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Linking Authoritative and Micromanaging Leadership to Retention: Does Employee Engagement Bridge the Gap?

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ABSTRACT

In a business organization, diverse individuals with specific roles are crucial for operations and growth, and MSMEs are predominant in the Malaysian economy. There is a significant gap in empirical research regarding the combined effects of authoritative and micromanaging leadership on employee engagement and retention in business organizations. While individual studies exist on each leadership style, their joint impact in dynamic organizational contexts is still not well understood. The study aims to analyze the effects of authoritative and micromanaging leadership styles on employee engagement and retention in small and medium enterprises (SMEs) in Malaysia, where SMEs represent a significant portion of businesses. This study employed an online survey with a structured questionnaire, resulting in a purposeful sample of 121 participants. This survey gathers information from ten SMEs across various sectors, including sales and marketing, information technology, investment, investment holdings, travel, entertainment, and social enterprise. There are seven hypotheses in this study. Four hypotheses are accepted, while three are rejected. These findings indicate that in the sampled SMEs, authoritative leadership behaviors alone do not sufficiently increase employees' emotional involvement or long-term commitment. Organizations should reduce micro-management and adopt leadership practices that foster trust, autonomy, and open communication. Management needs to focus on engagement-oriented leadership development, encourage delegation, and establish supportive work

environments to enhance employee engagement, which is crucial for long-term retention and organizational stability.

Keywords
Authoritative Leadership
Employee Engagement
Employee Retention
Micromanaging Leadership
Small and Medium Enterprises

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Introduction

Micro, small, and medium enterprises (MSMEs) constitute a significant portion of the Malaysian economy. In 2023, MSMEs represented 96.90% of total businesses in Malaysia, comprised of 69.70% microenterprises, 28.50% small enterprises, and 1.80% medium enterprises. The majority, at 83.9%, fall under the service category, followed by other categories at 10.70% and manufacturing at 5.4%. Some claim that modern education and communication technologies have diminished the need for leaders, but there is insufficient evidence to validate this assertion, according to this research study. Workplace leadership is crucial for motivating employees and enhancing organizational performance, which is vital for long-term growth [1]. Leadership involves a diverse range of skills, such as providing guidance, setting strategic objectives, effective communication, and fostering a sustainable organizational environment. It focuses on influencing and motivating individuals or groups toward a common goal, which includes clear direction, decision-making, and team communication [1]. Each leader uses a unique approach in their interactions with subordinates and followers, creating a ripple effect that influences them. The leader's style significantly affects interaction and communication within the organization, influencing overall functioning and productivity [1],[2].

The effectiveness of a leadership style is dependent on the specific organization and its goals [2]. Research indicates that cultures vary in their leadership styles, with some preferring specific types over others [3]. Franken and Plimmer [4] describe their experience working under an authoritative and micromanaging Executive Director as stressful and torturous over a span of 10 months. Capler's experience illustrates that she employed a mix of leadership styles rather than a singular approach. However, Capler [5] article solely reflects her personal experience, and there is insufficient research on the interplay of these styles and their impact on HR metrics. Without empirical evidence, one cannot definitively conclude whether the combination of leadership styles adversely affects employee satisfaction and commitment within a broader organizational setting. Current literature has explored various leadership styles and their impact on talent management [6]-[11], but further research is necessary to

understand the effects of authoritative and micromanaging styles in dynamic organizational contexts. There is a notable gap in understanding how various leadership styles affect a company's dynamic workforce, especially as organizations adapt to new technologies and diverse teams. This study aims to clarify this gap by examining the impacts of micromanaging and authoritative leadership styles and to provide practical applications for leaders looking to enhance employee engagement and retention in contemporary work environments. This study aims to address gaps in the literature through quantitative analysis on the impact of authoritative and micromanaging leadership on employee engagement and retention. It provides empirical data to elucidate the connections between leadership styles and employee experiences, offering evidence-based insights and recommendations for HR professionals and organizational leaders to enhance employee well-being and overall organizational performance.

