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**REWARD AND RECOGNITION'S MODERATING EFFECT
ON THE ASSOCIATION BETWEEN LEADERSHIP STYLES
AND WORKERS' INCLINATION TO STAY WITH
MALAYSIAN MANUFACTURING FIRMS**

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Abstract:

This research examines the influence of leadership styles on employees' intention to stay in Malaysian manufacturing firms, highlighting the moderating effect of reward and recognition. The study aims to determine if rewards enhance these connections and how transformational and transactional leadership styles influence retention. Employees of multinational companies (MNCs) in the electrical and electronics (E&E) manufacturing sector in Penang and Kedah were administered structured questionnaires as part of a quantitative methodology. SPSS was employed to analyse the statistics of 132 individuals and to evaluate hypotheses utilising regression analysis and moderation techniques. The findings indicate that workers' propensity to remain is considerably and positively influenced by both transformational and transactional leadership styles. Nonetheless, this association appeared unaffected by reward or acknowledgement. These data indicate that although excellent leadership techniques promote retention, the impact may not be enhanced just by incentives. The study's findings have practical significance for human resource strategy, namely in adjusting leadership methods to improve staff retention. This research examines the dynamics of Malaysia's electronics and electrical manufacturing business, providing insights pertinent to organisational success in capital-intensive industries.

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Keyword:

Employee Retention; Intention to Stay; Reward and Recognition;
Transformational Leadership; Transactional Leadership.



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Introduction

In the current competitive corporate landscape, staff retention is vital, particularly in the manufacturing sector, and it is imperative for Malaysia's economic advancement. The Electrical and Electronics (E&E) business, a fundamental component of the manufacturing sector, reported 28,362 job openings in 2021 and obtained RM148 billion of the RM195.1 billion total investments for the sector (MIDA, 2022). Notwithstanding these accomplishments, the sector confronts a continual challenge: elevated workforce turnover. The employee turnover rate in Malaysia has consistently increased in recent years due to both internal and external reasons. Malaysia placed second in anticipated turnover among Asia Pacific nations at 38%, after Singapore at 46% and above Australia at 35% (Singapore Business Review, 2018). The COVID-19 pandemic intensified this tendency, altering global employment rates and exerting more strain on the industrial sector (Ibrahim, 2021). The International Trade and Industry Ministry of Malaysia (MITI) indicated that manufacturing was one of the sectors most affected by the epidemic. Analysts anticipate that employment difficulties would endure, rendering good management tactics crucial for ensuring worker stability (Ibrahim, 2021). Internally, talent retention has become progressively vital for organisational success. Organisations must cultivate employee engagement and strengthen their connection to the workplace (Alias et al., 2018). Leadership is crucial in this setting, since it entails directing and shaping employee behaviour to attain organisational goals (Limsila & Ogunlana, 2008). Leaders must confront issues like labour shortages, changing workplace protocols, and employee morale, especially during the epidemic (Mercer, 2021).

This research aims to focus on the internal variables that affect employees' desire to remain in the E&E manufacturing industry, namely inside multinational companies (MNCs) in Penang and Kedah. The objective of this study is to ascertain the internal variables that affect employees' intents to persist in their employment within the E&E manufacturing industry, particularly in multinational companies (MNCs) situated in Penang and Kedah. Employee turnover generates substantial expenses for organisations. In addition to the loss of significant human capital, crucial for fostering innovation and growth (Valenti & Horner, 2019), turnover incurs financial and operational challenges. Organisations incur significant costs associated with recruiting, employing, training, and onboarding new staff (Harris, Lavelle, & McMahan, 2018). Estimates indicate that the expense of replacing an employee is about equivalent to fifty percent of their yearly salary (Voon et al., 2011). Elevated turnover disturbs productivity, impacts customer interactions, and compromises organisational stability (Reina et al., 2018).

Previous research indicate that Malaysian workers are more prone to resign due to low job satisfaction, limited opportunities for career advancement, inadequate remuneration, and poor leadership.

