**LEADERSHIP STYLE AND EMPLOYEE RETENTION IN HIGHER EDUCATION INSTITUTES: A 21ST CENTURY PERSPECTIVE**

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**Abstract:** Higher education institutes are operating in a highly competitive environment which requires these institutions to retain their core employees in order to gain and retain a competitive advantage in the local and global markets in the 21st century. The main challenges faced by higher education institutes in the 21st century are employee turnover and leadership style. The Millennial generation employees have some special attributes that can be very much beneficial and at the same time very unfavorable as well, depending on the organizational setting. Both local and global challenges have made 21st-century employees more susceptible to turnover, which includes diversity, equity, immigration opportunities, and a globally increased job market. Servant leadership, management initiatives such as innovation-led policies and strategies, soft HRM, work-life balance, ethical climate, and other specific demands of millennial generation employees, potentially minimize employee turnover and there is a significant relationship between 21st-century specific requirements, i.e., Job satisfaction and retention of the millennial employees. The servant leadership style however remains experiential and needs to be moved into the realm of a scientific method or theory for implementation in higher education institutes. This will be made possible by expanding the body of research on its effectiveness in the academic arena.

**Keywords:** Servant leadership, Employee retention, 21st Century, Higher education institutes