Literature Review

This literature study analyzes authoritative leadership and micromanagement, aiming to enhance understanding of effective leadership in dynamic organizations. It deconstructs previous research, identifies literature gaps, and provides insights into how these leadership styles impact employee engagement and retention. Employees who feel valued and connected to their team are more productive, satisfied, and likely to remain with the organization. This research highlights the importance of leadership in enhancing employee engagement and retention, ultimately reducing recruitment and training costs associated with high turnover. It aims to provide managers and leaders with insights to foster a productive and enjoyable work environment.

A. Authoritative Leadership and Employee Engagement

Authoritative leadership involves self-confident leaders who use discipline and strict rules to motivate employees. This style is effective in environments requiring strict compliance and where errors are intolerable, as it fosters employee engagement by creating a structured environment with clear expectations and guidelines, providing security and direction [12], [13]. Leaders who are assertive and in control enhance employee engagement by aligning organizational goals with their own, fostering respect and compliance among employees [14]. Authoritative leaders foster employee innovation and participation to meet performance goals, often utilizing a rewards-and-penalties system for motivation [15]. Building trust and loyalty among employees fosters engagement by encouraging their investment in their roles and the organization. A structured, supportive, and culturally aligned authoritative leadership creates an environment where employees feel secure, valued, and motivated, resulting in increased engagement.

B. Micromanaging leadership and employee engagement

Micromanagement occurs when leaders excessively control subordinates, focusing on minor details while ignoring broader issues, which can create a toxic work environment and lower morale [16]. Constant monitoring by leaders can lead employees to feel undervalued and distrusted, negatively impacting their motivation and engagement [17]. Micromanagement may offer short-term benefits in specific contexts like training or handling high-risk tasks; however, it generally produces long-term detrimental effects on employee engagement and organizational culture [18]. Consequently, it hampers work progress and reduces the perceived value of employees' contributions, resulting in a disengaged workforce less committed to organizational goals.

C. Employee engagement and employee retention

Strong relationships between employees and managers are essential for fostering positive engagement, which can enhance employee involvement in their career development and organizational sustainability [19]. Employee engagement fosters proactive behavior and innovation, leading to increased job satisfaction and career development desires [20]. Leaders who effectively communicate the organization's vision and align employee purposes with goals can enhance engagement and reduce turnover, ultimately contributing to higher retention rates by fostering a supportive work environment.

D. Authoritative leadership, employee retention, and employee engagement

Authoritative leadership significantly influences employee retention through employee engagement as a mediating factor. Leaders who focus on control and compliance foster a structured work environment, enhancing engagement by providing clear expectations and a sense of security, which is vital for employees to feel valued and motivated [21],[22]. Authoritative leaders often use reward systems to acknowledge high performance, which boosts employee engagement by fostering a sense of appreciation and importance to the organization's success [23]. Authoritative leadership's effectiveness in enhancing engagement and retention is influenced by cultural contexts; it tends to be more effective in cultures like China that embrace hierarchical structures and clear authority [24]. In cultures that emphasize individualism, possess linear hierarchical structures, and prefer participative leadership, such as in Western countries, authoritative leadership tends to be less effective [25]. In a supportive work culture, authoritative leaders can enhance employee engagement and retention.

E. Micromanaging leadership, employee retention, and employee engagement

Micromanaging leadership negatively affects employee retention by undermining engagement. Such leaders typically exercise excessive control and lack trust in their employees' abilities, leading to decreased morale and motivation [26]. Leaders who micromanage tend to show excessive control and distrust in their employees, leading to

diminished morale and motivation [27]. Leaders who do not trust their employees tend to monitor them constantly, fostering a toxic work environment where employees feel undervalued, lose their independence, and are treated like children [28]. Employee engagement plays a crucial role in mediating the relationship between micromanagement and employee retention; if micromanagement reduces engagement, it can lead to job dissatisfaction and an increase in turnover [29].

