

# Revisiting the Role of Servant Leadership and Workplace Spirituality on Employees' Retention: A Mediating Role of Employee Engagement

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The aim of this paper is to explore the instilling role of servant leadership and workplace spirituality on employees' retention through a mediating role of employee engagement. Cross sectional data was collected from 310 employees working in the hospitality sector of Pakistan. Survey instrumentation typology was used to collect data from employees working in the hospitality sector of Pakistan. For data analysis, confirmatory factor analysis (CFA) was applied and found that all the measurements items successfully meet the minimum thresholds to make the model better fit. Further, the results of the study also depict that employees' engagement partially mediates the relationship between servant leadership and employees' retention, and fully mediates the relationship between workplace spirituality and employee retention. Thus, this study postulates that role of servant leaders and workplace spirituality might be the significant indicators to enhance the employees' retention by increasing their work engagement.

**Key words:** *Servant Leadership, Workplace Spirituality, Employee Retention, Employee Engagement, Hospitality Industry.*



## Introduction

Employees are the valuable strategic resource that enables the organisations to differentiate themselves from their competitors (Hajjaj, 2014; Lockwood, 2007; Macleod & Clarke, 2011). Saks (2006) asserted that social exchange theory (SET) explained the theoretical underpinnings of employees' engagement with work. This theory postulates that incentives and resources provided to employees are the fundamental strands of motivation which enhance the employees work engagement. Once the employees feel themselves to be involved in their work, then they are more loyal and their turnover intention tends to be reduced. Therefore, the managers' productive relations with employees are important to increase the work engagement. Their supportive role helps them realise that they are an essential part of the organisation and their grievance will be addressed on priority. In this regard, the role of servant leaders' is paramount. One of the significant features of servant leaders is that they act as servant, cater the needs of employees on primacy and make the things easy for them (Greenleaf, 2007; Kahn, 1990). Servant leadership is not an individual approach rather it is a people-oriented approach. They try to have focus and attention, not on themselves, rather on the development and growth of their followers. As asserted by service and stewardship theory that servant leaders always keep themselves available to serve the followers (Pollard, 1996; De Pree, 2011).

Drawing from above, prior research asserted that servant leaders are deeply involved in employees' engagement and work behaviour (Hemsley, 2007; Furness, 2008). As servant leadership is an important driver of employees' engagement, so its' relation with employee engagement is least addressed in available academic literature (Bao et al., 2018; Ayers, 2008; Esty & Gewirtz, 2008; James et al., 2009; Mannelly, 2009). Therefore, the emotional attachment of servant leaders with employees is one of the important prisms to conduct this study in context of hospitality industry of Pakistan. Employees' turnover is one of the emerging issues in the hospitality sector (Babakus et al., 2010). Most probably, around 30% employee turnover rate was reported in the hospitality sector of China (Zhao et al., 2016) which was quite alarming comparing with other sectors in China. The reason behind this high turnover is probably due to absence of servant leadership practices. Therefore, this particular leadership style is the focus of attention to foster employee engagement and retention in this sector.

Another important prism for conducting this research is the role of workplace spirituality on employees' engagement and retention. The presence of workplace spirituality encourages the employees' engagement, sense of responsible and their participation in routine tasks (Devendhiran & Wesley, 2017; Ashmos & Duchon, 2000). Spirituality wins the employees' loyalty that in turn improves the employees' performance and productivity at the workplace (Krishnakumar & Neck, 2002). Sense of community, meaningful work behaviour and alignment with organisational values are important theoretical strands for employees'



spirituality (Ashmos & Duchon, 2000; Devendhiran & Wesley, 2017; Rosso et al., 2010; Ghadi et al., 2013).

