

Global Management Journal for Academic & Corporate (GMJAC) Studies
Fall 2022, Vol 12 No. 2, PP. 20-37
(Electronic) Copyright 2022 – Global Management Journal for Academic &
Corporate Studies
Published by Bahria Business School, Bahria University Karachi Campus

Impact of Emotional Intelligence and Employee Turnover on Leadership Effectiveness in the Banking Sector

Sobia Iqbal¹, Kamran Khan², Raazia Gul³

ABSTRACT

Expressive leadership is fundamental to intellect performance. They're the most important part of an organization's success or failure. This study shows the relationship between Leadership Effectiveness as demonstrated by individuals in the work position with a primary objective to study and investigate the relationship between Emotional Intelligence (Self-Awareness, Self-Driven Motivation, Intellectual Stimulation, and Interpersonal Skills) and Employee Turnover in the Banking Sector of Pakistan. A sample of 166 spearheads was collected through the questionnaires using a five-point Likert scale to measure the data. The PLS smart has been used to analyze the data. The results of the study showed that Emotional Intelligence factors and Employee Turnover have an affirmative and constructive relationship with Leadership Effectiveness.

Keywords: leadership effectiveness, emotional intelligence, self-awareness, intellectual stimulation, self-driven motivation

^{1,3} Assistant Professor, DHA Suffa University

² Associate Professor, DHA Suffa University

1. INTRODUCTION

Bridges (2020) emphasized the gap between the intellectual supervision ideas on which academicians concentrated and the expressively charged challenge of leading in corporate contexts. In the age of globalization, the demand for organizations and foundations to adapt in order to endure and remain relevant

cannot be overstated. Emotional Intelligence may be explained as a "collection of demonstrative and communal talents that impact how we observe and reveal ourselves, sustain and build social connections, cope with problems, and use expressive material in an operative and significant manner". Salovey and Mayer (1990) and the capacity to identify

and comprehend feelings, as well as their influence on behavior and outlooks, is referred to as Emotional Intelligence.

Emotional Intelligence is a key process in psychological adaptability and well-being. Individuals with greater EI reported lower stress levels and high on their pleasures, demonstrating that the capacity to manage perceived stress has a direct influence on contentment (Fernández-Berrocal, Extremera, Lopes, & Ruiz-Aranda, 2014). People having greater EI are aware of what and how they feel as well as they understand the feelings of those with whom they interact. Emotional Questions or Emotional Intelligence affects all elements of the lifecycle, allowing people to perform with self-assurance, enthusiasm, and compassion. Human Resource executives depend on

Emotional Intelligence to lead, accomplish, and cooperate with workers, whereas spearheads, in precise, practice to stimulate commitment, inspiration, retention, and efficiency in their groups or teams. A person who is aware of his or her own feelings is far additional possible to comprehend and sympathize with the feelings that influence others' outlooks and behaviors. This is the reason why Leaders or spearheads place such a high value on Emotional Intelligence. Leaders/Supervisors who wish to be seen as leaders must evoke that the way they perform or act states more than their words. This is something that people with an

extraordinary level of Emotional Intelligence appears to comprehend intuitively. Emotional Intelligence is a trait that leaders with exceptional supervision characteristics possess.

Heifetz and Linsky (2002) emphasizes that when it comes to Leadership, it is important to remember that it encompasses not just the employees' conceptual work but also their sensitive effort. It is crucial to understand that being in a locus of power doesn't automatically imply leadership. Workers confer leadership on the best operative leaders, and it is earmarked for people who have a high level of integrity and excellent communication abilities. Whether or not they realize it, leaders who take the time to get to know and truly listen to their staff are employing Emotional Intelligence as a management tactic (Yukl, 2010).

"Emotional Intelligence may assist the leaders in solving complicated challenges, constructive results, planning better time management, and managing crises". Leaders who treat their individuals with respect get the best results. Feelings are defined as a person's systemic reaction to stimuli, which comprises genetic/natural, intellectual, motivational, and observed structures, as well as psychological associate structures (Mayer & Salovey, 1990). Zampetakis & Mustakis (2011) suggest that workers' behavior can be significantly influenced by Emotional

Intelligence throughout work encounters. Nafukho, Muyia, Farnia, Kacirek, and Lynham (2016) say that those who are emotionally intelligent are capable of "detecting, regulating, and concentrating their feelings efficiently, and cope well with the burdens of everyday life in the place of work.

Zampetakis and Moustakis (2011) emphasize that a leader who is weak at recognizing reactions may unintentionally overlook vital sensitive cues from his or her team members. Correspondingly, a leader that is ineffective at regulating his or her identifiable reactions may enable feelings to delay a successful act. Emotional Intelligence is a critical aspect in the performance and growth of companies, and it plays a vital part in the success of today's modest enterprises. As a result, executives in the twenty-first century bear significant responsibility for successfully leading change in their enterprises. However, transformational development is emotional because no one wants to give up the comfort of the position or give up what they give importance to.

Regardless, leaders have to be successful in the midst of these hurdles, which include the feelings of individuals who will be touched by the transformation. As a result, there is a greater emphasis on Emotional Intelligence in leadership while managing the transformation process.

