



## The Mediating Role of Organizational Commitment in the Relationship Between Transformational Leadership and Turnover Intention Among Generation Z

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### ABSTRACT

Human resources play a vital role in the sustainability of industries and organizations. As such, human resource management (HRM) is responsible for providing competent workforce, maintaining its quality, and managing labor costs efficiently. One of the key challenges faced by organizations today is the high turnover intention among employees particularly within Generation Z, which is known for having distinct characteristics and expectations compared to previous generations. This study aims to examine the influence of transformational leadership on turnover intention among Generation Z employees, with organizational commitment serving as a mediating variable. Data were collected through a survey involving 193 Generation Z employees working at Company ABC. The analysis was conducted using path analysis techniques. The results indicate a significant indirect effect of transformational leadership on turnover intention through organizational commitment, with a coefficient of -0.135. This suggests that transformational leadership can meaningfully reduce employees' intention to leave, particularly when it fosters stronger commitment to the organization. Furthermore, the findings confirm that organizational commitment effectively mediates the relationship between transformational leadership and turnover intention. These insights offer valuable implications for organizational management in addressing turnover issues among Generation Z employees especially by cultivating a workplace environment that promotes transformational leadership development.

**Keywords:** *Turnover Intention, Kepemimpinan Transformasional, Organizational Commitment, Generasi Z*

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## INTRODUCTION

Generation Z is the first cohort to grow up in a fully digital environment, resulting in distinct characteristics compared to previous generations—both in terms of work style and expectations toward organizations (Wulandari et al., 2023). They tend to value flexibility, have a strong desire for personal growth, and quickly become disengaged with monotonous or unchallenging work (Schroth, 2019). One of the key challenges organizations face today is the high turnover intention among this generation, which can disrupt operational stability and increase the costs associated with recruiting and training new employees (Goh & Lee, 2018).

Numerous studies have shown that Generation Z exhibits higher turnover intention compared to other generations. One of the main reasons is the demand for work-life balance. Around 32% of Gen Z respondents stated that work-life balance is their top priority when choosing a job—surpassing salary or career progression as deciding factors (Whatsthebigdata, 2024). Additionally, they prefer flexible working arrangements such as hybrid or remote work, with 63% favoring hybrid work over full-time office attendance (Whatsthebigdata, 2024). A work environment that lacks mental health support is also a contributing factor to the rising turnover intention among Gen Z employees (Whatsthebigdata, 2024).

Turnover intention is a critical organizational behavior indicator that reflects an employee's intent to leave their job (Mobley, 1977). While it may not always translate into actual resignation, this intention often signals dissatisfaction that can negatively affect organizational performance. Factors influencing turnover intention include leadership style and the level of employee engagement, particularly in terms of organizational commitment (Cohen, 2003). Understanding these factors is crucial in the context of Generation Z, which favors a more flexible and dynamic working style (Priporas et al., 2017).

One important factor that can help reduce turnover intention is transformational leadership. This leadership style encourages employees to transcend their self-interest for the sake of organizational goals by providing inspiration, motivation, and individualized consideration (Bass & Avolio, 1994). Studies suggest that transformational leadership can enhance job satisfaction and engagement, ultimately reducing employees' desire to leave the organization (Waldman et al., 2020). For Generation Z who value personal growth and a dynamic work environment transformational leaders can create a sense of appreciation and support, thereby lowering their intention to quit (Schroth, 2019).

Another critical element in minimizing turnover intention is organizational commitment. Generation Z employees are more likely to leave their jobs if they do not feel an emotional attachment to their workplace (Meyer & Allen, 1991). Organizational commitment refers to an employee's psychological attachment to the organization and consists of three components: affective commitment (emotional attachment),

continuance commitment (cost-benefit considerations), and normative commitment (a sense of obligation). Transformational leadership has been shown to positively influence these dimensions particularly affective commitment by fostering a supportive and positive work environment (Caillier, 2016).

