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(IJEMP)**www.gaexcellence.com/ijemp**WORK–LIFE BALANCE AND EMPLOYEE RETENTION IN
THE HOTEL INDUSTRY: THE MODERATING ROLE OF
LEADERSHIP EMPATHY**Nor Khafizah Muhamad Saleh^{1*}, Mohd Onn Rashdi Abdul Patah², Nur Zalikha Othman³¹ Faculty of Hotel and Tourism Management, Universiti Teknologi MARA (UiTM), Puncak Alam, Selangor, Malaysia 2024643372@student.uitm.edu.my <https://orcid.org/0009-0007-0075-2738>² Faculty of Hotel and Tourism Management, Universiti Teknologi MARA (UiTM), Puncak Alam, Selangor, Malaysia onn@uitm.edu.my <https://orcid.org/0000-0002-5848-0604>³ Faculty of Hotel and Tourism Management, Universiti Teknologi MARA (UiTM), Puncak Alam, Selangor, Malaysia zalikhaothman@uitm.edu.my <https://orcid.org/0009-0002-6039-3240>

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Abstract:

Despite the challenging working conditions, irregular working hours and significant emotional labor that the hotel industry is known for, the industry in competitive urban destinations like the Klang Valley, Malaysia, is still struggling to retain employees. While work–life balance (WLB) has received a great deal of attention as a key factor in the retention of employees, the nature of the relationship between WLB and employee retention may differ depending on the context of the relationship in which WLB is experienced. Based on Leader – Member Exchange (LMX) theory, this study explores the relationship between WLB and employee retention (ER), as well as the moderating and direct role of leadership empathy (LE) in the WLB – ER relationship. A quantitative, cross-sectional survey design was utilized in this study with a total of 311 respondents who are employees of four-star hotels in Klang Valley, Malaysia. After data cleaning, 306 valid responses were used for data analysis. The measurement instruments were based on proven scales and the data were analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) using 5,000 bootstrap resamples. The results show that WLB is positively and statistically significant with ER ($\beta = 0.272$, $t = 3.847$, $p < 0.001$). There is also a positive and statistically significant correlation between LE and ER ($\beta = 0.544$, $t = 8.549$, $p < 0.001$). Importantly, the relationship between

WLB and LE is positive and statistically significant ($\beta = 0.138$, $t = 2.562$, $p = 0.010$; $f^2 = 0.032$), which is indicative of the moderating effect of LE. The findings suggest that the strength of the WLB–ER association varies according to employees’ experience of LE. The study builds on LMX theory by using LE as a relational predictor of employee retention, and as the relational condition through which an organizational support practice (WLB) is related to employee retention. The findings provide practical implications for hotel management by highlighting the importance of combining WLB practices with empathetic leadership to support employee retention and workforce sustainability.

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Keywords:

Employee Retention, Hospitality Industry, Hotel Employees, Klang Valley, Malaysia, Leadership Empathy, Leader–Member Exchange (LMX) theory, Structural Equation Modeling (SEM), Work-life Balance.



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Introduction

The hotel industry continues to face high employee turnover, which challenges employee retention (ER), organizational performance, service quality, and long-term workforce sustainability. Hospitality jobs are distinguished by demanding workloads, extended working hours, unpredictable timetables, and considerable emotional labor. Such working conditions can impose considerable strain on employees and may be associated with burnout and turnover intentions. These challenges are further compounded by workforce shortages and rising service demands in highly competitive urban areas such as the Klang Valley, Malaysia.

A possible organizational strategy to tackle these issues is to introduce the concept of work–life balance (WLB) initiatives to support employee wellbeing and assist employees to stay with their organizations. In past studies, good work-life balance was found to be linked with positive employee outcomes, such as psychological well-being, job satisfaction and ER (Panda & Sahoo, 2021; Zumrah et al., 2022; Bello et al., 2024). The role of WLB was also emphasized for employees in the hotel industry, as inadequate WLB is associated with work stress, burnout, and intentions to leave the workplace (Chandran & Abukhalifeh, 2021; Grigoryan, 2024). Previous studies with hotel staff have further shown the applicability of WLB for psychological wellbeing and work outcomes (Jung et al., 2023). As a result, the current retention issue indicates that working in WLB alone is insufficient to account for employees’ staying with their organizations.

A key question is how employees experience and make sense of WLB practices in their everyday working environment. Previous studies have focused on WLB as an antecedent of employee outcomes, including retention-related outcomes, and have given less attention to the relational conditions that may moderate the strength of the relationship. Thus, while employees might have identical or comparable WLB initiatives, they might experience or interpret them differently. This implies that the relationship between WLB and ER may be, at least, dependent on the interpersonal context in which organizational support is provided and experienced.

One possible relational condition in this regard is leadership empathy (LE). LE is when a leader can perceive, acknowledge and react to an employee's emotional and personal situations. Some studies have started to show how empathetic leadership relates to employees' outcomes such as employee engagement, team cohesiveness, well-being, trust, and outcomes related to employees' retention (Lee et al., 2021; Pettis, 2023; Juarez, 2024; Sugiarto, 2024; Waweru et al., 2024). However, previous studies on the topic of leadership have focused on general leadership styles and practices in the organization, not on the specific test of whether LE has an impact on the relationship between organization practices and employee attrition (Geh Ming et al., 2021; Akpa et al., 2022).