Human asset is a significant resource for any organization; it assists an organization in accomplishing its objectives. If the employees of an association are submitted, diligent employees and are happy with their work, leads to a progressive organization. Human Resource undertakes a fundamental part to build efficiency. It has turned into a major investigation for human talent managers to support representatives for the long haul on the grounds that the high turnover of a worker in the organization increases the expense of recruiting another skilled resource.

The turnover rate grows bit by bit when workers are not happy with their work and leadership. The justification for employee turnover is that the workers are not satisfied whereas turnover prospect minimizes the usefulness and effectiveness of the organization. The outcomes of the extended turnover also reflect in the current work environment as loss of social capital and low determination leading to unusual expenses for any organization (Khan & Aleem, 2014).

Leadership effectiveness has a contradictory influence on employee turnover and can result in lesser employee turnover in hierarchical efficiency and execution (Theriou, Chatzoudes, & Diaz 2020). The mediating role of work engagement. Employee turnover is intended whenever the representatives track down better opportunities in different

organizations. Organizations are trying to shrink Employee Turnover and transform the workplace in a manner that the employees feel happy with their work as high turnover brings chaos and a negative image to the organization.

Banks are the greatest source of money for any country. The banking service industry is one of the growing industries in Pakistan which contributes largely to our economic growth and stability. The banking sector of Pakistan is playing a vital part in the development of the economy. Today almost 80% of resources are gripped by the private banking sector (Aftab, 2012). As indicated by (Afsar, Badir & Saeed, 2014) banking industry of Pakistan is experiencing high employee turnover because of unfair administrator conduct, unsatisfactory working conditions, and fewer progression opportunity. As per Khan, Shah, Haider, Aziz, and Kazmi (2020) such countless difficulties are being looked upon by the financial sector, and employee turnover is a significant concern for financial institutions in Pakistan. Work pressure, difficult leadership style and displeasure at work lead to disappointments in the workplace.

This study is restricted to the banking sector. Through this research, banks will get to comprehend the connection between leadership effectiveness, Emotional Intelligence, and Employee turnover within

organizations, and it will help them to make strategies to enhance leadership effectiveness. It is also intended to provide constructive guidance to the banking sector to develop and foster new systems and diminish Employee Turnover.

1.1. Research Problem

Emotional Intelligence is the ability to have self-consciousness and to understand well the other person's feelings, it is important that every leader learn or adopt it to understand workers' feelings well so they can perform more effectively for exceptional performance of the organizations. Conferring to research individuals with greater Emotional Quotient (EQ) ratings had better scores for empathic perspective taking, self-monitoring, and social skills, in addition to collaboration with partners, and leadership satisfaction. (Schutte & Malouff et al., 2001).

Emotional Intelligence (EI) helps to reach goals and achieve better levels of success; improving EI may have a significant impact on our achievement by contributing to enhanced self-esteem, inspiration, and collaboration. Leaders with controlled EI, are better decision-makers (Strickland, 2000).

Banking sector activities get influenced by employee turnover, Emotional Intelligence, and Leadership. This research aims to explore the influence of Emotional Intelligence and

employee turnover on leadership effectiveness. Whether the elements of Emotional Intelligence like self-awareness, self-driven motivation, and interpersonal skills have an impact or not.

1.2. Research Questions

This study is designed to understand the relationship between Emotional Intelligence, Employee Turnover, and Leadership Effectiveness in the banking sector of Pakistan. Following are the research questions.

1. What is the affiliation between Leadership Effectiveness and Employee Turnover in the banking?
2. Does Leadership Effectiveness leads to minimizing Employee Turnover in the banking sector of Pakistan?
3. What is the affiliation of Emotional Intelligence factors on the effectiveness leadership in the banking?
4. Does Emotional Intelligence leads to Leadership Effectiveness in the banking sector of Pakistan?

1.3. Research Objectives

The objective of this research is:

1. To find out the relationship between Leadership Effectiveness and Employee Turnover in the banking sector of Pakistan,

and understand how it affects the productivity and profitability of the bank.

2. To study the influence of Emotional Intelligence with respect to self-awareness, self-driven motivation, and interpersonal skills on Leadership Effectiveness.

1.4. Scope

200 respondents were targeted out of which 166 responded to the survey. The target population is the individuals at leadership positions in the banking industry of Pakistan, specifically Karachi who are constantly dealing with many employees and have the responsibility to lead and motivate them.

The study emphasizes the importance of the need for Emotional Intelligence to be a part of leaders which would help them to be a better version of themselves, to be better decision-makers, and lead efficiently. This study would help the better understanding of self-awareness, self-driven motivation, and interpersonal skills, the requirement of these elements in one's life, especially in Leadership.

2. LITERATURE REVIEW

2.1. Emotional Intelligence

The concept of Emotional Intelligence (EI) has evolved over the years, and many definitions

have emerged as a result. It should also be noted that the phrases EI and Emotional Quotient (EQ) competences are interchangeable. Salovey and Mayer (1990) defined EI as "The capacity to observe one's personal and others' emotional state and sentiments, to distinguish among them, and to utilize this knowledge to guide one's thinking and actions.

