LEGAL ASPECTS AND EFFECT WORK FAMILY CONFLICT, JOB INSECURITY, AND TRANSFORMATIONAL LEADERSHIP STYLE ON TURNOVER INTENTION

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Purpose: The objective of this study is to analyze the relationship between legal aspects, work-family conflict, job insecurity, transformational leadership style, and turnover intention.

Theoretical framework: The role theory proposed by Khan et al. (1964) emphasizes the individual's social role and how it effects his conduct in the workplace and society.

Design/methodology/approach: This investigation is quantitative in nature. The subjects of this study were 200 SME employees in Palopo City who were selected using a procedure of random sampling. Through social media, online questionnaires with a Likert scale ranging from 1 to 5 were distributed to collect data. The study employed Structural Equation Modeling (SEM), whereas SmartPLS 3.0 was used for data processing.

Findings: Legal aspects play a crucial role in determining the level of work-family conflict, job insecurity, transformational leadership style, and turnover intention in an organization. For instance, laws and regulations pertaining to employment contracts, compensation, benefits, and job security can directly impact an employee's level of job satisfaction and intention to leave their job. Additionally, legal requirements such as mandatory leave and flexible working arrangements can reduce work-family conflict and enhance employee well-being. Moreover, legal frameworks for leadership development and training can foster transformational leadership styles that have been shown to decrease turnover intention among employees. Therefore, understanding the legal aspects that impact the workforce can help organizations develop effective policies and practices that address work-family conflict, job insecurity, and leadership style, and ultimately reduce turnover intention among their employees.

Research, Practical & Social implications: Legal aspects are crucial for the development and success of small and medium-sized enterprises (SMEs) in Indonesia. Compliance with employment laws and regulations, such as those related to labor rights, employee benefits, and job security, can help SMEs to attract and retain skilled and talented employees. Moreover, transformational leadership styles, which have been shown to enhance employee engagement and job satisfaction, can be developed and nurtured through legal frameworks such as leadership training programs. By understanding and complying with legal aspects and providing effective leadership training, SMEs in Indonesia can improve their employee productivity, foster innovation and growth, and ultimately contribute to the economic development of both the organization and the country as a whole.

Originality/value: This study explores the relationship between family conflict, Job Insecurity, and Transformational Leadership Style on turnover intention, and psychological attachment that has not been explored theoretically and tested empirically in the Indonesian context.

Keywords: Legal aspects; Job Insecurity; Transformational Leadership Style; Turnover Intention
1. INTRODUCTION

In the era of industrial revolution 4.0, companies need to strive to become world-class to compete locally, nationally, and internationally. As stated by Zain et al. (2019), world-class companies must meet quality, cost, delivery, safety, and human resources (QCDSP) criteria. However, employee turnover remains a significant problem that can reduce productivity and hinder companies from achieving world-class status. According to Safaria et al. (2014); Sim et al. (2021); Sora et al. (2013); Yoo et al. (2019); Zain et al. (2019), high employee turnover, defined as an annual turnover rate of more than 10%, can negatively impact company performance. Therefore, companies must ensure compliance with legal aspects related to employment contracts, compensation, benefits, and job security to attract and retain talented employees, foster a positive work culture, and ultimately improve their competitiveness in the market.

Some of the negative impacts of employee turnover are the increasing costs of recruitment and selection, training costs as well as other administrative costs. Meanwhile, other effects are poorer communication and disruption in productivity. Turnover begins with employee turnover intention (the desire to change jobs). This need develops while workers are still employed, and it is impacted by a wide range of factors, there are several factors that trigger turnover intention, one of which is burnout (fatigue and lethargy) which will result in employee turnover. According to Asbari et al. (2020); Dderman et al. (2016) When employees decide to spend most of their time, mind and energy to work continuously with unlimited tasks (overload), without sufficient rest time and also not accompanied by good mentoring, employees can experience burnout symptoms so that possibility to leave the company will be very high. Another reason behind the occurrence of turnover intention employees is the emergence of job insecurity (job insecurity). Job insecurity is a taste the insecurity felt by employees in maintaining the continuity of work. This reason is reinforced by research by Rahman et al. (2010); Rubel et al. (2017) which states that there is a significant relationship between burnout and job insecurity on turnover intention. In addition, work-family conflict (multiple role conflict) also has a significant influence on turnover intention. A worker who has multiple roles will find it more difficult to divide his time between work or taking care of the family. This is what can trigger turnover intention. This statement is also supported by research by Safaria et al. (2014); Sim et al. (2021) that work-family conflict has a significant effect on turnover intention. Various studies also state that apart from work-family conflict, there are other factors that influence employee turnover intention, namely transformational leadership style.