This research is significant because Generation Z possesses unique characteristics in today's workforce. They are more mobile, seek workplaces that support personal development, and strive for meaningful work. By enhancing organizational commitment through transformational leadership, organizations can more effectively reduce turnover intention among Generation Z employees and strengthen their loyalty to the organization.

## **RESEARCH METHODOLOGY**

This study involved 193 Generation Z employees (born between 1997 and 2012) working at PT. ABC Surabaya. The sampling technique employed was saturation sampling, as the relatively small population size allowed the inclusion of the entire workforce as respondents. This research applied a quantitative approach with an experimental design and utilized path analysis as the method for data analysis. Data were collected through a questionnaire consisting of both favorable and unfavorable items, specifically designed to measure each of the research variables: turnover intention, transformational leadership, and organizational commitment. Prior to the use of the research instrument, validity and reliability tests were conducted to ensure that the measurement tools met the required standards for producing valid and consistent data.

The primary focus of this study is to analyze the influence of transformational leadership on turnover intention among Generation Z, with organizational commitment serving as a mediating variable. Data processing was conducted using SPSS software versions 22 and 25 for Windows, with the aim of gaining a better understanding of the dynamics among these variables within the context of PT. ABC Surabaya. Before conducting path analysis, classical assumption tests were carried out to ensure that the data met the necessary conditions for further statistical analysis. These tests included assessments of normality, multicollinearity, and heteroscedasticity, in order to verify that the fundamental assumptions of regression analysis were not violated.

## **RESULT AND DISCUSSION**

### **Validity and Reliability Testing**

This study employed validity testing using the corrected item-total correlation method, as presented in the statistical tables with a validity coefficient threshold of  $\geq 0.30$ . The technique used to test item validity was the item-total coefficient or item discrimination index. The minimum acceptable item-total correlation coefficient is 0.30; however, if many items fail to meet this criterion and the required number of items has not yet been achieved, the threshold can be lowered to 0.25 (Azwar, 2017). Reliability testing in this study was conducted using Cronbach's Alpha formula. The statistical

calculations were performed with the assistance of SPSS (Statistical Product and Service Solution) for Windows version 22.00. According to Azwar (2017), reliability measurement is based on a specific cutoff value for instance, 0.6. A value below 0.6 is considered unreliable, whereas values above 0.6 up to 1.00 are regarded as reliable. The results of the validity and reliability tests are presented in the following table:

**Table 1.** Results of Validity and Reliability Tests

<b>Variab le</b>	<b>Initia l Item Coun t</b>	<b>Analy sis Roun d</b>	<b>Item Numb ers Remo ved</b>	<b>Remai ning Item Count</b>	<b>Corrected Item-Total Correlation Range</b>	<b>Reliabilit y (Cronbac h's Alpha)</b>	<b>Reliab ility Status</b>
<b>Turnov er Intenti on</b>	12	1	6, 11	10	Index corrected item total correlation (- 0.378) to 0.861	0.804	Reliabl e
	10	2	-	10	Index corrected item total correlation 0.555 to 0.872	0.914	Reliabl e
<b>Organi zationa l Commi tment</b>	24	1	5	23	Index corrected item total correlation (- 0.706) to 0.766	0.928	Reliabl e
	23	2	-	23	Index corrected item total correlation 0.487 to 0.787	0.946	Reliabl e
<b>Transf ormati onal Leader ship</b>	20	1	-	20	Index corrected item total correlation 0.566 to 0.874	0.961	Reliabl e

### **Classical Assumption Testing**

As a preliminary step before conducting hypothesis testing using path analysis, it is important to carry out several assumption tests. These assumption tests are necessary to ensure that the data used meet the required conditions so that the results of the analysis can be interpreted validly. The assumption tests performed in this study include the Normality Test, Multicollinearity Test, and Heteroscedasticity Test.

