

**LEADING OR LEAVING? THE DUAL IMPACT OF
TRANSFORMATIONAL AND TOXIC LEADERSHIP ON EMPLOYEE
RETENTION IN PAKISTAN'S PHARMACEUTICAL SECTOR:
MEDIATING ROLE OF JOB SATISFACTION AND MODERATING
EFFECT OF WORK OVERLOAD**

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Abstract

This study aims to investigate the impact of transformational and toxic Leadership on employee retention in Pakistan's pharmaceutical sector. It also examines how job satisfaction mediates the relationship between leadership style and employee retention, as well as how work overload moderates these relationships. Given the increasing employee turnover in this industry, this study seeks to provide practical insights for enhancing retention through effective Leadership and work environment policies. A standardized questionnaire was used to collect data from 216 employees of pharmaceutical companies in Karachi, Pakistan, employing a quantitative research methodology. The study's variables, including transformational leadership style, toxic leadership style, job satisfaction, work overload, and employee retention, were tested using software such as SmartPLS 4.0 and Structural Equation Modeling (SEM). Additionally, before testing the structural routes, the validity and reliability of the measuring model were assessed. The results of this study show that transformational Leadership has a significant positive impact on employee retention, with job satisfaction serving as a mediating variable. On the other hand, toxic Leadership has adverse effects on both employee retention and job satisfaction. Work overload was found to reduce these relations by decreasing the positive impacts of transformational Leadership and increasing the adverse effects of toxic Leadership on employee

retention. These results highlight the importance of leadership styles and workload management in fostering employee satisfaction and commitment. The limitations of this study include its geographical restriction to pharmaceutical firms in Karachi, which can influence the generalizability of the results to other sectors or areas. Personal information can be influenced by social interest bias, and the cross-sectional design limits the ability to make causal inferences. Future studies should increase the sample size across other cities and use a longitudinal design to confirm these relations over time. Pharmaceutical companies are recommended to invest in leadership development initiatives, highlighting transformative behaviors such as inspiration, empowerment, and personal attention. Systems should be established to evaluate and mitigate toxic leadership styles. To maintain the benefits of good Leadership and reduce stress, companies also need to regularly assess and manage job overload. Enhancing job satisfaction through career development, appreciation, and a positive workplace environment can help companies retain their employees.

Key words: Transformational Leadership style, Toxic Leadership style, Job Satisfaction, Work Overload, Employee Retention, Pharmaceutical Industry, Pakistan.

Introduction

The pharmaceutical industry plays a vital role in Pakistan's economy and public health, making significant contributions to the country's GDP and employment. However, rising employee turnover has become a serious challenge (Asif & Gul, 2021). Leadership style has a significant impact on employee satisfaction and retention (Shoaib et al., 2023). Transformational Leadership is recognized for motivating and inspiring employees (Bass, B. M., 1999; Gul et al., 2012), whereas toxic Leadership leads to stress, dissatisfaction, and higher turnover rates (Lipman-Blumen, 2005; Bakkal et al., 2019). This study examines the impact of both leadership styles on employee retention, with job satisfaction

serving as a mediating factor and work overload acting as a moderating factor. Employee retention in Pakistan's pharmaceutical sector is affected by limited growth opportunities, compensation issues, and poor Leadership (Hejase et al., 2016; Imam & Ali, 2018). Transformational leaders foster trust and engagement, thereby enhancing employee loyalty (Pasha et al., 2017). In contrast, toxic leaders reduce morale and encourage employees to leave (Omar & Ahmad, 2020). To ensure workforce stability, companies must focus on leadership effectiveness and employee well-being (Anis et al, 2011). Previous studies often lacked updated, sector-wide data from Pakistan and typically explored only one leadership style. Many ignored job satisfaction and work overload as influencing variables (Ahmed & Ansari, 2020). This study addresses those gaps using data from multiple pharmaceutical firms in Karachi. Retaining skilled workers is crucial for innovation and regulatory compliance (Iqbal et al., 2023; Mahmood & Mubarik, 2020), particularly in sectors such as pharmaceuticals, which rely heavily on intellectual capital to drive performance and adaptability (Mubarik et al., 2022). Toxic Leadership, coupled with heavy workloads and low job satisfaction, leads to burnout and attrition (Ramlawati, R., 2021). This research aims to investigate the impact of transformational and toxic Leadership on retention, the mediating role of job satisfaction, and the moderating effect of work overload. It contributes to the theory by applying Herzberg's Two-Factor Theory and the JD-R Model in a Pakistani context (Judge et al., 2001; Demerouti et al., 2001).

