transactional Leadership (ATS). Among the 48 respondents, 16.7% indicated not agreeing, 62.5% agreed, and 20.8% strongly agreed with transactional leadership. Overall, the majority of respondents (83.3%) either agreed or strongly agreed with transactional leadership, suggesting a prevailing alignment with this leadership style among the surveyed population.

4.3.3 Frequency Table of Laissez-Faire Leadership

Laissez-Faire Leadership (AL)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Not Agree	9	18.8	18.8	18.8
	Not Agree	26	54.2	54.2	72.9
	Neutral	8	16.7	16.7	89.6
	Agree	5	10.4	10.4	100.0
	Total	48	100.0	100.0	

Table 4.3.3 for Frequency of Average of Laissez-Faire Leadership

The frequency table provides insights into respondents' perceptions regarding Laissez-Faire Leadership (AL). Among the 48 respondents, 18.8% strongly disagreed, 54.2% did not agree, 16.7% were neutral, and 10.4% agreed with laissez-faire leadership. Overall, the majority of

respondents (73%) either strongly disagreed or did not agree with laissez-faire leadership, indicating a lack of alignment with this leadership style among the surveyed population.

4.3.4 Frequency Table of Turnover Rate Intention

Turnover Rate Intention (ATO)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Agree	9	18.8	18.8	18.8
	Agree	29	60.4	60.4	79.2
	Strongly Agree	10	20.8	20.8	100.0
	Total	48	100.0	100.0	

Table 4.3.4 for Frequency of Average of Average of Turnover Rate Intention.

The frequency table provides insights into respondents' perceptions regarding Turnover Rate Intention (ATO). Among the 48 respondents, 18.8% expressed disagreement, with 60.4% indicating agreement and 20.8% strongly agreeing with the turnover rate intention. Overall, the majority of respondents (81.2%) either agree or strongly agree with the turnover rate intention, suggesting a prevalent alignment with this aspect among the surveyed population.

4.3.5 Descriptive Statistics of Turnover Rate Intention and Leadership Variables

Descriptive Statistics

	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
ATO	48	3.83	.141	.975
AT	48	3.92	.148	1.028
ATS	48	3.88	.135	.937

AL	48	2.19	.125	.867
Valid N (listwise)	48			

Table 4.3.5 The descriptive statistics of Turnover Rate Intention and Leadership Variables

The descriptive statistics provide a summary of the dataset's leadership variables. Turnover Rate (ATO) displays a relatively stable mean of 3.83, suggesting consistency in employee turnover across organizations. Transformational Leadership (AT) presents a higher mean of 3.92, indicating a generally positive perception of transformational leadership practices, albeit with some variability in their implementation.

Transactional Leadership (ATS) demonstrates a mean of 3.88, reflecting a significant presence of transactional leadership behaviors with moderate variability observed. In contrast, Laissez-Faire Leadership (AL) shows a lower mean of 2.19, suggesting less prevalence of this leadership style, accompanied by minimal variability.These findings provide valuable insights into the prevalence and variability of different leadership styles within the dataset, laying the groundwork for further exploration of their implications on organizational dynamics and outcomes.

4.4 Correlation Analysis

4.4.1 Correlation Between Demographics Status and Turnover Rate

The correlation matrix provides insights into the relationships between various variables in the dataset, including Turnover Rate (ATO), Gender, Age, Education, Years of experience, and Job Level.

	Correlations					
		ATO	Gender	Age	Education	Years	Level
ATO	Pearson Correlation	1	.081	.177	.a	.349*	.338*

			Gender	Age	Education	Years	Level
	Sig. (2-tailed)		.584	.228	.	.015	.019
	N	48	48	48	48	48	48
Gender	Pearson Correlation	.081	1	.027	.a	.637**	.333*
	Sig. (2-tailed)	.584		.856	.	.000	.021
	N	48	48	48	48	48	48
Age	Pearson Correlation	.177	.027	1	.a	.526**	.852**
	Sig. (2-tailed)	.228	.856		.	.000	.000
	N	48	48	48	48	48	48
Education	Pearson Correlation	.a	.a	.a	.a	.a	.a
	Sig. (2-tailed)	.	.	.		.	.
	N	48	48	48	48	48	48
Years	Pearson Correlation	.349*	.637**	.526**	.a	1	.852**
	Sig. (2-tailed)	.015	.000	.000	.		.000
	N	48	48	48	48	48	48
Level	Pearson Correlation	.338*	.333*	.852**	.a	.852**	1
	Sig. (2-tailed)	.019	.021	.000	.	.000	
	N	48	48	48	48	48	48

Table 4.4.1 Correlation Between Demographics Status and Turnover Rate

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

a. Cannot be computed because at least one of the variables is constant

Turnover Rate (ATO) shows a significant positive correlation with Years (r = 0.349, p = 0.015) and Level (r = 0.338, p = 0.019). This suggests that higher turnover rates are associated with more years of experience and higher job levels within the organization.

Gender exhibits a significant positive correlation with Level (r = 0.333, p = 0.021), indicating that gender is associated with higher job levels, albeit to a lesser extent.Age demonstrates significant positive correlations with Gender (r = 0.177, p = 0.228), Years (r = 0.526, p < 0.001), and Level (r = 0.852, p < 0.001). This suggests that older respondents tend to have more years of experience and hold higher job levels within the organization.

Education does not show significant correlations with any other variables in the dataset, likely due to the absence of variance in the education level among respondents. Overall, these correlations provide valuable insights into the associations between demographic variables, years of experience, job levels, and turnover rates within the surveyed population.

4.4.2 Correlations Between Turnover Rate Intention and Leadership variables

The Correlations highlight the interrelationships between different leadership styles and turnover rates within the surveyed organizations, suggesting potential implications for leadership strategies and organizational outcomes.

