

Transformational Leadership and Turnover Intention : The Mediating Role Of Employee Engagement

SaskiaTri Adela¹, Chici Andriani^{2*}

¹Department of Management, Faculty of economics, Universitas Negeri Padang, Padang, Indonesia

ARTICLE INFO

Received 13 Oktober 2023
Accepted 25 November 2023
Published 30 December 2023

Keywords:

Transformational Leadership,
Turnover Intention, Employee
Engagement

ABSTRACT

This research aims to analyze: (1) The influence of transformational leadership on turnover intention among employees of Bank Nagari, Padang City Head Office. (2) The influence of transformational leadership on Employee Engagement among Bank Nagari employees, Padang City Head Office. (3) The influence of Employee Engagement on Turnover Intention among Bank Nagari employees, Padang City Head Office. (4) The Influence of Transformational Leadership on Turnover Intention among Bank Nagari Employees, Padang City Head Office through Employee Engagement. This research is causal research. The population in this study were all employees of Bank Nagari, Padang City Head Office, totaling 240 people. Meanwhile, the number of samples used in this research was determined using the Slovin formula so that the sample size was 150 people. The analysis technique used is SmartPLS4 software. The results of this research show that: (1) Transformational Leadership has a negative and significant effect on Turnover Intention among Bank Nagari employees, Padang City Head Office. (2) Transformational Leadership has a positive and significant effect on Employee Engagement among Bank Nagari employees, Padang City Head Office. (3) Employee Engagement has a negative and significant influence on Turnover Intention among Bank Nagari employees, Padang City Head Office. (4) Transformational Leadership has a negative and significant effect on Turnover Intention with Employee Engagement as a mediating variable for Bank Nagari employees, Padang City Head Office.



This is an open access article distributed under the Creative Commons 4.0 Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. ©2020 by author.

* Corresponding author: e-mail:

INTRODUCTION

Every company hopes to achieve its goals optimally and be responsible to stakeholders and shareholders. In its implementation, companies need good human resources to manage other resources. Therefore, human resources are a very important factor in organization or management. An event that often occurs in the human resource management system in several companies is the behavior of the employees themselves. One form of employee behavior is turnover intention, which refers to an employee's decision to leave their job.

Bank Nagari is a bank owned by the West Sumatra regional government which aims to improve the economy of the community, especially in West Sumatra. Bank Nagari is another name for the West Sumatra Regional Development Bank, which aims to help and encourage economic growth in all fields

and as a source of regional income in order to improve the standard of living of many people. As the aim of banking in Indonesia is "to support the implementation of national development to increase equitable economic growth and stability of the country to improve people's welfare" (According to Law No. 10 of 1998).

Turnover intention is an intention or tendency consciously carried out by workers to look for another job in a different organization as an alternative, while turnover refers to the movement of workers to leave the workplace (Abdillah, 2012). Turnover that occurs in a company will have an impact on the company's operational activities, such as employees starting to become lazy in doing their work, delaying work, being late so that the tasks given cannot be completed on time. Companies that have a fairly high level of employee turnover intention can make efforts to reduce this turnover intention.

Griffeth and Hom (2000) stated that there are several studies that identify factors that influence employee turnover intention, one of which is leadership style. When employees feel comfortable with their leaders, employees are more likely to stay in the company, conversely, when the leader is a source of discomfort for employees, the tendency to leave the company will increase (Bawdy and Manal, 2014).

There are various types of leadership styles put forward by experts, one of which is transformational leadership. According to Prasetya & Dewi, (2019) Transformational Leadership Style will increase employee loyalty and respect for leaders and subordinates will feel motivated to do more work than expected. In principle, transformational leadership motivates subordinates to do better than what is usually done, in other words leaders can increase the confidence or self-confidence of their subordinates which will influence the improvement of their work (Solechah and Utami, 2013).

To minimize employee turnover intention, companies need to create a sense of work involvement for employees or what is called employee engagement. This is also supported by research by Chairiza et al., (2018) which states that employee engagement can reduce the intensity of turnover in companies. Employee engagement is an important thing for every employee in completing their work. Employee engagement among employees will reduce the level of turnover intention. Employee engagement makes employees have higher work loyalty, thereby reducing the desire to leave the company voluntarily.

Employee engagement can be encouraged through a good transformational leadership style in the company. Based on the research results of Wikantia (2020), Transformational Leadership has a significant positive effect on employee engagement with a good transformational leadership style, thereby creating a feeling of comfort for employees at work Ningrum et al., (2020). Apart from that, a factor that can influence employee engagement towards their work is the way the company provides good career development within the company (Dayona and Rinawati, 2016).