This distinction is an important one that is missing in the literature. While prior studies have shown a link between WLB and ER, and studies are starting to investigate the relationship between LE and positive employee outcomes, both of these areas of research are relatively understudied. Little has been paid to the question of whether LE is a moderating condition of the relationship between WLB and ER. This is particularly relevant for the Malaysian hotel environment as the workers are usually involved in very strenuous tasks and get exposed to organizational practices on a daily basis with their supervisors and managers. Thus, LE as a moderator is explored to see if the relationship between WLB and ER is different according to the level of empathy that leaders exhibit.

This study, based on Leader–Member Exchange (LMX) theory, also considers the relational context in which employees experience organizational support. According to LMX theory, the quality of leader–employee relationships shapes employees' attitudes and behavioral outcomes. LE, therefore, can influence the meaning and action that employees make of organizational practices, like WLB. Greater empathy from leaders may also result in employees' perceiving that WLB is actually a real and useful support from the organization, which could further enhance the positive link between WLB and ER. Therefore, in this study, LE is theorized in two ways: first, as a direct predictor of ER, and second, as a moderating condition that could impact the relationship between WLB and ER.

To fill this research gap, the present study aims to investigate the relationship between WLB and ER, the relationship between LE and ER and whether LE moderates the relationship between WLB and ER among hotel employees. The study not only considers the direct impact of organizational practices on ER, but also LE as a direct predictor and a moderating condition. It examines how far the relational context that leaders create, according to LMX theory, might impact the strength of the link between WLB and ER. This helps to gain a more subtle insight into the organizational and relational factors related to ER in the Malaysian hospitality setting.

Research Objectives

RO1: To examine the relationship between work–life balance and employee retention among employees in the hotel industry.

RO2: To examine the relationship between leadership empathy and employee retention among employees in the hotel industry.

RO3: To examine whether leadership empathy moderates the relationship between work–life balance and employee retention among employees in the hotel industry.

Research Questions

RQ1: What is the relationship between work–life balance and employee retention among employees in the hotel industry?

RQ2: What is the relationship between leadership empathy and employee retention among employees in the hotel industry?

RQ3: Does leadership empathy moderate the relationship between work–life balance and employee retention among employees in the hotel industry?

Literature Review

Work-Life Balance (WLB)

WLB is the balance between work and personal life that an employee can obtain and maintain. The achievement of WLB in the hospitality business is hindered by the irregular working schedules, shift schedules, long working hours, and high customer service needs (Chandran & Abukhalifeh, 2021). These challenging working conditions are associated with emotional weariness, burnout, stress, and work–family conflict, which may, in turn, relate to employees' organizational attitudes and turnover intentions (Grigoryan, 2024).

Previous research has demonstrated that WLB is associated with several employee outcomes, such as job satisfaction, psychological well-being, organizational commitment, and ER (Panda & Sahoo, 2021; Bello et al., 2024). Employees with better work-life balance tend to have lower stress and a higher intention to stay with the organization. In the hospitality context, a significant positive relationship between WLB and ER among hotel employees was found by Aufa et al. (2023), especially when high emotional labor and high workload are present. Similarly, WLB has been associated with hotel employees' psychological well-being, job satisfaction, and pro-social workplace behaviour (Jung et al., 2023).

Recent studies further demonstrate that the relationship between WLB and employee outcomes should be considered alongside broader organizational and sustainability-related practices. Organizational culture and green innovation (Green WLB and Green Human Resource Management (GHRM)) are very important for retaining employees and ensuring sustainability in the organization (Lin et al., 2024). Moreover, Akpa et al. (2022) and Adeyefa et al. (2023) noticed a link between supportive Human Resource Management (HRM) practices and ER in hospitality organizations.

Yet, although there has been a significant amount of evidence that suggests a positive relationship between WLB and employee outcomes, recent research suggests that the effectiveness of WLB programs is not consistent within organizational contexts. Instead, the

contextual and relational aspects, such as leadership support and workplace relationships (Bello et al., 2024; Yusuf & Kumar, 2023), might shape employees' perceptions of WLB practices. This indicates that the nature of personal relationships in the workplace could offer a valuable relational perspective on ER, in addition to formal practices in the organization.

Employee Retention (ER)

ER is the capacity of an organization to retain its staff for a longer duration of time and minimize the voluntary turnover. With the mobility of the labor market, the shortage of labor, the difficult working conditions and the increased demand for service in the hotel industry, ER is a perennial problem. The high turnover rates can have a negative impact on operational efficiency and organizational stability. They can also be related to a decrease in the quality of services, customer satisfaction, and difficulties to the organization's long-term sustainability (Grigoryan, 2024).

Job satisfaction, salary, organizational support, work environment, psychological empowerment and quality of leadership are some of the factors related to ER identified in previous studies (Al-Harthi & Yusof, 2022; Panda & Sahoo, 2021). Hospitality retention is now seen as a complex issue, influenced by organizational structural issues and workplace relations.

Research has indicated that organizations that care about employee well-being and a positive work environment tend to have higher overall ER. For example, Nardi and Ginting (2026) suggested that WLB is positively and significantly associated with ER of Gen Z employees through employee engagement. Similarly, Yusuf and Kumar (2023) found that psychological empowerment was positively associated with retention intentions through employees' perceptions of WLB and organizational support.