Literature Review

Transformational Leadership

Transformational Leadership motivates employees through a vision, emotional support, and shared goals (Bass, B. M., 1999). It emphasizes growth, trust, and innovation. Key components of this style include idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. This leadership approach enhances employee satisfaction and retention, particularly in dynamic sectors such as the pharmaceutical industry

(Gul et al., 2012; Mahmood et al., 2019). Transformational leaders also play a pivotal role in leveraging organizational intellectual capital, enabling firms to strike a balance between exploration and exploitation during rapid technological shifts (Mahmood & Mubarik, 2020; Mahmood et al., 2021).

Toxic Leadership

Toxic Leadership is characterized by micromanagement, favoritism, emotional abuse, and a lack of empathy (Lipman-Blumen, 2005). It leads to stress, low morale, burnout, and increased turnover (Omar & Ahmad, 2020; Bakkal et al., 2019). In high-pressure sectors like pharmaceuticals, toxic Leadership harms team performance and organizational health (Asif & Gul, 2021).

Job Satisfaction as a Mediating Variable

The Significance of Job Satisfaction

Job satisfaction includes emotional and mental reactions to one's job. It improves commitment, productivity, and loyalty (Shoaib et al., 2023). Satisfied employees contribute more and are less likely to leave. Herzberg's Two-Factor Theory explains how motivators and hygiene factors shape satisfaction (Judge et al., 2001).

Effects of Transformational Leadership

Transformational leaders empower employees, align goals, and promote autonomy, leading to higher satisfaction and engagement (Angelo & Supartha, 2020; Ahmed & Ansari, 2020). These leaders support development, value input, and foster innovation, which is crucial in knowledge-driven industries like pharmaceuticals.

Consequences of Toxic Leadership

Toxic leaders cause emotional exhaustion, fear, and disengagement. They limit autonomy and support, which reduces satisfaction and increases turnover (Omar & Ahmad, 2020; Bakkal et al., 2019).

Work Overload

Work overload occurs when employees receive more tasks than they can handle, resulting in stress, burnout, and dissatisfaction (Ramlawati, R., 2021). The Job

Demands-Resources (JD-R) Model explains how high job demands and low job resources contribute to adverse outcomes (Demerouti et al., 2001). Even transformational Leadership may fail under unmanaged workload conditions. Managing knowledge resources and intellectual capacity under stress is vital. Intellectual capital frameworks suggest that resilience in demanding environments stems from a firm's ability to balance knowledge sharing and innovative practices (Mubarik et al., 2019; Odhano et al., 2025).

Impacts of Work Overload and Job Satisfaction

Job Satisfaction

Job satisfaction strengthens loyalty and performance. It is positively influenced by transformational Leadership and negatively affected by toxic Leadership (Judge & Piccolo, 2004; Frost, 2003). Satisfied employees are more committed and productive.

Workload

Heavy workloads can lead to burnout and increased attrition. Work overload reduces the effectiveness of transformational Leadership and intensifies the damage caused by toxic Leadership, especially in high-stress industries like pharmaceuticals.

Correlation between Leadership Styles and Employee Retention

Leadership styles have a significant impact on psychological well-being and employee retention. Transformational leaders foster trust and motivation, thereby enhancing employee retention (Ahmed & Ansari, 2020). Toxic leaders, by contrast, erode trust, morale, and loyalty, resulting in increased turnover (Bakkal et al., 2019; Omar & Ahmad, 2020).

Transformational Leadership and Employee Retention

Transformational Leadership increases retention by creating alignment between personal and organizational goals, offering development opportunities, and fostering emotional connection (Gul et al., 2012; Mahmood et al., 2019). In Pakistan's pharmaceutical sector, it boosts resilience and engagement.

Toxic Leadership and Employee Retention

Toxic Leadership reduces retention by breaking psychological contracts and causing emotional damage (Lipman-Blumen, 2005; Tezcan Uysal, 2019). It creates a hostile work environment, demoralizes teams, and drives skilled employees away.

Correlation between Job Satisfaction and Employee Retention

Job satisfaction is a strong predictor of retention. Satisfied employees are more engaged, loyal, and less likely to quit (Shoaib et al., 2023). Transformational leaders boost satisfaction and retention, while toxic Leadership undermines both (Ahmed & Ansari, 2020).

Table 2.1: Definition of Variables

Construct	Definition	Source
Transformational Leadership	The approach of Leadership is to motivate employees to support the company's values, vision, mission, and goals by employing confidence, passion, and emotional appeal.	Tanuwijaya & Jakaria (2022)
Toxic Leadership	The leadership style shows negative behaviors such as too much criticizing, unrealistic expectations, and personal assaults on the employees that damage them physically and emotionally.	Tanuwijaya & Jakaria (2022)
Job Satisfaction	It is a personal feeling of an employee, including emotional, mental, and prescriptive reactions to their job. Employees who are satisfied with their careers tend to	Belias, D., & Koustelios, A. (2014)

	stay with the company longer and exhibit greater loyalty to it.	
Employee Retention	A company's ability to retain its employees for an extended period is a key indicator of its success and stability. This retention is also influenced by job satisfaction and leadership style.	Shoaib et al., 2023
Work Overload	An environment for a company in which employees are given more responsibilities than they can physically or mentally handle in the given time, causing job stress and dissatisfaction.	Ramlawati, R. (2021)

Research Hypotheses

H₁: Transformational leadership style has a positive effect on job satisfaction.