LITERATURE REVIEW

Turnover Intention

Desire (intention) is the intention that arises in an individual to do something. Meanwhile, turnover is the voluntary departure of an employee from their place of work or moving from one place of work to another. Thus, turnover intention is the tendency or level at which an employee has the possibility to leave the company either voluntarily or involuntarily due to the lack of interest in the current job and the availability of alternatives (Robbins & Judge, 2015: 54). Meanwhile, according to Mobley et al. 2015, turnover intention is an employee's tendency or intention to quit their job voluntarily or move from one workplace to another according to their own choice. Turnover intention is the level

or intensity of the desire to leave the organization/company, there are many reasons that cause this turnover intention to arise and one of them is the desire to get a better job Harnoto, (2014:208).

Transformational Leadership

Transformational leadership is one of the most dominant paradigms in management literature today (Ghadi et al., 2013). According to Prasetya & Dewi, (2019) Transformational leadership is a leadership style with a charismatic personality and soul that inspires and is able to guide employees to achieve the vision and mission they want to achieve by encouraging subordinates to do better than they usually do, so that leaders can increase their sense of trust. subordinates, thus having an impact on their performance. Basically, the concept of transformational leadership focuses on providing inspirational motivation, giving a leader influence on his employees, providing intellectual stimulus, and carrying out individual considerations (Mahdi, 2012).

Employee Engagement

Employee engagement is one of the most important factors that must be present to maintain the stability of the company's success. Employee engagement is employee involvement with a company or organization. Employee engagement increases when employees and the organization's vision and mission are aligned. Schaufel (2002) defines engagement as positive, satisfying and refers to work that is characterized by enthusiasm, dedication and full attention. Employee engagement is attitudes and behavior that enable employees to express themselves fully physically, cognitively, affectively and emotionally in the workplace. Macey (2009) explains employee engagement as energy, involvement and focused effort to achieve organizational goals.

Hypothesis

Based on the background, theoretical studies, problem formulation, and conceptual framework, the authors can formulate the following hypotheses:

- H1 : Transformational leadership has a negative and significant effect on turnover intention
- H2 : Transformational leadership has a positive and significant effect on employee engagement
- H3 : Employee engagement has a negative effect on turnover intention
- H4 : Transformational leadership has a significant negative effect on turnover intention which is mediated by employee engagement at Bank Nagari Padang Head Office

From the description of the theory and hypothesis, to facilitate research and discussion, the researcher creates a research model or research framework:

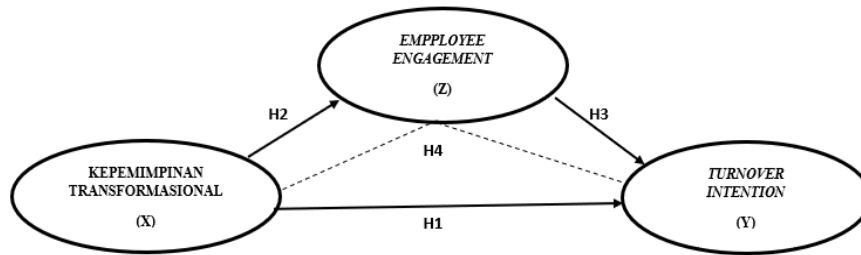


Figure 1. Conceptual Framework

METHOD

The research design used by the author is a causality research design, because the research method used explains the causal relationship between variables and the research method used also describes the relationship or influence between variables, which aims to determine whether there is a causal relationship between variables or more. By using this method, researchers want to know, to what extent "The Influence of Self Efficacy on Job Satisfaction Through Work Design". In this study data and information were collected through respondents using a questionnaire. The data obtained will be viewed descriptively and will ultimately be analyzed to test the hypothesis. In this study, the population was all employees at the Department of Maritime Affairs and Fisheries of West Sumatra Province, totaling 92 employees.

RESULT AND DISCUSSION

In this study, the characteristics of the respondents were based on their gender, age, marital status, level of education, and working hours. Respondent characteristic data can be seen in table 1.