Hence, above discussion draws the conclusion that workplace spirituality amid employees' increased the employees' engagement and reduced the turnover intentions (Devendhiran & Wesley, 2017). However, there is scarcity of research, facilitating the role of servant leadership and workplace spirituality on employees' retention using intermediating mechanism of employees' engagement especially in the hospitality sector of Pakistan. Pakistan has recently emerged as one of the significant country in terms of lot of potential in hospitality sector. This sector has witnessed immense growth and investment opportunities due to occupancy and competitive average rates. Therefore, this study draws the attention of readers' in this sector which contributes 4.7% towards the GDP of Pakistan (economic survey of Pakistan 2018-19). But lack of employees' engagement and high turnover are one significant factor to undermine the growth of this sector. Therefore, this study attempts to address the following research question:

Does servant leadership and workplace spirituality significantly instil the employees' retention via mediating role of employees' engagement?

## **Literature Review**

### ***Servant Leadership and Employee Retention***

Liden et al., (2008) described the different traits of servant leadership. The leaders always try to maintain discipline and do for the betterment of employees so that they follow them. They work with honesty and keep in view the ethical considerations as well (Hajjaj, 2014; Sanjeevkumar, 2012). The most effective role which they fulfil is that they build the careers of their followers. Career growth and success are important for every individual. This makes the employees more valuable. The organisations cannot survive without employees and it is a challenging task for the leaders to keep the employees engaged with the organisation. Employee retention is considered very difficult as the employees may leave the organisation when they are not treated in a good way or they are not being given priority. It is not necessary that only the favourable working environment and high wage are the reason for employee retention in the organisation (Hajjaj, 2014). If the employees are retained, it shows that the organisation has low employee turnover (Sanjeevkumar, 2012). It means that the employees are happy with what they are doing, they are happy with their performance and the organisation is also happy as well. On the other hand, a high turnover rate not only increases the organisation's costs but also lets them face difficult situations while hiring new people i.e. the cost of recruiting new people and training the newbies (Darmon, 2008). It is a very popular proverb which says that employees quit their bosses, not their companies (Mathieu et al., 2016). A manager who is more focused on behaving as a mentor for their followers plays a more supportive role for the career progression of their followers, their followers are

productive and listens to them and in this way, the turnover intention becomes low (Brashear et al., 2006). Retaining employees is a very challenging task for the leaders, so they must try to develop a culture that is according to the people working in the organisation. In order to keep them in the organisation, servant leaders make use of different techniques so that employees continue working with them. Many of the previous studies (Hunter et al., 2013) have a view that servant leadership is found to be a very crucial factor in determining employee intention to leave the organisation. This study aims to study the influence of servant leadership on the employees' intention to stay with the organisation. So, we can develop a hypothesis:

H1: Servant leadership positively influence the employees' retention.

### ***Servant Leadership and Employee Engagement***

Human capital is considered to be most important and essential in determining success in each and every organisation. The employees are considered valuable assets for the sustainable performance of an organisation. When employees are involved then they are more inclined towards achieving the organisational goals (Anitha, 2014). Servant leader's top priority is to serve their employees and keep an eye on subordinates desires (Ehrhart, 2004). They try to help out their employees in each and every matter. They don't consider the organisational interests rather they consider the employee's interest first. They have an element of respect for others and try to make things easy for their employees (Russell, 2001). They are honest with their work and give preference to the interest of followers instead of their own interest. They unconditionally love their employees and do take care of them in a very positive way (Russell, 2001). The servant leaders try and play their part in building the confidence level of the employees. This, in turn, makes the employees feel better. They react in a very positive way; as a result the organisation performs better (Keith, 2008).

Employee engagement is the emotional attachment with the organisation. For seeking employees' engagement, it is important to understand the feelings and needs of employees (Carter & Baghurst, 2014). Servant leaders play a crucial role in this regard and do all for their employees by making others feel better, by helping them out and contribute towards the wellbeing of society. They promote the collective rights ignoring the self-interest and try to eliminate all the negative intentions related to the organisation (O'Reilly et al., 2014). Therefore, they are emotionally bonded and are always available for their people which help to increase the employees' engagement. In the light of above discussion, the following hypothesis is proposed:

H2: Servant leadership positively influence the employees' engagement.

