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Exploring the Impact of Leadership Style and Organizational Culture on Turnover Intention in the Semarang City Public Service Sector through Structural Equation Model Analysis

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ABSTRACT : This study aims to explore the impact of leadership style and organizational culture on Turnover Intention in public services in Semarang City, using Structural Equation Model (SEM) Analysis. Data was collected from 100 respondents working in the Semarang City public service sector through questionnaires distributed online. SEM analysis is used to examine the relationship between variables of leadership style, organizational culture, and turnover intention, as well as identify possible effect pathways between these variables. The results of the analysis showed that leadership style had a significant influence on turnover intention. Organizational culture was found to have a significant influence, where cultures that support stability, hierarchy, and security tend to reduce the intention to move employees. In conclusion, this study confirms the importance of leadership style and organizational culture in influencing turnover intention in Semarang City government agencies. The results of this study can be the basis for the development of human resource management strategies that are more effective in retaining employees and improving the performance of government organizations. The practical implications of this research were also discussed to assist managers and stakeholders in improving employee retention and service quality in the Semarang City public service sector.
KEYWORDS : *Leadership Style, Organizational Culture, Turnover Intention*

I.   INTRODUCTION

In an era of evolving organizational dynamics, the success of an institution, especially in the public service sector, is not only determined by solid policies and infrastructure, but also by the quality of its human resources [1], [2]. Key factors that are highlighted in human resource management are the level of job satisfaction and the intention to move (turnover intention) from employees [3]. In Semarang City, as in many other cities, government agencies are increasingly aware of the importance of managing these factors well in order to achieve optimal organizational performance. In the context of human resource management, the growing issue is the level of job satisfaction and the intention to move (turnover intention) from employees. This is a major concern for organizations, especially in government agencies in the city of Semarang. High levels of job satisfaction not only have a positive impact on individual performance, but also on overall organizational performance[4],[5]. Employees who are satisfied with their work tend to be more productive, dedicated, and contribute maximally to the achievement of organizational goals [6]. However, when job satisfaction decreases, it can cause a decrease in productivity, service quality, and increase absenteeism and turnover intention.

In the city of Semarang, a deep understanding and handling of issues of job satisfaction and turnover intention in government agencies is becoming increasingly crucial. As part of public services, government agencies have a great responsibility in meeting the needs of the community[7]. Employees who are satisfied with their work will be able to provide better services to the community, strengthen legitimacy and trust in the government, and support the creation of effective and efficient government [8]. Therefore, effective management of human resources in government agencies, including efforts to increase job satisfaction and reduce turnover intention, is an important step in achieving development goals and quality public services in the city of Semarang. These efforts not only help improve the overall performance of the organization, but are also a strategic investment in building a positive image and public trust in the Semarang city government.

Previous research has highlighted the relationship between leadership style, organizational culture, and intent to move across multiple organizational contexts. Skopak & Hadzaihmetovic (2022) argue that an effective

leadership style can affect an employee's level of job satisfaction, which in turn affects the intention to move[10]. Likewise, organizational culture has been shown to play an important role in shaping employee behavior and attitudes towards their work and organization[11]. A number of important findings from the literature highlight the relationship between leadership style and intention to move. According to research by [12]. transformational leadership styles, which include inspiration, idealized influence, individualized consideration, and intellectual stimulation, tend to be negatively associated with the intention to move, while transactional leadership styles, which involve reward and punishment, do not have a significant influence on the intention to move.

Research by Hair et al., (2021) adds an interesting dimension, by showing that transformational leadership styles that include inspiration, idealistic influence, individualized service, and intellectual stimulation tend to have a negative relationship with the intention to move. Meanwhile, transactional leadership styles involving rewards and punishments did not have a significant influence on the intention to move. The implications of this finding are particularly relevant in the context of government agencies in Semarang City, where appropriate human resource management strategies can have a major impact on employee retention and the quality of public services provided. Thus, further research into the interaction between leadership style, organizational culture, and intention to move can provide valuable insights for practitioners and policymakers in an effort to improve organizational performance and employee satisfaction in the public service sector.

