INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES

Vol 16, Issue 11, (2026) E-ISSN: 2222-6990

Transformational Leadership, Sustainable HRM Practices, and Employee Retention: The Mediating Role of Innovative Work Behavior

Majed Muneer Almutairi, Mazen Mohammed Farea

Faculty of Finance and Administrative Sciences, Al-Madinah International University, (MEDIU) Kuala Lumpur, Malaysia

Email: mazen.farea@mediu.edu.my

Corresponding Author Email: O7zz@outlook.sa

DOI Link: http://dx.doi.org/10.6007/IJARBSS/v16-i11/29249

Published Date: 07 November 2026

Abstract

This study aims at an analysis of the impact of transformational leadership, Sustainable Human Resource Management (Sustainable HRM) practices, and employee retention factors in the Saudi private sector via the mediation of innovative work behavior (IWB). Based on Social Exchange Theory, the study suggests that supportive leadership and sustainability aspects of HR practices motivate employees to act innovatively, thus reinforcing their commitment to stay. The quantitative cross-sectional study used data from 384 members of staff in medium and large private organizations in Saudi Arabia. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to analyze the proposed relations. The results demonstrate that transformational leadership ($\beta = 0.441$, $p < 0.001$) and Sustainable HRM practices ($\beta = 0.464$, $p < 0.001$) have positive and significant influence on innovative work behavior which in turn has a positive and significant influence on employee retention ($\beta = 0.506$, $p < 0.001$). Conversely, the direct link of transformational leadership and Sustainable HRM practices to the employee retention was not statistically significant. The mediation analysis showed that the mediation effect is indirect, significant, and unique for transformational leadership ($\beta = 0.223$, $p < 0.001$) and Sustainable HRM practices ($\beta = 0.235$, $p < 0.001$) through innovative work behavior. The study's value to the literature lies in the integration of leadership and Sustainable HRM perspectives in one single model and in the fact that innovative work behavior is proposed as a behavioral mechanism through which organizational support is expected to lead to higher employee retention. The results indicate the need to establish supportive, developmental and innovative work environment in Saudi organizations.

Keywords: Transformational Leadership, Sustainable HRM, Innovative Work Behavior, Employee Retention, Social Exchange Theory, Saudi Arabia

Introduction

Retention, as one of the key strategic issues for organizations in a more competitive, dynamic and Knowledge-oriented world. When skilled workers leave, they represent significant recruitment and replacement expenses, can cause a break in the organization's knowledge base, cause a drop in operational continuity and decrease long-term competitiveness (Odugbesan et al., 2023). Organizations are thus needed to transcend conventional approaches to retention, and develop the working environment that leverages employees' commitment to stay on and, at the same time, motivates them to contribute, grow and innovate (Edonomokumor et al., 2025). Due to this challenge, it is imperative to identify the organizational and management factors that can amplify the retention of employees through meaningful behavioral mechanisms (Asad et al., 2021).

furthermore, transformational leadership has been the subject of much research due to the power it wields in personnel attitudes, motivation and behaviors (Yi et al., 2019). Transformational leaders use a compelling vision, show individualized consideration, causes intellectual stimulation and motivates employees to go above and beyond the normal level of performance. Such leadership behaviors can foster employees' emotional and psychological bonds to the organization and can help to condition an environment that allows employees to challenge current behaviors and to suggest new ideas and solutions (Helalat et al., 2026). Transformational leadership has been consistently found in prior studies to relate to positive outcomes such as organizational commitment, engagement, performance and innovative work behavior. What a transformational leadership eventually leads to employees' commitment to stay on the job, however, needs to be investigated (Aldawsari & Farea, 2026; Haider et al., 2026).

Meanwhile, the importance of Sustainable Human Resource Management (Sustainable HRM) has become a focus as firms have come to realize that the short-term performance-oriented HR systems are not sufficient enough. Sustainable HRM focuses on the continual growth, health, involvement, employability and proper treatment of staff, as well as the organization, social and economic goals (Mousa et al., 2025). Sustainable HRM can convey that employees are regarded as a permanent asset to the organization rather than a serviced input with practices such as continuous development, employee involvement, supportive working conditions, fair rewards and long-term career opportunities. This kind of organizational signal can reinforce employees' commitment as well as increase the willingness of employees to input their knowledge and abilities into the organization (Iqbal & Hussain, 2026).

Although there has been some research on transformational leadership and Sustainable HRM, the two streams have been found to have progressed separately. Leadership studies have been a recurring concern of employee performance, employee engagement, employee commitment, employee creativity and employee innovation, while Sustainable HRM studies have been concerned with well-being of employees, employee resilience, employee performance, employee sustainability and employee retention (Liu et al., 2023). Therefore, few studies have combined these two factors of leadership and SHRM in a single framework to better understand how employee retention is shaped by the combined effects of such interpersonal leadership and HR systems (Yaqub et al., 2022). Looking at both factors at the same time is especially crucial as employees interact with an organization both in person with

leaders and through the formal HR practices employed by the organization (Farea & Aljofi, 2025).

One mechanism through which these dimensions of organizations is related to continued employment is innovative work behavior (IWB). Innovative work behavior is defined as employees' deliberate generation, promotion and utilization of new and useful ideas in their work role/organization (Alwali, 2023). IWB is not a regular job task; it's a job task involving an active role of the staff in improving the organization's processes, products, services and working methods. These qualities of stimulating intellectual exploration, autonomy, and creative problem solving can lead to innovative behavior, with the support of transformational leadership (Lou et al., 2024). Likewise, it can be said that Sustainable HRM can encourage IWB through offering the possibilities of development, participation, organizational support and long-term security to employees (Lou et al., 2024; Umair et al., 2023).

Importantly, innovative work behavior can be more than an organizational performance outcome. Giving staff the chance to contribute ideas, improvements and influencing the way the work is done can lead to increased senses of competence, meaningfulness, ownership and organization attachment. Therefore, participation in innovation can lead to increased employees' intentions to stay (Odugbesan et al., 2023). While there have been studies that have explored the impact of transformational leadership and HR practices on innovation and studies that have explored the impact of transformational leadership and HR practices on employee retention, studies on IWB as a behavioral mechanism between transformational leadership and HR practices on the one hand, and employee retention on the other are limited (Masood & Afsar, 2017). This is a significant theoretical void especially in relation to the possibility of combining both transformational leadership and Sustainable HRM to positively affect employee retention via employees' innovative contributions.

The relationships envisioned are based on Social Exchange Theory which posits that good treatment and investment in employees should lead to positive attitudes and behaviors displayed in the organization. The former, transformational leadership, is to support, recognize, motivate, and encourage employees, and the latter, sustainable HRM, is a gesture of long-term investment in HR development and employee welfare by the company (Cropanzano & Mitchell, 2005). Employees, in turn, may retaliate by increasing their innovative work behavior and commitment to stay. IWB can, therefore, be considered an active behavioral reaction wherein good leadership and HR practices lead to improved employee retention.

Hence, the interrelationship between transformational leadership, Sustainable HRM practices, innovative work behavior and employee retention is explored in this study. Specifically, it examines the direct relationship between the variables of transformational leadership and innovative work behavior and employee retention, transformational leadership and employee retention, Sustainable HRM practices and innovative work behavior and employee retention as well as, the direct relationship between the variables of innovative work behavior and employee retention. Most importantly, the mediating role of innovative work behavior is explored between the relationship of transformational leadership and employee retention, and between Sustainable HRM practices and employee retention. The

study puts leadership and Sustainable HRM perspectives together in one perspective, making it more comprehensive, as to how organizations can innovate its employees and retain them at the same time.