### ***Employee Engagement and Employee Retention***

Human capital can't lose its worth. Organisational success is very much dependent on the engagement and involvement of employees (Macey & Schneider, 2008). Employees play an essential role in determining organisational success. Employees are emotionally attached to their workplace and they try to work for as long as they can if they are fully engaged in their work without having any difficulty (Rhoades et al., 2001). Employee retention is considered to be the consequence or after effect of employee engagement. It has been observed by Bailey et al., (2015), they have gone through twenty-four such studies in which they observed that employees' engagement negatively affects the turnover intentions. According to Hom et al., (2012) it has been identified in some of the research that there are two main reasons that are relevant for the employee's retention within an organisation. They have identified that there are organisational factors that are held responsible for the employees' intention and on the other side there are individual factors as well that are the reasons behind employee's retention. An individual who continues working in the same place is not willing to leave the organisation early. They have a special kind of attachment with the organisation and those who don't seek to work for a longer time in the organisation have very less attachment with the organisation. When the organisations value the efforts put by their employees the employees have negative turnover intention (Eisenberger et al., 2002). When the employees engage themselves in the work, they feel very less stress and their temperament increases as well; as a result, they have fewer turnover intentions. They have a positive attitude at their workplace. Ramlall (2003) has claimed that people work with those organisations which provide a favourable work environment and also recognise their efforts and make them feel that they are given importance by the organisation. They devote their time for the wellbeing of the organisation. When the employees are satisfied with their job, they are more committed towards the organisation. Employee turnover costs organisations heavily. Kodwani and Kumar (2004) have studied the costs which an organisation bears due to employee turnover. They found that the cost associated with employee turnover is not only monetary but non-monetary as well, e.g. the productivity of the organisation shrinks, and skills and knowledge also get influenced in an adverse way. Hence, from all the above discussion, we can hypothesise that:

H3: Employee engagement positively influences the employees' retention.

### ***Workplace Spirituality and Employee Retention***

Organisational success deeply relies upon employees' engagement and involvement (Macey & Schneider, 2008). When the employees feel that their work for the organization is meaningful and they feel that it is not meaning less and not useful then their moral of doing work is very much higher. Prior research asserted that workplace spirituality enhances performance of the organisation (Jurkiewicz & Giacalone, 2004). According to Thompson

(2000) the organisations which are more spiritual perform better than the other companies in different aspects.

Robbin et al., (2011) highlighted that spiritual organisations consist of different characteristics in which the employees are given freedom of choice to make different decisions, they are provided with all the resources which the employees could make the use of in order to become creative and discovering their hidden talents. The organisation helps its employees to improve their skills and abilities. When they find that they have something meaningful to do they are inclined towards their work. They work longer for the organisation. They try to keep themselves working with the same employer. When the employees have the intention to leave their present employer and they start thinking about switching to another job, it is known as turnover intention (Elangovan, 2001). Ghadi et al., (2013) concluded that turnover intentions are negatively associated with organisation's actual turnover. It is observed that both the meaningful work and employee turnover intentions are negatively related to each other. Similarly, Hughes and Rog (2008) illustrated that the hospitality sector has high intentions of turnover among its employees. Therefore, workplace spirituality is supposed to be an essential element to keep employees working within the same organisation. Employees' turnover intentions are negatively associated with workplace spirituality. When they find spirituality in their work they put more efforts in achieving organisational goals. Thus based on above discussion, we proposed the following hypothesis:

H4: Workplace spirituality positively influence the employees' retention

### ***Workplace Spirituality and Employee Engagement***

Workplace spirituality means to create a culture within the organisation so that the employees feel like having spiritual believes in their work. The foremost objective of workplace spirituality is to have very strong bonding with the people that are working in the same environment. It also incurs the effort of an individual in which they align their morals and views with that of the organisation's standards and views (Denton & Mitroff, 1999). Robbins et al., (2011) illustrated that the spiritual organisation is that organisation that consists of different characteristics in which the employees are given freedom of choice to make different decisions, they are provided with all the resources which the employees could make the use of in order to become creative and discover their hidden talents. The organisation helps its employees to improve their skills and abilities. Spiritual employees are those who have different characteristics i.e. they feel that they are doing meaningful work and also they assist their co-workers, they are more creative and have the ability to learn quickly, they motivate themselves so that they can have better levels of satisfaction, they try to do much more than that of what was required to do (McKee et al., 2011; Kazemipour & Amin 2012; Fernando, 2005). Ashmos and Duchon (2000) identified three dimensions of workplace spirituality i.e. meaningful work, organisational values and sense of community. Whereas, a

study classified the workplace spirituality in three levels i.e. individual level, group level and organisational level (Milliman et al., 2003).

The individual level of spirituality is work meaningfulness, the second stage of spirituality is to have a sense of community and third level of spirituality means the alignment with organisational values. The individual level spirituality is an individual who feels that their tasks are considered to be valuable. When an employee interacts or coordinates with their co-workers and colleagues' a sense of community takes place. Alignment with organisational values means the similarity between the employees' values and organisational values (Devendhiran & Wesley, 2017). Therefore, organisational success deeply relied upon the alignment of individual characteristics with the characteristics of organisation. These are important strands of workplace spirituality which tends to influence the employees engagement (Milliman et al., 2018). As asserted by Izak (2012) meaningfulness is supposed to have higher levels of engagement with their work. When both the values of the organisation and personal values of the individual working in organisation are congruent then there are more chances that employee feels more engaged in their work. Hence, drawing from above the following hypothesis was proposed to test:

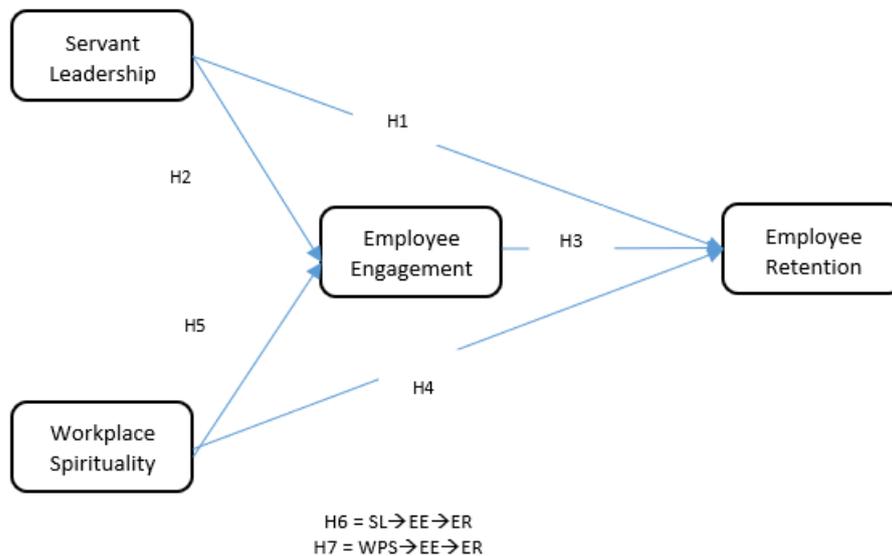
H5: Workplace spirituality positively influences the employees' engagement.

#### ***Employee Engagement as a Mediator***

Employees make efforts and contribution in the context of betterment of the organisation by engaging themselves in work and devotion towards their organisation. Employee engagement benefits the organisation and helps them to achieve the goals of the organisation. According to Greenleaf (2007) the servant leaders serve their employees rather than lead them. In the services organisation there is much more need of the servant leader, because as a result they provide customers with better facilities and facilitate them in a good way. Leaders can help the employees to remain committed to the organisation. The employee engagement in their work, enhance the employee's commitment to stay with the organisation for a longer period and their intention of quitting the organisation will be low. Therefore, in this study the role of servant leader is studied to retain employees via employee engagement. Workplace spirituality is also an important variable, which has been used as an independent variable in this study. In the current study, employee engagement mediates the relationship of the variables. When the employee work is meaningful they will more be inclined and aligned towards their work. Workplace spirituality influences the level of engagement of the employees (Milliman et al., 2018). So, concluding the above discussion we can hypothesise that:

H6: Employee engagement mediates the relationship between servant leadership and employee retention

H7: Employee engagement mediates the relationship between workplace spirituality and employee retention.