F. Authoritative leadership, employee retention, and employee engagement

The authoritative leaders create a structured environment with clear expectations and rules, providing a sense of security for employees who value defined roles and responsibilities, especially in cultures that prioritize certainty and stability. Organizations or cultures that prioritize hierarchical structures can decrease employee turnover by fulfilling the preference for clear guidance and organization [28]. Frequent use of reward and punishment systems by authoritative leaders can enhance employee loyalty and retention by fostering a sense of belonging and recognition, as employees feel valued for their contributions and achievements [25]. The authoritative leadership style, which emphasizes order maintenance to meet organizational goals, fulfills employees' needs for stability and clear expectations, thereby making them feel secure and reducing turnover, even in the absence of active engagement initiatives [13],[14].

G. Micromanaging leadership and employee retention

Micromanaging leaders struggle with delegating tasks, and their focus on trivial details can create bottlenecks in decision-making, adversely affecting overall productivity [15],[16]. Micromanagement may become an organizational norm in hierarchical structures, negatively affecting employee retention. Its adverse effects stem from a lack of decision-making authority among lower-level managers, undermining employee independence and trust, which can hurt morale and willingness to stay in a stifling work environment.

H. Gaps of Study

The literature identifies key insights into leadership styles but lacks an in-depth understanding of authoritative and micromanaging leadership dynamics in organizations. Authoritative leadership is effective in crises and with underperforming employees, yet its long-term effects on employee engagement and satisfaction in stable environments remain unclear [29]. Limited research exists on the impact of authoritative leadership on team dynamics and decision-making, particularly when such leaders are dissociative rather than participative. This affects talent engagement and retention across various cultural organizational settings [30]. Micromanagement is widely viewed as a detrimental leadership style linked to lower morale and productivity [31]. However, there is a notable gap in empirical research focusing on its effects on employee productivity, especially in small and medium

enterprises (SMEs) and among specific demographics like millennials, who make up half of the workforce [32],[34]. Yomralıoğlu [35] analysis examined the economic impacts of micromanagement but overlooked the psychological effects on employees, its long-term influence on turnover, and its impact on organizational culture.

Analytical Framework

The conceptual framework emphasizes the significance of leadership styles in addressing organizational challenges related to employee engagement and retention, underscoring leadership as a vital factor in influencing these aspects, as supported by multiple studies. See Fig. 1.

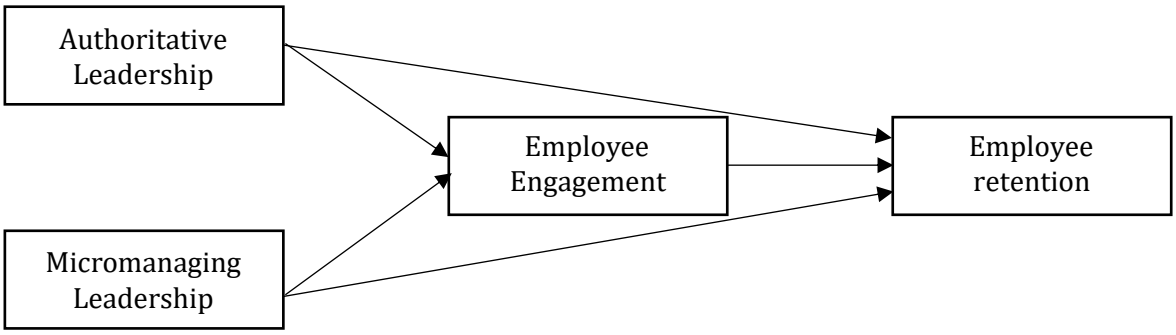


Fig 1. Authoritative and Micromanaging leadership styles effects on employee engagement and retention

In this study, the theory posits that leadership varies with each employee, leading to different relationship qualities. Some employees enjoy high-quality relationships characterized by trust, support, open communication, and mutual respect, while others have low-quality, formal, and distant interactions.

These variations impact employees' feelings about their work and organization, subsequently affecting their motivation, engagement, and retention intentions. LMX theory, as articulated by Ndidi et al. [36], signifies a significant change in leadership research by questioning the notion of a universal leadership style applied to all employees. It highlights the uniqueness of each leader-employee relationship, which evolves through ongoing social interactions. Interactions based on trust, support, and reciprocity foster loyalty, open communication, and mutual respect between leaders and employees.