Literature Review and Hypotheses Development

Theoretical Foundation: Social Exchange Theory

Theoretically, this study is mainly based on the Social Exchange Theory (SET) (Blau, 1964) to explain the relationship between transformational leadership and Sustainable human resource management (Sustainable HRM) practices and its impact on employees' innovative work behavior and their intention to stay with the organization. SET suggests that relationships in the workplace are formed through a process of reciprocity between employees and actors of the organization. Employees are more likely to return a reciprocal response of beneficial behaviors and attitudes when they feel valued resources, supported, recognized, developed and treated fairly by their organization and leaders.

The presence of two such sources of favorable exchanges complementing each other: Transformational leadership and Sustainable HRM. Transformational leadership is mainly through a relationship between leader and employee, providing inspiration, individual consideration, intellectual stimulation and developmental support. The Sustainable HRM in contrast, is an organizational level system that sends signals of continuity, well-being, participation, development, and fair employment practices to employees. This means that employees are decoding at the same time what is happening with their own immediate boss of bosses and what is happening with “the organization” HR system.

SET also proposes that reciprocity can be expressed in other ways than attitudinal (such as commitment or satisfaction). Employees can respond to the organization’s investment behavior in a number of ways, including generating ideas, questioning inefficient procedures and taking an active role in the improvement of the organization. Innovative work behavior (IWB) can thus be a valuable aspect of positive reciprocity. Those employees, who can exert influence on their work, who can make their ideas work, and who can feel involved in meaningful work can also feel more interested in the company and more psychologically attached to them, which can lead to an increased willingness to stay in the employment relationship. In this line, SET offers a logical theoretical foundation that can be used to explain the relationship between IWB and between transformational leadership and Sustainable HRM as behavioral mechanisms with regard to employee retention.

The theoretical point of view is receiving prominence, as there are major changes in the organizations related to innovation, digital transformation, human development, and modernization of organizations in Saudi Arabia. The significance of transformational leadership and employee innovation is already established by the existing evidences in Saudi Arabia. For instance, in the Saudi private sector, transformational leadership has been studied as an antecedent of innovative work behavior via employees' thriving at work, while studies on Saudi organizations have point to the imperative of employee-level innovation for organizational adaptation.

Transformational Leadership and Innovative Work Behavior

Transformational leadership is a style of leadership in which leaders inspire followers to exceed the boundaries of their roles by articulating a vision, fostering a way of thinking, setting an example and developing individual employees. The essence of transformational leadership – namely, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration – has a particular strong impact on innovative work behavior, as innovation is characterized by uncertainty, experimentation, and breaking from routine.

There are several ways that transformational can trigger innovative work behavior. Intellectual stimulation helps workers to rethink their own assumptions and look for other solutions to the problem, in addition to relying on existing solutions. Inspirational motivation can give employees a good reason to go the extra mile doing more than required and individualized consideration can make them feel more confident that experimenting with new ideas and techniques will be welcomed by management (Q. Lin, 2023). This is especially significant as innovation can put employees at risk, both interpersonally and professionally, such as criticism or failure.

The link is corroborated by empirical studies for the most part. For instance, (Iqbal & Hussain, 2026; Mousa et al., 2025) found a positive association between transformational leadership and innovative work behavior and that organizational identification and employee voice partially mediate this relationship. More recent evidence has also demonstrated a relationship between transformational leadership and employee innovative work behavior and significant intervening psychological and knowledge-related mechanisms.

It also applies to the Saudi context. A study of private-sector employees in Saudi Arabia by (Moh'd Abu Bakir et al., 2024) indicated that transformational leadership can create an environment that fosters innovative work behavior, particularly through attaining thriving at work. This indicates that psychological context is especially significant in the areas of leadership and the development and expression of innovative behavior by Saudi employees. Employees who are encouraged, supported, empowered and stimulated intellectually from a transformational leader might also respond by working more extra hours to come up with and execute beneficial ideas. Therefore:

H1: Transformational leadership has a positive effect on employees' innovative work behavior.

Sustainable HRM Practices and Innovative Work Behavior

The concept of sustainable HRM is an evolution of the traditional HRM where HRM is directed towards the sustainability of the human and social resources together with the sustainability of the organization's performance. (Q. Lin, 2023) highlighted that Sustainable HRM expands the perspectives of HRM beyond short-term financial results to mindful consideration of long-term effects of HR activities on employees, organizations and other stakeholders.

Continuous employee development, participation, fair treatment, health and well-being, work–life balance, employability, diversity, supportive employment relationships and long-term continuity, among others, may be practices included under Sustainable HRM. These practices signal an important message to employees: We're here to build you up, to keep you, not use you for production (Nguyen & Nguyen, 2025).

This orientation is especially applicable to employee innovation. Employees who engage in innovative behavior must be willing to investigate problems, develop new ideas, share ideas with others, and be involved with those ideas (Liu et al., 2023). Sustainable HRM can provide the resources needed for these activities by developing workers skills and abilities, giving opportunities to involve in decisions, working conditions supportive to job and long-term psychological engagement with the organization.

There is some empirical evidence to support this proposition. Sustainable HRM as a whole predicted IWB, as found in (Yaqub et al., 2022) who specifically investigated Sustainable HRM as a driver of IWB. More generally, recent studies have shown that HRM initiatives for sustainability may lead to positive employee level outcomes by means of resilience, work engagement, work commitment, and innovation. For example, (Shahzad et al., 2023) demonstrated that Sustainable HRM has a positive impact on employee resilience and employee outcomes. However, a recent systematic study has also found that the linkages between Sustainable HRM and employee performance are scattered and need more investigation of mediator variables in the form of behaviors.

Based on this premise, SET proposes that employees who believe HR practices are supportive to their well-being, development, and future will likely respond by engaging in behaviors that are above and beyond the normal range of expectations. Many times, this involves an element of discretionary effort in idea generation and implementation, and Sustainable HRM should create an environment where people are more willing to engage in innovative activities. Hence:
H2: Sustainable HRM practices have a positive effect on employees' innovative work behavior.

Innovative Work Behavior and Employee Retention
Innovative work behavior is defined as employees' deliberate attempts to create, encourage and apply new and useful ideas within their job, team and organization. IWB is not limited to idea generation, but is related to the promotion and implementation of ideas and can thus be seen as a sign of employees' active involvement in organizational change and improvement (Chang et al., 2024).

IWB has always been the subject of study as a result of leadership, HR practices, organizational climate and psychological resources; however, in recent years, a growing number of studies suggest that innovative behavior can also influence important employees' attitudes and employment decisions (Estherita & Vasantha, 2023). Staff who can voice their thoughts and impact the process of the organization, and also engage in improvement efforts, can find more autonomy, competence, meaningfulness, recognition and psychological ownership (Shamshuddin et al., 2025). These experiences can build employees' attachment to their job or company, which decreases the likelihood of looking for jobs elsewhere.

This is substantiated by recent evidence (Ludike, 2018). The informational findings revealed that turnover intention among software engineers negatively related to innovative work behavior, and innovative work behavior significantly contributed to the turnover intention. In line with this, a study of IWB as a predictor of turnover intention suggests that innovative

involvement of employees can be meaningfully related to their turnover intentions (Estherita & Vasantha, 2023).

This correlation is particularly relevant in today's world of Saudi Arabia, where innovation and skills are becoming a unified strategic focus. The results presented in this Saudi study provide valuable proof that employee innovative work behavior is an important factor that can explain organizational innovation, digital innovation, and quality-related outcomes, thus justifying the importance of employees who actively participate in innovation in their organizations.

