Ethical Recruitment, Transformational Leadership and Employee Retention

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Abstract
Ethics plays a crucial role in recruitment and selection process of human resources, this is because the human resource is the key source of competitive advantage for an organization if properly hired and managed. This paper looks at the ethical considerations to ensure that candidates are reviewed according to their merit, fairness and equity and to ensure that they possess the right knowledge, skills abilities and attitude for the job. Ethical recruitment and selection process impacts on the longevity of the employee with the organization. This is because the process is recruitment and selection is clear, open and of high integrity both to the employee and the organization. Every organization is interested in the retention of its quality and skilled employees. The previous studies have revealed that ethical recruitment and selection had positive and statistically significant effect on employee performance and stay in the company. This paper being a conceptual paper will look at the possibility of transformational leadership mediating the relationship between ethical recruitment and employee retention.
Key words: Ethical Recruitment, Transformational Leadership and Employee Retention.

Introduction

Employee retention is an important concept that has been receiving considerable attention from academicians, researchers and practicing HR managers (Weralupitiya and Yasodara, 2016). As such, employee retention is fundamental for organizational performance and profitability because it limits loss of valuable resources and human capital assets (Grissom, Nicholson-Crotty, & Keiser, 2012; Kim, 2012; Lambert, Cluse-Tolar, Pasupuleti, Prior & Allen, 2012). Therefore, for an organisation to achieve its strategic objectives and obtain a competitive advantage, it must be committed to appointing, developing, sustaining and retaining the right people with the appropriate skills (Devi, 2009).

Nonetheless, with this intensive competition, employees have the tendency to leave the organization and join to another (Weralupitiya and Yasodara, 2016). Yet the consequences of failure to retain staff in organizations globally are clear and disastrous. Should institutions be unable to obtain, develop and retain such talented employees, they will encounter several negative implications like loss of knowledge and expertise, the likelihood of critical information falling into a competitor's hands, the need for considerable investment to hire and train replacements (Naidoo, Abarantyne&Rugimbana, 2019). The further loss of key staff results in a drain on management time creates pressures in workforce planning, and service delivery, negative impact on culture and employee morale, adverse effects on social capital and the erosion of organizational memory (Nadoo et al, 2019). Human capital loss shrinks both organizational performance and profit generation (Ballinger et al., 2011; Llorens&Stazyk, 2011). The cost of losing employees is much higher than retaining them through compensation plans (Carter et al., 2019). Accordingly, staff retention is a fundamental facet worth considering for individuals interested in improved organizational performance. However, the changing dynamics of organizations make it more complex to motivate and retain a dynamic and profitable workforce. One of the solutions for organizations to effectively and efficiently respond to these changes by adopting ethical recruitment and leadership practices.

Ethical recruitment crucial to the future of our industry and the success of the businesses we serve. Recruitment has come of age, it is no longer a case of "bums on seats" it is about careful, considered selection and

placement. Ethical recruitment does not come cheap, but as a long-term investment, as staff must be, it reaps huge dividends for recruiter, candidate and client (Buchsbaum,2017).

Employee hiring is a crucial function in any organization. Recruitment activities and processes are used to legally obtain a sufficient number of qualified people at the right place and time so that the people and the organization can select each other in their own best short and long-term interests (Schuler, 1987). In order for organizations to compete in today's competitive environment, their management personnel must work towards attracting, recruiting, developing, and retaining an efficient and capable workforce (Schuler, 1987). This calls for adherence to hiring practices that are fair, ethical, and non-discriminatory are vital to both organizations and job applicants (York, 2014).

Ethics plays a crucial role in recruitment and selection because human resource is the key source of competitive advantage for an organization if properly hired and managed. It is therefore important to put in place ethical consideration to ensure that candidates are reviewed according to their merit, fairness and equity and to ensure that they possess the right knowledge, skills and abilities for the job. However, beyond the legal framework involved in employment practice, a manager should be aware of the ethical responsibilities associated with hiring practices. If an organization is only as effective as its employees are, then it is the hiring manager who must understand that recruiting an ethical employee, is of the utmost importance for the organization (York, 2014).

