

## The role of leadership styles in talent management: The mediating effect of innovative work behavior in the Egyptian commercial banks

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### ملخص البحث :

تهدف هذه الدراسة إلى بحث دور أنماط القيادة التحويلية و التبادلية في إدارة المواهب في البنوك التجارية المصرية وذلك من خلال توسيط سلوك العمل الابتكاري. يتمثل مجتمع الدراسة في العاملين باثنين و عشرين بنكا تجاريا ، و اعتمدت الدراسة علي المنهج الوصفي التحليلي و استهدفت الدراسة عينة حجمها 400 مفردة من العاملين بالبنوك التجارية محل الدراسة (عينة عشوائية طبقية مكونة من خمس مستويات وظيفية). صممت قائمة استبيان لقياس متغيرات الدراسة. تم اجراء التحليلات الاحصائية باستخدام برنامجي AMOS v.24 و SPSS v.26 . وتم اختبار فروض الدراسة باستخدام الاساليب الوصفية و النمذجة بالمعادلات الهيكلية. و توصلت الدراسة إلى مجموعة من النتائج: 1. هناك تأثير ايجابي و معنوي للقيادة التحويلية علي ادارة المواهب. 2. هناك تأثير ايجابي و معنوي للقيادة التبادلية علي ادارة المواهب. 3. هناك تأثير ايجابي و معنوي للقيادة التحويلية علي سلوك العمل الابتكاري. 4. هناك تأثير ايجابي و معنوي للقيادة التبادلية علي سلوك العمل الابتكاري. 5. هناك تأثير ايجابي و معنوي لسلوك العمل الابتكاري علي ادارة المواهب. 6. يتوسط سلوك العمل الابتكاري جزئيا العلاقة بين القيادة التحويلية و ادارة المواهب. 7. يتوسط سلوك العمل الابتكاري جزئيا العلاقة بين القيادة التبادلية و ادارة المواهب. و قدمت الدراسة عددا من التوصيات التي يمكن أن تساعد البنوك التجارية المصرية علي تطوير أنماط القيادة، و تحقيق اقصي استفادة من الموهوبين اصحاب الاداء العالي، و كذلك تشجيع الابتكار في بيئة العمل لتقديم خدمات و منتجات مبتكرة، و بالتالي تحقيق ارباح عالية و القدرة علي الاستمرار في ظل المنافسة الشديدة. و أوصت الدراسة أيضا باجراء بحوث مستقبلية ببقية البنوك و القطاع المصرفي للتأكد من الوصول الي نفس النتائج و لتحقيق اقصي منفعة.

**الكلمات المفتاحية:** القيادة التحويلية، القيادة التبادلية، إدارة المواهب, سلوك العمل الابتكاري، البنوك التجارية المصرية

**Abstract:** This study aims to investigate the role of leadership styles; transformational and transactional in talent management in Egyptian commercial banks, and the effect of the mediating role of innovative work behavior.

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The study population consists of employees working in twenty-two commercial banks in Egypt. The study adopted a descriptive analytical approach and targeted a sample of 400 employees working in the commercial banks under study (a stratified random sample consisting of five professional levels). A questionnaire was designed to measure the study variables. The statistical analyses were performed using AMOS v.24 and SPSS v.26. The study hypotheses were tested using structural equation modeling. The study found that: 1. There is a positive and significant effect of transformational leadership on talent management. 2. There is a positive and significant effect of transactional leadership on talent management. 3. There is a positive and significant effect of transformational leadership on innovative work behavior. 4. There is a positive and significant effect of transactional leadership on innovative work behavior. 5. There is a positive and significant effect of innovative work behavior on talent management. 6. Innovative work behavior partially mediates the relationship between transformational leadership and talent management. 7. Innovative work behavior partially mediates the relationship between transactional leadership and talent management. The study recommends the Egyptian commercial banks to accurately identify their talents and provide them with a suitable environment with good leadership style to improve employee commitment to duty, also Egyptian commercial banks should embrace transformational leadership and identify the negatives of transactional style to benefit from both styles.

**Keywords:** transformational leadership, transactional leadership, talent management, innovative work behavior, Egyptian commercial banks.

## 1. Introduction:

Talent management is an evolving concept and topic of research in the field of human resource management. The importance of talent management originates from its concentration on the human capital; it is an investment in talented people. Therefore, the best management of talent requires effective leadership style or environment. Leadership is a power and a source of empowerment and motivation; thus it is an essential factor affecting talent management. Based on the literature review, it is obvious that transformational and transactional leadership styles are the most influential styles of leadership on talent management.

Transformational leadership style includes dimensions which are: idealized influence, inspirational motivation, intellectual stimulation and individualized

consideration, these dimensions affect the process of managing talented employees. Transactional leadership style has the power of reward and punishment which in turn plays a role in managing talented people. There are several research projects that have studied leadership styles and talent management. For instance, (Onyango, 2015) concluded that an organization should follow transformational leadership to motivate and empower talent management. Leaders who adopt transformational leadership have the ability to reduce the turnover rates through stimulation, motivation and engagement as stated by(Andrus, 2021). Transactional leadership through reward system can enhance talented employee retention. Several scholars (Cob & Abidin, 2020; Khalid et al., 2016; Sadeli, 2015; Sobaih et al., 2020) have a consensus that the combination of transformational and transactional leadership styles has a critical influence on talent management and performance of an organization. In today's world, the ability to innovate becomes a necessity for both societies and organization because of its great benefits and its contribution to develop competitive advantage. Enhancement of an individual employee innovative work behavior is critical to the organizational innovation. Thus,(De Jong & Den Hartog, 2010) indicated that the ways of development of such behavior in the workplace remain a major topic among scholars and practitioners. Leadership in particular is considered one of the most effective factors that influence innovative work behavior. Specifically, two leadership styles- transformational and transactional- have attracted a significant amount of scholars' attention over the past decades in terms of their impact on innovation work behavior. The vast majority of previous studies have shown that transformational leadership proves to have a strong positive impact on innovative work behavior. As transactional leadership is expected to have a negative impact on innovative work behavior, scholar suggested that it is beneficial to apply a combination of both styles, for instance (Contreras, Cuero Acosta, et al., 2017; DemeSko, 2017; M. A. Khan et al., 2020). So, for the purpose of this thesis the focus will be on transformational and transactional styles of leadership to show their effect on innovative work behavior and talent management. Work environment that enhances innovative work behavior is expected to have a successful talent management as managing talent requires such environment to be suitable for the skills and abilities of the talents. Thus, the study will examine if the innovative work behavior strengthens the relationship between transformational-transactional leadership and talent management.

## **2. The study problem:**

Based on previous review, there is no study has shown the relationship between the three variables in any field till now. So, this study will be the first study to show this relation within the Egyptian commercial banks. This study benefits from previous studies in developing the theoretical background, define the scientific concepts of variables, and developing the hypotheses and the model of the study.