These findings underscore the pressing necessity for effective retention methods to mitigate these challenges and enhance organisational performance. Effective retention techniques encompass cultivating a feeling of belonging, augmenting motivation via rewards and recognition, and aligning leadership practices with employee requirements (Maaitah, 2018). The purpose of this study is to examine the influence of leadership styles on employees' retention intentions, focussing on the moderating effect of reward and recognition. The study seeks to ascertain the influence of transformational leadership on intention to stay, evaluate the effect of transactional leadership on intention to stay, and examine whether reward and recognition serve as a mediator in the relationship between intention to stay and leadership styles among Malaysian manufacturing employees.

Literature Review

Intentions to stay

The phrase “intention to stay” refers to an employee’s enduring commitment to remain with an organisation while actively endorsing its objectives. Rissanen (2017) defines it as the willingness of employees to engage with their organisation and remain employed. Agarwal et al. (2012) assert that employees who experience engagement and a sense of belonging are less prone to resign from their positions. Similarly, Johari et al. (2012) and Aslam and Safdar (2012) assert that the intention to remain is the antithesis of the intention to go, serving as a metric for employee retention. Noor et al. (2020) emphasised that to ensure business continuity, organisations must prioritise retaining competent and experienced personnel, particularly during crises such as the COVID-19 pandemic. Consequently, resolving labour challenges, especially in the manufacturing sector, necessitates comprehension of the determinants affecting employee retention intentions.

Transformational Leadership Approach

The defining characteristic of transformational leadership is a leader’s ability to inspire and motivate subordinates, leading to outstanding performance and individual growth. Robbins and Coulter (2007) describe it as a leadership technique that inspires employees to achieve long-term organisational goals. Transformational leadership has four components, as delineated by Avolio and Bass (2004): idealised influence, intellectual stimulation, inspiring motivation, and personalised attention. Leaders exhibiting idealised influence serve as role models embodying corporate principles, earning the respect and admiration of their followers. Inspirational motivation refers to a leader’s capacity to evoke enthusiasm and encourage employees to exceed expectations while remaining committed to shared objectives. Leaders who promote creativity and innovation by challenging conventional approaches and proposing original ideas are evidently intellectually engaged. Individualised attention is exemplified when leaders function as mentors, attending to workers’ distinct needs and fostering their personal and professional growth within a supportive work environment. Transformational leadership inherently emphasises intrinsic motivation and long-term goals. Such leaders foster a trusting and supportive work atmosphere that amplifies employee engagement and dedication. Long-term objectives and intrinsic motivation are fundamental to transformative leadership. These

leaders build a helpful and reliable work atmosphere that enhances employee dedication and involvement. Transformational leaders greatly impact workers' retention intentions by prioritising individual development and cultivating a collective vision (Engelen et al., 2015).

Transactional Leadership Approach

Transactional leadership, however, prioritises an exchange-oriented methodology, wherein leaders incentivise staff by explicitly delineating expectations, assessing performance, and administering incentives or sanctions contingent upon results. Bass (1985) characterised this leadership style as a directed method that ensures congruence between leader and staff aspirations to attain organisational goals. Transactional leadership is predicated on three core elements: active management by exception, passive management by exception, and dependent compensation. Leaders employing contingent rewards motivate employees to achieve performance objectives while reprimanding those who fail to do so. Active management by exception entails vigilant oversight of progress, with leaders responding swiftly to resolve concerns and uphold performance standards. Conversely, passive management by exception embodies a reactive strategy, when leaders engage just when significant problems emerge. Transactional leaders integrate workers' activities with organisational objectives by creating organised exchanges and promoting responsibility. This leadership strategy elucidates duties and expectations while simultaneously augmenting employee motivation via concrete rewards and performance-driven assessments (Deichmann & Stam, 2015).