Leadership holds a central role in the success of any organization. Extant literature shows that leadership plays a vital role in retaining employees (Covella et al., 2017) and enhancing organizational citizenship behavior (OCB) (Ahmet, 2014). The style of leadership translates in the degree of ability for the organization to retain its staff. One example of leadership styles that has the potential to influence follower retention is transformational leadership.

Transformational leadership significantly increases employee commitment within the organization (Deichmann and Stam,2015). Against the background ofBass(19e85), the Transformational Leadership theory best explains the model constructed for this study. The theory supports the idea that transformational leaders modify the behavior of subordinates (Burns,1978a), resulting in a higher employee retention (ER) (Sow et al.,2016). Furthermore, Transformational Leadership increases the intellectual ability of employees (Fletcher et al.,2019). Past research shows that several of the world's most successful companies have achieved their goals by implementing the TL process (Sow et al.,2016;Dedaj,2017;Jianget al.,2017;Maaitah,2018).

Employee Retention Concept

Employee retention is defined as a process that ensures that the organization at all times has access to human capital capacity (competence, capability), including leadership, to execute its business strategy and operations effectively and efficiently, both now and in the future (Bussin, 2014). Employee retention refers to the efforts by an organization to keep in employment those employees of whom the organization has a positive evaluation, and who would normally only leave the organization through voluntary resignation (Van Rooyen, Du Toit, Botha &Rothmann, 2010).

Employee retention is the development and implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs. This can result in employees liking and identifying with their employer, and displaying commitment, trust and readiness to recommend them to other potential employees and clients (Sinha & Sinha, 2012).

Employee retention is fundamental for organizational performance and profitability because it limits loss of valuable resources and human capital assets (Grissom, Nicholson-Crotty, & Keiser, 2012; Kim, 2012; Lambert, Cluse-Tolar, Pasupuleti, Prior & Allen, 2012). Employee performance and profitability are essential factors in organizational health; consequently, they allow organizational leaders to appreciate and comprehend factors that have significant potential in predicting staff retention and subsequently shaping organizational performance (Iverson &Zatzick, 2011). Several researchers have found associations between ethical leadership and staff retention (Elçi, Şener, Aksoy, &Alpkan, 2012; Elçi, Şener, &Alpkan, 2013; Pucetaite, 2014). Thus, attraction and retention of human capital is essential for an organisation's success (Carnahan, Agarwal, & Campbell, 2012).

Gberevbie (2008) said that employees are more likely to remain working in the organization whose retention strategies are; well laid down and properly implemented. Retention policy and procedures are necessary to minimize disruption of work by constantly changing personnel and achieve equitable distribution of employment opportunities.

Work environment opportunities for growth and promotion and positive feedback are more important than salaries in retaining employees (Raschke, 2003). Marvin (1994) said that, turnover is a management problem, either because management failed to provide a productive working environment or because the wrong person was hired in the first place. Vos and Megank (2009) emphasized that retention practices in most organizations take the latter approach. Moreover, the ongoing labour problems have fuelled a debate regarding how best to engage employees in the workplace and as a result reduce labour turnover (Carroll, Smith, Oliver and Sung 2009); (Hausknecht, Rodda and Howard 2009). There has been a call for a more positive focus on measurement of retention rather than an examination of causes of separation or turnover (Waldman and Arora, 2004).

Employers seek to attract and retain talented employees. Before any employee may be acquired and retained by any organisation, he or she must possess the set of skills that no other person possesses or where it is difficult to recruit such a scarce-skilled employee. This is referred to as talent. Talent is defined as an individual differentiated potential or ability to execute his or her functions and duties against the organisation's growth strategy (Botha, Bussin& De Swardt, 2011).

