| RESEARCH ARTICLE

The Impact of Job Satisfaction and Transformational Leadership on Turnover Intention of Front-End Employees at PT.XYZ

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| **ABSTRACT**

In an era of increasingly fierce and dynamic business competition, a strong drive and effort are needed to achieve success to become a winner in business competition. In the process, several factors cannot be separated, there is the human resource factor. Companies must improve the quality of human resources but also maintains the quantity of human resources supply to maintain the stability of company's performance. One of the obstacles that a company experiences difficulties or obstacles in the process of running its business is the high turnover rate within a company. Therefore, companies need to think about strategies to retain employees who have high-quality of performance and know what factors influence employees' intentions to leave the company. The purpose of this study is to determine the description of Job Satisfaction, description of Transformational Leadership and the description of Turnover Intention in Front End Employees at PT. XYZ, as well as a description of the effect of Job Satisfaction on Turnover Intention and a description of the effect of Transformational Leadership on Turnover Intention in Front End employees at PT. XYZ. in Indonesia. This study employed a quantitative research method with a causal approach, focusing on the population of permanent and contract Front-End employees at PT. XYZ, who had at least three months of service. Data collection was carried out using a questionnaire consisting of 41 questions related to the variables under investigation. The sample size was determined using Slovin's formula, resulting in 178 respondents, and the sample selection was done using a Proportionate Stratified Random Sampling technique. Data analysis was performed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) method, utilizing SmartPLS software version 3.2.8. The results of hypothesis testing state that Job satisfaction (-0.246) and Transformational Leadership (-0.562) have a significant influence and have a negative effect on Turnover Intention. This highlights the importance of conducting a thorough review of company policies and strategies related to Job Satisfaction and the implementation of Transformational Leadership to reduce Turnover Intention of Front-End employees at PT.XYZ.

| **KEYWORDS**

Turnover, Turnover Intention, Job Satisfaction, Transformational Leadership.

1. Introduction

Retail is a crucial component in the distribution process and can be said to be the final channel of the distribution process in the supply chain. Through retail, products are directly purchased by consumers or end-users. According to Sopiah & E.M. Sangadji (2016), retail is defined as the activity of selling goods or services on a daily basis to fulfill consumer needs. Kotler (2016:549) defines it as all activities related to the direct sale of goods (products) and services to end consumers for personal and non-business use or purposes, or to satisfy the individual needs of consumers.

In focusing on retail companies as the subject of this research, the study specifically examines specialty retail, a sector that focuses on product categories such as fashion, mobile phones, automotive, and others. The defining characteristic of the retail companies

under investigation is their operation of specialty and stores categories, which concentrate on a limited range of products. These specialty stores are often located in large shopping malls. Examples include stores dedicated to women's fashion, sporting goods, and various other specialized products.

According to Waterworth (2022), every company faces challenges with employee retention. Therefore, the loss of human resources or top-performance employees will inevitably impact the company's performance, as it slows in achieving the organizational targets or goals. Additionally, it can bring financial implications, as the company incurs costs related to replacement processes and recruitment, as well as potential negative effects on the morale of the remaining employees within the organization.

The causes of turnover are varied, including work stress, job fatigue, compensation that does not meet living needs, relationships with the work environment and supervisors, among others. The phenomenon of turnover in retail companies also occurs in Indonesia, as evidenced by the research conducted by Dwiyanti (2020) titled Psychological Contracts, Job Stress, and Turnover Intention for Retail Salespeople. The findings of this study indicate that employee turnover among sales staff in retail companies in Purwokerto can be reduced if organizational leaders cultivate positive relationships with their employees based on mutual respect, trust, and responsibility. This study highlights that leadership aspects can also influence turnover intention rates.

Based on the study by Fitri (2018), which investigated the factors affecting employee turnover intention at a retail company located in East Jakarta, several key findings were highlighted. The research revealed that job satisfaction has a significant effect on turnover intention. Furthermore, organizational commitment was found to have a negative impact on turnover intention. While salary levels showed a negative correlation with turnover intention, this relationship was not statistically significant. In addition, both job satisfaction and salary levels were found to positively influence organizational commitment. Lastly, the study established a connection between the work environment and job satisfaction, indicating that a better work environment enhances job satisfaction.