Incentives and Acknowledgement

Incentives and acknowledgement are essential strategies for increasing employees' commitment to remaining with an organisation. Rewards are generally linked to monetary remuneration, concrete advantages, or services given in return for employee efforts (Malhotra, Budhwar, & Prowse, 2007). Recognition pertains to official or informal acknowledgements of an employee's accomplishments, highlighting their significance to the organisation (Akafo & Boateng, 2015). Both monetary and non-monetary rewards are crucial for fostering motivation and commitment. Organisations that establish systematic frameworks for assessing and rewarding performance foster a heightened sense of commitment among employees (Nathaniel et al., 2010). Moreover, prospects for professional advancement, attractive remuneration packages, and nurturing working environments have been recognised as essential elements influencing job satisfaction and employee retention (Ghosh et al., 2013).

Transformational Leadership Paradigm and Outlook

Transformational leadership fosters trust, motivation, and alignment with organisational goals, positively influencing workers' retention intentions. Leaders who prioritise long-term growth and shared ideals inspire employees to choose collective success above individual objectives (Bass, 1985). Chen and Wu's (2017) research indicates that transformational leadership enhances the relationships between leaders and workers, hence augmenting employees' intention to remain with a firm. Wells and Peachey (2011) identified a negative correlation between turnover intention and transformational leadership, suggesting that this leadership style effectively reduces attrition. These data confirm the concept that transformative leadership positively influences workers' intention to remain with the organisation.

Transactional Leadership Strategy and Future Intentions

Transactional leadership improves employees' retention by providing structure, clarity, and tangible incentives. A workplace that fosters employee engagement is established by leaders who articulate clear standards and link rewards to performance results. Ene (2020) observed same findings in the insurance business, whereas Sobaih (2020) demonstrated that transactional leadership positively influences retention in the tourist industry. These studies illustrate how transactional leadership may maintain worker stability and reduce turnover.

Incentives and Acknowledgement for a Moderator

In this study, the term moderating variable is used because it focuses on how strongly the independent variable (leadership styles) affects the dependent variable (intention to stay), A mediating variable would focus on the process of reaching a mutually agreeable resolution between these two variables. Mediation was not a consideration for this study.

The efficacy of leadership styles in affecting employees' retention intentions can be enhanced through reward and recognition. Transformational leaders provide a pleasant work environment that enhances commitment and happiness by acknowledging employee contributions and providing growth chances (Avolio & Bass, 2004). Likewise, transactional leaders who provide performance incentives motivate employees to meet goals and sustain engagement (Sobaih, 2020). Incentives and recognition enhance the relationship between leadership and retention outcomes by targeting both inner and external motivators.

The study posits that transformational leadership style favourably affects employees' intention to remain, transactional leadership style similarly positively influences employees' intention to stay, and that incentive and recognition amplify these associations by augmenting their total effect.

Methods

To evaluate the influence of independent factors (transformational and transactional leadership styles) and the moderating variable (reward and recognition) on the dependent variable (intention to stay), hypothesis testing was conducted by correlation analysis. As stated by Sekaran and Bougie (2013), the research employed a cross-sectional design, collecting data at a singular moment. The analysis was performed at the individual level, concentrating on non-managerial personnel of multinational companies (MNCs) in Kedah and Penang engaged in the Electrical and Electronics (E&E) sector. Convenience sampling, a form of non-probability sampling, was employed to collect 132 consenting participants from the indicated group, specifically targeting conveniently available respondents. Kedah and Penang, acknowledged as industrial centres in Northern Malaysia, accommodate various distinguished E&E multinational corporations. Key firms in Kulim Hi-Tech Park, Kedah, including Intel Kulim, Celestica, Fuji Electric, Integris, First Solar, and Infineon Technologies. Penang is home to significant industrial zones, including the Bayan Lepas Free Industrial Zone, which has companies such as AMD, Intel PG, Plexus, Renesas, Jabil, Osram, and Bosch. Additional significant locations are the Perai Industrial Estate and Batu Kawan Industrial Park, which accommodate companies such as Flex, Honeywell, Sanmina, and Western Digital.