Employee retention is defined as a process that ensures that the organisation at all times has access to human capital capacity (competence, capability), including leadership, to execute its business strategy and operations effectively and efficiently, both now and in the future (Bussin, 2014). The author emphasizes the importance of talent management as a retention strategy to ensure the continuous supply of the necessary workplace skills in a rapidly changing work environment. Talent and talent management are directly linked to the ability of an organization to attract, acquire, manage and retain personnel for longer, thus maximizing profit and achieving the organizational vision (Bussin, 2014).

Employee retention refers to the efforts by an organization to keep in employment those employees of whom the organization has a positive evaluation and who would normally only leave the organization through voluntary resignation (Van Rooyen, Du Toit, Botha &Rothmann, 2010). Skills shortages have a negative effect on the availability of competent people in the country (Van Schalkwyk, Du Toit, Bothma&Rothmann, 2010). Organizations will have to implement strategies to keep artisans in their service. Van Rooyen et al. (2010) report that many artisans are being recruited intensively by Canada and Australia, which has led to local organizations trying to counter this by offering more competitive salaries and retention bonuses.

Ethical Recruitment.

Ethics is the aspect of conduct governing behavior of an individual or a group. There are two things involved while making ethical decisions; normative decisions which suggest that something is, better or worse, right or wrong, good or bad and secondly, morality which refers to the accepted standards of behavior by the society (Dessler, 2008).

An effective approach to recruitment and selection can help an organization to maximize the competitive advantages by choosing the best pool of candidates quickly and cost efficiently (Kleiman, 2005). One of the many adverse consequences of poor recruitment and selection is the possibility of a high level of staff turnover (Mullins, 1996).

For the organization to recruit right people, it must make the best selection, failure to understand the hiring process costs businesses money and creates other related problems such as emotional stress (Hacker, 1999). According to Gommans and Musumbu (2014), in a research on the "Role of Ethical Practice in Recruitment in Improving Performance of an Institution", initiation to ethical or unethical conduct within an organization starts at the recruitment and selection stage and sets the stage for ethical or unethical conduct, which finally affects an organization's performance as witnessed by the police service.

When organizations use a defined ethical hiring standard, employers are more likely to recruit and hire ethical candidates. This understanding creates the assumptions that managers are obligated with the responsibility of being ethical gatekeepers for their respective organization. A review of current academic literature will uncover some of the ethical issues, trends, developments, and pertinent situations surrounding recruitment and hiring of new employees.

Larson, S., Hewitt, A. (2012) The principle is that, if employers provide better and more complete information to potential recruits, and if they encourage those candidates to use the information to make an informed decision about whether the organization and job are a good match, those individuals who do accept positions will have fewer unmet expectations and will therefore be less likely to leave the job.

Recruitment is one of the major functions of HRM. It helps the manager to attract and select best candidates for the organization. Parry & Wilson (2009) stated that " recruitment includes those practices and activities carried out by the organization with the primary purpose of identifying and attracting potential employees". Companies that choose to operate according to an internal ethical standard should also pursue ethical hiring procedures and guiding principles (Alder & Gilbert, 2006) to assist managers in the promoting of ethical employees.

Recruitment is the process of generating a pool of capable people applying   to an organization for employment (Gold, 2007). Employers who want to fill a vacancy quickly or are unwilling to invest in the recruitment process may be less discriminating in the quality (or quantity) of the applicants (Russo, Rietveld, Nijkamp, &Gorter, 2000) while employers who made greater efforts in the recruitment process activate more search channels than employers who did not (Russo et al., 2000). Firms are more discerning when the cost of a mistake in recruitment is high (Russo et al., 2000).

The benefits of understanding the ethics that guide hiring practices are two-fold; by forcing ethical awareness in organizational hiring procedures, a firm can first help themselves by implementing safeguards to minimize any harmful action or inaction that can negatively influence either the organization or applicant through the employment process (Roberts, 2016).