The researcher also references a study by Husainah (2021), which focused on reducing turnover intention among employees at a food hall in Jakarta. The average turnover rate from 2011 to 2016 was 26.17%. Many employees at the food hall were simply waiting for better job opportunities with improved positions elsewhere. Limakrisna, Noor, & Ali (2016) stated that statistically, there is a significant relationship between stress, wages, leadership support, job satisfaction, commitment, and willingness to take action. This has led to low commitment among sales employees at the Foodhall in Jakarta.

In addition, research by Kartika (2022) revealed that transformational leadership fosters internal communication and reduces employees' tendency to leave their jobs. This study was conducted with 135 Generation Z employees working in 10 internet-based companies and paid digital TV service providers.

Therefore, several expert statements, survey results, and previous studies indicate a relationship between job satisfaction, leadership factors, and turnover intention of the employees. This serves as the basis for the author's further investigation into turnover intention at PT. XYZ and to explore whether there is a relationship between these variables and employees' desire to switch jobs. The findings of this research will provide insights into potential solutions or address issues related to the variables discussed in this study.

PT. XYZ is a local Indonesian retail company with a market segmentation focused on sports and active lifestyle, headquartered office is in Jakarta and operating several retail stores across various cities in Indonesia. The company's vision is to continuously strive for excellence, setting benchmarks as a leading provider of quality products and services to customers. Furthermore, the company's mission is to provide high-quality products and services that enhance lives and become an everyday aspiration for customers. At the time this research was conducted, PT. XYZ operates a total of 55 stores, located across multiple cities throughout Indonesia.

PT. XYZ employees are classified into two categories: Back-end and Front-end employees. Back-end employees are those who work as support staff for the core business functions, such as Administration, HR, IT, Accounting, and other operational and distribution teams that ensure the smooth running of the sales activities. On the other hand, Front-end employees are directly responsible for the business operations, specifically sales and customer service, and they are considered as the activators of the core business. According to Zainal (2023), a Managing Director at Franext Pte. Ltd. from Malaysia, as cited on LinkedIn, back-end employees are the teams who is working behind the scenes, responsible for various business functions such as inventory management, supply chain, HR, IT, finance, and so on. Front-end employees, on the other hand, are directly involved with

customer-facing activities and are accountable for business functions such as customer service, sales, marketing, and others. To gain a deeper understanding of PT. XYZ, it's important to examine the general characteristics of the employee demographics within the company. The workforce is made up of various generations, and the term "generation" refers to a group of individuals born within the same time frame or who have shared common experiences during their formative years. This diversity in generational backgrounds can significantly influence workplace dynamics, communication styles, and overall company culture.

According to McCrindle Research Pty Ltd, (McCrindle, 2021) defines the generational divisions as follows, : The builders: The generation born before 1946; Baby Boomer: The generation born between 1946 and 1964; Gen X: The generation born between 1965 and 1979; Millennials or Y: The generation born between 1980 and 1994; Gen Z: The generation born between 1995 and 2009; Gen Alpha: The generation born between 2010 – 2024.

The current workforce is predominantly comprised of three generations: Generation X, Millennials (also known as Generation Y), and Generation Z. It is anticipated that the representation of Millennials and Generation Z within the organization will continue to grow, as these generations are increasingly taking on leadership roles. This transition is partly due to the retirement of the Baby Boomer generation, which is approaching the end of its working age. Consequently, it is anticipated that retail companies will successfully absorb a significant workforce from the younger generations to support the Indonesian economy. A survey conducted by Lokadata (2019) indicated that companies within the retail sector represent the second-largest job category in wholesale and retail trade. This finding emphasizes the essential role that the retail industry plays in generating employment opportunities and fostering economic development in Indonesia.

Based on the explanations from the previous surveys regarding generational demographics in Indonesia, the following is the employee demographic at PT. XYZ, which serves as a consideration for conducting this research:

Generation	All Employee	Front-End Employee
Baby Boomers	0%	0%
Gen X	3%	0%
Gen Y (Millennials)	41%	33%
Gen Z	56%	67%
Total	**100%**	**100%**

Table 1. Generational Demographic Distribution at PT. XYZ and Employee Data from the PT. XYZ SAP System (processed by the researcher)