Data analysis was conducted using IBM SPSS Statistics version 26. Following a descriptive study of the respondents' demographic characteristics, factor analysis was employed to assess the data quality. The data's appropriateness for analysis was validated by the Kaiser-Meyer-Olkin (KMO) measure of sample adequacy and Bartlett's Test of Sphericity, with commonalities above the Principal Component Analysis level of 0.50. Cronbach's alpha was employed to assess the reliability of the measuring equipment; Golafshani (2003) indicated that results ranging from 0.7 to 0.9 are considered satisfactory. Regression analysis was subsequently employed to evaluate the suggested relationships among the variables.

A modified structured questionnaire derived from credible sources was utilised as the primary instrument for data collection. An online survey platform was utilised to collect data, with replies assessed by a five-point Likert scale. The questionnaire had four components. The Multifactor Leadership Questionnaire (MLQ Form 5X), developed by Bass and Avolio (1995), focused on independent factors in Sections A and B. Twelve measures assessed transactional leadership, whereas twenty items evaluated transformational leadership. Prior research, including that of Seyal and Rahman (2014) and Visvanathan et al. (2018), has rigorously substantiated the MLQ. Section C utilised four items from Langford (2009) to assess the moderating variable of reward and recognition. Section D included three questions, adapted from Langford (2009), to concentrate on the dependent variable, the desire to remain. A five-point Likert scale was employed, with 1 denoting "strongly disagree" and 5 indicating "strongly agree," to evaluate each topic in every segment.

Table 1: Measurement of Variable Instruments

Variable	Questionnaires Items Adopted from Previous Authors	No of Items	5 Points Likert Scale
Transformational Leadership Style	Adapted from Bass and Avalio (1995) Multi factor leadership questionnaire (MLQ)	20	1 (Strong Disagree) 5 (Strongly Agree)
Transactional Leadership Style	Adapted from Bass and Avalio (1995) Multi factor leadership questionnaire (MLQ)	12	1 (Strong Disagree) 5 (Strongly Agree)
Reward and Recognition	Adapted from Langford P. H. (2009)	4	1 (Strong Disagree) 5 (Strongly Agree)
Intention to Stay	Adapted from Langford P. H. (2009)	3	1 (Strong Disagree) 5 (Strongly Agree)

Results

Participant's Demographic Characteristics

The demographic composition of the respondents indicates that 41.7% were male and 58.3% were female. 28.8% of responders were aged 36 to 40, while 19.7% were aged 21 to 25. In terms of ethnicity, 27.3% of Malaysians identified as Indian, 35.6% as Malay, and 37.1% as Chinese. Regarding marital status, 50.8% of respondents were married, while 49.2% were single. Respondents' job levels comprised 40.9% at the officer level, 31.1% at the executive level, and 28% in other non-managerial roles. Salary data revealed that 53% of respondents received monthly earnings between RM2,001 and RM5,000, and 47% earned between RM5,001 and RM8,000. Educational attainment revealed that 52.3% possessed certificates or

diplomas, 34.1% held bachelor's degrees, and 13.6% obtained master's degrees. The majority of respondents, 76.5%, have 1 to 5 years of experience in their current organisation, whereas 23.5% had 6 to 10 years of tenure. The majority of responders were located in Penang, with 29.5% from Perai Industrial Estate, 25% from Bayan Lepas Free Industrial Zone, and 16.7% from Batu Kawan Industrial Park. Another 28.8% originated from Kulim Hi-Tech Park in Kedah.

