

THE IMPACT OF LEADERSHIP STYLES ON EMPLOYEE PERFORMANCE: ANALYSIS
OF INTERVENING EFFECT OF EMPLOYEE RETENTION TO THE RELATIONSHIP OF
LEADERSHIP STYLES AND EMPLOYEE PERFORMANCE

With special reference to D.G Fashion Garment in Sri Lanka

BY

KHIN MARLAR WIN

PDBA/MBA/2014/336

This research report is submitted to the Faculty of Management and Finance of University of
Ruhuna as a partial fulfillment of the requirement of the Master of Business Administration
(MBA) degree of University of Ruhuna, Matara, Sri Lanka

PDBA/ MBA PROGRAMME

FACULTY OF MANAGEMENT AND FINANCE, UNIVERSITY OF RUHUNA

MATARA, SRI LANKA

SEPTEMBER 2016

DECLARATIONS OF THE CANDIATE

Topic The Impact of Leadership styles on employee performance: Analysis of intervening effect of employee retention to the relationship of leadership styles and employee performance with special reference to D.G Fashion Garment in Sri Lanka

Name KHIN MARLAR WIN

Registration Number PDBA/MBA/2014/336

I certify that this research study on “The Impact of Leadership styles on employee performance: Analyzing of intervening effect of employee retention to the relationship of leadership styles and employee performance with special reference to D.G Fashion Garment in Sri Lanka” has been conducted by the researcher and has not been summited earlier or concurrently for any other degree.

.....

Date:

Khin Marlar Win

PDBA/MBA/2014/336

Recommendation of the Supervisor for the dissertation

Supervisor

I certify that the dissertation report of “The Impact of Leadership styles on employee performance: Analyzing of intervening effect of employee retention to the relationship of leadership styles and employee performance with special reference to D.G Fashion Garment in Sri Lanka” which is presented by Ms. Khin Marlar Win was performed under my supervision.

.....

Mr. K.G. Priyashantha

Senior Lecturer,

Department of Management and Entrepreneurship,

Faculty of Management and Finance,

University of Ruhuna,

Matara - Sri Lanka

Acknowledgement

I would like to convey my sincere thanks to our former Dean, Prof. H.S.C. Perera, Faculty of Management and Finance as well as present Dean, Dr. T.S.L.W. Gunawardana and our lecturer, Dr. P.A.P. Samantha Kumara who supported a lot of knowledge for my thesis. Then, I would like to convey my sincere thanks to my thesis supervisor, Mr. K.G. Priyashantha for his guidance, valuable suggestions and feedback throughout my thesis process. Without his support and guidance, this research would not have been possible to complete.

I would also like to thanks the officials of Mr. Shrian Chaminda, HR Manager of D.G Fashion Garment, Mr. Sampathu Weligamage, Production Manager of D.G Fashion Garment, and Mr. Denuwan Patabendi, Merchandising Manager of D.G Fashion Garment and Mr. Kularathna for helping me in providing all the necessary information related to the research. Then, I would like to thanks to the production employees of D.G Fashion Garment who supported by filling questionnaires.

Further, I convey gratitude to my family and friends who supported me for my study. Finally, I would like to thanks to everyone who supported throughout my study.

Abstract

Nowadays, organizations are operating in highly competitive environment. Effective leadership style requires for managing the organization successfully. The organizational success depends on its leadership styles and effectiveness of its employees. The effectiveness of individual employee' performance depends on the leader/supervisor. Effective leader can enhance the individual employee performance through proper leadership style and retain high performance and talent employees within the company because he knows that high performance employees are unique resources of the organization. Based on the culture and nature of organization, leaders are applied suitable leadership styles. The behavior of leader is very importance to improve job performance and retain skillful employees for longer period in the organization. According to the problems or situations they face, leader needs to apply proper leadership styles. In some situations, employees leave the manager, not the organization. However, there are some other factors such as job satisfaction, flexible working environment, work life balance, work environment and career development opportunities. This paper identifies the impact of autocratic, democratic and laissez - faire leadership style on retention and job performance of employees.

The purpose of this research was to investigate how leadership styles impact on employee retention and job performance. In this study, three main variables consist in conceptual framework. They are independent variables (autocratic leadership style, democratic leadership style and laissez -faire leadership style), intervening variable (retention) and dependent variable (individual employee performance). A sample of 150 respondents has been randomly selected from the D.G Fashion Garment (Pvt) Ltd., of Sri Lanka. Sample was selected by using simple random method and primary data was collected through structured questionnaires. Respondents were asked to indicate their preference on five point Likert scale. Data analysis was conducted by using Statistical Package for Social Sciences (SPSS 13.0) by using the statistical technique such as Cronbach alpha, mean, mode, variance, standard deviation, correlation and regression analysis. Graphs and tables were also used for data presentation.

Key Words: autocratic leadership style, democratic leadership style, laissez-faire leadership style, retention, performance

Table of contents

| | |
|---|----|
| Acknowledgement..... | iv |
| Abstract | v |
| Table of contents | vi |
| List of Tables..... | x |
| List of figures | xi |
| CHAPTER ONE | 1 |
| INTRODUCTION..... | 1 |
| 1.1 Introduction of the Topic | 1 |
| 1.2 Background of the Study | 3 |
| 1.3 Problem Statement..... | 4 |
| 1.4 Research Questions..... | 5 |
| 1.5 Objectives | 6 |
| 1.6 Significance of the Study..... | 6 |
| 1.7 Introduction of the Organization..... | 7 |
| 1.8 Limitations of the Study..... | 8 |
| 1.9 Chapter Organization | 9 |
| CHAPTER TWO..... | 10 |
| LITERATURE SURVEY | 10 |
| 2.1 Introduction..... | 10 |
| 2.2 Definition of Performance, Leadership Styles and Employee Retention | 10 |
| 2.2.1 Definition of Performance..... | 10 |
| 2.2.2 Definition of Leadership | 12 |
| 2.2.3 Definition of Employee Retention | 13 |

| | |
|---|----|
| 2.3 Concept of Performance, Leadership Theories and Retention Strategies..... | 13 |
| 2.3.1 Concept of Performance..... | 13 |
| 2.3.1.1 Performance Management System on Employee Performance | 15 |
| 2.3.2 Theories on Leadership | 17 |
| 2.3.2.1 Douglas McGregor’s Theory X-Y..... | 17 |
| 2.3.2.2 Fiedler’s Contingency Theory..... | 18 |
| 2.3.2.3 Leader-Member Exchange Theory (LMX) | 18 |
| 2.3.2.4 Trait Theory of Leadership..... | 19 |
| 2.3.2.5 Behavior Theory of Leadership..... | 20 |
| 2.3.2.6 Lewin's Three Participatory Leadership Styles (1939) | 20 |
| 2.3.2.6.1 Autocratic leadership style..... | 21 |
| 2.3.2.6.2 Democratic leadership style | 21 |
| 2.3.2.6.3 Laissez-faire leadership style | 22 |
| 2.3.2.7 Path-Goal Theory | 23 |
| 2.3.2.8 Transformational and Transactional Leadership Theories | 24 |
| 2.3.2.9 Charismatic Leadership Theory..... | 25 |
| 2.3.3 Strategies of Employee Retention | 26 |
| 2.3.3.1 Recruitment and Retention | 27 |
| 2.3.3.2 Training and Development | 28 |
| 2.3.3.3 Job Satisfaction..... | 29 |
| 2.3.3.4 Motivation through recognition rewards and enhancing employee loyalty | 29 |
| 2.3.3.5 Reward and Recognition | 30 |
| 2.3.3.6 Compensation | 31 |
| 2.3.3.7 Organizational Commitment | 32 |
| 2.3.3.8 Career Development Opportunities | 33 |
| 2.3.3.9 Job Stress and Grievance Handling..... | 34 |

| | |
|--|-----------|
| 2.3.3.10 Work Life Balance..... | 35 |
| 2.3.3.11 Work Environment | 35 |
| 2.3.4 Factors Effective Employee Retention..... | 37 |
| 2.3.4.1 Reasons for employees leaving | 38 |
| 2.3.4.2 Effect of Supervisor Support | 38 |
| 2.4 Prior Research Studied on Performance, Leadership and Retention | 39 |
| 2.4.1 Nexus between Leadership Styles, Employee Retention and Performance in Organization | 39 |
| CHAPTER THREE..... | 41 |
| RESEARCH METHODOLOGY | 41 |
| 3.1 Introduction..... | 41 |
| 3.2 Research Design..... | 41 |
| 3.3 Research Approach | 43 |
| 3.3.1 Population and Sampling Method | 43 |
| 3.3.2 Simple Random Sampling Method | 44 |
| 3.3.3 Sample..... | 45 |
| 3.3.4 Sample Size | 45 |
| 3.3.5 Sampling Procedure | 45 |
| 3.4 Data Collection | 46 |
| 3.5 Conceptual Framework and Hypotheses | 47 |
| 3.5.1 Conceptual Framework | 47 |
| 3.5.2 Hypotheses | 48 |
| 3.5.2.1 Autocratic Leadership and Employee Performance | 48 |
| 3.5.2.2 Democratic Leadership and Employee Performance | 49 |
| 3.5.2.3 Laissez- Faire Leadership and Employee Performance | 49 |
| 3.5.2.4 Autocratic Leadership and Employee Retention..... | 50 |

| | |
|--|----|
| 3.5.2.5 Democratic Leadership and Employee Retention | 50 |
| 3.5.2.6 Laissez- faire Leadership and Employee Retention | 51 |
| 3.5.3.7 Employee Retention and Employee Performance | 51 |
| 3.6 Operationalization..... | 52 |
| 3.7 Data Analysis Method..... | 56 |
| CHAPTER FOUR..... | 57 |
| DATA ANALYSIS | 57 |
| 4.1 Introduction..... | 57 |
| 4.2 Validity and Reliability of Variables | 57 |
| 4.3 Descriptive Statistics of the Data Set..... | 62 |
| 4.4 Main Model..... | 66 |
| 4.5 Regression Model | 69 |
| 4.6 Hypotheses Testing..... | 74 |
| 4.7 Discussion..... | 78 |
| CHAPTER FIVE | 81 |
| CONCLUSION | 81 |
| References | 85 |
| Appendix | 99 |

List of Tables

| | |
|--|----|
| Table 3.1 Employee Performance Questions | 52 |
| Table 3.2 Autocratic Leadership Style Questions | 53 |
| Table 3.3 Democratic Leadership Style Questions | 54 |
| Table 3.4 Laissez-Faire Leadership Style Questions..... | 55 |
| Table 3.5 Employee Retention Questions | 56 |
| Table 4.1 Reliability Statistics of Performance | 58 |
| Table 4.2 Reliability Statistics of Autocratic Leadership Style..... | 59 |
| Table 4.3 Reliability Statistics of Democratic Leadership Style..... | 60 |
| Table 4.4 Reliability Statistics of Laissez-faire Leadership Style..... | 61 |
| Table 4.5 Reliability Statistics of Employee Retention..... | 62 |
| Table 4.6 Number of Questionnaires Distributed and Collected..... | 65 |
| Table 4.7 Correlation Coefficient of Standard Variable with Control Variable Relation..... | 66 |
| Table 4.8 Correlation Coefficient of Standard Variable after Controlling the Control Variables | 68 |
| Table 4.9 Coefficients of the Dependent Variable - Performance | 70 |
| Table 4.10 Model Summary for Performance without the Interaction Effect..... | 71 |
| Table 4.11 Coefficients of the Dependent Variable - Retention | 71 |
| Table 4.12 Model Summary for the Retention | 72 |
| Table 4.13 Coefficients of the Dependent Variable – Performance..... | 73 |
| Table 4.14 Model Summary for the Performance | 74 |
| Table 4.15 Hypotheses Testing Information | 75 |

List of figures

| | |
|---|----|
| Figure 2.1 Lewin's Three Participatory Leadership Styles..... | 23 |
| Figure 3.1 Conceptual Framework | 47 |
| Figure 4.1 Frequency Distribution of Age..... | 63 |
| Figure 4.2 Frequency Distribution of Gender | 64 |
| Figure 4.3 Frequency Distribution of Marital Status..... | 64 |
| Figure 4.4 Frequency Distribution of Tenure..... | 65 |
| Figure 4.5 Correlation Coefficient of Standard Variable with Control Variable Relation..... | 67 |
| Figure 4.6 Correlation Coefficient of Standard Variable after Controlling the Control Variables | 69 |

CHAPTER ONE

INTRODUCTION

1.1 Introduction of the Topic

Leadership is one of the most important areas in the organizational management. Northouse (2007) defined that leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Ethe et al., (2012) also defined that leadership is the ability of a person who can influence the behaviors or actions of other people for the purpose of achieving goals and to maximize outcomes in the organization. Good leadership is essential to an efficiency and effectiveness of the organization. Nowadays, organizations are using different leadership styles which depend on their nature and how the organizations operate. Different types of leadership styles will be effective in attaining organizational goals and objectives in different situations at workplace. The leadership styles applied by managers' associate with employees' job satisfaction, retention and then consequently improve their performances which can attain through effective leadership. Therefore, leaders play a vital role for the survival and progress of an organization. Nwokocho et al., (2015) also stated that leadership helps to achieve the goals and objectives of the organization.

Ethe et al., (2012) also described that leadership style refers to a particular behavior applied by a leader to motivate and influence his or her followers to achieve the goals of the organization. It cannot be possible to lead people in the same way to leverage their talents and obtain optimal performance. Different types of leadership styles exist in work environments. Each leadership style has both advantages and disadvantages. The culture and goals of an organization determine which leadership style is the best for the firm.

In this study, the researcher going to focuses on Lewin's three participatory leadership styles (1939): autocratic, democratic and laissez-faire leadership styles. Lewin et al., (1939) stated that autocratic leaders closely monitor employees to ensure that employee are performing correctly and they use reward, punishment and threat as motivation tools. This style of leadership is strongly focused on both commands by the leader and control of the followers (ibid). Karamat (2013) also pointed out that autocratic leaders are the leaders who set their goals without

considering the opinion of their followers then command their followers to execute their assigned tasks without question. Then, Swarup (2013) also stated that Democratic leadership style also defined participative leadership style as it encourages employees to participate in the decision making process and problem solving responsibilities. Cherry (2006) stated that democratic leaders offer guidance to group members, but they also participate in the group and allow input from other group members. Lewin et al., (1939) pointed out that in laissez –faire leaders give employee freedom of action, provide little guidance and employee have to solve problem by their own. Some of the researchers (Dotse and Asumeng, 2014 and Nwokocha and Iheriohanma, 2015) identified that each leadership style has impacted on employee retention and their performance in the organization.

In this study, there are two main functions that leaders bounded to be perform. The first one is employee retention which is a challenge for organizations as the skillful employees are valuable resources for organization and the second function is employees' performance. Ethe et al., (2012) stated that the role of leaders and their leadership styles is crucial in employee retention. There are various retention strategies such as rewards and recognition programs, training and development programs, flexible working arrangements, compensation, promotion and other opportunities. As employee retention strategies have a positive effect or relationship to employees' job performance, the leader from the organization should practices retention strategy which able to remain employee to increase the level of job performance (Akuoko, 2012 as cited in Luen et al., 2013). Therefore, it is also important for organization to attain the highly potential employees in the recruitment process. However, it is more imperative for the leaders to retain the highly performance employees of the organization in order to benefit from the investment already made in them such as training and development programs. In this competitive business environment, leaders have to steer their organizations for the attainment of competitive edge in the industry. This competitive advantage will be guaranteed if the core employees are retained for as long as possible so that continuity of competitive goods and services is assured and will improve the organizational performance (Michael, 2008). Therefore, employee retention is one of the most critical issues facing organizational managers as a result of the shortage of skilled manpower, economic growth and high employee turnover (ibid).

The second function is employees' performance. The leadership behavior and capability can influence to motivate and improve the individual employee work performance. The nature of the

organization may have an effect in developing and shaping the leadership style and motivating the employees. Leaders influence to other people for the purpose to achieve the organizational goals. Therefore, the behavior of leader has an effect on the work outcomes, on the way tasks are completed. That is why, leadership style will be important to improve the individual employee work performance. The successes of the organizations highly depend on the quality and effectiveness of employee work performance. Babatunde and Emem (2015) approved that the leadership styles that adopted by a manager in an organization have strongly impacted with the performance of employees. Effective Leader must retain talented employees to achieve organizational goals by improving their performance. Opatha (2014) stated that talent employees are the core competency of organization. They cannot imitate by others. Through them, organization can get competitive advantages within the industry.

In this study, the researcher would like to present the impact of leadership behavior of the leader and performance of his followers by analyzing intervening effects of employee retention to the relationship of leadership styles and employee performance.

1.2 Background of the Study

Leadership plays a central role in organizational management. As mention in above, the success of the organization is highly depends on the behavior of leader. Without proper leadership and directing, it is difficult to achieve the success of the organization. Effective leaders can management their department or organization by influencing his or her followers. Managing the people is not an easy task. Leaders need to understand how he or she can influence his or her followers. The behavior of leader can motivate or demotivate to the employees. Effective leadership can enhance employees' satisfaction with their jobs, motivation at work and task performance (Lussier & Achua, 2012). The success of the organization depends on leaders as the leader can influence the follower performance. If the leader can apply the appropriate leadership style, employees will satisfied and motivated with their job as a consequence their performance will improve and they will also intend to stay for longer period. Therefore, an effective leader has to understand how to satisfy, motivate and improve his or her subordinates' performance and how to attract and retain the high performance employees in the organization. As the organizations are operating in highly competitive business environment, it is very crucial to keep

skillful employees who can contribute effectively with their highest performance to attain the organizational goals. Michael (2008) pointed out that the competitive advantage will be guaranteed if the organization can retain core employees as long as possible.

1.3 Problem Statement

Many organizations are facing the challenge of retaining their highly resourceful employees. As Organizations are operating in highly competitive environment, it is very importance to retain their highly performance employees in order to achieve competitive advantages within the industry. The management team has to control the problems of employees quitting the organization. Price (2001) observed that the role of leadership and a supervisor is crucial in employee retention and argued that employees leave the managers/supervisors, not the organization. The behaviors of a leader can effect on employees' feeling about the organization and job satisfaction and their performance. Employees will leave the organization when they are not satisfied with their job. Every organization tries to hire talent employees by providing better opportunities to attract them as they are source of competitive advantages. Michael (2008) pointed out that employee retention is one of the major problems facing by managers in organizations as a result of the shortage of skillful manpower, economic growth and high employees turnover. Therefore, retention of high performance employees is a challenge as they are center of attention at every workplace.

Productive employees are the lifeblood of every business. Farooqui and Ahmed (2013) also stated that employees are the assets of the organization especially employees with technical skills are highly appreciated or encouraged in the manufacturing units. Therefore, skillful and high performance workers are necessary for high quality production as organization depends on these skillful workers for achieving the production goals of the organization. The garment industry also requires skilled and talented workers for maintaining the quality of the production. Dheerasinghe (2009) pointed out that the Garment industry has an important place in Sri Lanka's economy as it has become Sri Lanka's largest export industry. According to Export development board of Sri Lanka (2015) the earnings from export of textile & apparel industry which accounted for 43% of total export earnings of the country. The garment industry is the country's biggest employer in the manufacturing sector. The industry provides direct employment opportunities to between

300,000 and 600,000 which include a substantial numbers of women in Sri Lanka (Embaldeniya, 2015). Most of the workers in garment industry are young women from rural parts of the island (sundaytimes.lk, 2015).

Dheerasinghe (2009) stated that major problem of the garment industry is facing the problems in developing and maintaining the required manpower. Weerakoon and Thennakoon (2006) concluded that young female workers have a tendency to leave the apparel industry after a short period of time largely due to long working hour, harsh working conditions and schedules, uncomfortable and low quality living arrangements.

Higher employees' turnover can impact on the performance of organization. Dheerasinghe (2009) stated the lack of skilled labor and high labor turn over are one of the main challenges facing by Sri Lankan apparel industry. Therefore, retaining highly skill employees play a vital role in the industry in order to survive in the highly competitive world apparel market. The management and leaders of the company must try to retain potential employees and improve the performance of employees for efficiency and effectiveness of the organization. According to the nature of industry, leaders should apply appropriate leadership style to retain top performer employees within the company.

Therefore, leadership styles, employee retention and performance have become an area of concern for researcher. Hence, the researcher has chosen D.G Fashion Garment to observe this area. The present study mainly focuses on the determinants of impact of leadership style in employee performance by analyzing intervening effect of retaining the high performance employees with reference to leading garment factory in Sri Lanka D.G Fashion Garment.

1.4 Research Questions

There are two types of research question. They are general question and specific questions which are given below.

The general question can be mentioned as;

- *What is the impact of leadership style on employee performance?*

Similarly the specific questions are as follows;

- *What is the impact of autocratic leadership style on employee retention?*
- *What is the impact of democratic leadership style on employee retention?*
- *What is the impact of laissez-faire leadership style on employee retention?*
- *What is the impact of autocratic leadership style on employee performance?*
- *What is the impact of democratic leadership style on employee performance?*
- *What is the impact of laissez-faire leadership style on employee performance?*
- *What is the impact of employee retention on employee performance?*

1.5 Objectives

There are two types of research objective. They are general objective and specific objectives which are given below.

The general objective can be mentioned as;

- *To examine the impact of leadership styles on employee performance*

Similarly the specific objectives are as follows;

- *To examine the impact of autocratic leadership style on employee retention*
- *To examine the impact of democratic leadership style on employee retention*
- *To examine the impact laissez-faire leadership style on employee retention*
- *To examine the impact of autocratic leadership style on employee performance*
- *To examine the impact of democratic leadership style on employee performance*
- *To examine the impact of laissez-faire leadership style on employee performance*
- *To examine the impact of employee retention on employee performance*

1.6 Significance of the Study

Nowadays, every part of the world needs a wise leadership. Leading is everything. The success of organization depends on the leader. If a leader can give a good leadership, the followers will

perform their job effectively. There is an expression that a leader is one who knows the way, goes the way and shows the way. So, leading role is very important for every family, every nation and every organization because leaders are decision makers. Leaders should be intelligent and efficiency. Thus, he or she can give a good guide line and wise decision. A good leader used to care about not only profit maximization but also welfare of the employees and community. Therefore, leading is very interesting part and should be analyze very carefully. Leadership plays a critical role for the progress of organization. Adair (2004) stated that a leader is the kind of person (with leadership qualities) who has the appropriate knowledge and skill to lead a group to achieve its ends willingly. Employees are human resources of the organization. A good leader knows the importance of human resources which cannot imitate by others. Therefore, he tries to retain the high performance employee within the organization, through them he try to achieve the goals of the organization. As explained in earlier, the success of an organization is depends on its employees performance and the performance of employees in the organization depend upon the leadership styles of their leader.

The outcomes of this study will help to understand how the behavior of leader effects on employee retention and performance of his followers in the organization. This will give support for management and leaders to understand the factors affecting employee retention and the rationale for leaving employment. Therefore, they will realize how much leadership styles can effect on employee retention and performance of his followers.

Further researchers can understand how leadership styles have impact on employee retention and their performance. They can use relevant information for their research.

1.7 Introduction of the Organization

D.G Fashion Garment (Pvt) Ltd., has established in 1997. Company's products are mainly about ladies and gents underwear and T-Shirts. Today D.G has two manufacturing units; each facility has in excess of 35,000 square feet set in beautiful surroundings to make the work force feel homely and comfortable ensuring they are happy whilst working. Each facility has in excess of 300 workers, total 650 employees across the business. The average of D.G Fashion Garment annual production capacity is 9.5 million pieces.

D.G Unit 2 (export unit) has work power of over 380 employees keeping high quality output in each department, stores to cutting, cutting to production, production to packing and packing to finishing, and each department with the supportive effort to achieve their goals. The average annual production is approximately 6.5 million. The researcher went to D.G Unit 2 to collect the information for this study.

Vision

DG Fashions are around the world by year 2020

Mission

To provide customer satisfaction oriented products to the market at all occasions through highest standard, innovation and contemporary developments

1.8 Limitations of the Study

The limitations of this empirical study are as follow.

- Firstly, although there are so many types of leadership style, present study only focused on three leadership styles. They are autocratic style, democratic style and laissez-faire style.
- Secondly, present study only focused on manufacturing industry.
- Thirdly, the present study merely focused on the only production employees of manufacturing industry.
- The fourth limitation was time limitation. There are so many things had to done in the short period time. The time limitation was a barrier for this study.
- The final limitation was language problem. As the researcher is a foreign student, there was language difficulty while collecting the data.