Legal aspects are closely linked to employee turnover as the costs associated with recruitment and selection, training, and administrative costs increase when there is high turnover. Job insecurity, burnout, and work-family conflict are among the factors that contribute to employees’ turnover intention, which can be mitigated through effective legal frameworks such as employment laws and regulations. The legal requirements for work-life balance, flexible working arrangements, and employee benefits can reduce work-family conflict and burnout, while laws that protect job security can increase employees’ confidence in their job continuity. Moreover, legal frameworks that promote transformational leadership styles can foster employee engagement and job satisfaction, ultimately reducing the likelihood of turnover intention. By addressing the root causes of turnover intention
through legal frameworks, organizations can reduce the negative impacts of turnover and improve overall organizational performance.

The results of Lawrence et al. (2013); Ohunakin et al. (2019) stated that transformational leadership style has a significant effect on turnover intention. If someone works under a leader who is able to motivate, admire, be trusted and highly respected, then the employee will feel comfortable working in the company and there is little chance of turnover intention. is one of the companies experiencing high employee turnover. This is probably due to a lack of employee loyalty to the company. Lack of loyalty causes employees to be more free to leave the company, especially there are many garment companies out there that easily accept these employees. In addition, the authors also indicate that the occurrence of turnover may be caused by the large targets assigned to employees. So that employees who are not able to achieve the target feel pressured until they experience stress. Employees who experience stress continuously and uncontrollably will lead to burnout, namely, a combination of physical, psychological and emotional exhaustion. This situation is exacerbated by the inability of employees to maintain their continuity of work in connection with the clarity of work status in a company, which eventually leads to job insecurity. In addition to burnout and job insecurity, if you pay attention there is also the effect of work-family conflict or dual role conflict. Generally, work-family conflicts are experienced by female employees who are married, but it is possible that this is also experienced by male employees. According to Alyahya et al. (2021); Aguiar et al.. (2021); Asbari et al. (2020); Dual role conflict will result in depression and anxiety in employees. Usually this anxiety arises because they find it difficult to balance and divide time between work and family. Another factor that can influence employee turnover intention is the transformational leadership style, namely a leadership style in which a leader is highly respected, valued, respected, able to motivate, able to become a role model (role model) and highly trusted by his employees. According to Lawrence et al. (2013); Ohunakin et al. (2019) When a leader is able to make employees feel comfortable under his leadership, it is more likely that employees will stay in the company. According to Aguiar et al. (2021); Asbari et al. (2020); if a leader makes employees feel uncomfortable, it is likely that employees will choose to leave the company. A good leader must be able to make his employees respect, admire and trust him. Leaders must also be able to motivate their employees at work and must be able to provide creative ideas and ideas to solve a problem in a company, so it is hoped that awareness will arise in the hearts of employees to be committed to the company.

2. LITERATURE REVIEW

2.1 Work-family conflict

According to Alyahya et al. (2021); Aguiar et al. (2021), work-family conflict is a mismatch of roles in which there are different pressures between family and work roles. Work-family conflict is a conflict that arises because individuals have dual roles, specifically work roles and family roles. This state typically arises when the hours and workload are so intense that the individual's thoughts and attention are exclusively focused on one role. Research findings Ke et al. (2019) and Lambert et al. (2017) demonstrated that work-family conflict was more prevalent among women than men. Although it cannot be denied that both have the potential to face work-family conflict. Job-family conflict is a condition of role imbalance in persons because they have dual responsibilities (family and work) and are unable to meet the expectations of both roles. There are two notions that can be utilized as markers of dual role conflict: work conflict (work interferes with family) and family conflict (family interferes with work).

Legal aspects can play a significant role in reducing work-family conflict, which can lead to employee turnover intention. Employment laws and regulations that provide flexibility in work hours, such as telecommuting, part-time work, and job-sharing arrangements, can help employees balance their work and family responsibilities. Additionally, legal frameworks that mandate leave entitlements and parental leave can provide employees with the necessary time off to care for their families, thereby reducing the likelihood of work-family conflict. The legal requirements for equal pay and promotion
opportunities for both men and women can also reduce gender discrimination and promote work-family balance. Moreover, legal frameworks that promote diversity and inclusion can help organizations to create a culture that values work-life balance and supports employees in their multiple roles. Therefore, understanding and complying with legal aspects can help organizations to mitigate work-family conflict, enhance employee engagement and job satisfaction, and reduce the likelihood of turnover intention.