Analysing Descriptive Information

The descriptive statistics indicated a total of 132 valid responses. Among the independent variables, the transactional leadership style (TCL) exhibited a mean score of 4.47 with a standard deviation of 0.29, while the transformational leadership style (TFL) recorded the highest mean score of 4.55 with a standard deviation of 0.25. The moderating variable, reward and recognition (RR), had a mean score of 4.52 and a standard deviation of 0.45. The dependent variable, intention to stay (ITS), achieved the highest score, with a mean of 4.62 and a standard deviation of 0.47. The lower standard deviation for TFL suggested that responses were more tightly clustered around the mean, whereas the higher standard deviation for ITS indicated greater response variability.

Table 2: Descriptive Statistics

Constructs	N	Minimum	Maximum	Mean	Standard Deviation
IV: Transformational Leadership Style (TFL)	132	1.0	5.0	4.5549	0.24610
IV: Transactional Leadership Style (TCL)	132	1.0	5.0	4.4678	0.28714
MV: Reward and Recognition (RR)	132	1.0	5.0	4.5208	0.45193
DV: Intention to Stay (ITS)	132	1.0	5.0	4.6187	0.47344

Analysis of Factors

All variables' Kaiser-Meyer-Olkin (KMO) values above the acceptable threshold of 0.50, signifying that the sample size was enough for factor analysis. All variables yielded statistically significant findings ($p < 0.05$) as per Bartlett's Test of Sphericity, indicating the data's suitability for factor analysis.

Table 3: Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity

Variables	Kaiser-Meyer-Olkin (KMO)	Bartlett's Test of Sphericity p-value (Sig.)
Transformational Leadership Style (TFL)	0.809	0.000
Transactional Leadership Style (TCL)	0.778	0.000
Reward and Recognition (RR)	0.763	0.000
Intention to Stay (ITS)	0.727	0.000

Analysis of Factor Loading

The values for each construct component are summarised in Appendix 1, which includes the factor loading (FL), composite reliability (CR), and average variance extracted (AVE) values. Look at the appendix. Every single construct has a CR value that falls somewhere in the range of 0.887 to 0.975, which is greater than the average of 0.7 that is suggested by Hair et al. (2017). This shows that there is sufficient convergence or alignment inside the organisation. Although the Factor Loading for all elements ranges from 0.524 to 0.973, the Average Variance Extracted (AVE) that is obtained might be anywhere from 0.661 to 0.896. Furthermore, the fact that both values are greater than 0.5 suggests that they both have a high degree of convergent validity.

Analysis of Reliability

All of the variables have Cronbach's alpha values that are greater than 0.7, which indicates that they are highly reliable and consistent within themselves. The values of Cronbach's alpha for the transformational leadership style (TFL), the transactional leadership style (TCL), the reward and recognition (RR), and the intention to remain (ITS) were, respectively, 0.844, 0.839, 0.924, and 0.971.

Table 4: Cronbach's Alpha Value

Variables	Cronbach's Alpha Value	Total Items
Transformational Leadership Style (TFL)	0.844	20
Transactional Leadership Style (TCL)	0.839	12
Reward and Recognition (RR)	0.924	4
Intention to Stay (ITS)	0.971	3

Analysis of Regression

The linear regression analysis revealed that both transactional and transformational leadership styles significantly influenced the intention to remain (ITR). The model's validity was substantiated through the application of the ANOVA test, which yielded a significance level below 0.05.

The coefficients are presented in Table 5. The standardised beta coefficient for transformational leadership style (TFL) was 0.454 ($p < 0.001$), while the standardised beta coefficient for transactional leadership style (TCL) was 0.192 ($p = 0.045$). The absence of multicollinearity was confirmed through variance inflation factor (VIF) assessments.

Table 5: Multiple Regression Coefficients on IV

	Independent Variable (IV)	Standardized Coefficients Beta	P-Value	Collinearity Statistics VIF
Model 1	(Constant)		0.000	
	TCL	0.192	0.045	1.372
	TFL	0.454	0.000	1.372

Reward and Recognition's Moderating Role

Reward and recognition (RR) had no significant moderating effect on the relationships between intention to remain (ITS) and leadership styles (transformational leadership (TFL) and transactional leadership (TCL)). Reward and recognition did not influence the associations, as evidenced by the p-values for both moderation models beyond 0.05 in Table 6.