Source: Author's Processed Data

With the presence of these generational demographics, companies are being pushed to develop strategies for attracting and retaining top talent from the Millennial and Generation Z cohorts, amidst the challenges of understanding the unique characteristics of these generations. This is different from previous generations, who were generally more resilient in enduring various work conditions. This phenomenon is also reflected in the 2022 Randstad Workmonitor International Survey (Annur, 2022), which surveyed 35,000 workers aged 18 to 67 across Europe, Asia Pacific, and the Americas. The results showed that the majority of Generation Z and Millennials would rather remain unemployed than work in an environment where they are unhappy. This is further reinforced by the dynamic nature of jobs in the retail sector, which often requires employees to step out of their comfort zones, making it a driving factor for employees to seek other employment opportunities. The purpose of presenting demographic information about employees is to enhance the understanding of the characteristics of the front-end workforce at PT. XYZ. This research will concentrate on front-end employees collectively, rather than assessing the effects of research variables on each generation. As a result, the analysis will provide a comprehensive overview without differentiating between generations. As a reference, Table 1.2 presents the employee turnover rate for front-end staff at PT. XYZ in 2023, as follows:

TURNOVER RATE 2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Original Employee pool	316	311	297	305	328	324	347	357	351	369	375	390
Terminations per month	15	14	16	9	12	21	18	22	20	20	15	20
New Hires per month	10	0	24	32	8	44	28	16	38	26	30	24
Total employees	311	297	305	328	324	347	357	351	369	375	390	394
Monthly Turnover Rate	5%	5%	5%	3%	4%	6%	5%	6%	6%	5%	4%	5%
Annual Turnover Rate	58%											
Rumus AT Rate	*Total Annual Termination/Average Total Employee*											

Table 2. The employee turnover rate for front-end staff at PT. XYZ in 2023
Source: Author's Processed Data

According to Gillies (1994), the normal employee turnover rate typically ranges from 5-10% annually, with rates above 10% considered high. In this context, PT. XYZ exceeded the maximum threshold for employee turnover, as the front-end turnover rate in 2023 reached 58%. The turnover calculation for front-end employees is performed through a manual process. This calculation can be compared to the Annual Turnover formula, which is expressed as follows:

$$\frac{(\text{Number of Employee Exits})}{(\text{Employees Start of Period} + \text{Employees End of Period}) : 2} \times 100$$

The results obtained are compelling and closely correspond with the manual calculations conducted by the HR team at PT. XYZ, which indicate a turnover rate of 57%. As defined by Robbins and Judge (2017: 38), turnover encompasses the permanent departure of employees, whether through voluntary means or involuntary circumstances. This can include resignations, transfers outside of the organizational unit, dismissals, or the unfortunate passing of an employee. Moreover, research conducted by Alifah and Indiyati (2023) highlights a significant and positive correlation between job stress and turnover intention among the millennial workforce in the retail sector. This finding suggests that as levels of stress among employees increase, so too does their inclination to leave the organization.

According to Sidik (2022), research highlights that Millennials are known for frequently changing jobs, with one of the influencing factors being job satisfaction. Low job satisfaction leads to higher turnover intention, as employees tend to evaluate their current job and seek alternative employment opportunities.

According to Retno (2020) in her research titled "Psychological Contracts, Job Stress, and Turnover Intention for Salespersons in Retail Companies," the findings indicate that reducing turnover among sales employees or front-end team in retail settings can be achieved through the development of strong, respectful relationships between organizational leaders and their employees. These relationships should be anchored in mutual respect, trust, and a commitment to fulfilling obligations. The study highlights the significant impact of leadership on turnover intentions and aligns with the principles of Transformational Leadership. This leadership style effectively motivates employees by fostering intellectual engagement and involvement, ultimately making employees feel valued and heard in the pursuit of organizational success.

Based on several previous studies, there is a need for more recent research that adapts the latest developments in both the subject of study and the theories applied, with a focus on the retail sector. According to turnover rates among Millennials in the retail sector in 2018, which were relatively high (11-15% annually), this finding, as reported in a survey by LinkedIn Talent Solutions (2018), indicates the need for updated research on this issue.

The data presented encourages the continuation of research focused on identifying potential indicators of turnover intention among front end employees at PT. XYZ, based on the variables identified by the researcher. This investigation aims to utilize insights gained from previous studies to formulate effective strategies aimed at addressing the increasing turnover intention within the organization. The researchers will reference these prior studies to delineate the scope of the relevant variables in line with the phenomena documented in existing literature and the turnover data collected from PT. XYZ. Preliminary findings indicate

a correlation between factors such as Job Satisfaction and Transformational Leadership and turnover intention among front-end employees, underscoring the need for further exploration in these areas at PT. XYZ.