Correlations

		ATO	AT	ATS	AL
ATO	Pearson Correlation	1	.878**	.676**	.038
	Sig. (2-tailed)		.000	.000	.799

	N	48	48	48	48
AT	Pearson Correlation	.878**	1	.718**	.113
	Sig. (2-tailed)	.000		.000	.443
	N	48	48	48	48
ATS	Pearson Correlation	.676**	.718**	1	.213
	Sig. (2-tailed)	.000	.000		.146
	N	48	48	48	48
AL	Pearson Correlation	.038	.113	.213	1
	Sig. (2-tailed)	.799	.443	.146	
	N	48	48	48	48

Table 4.4.2 Correlations Between Turnover Rate Intention and Leadership variables

**. Correlation is significant at the 0.01 level (2-tailed)

Turnover Rate (ATO) demonstrates a strong positive correlation with Transformational Leadership (AT) (r = 0.878, p < 0.001) and Transactional Leadership (ATS) (r = 0.676, p < 0.001). This suggests that higher turnover rates are associated with higher scores in both transformational and transactional leadership styles. Transformational Leadership (AT) exhibits a significant positive correlation with Transactional Leadership (ATS) (r = 0.718, p < 0.001), indicating that organizations with higher levels of transformational leadership also tend to have higher levels of transactional leadership.However, Laissez-Faire Leadership (AL) shows only a weak positive correlation with Turnover Rate (ATO) (r = 0.038, p = 0.799), Transformational Leadership (AT) (r = 0.113, p = 0.443), and Transactional Leadership (ATS) (r = 0.213, p = 0.146), which are not statistically significant.

4.5　　　　　　　　　　　　Normality　　　　　　　　　　　test

The tests of normality were conducted to evaluate whether the distribution of data for turnover rate intention (ATO) within each group conforms to a normal distribution.

4.5.1 Normality of Gender

Tests of Normality

	Gender	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
ATO	Male	.394	19	.000	.729	19	.000
	Female	.370	29	.000	.739	29	.000

Table 4.5.1 Normality of Gender

For males, both the Kolmogorov-Smirnova and Shapiro-Wilk tests indicated significant deviations from normality, with statistics of 0.394 and 0.729, respectively, both yielding p-values of 0.000. Similarly, for females, both tests revealed significant deviations from normality, with statistics of 0.370 and 0.739, and p-values of 0.000.

These results suggest that the distribution of turnover rate intention (ATO) within both male and female groups is non-normal.

Tests of Homogeneity of Variances

		Levene Statistic	df1	df2	Sig.
ATO	Based on Mean	.145	1	46	.705
	Based on Median	.001	1	46	.976

Based on Median and with adjusted df	.001	1	45.771	.976
Based on trimmed mean	.187	1	46	.668

Table 4.5.1.1 Tests of Homogeneity of Variances

The tests of homogeneity of variances were conducted to assess whether the variances across different groups, based on different measures (mean, median, trimmed mean), are equal for turnover rate intention (ATO).

Based on the mean, the Levene statistic is 0.145 with 1 and 46 degrees of freedom (df1 = 1, df2 = 46), resulting in a non-significant p-value of 0.705. When considering the median and adjusted degrees of freedom, the Levene statistic remains low at 0.001, with df1 = 1 and adjusted df2 = 45.771, and yields a non-significant p-value of 0.976. Similarly, based on the trimmed mean, the Levene statistic is 0.187 with 1 and 46 degrees of freedom, resulting in a non-significant p-value of 0.668.

H0: pAT = pATS = pAL
H1: pAT ≠ pATS ≠pAL

The p-values associated with these tests are greater than the significance level of 0.05. Therefore, we fail to reject the null hypothesis (H0).

4.5.2 Normality of Age

The tests of normality were conducted to assess whether the distribution of data for turnover rate intention (ATO) within each age group (25-29, 30-34, 35-39) follows a normal distribution.

Tests of Normality

	Age	Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
ATO	25-29	.266	9	.066	.794	9	.017
	30-34	.390	29	.000	.730	29	.000
	35-39	.482	10	.000	.509	10	.000

Table 4.5.2 Normality of Age

In the age group 25-29, the Kolmogorov-Smirnova test yielded a statistic of 0.266 with 9 degrees of freedom (df) and a p-value of 0.066. The Shapiro-Wilk test resulted in a statistic of 0.794 with 9 df and a significant p-value of 0.017. In the age group 30-34, both tests indicated significant deviations from normality, with statistics of 0.390 and 0.730, and p-values of 0.000 for both. In the age group 35-39, similar significant deviations from normality were observed, with statistics of 0.482 and 0.509, and p-values of 0.000 for both.

These results suggest that the distribution of turnover rate intention (ATO) within each age group is significantly from a normal distribution.

Tests of Homogeneity of Variances

		Levene Statistic	df1	df2	Sig.
ATO	Based on Mean	4.344	2	45	.019
	Based on Median	2.561	2	45	.088
	Based on Median and with adjusted df	2.561	2	40.024	.090
	Based on trimmed mean	4.223	2	45	.021

Table 4.5.2.1 Tests of Homogeneity of Variances of Age

Based on the mean, there is a significant difference in variances across age groups for turnover rate intention (ATO), with a Levene statistic of 4.344, df1 = 2, and df2 = 45, resulting in a p-value of 0.019.

H0: pAT = pATS = pAL
H1: pAT ≠ pATS ≠ pAL

The p-value associated with the Levene test is less than the significance level (typically 0.05), we reject the null hypothesis and conclude that there is a significant difference in variances across groups.

4.5.3 Normality Education

The tests of normality were conducted to evaluate whether the distribution of data for turnover rate intention (ATO) among individuals with Bachelor's degrees follows a normal distribution.

Tests of Normality

	Education	Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
ATO	Bachelor's degree	.380	48	.000	.733	48	.000

Table 4.5.3 Normality of Education

The Kolmogorov-Smirnova test resulted in a statistic of 0.380 with 48 degrees of freedom (df) and a significant p-value of 0.000. Similarly, the Shapiro-Wilk test yielded a statistic of 0.733 with 48 df and a significant p-value of 0.000.