1.9 Chapter Organization

CHAPTER ONE: This chapter gives overview of the study. In this chapter involves introduction to the topic, research problem, research questions, objectives and limitations of the study etc.

CHAPTER TWO: This chapter will present the theoretical findings of other researchers which are relevant to the research such as theories of leadership style, strategies of employees' retention and concepts of employees' performance.

CHAPTER THREE: This chapter will cover the research methodology.

CHAPTER FOUR: This chapter carefully analysis the data which are collected through the questionnaires and systematically analysis that data. The effect of leadership styles on employees' retention to the relationship of employee performance will be discussed under this section.

CHAPTER FIVE: This chapter contains final discussion of the study.

CHAPTER TWO

LITERATURE SURVEY

2.1 Introduction

This chapter is going to present definition and theoretical findings of previous researchers which are highly relevant to this study such as what employee performance is, what are leadership theories and leadership styles, how leadership styles effect on employees retention and individual performance, how to retain talent employees and how to improve individual performance of employee. Section 2.1 introduction gives the summarization about the chapter. Section 2.2 will present the definition of employee performance, definition of leadership and definition of employee retention. Section 2.3 will present concept of performance, theories on leadership styles and strategies of employee retention. This section will describe types of leadership styles, nature of these styles and how these styles has impact on employees retention and individual performance in the organization. Section 2.4 will present the prior research study of employee retention to the relationship of leadership styles and job performance.

2.2 Definition of Performance, Leadership Styles and Employee Retention

Different authors and researchers have defined performance, leadership styles and employee retention in different ways. Some of these definitions are as follow.

2.2.1 Definition of Performance

Rotundo and Rotman (2002) defined that job performance was defined as actions that contribute to organizational goals and that are under the individual's control. According to Otley (1999) performance in organizations can be separated in organizational performance and job performance. Employee performance is also known as job performance. Otley (1999) also stated that, the performance of organization depends on the performance of employees (job performance) and other factors such as the environment of the organization.

A good employee performance is necessary for the organization, since an organization's success depends on the employee's creativity, innovation and commitment (Ramlall, 2008). Macky and Johnson (2000) pointed that improved individual employee performance could also improve organizational performance as well. The performance of an organization as a whole determines its survival. According to this, the researcher can say that performance of individual contributes to departmental success and consequently departmental success determines the organizational success. Therefore, individual performance is highly important for an organization as a whole. Then, Armstrong (2014) stated that performance is concerned with how well something is done and reward is with how people should be recognized for doing it. Griffin et al., (1981) posited that good job performances and productivity growth are important in stabilizing the economy; by means of improved living standards, higher wages, an increase in goods available for consumption, etc. He also argued that individual employee performance is important to society in general. According to Hunter and Hunter (1984) crucial in a high job performance is the ability of the employee himself. The employee must be able to deliver good results and have a high productivity. According to Sinnented and Frese (2002) individual performance is a core concept within work and organizational psychology. According to Armstrong (2014) performance is defined as behavior that accomplishes results. Performance management influences performance by helping people to understand what good performance means and by providing the information needed to improve it. Reward management influences performance by recognizing and rewarding good performance and by providing incentives to improve it. According to Viswesvaran and Ones (2000), job performance refers to scalable actions, behaviors and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals.

A widely endorsed definition of work performance is that of Campbell (1993) as cited in Koopmans et al., (2011) that "behaviors or actions that are relevant to the goals of the organization". Three notions accompany this definition: (1) work performance should be defined in terms of behavior rather than results, (2) work performance includes only those behaviors that are relevant to the organization's goals, and (3) work performance is multidimensional. As distinguishing between behavior and results can be difficult, others have included results in their definition of work performance (ibid).

2.2.2 Definition of Leadership

Different authors defined leadership in different ways. Yukl (2010) defined that leadership is the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives. Northouse (2010) interpreted leadership as “a process whereby an individual influences a group of individuals to achieve a common goal”. In the book of Business Essential (2009) a leader’s style of leading can affect the motivation, efficiency and effectiveness of the leader’s followers. Then, Rowe and Guerrero (2011) stated that leadership is about influence—the ability to influence your subordinates and your peers in a work or organizational context. Without influence, it is impossible to be a leader. Of course, having influence means that there is a greater need on the part of leaders to exercise their influence ethically. According to Dubrin (2007), the leader has the ability to inspire confidence and support among the people who are needed to achieve organizational goals. Porter et al., (2006) described that leaders get things done through people. They set the direction and get other people to follow them. Armstrong (2009) pointed out that leadership is the process of getting people to do their best to achieve a desired result. It involves developing and communicating a vision for the future, motivating people and gaining their engagement (ibid). Moreover, effective leadership requires good communication. Skillful leaders make sure they use the right mode of communication. Leader to Leader (2008) stated that communication has to be two-ways communication. The results of good communication should be to gain associate alignment, agreement, and commitment. One should keep words single. Effective leaders manage themselves well, communicate clearly and consistently, develop others, encourage full participation and teamwork, build relationship, spur innovation and creative thinking, foster high performance, align strategy and execution and more (ibid). Bill George, former CEO of Medtronic Company said that the role of leaders is not to get other people to follow them, but to empower others to lead (described in ‘Era of Management book’ Daft, 2013). Business essential (2009) pointed out that leadership is the process of influencing others to work willingly towards goals, to the best of their capabilities, perhaps on a manner different to that which they would otherwise have chosen.

2.2.3 Definition of Employee Retention

Employee retention is one of the most important issues within organization and can influence its success. Employees are leaving for a better job elsewhere because of better prospect or for more money. Keeping valuable employees within the organization can be source of competitive advantages. Their knowledge, expertise and skills can contribute to the long term success of an organization. Browell (2003) interpreted that employee retention means keeping those members of employee that one wants to keep and not losing them from the organization, for whatever reason, but especially to competitors. He also said that good employees are key sources for the firm because they are so important to the success of an organization. As skilled employees are sources of competitive advantages, crucial to high-performing organization. The ability to retain these talented, key members of employee is one of the most important issues facing all organization around the world. Therefore, the ability of leadership in organization is crucial to retain its best employees and hence maintain a lower turnover. Organizations need to have the right people with right skills and abilities in the place at the right time. An organization is able to achieve this by adopting various employee retention strategies. The survival and success of organization in future will depend on the quality of its employees. Therefore, it is very important to attract and retain skillful employees, use them effectively and reward them so that organization can keep the employees who the organization wants.

2.3 Concept of Performance, Leadership Theories and Retention Strategies

Concept of performance, theories of leadership and retention strategies for high performance employees are as follow.

2.3.1 Concept of Performance

Organizations need highly performance employees in order to meet their goals, to deliver the products and services they specialized in and finally to achieve competitive advantages. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of self-efficiency and pride. Sonnentag and Frese (2002) pointed out that low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure.

Moreover, performance—if it is recognized by others within the organization—is often rewarded by financial and other benefits. Performance is a major—although not the only—prerequisite for future career development and success in the labor market (ibid). An individual able to be promoted, get rewards and having career development opportunities when he/she is having well performance. The efficiency of productivity of an organization is strongly influences by job performance of employee (Luen et al., 2013).

Moreover, performance is a multi-dimensional concept. According to Borman and Motowidlo (1993), performance can be distinguished into task performance and contextual performance. Task performance refers to an individual's proficiency with which he or she performs activities which contribute to the organization's 'technical core'. This contribution can be both direct (e.g., in the case of production workers) or indirect (e.g., in the case of managers or staff personnel). Contextual performance refers to activities which do not contribute to the technical core but which support the organizational, social and psychological environment in which organizational goals are pursued (ibid). Sonnentag and Frese (2002) stated that contextual performance includes not only behaviors such as helping coworkers or being a reliable member of the organization but also making suggestions about how to improve work procedures. Koopmans et al., (2011) mentioned in his book that Borman and Motowidlo (1997) argued that the entire work performance domain could be encompassed by the comprehensive dimensions of task performance and contextual performance. They described task performance as behaviors that directly or indirectly contribute to the organization's technical core, and contextual performance as behaviors that support the organizational, social, and psychological environment in which the technical core must function (ibid). Examples of contextual activities are volunteering, persisting, helping, cooperating, and following rules. Task activities usually vary between different jobs, whereas contextual activities are common to many or all jobs.

To improve performance of employees, performance management system plays critical role in organization management. Performance of employees needs to be measure by their leaders or supervisors. Measuring performance is an essential function in business management. Leader has responsibility to manage and measure employee job performance effectively. According to Kostiuk and Follmann (1989), in most organizations performance is measured by supervisory ratings however these data are not very useful since they are highly subjective. It is generally accepted that an employee's performance which is based on individual factors, namely:

personality, skills, knowledge, experiences and abilities (Vroom, 1964 as cited in Keijzers, 2010). According to Umstot and Mitchell (1976) as cited in Keijzers (2010) job performance is the measurement of “the average number of units produced per hour for one day; adjusted for set-up and called productivity”. Assessing employee and providing feedback is crucial in management function. Through the feedback of supervisor or leader, the performance of employee will be improved.

2.3.1.1 Performance Management System on Employee Performance

Performance management plays important role for every organization as it helps the organization ensuring employees are working hard to contribute to achieving the organization's mission and objectives. Macky and Johnson (2000) pressed that the importance of performance management system is on continuously improving organizational performance and this is achieved by improved individual employee performance. Performance management is a type of Human Resource practice that can effectively help to meet retention objectives and organizational goals through effective leadership styles.

According to Hom (1995) as cited in Ghansha (2011), performance management aligns the goals of individual members to those of the organization with which they are associated. Deadrick and Gardner's (1997) as cited in Zhang (2012) pointed that employee performance could be defined as the record of outcomes achieved, for each job function, during a specified period of time. If viewed in this way, performance is represented as a distribution of outcomes achieved, and performance could be measured by using a variety of parameters which describe an employee's pattern of performance over time. On the other hand, Darden and Babin (1994) as cited in Zhang (2012) said employee's performance is a rating system used in many corporations to decide the abilities and output of an employee. Good employee performance has been linked with increased consumer perception of service quality while poor employee performance has been linked with increased customer complaints and brand switching.

Lawler (2003) stated that the objectives often include motivating performance, helping individuals to develop their skills, building a performance culture, determining who should be

promoted, eliminating individuals who are poor performers, and helping implement business strategies. The main purpose of the performance management system is to ensure that:

- The work performed by employees accomplishes the work of the company;
- Employees have a clear understanding of the quality and quantity of work expected from them;
- Employees receive ongoing information about how effectively they are performing relative to expectations;
- Awards and salary increases based on employee performance are distributed accordingly;
- Opportunities for employee development are identified; and
- Employee performance that does not meet expectations is addressed

According to Chan and Lynn (1991) as cited in Gabriel (2003), the organizational performance criteria should include profitability, productivity, marketing effectiveness, customer satisfaction, but also employee morale. Zhang (2012) stated that employee performance is tightly related to organizational performance, effective and efficient employee performance will positively influence organizational performance. He also stated that most importantly, effective performance management requires a system that is fair, and that employees trust as being fair, both in terms of procedure (for example, consistent and well-communicated evaluation criteria) and in terms of the potential benefits arising from such evaluations (for example, training, professional development) (ibid).

Employees are the resources and valuable assets of an organization. Therefore, leader or supervisor needs to figure out strategies for identifying, encouraging, measuring, evaluating, improving and rewarding to improve the employees' performance at work. Consequently, improved the individual performance employee could also influence organizational performance. Therefore, employee performance needs to manage effectively by manager or supervisor. Performance management by a leader plays importance role to improve the individual performance of employee. Performance management is a type of Human Resource practice which can effectively help to improve performance of employee and to achieve the organizational goals. A leader or supervisor has responsibility for managing the performance of their employees. The performance of employee depends on his/her leader or supervisor. If the leaders/supervisors can

manage effectively, the performance of employees will increase. Therefore, Zhang (2012) concluded performance management by the leader has positive effect with the individual performance of employee.

2.3.2 Theories on Leadership

There are many theoretical explanations and descriptions of the process of leadership. The leadership theories to be discussed are Douglas McGregor's theory X-Y, Fiedler's Contingency Theory, Leader-member exchange theory, Trait Theories of Leadership, Behavioral theories of leaderships, Lewin's Three Participatory Leadership Styles, Transformational and Transactional Leadership theories, Path-Goal Model and Charismatic Leadership theory .

2.3.2.1 Douglas McGregor's Theory X-Y

Theory X–Y was developed by McGregor in (1960) as cited in Mat (2008). McGregor's contribution was to classify the different attitudes a manager might have about their staff/employees, the extremes of these attitudes being X and Y. This theory explains two conflicting observations of people at work that will influence management style. Theory X assumes that the average person dislikes work and will avoid it if he or she can. Therefore, employees must be coerced, controlled and directed to ensure the organizational objectives are met; the threat of punishment must exist within an organization and they prefer to be managed this way to avoid responsibility. It also assumes that people are relatively unambitious and their prime driving force is the desire for security (Mat, 2008). Theory X is also call 'traditional' view of human behavior. On the other hand, Theory Y is opposite with Theory X and perceives employees to be motivated, keen to take greater accountability and employees will exercise both self-control and direction towards performance objectives provided to them and that commitment is a function of the incentives and rewards associated with the achievement of those goals. The employees will exercise their imagination, ingenuity, creativity and innovation in solution of problems in their jobs (Porter et al., 2006).

2.3.2.2 Fiedler's Contingency Theory

The theory of contingent leadership developed by Fiedler (1967) as cited in Armstrong (2009) stated that the type of leadership exercised depends on a large extent on the situation and the ability of the leader to understand it and act accordingly. This is sometimes called situational leadership. This leadership style depends on the readiness of the followers because it is their action that determines effectiveness. Fiedler wrote: "Leadership performance depends as much on the organization as on the leader's own attributes". Fiedler pointed out that the performance of a group is related both to the leadership style and to the degree to which the situation provides the leader with the opportunity to exert influence (Armstrong, 2009). Fiedler considered a person's leadership styles to be relatively fixed and difficult to change; therefore, the basic idea is to grow the leader's style with the situation most favorable for his or her effectiveness. By diagnosing leadership style and organizational situation, the correct fit can be arranged (Daft, 2013). Fiedler et al., (1977) as cited in Porter et al., (2006), effective group performance relies upon the correct balance between the leader's style of interacting with the staff and how much influence and control the situation gives the leader.

2.3.2.3 Leader-Member Exchange Theory (LMX)

The leader-member exchange theory of leadership was formulated by Graen (1976) as cited in Armstrong (2009) focuses on the two-way relationship between supervisors and subordinates. It is linked to social exchange theory which explains social change and stability as a process of negotiated exchanges between parties (Armstrong, 2009). Within an organizational work unit, subordinate becomes a part of the in-group or the out-group based on how well the work with the leader and how well the leader work with them (Northouse, 2010). Leaders usually have special relationships with in- group subordinates rather than out-group. Subordinate from the in-group are more committed to task objectives, and share more administrative duties rather than out-group subordinates (ibid). Armstrong (2009) noted that leadership making develops progressively over time in three phases:

- **Role-taking:** The member joins the team and the leader evaluates their abilities and talents. Based on this, the leader may offer opportunities to demonstrate capabilities.

- **Role-making:** In the second phase, the leader and members take part in an unstructured and informal negotiation whereby a role is created for the member and the unspoken promise of benefit and power in return for dedication and loyalty takes place. Trust building is very important in this stage, and any feelings of betrayal, especially by the leader, can result in the member being demoted to the out-group. This negotiation includes relationship factors as well as purely work-related ones, and a member who is similar to the leader in various ways is more likely to succeed.

- **Routinization:** In this phase, a pattern of ongoing social exchange between the leader and the member becomes established. Being a successful or in-group member usually requires being similar in many ways to the leader. These members work hard at building and sustaining trust and respect. They are often empathetic, patient, reasonable, sensitive, and good at seeing the viewpoint of other people, especially their leader. Aggression, sarcasm and a self-centered view are qualities seen in the out-group.

Sources: Armstrong (2009)

Northouse (2010) pointed out that leader-member exchanges theory directed toward how leader-member exchanges affect organizational performance. He found that high-quality exchanges between leaders and followers produced multiple positive outcomes such as less employee turnover, greater organizational commitment, better performance and promotions. He determined that good leader-member exchanges result in followers feeling better, accomplishing more and helping the organization prosper (ibid).

2.3.2.4 Trait Theory of Leadership

A modification of the Great Man Theory is the Trait Theory which argued that leadership qualities or traits can be acquired. According to Business Essentials (2009), early theories suggested that are certain qualities, personality characteristic of ‘trait’ that make a good leader. Daft (2013) stated that traits are the distinguishing personal, characteristic of a leader, such as intelligence , honesty, self-confidence and even appearance .Therefore, they are leader because of some unique and inherent set of traits that set them apart from normal people . Arnold and Feldman (1986) stated that trait theories of leadership focus on personal characteristics of the

leader. These kinds of leader have (leadership quality) physical traits such as drive, energy, appearance and height and personality traits such as adaptability, enthusiasm and self-confidence and social traits such as cooperation, tact, courtesy and administrative ability (ibid). This theory is also known as 'Great Man' of history which states that great men set the great events of history in motion (Daft, 2013).

2.3.2.5 Behavior Theory of Leadership

The behavioral theory assumes that leaders can be made rather than born and that leadership is based on definable and learnable behavior (Wakabi, 2014). According to Allen (1998) as cited in Maslanka (2004), behavioral theorists identified determinants of leadership so that people could be trained to be leaders. Behavior theories of leadership effectiveness focus on leader behavior and seek to understand the relationship between what the leader does and how subordinates react emotionally and behaviorally (Arnold & Feldman, 1986). Then, Allen (1998) stated that behavioral theorists developed training programs to change managers' leadership behaviors and assume that the best styles of leadership could be learned (as cited in Maslanka (2004). Unlike the trait theory, the behavioral theory assumes that leadership capability can be learned rather than being inherent (Wakabi, 2014). In the 1930s, Kurt Lewin developed a framework based on a leader's behavior. They are autocratic, democratic and laissez-faire leadership styles.

2.3.2.6 Lewin's Three Participatory Leadership Styles (1939)

In 1939, a group of researchers led by psychologist Kurt Lewin set out to identify different styles of leadership. Leadership can be described in terms of styles, as suggested by Lewin et al., (1939). These are often described as being autocratic (policy is decided only by the leader), democratic (where policy is a matter of group discussion and the leader), and laissez-faire (where the group decides with minimum input from the leader) (ibid). Porter et al., (2006) mentioned that in 1939, Lewin conducted a classic study of leadership, and this involved three styles of leadership: autocratic, democratic, and laissez-faire. They are as follows.

2.3.2.6.1 Autocratic leadership style

In autocratic leadership style, the leader determines policy and assigns task to members without consulting his subordinates (Dotse & Asumeng, 2014). Therefore, there is power distinct between leader and followers in autocratic leadership style. Then, leaders closely supervise employees to achieve right performance. Lewin et al., (1939) explored that autocratic leaders provide clear expectations for what needs to be done, when it should be done, and how it should be done. According to Business Essential (2009), autocratic leadership style is useful in an emergency and may work in a crisis or as a last resort with a problem employee. However it has the most negative impact on the overall organizational cultural. In this style, decision making is centralized in the hands of the leader, who does not encourage participation by subordinates (ibid).

2.3.2.6.2 Democratic leadership style

Democratic leadership is a leader who achieves consensus through participation. Mat (2008) described participative leader is a leader who encourages the participation of staff in solving problems and decision making in a daily operational matters. He posited that the roles and contributions of staff are important. Nwokocha and Iheriohanma (2015) stated that in democratic style, the leader will gather opinions, suggestions and feedback from staff before making decision or issuing instructions to the team. Thus, the direction of the team is influenced by the staff's involvement. This style built trust, respect and commitment and works best when wanting to receive input or get employees to achieve consensus. The democratic leadership is also known as participative leadership style (Cherry, 2006). It is a leadership style that encourages employees to participate in decision-making process in the organization. In the various views of Zervas and David (2013) and Nwokocha and Iheriohanma (2015), democratic leadership style tends to foster responsibility, flexibility, and high morale that will result to improved employees' performance. They posited that democratic leadership style tends to increase employees' ambition and motivation as well as foster employees' identification and retention in the organization. They further argued that since employees are engaged in decision-making, delegation and planning in the organization, there is a tendency for them to be more realistic about organizational needs (ibid). This suggests that in democratic leadership, the employees feel comfortable with the trust

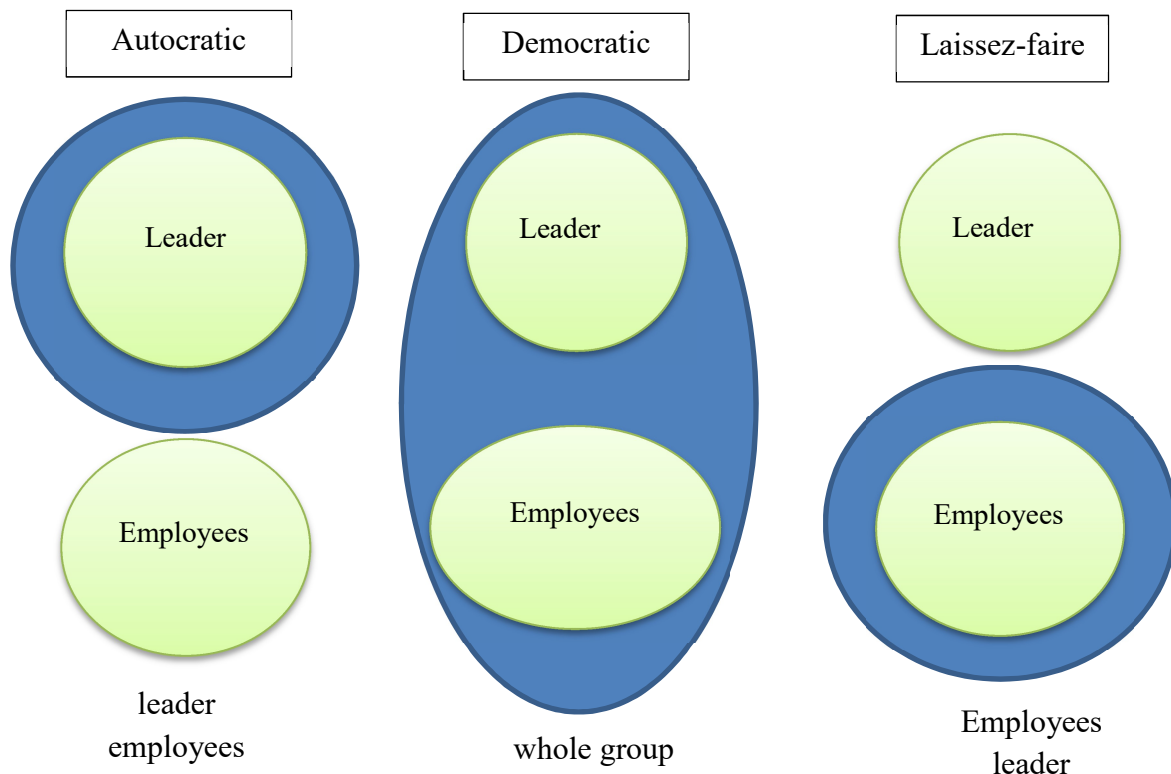
reposed in them which gives them the confidence to build a strong cooperation, team spirit, high morale and expunge any element that will bring in espionage. If the leader handled correctly, this style has a positive impact in the overall organization culture. Lewin's study also found democratic leadership is generally the most effective leadership style (Lewin et al., 1939).