## **3. Theoretical background:**

### **3.1. Leadership styles:**

(Asfie, 2020) stated that leadership style represents leader's ability to deal and work with others. Style of leader differs from one organization to another and from one leader to another according to individual employees who determine which style to be followed. There are several leadership styles that have been mentioned in several studies, but our focus will be on the most studied styles; which are transformational and transactional leadership.

#### **3.1.1. Transformational leadership:**

The transformational leaders have marked a passion for the work and an ability to make the rest of the group feel recharged and energized. Transformational leadership is the ability to add value for an organization through your employees by empowering, encouraging, and trust them to adapt and deal with changes (Huynh, 2021).

The transformational leader offers followers something more than just working for self-gain; they provide followers with an inspiring mission and vision and give them an identity which in turn make followers feel trust, admiration, loyalty and respect for the leader and because of the qualities of the transformational leader are willing to work harder than originally expected. Transformational leader has the ability to make others follow up leader's actions and behaviors. Transformational leadership is characterized by four dimensions (idealized influence, inspirational motivation, intellectual simulation, and individualized consideration) that have been identified as the 4 I's by (Bass and Avolio, 1994) as cited in Asfie, A. (2020). In the following sub-section we will present these dimensions follows:

- **Idealized influence:**

This dimension refers to the way in which transformational leaders exert their influence within a group, as stated by (Jones & Rudd, 2008). Leaders within this dimension act as a powerful role model; they are deeply respected and trusted, they provide clear vision and sense of belonging (idealized influence attributes), and their followers imitate them as they wish to become a leader based on the example set (idealized influence behavior) according to Bass and Avolio (1990)'s classification of idealized influence as cited in Asfie, A. (2020). Because of the positives of this dimension, groups led by this type of leaders tend to be successful and loyal.

- **Inspirational motivation:**

It is the behavior of a transformational leader that arises when the leader formulates the goals and explains the way to achieve them through clear vision according to Bass, (1988). Inspirational motivation dimension describes the ability of the leaders to inspire confidence, motivation, and sense of purpose in others.

- **Intellectual stimulation:**

Intellectual stimulation is about developing innovative ways of dealing with organizational issues. Through intellectual stimulation leaders concentrate on enhancing innovation and creativity, motivate followers to think out of the ordinary, and maintain the relationship with the common mission of an organization (Gumusluoglu & Ilsev, 2009). Through this dimension, leaders challenge followers to come up with solutions to problems, challenge their current views, promote creativity, and challenge their current skill set.

- **Individualized consideration:**

This dimension of transformational leadership prioritizes the needs of individuals. Transformational leaders learn about their followers, what motivates them, what inspires them and utilizes that information to enhance them. (Lynch, 2012) stated that within individualized consideration, leaders become as teachers, mentors and guides to the followers, and they listen to the followers' concerns and needs.

### **3.1.2. Transactional leadership:**

Transactional leadership is a managerial style that relies on attaining goals through structure, supervision and system of rewards and punishments. This style doesn't focus on changing or improving the organization as a whole, but instead, aims to hit short-term goals while establishing unity and

conformity with the company. Transactional leadership consists of four dimensions: contingent reward, management by exception (active), management by exception (passive), and laissez-faire. But, laissez-faire leadership is not taking into consideration because it avoids leadership responsibility. So, it is regarded as non-transactional leadership style. Therefore, the focus will be on the three dimensions (contingent reward, management by exception (active), and management by exception (passive)).

- **Contingent reward:**

(Z. A. Khan et al., 2016) showed that the transactional leaders link the goal to rewards, clarify expectations, provide necessary resources, set mutually agreed upon goals, and provide various kinds of rewards for successful performance. They set SMART (Specific, Measurable, Attainable, Realistic, and Timely) goals for their subordinates.

- **Management by exception (active):**

Transactional leaders actively monitor the work of their subordinates, watch for deviations from rules and standards and taking corrective action to prevent mistakes (Advani, 2015).

- **Management by exception (passive):**

(Antonakis et al., 2003) stated that transactional leaders intervene only when standards are not met or when the performance is not as per the expectations. They may even use punishment as a response to unacceptable performance.

### 3.2. Talent management:

Talent management is a group of specific activities and functions that integrate together to enable the firm to fill its internal gap through filling the gap between the development of the staff and the achievements of the firm, that help the firm to gain competitive advantage (Pirzada et al., 2021). As presented in the previous studies, practicing talent management achieves several benefits and advantages for organizations.

#### **Talent management dimensions (strategies):**

- **Talent attraction:**

The right talent helps an organization success and the wrong talent causes its failure. So, finding the right person is a difficult and challengeable process. (Tien et al., 2021) defined talent attraction as the process of providing all the conditions necessary to make the enterprise attractive for

the talent. This process consists of recruitment and selection, employer branding and choice, and employee value proposition.

- **Talent learning and development:**

Development comes after attracting talented employees and spending period of time in the organization. Development of talents benefits an organization as it makes talented employees more satisfied, which in turn makes the organization more stable and successful. Development of talent focuses on increasing the strengths points of employees and overcome the weaknesses ones. (Isa et al., 2018) described talent development as a social process aims at acquiring and sharing necessary information that influence the experience development of talents within an organization. By retaining talents, development can benefit organization as it reduces the costs associated with recruitment of new employees and operational costs (Ali et al., 2020).

- **Talent retention:**

Talent retention helps an organization to remain competitive. It keeps the proficient employees of an organization for a long time which in turn keeps the level of performance and outcomes of the organization. Talent retention can be defined as a process of reducing turnover rates through ensuring that employees remain stay in the organization (Wakabi, 2016).. Talent retention policies can be included in the rewarding system an organization offers, salaries and benefits (as a monetary policies), or it can be the opportunities for growth and development, healthy work environment, and better work involvement (as non-monetary policies).

- **Career management:**

(Cunningham, 2007) described career management as an enhancing process that focuses on developing an individuals' career and helping in their choices rather than focusing on identifying vacancies that need to be filled. Career management is about planning, organizing, directing and controlling the path of work to achieve the desired goals and desires. An organization can achieve high levels of employees' retention through managing their career properly.

### **3.3. Innovative work behavior:**

Innovation is an indispensable factor for organizations as they are required to adapt to rapid environmental changes. Therefore, the innovative behavior of

employees needs to be developed. Innovative behavior includes aspects of processes, procedures, relationship, thinking, services, and products. Innovative work behavior is the research, development, and practice of new ideas based on the mutual relationship among members in the organization. (Al-Shammari & Khalifa, 2019) defined innovative work behavior as a multi-phased process starts with the realization of a certain problem which leads to the formation of new solutions and ideas, then providing support and empowerment for these ideas, and then generating blueprint for using.

### **3.3.1. Dimensions of innovative work behavior:**

- **Opportunity exploration:**

It is about determining the promising attainments relative to products, services, and processes. De Jong & Den Hartog (2010) indicated that recognition of innovation can happen suddenly without planning; occur as a chance that may not be repeated again.