Tests of Homogeneity of Variances

		Levene Statistic
ATO	Based on Mean	.a

Table 4.5.3.1 Tests of Homogeneity of Variances of Education

Levene's Test of Equality of Error Variances is not computed because there are less than two nonempty groups.

4.5.4 Normality of Years of Working

The tests of normality were performed to assess whether the distribution of data for turnover rate intention (ATO) within each years of experience group (1-5 years, 6-10 years, 11-15 years) follows a normal distribution.

Tests of Normality

	Years	Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
ATO	1-5 years	.356	9	.002	.655	9	.000
	6-10 years	.355	29	.000	.747	29	.000
	11-15 years	.482	10	.000	.509	10	.000

Table 4.5.4 Normality of Years

The Kolmogorov-Smirnov test yielded statistics of 0.356, 0.355, and 0.482, respectively, with their corresponding degrees of freedom (df) and p-values.Similarly, the Shapiro-Wilk test resulted in statistics of 0.655, 0.747, and 0.509, respectively, with their respective degrees of freedom (df) and p-values.

In each case, the p-values associated with the Shapiro-Wilk test are less than 0.05, indicating that the distributions of turnover rate intention (ATO) within each years of experience group deviate significantly from a normal distribution.

Tests of Homogeneity of Variances

		Levene Statistic	df1	df2	Sig.
ATO	Based on Mean	3.042	2	45	.058
	Based on Median	1.936	2	45	.156
	Based on Median and with adjusted df	1.936	2	36.805	.159
	Based on trimmed mean	2.937	2	45	.063

Table 4.5.4.1 Homogeneity of Variances of Years

Based on the mean, the Levene statistic is 3.042 with 2 and 45 degrees of freedom (df1 = 2, df2 = 45), resulting in a p-value of 0.058. While the p-value is greater than the conventional significance level of 0.05, suggesting no significant difference in variances across groups, it is close to the threshold, indicating a marginal deviation from homogeneity. When considering the median and adjusted degrees of freedom, the Levene statistic remains at 1.936, with df1 = 2 and adjusted df2 = 36.805, and yields a p-value of 0.159. Similarly, based on the trimmed mean, the Levene statistic is 2.937 with 2 and 45 degrees of freedom, resulting in a p-value of 0.063.

H0: pAT = pATS = pAL
H1: pAT ≠ pATS ≠ pAL

The p-values associated with these tests are greater than the significance level of 0.05. Therefore, we fail to reject the null hypothesis (H0).

4.5.5 Normality of Level

The tests of normality were conducted to examine whether the distribution of data for turnover rate intention (ATO) within each job level category (Mid-Level, Senior Level, Level) conforms to a normal distribution.

Tests of Normality

	Level	Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
ATO	Mid-Level (Team Leader, Supervisor or equivalent)	.307	18	.000	.775	18	.001
	Senior Level (Assistances Store Managers, Store Manager or equivalent)	.376	20	.000	.703	20	.000
	Level (Area Manager, Operation Manager or equivalent)	.482	10	.000	.509	10	.000

Table 4.5.5 Normality of Level

a. Lilliefors Significance Correction

The Kolmogorov-Smirnov test yielded statistics of 0.307, 0.376, and 0.482, respectively, with their corresponding degrees of freedom (df) and p-values. Similarly, the Shapiro-Wilk test resulted in statistics of 0.775, 0.703, and 0.509, respectively, with their respective degrees of freedom (df) and p-values.

In each case, the p-values associated with the Shapiro-Wilk test are less than 0.05, indicating that the distributions of turnover rate intention (ATO) within each job level category deviate significantly from a normal distribution.

Tests of Homogeneity of Variances

		Levene Statistic	df1	df2	Sig.
ATO	Based on Mean	9.184	2	45	.000
	Based on Median	3.682	2	45	.033
	Based on Median and with adjusted df	3.682	2	36.851	.035
	Based on trimmed mean	9.493	2	45	.000

Table 4.5.5.1 Normality of Level

Based on the mean, the Levene statistic is 9.184 with 2 and 45 degrees of freedom (df1 = 2, df2 = 45), resulting in a p-value of 0.000. When considering the median and adjusted degrees of freedom, the Levene statistic is 3.682 with df1 = 2 and adjusted df2 = 36.851, yielding a p-value of 0.035. Based on the trimmed mean, the Levene statistic is 9.493 with 2 and 45 degrees of freedom, resulting in a p-value of 0.000.

H0: pAT = pATS = pAL

H1: pAT ≠ pATS ≠pAL

The null hypothesis (H0) for these tests states that the variances across different groups are equal, while the alternative hypothesis (H1) suggests that they are not equal.

The p-values associated with the Levene tests are less than the significance level of 0.05, indicating statistically significant differences in variances across groups. Therefore, we reject the null hypothesis.

4.6 Independent t-test (Levene test)

The independent t- test will be testing between gender, age, years and level and turnover rate intentions based on the significance of the result and the independent samples test includes Levene's Test for Equality of Variances and the T-test for Equality of Means, aiming to compare

turnover rate intention (ATO) between two groups. Levene's Test assesses whether the variances of turnover rate intention scores are equal between the two groups.

4.6.1 Independent t-test on Gender

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
ATO	Male	19	3.74	.991	.227
	Female	29	3.90	.976	.181

Table 4.6.1 Group Statistics on Gender

The group statistics provide insights into turnover rate intention (ATO) based on gender. For males, comprising a sample size of 19 individuals, the average intention to leave stands at 3.74. This figure is accompanied by a standard deviation of 0.991, suggesting some variability in the responses around the mean. Additionally, the standard error of the mean is calculated at 0.227, reflecting the degree of precision in estimating the mean within this male subgroup.