2. Literature Review
2.1 Job Satisfaction

The dimensions of Job Satisfaction, as outlined by Wahyuhadi (2023), are based on the five critical components of the Job Descriptive Index (JDI) utilized in his research. These components include: The Work Itself refers to the intrinsic nature of the tasks and responsibilities associated with the position. Pay refers to encompasses salary and all forms of financial compensation offered to employees. Promotion refers to the availability of advancement opportunities within the organization. Supervision refers to pertaining to the quality and effectiveness of oversight provided by management. Co-workers refers to involves the dynamics and relationships among colleagues within the workplace. Collectively, these components play a significant role in shaping an employee's overall job satisfaction.

2.2 Transformational Leadership
Farnsworth et al. (2020) present a thorough exploration of Transformational Leadership in their publication "Transformational Leadership: The Transformation of Managers and Associates," published by the University of Florida. This work details the concept of Transformational Leadership, which is defined by four core dimensions, referred to as the "4 I's": Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. These dimensions together offer valuable insights into how leadership can effectively promote both individual development and organizational success.

This concept is particularly relevant in the context of retail employees, who may sometimes feel under-stimulated, especially when faced with a low volume of visitors. It is only a leader with strong motivation who can change this dynamic, as well as a leader who can intellectually stimulate employees by presenting challenges and encouraging them to generate ideas to boost sales. This can be achieved by leveraging their insights to deliver better results. This situation reinforces the notion that Transformational Leadership is an appropriate leadership style when applied in retail work environments. Also as a Transformational leader can bring a tremendous influence and build a stronger organizational culture, it can be from their clear vision, respected, charisma and trusted by their team (Indiyati, et.al, 2024).

2.3 Turnover Intention
Several studies have explored the dimensions of Turnover Intention, with Mobley's theory being prominently recognized in the research, as noted in Jaelani (2021: 6). According to this framework, Turnover Intention can be evaluated across three primary dimensions: Thoughts of quitting, Intention to quit, and Intention to search for another job.
This was explained by Sager (1998), who outlined three indicators for measuring Turnover Intention, which are: Thinking of quitting: This describes the phase in which employees begin to think about and consider the possibility of leaving their job or organization in the future. According to Halimah et al. (2016), this phase often starts with job dissatisfaction experienced by employees; Intention to search: This represents the phase where employees have intentionally initiated the process of seeking employment or opportunities outside the company or organization. At this stage, the intention to leave the company becomes more frequent in the employee's thoughts; Intention to quit: This phase describes when employees have made a firm decision to leave the company or organization at a specific point in time. Employees in this phase will follow through with their intention to leave once they have secured a better job or a more favorable organization.

2.4 The Impact of Job Satisfaction on Turnover Intention
Job satisfaction is defined by Locke (as cited in Munandar, 2014) as a positive emotional state or a sense of pleasure associated with one's work, which arises from an individual's evaluation of their job. This concept encompasses the interplay between satisfaction and dissatisfaction across various job aspects, reflecting the conflict between employee expectations and their actual experiences. Such evaluations are deeply influenced by how employees perceive the alignment or lack thereof—between their desired outcomes and the results they obtain in their roles.
The significance of job satisfaction is paramount, as it shapes employees' thought processes and influences their expectations regarding their positions within the organization. Consequently, this perception plays a critical role in determining employees' intentions to remain with or leave the company. Dessler (2017) defines turnover intention as the likelihood that employees will leave their current organization. In supporting this perspective, research conducted by various scholars, including Marzuqi (2021),

Ramadhiansyah (2022), Margono (2022), Wahyuni (2021), Suhakim (2021), Gan (2020), Amri et al. (2022), Yuan (2024), Sidik (2022), Wahyudi (2023), and Suryawan (2021), indicates that job satisfaction has a significant negative impact on turnover intention.

2.5 The Impact of Transformational Leadership on Turnover Intention

Leaders within an organization must be skilled at selecting and cultivating a leadership style that is responsive to the specific context in which they operate. When implemented appropriately, such a style can serve as a powerful catalyst in guiding the organization towards its goals. According to Robbin (2017), Transformational Leadership is characterized by its focus on the development and needs of followers. Leaders who embody this approach actively encourage their teams to engage in innovative problem-solving related to organizational challenges, thereby fostering motivation and inspiring individuals to take initiative and exert greater effort in pursuit of objectives.

