Leadership Practices and Talent Turnover:
Study on Yemeni Organizations

Hamed Al-sharafi1 & Ismi Rajiani1

1 Faculty of Technology Management and Technopreneurship, Universiti Teknikal Malaysia Melaka, Malaysia

Correspondence: Hamed Al-sharafi, B-18-8 Idaman Sutera, Medan Idaman, Gombak, 53100, Kuala Lumpur, Malaysia. Tel: 60-1-7356-2150. E-mail: Hamed.Ali.Sh@gmail.com

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Abstract
To date, many studies have been conducted in order to identify factors that have a great impact on employees’ turnover. A number of studies have shown that leadership style influences employees’ job satisfaction and their turnover intention. However, very few studies have dealt with the relationship between Kouzes and Posner (1987)’s leadership practices and employees’ turnover. This study aims to identify the role that Leadership practices play in enhancing loyalty and at the same time reducing turnover intention among the most valuable employees - talent employees - in telecommunication sector in Yemen. In addition, current study also aims at examine whether the relationship between leadership practices and turnover intention is mediated by the talent employees’ job satisfaction.

Using the response of 280 employees working in the five Yemeni telecommunication organizations, the results indicated that there is a negative relationship between overall leadership practices and turnover intentions among talent employees, four out of five practices were negatively correlated with talent employees’ turnover intention. Moreover, job satisfaction founded to be a mediator of the relationship between leadership practices and turnover intentions.

Keywords: Turnover intentions, Leadership practices, Job satisfaction, Talent employees, Yemen

1. Introduction
Organizations today are forced to function in a world full of change, competition, and shortfall of qualified employees. These challenges put too much pressure on organizations to perform better than before. In order to perform better, organizations need to enhance their abilities and competencies. Human asset - especially talent employees - is one of the main of organizations competencies. In other words, talent employees are necessary element for organizations success, competitiveness, and growth.

Talent employees represent one of the main bases to organizations’ success. Michaels, Handfield-Jones, and Axelrod (2001) indicate that talent employees will determine the organizations’ success. The decisive factor in the success of organizations is to treat its vital resource – employees - in a good way, work on motivating and developing them, and reward them effectively to upgrade and sustain competitive advantage (Porter, 1990).

According to Brown, Duncan, Harris, and Kelly (2003), Talent turnover and retention issues are considered as the most important, difficult and challenging ones. According to a survey conducted in U.S. and UK, eight in ten human resource professionals felt their companies were really facing a real challenge retaining key talent, 60% of those leaders felt that their recruitment process and retention strategies were good enough in achieving this (Brown et al, 2003).

In order to retain talent employees’, organizations should first identify turnover reasons. Then develop strategies and implement practices that help in reducing turnover and enhancing retention. Many studies indicated that job dissatisfaction as one of the main reasons of employees’ turnover (Hom, Caranikas-Walker, Prussia, & Griffeth., Hwang & Kuo, 2006; Lee, 1998; Riley, 2006). On the other hand, turnover usually is linked to job satisfaction; unsatisfied workers are more motivated to leave the firm. Thus, organizations need to keep their employees satisfied.

In this regard, leadership is an important part in a process of satisfying and retaining employees. According to Frank and Taylor (2004), the most important element in retention is the leader. Ware (2008) states that turnover and
retention issue would be affected deeply by leadership behavior since leaders have an opportunity to affect others. In the same line, Hedberg and Helenius (2007) state that leaders are the main influencer on employee decision to stay or leave. In addition, Buhler (1998) and Harkins (1998) express that the best way to keep employees satisfied in today’s workplace is through empowerment, caring and shared leadership. The relationship between leadership and employees that are characterized by trust, communication and respect will enhance the employees’ satisfaction, motivation, and reduce the absenteeism and turnover.

Based on literature, many studies have been done to identify the role that leadership plays in reducing the turnover rate among employees (Griffith, 2004; Hedberg et al., 2007; Avey, Hughes, Norman and Luthans, 2008). In addition, many of conducted studies on leadership and turnover investigate the assumed effect on all employees not only talented ones. However, very few studies have examined the role of leadership practices and turnover intention. Therefore, this study aims to investigate the role of leadership practices in improving talented employees’ loyalty and reduce their turnover intention. In addition, current study also aims to see whether the relationship between leadership practices and talented employees’ turnover intention is mediated by job satisfaction?