2.3.2.6.3 Laissez-faire leadership style

Laissez-faire is a French phrasing which means "leave it be". The laissez-faire leadership style is also known as the "hands-off style". Lewin et al., (1939) stated that laissez-faire leaders have very little involvement in decisions making themselves, pretty much leaving matters to their followers. Swarup (2013) also posited that in this style of leadership, all authority or power is given to the employees and they must determine goals, make decisions, and resolve problems on their own. Kendra (2013) and Alan (2013) also defined that laissez-faire leadership style is most likely to be effective when individual team members are experienced, highly skilled, trustworthy, motivated and capable of working on their own. Alan (2013) described that laissez-faire leadership style has both negative and positive effect in the organization. Alan (2013) opined that the leadership style can be damaging if the team members do not manage their time well or if they do not possess the knowledge, skills, or motivation to do their work effectively. Some positive aspect of the leadership style has also been sported by Alan (2013). He posited that the main benefit of laissez-faire leadership style is that laissez-faire style gives team members much autonomy; it can lead to high job satisfaction and also increased productivity in the organization. This suggests that if employees under laissez-faire leadership feel satisfied on their job, their performance will improve. Lewin et al., (1939) found that this style can be effective in situations where group members are highly qualified in an area of expertise; it often leads to poorly defined roles and a lack of motivation. In some situations, the laissez-faire style leads to poorly defined roles within the group (Lewin et al., 1939). Since team members receive little to no guidance, they might not really be sure about their role within the group and what they are supposed to be doing with their time (ibid).

The following figure 2.1 will demonstrate about the "Lewin's Three Participatory Leadership Styles (1939)". The figure 2.1 shows how autocratic leadership, democratic leadership and laissez-faire leadership behave in the group work.

Figure 2.1 Lewin's Three Participatory Leadership Styles



Sources: Cherry, K.A. (2006). *Leadership styles*.

<http://psychology.about.com/od/leadership/a/leadstyles.htm>

2.3.2.7 Path-Goal Theory

The path-goal theory first developed by Robert House (1971) stated that leaders define the path that should be followed by their team in order to achieve its goals (as cited in Armstrong, 2009). He explained that it is the leader's job to guide and help team members to select the best paths towards achieving their own goals and those of the group. Flippo (1984) described that the leader's function consists of clarifying the goals for subordinates, the paths to these goals and facilitating both intrinsic and extrinsic rewards for proper performance. Armstrong (2009) also stated that leaders try to enhance subordinate's goal attainment by providing information or rewards in the work environment. According to House and Mitchell (1974) as cited in Northouse (2010), this leadership style also motivates when it makes the path to the goal clear and easy to travel through coaching and direction, removing obstacles and roadblocks to attaining the goal

and making the work itself more personally satisfying. Path-goal theory identifies four leadership styles: achievement-oriented, directive, participative and supportive (Armstrong, 2009).

- Achievement-oriented – the leader sets challenging goals for followers, expects them to perform at their highest level, and shows confidence in their ability to meet this expectation. This style is appropriate when the follower suffers from a lack of job challenge.
- Directive – the leader lets followers know what is expected of them and tells them how to perform their tasks. This style is appropriate when the follower has an ambiguous job.
- Participative – the leader consults with followers and asks for their suggestions before making a decision. This style is appropriate when the follower is using improper procedures or is making poor decisions.
- Supportive – the leader is friendly and approachable and shows concern for the psychological well-being of followers. This style is appropriate when the followers lack confidence.

Sources: Armstrong (2009)

In brief, path-goal theory is designed to explain how leader can help subordinates along the path to their goals by selecting specific behaviors that are best suited to subordinates' needs and to the situation in which subordinates are working. Leaders increase subordinates' expectations for success and satisfaction by choosing the appropriate style.

2.3.2.8 Transformational and Transactional Leadership Theories

Increased business competitiveness and the need for the most effective use of human resources have led to an increased focus on the ability of leaders to revitalize or transform organizations. Mullins (2005) as cited in Porter et al., (2006) described that transformational leadership is based on legitimate authority within the organizational structure. The emphasis is on goal clarification, the setting of tasks and objectives and on organizational rewards and punishments. Porter et al., (2006) stated that transformational Leaders steer organization through change, but everyone is responsible for people at work. He pointed out that transformational leaders are similar to

charismatic leaders. Daft (2013) described that transformational leaders inspire followers not just to believe in the leader personally, but to believe in their own potential to imagine and create a better future for the organization. Therefore, transformational leaders create significant change in both followers and the organization. On the other hand, Daft (2013) described transactional leaders clarify the role and task requirements of subordinates, initiate structure, provide appropriate rewards and try to be considerate to and meet the social needs of subordinates. The Transactional leader's ability to satisfy subordinates which may improve productivity. They are hardworking, tolerant and fair minded (ibid).

2.3.2.9 Charismatic Leadership Theory

Daft (2013) stated that charismatic leader has the ability to inspire and motivate people to do more than they would normally do, despite obstacles and personal sacrifice. As originally described by Weber (1947) as cited in Armstrong (2009), charismatic leaders are achievement orientated, calculated risk-takers and good communicators. Bouguerra (2013) described according to Weber (1947), Charisma is "a certain quality of an individual personality, by virtue of which he is set apart from ordinary men and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities". Then, Daft (2013) concluded that under this leadership style, followers are willing to put aside their own interests for the sake of the team. According to Armstrong (2009), charismatic leaders achieve motivational outcomes through four mechanisms: (1) changing followers perceptions of the nature of work itself; (2) offering an appealing future vision; (3) developing a deep collective identity among followers; and (4) heightening both individual and collective self-efficacy (people belief in themselves and what they can do). Charismatic leadership style can be found in religious institutions and political and social movements. Examples of Charismatic leaders and their quotations are

Mother Teresa: "Let us always meet each other with smile, for the smile is the beginning of love."

Martin Luther King: "Human progress is neither automatic nor inevitable...every step toward the goal of justice requires sacrifice, suffering, nor struggle; the tireless exertions and passionate concern of dedicated individuals."

Pope John Paul II: “Freedom consists not in doing what we like, but in having the right to do what we ought.”

Ronald Reagan: “We can’t help everyone, but everyone can help someone.”

Winston Churchill: “Courage is what it takes to stand up and speak; courage is also what it takes to sit down and listen.”

Lee Iacocca: “Motivation is everything. You can do the work of two people, but you can’t be two people. Instead, you have to inspire the next guy down the line and get him to inspire his people.”

Jack Welsh: “The essence of competitiveness is liberated when we make people believe that what they think and do is important — and then get out of their way while they do it.”

Sources: Sphar (2014)

As mention above literature, different theories of leadership have introduced various leadership styles in the organization management. In this study, the researcher going to evaluate the effect of Lewin's Three Participatory Leadership Styles (autocratic style, democratic style and laissez-faire style).

2.3.3 Strategies of Employee Retention

Samuel and Chipunza (2009) noted that the major purpose of retention is to prevent the loss of competent employees from leaving the organization as this could have adverse effect on productivity and profitability. The objective of retention policies should be to identify and retain committed employees for as long as is mutually profitable to the organization and the employee (Sutherland, 2004). However, retention of high performing employees has become more challenging for managers as this category of employees frequently move from one job to another as they are being attracted by more than one organization at a time (ibid). According to Browell (2003), staff/employee retention strategies aim to keep the staff that an organization wants, by satisfying their needs and to reduce the number of staff/employee recruitment as this is costly and time consuming. Leaders need to analyzes and understand the cause of staff/employee turnover before putting in place solution to encourage staff/employee retention (ibid). Employees leave organization when they feel there is no opportunity for career development and promotion, no

work flexible and stress, low salary, dissatisfied their job, lack of challenging opportunities, lack of job security, lack of autonomy. Then, staff/employee retention can be linked to absence. Staff/employee who is frequently absent may be considering leaving and may attending job interviews. Therefore, it is important to monitor absence figure, weekly, monthly and annually, conduct return-to work interview, and try to determine the causes of the absence (Browell, 2003). Business Essential (2002) concluded that retention matters because high turnover creates high replacement costs and is clearly associated with low levels of customer satisfaction, customer loyalty and lost revenues. Hence, leadership management style is also important in employee retention. Armstrong (2009) stated that the quality of management, especially which of immediate supervisors, affects the level of absenteeism. The role of leaders/supervisors in employee retention is crucial since literature indicates that employee leave managers/leaders, not organization (Beardwell & Claydon, 2007). Therefore, leaders need to analyze and understand what employees want. According to my experience, sometimes money is not the only reason why staff/employees leave. For example, the employer gives lucrative salary but employee wants work life balance. If there is a difference between what they want and what they got, dissatisfaction can occur. Job dissatisfaction can lead to conflict. Consequently, conflict makes stress. Finally, employee will suffer grievance which can occur employee turnover intention. Browell (2003) also stated that to prevent good staff/employee leaving organization, effective retention strategies must be created that are based on a combination of all workplace conditions, such as career development and promotion, job satisfaction, training and development program, work life balance, stress, flexible work environment, innovation and creativity, grievance handling, employee motivation through recognition and rewards and enhancing employee loyalty. As mention in the earlier, talented employees can improve organization performance and organization can get competitive advantages through them. There are lots of different assessments and measurements that can be used to measure staff/employee turnover, morale, staff retention and other issues. Some of the retention strategies are as follows.

2.3.3.1 Recruitment and Retention

Recruitment is the process of finding and attracting suitable qualified employees from the job market for the organization job vacancies as job applicants (Opatha, 2004). The success of organization depends on the quality of its employees. Therefore, recruiting and hiring

knowledgeable people for the job is essential for an employer. Best practices for employee retention would be by recruiting the right person in the first place (Oracle white paper 2012). It also stated that top performers will be strong contributors—employees who are valuable and organizations want to retain. Oracle white paper (2012) also described that talent retention is critically important for all organization for two reasons:

- Turnover is expensive
- Top performers drive business performance

Therefore, recruiting the right people is very importance. Moreover, recruiting and hiring wrong people costly for the organization. These costs include the expenses of recruitment and training (Sutherland, 2000), decline in productivity and lost time (Gustafson, 2002). Thus, ways and methods suggested to improve employee retention and commitment include better recruitment and training & development practices to improve employee satisfaction with work (Deery 2008). Hence, it is important to think in the long-term when it comes to recruitment, find the right employees, recruit them, and motivate them to stay in the company. Recruiting high potential employees and retaining them within the organization is crucial as they are sources of competitive advantages. It is important to retain them because of high recruitment and training costs so organizations use rewards to retain employees (North, 2011). Hence, it is very important to recruit the right candidate and keep him engaged so that he will not leave the organization.

2.3.3.2 Training and Development

Messmer (2000) found that one of the important factors in employee retention is investment on employee training and development. Organizations always invest in the form of training and development on the workers from whom they expect to return and give output on its investment. However, (Sommer, 2000) argued that training and development opportunities may be double-edged sword. This is due to the fact that training can force employee leaving due to added skills. On the other hand, organizations need to develop the skills of employee through training and development program as they are source of competitive advantages. Therefore it calls for organization to be keen to formulate and implement retention practices to avoid their trained employees from leaving immediately after training (Maliku, 2014). Wetland (2003) as cited in

Maliku (2014) suggested that firms and individual made investment on human capital in the form of training as training enhances the skills of employees. On the job training opportunities and better training and development practices improve employee retention and commitment (Deery, 2008). Therefore, investment on employee training and development is considered as an important factor in employee retention.

2.3.3.3 Job Satisfaction

Job satisfaction is one of the strategies of employee retention. Armstrong (2003) defined job satisfaction as the feelings and attitudes of people toward their job. He mentioned that if people have favorable and positive attitudes towards their job, this means job satisfaction, but if they have unfavorable and negative attitudes towards their job, this means job dissatisfaction. The leader have to motivate his subordinate to achieve job satisfaction .There is a significant relationship between motivation and job satisfaction (Browell, 2003). For example, Herzberg's theory is considered as a theory of job satisfaction related to motivation at work. Herzberg's (1959) as cited in Browell (2003) theory argued that hygiene factors include working conditions, interpersonal relations, supervision, job security, benefits, company policies and management, and salary (ibid). When the level of these factors is unacceptable for employees, job dissatisfaction occur but an acceptable level does not lead automatically to job satisfaction and but simply prevents dissatisfaction and poor performance (Browell, 2003). Motivating factors which included recognition, advancement, achievement, autonomy, work itself and responsibility lead to job satisfaction. Helenius & Hedberg (2007) concluded that employees that are satisfied with their jobs have a positive experience of their pay, supervision, chances for promotion, work environment, and tasks. If employees are satisfied with their job, they will stay in organization for long time period.

2.3.3.4 Motivation through recognition rewards and enhancing employee loyalty

Daft (2013) defined that motivation refers to the forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action. Employee motivation effects productivity. According to Browell (2003), there is a strong relationship between motivation, job satisfaction and commitment, staff turnover and retention. He also said “if

employee needs are met, it can prevent staff turnover and increase retention". Therefore, as a good leader, it is very important to understand what the need of employee is and how to motivate them and how to satisfy them (ibid).

Motivation is frequently based on reward. Bamberger & Meshoulam (2000) described that reward system of any organization affects the employee performance and their aspiration to stay employed. There are two types of reward - intrinsic and extrinsic. Intrinsic rewards are the satisfactions a person receives in the process of performing particular action. It includes feelings of personal satisfaction, a sense of achievement status, recognition, and opportunities for advancement, responsibility and pride in the work (Daft, 2013). Extrinsic rewards are given by another person, typically a manager and include promotion, pay increase and bonuses. This reward includes salary and conditions, incentive arrangement, share schemes, pension provision, family leave, open access to learning and development opportunities, insurance and wider facilities such as crèches (Business essential, 2009).

Business essential (2009) also argued that higher salaries offered by other organizations may be a threat to employee retention efforts, however, traditional pay programs are ineffective for motivating high performing, committed employees. Compensation has become a right – an expected reward for simply coming to work. Moreover, organizations will lose their most valued employees if they fail to offer them the intangible intrinsic rewards that money cannot buy (ibid). It is also found that recognition for a job well done is top motivator of individual performance (Business Essential, 2009). Leader can motivate employees by empowering. Empowering means giving employees control of the decision making process and allowing them to be independent of the leader. On the other hand, dissatisfaction or de-motivation can cause direct and indirect performance problems through effects such as higher level of absenteeism and labor turnover (Business Essential, 2009).

2.3.3.5 Reward and Recognition

Agarwal (1998) as cited in Das and Baruah (2013) gave an explanation to the term reward as something that the organization offers to the employees in response of the work as well as performance and something which is desired by the employees. According to Walker (2001),

recognition from boss, team members, coworkers and customer enhance loyalty. As mention in above, reward can be intrinsic or extrinsic, it can be in form of cash i.e. bonus etc. or reward can be in form of recognition/certificate such as commendation certificate or worker of the month etc. Bamberger & Meshoulam (2000), MacDuffie (1995) as cited in Fatima (2011) reward system of any organization affects the employee performance and their aspiration to stay employed. Lawler(1981), Milkovich & Wigdor (1991), Zenger (1992) explained that as a consequence of performance and contribution, organizational rewards are the returns or benefits given to the employees as an appreciation and are regarded as the effective source of attracting and retaining (as cited in Fatima, 2011). Hence, retention is largely influenced by rewards as organizational rewards have a satisfaction-impact on them and they thought it to be costly to leaving such a competitive reward and consider them as they will not find such rewards anywhere, hence they decide to stay (Fatima, 2011).He concluded that reward has a positive effect on retention.

2.3.3.6 Compensation

According to Maliku (2014), compensation plays significant role in attracting and retaining good employees, especially those employees who gives outstanding performance or unique skill which is indispensable to the organization because company invests heavy amount on their training and orientation. Compensation includes not only salary but also benefits and other perks. Huang (1997) as cited in Umair (2015) explained compensation into two basic functions, first is basic compensation which includes salary and benefits. The second is subsidies which cover house rent, transportation, overtime, food allowance. Phonsanam (2010) also stated that compensation is a mixture of three features, including pay, benefits and non-financial compensation. For effectively utilization of workforce, compensation system helps to develop workforce with the right skills, knowledge and abilities to attain the goals of organization. Maliku (2014) stated that compensation has been used as an internal factor to retain great employees and external tool to attract the best employees. Gardner et al., (2004) were of the view that pay is considered as a motivator as well as employee retention technique. Milkovich and Newman (2004) have clearly stated that among all types of reward, monetary pay is considered one of the most important and significant factor in retention. Mita et al., (2014) stated that salary is a significant factor that affects a person's decision to stay or leave the company. However, Devi (2009) argued that better retention of talent in organizations must improve pay/compensation and benefits and also factors

like good working conditions, flexible work timings, cooperative teams, good bosses, culture and values of the organization. Deery (2008) also stated that ways to improve employee retention and commitment include providing flexible work hours, on the job training opportunities, providing adequate resources for the staff, health and insurance benefits, perks like gyms, health centers, rewarding best employees for not only getting the task done on time but also doing it efficiently. Similarly, Maliku (2014) concluded the overall satisfaction results from a mix of rewards rather than any single reward. Therefore, compensation and benefits are the most recognized and major factors among organizations retention Strategies.

2.3.3.7 Organizational Commitment

According to Wood and De Menezes (1998) as cited in Madiha & Mariam (2013), organizational commitment is very significant for the retention of employees in the organization. It restricts the employees to leave the organization. Organizations can adopt different practices to enhance the organizational commitment among the employees like job flexibility, team work, training & development of employees, information dissemination and problem solving (ibid). Meyer and Allen (1991) stated that three distinct dimensions of organizational commitment: affective, continuance and normative commitment.

- Affective: In this type of commitment, employees have emotional involvement and attachment with the organization and employees do not leave the organization.
- Continuance: This type of commitment explains that employees stay in the organization due to some reasons and they cannot leave the organization because some cost is attached with leaving the organization.
- Normative: This type of commitment explains that employees have feeling of obligation to stay in the organization.

Sources: Meyer and Allen (1991)

2.3.3.8 Career Development Opportunities

Career development involves a wide range of programs including on-the-job training, part-time training, full-time university training, voluntary independent research, continuing education courses, recreation, and civic activities (Opatha, 2014). An effective career development program provides substantial employee assistance in self-diagnosis of interest, aptitudes and capabilities. It also provides complete information concerning career opportunities within the organization (Flippo, 1984). Then, Hannay & Northan (2000) said that future opportunities for the employees also help in retaining employees because these opportunities are associated with more pay, additional work responsibilities, superior work environment and different incentives plans. Money is not sole factor but it has significant effect while recruiting the employee. Career development helps promote job satisfaction, increase self-esteem, ensures responsive service, and enhances promotion potential. Many successful employees reach the top of their professions by managing and developing their careers (Opatha, 2014). If there is little career development and promotion opportunities are limited in organization, employee will leave the organization. Bratton and Gold (2003) stated that career growth and developments are the integral part of every individual's career. If employees cannot foresee their path of career development in their current organization, there are chances that they will leave the organization as soon as they get an opportunity. Hall (2002) illuminated that the process of career development opportunities are important for both organizational and individual context (as cited in Fatima, 2011). This is similar to (Prince, 2005) career development is vital for both the employees and employers. Prince (2005) explained that career development is mutual beneficial process because it gives imperative outcomes to employer and employees. Organizations need talented employees for maintaining the sustainable competitive advantages and individuals require career opportunities to develop and grow their competencies. Judge et al., (1995) as cited in Fatima (2011) stated that employee's satisfaction with their career achievements is generally termed as career satisfaction also evaluated as career success. If employees satisfied their career development opportunities, they will stay in the organization. Career satisfaction can be predicted through factors as goal-specific environmental maintenance and resources that offers social and material supports for personal goals of employees (Barnett, Bradley, 2007 cited in Joo and Park, 2010). Availability of skill development opportunities and career movement are the major attractors to organizations (Fatima, 2011). Providing great career development opportunities makes the employees to stay in

the organization for long term and at the same time enhances their loyalty to the firm. Therefore, career development program is one of the importance factors of retention strategies. Vos and Meganck (2009) indicated that career development plan for the employees play a vital role in the retention of employees. Providing these career development opportunities restrict employees from leaving the organization and increase in loyalty.

2.3.3.9 Job Stress and Grievance Handling

Job stress is defined as an individual's reaction to the characteristics of the work environment that seem emotionally and physically threatening (Jamal, 2005). Job stress can arise from different environments of work like organizational or situational stress it is from the characteristics of the workers themselves i.e. dispositional stress (Riggio, 2003 as cited in Masood 2013). Absence and loss of employment are major cause of job stress in the organization (Masood 2013). Stress is necessary for increasing performance of employees but up to a certain level. However, too much stress can cause negative effect (Daft, 2013). Hence, job stress influences to job satisfaction which leads to low performance and intention to leave the job. Therefore, stress has a negative impact not only on individual performance of employee but also on retention. Bronack (2009) also approved that there is a negative relationship between employee stress and retention in the organization. Dar et al., (2011) also stated that job stress had a negative relation with job performance that means when stress occurs it affects the performance of employees negatively. Arnold and Feldman (1986) also said that stress can also lead to increased turnover and absenteeism. Therefore, it is very importance to manage the stress of employees by the leader or supervisor. Masood (2011) also stated that stress management is a key to employee retention. To improve performance and retain the talent employees in the organization, leader or supervisor needs to avoid giving unnecessary work related stress and pressure to employees.

A grievance is a complaint that the employee feels serious enough to justify some type of formal submission and action (Flippo, 1984). Grievance occurs when an individual thinks that he is being wrongly treated by his colleagues or supervisors such as unfairly appraisal in his/her annual report. Grievance may be a serve source of conflict. Dissatisfaction of one worker may convert into a dissatisfaction of several workers (Opatha, 2014). Consequently, there will be lower

performance, higher absenteeism and turnover. Therefore, handling employee grievance is very important to enhance employee performance and effective retention.

2.3.3.10 Work Life Balance

Another key part of retention strategy should include adopting flexible work arrangements. According to Muchinsky (1977) as cited in Ghansha (2011,) work-life balance programs cover a variety of interventions, and include such practices as dependent care leave, childcare subsidies, elder care programs, counseling and referral, and flexible working hours. Business essential (2009) concluded that progressive companies are realizing that restructuring full-time to include alternative work options, such as flexible time schedule, a compressed work week, and telecommuting can be beneficial to both employees and the employers. Karatepe (2013) stated that providing emotional support and work life balance to employees helps organizations in low turnover. It has been observed that stress and various components like emotional exhaustion and job burnout are the major causes of high its employee turnover (Mita et al., 2014). Hyman et al., (2003) found in their empirical research in the UK that interventions of work demands into personal life (e.g. working during the week-end) resulted into heightened stress and emotional exhaustion among the employees (as cited in Das & Baruah, 2013). Harvard Business Essential (2002) also stated that work-life balance is a core element of employee satisfaction, loyalty and productivity. Finding ways to help employees successfully manage their commitments at work; the organization can avoid many retention problems. Therefore, work-life balance is increasingly important for retention.

2.3.3.11 Work Environment

Workplace environment includes not only the physical elements around the work area of an employee but also all things that form part of the employee's involvement with the work itself (Msengeti & Obwogi, 2015). Numerous studies have attempted to explain work environment in various areas such as job satisfaction, job involvement and organizational commitment (Kwenin, 2013). Hay Group (2007) contended that work environment includes a friendly, well-designed, safe physical space, good equipment and effective communication, which will improve productivity (as cited in Kwenin, 2013). Generally, work environment can be divided into two

namely physical and psychological environments. According to Oswald (2012), the physical environment consists of elements that relate to the office occupiers “ability to physically connect with their office environment”. The physical environment such as lightening, well-designed, organized offices, work areas and facilities make significant differences to how people feel about their work. Psychological work environment consist of work load, decision, support, satisfaction, stressors, latitude and decision etc. (Irshad, 2012). Access to friendly and natural environment helps to reduce job stress, depression and apprehension which are beneficial for health environment as well (Steel & Griffeth, 2002). Working environment plays a crucial role in keeping the employees in the organization. Work environment where there is lack of physical facilities such as proper lighting, furniture, importance equipment such as computer, technology, etc. and health and safety requirement will be a reason why employee leave the company as they will not be willing to put up with the inconvenience caused for a long time (Shamsuzzoha, 2007). If employees don’t enjoy the environment they work in, they will leave the organization. Moreover, an employee who is not happy or satisfied with his/her workplace will feel lost and not motivate to perform well. Therefore, the organization has responsibility to provide the proper working environment to the employees. This will help in keeping the value employees and increasing the productivity of the employees.