If employees feel that their suggestions are accepted and that they play an active role in the development of the organization, it may be more difficult to leave the organization because they will have relationships and influence built up over time and possibly more contributions to make. Therefore:
H3: Innovative work behavior has a positive effect on employee retention.

Transformational Leadership and Employee Retention
It is also a strong possibility that a certain level of leadership will directly affect employee retention. Transformational leaders forge a relationship where they trust, support, inspire, recognize, and pay attending to developmental needs. Such experiences can provide enhanced employee affinity for leader and organization, and a heightened sense of the value of continuing employment.

Supportive leadership creates a sense of need to reciprocate good treatment (social exchange). A type of reciprocity that comes in this form is continued membership in the organization (Mills, 2007). Those feeling their supervisors are helping them develop, acknowledging their work, and offering useful feedback may experience higher cost to the relationship with their supervisor if they want to leave an organization.

Prior studies have shown that transformational leadership is related to both reduced turnover intention and turnover rates (Qureshi & Ahmed, 2025). Additionally, studies based on the multi-foci social exchange theory have shown that transformational leadership leads to less turnover due to higher leader–member exchange and organizational attachment. Recently, (Krishna et al., 2022) found that transformational leadership has a significant negative influence on turnover intention.

Thus, although the present study suggests that IWB is an important mechanism to explain the present results, transformational leadership could have an independent direct effect on employees' willingness to stay within the organization. Accordingly:
H4: Transformational leadership has a positive effect on employee retention.

Sustainable HRM Practices and Employee Retention
Retention of employees is aligned with the long-term perspectives of Sustainable HRM. While traditional HR management often focuses on short-term productivity and efficiency, Sustainable HRM is more concerned about preserving and replenishing the organization's human resources over the long term (Lou et al., 2024). Employee development and wellbeing, fairness, participation, employability and long-term career prospects can then enhance

employees' sense that the organization is interested in a sustainable partnership with their employees.

When employees see ongoing opportunities for development, fair treatment, organizational support and fit between their interests and organizational practices they tend to stay. This can make sustainable HRM a means to enhance the attractiveness of being a member of the organization and, at the same time, raise the possibility of the costs to defect.

This is backed up by some empirical evidence. Many studies on socially responsible HRM, as a part of the wider literature, have shown that there exists a positive relationship between socially responsible HRM and employee retention. For instance, (Z. Lin et al., 2024) reported that socially responsible HRM boosts employee retention via the relationships between shared value and relationship satisfaction (Hajj Hussein & Bou Zakhem, 2024). Sustainable and green HR practices have also been associated with decreased turnover intentions, indicating that employees react more positively to an organization's HR practices that could be seen as more sustainable and long-term responsibility towards employees but also towards sustainability goals.

This is related to the issue of retaining competent workforce, which is in increasing relation with human-capital development and organizational transformation in Saudi Arabia. The employee retention issue is recognized in recent literature discussing the Saudi context as one of the human-resource problems that are increasingly gaining attention in the wake of the changes of the workforce as a part of Vision 2030.

Therefore:
H5: Sustainable HRM practices have a positive effect on employee retention.

The Mediating Role of Innovative Work Behavior
The arguments presented above indicate that innovative work behavior can serve as an important behavior mechanism linking transformational leadership to employee retention. Transformational leaders set up situations in which they can allow their employees to stretch beyond traditional work roles as they are stimulated intellectually, helped, given some freedom, and recognized(Alwali, 2023; Lou et al., 2024). In turn, employees can be more involved in idea generation, promotion, and implementing ideas.

Engaging in innovation can then further strengthen employees' ties to the company. People who can contribute ideas successfully can have heightened sense of competence, influence, meaningfulness, and psychological investment (Afsar & Masood, 2018; Masood & Afsar, 2017). Thus, the innovative behavior can shape the favorable leadership experiences into a more intense employment relationship.

Evidence to support this mediating mechanism is beginning to emerge. In particular, (Q. Lin, 2023) demonstrated the significant mediating role of innovative work behavior between transformational leadership and turnover intention (App et al., 2012). However, this evidence has come within a very limited occupational and national background and little is known about whether this behavioral mechanism can be adopted to explain the retention of employees especially in the Saudi context.

The distinction should be noted because non turnovers do not necessarily mean turnover intentions, although it may be stated that there is an intention to stay. Present study explores whether, by promoting the meaningful involvement of individual employees in organizational innovation, transformational leaders retain employees, as employee retention is the issue under investigation, and examined in as a specific outcome.

Thus:
H6: Innovative work behavior mediates the positive relationship between transformational leadership and employee retention.

The same can be said for the relationship between Sustainable HRM and employee retention. Enabling factors for innovation in Sustainable HRM are for instance opportunities and/or resources provided to employees: development, participation, continuity, recognition and supportive working conditions. Employees can pay back these organizational investments with innovative work behavior. We have already identified sustainable HRM as a potential contributor for driving IWB in the first step of the mediation mechanism.

When workers are engaged in the creation and implementation of new concepts, their "connection" with the organization might be increased. They share organization-specific knowledge, build relationships related to innovative projects and feel more influential and see opportunities to contribute to future organizational development. These experiences may enhance the benefit of ongoing membership.

Importantly, recent reviews of Sustainable HRM have highlighted that knowledge around the underlying mechanisms that link Sustainable HRM with individual employee outcomes is scattered. For instance, (Lou et al., 2024; Yaqub et al., 2022) indicate that there is a need for improvement in the identification of the mediating mechanisms whereby Sustainable HRM can be translated to outcomes at the employee level, such as performance or behavior. It is thus necessary to analyses IWB as a mediator so as to address the above-mentioned gap and to expand the implications of Sustainable HRM beyond the traditional performance and well-being implications to employee retention.

Accordingly:
H7: Innovative work behavior mediates the positive relationship between Sustainable HRM practices and employee retention.

Conceptual Framework
The proposed conceptual framework is a combination of transformational leadership and Sustainable HRM practice as antecedents, while innovative work behavior as a mediation mechanism and employee retention as an outcome. The model suggests that transformational leadership, Sustainable HRM practices, and innovative work behavior positively affect employee retention, with transformational leadership and Sustainable HRM practices having direct links to innovative work behavior and employee retention, while innovative work behavior also directly relates to employee retention. Moreover, the framework takes into consideration the indirect effect of transformational leadership and Sustainable HRM practices on employee retention via innovative work behavior.