2. Theoretical Framework

Current study investigates the role of leadership practices - as introduced by Kouzes & Posner (1987) - on talented employees’ turnover intention; this study also examines the role of job satisfaction as a mediator. The study framework, as presented in figure 1, reveal the main variables of this study: leadership practices, job satisfaction, and turnover intention. Kouzes & Posner (1987) have defined five main practices to be implemented by leaders in order to be considered a great leader. These five practices are: - modeling the way,
- inspiring a shared vision,
- challenging the process,
- enabling others to act, and
- encouraging the heart.

**Modeling the way** refers to the role of leadership in clarifying values, giving a great model and example for employee. In addition, **inspiring a shared vision** indicates the leaders’ ability to motivate others by setting high standard and goals and help them achieve these goals and dreams. Moreover, **challenging the process** refers to the leader’s ability of taking risk, trying new ways of doing things, and questioning the status quo of organization and employees. The fourth practice in Kouzes & Posner (1987) model is **enabling others to act**, which describes the leader’s ability to empower employees, enhance collaboration, and encourage teamwork. Finally, **encouraging the heart** refers to the leadership role in recognizing and rewarding the employee contributions.

In the terms of talent, many researchers have defined ‘talent’ in almost same way. Berger and Berger (2004) see talented employees as employees who embody the core competences of the organization, constantly achieve impressive results, and motivate their co-workers. They are people who are highly effective at both leadership and technical skills (Reid & Crisp, 2007). They are the top achievers and the ones inspiring others to superior performance (Brandt & Kull, 2007).

<table>
<thead>
<tr>
<th>Leadership practices:</th>
<th>Job Satisfaction</th>
<th>Turnover Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modeling the way.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspiring a shared vision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Challenging the process.</td>
<td></td>
<td></td>
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<tr>
<td>Enabling others to act.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encouraging the heart.</td>
<td></td>
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</tr>
</tbody>
</table>

Figure 1. Study Framework

2.1 Leadership Practices and Turnover Intention

Kouzes and Posner (1987) see leadership as “the art of mobilizing others to want to struggle for shared aspirations”. Therefore, leadership is a process in which the leader influences others to achieve defined goals and objectives, and
directs employees to help organization grow, and be successful and achieve its main goals. Leaders are among the main influencers on employees’ attitudes and outcomes (Kozlowski & Doherty 1989). In this regard, previous studies have demonstrated the negative correlation between leadership and employees’ turnover intention (Avey, Hughes, Norman & Luthans, 2008; Biswas, 2009).

Hedberg et al. (2007) argue that leadership is a vital factor in reducing employees’ turnover. The leader-employee relationship is considered as a central stone in employees’ decisions of retaining or leaving, because employees need to feel involved, and that their presence count. Hay (2002) believes that bad leadership behaviors result in employees’ absenteeism and turnover. Transformational leadership, for instance, has been considered one of the most important factors to control employees’ turnover (Bass, 1985). Moreover, there is a negative relationship between transformational leadership actual turnover behaviors (Griffith, 2004).

Messmer (2004) believe that there are five ideas managers should do to reduce turnover and maximize talent retention; leaders should show a personal interest to their employees, they should also be supportive, avoid mixed messages, encourage the professional growth of their employees, and provide competitive compensation.

In the same way, Weikel-morrison (2002) believes that top Management as well as supervisors plays an active role in retaining employees. This role can be played through implementing certain practices, include enhancing work environment, supporting employees, active interpersonal interaction, recognizing and appreciating of work accomplishment, and promotions and incentives. In addition, Hedberg et al. (2007) determined main leaders’ characteristics that considered important for retaining talented employees, these characteristics are: trust builder, good communicator, coach and talent developer, and talent attractor. Based on literature, the lack of studies that investigate effect of leadership practices on talented employees’ turnover intention generated the hypothesis 1 as below:

**Hypothesis 1:** leadership practices are negatively related to talented employees’ turnover intention.

### 2.2 Job satisfaction as a Mediator

Job satisfaction is one of the concepts that got the intention from scholars in both management and psychology field long time ago and still continues. It is one of the most widely studied work-related attitudes in industrial and organizational psychology (Honda-Howard, Homma, 2001). According to Agho, Mueller, and Price (1993), interest in the study of this concept dates back to the 1930s, and continues to be of paramount concern to organizational scholars and managers alike. Recently, most job satisfaction studies seem to focus more on commitment, absenteeism, and turnover (Wanger, 2004).