The other study stated that there are three types of environment that an employee needs in an organization are learning, supportive and work environment. Learning environment includes continuous learning and improvement of the individual, certifications and provision for higher studies. For supportive environment an organization can provide support in the form of work-life balance. Work life balance includes flexible hours, telecommuting, dependent care, alternate work schedules, vacations and wellness. Then, work environment includes efficient managers, supportive co-workers, challenging work, involvement in decision making, clarity of work and responsibilities, and recognition (Freyermuth, 2007 as cited in Maliku, 2014, p.25). Employees learn and work from their work environment. The absence of such environment pushes employees to look for new opportunities. Since learning and development opportunities seem crucial for the retention of talented employees (Arnold, 2005; Hytter, 2007; Walker, 2001) supportive, learning and working environment should be established by the organization (as cited in Fatima, 2011). Ramlall (2003) also posited that employees strive to work and to stay in those organizations that provide good and positive work environment, where employees feel that they

are valued and making difference. Good work environment can lower the turnover intention. Therefore, organizations should emphasize to provide better jobs with great work environment to retain employees (Sutherland, 2004). Then, Winterton (2004) also concluded that the key to retaining employees is to create an environment which employees choose to work in and will stay given the availability of other job opportunities.

2.3.4 Factors Effective Employee Retention

Retention strategies should be based on an understanding of the factors that affect whether or not employees leave or stay. Browell (2003) recognized that employee retention is not influenced by a single factor, but there are hosts of factors which are responsible for retaining employees in an organization. Das & Baruah (2013) concluded that management need to pay attention to factors such as career development, compensation and rewards, motivation and satisfaction, job security, training and development, leadership, participation in decision making, flexible work environment and organization justice etc. According to Armstrong (2009), early-career employees (30 years old and under) career advancement is significant. For mid-career employees (age 31–50) the ability to manage their careers and satisfaction from their work are important. Late-career employees (aged over 50) will be more interested in security. It is also the case that a younger workforce will change jobs more often than an older workforce, and workforces with a lot of part-timers are less stable than those with predominately full-time staff (ibid). The other factors that affect retention are:

- Company image;
- The effectiveness of recruitment, selection and deployment (fitting people into jobs that suit them);
- Leadership – employees join companies and leave managers;

Business essential (2009) pointed that retaining employees today is harder than ever. Skilled employees are and will continue to be the most important asset of any organization. Leader must realize this and must create a culture that fosters a sense of trust, loyalty and commitment. Employees must know that if they work hard and are loyal they will be appreciated and valued (ibid).

2.3.4.1 Reasons for employees leaving

Employee may leave when their relationship with their leader become stressful or problematic. Stress is also a reason for staff leaving. Lack of personal and career development promotion opportunities and advancement are stated as reasons why staff leaves as their aspiration are unfulfilled (Browell, 2003). Employees are leaving for a better job elsewhere because of better prospect or for more money. The employee's relationship between the company and the leader is the key on how events will develop. If the employees are unhappy it is more unlikely for them to cooperate with any knowledge capture or retention exercise, then if they are happy with their employer (Helenius & Hedberg, 2007).

2.3.4.2 Effect of Supervisor Support

In garment industry, production employees work under the monitored of their supervisors. Therefore, the relationship between supervisor and employee plays significant role in garment factory. Supervisor has to interact with employee to improve the individual performance of employee. The performance of individual employee depends on his/her supervisor support. Bratton & Gold (2003) stated that feedback from supervisors helps employees to feel more responsible, confident and empowered. As supervisor closely monitored to the production employees, the behavior of supervisor strongly effect on the employee retention. The relationship between supervisor and worker play pivotal role in employees' turnover intention. Ontario (2004) approved that the supervisor support is so essential to retention because employees leave the supervisors/leaders, not the organization. According to Greenhaus (1987) as cited in Fatima (2011), supervisor's support is an essential factor to change the worker's propensity to quit and create high involvement in job by establishing strong relationship and free interaction with the supervisor. Employees' satisfaction or dissatisfaction with their jobs is strongly affected by the managers, supervisors, team leaders who direct and work together directly with the employees. Manager or the supervisor largely controls the factors that enhance employee satisfaction and commitment (Kaye and Evans, 2003). Then, Gentry et al., (2007) also explained that employees feel connected with the organization if they get support from their supervisors which lead them to return the favor to the supervisors and organization through retention. Therefore, leadership style of supervisor is considered an effective factor in employee retention. Leaders / supervisors are

the human face of the firm. Greenhaus, (2004) suggested that employees' views regarding organization are strongly concerned to their relationship with supervisor. If supervisor support, open communication and have good relationship with employees, the employee's turnover intentions are likely less and more engaged with organization. Therefore, relationship between an employee and a supervisor is most important factor that affects employee retention. Employees are less probable to leave an organization and get more committed through good relationships and free communication with the supervisor when a strong support exists (Greenhaus, 1987 as cited in Madiha et al., 2009). Then, Fatimal (2011) also approved that employee retention is positively and directly influenced by supervisor's support.

2.4 Prior Research Studied on Performance, Leadership and Retention

In this section, the researcher will present how previous researcher focused on how the attitude and behavior of leaders can effect on employee performance and retention.

2.4.1 Nexus between Leadership Styles, Employee Retention and Performance in Organization

Managing an organization for effectiveness requires effective leadership. There is a bound different style of leadership with attendant different effects. Lewin et al., (1939) stated that the same group of people will behave differently depending on the leadership style the leader adopts. Understanding relationships between job performance, leadership styles and employee retention will helpful for effectiveness of organization. Several studies in the past have reported the effect of various leadership styles and approaches on the subordinates and organizational performance. For example, Prior research of 'Nexus between Leadership styles, Employee retention and performance in organization' has identified the following leadership styles that are prevalent in organizations; autocratic, democratic, laissez-faire, bureaucratic etc.

The prior research explained that effective leadership style is crucial for achieving organizational goals. The paper further argued that employees' retention and performance can be achieved through the adoption of appropriate leadership styles that will align business strategies with employees' motivation and morale. According to prior research, Nwokocha and Iheriohanma

(2015) assessed the characteristics of autocratic leadership style; it implies that an organization with this style of leadership will witness a high level of employees' discontent which effect will be employees' low performance and turnover in the organization. Then, prior research also stated that democratic leadership style helps the organization to attain the objectives by achieving higher commitment of employees. Involving subordinates as stakeholders of an organization in decision making makes them feel as being part of the organization. Their performance will improve and they will stay in organization for the long time period. They will be more willing to exert considerable efforts on behalf of that organization since a failure of the organization means a failure of the employees' contribution to the organization's development. There will be a significant positive relationship between perceived democratic leadership style and employee organizational commitment. Donna (2011) pointed out five basic challenges of the democratic leadership style to include: competency, crises, consensus, pseudo-participation, and adherence. He further concluded that overcoming these five negatives of the democratic leadership style will allow organizations to fully benefit from the advantages of this management style such as higher employee performance, satisfaction and better retention rates. This is because a working environment with democratic leadership style creates opportunities for employees' empowerment, creativity, initiative, participation, career growth, development and succession, and also provides for a safe future with the organization. Then, the prior research also described that laissez-faire will have negative impact on organizational behavior, job satisfaction, job involvement and organizational citizenship behavior and today's business world requires creation of an enabling environment for organizations that wish to survive the competitive business environments. However, this style of leadership has positive effect when employees are well-trained and highly skilled.

The degree of effectiveness among leaders is usually measured by the effect of leaders on their employees' behaviors. An effective leader, is the one who has the skills and the aptitude to influence their subordinates, ideally resulting in positive outcomes—employee trust, retention and productivity.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research is simply the process of finding solutions to a problem after a thorough study and analysis of the situational factors. This chapter will present the research method that applied by researcher. Many researchers have been used numerous methods for their researches. In this chapter includes 3.1 introduction of the chapter which will present the summary of this chapter. 3.2 research design which will describe about qualitative and quantitative research. 3.3 research approaches will describe research population and sample method, simple random sampling method, sample, sample size and sampling procedure. 3.4 data collection section will explain how researcher collects the data. 3.5 will present conceptual framework and hypotheses. Then, operationalization is 3.6 and 3.7 is about data analysis method of this research. The methodology used for the collection of data was mainly survey method based on secondary and primary sources of data collection.

3.2 Research Design

Millan & Schumacher (2010) stated that the research design describes the procedures for conducting the study, including when, from whom and under what conditions data were obtained. According to Kerlinger (1986), a research design is a plan, structure and strategy of investigation so conceived so as to obtain answers to research questions or problems. He also described research design is a complete scheme or a program of the research. This is similar to the view presented by Polit et al., (2001) that a research designs as “the researcher’s overall for answering the research questions or testing the research hypothesis”. Research design may reflect the entire research process, from conceptualizing a problem to the literature review, research questions, methods, and conclusion, whereas in another study, research design refers only to the methodology of a study (eg. data collection and analysis) (ibid).

A research design can be classified into quantitative and qualitative. Quantitative research mainly consists of numbers and statistics. It includes methods that give countable results (Karamat, 2013). The collected counted information can be used to determine averages, highs and lows and the rankings of an item when compared numerically with another one. For example, if a survey questionnaire which consists of several multiple choice questions is developed, it is easy to count the number of person who answered and those who did not answer that question in certain way. Therefore, the study design when using a quantitative method is basically subject to statistical assumptions and conditions (ibid). Quantitative research design are complicated by the fact that this term is often used to identify the experimental design reflecting the arrangement of independent and dependent variables associated with data collection (Harwell,2011). Quantitative research methods attempt to maximize objectivity, replicability and generalizability of findings, and are typically interested in prediction (ibid).

According to Hiatt (1986), qualitative research methods focus on discovering and understanding the experiences, perspectives, and thoughts of participants—that is, qualitative research explores meaning, purpose, or reality (as cited Harwell, 2011). This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them (Denzin & Lincoln, 2005).

In this study, the researcher applied the descriptive quantitative survey research based on the opinion of production employees from D.G Fashion Garment in Sri Lanka. The quantitative survey method was appropriate for this kind of study as it provides a quantitative description of attitudes, experience and opinions of the sample population. A structured self-completed research questionnaire was distributed to the target population and collected after one week. The sources of questionnaires were from Employee Opinion survey (February, 2016), Lewin et al., (1939), Northouse (2010), Browell (2003) and Kyndt et al., (2009). Questionnaires were written by both English and Sinhala language.

The researcher adopted the quantitative research design in this study to investigate the impact of leadership styles on employee retention and performance. This research is basically collected through primary data by sending out the questionnaires to production employees of D.G Fashion Garment. Most of the scholars implemented different methods to carry out the research which depends on the purpose of research and type of information required. Quantitative experiments

all use a standard format, with a few minor inter-disciplinary differences, of generating a hypothesis to be proved or disproved. Then, the hypothesis must be provable by mathematical and statistical means, and is the basis around which the whole experiment is designed (Shuttleworth, 2008). The purpose of this study is to identify how the leadership styles impact on employee retention and job performance in garment factory. This study bears the characteristics of a “survey research” as it attempts to unveil the leadership styles of D.G Fashion Garment based on Lewin’s three participatory of leadership styles.

3.3 Research Approach

The research approaches of this study are as follow.

3.3.1 Population and Sampling Method

The population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran & Bougie, 2009). Therefore, a research population is generally a large collection of individuals or objects that is the main focus of a scientific query. However, due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time-consuming (Explorable, 2009).

Then, sampling techniques provide a range of methods that enable the researcher to reduce the amount of data the researcher need to collected by considering only data from a sub group rather than all possible elements (Suanders et al.,2004). There are two types of sampling techniques:

- Probability Sampling Method
- Non – probability sampling Method

Probability sampling is a sampling technique where in the samples are gathered in a process that gives all the individuals in the population equal chances of being selected. In this sampling technique, the researcher must guarantee that every individual has an equal opportunity for selection and this can be achieved if the researcher utilizes randomization (Explorable, 2009). The advantage of using a random sample is the absence of both systematic and sampling bias. If

random selection was done properly, the sample is therefore representative of the entire population (Explorable, 2009). Types of probability sampling are

- Simple Random Sampling
- Stratified Random Sampling
- Systematic Random Sampling
- Cluster Random Sampling
- Mixed/Multi-Stage Random Sampling

Next, non-probability sampling method which is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected. Most researchers are bounded by time, money and workforce because of these limitations, it is almost impossible to randomly sample the entire population and it is often necessary to employ another sampling technique, the non-probability sampling technique. Types of non-probability sampling are;

- Convenience Sampling
- Consecutive Sampling
- Quota Sampling
- Judgmental Sampling
- Snowball Sampling

In this research study, a simple random sampling is used to select the respondent from D.G Fashion Garment's employees.

3.3.2 Simple Random Sampling Method

Survey sampling methods differ for different types of research. Simple random sampling method was applied in order to select the respondents from the population. As simple random sampling method is a straightforward method of sampling that assigns each element of the target population an equal probability of being selected (Hair et al., 2007). To select sample from population, first of all researcher prepared a list for production employee of D.G Garment

Factory based on the sampling frame. After that, researcher assigned an identification number to each element on the lists.

3.3.3 Sample

Polit et al., (2001) define a sample as “a proportion of a population”. The sample was chosen production employees from D.G Fashion Garment in southern province of Sri Lanka. Production employees are the heart of the garment industry. Production process consists of cutting section, sewing section and parking section. Each of these sections plays important role in production process. The researcher selected production employees as a sample because retaining the high performance employees is crucial factor for garment industry. A carefully selected sample can provide data representative of the population from which it is drawn. Simple random sampling method was used in this study because it is considered as the simplest, most convenient and bias free selection method.

3.3.4 Sample Size

In quantitative research studies, the sample size varies depending on the characteristic of the variables. In this study, the variables consist with altogether 37 items, according to Sekaran (2003) the sample would be ten times of the variables used. Therefore, the sample size would be 370 items. Since thesis research study was conducted in a short time period, it was difficult task. Therefore, the researcher decided to collect the data from a sample of 150 respondents from production related employees.

3.3.5 Sampling Procedure

The researcher visited to D.G Fashion Garment. Then, human resources manager and production manager were met and got the permission to distribute the questionnaires to the production employees and collected the data. The questionnaires are distributed to selected respondents who were selected with sample random method. The questionnaires were collected from respondents after one week.

3.4 Data Collection

This research is basically collected through primary data by sending out the questionnaires to production employees of D.G Fashion Garment. The study applied the quantitative research method. Quantitative approach is also important as questionnaires and survey are used to collect the numerical or measurable data. The data used for this study was obtained from different sources. This ranged from questionnaires, observations and library search.

Questionnaires were formed the major source of primary data used in the study. The data collected for this was obtained through use of questionnaires refer by the previous research, relevant books and some questionnaires are constructed by researcher. The data required for this study were collected through actual visited to the selected industry and face-to-face distribution and administration of questionnaires to the 150 respondents from the selected organization. A copy of the questionnaires was attached as appendix of this research. Secondary data were collected from internet, textbooks, libraries, previous research works and journals. Also, acknowledge authorities within the area of studies provided valuable materials for this study.

The main data collection instrument employed in this study was a 37- items questionnaire. The questionnaires included statements that require ranking of answers. The statements were clearly simplified and structured in a manner to avoid of any ambiguity. The questionnaires mainly comprised with six parts. The first part of the questionnaire was about the demographic variables. Form second part to sixth part, there were statements to measure the job performance, autocratic leadership style, democratic leadership style, laissez-faire leadership style and employee retention. Which are ranging from strongly disagree to strongly agree.

The researcher personally administered the questionnaires. Respondents were allowed sufficient time of one week to complete the questionnaires. The questionnaires contained a series of structured questions which were related to the research work. Some of the items used to measure the constructs were adapted from previous research but modified to fit the specific context of this study and some of items were constructed by researcher. Three independent variables, one intervening variable and one dependent variable with various factors were identified and measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Independent variables were autocratic leadership style, democratic leadership style, laissez-faire

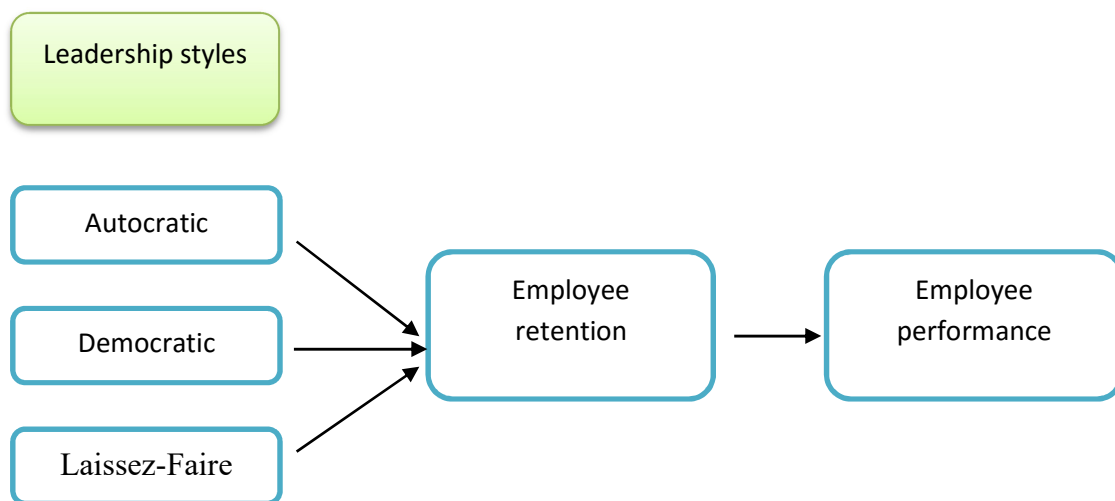
leadership style, intervening variable was employee retention and dependent variable was employee performance. Then, respondent demographic information such as: employee name; gender; work experience; and marital status were also captured using single item questions.

3.5 Conceptual Framework and Hypotheses

3.5.1 Conceptual Framework

Based on the literature above, the following conceptual framework was development for this study. The conceptual framework shows below indicates, the independent variables were the leadership styles, employee retention was intervening variable and employee performance was dependent variable.

Figure 3.1 Conceptual Framework



Sources: Developed by author (2016)

The concept of this frame work is going to find out the impact of leadership styles on employee retention, and job performance and consequently enhance productivity of employee in the organization. One of the critical roles of management is to create a work environment that will endear the organization to employees. It also includes influencing these employees' decision to be committed and remain with the organization even when other job opportunities exist outside the organization (Michael, 2008). Beard well and Claydon (2007) also observed that the role of

leadership and a supervisor is crucial in staff retention, and argued that employees leave managers, not companies.

Leaders and their skill in building a climate of retention, a culture that speaks to employees in a way that encourages them to stay, will be an organization's best defense against unwanted turnover. Leaders are therefore the secret weapon in keeping valued talent longer. Gwavuya (2011) affirmed that incompetent leadership results in poor employee performance, high stress, low job commitment, low job satisfaction and turnover intention. Chew (2004) observed that leadership behavior has a positive influence on organizational commitment and turnover intention. Muindi (2011) established that leadership style, specifically lack of involvement in decision making and inadequate communication were some of the issues that caused dissatisfaction of academic staff University of Nairobi. Therefore literature indicated that leadership style is crucial in staff retention.

3.5.2 Hypotheses

Wiersma and Jurs (2005) defined that hypothesis is a conjecture or proposition about the relationship of two or more variables, or the nature of some phenomenon. Many researchers have found the relationship between leadership styles and employee performance and the relationship between leadership styles and employee retention. In this study, researcher developed seven hypotheses.

3.5.2.1 Autocratic Leadership and Employee Performance

As describe in literature, that the leader is making all of the decisions and the followers are simply there to follow orders and to execute without deviating from the decision. Their participation in the decision making process is nonexistent. Heneman and Gresham (1999) said under the autocratic leadership style, all decision making powers are centralized and remains in the hand of leaders, as with dictators. They also concluded that these leaders are not welcome any suggestion and initiative from the follower's side (as cited in Iqbal et al, 2015). According to Pagewise (2002), autocratic style is effective and should be used when new untrained employees who do not know which tasks to perform or which procedures to follow, effective supervision

can be provided only through detailed orders and instruction and employees do not respond to any other leadership style. There is power distinct between leader and follower in autocratic leadership style. Business Essential (2009) stated this leadership style is useful in an emergency and effective in a crisis or as a last resort with a problem employee. Though, it has the most negative impact on the overall organizational cultural. In this style, decision making is centralized in the hands of the leader, who does not encourage participation by subordinates (ibid). Therefore, the first hypothesis can be mentioned as follows

H₁. There is a negative relationship between autocratic leadership and employee performance.

3.5.2.2 Democratic Leadership and Employee Performance

Nwokocha and Iheriohanma (2015) observed that in democratic leadership, the employees feel comfortable with the trust reposed in them which gives them the confidence to build a strong cooperation, team spirit, high morale and expunge any element that will bring in espionage. Ushie et al., (2010) stated that in a democratic leadership style, the manager delegate's authority to subordinates while retaining the ultimate responsibility. According to that democratic leaders make the final decisions, but they include team members in the decision-making process. They encourage creativity and people are often highly engaged in projects and decisions. As a result, team members tend to have high job satisfaction and high productivity. Therefore, the second hypothesis can be mentioned as follows

H₂. There is a positive relationship between democratic leadership and employee performance.

3.5.2.3 Laissez- Faire Leadership and Employee Performance

As mention in literature, laissez-faire is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. Laissez-faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own. However, Laissez-faire leadership is not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions (Lewin et al., 1939). Some people are not good at setting their own deadlines, managing their own projects and

solving problems on their own. In such situations, projects can go off-track and deadlines can be missed when team members do not get enough guidance or feedback from leaders. In some situations, the laissez-faire style leads to poorly defined roles within the group. Since team members receive little to no guidance, they might not really be sure about their role within the group and what they are supposed to be doing with their time (ibid). Therefore, the third hypothesis can be mentioned as follows

H3. There is a negative relationship between laissez-faire leadership and employee performance.

3.5.2.4 Autocratic Leadership and Employee Retention

According to Ram (2001), Mgbodile (2004), Melling and Little (2004) an autocratic leader is a leader who is high-handed in his administration. He is a center of all the activities that go on in the establishment where he is a leader. Autocratic leader makes threat, punishment and rewards to improve performance. Autocratic is a style of leadership where a manager is the most powerful entity, the primary decision maker and authority (Gordon, 2013). Employee does not have a chance to innovate and create new things. Employee doesn't have a chance to show their talent and ability. They are expected to follow what the leader order. Under this leadership style, employee can feel job dissatisfaction, stress and pressure. Consequently their performance can be low. These can be growing as grievance. Finally, employee can leave the job. Therefore, there is a high employee turnover rate under autocratic leadership styles. Therefore, the fourth hypothesis can be mentioned as follows

H4. There is a negative relationship between autocratic leadership and employee retention.

3.5.2.5 Democratic Leadership and Employee Retention

Heneman and Gresham (1999) stated that the democratic leadership style promotes the sharing of responsibility, the exercise of delegation and continual consultation. According to literature given above, in this style, managers give suggestions and recommendations on all major issues and decisions and effectively delegate tasks to subordinates and give them full control and responsibility for those tasks, and encourage them to participate in decision making process and

employee development. This will lead to increase job satisfaction, more commitment of employee with organization as a consequence employee will remain in organization. Therefore, the fifth hypothesis can be mentioned as follows

H5. There is a positive relationship between democratic leadership and employee retention.

3.5.2.6 Laissez- faire Leadership and Employee Retention

Alan (2013) opined that this leadership style can be damaged if the team members do not manage their time well or if they do not possess the knowledge, skills, or motivation to do their work effectively. Ronald (2011) argued that laissez-faire leadership style can lead to anarchy, chaos, and inefficiency. Muhammad and Usman (2012) asserted that laissez faire style of leadership gives more opportunities and least possible guidance to employees in decision making in the organization. Therefore, laissez-faire leaders are often seen as uninvolved and withdrawn, which can lead to a lack of cohesiveness within the group. Since the leader seems unconcerned with what is happening, followers sometimes pick up on this and express less care and concern for the project. Some leaders might even take advantage of this style as a way to avoid personal responsibility for the failures of group. When goals are not met, the leader can then blame members of the team for not completing tasks or living up to expectations. Employee can feel stress and resign under laissez-faire leadership. Therefore, the sixth hypothesis can be mentioned as follows

H6. There is a negative relationship between laissez- faire leadership and employee retention.

3.5.3.7 Employee Retention and Employee Performance

As mention in literature review, retaining talent employee is crucial as they are highly resourceful performance of the organization and they can contribute the successful of organization. Managing people well, will ensure managing performance well too. It's important to recognize a fundamental fact that organization performance determines its existence in the competitive world of business. It is therefore important to make an effort to attract, develop and retain productive workforce which will translate the organization into high performance through increased market

share and attaining a competitive advantages (Maliku, 2014). The performance of talent employees highly affects the organizational performance. They can work more effectively than the average workers. The more top performers organization have, the greater the organization's productivity. Therefore, it is very important to retain the highly performance employees as they are sources of competitive advantages within the industry. Therefore, the seventh hypothesis can be mentioned as follows

H7. There is a positive relationship between employee retention and employee performance.