**Figure 1: Theoretical framework**

## Research Methodology

### *Data Collection*

Hospitality sector i.e. hotels were chosen to measure the proposed model. A questionnaire approach was considered to gather the data from the hospitality sector employees. The hotels from which the data is collected include PC Hotel, Avari, Hospitality Inn, Marvel Hotel, Sunfort Hotel, Nishat Hotel, Hotel One, Pak Heritage Hotel, Serena Hotel, Express Hotel, Smart Hotel and Ambassador Hotel. The data was gathered from the two major cities of Pakistan by applying the convenience sampling technique in the collection of data. The questionnaire was divided into two portions. One portion contained the personal information of the employees, i.e. gender, age, qualification and their experience in their organisation. The other portion of the questionnaire consisted of the questions asked related to the variables. 380 questionnaires were circulated between the hotel employees. 310 were used for the final analysis in this study. The response rate for this research was 81.57% which is considered to be a very good rate. The software used in this study in order to do analysis was SPSS and AMOS. Different tests were applied to analyse the nature of the relationship between proposed variables.

### *Measures*

For this study, the construct of servant leadership was measured by a 7 items scale defined by Liden et al., (2015). The reliability measured by Liden et al., (2015) in their study was 0.80. Workplace spirituality's instrument consists of three dimensions that are used in this study.

These dimensions include meaningful work, organisational values and sense of community. 12 items of these dimensions have been used in this study. Each dimension carries 4 items. The first two dimensions of organisational values and meaningful work were measured from the scale of used by Ashmos and Duchon, (2000). The reliability measures in their study were 0.858 and 0.929 for both dimensions. Shortened scale given by Milliman et al., (2018) was used to measure workplace spirituality's third dimension i.e. sense of community. Employee engagement is measured by a 9-item scale of Schaufeli et al., (2006) "Utrecht Work Engagement Scale" whose shortened version was used by Islam and Tariq (2018). Employee retention's 3 item scale of Armstrong-Stassen and Ursel (2009) was used to measure this variable.

## Results and Findings

### *Measurement model fitness*

This study examines CFA by using SEM. Initially the model consists of four constructs with 31 items. During CFA, the poorly loaded items with minimum standardised regression weights must be deleted to improve the model to a good fit result (Bienstock et al., 1997). According to him the retention of one fifth items in the model is acceptable. Therefore, the measurement model retained 17 items out of 31. Next, multiple measurements are tested that are required to make the model fit. The results showed that all fit indices meet the acceptance criteria explained by Hu and Bentler (1999). Like, the values of: *Absolute Fit Measures* i.e.  $cmin/df = 3.172$  (lie between 2 to 5),  $GFI = 0.888$  (above 0.80), and  $RMSEA = 0.071$  (below 0.08); *Incremental Fit Measures* i.e.  $NFI = 0.877$  (above 0.80),  $AGFI = 0.842$  (above 0.80) and  $CFI = 0.912$  (above 0.90); and *Parsimonious Fit Measures* i.e.  $PGFI = 0.632$  and  $PNFI = 0.703$  (above 0.50).

### *Reliability and Validity Test:*

After CFA, the reliability, convergent validity and discriminant validity were measured (Hurley et al., 1997). The study had initially tested the reliability by Cronbach Alpha that ranges from 0.905 to 0.812. The results show that it meets the minimum threshold values that is above 0.70 and demonstrates the internal consistency. Next the convergent validity was measured by factor loading values and average variance extracted (AVE). If factor loading values are beyond 0.35 then it suggests that convergent validity exists (Hair et al., 1998). Similarly, the value of AVE greater than 0.5 confirms the presence of convergent validity (Fornell & Larcker 1981). The factor values of servant leadership ranges from 0.630 to 0.769; 0.652 to 0.835 for workplace spirituality, 0.657 to 0.870 for employee engagement and 0.824 to 0.915 for employee retention. Moreover, the values of AVE ranges from 0.508 to 0.762 confirmed the existence of convergent validity (as shown in Table 1).