Table 1. Data Characteristic of Respondent

| Characteristics | Category | Amount | Persentase |
|-----------------|---------------|--------|------------|
| Gender | Male | 95 | 63% |
| | Famale | 55 | 37% |
| Status | Married | 124 | 83% |
| | Not Married | 26 | 17% |
| Age | <25 years | 6 | 4% |
| | 25 – 30 years | 22 | 15% |
| | 31 – 35 years | 29 | 9% |
| | 36 – 40 years | 52 | 35% |
| | 41-45 years | 29 | 19% |
| | 46-50 years | 5 | 3% |
| | >50 years | 7 | 5% |
| Level Education | SMA | 3 | 2% |
| | Diploma (D3) | 7 | 5% |
| | Sarjana (S1) | 120 | 80% |
| | Magister (S2) | 15 | 10% |
| | Doktor (S3) | 5 | 3% |

| | | | |
|---------------|---------------|----|-----|
| | <1 – 5 years | 20 | 13% |
| | 6 – 10 years | 26 | 17% |
| Working Hours | 11 – 15 years | 58 | 33% |
| | 16 – 20 years | 33 | 22% |
| | >21 years | 13 | 9% |

Department of Maritime Affairs and Fisheries of West Sumatra Province from the results of data processing that has been carried out for each research variable, it is described, carried out with the aim of describing the proportion of respondents' answers to the research variables.

Table 2. the average of the turnover intention frequency distribution indicators

| No | Indicator | Total Score | Average | TCR | Information |
|---------------------------|--|-------------|---------|-----|-------------|
| 1 | Actions to seek opportunities to work elsewhere | 1073 | 2,38 | 48% | Enough |
| 2 | Thoughts of leaving the current workplace | 972 | 2,17 | 43% | Enough |
| 3 | Planning to work at the current workplace is only for a certain time and will leave after that | 1174 | 2,61 | 52% | Enough |
| Accumulated average score | | | 2,39 | 48% | Enough |

Based on the results of calculating the frequency distribution of turnover intention, with a total of three indicators that produce a percentage of job satisfaction and the level of respondent access (TCR) of 48% and an accumulation score of 2.39, it can be concluded that the level of turnover intention among employees of the bank nagari padang city head office already enough.

Table 3. Average Frequency Distribution Indicator Transformational Leadership

| No | Indicator | Total Score | Average | TCR | Information |
|---------------------------|--------------------------|-------------|---------|-----|-------------|
| 1 | Inspriational Motivation | 2.145 | 3,58 | 72% | Tall |
| 2 | Idealized Influence | 2.112 | 3,52 | 70% | Tall |
| 3 | Intellectual Stimulation | 2.186 | 3,64 | 73% | Tall |
| 4 | Individual Consideration | 2.119 | 3,53 | 71% | Tall |
| Accumulated average score | | | 3,51 | 71% | Tall |

Based on the results of calculating the frequency distribution of transformational leadership, with a total of four indicators that produce turnover intention by proposing turnover intention and level response level (TCR) of 71.% of respondents and an accumulated score of 3.51, it can be concluded that the level of transformational leadership Fisheries are declared high.

Table 4. Average Employee Engagement Frequency Distribution Indicator

| No | Indicator | Total Score | Average | TCR | Information |
|---------------------------|------------|-------------|---------|-----|-------------|
| 1 | Vigor | 1.752 | 3,89 | 78% | Tall |
| 2 | Dedication | 1.739 | 3,86 | 77% | Tall |
| 3 | Absorption | 1.812 | 4,03 | 81% | Very Tall |
| Accumulated average score | | | 3,93 | 79% | Tall |

Based on the calculation results of the employee engagement frequency distribution, there are a total of three indicators used to measure employee engagement resulting in an accumulated average score of 3,93 with a respondent achievement rate (TCR) of 79%, it can be concluded that the level of employee engagement bank nagari padang city head office is stated to be high, this means that the employee engagement of the employees of the bank nagari padang city head office is already high.

Convergent and discriminant validity makeup the validity test. Examining the loading factor or outer loading is how convergent validity testing is done. Convergent validity is considered to be satisfied when the outer loading value is greater than 0.7. Discriminant validity is likewise satisfied when the cross loading value is greater than 0.7, which can be determined by comparing the correlation between the indicators of one variable and another. It is said to have discriminant validity if the variable indicator correlation is higher than the other variable.