In contrast, low-quality exchanges are constrained to formal work contracts, lacking emotional connection and support. LMX theory suggests that leadership styles impact employee engagement and retention. Authoritative leadership enhances leader-member exchanges by offering guidance and recognition, which boosts employee engagement through feelings of trust and respect. This emotional engagement is linked to higher employee retention, as engaged employees are more likely to stay with the organization.

Research indicates that leader-member relationship quality significantly affects employee outcomes. Ejusa Jr [37] highlight that high-quality LMX correlates with greater job satisfaction, performance, and organizational citizenship behavior, while low-quality relationships lead to dissatisfaction and poor performance. Micromanaging leadership negatively affects emotional and psychological engagement, resulting in lower employee engagement and increased dissatisfaction, which can lead to higher turnover rates. The LMX theory illustrates that leadership style significantly impacts employee retention through engagement, making it a solid theoretical basis for this research framework.

Material and Methods

This study is based on the positivist research paradigm, which holds that reality is objective and can be measured through observable, quantifiable data. It allows for the testing of relationships among variables using statistical techniques. This study utilizes a quantitative research approach grounded in the positivist paradigm, emphasizing the collection of numerical data and its analysis through statistical methods to test hypotheses and explore relationships among variables. A deductive reasoning approach is used in this study, starting with existing theories to formulate hypotheses that are empirically tested. The research focuses on the impacts of authoritative and micromanaging leadership on employee engagement and retention, based on established leadership and engagement theories. This research utilized convenience sampling, a non-probability technique chosen for its accessibility and practical constraints. Respondents were selected based on availability and willingness to participate. The study focuses on individual employees as the unit of analysis, exploring their perceptions of leadership behavior, engagement, and retention. While this method limits generalizability, it is commonly employed in organizational and exploratory studies with restricted access to a complete sampling frame. The study's population includes full-time employees from ten different business entities in various industries located in Kuala Lumpur, Malaysia, all of whom voluntarily participated in the survey. A total of 121 questionnaires were distributed, yielding 93 valid responses. This sample size is deemed adequate for statistical analyses such as correlation, regression, and mediation. Previous research suggests that sample sizes exceeding 80 are suitable for regression-based quantitative analysis. This study focuses on individual employees, examining their perceptions of leadership behavior, engagement, and retention. The survey employs a 5-point Likert scale to assess responses and will be designed based on recognized scales for leadership styles, employee engagement, and retention. Data were collected through a structured questionnaire delivered via Google Forms, comprising five sections. All measurement items were adapted from established literature to ensure content validity, utilizing a five-point Likert scale from 1 = Strongly Disagree to 5 = Strongly Agree. This scale enables respondents to express their

degree of agreement with each statement and is frequently used in leadership and organizational behavior research. Table 1 displayed a measurement item as follows:

Table 1. Measurement item

Constructs	No. of Item	Measurement Item
Authoritative Leadership	5	AL1: My leader effectively communicates the vision and direction of the company. AL2: I feel motivated by my leader's clear directives. AL3: My leader demonstrates strong problem-solving skills. AL4: My leader provides clear expectations and accountability. AL5: My leader's authoritative style positively impacts my efficiency and productivity.
Micromanaging Leadership	5	ML1: I often feel distrust and stressed by my leader's constant oversight. ML2: I feel my creativity is suppressed and unable to be innovative under my leader's compelling, detailed instructions in performing my tasks. ML3: I find it difficult to trust my own judgment and make independent decisions under my leader's excessive control. ML4: My efficiency and productivity suffer due to my leader's constant interventions. ML5: My leader's micromanagement affects my job satisfaction negatively.
Employee Engagement	5	EE1: The individual is dissatisfied with their work because they must constantly follow their leader's strict instructions, even though they receive motivation, support, and resources. EE2: The individual loses interest in their job due to feeling stuck in professional growth when their leader makes quick and precise decisions. EE3: The individual is less likely to engage in work discussions if their leader is inflexible in accepting input, even if the leader adapts quickly to organizational changes. EE4: The individual expresses dissatisfaction with their leader's excessive close supervision, despite their appreciation for their leader's clear communication, flexibility, and decisiveness. The close supervision of my leader is causing me to struggle with engagement, productivity, and stress.
Employee Retention	5	ER1: The constant close supervision at work is confusing, contradictory, and annoying, leading to job dissatisfaction and questioning about the company's future. ER2: The individual may consider a new job opportunity if their job is less enthusiastic, their contributions are not recognized, and their leader is hesitant to delegate tasks. ER3: The individual's job satisfaction and passion decrease due to their leader's perceived lack of trust in their ability to perform tasks independently. ER4: The individual is less likely to remain with the organisation due to frequent task duplication and distrust, despite admiring their leader's accountability for decisions and outcomes. ER5: The individual's job satisfaction and morale are declining due to frequent criticism, despite the leader's active mentorship and development opportunities.

Results and Discussions

Ninety-three valid responses were analyzed in this study, representing employees from ten business entities in Kuala Lumpur, Malaysia. The data from Google Forms is exported to Microsoft Excel for initial screening and cleaning, including the identification of missing values and incomplete responses. The cleaned data is then imported into SPSS for further screening, coding, and statistical analysis.

A. Profile Respondents

62.4% of respondents were female, and 37.6% were male, showing higher female participation. The majority of respondents were aged 35 to 44 years (44.1%), followed by those aged 25 to 34 years (35.5%), indicating most were in their prime working years. The analysis of educational backgrounds indicates that 62.4% of respondents possess a bachelor's degree, whereas 26.9% have postgraduate qualifications. This document reveals that more than 89% of respondents possessed a tertiary-level education. Organizationally, 12.9% identified as non-executives or junior executives, 26.9% as executives, 38.7% as managers, and 21.5% as senior-level managers. Approximately 39.8% of respondents have ten years or fewer of work experience, while 60.3% possess at least 11 years. Regarding current employment, 24.7% are relatively new, 33.3% have over a year but less than five years, and 41.9% have been with their current company for at least six years, indicating familiarity with organizational practices.

Table 2. Profile respondents

Categories	Frequency	Percent (%)
Gender		
• Male	35	37.6
• Female	58	62.4
Age		
• 25-34 years old	33	35.5
• 35-44 years old	41	44.1
• 45-55 years old	19	20.4
Education level		
• SPM	2	2.2
• Diploma	8	8.6
• Bachelor's degree	58	62.4
• Master / PhD	25	26.9
Positive		
• Non-executive level / Junior executive level	12	12.9
• Executive level	25	26.9
• Managerial level	36	38.7
• Senior Managerial / Top management	20	21.5
Experience		
• Less than 1 year	6	6.5
• 1-10 years	31	33.3
• 11-20 years	38	40.9
• More than 20 years	18	19.4
Tenure		
• Less than 1 year	23	24.7
• 1-5 years	31	33.3
• 6-10 years	20	21.5
• More than 10 years	19	20.4

B. Reliability Analysis

To ensure the internal consistency of the research instrument, a reliability test was conducted using Cronbach's Alpha (α), which measures the relatedness of a group of items. Micromanaging Leadership (ML) demonstrated the highest reliability coefficient (α = 0.947), closely followed by Authoritative Leadership (AL) (α = 0.911), indicating high cohesion and consistent understanding of the leadership styles measured by respondents. Employee Engagement (EE) and Employee Retention (ER) have high alpha values of 0.874 and 0.871, indicating strong internal consistency and accurate measurement of these dependent variables. Authoritative Leadership scored moderately high (M = 3.5570, SD = 0.9828), with the top-rated aspect being the leader's skill in "effectively communicate the vision and direction of the company" (M = 3.68). Staff generally agree that their leaders offer clear directives and effective problem-solving skills, which positively influence their work experience, with standard deviations between 1.034 and 1.185 indicating a high level of consensus. The results for the 93 respondents are summarized in Table 3.