He then released his own definition of EI. "EI influences our capacity for acquiring the practical skills that are based on its five elements: self-awareness, inspiration, self-regulation, understanding, and proficiency in relationships," Barling, Slater and Kelloway (2000). The latest explanation of EI came from Nelson and Low (2011). He indicated EI, conferring to the ability to (1) know oneself and one's own personal strengths, limitations, and weaknesses, based on one's own personal worth and dignity, (2) form healthy and effective relationships, (3) collaborate, and (4) respond appropriately to the demands and pressures of everyday life and work leader. Simply defined, EI allows us to perceive, comprehend, and respond to the feelings, needs, and wants of others. As of the capacity to respond appropriately to people and their feelings, EI can lead to better interpersonal interactions. As a result, EI is essential for effective communication. Furthermore, EI aids in the regulation of feelings, which can assist

to avert conflicts or even the exacerbation of existing ones.

2.2. Employee Turnover

Scholars have utilized different terms to define Employee Turnover from the workplace, such as intentional turnover and employee departure. Employee Turnover is considered when a worker decide to leave a company, it also includes resignation, layoff, suspension, discharge (Hom et al., 2012).

Martin (1979) fostered a model of Employee Turnover, anticipating underlying components (changeability, communication, and schedule), a natural variable (opportunity), an interceding variable (job satisfaction), and four segment factors (occupation, age, education, and placement).

Muchinsky and Morrow (1980) placed that Employee Turnover is impacted by business-related elements and the conditions of specific financial factors. They fostered a model for four arrangements of markers that are individual, Leadership, Financial, and Cultural aspects. Employee turnover may lead to incurring costs that may be direct or indirect. According to Staw (1980) turnover results in loss as the direct cost incurred on the selection process span of many activities i.e. recruitment and selection, orientation, training

and development etc. According to Dess and Shaw (2001), the increased rate of turnover incurs an indirect cost in the form of training another employee from the scratch, reduced morale, developing pressure on the existing employees, and the loss of social capital.

2.3. Effective Leadership

Leadership themes are extensively studied and debated. Leadership is typically characterized in terms of organizational transformation and impact. Yukl (2010) conferring to leadership as "the method of influencing the people to recognize and come to an agreement on whatever necessities to be completed and in what way it could be completed, as well as the procedure of supporting persons and mutual struggles to accomplish established purposes". Over time, the concept of observation has evolved.

Leadership entails initiating change, recognizing the requirements of the business and its employees, and bringing those needs together. An effective leadership style is critical to an organization's success. One of the best theories for supervision is the behavioral theory of supervision. It suggests that leaders are not born but they are a

combination of the behaviors and actions that are cultured.

2.4. Leadership Effectiveness and Employee Turnover

Many examinations directed in various settings tracked down a negative relationship between the aspects of Leadership Effectiveness and Employee Turnover. Khatri, Fern and Budhwar, (2001), inferred that there was an unobtrusive connection between leadership and employee turnover. Amah and Oyetuunde (2020) found a moderate connection between the turnovers of the employees and the leadership of a company. Carter, Dudley, Lyle and Smith (2019) additionally found a huge negative relationship between the two constructs, means a good leader can bring down the turnover rates.

According to Sun, and Wang (2017) effectiveness is a solid indicator of turnover aims. The connection between leadership effectiveness and turnover was investigated in numerous past examinations. Most researchers concur that leadership effectiveness and turnover expectation are

contrarily connected with one another (Carmeli, 2006; DeConinck & Stilwell, 2004; O'Reilly et al., 1991), and employee turnover goal is conversely connected with leadership effectiveness.

Effective leadership is additionally observed to be a decent indicator of the maintenance of an exceptionally talented and experienced workforce in an organization (Wong-Mingji, Kessler, Khilji, & Gopalakrishnan, 2014). A subsequent theory was created to basically investigate the connection between the two factors with regard to authoritative practices in the UAE oil and gas industry (Al-Obthani & Ameen, 2019).

2.5. Emotional Intelligence and Effective Leadership

Shuck and Herd (2012) argued that "leaders must first identify and be capable to control their identifiable feelings, also they should be capable to figure out the feelings of the people under their leadership and the culture by which the feelings developed" if they want to guide an organization in a productive and healthy way. The focus of effective leadership is on the labor force. This implies that each employee's interests, wishes, and worries are recognized and assumed, and agreed upon. It is obvious that not every employee's demand or desire can be

accommodated. However, it is important to clarify to the employee query "why?" Yukl (2010) "the components of the EI may assist the leaders in cracking complex challenges, making better judgments, planning good time management, adapting their behavior to the circumstance, and managing crises". EI is essential for comprehending one's own and others' feelings. It also aids in not just controlling feelings but also preventing acceleration and adapting behavior to the situation. This leads to the conclusion that EI influences or are even required for effective leadership.

2.6. Emotional Intelligence Variables

Daniel Goleman's book (2001) 'Emotional Intelligence' offered an entirely different concept of predicting and analyzing operative performance. One of the world's leading EQ scholars, the author, noted that a higher level of cognitive competence is required for a success. Goleman noted that 'emotional intelligence,' a notion devised by Salovey and Mayer (1990), is twice as significant as cognitive intelligence in predicting success of a, and that conventional factors of = performance of an employee are now changed. Higher levels of EI helps in several ways i.e. strengthening the relationship at workplace, improve problem solving abilities, increase efficiency and

effectiveness etc. EI shows how we regulate our feelings and cope with the professional relationships, rather than writing a report of grading of an exam. It's "the capacity to detect, appraise, and manage one's own feelings, the feelings of others, and the feelings of groups, conferring to Goleman.