2.2 Transformational Leadership Style
According to Lambert et al. (2017) defines transformational leadership as a leader who is able to make his followers prioritize the interests of the organization over personal interests and is able to provide an inspiring influence on his followers. According to Gul et al. (2012); Ke et al. (2019); Lambert et al. (2017) argues that transformational leadership is a leader who is able to motivate his followers to work optimally to achieve organizational goals so that their needs at higher levels can be met. Based on the above definition, it can be concluded that transformational leadership style is a leadership style in which a leader is able to inspire and motivate his followers to prioritize the interests of the organization so that they can work optimally to achieve the goals of the organization. According to Ke et al. (2019); Lambert et al. (2017) suggested several indicators of transformational leadership style in 4I behavior, Specifically, idealistic impact, intellectual stimulation, inspirational motivation, and individualized concerns or attention.

Legal aspects play a crucial role in fostering transformational leadership style in organizations. Legal frameworks for leadership development and training can provide guidance and resources for organizations to develop and nurture transformational leaders who can inspire and motivate their followers. Additionally, employment laws and regulations can incentivize transformational leadership behaviors, such as prioritizing the interests of the organization over personal interests, by providing legal protections for employees who report unethical behavior or blow the whistle on wrongdoings within the organization. Moreover, legal requirements for transparency and accountability in organizational decision-making can promote a culture of trust and respect, which is essential for the development of transformational leadership style. Therefore, understanding and complying with legal aspects can help organizations to foster transformational leadership style, which can ultimately contribute to the retention of employees and the improvement of organizational performance.

2.3 Turnover intention
Turnover intention According to Ke et al. (2019); Lambert et al. (2017) is the desire to change jobs that have not yet reached the realization stage. The realization stage in question is leaving/changing work from one workplace to another. Turnover intention can cause someone to decide to leave the job where this is caused by employee dissatisfaction with the job. According to Alyahya et al. (2021); Aguiar et al.. (2021) stated that turnover intention is the possibility or desire of a person within a certain period of time to make a job change, where this is seen as the beginning of turnover. Based on the above definition, it can be concluded that turnover intention is the desire or tendency of employees to move from one workplace to another because they are not satisfied with the job. According to Lambert et al. (2017) there are several indicators of turnover intention, namely thinking of resigning or leaving (thinking of quitting), intention or desire to find another job (intention to search), intention to leave or resign (intention to quit).

Legal aspects are essential in mitigating the negative impacts of turnover intention on organizations. Compliance with employment laws and regulations can improve job satisfaction and reduce the likelihood of turnover intention. For example, legal frameworks that protect job security and provide employee benefits can increase employees’ loyalty and commitment to the organization. Furthermore, laws that promote work-life balance and flexible working arrangements can reduce work-family conflict and burnout, which are significant contributors to turnover intention. Additionally, legal requirements for leadership training and development can foster transformational leadership styles that have been shown to increase employee engagement and job satisfaction, ultimately reducing the likelihood of turnover intention. Therefore, organizations that prioritize compliance with legal aspects can significantly reduce the occurrence of turnover intention and improve their overall performance.
3. METHOD

This study is an example of quantitative research. The subjects taken in this study were 200 SMES employees in Palopo City which were calculated using a system of random samples. With the help of social media, we disseminated online questionnaires containing a Likert-scaled question of 1-5 for data collection. The analysis method utilised Structural Equation Modeling (SEM) and SmartPLS 3.0 software for data processing. The independent variables in this study are work family conflict, burnout, job insecurity, and transformational leadership style, while the independent variable is turnover intention.

Based on previous research studies, the hypotheses are formulated as follows:

1. There is a causal link between work family conflict and Turnover Intentions
2. There is a causal link between job insecurity and turnover intentions
3. There is a causal link between transformational leadership styles and Turnover Intentions

![Figure 1. Research Model]

The hypotheses in this study are:
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2. There is a causal link between job insecurity and turnover intentions
3. There is a causal link between transformational leadership styles and Turnover Intentions

4. RESULTS AND DISCUSSION

A. Model Validity Test

The first step in data analysis is to evaluate the model's validity and dependability. According to Purwanto et al. (2021), an indicator is deemed legitimate if its loading factor is greater than 0.70. The results of the validity test are listed below.
Based on Figure 2, all indicator statements are declared valid because they already have a loading factor above 0.70.