3.6 Operationalization

Operationalization is the process of strictly defining variables into measurable factors. The process defines fuzzy concepts and allows them to be measured, empirically and quantitatively (Shuttleworth, 2008). In this study, there are three variables; dependent variables, independent variables and intervening variables. Questionnaires have made to measure each of these variables. There were 37 questions. Some of them were constructed by the researcher, some are referring by previous researchers and relevant books.

Table 3.1 Employee Performance Questions

| Code | Statements | Measurement | Sources |
|------|---|----------------------|--|
| PER1 | The company gives rewards and recognizes according to my performance. | 5 point Likert Scale | Employee Opinion survey (2016, February) |
| PER2 | The Company encourages employees to work to the best of their abilities. | | |
| PER3 | The company provides adequate training and development opportunities to improve my performance. | | |
| PER4 | My performance has improved than before. | | Author creation |
| PER5 | I have the opportunities to work in the best way I think. | | |

As present in table 3.1, the concept of employee performance is measured in terms of 5 variables. In this study, employee performance was dependent variable. These variables were measured by 5 point Likert Scale. According to Zikmund (2003), Linkert scale is a measure of attitudes designed to allow respondents to indicate how strongly they agree or disagree with carefully constructed statements that range from very positive to very negative toward an attitudinal object.

Table 3.2 Autocratic Leadership Style Questions

| Code | Statements | Measurement | Sources |
|-------|---|----------------------|-------------------|
| AUTO1 | My supervisor closely monitors employees to ensure they are performing correctly. | 5 point Likert Scale | Lewin et al.,1939 |
| AUTO2 | My supervisor gives a reward or punishment in order to motivate and improve performance. | | |
| AUTO3 | My supervisor does not readily accept new ideas. | | |
| AUTO4 | My supervisor retains decision making authority within the department. | | |
| AUTO5 | I feel stress when I work with my supervisor. | | |
| AUTO6 | My supervisor is not flexible in recognizing, understanding and adapting to individual needs and views. | | |
| AUTO7 | My supervisor makes decisions without consulting the group members. | | |

As shown in table 3.2, there were 7 statements regarding to autocratic leadership style. These statements were also measured by 5 point Likert Scale. All of these statements were refer from Lewin et al., (1939). In this study, autocratic leadership style was independent variable.

Table 3.3 Democratic Leadership Style Questions

| Code | Statement | Measurement | Sources |
|-------|--|----------------------|--|
| DENO1 | My supervisor involves employee to determine what to do and how to do it. However, he maintains the final decision-making authority. | 5 point Likert Scale | Northouse, (2010) |
| DEMO2 | My supervisor recognizes and rewards innovative employees. | | |
| DEMO3 | My Supervisor consults with others before making decisions. | | |
| DEMO4 | I feel my supervisor is supportive of my work. | | |
| DEMO5 | I receive adequate feedback and guidance from my supervisor. | | |
| DEMO6 | I am treated fairly by my supervisor. | | Employee Opinion Survey (2016, Feburary) |
| DEMO7 | I feel that my suggestions are welcomed and valued by my supervisor. | | |
| DEMO8 | I feel comfortable when I work with my supervisor. I satisfy his leadership style. | | |
| DEMO9 | My supervisor encourages me. He listens to my concern and tries to create better working environment. | | Author creation |

Above table 3.3 states about the statements regarding to democratic leadership style which was independent variable. There were 9 statements. Some of these statements adopted from previous researchers and some are develop by author. These statements were also measured with 5 point Likert Scale.

Table 3.4 Laissez-Faire Leadership Style Questions

| Code | Statement | Measurement | Sources |
|------|--|----------------------|---------------------|
| LAS1 | My supervisor gives me complete freedom for make decisions. | 5 point Likert Scale | Lwein et at.,(1939) |
| LAS2 | In most situations, my supervisor gives little or no guidance to group members. | | |
| LAS3 | My supervisor gives me complete freedom to solve problem on my own. | | |
| LAS4 | I feel that my supervisor provides the tools and resources needed to perform my duties. | | |
| LAS5 | My supervisor avoided giving feedback to the questions/problems raised while performing my duties. | | Author creation |
| LAS6 | I am not satisfied the management of my supervisor. | | |
| LAS7 | I think that my supervisor should take responsibility to his/her employee performance. | | |

According to table 3.4, there were seven statements regarding to laissez-faire leadership style. Some of these statements were refer from Lewin et al., (1939) and some are created by author. 5 point Likert Scale was used to measure these statements. In this study, laissez-faire leadership was independence variable.

Table 3.5 Employee Retention Questions

| Code | Statement | Measurement | Sources |
|------|---|----------------------|-------------------|
| RET1 | I will definitely be working for this company for the next five years. | 5 point Likert Scale | Kyndt et al.,2009 |
| RET2 | I choose to remain employed with this company because of employee benefits. | | Author creation |
| RET3 | I see a future for myself within this company. Therefore my intention is to retain in the organization. | | Kyndt et al.,2009 |
| RET4 | Within this company my work gives me satisfaction. Therefore my intention is to retain in the organization. | | |
| RET5 | I have planned to leave the company. | | Author creation |

The concept of employee retention had 5 statements and these statements were also measured by 5 point Likert Scale. Similarly, some of the statements were adopted from previous researcher Kyndt et al., (2009) and some are author’s creation. Employee retention is intervening variable in this study.

3.7 Data Analysis Method

In order to get the validity and reliability of variables, Cronbach’s alpha coefficient was used. Under the validity, the convergent validity of items was intended. Zero order correlation was used to measure the relationship between variables. Finally, regression analysis was used to test the hypothesis of the study. The regression model was ($Y= a+\beta x$).

CHAPTER FOUR

DATA ANALYSIS

4.1 Introduction

This chapter presents the data systematically. The data were collected through questionnaires from the production employees of D.G Fashion Garment and systematically analysis with SPSS 13.0 software. Descriptive analysis and simple linear regression analysis was used to analysis the data. The data included personal information of the employees, job related information and information of employee retention and performance. This chapter will include 4.1 introduction 4.2 descriptive statistics of the data set 4.3 validity and reliability of variables 4.4 Correlation analyses 4.5 regression analyses 4.6 hypothesis testing and 4.7 data discussion. The results will be presented by tables, graphs and supported by text.

4.2 Validity and Reliability of Variables

Validity means ability of the research method to find accurate reality. According to Moskal and Leydens (2002) the validity is “the degree to which the evidence supports that the interpretations of the data are correct and the manner in which interpretations used are appropriate”. Validity can be categorized into content validity, criterion validity, construct validity, convergent validity, discriminant validity and nomological validity (Gunawardana, 2016). Validity is quite important if the researcher is doing in-depth studies on individuals, small groups or situations (Churton and Brown, 2010). In other words, Joppe (2000) stated that validity is the one if the obtained results are truthful and believable. If the researcher knew that his/her research was valid then he can be confident on the findings that really show some uniqueness in the issue being studied. If the researcher lacks validity then it means that there was lack of truth in the findings (Churton and Brown, 2010). Research validity can be divided into two groups: internal and external. It can be specified that internal validity refers to how the research findings match the reality, while external validity refers to the extent to which the research findings can be replicated to other environments (Pellissier, 2007, p.12).

The term reliability in psychological research refers to the consistency of a research study or measuring test. There are two types of reliability; internal and external reliability (McLeod, 2007). Internal reliability assesses the consistency of results across items within a test. External reliability refers to the extent to which a measure varies from one use to another (ibid). Zikmund (2003) also defined that reliability is the degree to which measures are free from error and therefore yield consistent results. Joppe (2000) also defined reliability as how consistent the results are when the experiment is repeated a number of times under same methodological conditions, then the instrument is said to be reliable.

In this study, three concepts were used. They were leadership styles, employee retention and job performance. The convergent validity and reliability of these concepts were measured in terms of Cronbach's alpha. Cronbach's alpha is a measure used to assess the reliability or internal consistency of a set of variables or test items (Explorable, 2010). There are numbers of different reliability coefficients, however, Cronbach's alpha is a special measure of reliability which one of the most commonly used by researchers (Coakes & Steed, 2001). Cronbach's alpha can take values between 0 and 1. The higher the coefficient or the closer to 1, the more reliable the measure (Field, 2005). The Cronbach's alpha was used in this study to assess the reliability of the items. The summary of the reliability test of the dimensions from the statements is shown below tables.

Table 4.1 Reliability Statistics of Performance

| Code | Statements | Cronbach's Alpha |
|------|---|------------------|
| Per1 | The company gives rewards and recognizes according to my performance. | 0.587 |
| Per2 | The Company encourages employees to work to the best of their abilities. | |
| Per3 | The company provides adequate training and development opportunities to improve my performance. | |
| Per4 | My performance has improved than before. | |
| Per5 | I have the opportunities to work in the best way I think. | |

Sources: survey data, 2016

Hair et al., (2003) defined that the rule of thumb about this Cronbach Alpha coefficient size as; <0.6: Poor (acceptable), 0.6 < 0.7: Moderate, 0.7<0.8: good, 0.8<0.9 very good and > 0.9 is excellent. Therefore, the higher the score generate the more reliable internal consistency. The overall reliability of employee performance questions was 0.587. According to criteria of Hair et al (2003), the alpha value for performance variable was 0.587 has acceptable internal consistency among five task value items.

Table 4.2 Reliability Statistics of Autocratic Leadership Style

| Code | Statements | Cronbach's Alpha |
|-------|---|------------------|
| Auto1 | My supervisor closely monitors employees to ensure that they are performing correctly. | 0.750 |
| Auto2 | My supervisor gives a reward or punishment in order to motivate and improve performance. | |
| Auto3 | My supervisor does not readily accept new ideas. | |
| Auto4 | My supervisor retains decision making authority within the department. | |
| Auto5 | I feel stress when I work with my supervisor. | |
| Auto6 | My supervisor is not flexible in recognizing, understanding and adapting to individual needs and views. | |
| Auto7 | My supervisor makes decision without consulting the group members. | |

Sources: survey data, 2016

As the results of table 4.2, the overall alpha value of autocratic leadership variable was 0.750. As mention in above criteria of Hair et al., (2003), the alpha value of autocratic leadership variable was in good reliability and indicates good internal consistency among the seven task value items.

Table 4.3 Reliability Statistics of Democratic Leadership Style

| Code | Statement | Cronbach's Alpha |
|-------|---|------------------|
| Demo1 | My supervisor involves employees to determine what to do and how to do it. However, he maintains the final decision-making authority. | 0.510 |
| Demo2 | My supervisor recognizes and rewards innovative employees. | |
| Demo3 | My Supervisor consults with others before making decisions. | |
| Demo4 | I feel my supervisor is supportive of my work. | |
| Demo5 | I receive adequate feedback and guidance from my supervisor. | |
| Demo6 | I am treated fairly by my supervisor. | |
| Demo7 | I feel that my suggestions are welcomed and valued by my supervisor. | |
| Demo8 | I feel comfortable when I work with my supervisor. I satisfy his leadership style. | |
| Demo9 | My supervisor encourages me. He listens to my concern and tries to create better working environment. | |

Sources: survey data, 2016

As shown in above table 4.3, the overall alpha value of democratic leadership variable was 0.510. According to criteria of Hair et al., (2003), the alpha value for democratic leadership variable was just 0.510 has acceptable internal consistency among nine task value items.

Table 4.4 Reliability Statistics of Laissez-faire Leadership Style

| Code | Statement | Cronbach's Alpha |
|------|--|------------------|
| Las1 | My supervisor gives me complete freedom for make decisions. | 0.530 |
| Las2 | In most situations, my supervisor gives little or no guidance to group members. | |
| Las3 | My supervisor gives me complete freedom to solve problem on our own. | |
| Las4 | I feel that my supervisor provides the tools and resources needed to perform my duties. | |
| Las5 | My supervisor avoided giving feedback to the questions/problems raised while performing my duties. | |
| Las6 | I am not satisfied the management of my supervisor. | |
| Las7 | I think my Supervisor should take responsibility to his/her employee performance. | |

Sources: survey data, 2016

As shown in table 4.4, the overall alpha value of laissez-faire leadership variable was 0.530. As Hair et al., (2003) stated that the alpha value 0.530 was acceptable. Therefore, the internal consistency of laissez-faire leadership variable was acceptable.

Table 4.5 Reliability Statistics of Employee Retention

| Code | Statement | Cronbach's Alpha |
|------|---|------------------|
| Ret1 | I will definitely be working for this company for the next five years. | 0.630 |
| Ret2 | I choose to remain employed with this company because of employee benefits. | |
| Ret3 | I see a future for myself within this company. Therefore my intention is to retain in the organization. | |
| Ret4 | Within this company my work gives me satisfaction. Therefore my intention is to retain in the organization. | |
| Ret5 | I have planned to leave the company. | |

Sources: survey data, 2016

According to above table 4.5, the reliability of retention variable was 0.630. As Hair et al., (2003) stated that the alpha value $0.6 < 0.7$ is moderate level. Therefore, the internal consistency of retention variable was moderate level. Hence, there was high moderate and acceptable convergent validity and reliability for all items used to measure the concepts.

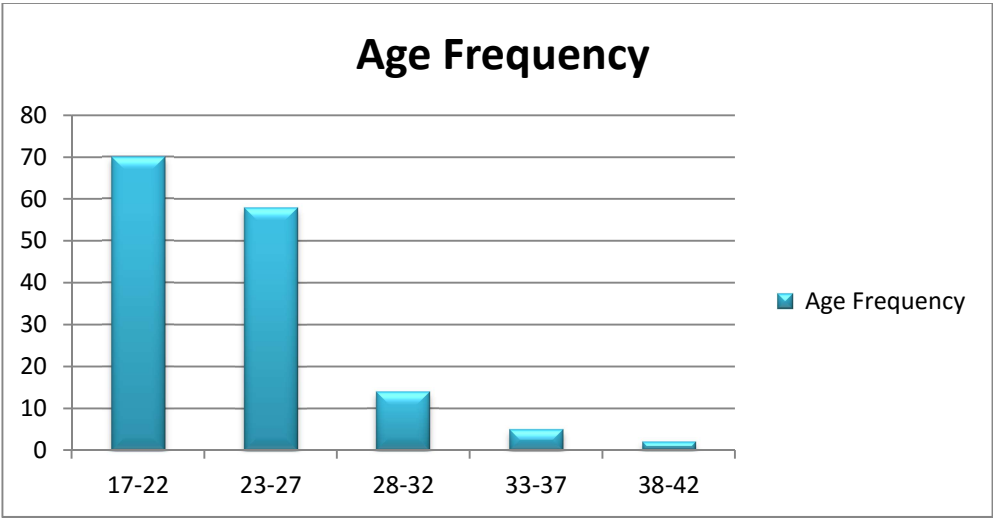
4.3 Descriptive Statistics of the Data Set

With descriptive statistics the researcher can simply describe what is, what the data shows (Trochim, 2000). In other words, descriptive statistics is a summary of the data collected. It is widely used for descriptive analysis of data, along with graphic statistics. Descriptive Statistics provide simple summaries about the sample and the measures. Descriptive analysis of a five point Likert scale (1=strongly disagree to 5= strongly agree) was used to find out the impact of Lewin's three leadership styles on employee performance and retention. Together with simple graphics analysis, they formed the basis of virtually every quantitative analysis of data. Trochim (2000) said that descriptive statistics help us to simplify large amounts of data in a sensible way. Therefore, descriptive statistics were used to describe the basic features of the data in a study.

There are some instances where some of the variables influence for the variations in dependent variable rather than the independent variable. These variables are known as control variables. In a research study, the effect of these variables to the predictability of dependent variable must be controlled. This is done in order to interpret the main and moderating effects accurately. The control variables in this study were age, gender, marital status and tenure.

In this research, the basic information of respondents was collected through questionnaires. Samples of 149 respondents were taken from survey out of 150. In the section 1, there were four demographic factors. The first demographic factor was age. According to table 4.1, the majority of employees were 17-22 years which has 49 percent out of 149 respondents. Then, the second highest age category was 23-27 years old employee which represent 38.9 percent from total respondents. Then, 28-32 years old employees were 9.4 percent, 33-37 years old employee were 3.4 percent and 38-42 years old employee were 1.3 percent.

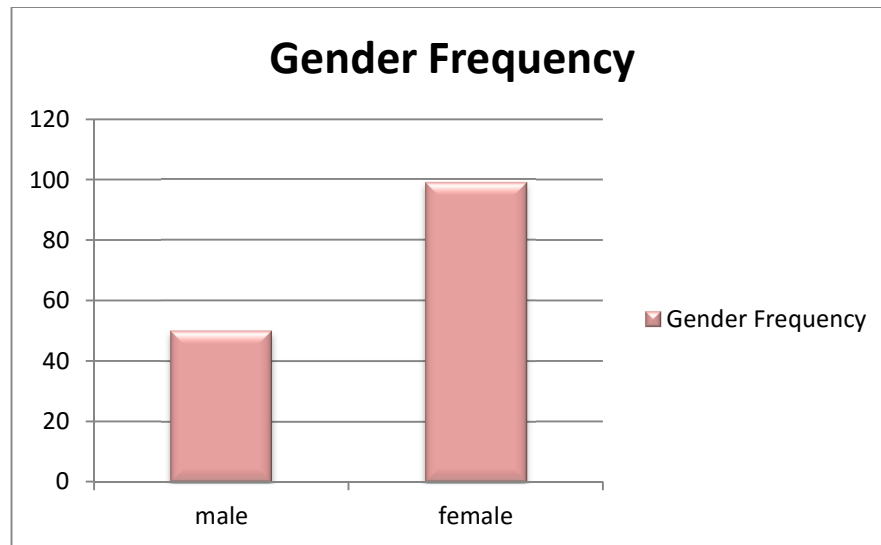
Figure 4.1 Frequency Distribution of Age



Source: 2016 Survey from D.G Fashion Garment

The second demographic factor was gender. Generally, most of the employees in garment factory were female employees from rural area. Figure 4.2 has shown that there were more female employees than male employees. There were 99 female employees and 50 male employees in 149 respondents. Therefore, female employees were two times than male employee in D.G Fashion Garment. The table given below has shown the information about the distribution of gender of the respondents.

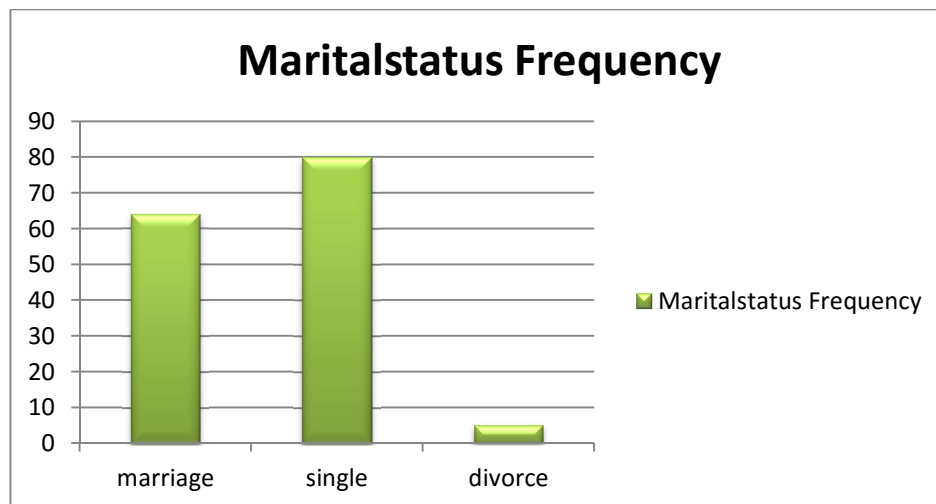
Figure 4.2 Frequency Distribution of Gender



Source: 2016 Survey from D.G Fashion Garment

The third demographic factor was marital status. Among 149 participants 64 employees were married which represent 43 percent, 80 were single which represent 53.7 percent and only 5 employees were divorced. The table given below has shown the information about the marital status of the respondents.

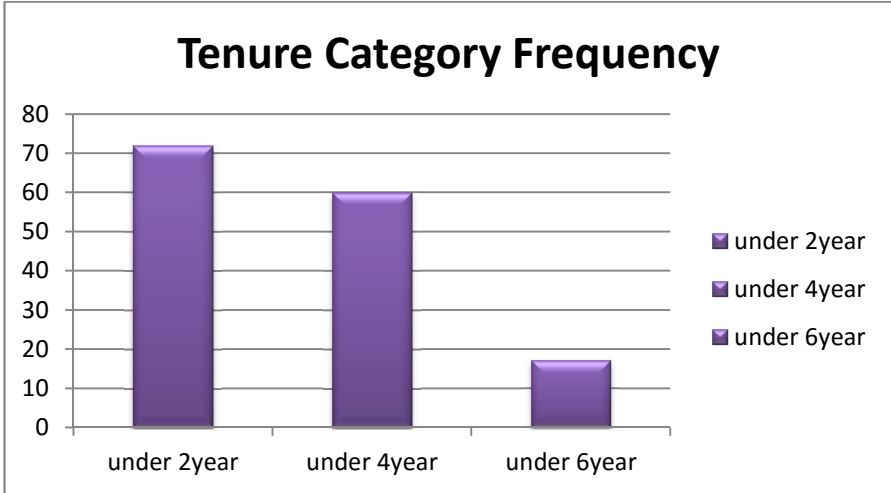
Figure 4.3 Frequency Distribution of Marital Status



Source: 2016 Survey from D.G Fashion Garment

The final demographic factor was tenure which means number of years in present job. According to collected data, 72 of the respondents have been working for the company less than 2 years in D.G Fashion Garment, 60 employees have been working under 4 year and 17 employees have been working under 6 years.

Figure 4.4 Frequency Distribution of Tenure



Source: 2016 Survey from D.G Fashion Garment

Table 4.6 Number of Questionnaires Distributed and Collected

| Organization | Department | Distributed questionnaires | Collected questionnaires |
|---------------------|-----------------------|----------------------------|--------------------------|
| D.G Fashion Garment | Production department | 150 | 149 |
| Total | | 150 | 149 |

As shown in above table 4.6, 150 questionnaires were distributed to the employees of production department from D.G Fashion Garment and 149 employees responded the survey. Therefore, the analysis will be based on 149 responses questionnaires.