- **Idea generation:**

Once the opportunity has been identified, idea generation stage takes place. In this stage employees tend to think out of the box, utilize their creative skills to rearrange the available information into an obvious concept.

- **Idea championing:**

This stage is dominated by the support it provides for the generated idea. In this stage employees are convinced to accept and participate in the innovation process. These employees may be managers, members of other departments (Veenendaal & Bondarouk, 2015). Champion usually requires recognizing of the idea's value and feasibility, identifying and involving the relevant and influential employees.

- **Idea implementation:**

The final stage of innovative work behavior describes the effort exerted by employees to actually implementing the idea. It stands for the inclusion of new ideas in the processes of organization (Kleysen & Street, 2001a). Employees begin to actualization and implementation of novel ideas generated (Susanti et al., 2021). Kanter (1988) stated that this stage includes testing, modification, and development of new products or processes.

## **4. Literature review:**

### **4.1. Leadership styles and talent management:**

Leadership and talent management has gained great attention and interest of many scholars in different fields because of their critical importance. Leaders play an important role in managing the talents of an organization as they are responsible for placing the right persons in the right places. So, (Ananthan et al., 2019) suggested in their study that the leader's attitude can continuously develop, retain, and create talent pools within the public sector, they also suggested that the difference in the public sector can be made through the leader's attitude. (Betchoo, 2014) argued that leadership and talent management are important for economic development and concluded that talent management needs for effective leadership to achieve higher levels and steps into economic shifts. (Giriskan, 2020) discussed that once leaders who are relationship-oriented find their employees' unique talent, they may encourage their talents to increase their capabilities to increase the overall performance of an organization.

Styles of leadership are several and we need to examine which of them has been linked to talent management. For instance, (Sobaih et al., 2020) studied the impact of transformational and transactional leadership on employee intention to stay, and found that both styles had a positive impact on intention to stay, but the proper leadership style representing in transformational style had more positive impact than transactional style as it enhances the intention to stay of employees which in turn enhances the retention of talents. In line with this study, (Gunasekare, 2021) also stated that transformational leadership style was the most deployed leadership style at the banks of Sri Lanka and plays a vital role in selection, recruiting and promotion decisions, The results also suggested that transactional leadership style had a role in employee performance, but the role of transformational was greater.

(Long et al., 2014) also proved that implementation of transformational leadership style makes employees satisfied and therefore retain for long times in the organization.(Andrus, 2021; Onyango, 2015) concluded that transformational leadership styles were positively related and had a positive impact on talent management as they can influence, motivate, engage, and stimulate their subordinates in positive manner effectively are

able to make poor retention reduction a reality. Transformational and transactional leadership styles encourage employees to stay in banks as concluded by (Khalid et al., 2016) . (Cob & Abidin, 2020) also concluded in their study that both transformational and transactional leadership styles had a significant positive impact on the leader's talent management ability which can't work well without those styles of leadership. Transformational leadership positively influenced talent management, while transactional leadership, itself, didn't influence talent management significantly, but the combination of transformational and transactional leadership styles positively influenced talent management, as found by (Sadeli, 2015). To support previous studies, (Zahair, 2023) also revealed that transformational leadership affects talent management practices positively.(Ali & Haque, 2023) concluded in their study that transactional leadership related to talent development and engagement positively, while transformational leadership doesn't related to talent development or talent engagement. Transformational leadership is suggested to influence career management strategies which in turn affect the employees' intention to leave as concluded by (MacPhee, 2006). At contrast, (Riaz et al., 2012) found that transformational leadership with its dimensions (intellectual stimulation, idealized influence, inspirational motivation and individualized considerations) are not related to employees' career salience significantly.

According to these studies, we can conclude the following: Generally, there is consensus that leadership has a great impact and is considered an influential factor in managing talented people and achieving competitive advantage as concluded by ((Betchoo, 2014; Bos et al., 2019; Singh & Sharma, 2015; Smith et al., 2019). Transformational and transactional leadership are the most repeated styles or approaches of leadership that have an impact on talent management as stated by (Cob & Abidin, 2020; Gunasekare, 2021; Khalid et al., 2016; Sadeli, 2015; Sobaih et al., 2020; Zhang et al., 2015). There are some studies revealed that for the best benefit, transformational and transactional should be combined together as there are some elements of both may have a negative impact, so to overcome this negativity its preferable to deploy both styles (Ali & Haque, 2023; Gunasekare, 2021; Riaz et al., 2012; Sobaih et al., 2020).

#### **4.2. Leadership styles and innovative work behavior:**

Several studies have focused on the relationship between leadership styles and innovative work behavior because of their great importance in empowering, encouraging, and increasing the skills of employees who in turn raise the performance of an organization and also the level of competitive advantage. (Faraz, Yanxia, Ahmed, Gebretsadik Estifo, et al., 2018) found in their study that transactional leadership style acted as a tool for increasing innovative work behavior of employees. The study also revealed that both transformational and transactional leadership styles should be combined together to motivate employees' innovative work behavior.

The results of the study of (Pieterse et al., 2010) showed that transformational leadership related to innovative work behavior positively when psychological empowerment was high, while transactional leadership was negatively related when psychological empowerment was high, which mean that transformational leadership was more beneficial to innovative work behavior with high psychological empowerment than transactional leadership.

The results of the study of (McCann & Sparks, 2019) also concluded that both transformational and transactional leadership styles had a positive impact on innovative work behavior, but the impact of transformational style was greater than that of transactional style and transformational style was more effective in promoting innovative behaviors. (Contreras, Cuero Acosta, et al., 2017; DemeSko, 2017) also concluded that both transformational and transactional styles can exert positive impact on innovative work behavior among employees through applying some of their elements. Therefore, they suggested that leaders should make a combination of both styles to enhance innovative work behavior among employees.

(Chatchawan et al., 2017; Choi et al., 2016; A. M. Khan et al., 2019; Long et al., 2014) assured that transformational leadership is an indicator and one of the determinants of innovative work behavior and creativity, and help organizations adapt to changing environment and become more competitive. (M. J. Khan et al., 2012) concluded in their study that both transformational and transactional leadership styles have a positive

influence on innovative work behavior. (M. A. Khan et al., 2020) also concluded that transformational and transactional leadership styles motivate employees' innovative work behavior effectively and recommended that transformative leaders should encourage employees to bring novel ideas and concepts.

According to the previous studies researchers can conclude that the vast majority of studies concluded that both transformational and transactional styles of leadership have a positive impact on innovative work behavior (Contreras et al., 2017; DemeSko, 2017; Faraz, Yanxia, Ahmed, Estifo, et al., 2018; A. M. Khan et al., 2019; M. J. Khan et al., 2012).

#### **4.3. Innovative work behavior and talent management:**

Some studies showed the influence of talent management on innovative work behavior, but very limited studies -as far as the researchers knows- that showed the effect of innovative work behavior on talent management. For instance, (Tett & Meyer, 1993) assumed that an organization to be competitive and profitable, it has to focus on innovation and creativity not only talent recruitment to acquire talent pool next generations in the organization depend on.