**Table 1: Summary of Reliability and Validity Test**

Constructs	Items	Factor Loading	Cronbach alpha's	Average Validity Extracted	SL	WS	EE	ER
<b>Servant Leadership</b>	5	0.769, 0.698, 0.630, 0.690, 0.678	0.836	0.603	0.728			
<b>Workplace spirituality</b>	5	0.700, 0.699, 0.652, 0.835, 0.661	0.812	0.508	0.517**	0.661		
<b>Employee Engagement</b>	4	0.657, 0.870, 0.744, 0.738	0.942	0.572	0.567**	0.586**	0.708	
<b>Employee Retention</b>	3	0.877, 0.915, 0.824	0.959	0.762	0.407**	0.466**	0.588**	0.915

Table 1 also shows the correlation values and discriminant validity values. The diagonal values are representing the square root of AVE and it is observed that all of the values are greater than the values of correlation of variables, hence, it is examined that there is discriminant validity in the study. According to Kline (2010) discriminant validity refers to all items used to measure the variables but it doesn't measure theoretically unrelated variables. This approach suggests that AVE for each variable should be greater than the squared correlation between the same constructs and any other constructs (Wang et al., 2014). Hence, both the convergent and discriminant validity give better validity for the variables and for doing further analysis of the study.

### **Path Analysis**

SEM is the best technique to analyse a model with more than one independent, dependent and mediating variable. The fit indices for path analysis also meet the acceptance criteria explained by Hu and Bentler (1999). Like, the values of: *Absolute Fit Measures* i.e.  $\chi^2/df = 3.081$  (lie between 2 to 5),  $GFI = 0.890$  (above 0.80) and  $RMSEA = 0.072$  (below 0.08); *Incremental Fit Measures* i.e.  $NFI = 0.881$  (above 0.80),  $AGFI = 0.846$  (above 0.80) and  $CFI = 0.916$  (above 0.90); and *Parsimonious Fit Measures* i.e.  $PGFI = 0.634$  and  $PNFI = 0.706$  (above 0.50).

### *Mediation analysis*

In order to perform the mediation analysis, the Barron and Kenny approach is used. The direct effect of independent variable is tested on the dependent variable. Their direct effect must be significant. Baron and Kenny (1986) stated that, if this happens it means that it has fulfilled the first condition of mediation. After that the mediator is introduced, the direct effect of independent variable on dependent variable reduces and in other words the effect shifts to the mediating variable. If the direct effect reduces but it still shows that it is significant, it means that the mediation that exists is partial mediation, while on the other side, if the direct effect reduces but the relationship is no longer significant after introducing the mediating variable, then there is full mediation. Table 2 shows the summary of effects.

**Table 2:**  
Direct and Indirect Effects

Variable	Beta Estimate	S.E	C.R	P-Value	Result
<b>Direct effect:</b>					
SL → ER	1.349	.185	7.306	0.000	Significant H1 accepted
SL → EE	0.643	0.097	7.782	0.000	Significant H2 accepted
EE → ER	0.590	0.115	7.027	0.000	Significant H3 accepted
WPS → ER	1.018	0.152	6.694	0.000	Significant H4 accepted
WPS → EE	0.632	0.119	7.285	0.000	Significant H5 accepted
<b>Indirect effect</b>					
SL → EE → ER	0.077	0.121	1.033	0.000	Significant Partial Mediation H6 Accepted
WPS → EE → ER	0.203	0.138	2.772	0.016	Insignificant Full mediation H7 accepted