Contrastingly, the data for females, with a larger sample size of 29, shows a slightly higher mean turnover rate intention score of 3.90. The standard deviation of 0.976 is akin to that of males, indicating comparable levels of dispersion in responses. Meanwhile, the standard error of the mean for females is marginally lower at 0.181, suggesting a relatively precise estimation of the mean within this larger female subgroup.

In summary, while females demonstrate a slightly higher average intention to leave compared to males, both genders exhibit similar levels of variability in their responses.

These insights provide valuable context for understanding the dynamics of turnover intention across different gender groups within the studied population.

Independent Samples Test

		Levene's Test for Equality of Variances		T-test for Equality of Means		T-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper
ATO	Equal variances assumed	.145	.705	-.551	46	.586	-.160	.291	-.748	.424
	Equal variances not assumed			-.549	38.227	.584	-.160	.290	-.743	.429

Table 4.6.1.1 Independent t-test on Gender

The results indicate a Levene's test statistic of 0.145 with a p-value of 0.705. Since the p-value is greater than 0.05, we fail to reject the null hypothesis, suggesting that the variances are not significantly different between the two groups.

Following this, the T-test for Equality of Means examines whether there is a significant difference in the mean turnover rate intention scores between the two groups. The test assumes equal variances and yields a t-statistic of -0.551 with 46 degrees of freedom and a two-tailed p-value of 0.586. This indicates that there is no significant difference in the mean turnover rate intention scores between the groups when equal variances are assumed. Moreover, when equal variances are not assumed, the t-statistic remains almost identical at -0.549 with 38.227 degrees of freedom and a two-tailed p-value of 0.584, supporting the previous conclusion.

4.6.2 Independent t-test on Age

Group Statistics

	Age	N	Mean	Std. Deviation	Std. Error Mean
ATO	25-29	9	3.67	1.323	.441
	30-34	29	3.76	.988	.183

Table 4.6.2 Group Statistics on Age

For individuals aged 25-29, represented by a sample size of 9, the average turnover rate intention stands at 3.67. This group exhibits a standard deviation of 1.323, indicating variability in intention scores around the mean. The standard error of the mean, calculated at 0.441, signifies the precision of estimating the mean within this age subgroup.

Contrastingly, individuals aged 30-34, comprising a larger sample size of 29, demonstrate a slightly higher average turnover rate intention score of 3.76. The standard deviation for this group is 0.988, suggesting comparable levels of variability in intention scores compared to the younger age bracket. Meanwhile, the standard error of the mean for individuals aged 30-34 is 0.183, indicating a relatively precise estimation of the mean within this larger age subgroup.

Overall, while individuals aged 30-34 exhibit a slightly higher average turnover rate intention compared to their younger counterparts, both age groups show similar levels of variability in their intention scores.

Independent Samples Test

	Levene's Test for Equality of Variances	t-test for Equality of Means	t-test for Equality of Means

		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper
ATO	Equal variances assumed	2.449	.126	-.225	36	.823	-.092	.409	-.921	.737
	Equal variances not assumed			-.193	10.914	.851	-.092	.478	-1.144	.960

Table 4.6.2.1 Independent t-test on Age

The results indicate a Levene's test statistic of 2.449 with a p-value of 0.126. Since the p-value is greater than 0.05, we fail to reject the null hypothesis, suggesting that the variances are not significantly different between the two groups.

Following this, the t-test for Equality of Means examines whether there is a significant difference in the mean turnover rate intention scores between the two age groups. When assuming equal variances, the t-test yields a t-statistic of -0.225 with 36 degrees of freedom and a two-tailed p-value of 0.823. This indicates that there is no significant difference in the mean turnover rate intention scores between the two age groups when equal variances are assumed. Similarly, when equal variances are not assumed, the t-statistic remains almost identical at -0.193 with 10.914 degrees of freedom and a two-tailed p-value of 0.851, supporting the previous conclusion.

In summary, there is no significant difference in turnover rate intention between the two age groups, regardless of whether variances are assumed to be equal or not.

4.6.3 Independent t-test on Years

Group Statistics

	Years	N	Mean	Std. Deviation	Std. Error Mean
ATO	1-5 years	9	3.11	1.054	.351
	6-10 years	29	3.93	.998	.185

Table 4.6.3 Group Statistics on Years

For individuals with 1-5 years of experience, represented by a sample size of 9, the average turnover rate intention stands at 3.11. This group exhibits a standard deviation of 1.054, indicating variability in intention scores around the mean. The standard error of the mean, calculated at 0.351, signifies the precision of estimating the mean within this experience subgroup.

In contrast, individuals with 6-10 years of experience, comprising a larger sample size of 29, demonstrate a significantly higher average turnover rate intention score of 3.93. The standard deviation for this group is 0.998, suggesting comparable levels of variability in intention scores compared to the less experienced group. Meanwhile, the standard error of the mean for individuals with 6-10 years of experience is 0.185, indicating a relatively precise estimation of the mean within this larger experience subgroup.

Overall, individuals with 6-10 years of experience exhibit a notably higher average turnover rate intention compared to those with 1-5 years of experience. These insights contribute to understanding the dynamics of turnover intention across different experience levels within the studied population.

Independent Samples Test

	Levene's Test for Equality of Variances	t-test for Equality of Means	t-test for Equality of Means

		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper
ATO	Equal variances assumed	1.694	.201	-2.127	36	.040	-.820	.386	-1.602	-.038
	Equal variances not assumed			-2.064	12.783	.060	-.820	.397	-1.680	.040

Table 4.6.3.1 Independent t-test on Years

The results indicate a Levene's test statistic of 1.694 with a p-value of 0.201. Since the p-value is greater than 0.05, we fail to reject the null hypothesis, suggesting that the variances are not significantly different between the two groups.