Leadership support strategies have been linked to retention outcomes in hospitality firms. Geh Ming et al. (2021) found that leadership styles were associated with ER in the hotel industry. Attard (2025) indicate that management personality traits and supportive leadership behaviors were associated with employee satisfaction and longer-term retention in luxury hotels. In conclusion, the findings suggest that some organizational processes and relational interactions between employees and supervisors and leaders can influence decisions to stay or leave.

Leadership Empathy (LE)

Emotional intelligence is the ability of leaders to understand, perceive and respond to the emotional, psychological and personal needs of their workforce in an appropriate way. Empathy, as a construct of emotional intelligence, may enable leaders to build trust, provide emotional support, foster inclusivity, and strengthen interpersonal relationships within organizations (Zivkovic, 2022).

Empathy is especially important for leaders in service industries like hospitality, where workers are engaged in emotional labor and interact with customers in person. Managers with empathy are better at recognizing when an employee is stressed and providing emotional support. They are also more flexible in switching their management style to the situation. Such leadership behaviours have been associated with healthier work environments, lower burnout, and improved employee well-being (Jung et al., 2023).

The literature on employees' positive outcomes associated with empathetic leadership is burgeoning. LE was positively associated with ER through employees' perceptions of organizational support and emotional connection in the workplace (Waweru et al., 2024). Similarly, Juarez (2024) and Pettis (2023) reported positive associations between empathetic leadership and employees' retention intentions, particularly through trust, emotional security, and psychological attachment.

In the hospitality industry, empathy-based leadership was associated with employee engagement, team cohesion and organizational commitment. Lee et al. (2021) established that in the case of five-star hotels, the more empathy in the leadership of supervisors, the higher the level of employee engagement and team cohesiveness. Furthermore, Sugiarto (2024) also found that empathetic leadership was associated with ER through supportive humanistic relationships at work.

Interest in compassionate leadership is increasing in academia. However, empirical studies on the moderating role of LE in the relationship between WLB and ER remain limited, particularly in the Malaysian hotel industry. Previous studies mainly explore either leadership or WLB separately and do not integrate both factors in a moderation framework.

Thus, the present study contributes to the literature by considering LE as a direct predictor of ER, and also as a moderating condition in the WLB–ER relationship. This positioning allows the study to explore if the strength of the relationship between WLB and ER differs based on the level of LE experienced by employees.

Theoretical Foundation: Leader–Member Exchange (LMX) Theory

This study is grounded in Leader–Member Exchange (LMX) theory, which conceptualises leadership as a relationship-based process in which the quality of leader–member exchanges shapes employees' attitudes and behavioral outcomes (Graen & Uhl-Bien, 1995). Based on LMX theory, leaders build different types of relationships with employees, with high-quality exchanges built on trust, mutual respect, loyalty, and social support. This relationship quality has been linked to positive employee outcomes such as job satisfaction, organizational commitment, and ER (Hassaan, 2024; London et al., 2023). Accordingly, LMX offers a relational perspective on how employees interpret organizational practices through daily interactions with leaders.

From this theoretical lens, LE is considered a key relational attribute that can contribute to the establishment and maintenance of quality leader–employee relationships. Empathetic leaders can better relate to their employees' emotional and personal circumstances and be more compassionate and supportive of them. These interactions can help to validate employees' sense of their leaders' understanding and concern for their well-being. Prior research has linked empathetic leadership to positive employee outcomes such as employee engagement, team cohesion, employee well-being, and retention-related outcomes (Lee et al., 2021; Pettis, 2023; Juarez, 2024; Sugiarto, 2024; Waweru et al., 2024).

The present study conceptualises LE in two different yet complementary roles: as a direct predictor of ER and as a moderator of the relationship between WLB and ER. LE might be a direct predictor of employees' retention since the empathetic and supportive leader–employee relationships may improve employees' positive workplace experience and willingness to

remain with the organization. H2 demonstrates a direct relationship. However, LMX theory also posits that the quality of the leader–employee relationship may shape how employees experience and respond to organizational practices. Therefore, the perception of LE as a direct antecedent alone is not sufficient to fully understand its potential relational role in the WLB–ER nexus.

The theoretical foundation for the moderating role of LMX is the relational logic of LMX. WLB initiatives are organizational practices that help employees manage work and non-work responsibilities. However, employees do not experience these practices outside their direct leaders. From the LMX perspective, leaders are a significant relational channel through which organizational practices are conveyed, supported and experienced in daily work interactions. High LE could make employees feel that WLB initiatives are authentic, responsive, and meaningful organizational support since empathetic leaders can better understand individual circumstances and respond to employees' work–life needs. Therefore, LE might be a relational variable that moderates the strength of the relationship between WLB and ER.

Alternatively, when LE is low, employees may perceive WLB initiatives as less personally supportive or responsive to their specific needs. Thus, WLB practices may not have the same retention-related outcomes for all employees, as the relational context in which they are experienced may differ. This provides the theoretical basis for considering LE as a boundary condition in the WLB-ER relationship, where the strength of the relationship may differ depending on the level of LE employees experience.

LE is not expected to be another direct antecedent of ER. Instead, its moderating role is consistent with the proposition that the strength of the WLB–ER relationship is contingent, in part, on the quality of the leader–employee relational environment. This distinction enables the study to examine the independent effect of empathetic leadership on ER, as well as its conditional effect on the relationship between WLB and ER. Therefore, H2 proposes a direct relationship between LE and ER, and H3 proposes the moderating role of LE in the WLB–ER relationship.