H₂: Toxic leadership style has an adverse effect on job satisfaction.

H₃: Job satisfaction has a positive effect on employee retention.

H₄: Transformational Leadership has a positive impact on employee retention.

H₅: Toxic Leadership has an adverse effect on employee retention.

H₆: Job satisfaction mediates the relationship between leadership style (Transformational versus Toxic Leadership) and employee retention.

H₇: Work overload moderates the relationship between job satisfaction and employee retention, such that the relationship is weaker when work overload is high.

Conceptual Framework

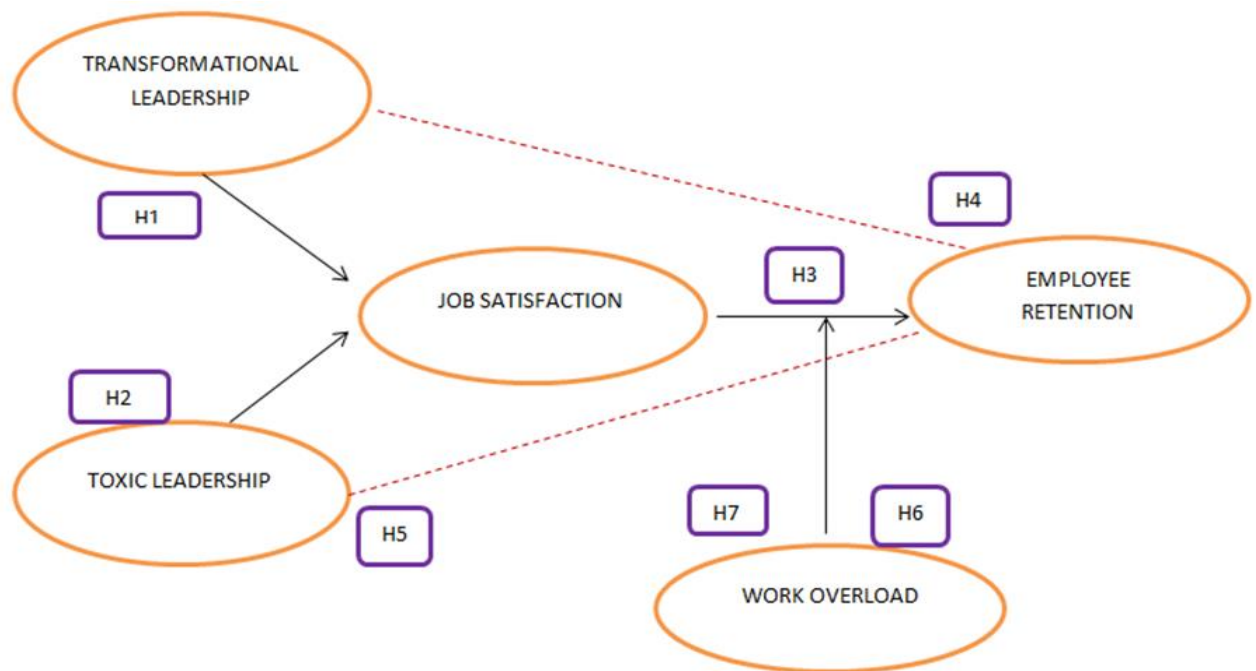


Figure 1: Conceptual Framework of the Study

Research Methodology

Research Approach and Type

This study employs a quantitative research methodology to analyze numerical data, aiming to identify patterns and correlations among variables. The study employs descriptive and explanatory methods to investigate the impact of several factors on employees in Pakistan's pharmaceutical sector. This research employs structured surveys to ensure the collection of objective data and facilitate statistical generalization. (Tanuwijaya & Jakaria, 2022). The study employed a cross-sectional research approach, collecting data from the targeted individuals at a specific point in time. This approach enables the analysis of relationships among various ideas and their influence on employee behavior and performance. (Sekaran & Bougie, 2016).

Study Population

The study's population comprises employees in Pakistan's pharmaceutical industry. The personnel are selected based on their experience and participation in various organizational functions, making them relevant to the study's objectives.