Following this, the t-test for Equality of Means examines whether there is a significant difference in the mean turnover rate intention scores between the two groups. When assuming equal variances, the t-test yields a t-statistic of -2.127 with 36 degrees of freedom and a two-tailed p-value of 0.040. This indicates that there is a significant difference in the mean turnover rate intention scores between the two groups when equal variances are assumed. Similarly, when equal variances are not assumed, the t-statistic is -2.064 with 12.783 degrees of freedom and a two-tailed p-value of 0.060. Although the p-value is slightly above 0.05, it suggests a borderline significant difference.

In summary, when assuming equal variances, there is a significant difference in turnover rate intention between the two groups. However, when equal variances are not assumed, the difference is borderline significant.

4.6.4 Independent t-test on Level

Group Statistics

Level		N	Mean	Std. Deviation	Std. Error Mean
ATO	Mid-Level (Team Leader, Supervisor or equivalent)	18	3.39	1.195	.282
	Senior Level (Assistances Store Managers, Store Manager or equivalent)	20	4.05	.826	.185

Table 4.6.4 Group Statistics on Level

For individuals in mid-level positions, such as Team Leaders or Supervisors, represented by a sample size of 18, the average turnover rate intention stands at 3.39. This group exhibits a standard deviation of 1.195, indicating variability in intention scores around the mean. The standard error of the mean, calculated at 0.282, signifies the precision of estimating the mean within this mid-level subgroup.

In contrast, individuals in senior-level positions, such as Assistant Store Managers or Store Managers, comprising a larger sample size of 20, demonstrate a notably higher average turnover rate intention score of 4.05. The standard deviation for this group is 0.826, suggesting comparatively lower levels of variability in intention scores compared to the mid-level group. Meanwhile, the standard error of the mean for individuals in senior-level

positions is 0.185, indicating a relatively precise estimation of the mean within this larger senior-level subgroup.

Overall, individuals in senior-level positions exhibit a notably higher average turnover rate intention compared to those in mid-level positions. These insights contribute to understanding the dynamics of turnover intention across different job position levels within the studied population.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means		t-test for Equality of Means				
						Sig. (2-tailed)	Mean Differen ce	Std. Error Differen ce	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper
		F	Sig.	t	df					
ATO	Equal variances assumed	10.669	.002	-2.001	36	.053	-.661	.330	-1.331	.009
	Equal variances not assumed			-1.963	29.818	.059	-.661	.337	-1.349	.027

Table 4.6.4.1 Independent t-test on Level

The results indicate a Levene's test statistic of 10.669 with a p-value of 0.002. Since the p-value is less than 0.05, we reject the null hypothesis, suggesting that the variances are significantly different between the two groups.

Following this, the t-test for Equality of Means examines whether there is a significant difference in the mean turnover rate intention scores between the two groups. When assuming equal variances, the t-test yields a t-statistic of -2.001 with 36 degrees of freedom and a two-tailed p-value of 0.053. This indicates that there is a marginally significant difference in the mean turnover rate intention scores between the two groups when equal variances are assumed. Similarly, when equal variances are not assumed, the t-statistic is -1.963 with 29.818 degrees of freedom and a two-tailed p-value of 0.059. Although the p-value is slightly above 0.05, it suggests a borderline significant difference.

In summary, the results suggest that there may be a difference in turnover rate intention between individuals in mid-level and senior-level positions, with the significance level depending on whether equal variances are assumed or not. However, the difference is not conclusively significant based on the obtained p-values.

4.7 Reliability test

The reliability statistics indicate the Cronbach's alpha coefficient, a measure of internal consistency reliability, for the scale used in the study. The Cronbach's alpha value is calculated to be 0.771, which is considered to be acceptable for research purposes. It suggests a satisfactory level of reliability for the scale used in measuring the construct of interest. Additionally, the scale consists of 4 items in total. This means that the items in the scale are internally consistent with each other, contributing to the reliability of the measurement instrument. Overall, the obtained Cronbach's alpha value reinforces the reliability of the scale in capturing the intended construct effectively.

Reliability Statistics

Cronbach's Alpha	N of Items

.771	4

Table 4.7 Reliability test

4.8 ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.847	3	11.616	52.047	.000b
	Residual	9.820	44	.223		
	Total	44.667	47			

Table 4.8 ANOVA

a1. Dependent Variable: ATO
b. Predictors: (Constant), AT, AL, ATS

H0: $\mu AT = \mu ATS = \mu AL$
H1: $\mu AT \neq \mu ATS \neq \mu AL$

The ANOVA table assesses the significance of the regression model in predicting turnover rate intention (ATO), with predictors including Transformational Leadership (AT), Laissez-Faire Leadership (AL), and Transactional Leadership (ATS).

In the "Model" section, it's revealed that the predictors collectively contribute significantly to explaining the variability in ATO. The sum of squares for the regression model is 34.847, indicating the extent to which the predictors collectively account for the variance in ATO. The F-statistic of 52.047, associated with a p-value close to zero, suggests that the regression model is statistically significant, implying that the predictors have a significant combined effect on ATO.

Moving to the "Residual" section, it's observed that there is some unexplained variance in ATO, as indicated by the sum of squares of 9.820. This residual variance represents the

variability in ATO that is not accounted for by the predictors included in the model. Combining the information from the "Model" and "Residual" sections, we get insights into the total variability in ATO. The total sum of squares is 44.667, encompassing both the variability explained by the predictors and the unexplained variability.

Based on the information provided, the ANOVA table indicates that the regression model is statistically significant in predicting turnover rate intention (ATO). The F-statistic associated with the model is 52.047, and the p-value is close to zero, suggesting that the predictors (Transformational Leadership, Transactional Leadership, and Laissez-Faire Leadership) collectively have a significant effect on ATO.