4.4 Main Model

Table 4.7 Correlation Coefficient of Standard Variable with Control Variable Relation

| Control Variables | Avg. Per | Avg. Ret | Avg. Auto | Avg. Demo | Avg. Las | Age | Gender | Marital status | Tenure |
|-------------------|----------|----------|-----------|-----------|----------|--------|--------|----------------|--------|
| Avg. Per | - | | | | | | | | |
| Avg. Ret | -0.137 | - | | | | | | | |
| Avg. Auto | -0.019 | 0.080 | - | | | | | | |
| Avg. Demo | 0.618** | 0.242** | -0.048 | - | | | | | |
| Avg. Las | 0.522** | 0.036 | -0.080 | 0.580 | - | | | | |
| Age | 0.095 | 0.016 | -0.109 | 0.176 | 0.111 | - | | | |
| Gender | -0.241** | 0.066 | 0.009 | -0.236 | -0.071 | 0.108 | - | | |
| Marital status | 0.052 | 0.103 | 0.050 | 0.085 | 0.023 | -0.306 | -0.226 | - | |
| Tenure | -0.037 | 0.077 | -0.095 | 0.032 | 0.046 | 0.506 | 0.221 | -0.389 | - |

Sources: Survey Data, 2016 Notes: N=149, Per=Performance, Ret=Retention, Auto=Autocratic leadership style, Demo=Democratic leadership style, Las=Laissez-faire, $p^{**}<0.01$, $p^{*}<0.05$

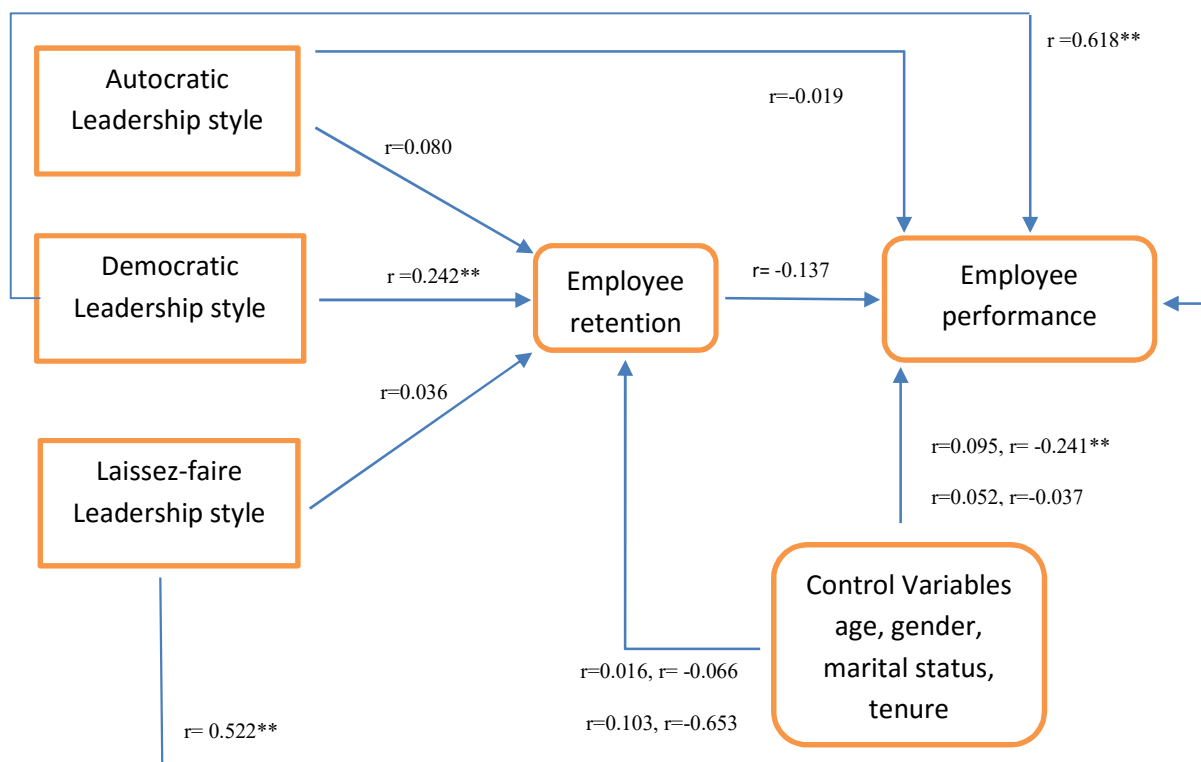
Based on the result of questionnaires, zero-order correlations were tested between the leadership styles, retention and individual performance of employee. According to above table 4.13, there is no significant evidence to prove that age, marital status and tenure have an effect to the job performance and retention. There is only one variable among control variables which has statistically significant relationship with job performance. The variable in gender which statistically significant and its relationship with the performance is negative (-0.241, $p<0.01$). The negative relationship means that the performance will be varied when it comes to the gender. Therefore, the negative relationship in this case, has to be controlled.

Then above table 4.7 shows the correlations of autocratic leadership style, democratic leadership style, laissez-faire leadership style, and employee retention with job performance. Some of these relationships are statistically significant. As shown in table 4.7, the relationship between democratic leadership and employee individual performance is highly significant (0.618, $p<0.01$) and laissez-faire leadership style and employee individual performance is also highly significant (0.522, $p<0.01$). However, the relationship between autocratic leadership style has individual

performance of employee has an insignificant relationship which means that there is no such autocratic leadership style in that organization.

When it comes to the retention, the influence of democratic leadership styles on employee retention is ($r=0.242$, $p<0.01$). This indicates that there is a positive and significant relationship between democratic leadership style and employee retention. However, there is no significant relationship between autocratic leadership and retention and laissez-faire leadership styles and retention. Moreover, employee retention has also no statistically significant evidence with individual performance of employee. The reason for this may be the nature of industry. The garment factory in Sri Lanka is characterized by the high labor turnover. People in that industry have short time period of retention in a one garment factory. Even though, they retain in the garment factory in short time period, during that period they tend to do demonstrate high performance. In other words, the time duration for retention does not have significant relationship with the performance.

Figure 4.5 Correlation Coefficient of Standard Variable with Control Variable Relation



Sources: Survey Data, 2016 Note: $p^{**}<0.01$, $p^{*}<0.05$

Table 4.8 Correlation Coefficient of Standard Variable after Controlling the Control Variables

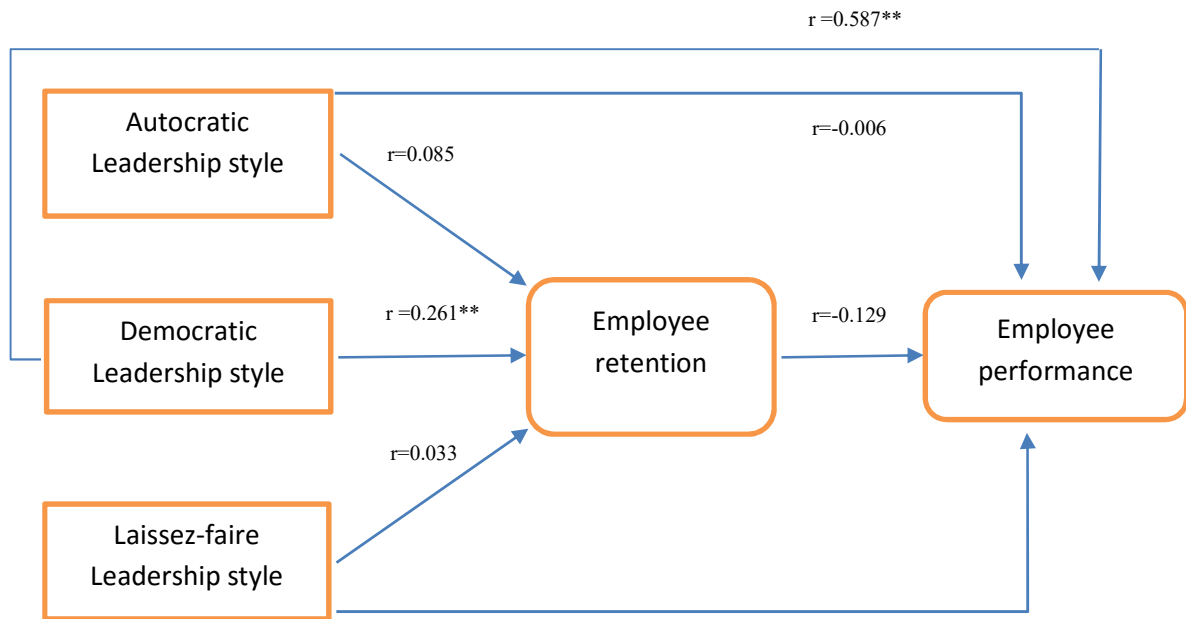
| Variables | Avg. Per | Avg. Ret | Avg. Auto | Avg. Demo | Avg. Las |
|-----------|----------|----------|-----------|-----------|----------|
| Avg. Per | - | | | | |
| Avg. Ret | -0.129 | - | | | |
| Avg. Auto | -0.006 | 0.085 | - | | |
| Avg. Demo | 0.587** | 0.261** | -0.0265 | - | |
| Avg. Las | 0.515** | 0.033 | -0.0674 | 0.572 | - |

Sources: Survey Data, 2016 Notes: N=149, Per=Performance, Ret=Retention, Auto=Autocratic leadership style, Demo=Democratic leadership style, Las=Laissez-faire, $p^{**}<0.01$, $p^{*}<0.05$

As it can be seen in table 4.8, after all control variables are control, democratic leadership styles still has a positively and significantly effect on job performance (0.587, $p<0.01$). Laissez-faire leadership style has also positive significant on employee performance (0.515, $p<0.1$). However, autocratic leadership style has also no significant effect on job performance and retention.

When it comes to the retention, only democratic leadership style has positive effect retention (0.26, $p<^{**}$), autocratic leadership style and laissez-faire leadership style have no significant relationship with employee retention. Further, the result shows that there is no significant evidence to prove that employee retention has an effect on the performance. The reason of this has already explained in above.

Figure 4.6 Correlation Coefficient of Standard Variable after Controlling the Control Variables



Sources: Survey Data, 2016 Note: $p^{**}<0.01$, $p^{*}<0.05$

4.5 Regression Model

Linear regression analysis was used to test the influence of the independent variable on the dependent variable. Regression estimates are used to describe data and to explain the relationship between one dependent variable and one or more independent variables (Statistics Solutions, 2013). The relationship explain by the regression model is $(Y=a+\beta X)$ which already mention in the methodology section.

Table 4.9 Coefficients of the Dependent Variable - Performance

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|------------|-----------------------------|------------|---------------------------|-------|---------|
| | B | Std. Error | Beta | | |
| (Constant) | 0.411 | 0.479 | | 0.858 | 0.392 |
| Avg. Auto | 0.040 | 0.107 | 0.024 | 0.372 | 0.711 |
| Avg. Demo | 0.625 | 0.102 | 0.475 | 6.139 | 0.000** |
| Avg. Las | 0.326 | 0.102 | 0.248 | 3.199 | 0.002** |

Sources: Survey Data, 2016 Notes: Auto=Autocratic leadership style, Demo=Democratic leadership style, Las=Laissez-faire, $p^{**}<0.01$, $p^{*}<0.05$

According to table 4.9, there is no statistically evidence to prove that there is a good impact from autocratic style to individual performance. Both democratic style and laissez-faire style have positive impact to variation of individual performance of employee. As seen in above table 4.9, democratic style is the best style because one unit of variation in democratic style will increase to 0.625 variations in performance of individual and one unit of variation in laissez-faire style will increase to 0.326 variations in performance of individual. However, in autocratic style, one unit of variation will result to only 0.04 (4%) individual employee performance but there is no statistically evidence to prove that autocratic is in that company. Therefore, only democratic style and laissez-faire style are applicable to improve the performance of individual employee in D.G Fashion Garment. And the figures indicate that democratic style is the best style as it has very good impact on individual performance of employee than others.

Then, in standardized beta coefficient, democratic style is also the best measures among these three leadership styles. There were 0.024 for autocratic, 0.475 variation for democratic style and 0.248 for laissez-faire style. This means that one unit of variation in autocratic style, in democratic style and in laissez-faire style will result to 0.024, 0.475 and 0.248 variation in performance of individual employee. According to that result, under democratic leadership style, the performance of employees can be higher than under autocratic and laissez-faire leadership styles. Then, above table 4.9 shown the relationship between democratic style and job performance are highly significant ($p=0.000$) and laissez-faire style and job performance has also

significant ($p=0.002$). However, there is no any significant evidence to prove that the autocratic style has an effect to the job performance.

Table 4.10 Model Summary for Performance without the Interaction Effect

| R | R Square | Adjusted R Square | F | Sig. |
|-------|----------|-------------------|--------|---------|
| 0.651 | 0.423 | 0.411 | 35.464 | 0.000** |

Sources: Survey Data, 2016 Note: $p^{**}<0.01$, $p^{*}<0.05$

As shown in the table 4.10, there is a high level of assurance for the performance. The value of R-Coefficient of Regression for this model is 0.651. That shows the positive relationship between there leadership styles and employee performance. Then R-Square Coefficient of determination is 0.423 which indicates 42.3% in employee performance is caused by independence variables (autocratic leadership style, democratic leadership style, laissez-faire leadership style). The Adjusted R-Square also indicates that 41.1% (0.411) of performance was explained by the model and 58.9% of impact is outside by this model. The F values is 35.464, $p<0.01$, so it is highly significant. This means that the regression model is statistically significant to prove that leadership styles (autocratic style, democratic style and laissez-faire style) have impact on individual performance of employee.

Table 4.11 Coefficients of the Dependent Variable - Retention

| Variables | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|------------|-----------------------------|------------|---------------------------|--------|---------|
| | B | Std. Error | Beta | | |
| (Constant) | 0.756 | 1.064 | | 0.711 | 0.478 |
| Avg. Auto | 0.250 | 0.238 | 0.084 | 1.052 | 0.294 |
| Avg. Demo | 0.773 | 0.226 | 0.334 | 3.418 | 0.001** |
| Avg. Las | -0.350 | 0.226 | -0.151 | -1.546 | 0.124 |

Sources: Survey Data, 2016 Notes: Auto=Autocratic leadership style, Demo=Democratic leadership style, Las=Laissez-faire, $p^{**}<0.01$, $p^{*}<0.05$

The above table 4.11 states the regression analysis of the autocratic, democratic and laissez-faire leadership styles on employee retention. The regression coefficient analysis is the variation of one unit of independence variable to dependence variable. As shown in table 4.11, autocratic style and laissez- faire style have no impact to retain employees. However, democratic leadership style has very good impact on employee retention. The variation of one unit of democratic leadership styles will increase to 0.773 in retention. The relationship between democratic leadership styles and retention is significant ($p < 0.01$) when it comes to the t value. Then, after standardized beta coefficient is 0.334 from democratic leadership style to retention that means one unit of variables in democratic leadership will result to 0.334 for retention. According to that result, the researcher can say that D.G Fashion garment applies only democratic leadership style to retain the talent employees.

As explained in above, democratic leadership and employee retention is highly significant. However, autocratic leadership style and laissez-faire leadership style and retention have no significant relationship. The significant relationship between democratic leadership style and retention is ($p < 0.01$) and one unit of variations in democratic leadership style will increased to 0.773 variation in retention. Therefore, democratic leadership style is the most appropriate style to improve employee retention.

Table 4.12 Model Summary for the Retention

| R | R Square | Adjusted R Square | F Value | Sig. |
|-------|----------|-------------------|---------|---------|
| 0.287 | 0.082 | 0.063 | 4.326 | 0.006** |

Sources: Survey Data, 2016 Notes: $p^{**} < 0.01$, $p^{*} < 0.05$

The table 4.12 shows the summary regressed analysis of the autocratic, democratic and laissez-faire leadership styles on employee retention. Since the model gives a high level of assurance for the retention, it is also important to find the overall predictive fit of the model. In the table 4.12, R-Coefficient of Regression for the model is 0.287 which means there is a positive relationship among leadership styles, employee retention. Then, Zikmund (2003) defined that R-Square as the percentage of variance in the dependent variable that is explained by variation in the independent variables. The R-Square Coefficient of determination is 0.082. It indicates only 8.2% of changes

in employee retention is caused by independence variables; autocratic leadership style, democratic leadership styles, laissez-faire leadership style. Then adjusted R-Square is taken into consideration in order to reduce the inflation of the R-Square when adding the independent variables to the mode. The Adjusted R-Square also indicates that 6.3% (0.063) of retention is explained by the model (leadership styles) and 93.7% of impact is outside this model. The F value is 4.326, $p < 0.01$, so it is highly significant. This means that the regression model is statistically significant to prove that independence variable (autocratic style, democratic style and laissez- faire style) predict to dependence variable (retention).

Table 4.13 Coefficients of the Dependent Variable – Performance

| Variable | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|------------|-----------------------------|------------|---------------------------|--------|-------|
| | B | Std. Error | Beta | | |
| (Constant) | 4.132 | 0.148 | | 27.913 | 0.000 |
| Avg. Ret | -0.078 | 0.046 | -0.137 | -1.673 | 0.097 |

Sources: Survey Data, 2016 Notes: $p^{**} < 0.01$, $p^* < 0.05$

According to table 4.13, there is no statistically evidence to prove that there is relationship between retention and job performance. This is somewhat different from what is mentioned in the literature. According to the nature of garment of garment industry, there is higher turnover in production employees. In garment industry, most of the production employees are female from rural area. They are uneducated and poor people. They are not knowledge workers. They work to collect the money. Most production employees are intended to work for temporary. Most employees leave the job due to personal case, family affairs and other social case although their performance has improved than before. They are not intended to work for long time period. Moreover, production employees are basic workers and they used to move to other places or resign the job. As they are basic workers, it is difficult to retain more than 5 years. That is the reason, why this finding is not supported to the theory.

Table 4.14 Model Summary for the Performance

| R | R Square | Adjusted R Square | F Value | Sig. |
|-------|----------|-------------------|---------|-------|
| 0.137 | 0.019 | 0.012 | 2.798 | 0.097 |

Sources: Survey Data, 2016 Notes: $p^{**}<0.01$, $p^{*}<0.05$

The table 4.14 presents the model summary regression analysis of the employee retention on performance of individual. As shown in the table 4.14, R-Coefficient of Regression for the model is 0.137 which means there is a positive relationship between employee retention and job performance. The R-Squared Coefficient of determination is 0.019. It indicates only 1.9% very small percentage of changes in individual employee performance is caused by retention. The Adjusted R-Square also indicates that 1.2% (0.012) of the impact of job performance was explained by the model (retention) and 98.8 % of impact is outside this model. The F values is 2.798 and ($p = 0.097$), so it has no significant. According to that, the model was not supported for the prediction of individual performance.

4.6 Hypotheses Testing

There were 7 hypotheses in this study. It was evident that there were sufficient evident to test the hypotheses from the above paragraphs. The hypotheses testing information is summarized in the following table 4.15.

According to table 4.15, hypothesis 1 is not supported because Beta was 0.024, correlation coefficient after controlling the control variable ($r = -0.006$, $p=0.940$). This means there is no any supported evidence to prove that autocratic leadership style has effect on individual performance of employee. Then, hypothesis 2 is supported. This is proved by the beta value was 0.475 and correlation coefficient after controlling the control variable was ($r=0.587$, $p<^{**}$) that was statistically significant. Since the $p < 0.01$, hypothesis 2 is accepted. Next one is hypothesis 3 which is also supported. As it can be seen in table 4.15, the value of beta was 0.248 and Correlation coefficient after controlling the control variable ($r=0.515$, $p=0.000$). According to the

result of that, the relationship between relationship between laissez-faire leadership and employee performance is positive significant. When considering hypothesis 4, we can see that hypothesis 4 is not supported. The value of beta was ($\beta=0.084$) and correlation coefficient after controlling the control variable was ($r = 0.085, p=0.311$). There is no significant evidence to prove the relationship between autocratic leadership style and retention. In hypothesis 5, as can be seen in table 4.15, the beta value ($\beta = 0.334, p<0.01$) and after controlling the control variables, the correlation coefficients values was ($r =0.261, p =0.002$) that was positively and highly significant. This means democratic leadership styles is positively and significantly impact on employee retention. Therefore, H5 is supported. In hypothesis 6 which is not supported, the beta value was 0.151 and Correlation coefficient after controlling the control variable was ($r = 0.033, p=0.693$). Finally, H7 is not supported and not significant relationship because p value was 0.097 although beta was 0.137 and then and after controlling the control variables, correlation coefficient was also -0.129, p value was 0.123. Therefore, the relationship between employee retention and job performance is not influence in a statistical significant way.

Table 4.15 Hypotheses Testing Information

| Hypothesis | Expected | Actual | Whether Supported /Not | Values |
|--|-----------------------|-----------------|------------------------|---|
| H1. There is a negative relationship between autocratic leadership and employee performance. | negative relationship | No relationship | Not supported | $\beta=0.024$ $t=0.372, p=0.711$ Correlation coefficient after controlling the control variable $r=-0.006,$ $p=0.940$ |

| Hypothesis | Expected | Actual | Whether Supported /Not | Values |
|---|-----------------------|-----------------------|------------------------|---|
| H2. There is a positive relationship between democratic leadership and employee performance. | positive relationship | positive relationship | supported | $\beta=0.475$ $t= 6.139$, $p=0.000$ Correlation coefficient after controlling the control variable $r =0.587$, $p=0.000$ |
| H3. There is a negative relationship between laissez-faire leadership and employee performance. | negative relationship | Positive relationship | Not supported | $\beta=0.248$ $t= 3.199$, $p=0.002$ Correlation coefficient after controlling the control variable $r =0.515$, $p=0.000$ |
| H4. There is a negative relationship between autocratic leadership and employee retention. | negative relationship | No relationship | Not supported | $\beta=0.084$ $t=1.052$, $p=0.294$ Correlation coefficient after controlling the control variable $r = 0.085$, $p=0.311$ |

| Hypothesis | Expected | Actual | Whether Supported /Not | Values |
|---|-----------------------|-----------------------|------------------------|--|
| H5. There is a positive relationship between democratic leadership and employee retention. | positive relationship | positive relationship | Supported | $\beta=0.334$ $t=3.418,$ $p=0.001^{**}$ Correlation coefficient after controlling the control variable $r=0.261, p=0.002$ ($p<0.01^{**}$) |
| H6. There is a negative relationship between laissez-faire leadership and employee retention. | negative relationship | No relationship | Not supported | $\beta = -0.151$ $t=-1.546,p=0.124$ Correlation coefficient after controlling the control variable $r = 0.033,p=0.693$ |
| H7. There is a positive relationship between employee retention and employee performance. | Positive relationship | No relationship | Not supported | $\beta=-0.137$ $t=-1.673 ,P=0.097$ Correlation coefficient after controlling the control variable $r = -0.129 ,$ $p=0.123$ |

4.7 Discussion

In this study, the researcher measured the influence of different leadership styles on employee individual performance by analyzing the intervening effect of employee retention to leadership styles and employee performance. The researcher has selected D.G Fashion Garment to observe that. This study brings the critical role of leadership styles on employee retention and performance.

This study identified the impact of autocratic, democratic and laissez-faire leadership styles in D.G Fashion Garment amongst others leadership styles. There are seven objectives of this study to examine the impact of autocratic, democratic and laissez-faire leadership styles on employee retention and performance. The collected data were analyzed with SPSS (13.0) software. The reliability of performance was 0.58, the reliability of autocratic leadership variable was .0750, the reliability of democratic leadership style was 0.510, the reliability of laissez-faire leadership styles 0.530 and the reliability of retention was 0.630. These seem the internal consistencies of variables were moderate level and acceptable level.

In this study, seven hypotheses were used to identify how the autocratic, democratic and laissez-faire leadership styles impact on employee performance and retention. The outputs of correlation analysis and regression analysis showed that hypothesis 1 is not supported and there is no any supported evidence in the D.G Fashion Garment to prove that autocratic leadership style has effect on individual performance of employee. Therefore, there is no such autocratic leadership style in that organization.

In the second hypothesis, the outputs of correlation analysis and regression analysis indicate that there was significant positive relationship between democratic leadership and employee performance. According to that result, the study hypothesis is supported. This finding was consistency with other studies; Donna (2011), Iheriohanma et al., (2014) and Iqbal et al., (2015). Donna (2011) also found out that democratic leadership styles will result higher employee performance, satisfaction and better retention rates. Iheriohanma et al., (2014) concluded that democratic leadership style tends to foster responsibility, flexibility, and high morale that will result to improved employees' performance. Iqbal et al., (2015) also stated that democratic leadership style empowers the employees by developing teams and according some measure of

power and authority to their employees. In this way, employees would ignite their potentials, feel part of an organization and perform maximally for the organization.

The third hypothesis of this study is not supported. According to the literature, there was negative relationship between laissez-faire leadership style and individual performance. Lewin et al., (1939) stated laissez-faire is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. Laissez-faire leadership is not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions (ibid). Some people are not good at setting their own deadlines, managing their own projects and solving problems on their own. However, when employees are experienced, well trained and highly skilled, laissez-faire style has positive effective. In this study, there is a positive relationship between laissez-faire leadership style and employee performance as employees in D.G Fashion Garment are well trained. According to that result, the study hypothesis 3 was not supported.

When considering the fourth hypothesis of this study, H4 is not supported. According to the outputs of correlation analysis and regression analysis, there is no any supported evidence in the D.G Fashion Garment to prove that autocratic leadership style has effect on employee retention. Then, in hypothesis 5, the results of correlation analysis and regression analysis indicated that democratic leadership styles was positively and significantly impact on employee retention. Therefore, H5 was supported. The result is consistent with existing literature (Iheriohanma et al., 2014). According to the outputs of correlation analysis and regression analysis, there was no any supported evidence to approve hypothesis 6 that there is a negative relationship between laissez-faire leadership style and employee retention of this study, Therefore, H6 was not supported.

Finally, hypothesis 7 was regarding to the intervening effect which stated that “There is a positive relationship between employee retention and employee performance”. The organization can improve individual performance of employee by retaining every high talent employees. Leaders try to retain the every high performance employee for the efficiency and effectiveness of organization. Therefore, employee retention has a positive relationship in performance because most of the old service employees are skillful and have experience regarding to their job. They can contribute their highest performance by applying their experience. By retaining skillful and old service employees, the organization can improve the individual performance of employee.