Table 2 shows the mediation results. In case of servant leadership (SL) as an independent variable, when the mediation test is applied, it is observed that the direct effect reduces from ( $\beta = 1.349$  to  $\beta = 0.077$ ) and the relationship remains significant ( $P < 0.001$ ). Therefore, from this mediation analysis it can be observed that employee engagement (EE) partially mediates the relationship of SL and employee retention (ER). Whereas, in the case of workplace spirituality (WPS) as independent variable, the direct effect of WPS on ER reduces from ( $\beta = 1.018$  to  $\beta = 0.203$ ) and but the relationship becomes insignificant ( $P > 0.001$ ). Thus, EE fully mediates the relationship of WPS and ER.

## Discussion

The major purpose of this study was to examine the influence of WPS and SL on the employees' retention, through EE. The mediator EE has been introduced to identify the research gap of the study. The hospitality sector is chosen for this study. The data has been gathered from the employees working in the hotel industry. The results of this study conclude that all of the proposed hypotheses are accepted. The mediating variable that was introduced mediates the relation of independent and dependent variables. EE partially mediates the relationship of SL and ER and fully mediates the relationship of WPS and ER.

SL is associated with ER in this study and accepted H1. SL is such a style of leadership in which the leaders work for the development of their followers. In this study, it is hypothesised that there is a positive association between SL and ER. In the current study, this has been analysed as well that their association is positive and significant. The results of the current study are consistent with the previous studies. SL is negatively correlated with the turnover intention of the employee (Zhao et al., 2016). Next, in this study, it has been hypothesised that both SL and EE have a positive association. Significance results showed that SL leads to EE and H2 is accepted. When the leader focused on the development of the employee and consider their followers then they will be more inclined towards the organisation, the employees will be happily working and engaging themselves in their roles. The findings of this study also conclude that there is positive association among EE and SL. The findings of the current study are consistent with the findings of the previous studies (Carter & Baghurst, 2014; Harter & Schimdt, 2010). Thus, when the employees are responsible for their acts, and they are held responsible for providing effective services to the customers, they are more engaged in their work (Carter & Baghurst, 2014). Employees can make their decision and they are given authority to make the decisions (Harter & Schimdt, 2010).

On the other side the association of WPS and ER in the current study, is hypothesised as well. WPS means the employee has a feeling of being spiritual towards their work. If the employees have a sense of feeling of being spiritual and they find their organisation important to them then they will be spending more time in it and will not leave. The findings of the study show that there is positive influence of WPS on ER and H4 is accepted. These results are consistent with the results of the previous research. Milliman et al., (2018) have found that WPS and ER are related positively with each other. Then, the WPS and EE are also being tested in this study. When the employees are feeling good while working in the organisation and they have some feeling of attachment with their colleagues, they engage themselves in their work. The findings and results of this show that there is a positive and significant association of WPS and EE and H5 is accepted. Many of the previous studies have found the same results. Milliman et al., (2018) found that WPS is related positively to EE. Many of the previous studies also show the same results between these two constructs (Petchsawang & Mclean, 2017; Sharma & Hussain, 2012).

EE has been considered to be a pre requisite for ER. In other words, the EE leads to ER. When the employees are engaged in their work, their turnover intentions are low. EE has a negative impact on the employees' intention to leave their organisation. So, the findings of this study show that the association between EE and ER is significant and positive and H3 is accepted.

Furthermore, the mediation of EE was also tested between SL and ER. The above-mentioned variables have been a very important part of this study. The impact of SL has been tested directly on ER and on the other side; its impact is also analysed indirectly by introducing a mediator among their relationship. The research gap has been filled in this study because the results show that EE partially mediate the relationship of SL and ER. The EE significantly mediates their relationship. When the direct impact of SL and ER has been seen then the results depict that the beta estimate is 1.349 and is significant as well ( $p < 0.01$ ), so the results exhibit that there is a direct relationship between them. After introducing a mediator, the value of beta estimate decreases from 1.349 to 0.077, but significance level remains the same i.e. ( $p < 0.01$ ). Therefore, after the mediator is added in the model, the beta estimate reduces, which means that the direct effect is reduced and the load is now shifted to indirect effect. It means that the relationship of SL and ER is partially and significantly mediated by EE.