Secondly, as the ethical gatekeeper for an organization, hiring managers can put theoretical frameworks into action through the selection of ethical candidates who can complement the ethical climate of an organization.

Stone (2005) pointed out that recruitment is the process of seeking and attracting a pool of applicants from which qualified candidates for job vacancies within the organization are selected. Taylor and Collins (2000) commented that attracting talent is critical not only for continuous competitive advantage but also for the survival of the business.

Compton, Nankervis and McCarthy (2002) said that recruitment has the function of selling the organization and projecting a favorable image of the applicant, they further said that the purpose of recruitment is to attract suitable people to apply for employment vacancies by making them aware that such vacancies exist. Erasmus, VanWyk and Schenk (2000) said that recruitment process consists of fourteen steps and seven stages and in each phase, an application might be rejected if it does not meet the requirements, Recruitment involved two sources which are; internal and external recruitment.

Silzer and Dowell (2010) opined that the process of recruitment does not cease with an application of candidature and selection of the appropriate candidates, but involves sustaining and retaining the employees that are selected.

Singh and Finn (2003) said an organization's ability to attract and retain capable employees can be the most important determinant of organizational effectiveness because recruitment plays a significant role in enhancing organizational survival and success in competitive and turbulent business environments. Henderson (2008) said that before you can manage talent of your human resources you have first to get hold of it; thus, you must employ people with comparatively valuable knowledge, skills, and attitudes you require.

Transformational Leadership
Leadership is working with members so the organization improves. The goal of leadership is improvement, more especially, establishing widely agreed upon and worthwhile directions for the organization and doing whatever it takes to prod and support people to move in those directions.(Leithwoodetal., 2006)

Transformational leadership is described as an ability to network and remain functionally separate from execution-focused elements of the organization, for example, business units, divisions and departments (Deiser, 2012). Transformational leaders take personal and collective ownership for visioning the future state of the organization and championing transformational change throughout the organization (Deiser, 2012).

Van Zyl et al. (2013) define transformational leadership as the ability of an individual to focus on transforming the organisation. These authors' focus is on the leader's accomplishments, and not on his or her personal characteristics or relationships with his or her followers. Northouse (2013) agrees with the argument by Van Zyl et al. (2013) but adds that transformational leadership is the process that transforms and changes people. Northouse (2013) says transformational leadership is concerned with emotion, values, ethics, standards and long-term goals.

Originally introduced by Burns (1978) and further developed by Bass (1985), the concept of transformational leadership has found unique acceptance in the literature on management (Antonakis and House, 2002; Lowe and Gardner, 2000). Several meta-analyses confirmed that transformational leadership can positively influence followers' performance and satisfaction across various organizational settings and different cultures (DeGroot, Kiker and Cross, 2000; Dumdum, Lowe and Avolio, 2002; Lowe, Kroeck and Sivasubramaniam, 1996; Patterson *et al*.,1995).

Transformational leadership has fundamentally shaped the last decades in leadership research and become quite popular in organizations, as indicated by the spreading use of transformational leadership trainings and education (Avolio, 1999; Bass and Riggio, 2006; Tourish, Craig and Amernic, 2010).

In order to contribute to the body of empirical research on transformational leadership and individual creativity and to help address the issue of a confusing pattern of results, we argue that negative side effects of transformational leadership such as raising followers' dependency may be of importance. Although some authors have touched upon the negative side effects of transformational and charismatic leadership (Beyer, 1999; Bryman, 1992; Yukl, 1999), most previous research has neglected this topic.

