



The Mediating Role of Leadership Styles in the Relationship between Industrial Relations Practices and Labour Turnover in Federal Medical Centre Abeokuta

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ABSTRACT

This study examined the mediating role of leadership styles in the relationship between industrial relations practices and labour turnover in Federal Medical Centre, Abeokuta, Ogun State. Using a descriptive research design, data were collected from 227 employees through self-administered questionnaires and personal interviews. Structural equation modelling (SEM) was employed to test the proposed mediation model. Industrial relations practices were measured using five indicators: collective bargaining, organisational culture, employment practices, effective communication, and employee disengagement (Cronbach's $\alpha = 0.847$). Leadership styles were operationalized through items assessing transformational, participative, transactional, and directive dimensions (Cronbach's $\alpha = 0.821$). Labour turnover was measured through intent-to-leave indicators (Cronbach's $\alpha = 0.834$). SEM results revealed a partial mediation effect, with leadership styles significantly mediating the relationship between industrial relations practices and labour turnover ($\beta = 0.117$, $p = .003$, 95% CI [0.034, 0.203]). The direct effect of industrial relations practices on labour turnover was $\beta = 0.368$, $p < .001$, while the indirect effect through leadership styles accounted for 24.2% of the total effect. Model-fit indices indicated adequate fit ($\chi^2 = 245.67$, $df = 142$, RMSEA = 0.062, CFI = 0.932, TLI = 0.918). Transformational and participative leadership dimensions amplify the positive effects of industrial relations practices by promoting inclusivity and fairness, whereas transactional and directive approaches show weaker mediating effects. The study concludes that leadership styles serve as an important mechanism through which industrial relations practices influence labour turnover in healthcare settings. Recommendations include implementing integrated retention strategies that combine fair industrial relations policies with supportive leadership development programmes.

Keywords: Labour turnover, leadership styles, industrial relations practices, structural equation modelling, healthcare

INTRODUCTION

Labour turnover, defined as the rate at which employees leave an organisation and are replaced by new hires, has been extensively studied across industries because of its impact on organisational productivity, operational costs, and service quality (Chen et al., 2020). In the Nigerian public health sector, particularly in Federal Medical Centres, labour turnover represents a critical challenge that threatens workforce stability and healthcare delivery. Empirical studies have documented significant relationships between leadership styles and labour turnover rates, suggesting that leadership behaviour can either mitigate or exacerbate employee attrition (Han, Håkansson, & Lundmark, 2019; Oginni & Omoyele, 2018).

Industrial relations practices encompass the formal and informal mechanisms through which employers and employees interact, negotiate, and resolve conflicts over work conditions (Oladele, 2021). These practices include collective bargaining, organisational culture, employment practices, effective communication, and mechanisms for addressing employee disengagement. The quality of industrial relations practices correlates



with labour turnover rates, as dysfunctional relations often precipitate job dissatisfaction and withdrawal behaviours (Bangl & Mgeni, 2022).

Leadership styles significantly influence employees' job satisfaction, commitment, and turnover intentions across organisational contexts. Recent evidence from healthcare settings demonstrates that transformational leadership, characterised by support for emotional labour management and nurse-patient relationships, substantially reduces turnover intentions among nursing staff (Liu et al., 2024). However, the mechanisms through which leadership styles influence this relationship remain incompletely understood. Emerging organisational behaviour theories suggest that leadership may serve as a mediating force between industrial relations policies and employee turnover outcomes (Mohammed & Adeyemi, 2022).

While prior research has examined direct relationships between industrial relations and turnover, and between leadership and turnover, few studies have investigated leadership as a mediating mechanism in this pathway, particularly in the Nigerian healthcare context. This study addresses this gap by examining how leadership styles mediate the relationship between industrial relations practices and labour turnover in Federal Medical Centre, Abeokuta.

STATEMENT OF THE PROBLEM

Labour turnover in the Nigerian public health sector, particularly in Federal Medical Centre Abeokuta, has reached levels that pose serious implications for healthcare delivery quality, employee performance, and institutional stability. Despite institutional reforms and capacity-building initiatives, the sector continues to experience systemic inefficiencies rooted in industrial relations practices and leadership approaches. These issues have created volatile work environments and discouraged retention of skilled healthcare professionals.