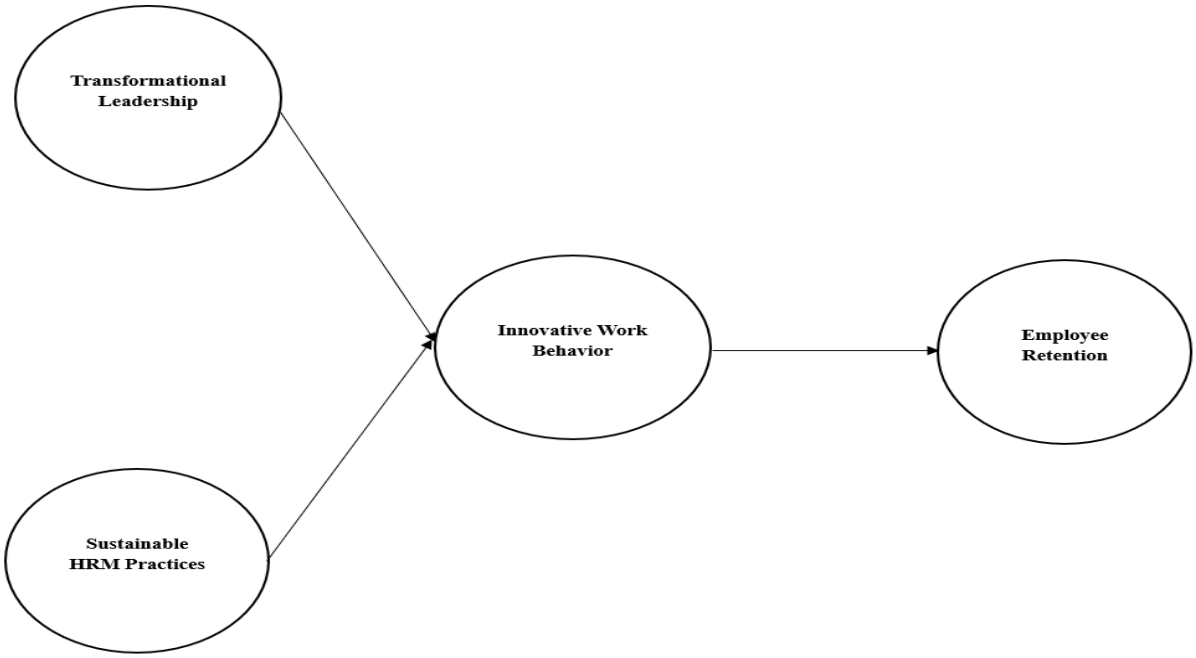


Figure 1. Proposed Conceptual Framework

Methodology

This research was quantitative and cross-sectional in nature aimed to analyze the relationship between transformational leadership and Sustainable Human Resource Management (Sustainable HRM) practices, innovative work behavior, and employee retention in Saudi Arabia. The study population included full-time employees who are employed in medium and large private sector organizations in the main economic sectors in Saudi Arabia. The unit of analysis was the individual employee. To be familiar with the organizational context, the respondents were asked to have been employed in their organizations for a minimum of 1 year and to have worked under their immediate supervisors for a minimum of 6 months. Temporary staff, interns and respondents who were not eligible based on the above-mentioned criteria were not included in the study.

The data were gathered via a structured, self-administered questionnaire that was sent electronically via contacts in the organizations and HR departments. For purposes of sample diversity, organizations were sought in major employment centers in Saudi Arabia such as Riyadh, Jeddah and the Eastern Province. The Global Transformational Leadership Scale created by (Mills, 2007) was used to measure transformational leadership. The scale created by (Krishna et al., 2022) was used to measure innovative work behavior, and the framework created by (Masood & Afsar, 2017) was used to assess Sustainable HRM practices. Items adapted from (Nguyen & Nguyen, 2025) were used to measure employee retention. All answers were collected on a 5-point Likert scale.

The questionnaire was developed in Arabic and English and translation and back translation technique was used to ensure conceptual equivalence between the two versions. Before the instrument was used in the main data collection, the instrument was reviewed by academic experts and pilot-tested with a group of employees to check how clear the instrument was, reliable, and suitable for the Saudi context. All responding participants were voluntary and anonymous, and informed that the information gathered would only be used for academic

purposes. To reduce possible common method bias, anonymity, neutral wording and separation of sections of the questionnaire were also used.

The data were processed using the Partal Least Squares Structural Equation Modeling (PLS-SEM) method to analyze it using the Smart PLS software program. Factor loadings, Cronbach's alpha, composite reliability, average variance extracted (AVE) and heterotrait-monotrait ratio (HTMT) were used to assess the measurement model. Path coefficients, R^2, effect sizes, predictive relevance and bootstrapping (5,000 resamples) provided a test of the structural model. Bootstrapping was used to investigate the mediational role of innovative work behavior as well. The minimum sample size was 384 respondents with a 95% confidence level and a 5% margin of error, using Cochran's formula. In order to obtain sufficient statistician responses a higher number of questionnaires were distributed to make for incomplete or unusable ones.

Results

For the analysis a total of 384 valid reactions were taken into account. The respondents were from medium and large private sector organizations in Saudi Arabia covering a number of economic sectors. The sample was reasonably diverse in terms of gender, age, education, organizational tenure, firm size, and industry sectors as presented in Table 1.

Table 1
Respondent and Firm Characteristics

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	230	59.9
	Female	154	40.1
Age	20–29 years	96	25.0
	30–39 years	154	40.1
	40–49 years	92	24.0
	50 years and above	42	10.9
Education	Diploma or below	61	15.9
	Bachelor’s degree	228	59.4
	Postgraduate degree	95	24.7
Organizational Tenure	1–3 years	102	26.6
	4–6 years	116	30.2
	7–10 years	91	23.7
	More than 10 years	75	19.5
Firm Size	Medium-sized	146	38.0

	Large-sized	238	62.0
Sector	Financial Services	60	15.6
	ICT/Telecommunications	58	15.1
	Manufacturing	65	16.9
	Healthcare	56	14.6
	Logistics	57	14.8
	Retail	48	12.5
	Professional Services	40	10.4

Indicator reliability, internal consistency reliability and convergent validity was used to evaluate the measurement model. The result of all outer loadings is above the recommended value of 0.70, see Table 2, which is a value between 0.701 and 0.857. Internal consistency reliability of Cronbach's alpha, rho_A, and composite reliability values were above the recommended value of 0.70. In addition, the average variance extracted (AVE) of each construct were all greater than 0.50, which indicates convergent validity.

Table 2
Measurement Model Assessment

Construct	Item	Outer Loading	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Transformational Leadership	TL_1	0.808	0.832	0.838	0.881	0.597
	TL_2	0.730				
	TL_3	0.745				
	TL_4	0.794				
	TL_5	0.783				
Sustainable HRM Practices	SHRM_1	0.855	0.840	0.846	0.887	0.611
	SHRM_2	0.701				
	SHRM_3	0.773				
	SHRM_4	0.791				
	SHRM_5	0.780				
Innovative Work Behavior	IWB_1	0.846	0.837	0.843	0.892	0.673
	IWB_2	0.857				
	IWB_3	0.790				
	IWB_4	0.786				
Employee Retention	ER_1	0.761	0.785	0.792	0.861	0.609
	ER_2	0.718				
	ER_3	0.801				
	ER_4	0.837				