To measure employee levels of expressive intellect and find opportunities for growth, Goleman developed EQ model based on performance, which consist of 4 parts (Goleman, 2001). Below are the discussion on those 4 parts:

A. Self-Awareness

Individuals around the globe who possesses a good and extraordinary level of EI are at comfort as they understand their own thinking and feelings and are well conscious of in what way their actions are influencing other individuals. Understanding and acceptance of the situation towards a recovery process. When the main concentration we have of ourselves we get to know a lot about our internal standards, conferring to self-conscious philosophy, that was given/provided by Duval and Wicklund (1972) at an influential effort A theory of objective self-conscious in 1972.

B. Self-Driven Motivation

Conferring Goleman (2001), being self-driven by means of anything external, or physical is not optimistic approach. EI is

suggestively superior if we follow our desires and dreams. This can help bring long term motivation among the employees, greater degree of understanding in decision making and the objectives of an organization. Outer desires of an employee for instance additional benefit for working hard.

Those factors that are interior to the company, individuals who are self-driven tend to meet human desires more. This type of incentive may also take into account an aspiration to gratify their supervisor or attain certain professional or personal objectives. Extrinsic and intrinsic motivation variables combine to inspire the majority of people. We need to know the mixture of the leader.

C. Interpersonal Skills

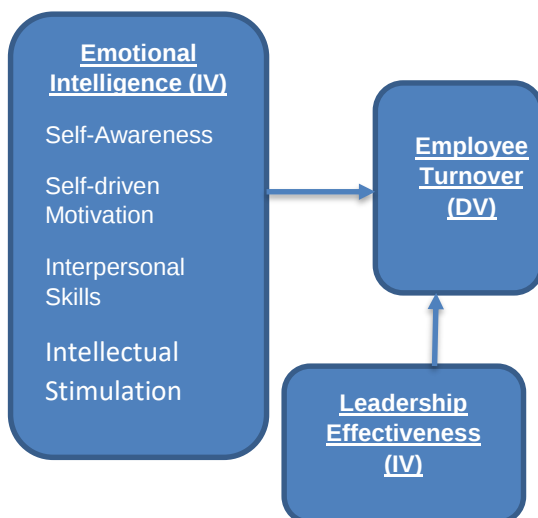
To be social is a kind of factor EI discusses. Goleman (2001) defined it as "*friendship with a purpose*" means treating everyone with courtesy and respect at the same time connections with others can be leveraged for both, personal and organizational benefits. Eysenck (1984) found in his study that extroversion, neuroticism, and psychoticism are some of the traits in the personalities of individuals having better interpersonal skills. (Eysenck, 1984). These factors, and their interplay can bring or shape-up the personality of an individual. The third factor, psychoticism,

included traits i.e. socializing, sympathy and anger.

D. Intellectual Stimulation

Transformational influence impact drives group activities according to the perspective of development and resourcefulness, animates the steady update of existing uncertainties, animates changes in intending issues, brings out relationships, and utilization of explicit peculiarities. Thusly, getting another inventive plan to take care of the issue might appear to be conceivable. In the event that the thought and the arrangement of the issue proposed by the adherent vary from the thought addressed by the pioneer, the supporter won't be censured and the possibility of the pioneer won't be forced by any stretch of the imagination (Smriti, & Das, 2018).

Figure 1: Conceptual Framework



Hypothesis

H₁: Emotional Intelligence impacts significantly to Employee Turnover

H₂: Leadership effectiveness and Employee Turnover has a relationship in the banking Sector

3. METHODOLOGY OVERVIEW

3.1. Target Population

It is a quantitative study and a cross-sectional review with a deductive approach in which the theories of leadership effectiveness, emotional intelligence, and employee turnover are hypothetically tested. The qualitative element of the study is explorative in nature to study available literature on the selected variables aiming to explain the available theories and gather evidence from the banking sector of Pakistan. The target population of this research is the spearheads working in the banking industry of Pakistan. This research includes data collected through questionnaires in the months from December 2021 to February 2022. Data of 155 is collected to analyze the research results. The Snowball sampling technique was used to collect the data from the target population. Questionnaires/surveys were distributed using Google forms through emails and links, contacts among the spearheads working at different banks of Pakistan.

The questionnaire designed as a 5-point Likert scale with a parameter to measure 1 (unequivocally deviate) to 5 (empathically concur) is divided into two parts the first part is related to Emotional Intelligence factors that are self-awareness, self-driven motivation, and interpersonal skills, Employee turnover and Leadership Effectiveness, and the second part containing information about the respondents such as age, gender, education, designation, and experience. Leadership effectiveness construct items have been taken from the study of Bass (1995) whereas employee turnover by Lam, Law, Loo, Ooi (2015), and Emotional Intelligence constructs has been taken.