The influence of leadership style on employee retention is well documented in organisational psychology and human resource management literature. In the public health sector, autocratic and transactional leadership styles have been associated with top-down communication, rigidity, and limited employee empowerment, which alienate employees and promote withdrawal behaviours (Ogunyemi & Ajayi, 2021). Conversely, transformational leadership emphasising vision sharing, mentorship, and individualised consideration has been shown to inspire loyalty and reduce turnover intentions. However, the specific pathways through which leadership mediates the relationship between industrial relations practices and labour turnover require empirical investigation.

RESEARCH QUESTIONS AND OBJECTIVES

Research Question

How do leadership styles mediate the relationship between industrial relations practices and labour turnover in Federal Medical Centre, Abeokuta, Ogun State?

Research Objective

To examine the mediating role of leadership styles in the relationship between industrial relations practices and labour turnover in Federal Medical Centre, Abeokuta, Ogun State.

Research Hypothesis

H₀: Leadership styles do not significantly mediate the relationship between industrial relations practices and labour turnover in Federal Medical Centre, Abeokuta, Ogun State.



LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Key Constructs and Operational Definitions

Industrial Relations Practices: This study operationalises industrial relations practices through five dimensions, each measured with validated scale items:

Collective Bargaining (3 items): Negotiation processes between employers and employee representatives regarding wages and working conditions
Organisational Culture (3 items): Shared values, norms, and practices that influence employee behaviour and workplace interactions
Employment Practices (3 items): Policies and procedures for recruitment, training, performance management, and compensation
Effective Communication (3 items): Quality, frequency, and clarity of information flow between management and employees
Employee Disengagement (3 items): Psychological state characterised by reduced emotional, cognitive, and behavioural investment in work

Leadership Styles: Drawing from Path-Goal Theory and contemporary leadership frameworks, this study measures leadership through four dimensions:

Transformational Leadership (4 items): Leader behaviours that inspire vision, foster intellectual stimulation, and provide individualised consideration
Participative Leadership (4 items): Inclusive decision-making and consultation with employees
Transactional Leadership (4 items): Contingent reward systems and management by exception
Directive Leadership (3 items): Clear direction, structure, and guidelines for task completion.

Labour Turnover: Operationalised as intent-to-leave (a proxy for actual turnover), measured through four items assessing intentions to resign, seek alternative employment, and likelihood of remaining with the organisation.

Measurement Model: Confirmatory factor analysis demonstrated that all constructs demonstrated acceptable internal consistency (IR Practices: Cronbach's $\alpha = 0.847$; **Leadership Styles:** Cronbach's $\alpha = 0.821$; **Labour Turnover:** Cronbach's $\alpha = 0.834$), and factor loadings ranged from 0.62 to 0.89, all exceeding the 0.50 threshold (Hair et al., 2010). Composite reliability values exceeded 0.70 for all constructs, and average variance extracted (AVE) ranged from 0.51 to 0.68, supporting construct validity.

Theoretical Framework: Path-Goal Theory

This study employs Path-Goal Theory as its primary theoretical framework. Path-Goal Theory posits that a leader's primary function is to clarify the path toward employees' goals by adopting leadership styles that align with employee needs and situational factors, thereby enhancing job satisfaction and organisational commitment (House & Mitchell, 1974). In the context of industrial relations, leaders who provide clear guidance, support, and participative opportunities can enhance the effectiveness of industrial relations practices in reducing labour turnover.

The theory identifies four leadership dimensions: directive, supportive, participative, and achievement-oriented, which align closely with the constructs measured in this study. When coupled with sound industrial relations practices (fair bargaining, transparent communication, supportive culture), these leadership styles can create psychological environments conducive to employee retention. Conversely, transactional or directive approaches, without supportive elements, may limit the positive effects of industrial relations practices.

METHODOLOGY

Research Design and Sample

This study adopted a descriptive, cross-sectional research design to investigate relationships between the variables at a single point in time. A total of 227 employees were purposively sampled from Federal Medical

Centre, Abeokuta, representing a response rate of 78.2%. Respondents included clinical and non-clinical staff across various departments. Given the cross-sectional design, all interpretations are expressed as associations and mediation relationships rather than causal effects.

Measurement Instruments

Data were collected through structured self-administered questionnaires consisting of four sections: (1) demographic characteristics, (2) industrial relations practices (15 items, 5-point Likert scale), (3) leadership styles (15 items, 5-point Likert scale), and (4) labour turnover intention (4 items, 5-point Likert scale). The questionnaire was validated through expert review and pilot testing ($n=30$). All scales demonstrated acceptable reliability: Industrial Relations Practices ($\alpha=0.847$), Leadership Styles ($\alpha=0.821$), and Labour Turnover ($\alpha=0.834$).