Therefore, performance will go up when retention goes up. However, the finding of this study reveals somewhat different result. The finding in this research was that there is no relationship between retention and employee performance. The reason for this is that, in the nature garment industry, especially production employees don't have an intention to retain for longer period in the organization. Retaining production employees in the garment factory can be determined not only by leadership styles but also by some other social factors such as facility, social background and family affairs of employees. Majority of production employees are from rural area. They are uneducated and poor people. They came to organization in order to collect the money, not for the intention to retaining long time in the organization. Even though they are high performance, they don't have strong intention to retaining long time in the organization. Moreover, there are less opportunities of growth for workers in textile sector because workers are less or uneducated, semi-skilled and have less personal relationships in industry. That is why, the empirical finding confirms that employee retention and performance has no relationship in this study. Therefore, Hypothesis 7 was not supported.

After analyzing above information, the researcher concludes that democratic leadership style is the best leadership style among these three leadership styles. It has good impact with both individual performance of employee and retention. D.G Fashion Garment applies democratic leadership style and laissez-faire leadership style for improve the individual performance of employee. To retain high performance employee, the factory use only democratic leadership style. Democratic leadership style in D.G Fashion Garment empowers the employee by developing team spirit, giving adequate feedback and guidance through supervisor, motivation, recognition and job satisfaction and better working environment. The factory also applies laissez-faire style by giving the autonomy to high skilled and trustworthy employees. This can lead to job satisfaction and increased productivity. However, there is no any significant evidence that the factory use autocratic style to improve employee performance. Further, when we compare the outcomes "one unit of variation in democratic style will increase to 0.625 variations in performance of individual and one unit of variation in laissez-faire style will increase to 0.326 variations in performance of individual" and "the variation of one unit of democratic leadership styles will increase to 0.773 in retention". According to above finding, democratic leadership is the best leadership style. This finding is also consistence with existing literature (Lewin et al., 1939).

CHAPTER FIVE

CONCLUSION

Definitely, leadership skills and behaviors directly involved in the company growth because team members gathered around the leader, leader should have to drive correct path to achieve the goals of organization. As explained in literature survey, there are various types of leadership styles and different types of leader in work environment. Some of the leaders are autonomy. They take all the decision making authority and the control the power within the group and didn't welcome the suggestion of their subordinates. Some of the leaders give the chance to their followers to participate in decision making process, encourage the creation and innovation, welcome and accept the suggestion and idea of subordinates. Some of the leaders didn't give any guidance and supporting to their followers takes responsibility when problems arise (Lewin et al, 1939).

On the other hand, there are different types of employees in the work environment. Some are lazy, avoid responsibility and avoid the work as much as they can. This types of employees need to coerce and control by the managers/supervisors. Some are motivated, interest their job. Some are high experienced, skillful, knowledgeable. In this case, managers/supervisors have to give autonomy to those employees. However, some are unexperienced, manager/supervisor needs to closely monitor to those employees (McGregor, 1960 as cited in Mat, 2008). Hence, managers/supervisors apply the suitable leadership style based on the situation they face. Managers/supervisors apply the appropriate leadership style based on the nature of the organization they work and based on the situation they face.

In this study, the researcher applied quantitative research method and 5 point Likert scale to measure the impact of different leadership styles on employee performance by analyzing the intervening effect of leadership styles on retention. Then, there were three variables in this study. They are independent variable, dependent variable and intervening variable. Zero order correlation and linear regression model are used to analyze the data. There are seven hypotheses in this study. The findings of this study have already discussed in section 4.6.

Different organization use different leadership styles according to the nature of the industry. Leader needs to apply relevant leadership style according to the situation they face. In this study, the researcher examined influence of three leadership styles; autocratic, democratic and laissez-faire on employee individual performance by analyzing inventing effect of leadership styles on retention.

It was evidence in this study, the behavior of leader has impact on employee retention and performance of employees. This is the same finding with the works of previous researcher (Nwokocha and Iheriohanma, 2015). It can be conclude that the leadership styles adopted by managers/supervisors have impact on employees' job satisfaction, retention and then consequently improve their performances which can attain through effective leadership. The perception of employees relating to their leader/supervisor is very important because the behavior of leader directly impact on employees' feelings about the organization. This study also proved that the outcomes of individual employee performance was different based on the leadership styles adopted by managers/supervisors that one unit of variation in democratic style will increase to 0.625 variations in performance of individual and one unit of variation in laissez-faire style will increase to 0.326 variations in performance of individual. This compiles with the work of Porter (2006) "the same group of people will behave differently depending upon the style the leader adopts". Therefore different leadership styles impact differently on employee retention and individual performance.

By considering all of these facts from discussion section, the researcher can express that leadership styles has impact on both employee retention and performance. When considering the D.G Fashion Garment, without proper leadership styles, the performance of individual employee will be low. The findings of this research may support to managers/supervisors when they improve their employee performance and when they retain talent employee in the organization. However, leading is importance not only employee performance and retention but also for the whole organizational development. A good leader has an ability to influence and motivate his/her employees. Employees are sources of competitive advantages of the organization. Therefore, the success of organization depends on its leader.

Leader should take responsibility of team member's any mistake or falls should appear leader behalf of workers. As mention in literature survey, the basic practices to increase employee retention in the factory are

- Offer Reasonable salaries and any other financial benefits
- Not give unnecessary work pressure to worker
- Weekly offer to money as earn production incentive
- Give the rewards for performances & base in skills
- Given the chance to promotions as their ability
- Salary increment need to be share transparency system
- Offer to the Trainings as per the requirement
- Paying on time & on date salaries & allowances to the workers
- provide annual salary increments
- Recognition/reward for good performance which is significantly influenced retention
- Create better work environment and work-life balance

Supervisors and managers need to be flexibility and build up closely relationship between team members, not give unnecessary work pressure and handle grievance of their subordinate (team). The basic practices to improve the individual performance of employee are

- Leader should be empowering the responsibility to subordinates to take leave after discus with the team.
- Give the authority to work independently
- Offer the attendance incentive scheme
- Give the reasonable salaries & any other financial benefit
- Select the best attendance team and offer the gift
- Identify who are taking more unnecessary absenteeism and take disciplinary action against to them
- Identify who are taking more unnecessary absenteeism first of all verbally advice and then after advise from written warning
- Controlled unnecessary over time (extra work hours)

- Totally control night work shift
- Build up closely relationship with subordinates
- Given the chance to share their problems to top management through worker council or directly
- Leader shouldn't be shouted or scold them in front of others their mistakes.

Excessive turnover is a sign of major problem within the businesses and it is very important to know that how to retain employees in the particular organization. Today textile industry is facing the problem regarding to retaining man power supplies. Role of human resource practices is very crucial in this regard. Human resource practices can only be applicable to the learning organizations. Employees can be retained and satisfied within those organizations which keep on learning that how to keep their employee's satisfaction at highest level.

Finally, the findings of this study have several implications for research and practice. The findings may helpful to improving the business practice by providing information that the leaders' awareness and understanding of retention strategies for the best employees and improving employee performance. The manager in manufacturing industry may able to use the finding to improve the individual performance of employee and to explore the potential causes of employees' turnover and implement strategies for retention practices. Moreover, these findings can be helpful for the managers/supervisors to understand that which kind of leadership style is most suitable in terms of its can modify their leadership styles to make it more effective and result oriented. Base on the findings of this study, democratic leadership style is more appropriate than autocratic and laissez-faire leadership styles to improve retention and the performance of employee in the organization. By retaining skillful and old service employees through suitable leadership style, the organization can achieve goals.

References

- Adair, J. (2004). *Handbook of Management and Leadership*. Landon: Acorn.
- Alan, M. (2013). Leadership Styles.
Retrieved from <http://www.ofd.ncsu.edu/wp-content/leadership>)
- Arnold, E. (2005). *Managing human resources to improve employee retention: The Health Care Manager*, 24 (2), 132-40.
- Arnold, H. J., & Feldman, D.C. (1986). *Organizational Behavior* (International ed.) Singapore: McGraw-Hill.
- Armstrong, M. (2003). *A Handbook of Human Resource Management Practice*. London: Kogan Page.
- Armstrong, M. (2009). *Handbook of Management and Leadership: A guide to managing for result*. Landon: Kogan Page.
- Armstrong, M. (2014). *A Handbook of Human Resource Management Practice*. London: Kogan Page.
- Babatunde, O., & Emem, I. (2015). The Impact of Leadership Style on Employee's Performance in an Organization, *Journal of Inernational Knowledge sharing Platform* 5(1), 2224-5731.
- Bamberger, P., & Meshoulam, I. (2000) *.Human Resource Management Strategy*. Thousand Oaks, CA: Sage.
- Beardwell, J., & Claydon, T. (2007). *Human Resource Management: A Contemporary Approach*. London: Prentice Hall.
- Borman, W. C., & Motowidlo, S. J. (1993). Expanding the criterion domain to include elements of contextual performance. In N. Schmitt & W. Borman (Eds.), *Personnel selection in organizations* (pp. 71–98). New York: Jossey-Bass.
- Borman, W. C., & Motowidlo, S. J. (1997). Task performance and contextual performance: The meaning for personnel selection research. *Human Performance*, 10(2), 99-109

- Bouguerra, N. (2013). *Understanding of Max Weber' Charismatic Leadership*. Retrieved from <http://www.socialstudent.co.uk>
- Bratton, J., & Gold, J. (2003). *Human Resource Management, Theory and Practice*. New York: Palgrave Macmillan.
- Bronack, S. (2009). *Employee Stress and How Stress Relates to Retention* .Retrieved from www.slideshare.net/nancyd0703
- Browell, S. (2003). *Staff retention in a week*. Landon, England: Hodder & Stoughton.
- Business Essential. (2009). *Management*. Landon, England: BPP Learning Media
- Cherry, K.A. (2006).Leadership styles.
Retrieved from <http://psychology.about.com/od/leadership/a/leadstyles.htm>
- Chew, J. C. (2004). *The Influence of Human Resource Management Practices on the Retention of Core employees of Australian Organization* (PhD Thesis, Murdoch University). Retrieved from <https://core.ac.uk/download/pdf/11231292>
- Chrita, K. (2013) .Role of Leaders on employee Retention: A Pragmatic study with Reference to Private Sector Bank Employee. Retrieved from www.irjbm.org
- Churton, M., & Brown, A. (2010). *Theory and Method*. (2nd ed.).New York: Palgrave Macmillan.
- Coakes, S. J., & Steed, L. G. (2001). *SPSS analysis without anguish*. Milton: John Wiley & Sons Australia, Ltd.
- Daft, R.L. (2013).*New Era of Management*. India, Cengage Learning.
- Dar, L., Akmal, A., Naseem, M.A., & Khan, K. U. D. (2011). Impact of Stress on Employees Job Performance in Business Sector of Pakistan. *Global Journal of Management and Business Research* .11(6), 0975-5853
- Das, B.L., & Baruah, M. (2013).Employee Retention: A Review of Literature. *Journal of Business and Management*, 14 (2) 2319-7668
- Deery, M. (2008).Talent management, work-life balance and retention strategies: *International Journal of Contemporary Hospitality Management*, 20 (7), 792-806.

Denzin, N., & Lincoln, Y. (2005). *Handbook of qualitative research* (3rd ed.). Thousand Oaks, CA: Sage.

Devi, V. R. (2009). Employee engagement is a two way street: *Human resource management international digest*, 17 (2), 3-4.

Dheerasinghe, R. (2009). Garment Industry in Sri Lanka Challenges, Prospects and Strategies. *Staff Studies*, 33(1), pp. 33–72. doi: 10.4038/ ss.sljol.info.v33i1.1246

Donna, C. (2011). Overcoming the Drawbacks of the Democratic Leadership Style. Retrieved from <http://www.brighthubpm.com/rescourse-management>

Dotse, J. & Asumeng, M. (2014). Power Distance as Moderator of the Relationship between Organizational Leadership Style and Employee Work Attitudes: An Empirical Study In Ghana. *International Journal of Management Sciences and Business Research*, 3(5) (2226-8235). Retrieved from <http://www.ijmbsr.com>

Dubrin, A. (2007). *Leadership: Research findings, practice, and skills*. New York: Houghton Mifflin.

Embuldeniya, A. (2015). Impact of Apparel Industry on the Economy of Sri Lanka. “Social Statistics”, *Journal of Social Statistics*, 02 (01): 01-14. Retrieved from <http://hdl.handle.net/123456789/10625>

Employee Opinion Survey . (2016).

Retrieved from <http://www.hr-survey.com/EmployeeOpinion.htm> (2016) February

Ethe, J. M., Namasonge, G.S., & Mike, A.I. (2012) . Influence of Leadership Styles on Academic Staff Retention in Public Universities in Kenya. *International Journal of Business and Social Science*, 3 (21), 297- 302. Retrieved from <http://ijbssnet.com/journals>

Explorable. (2009). Probability Sampling and Randomization .

Retrieved from <https://explorable.com/probability-sampling>

Explorable. (2010). Cronbach’s Alpha. Retrieved from <https://explorable.com/cronbachs-alpha>

Export Development Board (EDB). (2015). Performance of the Export Sector of Sri Lanka Report of Export Development Board Retrieved from <http://www.srilankabusiness.com>

- Farooqui, M.R., & Ahmed, M. (2013). Why Workers Switch Industry? The Case of Textile Industry of Pakistan. *Asian Journal of Business Management*, 5(1), 130-39.
- Fatima, H. (2011). Does Employee retention affect Organizational Competence? . *Industrial Engineering Letters*, 1(1), 2224-6096.
- Field, A. (2005). *Discovering statistics using SPSS*. London: Sage Publications.
- Flippo , E.B. (1984). *Personnel Management*. Personal of Arizona: McGraw-Hill Book Co.
- Gabriel, K. Dougals, M., & Omusebe, J.M. S. (2013). Effects of performance appraisal on employee productivity: A case study of Mumias Sugar Company Limited. *International Journal of Innovative Research and Development*, 12(9), 2278-021 Retrieved from www.ijird.com
- Gardner, D.G., Dyne, L.V., & Pierce, J.L. (2004). The effects of pay level on organization-based self-esteem and performance: a field study. *Journal of Occupational and Organizational Psychology*, 77(3): 307-322.
- Gentry, A.W., Kuhnert, W.K., & Mondore, P.S. (2007). The influence of supervisory-support climate and unemployment rate on part-time employee retention a multilevel analysis. *Journal of Management Development*, 26(10), pp. 1005-1022.
- Ghansha, E. (2011). *The role of employee retention on job performance: A Case Study of Accra Brewery Company Limited, Accra* (Master's Thesis, University of Science and Technology) Retrieve from <http://ir.knust.edu.gh/bitstream/123456789/4480>
- Gordon, J.R. (2013). Autocratic Leadership Style. Retrieved from <http://www.action-wheel.com/autocratic-leadership-style.html>
- Greenhaus, J.H. (2004). Breaking all the rules for recruitment and retention. *Journal of career planning and employment*. 61(3): 6-8.
- Griffin, R.W., Welsh, A., & Moorhead, G. (1981). Perceived Task Characteristics and Employee Performance: A Literature Review. *Academy of Management Review*, 6 (4), 655-664.
- Gunawardana, T.S.L.W. (2016). *Lecture3: Measurement and Scaling* [Power Point slides]. Matara, Sri Lanka: University of Ruhuna.

- Gustafson, C. (2002). Staff turnover: Retention. *International journal of contemporary Hospitality manage management*, 14 (3), pp106 -113.
- Gwavuya, F. (2011). Leadership Influences on Turnover Intentions of Academic Staff in Institutions in Zimbabwe. *Academic Leadership Journal*, 9 (1), 1-15.
- Hair, J., Money, A., Samuel, P., & Page, M. (2007). *Research Methods for Business*. USA: Wiley and Sons.
- Hair, J.F., Anderson, R. E., Tatham, R. L., & Black, W. C., (2003). *Multivariate Data Analysis*. India: Pearson Education.
- Hannay, M., & Northan, M. (2000). Low-Cost Strategies for Employee Retention. *Compensation & Benefits Review*, 32 (65), 65-72.
- Harvard Business Essentials. (2002). *Hiring and keeping the best people*, Harvard Business School Publishing, Boston , Massachusetts, USA.
- Harwell, M.R. (2011). Research design: Qualitative, quantitative, and mixed methods. In C. Conrad & R.C. Serlin (Eds.). *The Sage handbook for research in education: Pursuing ideas as the keystone of exemplary inquiry*. Thousand Oaks, CA: Sage.
- Helenius, M., & Hedberg, L. (2007). *What leaders can do to keep their key employees: Retention Management* (Master's thesis, Goteborg University).
Retrieved from <https://gupea.ub.gu.se/bitstream/2077/4733/1/07-26>
- Hunter, J.E., & Hunter, R.F. (1984). Validity and Utility of Alternative Predictors of Job Performance. *Psychological Bulletin*, 96(1), 72-98.
- Hytter, A. (2007) . Retention strategies in France and Sweden. *The Irish Journal of Management*, 28(1), 59-79.
- Iheriohanma, E.B.J., Wokoma, C.U. & Nwokorie, C.N. (2014). Leadership Question and the Challenges of Community Development in Nigeria, *European Scientific Journal*, 10(35): 204–216. Retrieved from <http://eujournal.org>

Iqbal, N., Anwar, S., & Haider, N. (2015). Effect of Leadership Style on Employee Performance. *Arabian Journal of Business and Management Review*, 5 (146), 2223-5833 doi.org/10.4172/2223-5833.1000146

Irshad, M. (2011). Factors Affecting Employees Retentions: Evidence from literature *Abasyn Journal of Social Sciences*, 4(1).

Retrieved from <http://aupc.info/wp-content/uploads/2012/12/V4I1-7>

Jamal, M. (2005). Burnout among Canadian and Chinese employees: *A cross-cultural study*. *European Management Review*, 2(3), 224-230. doi: 10.1057/palgrave.emr.1500038

Joo, B.K., & Park, S., (2010). Career Satisfaction, Organizational Commitment, and Turnover Intention. *Leadership & Organization Development Journal*, 31(6), 482-500.

Joppe, M. (2000). The Research Process.

Retrieved from <http://www.ryerson.ca/~mjoppe/rp.htm>

Karamat, A. U. (2013). *Impact of Leadership on Organizational Performance Case Company D&R Cambric Communication* (Master's thesis, University of Applied Sciences). Retrieved from <https://publications.theseus.fi/bitstream>

Karatepe, O. M. (2013) .High-performance work practices, work social support and their effects on job embeddedness and turnover intentions. *International Journal of Contemporary Hospitality Management*. 25 (6), pp. 903-921.

Kaye, B., & Evans, S.J. (2003) .How to Retain High-Performance Employees. (2), pp.291-298.

Keijzers, B. (2010). *Employee motivation related to employee performance in the organization* (Bachelor's thesis, Tilburg University)

Retrieved from <http://arno.uvt.nl/show.cgi?fid=121057>

Kelagama, S., & Epaarachchi, R. (2001). Productivity, Competitiveness and Job Quality in Garment Industry in Sri Lanka A discussion paper: Institute of Policy Studies of Sri Lanka. Retrieved from <http://www.ibrarian.net/navon/paper>

Kendra, C. (2013). What is Laissez-Faire Leadership?

Retrieved from <http://www.psychology.about.com/od/leadership/f/laissez-faire-leadership.htm>

- Kerlinger, F.N. (1986). *Foundations of Behavioral Research*, (3rded.). New York: Holt Rinehart & Winston.
- Koopmans, L., Bernaards, C. M., Hildebrandt, V. H., Schaufeli, W.B., de Vet Henrica, C.W., & Van der beek, A. J. (2011). Conceptual Frameworks of Individual Work Performance: *A System Review*, 53(8). DOI: 10.1097/JOM.0b013e318226a763
- Kostiuk, P. F., & Follmann, D. A. (1989). Learning Curves, Personal Characteristics, and Job Performance. *Journal of Labor Economics*, 7 (2), 129-146.
- Kwenin, D.O. (2013). Relationship between work environment, career development opportunities and employee retention in Vodafone Ghana.Golbal. *Journal of Human Resources Management*, 1(4), 1-9 Retrieved from <http://www.eajournals.org>
- Kyndt,E., Filip,D.F., Michielsen,M. & Moeyaert, B. (2009). Employee Retention: Organizational and Personal Perspectives. *Vocations and Learning*, 2(3), 195-215
DOI 10.1007/s12186-009-9024-7
- Lawler, E.E. (2003). Reward Practices and Performance Management System Effectiveness. Center for Effective Organizations. *Organizational Dynamic*, 32(4), 396-404.
Doi:10.1016/j.orgdyn.2003.08.007
- Leader to Leader 2. (2008). *Enduring Insights on Leadership from the leader to leader*. Institute's Award edited by Hesselbein, F., & Shrader, A. Jossey-Bass
- Lewin, K., Lippit, R., & White, R.K. (1939). Patterns of aggressive behavior in experimentally created social climates. *Journal of Social Psychology*, 10, 271-299. Retrieved from https://tu-dresden.de/.../Lewin_1939_original
- Luen, C.B., Shi,N. P., Yen,T.C., Zhen,T.Y.,& Ching, W. S. (2013). *Study of the relationship between strategies and job performance in Malaysia Banking Industry* (Bachelor's Thesis,University of Tunku Abdul Rahman, Kuala Lumpur, Malasia). Retrieved from <http://eprints.utar.edu.my/1120/1/BA-2013-0902823>
- Lussier, R. N., & Achua, C. F. (2012). *Leadership: Theory, Application, & Skill Development*, (5th ed.).USA: Erin Joyner.

- Northouse, P.G. (2007). *Leadership: Theory and Practice*. New Delhi, India: Sage Publications, Inc.
- Northouse, P.G. (2010). *Leadership: Theory and Practice*. New Delhi, India: Sage Publications Inc.
- North.S. (2011). Finding new roles for existing staff within your Organization. *Human resource management international digest*, 19 (5), pp. 3-5
- Nwokocha,I., & Iheriohanma.E.B.J. (2015). Nexus Between Leadership Styles, Employee Retention And Performance in Organization In Nigeria, *European Scientific Journal*, 11(13), 1857 - 7881.
- Macky,K.,& Johnson, G. (2000).*The strategic Management of Human Resources*. Auckland, New Zealand: Irwin/McGraw-Hill.
- Madiha, R. F., & Mariam, A. (2013). Why Workers Switch Industry? The Case of Textile Industry of Pakistan. *Asian Journal of Business Management*, 5(1), 2041-8744.
- Maliku, M. K. (2014). *The perceived relationship between employee retention and organizational performance at national oil corporation of Kenya* (Master's Thesis, University of Nairobi, Kenya). Retrieved from <http://erepository.uonbi.ac.ke/bitstream/handle/11295/76453>
- Maslanka, A. M. (2004). *Evolution of Leadership Theories*. (Master's Thesis, Grand Valley State University, Allendale, Michigan). Retrieved from <http://scholarworks.gvsu.edu/cgi>
- Masood, A. (2013). Effects of Job Stress on Employee Retention: A Study on Banking Sector of Pakistan. *International Journal of Scientific and Research Publications* 3(9), 2250-3153 Retrieved from www.ijsrp.org
- Masood, R.Z. (2011). Stress Management: A key to Employee Retention. *Management Insight*, 7(1), 0973-936X. Retrieved from <http://vibrancecenter.businesscatalyst.com>
- Mat, J. (2008). *The Influence of Leadership Style on Internal Marketing Retaining* (PhD thesis, University of Stirling, Scotland, UK). Retrieved from <http://storre.stir.ac.uk/bitstream/1893/2153/1>

McLeod, S. A. (2007). What is Reliability?

Retrieved from www.simplypsychology.org/reliability.html

Messmer, M. (2000). Orientations programs can be key to employee retention. *In Strategic Finance*, 81 (8):12-15.

Melling, M., & Little, J. (2004). Building a Successful Customer Service Culture: A Guide For Library And Information Managers. (eds.). London: Facet; pp. 27–52. Craven, J. and Brophy.

Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resources Management Review*. 1(1), 1053-4822 Retrieved from <https://www.scribd.com/doc/58240302>

Mgbodile, T.O. (2004). Fundamentals in Educational Administration and Planning. (Eds.) *Management Business Enterprise* (pp 105 - 116). Enugu.