The data that is collected by the questionnaires/surveys are tested using Structural Equation Modeling (SEM) (Hameed & Khan, 2021). The software used was Smart PLS to find the reliability and validity and then the study proceeded with the hypotheses testing (Hair et al. 2021, Khan et al. 2022a). Before presenting the results, the demographic analysis was also performed (Khan et al. 2022b).

4. RESULTS AND FINDINGS

Table 1 of the study provided the details of the demography of the respondents selected. The study revealed that the gender ratio is almost similar in the educational institutions selected. This is encouraging as a lot of female are

joining the banking industry. It was also confirmed that majority of their responsibilities.

Table 1: Descriptive statistics

Table 1: Descriptive Statistics			
Variable	Category	Frequency	Percentage
Gender	Male	95	57.2
	Female	71	42.8
	Total	166	100
Marital Status	Single	25	15.1
	Married	141	84.9
	Total	166	100
Age	20 to 30	10	6
	31 to 40	59	35.5
	41 to 50	84	50.6
	51 to 60	10	6
	Above 61	3	1.8
	Total	166	100
Qualification	Bachelors	59	35.6
	Masters/ MS/ MPhil	68	40.9
	others	39	23.4
	Total	166	100
Current Position in Organization	Managers	28	16.8
	Line Managers	23	13.9
	Senior Managers	115	69.3
	Total	166	100
Experiences	Less than 1	6	3.6
	1 - 2 years	15	9
	2 - 3 years	79	47.5
	3 - 5 years	56	33.7
	More than 5 years	10	6.2
	Total	166	100

Figure 2. Measurement model

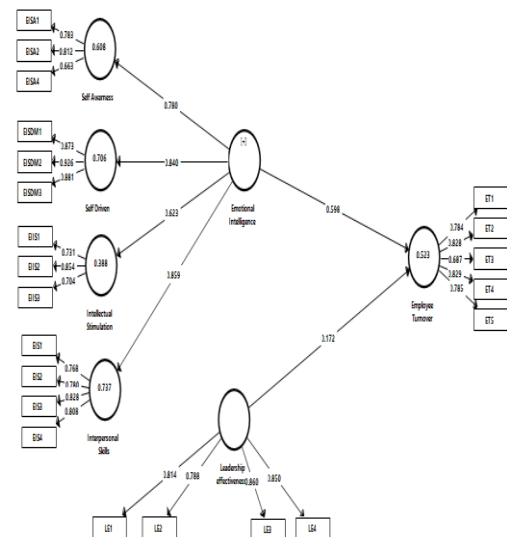
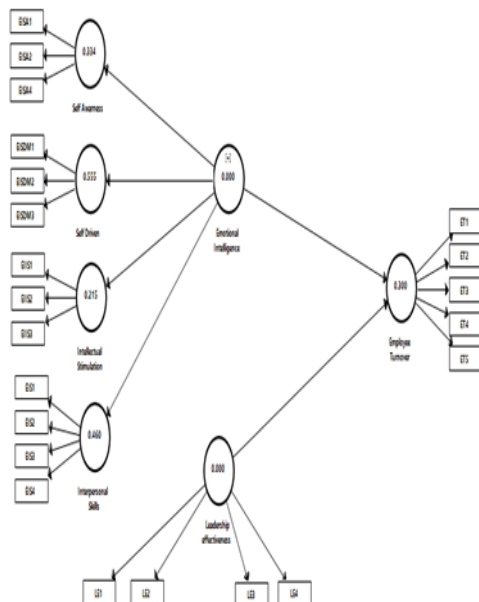


Table 2: Validity, Reliability and Other Indicators

Constructs	Items	Outer loadings	Composite Reliability	Average Variance Extracted(AVE)	Collinearity Statistics (VIF)	R square	Q square
Employee Turnover	ET1	0.785	0.888	0.615	2.115	0.533	0.401
	ET2	0.828			2.107		
	ET3	0.688			1.667		
	ET4	0.831			2.035		
	ET5	0.783			1.811		
Emotional Intelligence	EISA1	0.816	0.855	0.663	1.525	0.616	
	EISA2	0.813			1.469		
	EISA4	0.813			1.468		
	EISDM1	0.656			1.466		
	EISDM2	0.716			1.567		
Self-Driven motivation	EISDM3	0.811	0.826	0.544	1.925	0.722	
	EISDM4	0.757			1.798		
	EIS1	0.874			2.229		
	EIS2	0.927			3.033		
Interpersonal skills	EIS3	0.879	0.809	0.587	2.268	0.392	
	TLIS1	0.739			1.211		
	TLIS2	0.849			1.402		
	TLIS3	0.702			1.287		
Leadership Effectiveness	LE1	0.814	0.897	0.687	1.848		
	LE2	0.788			1.807		
	LE3	0.860			2.427		
	LE4	0.850			2.383		

Figure 3. Q square



After providing the descriptive analysis, the study finally moved to test the data for statistical purposes like validity and reliability confirmation, model fitness, multicollinearity and hypotheses. For this purpose, we first tested the measurement model using the PLS algorithm in the Smart PLS. The PLS algorithm was tested twice as the initial model was having some issues with the outer loadings, and hence several items of the study were deleted (Hair et al., 2021). The finalized model to test the measurement model was reported in Figure 2 and Table 2 of this study. It noted that all the values of outer loadings were enough to support the composite reliability and average variance extracted (AVE).