Data Analysis Approach

Structural equation modelling (SEM) with maximum likelihood estimation was employed to test the hypothesised mediation model. The analysis proceeded in two stages: (1) assessment of the measurement model through confirmatory factor analysis (CFA) to establish validity and reliability, and (2) estimation of the structural model to test direct, indirect, and total effects.

Model fit was evaluated using multiple indices: Chi-square (χ^2), Root Mean Square Error of Approximation ($RMSEA \leq 0.08$), Comparative Fit Index ($CFI \geq 0.90$), Tucker-Lewis Index ($TLI \geq 0.90$), and Standardised Root Mean Square Residual ($SRMR \leq 0.08$). Indirect effects were tested using bias-corrected bootstrap confidence intervals (95% CI) with 5,000 resamples.

RESULTS

Demographic Characteristics

The sample comprised 227 healthcare workers (54.6% female), with a mean age of 38.7 years ($SD = 8.4$). Professional composition included 45 nurses (19.8%), 38 doctors (16.7%), 62 support staff (27.3%), and 82 administrative personnel (36.1%). Mean tenure was 7.3 years ($SD = 5.2$), with 62.1% of respondents in their current positions for 5 or more years.

Measurement Model Results

Confirmatory factor analysis demonstrated acceptable model fit: $\chi^2 (168) = 312.45$, $p < .001$, $RMSEA = 0.059$ (90% CI [0.048, 0.070]), $CFI = 0.945$, $TLI = 0.931$, $SRMR = 0.052$. All factor loadings were statistically significant ($p < .001$) and ranged from 0.62 to 0.89. Convergent validity was established with average variance extracted (AVE) values exceeding 0.50 for all constructs (Industrial Relations Practices: $AVE = 0.61$; Leadership Styles: $AVE = 0.58$; Labour Turnover: $AVE = 0.68$). Discriminant validity was confirmed through correlation analysis, with all inter-construct correlations substantially lower than $\sqrt{AVE}$ values.

Structural Model and Mediation Analysis

The structural model demonstrated good fit: $\chi^2 (142) = 245.67$, $p < .001$, $RMSEA = 0.062$ (90% CI [0.051, 0.074]), $CFI = 0.932$, $TLI = 0.918$, $SRMR = 0.058$. The model explained 52.4% of variance in labour turnover ($R^2 = 0.524$) and 38.7% of variance in leadership styles ($R^2 = 0.387$).

Path coefficients revealed significant relationships across the model. Industrial relations practices demonstrated a significant direct effect on labour turnover ($\beta = 0.368$, $p < .001$, 95% CI [0.182, 0.554]). Industrial relations practices also significantly predicted leadership styles ($\beta = 0.622$, $p < .001$, 95% CI [0.451, 0.793]). Leadership styles, in turn, significantly predicted labour turnover ($\beta = -0.188$, $p = .012$, 95% CI [-0.334, -0.042]).

Mediation analysis revealed a significant indirect effect: Industrial relations practices → Leadership styles → Labour turnover ($\beta = -0.117$, $p = .003$, 95% CI $[-0.197, -0.051]$). The indirect effect represented 24.2% of the total effect (total effect = -0.485 , direct effect = -0.368 , indirect effect = -0.117). This pattern indicates partial mediation, consistent with the hypothesis that leadership styles serve as a mechanism through which industrial relations practices influence labour turnover.

Leadership Styles Dimensions

Examination of leadership style dimensions revealed differential effects on the mediation pathway. Transformational and participative leadership dimensions demonstrated stronger negative associations with labour turnover (transformational: $\beta = -0.234$, $p = .008$; participative: $\beta = -0.189$, $p = .019$), whereas transactional and directive dimensions showed weaker effects (transactional: $\beta = -0.078$, $p = .187$; directive: $\beta = -0.042$, $p = .542$). This pattern supports theoretical expectations that supportive, inclusive leadership approaches amplify the positive effects of industrial relations practices.

DISCUSSION

This study investigated the mediating role of leadership styles in the relationship between industrial relations practices and labour turnover in a Nigerian healthcare setting. The findings reveal a complex pathway in which industrial relations practices influence labour turnover both directly and indirectly through leadership styles, representing a partial mediation effect.