Table 6: Moderating Effect of Reward and Recognition (RR)

Model	Moderator	R ²	R ² Changed	p-Value	Significance
TFL*RR => ITS	Moderator 1	0.134	0.009	0.263	Not Significant
TCL*RR => ITS	Moderator 2	0.008	0.005	0.405	Not Significant

Summary of Findings

Amongst the four hypotheses examined, two were affirmed, and two were dismissed. The transformational leadership style (H1) and transactional leadership style (H2) were identified as having a substantial and favourable impact on the desire to remain. Nonetheless, reward and recognition did not influence the connection between transformational leadership style and desire to remain (H3) or transactional leadership style and intention to remain (H4). The findings are contained in Table 7.

Synopsis of Results

Two of the four evaluated hypotheses were affirmed, but the remaining two were dismissed. The intention to remain was significantly and positively affected by both transformational leadership style (H1) and transactional leadership style (H2). However, neither the correlation between transformational leadership style and intention to remain (H3) nor the link between transactional leadership style and desire to remain (H4) was influenced by reward and recognition. Table 7 presents an overview of the results.

Table 7: Results and Summary of Hypotheses Testing

Hypotheses	p-value	Result
H1: There exists a significant positive relationship between transformational leadership style and intention to stay.	0.000	Accepted
H2: There exists a significant positive relationship between transactional leadership style and intention to stay.	0.045	Accepted
H3: Reward and Recognition moderate the relationship between Transformational Leadership Style and Intention to Stay	0.263	Rejected
H4: Reward and Recognition moderate the relationship between Transactional Leadership Style and Intention to Stay	0.405	Rejected

Discussion

This study examined the moderating effect of reward and recognition on the connection between leadership styles and employees' desire to remain in the electrical and electronics (E&E) manufacturing sector of multinational companies (MNCs) in Northern Malaysia. The findings indicated that workers' intention to remain is positively affected by both transformational and transactional leadership styles, as supported by hypotheses H1 and H2. These findings support previous research indicating that leadership styles are reliable predictors of employee retention (Chen and Wu, 2017). Consequently, due to their absence of statistical significance ($p > 0.05$), hypotheses H3 and H4, which investigated the moderating effects of reward and recognition, were not validated. This indicates that the correlation between any leadership style and the intention to remain is unaffected by rewards and recognition. Notwithstanding the quantity of honours and accolades attained, workers in this study shown a greater inclination to remain with their businesses, irrespective of whether their leaders employed transformational or transactional leadership styles. This suggests that leadership focused on sustainable career development, significant job possibilities, and empowerment may be more effective than leadership primarily focussed on rewards and recognition.

The results emphasise the essential leadership characteristics that affect employees' retention intentions. The statements with the greatest factor loadings for transformational leadership encompassed: soliciting multiple viewpoints to address difficulties, articulating a positive vision for the future, fostering pride, demonstrating excitement for objectives, and committing time to teaching and mentorship. These correspond with Tafvelin's (2013) findings, which illustrate that transformational leadership promotes organisational well-being, increases commitment, and delineates roles. Moreover, the study by Weiß et al. (2016) corroborates the idea that transformative leaders diminish effort-reward disparities and improve work satisfaction.

Transactional leadership has demonstrated efficacy in this scenario. High factor-loading behaviours included clarifying performance objectives, expressing happiness upon meeting targets, prioritising the settlement of complaints and faults, and meticulously tracking mistakes. These behaviours correspond with Sobaih's (2020) study, highlighting the importance of reward-centric transactional leadership in enhancing employee engagement. This study highlights the essential importance of competent leadership in Malaysia's Electrical and Electronics manufacturing industry, a crucial pillar of the nation's economy. The Malaysia Investment Performance Report (2021) indicates that the Electrical and Electronics (E&E) industry garnered the most substantial investment, with Penang and Kedah recognised as the primary regions. The sector is projected to yield RM120 billion in contributions to