Hair et al. (2021) noted that if the outer loadings are not affecting composite reliability and AVE, then we may take them for further analysis. The composite reliability value was above 70% which means the data is considered reliable. Moreover, the AVE values were found above 50%, which means the variance explained by the constructs was more than the error.

The VIF indicator noted that all the values were less than 5 and 3.3. This means that the data is not only clean from multicollinearity issue but also have no issue of common method bias.

Table 3. Discriminant validity using Fornell-Larcker							
Constructs	1	2	3	4	5	6	7
Self-Awareness (1)	0.814						
Employee Turnover (2)	0.625	0.784					
Self-Driven Motivation (3)	0.562	0.526	0.737				
Interpersonal skills (4)	0.507	0.525	0.655	0.894			
Intellectual Stimulation (5)	0.396	0.62	0.368	0.391	0.766		
Emotional Intelligence (6)	0.709	0.564	0.463	0.478	0.332	0.829	
Leadership Effectiveness (7)	0.785	0.716	0.85	0.85	0.626	0.636	0.633

Table 4. Discriminant validity using Heterotrait-Monotrait Ratio (HTMT)							
	1	2	3	4	5	6	7
Self-Awareness (1)							
Employee Turnover (2)	0.77						
Self-Driven Motivation (3)	0.77	0.651					
Interpersonal skills (4)	0.627	0.589	0.816				
Intellectual Stimulation (5)	0.554	0.783	0.518	0.497			
Leadership Effectiveness (6)	0.896	0.644	0.591	0.554	0.426		
Emotional Intelligence (7)	0.972	0.817	1.071	0.945	0.867	0.733	

Figure 4. Hypotheses

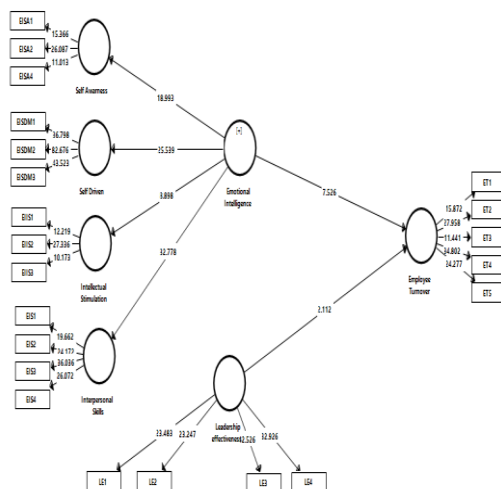


Table 3 and 4 are about the discriminant validity. Table 3 suggest discriminant validity from Fornell-larcker criterion. Table 4 suggest discriminant validity using HTMT criterion. All the values of the HTMT table were in the range (Hair et al, 2021).

After achieving the validity and reliability results, the study then proceeded toward testing the hypotheses. For this purpose, we have used 5000 subsamples. The *p-value* of the relationship between Leadership Effectiveness and Employee Turnover was found less than 0.05, the *t-value* was also above 2 and the variance explained was more than 18%. Hence the relationship was found positive and significant. For the second hypothesis, the *p-value* was less than 0.05, the *t-value* was around 7.5 and the variance explained was 60%. Hence, a strong, positive relationship is observed between Emotional Intelligence and Employee Turnover.

Table 5: Hypotheses
using 5000 subsamples

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Leadership Effectiveness > Employee Turnover	0.182	0.184	0.084	2.176	0.03
Emotional Intelligence > Employee Turnover	0.6	0.6	0.081	7.448	0

5. DISCUSSION

Employee Turnover management strategy aims to develop a long term organizational ingenuity to assure the induction of talented individuals and their detainment. The current economic, social, political and cultural challenges have change the HRM practices and evolve innovations for employee hiring and retention activities (Megawaty, Hamdat, & Aida, 2022). When we discuss leadership in detail we can identify the 2 main domains (Jamali, Bhutto, Khaskhely, & Sethar, 2022) Transactional leadership, emphasizes the equity between efforts and rewards, whereas transformational leadership emphasizes the various vision and collective aims and encourages to make investments greater of their strength in becoming completely engaged in their cutting-edge responsibilities. The outcomes of transitional and transformational leadership can reflect a different relation with employee turnover. From the last decade, Employee Turnover and employee experience has received a major attention of HR Experts and Researchers.

The researches and the literature on Leadership effectiveness is not satisfactory instead it has been controlled and directed by the corporate professionals who are progressive leaders and experiencing the exposure of practicing leadership efficiently

and effectively. This might has open a room to explore the term leadership in contrast to sustainability and globalization and technological advancement dynamics. The literature on leadership effectiveness has converse a constricted hypothetical and theoretical development but the related glitches regarding the limitations are still skeptical. Therefore, in literature there is still some room to explore from the theoretical and hypothetical aspects (Krishnan & Scullion, 2017). The leadership effectiveness has also been challenged by globalization and advancement in the technology and the fast pace notion of organizational competitiveness as it has high dependency on skilled, toned, committed and talented man power for the success of the organizational goals. Therefore, the organizations take measures to retain and engage talented intellectuals to address the needs and challenges (Shaughnessy & Coats, 2018). Rather being in extensive discussions since 1990s and onwards by the professional experts and researchers, the topic of effective leadership could not succeed to conclude its role with an identical and consistent definition and many times it has been additionally interchanged with Human Resource Department and rebranded as Leadership Effectiveness Department as its functions and operations mainly covenants with hiring, developing, and retaining the human intellectuals. Since leadership effectiveness

are the reflex to leading positions, HR department plays the strategic role to align the talented intellectual as business strategic partner (Danquah, 2022).