Transformational leadership focuses on real-time problems, defines new benchmarks, builds understanding, and motivates and shapes the behavior of subordinates to achieve organizational goals effectively (Manshadi et al., 2014; Nagy and Edelman, 2014; Middleton et al., 2015; Jiang et al., 2017; Matwally and El Zarka, 2017; Arif and Akram, 2018). Studies suggest that the role of every manager in the organization is to be a leader instead of only a manager (Hall et al., 2015). Organizational success improves through the enhanced effects of TL (Sun and Henderson, 2017; Maaitah, 2018). TL also enhances employee performance in groups/teams (Amin et al., 2016. Transformational leadership, influences the retention choices of employees (Sulamuthu and Yusof, 2018). Furthermore, the theory of transformational leaders strongly supports the relationship between TL and ER (Amankwaa and Anku-Tsede, 2015; Khan, 2015).

Transformational leadership, mediating role between ethical recruitment and employee retention.
A transformational leader's behavior in terms of "visioning" and "inspiring" is of much importance in bringing about employee engagement (Densten, 2005). Studies have reported that a leader's support and positive relation aids the achievement of high level engagement by the team (Xu and Thomas, 2011; Ghadi *et al.*, 2013).

Various organizational and environmental factors, including leadership, supervision, perceived job characteristics in terms of motivational potential and pre-employment expectation, as antecedents to intention to leave lead to turnover among employees (Miller *et al.*, 1979; Mobley *et al.*, 1978). A cluster study on the taxonomy of antecedents of IT turnover intentions identifies five main categories, including individual, organizational, job-related, psychological, and environmental factors (Ghapanchi and Aurum, 2011).

The issues covered in these clusters are related to autonomy, work schedule, supervisor support, intrinsic motivation, affective commitment, future uncertainty, discrimination, distributive justice, lack of team work, and career orientation. Transformational leaders are observed to inspire and motivate team members to work in the direction of realizing the organization's vision through innovation (Chen *et al.*, 2012), and generate commitment for the accomplishment of said vision (Eisenbeiss *et al.*, 2008; Bass and Riggio, 2006).
Their ability to manage team diversity, fostering utilization of member potential, provides an outlet to individual cognitive endeavors (Kearney and Gebert, 2009), and boosts teamwork and intrinsic motivation of the teams working in the sector.

It has been observed that psychological empowerment experienced by followers under a transformational leader predicts their intention to leave (Larrabee *et al.*, 2003; Avey *et al.*, 2008). A positive impact on a follower's motivation has been noted in terms of their self-actualization needs, extra efforts, and helps to stimulate their personal development (Dvir *et al.*, 2002; Hughes *et al.*, 2010). It moderates the relation between emotional exhaustion and turnover intention (Green *et al.*, 2013).

Regression results also provide support for differential mediating effects between the influence of transformational leadership and followers' withdrawal cognition (Tse, 2008). Moreover, trust in a leader and follower relationship contributes to employees well-being (Kelloway *et al.*, 2012) and builds their moral identity (Zhu *et al.*, 2011). These observations indicate the significance of the four transformational leadership dimensions on employee intention to leave.

Theoretical Review.
The study is guided by the three theories;i.e Justice Theory, Social Exchange Theory and Transformational Leadership Theory.

Justice Theory
Adams (1965) the proponent of this theory distinguished between distributive and procedural justice, he argued that distributive justice refers to how rewards are distributed. According to him, people will feel that they have been treated justly if they believe that rewards have been distributed in accordance with their contributions, that they receive what was promised to them and that they get what they need. While Procedural justice refers to the ways, in which managerial decisions are made and HR procedures are managed. People will feel that they have been treated justly if management's decisions and procedures are fair, consistent, transparent, and nondiscriminatory and properly consider the views and needs of employees.

Just decisions require fairness, equity, and impartiality on the part of decision makers, particularly with respect to the ultimate burdens and benefits that will accrue from the decision (Christopher, 2012).Dessler (2008) was of the opinion that an organizational justice has three components that is distributive justice, procedural justice and interpersonal justice proposed the justice theory. In essence, to ensure that an effective workforce staffs an organisation remains a challenge.