Table 3. Reliability Statistics

Construct	No. of items	Mean	Std. Deviation	Cronbach's Alpha
Authoritative Leadership	5	3.5570	0.98283	0.911
Micromanaging Leadership	5	2.8946	1.32126	0.947
Employee engagement	5	3.3720	1.00719	0.874
Employee retention	5	3.8774	0.95190	0.871

C. Correlation Matrix

Pearson correlation analysis was performed to examine the relationships among Authoritative Leadership (AL), Micromanaging Leadership (ML), Employee Engagement (EE), and Employee Retention (ER), with results presented in Table 4. A significant negative correlation exists between Authoritative Leadership and Micromanaging Leadership ($r = -0.238$, $p = 0.022$), suggesting more authoritative leaders are viewed as less micromanaging. However, Authoritative Leadership shows no significant correlation with Employee Engagement ($r = 0.029$, $p = 0.782$) or Employee Retention ($r = 0.015$, $p = 0.888$), indicating it does not affect employees' engagement or retention in this sample. Micromanaging Leadership is strongly correlated with Employee Engagement ($r = 0.709$, $p < .001$), indicating that increased micromanagement leads to higher employee disengagement and stress. Additionally, it shows a moderate-to-strong positive correlation with employee retention ($r = 0.517$, $p < 0.001$), suggesting that micromanaging behaviors relate to employees' reconsideration of their commitment to the organization. Employee Engagement shows a strong positive correlation with Employee Retention ($r = 0.653$, $p < 0.001$), suggesting that higher disengagement levels increase the likelihood of employees contemplating leaving the organization. Overall, micromanaging leadership significantly influences employee engagement and retention, while

authoritative leadership does not directly affect these outcomes. These findings are supported by further regression and mediation analyses.

Table 4. Correlation Matrix

		Authoritative Leadership	Micromanaging Leadership	Employee Engagement	Employee Retention
Authoritative Leadership	Pearson correlation	1	-.238*	.029	.015
	Sig. (2-tailed)		.022	.078	.888
Micromanaging Leadership	Pearson correlation	-.238*	1	.709***	.517***
	Sig. (2-tailed)	.022		<.001	<.001
Employee Engagement	Pearson correlation	.029	.709***	1	
	Sig. (2-tailed)	.782	<.001		<.001
Employee Retention	Pearson correlation	0.15	.517***	.653***	1
	Sig. (2-tailed)	.888	<.001	<.001	

D. Hypothesis Testing

This section discusses the interpretation of the hypotheses tested in the study, utilizing regression and mediation analyses through SPSS and the PROCESS Macro (version 5). The findings are based on the direction, strength, and statistical significance of the relationships.

1. The impact of authoritative leadership on employee engagement

H1's hypothesis on the impact of authoritative leadership on employee engagement is not supported by the regression results, which show no significant predictability ($\beta = 0.029$, $t = 0.278$, $p = 0.782$) and an extremely low R^2 value of 0.001. This indicates that authoritative leadership does not significantly affect employees' emotional involvement or enthusiasm at work, despite offering clear direction and structure. Therefore, H1 is not supported. Employers favor authoritative leadership qualities as they align leaders with organizational goals, essential for implementing vision and mission for long-term success. According to the Greek philosopher, Aristotle, anyone who is unable to be a good follower will fail to become an authoritative leader. Authoritarian leadership negatively impacts employee engagement, and the effectiveness of any leadership style is influenced by organizational context, as stated in leadership contingency theory [38]. This outcome is influenced by contextual factors, including the efficacy of authoritative leadership in crises versus its limiting effects on employee autonomy in stable environments [39]. Additionally, the cultural norm in Malaysia may lead to a "ceiling effect," where such leadership is perceived as standard rather than inspiring, resulting in lower employee engagement [40]. From an LMX perspective, authoritative leadership can lead to neutral-quality leader-

member relationships that are clear yet emotionally distant. The absence of trust, support, and meaningful exchange results in compliance without engagement, explaining why such leadership did not improve engagement or retention in the study.