Taken together, LMX theory provides the theoretical foundation for examining LE as both a relational predictor and a moderating condition. The direct effect captures the contribution of empathetic leadership to ER, while the moderation effect extends the relational perspective by examining whether LE changes the strength of the relationship between WLB and ER. This dual-role conceptualisation extends LMX theory beyond explaining the direct relationship between leader–employee exchanges and employee outcomes. It proposes that the relational quality reflected in LE may also condition how an organizational support practice, such as WLB, is associated with ER. This provides a more nuanced theoretical explanation of ER by identifying a relational condition under which WLB may be more strongly associated with retention.

Research Gap and Hypothesis Development

ER is a major concern in the hospitality industry, where employees face irregular working hours, high workloads, emotional labor and high service demands. Such conditions can create WLB problems and influence employees' intention to leave. Better has been consistently associated with positive employee outcomes such as psychological well-being, job satisfaction and ER in previous studies (Panda & Sahoo, 2021; Zumrah et al., 2022; Bello et al., 2024).

WLB has been associated with stress, burnout, and turnover intention in the hospitality context (Chandran & Abukhalifeh, 2021; Grigoryan, 2024).

Although the relationship between WLB and employee outcomes is established, previous studies have largely examined WLB as a direct predictor of ER, with limited attention to the relational conditions that may strengthen or weaken this relationship. This suggests that WLB practices alone may not fully explain employees' retention outcomes. However, considering that employees experience organizational practices through everyday interactions with supervisors and managers, the relational context may shape how WLB initiatives are perceived and experienced.

LE represents one such relational factor. LE is a leader's ability to understand an employee's emotional and personal situation and respond appropriately to their needs. Empathetic leadership has been linked to employee engagement, team cohesion, well-being and retention outcomes in previous studies (Lee et al., 2021; Pettis, 2023; Juarez, 2024; Sugiarto, 2024; Waweru et al., 2024). Previous research on LE has mostly focused on how empathy directly impacts employee outcomes; however, there is little empirical research that has investigated whether LE alters the relationship between WLB and ER. This distinction is important because a direct link between LE and ER does not imply that LE is a predictor of when (or under what relational circumstances) WLB is more strongly related to retention. A direct link between LE and ER does not necessarily mean that the strength of the WLB–ER link is different at different levels of LE.

Another gap is with regard to the Malaysian hospitality context. While WLB and leadership-related factors have been examined in different types of organizations and hospitality, there is a lack of empirical evidence regarding the moderating role of LE between the WLB–ER relationship of hotel employees in Malaysia. This contextual gap is especially pertinent in the hotel sector, where staff members are likely to communicate, implement and support practices within the organization through their immediate supervisor and manager in challenging operational contexts.

This study aims to fill these gaps by adopting the Leader-Member Exchange (LMX) theory, which highlights the significance of the quality of the leader-employee relationship on employee attitudes and behavioral outcomes (Graen & Uhl-Bien, 1995; London et al., 2023). From this relational perspective, empathetic leadership may facilitate a supportive leader–employee exchange by enabling leaders to understand employees' individual circumstances and respond in an understanding, supportive way. Accordingly, LE is conceptualised in this study as both a direct predictor of ER and a relational condition that may influence the strength of the WLB–ER relationship.

Perceptions of high LE among employees may lead to WLB initiatives being viewed as more authentic, caring, and valuable forms of organizational support. Accordingly, the positive relationship between WLB and ER may be stronger when employees perceive higher levels of LE. However, low LE may reduce the likelihood that WLB practices are perceived as providing such support and may thus dampen the WLB–retention relationship. Thus, the central research gap addressed by this study is not whether WLB is related to ER. Rather, it focuses on whether the strength of this relationship varies according to employees' perceptions of LE. This explains why LE should be considered a moderator rather than a mere direct predictor. Based on the above theoretical and empirical arguments, the following hypotheses are proposed:

H1: Work–life balance is positively associated with employee retention among employees in the hotel industry.

H2: Leadership empathy is positively associated with employee retention among employees in the hotel industry.

H3: Leadership empathy moderates the relationship between work–life balance and employee retention such that the positive relationship is stronger when leadership empathy is high.