All selection and recruitment methods should have utility and validity (London, 2001). It is important to be choosy during recruitment, with the criteria being on those whose ability to add value is high. However, when ethics are not considered, there are possibilities that individuals put into the workforce are limited in terms of ability to add value.

Modern organisation managers must ensure that new employees are the ethical human capital and competitive advantage that can help build an organization rather than create demise. Ethical behavior in an organization does not just happen through spontaneity, but through specific actions and managerial declarations. The important role of managers in hiring ethically and selecting ethical candidates cannot be understated.

The literature on this subject matter provides a glimpse into the many elements that are involved in the ethics of hiring new employees. Conceptually, the organizational justice seems like important construct to the potential applicant attraction although they are from outside organization.

Social Exchange Theory (SET)
The social exchange theory argues that all human connections are shaped by the use of subjective cost-benefit, which is rooted in three vital areas: economics, psychology and sociology (Homans, 1958; Blau, 1964). The theory explains social exchange as a process of negotiated exchanges between parties in which both parties involved in the exchange take responsibility for one another and strongly depend on each other.

In addition, the interactions between parties are as mutually dependent and contingent on the actions made by the other persons (Blau, 1964). Emerson (1976) who studied social exchange theory in psychological was concerned on the individual behavior when interacting with one another, and suggested that power, conformity, status, leadership and justice within the social behavior are important in explaining the theory.

Cropanzano and Mitchell (2007) discovered that social exchange relationship in a typical work setting determines the continuous retention or termination of contract from either party. The authors suggested that one employee can form distinguishable social exchange relationship either with his or her immediate supervisor, co-workers, organizations, customers, as well as the suppliers, where these distinct relationships have implications on their behavior.

Thus, the above discussion on SET is that employees are likely to continue the relationship with their employer/manager/owner when they perceive that the relationship is worthwhile for them, and terminate the relationship when the costs are more than the rewards that they gain from the relationship. The focus of this theory as applied on this study is on the leadership style (transformational) in respect to employee retention.

Transformational Leadership Theory.

Studies on TL have examined TL theory and its four dimensions significantly affecting OCB (Jiang et al., 2017) and employee retention (ER) (Adekanbi, 2016; Sow et al., 2016). It is based on the view that transformational leaders transform their followers by changing their insights, ambitions, morals, and potential (Bass, 1985). The qualities of leaders stimulate change, and they interconnect and establish ways of change to achieve the desired results (Burns, 1978b). The original theory of Burns says that leaders can change the life of the subordinates by changing their ambitions, insights, values, and expectations. Based on the Bass (1985) theory, the independent variable TL in this study is linked to four factors, including;

Individual consideration (IC), which refers to the concept that the needs of the members of the team are focused and prioritized. The leader serves as an exemplar, counselor, organizer, and trainer to encourage an employee to take part in team activities and exhibit OCB.

Intellectual stimulation (IS) includes support and encouragement provided by managers or leaders to members of the team, to generate innovative ideas on how to change existing procedures or orders in order to produce effective results; this, in turn, helps to boost ER.

Leader inspiration (LI) involves helping followers to pursue a goal. Leaders establish and convey a vision or objective that they want the team to achieve, and the team is inspired to achieve that goal thanks to the leader's explanation of the reasons for doing so. The leaders help and coach their team members to proceed in achieving their tasks.

Idealized influence (II) includes setting a practical example as a leader and exhibiting the qualities of innovative thinking, trust, uprightness, faith, interest, pride, and effective communication (Bass, 1985). These factors significantly affect ER. Employees show higher levels of retention when leaders exhibit individualized influence, Intellectual stimulation, inspirational motivation, and individualized influence.

Specifically, it is essential to understand that the traits of transformational leadership develop skills in managers to retain employees. Organisations should train leaders to develop TL characteristics in them. Accordingly, leaders should try to implement the skills of TL such as developing a compelling vision for employees, focusing on goal achievement, having problem-solving techniques, having a sense of purpose, and spending time on the training and development of the team to enhance employee retention.