2. Micromanaging leadership significantly impacts employee engagement

H2 posited that micromanaging leadership significantly impacts employee engagement, with a strong relationship ($\beta = 0.709$, $t = 9.583$, $p < 0.001$) explaining 50.2% of the variance in engagement ($R^2 = 0.502$). Higher micromanagement levels correlate with negative engagement outcomes, affirming the hypothesis. Thus, H2 is supported. Descriptive results showed divided perceptions regarding micromanagement's impact on creativity, with nearly equal numbers of respondents feeling it either hindered or did not hinder creativity. This division may arise from differences in job roles and seniority, as employees in creative roles often view micromanagement as restrictive, while those in routine roles may see it as guidance. Additionally, senior employees may feel confident despite close supervision, unlike junior staff, who may experience self-doubt. Micromanaging leadership undermines leader-member exchanges by fostering distrust and emotional strain, resulting in disengagement, according to LMX theory [41].

3. Employee engagement has a positive impact on employee retention

H3 posits that employee engagement has a positive impact on employee retention. Regression analysis shows that employee engagement is a significant predictor of retention ($\beta = 0.653$, $t = 8.216$, $p < 0.001$), accounting for 42.6% of the variance in retention ($R^2 = 0.426$). This indicates that engaged employees are more likely to stay with their organization, while disengaged employees tend to contemplate leaving. Thus, employee engagement is crucial for retention intentions, supporting H3. Engaged employees have an emotional connection to their work, feel valued, and find meaning in their roles. Low engagement can lead to dissatisfaction and increased turnover intentions, regardless of pay or tenure [42].

4. Employee engagement mediates the relationship between authoritative leadership and employee retention

H4 proposed that employee engagement mediates the relationship between authoritative leadership and employee retention, but findings show that authoritative leadership does not significantly predict employee engagement or retention. The indirect effect of authoritative leadership on employee retention through employee engagement is also not significant, as indicated by a bootstrap confidence interval that includes zero. Therefore, H4 is not supported.

5. Employee engagement mediates the link between micromanaging leadership and employee retention

H5 posits that employee engagement mediates the link between micromanaging leadership and employee retention. The findings reveal that micromanaging leadership significantly predicts employee engagement ($\beta = 0.540$, $p < .001$), which in turn significantly predicts employee retention ($\beta = 0.543$, $p < .001$). Although the direct effect of micromanaging leadership on employee retention is not significant ($\beta = 0.080$, $p = .329$), the indirect effect through employee engagement is significant ($\beta = 0.293$, 95% CI [0.140, 0.473], confirming full mediation. Hence, the hypothesis is supported, indicating that micromanaging leadership influences employee retention solely via its effect on employee engagement.

6. A link between authoritative leadership and employee retention

H6 proposed a link between authoritative leadership and employee retention, but regression results show that it does not significantly predict retention ($\beta = 0.015$, $t = 0.141$, $p = 0.888$). Therefore, authoritative leadership alone does not adequately influence employees' intention to remain in the organization, and H6 is not supported.

7. Micromanaging leadership directly affects employee retention

H7 proposed that micromanaging leadership directly affects employee retention, showing a significant association ($\beta = 0.517$, $t = 5.769$, $p < 0.001$) and accounting for 26.8% of retention variance ($R^2 = 0.268$). However, this retention scale reflects turnover intentions and dissatisfaction, indicating higher micromanaging leads to increased turnover intention. Mediation analysis shows that the effect of micromanaging leadership on retention is non-significant when considering employee engagement, indicating its influence operates primarily through engagement, thus not supporting H7.

One of the key findings of this study is that employee engagement fully mediates the relationship between micromanaging leadership and employee retention (H5-H7). Although micromanaging leadership seemed to directly influence retention initially, this direct effect was nullified when engagement was factored into the model. This text explains that micromanaging leadership does not directly cause employee turnover but negatively impacts psychological engagement, leading to increased turnover intention [43],[44]. Employees are driven to leave due to feelings of stress, disengagement, and lack of value created by micromanagement [45],[46]. This highlights the importance of employee engagement in the conceptual framework and aligns with LMX theory, indicating that poor leader-member relationships hinder engagement and weaken organizational attachment [47],[48]. The hypothesis results are summarized in Table 5 and presented.