According to Armstrong (2006), job satisfaction refers to the attitudes and feelings that people have about their work. It means positive and favorable attitudes towards the job. Whereas, Negative and unfavorable attitudes towards the job indicate job dissatisfaction. Noble (2008) linked in his definition of job satisfaction between satisfaction and turnover. He said that job satisfaction is positive, job related feelings and a desire to remain in one’s position and company.

Similarly, Bennis and Nanus (1985) indicated that an employee’s direct manager is one of the main reasons behind an employee’s jobs satisfying. In addition, the leadership practices employed by immediate managers lead to high level of job satisfaction (Kouzes et al. 2007). Moreover, the leadership behavior has been found to contribute to job satisfaction (Loke, 2001; Madlock, 2008; and Nguni, Sleeers, & Denessen 2006 ); job satisfaction and organizational commitment (AL-Hussami, 2008; Nguni et al. 2006; Walumbwa, Orwa, Wang & lawler, 2005; westland, 2007). According to the above, researcher has hypothesized the following:

**Hypothesis 2:** Job satisfaction mediates positively the relationship between leadership practices and talent employees’ turnover intention.

### 3. Methodology

#### 3.1 The Study Setting

Yemen is one of the public countries in Middle East. In Yemen, Arabic language is the national and official language. The telecommunication system in Yemen consists of five organizations (four private organizations, one public organizations owned by the government).

#### 3.2 Sample

The sample was 500 employees from the five telecommunication organizations (100 questionnaires at each organization), all those employees identified as talent by human resource departments in the investigated organizations.
About 298 questionnaires were collected with response rate of 60%. Only 280 questionnaires were useful for purposes of the study, about 56%.

3.3 Procedure

Questionnaire was the main tool for collecting data from the five organizations. A brief introduction regarding the main purposes and objectives of this study has been given to the respondents. The questionnaires were distributed in the main branches at the two main cities – Sana’a and Aden. Researcher distributed the questionnaires to the talent employees in about 10 branches.

3.4 Measures

Leadership Practices. The leadership practices contain five main practices, these five practices was measured by leadership practices inventory (LPI) that developed by (Kouzes & Posner 2003). Each of the leadership practices (modeling the way, inspiring a shared vision, challenging the process, enabling others to act, and encouraging the heart) was measured by 6 items. The item ratings were obtained from a five point Likert scale that had responsiveness ranging from 1= ‘Seldom or rarely’ to 5= ‘Very Frequently’.

Job Satisfaction. Minnesota satisfaction questionnaire (MSQ) was the measurement that used to measure respondents’ job satisfaction variable. This measurement consisted 20-items. The measurement ranged from 1 = ‘Strongly Disagree’ to 5 = ‘Strongly Agree’.

Turnover Intention. Turnover usually measured by turnover intention. Turnover behavior can be safely measured by turnover intention (Fang, 2001). The researcher used instrument that has been adapted from Michigan organizational assessment questionnaire (Chew, 2004; Griffeth, Hom, & Gaertner, 2000). This adapted instrument contains 6 items. A five-point likert scale ranging from 1= ‘Strongly Disagree’ to 5= ‘Strongly Agree’ will be used.

4. Analysis and Results

The data was processed in Statistical Package for Social Sciences (SPSS). Descriptive statistical methods were used to describe the respondents’ backgrounds. Results showed that most of respondents were male (85%) and only 15% were females. Results also revealed that most employees were young; more than 50% of the respondents are not older than 35 years old. About 23% of the respondents were from 35-45 years of age and 26% of the respondents were more than 45 years old. In the education terms, a majority of the respondents (53 %) holding a bachelor’s degree; respondents with high education level (master or above) represented about 21%. One fourth of the respondents have a diploma and only 7% of the respondents with high school education.