**Table 1. Reliability Test**

<table>
<thead>
<tr>
<th></th>
<th>Alpha Cronbach</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Extracted Variance (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Insecurity</td>
<td>0.812</td>
<td>0.856</td>
<td>0.711</td>
<td>0.713</td>
</tr>
<tr>
<td>Work family conflict</td>
<td>0.821</td>
<td>0.821</td>
<td>0.731</td>
<td>0.814</td>
</tr>
<tr>
<td>Transformational leadership</td>
<td>0.842</td>
<td>0.821</td>
<td>0.812</td>
<td>0.832</td>
</tr>
<tr>
<td>Turnover Intentions</td>
<td>0.727</td>
<td>0.723</td>
<td>0.821</td>
<td>0.733</td>
</tr>
</tbody>
</table>

Source: processed data (2022)

Checking the model's validity and reliability is the initial step of data analysis. An indicator is considered reliable if its loading factor is greater than 0.70, as explained by Purwanto et al. The findings of the validity analysis are shown below.
Structural Model Evaluation (Inner Model)

The results of testing the inner model, which includes calculating the R-Square value, are presented below.

Table 2. Evaluation of the Structural Model (Inner Model)

<table>
<thead>
<tr>
<th></th>
<th>R box</th>
<th>R Square Customized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover Intentions</td>
<td>0.868</td>
<td>0.853</td>
</tr>
</tbody>
</table>

Based on table 2, transformational leadership variables can be explained by 86.8% in this model, while the remaining 13.2% is explained by other variables not discussed in this study.

Hypothesis test

The following are the outcomes of PLS Bootstrapping data processing for hypothesis testing.

![Figure 3. PLS Bootstrap](image)

The following table clarifies the description of the hypothesis test described above.

Table 3. Hypothesis Test

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Sample (O)</th>
<th>T statistics</th>
<th>P value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Insecurity -&gt; Turnover Intentions</td>
<td>0.035</td>
<td>0.115</td>
<td>0.231</td>
<td>Not supported</td>
</tr>
<tr>
<td>Work Family Conflict -&gt; Turnover Intentions</td>
<td>0.389</td>
<td>2006</td>
<td>0.003</td>
<td>Supported</td>
</tr>
<tr>
<td>Transformational Leadership -&gt; Turnover Intentions</td>
<td>0.521</td>
<td>2.360</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>
5. DISCUSSION

Based on the examination of the data, it was established that the p value was more than 0.050, hence it was concluded that Job Insecurity and Turnover Intentions for SMEs Employees in Palopo did not have a significant link. The increase in the variable Job Insecurity has no significant impact on the variable Turnover Intentions of SME employees in Palopo. This result contradicts the findings of xxx, which imply that Job Insecurity has a strong influence on the Turnover Intentions variable.

The findings of this study are consistent with those of earlier research by Yoo et al. (2019); Zain et al. (2019) which states that job insecurity has a significant positive effect on turnover intention. According to Lawrence et al. (2013); Ohunakin et al. (2019) stated that job insecurity is a reflection of employees who feel their work is threatened but they are powerless to do something. If the level of threat felt by employees is higher, the level of turnover intention will also be higher. This situation is due to the large number of jobs with outsourcing/contract status which are currently often applied by several companies. The more jobs with temporary durations, the more employees will experience job insecurity and then it will continue to turnover intention. Based on the respondents' answers from the four statement items contained in the job insecurity variable, it is known that the statement "I feel insecure about the continuity of my job in the next 1 to 3 years" has the highest score. This shows that employees are really worried about the continuity of their work in the company. Given that they are employees with contract work status with a span of one to three years. Therefore, SMEs must pay more attention to the welfare of employees with contract status so that the job insecurity they feel can be reduced. The more employees who feel insecure about the continuity of their work, the more job insecurity increases and leads to turnover intention.

The p value was less than or equal to 0.050, showing that there was a significant link between work-family conflict and the intention to leave among SMEs employees in Palopo. Increases in Work-family conflict have a significant effect on the variable Turnover Intentions among Palopo SME employees. Contrary to the findings of Sora et al. (2013); Yoo et al. (2019); and Zain et al. (2019), Work-family conflict does not have a significant effect on the Turnover Intentions variable. The findings of this study are consistent with prior studies undertaken by According to Lawrence et al. (2013); Ohunakin et al. (2019); Rahman et al. (2010) on a different subject, work-family conflict has a strong favorable effect on intention to leave. According to Safaria et al. (2014); Sim et al. (2021); Sora et al. (2013); Yoo et al. (2019); and Zain et al. (2019), work-family conflict is a problem that comes from the strain between family responsibilities and job responsibilities, which then leads to intention to leave the organization. This disease can occur in both men and women, but women are more likely to encounter work-family conflicts that result in a desire to leave their jobs.