Retrieved from <http://www.oalib.com/references/15301519>

Michael, S.O. (2008). *Using Motivational Strategy as Panacea for Employee Retention and Turnover in Selected Public and Private Sector Organizations in the Eastern Cape Province of South Africa* (Master's Thesis, University of Fort Hare, South Africa) Retrieved from: Research www.iiste.org

Milkovich, G. M., & Newman, J.M. (2004). *Compensation* (8th ed.). Burr Ridge, IL: Irwin McGraw-Hill.

Millan, J. H., & Schumacher, S. (2010). *Research in education* (7th ed.). Evidence-Based Inquiry. South Africa.

Mita, M., Dhankha, R., & Kurbetti, A. (2014). Review Paper__ Study on Employee Retention and Commitment. *International Journal of Advance Research in Computer Science and Management Studies* 2(2) 2321-7782

Moskal, B., Leydens, J., & Pavelich, M. (2002). Validity, reliability and the assessment of engineering education. *Journal of Engineering Education*, 91(3), 351-354.

- Msengeti, D. M., & Obwogi, J. (2015). Effects of Pay and Work Environment on Employee Retention: A Study of Hotel Industry in Mombasa County. *International Journal of Scientific and Research Publications*, 5(4), 2250-3153. Retrieved from <http://www.ijsrp>
- Muhammad, F. J. & Usman, M. M. (2012). Leadership Styles Enhances the Employee Organizational Commitment: A Case Study of Educational Institutions in Lahore. *International Journal and Conference Management, Statistics and Social Science*, 1-26. Retrieved from <http://www.hup.edu.pk>
- Muindi, F. K. (2011). *The relationship between Participation in Decision making and Job Satisfaction among academic Staff in the School of Business University of Nairobi* (Master's Thesis, University of Nairobi, Kenya). Retrieved from <https://profiles.uonbi.ac.ke>
- Ontario, R. N. (2004). Human resource management and firm performance. *Journal of Management*, 21 (71):1-738.
- Opatha, H. (2014). *Human Resources Management*. Colombo, Sri Lanka.
- Oracle white paper. (2012) .Talent Retention: Six Technology-Enabled Best Practice. Retrieved from <http://www.oracle.com>
- Oswald, A. (2012) .*The effect of working environment of workers performance* (Master's thesis, Muhimbili University) Retrieved from <http://ihi.eprints.org/1658/1>
- Otley, D. (1999). Performance management: a framework for management control systems research. *Management Accounting Research*, 10, 363-382.
- Pagewise. (2002). Styles Of Leadership. Retrieved from <http://www-esortment-com/index-htm>
- Pellissier, R. (2007). *Business Research Made Easy*. Juta & Co. Ltd. Retrieved from <https://books.google.fi/books>
- Phonsanam, S. (2010). *Total Compensation Practices and Their Relationship to Hospitality Employee Retention* (Master's thesis, University of Nevada, Las Vegas,). Retrieved from <http://digitalscholarship.unlv.edu>
- Polit, D. F., Beck, C. T., & Hungler, B. P. (2001). *Essentials of Research Methods, Appraisal, and Utilization*. Philadelphia, PA: Lippincott.

- Porter, K., Smith, P., & Fagg, R. (2006). *Leadership and Management for HR Professionals*. (3rded.).UK:Jordan Hill library.
- Price, J.L. (2001). Reflections on the Determinants of Voluntary Turnover. *International Journal of Manpower*, 22 (7), 600-624.
- Prince,B.J.(2005).Career-focused employee transfer processes. *Career Development International*, 10(4), 293-309.
- Ram, C. (2001). *What the C E O Wants You to Know: The Little Book of Big Ideas: Crown Executive Ability; Middle Managers; Success in Business; Corporations – Growth; Industrial Management*. New York.
- Ramlall, S. (2003). Organizational Application Managing Employee Retention as a Strategy for Increasing Organizational Competitiveness, *Applied H.R.M. Research*, 8(2), 63-72.
- Ramlall,S.J.(2008). Enhancing Employee Performance through Positive Organizational Behavior. *Journal of Applied Social Psychology*, 38 (6), 1580- 1600.
- ReMuhammad,F.J., & Usman,M.M.(2012). Leadership Styles Enhances the Employee Organizational Commitment: A Case Study of Educational Institutions in Lahore. *International Journal and Conference Management, Statistics and Social Science*, 1-26.
- Ronald, G. (2011). Encyclopedia of Leadership.
Retrieved from <http://www.knowledge.sagepub.com/view/leadership/n189.xml>
- Rowe, W.G., & Guerrero, L. (2011). *Case in leadership* (2nded.), USA: Sage Inc.
- Rotimi, O. (2013). Leadership Journal.
Retrieved from <http://www.theleadershipjournal.com/situationalleadership/>
- Rotundo, M., & Rotman, J.L. (2002). Defining and Measuring Individual Level Job Performance: *A Review and Integration Journal of Applied Psychology*, 90(5), 225-254.
- Samuel, O., & Chipunza, C. (2009). Employee Retention and Turnover: Using Motivational Variables as a Panacea. *African Journal of Business Management*, 3 (8), 410-415. Doi: 10.5897/AJBM09.125

Saunders, M., Lewis, P., & Thornhill, A. (2004). *Research Methods for Business Students* (3rded.). Delhi, India: Pearson Education Limited.

Sekaran, U., (2003), *Research Methods for business: A skill building approach*, New York: John –Willy and Sons, Inc

Sekaran,U., & Bougie, R., (2009).*Research methods for business: A skill building approach*. (5thed.). Wiley Publishers.

Shamsuzzoha, A. (2007). *Employee Turnover-a Study of its Causes and Effects* (Phd thesis, University of Vaasa. Finland) Retrieved from <http://www.fvt.tuke.sk>

Shuttleworth, M., (2008).Operationalization.
Retrieved from <https://explorable.com/operationalization>

Sonnentag, S., & Frese, M. (2002).Psychological Management of Individual Performance Edited by Sabine Sonnentag. UK: John Wiley & Sons, Ltd.

Sommer, R.D. (2000). Retaining intellectual capital in the 21st century. *White Paper Society of Human Resources Management* Retrieved from <http://www.shrm.org/hrresources>

Sphar, P. (2014). What is Charismatic Leadership?
Retrieved from <https://www.psychologytoday.com>

Statistics Solutions . (2013).What is Linear Regression?
Retrieved from <http://www.statisticssolutions.com/what-is-linear-regression>

Steel, R.P., & Griffeth, R.W. (2002). The elusive relationship between perceive employment opportunity and turnover behavior: A methodological or conceptual artifact. *Journal of Applied Psychology*, 74(6), 846-854.

Sutherland, J. (2000). Job-to-job turnover and job to-non-employment movement. *Personnel Review*. 31(6): 710-721.

Sutherland, M. M. (2004). *Factors Affecting the Retention of Knowledge Workers*. (PhD thesis, Rand Afrikaans University).
Retrieve from <http://ujdigispace.uj.ac.za/handle/10210/127>

Swarup, B. (2013). Leadership Article. Retrieved from <http://www.hrfolks.com>

- Trochim, W. (2000). *The Research Methods Knowledge Based*. Ohio: Atomic Dog.
- Umair. (2015). *Impact of Compensation Practices on Employee Retention in English Medium Private Schools of Karachi* (Master's thesis, University of Karachi Campus)
Retrieved from <http://s3.amazonaws.com>
- Ushie, E.M., Agba, A.M., Ogaboh, A.M., Agba, M.S., & Chime, J. (2010). Leadership Style and Employees' Intrinsic Job Satisfaction in the Cross River Newspaper Corporation, Calabar, Nigeria. *International Journal of Development and Management Review*, 5 (1), 61-73.
- Van Scotter, J., Motowidlo, S. J Cross, T. C. (2000). Effects of task performance and contextual performance on systemic rewards. *Journal of Applied Psychology*, 85 (4), 5
- Viswesvaran, C., & Ones, D.S. (2000). Perspectives on models of job performance. *International Journal of Selection and Assessment*, 8(4), 216–226. Retrieved from <http://onlinelibrary.wiley.com/doi/10.1111/1468-2389.0015126-535>.
- Vos, D. Ans., & Meganck, A.(2009), What HR managers do versus what employees value Exploring both parties' views on retention management from a psychological contract perspective, *Personnel Review*, 38(1), pp. 45-60.
- Wakabi, B. M. (2016). Leadership Style and Staff Retention in Organizations. *International Journal of Science and Research*, 5(1), 2319-7064
Retrieved from <https://www.ijsr.net/archive/v5i1/NOV152642>
- Walker, J.W. (2001). "Perspectives" Human resource planning.24 (1):6-10.
- Weerakoon, D. & Thennakoon, J. (2006) .Trade Liberalization in Sri Lanka: A Case Study of the Garments Industry. Retrieve from <http://www.cuts-citee.org/tdp>
- Wiersma, W., & Jurs, S. G. (2005). *Research Methods in Education* (8th ed.). USA: Pearson.
- Winterton, J. (2004). A conceptual model of Labour Turnover and Retention. *Human Resource Development International*, 7(3) 1367-8868
- www.sundaytimes.lk 2015
- Yukl, G. (2010). *Leadership in Organization*. New Jersey, USA: Pearson Education, Inc.

Zervas, C. & David, L. (2013). Leadership Style: Is there “one Best”, or is Flexibility worth developing? Retrieved from <http://www.leadershipadvantage.com/leadership.html>

Zhang, Y. Y. (2012). *The impact of performance management system n employee performance* (Master’s thesis, Jonkoping University) Retrieved from <http://essay.utwente.nl/62260/1>

Zikmund, W.G. (2003). *Business Research Methods*. Ohio: Thompson South-Western.

Appendix

Survey Questionnaire

(Confidential)!

I'm a MBA student of University of Ruhuna. My Master Research focuses on the impact of leadership styles on employee performance: Analysis of intervening effect of employee retention to the relationship of leadership styles and employee individual performance.

I would be extremely grateful to you if you could kindly spend few minutes of your valuable time to answer my survey

PLEASE NOTE: ALL THE INFORMATION GIVEN IN RESPONSE TO THIS QUESTIONNAIRE WILL BE TREATED IN THE STRICTEST CONFIDENCE

I would like to thank you in advance for participating in this survey which will be having immense HR policy implications for Sri Lanka. A copy of findings of this survey will be made available to you.

ud reyqK úYaj úoHd,fha jHdmdr l<ukdlrKh ms<sn`o f.!rj Wmdêh yodrK isiqúhlañ' udf.a m³/4fhaIKh isÿ lrk ud;Dldj jkqfha kdhl;aj ,CIKh fiaajlhskaf.a ld³/4hM,h i`oyd n,mdk wldrh" mÍCId lsrsuhs'

fi i`oyd Tnf.a ld,fhka i; fudfyd;la jehlr udf.a m%YaK i`oyd ms<s;=re fokq we;ehs n,dfmdfrd;a;= fjñ'

ie,lsh hq;=hs - fuu m%Yakdj,sh i`oyd ,ndfok ms<s;=re j, ryiHNdjh wdrCId jk nj i,lkak'

ms<s;=re ,ndoSug fmrdr;=j fi i`oyd ,nd fok iyfhda.hg lD;.=K olajk w;r fuu.ska ,xldfõ udkj iim;a l<ukdlrkhg uyÕ= msájy,la jk nj okajd isáñ' tfukau fuu fidhd.ekSĩ j, msgm;la Tn fj; ,eûg i,iajk njo okajd isáñ'

Section -1 Basic Information
uQ,sl f;dr;=re

Please put “√” in the appropriate cage or write answers if required.
lrKdlr ks;/os f;dr;=r fldgqj ;=, igyka lrkak'

1. Age:
jhi

2. Gender:
ia;%S mqreI Ndjh

1. Male 2. Female
msßñ .eyeKq

3. Marital Status:
újdyl wújdyl Ndjh

1. Married 2. Single 3. Divorced
újdyl wújdyl oslalido

4. Number of years in experience in the present job
fuu /lshdfõ m,mqreoao

.....

Section 2

The following statements are relating to employee individual performance. To what extent you agree or disagree to the following statements. Please tick in the appropriate box.

my; oelafjk woyia fiajlhskaf.a fm!oa.,sl ld³/₄hM, i`oyd wod, fõ' fi i`oyd fldmuK ýrlg Tn tl`.
fjhso@ wod, fldgqj ;=, —√ i,l=K fhdokak'

| Code | Statement | Strongly Disagree tl`. fkdfo' iimQ ³ / ₄ Kf hkau tl`. fkdfõ' | Disagree | Neutral woyila ke;' | Agree tl`. fõ' | Strongly Agree iimQ ³ / ₄ Kf hkau tl`. fõ' |
|------|---|--|----------|---------------------------|-------------------|---|
| PER1 | The company gives rewards and recognizes according to my performance. fiajdfhdacldh jrm%ido yd we.hSi ,ndfokafka udf.a ld ³ / ₄ hM, u;h' | | | | | |
| PER2 | The Company encourages employees to work to the best of their abilities. fiajdfhdaldh úiska ;u fiajlhkag ;ukaf.a Wmßu yelshdfjka jevlslúg wjia:dj ,ndfohs' | | | | | |
| PER3 | The company provides adequate training and development opportunities to improve my performance. ;u yelshdjka j ³ / ₄ Okh i`oyd fiajd fhdacldh úiska ksiss mßos mqyqKq yd ixj ³ / ₄ Ok wjia:djka ,nd foa' | | | | | |

| | | | | | | |
|------|--|--|--|--|--|--|
| PER4 | My performance has improved than before. udf.a yelshdjka fmrj jvd j¾Okh ù we;' | | | | | |
| PER5 | I have the opportunities to work in the best way I think. ug yef'.k mßos jvd;a fyd'og jev rdcdÍ isÿ lsÍug ud yg wjia:dj ,nd oS we;' | | | | | |

Section 3

The following statements are relating Autocratic Leadership style. To what extent you agree or disagree to the following statements. Please tick in the appropriate box.

my; oelafjk woyia taldêm;s kdhl;ajh ì oyd wod, fõ' fi ì oyd fldmuK ýrlg Tn tl'. fõo @ wod, fldgqj ;=, —√~ i,l=K fhdokak'

| Code | Statement | Strongly Disagree iimQ¾K fhkau tl'. fkdfo' | Disagree tl'. fkdfo' | Neutral woyila ke; | Agree tl'. fõ' | Strongly Agree iimQ¾Kf hkau tl'. fõ' |
|--------|--|---|-------------------------|-----------------------|-------------------|---|
| AUTO 1 | My supervisor closely monitors employees to ensure that they are performing correctly. udf.a iqmÍCII wm jev lKavdhfi ish" fiajlhka kshñ; mßos jev rdcdÍ isÿ lrkafkao keoaaO hkak ks;r fidhd n,hs' | | | | | |

| | | | | | | |
|-------------------|--|--|--|--|--|--|
| <p>AUTO 2</p> | <p>My supervisor gives a reward or punishment in order to motivate and improve performance.</p> <p>udf.a iqmÍCII fkd fhla osBoSi ke;fyd;a o`vqji u`.ska wmj osBu;a lsBug lghq;= lrhs'</p> | | | | | |
| <p>AUTO 3</p> | <p>My supervisor does not readily accept new ideas.</p> <p>ud.a iqmÍCII\$stosfkod jv lghq;= lrf.k hdfioS u;=jk .eg` iinkaOfhka wm fiajlhkaf.a woyia ,nd fkd.kS'</p> | | | | | |
| <p>AUTO 4</p> | <p>My supervisor retains decision making authority within the department.</p> <p>udf.a iqmÍCII\$by, ks,OdBhd ;u ;SrK .ekSfioS wka whf.a woyia fkdf.k ;ud úiskau ;Srk .kS'</p> | | | | | |
| <p>AUTO 5</p> | <p>I feel stress when I work with my supervisor.</p> <p>udf.a iqmÍCII\$by, ks,OdÍka iu`. jev lsÍfioS ud yg oeä mSvkhla oefka'</p> | | | | | |
| <p>AUTO 6</p> | <p>My supervisor is not flexible in recognizing, understanding and adapting to individual needs and views.</p> <p>wmf.a woyia yd wjYH;djhka y`ýkd .ekSfioS yd ta jdg wkq.; ùfioS udf.a iqmÍCII\$by, ks,OdBhd t;rí kuHYS<S Ndjhla fkdolajhs'</p> | | | | | |

| | | | | | | |
|-----------|---|--|--|--|--|--|
| AUTO 7 | My supervisor makes decision without consulting the group members. udf.a iqmÍCIISby< ks,OdBhd ;SrK .ekfi oS wka whf.a woyia fkd;lhs' | | | | | |
|-----------|---|--|--|--|--|--|

Section 4

The following statements are relating to Democratic leadership style. To what extent you agree or disagree to the following statements. Please tick in the appropriate box.

my; oelafjk woyia m%cd;dka;%s; kdhl;ajh i`oyd wod,fõ'fi i`oyd fldmuK ýrlg Tn tl`. fõo @wod, fldgqj ;=, —√ i,l=K fhdokak'

| Code | Statement | Strongly Disagree tl`. fkdfo' iimQ¾K fhkau tl`. fkdfo' | Disagree | Neutral woyilak e;' | Agree tl`. fõ' | Strongly Agree iimQ¾K fhkau tl`. fõ' |
|-------|---|--|----------|------------------------|-------------------|---|
| DEMO1 | My supervisor involves employee to determine what to do and how to do it. However, he maintains the final decision-making authority. udf.a iqmÍCIISby, ks,OdBhd ;SrK .ekSfioS wka wh yjq,alr .kagd w;r wjika ;SrKh Tyq úiskau .kS' | | | | | |

| | | | | | | |
|-------|--|--|--|--|--|--|
| DEMO2 | My supervisor recognizes and rewards innovative employees. udf.a iqmÍCII\$ by, ks,OdBhd kj woyia we;s fiajlhska y`ÿkdf.k osß .ekaüi ,ndfoa' | | | | | |
| DEMO3 | My Supervisor consults with others before making decisions. udf.a iqmÍCII\$by< ks,OdBhd ;SrK .ekSug fmr wka whf.a woyia ,nd.kS' | | | | | |
| DEMQ4 | I feel my supervisor is supportive of my work. udf.a iqmÍCII\$by< ks,OdBhd udf.a ld ³ / ₄ hhkag Woõ lrhs' | | | | | |
| DEMO5 | I receive adequate feedback and guidance from my Supervisor.' udf.a iqmÍCII\$by< ks,OdBhd ud yg we.hSi yd u.fmkaüu fkdwvqj ,ndfoa' | | | | | |
| DEMO6 | I am treated fairly by my supervisor. udf.a iqmÍCII\$by< ks,OdBhd iEu úgu ud yg idOdrKj i,lKq ,nhs' | | | | | |

| | | | | | | |
|-------|--|--|--|--|--|--|
| DEMO7 | <p>I feel that my suggestions are welcomed and valued by my supervisor.</p> <p>udf.a iqmÍCII\$by< ks,OdBhd</p> <p>udf.a woyia yd fhdackd ks;r</p> <p>n,dfmdfrd;a;= jk w;r tjeks</p> <p>woyia fhdackd ,ndÿka miq ud</p> <p>yg ksis we.hSula ,nd foa'</p> | | | | | |
| DEMO8 | <p>I feel comfortable when I work with my supervisor. I satisfy his leadership style.</p> <p>udf.a iqmÍCII\$by< ks,OdBhd</p> <p>iu`. jev lsÍfioS ud yg myiqjla</p> <p>oefkk w;r Tyqf.a\$wehf.a</p> <p>kdhl;ajh ms<sn`o iEySulg m;a</p> <p>fö'</p> | | | | | |
| DEMO9 | <p>My supervisor encourages me. He listens to my concern and tries to create better working environment.</p> <p>udf.a iqmÍCII\$by< ks,OdBhd</p> <p>udj ks;ru osßu;a lrk w;r ud yg</p> <p>fydo ld³/₄h, jg msgdjlaa idod</p> <p>fohs'</p> | | | | | |

Section 5

The following statements are relating to Laissez-Faire leadership style. To what extent you agree or disagree to the following statements. Please tick in the appropriate box.

my; oelafjk woyia ksoyia kdhl;ajh i`oyd wod,fö'fi i`oyd fldmuK ýrlg Tn tl'. föo @ wod, fldgqj ;=, —√~ i,l=K fhdokak'

| Code | Statement | Strongly Disagree tl'. iimQ¾K fhkau tl'. fkdfö' | Disagree tl'. fkdfö' | Neutral woyilak e;' | Agree tl'. fö' | Strongly Agree iimQ¾K fhkau tl'. fö' |
|------|--|--|----------------------------|---------------------------|-------------------|---|
| LAS1 | My supervisor gives me complete freedom for make decisions. udf.a by, ks,OdBhd udyg /lshdj iinkaOfhka ;SrK .ekSug Wmßu ksoyi ,ndfohs' | | | | | |
| LAS2 | In most situations, my supervisor gives little or no guidance to group members. udf.a iqmrSCII\$ by, ks,Odrshd ksr;=rej b;du w,am jYfhka fyda lsisu u. fmkajSula fkdrlhs' | | | | | |
| LAS3 | My supervisor gives me complete freedom to solve problem on our own.' udf.a iqmrSCII\$ by, ks,Odrshd wmg m%Yak úi`od .ekSug wjYH mQ¾K ksoyi" i,ihs' | | | | | |

| | | | | | | |
|------|--|--|--|--|--|--|
| LAS4 | <p>I feel that my supervisor provides the tools and resources needed to perform my duties.</p> <p>udf.a /lshd ld¾hhka isoq lsúg wjYH WmlrK yd iusm;a udf.a iqmrSCII by< ks,Odbhd úiskaa i,ik nj udf.a woyihs'</p> | | | | | |
| LAS5 | <p>My supervisor avoided giving feedback to the questions/problems raised while performing my duties.</p> <p>udf.a iqmrSCII\$ by, ks,Odrshd udf.a /lshdfjaoS mek k`.sk .eg,q ksrdlrKh lr.ekSug Tyqf.a\$wehf.a iyfhda.h ,nd oSula isoq fkdrlhs'</p> | | | | | |
| LAS6 | <p>I am not satisfied the management of my supervisor.</p> <p>udf.a by, ks,Odbhdf.a \$iqmrSCII.f.a l<ukdlKh ms<sn`o iEySulg m;a fkdfo'</p> | | | | | |
| LAS7 | <p>I think my supervisor should take responsibility to his/her employee performance.</p> <p>ud is;k mßos udf.a iqmrSCII\$ by, ks,Odrshd ld¾hM, ndr .; hq;=h'</p> | | | | | |

Section 6

The following statements are relating to employee retention. To what extent you agree or disagree to the following statements. Please tick in the appropriate box.

my; oelafjk woyia fiajl / ^oS isàu i`oyd wod,fõ' fi i`oyd fldmuK ýrlg Tn tl'. fõo @ wod, fldgqj ;=, —√~ i,l=K fhdokak'

| Code | Statement | Strongly Disagree tl'. fkdfo' iimQ¾K fhkau tl'. fkdfo' | Disagree | Neutral woyila ke;' | Agree tl'. fõ | Strongly Agree iimQ¾K fhkau tl'. fõ' |
|------|---|--|----------|---------------------------|------------------|---|
| RET1 | I will definitely be working for this company for the next five years. uu wksjd¾hfhka bosß jir 05 ;=, fuu wdh;kh ;=, / ^oS isà' | | | | | |
| RET2 | I choose to remain employed with this company because of employee benefits. ud fi wdh;kfha / ^oS isákafka wdh;kh ug ,ndfok fkdflh=a myiqli'ksidh' | | | | | |
| RET3 | I see a future for myself within this company. Therefore, my retention is to retain in the organization. fuu wdh;kh ud yg meyeos<s wkd.;hla Wodlr fok nj udf.a woyi jk w;r tA ksid fuu wdh;kh yerod ud fjk;a wdh;khlg fkdhk nj udf.a woyihs' | | | | | |

| | | | | | | |
|-------------|--|--|--|--|--|--|
| <p>RET4</p> | <p>Within this company my work gives me satisfaction. Therefore my intention is to retain in the organization.</p> <p>fuu wdh;kh ;=, ud yg jev lsúu` .ska ;dma;shla f.k fok w;r tuksid fuu wdh;kh ;=, /`oS isáñ'</p> | | | | | |
| <p>RET5</p> | <p>I have planned to leave the company.</p> <p>ud fi wdh;kfhka bj;aùug ;SrKh lr we;'</p> | | | | | |