Finally, In the years of experience terms, the respondents with 2 years or less of experience were 17%; respondents with 2-5 years of working experience represented about 32%; whereas 30% of the respondents had from 6-10 years of working experience, and respondents with more than 10 years of experience represented about 21 %.

The means of the leadership practices range from a maximum value of 3.57 (Modeling the way) to a minimum value of 3.15 (Challenging the process), While the means of turnover intention and job satisfaction was 2.16, 3.74 respectively. Meanwhile, the coefficient alphas for the study variables were: Modeling the way 0.79, inspiring a shared vision 0.79, challenging the process 0.81, enabling others to act 0.82, encouraging the heart .80, overall leadership practices 0.91; turnover intention 0.88; job satisfaction 0.89 (see table 1).

Table 1. Descriptive Statistics, Cronbach’s Coefficient Alpha of the variables

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modeling the way</td>
<td>280</td>
<td>3.5685</td>
<td>0.4963</td>
<td>0.792</td>
</tr>
<tr>
<td>Inspiring a shared vision</td>
<td>280</td>
<td>3.2940</td>
<td>0.4334</td>
<td>0.785</td>
</tr>
<tr>
<td>Challenging the process</td>
<td>280</td>
<td>3.1524</td>
<td>0.45768</td>
<td>0.811</td>
</tr>
<tr>
<td>Enabling others to act</td>
<td>280</td>
<td>3.3560</td>
<td>0.4373</td>
<td>0.822</td>
</tr>
<tr>
<td>Encouraging the heart</td>
<td>280</td>
<td>3.4548</td>
<td>0.3727</td>
<td>0.805</td>
</tr>
<tr>
<td>Overall Leadership Practices</td>
<td>280</td>
<td>3.3651</td>
<td>0.3755</td>
<td>0.905</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>280</td>
<td>3.7409</td>
<td>0.3876</td>
<td>0.894</td>
</tr>
<tr>
<td>Turnover Intention</td>
<td>280</td>
<td>2.1690</td>
<td>0.6484</td>
<td>0.878</td>
</tr>
</tbody>
</table>
4.1 Correlation Analysis

The correlations among leadership practices, job satisfaction, and turnover intention are presented in Table 2. Four of leadership practices were found to have a negative relationship with Turnover Intention; only one practice (encouraging the heart) does not show any correlation with turnover intention. In the same way, overall leadership practices also have a negative relationship with Turnover Intention ($r = -0.32$). Despite this low correlation between overall leadership practices with Turnover Intention, it can be said that high level of implementation of leadership practices leads to low levels of turnover among talented employees in Yemeni telecommunications organizations. Similarly, overall leadership practices positively correlated with job satisfaction. Moreover, the five leadership practices were positively correlated with job satisfaction which means that leadership practices help raising job satisfaction among talent employees. Table 2 reported the relationship between leadership practices, job satisfaction and turnover intention.

Table 2. Correlations among variables

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Modeling the way</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Inspiring a shared vision</td>
<td>.67*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Challenging the process</td>
<td>.77*</td>
<td>.79*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Enabling others to act</td>
<td>.78*</td>
<td>.48*</td>
<td>.66*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Encouraging the heart,</td>
<td>.64*</td>
<td>.57*</td>
<td>.58*</td>
<td>.61*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6) Overall Leadership Practices</td>
<td>.92*</td>
<td>.83*</td>
<td>.90*</td>
<td>.83*</td>
<td>.78*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7) Job Satisfaction</td>
<td>0.55*</td>
<td>.26*</td>
<td>.46*</td>
<td>.83*</td>
<td>.28*</td>
<td>.57*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(8) Turnover Intention</td>
<td>-.24*</td>
<td>-.26*</td>
<td>-.24*</td>
<td>-.51*</td>
<td>-.09</td>
<td>-.32*</td>
<td>-.66*</td>
<td></td>
</tr>
</tbody>
</table>

* Pearson coefficient of correlation is significant at the 0.01 level (2-tailed).