In supporting this perspective, research conducted by Manoppo (2020) at a private hospital in Manado indicates that effective implementation of Transformational Leadership is associated with a decreased tendency among nurses to seek employment elsewhere. This finding is consistent with several studies, including those by Ramadhiansyah (2022), Suhakim (2021), Gan (2020), Xiong (2023), Kartika (2022), Suryawan (2021), and Saeed (2022), which collectively demonstrate that Transformational Leadership has a significant negative correlation with Turnover Intention.

3. Methodology

This study aims to examine the causal relationships between job satisfaction and transformational leadership as independent variables, and employee turnover intention as the dependent variable, specifically among Front-End employees at PT. XYZ. The study's population consists of Front-End sales staff, including both permanent and contract employees with a minimum of three months of service. PT. XYZ operates multiple branches across various cities in Indonesia, and the Front-End workforce is predominantly made up of Millennials, comprising 33% of the total, and Generation Z, accounting for 67%. However, as previously stated, the research will focus on the collective group of Front-End employees, rather than evaluating the impact of the research variables on each generation separately.

Category	Population Sample - City
Category A	Jakarta, Bekasi, Depok, Surabaya, Karawang
Category B	Bogor, Tangerang, Bandung, Medan, Makasar
Category C	Bali, Pekanbaru, Balikpapan, Samarinda, Banjarmasin
Category D	Semarang, Yogyakarta, Solo

Table 3. Category Areas for the Sampling Population
Source: Author's Processed Data

In this study, a total of 178 samples were selected using the Slovin formula and the probability sampling method, specifically proportionate stratified random sampling. This technique is employed when the population consists of diverse elements that are proportionally categorized (Sugiyono, 2013:82). The measurement of job satisfaction in this research follows the approach developed by Wahyuhadi (2023), which includes five dimensions: the work itself, pay, promotion opportunities, supervision, and co-workers. For transformational leadership, the measurement is based on the dimensions outlined by Farnsworth et al. (2020), which encompass idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Meanwhile, turnover intention is assessed using the dimensions provided by Jaelani (2021:6), which include thoughts of quitting, intention to quit, and intention to search for another job.

The data analysis method used in this research is multivariant analysis. Where this analysis technique can prove the research model using more than one dependent variable and can see the mutual influence of between variables (Hair et al., 2014). Specifically, this study uses multivariant analysis of Structural Equation Modeling (SEM) with Partial Least Square (PLS).

4. Results and Discussion
4.1 Evaluation of Measurement Model (Outer Model)
4.1.1 Convergent Validity

When evaluating convergent validity, it is essential to analyze the correlation between component scores—such as item rankings and component rankings—as well as the number of constructs, which is represented by the factor loading. According to Ghozali (2021: 68), individual indicators demonstrating correlation values exceeding 0.7 are deemed reliable. Nevertheless, in the context of scale-up studies, factor loading values ranging from 0.5 to 0.6 are still regarded as acceptable.

Variable	Dimension	Indicator	Loading Factor	Description
Job Satisfaction	Work itself	JB1	0.814	Valid
		JB2	0.798	Valid
		JB3	0.816	Valid
		JB4	0.810	Valid
		JB5	0.726	Valid
		JB6	0.788	Valid
	Pay	JB7	0.785	Valid
		JB8	0.857	Valid
		JB9	0.820	Valid
		JB10	0.805	Valid
		JB11	0.855	Valid
		JB12	0.793	Valid
		JB13	0.855	Valid
	Promotion Opportunities	JB14	0.781	Valid
		JB15	0.848	Valid
		JB16	0.760	Valid
		JB17	0.788	Valid
	Supervision	JB18	0.794	Valid
		JB19	0.835	Valid
		JB20	0.758	Valid
		JB21	0.877	Valid
		JB22	0.782	Valid
	Co-Workers	JB23	0.798	Valid
		JB24	0.743	Valid
		JB25	0.758	Valid
		JB26	0.841	Valid
Transformational Leadership	Idealized Influence	LTR1	0.856	Valid
		LTR2	0.879	Valid
	Inspirational Motivation	LTR3	0.892	Valid
		LTR4	0.860	Valid
		LTR5	0.834	Valid
	Intellectual Stimulation	LTR6	0.779	Valid
		LTR7	0.883	Valid
	Individualized Consideration	LTR8	0.877	Valid
		LTR9	0.787	Valid
Turnover Intention	Thoughts of quitting	TI1	0.854	Valid
		TI2	0.736	Valid
	Intention to quit	TI3	0.876	Valid
		TI4	0.876	Valid

| | Intention to search for another job | TI5 | 0.709 | Valid |
| | | TI6 | 0.737 | Valid |