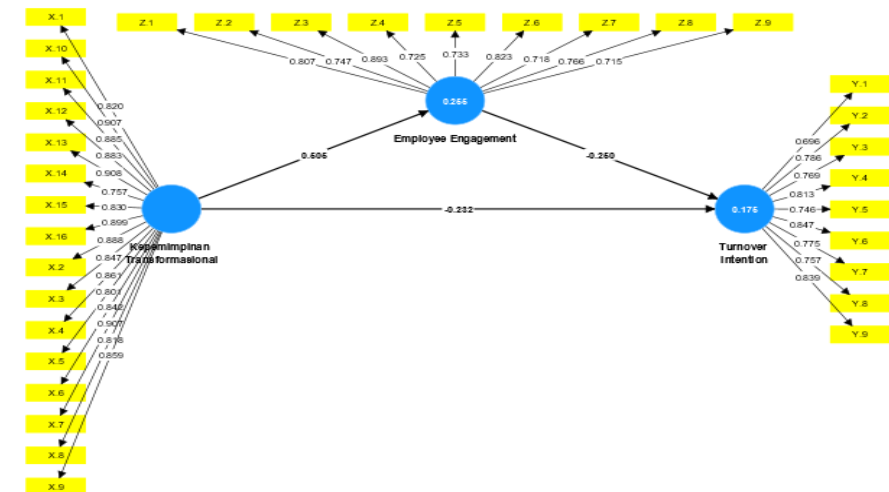


Figure 2. Outer Models

From the results of the outer loading which can be seen, it shows that the indicators for each variable provide a high convergent validity value, because all indicators have a loading factor above 0.5. has a higher value than the correlation of other variable indicators.

In order to evaluate the construction for this reliability test, the composite reliability and cronbach's alpha block indications are used. If the composite reliability and cronbach's alpha result is over 0.7, it can be deemed to be reliable. The findings indicated that all of the structures on the estimated model met the criteria for reliability, as indicated by the composite reliability and cronbach's alpha values for all of the constructions being 0.7.

To determine the relationship between construction, significance value, and the R-Square of the research model, an internal model or structural model is tested. The R-Square was used to assess

the structural model for the relevance of the structural path parameter coefficients and endogenous “t-test” constructs. Start by examining the R-Square for each endogenous latent variable when analyzing the model with PLS. The findings reveal that Turnover Intention is obtained at 0.175. This result shows 17.5% of the Turnover Intention variable is influenced by Transformational Leadership and Employee Engagement. As for the Employee Engagement variable, 0.255 is obtained. This result shows that 25.5% of the Employee Engagement variable can be influenced by the Transformational Leadership variable..

DISCUSSION

In PLS, to statistically test each hypothesized relationship is done using a simulation. In this case, it is necessary to do a bootstrapping method for the sample being tested. Testing with bootstrapping is also intended to minimize the problem of abnormal research data. The test results using bootstrapping from smart PLS analysis are as follows:

Transformational Leadership affects Turnover Intention. The results of testing the first hypothesis show that the variable Transformational Leadership with Turnover Intention shows a t-count value of 2.262. This value is already greater than the t-table value (1.96). These results indicate that there is a significant influence between Transformational Leadership and Turnover Intention. The path coefficient value is -2.232, meaning that Transformational Leadership has a negative effect on Turnover Intention.

The effect of Transformational Leadership on employee engagement. The variable Transformational Leadership with Employee Engagement shows a t-count value of 5.881, this value is greater than the t-table (1.96). These results indicate that there is a significant influence between Transformational Leadership and Employee Engagement. The path coefficient value of 0.505 means that Transformational Leadership has a positive influence on Employee Engagement. If Transformational Leadership is high, then Employee Engagement will be even higher.

Effect of Employee Engagement on Turnover Intention. Employee Engagement Variable with Turnover Intention which shows a t-count value of 2.544, this value is greater than t-table (1.96). This result means that there is a significant influence between Employee Engagement and Turnover Intention. The path coefficient value of -2.250 indicates that Employee Engagement has a negative effect on Turnover Intention.

The effect of Transformational Leadership on Turnover Intention through Employee Engagement is 2.445 where the value is > 1.96 , with an original sample of -0.126 which can be concluded that Transformational Leadership has a significant effect on Employee Turnover Intention through Employee Engagement for employees of the Bank Nagari Padang City Head Office.

CONCLUSION

1. There is a negative and significant influence between Transformational Leadership on Turnover Intention in employees of Bank Nagari, Padang City Head Office. This shows that Transformational Leadership in employees of Bank Nagari, Padang City Head Office has an effect on Turnover Intention among employees in the company.
2. There is a positive and significant influence between Leadership and Employee Engagement among Bank Nagari employees, Padang City Head Office. This means that employees of Bank Nagari Padang City Head Office feel that their transformational leadership has an influence on employee engagement among employees in the company.

