

Transformational Leadership and Retention of Young Health Workers: The Mediating Role of Job Satisfaction and Well-Being

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ABSTRACT

Background & Objective: Retaining young health workers is a major challenge in the healthcare system, especially in the post-pandemic era. Transformational leadership is seen as one of the strategic approaches that has the potential to increase employee loyalty and well-being, but the mechanisms of its influence on retention intentions are not yet fully understood, particularly through psychological roles such as job satisfaction and well-being. This study aims to analyze the influence of transformational leadership on the retention of young healthcare workers and to test the mediating role of job satisfaction and well-being in this relationship. **Method:** The study employs a quantitative approach with an explanatory design. Data were collected from 132 young healthcare workers in Central Java via a closed-ended questionnaire. The instruments were adapted from the MLQ scale, Spector, WHO-5, and Tremblay. Path analysis was conducted to test direct and indirect relationships between variables, and the Sobel test was used to verify mediation. **Result:** The results indicate that transformational leadership significantly influences job satisfaction ($\beta=0.451$; $p<0.001$) and well-being ($\beta=0.417$; $p<0.001$), both of which also significantly influence retention. Leadership also has a direct effect on retention ($\beta=0.178$; $p=0.041$), indicating partial mediation. The Sobel test shows that job satisfaction and well-being are significant mediators. **Conclusion:** Transformational leadership plays a crucial role in shaping young healthcare workers' decisions to stay, through the creation of positive job satisfaction and psychological well-being. Managerial strategies that integrate humanistic leadership approaches and psychosocial

interventions are deemed essential for building a sustainable work system.

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Introduction

In recent years, the healthcare sector has faced significant challenges in retaining young healthcare workers, particularly post-pandemic and amid increased workloads in the healthcare services sector. The high turnover rate among young healthcare workers is not only prevalent in developing countries but has also become a global concern, as it directly impacts the sustainability of healthcare services and the burden on healthcare systems (Meng & Jin, 2023; Nguyen & Duong, 2022).

Retaining young healthcare workers has become increasingly important as this group is the backbone of future professional regeneration. However, various factors have led young workers to feel disconnected from their organizations, ranging from psychosocial stress, lack of recognition, high workloads, to insufficient leadership support (Boamah et al., 2018; García-Sierra et al., 2016). In this context, transformational leadership is seen as one of the strategic approaches capable of creating a supportive, motivating, and loyalty-building work environment (Aryee et al., 2012; Breevaart & Bakker, 2018).

Transformational leadership is characterized by a leader's ability to inspire, provide individual attention, foster intellectual growth, and shape a collective vision within the organization (Kelloway et al., 2012). Several studies have shown that this leadership style is positively correlated with various work outcomes, including job satisfaction, engagement, psychological well-being, and intention to stay (Li et al., 2020; Afsar et al., 2016).

In addition to leadership, two psychological variables that often determine the retention of young healthcare workers are job satisfaction and well-being. Job satisfaction reflects the extent to which individuals feel emotionally, professionally, and socially fulfilled in their work roles (Pratama & Utami, 2021). Meanwhile, well-being refers to a stable and sustainable state of psychological well-being, which directly influences the intention to stay in a job (Park & Kim, 2020; Zhang et al., 2018).

However, few studies have comprehensively examined the simultaneous relationship between transformational leadership, job satisfaction, and well-being, particularly in the context of retaining young healthcare workers in Indonesia. This group has unique characteristics, including a high need for self-actualization, expectations for a supportive work environment, and a tendency to change jobs if they feel they are not developing (Hidayat & Kurniawan, 2023).

Objective

This study aims to analyze the effect of transformational leadership on the retention of young health workers, considering the mediating role of job satisfaction and well-being. This approach is expected to provide empirical contributions to the development of leadership and human resource management strategies in the health sector that are more responsive to the needs of the younger generation of professionals.

Method

This study uses a quantitative approach with an explanatory design that aims to examine the relationship between transformational leadership, job satisfaction, well-being, and retention of young health workers. This design is considered appropriate because it can explain the causal influence between the variables studied and identify possible mediating mechanisms in the relationship, as explained by Park and Kim (2020) and Li et al. (2020).