(Briganti & Samson, 2019) found that innovation talent leads to high and positive results for business.

(Munir & Beh, 2019) concluded that innovative work behavior provides the key to the main areas that managers need to focus on increasing employees' innovativeness. They showed that innovative work behavior plays a vital role in managing talents, as if there is an organizational behavior that encourages innovative work behavior, departments of the organization will regard it as a basis for their management. So, they found that an organization should promote innovative recruitment techniques to attract talented employees. To support this study, (Jose, 2019) aimed at his study to indicate the role of innovation in recruitment and acquisition of talents with a special focus on IT sectors and found that innovation has a vital role in attracting and acquiring talents, and an organization should promote innovative strategies to attract the talents to improve the effectiveness and performance of an organization.

Also, (Mohammed, A. A., Hafeez-Baig, A., & Gururajan, 2018) concluded that the core sources of innovation in higher education institutions were talent attraction, talent development and talent retention. In line with this study, (Chaturvedi et al., 2020) found that talent management played a vital role in innovation and creativity as it was

considered an important predictor for them. (Li & Zhang, 2014) concluded from their study that innovative talents play a vital role in the development and survival of organizations. Talent retention is a source of power and continuity of organizations, so management should develop innovative ways in order to retain employees through compensation, engagement and performance improvements, as concluded by (Abdulmaleek O., 2020).

Among valuable implications of the study of (Lasisi et al., 2020), they found that management should implement policies of innovation that related to human resources in order to support employees to be proactive and innovative. We can summarize previous studies in the following table

There are some studies that examined the impact of innovative work behavior on talent management and showed that innovative work behavior has a role in managing talent (Abdulmaleek O., 2020; Jose, 2019; Lasisi et al., 2020; Munir & Beh, 2019). Some studies examined the impact of talent management on innovative work behavior and stated that talent management is important for innovative work behavior (Chaturvedi et al., 2020; Li & Zhang, 2014; Mohammed et al., 2020; Tett & Meyer, 1993).

So, we can conclude from this review that most studies that showed the relationship between leadership styles and talent management, and also the relationship between leadership styles and innovative work behavior have applied transformational and transactional styles as the most effective styles of leadership. Those studies have been done in different fields and in different countries, but based on the researchers' knowledge; there is a lack of such studies in Egypt, especially the commercial banks there are no previous study in this filed. There is a lack of studies that show the impact of innovative work behavior on talent management. So, this study comes to extend the knowledge of innovative work behavior and talent management.

## **5. The study question:**

The major research question that the thesis will address is formulated as follows: To what extent there is a mediating relationship between leadership styles; transformational and transactional, innovative work behavior and talent management in the Egyptian commercial banks?

## 6. The conceptual model:

In order to illustrate the main idea of the research, a conceptual model was prepared. The model represents innovative work behavior as a mediator in the relationship between leadership styles represented in transformational and transactional styles (independent variables), and talent management (dependent variable).

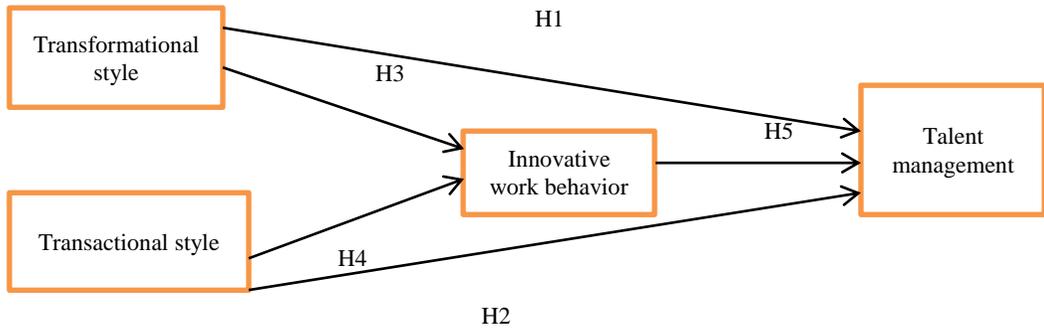


Figure 1: conceptual model

Source: prepared by researchers

## 7. The study hypotheses:

Based on literature review and conceptual model, the study hypotheses can be formulated as follows:

H1: Transformational leadership has a significant positive effect on talent management.

This hypothesis aims to identify the effect of transformational leadership style (an independent variable) on talent management (a dependent variable), and this hypothesis was based on the results of previous studies, as the results of the study of (Andrus, 2021; Cob & Abidin, 2020; Giriskan, 2020; Gunasekare, 2021; Khalid et al., 2016; MacPhee, 2006; Onyango, 2015; Sobaih et al., 2020; Zahair, 2023) came to the existence of positive impact of transformational leadership on talent management.

H2: Transactional leadership has a significant positive effect on talent management.

This hypothesis aims to identify the effect of transactional leadership style (an independent variable) on talent management (dependent variable), and this hypothesis was based on the results of previous studies, as the results of the study of (Ali & Haque, 2023; Cob & Abidin, 2020; Khalid et al., 2016; Sobaih et al., 2020) came to the existence of positive impact of transactional leadership on talent management.

H3: Transformational leadership has a significant positive effect on innovative work behavior.

This hypothesis aims to identify the effect of transformational leadership style (an independent variable) on innovative work behavior ( a mediator variable), and this hypothesis was based on the results of previous studies, as the results of the study of (Afsar et al., 2014; Ahmed et al., 2019; Al-Shammari & Khalifa, 2019; Choi et al., 2016; Contreras, Espinosa, et al., 2017; DemeSko, 2017; Imran et al., 2011; A. M. Khan et al., 2019; M. J. Khan et al., 2012; Long et al., 2014; Odugbesan et al., 2022; Umrani & Afsar, 2019) came to the existence of positive impact of transformational leadership on innovative work behavior.

H4: Transactional leadership has a significant positive influence on innovative work behavior.

This hypothesis aims to identify the effect of transactional leadership style (an independent variable) on innovative work behavior (a mediator variable), and this hypothesis was based on the results of previous studies, as the results of the study of (Contreras, Cuero Acosta, et al., 2017; DemeSko, 2017; Faraz, Yanxia, Ahmed, Estifo, et al., 2018; M. A. Khan et al., 2020; M. J. Khan et al., 2012; Mccann & Sparks, 2019) came to the existence of positive impact of transactional leadership on innovative work behavior.

H5: innovative work behavior has a significant positive effect on talent management.

This hypothesis aims to identify the effect of innovative work behavior (a mediator) on talent management (dependent), and this hypothesis was based on the results of previous studies, as the results of the study of (Abdulmaleek O., 2020; Jose, 2019; Munir & Beh, 2019)

H6: Innovative work behavior mediates the effect of transformational leadership on talent management.