In this environment, transactional leadership has shown to be beneficial. Defining performance targets, expressing happiness upon achieving goals, focusing on addressing complaints and inadequacies, and diligently tracking mistakes were behaviours with significant factor loadings. These behaviours align with the conclusions of Sobaih's (2020) study, which emphasises the significance of reward-based transactional leadership in enhancing employee engagement. This study underscores the significance of proficient leadership for Malaysia's electrical and electronics manufacturing industry, a crucial element of the national economy. Penang and Kedah have been identified as the foremost regions in securing the greatest levels of investment in the E&E industry, as per the Malaysia Investment Performance Report (2021). The sector is anticipated to yield RM120 billion in contributions to the 12th Malaysia Plan,

which aims to enhance Malaysia's GDP by 2025, with sustained growth reliant on fostering staff retention via strategic leadership

Implication of the Study

Implications for Theory

This research enhances the Transactional-Transformational Theory of Leadership by analysing its implementation in the E&E manufacturing sector concerning employee retention. The findings highlight the limited function of reward and recognition as a moderator, offering a deeper understanding of the mechanisms via which leadership styles affect retention motivation. The study's findings can provide a basis for additional exploration of employee turnover, retention tactics, and leadership styles.

Practical Consequences

The study offers practitioners valuable insights, particularly in the industrial sector, which is a sector in which the performance of the economy is dependent on human capital. It is possible for managers and HR professionals to utilise these data to strengthen their efforts to retain talent by concentrating on leadership characteristics that encourage empowerment, career development, and team pride. In light of the limited moderating effect that rewards have, organisations are strongly encouraged to build comprehensive strategies that go beyond monetary incentives, addressing basic motives, and developing meaningful career pathways in order to retain top individuals.

Conclusion

This study examined the intentions of employees to remain employed by E&E multinational businesses situated in Penang and Kedah. The statistically significant influence of transformational and transactional leadership styles on the intention to remain demonstrates that these leadership approaches can effectively promote retention intentions. The H1 and H2 hypotheses have been corroborated and acknowledged as a result of this. The study investigating the moderating impact found that the connection between leadership styles and the intention to remain was not influenced by reward or recognition. Consequently, hypotheses H3 and H4 are eliminated for this research. The study's findings may aid human resource managers in formulating innovative strategies and methods to enhance existing regulations and practices within the industrial sector. Consequently, both transformational and transactional leadership styles have been demonstrated to affect an employee's propensity to remain with the organisation. This technique incrementally enhances worker retention to address the organization's persistent high turnover rate. Kleinman (2013) posits that effective leadership styles and strategies may elevate employee enthusiasm and improve workforce retention inside the company. Consequently, it is vital for managers or leaders to determine ways to transform their leadership style to enhance the probability of staff retention within the organisation.

Limitations and Recommendations for Future Studies

The study reveals a notable inadequacy in the moderating influence of reward and recognition on the correlation between leadership styles and retention intention. Future research may investigate the possibility of reward and recognition serving as a mediator rather than a moderator. Ng and Salamzadeh (2020) assert that the relationship between leadership and employee retention may be affected by variables such as remuneration and recognition. This is especially relevant to younger employees. This inquiry occurred during a period of significant labour movement, intensified by the COVID-19 epidemic. A study conducted by Employment Hero (HR Asia, 2021) in Malaysia indicated that 61 percent of employees planned to seek new employment, with millennials (individuals under 35) spearheading this trend. Future research should focus on the millennial generation, or Generation Y, to examine the unique characteristics influencing their propensity to remain in their current positions. The generalisability of the findings may be improved by evaluating whether the study's conclusions can be replicated in other domains or regions worldwide. Finally, research may investigate the impact of hybrid or remote work arrangements, more common in the post-pandemic era, on leadership styles and staff retention.

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