The study population includes young healthcare workers employed at general hospitals and community health centers in Central Java. The inclusion criteria used are healthcare workers under the age of 35, with less than five years of work experience, active employment status, and who have worked for at least six months at the institution where they are assigned. The sampling technique used is purposive sampling. Considering the complexity of the path regression model, the planned sample size for this study is between 100 and 150 respondents, in accordance with the minimum sample size requirements according to Hair et al. (2014).

Data collection was conducted using a closed-ended questionnaire developed from several instruments that had been tested in previous studies. Transformational leadership was measured using six statements adapted from the Multifactor Leadership Questionnaire (MLQ). Job satisfaction was measured using five statements based on a scale developed by Spector. Well-being was measured using five indicators from the WHO-5 Wellbeing Index. Meanwhile, retention was measured using four statements representing the intention to remain in the organization, based on a scale developed by Tremblay et al. (2010). All items were rated using a five-point Likert scale, ranging from strongly disagree to strongly agree.

The questionnaire was first tested for content validity by three experts in human resource management and organizational psychology. A limited pilot study was then conducted with 30 respondents with similar characteristics to test the validity and reliability of the instrument. The instrument was considered reliable if the Cronbach's Alpha value for each construct was greater than 0.70.

The collected data were analyzed using path analysis through SPSS AMOS software. The analysis was conducted in two stages: testing the direct relationships between variables and testing the mediation effects. The mediation test was conducted based on the Baron and Kenny approach and reinforced with the Sobel test to assess the significance of indirect effects. Before conducting the regression analysis, the data was first tested against classical assumptions, including normality, multicollinearity, and linearity, to ensure the model could be interpreted validly.

The entire research process was conducted in accordance with research ethics principles. Participation was voluntary after respondents received an explanation and provided written consent (informed consent). Respondent identities were kept confidential, and the data collected was used solely for academic purposes. This research also obtained approval from the relevant institutional ethics committee.

Results

The research data was obtained from 132 young health workers in various health care facilities in Central Java. All collected data underwent verification, cleaning, and classical assumption testing. The normality test results showed that the data distribution met the requirements for parametric analysis. The multicollinearity test

showed that the VIF value was below 5, indicating no multicollinearity that could interfere with the model.

Path regression analysis was conducted to test the direct effect of transformational leadership on the retention of young healthcare workers, as well as to examine the mediating role of job satisfaction and well-being. The results of the analysis are presented in Table 1 below:

TABLE 1. Path Regression Results: Direct and Indirect Effects

Relationships Between Variables	Path Coefficient (β)	Significance (p)
Transformational Leadership → Job Satisfaction	0,451	0,000
Transformational Leadership → Well-Being	0,417	0,000
Job Satisfaction → Retention	0,336	0,001
Well-Being → Retention	0,305	0,003
Transformational Leadership → Retention	0,178	0,041

The results show that transformational leadership has a significant direct effect on job satisfaction and well-being, both of which also have a significant effect on retention. In addition, the direct effect of transformational leadership on retention remains significant even with two mediators, indicating partial mediation.

The Sobel test shows that job satisfaction and well-being significantly mediate the influence of leadership on retention, each with a significance value < 0.01 . This indicates that the higher the perception of transformational leadership style from superiors, the higher the job satisfaction and well-being, which ultimately increases the intention to remain in the organization.

These findings generally support the conceptual model proposed in the study and reinforce previous studies that state that psychosocial dimensions and perceptions of leadership have an important contribution in determining young healthcare workers' decisions to remain in the institution (Meng & Jin, 2023; Li et al., 2020; Boamah et al., 2018).

Discussion

This study demonstrates that transformational leadership has a significant direct and indirect influence on the retention of young healthcare workers through two main psychological pathways, namely job satisfaction and well-being. These findings confirm that, within the context of healthcare organizations, transformational leadership not only enhances organizational commitment but also strengthens emotional bonds and employee well-being, ultimately reducing the intention to leave the organization.