Empirical Review
Transformational Leadership and Employee Retention.

Previous literature has shown that leaders and leadership style play a crucial role in the retention of employees in organisations, as it can either motivate or discourage employees with a result of an employee remaining or leaving a company (Belonio, 2012). Commitment to a company is greatly influenced by leadership (Rehman and Waheed, 2012) and employees who are committed to their work are more likely to stay within their organisation (Applebaum et al., 2003). But the importance of leadership is not only related to commitment and turnover, but also results in poor employee performance, high stress, low job commitment and low job satisfaction (Gwavuya, 2011). In addition, a clear positive relationship with employee retention is found regarding transformational leadership.

Transformational leadership is a process by which a leader generates and communicates a clear vision which is often appealing and valued by the followers, producing a high level of commitment and motivation (Rees and French, 2013). Du et al. (2013) describe the transformational leader as an individual who is able to articulate the vision for the future and share views with the followers taking into consideration the individual differences that may occur among the followers. Also Armstrong and Stephens (2005) have described 13 transformational leaders as leaders who are more motivators that help people want to achieve higher goals. Daft (1999) described transformational leadership as a style where the leader uses intangible incentives to control transactions with followers or employees rather than tangible incentives. Such intangible incentives include vision, shared values and ideas to build relationships, give larger meaning to different activities and, make the followers or employees involved in the change process.

Hamstra found out in a qualitative study that transformational leadership was positively related to employee retention (Hamstra et al., 2011). Pieterse-Landman (2012) also obtained a positive relationship between leadership and employee retention in manufacturing companies in South Africa. Long et al., (2012), found same positive relations in academic staff in Malaysia.

Some other studies prove that transformational leadership style can decrease turnover rate (Simosi and Xenikou, 2010 or Chang et al., 2013) as they psychologically support the employee, creating a trust relationship with the leader and a long lasting one with the company. Bass (1985) analyze the role model aspect of transformational leaders, where the role model transformational leader influences the employee, rejecting the idea of leaving the company.

Transformational leaders encourage a sense of belongingness and pride to the organisation, and communicate the importance of each member of the organisation to them (Welty Peachey et al., 2014). This sense of belongingness can make an employee committed to an organisation. Transformational leadership has an effect on the level of employee commitment to an organisation (Bycio, Hackett and Allen, 1995; Rehman and Waheed, 2012). This is to say that transformational leadership impacts employee commitment. According to Applebaum et al. (2003) employees who are committed to their work will be more likely to remain in an organisation. This suggests that the transformational leadership style aids employee commitment which in turn encourages retention.

According to Bycio et al., (1995) transformational leadership has an important influence in helping to reduce the intention to leave an organisation. According to Welty Peachey et al., (2014) a transformational leader is a visionary who has a way of appealing to the psychological needs of employees which makes them have a sense of value and worth in the organisation. In a study conducted within the Ghanaian banking industry, it was discovered that the transformational leadership behaviour mitigates employee turnover intention. According to Amankwaa and Anku-Tsede (2015), the leadership behaviour that focuses on the needs of the subordinates is very well received by employees and so reduces the intention of employees to leave for other attractive offers.

While Northouse (2013) believes that the transformational leader views their followers as important in the leadership exchange process, he identifies that the concept lacks clarity and the suggestion of transformational leadership being a personal trait is a weakness. Daft (1999) opines that transformational leadership is based on the belief, qualities and personal values of the leader rather than an exchange process between the leader and the follower. This suggests that transformational leadership style is a notion of the quality, personal values and beliefs a person has.

Transformational leadership is also linked with psychological ownership positively as employee's work commitment is influenced and boost up through transforming leader. When the transformational leadership style exercise, it will increase the level of ownership and employee engagement. Furthermore, practices of

transformational leadership also remove negative relationship factors and influence employees to indulge in work with full dedication (Ghafoor et al., 2011) resulting into staff retention.