Organizational culture has a significant influence on the intention to move. Organizational cultures that promote values such as stability, hierarchy, and security tend to reduce the intention to move employees[14]. Conversely, a more open, innovative, and individual development-oriented organizational culture can reduce job satisfaction levels and increase the intention to move [15]. This study aims to investigate the influence of leadership style and organizational culture on the intention to move within the Semarang city government. with a focus on the role of leadership style and organizational culture as well as the possible interactions between the two. By understanding this dynamic, it is expected to identify effective management strategies to minimize turnover intention and improve the performance and sustainability of government agencies in the city of Semarang.

II. METHODS

2.1 Research design
This study used an ex-post facto quantitative design, where the hypothesis was tested using Partial Least Squares Structural Equation Modelling (PLS-SEM) with the Smart-PLS application version 3.0. Data analysis is carried out in two sequential steps. First, a reflective evaluation is performed to assess the validity and reliability of the indicators of each variable. Secondly, formative evaluations are carried out to ascertain the significance of the relationship between variables and to determine the acceptance or rejection of hypotheses.

2.2 Participants
The population in this study is Semarang city government agencies. The sample was randomly selected from employees of Semarang city government agencies, namely the State High Court, UIN Walisongo, the City Education Office totaling 100 respondents (Hair et al., 2019).The collected data were analyzed using the Partial Least Squares Structural Equation Modelling (Smart-PLS) method to evaluate the relationship between the independent variable (leadership style and organizational culture) and the dependent variable (intention to move). The Smart-PLS method was chosen because it can handle complex models and allows testing cause-and-effect relationships as well as interactions between variables more efficiently. Interaction analysis was conducted to understand how leadership style and organizational culture interact in influencing the intention to move employees in Semarang city government agencies.

2.3 Data collection techniques and instruments
Data collection was carried out using questionnaires with Likert scales. The questionnaire consists of three variables: leadership style, organizational culture, and turnover intention. The questionnaire was adapted from relevant research. The questionnaire instrument is adopted from previous research that has been declared valid and reliable. All questionnaires have been tested, and all items are considered valid and reliable, as presented in Table 1. Table 1 shows that a construct is said to be reliable if Cronbach's alpha and composite reliability scores are greater than 0.60. In addition, it is valid if the average extracted variance (AVE) is greater than 0.50. Validity and reliability indicate that each indicator can take into account the relevant variables.

III. RESULTS AND DISCUSSION
In the context of the interaction between leadership style and organizational culture, the analysis shows that the two interact significantly in influencing the intention to move employees in Semarang City government agencies. These results confirm the importance of considering these two factors simultaneously in human

resource management in government agencies. Based on the results of the questionnaire, as many as 100 respondents participated.

The loading factor value is said to be valid if it is more than 0.7 (>0.7) [16]. The test results are as follows:

Table 1. Value Loading Factor

Variable	Measurement Indicators	Factor Loading	Validity
Organizational culture	Consult with subordinates (GK-1)	0.822	
	Discipline in carrying out duties (GK-2)	0.863	
	Praising and Appreciating (GK-3)	0.885	
	Decision (GK-4)	0.844	
	Supervisory Responsibilities (GK-5)	0.735	
Leadership style	Innovation and risk-taking (BO-1)	0.817	
	Attention to detail (BO-2)	0.801	
	Result-oriented (BO-3)	0.885	Valid
	Orientation to people (BO-4)	0.908	
	Team orientation (BO-5)	0.714	
Turnover intentions	Increased attendance (TI-1)	0.868	
	Being lazy to work (TI-2)	0.883	
	Courage to commit an offense (TI-3)	0.769	
	Increased protests against the leadership (TI-4)	0.933	
	Changes in employee behavior (TI-5)	0.902	

Source: SmartPLS.30 output result

The results of the validity analysis showed that the indicators on the variables Leadership Style (GK1, GK2, GK3, GK4, and GK5) Organizational Culture (BO1, BO2, BO3, BO4, BO5) and Turnover Intention (TI1, TI2, TI3, TI4, TI5) were considered valid because they had a high loading factor. Thus, these findings illustrate that all indicators have successfully measured the variable in question, and testing can proceed to the next stage.