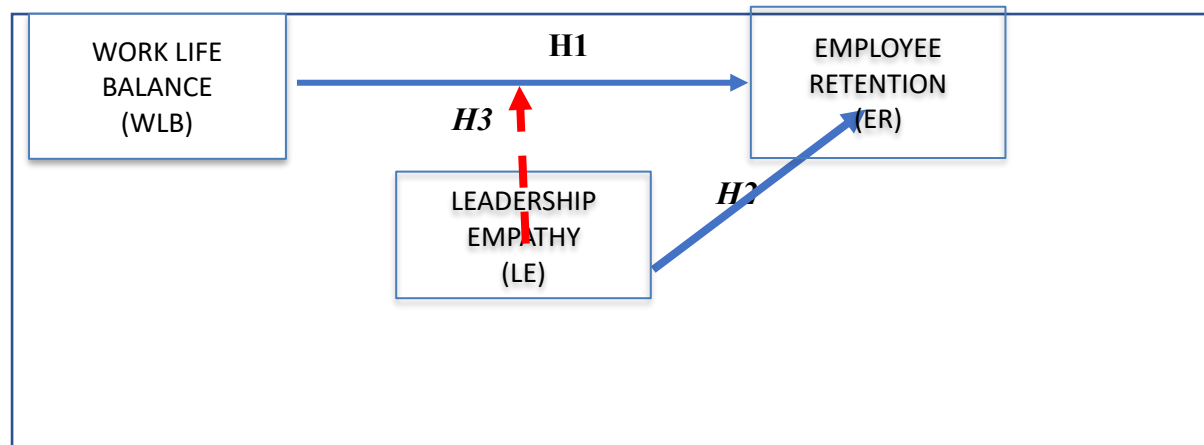


Figure 1. Conceptual Framework Of The Study

Conceptual Framework Explanation

The conceptual framework of this study is presented in Figure 1. The framework examines the relationship between WLB and ER, LE and ER, and the moderating role of LE in the WLB–ER relationship among hotel employees. The framework is based on the LMX perspective that emphasizes the relationship between the quality of the relationship between leaders and employees and employees’ attitudes, perceptions, and behavioral outcomes.

In the proposed framework, WLB is regarded as the independent variable. WLB is the capacity of employees to manage work and personal and non-work needs. The dependent variable, ER, is the employees’ intention to stay with the organization in the long run. Earlier studies have revealed that employees with better WLB are more likely to report positive employee outcomes such as psychological well-being, organizational connectedness, and retention-related intentions (Panda & Sahoo, 2021; Aufa et al., 2023; Bello et al., 2024).

H1: The framework indicates a positive relation between WLB and ER. WLB is positively associated with ER. Adopting supportive WLB practices may be linked to lower work-related strain and stronger retention intentions in the hospitality industry, where staff frequently work long hours and shifts and engage in emotional labor (Chandran & Abukhalifeh, 2021; Grigoryan, 2024).

The framework incorporates LE in the two different roles. H2: LE is expected to be a direct predictor of ER. Second, LE is treated as a moderator of the WLB-ER relationship (H3). LE is the ability of a leader to understand the emotional and personal circumstances of employees and respond to their needs appropriately. Empathetic leadership has been associated with employee trust, emotional support, engagement, well-being, and retention-related outcomes (Waweru et al., 2024; Juarez, 2024; Sugiarto, 2024).

The framework is grounded in LMX theory, which emphasizes the significance of the quality of the leader–employee relationship in determining employee attitudes and behavioral outcomes. Trust, mutual respect, loyalty, and social support are characteristics of high-quality leader-member exchanges and provide a relational context for employees to make sense of organizational practices and support. Therefore, the framework assumes that employees do not engage in WLB practices beyond their relationships with immediate leaders.

The moderation effect of LE indicates that the relational context may influence the strength of the relationship between WLB and ER. We expect the positive relationship between WLB and ER to be stronger when employees perceive high empathy from their leaders. Conversely, when perceived LE is low, the positive relationship between WLB and ER might be weaker. This proposition is grounded in the LMX-based argument that the relational context in which organizational practices are embedded can shape employees' perceptions and experiences of such practices.

Thus, the conceptual framework combines an organizational dimension (WLB) and a relational leadership dimension (LE) to explain ER. We extend beyond the direct link between WLB and ER by considering the relational context in which this relationship may change, and by extending the framework to directly predict and moderate LE.

Methodology.

Research Design

This study used a quantitative, cross-sectional survey design to investigate the relationships between WLB, LE and ER and the moderating role of LE. The relationships of the variables were tested statistically using a quantitative approach, which was appropriate for testing the hypothesized relationships and the moderation effect. Data were collected from respondents using the cross-sectional design to capture employees' perceptions of WLB practices, leadership behaviors, and retention-related outcomes.

Sampling and Data Collection

The survey was carried out among the employees working in four-star hotels in Klang Valley, Malaysia. Purposive sampling was used to ensure that the respondents were included in the study based on the inclusion criteria. Respondents had to have a minimum of six months' tenure at the current hotel and first-hand experience of work–life balance (WLB) practices in the organization and supervisory or leadership interactions. These criteria resulted in participants with enough work experience and exposure to be able to give informed responses regarding WLB, LE and ER.

The data was obtained by an online questionnaire using Google Forms and was disseminated by email and WhatsApp to enable access by employees from various hotel departments. The survey was carried out with the employees in operational departments like Front Office, Housekeeping, Food and Beverage and other departments. There were 311 responses received. The responses were screened for completeness and consistency, and 306 responses were included for the final analysis.

Table 1 shows the demographic characteristics of the respondents in terms of their gender, age, department, length of service and education.

Respondent Profile

Demographic characteristics of the 306 participants of the final analysis are shown in Table 1. There were 160 males (52.3%) and 146 females (47.7%) in the sample. The age group 21-25 years (32.7%) was the largest, and the largest departmental group was front office (41.2%). In terms of length of service, the largest group of respondents had worked for one to three years (26.8%). As for educational qualifications, the highest was the diploma holders (32.0%).