6. Conclusion

The research shows that employee engagement has a significant impact on employee retention also the research provides the empirical evidence that support employee engagement and its impact on employee retention. The researchers also agree that relationship exist between employee engagement and employee retention. This research also proved that the decision of employee to stay in an organization can be influenced by employee engagement. Also employee engagement increase retention of valuable employees. Therefore, if the organization want to retain their talented employees for a long period of time they need to provide all the benefits (pay work environment and compensation) to keep them engaged.

6.1. Theoretical and practical Recommendation

This study adds more knowledge to the existing academia. The culture and environment impact their choice of profession. This can help leaders in making policies on how to help students identify,

improve and polish the capabilities that will help them in choosing the right career and guide them throughout their practical life.

6.2. Limitation

TIME: The study has been done within a short period of timeframe.

GEOGRAPHICAL LOCATION: The area for this study is Karachi, Pakistan. We would only be covering the Banking industry of Pakistan currently operating in Karachi only.

SAMPLE SIZE AND FINANCIAL CONSTRAINTS: The sample size is limited therefore the data is also limited due to financial and this study is conducted in Pakistan only.

REFERENCES

- Afsar, B., Badir, Y. F., & Saeed, B. B. (2014). Transformational leadership and innovative work behavior. *Industrial Management & Data Systems*.
- Aftab, H. (2012). A Study of Job Satisfaction and its Impact on the Performance in the Banking Industry of Pakistan. *International journal of business and social science*, 3(19).
- Al-Obthani, F. S., & Ameen, A. (2019). Influence of overall quality and innovativeness on actual usage of smart government: an empirical study on the UAE public sector. *International Journal on Emerging Technologies*, 10(1a), 141-146.

- Amah, O. E., & Oyetuunde, K. (2020). The effect of servant leadership on employee turnover in SMEs in Nigeria: the role of career growth potential and employee voice. *Journal of Small Business and Enterprise Development*.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological bulletin*, 103(3), 411.
- Barling, J., Slater, F., & Kelloway, E. K. (2000). Transformational leadership and emotional intelligence: An exploratory study. *Leadership & Organization Development Journal*.
- Bass, B. M. (1995). Comment: Transformational leadership: Looking at other possible antecedents and consequences. *Journal of Management Inquiry*, 4(3), 293-297.
- Bridges (2020). Emotional intelligence can make a difference: The impact of principals' emotional intelligence on teaching strategy mediated by instructional leadership. 82-105.
- Carmeli, A., & Weisberg, J. (2006). Exploring turnover intentions among three professional groups of employees. *Human Resource Development International*, 9(2), 191-206.
- Carter, S. P., Dudley, W., Lyle, D. S., & Smith, J. Z. (2019). Who's the boss? The effect of strong leadership on employee turnover. *Journal of Economic Behavior & Organization*, 159, 323-343.
- DeConinck, J. B., & Stilwell, C. D. (2004). Incorporating organizational justice, role states, pay satisfaction and supervisor satisfaction in a model of turnover intentions. *Journal of Business Research*, 57(3), 225-231.
- Danquah, E. (2022). The Influence of Emotional Intelligence on the Work Engagement of Clinical Leadership: Resilience as a Moderator. *Hospital Topics*, 100(2), 55-61.
- Dess, G. G., & Shaw, J. D. (2001). Voluntary turnover, social capital, and organizational performance. *Academy of management review*, 26(3), 446-456.
- Duval, S., & Wicklund, R. A. (1972). A theory of objective self-awareness.
- Eysenck, H. J., & Eysenck, S. B. G. (1984). Eysenck personality questionnaire-revised.
- Fernández-Berrocal, P., Extremera, N., Lopes, P. N., & Ruiz-Aranda, D. (2014). When to cooperate and when to compete: Emotional intelligence in interpersonal decision-making. *Journal of Research in Personality*, 49, 21-24.
- Goleman, D. (2001). Emotional intelligence: Issues in paradigm building. *The emotionally intelligent workplace*, 13, 26.
- Hair Jr, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2021). A primer on partial least squares structural equation modeling (PLS-SEM). Sage publications.
- Hameed, I., & Khan, K. (2020). An extension of the goal-framing theory to predict consumer's sustainable behavior for home appliances. *Energy Efficiency*, 13(7), 1441-1455.