Given this result, we reject the null hypothesis (H0: $\mu AT = \mu ATS = \mu AL$) and accept the alternative hypothesis (H1: $\mu AT \neq \mu ATS \neq \mu AL$). This means that there is evidence to suggest that at least one of the leadership styles (Transformational, Transactional, or Laissez-Faire) has a different effect on turnover rate intention compared to the others. In other words, the leadership styles do not all have equal impacts on ATO, and there are significant differences among them in terms of their influence on turnover intentions.

4.9 Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.883a	.780	.765	.472

Table 4.9 Multiple Regression Analysis

a. Predictors: (Constant), AT, AL, ATS

The Model Summary provides a comprehensive assessment of how well the regression model predicts turnover rate intention (ATO) based on the included predictors, which are Transformational Leadership (AT), Transactional Leadership (ATS), and Laissez-Faire Leadership (AL).

Firstly, the correlation coefficient (R) of 0.883 indicates a strong positive relationship between the predictors and ATO. This suggests that there is a robust association between the leadership styles considered in the model and turnover rate intention.

Secondly, the coefficient of determination (R Square) stands at 0.780, indicating that approximately 78.0% of the variance in ATO is explained by the predictors. This implies that the combination of Transformational, Transactional, and Laissez-Faire Leadership styles significantly contributes to understanding and predicting turnover rate intention among individuals.

Moreover, the Adjusted R Square value, which accounts for model complexity and sample size, is 0.765. This adjusted value reinforces the notion that the predictors collectively provide valuable insights into turnover rate intention, even when considering the model's intricacies and the size of the dataset.

Lastly, the Std. Error of the Estimate, with a value of 0.472, represents the average amount of error in predicting ATO using the regression model. A lower value indicates better predictive accuracy, suggesting that the model's predictions are relatively close to the actual turnover rate intention values.

In summary, the Model Summary underscores the effectiveness of the regression model in explaining turnover rate intention based on the selected leadership styles, providing valuable insights into the factors influencing individuals' intentions to leave their positions.

4.10 Coefficients Table

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.576	.328		1.756	.086
	AL	-.088	.082	-.078	-1.075	.288
	ATS	.120	.108	.115	1.112	.272
	AT	.762	.096	.804	7.901	.000

4.10 Coefficients Table

a. Dependent Variable: ATO

The Model displays the unstandardized coefficients, standardized coefficients, t-values, and significance levels for each predictor in the regression model predicting turnover rate intention (ATO) based on Transformational Leadership (AT), Transactional Leadership (ATS), and Laissez-Faire Leadership (AL).

Starting with the constant term, its unstandardized coefficient (B) is 0.576, indicating the expected value of ATO when all predictor variables are zero. The associated t-value of 1.756 suggests that the constant term is not significantly different from zero at the conventional significance level (p = 0.086).

Moving to the predictors, Laissez-Faire Leadership (AL) has an unstandardized coefficient of -0.088, suggesting that for every one-unit increase in AL, ATO is expected to decrease by 0.088 units. However, the associated t-value of -1.075 and p-value of 0.288 indicate that this effect is not statistically significant.

Transactional Leadership (ATS) has an unstandardized coefficient of 0.120, implying that for every one-unit increase in ATS, ATO is expected to increase by 0.120 units. Yet, the associated t-value of 1.112 and p-value of 0.272 suggest that this effect is not statistically significant.

Transformational Leadership (AT) shows the most substantial effect on ATO, with an unstandardized coefficient of 0.762. This indicates that for every one-unit increase in AT, ATO is expected to increase by 0.762 units. The associated t-value of 7.901 and very low p-value of 0.000 indicate that this effect is statistically significant.

In summary, while Transformational Leadership (AT) significantly influences turnover rate intention, neither Transactional Leadership (ATS) nor Laissez-Faire Leadership (AL) demonstrates a statistically significant effect in this regression model.

4.11 Hypothesis Testing Results

H_{01}: There is no significant difference in employee turnover rate between organizations with transformational leadership and those with other leadership styles.

H_{11}: Organizations with transformational leadership will have a lower employee turnover rate compared to organizations with other leadership styles.

Overall, the analysis provides valuable insights into the factors influencing turnover rate intention (ATO) among individuals in the context of leadership styles. The results align with the alternative hypothesis (H_{11}), suggesting that organizations with transformational leadership exhibit a lower employee turnover rate compared to those with other leadership styles. However, they do not support the null hypothesis (H_{01}) that there is no significant difference in turnover rates between organizations with transformational leadership and those with other styles.

H_{02}: There is no significant difference in employee turnover rate between organizations with transactional leadership and those with other leadership styles.

H₁₂: The effect of transactional leadership on employee turnover rate will be mixed, depending on the specific nature of contingent rewards and management by exception practices.

Regarding transactional leadership, the findings do not provide evidence to reject the null hypothesis (H₀₂) that there is no significant difference in turnover rates between organizations with transactional leadership and those with other styles. However, they also do not fully support the alternative hypothesis (H₁₂), as the effect of transactional leadership on turnover rate appears mixed and is contingent on specific factors such as contingent rewards and management by exception practices.

H₀₃: There is no significant difference in employee turnover rate between organizations with laissez-faire leadership and those with other leadership styles.

H₁₃: Organizations with laissez-faire leadership will have a higher employee turnover rate compared to organizations with other leadership styles.

For laissez-faire leadership, the results do not provide evidence to reject the null hypothesis (H₀₃) that there is no significant difference in turnover rates between organizations with laissez-faire leadership and those with other styles. However, they also do not support the alternative hypothesis (H₁₃) that organizations with laissez-faire leadership will have a higher turnover rate compared to those with other leadership styles.

Overall, the findings indicate a significant relationship between at least one leadership style (specifically Transformational Leadership) and turnover rate intention, with implications for organizational practices and strategies to mitigate turnover.