Sample Size and Sampling Methodology

A sample size of 216 respondents was selected for this study, which is suitable for quantitative research as it allows for reliable statistical analysis and generalizability within the Pakistani pharmaceutical sector. The chosen number supports multivariate statistical techniques such as correlation and regression analysis, which require a minimum number of observations per variable. According to Hair et al (2014), a sample size of 150–200 is adequate when the research involves several independent variables. Therefore, 216 respondents provide sufficient power for hypothesis testing, thereby reducing the risk of sampling errors. The use of convenience sampling can limit generalizability, potentially leading to bias, uneven representation, and compromised data reliability.

Research Instrumentation

A structured questionnaire works as the key instrument in this study. This questionnaire has been created by using standard scales from past studies to ensure that the information collected is reliable and trustworthy. It also consists of closed-ended questions with answers measured on a Likert scale, which helps convert the collected data, i.e., people's opinions and views, into quantitative data.

Table 3.1: Summary of Research Instrument

Variable	Authors / Source	No. of Scale items
Transformational Leadership	Tanuwijaya & Jakaria (2022)	6 1-5

Toxic Leadership	Tanuwijaya & 8 Jakaria (2022)	1-5
Job Satisfaction	Belias, D., & 6 Koustelios, A. (2014)	1-5
Employee Retention	Shoaib et al (2023) 4	1-5
Work Overload	Ramlawati, R. (2021) 7	1-5

Data Collection

The data is collected through online and offline surveys, ensuring a broad reach and a higher response rate for the questionnaires. This questionnaire is circulated via email, professional networks, and personal references within pharmaceutical companies.

Method of Data Analysis

The data collected must be analyzed using statistical techniques. Descriptive statistics, which include the mean and standard deviation, are used by researchers to describe the data collected from different people. Statistical analysis techniques, such as predictive analysis, correlation analysis, and hypothesis testing, are used to study the relationships between variables. Statistical software, such as SPSS, helps researchers ensure the quality and consistency of data in the analysis.

Table 3.2: Research Variables and Measurement Instruments

Variable Type	Variable	Measurement Instrument	Reference
Independent Variables	Transformational Leadership	Multifactor Leadership Questionnaire (MLQ)	Tanuwijaya & Jakaria (2022)
	Toxic Leadership	Toxic Leadership Scale	Tanuwijaya & Jakaria (2022)

Mediating Variable	Job Satisfaction	Job Satisfaction Survey (JSS)	Belias, D., & Koustelios, A. (2014)
Dependent Variable	Employee Retention	Measured via turnover intent, organizational commitment, and tenure in the company	Tanuwijaya & Jakaria (2022)
Moderating Variables	Work overload	Industry-Specific Scales (covering market stability, Government regulations, and organizational culture)	Ramlawati, R. (2021)

Results and Discussion

In this chapter, the findings from the data analysis are highlighted to evaluate the impact of transformational and toxic leadership styles on employee retention within Pakistan's pharmaceutical industry. The effects of job satisfaction and work overload, working as a moderate variable, were also examined. Data were analyzed using SPSS v21 and SmartPLS 4.0, based on a sample of 216 valid responses from the participants in this study, collected through structured questionnaires.

Response Rate

A total of 250 survey forms were distributed to individuals working within the pharmaceutical industry in Karachi, Pakistan. From the total questionnaires distributed, only 219 were returned, and these were reviewed for completeness

and validity. Only 216 were considered suitable for this analysis, resulting in a valid response rate of 80%.

Demographic Profile of Respondents

Descriptive statistics have been used to encapsulate the demographic attributes of the respondents. The primary demographics comprised gender, age, education, job experience, and designation.

Table 4.1: Demographic Information

Demographic Variable	Category	Frequency	Percent
Gender	Female	120	55.2%
	Male	86	39.8%
Age	22-26	30	13.8%
	27-31	90	41.6%
	32-36	76	35.1%
	36 above	20	9.25%
Education Level	Undergraduate	85	39.3%
	Graduate	100	46.2%
	Postgraduate	15	6.94%
	Others	16	7.40%
Job	5-10 yrs	150	69.4%
Experience	11-15 yrs	50	23.1%
	15+ yrs	15	6.94%
Designation	Manager	50	23.1%
	Assistant Manager	100	46.2%
	Supervisor	50	23.1%
	Executive	16	7.40%

Reliability Analysis

Cronbach's Alpha coefficients were calculated for each construct to evaluate the internal consistency of the assessment scales. All constructions demonstrated

adequate reliability, with alpha values exceeding the widely recognized benchmark of 0.70 (Nunnally, 1978). Transformational Leadership (6 items) produced a Cronbach's Alpha of 0.881, signifying strong internal consistency. Toxic Leadership, comprising five measures, exhibited a reliability coefficient of 0.861, whilst Employee Retention, consisting of four items, demonstrated an alpha of 0.845. Job Satisfaction, assessed using five measures, yielded a high reliability score of 0.889. Ultimately, Work Overload (4 items) attained a Cronbach's Alpha of 0.812. The results validate that all scales employed in the study demonstrate internal consistency and reliability, allowing for subsequent statistical analysis.