Table 2. Construct reliability and validity

	Cronbach's alpha	Rho_A	Composite reliability	Average variance extracted
Organizational culture	0.884	0.898	0.915	0.685
Leadership style	0.887	0.888	0.918	0.691
Turnover intentions	0.921	0.924	0.941	0.762

Source: SmartPLS.30 output result

Table 2. indicates that Cronbach's Alpha value is more than 0.7 which means it indicates good consistency. All variables have an AVE value of more than 0.5 which means that the measurement model has good construct reliability. Data analysis using Partial Least Squares Structural Equation Modelling (PLS-SEM) shows that leadership style and organizational culture have a significant influence on employee turnover in Semarang City government agencies. Based on reflective evaluation, the leadership style variable has Cronbach's alpha reliability of 0.884 and rho_A reliability of 0.898, while the organizational culture variable has Cronbach's alpha reliability of 0.887 and rho_A reliability of 0.888. Meanwhile, formative evaluation showed that both variables had a fairly high composite reliability, namely 0.915 for leadership style and 0.918 for organizational culture. In addition, the average value of extracted variance (AVE) for both variables was also quite high, namely 0.685 for leadership style and 0.691 for organizational culture. This indicates that the variables are valid and can account for the relevant variables.Because all variables are valid and reliable, they must meet further tests to be used in research. Discriminant validity can be determined by looking at the Fornell-Larcker Criterion value. Test results in Table 3. indicates that the correlation of the variable with the variable itself is greater than the correlation of the variable with other variables.

Table 3. Fornell-Larcker Criterion

	Organizational culture	Leadership style	Turnover intentions
Organizational culture	0.830		
Leadership style	0.828	0.853	
Turnover intentions	0.784	0.831	0.873

Source: SmartPLS.30 output result

Based on the results of the Fornell-Larcker Criterion, it can be interpreted that the organizational culture variable shows a high level of reliability with a coefficient of 0.830, indicating that the indicators used to measure organizational culture together are increasingly consistent and valid in reflecting the concept. Similarly, the leadership style variable showed a very high level of reliability with a coefficient of 0.853, indicating that these indicators are very effective in measuring the latent variable of leadership style. Finally, the turnover intention variable also showed high reliability with a coefficient of 0.873, which confirms that the turnover intention indicator consistently reflects the latent variable. Overall, these findings indicate that the measurement constructs in this study have a good degree of validity and high consistency in measuring the latent variables represented by each variable construct.After all question items are declared valid and reliable, structural model measurements are carried out using the R^2 Test to see the ability of a model to explain dependent variables. The R^2 value must exceed 0.50 to see sufficient contribution by a model in explaining the dependent variable.

Table 4. R-square

	R-square
Turnover intentions	0.679

Source: SmartPLS.30 output result

Based on the table above, it is known that the R2 value of the Turnover Intention variable is 0.679, this shows the contribution of the Organizational culture and Leadership style variables to Turnover Intention which is 67.9% and the remaining 32.1% can be influenced by other variables that are not studied such as Work Life Balance, Employee Engagement, Workload, Motivation, and others[14], [17]. After obtaining sufficient information from the R² analysis, the next step is to conduct a hypothesis test to test the significance of the influence of each independent variable (Organizational culture and Leadership style) on the dependent variable (Turnover Intention). Test this hypothesis to ascertain whether the observed influence is statistically significant or not.

Table 5. Path coefficients/direct effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Leadership style ->Turnover intentions	0.650	0.652	0.107	6.073	0.000
Leadership style ->Organizational culture	0.830	0.831	0.032	25.855	0.000
Organizational culture -> Turnover Intention	0.245	0.244	0.124	1.978	0.049

Table 5. shows the results of hypothesis testing, i.e. bootstrapping resampling test. The hypothesis is accepted if the t-statistic value is more than 1.96 (>1.96). First, the results showed that the value of leadership style on turnover intention has a t-statistical value of 6,073 (>1.96) which proves that there is a positive influence of organizational leadership style on turnover intention, then has a p-value of 0.000 (<0.05) which means there is a significant influence of leadership style variables on turnover intention. Thus, the first hypothesis that states leadership style has a positive and significant effect on turnover intention in Semarang City government agencies is accepted. This result is in line with Iskandar's (2015) research which states that there is a significant influence of leadership variables on turnover intention who experience problems with high employee turnover rates, they can consider adopting an effective leadership style and pay attention to factors that affect employee turnover intentions. Thus, they can create a more stable working environment and minimize the negative impact of excessive employee turnover.