Chapter 5 Conclusion & Recommendation

5.1 Introduction

This chapter will conclude by summarizing the key findings made during the research. It will highlight the insights gained from the analysis. Additionally, the chapter will offer recommendations for future research directions. These recommendations could point to areas where further investigation is needed to build upon the current findings. They might also suggest new questions or hypotheses that emerged during the research process. Finally, the chapter may outline potential actions that could be taken based on the research conclusions. This could be relevant for policymakers, practitioners, or anyone interested in applying the knowledge gained from the research.

5.2 Summary of Key Findings

The study finds a statistically significant connection between transformational leadership (AT) and lower Tuenobver rate (ATO) (t = 7.901, p = 0.000). This suggests that organizations with leaders who inspire, motivate, and challenge their employees tend to experience less employee turnover. Transformational leaders likely cultivate a more engaging and stimulating work environment, leading employees to feel valued and invested in their roles.

The impact of transactional leadership (ATS) on Turnover rate (ATO) shows mixed results (t = 1.112, p = 0.272). While not statistically significant overall, the research suggests the effect might depend on specific management practices within transactional leadership. Practices like contingent rewards, where recognition and benefits are tied to performance, could potentially influence turnover. Further investigation is needed to understand the nuances of transactional leadership and its connection to employee retention.

The study finds no statistically significant relationship between laissez-faire leadership (AL) and Turnover rate (ATO) (t = -1.075, p = 0.288). This indicates that organizations with leaders who take a more hands-off approach do not necessarily experience higher turnover compared to other leadership styles. However, it's important to consider that laissez-faire leadership can also lead to feelings of disengagement and lack of direction, which could potentially impact employee retention in the long run.

The research hypotheses are explored further through statistical tests. For organizations with transformational leadership (H_{11}), the data suggests a lower employee turnover rate compared to organizations with other leadership styles. The effect of transactional leadership (H_{12}) on employee turnover rate appears mixed, implying it may depend on specific management practices. Organizations with laissez-faire leadership (H_{13}) do not show a significantly higher employee turnover rate compared to organizations with other leadership styles.

The use of ANOVA (Analysis of Variance) reveals a statistically significant relationship between leadership styles and Turnover rate (F = 52.047, p = 0.000). This reinforces the earlier findings that leadership style plays a crucial role in influencing employee turnover intention. Additionally, regression analysis highlights transformational leadership as having the strongest impact on the turnover rate, followed by transactional leadership and laissez-faire leadership.

This research emphasizes the importance of leadership style, particularly transformational leadership, in influencing employee retention. By understanding the connections between leadership and turnover, organizations can develop strategies to foster a positive work environment and reduce employee turnover. Through leadership development programs that cultivate transformational leadership skills, organizations can create an engaging and motivating workplace, ultimately leading to a more stable and productive workforce.

5.3 Significance and Implications

5.3.1 Contributions to Academic Knowledge

The findings contribute to the existing body of literature on leadership and its impact on employee turnover rates. By empirically demonstrating the influence of transformational leadership on reducing turnover, the study enriches scholarly understanding of effective leadership practices.

The nuanced exploration of different leadership styles and their effects on turnover provides insights into the complexities of leadership dynamics within organizations.

5.3.2 Practical Implications for Organizations

Organizations can use the findings to inform leadership development programs and practices. Emphasizing transformational leadership behaviors, such as inspirational motivation and individualized consideration, can potentially mitigate turnover by fostering employee engagement and commitment.

Insights into the limited impact of transactional and laissez-faire leadership on turnover rates can prompt organizations to reassess their leadership approaches. Strategies may include refining management practices, aligning rewards with performance, and providing clearer direction and support to employees.

5.3.3 Human Resource Management Strategies

HR departments can leverage the findings to tailor recruitment, selection, and training processes to identify and develop transformational leaders. By cultivating leadership qualities that positively influence employee retention, organizations can enhance their competitive advantage in attracting and retaining top talent. The study underscores the

importance of aligning HR practices with organizational goals and values. By fostering a culture that values and promotes transformational leadership behaviors, HR can contribute to creating a work environment conducive to employee satisfaction and retention.

5.4 Recommendations for Future Research or Action

This section provide the exciting insights for future research inspired by the current study's findings. It will identify several key areas where further exploration and refinement can lead to a more nuanced understanding of the relationship between leadership styles and employee turnover intention.

5.4.1 Mechanisms of Transformational Leadership

Future studies can delve deeper into the underlying mechanisms through which transformational leadership influences employee turnover. By employing qualitative methods such as interviews or case studies, researchers can explore how specific leadership behaviors, such as inspirational motivation or intellectual stimulation, impact employee perceptions and decisions regarding turnover.

5.4.2 Longitudinal Studies

Longitudinal research designs can track leadership styles and turnover rates over an extended period, providing insights into the long-term effects of leadership behaviors on employee retention. Such studies can elucidate whether the impact of transformational leadership on turnover is sustained or diminishes over time, as well as identify potential intervening variables or moderating factors.

5.4.3 Cross-Cultural Studies

Comparative research across different cultural contexts can shed light on the cultural nuances of leadership and turnover dynamics. By examining how cultural values and norms interact with leadership practices to influence employee behavior, researchers can enhance our understanding of the universality versus context-specificity of leadership effects on turnover.

5.4.4 Mediating and Moderating Factors

Future studies can explore mediating and moderating variables that may influence the relationship between leadership styles and turnover. For example, organizational climate, job satisfaction, or perceived organizational support could serve as mediators, while variables such as industry type, organizational size, or workforce demographics could act as moderators, shaping the strength or direction of the leadership-turnover relationship.

5.4.5 Interventions and Experimental Research

Experimental studies could test the effectiveness of leadership interventions aimed at reducing turnover rates. By implementing targeted leadership development programs or interventions in real organizational settings, researchers can assess their impact on employee turnover and identify best practices for enhancing leadership effectiveness in turnover reduction.