Table 4.2: Reliability Analysis

Construct	No. of Items	Cronbach's Alpha
Transformational Leadership	6	0.867
Toxic Leadership	8	0.914
Employee Retention	4	0.843
Job Satisfaction	6	0.881
Work Overload	7	0.832
Toxic Leadership	6	0.867

Structural Equation Modeling (SEM)

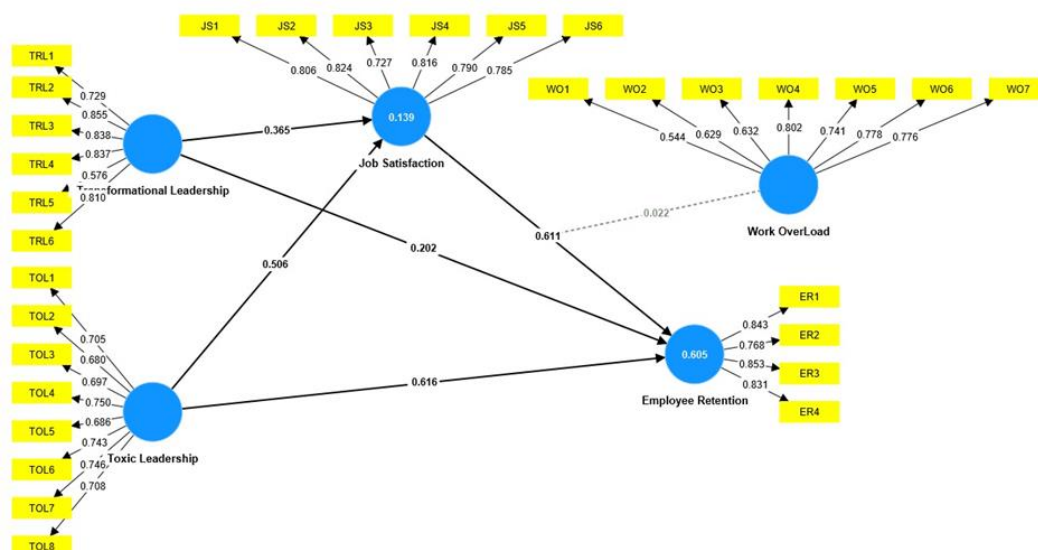


Figure 2: SEM Model with Items Loading

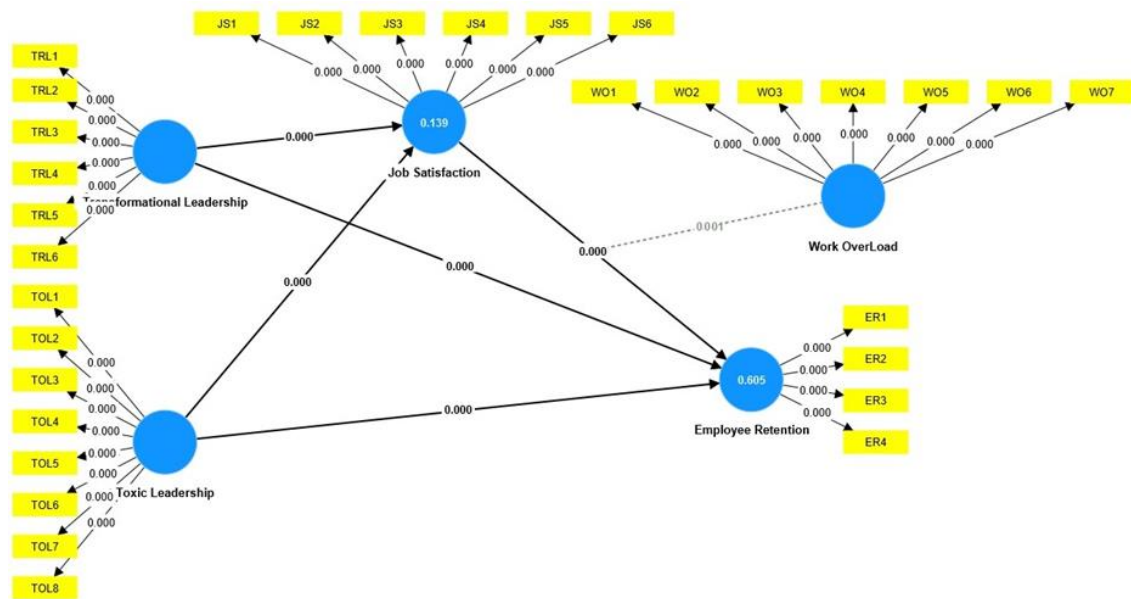


Figure 3: SEM Model with P-values.