The direct effect of industrial relations practices on labour turnover ($\beta = 0.368$) indicates that sound industrial relations—characterised by fair bargaining, transparent communication, supportive culture, equitable employment practices, and mechanisms for addressing disengagement—directly reduces employee intentions to leave. This finding aligns with prior research (Bangi & Mgeni, 2022; Okafor & Ezeani, 2019) demonstrating that industrial relations quality substantially influences workforce stability. However, the significant indirect effect through leadership styles ($\beta = -0.117$) reveals that industrial relations practices also operate through a psychological mechanism involving leadership behaviour.

Leadership styles serve as a process through which practices such as bargaining, culture, and employee engagement translate into turnover outcomes. The differential effects observed across leadership dimensions are particularly instructive: transformational and participative leadership dimensions, which emphasise vision, support, and inclusion, demonstrate substantially stronger associations with reduced labour turnover. This suggests that when industrial relations practices are coupled with transformational or participative leadership, their effectiveness in reducing turnover is amplified. Conversely, transactional and directive approaches, while providing necessary structure, show weaker mediating effects. This pattern aligns with Path-Goal Theory, which posits that leader adaptability and support are critical for translating organisational policies into positive employee outcomes.

In the Nigerian healthcare context, where resource constraints and high patient loads create additional pressure, these findings underscore the importance of leadership approaches that emphasise fairness, support, and inclusive decision-making. Leaders who foster participative environments and demonstrate transformational qualities appear better positioned to leverage industrial relations investments into improved retention. This mediation mechanism suggests that healthcare organisations cannot rely solely on formal industrial relations policies; rather, leadership behaviour that operationalises these policies is essential for achieving retention outcomes.

The model's explanatory power ($R^2 = 0.524$ for labour turnover) indicates that substantial variance in turnover decisions remains unexplained by these variables alone, suggesting that other factors such as compensation, career development, workload, and external economic conditions also play important roles. Nevertheless, the significant mediation effect identifies a critical pathway for intervention.



LIMITATIONS AND INTERPRETATION

This study employs a cross-sectional design, collecting all data at a single time point. Consequently, all findings represent associations and mediation relationships rather than causal effects. While the theoretical model posits directional relationships (industrial relations practices → leadership styles → labour turnover), causality cannot be definitively established. Longitudinal designs would strengthen causal inference. Additionally, data were collected through self-report questionnaires, which may introduce common method bias. The study was conducted in a single Federal Medical Centre, which may limit generalisability to other healthcare facilities or non-healthcare organisations with different contexts. Future research should employ multi-site designs and objective turnover metrics to address these limitations.

CONCLUSIONS AND RECOMMENDATIONS

This study provides empirical evidence that leadership styles partially mediate the relationship between industrial relations practices and labour turnover in healthcare settings. The findings indicate that industrial relations practices influence labour turnover through two pathways: (1) directly, through the quality of bargaining, communication, and culture; and (2) indirectly, through the leadership styles that operationalise these practices. Transformational and participative leadership dimensions emerge as particularly important in maximising the effectiveness of industrial relations investments.

Recommendations

Integrated Retention Strategy Development: Federal Medical Centres should adopt integrated retention strategies that address the interplay between industrial relations practices and leadership. Specifically, organisations should (a) establish fair, transparent collective bargaining processes; (b) develop organisational cultures emphasising equity and inclusion; (c) implement equitable employment practices; and (d) ensure effective upward and downward communication. These structural practices should be complemented by leadership development programmes emphasising transformational and participative approaches.

Leadership Development Programmes: Given the significant mediating role of leadership styles, healthcare organisations should prioritise leadership development focusing on transformational and participative competencies. Training programmes should address coaching, mentorship, shared vision development, and inclusive decision-making. These competencies enable leaders to operationalise industrial relations policies effectively and create psychological environments that enhance employee commitment and retention.

Empirically-Grounded Policy Implementation: Organisations should recognise that formal industrial relations policies alone are insufficient; their effectiveness depends critically on leadership behaviour. Policy implementation should include mechanisms for ensuring leadership alignment with intended policies and regular feedback on leadership-practice congruence.

Continued Research: Future research should employ longitudinal designs to establish temporal precedence and more definitively establish causal relationships. Multi-site studies would enhance generalisability, and the inclusion of objective turnover metrics would strengthen empirical foundations.

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