5.4.6 Emerging Leadership Theories

Investigating emerging leadership theories, such as authentic leadership or servant leadership, and their implications for turnover could offer fresh perspectives on effective leadership practices. By examining how these newer leadership paradigms align with or

diverge from transformational, transactional, and laissez-faire leadership in their impact on turnover, researchers can contribute to the evolution of leadership theory and practice.

5.4.7 Multilevel Analyses

Studies incorporating multilevel analyses could explore the interplay between leadership styles and turnover at both individual and organizational levels. By examining how leadership practices cascade through hierarchical levels and interact with organizational structures, researchers can provide a more comprehensive understanding of the complex dynamics influencing turnover within organizations.

By pursuing these avenues of research, scholars can advance our understanding of the intricate relationship between leadership styles and employee turnover, ultimately informing organizational practices and strategies aimed at enhancing employee retention and organizational effectiveness.

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Appendices

QUESTIONARE FORM

HOW THE RETAIL INDUSTRY'S TURNOVER RATE IS IMPACTED BY LEADERSHIP STYLE.

Dear Respondent,

This study examines at the relationship between a leader's style and the number of employees who leave their jobs in the retail business. It adds to what is known about employee turnover and retail management.

This study will bring out the answer of how does leadership style influence employee turnover rates in the retail industry and find out employee's preferred leadership styles in Malaysia's retail industry. The important effective leadership practises are for keeping employees, and it also gives suggestions for future research in this area.

There are Five (5) sections.

We would be grateful if you could spend 15 minutes to fill out the questionnaire. Your answers are extremely valuable and will certainly make an important contribution to this study. All the information and the statement provided will be only for education purposes and will be confidential.

Thank you.

Conducted By:

…………………Chan Jia Min……………………….

Section A: Demographic Data

1.   What is your gender?

☐ Male

☐ Female

2.   What is your age?

☐ 25-29

☐ 30-34

☐ 35-39

☐ 40-44

☐ 45 and above

3.   What is your highest level of education?

☐ High School

☐ Bachelor's degree

☐ Master's degree

☐ P.H.D. or equivalent

4.   How many years have you been employed in your current organization?

☐ 1-5 years

☐ 6-10 years

☐ 11-15 years

☐ More than 15 years

5.   How would you describe the organizational level where you currently work?

☐ Mid-Level (Team Leader, Supervisor or equivalent)

☐ Senior Level (Assistances Store Managers, Store Manager or equivalent)

☐ Executive Level (Area Manager, Operation Manager or equivalent)

Section B: Transformational Leadership

Transformational Leadership (Bass & Avolio , 1996)	Strongly Agree	Agree	Neutral	Not Agree	Strongly Not Agree
I make others feel good to be around me.					
I express with a few simple words what we could and should do.					
I enable others to think about old problems in new ways.					
I help others develop themselves.					
Others have complete faith in me.					
I provide appealing images about what we can do.					
I provide others with new ways of looking at puzzling things.					
I let others know how I think they are doing.					
Others are proud to be associated with me.					
I help others find meaning in their work.					
I get others to rethink ideas that they had never questioned before.					
I give personal attention to others who seem rejected.					

Section C : Transactional Leadership

Transactional Leadership (Bass & Avolio , 1996)	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I tell others what to do if they want to be rewarded for their work.					
I am satisfied when others meet agreed-upon standards.					
I provide recognition/rewards when others reach their goals.					
As long as things are working, I do not try to change anything.					
I call attention to what others can get for what they accomplish.					

I tell others the standards they have to know to carry out their work.					

Section D: Laissez Faire

Laissez Faire Leadership (Bass & Avolio , 1996)	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I am content to let others continue working in the same way as always					
Whatever others want to do is O.K. with me.					
I ask no more of others than what is absolutely essential.					

Section E: Turnover Intention of the Subordinate

Turnover intention (Memon et al., 2018)	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Subordinate currently seriously considering leaving the current job to work at another company.					
Subordinate sometimes feel compelled to quit the job in my current workplace.					
Subordinate probably look for a new job in the next year.					
Within the next 6 months, they would rate the likelihood of leaving his/her present job as high.					
Subordinate will quit this company if the given condition gets worse than now.					

Re: U/SERC/56(A)-251/2024

30 January 2024

Dr Omar Hamdan Mohammad Alkharabsheh
Department of International Business
Faculty of Accountancy and Management
Universiti Tunku Abdul Rahman
Jalan Sungai Long
Bandar Sungai Long
43000 Kajang, Selangor

Dear Dr Omar Hamdan,

Ethical Approval For Research Project/Protocol

We refer to your application for ethical approval for your research project (Master student's project) and are pleased to inform you that your application has been approved under <u>Expedited Review</u>.

The details of your research project are as follows:

Research Title	How the Retail Industry's Turnover Rate is Impacted by Leadership Style
Investigator(s)	Dr Omar Hamdan Mohammad Alkharabsheh Chan Jia Min (UTAR Postgraduate Student)
Research Area	Social Science
Research Location	Malaysia
No of Participants	Minimum 30 participants (Age: 21 - 70)
Research Costs	Self-funded
Approval Validity	30 January 2024 - 29 January 2025

The conduct of this research is subject to the following:

(1)   The participants' informed consent be obtained prior to the commencement of the research,

(2)   Confidentiality of participants' personal data must be maintained,

(3)   Compliance with procedures set out in related policies of UTAR such as the UTAR Research Ethics and Code of Conduct, Code of Practice for Research Involving Humans and other related policies/guidelines; and

(4)   Written consent be obtained from the institution(s)/company(ies) in which the physical or/and online survey will be carried out, prior to the commencement of the research.

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Should you collect personal data of participants in your study, please have the participants sign the attached Personal Data Protection Statement for your records.

The University wishes you all the best in your research.

Thank you.

Yours sincerely,

Professor Ts Dr Faidz bin Abd Rahman
Chairman
UTAR Scientific and Ethical Review Committee

c.c   Dean, Faculty of Accountancy and Management
        Director, Institute of Postgraduate Studies and Research