Table 1. Demographic Characteristics of Respondents (N = 306)

Demographic	Frequencies	Percentage (%)
Gender		
Male	160	52.3
Female	146	47.7
Age		
Below 20 years old	30	9.8
21-25 years old	100	32.7
26-30 years old	72	23.5
31-35 years old	56	18.3
36-40 years old	23	7.5
Above 40 years old	25	8.2
Department		
Housekeeping	88	28.8
Front Office	126	41.2
Food and Beverage	88	28.8
Others	4	1.3
Service Duration		
6-12 months	72	23.5
1-3 years	82	26.8
4-6 years	64	20.9
7-10 years	58	19.0
More than 10 years	30	9.8
Education		
SPM	86	28.1
Certificate	30	9.8
Diploma	98	32.0
Bachelor's Degree	60	19.6
Master's Degree	32	10.5

Note. N = 306 usable responses.

Measurement Instruments

The measuring instrument was designed based on existing scales, which were modified to the hospitality context. WLB was measured using five items adapted from Valcour (2007), which measured the ability of the employees to balance work and personal-life responsibilities. Leadership Engagement (LE) was assessed through six items adapted from Masubelele (2024) that focused on the awareness and sensitivity of the leaders towards the emotional needs of the employees. ER was assessed using four items adapted from Seashore et al. (1982), which indicated employees' intentions to stay with the organization.

The wording of the measurement items was revised to fit the context of the hotel industry, but the conceptual meaning of the original measurement items was kept. Next, the measurement model was assessed for indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. All items were measured on a five-point Likert scale: 1 (strongly disagree) to 5 (strongly agree).

Data Analysis

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS. PLS-SEM was selected because the research model examined direct relationships and a moderation effect, consistent with the recommended applications of PLS-SEM (Hair et al., 2022).

The analysis was performed in two steps. The measurement model was assessed first to establish construct reliability and validity. Indicator loadings, Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) were assessed to determine indicator reliability, internal consistency reliability, and convergent validity. Discriminant validity was assessed using the heterotrait–monotrait (HTMT) ratio (Henseler et al., 2015).

Second, the hypothesized relationships were tested using the structural model. Path coefficients (β), t-values and p-values were obtained by bootstrapping 5,000 resamples. The coefficient of determination (R^2) was used to determine the explanatory power of the structural model, and effect size (f^2) was used to examine the relative contribution of the predictors.

The moderating effect of LE was assessed using the interaction-term approach in SmartPLS. Specifically, an interaction term between WLB and LE was added to evaluate whether the strength of the relationship between WLB and ER would vary depending on the level of LE.

Results

Assessment of Measurement Model

Reliability analysis assessed the internal consistency of all constructs used in the study. The Cronbach's Alpha values are above the minimum level of 0.70 as recommended by Hair et al. (2019) and thus demonstrate acceptable to good reliability, as presented in Table 2. WLB had the highest reliability ($\alpha = 0.892$), indicating high internal consistency among its items. LE has a good reliability level of 0.818, according to Cronbach's Alpha. ER has an acceptable reliability value of 0.768.

Overall, the results confirm the reliability of all constructs and make them eligible for further analysis in the SEM procedure.

Table 2: Reliability Analysis of Constructs

Construct	No. of Items	Cronbach's Alpha
Work–Life Balance	5	0.892
Leadership Empathy	6	0.818
Employee Retention	4	0.768

All factor loadings were significant and greater than .70, and the AVE values exceeded the recommended .50 (Fornell & Larcker, 1981), supporting convergent validity. The CR values were also above 0.70, which supports the internal consistency of the measurement model (Hair et al., 2019).

HTMT was used to assess discriminant validity, following the criterion proposed by Henseler et al. (2015). All HTMT values were below the 0.90 threshold, indicating that the constructs were sufficiently distinct. Specifically, the HTMT values for LE and ER (0.855), WLB and ER (0.712), and WLB and LE (0.793) confirmed adequate discriminant validity. Overall, the measurement model demonstrated satisfactory reliability and validity, indicating that the model was appropriate for subsequent structural model analysis.

Results of Structural Model

The structural model was evaluated using Partial Least Squares Structural Equation Modeling (PLS-SEM) with 5,000 bootstrap resamples. Table 3 presents the results of the direct and moderating relationships.

Table 3: Structural Model Assessment and Hypothesis Testing

Hypothesized Relationship	β	t-value	p-value	f ²	Result
WLB → ER	0.272	3.847	0.000	0.079	Supported
LE → ER	0.544	8.549	0.000	0.328	Supported
WLB × LE → ER	0.138	2.562	0.010	0.032	Supported

WLB was positively and significantly associated with ER ($\beta = 0.272$, $t = 3.847$, $p < 0.001$). Therefore, H1 was supported. The results suggest that employees with a better WLB are more likely to have a higher intention to stay with their organization. These findings are consistent with previous studies underscoring the significance of WLB in influencing ER (Panda & Sahoo, 2021; Zumrah et al., 2022; Grigoryan, 2024).

LE is also positively and statistically significantly related to ER ($\beta = 0.544$, $t = 8.549$, $p < 0.001$), supporting H2. The coefficient indicates a stronger direct association between LE and ER than the estimated direct association between WLB and ER. Therefore, those who receive greater empathy, emotional understanding and supportive responses from their leaders may be more likely to stay with the organization. This is consistent with earlier research, which showed

that empathetic leadership positively contributes to keeping staff on board (Pettis, 2023; Juarez, 2024; Sugiarto, 2024; Waweru et al., 2024).