- Heifetz, R. A., & Linsky, M. (2002). A survival guide for leaders. *Harvard business review*, 80(6), 65-74.
- Hom, P. W., Mitchell, T. R., Lee, T. W., & Griffeth, R. W. (2012). Reviewing employee turnover: focusing on proximal withdrawal states and an expanded criterion. *Psychological bulletin*, 138(5), 831.
- Jamali, A., Bhutto, A., Khaskhely, M., & Sethar, W. (2022). Impact of leadership styles on faculty performance: Moderating role of organizational culture in higher education. *Management Science Letters*, 12(1), 1-20.
- Khan, A. H., & Aleem, M. (2014). Impact of job satisfaction on employee turnover: An empirical study of Autonomous Medical Institutions of Pakistan. *Journal of International Studies*, 7(1).
- Khan, K., Hameed, I., Akram, U., & Hussainy, S. K. (2022a). Do normative triggers and motivations influence the intention to purchase organic food? An application of the goal-framing theory. *British Food Journal*, (ahead-of-print).
- Khan, K., Hameed, I., Hussainy, S. K., & Riaz, K. (2022). Consumers' Sustainable Consumption of Hybrid Cars: An Application of Goal-Framing Theory in the Pakistani Market. *Transportation in Developing Economies*, 8(2), 1-14.
- Khan, M. I., Shah, S. H. A., Haider, A., Aziz, S., & Kazmi, M. (2020). The Role of Supervisor Support on Work-Family Conflict and Employee Turnover Intentions in the Workplace with Mediating Effect of Affective Commitment in Twin Cities in the Banking Industry, Pakistan. *International Review of Management and Marketing*, 10(6), 42.
- Khatri, N., Fern, C. T., & Budhwar, P. (2001). Explaining employee turnover in an Asian context. *Human Resource Management Journal*, 11(1), 54-74.
- Krishnan, T. N., & Scullion, H. (2017). Talent management and dynamic view of talent in small and medium enterprises. *Human Resource Management Review*, 27(3), 431-441.
- Lam, C. L., Law, S. F., Loo, Y. J., Ng, W. Y., & Ooi, S. L. (2015). A study on factors affecting employee retention in nursing industry at Klang Valley (Doctoral dissertation, UTAR).
- Martin Jr, T. N. (1979). A contextual model of employee turnover intentions. *Academy of Management Journal*, 22(2), 313-324.
- Megawaty, M., Hamdat, A., & Aida, N. (2022). Examining Linkage Leadership Style, Employee Commitment, Work Motivation, Work Climate on Satisfaction and Performance. *Golden Ratio of Human Resource Management*, 2(1), 01-14.
- Muchinsky, P. M., & Morrow, P. C. (1980). A multidisciplinary model of voluntary employee turnover. *Journal of Vocational Behavior*, 17(3), 263-290.
- Nafukho, F. M., Muyia, M. H., Farnia, F., Kacirek, K., & Lynham, S. A. (2016). Developing emotional intelligence skills among practicing leaders: reality or Myth? *Performance Improvement Quarterly*, 29(1), 71-87.
- Nelson, D. B., & Low, G. R. (2011). *Emotional intelligence*. Boston: Prentice Hall.

- O'Reilly III, C. A., Chatman, J., & Caldwell, D. F. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of management journal*, 34(3), 487-516.
- Salovey, P., & Mayer, J. D. (1990). Emotional intelligence. *Imagination, cognition and personality*, 9(3), 185-211.
- Schutte, N. S., Malouff, J. M., Bobik, C., Coston, T. D., Greeson, C., Jedlicka, C., & Wendorf, G. (2001). Emotional intelligence and interpersonal relations. *The Journal of social psychology*, 141(4), 523-536.
- Shaughnessy, S. P., & Coats, M. R. (2018). Leaders are complex: expanding our understanding of leader identity. In *what's wrong with Leadership?* (pp. 173-188). Routledge.
- Shuck, B., & Herd, A. M. (2012). Employee engagement and leadership: Exploring the convergence of two frameworks and implications for leadership development in HRD. *Human resource development review*, 11(2), 156-181.
- Smriti, N., & Das, N. (2018). The impact of intellectual capital on firm performance: a study of Indian firms listed in COSPI. *Journal of Intellectual Capital*.
- Staw, B. M. (1980). The consequences of turnover. *Journal of occupational Behavior*, 253-273.
- Strickland, D. (2000). Emotional intelligence: The most potent factor in the success equation. *JONA: The Journal of Nursing Administration*, 30(3), 112-117.
- Sun, R., & Wang, W. (2017). Transformational leadership, employee turnover intention, and actual voluntary turnover in public organizations. *Public Management Review*, 19(8), 1124-1141.
- Theriou, G., Chatzoudes, D., & Diaz Moya, C. A. (2020). The effect of ethical leadership and leadership effectiveness on employee's turnover intention in SMEs: The mediating role of work engagement.
- Wong-Mingji, D. J., Kessler, E. H., Khilji, S. E., & Gopalakrishnan, S. (2014). Cross-cultural comparison of cultural mythologies and leadership patterns. *South Asian Journal of Global Business Research*, 3(1), 79-101.
- Yukl, G., & Mahsud, R. (2010). Why flexible and adaptive leadership is essential. *Consulting Psychology Journal: practice and research*, 62(2), 81.
- Zampetakis, L. A., & Moustakis, V. (2011). Managers' trait emotional intelligence and group outcomes: The case of group job satisfaction. *Small Group Research*, 42(1), 77-102.