Table 4. Convergent Validity Result
Source: SMARTPLS, 2024

Variabel	Average variance extracted (AVE)	Result
Job Satisfaction	0.647	Valid
Transformational Leadership	0.723	Valid
Turnover Intention	0.605	Valid

Table 5. Average Variance Extracted (AVE)
Source: SMARTPLS, 2024

From the table presented, it is evident that the Average Variance Extracted (AVE) values for all variables are greater than 0.5, which is set as the minimum threshold (Ghozali, 2021:68). This indicates that both the loading factor values, and AVE values are greater than 0.5. This indicates that the indicators for all these variables possess high validity, thus meeting the criteria for Convergent Validity testing.

4.1.2 Discriminant Validity

At the stage of the discriminant validity test, the measurements will use Cross Loading and the Fornell-Larcker Criterion, they are aiming to determine whether the constructs exhibit adequate discriminant validity. This is achieved by comparing the loading values of the target construct, which should be greater than those of the other constructs (Ghozali & Latan, 2015:126).

	Job Satisfaction	Transformational Leadership	Turnover Intention
Job Satisfaction	0.804		
Transformational Leadership	0.643	0.850	
Turnover Intention	-0.607	-0.720	0.778

Table 6. Discriminant Validity Result
Source: SMARTPLS, 2024

Based on the results from the table above, it is evident that the loading value of each indicator element on the construct is higher than the other construct. From this, it can be concluded that all have good discriminant validity to form each variable.

4.1.3 Reliability Test

According to Ghozali, a composite reliability value between 0.6 and 0.7 is considered to indicate good reliability (Ghozali, 2021:70), and the expected value for Cronbach's alpha is greater than 0.7 (Ghozali & Latan, 2015:130). Therefore, it can be concluded that the instrument's reliability is fulfilled.

Variabel	Cronbach's alpha	Composite reliability	Hasil
Job Satisfaction	0.978	0.978	Reliable
Transformational Leadership	0.952	0.953	Reliable
Turnover Intention	0.862	0.881	Reliable

Table 7. Reliability Result
Source: SMARTPLS, 2024

The result above indicates that the consistency and stability of the instrument are very high level that the Composite Reliability (CR) value for all variables exceeds 0.7 and the Cronbach's Alpha value exceeds 0.6. Therefore, it can be concluded that the reliability of the equipment has been achieved.

4.2 Goodness of Fit

Goodness of Fit (GoF) is a method used to validate the overall adequacy of a model. The GoF index provides a holistic measure that assesses the performance of both the measurement model (Outer model) and the structural model (Inner model). It is calculated by multiplying the average communalities index by the R-squared of the model. According to the calculations, the GoF value obtained is 0.604, which categorizes the model as having a high GoF. The NFI value falls between 0 and 1, with a model being considered a good fit if the value is closer to 1 (Ghozali & Latan, 2015:140).

4.3 Evaluation of Structural Model (Inner Model)

Figure 1. Inner Model
Source: SMARTPLS, 2024

4.3.1   R-Squared (R2)Test

The influence of the dependent variable can be measured through the R-square value. Here are the R-square values obtained:

	R-square	Result
Turnover Intention	0.555	Moderate

Table 8. R Square Results
Source: SMARTPLS, 2024

From the R-square values shown in the table above, it is evidence that the R-square value for the Turnover Intention variable is 0.555. This indicates that 55.5% of the Turnover Intention can be explained by the Job Satisfaction and Transformational Leadership variables. Meanwhile, the remaining 44.5% can be explained by other variables not included in this study.

4.3.2   Q2 Test

Q2 or predictive relevance is valuable in providing insights into the degree of potential relevance between the latent variables in the research. The calculation to determine predictive relevance is shown in the following table.

Variable	Q^2Square	Q^2predict	Result
Turnover Intention	0.329	0.527	Large predictive relevance

Table 9. Q2 Result
Source: SMARTPLS, 2024

Based on the calculations above, the Q2 predicted value is greater than Q2 square values, indicating that the model has predictive relevance. As shown the Q2 value is greater than 0, indicating the model has predictive relevance (Ghozali, 2021:74).