Most importantly, the relationship between WLB and LE is positive and statistically significant ($\beta = 0.138$, $t = 2.562$, $p = 0.010$), thus supporting H3. The positive and statistically significant interaction coefficient is direct statistical evidence of the moderating role of LE on the relationship between WLB and ER. The interaction effect is statistically significant, but small ($f^2 = 0.032$), suggesting that the association between WLB and ER is different at different levels of LE. This result aligns with the relational approach that suggests that WLB is more likely to be related to ER when viewed through the lens of LE (Chin, 2011; Bello et al., 2024; Jung et al., 2023).

Thus, the moderation outcome offers empirical evidence for the proposed relationship between LE and WLB in the context of LMX theory, which is based on relational logic.

Explanatory Power and Effect Size

The model accounted for 52.1% of the variance in ER ($R^2 = 0.521$), which meant that it accounted for a considerable proportion of ER variance in the study setting.

Results of the effect size show that LE has a medium effect ($f^2 = 0.328$) and WLB has a small effect ($f^2 = 0.079$) on ER. The small effect size ($f^2 = 0.032$) is also observed for the WLB $\times$ LE interaction. While the size of the moderating effect is small, a statistically significant interaction coefficient offers empirical evidence for the moderating role of LE in the WLB–ER relationship.

Discussion

In the present study, WLB was explored as a factor affecting ER and LE was explored as a direct predictor and moderator in the hotel industry. We present empirical evidence that ER is associated with organizational support practices and the relational context in which the employee engages in the practices.

The results showed that WLB was positively and significantly associated with ER ($\beta = 0.272$, $t = 3.847$, $p < 0.001$), thus supporting H1. This discovery suggests that there is a relationship between WLB and employees' intention to stay with their organization. In the hospitality industry, where staff members are likely to have busy schedules, long work hours, and emotional work, WLB might be linked to higher retention intentions as it could support them in balancing work and personal responsibilities. The findings were consistent with past research about WLB and its impact on employees' retention and well-being in the hospitality and other service sectors (Panda & Sahoo, 2021; Zumrah et al., 2022; Grigoryan, 2024).

Second, LE was positively and statistically significantly related to ER ($\beta = 0.544$, $t = 8.549$, $p < 0.001$) and thus H2 was supported. The larger coefficient for LE as compared to WLB in the estimated model suggests that LE is more directly associated with ER. This means that when it comes to a tough service situation, the leader must be aware of the emotional and personal needs of the employees. Leaders' empathy and support are positively associated with employees' work experience and their trust in their leaders and staying with the organization. The results are consistent with the recent research that has been conducted about the

relationship between empathetic leadership and employee engagement, trust, well-being and retention (Lee et al., 2021; Pettis, 2023; Juarez, 2024; Sugiarto, 2024; Waweru et al., 2024).

The result for H2 is also a significant foundation to understand the moderating effect of LE. In the present study, LE is not only a direct predictor but also has an impact on the results of the study. According to LMX theory, LE is a relational characteristic from which employees experience and interpret organizational practices such as WLB.

Third, the interaction between WLB and LE was positive and statistically significant ($\beta = 0.138$, $t = 2.562$, $p = 0.010$), supporting H3. The significant interaction provides direct empirical evidence that LE moderates the relationship between WLB and ER. The positive interaction coefficient indicates that the strength of the WLB–ER relationship varies according to the level of LE. Although the interaction effect was small in magnitude ($f^2 = 0.032$), its statistical significance supports the proposed moderating role of LE. This finding suggests that the strength of the relationship between WLB and ER varies according to the relational context in which employees experience organizational support.

This moderating finding can be explained through LMX theory. While WLB represents an organizational support mechanism, employees experience such support through their day-to-day relationships with immediate leaders. Leaders who demonstrate empathy may be better positioned to recognize employees' individual work–life circumstances, communicate support, and respond to employees' needs with understanding. Consequently, employees may perceive WLB practices more positively when they experience a supportive relational environment characterised by empathy, trust, and mutual respect. Thus, the significant interaction suggests that the WLB–ER relationship is not independent of the relational context leaders create.

The theoretical contribution of this is that it extends the application of LMX theory beyond the direct association between leader-employee relationships and employee outcomes. This study conceptualizes LE as a relational condition that could mediate the strength of the relationship between an organizational support practice and ER, rather than as one more antecedent of ER. This provides a more complex description of how organizational and relational factors interrelate in relation to ER within the hospitality context.

The proposed framework is also supported by the explanatory power of the model. The variance in ER was 52.1% ($R^2 = 0.521$), explained by WLB and LE and the interaction between them. The effect size of LE was medium ($f^2 = 0.328$), and for WLB was small ($f^2 = 0.079$). The interaction effect was small ($f^2 = 0.032$), indicating that the moderation adds, but only to a limited extent, to the direct relationships.

Theoretical Contribution

This study makes a contribution to the literature on ER because it brings together WLB as a mechanism of organizational support, LMX theory as a relational explanation, and LE as a particular type of leadership. In previous studies, WLB has often been regarded as a direct organizational element related to the employee outcomes. Leadership style or the direct link between leadership and employee outcomes has been commonly studied in the field of leadership. In this study, we extend this perspective by suggesting and showing empirically that LE is a direct predictor of ER and a moderator of the association between WLB and ER.