This hypothesis aims to investigate whether innovative work behavior mediates the effect of transformational leadership on talent management or not, and this hypothesis was based on the previous studies that revealed the influence of transformational leadership on innovative work behavior and talent management.

H7: Innovative work behavior mediates the effect of transactional leadership on talent management.

This hypothesis aims to investigate whether innovative work behavior mediates the effect of transactional leadership on talent management or not, and this hypothesis was based on the previous studies that revealed the influence of transactional leadership on innovative work behavior and talent management.

## **8. The significance of the study:**

This study can be useful through the theoretical and practical benefits that will provide for organizations; it can contribute to the existing body and enriching the scientific content of talent management through showing the effect of transformational and transactional styles of leadership and also the effect of innovative work behavior on talent management in the Egyptian commercial bank. The Egyptian commercial banks can benefit from this study as it is the first study that relates the styles of leadership; transformational and transactional, and innovative work behavior on talent management through identifying the strategies that help management of talented employees, determining the problems and obstacles that affect talent management, identifying the approaches and techniques that leaders can follow to encourage and enhance innovative work behavior to manage talented employees effectively, this study also takes its importance from the critical role of commercial banks in societies, and finally the results of this study will provide useful insights for organizations in general and commercial banks specially; as it proved that both styles of leadership and innovative work behavior have a significant effect on talent management. Thus, commercial banks can focus on these variables to retain their talents, increase their profits, and remain competitive in the financial market.

## 9. The study methodology:

### 9.1. Population and sample:

**Population:** Population of this study is the employees of (22) of the Egyptian commercial banks. The population doesn't include Islamic and specialized banks because of their specific nature of work, it is also doesn't include 6 of commercial banks (MIDBANK, Citibank, FABMISR, Mashreq bank, National Bank of Greece, and the United Bank) because their statistics of no. of employees are not available. So, the population of the study will be 22 banks of the Egyptian commercial banks divided into 3 public or government banks (Bank misr, National Bank of Egypt and bank du Caire) and the remaining 19 banks are private. Therefore the researcher will depend on the statistics of 22 banks for calculating the sample of the study. According to these statistics, the population is 103,307 employees working in the 22 commercial banks.

**Sample:** the sample of the study is stratified random sample of employees working in the Egyptian commercial banks classified into 5 categories (banker, senior supervisor, head of department, deputy director and branch manager). The study focuses on these five levels because they represent the most common levels of employment in Egyptian commercial banks. The researchers will use the formula of (Krejcie & Morgan, 1970) to calculate the sample of the study

The sample size of this study is 383, and the researcher will increase the number to 400, to further ensure that the appropriate results will be obtained. Out of 400, 365 valid responses received with percent of 91.25%.

### 9.2. Data collection instrument :

The data collection was carried out by applying survey method in the form of electronic questionnaire. It represents a sufficient way to gather large amounts of primary data in a short time.

- **Transformational / Transactional leadership constructs:** In order to measure constructs of transformational and transactional leadership, Multifactor Leadership Questionnaire (MLQ form 5X- short) developed by (Avolio & Bass, 2004) is applied, this version has been cited by several scholars which indicates its validity and reliability.

- **Innovative work behavior:** In order to measure innovative work behavior construct, the scales developed by (De Jong & Den Hartog, 2010; Janssen, 2000; Kleysen & Street, 2001b) were applied.
- **Talent management:** In order to measure talent management construct, the scale developed by (Lyria Rita Kagwiria, 2014) was applied. This scale has been cited by several scholars that indicates its validity and reliability.

All items will be rated by 5-point likert scale ranging from “strongly disagree” [1] to “strongly agree” [5].

The questionnaire phrases have been translated into Arabic and back translated into English by language specialists.

### 9.3. Pilot study:

A pilot survey was conducted on a small sample of employees in Egyptian commercial banks in Qena Governorate, with total of (60) individuals. This was to identify how well the respondents understood the questionnaire phrases and that the answers reflect the variables and dimensions of the research. The pilot study was conducted after getting the approval of Central Agency for Public Mobilization statistics to conduct the field study (Appendix 1), and assessment of the questionnaire by a panel of assessors (Appendix 2). The test results for the first independent variable, transformational leadership, the second independent variable, transactional leadership, the mediating variable, innovative work behavior, and the dependent variable, talent management, are as follows:

- **Validity:** The results of the pilot test showed that the questionnaire items were valid in measuring the variables and dimensions of the research as the questionnaire items were clear and easy to understand for the respondents, the questionnaire items were relevant to the variables and dimensions of the research, and the questionnaire items were able to differentiate between the different levels of the variables and dimensions of the research.
- **Reliability:** Cronbach’s alpha value is the indicator of reliability of the questionnaire, so the following table shows the results of testing reliability of study variables.

Table 1: Reliability of study variables

Variable	Cronbach's Alpha
Transformational leadership	0.960
Transactional leadership	0.854
Innovative work behavior	0.910
Talent management	0.982

Source: researchers based on statistical analysis of field study

Based on the results of the validity and reliability test it can be concluded that the questionnaire was valid and reliable as cronbach's alpha is higher than the accepted value (0.7). This means that the questionnaire is a good tool for collecting data on the variables and dimensions of the research.”

#### 9.4. Data analysis methods:

The collected data was processed through statistical software package for social science (SPSS) and AMOS. These tests were conducted using structural equation modeling (SEM) using SPSS V.26 for descriptive statistics, as well as using AMOS V.24 to test the study hypotheses as follows: Evaluating the Reliability and Validity of the Scale, Description of the sample, Descriptive analysis of the data and its suitability for testing the study hypotheses, Exploratory factor analysis (EFA), Correlation coefficients between the study variables, Confirmatory factor analysis (CFA), Testing the study hypotheses by analyzing the structural model of the study and path analysis (Path Analysis) to identify the direct and indirect effects of the mediating variable (innovative work behavior) on the relationship between transformational leadership, transactional leadership, and talent management.

#### 10. Results of Data analysis:

##### 10.1. Description of the Study Sample:

The following table shows the descriptive analysis of the study sample, which consists of (gender, age, marital status, type of bank, work experience, professional level):

- **Demographic Characteristics:** characteristics of respondents are presented in the following table.

Table 2: Descriptive statistics of demographic characteristics of bank employees (n=365)

Characteristic		Frequency	Percent
Gender	Male	270	74%
	Female	95	26%
	Total	365	100%
Age Group	Less than or equal to 45	341	93.4%
	Older than 45	24	6.6%
	Total	365	100%
Marital Status	Single	136	37.3%
	Married	223	61.1%
	Divorced	6	1.6%
	Total	365	100%
Bank Type	Private	146	40%
	Government	219	60%
	Total	365	100%
Job Experience	Less than 5 years	137	37.5%
	5-10 years	134	36.7%
	10-15 years	41	11.2%
	More than 15 years	53	14.5%
	Total	365	100%
Professional Level	Banker	188	51.5%
	Senior Supervisor	84	23%
	Head of Department	40	11%
	Deputy Director	27	7.4%
	Branch Manager	26	7.1%
	Total	365	100%

Source: prepared by the researchers using SPSS.

