

**Impact of Inclusive Leadership on Employee Turnover Intention:
Mediating Role of Green HRM Implementation and Psychological Safety in
Private Banking Sector of Pakistan**



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Bushra Bilal

Author's Declaration

I, Bushra Bilal, Enrolment Number 01-322241-002, hereby declare that the “*thesis titled Impact of Inclusive Leadership on Employee Turnover Intention: Mediating Role of Green HRM Implementation and Psychological Safety*” is my original work. This thesis has not been submitted previously by me for the award of any degree at Bahria University Islamabad or any other institution in Pakistan or abroad. I fully understand that should any part of this declaration be found to be wrong, even after the conferment of the degree, the University holds the right to revoke my MBA degree.

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Dedication

To

My beloved Parents, for showing me what it means to empower daughters,

My dedicated teachers, that taught me the value of effort and hard work,

My siblings, for bringing joy to my life whenever I forgot to smile,

&

To my biggest supporter that gave me the strength to persevere through countless nights,

My dearest Mother.

ABSTRACT

Employee retention remains a persistent challenge in Pakistan's competitive private banking sector. This study examines the impact of inclusive leadership on employee turnover intention, with Green HRM implementation and psychological safety as parallel mediating variables, grounded in Social Exchange Theory (Blau, 1964) and Conservation of Resources Theory (Hobfoll, 1989). A quantitative cross-sectional design was adopted, with data collected from 353 employees across four private banks in Pakistan using a structured questionnaire. IBM SPSS 25 was used for preliminary analysis and SmartPLS 4 for PLS-SEM measurement and structural model testing with 5,000 bootstrap sub-samples. Results confirm that inclusive leadership significantly reduces employee turnover intention and strongly predicts both Green HRM implementation and psychological safety. Green HRM implementation significantly reduces turnover intention and mediates the inclusive leadership–turnover intention relationship. Psychological safety did not significantly predict turnover intention, attributed to the dominance of extrinsic retention factors in Pakistan's banking culture. Five out of seven hypotheses were supported. The study contributes by establishing Green HRM implementation as a novel mediating mechanism linking inclusive leadership to reduced turnover intention, offering practical guidance for HR managers in Pakistan's banking sector.

Keywords: Inclusive Leadership, Employee Turnover Intention, Green HRM Implementation, Psychological Safety, Parallel Mediation, PLS-SEM, Pakistani Banking Sector

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