Structural Equation Modeling (SEM) was employed to evaluate the proposed hypotheses, using SmartPLS 4.0. The analysis had two phases: (1) assessment of the measurement model to evaluate the reliability and validity of the constructs, and (2) evaluation of the structural model to investigate the hypothesized interactions among variables, including moderating effects.

Measurement Model Assessment

The measuring model was evaluated according to the criteria of convergent validity, which include factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE). All these items are loading above the threshold Value of 0.70, suggesting a strong indication of dependability. Moreover, CR values above 0.70 and AVE values exceeding 0.50 for all hypotheses support convergent validity.

Discriminant Validity

Table 4.3: Discriminant Validity

Construct	Item	Loading	CR	AVE
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Transformational Leadership	TL1	0.729	0.876	0.609
	TL2	0.855		
	TL3	0.838		
	TL4	0.837		
	TL5	0.576		
	TL6	0.810		
Toxic Leadership	Tox1	0.705	0.786	0.511
	Tox2	0.680		
	Tox3	0.697		
	Tox4	0.750		
	Tox5	0.686		
	Tox6	0.743		
	Tox7	0.746		
	Tox8	0.708		
Employee Retention	ER1	0.843	0.855	0.68
	ER2	0.768		
	ER3	0.853		
	ER4	0.831		
Job Satisfaction	JS1	0.806	0.882	0.628
	JS2	0.824		
	JS3	0.727		
	JS4	0.816		
	JS5	0.790		
	JS6	0.785		
Work Overload	WO1	0.544	0.856	0.599
	WO2	0.629		
	WO3	0.632		
	WO4	0.802		
	WO5	0.741		

WO6	0.778
WO7	0.776

The discriminant validity was evaluated using the Fornell-Larcker criterion. The square root of each construct's Average Variance Extracted (AVE) surpassed its relationship with any other construct, representing that each construct was statistically different.

Table 4.4: Fornell-Larcker

Construct	ER	JS	Tox	TL	WO
Employee Retention	0.82				
	4				
Job Satisfaction	0.745	0.79			
		2			
Toxic Leadership	0.139	0.120	0.71		
			5		
Transformational Leadership	0.381	0.372	0.260	0.78	
				0	
Work Overload	0.528	0.461	0.338	0.358	0.70
					6

Hypothesis Testing (Structural Model)

The structural model of this study was evaluated using bootstrapping with 5,000 resamples to determine the significance of the path coefficients. The results revealed essential relationships between leadership styles and employee retention, as well as the moderating effects of job satisfaction and task overload.

Table 4.5: Hypothesis Testing

Hypothesis	Path	Beta	T-Value	P-Value	Decision
H1	TL → JS	0.611	9.429	0.000	Accepted
H2	Tox → JS	0.035	2.602	0.005	Accepted

H3	JS → ER	0.025	2.218	0.005	Accepted
H4	TL → ER	0.088	2.369	0.005	Accepted
H5	Tox → ER	0.365	4.099	0.000	Accepted
H6	WO → ER	0.232	3.169	0.002	Accepted
H7	WO*JS → ER	0.022	2.673	0.005	Accepted

Discussion

This chapter presents a discussion of the study's results, examining how transformational and toxic leadership styles impact employee retention in Pakistan's pharmaceutical industry. It covers work overload as a moderate variable and job satisfaction as a mediating variable. This discussion connects with the experimental results to the previously suggested hypotheses and the current body of literature review. To enhance understanding of how leadership style impacts employee behavior, each section of this discussion incorporates thorough research and commentary on both theoretical and practical contributions. The statistical findings of the study have revealed some significant relationships that support the suggested concepts. Transformational Leadership initially appeared to increase significantly job satisfaction and employee retention, thereby supporting Hypotheses H1, H3, and H4. Those employees who experience creative, motivating, and inspiring Leadership are more likely to feel valued and emotionally committed to their employers. This connection focuses on how transformational Leadership creates a psychologically safe and motivating environment that raises long-term organizational commitment. Toxic Leadership establishes a negative relationship with both job satisfaction and retention, hence approving Hypotheses H2 and H5. Leadership styles are characterized by manipulative, hostile, or unsupportive behavior that erodes staff morale, increases stress levels, and ultimately leads to higher staff turnover rates.