This discovery from an LMX perspective indicates that the link between organizational support practices and ER is incomplete without taking into account the quality of the leader–employee relationship that provides the context for the employee experience and interpretation of organizational support practices. This interaction between WLB and LE ($\beta = 0.138$, $t = 2.562$, $p = 0.010$) offers empirical evidence for this relational explanation. So, it is not the mere combination of organizational and relational variables that is the contribution of this study. Rather, it applies LMX-based reasoning to account for when and under what relational conditions WLB is related to ER. This offers a more complex theoretical explanation of why people stay in the hospitality industry, as their sense of organizational practices is directly related to their interactions with their supervisors and managers on a daily basis.

Practical Implications

There are several implications of the findings of this study that are important to the hotel managers and human resource practitioners. First, hotel companies should keep on building WLB strategies like flexible working hours, job management and employee well-being programs to help employees maintain their work–life balance and stay in their jobs.

The findings also indicate that structural HR rules can not be sufficient to effectively retain staff members. Among all of the predictors investigated in the model, LE demonstrated the strongest direct association with ER among the predictors examined, demonstrating the importance of emotionally supportive leadership in hospitality firms. Therefore, hotel management should pay attention to developing empathic leadership qualities of supervisors and managers.

To strengthen the leader–employee relationship, training programs on emotional intelligence, active listening, supportive communication, and managing interpersonal relationships should be implemented. Empathetic leadership can improve employees' sense of value, understanding, and emotional support, and further strengthen corporate commitment and retention intention.

Consequently, hotel firms should recognize that employees' perceptions of organizational support are largely shaped by daily interactions with supervisors. Therefore, it is important to include LE in leadership development methodologies and organizational culture initiatives to improve long-term workforce sustainability in the hotel business.

Limitations and Future Work

However, this study has limitations and contributes to the literature, creating opportunities for future research. First, this cross-sectional design does not allow identification of causal relationships between variables. The results indicate that there are significant associations, but further studies are required to explore the association of WLB, LE and ER over time. These approaches would be more appropriate in understanding the change in retention practices in the hotel industry.

Secondly, the study was carried out among the employees of the hotels in Klang Valley, Malaysia. Therefore, the results might not be applicable to other geographical or cultural settings. The hotel sector is extremely sensitive to cultural values and the situation on the labor market. Hence, it is suggested that further research should be done to validate the proposed model with comparative studies of different sites or countries.

Third, the results show that the factors WLB and LE are significant in the proposed model for ER. These variables provide interesting insights, but ER is intrinsically a difficult variable to predict. Additional research can be conducted to incorporate other variables like organizational involvement, job satisfaction, technological skills, or psychological health to provide a comprehensive understanding of the retention factors.

Fourth, the size of the moderating effect of LE was small ($f^2 = 0.032$) despite the fact that the interaction was statistically significant. This suggests that there may be other moderating and mediation effects that impact the relationship between organizational practices and retention outcomes. The idea could be expanded upon in future studies to include other interpersonal or contextual factors, including trust, organizational justice or leadership styles.

Lastly, the present study employed self-reported data, which may be related to common method bias (Podsakoff et al., 2003). This issue was addressed using statistical methods, but future studies should take advantage of multi-source data collection strategies (such as supervisor ratings or organizational records) to strengthen the findings.

The results, overall, offer a relationally informed explanation of ER, as LE is both directly and indirectly (as a moderating condition in the WLB–ER relation) associated with ER. Future studies can be expanded to include other organizational and relational antecedents that can explain ER in the hospitality industry.

Conclusion

This study aimed to investigate the connection between WLB and ER in the hotel sector and, most importantly, whether or not there is a moderating effect for LE. The results show that WLB has a positive and significant relationship with ER ($\beta = 0.272$, $t = 3.847$, $p < 0.001$) and thus H1 is accepted. LE was also positively and significantly related directly to ER ($\beta = 0.544$, $t = 8.549$, $p < 0.001$), supporting H2. Among the predictors examined, LE exhibited the strongest direct association with ER, indicating the significance of relational leadership in explaining employees' retention intentions.

More importantly, the significant interaction between WLB and LE ($\beta = 0.138$, $t = 2.562$, $p = 0.010$; $f^2 = 0.032$) supports H3 and provides empirical support for LE moderating the WLB–ER relationship. The small magnitude of the moderation effect, along with the statistically significant interaction, suggests that the strength of the WLB–ER relationship varies with the level of LE. This finding emphasizes the significance of considering the relational context in which organizational practices are experienced by employees.

The results extend LMX theory by conceptualizing LE as a contextual condition that may influence the strength of the relationship between an organizational support practice and ER, rather than serving as a direct relational predictor of ER. It offers a more direct perspective on leadership and retention by suggesting how organizational and relational dimensions can be accommodated within the same explanatory framework.

The results have practical implications for hotel organizations that should continue to support WLB practices and develop the empathetic leadership skills of supervisors and managers. Retention may have stronger relationships with WLB initiatives if their leaders are understanding, emotionally supportive, responsive, and take into account their individual

situation. Thus, retention strategies should involve structural organizational support as well as the quality of employees' day-to-day interactions with their leaders.

Overall, this study shows that ER in the context of hospitality can be seen from the views of organizational support and relational leadership. Results indicate that LE is a direct predictor and a moderator, thus suggesting a more complex understanding of the relationship between WLB and ER in the hotel industry.

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