3. There is a negative and significant influence between Employee Engagement and Turnover Intention among Bank Nagari City Head Office employees Padang. This means that Bank Nagari Padang City Head Office employees feel that their Employee Engagement is able to influence employee Turnover Intention.
4. There is an indirect and significant influence between the influence of Transformational Leadership on Turnover Intention and Employee Engagement as a mediating variable for Bank Nagari employees, Padang City Head Office.

SUGGESTION

1. Based on the research results, it was found that Transformational Leadership had a negative effect on Turnover Intention. Therefore, based on the lowest Transformational Leadership indicator, namely Idealized Influence, transformational leadership is recommended, especially on the Idealized Influence indicator, by increasing clarity and consistency in leadership communication. Transformational leadership often involves the leader as a figure who is respected and followed by his subordinates. Therefore, leaders need to highlight the company's values and vision, and communicate consistently with employees about how they contribute to achieving common goals.
2. Based on research results, Employee Engagement has a negative influence on Turnover intention. Based on the lowest Employee Engagement indicator, namely dedication, it is recommended that Bank Nagari Padang City Head Office prioritize initiatives that encourage career development and personal growth. Increases in training opportunities, skills development, and clear career paths within the organization can help employees feel more connected to the company and their long-term goals. In addition, it is important to hold regular performance monitoring and evaluation sessions with a focus on individual achievements and progress made. By doing this, employees will feel recognized and more dedicated to the company, which can reduce turnover intention by giving them stronger motivation to stay and develop within the company.

REFERENCES

- Azanza, G., Moriano, J. A., Molero, F., & Lévy Mangin, J. P. (2015). The effects of authentic leadership on turnover intention. *Leadership & Organization Development Journal*, 36(8), 955-971.
- Anggraeni, T. (2023). Pengaruh Gaya Kepemimpinan Transformasional Dan Pengembangan Karir Terhadap Intention To Leave Dengan Employee Engagement Sebagai Variabel Mediasi (Doctoral Dissertation, Universitas Muhammadiyah Malang).
- Ardana, I Komang., Ni Wayan Mujiati Dan I Wayan Mudiarta Utama. 2012. *Manajemen Sumber Daya Manusia*. Yogyakarta : Graha Ilmu
- Arifiani, R. S., Astuti, E. S. & Ruhana, I. (2016). Pengaruh Kepemimpinan Transformasional Terhadap Organizational Citizenship Behavior Dan Kepuasan Kerja (Studi Pada Tenaga Perawat RSUD. Dr. Saiful Anwar Malang). *Jurnal Administrasi Bisnis*, 33(1), 127-135.

- Avolio, B.J. and Bass, B.M. (2002), *Developing Potential Across a Full Range of Leadership: Cases on Transactional and Transformational Leadership*, Lawrence Erlbaum Associates, Mahwah, NJ.
- Bakker, A. B., Demerouti, E., & Brummelhuis, L. L. T. (2012). Work Engagement, Performance, And Active Learning: The Role Of Conscientiousness. *Journal Of Vocational Behavior*, 80(2), 15. <https://doi.org/10.21009/Jmp.08112>
- Bakker, A. B., Demerouti, E., & Brummelhuis, L. L. T. (2012). Work Engagement, Performance, And Active Learning: The Role Of Conscientiousness. *Journal Of Vocational Behavior*, 80(2), 15. <https://doi.org/10.21009/Jmp.08112>
- Bui, L. T. T., & Chang, Y. (2018). Talent management and turnover intention: Focus on Danang city government in Vietnam. *International Review of Public Administration*, 23(4), 219–236. <https://doi.org/10.1080/12294659.2018.15524>
- Cheng, C., Bartram, T., Karimi, L., & Leggat, S. (2016). Transformational Leadership And Social Identity As Predictors Of Team Climate, Perceived Quality Of Care, Burnout And Turnover Intention Among Nurses. *Personnel Review*, 45(6), 1200–1216. <https://doi.org/10.1108/PR-05-2015-0118>
- Gunawan, S., & Andani, K. W. (2020). Faktor-faktor yang mempengaruhi turnover intention karyawan pada pt permata prima canindo di Jakarta. *Jurnal Manajerial Dan Kewirausahaan*, 2(3), 793-802.
- Gyensare, M. A., Kumedzro, L. E., Sanda, A., & Boso, N. (2017). Linking Transformational Leadership To Turnover Intention In The Public Sector: The Influences Of Engagement, Affective Commitment And Psychological Climate. *African Journal Of Economic And Management Studies*, 8(3), 314-337.
- Halimah, Aziz, Dan Maria. 2016. "Pengaruh Job Insecurity Kepuasan Kerja Dan Lingkungan Kerja Terhadap Turnover Intention Pramuniaga DI Gelael Supermarket (Studi Kasus Pada Gelael Supermarket Superindo Kota Semarang)" *Jurnal Of Manajemen*.
- Hariandja, M. T. E. (2002). *Manajemen sumber daya manusia*. Grasindo.
- Harnoto. 2002. *Manajemen Sumber Daya Manusia*. Jakarta: PT. Prehallindo.
- Hermawan, I. P. D., Hartika, L. D., & Simarmata, N. (2017). Hubungan Work Engagement Dengan Turnover Intention: Studi Pada Karyawan PT. X. *Jurnal Psikologi Mandala*, 1(2).
- Heider, F. (1958). *The psychology of interpersonal relations*. New York: Wiley
- Hidayat, T., Fahmy, R., Sari, D. K., Mergeresa, F., & Fernando, Y. (2021). COVID-19 Outbreak Effects On Leadership, Job Satisfaction And Turnover Intention: A