Surveyed as a mediating element, job satisfaction also showed a remarkable influence on employee retention, hence supporting Hypothesis H6. This assurance is that toxic leadership behavior creates an environment of fear and unhappiness, which pushes people away. Those who find meaning and satisfaction in their jobs will remain within the firm, even during uncertain leadership challenges. This finding underscores the significance of both internal and external factors in shaping retention outcomes, in line with Herzberg's Two-Factor Theory. Finally, it was demonstrated that work overload influenced the relationship between retention and leadership style, thereby supporting Hypothesis H7. Increased workloads tend to reduce the positive effects of transformational Leadership and increase the adverse effects of toxic Leadership. This highlights the need for related components, including high work expectations, which can weaken even the most successful leadership strategies. These results, taken together, underscore the vital role that leadership behavior, employee satisfaction, and workload control play in responsible retention. They validate that the leadership style influences employee attitudes both directly and indirectly, through mediating factors such as job satisfaction and environmental variables, including work overload. They confirm that the leadership style affects employee attitudes both directly and indirectly, through job satisfaction and environmental factors, including work overload.

Transformational Leadership and Employee Retention

This study confirms a prominent positive relationship between employee retention and transformational Leadership. Those who view their leaders as visionary, empowering, and supportive tend to be more loyal and committed to the company. This result aligns with earlier studies (Bass, B. M., 1999; Mahmood et al., 2019), which suggest that transformational Leadership encourages psychological safety and shared purpose, thereby supporting retention. In the pharmaceutical industry, where employees may be subject to legal pressure and require high accuracy, transformational leaders are

particularly essential in creating a strong work culture. The research confirmed that when leaders identify and invest in individual potential, employees are less likely to disengage; inspirational motivation and personal consideration were key factors for improved retention rates.

Employee Retention and Toxic Leadership

On the other hand, toxic Leadership showed a central unfavorable relationship with employee retention. Toxic strategies include public criticism, micromanagement, and neglect, which can erode employee trust and morale. These findings align with others (Lipman-Blumen, 2005; Bakkal et al., 2019), suggesting that toxic environments are connected with emotional exhaustion, stress, and high attrition rates. The study also examined participants under leadership styles that conveyed signs of disappointment and withdrawal, thereby emphasizing the need for businesses to actively identify and remove toxic individuals in management.

Job Satisfaction as a Mediator and Moderator Variable

Job satisfaction was not only a direct analysis of employee retention but also a dangerous mediating variable between Leadership and employee retention. Particularly more determined to stay were those who requested greater job satisfaction, acknowledgement, and growth opportunities. Supporting this finding is Herzberg's Two-Factor Theory, which emphasizes the importance of motivators such as achievement and recognition in employee engagement. This study also discovered that job satisfaction acted as a partial barrier against the effects of toxic Leadership. Strong internal efforts allowed some employees to remain within the company even under poor leadership conditions. Therefore, improving job satisfaction through good HR policies should help to protect against a toxic leadership style.

Work Overload as a Moderating Variable

Work overload was identified as a moderating variable that influences retention through Leadership. High workloads reduced the positive effect of transformational Leadership and raised the negative impact of toxic Leadership

as well. This result supports the Job Demands-Resources (JD-R) paradigm (Bakker & Demerouti, 2007), which suggests that excessive demand without sufficient support leads to withdrawal behavior of employees and burnout. These findings suggest that moderate workloads are crucial to effective Leadership. Excessive job demands could force even the most stimulating CEOs to lose their staff. Support systems and workload monitoring must complement leadership styles to ensure sustainability in staff performance and involvement.

Theoretical Consequences

This study also aligns with recent intellectual capital research, which emphasizes the importance of ambidextrous use of knowledge assets in enhancing firm adaptability and employee engagement (Shahbaz et al., 2021; Mubarik et al., 2022). Transformational Leadership, in particular, serves as a channel to activate these latent intellectual resources, making organizations more resilient to turnover and overload pressures. This research provides evidence that job satisfaction plays a mediating role, while work overload plays a moderating role, in the relationship between leadership styles and employee retention. These findings contribute new insights to established theories, such as Herzberg's Two-Factor Theory and the Job Demands-Resources (JD-R) Model, by demonstrating how these concepts are applicable in a specific environment, namely the pharmaceutical industry in a particular region (e.g., Pakistan). Essentially, the research extends these well-established theories to a new climate, revealing how local conditions can influence employee retention through job satisfaction and work overload. This study has reviewed various research to understand how leadership styles relate to psychological reactions and organizational pressures. It confirms that Leadership works within a system of job attributes and employee views that are combined to influence retention, rather than relying on a single factor.

Recommendations, Limitations and Future Research

The results of this study provide valuable insights for HR professionals, organizational executives, and policymakers in the Pakistani pharmaceutical

sector. Investing in transformative leadership development is the first and most necessary step. Companies should conduct planned training courses designed to develop leadership qualities, including personal attention, intellectual challenge, and motivating determination. Particularly in high-pressure settings like the pharmaceutical sector, these qualities not only enhance staff morale but also appear to significantly increase job satisfaction and employee retention.