#### **Normality Test**

The normality test aims to examine whether the residuals in the regression model are normally distributed. Based on the criterion where a significance value ( $\text{sig}$ )  $> 0.05$  indicates normal distribution, otherwise not (Ghozali, 2018). The normality test was conducted using the One-Sample Kolmogorov-Smirnov Test with the help of IBM SPSS version 25. The results showed a significance value of 0.200, which is greater than 0.05, indicating that the data are normally distributed.

#### **Multicollinearity Test**

The multicollinearity test is used to determine whether there is a correlation among the independent variables in the regression model. A model is considered free from multicollinearity if the Variance Inflation Factor (VIF) is  $< 10$  and the tolerance value is  $> 0.1$  (Ghozali, 2018). The test results showed a tolerance value of 0.892 ( $> 0.10$ ) and a VIF of 1.121 ( $< 10$ ), indicating that multicollinearity is not present in the model.

#### **Heteroscedasticity Test**

Heteroscedasticity in this study was tested using the Glejser Test. A model is considered free from heteroscedasticity if the significance values of the variables are  $> 0.05$ , and vice versa (Ghozali, 2018). The results showed significance values of 0.893 for the transformational leadership variable (X) and 0.841 for the organizational commitment variable (Z), indicating no heteroscedasticity in the variables tested.

### **Hypothesis Testing**

Hypothesis testing in this study primarily uses two basic techniques: multiple regression analysis and path analysis, which is an extension of multiple regression analysis. The criteria for hypothesis acceptance or significance are if the significance value or  $p < 0.05$ .

The first hypothesis tests the effect of transformational leadership on turnover intention in Generation Z. The hypothesis testing results show a t-value of -0.549 with a significance value of 0.584. Since the significance value of 0.584 is greater than 0.05, the first hypothesis is rejected. This indicates that although the relationship is negative, the effect is not significant.

The second hypothesis tests the effect of organizational commitment on turnover intention in Generation Z. The hypothesis testing results show a t-value of -11.221 with a significance value of 0.000. Since the significance value of 0.000 is less than 0.05, the second hypothesis is accepted. This indicates a significant negative effect between organizational commitment and turnover intention.

The third hypothesis tests the effect of transformational leadership on organizational commitment in Generation Z. The hypothesis testing results show a t-value of 8.007 with a significance value of 0.000. Since the significance value of 0.000 is less than 0.05, the third hypothesis is accepted, indicating a significant positive effect between transformational leadership and organizational commitment.

The fourth hypothesis tests the indirect effect of transformational leadership on turnover intention in Generation Z through organizational commitment. Path analysis results show that transformational leadership has an indirect effect on turnover intention through organizational commitment. The calculation of the indirect effect of transformational leadership on turnover intention is  $PZX1PYZ = (0.361)(-0.375) = -0.135375$ , or -0.135. This indirect effect is larger than the direct effect of transformational leadership on turnover intention. The Sobel test shows a p-value of 0.000, which is less than 0.05, so the fourth hypothesis is accepted and the relationship is negative. Overall, the results of this study show that although transformational leadership does not have a significant direct effect on turnover intention in Generation Z, it still has a significant indirect effect through increasing organizational commitment.

**Table 2.** Results of Hypothesis Testing

Model			t / F	p	Significance
Transformational Leadership	on	Turnover Intention	-0.549	0.584	Not Significant (p > 0.05) - Hypothesis Rejected
Organizational Commitment	on	Turnover Intention	- 11.221	0.000	Significant (p < 0.05) - Hypothesis Accepted
Transformational Leadership	on	Organizational Commitment	8.007	0.000	Significant (p < 0.05) - Hypothesis Accepted
Transformational Leadership	on	Turnover Intention through Organizational Commitment	-0.135	0.000	Significant (p < 0.05) - Hypothesis Accepted

### Descriptive Analysis

Descriptive analysis is conducted with the theoretical mean of each variable. The mean is calculated by summing all the numbers in the data set and then dividing it by the number of numbers in the set. The criteria are divided into: Very High (VH), High (H), Moderate (M), Low (L), and Very Low (VL):