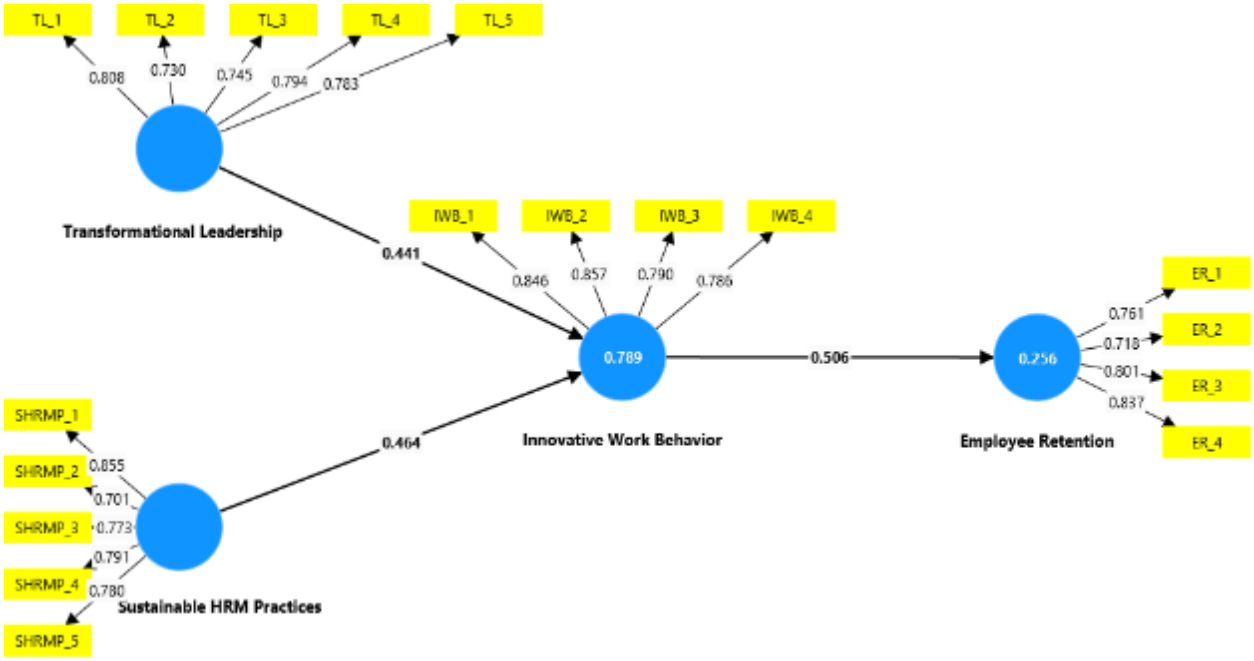


Figure 2. PLS-SEM Results of the Proposed Research Model

The estimated PLS-SEM model, showing the outer loadings, the structural path coefficients and the coefficients of determination, is shown in Figure 2. Results showed that all measurement items had good loadings, and that the structural results had positive relationships between transformational leadership, Sustainable HRM practices, innovative work behavior and employee retention.

Then, the test of discriminant validity was conducted based on Fornell–Larcker criterion. The numbers in the diagonal of Table 3 are the square roots of the AVE for each construct.

Table 3
Fornell–Larcker Criterion

Construct	ER	IWB	SHRM	TL
Employee Retention (ER)	0.781			
Innovative Work Behavior (IWB)	0.506	0.820		
Sustainable HRM Practices (SHRM)	0.445	0.720	0.782	
Transformational Leadership (TL)	0.430	0.705	0.680	0.773

The heterotrait–monotrait ratio (HTMT) was further used to explore the discriminant validity. Results are shown in Table-4.

Table 4
Heterotrait–Monotrait Ratio (HTMT)

Construct	ER	IWB	SHRM	TL
Employee Retention (ER)	—			
Innovative Work Behavior (IWB)	0.603	—		
Sustainable HRM Practices (SHRM)	0.534	0.815	—	
Transformational Leadership (TL)	0.528	0.798	0.776	—

The explanatory power of the structural model was measured by the coefficient of determination (R^2), predictive relevance by Stone–Geisser's Q^2. Table 5 indicates that the combined effects of transformational leadership and Sustainable HRM practices accounted for 78.9% of the variance in the innovative work behavior (R^2 = 0.789). The finding of this study may be summarized as follows: The proposed model accounted for 25.6% of the variance in employee retention (R^2 = 0.256) by explaining the relationship between innovative work behavior and employee retention. Furthermore, positive Q^2 values were obtained for both endogenous constructs.

Table 5
Explanatory Power and Predictive Relevance
Panel A. Explanatory Power and Predictive Relevance

Endogenous Construct	R^2	Adjusted R^2	Q^2	Assessment
Innovative Work Behavior	0.789	0.788	0.514	Substantial
Employee Retention	0.256	0.254	0.151	Moderate

Bootstrapping (5,000 resamples) was then used to evaluate the structural model. H1 was supported by the results presented in Table 6 which indicated that transformational leadership had a positive and significant effect on Innovative work behavior (β = 0.441, t = 8.48, $p < 0.001$). Similarly, sustainable practices in HRM also had a highly positive impact on innovative work behavior (β = 0.464, t = 9.10, $p < 0.001$) supporting H2. Moreover, innovative work behavior had a positive and significant effect on employee retention (β = 0.506, t = 11.24, $p < 0.001$), thus supporting H3.

Panel B. Effect Size Assessment (f^2)

Predictor	Endogenous Construct	f^2	Effect Size
Transformational Leadership (TL)	IWB	0.214	Medium
Sustainable HRM Practices (SHRM)	IWB	0.237	Medium
Innovative Work Behavior (IWB)	ER	0.341	Large
Transformational Leadership (TL)	ER	0.001	Negligible
Sustainable HRM Practices (SHRM)	ER	0.001	Negligible

The effects of the structural model were also evaluated with regard to its explanatory power, predictive relevance and effect sizes. The overall variance in innovative work behavior accounted by the combination of transformational leadership and Sustainable HRM practices was 78.9% (R^2 = 0.789) and the predictors of employee retention accounted 25.6% (R2 =

0.256) of the overall variance. The positive Q^2 values for the two scales, namely "innovative work behavior" (Q^2 = 0.514) and "employee retention" (Q^2 = 0.151) further confirmed the adequate predictive relevance. Effect size revealed that both transformational leadership and Sustainable HRM practices had statistically significant impact on innovative work behavior while innovative work behavior had the most significant effect on employee retention. However, the direct paths of sustainable HRM practices and transformational leadership to employee retention were not statistically significant, which is in line with their non-significant direct path coefficients.

Table 6
Structural Model Assessment and Direct Hypothesis Testing

Hypothesis	Relationship	β	t-value	p-value	Decision
H1	TL → IWB	0.441	8.48	<0.001	Supported
H2	SHRM → IWB	0.464	9.10	<0.001	Supported
H3	IWB → ER	0.506	11.24	<0.001	Supported
H4	TL → ER	0.006	0.10	0.920	Not Supported
H5	SHRM → ER	0.008	0.13	0.897	Not Supported

H1 was supported by the results of the structural model relationships: The positive and statistically significant effect of transformational leadership on innovative work behavior was obtained (β = 0.441, t = 8.48, p < 0.001). Additionally, sustainable HRM practices positively and significantly influenced innovative work behavior (β = 0.464, t = 9.10, p < 0.001) in line with H2. H3 was supported as innovative work behavior was found to have a significant influence on employee retention (β = 0.506, t = 11.24, p < 0.001). The direct path from transformational leadership to employee retention (β = 0.006, t = 0.10, p = 0.920), and Sustainable HRM practices to employee retention (β = 0.008, t = 0.13, p = 0.897) were not statistically significant. Thus, H4 and H5 had to be rejected.

Table 7
Mediation Analysis

Hypothesis	Indirect Relationship	Indirect Effect (β)	t-value	p-value	Decision
H6	TL → IWB → ER	0.223	6.97	<0.001	Supported
H7	SHRM → IWB → ER	0.235	7.12	<0.001	Supported

The mediation analysis results indicated that the impact of transformational leadership and Sustainable HRM practices on employee retention was indirect through the mediation of innovative work behavior. In this regard, the indirect path of transformational leadership to employee retention through innovative work behavior was statistically significant (β = 0.223, t = 6.97, p < 0.001), while the direct path of transformational leadership to employee retention was statistically insignificant (β = 0.006, t = 0.10, p = 0.920). This pattern suggests that only indirect mediation occurs, hence it supports H6.

Likewise, although the direct impact of Sustainable HRM practices on employee retention was not significant (β = 0.008, t = 0.13, p = 0.897), the indirect impact of Sustainable HRM practices on employee retention through innovative work behavior was positive and statistically significant (β = 0.235, t = 7.12, p < 0.001). In line with this, there was also indirect-only mediation between Sustainable HRM practices and employee retention in innovative work behavior.