First, the influence of transformational leadership on job satisfaction is consistent with previous research. Leadership that inspires, supports individual development, and creates meaning in work has been shown to promote job satisfaction (Boamah et al., 2018; Pratama & Utami, 2021). Young healthcare workers, especially millennials, tend to have high expectations for an empowering work environment that values their contributions. When the leadership style they experience meets these expectations, job satisfaction tends to increase. This finding reinforces Herzberg's work motivation

model, which states that intrinsic factors such as recognition, responsibility, and personal achievement have a greater impact on satisfaction than extrinsic factors alone.

Second, the positive relationship between transformational leadership and well-being expands our understanding of the importance of leaders' roles in maintaining employees' emotional and psychological stability. Previous research shows that supportive, communicative, and visionary leaders can reduce work-related stress and enhance feelings of connectedness and meaning in the workplace (Kelloway et al., 2012; Breevaart & Bakker, 2018). In the context of young healthcare workers facing high work demands and high burnout rates post-pandemic, psychological support from supervisors plays a significant protective role. Sustained well-being can serve as an important foundation for the continued work of healthcare workers, who are often a vulnerable group prone to emotional exhaustion and career disorientation.

Third, the positive influence of job satisfaction on retention indicates that young healthcare workers who are satisfied with their jobs are more likely to stay. This supports the findings of Aryee et al. (2012) and Nguyen & Duong (2022), who state that job satisfaction is a strong predictor of the intention to remain in an organization, even stronger than financial incentives among young professionals. In this study, job satisfaction plays a role not only as a consequence of leadership but also as a psychological mechanism that strengthens loyalty.

Similarly, well-being has been proven to have a significant mediating role. Young healthcare workers who feel psychologically healthy, find meaning in their work, and feel supported by their organization show a higher tendency to remain in the institution. Research by Park & Kim (2020) and Li et al. (2020) indicates that improved workplace well-being directly impacts reduced turnover intention and fosters emotional attachment to the organization.

These findings also confirm that the relationship between transformational leadership and retention is complex and non-linear, but rather depends on the internal psychological conditions of employees. Therefore, managerial approaches that are overly focused on structural factors such as salary and career progression without considering psychosocial dynamics may be less effective in retaining new-generation employees.

Theoretically, these results enrich the literature on human resource retention in the healthcare sector by integrating leadership, work psychology, and organizational behavior perspectives into a single integrated model. This study also confirms that retention strategies cannot be separated from the context of the leadership style applied by healthcare managers.

From a practical standpoint, this research provides a strong foundation for policymakers and hospital management to develop leadership development programs that focus not only on technical skills but also on interpersonal competencies such as empathy, effective communication, and empowering subordinates. Retention programs for young healthcare workers should also include psychosocial interventions such as stress management training, psychological expression spaces, and regular evaluations of well-being and job satisfaction.

Thus, an integrated approach based on transformational leadership, psychological well-being, and job satisfaction has proven effective in creating a work system that is not only productive but also humane and sustainable.

Conclusion

This study confirms that transformational leadership is an important factor in improving the retention of young health workers, both directly and indirectly through increased job satisfaction and well-being. Inspirational leadership, individual attention, and fostering collective spirit have proven effective in creating a more supportive, meaningful, and psychologically fulfilling work environment. Two psychological aspects—job satisfaction and well-being—have been identified as key mediators explaining how leaders influence young healthcare workers' decisions to remain in the institution.

These findings reinforce the view that healthcare worker retention cannot be maintained solely through financial incentives or long-term employment contracts but is highly dependent on the subjective daily work experiences of young employees. When young healthcare workers feel valued, heard, and guided by their superiors, they tend to develop a strong sense of commitment and loyalty toward the organization.

From a theoretical perspective, this study contributes to the understanding of the relationship between leadership style and employee retention by incorporating psychological variables as mediators. These findings also expand the understanding of the importance of a humanistic leadership approach in the context of public service organizations, particularly in the high-pressure healthcare sector.

The practical implications of this study emphasize the need to develop transformational leadership training programs that focus on empathy, open communication, and employee empowerment. Hospital management is also advised to integrate employee well-being programs into human resource management policies in a more strategic manner, as well as to develop periodic job satisfaction evaluation systems as tools to measure retention potential.

Overall, a managerial approach that combines effective leadership strategies, psychological well-being enhancement, and the creation of authentic job satisfaction will form a strong foundation for building a sustainable healthcare organization ready to face the challenges of professional workforce regeneration in the future.

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