Similarly, the mediation of EE between WPS and ER was also tested. The relationship of WPS and ER has been seen before, but introducing a mediating variable among them is the research gap among these variables. EE as a mediator filled that gap. The research findings show that there exists a full mediation among these variables, which infers that EE plays its role between WPS and ER. The direct impact of WPS and ER shows the beta value to be 1.018 and is significant as well, so the results exhibit that there is a direct relationship among these two variables of the study because of their significance. In order to address the gap, a mediator is introduced, as soon as the mediator is introduced the value of beta reduces from ( $\beta = 1.018$  to  $\beta = 0.203$ ), but their relationship remains no longer significant i.e. ( $p > 0.01$ ), which makes the relationship of insignificant so their association is fully mediated by employee engagement.

## **Conclusion and Implications**

The aim of this study is to explore the instilling the role of servant leadership and workplace spirituality on employees' retention through a mediating role of employee engagement in hospitality sector of Pakistan. It has emerged as one of the significant sector in terms of growth rate and profit potentials. Therefore, it has witnessed immense growth and investment opportunities due to occupancy and competitive average rates which contributes to 4.7% in GDP of Pakistan directly and indirectly (economic survey of Pakistan 2018-19). Further, the hostel industry is also very significant as various formal trainings, workshops, seminars and conferences are being conducted by foreign and indigenous corporate sector and particularly by academics institutions. This managerial study in the hospitality sector will assist the



managers to find out the meaningful work behaviour and sense of community amid employees for work engagement and employees' retention.

This study can help the human resource managers of the hotel industry in order to make their policies more stringent in terms of servant leadership and workplace spirituality. They should introduce such policies that help them to retain their employees. They should be more focused on this, because when an employee leaves, then it becomes difficult to engage a new employee. Further, the cost of hiring new employees also gets affected by training cost. Thus, results of the study illustrate that servant leadership and workplace spirituality are important to instil the employees' engagement and retention. If the employees are engaged in their work, then there are chances that they keep on working in the organisation. Thus employee engagement is a pre-requisite for employees' retention which can be possible by instilling the role of servant leaders and workplace spirituality among them.

Hence, the implications of this study suggest that in the hospitality sector servant leadership traits and work place spirituality are fundamental components to encourage employee retention and work engagement. This sector must hire people who love to serve their followers by way of giving priority to their benefits, having sense of community and meaningful work engagement. Catering the needs of employees is one of prime responsibility of servant leaders. Therefore, this study reveals that employee engagement plays a very crucial role in the relationship of servant leadership and employee retention. This study has shown that servant leadership not only directly influence the employees' intention but also indirectly stimulus the employees' retention through a mediating mechanism (employee engagement). Thus, suggesting that for the hotel industry both servant leadership and workplace spirituality are fundamental strands to foster the employees' engagement and retention. Moreover, findings implicate that the hotel industry should focus on having such leaders that act as a servant leader with spiritual believes.

### **Limitations and Future Prospects**

Though, this study has strong theoretical and practical implications among the hospitality sector, it carries some limitations and future prospects as well. The research of Petchsawang and McLean (2017) highly focused on transcendence among others, and future researches can also make the use of recent research of Joelle and Coelho (2019) that used inner peace and emotional balance as the dimensions. Their impact can be seen in the future with employee engagement. A cross sectional study has been conducted, which means that data is collected on a single point of time, so the cause and effect relationship couldn't be seen. A longitudinal study can be employed in the future. Employee engagement has been employed as a mediator in the current study. Future research can employ engagement as a moderator and can then see the impact of this. As this study has been conducted through quantitative methods, this study should also be conducted by mixed strategy as well i.e. through interviews. Further, future



studies should also identify different factors that are important in keeping the employees engaged and keeping them retain.

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