The results of previous table shows that the vast majority of respondents were males with percentage of 74%, 93.4% of respondents were youth (less than 45 years), government banks represent the highest response with percentage of 60%, most respondents have less than 5 years job experience and bankers level was the highest response rate 51.5%.

## 10.2. Descriptive analysis of study variables:

The mean, standard deviation, skewness, and kurtosis which represent the descriptive analysis of study variables are shown in the following table

Table 3: Descriptive analysis of study variables

variable	mean	Std. deviation	Skewness	Kurtosis
Transformational leadership	3.4995	1.018	-0.605	-0.411
Transactional leadership	3.511	0.875	-0.652	0.222
Innovative work behavior	4.0411	0.72968	-0.973	1.811
Talent management	3.427	0.988	-0.275	-0.587

Source: researchers using SPSS

We conclude from the above that the study variables do not meet the assumption of normal data distribution, as the values of the skewness and kurtosis coefficients do not fall within the ideal range (3 and 0 respectively). Therefore, the model estimation will be completed using the Bootstrapping Technique, which is used as an alternative to parametric estimates in statistical analysis (Collier, 2020).

### 10.3. Correlation coefficients between the study variables.

The researcher used Pearson's correlation coefficient to identify the bivariate linear correlation coefficients between the study variables to determine if there is a significant correlation between the independent variable, the mediator variable, and the dependent variable, as shown in the following table:

Table 4: Results of correlation coefficients of study variables

<i>Variables</i>		1	2	3	4
transformational leadership	Pearson Correlation	1.000			
	Sig. (2-tailed)				
transactional leadership	Pearson Correlation	0.857**	1.000		
	Sig. (2-tailed)	0.000			
Innovative work behavior	Pearson Correlation	0.409**	0.375**	1.000	
	Sig. (2-tailed)	0.000	0.000		

Talent management	Pearson Correlation	0.578 **	0.557 **	0.470 **	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	

Correlation is significant at the 0.01 level (2-tailed), n=365

Source: prepared by the researchers using SPSS.

The table above shows that there are significant positive bivariate correlations between the variables in the study, as follows: There is a moderate positive and significant correlation between the independent variable (transformational leadership) and the dependent variable (talent management), with a correlation coefficient of 0.578. There is a moderate positive and significant correlation between the independent variable (transactional leadership) and the dependent variable (talent management), with a correlation coefficient of 0.557. There is a moderate positive and significant correlation between the independent variable (transformational leadership) and the mediator variable (innovative work behavior), with a correlation coefficient of 0.409. There is a weak positive and significant correlation between the independent variable (transactional leadership) and the mediator variable (innovative work behavior), with a correlation coefficient of 0.375. There is a moderate positive and significant correlation between the mediator variable (innovative work behavior) and the dependent variable (talent management), with a correlation coefficient of 0.470.

The results of the correlation analysis suggest that there is a significant relationship between transformational leadership, transactional leadership, innovative work behavior, and talent management. This indicates that transformational leadership and transactional leadership may be factors that contribute to innovative work behavior, which in turn may contribute to talent management.

#### 10.4. Results of testing hypotheses:

This sub-section presents the results of testing study hypotheses, the following table represents the results of regression analysis using path analysis

Table 5: Results of testing hypotheses

Hypothesis	Path	Estimate	S.E	C.R	P	Direct effect	Indirect effect	Total effect	Result
H1	TF→TM	0.488	0.048	10.096	***				Accepted
H2	TS→TM	0.418	0.047	8.817	***				Accepted
H3	TF→IWB	0.281	0.040	7.078	***				Accepted
H4	TS→IWB	0.229	0.039	5.812	***				Accepted
H5	IWB→TM	0.561	0.068	8.206	***				Accepted
H6	TF→IWB→TM				**	0.396	0.093	0.489	Accepted
H7	TS→IWB→TM				**	0.325	0.094	0.419	Accepted

(Note: \*\*\*p<0.001, \*\*p<0.01, n=365)

Source: researchers using AMOS

From the previous table we can conclude the following:

- There is a statistically significant effect of transformational leadership on talent management. The sign of the regression coefficient for the independent variable (transformational leadership) is positive, which means that there is a positive relationship between transformational leadership and talent management. For every one-unit increase in transformational leadership, talent management increases by (0.488). The value of the standard deviation is less than 1%, which indicates a low variance for this model. The value of Squared Multiple Correlations is (0.35), which means that the independent variable (transformational leadership) explains approximately (35%) of the expected variation in talent management.
- There is a statistically significant effect of transactional leadership on talent management. The sign of the regression coefficient for the independent variable (transactional leadership) is positive, which means that there is a positive relationship between transactional leadership and talent management. For every one-unit increase in transactional leadership, talent management increases by (0.418). The value of the standard deviation is less than 1%, which indicates a low variance for this model. The value of Squared Multiple Correlations is (0.26), which means that the independent variable (transactional leadership) explains approximately (26%) of the expected variation in talent management.
- There is a statistically significant effect of transformational leadership on innovative work behavior. The sign of the regression coefficient for the

- independent variable (transformational leadership) is positive, which means that there is a positive relationship between transformational leadership and innovative work behavior. For every one-unit increase in transformational leadership, innovative work behavior increases by (0.281). The value of the standard deviation is less than 1%, which indicates a low variance for this model. The value of Squared Multiple Correlations is (0.166), which means that the independent variable (transformational leadership) explains approximately (16.6%) of the expected variation in innovative work behavior
- There is a statistically significant effect of transactional leadership on innovative work behavior. The sign of the regression coefficient for the independent variable (transactional leadership) is positive, which means that there is a positive relationship between transactional leadership and innovative work behavior. For every one-unit increase in transactional leadership, innovative work behavior increases by (0.229). The value of the standard deviation is less than 1%, which indicates a low variance for this model. The value of Squared Multiple Correlations is (0.113), which means that the independent variable (transactional leadership) explains approximately (11.3%) of the expected variation in innovative work behavior.
  - There is a statistically significant effect of innovative work behavior on talent management. The sign of the regression coefficient for the mediating variable (innovative work behavior) is positive, which means that there is a positive relationship between innovative work behavior and talent management. For every one-unit increase in innovative work behavior, talent management increases by (0.561). The value of the standard deviation is less than 1%, which indicates a low variance for this model. The value of Squared Multiple Correlations is (0.227), which means that the mediating variable (innovative work behavior) explains approximately (22.7%) of the expected variation in talent management.
  - There is partial mediation, as follows: There is a significant direct effect of the independent variable (transformational leadership) on the dependent variable (talent management) in the presence of the mediating variable (innovative work behavior). The effect coefficient was (0.396) at a significance level of (0.004). There is a significant indirect effect of the independent variable (transformational leadership) on the dependent variable (talent management) in the presence of the mediating variable (innovative work behavior). The effect coefficient was (0.093) at a significance level of (0.004). The positive indirect effect of transformational leadership on talent management increases when innovative work behavior is mediated from (0.396) to (0.489). This indirect effect is also significant

- There is partial mediation, as follows: There is a significant direct effect of the independent variable (transactional leadership) on the dependent variable (talent management) in the presence of the mediating variable (innovative work behavior). The effect coefficient was (0.325) at a significance level of (0.004). There is a significant indirect effect of the independent variable (transactional leadership) on the dependent variable (talent management) in the presence of the mediating variable (innovative work behavior). The effect coefficient was (0.094) at a significance level of (0.004). The positive indirect effect of transactional leadership on talent management increases when innovative work behavior is mediated from (0.325) to (0.419). This indirect effect is also significant.