- Mediating Model Of Indonesian Banking Sector. *International Journal Of Industrial Management*, 10(1), 113–128. <https://doi.org/10.15282/ijim.10.1.2021.6011>
- Kurniawati, Dini. 2012. “Analisis Hubungan Gaya Kepemimpinan Transformasional, Transaksional dan Laissez-Faire dengan Turnover Intention (Studi Kasus pada Perusahaan Pembiayaan PT.XYZ)”. Jakarta: Universitas Indonesia.
- Macey, W.H. and Schneider, B. (2008), “The meaning of employee engagement”, *Industrial and Organizational Psychology*, Vol. 1 No. 1, pp. 3-30.
- Mahdi, A, F Zaid, M. Z, Et Al. 2012. The Relationship Between Job Satisfaction And Turnover Intention, *American Journal Of Applied Sciences*, 9(9).
- Manoppo, V. P. (2020). Transformational leadership as a factor that decreases turnover intention: a mediation of work stress and organizational citizenship behavior. *TQM Journal*, 32(6), 1395–1412. <https://doi.org/10.1108/TQM-05-2020-0097>
- Masita, Ira, “Faktor-Faktor Yang Mempengaruhi Turnover Intention (Studi Kasus Pada Karyawan Yayasan Cendikia Bunayya Kabanjahe)”
- Mobley, W. H. 2011. *Pergantian Karyawan: Sebab, Akibat Dan Pengendaliannya*. Alih Bahasa :Nurul Imam. Jakarta: PT Pustaka Binaman Pressindo.
- Mujiasih, E., & Ratnaningsih, I.Z. 2012. Meningkatkan Work Engagement Melalui Gaya Kepemimpinan Transformasional Dan Budaya Organisasi. *Jurnal Psikologi*
- Munir, R. I. S., Rahman, R. A., Malik, A. M. A., & Ma’amor, H. 2012. Relationship Between Transformational Leadership And Employees’ Job Satisfaction Among The Academic Staff. *Procedia-Social And Behavioral Sciences*, 65, Pp: 885-890.
- Nabillah, N. (2021). Pengaruh Kepemimpinan Transformasional Terhadap Turnover Intentions Melalui Employee Engagement Sebagai Variabel Mediasi (Studi Pada Pegawai Dinas Sosial Yogyakarta) (Doctoral Dissertation, Universitas Muhammadiyah Yogyakarta).
- Oh, J., & Chhinzer, N. (2021). Is Turnover Contagious? The Impact Of Transformational Leadership And Collective Turnover On Employee Turnover Decisions. *Leadership And Organization Development Journal*, 42(7), 1089–1103. <https://doi.org/10.1108/LODJ12-2020-0548>
- Rafferty, A. E. & Griffin, M. A., 2004. Dimensions of transformational leadership: Conceptual and empirical extensions. *The Leadership Quarterly*, 15(3), pp. 329-354.
- Robbins SP. 2007. *Perilaku Organisasi*. Jakarta : Salemba Empat
- Robbins, S., & Judge, T. (2015). *Organizational Behavior* (16th edition). England: Pearson Education Inc.