Discussion

In the context of the Saudi private sector, this study investigated the relationship between transformational leadership, Sustainable HRM practices, innovative work behavior and employee retention. The results overall suggest that, both transformational leadership and Sustainable HRM practices are significant antecedents of innovative work behavior, and that innovative work behavior has a positive impact on employee retention. The findings also show that innovative work behavior is another important behavioral pathway by which the positive effects of leadership and HR practices can be seen in employee turnover. This aligns with the rationale of the Social Exchange Theory, which posits that positive discretionary behavior and higher intention to continue organizational membership may be the way employees respond to their leaders' supportive behavior and the investment in them.

The result shows that there is a positive relationship between transformational leadership and innovative work behavior (β = 0.441) which supports H1 and confirms the findings from previous research that transformational leadership plays a significant role in creating conditions that motivate employees to generate, promote and implement new ideas. Transformational leaders stimulate, guide, support and develop intellectually, encourage, and evoke a deeper sense of organizational purpose that can lead employees to reevaluate the status quo and try new strategies. This finding aligns with (Li et al., 2026), which found a positive relationship between transformational leadership and innovative work behavior, highlighting organizational identification and employee voice as significant mechanisms that underlie this relationship. The above finding is also pertinent on the background of the Saudi Arabian evidence. (Jankelová, 2021) showed that transformational leadership contributed to innovative work behavior through employees' thriving at work. Thus, the findings in the present work further confirm the value of transformational leadership as a management tool to foster innovative employee conduct in private sector organizations in Saudi Arabia.

Additionally, sustainable HRM practices had a significant positive impact on innovative work behavior (β = 0.464) supporting H2. The size of this relationship was marginally larger than for transformational leadership, indicating that innovative work behavior might not only be related to the direct relationship between employees and their leaders, but also to the system in which they are developed, supported, involved, and treated within the organization. The sustainable HRM practices offer employees opportunities for development, decision making, supportive working conditions, well-being and long-term career opportunities. These practices can be indicative of workers being viewed as important assets in the organization and therefore a conducive environment for the emergence of innovative contributions. This result confirms that of (Lou et al., 2024) where Sustainable HRM was found to be an important predictor of innovative work behavior. The relatively strong influence of Sustainable HRM in the Saudi context may be attributed to the growing focus of organizations on developing sustainable employment and innovating their workforce through sustainable practices.

The results of this study showed that the variable of innovative work behavior had a significant effect on employee retention (β = 0.506), this supports H3. This study introduces an alternative perspective on innovative work behavior which is not only imperative at organizational level but also impacts employees' intension of staying in the organization. Workers who are able to make contributions to enhancements within the company and ideas that impact the process could feel more competent, meaningful, owned, and involved. Such experiences can enhance the psychological link between employees and the organization, and enhance the perceived value of retaining employment relationship. The result is in line with (Nguyen & Nguyen, 2025) who showed that there is an important relationship between innovative work behavior and turnover-related outcomes. The current study, however, takes this viewpoint one step further, as it examines directly employee retention instead of only turnover intention.

Contrary, direct effect of transformational leadership on employee retention was not statistically significant (β = 0.006, p = 0.920), and thus H4 could not be accepted. The observation highlights the importance of taking employee behavioral responses into account when researching the link between transformational leadership and employee retention. Transformational leaders can inspire, support and develop with encouragement, but these leadership experiences may be important in determining employee retention, especially if the employee experiences increased engagement with meaningful and innovative work. That is, while supportive leadership has the potential to lead to positive feelings of retention by employees, this is primarily when it affords opportunities to engage in organizational innovation and improvement.

Likewise, Sustainable HRM practices were not found to have direct impact on employee retention (β = 0.008, p = 0.897), thus H5 was rejected. This finding suggests that HR practices which are supportive and sustainability oriented are not necessarily enough to directly enhance employee retention. While development, participation, well-being, fairness and long-term career support all can be perceived positively by the employees, it seems that these organizational investments will have a greater impact on retention when employees can link the actions to a job experience and active contributions. This finding underscores the need to consider the behavioral mechanisms which lead to sustainable HRM outcomes in terms of employees' outcomes than a direct impact of HR practices on employees' retention.

The results of direct effects of transformational leadership and Sustainable HRM practices on employee retention are not significant, but when combined with the mediation results, they gain significance. The indirect link between innovative work behavior and employee retention by the Transformational leadership style was found to be significant (β = 0.223, p < 0.001), as indicated in H6. Since the indirect effect was significant, but the direct effect was not, the findings suggest that there is an indirect-only type mediation. This indicates that the role of transformational leadership in employee retention is mostly that of inducing employees to take more positive steps to join in innovation. The factors that transformational leaders may strengthen in employees' willingness to stay in the organization may be ones that support them in their jobs, but it may also be an environment where employees can share ideas, impact organizational improvement, and feel more involved in their employment. This finding aligns with (App et al., 2012) research which also found innovative work behavior as a significant mediator between transformational leadership and turnover related outcomes.

Similarly, there was the same indirect significant effect of Sustainable HRM practices on employee retention with innovative work behavior (β = 0.235, p < 0.001), which corroborated the hypothesis H7. This non-significant direct link between Sustainable HRM and employee retention and significant indirect link also suggests indirect-only mediation. This finding implies that Sustainable HRM practices have a positive impact on retention, mainly because they set up conditions in the organization that motivate employees to be innovative. If organizations invest in employee participation, a sense of well-being, fairness, and long-term career opportunities, employees may return the favor by providing more support in generating, promoting, and implementing ideas. The more employees participate in the process of organizational improvement, the greater a psychological and behavioral commitment to the organization may be, which, in turn, will increase their willingness to stay. In turn, the indirect effect of Sustainable HRM practices on employee retention via innovative work behavior (β = 0.235) was marginally greater than that of transformational leadership (β = 0.223). While this difference is not large, it does indicate that formal and institutionalized HR practices might be especially important as a basis for fostering innovative behavior which in turn is linked to retention. This interpretation aligns with the findings of (Liu et al., 2023) that the socially responsible HRM can affect employee retention via relational strategies such as shared value and relationship satisfaction. The present study builds upon this research stream by adding another behavioral pathway – innovative work behavior, as a potential way in which sustainability HR practices might influence employee retention.

Overall, these results indicate that employee retention cannot be attributed to just the direct effect of leadership style or HR practices in private-sector organizations in Saudi Arabia. Instead, the results highlight the importance of the behavioral mechanisms that connect organizational practices with employees' willingness to remain. While the one-to-one relationships of Transformational leadership offer inspiration, intellectual stimulation and support, the institution of Sustainable HRM offers development, participation, well-being and long-term commitment to the organization. But their impact on employee retention seems to be mainly exerted through innovative work behavior. Sustainable HRM practices in combination with supportive leadership can help keep employees within an organization, as they are given opportunities to contribute and influence where appropriate, and be part of the innovation. This holistic view can offer a more complete account of the interplay between leadership, HR systems, and employee behavior in bolstering innovation and employee retention in the Saudi context of private industry.

Theoretical Implications

Theoretically, this research makes various contributions to the leadership literature, sustainable human resource management, innovation, and employee retention. First, the study combines transformational leadership and Sustainable HRM practices under one roof of explanation. While previous studies have typically separately discussed leadership and HR practices as the influence of the organization on employees' innovative behavior, the current study indicates that both leadership practices and formal HR systems have an effect at the same time. This integration is a more comprehensive explanation of employee reactions to the organizational environment than those that are only based on leadership or HR practices. Second, the study shows how the application of Social Exchange Theory can be extended to the case of employee reciprocity which can occur in a behavioral form before being expressed in longer term employment outcomes. Positive interaction resulted from transformational

leadership and Sustainable HRM practices positively related to the innovative work behavior which in turn positively related to employee retention. This implies that employees can respond to organizations' support with traditional feelings of satisfaction or commitment, as well as by proactively creating, encouraging, and executing new ideas.