## **11. Discussion of study results:**

Referring to the results of regression analysis for the structural equation model of the study using AMOS software, it was confirmed that transformational leadership has a significant positive influence on talent management in Egyptian commercial banks. The result of the current study supports the results of previous studies that examined the influence of transformational leadership on talent management (Andrus, 2021; Cob & Abidin, 2020; Giriskan, 2020; Gunasekare, 2021; Khalid et al., 2016; MacPhee, 2006; Onyango, 2015; Sobaih et al., 2020; Zahair, 2023) which concluded that there is a positive and significant impact of transformational leadership on talent management. So, this result indicates the recognition of employees of Egyptian commercial banks about the importance of transformational leadership style, as Egyptian banking industry has some challenges such as: intense completion, need for innovation and limited talent pool. Therefore, transformational leaders have the ability to attract and retain the talented employees, engage and motivate employees, develop skills of those talents and affect their career paths; which reflect the positive impact of this kind of leaders on managing talents.

Also, it was confirmed that transactional leadership has a significant positive effect on talent management in Egyptian commercial banks. The result of the current study was confirmed by the results of previous studies that examined the influence of transactional leadership on talent management (Ali & Haque, 2023; Cob & Abidin, 2020; Khalid et al., 2016; Sobaih et al., 2020), which concluded that there is a positive and significant impact of transactional leadership on talent management. So,

this result indicates that the employees of the Egyptian commercial banks recognize the effect of transactional leaders which appears in clear expectations and rewards, motivational aspects and cultural fit that in turn affect talent retention, development and career management.

The effect of transformational leadership style is greater than that of transactional style, sand this is confirmed by the value of  $R^2$ ;  $R^2$  of transformational leadership is 0.35 which means that this style explains approximately 35% of the expected variation in talent management, while  $R^2$  of transactional leadership is 0.26 which means that this style explains approximately 26% of the expected variation in talent management. Transactional leadership has some negativity representing in: limited focus on intrinsic motivation (as it depends on extrinsic rewards and punishment), potential demotivation and dissatisfaction, and limited development focus. So, it is beneficial for Egyptian banking sector to combine two styles together in order to benefit from their positives and overcome drawbacks of transactional leadership.

Also, it was confirmed that transformational leadership has a significant positive influence on innovative work behavior in Egyptian commercial banks. The result of the current study was confirmed by the results of previous studies that examined the effect of transformational leadership on innovative work behavior (Afsar et al., 2014; Ahmed et al., 2019; Al-Shammari & Khalifa, 2019; Choi et al., 2016; Contreras, Cuero Acosta, et al., 2017; DemeSko, 2017; Imran et al., 2011; A. M. Khan et al., 2019; M. J. Khan et al., 2012; Long et al., 2014; Odugbesan et al., 2022; Umrani & Afsar, 2019) ,which concluded that there is a positive and significant impact of transformational leadership on innovative work behavior. So, this result indicates that employees of Egyptian commercial banks recognize the importance of transformational leaders for their innovative work behavior, as innovation is crucial for Egyptian banks to compete effectively and offer differentiated services. Fostering innovative work behavior through transformational leadership can drive innovative solutions and strategies.

Also, it was confirmed that transactional leadership has a significant positive effect on innovative work behavior in Egyptian commercial banks. The result of the current study was confirmed by the results of previous studies that examined the influence of transactional leadership on

innovative work behavior (Contreras, Cuero Acosta, et al., 2017; DemeSko, 2017; Faraz, Yanxia, Ahmed, Gebretsadik Estifo, et al., 2018; M. A. Khan et al., 2020; M. J. Khan et al., 2012; Mccann & Sparks, 2019), which concluded that there is a positive and significant impact of transactional leadership on innovative work behavior. This result indicates that employees of Egyptian commercial banks recognize the impact of transactional leaders on their innovative work behavior which may appear in establishing clear goals and performance expectations, potential motivating employees to achieve them. Contingent rewards for successful performance could incentivize some innovative behaviors. Also, clear roles and processes can streamline tasks and free up time for focused innovative efforts.

The effect of transformational leadership style is greater than that of transactional style, and this is confirmed by the value of  $R^2$ ;  $R^2$  of transformational leadership is 0.166 which means that this style explains approximately 16.6 % of the expected variation in innovative work behavior, while  $R^2$  of transactional leadership is 0.113 which means that this style explains approximately 11.3 % of the expected variation in innovative work behavior. Transactional leadership has some negativity representing in: limited focus on intrinsic motivation (as it depends on extrinsic rewards and punishment), potential demotivation and dissatisfaction, and limited development focus. So, it is beneficial for Egyptian banking sector to combine two styles together in order to benefit from their positives and overcome drawbacks of transactional leadership.

Referring to the results, it was confirmed that innovative work behavior has a significant positive effect talent management in Egyptian commercial banks. The result of the current study was confirmed by the results of previous studies that examined the influence of innovative work behavior on talent management (Abdulmaleek O., 2020; Jose, 2019; Munir & Beh, 2019), which concluded that there is a positive and significant impact of innovative work behavior on talent management. This result indicates that employees of Egyptian commercial banks recognize the positive impact of innovative work behavior on talent management, as banks seeking innovative employees are more likely to attract and retain individuals who demonstrate innovative work behavior, a reputation of fostering innovative work behavior attracts top talents.  $R^2$

of this hypothesis is 0.227, which indicates that innovative work behavior explains approximately 22.7% of variation in talent management.

Referring it was confirmed that there is a partial significant and positive mediating effect of innovative work behavior on the relationship between transformational leadership and talent management in the Egyptian commercial banks. This result means that even without considering the mediating role of innovative work behavior, leaders who exhibit transformational qualities tend to have better talent management practices in their banks (direct effect). The result also indicates that leaders who promote transformational style tend to foster an environment where employees engage in more innovative behaviors, which in turn leads to better talent management practices (indirect effect). Also, the total effect explains that transformational leadership can be a valuable tool for banks seeking to improve their talent management practices.

So, Egyptian commercial banks should foster this innovative behavior in the work environment to make the most of transformational leadership style in managing their talents.