As showed in table 3 and 4, multiple regression results indicated that leadership practices are significant in explaining turnover intention (Sig. < .01). The results also show that leadership practices have about 43 % of the variation in turnover intention ($R^2 = 0.429$). From the results above, hypothesis 1 – ‘leadership practices are negatively related to turnover intention’ was supported, which means that turnover intention can be reduced by implementing the leadership practices, leaders can increase the loyalty and at the same time reduce turnover intention among talent employees.

Table 3. Regressions (leadership practices and turnover intention)

<table>
<thead>
<tr>
<th></th>
<th>t</th>
<th>Beta</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership practices</td>
<td>4.67</td>
<td>1.621</td>
<td>.000</td>
</tr>
</tbody>
</table>

Dependent variable: turnover intention

Table 4. Regressions results

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>R</td>
<td>.655</td>
</tr>
<tr>
<td>R square</td>
<td>.429</td>
</tr>
<tr>
<td>Adjusted R square</td>
<td>.418</td>
</tr>
<tr>
<td>F</td>
<td>41.112</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

4.2 Testing for Mediation

Based on Baron and Kenny (1986)’s theory in assessing any mediation relationship, three conditions must be met in order to say that the mediation relationship is proved. First, independent variable – in the absence of mediator variable - must be significantly correlated with the dependent variable. Second, mediator variable must be significantly correlated with the dependent variable. Finally, when both independent and mediator variables are included in the regression, the direct relationship between independent variable and dependent variable should become significantly smaller (partial mediation) or non significant (full mediation).
Results in table 5 revealed that independent variable (leadership practices) were significantly correlated to dependent variable (talent employees’ turnover intention). Results showed that the relationship between leadership practices and turnover intention was negative and significant ($\beta = -0.318$, $P < 0.01$). Similarly, the relationship between job satisfaction and turnover intention was negative and significant ($\beta = -0.660$, $P < 0.01$). When dependent variable (turnover intention) was regressed onto job satisfaction and leadership practices, the relationship showed no significance (sig. 0.135> .01). Based on this result, it can be said that hypothesis 2 ‘job satisfaction mediates the relationship between leadership practices and turnover intention’ was supported.

Table 5. Regression for mediation of job satisfaction between leadership practices and turnover intention

<table>
<thead>
<tr>
<th></th>
<th>R²</th>
<th>F</th>
<th>Beta</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.101</td>
<td>31.327</td>
<td>-0.318</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.436</td>
<td>214.674</td>
<td>-0.660</td>
<td>0.000</td>
</tr>
<tr>
<td>3</td>
<td>0.440</td>
<td>108.938</td>
<td>0.082</td>
<td>0.135</td>
</tr>
</tbody>
</table>

c = leadership practices; JS = job satisfaction; TRN = turnover intention

5. Discussion and Conclusion

Results showed that there is a moderate level of practicing the five leadership practices in Yemeni telecommunication organizations. However, one of the leadership practices has a high level of implementation (modeling the way and encouraging the heart), which means that leaders in Yemeni telecommunication organizations show a good example to their employees. The findings showed that four of the leadership practices have an influence on turnover intention among talented employees; only ‘encouraging the heart’ practice that did not show any influence on talented employees’ turnover intention. Results also indicated that talented employees’ job satisfaction is affected in a positive way by all leadership practices. In general, talented employees’ job satisfaction can be increased by implementing these five leadership practices and at the same time job satisfaction could be vanished by the absence of these practices. In other words, practices such as showing a good example, motivation, sharing the dreams, empowerment and appreciation would predict high level of job satisfaction and at the same time results in low level of turnover. The findings of this study revealed that leadership has a positive influence on talented employees’ satisfaction, loyalty, and retention.

The results demonstrated that leaders would be able to reduce turnover level when they show a good example at work, help their employees and support their ideas, spend time and energy showing their employees the right way of doing things, recognize and appreciate the good work and contributions. Current study findings suggested that the leadership should give more time and energy practicing leadership practices in order to gain their employees commitment and at the same time reduce their intention to leave.

The result also showed that both hypotheses were supported. Based on the findings, leadership practices were negatively correlated with talent employees’ turnover intention. Moreover, findings indicated that the relationship between leadership practices and talented employees’ turnover intention was fully mediated by job satisfaction.

References