Second, the results showed that the value of leadership style on organizational culture has a t-statistical value of 25,855 (>1.96) which proves that there is a positive influence of organizational leadership style on organizational culture, then has a p-value of 0.000 (<0.05) which means there is a significant influence of leadership style variables on organizational culture. Thus, the first hypothesis that states leadership style has a positive and significant effect on organizational culture in Semarang City government agencies is accepted. The statement is supported by previous research conducted by [19] showing that leadership affects organizational culture. Therefore, if government agencies in Semarang City want to strengthen a healthy and productive organizational culture, they can prioritize developing leadership styles that support the core values and identity of the organization.

Third, the results showed that the value of organizational culture on turnover intention has a t-statistic value of 1.978 (>1.96) which proves that there is a positive influence of organizational culture variables on turnover intention, then has a p-value of 0.049 (<0.05) which means there is a significant influence of organizational culture variables on turnover intention. Thus, the first hypothesis that states organizational culture has a positive and significant effect on turnover intention in Semarang City government agencies is accepted. This result is in line with the research of Priyowidodo (2019)[20]which states that there is a relationship between organizational culture and turnover intention. Therefore, if government agencies in Semarang City want to reduce the employee turnover rate, they can focus on efforts to strengthen a positive and inclusive organizational culture. This can be done by promoting open communication, building good working relationships between colleagues, providing adequate support for career development, and creating a work environment that takes into account the well-being and needs of employees.

The results of this study corroborate previous findings that highlight the importance of leadership style and organizational culture in influencing the intention to move employees in various organizational contexts. In the context of Semarang City government agencies, these findings provide a deeper understanding of the factors that can affect the stability of the workforce and the quality of public services provided. Effective leadership styles, which may include transformational leadership styles, have been shown to have a positive impact on employee job satisfaction and, ultimately, reduce intent to relocate [7], [17]. Similarly, organizational culture that supports stability, hierarchy, and security, which is also proven to reduce the intention to move employees [21]. Therefore, Semarang City government management needs to pay attention to and strengthen an effective leadership style and create a conducive organizational culture to increase employee retention.

In addition, the results of the analysis of the interaction between leadership style and organizational culture show that effective human resource management requires a holistic approach that considers both factors simultaneously. This points to the need for integration of human resource management policies and practices that include the development of leadership styles that are appropriate to the existing organizational culture [22]. Thus, this study makes a significant contribution in strengthening understanding of the relationship between leadership style, organizational culture, and the intention to move employees in government agencies. The practical implications of these findings can also help policy makers and practitioners in developing more effective human resource management strategies in achieving development goals and quality public services in Semarang City.

IV.   CONCLUSION

Leadership style has a significant influence on turnover intention and organizational culture in Semarang City government agencies. The findings show that an effective leadership style contributes positively to employee turnover intentions and influences the formation of a healthy organizational culture. This shows the need for attention to the role of leaders in shaping a stable and productive work environment. In addition, organizational culture also has a significant impact on employee turnover rates. Thus, government agencies in Semarang City are advised to strengthen a positive and inclusive organizational culture, as well as adopt a leadership style that supports the core values of the organization. These measures can help reduce employee turnover rates and improve overall organizational performance. The implication of this research for Semarang City government agencies is the importance of the role of leaders in forming a healthy organizational culture and reducing employee turnover. The need for the development of an inclusive organizational culture and an effective human resource management strategy is also emphasized. These findings provide the basis for the development of better intervention strategies in managing employee turnover and improving overall organizational performance.

There are some limitations to consider in this study. First, this research was conducted in Semarang City government agencies only, so the generalization of findings to government agencies in other regions may be limited. In addition, the use of quantitative methods in this study may not be able to explore a deep understanding of employee turnover dynamics and organizational culture. Second, data collection is done through questionnaires that can give rise to response bias and do not leave room for deeper understanding of context. Third, this study did not consider external factors that might influence turnover intention and organizational culture, such as economic conditions, government policies, or socio-cultural factors. Fourth, the study also did not consider interventions or other internal factors that could influence the relationship between leadership style, organizational culture, and turnover intention. For further research, it is recommended to explore additional factors that affect turnover intention in Semarang City government agencies. Longitudinal studies and qualitative methods can be used to gain a deeper understanding of the dynamics of employee turnover. It also needs to involve a wider sample and regional variation for better generalization. The goal is to develop a more effective human resource management strategy in reducing turnover intention in government agencies.

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