Referring to the results of regression analysis for the structural equation model of the study using AMOS software (path analysis), it was confirmed that there is a partial significant and positive mediating effect of innovative work behavior on the relationship between transactional leadership and talent management in the Egyptian commercial banks. This result means that even without considering the mediating role of innovative work behavior, transactional leadership practices are associated with better talent management practices (direct effect). Innovative work behavior plays a positive and significant partial mediating role (0.094) in the relationship. This means a portion of the positive impact of transactional leadership on talent management (9.4%) can be explained by employees demonstrating innovative behaviors (indirect effect). Also, the total effect explains that transactional leadership can be helpful for banks seeking to improve their talent management practices.

So, Transactional leadership, characterized by clear expectations, rewards, and punishments, can contribute to effective talent management. However, a portion of this impact is mediated by employee innovativeness. This implies that transactional leadership might create an

environment where employees feel motivated to achieve specific goals (through rewards and punishments), which in turn might encourage them to be more innovative, ultimately benefiting talent management practices.

So, the results of study hypotheses have answered the main question of the study (to what extent there is a mediation relationship between leadership styles, innovative work behavior and talent management in the Egyptian commercial banks?)

## **12. Conclusions of the study:**

This study has yielded a number of conclusions that can be summarized as follows:

- There is a significant positive influence of transformational leadership on talent management. This means that leaders who exhibit transformational qualities tend to have better talent management practices in their banks. This also means that more the Egyptian commercial banks employ transformational leadership style, the higher the performance of talent management practices will be.
- There is a significant positive influence of transactional leadership on talent management. This means that the positives of transactional leadership such as clear expectations and rewards, motivational aspects and cultural fit tends to associate with good talent management practices in the Egyptian commercial banks.
- The study also revealed that the influence of transformational leadership is greater than the influence of transactional leadership on talent management because of the drawbacks of transactional style.
- There is a significant positive influence of transformational leadership on innovative work behavior. This means that transformational leaders in Egyptian commercial banks foster innovative work environment and encourage their employees to think outside the box which leads to better performance. This also means that more the Egyptian commercial banks employ transformational leadership style, the higher the innovative work behavior will be.
- There is a significant positive influence of transactional leadership on innovative work behavior. This means that Egyptian commercial banks

can benefit from the advantages of transactional leadership in enhancing employees to be innovative in their work.

- The study also revealed that the influence of transformational leadership is greater than the influence of transactional leadership on innovative work behavior because of the disadvantages of transactional style.
- Innovative work behavior partially mediates the relationship between transformational leadership and talent management. This means that leaders who promote a transformational style tend to foster an environment where employees engage in more innovative behaviors, which in turn leads to better talent management practices.
- Innovative work behavior partially mediates the relationship between transactional leadership and talent management. This means that Egyptian commercial banks can benefit from the positive influence of transactional leadership on talent management through empowering innovative work behavior.
- So, the study also reveals that it is the best to apply a combination of two styles with mediating innovative work behavior in order to achieve the highest results expected from talented employees.
- It also indicates that talent management practices in Egyptian commercial banks can do well without such leadership styles and an environment that encourages innovation.

### **13. Study implications:**

The discussion of the findings of the current study revealed the existence of a set of implications that can be summarized into theoretical implications and practical implications as follows:

#### **13.1. Theoretical implications:**

- This current study contributes to the existing theory of transformational/ transactional leadership styles by providing insights into their impacts on innovative work behavior and/or talent management.
- This will lead to increased academic interest in these relationships within the human resources management course, given the great importance of such topics.
- This means that the findings of the study could open up new avenues for research in different fields. For example, researchers could use the

findings of the study to explore the relationships between leadership styles, innovative work behavior, and talent management in different industries, cultures, or organizational contexts.

- The study is the first to focus specifically on identifying the relationship between the variables of leadership styles, innovative work behavior, and talent management. This makes the study a valuable contribution to the existing literature on these topics.

### **13.2. Practical implications:**

- The study revealed that transformational leadership has a significant positive influence on talent management which implies that developing and promoting transformational leadership style within Egyptian commercial banks will improve the practices of attracting, retaining, developing and managing the career paths of talents.
- The study also revealed that transactional leadership has a significant positive influence of transactional leadership on talent management which implies that commercial banks can benefit from employing the positive aspects of this style to manage their talents.
- The study also revealed that transformational leadership has a significant positive influence on innovative work behavior which implies that commercial banks that employ transformational leadership fosters the innovative environment which in turn enables banks to compete and offer unique services.
- The study revealed that transactional leadership also has a significant positive influence on innovative work behavior which implies that though the drawbacks of this style it can contribute to the innovative behavior of employees through rewarding and clear expectations.
- The study revealed that innovative work behavior has a significant positive influence on talent management in Egyptian commercial banks which implies that this behavior has the attractiveness of talent employees and retaining them and encouraging them to develop their skills.
- The study also revealed that innovative work behavior partially mediates the relationship between transformational leadership and talent management which implies that this behavior of innovation increases the positive impact of transformational leadership on talent management in Egyptian commercial banks and those banks should focus on such relations.

- The study also revealed that innovative work behavior partially mediates the relationship between transactional leadership and talent management in Egyptian commercial banks which implies that the positive impact of transactional leadership on talent management increases through innovative behavior so banks should focus on such relations.

#### **14. Recommendations:**

In light of the results of this study, it is possible to propose a set of recommendations that take into account the results that have been reached, and that aim to enable the banks under study, in general, to achieve the maximum benefit from the transformational and transactional leadership styles and innovative work behavior in talent management. So, Egyptian commercial banks should identify accurately their talents and provide them with a suitable environment, they should embrace transformational leadership style in order to enhance talent management in order to improve employee commitment to duty, Egyptian commercial banks should identify the negatives of transactional leadership to overcome them through effective solutions, It is preferable to Egyptian commercial banks to employ a combination of both styles in order to enhance their talents, and finally valuable attention should be given to innovative work behavior in Egyptian commercial banks and its impact on the relationship between transformational/transactional leadership styles on talent management.

#### **15. Study limitations:**

Limitations of the study is representing in the following points:

- The data collection instrument is the electronic questionnaire, and this method may have some bias.
- The study focuses on two styles of leadership; transformational and transactional.
- The current study was applied to employees of Egyptian commercial banks, 22 banks excluding Islamic and specialized banks, and 6 of the commercial banks.
- The current study was limited to 5 professional levels represented by a banker, supervisor, section head, assistant manager, and branch manager.

## 16. Directions for Future research:

Leadership styles, innovative work behavior and talent management are considered valuable fields for future research, so the upcoming studies can focus on:

- Mediating innovative work behavior in the relationship between other styles of leadership such as authentic leadership and talent management.
- Applying current study in other banks; specialized and Islamic banks, also applying it in other sectors.
- Targeting the other professional levels of banking employees.
- Using interview besides questionnaire to avoid bias.

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