Third, the study adds to the innovative literature on work behavior, as IWB is more than just an organizational outcome. Previous literature mainly tackles IWB as an outcome of leadership, organizational climate or HR practices. The current study adds to this by demonstrating that innovative work behavior also plays a mediating role between organizational factors and employee retention. The innovative efforts of employees can thus be beneficial for the sustainability of the employment relationship as well as for the organization's performance.

Lastly, the study expands the growing body of literature on Sustainable HRM literature as it highlights the innovative work behavior as a behavioral mediator linking sustainable people-management practices with employee retention. This is important as Sustainable HRM studies have often taken a focus on employee well-being, resilience, engagement and performance, with little focus on innovation-based mechanisms that may foster retention. In studying these relationships in the Saudi private-sector context, the study also adds in the geographical dimension of the literature in which these relationships have mainly been studied.

Practical Implications

The result gives a number of implications for HR and managers in private sector organizations in Saudi Arabia. To improve employee retention, organizations should first know that leadership development and HR systems should work together. When supervisors are developing a transformational leadership style, they may be more likely to elicit new ideas, new challenges to current practices and more creativity from employees. Leadership development programs should, therefore, focus on stimulating minds, empowering employees, providing individual attention, maintaining transparency and recognizing creative efforts.

Second, the general strength of the relationships between Sustainable HRM practices and innovative work behavior suggests that it is not only necessary to rely on the individual manager to execute the practices, but also on the institutionalization of such practices. Saudi organizations need to enhance employee development, participation, career planning, well-being, work-life balance, fairness, and employment sustainability. The practices are more likely to be embraced by employees if the practices are continually practiced within the organization, which indicates that the organization is actually focused on sustainable employment relationships.

Third, it is important for organizations to consider innovative work behavior as a valuable part of employee-retention strategy. Retention programs often focus on compensation, promotion opportunities and benefits. While these factors are still of importance, the current results indicated that when employees can make ideas and impact an organization better, they may be more likely to stay. So, managers should set up a formal mechanism for collecting, discussing, testing and making use of new ideas put forward by the employees.

Opportunities for employees to gain control within the company can be when setting up suggestion systems, innovation teams, cross-functional projects, innovation challenges and employee improvement efforts.

The findings are especially relevant to Saudi Arabia as it is now increasingly asked to develop a local human capital, improve the capabilities for innovation and adjust to the fast pace of economic and technological changes. It is, therefore, best for organizations that are tied to the overall goals of Saudi Vision 2030 to think of employee retention and innovation as mutually connected, instead of separate issues in HR. Workplaces where employees are supported, developed and encouraged to innovate can be a way to retain valued knowledge and capabilities and also help in the transformative journey of organizations.

Limitations and Future Research

There are some confines to this study that can be explored in future studies. Firstly, the study was cross sectional in design, and all the variables were measured at one particular time. The proposed relationships were theoretically grounded although the cross-sectional data does not allow one to establish temporal causality. Longitudinal research designs would be useful in future studies to investigate if there are changes in innovative work behavior and retention over time due to transformational leadership and Sustainable HRM practices.

Second, the study mainly used self-report results, which can enhance the common method variance effect and social desirability bias. Multi-source data were not used in the present study; however, procedures were taken to reduce these concerns. For instance, supervisors would assess innovative employee work behaviors and employees would rate their perceptions of leadership, HR practices, and their intent to stay.

Thirdly, the study was limited to employees in medium and large private-sector organizations in Saudi Arabia. Hence, the results cannot be readily applied to the public sector organizations, small companies or organizations in a different national context. Future studies might be repeated in other sectors or public and private organizations might be compared. Research across different countries, such as Saudi Arabia and other countries in the Gulf Cooperation Council could also be useful to determine if there are institutional and cultural differences that affect the suggested relationships.

Fourth, the focus in the current model was on innovative work behavior as the key explanatory mechanism. Leadership and Sustainable HRM can potentially affect employee retention through other psychological/behavioral processes. Future studies might consider other mediators, including organizational identification, psychological empowerment, perceived organizational support, thriving at work, work engagement, psychological safety or organizational commitment.

Future studies could also investigate possible boundary conditions. For instance, the influence found in this research study can be amplified or mitigated by organizational innovation climate, digital maturity, employee autonomy, perceived supervisor support and/or organizational culture. The inclusion of such moderators can offer a more sophisticated picture regarding those situations where the effectiveness of transformational leadership is more likely to lead to innovation and retention and those circumstances in which is less likely.

Finally, future studies might make a distinction between the dimensions of Sustainable HRM and innovative work behavior. It would be worthwhile to investigate if they have different effects on idea generation, idea promotion and idea implementation, to gain insight into the mechanisms in question.

Conclusion

Employee retention and innovation are emerging issues in the organizations, especially in the fast-changing labor market like Saudi Arabia. This study designed and developed an integrated model to examine the link among transformational leadership, Sustainable HRM practices and innovative work behavior and employee retention in medium size and large-scale private sector companies in Saudi Arabia.

The results indicate that the effect of both transformational leadership and Sustainable HRM practices on innovative work behavior of employee is significant and the Sustainable HRM practices has more influence as compared to the transformational leadership. The positive effect of innovative work behavior, in turn, on employee retention is significant. The direct relationships between transformational leadership and Sustainable HRM practices and employee retention were not statistically significant, however. Instead, both antecedents indirectly impacted employee retention as a result of innovative work behavior. If the results indicate that the coefficient of “significant indirect effect” and “non-significant direct effect” means it is an indirect type of mediation effect. These findings suggest that supportive leadership and sustainability-related human resource practices do not necessarily result in more employee retention unless they can be translated into employees' useful actions – in this case, the active involvement in the generation, promotion and implementation of new ideas.

Theoretically, the study extends the Social Exchange theory to suggest and demonstrate the presence of an active behavioral pathway that could result in employee reciprocity and employment outcomes. Transformational leadership provides interpersonal support, inspiration, intellectual stimulation and developmental encouragement; Sustainable HRM provides institutionalized cues of participation, well-being, long-term commitment to the organization and employee development. The favorable exchanges can lead to employees' intentions to remain in the organization, and innovative work behavior is a behavioral response to these intentions that can eventually facilitate them.

These results indicate that Saudi organizations that want to reinforce their employees' retention should transcend the perception of leadership development, HR sustainability and innovation and retention as single organizational planned from the management perspective. Workplaces need to be designed for employees to be supported and developed, and given a platform to ideate, contribute to organizational improvement and to change. In Saudi Arabia's ongoing focus on human-capital development, innovation, and private-sector transformation, incorporating transformational leadership with sustainable people-management practices could be a potential avenue for organizations to enhance their innovative capacity and create more sustainable employment relationships.

References

Afsar, B., & Masood, M. (2018). Transformational Leadership, Creative Self-Efficacy, Trust in Supervisor, Uncertainty Avoidance, and Innovative Work Behavior of Nurses. *Journal of Applied Behavioral Science*, *54*(1), 36–61. https://doi.org/10.1177/0021886317711891

Aldawsari, F. M. B., & Farea, M. M. (2026). *Examining the Influence of Digital Transformation Dimensions on Educational Management in Saudi Universities*. *X*(2454), 1431–1439. https://doi.org/10.47772/IJRISS

Alwali, J. (2023). How high-involvement work practices, leadership and job crafting influence nurses' innovative work behavior. *Evidence-Based HRM: A Global Forum for Empirical Scholarship*, *11*(4), 709–724. https://doi.org/10.1108/EBHRM-01-2022-0010

App, S., Merk, J., & Büttgen, M. (2012). Employer branding: Sustainable HRM as a competitive advantage in the market for high-quality employees. *Management Revue*, 262–278.