4.3.3   F2 Effect Size Test

The F2 effect size values from Ghozali (2015) are as follows: ≥ 0.02 indicates a small or weak effect size, ≥ 0.15 indicates a medium effect size, and ≥ 0.35 indicates a large or strong effect size.

Pengaruh	Effect Size	Hasil
Job Satisfaction -> Turnover Intention	0.080	Small
Transformational Leadership -> Turnover Intention	0.417	Large

Table 10. F Square Results
Source: SMARTPLS, 2024

Based on the table above, it can be noted that the Transformational Leadership variable has the biggest influence on Turnover Intention, with an effect size value of 0.417 compared to Job Satisfaction.

4.3.4   Path Coefficient

The results of the Path Coefficients testing for each variable are shown in the table below:

Variable	Path Coefficient	Description
Job Satisfaction -> Turnover Intention	-0.246	Negative
Transformational Leadership-> Turnover Intention	-0.562	Negative

Table 11. Path Coefficient Result
Source: SMARTPLS, 2024

The Path Coefficient values, as shown in the table above, indicate that the Job Satisfaction's construct has a value of -0.246, and the Transformational Leadership construct has a value of -0.562. This suggests that both constructs have a negative effect on Turnover Intention.

4.4 The Impact of Job Satisfaction on Turnover Intention of Millennial and Gen Z Generation Employees in Retail Sector at PT.XYZ.

No	Impact	Original sample (O)	T statistics (|O/STDEV|)	P values	Description
H1	Job Satisfaction -> Turnover Intention	-0.246	2.799	0.005	Significant

Table 12. Hypothesis Testing Result
Source: SMART-PLS, 2024

Based on hypothesis testing (H1) showed the p-value is 0.005, which is lower than the significance threshold of 0.05, indicating that Job Satisfaction, significantly impact on Turnover Intention. The coefficient interval is below 0 (-0.246), and the T-statistic value exceeds 1.96 (2.799), Confirming that statistical Job Satisfaction significantly influences Turnover Intention. The standard coefficient obtained from the Job Satisfaction variable has an original sample value of -0.246, indicating a negative influence. It is projected that job satisfaction has a negative effect on turnover intention. Therefore, job satisfaction has a significant and negative influence on turnover intention. This means that as Job Satisfaction increases or improves, Turnover Intention decrease, and employees are less likely to intend to change the jobs or decrease the desire to move jobs. In other words, an increase in Job satisfaction factor could reduce the employee's desire to resign.

The findings are consistent with the research conducted by Marzuqi (2021), Ramadhiansyah (2022), Margono (2022), Wahyuni (2021), Suhakim (2021), Gan (2020), Amri et al. (2022), Yuan (2024), Sidik (2022), Wahyudi (2023), and Suryawan (2021), which indicate a significant negative relationship between job satisfaction and turnover intention. Consequently, it can be concluded that the first hypothesis (H1), which posits that "Job Satisfaction has a significant effect on Turnover Intention in Front End employees at PT. XYZ," is substantiated by the evidence presented.

4.5 The Impact of Transformational Leadership on Turnover Intention of Millennial and Gen Z Generation Employees in Retail Sector at PT.XYZ.

No	Impact	Original sample (O)	T statistics (|O/STDEV|)	P values	Description
H2	Transformational Leadership -> Turnover Intention	-0.562	6.699	0.000	Significant

Table 13. Hypothesis Testing Result
Source: SMART-PLS, 2024

Based on hypothesis testing (H2) the p-value is 0.000, which is lower than the significance threshold of 0.05 indicating that Transformational Leadership is a significant impact on Turnover Intention. The coefficient interval is below 0 (-0.562), and the T-statistic value exceeds 1.96 (6.699), confirming that statistical Transformational Leadership significantly influences Turnover Intention. The standard coefficient obtained is -0.562, providing evidence that Transformational Leadership has a significant negative effect on Turnover Intention. It means as Transformational Leadership improves that it makes Turnover Intention decrease and employees are less likely to intend to change jobs or reduce the employee's desire to resign. In other words, an increase in Transformational Leadership factor could reduce the employee's desire to resign.