Secondly, one must acknowledge and address toxic leadership styles. These demands include creating and institutionalizing tools to identify negative qualities, such as narcissism, authoritarianism, and manipulation. The regular use of tools like 360-degree feedback, anonymous employee surveys, and thorough performance assessments should help identify and correct toxic Leadership before it damages employee trust and morale.

Moreover, it is crucial to enhance employee satisfaction through adequate organizational support. Given that job satisfaction has become a significant factor in employee retention, companies should prioritizes policies that include career development plans, consistent recognition of employee achievements, and active employee involvement in decision-making processes. Designing a meaningful and engaging workplace can help offset negative leadership influences and support positive leadership outcomes.

Furthermore, controlling and managing job overload is essential. Excessive work opportunities can exacerbate the harm caused by toxic Leadership and diminish the beneficial effects of transformational Leadership. To maintain balance and protect employee well-being, employers must continuously assess task distribution, including the potential for automation, adjust resource allocation plans, or recruit more workers during busy periods.

Finally, the HR department should implement retention-oriented initiatives that integrate leadership development with broader human resource policies. This includes wellness projects designed to maintain staff engagement and satisfaction, as well as succession planning and mentoring schemes. By

aligning leadership strategies with employee support systems, organizations can enhance both retention and overall performance.

This research provides practical ideas for pharmaceutical companies in Pakistan and similar developing countries:

- Encourage Transformational Leadership style.
- Eliminate the Toxic Leadership style.
- Improve Job Satisfaction
- Assess job responsibilities.

Companies can create a more dedicated and high-performing staff and reduce expensive turnover by incorporating these elements.

Limitations

The results of this study provide valuable insights, although they also have some limitations. Firstly, the study was geographically restricted to pharmaceutical companies in Karachi, Pakistan, which limits the generalizability of the results to other cities or industries. The study employed a cross-sectional methodology; therefore, data were collected at a single point in time, which limits the ability to make causal inferences about the relationship between leadership styles and employee retention. Thirdly, the self-administered surveys' self-reported measures raise the risk of social desirability bias, in which respondents may answer in a way that favors their leaders or themselves. Finally, the research examined only job satisfaction and work overload as moderating variables, excluding other potentially essential elements, such as psychological safety, employee involvement, and organisational culture.

The results of this study provide insight into the changing aspects of leadership styles and staff retention in the pharmaceutical sector; however, certain limitations should be noted. The study was first limited to pharmaceutical companies based in Karachi, Pakistan. Results from this limited geographic range are less applicable to other cities, areas, or even other industrial sectors inside Pakistan or abroad. Hence, the findings of this study

may not fully reflect the differences in leadership styles or staff behavior observed in different environments.

This study employed a cross-sectional research design, which means that data were collected at a single point in time. This approach limits the capacity to establish causal relationships between the independent variables—transformational and toxic leadership—and the dependent variable, employee retention. Longitudinal studies would be more suitable for examining the effect of Leadership over time and providing deeper causal insights.

Thirdly, the use of self-reported measurements through self-administered surveys raises the possibility of common method favoritism, particularly social attractiveness bias. Respondents might have answered in a way that reflects socially accepted behavior or presents themselves and their leaders in a more positive light than is accurate, thus potentially misleading the findings.

Finally, the study focused on just two moderating factors — job satisfaction and work overload when evaluating the link between leadership styles and employee retention. Although these are significant considerations, the oversight of additional potentially powerful moderators, including organizational culture, employee involvement, psychological safety, and career development opportunities, could compromise the thoroughness of the results. Future research should encompass a broader range of variables to provide a more comprehensive understanding of the complex dynamics influencing employee retention.

Future Research

Future studies could significantly enhance our understanding of leadership styles and their impact on employee outcomes in various respects. First, using longitudinal research designs would enable academics to investigate how leadership styles affect employee behavior over time, thereby providing a deeper understanding of the causal relationships and long-term consequences of leadership styles. Future research should also cover other geographic and

industrial areas. Including people from different cities and industries outside the pharmaceutical sector helps researchers increase the generalizability of their results throughout Pakistan's larger workforce or, perhaps, compare them with other developing nations.

Future models could also benefit from the inclusion of other potential mediating or moderating factors, such as organizational culture, emotional intelligence, psychological contract violations, and employee involvement. These elements could help reveal deeper mechanisms by which leadership styles influence employee retention. Including mixed-methods strategies that combine quantitative surveys with qualitative data, such as interviews or focus group discussions, will also help generate more comprehensive and nuanced insights into how people understand and react to certain leadership behaviors. Ultimately, further studies may examine how demographic factors, such as gender and age variations, impact leadership perceptions and their influence on retention.

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