Table 5. Summary of hypothesis testing

No.	Path relationship	β	t	p-value	Decision
1.	H1: Authoritative leadership → Employee engagement	0.029	0.278	0.782	Not Supported
2.	H2: Micromanaging leadership → Employee engagement	0.709	9.583	0.001	Supported
3.	H3: Employee engagement → Employee retention	0.653	8.216	0.001	Supported
4.	H4: Authoritative leadership → Employee engagement → Employee retention	0.018	2.271	0.782	Not Supported
5.	H5: Micromanaging leadership → Employee engagement → Employee retention	0.293	0.085	0 .001	Supported
6.	H6: Authoritative leadership → Employee retention	0.015	0.141	0.888	Not Supported
7.	H7: Micromanaging leadership → Employee retention	0.517	5.769	0.001	Not Supported

Practical Implications

For HR practitioners and organizational leaders, the findings offer clear guidance:

- Reducing micromanagement is crucial as it adversely affects employee engagement and indirectly contributes to higher turnover rates.
- Employee engagement must be actively monitored and managed, as it is the key predictor of retention.
- Authoritative leadership is best utilized selectively, especially during crises or compliance scenarios, while maintaining a balance with trust, autonomy, and open communication.
- Leadership development programmes should prioritize establishing trust-based relationships between leaders and members instead of implementing strict control measures.

Limitation and Recommendation

While the study offers insights into how authoritative and micromanaging leadership styles affect employee engagement and retention, it is crucial to acknowledge its limitations. The study faced limitations due to time and resource constraints and involved a small population, potentially affecting the depth and breadth of the research on MSME firms in Malaysia. This constraint may limit data collection and analysis scope, reducing findings' comprehensiveness. Additionally, there is a lack of literature on the combined effects of authoritative and micromanaging leadership styles on human resource metrics. The study may overlook the complexities of the relationship between the two leadership styles and their effects on employee engagement and retention. Additionally, using personal experiences as primary data could introduce bias, affecting the reliability and validity of the results. This study

explores combined leadership styles and their implications, aiming to lay groundwork for future research. It seeks to enhance understanding of effective leadership techniques and develop strategies for employee engagement and retention. This study offers valuable insights but has limitations, including its cross-sectional design, which limits causal inference, and a sample restricted to SMEs in Kuala Lumpur. Future research could consider longitudinal designs, investigate additional mediators like trust or job satisfaction, and analyze variations across industries or generational groups.

Conclusion

Findings indicate that authoritative leadership did not significantly affect employee engagement (H1) or retention (H6) in the surveyed SMEs. Additionally, employee engagement did not mediate the relationship between authoritative leadership and retention (H4). This suggests that characteristics of authoritative leadership alone, such as clear direction and structured control, are insufficient to increase employees' emotional involvement or commitment. This study demonstrates that leadership style alone does not determine employee retention; rather, employee engagement is the critical bridge between leadership behavior and retention decisions. Authoritative leadership provides structure but does not significantly enhance engagement or retention, while micromanaging leadership undermines engagement, indirectly increasing employees' intention to leave. Organizations aiming to retain talent should focus on fostering engaging, trust-based relationships between leaders and employees rather than relying on control-oriented leadership. Engagement serves as the core foundation for retention.

Author's Contributions

W.Y. Ngan performed the literature review and experimental design and analyzed and interpreted the data, and H. Vasudevan prepared the manuscript text and manuscript edition. W.Y. Ngan and H. Vasudevan performed the experiments and literature review, compiled the data, and prepared the manuscript. W.Y. Ngan performed the data analysis and findings, while H. Vasudevan compiled the data analysis and findings for the manuscript edition.

Conflict of Interest

The authors declare no conflict of interest.

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