This is supported by research (Manoppo, 2020) that states if the level of Transformational Leadership implementation of a leader increases, the lower the tendency of employees to intend to leave the organization. This is also supported by other research conducted by Ramadhiansyah (2022), Suhakim (2021), Gan (2020), Xiong (2023), Kartika (2022), Suryawan (2021), and Saeed (2022), which indicates that Transformational Leadership has a significant negative relationship with Turnover intention.

Based on the discussion above, we can conclude that PT. XYZ, where leaders practice Transformational leadership, is likely to have low turnover intention rates among its employees. Therefore, the second hypothesis (H2), which states that "Transformational Leadership has a significant effect on Turnover Intention among Front End employees at PT. XYZ," can be accepted.

5. Conclusion

This study tested The Impact of Job Satisfaction and Transformational Leadership on Turnover Intention of Front-End Employees at PT.XYZ, so the conclusions can be drawn as follows:

1. The analysis demonstrates that Job Satisfaction has a significant effect on Turnover Intention among Front End employees at PT. XYZ, exhibiting a negative correlation. In essence, as Job Satisfaction improves, the Turnover Intention or propensity to seek alternative employment decreases.
2. The results also indicate that Transformational Leadership significantly influences Turnover Intention among Front End employees at PT. XYZ, showing a negative correlation. This signifies that as Transformational Leadership practices are enhanced, the Turnover Intention or likelihood of seeking new employment diminishes.

The findings from the research of job satisfaction and transformational leadership have revealed a discrepancy when compared to the turnover rate for 2023, which is recorded at 58%. This observation is corroborated by prior research indicating that financial rewards may not have a direct impact on modifying turnover intention rates. Instead, organizations should concentrate on developing financial reward strategies that effectively enhance job satisfaction (Kristanti & Indiyati, 2021). Additionally, it is important to recognize that even in the presence of a strong transformational leadership style, employees may still pursue new challenges and opportunities for advancement in other organizations.

5.1 Study Limitation

1. The research was carried out at PT. XYZ with headquarters office in Jakarta and has store locations in several areas in different areas within Indonesia. Therefore, we had challenges with the data collection, so the result is represented by most of employees in Jakarta, Bogor, Depok, Tangerang, and Bekasi since less percentage of data was obtained from other cities, it also due to the number of employees also lesser than other areas. Thus, the results obtained cannot be used directly as a reference for nationally representative data results in other sectors because the characteristics of respondents and data samples are also different from those of other fields of work.
2. This research focuses only on Job Satisfaction and Transformational Leadership, so it only focuses on these variables and the result may not fully represent the turnover intention effect due to it does not explain other important factors that may influence employees to have turnover intentions, such as organizational culture, knowledge management, work-related stress, organizational support and commitment, motivation. These variables can have a significant impact on the employee's decision to survive or leave the organization or company.
3. Quantitative approaches may not be able to reveal the context or understand deeply the reasons behind questionnaire answers. On the contrary, qualitative methods, such as in-depth interviews or case studies, can provide more detailed nuances and contexts that enrich an understanding of turnover dynamics.

5.2 Future Research

1. Researchers should consider expanding their inquiries to encompass additional variables that may impact Turnover Intention in retail companies. Potential factors to explore include organizational culture, knowledge management, work-related stress, organizational support and commitment, motivation, and various systems and procedures.
2. Future studies may benefit from utilizing a mixed-methods approach that combines both qualitative and quantitative research methodologies. Qualitative methods, such as in-depth interviews or case studies, can provide richer insights into Turnover Intention, revealing aspects that quantitative surveys may not fully capture. This approach allows researchers to identify the specific reasons behind respondents' attitudes and enables the integration of data from multiple sources for comprehensive analysis.
3. It is advisable to conduct additional research across different retail sectors and within various companies or organizations to acquire a broader understanding of the Turnover Intention phenomenon, particularly focused on Front End employees in specific locations or regions.
4. To increase the validity of this research, it is recommended to undertake similar studies involving respondents from various regions in Indonesia, ensuring a larger sample size. This should include not only major cities such as Jakarta, Bogor, Depok, Tangerang, and Bekasi but also encompass other areas with diverse sectors and conditions, thereby enriching the overall findings of the research. This approach will enhance the representativeness of the results across a broader scale or region. By expanding the research to include a diverse range of locations and contexts, it will become feasible to determine whether the findings from PT. XYZ can be generalized and utilized as a reference for national data research.

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