Asad, M., Asif, M. U., Bakar, L. J. A., & Sheikh, U. A. (2021). Transformational leadership, sustainable human resource practices, sustainable innovation and performance of SMEs. *2021 International Conference on Decision Aid Sciences and Application (DASA)*, 797–802.

Blau, P. M. (1964). Justice in social exchange. *Sociological Inquiry*, *34*(2), 193.

Chang, Y., Kim, C., & Yoo, J. (2024). Does justice matter? Evaluating the usefulness of commitment and innovative work behavior as a predictor of turnover intention of Korean employees. *Sustainability*, *16*(3), 1054.

Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, *31*(6), 874–900.

Edonomokumor, T., Arhinful, R., Mensah, L., & Obeng, H. A. (2025). The mediating role of creative behavior in the relationship between transformational leadership and turnover intention. *Future Business Journal*, *11*(1), 139.

Estherita, S. A., & Vasantha, S. (2023). Innovative work behaviour as a mediator between transformational leadership and employee retention. *International Conference on Emerging Trends in Business and Management (ICETBM 2023)*, 322–334.

Farea, M. M., & Aljofi, A. A. (2025). The Influence of External Market Drivers on Global Value Chain Participation in Saudi Arabia: The Mediating Role of Technological Advancements. *Sustainability*, *17*(9), 3946.

Haider, S. A., Akbar, A., Aman-Ullah, A., Poulova, P., & Tehseen, S. (2026). Green transformational leadership as a catalyst for sustainable environmental performance through green HRM and innovation. *Discover Sustainability*, *7*(1), 202.

Hajj Hussein, S., & Bou Zakhem, N. (2024). The impact of green human resource management practices on brand citizenship behavior and employee turnover intention: A mixed methods approach. *Sustainability*, *16*(15), 6528.

Helalat, A., Qawasmeh, R., Alhelalat, J. A., Twaissi, N. M., & Abuhjeeleh, M. (2026). Employee sustainable performance in hospitality: the role of green transformational leadership and organizational support. *The TQM Journal*, 1–19.

Iqbal, S., & Hussain, M. Z. (2026). Driving Sustainable Retention: A Collaborative Analysis of Transformational Leadership, Training, and Decent Work under SDG-8. *Journal of Business Insight and Innovation*, *5*(7), 324–334.

Jankelová, N. (2021). The key role of strategically and people-oriented hrm in hospitals in slovakia in the context of their organizational performance. *Healthcare (Switzerland)*, *9*(3). https://doi.org/10.3390/healthcare9030255

Krishna, C., Upadhyay, R. K., Ansari, K. R., & Babu, V. (2022). Transformational leadership and

employee retention: a moderated mediation model of intrinsic motivation and perceived organisational support. *International Journal of Learning and Intellectual Capital*, *19*(2), 135–153.

Li, Y., Li, X., Li, G., Magrizos, S., & Christofi, M. (2026). Transformational and Transactional Leadership, Sustainable Supply Chain Management Practice, and Organizational Responsiveness: the Moderating role of TMT Sustainability Commitment. *Business Strategy and the Environment*.

Lin, Q. (2023). Transformational leadership and innovative work behavior: The role of identification, voice and innovation climate. *International Journal of Hospitality Management*, *113*, 103521.

Lin, Z., Gu, H., Gillani, K. Z., & Fahlevi, M. (2024). Impact of green work–life balance and green human resource management practices on corporate sustainability performance and employee retention: Mediation of green innovation and organisational culture. *Sustainability*, *16*(15), 6621.

Liu, R., Yue, Z., Ijaz, A., Lutfi, A., & Mao, J. (2023). Sustainable business performance: Examining the role of green HRM practices, green innovation and responsible leadership through the lens of pro-environmental behavior. *Sustainability*, *15*(9), 7317.

Lou, Y., Hong, A., & Li, Y. (2024). Assessing the role of HRM and HRD in enhancing sustainable job performance and innovative work behaviors through digital transformation in ICT companies. *Sustainability*, *16*(12), 5162.

Ludike, J. (2018). Digital employee experience engagement paradox: Futureproofing retention practice. *Psychology of Retention: Theory, Research and Practice*, 55–73.

Masood, M., & Afsar, B. (2017). Transformational leadership and innovative work behavior among nursing staff. *Nursing Inquiry*, *24*(4). https://doi.org/10.1111/nin.12188

Mills, G. E. (2007). *Transformational leadership and employee retention: An exploratory investigation of the four characteristics*. Capella University.

Moh'd Abu Bakir, S., Hanandeh, R., & Alzghoul, A. (2024). Influencing Employee Innovative Behavior Through Sustainable Business Practices: The Moderating Role of Transformational Leadership. *Journal of Information Systems Engineering and Management*, *9*(3), 28780.

Mousa, S. K., Fernandez-Crehuet, J. M., & Thaher, Y. A. Y. (2025). Advancing sustainable performance in healthcare: mediating roles of green HRM and green innovation under green transformational leadership. *Business Strategy and the Environment*, *34*(5), 5260–5282.

Nguyen, L. Q., & Nguyen, T. N. (2025). Exploring the relationship of green HRM practices with sustainable performance: the mediating effect of green innovation. *Journal of Hospitality and Tourism Insights*, *8*(5), 1665–1687.

Odugbesan, J. A., Aghazadeh, S., Al Qaralleh, R. E., & Sogeke, O. S. (2023). Green talent management and employees' innovative work behavior: the roles of artificial intelligence and transformational leadership. *Journal of Knowledge Management*, *27*(3), 696–716.

Qureshi, H., & Ahmed, S. (2025). TRANSFORMATIONAL LEADERSHIP AND EMPLOYEE RETENTION IN SERVICE INDUSTRIES. *Multidisciplinary Research in Computing Information Systems*, *5*(8), 624–630.

Shahzad, M. A., Jianguo, D., & Junaid, M. (2023). Impact of green HRM practices on sustainable performance: mediating role of green innovation, green culture, and green employees' behavior. *Environmental Science and Pollution Research*, *30*(38), 88524–

88547.

Shamshuddin, S., Baburao, C., Shaik, H., & Prasad, Y. V. (2025). Sustainable Employee Engagement and Retention: A Review of Green HRM and Digital Integration for Modern Workplaces. *Fostering Economic Diversification and Sustainable Business Through Digital Intelligence*, 357–380.

Umair, S., Waqas, U., Mrugalska, B., & Al Shamsi, I. R. (2023). Environmental corporate social responsibility, green talent management, and organization's sustainable performance in the banking sector of Oman: The role of innovative work behavior and green performance. *Sustainability*, *15*(19), 14303.

Yaqub, R. M. S., Qasim, A., Javeed, M. A., & Javeed, Z. (2022). Effect of Sustainable HRM Practices on Job Performance: Mediating Role of Employee Retention. *Journal of Tourism, Hospitality, and Services Industries Research (JTHS)*, *2*(02), 44–61.

Yi, L., Uddin, M. A., Das, A. K., Mahmood, M., & Sohel, S. M. (2019). Do transformational leaders engage employees in sustainable innovative work behaviour? Perspective from a developing country. *Sustainability*, *11*(9), 2485.