**Table 3.** Descriptive Analysis of Turnover Intention

Criteria	F	%
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48 – 60 (ST)	36	19%
40 – 47 (T)	60	31%
32 – 39 (C)	74	38%
24 – 31 (R)	22	11%
12 – 23 (SR)	1	1%
<b>Total</b>	<b>193</b>	<b>100%</b>

In the table above, the variable turnover intention is dominated by the C (Moderate) criterion, with a frequency (F) of 74, which accounts for 38%. Meanwhile, the smallest frequency (F) is found in the SR (Very Low) criterion, with a count of 1, representing 1%.

**Table 4.** Descriptive Analysis of Organizational Commitment

<b>Criteria</b>	<b>F</b>	<b>%</b>
96 – 120 (ST)	66	34%
80 – 95 (T)	45	23%
64 – 79 (C)	70	36%
48 – 63 (R)	12	7%
24 – 47 (SR)	-	-
<b>Total</b>	<b>193</b>	<b>100%</b>

Based on the table for the organizational commitment variable, the highest frequency (F) is found in the C (Moderate) criterion, with a count of 70 and a percentage of 36%. The lowest frequency (F) is found in the R (Low) criterion, with a count of 12 and a percentage of 7%.

**Table 5.** Descriptive Analysis of Transformational Leadership

<b>Criteria</b>	<b>F</b>	<b>%</b>
84 – 100 (ST)	38	20%
66.66 – 79 (T)	106	55%
53.34 – 65.66 (C)	35	17%
40 – 52.34 (R)	13	7%
20 – 39 (SR)	1	1%
<b>Total</b>	<b>193</b>	<b>100%</b>

In the table above, it is evident that the transformational leadership variable has the highest frequency (F) in the T (High) criterion, with 106 occurrences, which accounts for 55%. The smallest frequency (F) is found in the SR (Very Low) criterion, with a count of 1, representing 1%.

## DISCUSSION



This study is motivated by the increasing turnover intention among Generation Z, which presents a major challenge for organizations in retaining employees. The research focuses on the influence of transformational leadership and organizational commitment on turnover intention, with organizational commitment serving as a mediating variable. Generation Z, with its unique characteristics such as the need for flexibility, recognition, and personal development, tends to exhibit different work patterns compared to previous generations. Therefore, understanding the relationships among these variables is crucial for designing effective and targeted retention strategies.

The findings reveal that transformational leadership does not have a statistically significant direct effect on turnover intention, although the direction of influence is negative. This can be explained by Generation Z's strong preference for flexible work arrangements, supportive environments, and work-life balance. The transformational leadership style which emphasizes motivation, inspiration, and individual consideration is not sufficient on its own to retain employees when their core needs remain unmet. Bass (1990) stated that transformational leadership can inspire employees through a compelling vision and personal support. However, if fundamental needs such as emotional well-being and opportunities for growth are lacking, the direct impact on employees' intention to stay becomes weak. Generation Z is known for its adaptability, but also for seeking new opportunities when expectations are not fulfilled (Twenge, 2019).

Nevertheless, transformational leadership was found to have a significant positive impact on organizational commitment. Leaders who are able to inspire, provide personal attention, and communicate a clear vision can foster emotional attachment among employees. This approach aligns well with Generation Z's preference for personal workplace relationships and clear career progression. Organizational commitment, in turn, was found to have a significant negative impact on turnover intention. Employees who are emotionally attached to their organizations tend to remain longer. Affective commitment emerged as the key factor where employees feel comfortable and satisfied with their work. Normative commitment also played a role, as a sense of moral obligation drives loyalty toward the organization.