According to the results of the data analysis, the p value was 0.000 0.050, indicating that there was a significant relationship between Transformational leadership and Turnover Intentions among SMEs Employees in Palopo. Increases in the variable Transformational leadership have a significant impact on the variable Turnover Intentions among Palopo SME employees. According to Sim et al. (2021); Sora et al. (2013); Yoo et al. (2019); and Zain et al. (2019), transformational leadership has a considerable impact on the Turnover Intentions variable. According to studies conducted by Lawrence et al. (2013) and Ohunakin et al. (2019) on a different subject, transformational leadership style does not have a substantial detrimental influence on turnover intention. We are aware that transformational leadership style has a little effect on intention to leave the organization (not significant). This is likely owing to the majority of responders being between 21 and 35 years old and being married. There is a potential that their primary motivation for working is to make money to support their family. They do not care about the leader's attitude or actions when leading them. Therefore, the leadership style employed, whether transformative or transactional, will have little impact on employees' decisions to quit or remain with the organization. This demonstrates that employees believe their leader is capable of motivating them in a positive direction, particularly with regard to attaining work goals. However, this does not appear to have a significant impact on the employees' plans to leave or remain with the organization.
6. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

This study found evidence for the role of customer incivility in turnover intention. Nonetheless, there are several unanswered questions about how uncivil behavior influences deviant work behavior. Future studies should evaluate the role of demographic characteristics. For example, women and men reacted differently to good (Daraba et al., 2021) and bad leadership behaviors (Atwater et al., 2016). Cultural norms may also influence how individuals interpret aggressive behavior in the workplace (Lian et al., 2012). Employee demographic variables should thus be examined further in the future.

Legal aspects can also have a significant impact on how customer incivility affects turnover intention in the workplace. Laws and regulations related to employee protection and safety can play a crucial role in determining the level of tolerance for incivility and how employees react to such behavior. Moreover, legal frameworks for workplace behavior and ethics can provide guidelines for handling and responding to customer incivility in a manner that is both professional and compliant with legal standards. Therefore, understanding the legal aspects of workplace behavior and employee protection is crucial for addressing the impact of customer incivility on turnover intention, and for creating a safe and healthy work environment for employees. Additionally, future studies should examine how demographic characteristics and cultural norms influence employee reactions to customer incivility, and how legal frameworks can be developed to protect employees in a diverse and inclusive workplace.

7. CONCLUSION

According to the results of the data study, the association between Job Insecurity and Employee Turnover Intentions in Palopo was deemed inconsequential. The increase in the variable evaluating job insecurity has no effect on the variable measuring intention to leave among Palopo's SME employees. Work-family issues have a significant impact on the intention to leave among Palopo SME employees. Transformational leadership has a significant impact on the revenue goals of Palopo's small and medium-sized enterprises. Increases in the variable assessing transformative leadership have a substantial effect on the intentions of Palopo SME employees to leave the company. Small and medium-sized enterprises pay more attention to the amount of work allotted to employees so as not to exceed their capabilities. The greater the proportion of employees who are bored, frustrated, and demoralized, the higher their intention to quit their positions. There is uncivilized behavior affecting deviant work behavior that has not yet been clarified. Future studies should address evaluating the role of demographic characteristics.

Legal aspects can be relevant in the context of addressing work-family issues and transformational leadership in Palopo's small and medium-sized enterprises (SMEs). Laws and regulations pertaining to employee benefits and compensation, such as flexible working arrangements and mandatory leave, can help SMEs in Palopo to address work-family issues and enhance employee well-being. Furthermore, legal frameworks for leadership development and training can help SMEs to foster transformational leadership styles, which have been shown to have a significant impact on revenue goals and reduce turnover intention among employees. Moreover, compliance with legal standards related to job assignments and working hours can help prevent boredom, frustration, and demoralization among employees, which can ultimately lead to higher rates of turnover intention. Therefore, understanding and complying with legal aspects can be an essential factor in addressing the issues of work-family conflict, transformational leadership, and employee turnover in Palopo's SMEs, and in creating a positive and productive work environment for employees.

REFERENCES