Ethical Recruitment and Retention

Membership of a team or department in the organization is always changing, as people leave or the department grows and new people are needed. Whether the reason for requiring new staff is not clear, the importance of the process should never be underestimated, getting the wrong person recruited in the organization can cause problems within existing group and the person will eitherrequire extensive training and development or will require replacement which will be expensive for the organization. The organization ought to recruit right people by making the best selection and this can only be done if the right approach is used (Komunda, 2008). People who hire and promote staff should understand the process, develop their skills and stick with a plan of action and it is dangerous to rely too much on gut feeling during recruitment, selection and retention process.

Mediating effect of transformational leadership

The evidence suggests that transformational leadership is linked to the outcomes that most organisations, individuals and leaders would value. The mediating role of transformational leadership Most studies have examined the relationship between leadership and subordinates' outcomes as if leadership was independent of its context or existed in a vacuum (Osborn et al., 2002; Shamir and Howell, 1999). Unfortunately, existing TL research is mostly unintegrated with organizational control theory, and leadership is severed from the organizational processes (Pawar and Eastman, 1997; Porter and McLaughlin, 2006). Indeed, theoretical and empirical research on the role of context in the development of TL is extremely rare (Conger, 1999; Rubin et al., 2005). As noted by Osborn et al. (2002), however, leadership is embedded within the environment, structure and technology of organizations. Therefore, research in this domain needs to focus on examining an array of contextual variables that may influence a manager's opportunity to engage in TL behaviors (Bommer et al., 2004; Pillai and Meindl, 1998). TL may be facilitated by some contexts and inhibited by others (Pawar and Eastman, 1997; Shamir and Howell, 1999). As Perrow (1970) noted "... leadership style is a dependent variable which depends on something else. The setting or task is the independent variable". We should stress that "context" is a rather broad concept and can be described along the dimensions of the organization's external and internal environment (structure, culture, technology etc.). In survey by Panagopoulos and Dimitriadis (2008) gathered via a mail survey from a sample of 128 salespeople working in various industries using Structural equation modeling provide evidence for the mediating effect of TL on the relationships between BBC and key salesperson outcomes. Moreover, it was found that BBC positively affects TL behaviors, which, in turn, enhance salesperson performance, satisfaction with supervision, and organizational commitment.

Further, Mokgolo, Mokgolo and Modiba (2012) found that engaging in transformational leadership behaviour is an effective strategy to empower line managers to meet the challenges they face. Mokgolo et al. (2012) suggest that leaders must develop a vision that stakeholders share and to which they aspire, and that leaders should be able to use inspirational language in doing so. Leaders must engage in acts that involve personal risk and sacrifice. Furthermore, leaders must strive to gain the trust of subordinates and they must be role models and show total commitment to achieving the objectives of their organisation.

Conclusion

The aim of this paper was to understand the mediating effect of transformational leadership on ethical recruitment and employee retention. From the discussion above it inevitably gets clear that leadership style drives ethical recruitment and selection, which leads to employee retention. It is evident that organizations are currently grappling with challenges of attracting and retaining qualified, skilled and talented personnel. Ethical recruitment in the 21st Century has come beyond mere laws, discrimination practices and other non-job related factors. Transformational leadership behavior mitigates employee turnover intention, and it is a notion of the quality, personal values and beliefs a person has. Ethical recruitment is root of employee retention since it

creates the assumptions that managers are obligated with the responsibility of being ethical gatekeepers for their respective organization. Firms are more discerning when the cost of a mistake in recruitment is high and Studies on turnover showed that pre-hire predictors are related to both turnover and job performance. Most of the previous studies agreed upon that good retention strategies leads to greater employee time span in the organization and motivates them to do their job dedicatedly. Transformational Leadership style has a great impact on level of retention because it directly affects the cognitive state of employees and there is great need for studying it integrative.

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