Furthermore, this study found that the effect of transformational leadership on turnover intention is indirect, operating through the mediating role of organizational commitment. Leaders who pay attention to individual needs and motivate their employees help cultivate emotional attachment that strengthens employee loyalty. Thus, while transformational leadership does not directly reduce turnover intention, it still has an important impact by enhancing commitment. Organizational commitment which includes affective, continuance, and normative dimensions (Meyer & Allen, 1991) plays a critical role in strengthening the link between transformational leadership and turnover intention. Employees who feel valued and emotionally involved are more likely to remain loyal, even in the face of job stress or workplace uncertainty. Effective leadership can shape a positive organizational climate, create a sense of belonging, and reinforce shared goals, ultimately reducing overall turnover intention.



The data distribution indicates that most respondents fall into the moderate category for turnover intention, with only a few in the very low category. For organizational commitment, the majority also scored in the moderate range, with only a few showing low commitment. Meanwhile, perceptions of transformational leadership tended to be high, although some respondents rated it very low. This indicates a strong potential for organizations to leverage transformational leadership as a strategy to build emotional attachment and employee loyalty especially among Generation Z, who tend to be dynamic and prone to job-hopping.

This study is limited by its scope, which focuses solely on Generation Z respondents; therefore, the findings cannot be generalized to other age groups. In addition, the quantitative approach used may not fully capture subjective dimensions such as individual perceptions and personal experiences. Future research is encouraged to adopt a mixed-method approach for more comprehensive insights, including qualitative methods such as interviews to explore employees' deeper perceptions and motivations.

Theoretically, this study enriches the understanding of the relationship between transformational leadership, organizational commitment, and turnover intention among Generation Z. The insights gained regarding the interrelation of these variables contribute to the development of human resource management theories, particularly within the context of the younger workforce. Practically, the findings can be utilized by organizations to design more suitable retention strategies, such as personalized leadership training and strengthening employee commitment through approaches aligned with Generation Z's values. Organizations are advised to develop career development programs through training, workshops, and mentoring, which can enhance emotional commitment and loyalty to the company. Moreover, providing a healthy and flexible work environment, along with well-being programs such as counseling, flexible leave, and psychological support, can help meet Generation Z's expectations for work-life balance. These strategies should also include recognition and appreciation of individual contributions, creating space for innovation and active participation, and fostering transparent communication between management and employees.

Management should also craft retention strategies tailored to the characteristics of this generation, including acknowledging their contributions and creating clear, transparent career pathways. Leaders who are responsive, inclusive, and supportive of individual growth will be key in fostering loyalty. Thus, enhancing organizational commitment through transformational leadership becomes a strategic step in addressing the high turnover intention among Generation Z. This study is expected to serve as a reference for both practitioners and academics in developing human resource policies that are adaptive to demographic shifts and the evolving expectations of the younger workforce.

## **CONCLUSION**

This study aims to understand the influence of transformational leadership on turnover intention among Generation Z, with organizational commitment as a mediating variable. The findings indicate that transformational leadership does not have a significant direct effect on turnover intention. This suggests that although transformational leaders may foster a supportive and inspirational work environment, such conditions alone are not sufficient to directly reduce Generation Z's intention to leave the organization. However, transformational leadership was found to significantly enhance organizational commitment, which in turn indirectly contributes to reducing turnover intention. Affective commitment, or emotional attachment to the organization, plays a crucial role in retaining employees. Thus, organizational commitment acts as a mediator that strengthens the impact of transformational leadership on employee loyalty, particularly among Generation Z, who have high expectations for flexibility, personal development, and meaningful work.

Based on these findings, organizations are encouraged to strengthen employee commitment through various human resource development strategies. Initiatives such as training programs, workshops, and mentoring can enhance employees' sense of connection and career growth elements highly valued by Generation Z. Furthermore, creating a healthy and flexible work environment, along with supporting employee well-being through counseling services or psychological support, is essential in fostering long-term loyalty. Company management is expected to design retention strategies tailored to the characteristics of Generation Z, including recognizing their contributions and offering clear career advancement opportunities.

To enrich future research, it is recommended to involve a broader age group and consider additional variables such as education level, employment status, or income. Incorporating qualitative methods such as interviews may also provide a deeper understanding of organizational dynamics and employee perceptions.

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