The Effect of Authentic Leadership and Job Insecurity on Turnover Intention: A Quantitative Study of Indonesian Public Service Organizations

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ABSTRACT

This research aimed to determine the effect of authentic leadership and job insecurity on turnover intention. Turnover intention still becomes one of the issues in public service organisations. Despite the fact that Indonesian employees in public organizations are more stable than their business counterparts, many employees develop the intention to quit their job as public service providers. This study recruited 231 employees from public organisations in Indonesia (hospitals, schools, et cetera.), with 87 males (38%) and 144 females (62%). The participants’ average age is 32.39 (SD = 13.37), they have 10 years of service (SD = 10.52), and the most recent education is a diploma and/or bachelor’s degree (64%). Hierarchical multiple regression was used to analyse the data. The findings revealed that job insecurity affected turnover intention, while authentic leadership had no effect. According to the study's findings, employees of public organisations who feel comfortable at work are likelier to stay and have a low desire to quit. Therefore, public organisations must pay attention to factors that may lead to job insecurity for employees to survive.

Keywords: authentic leadership; job insecurity; public organisations; turnover intention

INTRODUCTION
Turnover is an essential factor when developing an organisation's human resources. Employee turnover can generate organisational instability since it incurs major costs such as recruitment, selection, and training (Cho & Lewis, 2012; Cohen, Blake, & Goodman, 2016; Sorensen & Ladd, 2020). A high turnover rate might negatively affect organisational performance (Lee, 2018). As a result, organisations aim to ensure their employees' survival in various ways, including raising incentives and pay and establishing a pleasant work atmosphere (Almaaitah, 2018).

Furthermore, research on turnover intention is an extensively studied topic to prevent turnover in organisations. Employees' intention to leave their positions is referred to as turnover intention (Saeed & Rizwan, 2014). Employees who intend to leave may exhibit bad behaviour (Akgunduz & Eryilmaz, 2018; Puni, 2016; Wirawan et al., 2022). Research has shown that demographic characteristics like age, gender, education level, and marital status increase turnover intention (Emiroğlu, Akova, & Tannverdi, 2015). Furthermore, organisational management systems such as position, length of service, salary, remuneration, and organisational finances affect it (Emiroğlu et al., 2015; S. Oh & Kim, 2019; Wynen & Beeck, 2014). Employees' psychological problems, such as excessive work (Chen & Qi, 2022; H. Kim & Stoner, 2008; Koo, Yu, Chua, Lee, & Han, 2019; Lai, Hossein, Li, Wang, & Hosain, 2022; Ran et al., 2020), poor commitment (Galletta, Portoghese, Carta, D’Aloja, & Campagna, 2016; Guzeller & Celiker, 2020; Koo et al., 2019; Zhou, Li, & Gao, 2020) as well as inadequate job satisfaction (Amah, 2009; Koo et al., 2019; Saeed & Rizwan, 2014).

The role of the CEO becomes critical in determining whether or not employees want to stay with the organisation (Jaramillo et al., 2009; Long et al., 2012; Oh & Oh, 2017; Ratnasari & Lestari, 2020). Leaders impact staff performance and satisfaction (Cansoy, 2018; Daraba, Wirawan, Salam, & Faisal, 2021; Khan, Idris, & Amin, 2021; Top, Mohammad, Abdullah, Henn, & Faraj, 2020). Employee turnover is increased by negative leadership styles, such as abusive supervisors (Pradhan, Srivastava, & Jena, 2020; Richard, Boncoeur, Chen, & Ford, 2020; Saleem, Yusuf, Sarwar, Raziq, & Malik, 2021). Conversely, positive leadership affects employees' desire to stay in their positions (Almaaitah, 2018; Ariyabuddhiphongs & Kahn, 2017; Elçi et al., 2012). As a result, leadership style might factor in employee turnover intentions.

Authentic leadership is one of the positive leadership styles. Leaders who use this leadership style are more self-aware, have balanced information processing and a moral perspective, and are relationally transparent (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008). Authentic leadership promotes positive self-development, which has a favourable impact on employee work engagement (Mubarak, Noor, Zulfikar, & Bhutto, 2018; Niswaty, Wirawan, Akib, Saggaf, & Daraba, 2021; Wei, Li, Zhang, & Liu, 2016; Wirawan, Jufri, & Saman, 2020). A high level of worker involvement is connected with a low intention to leave (Gupta, Practice, & 2017, 2017; Xiong & Wen, 2020). As a result, honest leadership can affect turnover intention.

Changes in organisations, working conditions, and human qualities contribute to greater job insecurity (Huang, Niu, Lee, & Ashford, 2012; Keim, Landis, Pierce, & Earnest, 2014; Shoss, 2017; Sverke, Hellgren, & Näswall, 2002). Employees who are confused and uncomfortable about their work will experience a decrease in well-being and overall organisational performance (Chirumbolo, Callea, & Urbini, 2020; M. J. Kim & Kim, 2020; Staufenbiel & König, 2010; Sverke, Låständ, Hellgren, Richter, & Näsvall, 2019; Wilson et al., 2020). Furthermore, it will affect their desire to leave their employment (Akgunduz & Eryilmaz, 2018;
Balz & Schuller, 2021). As a result, job insecurity necessitates a more in-depth investigation of its impact on turnover intention in employees of public organisations.

Human resource management in public organisations in Indonesia is governed by rules enacted by the state and central governments. As a result, personnel cannot leave the organisation independently (Asriani & Riyanto, 2020). Employee retention can allow the younger generation to learn about work from the older generation while reducing turnover (Cho & Lewis, 2012). However, a more in-depth examination of the turnover intentions of employees in Indonesian government organisations is required.

Based on the preceding, the researcher suggests a study to investigate the authenticity of leadership roles and job insecurity for employees of public organisations in Indonesia. The effect of authentic leadership and job insecurity on the turnover intention of employees in public organisations is explained using psychological contract theory (D. Rousseau, 1989; D. M. Rousseau, 1990; D. M. Rousseau & Parks, 1993).

**Literature Review and Hypothesis**

The antecedents of turnover intention in public organisations regarding leadership and psychological conditions are explained using psychological contract theory (D. Rousseau, 1989; D. M. Rousseau, 1990; D. M. Rousseau & Parks, 1993). According to this theory, employees expect reciprocal working connections with superiors or organisations, which serves as a form of 'contract' in employees' perceptions of rising organisational commitment (Herrera & De Las Heras-Rosas, 2021; Ng & Feldman, 2008).

Furthermore, according to psychological contract theory (D. Rousseau, 1989; D. M. Rousseau, 1990; D. M. Rousseau & Parks, 1993), employees will give based on what the organisation delivers. The organisation's requests and contributions will consistently fulfil obligations and responsibilities. Salary, pay, skill development, et cetera, are examples of organisational contributions. When an organisation fails to complete the psychological contract, it reduces employee productivity and increases the likelihood of turnover (Solinger, Hofmans, Bal, & Jansen, 2016).

As previously stated, the government regulates all aspects of resource management in public organisations, including recruiting, training, development, and turnover. Several studies have revealed that employees in public organisations are more likely to leave because of organisational goals (C. S. Jung, 2014) and the work environment (Asriani & Riyanto, 2020; C. S. Jung, 2014). Organisational circumstances concern how leaders manage their subordinates to perform their duties and obligations.

Because many people have various interests, ambitions, and aspirations, leaders in public organisations must have control over leading and making decisions (Hartley, Sancino, Bennister, & Resodihardjo, 2019). Authentic leaders understand their strengths and flaws and use that knowledge to guide their followers (Walumbwa et al., 2008). As a result, authentic leadership improves psychological circumstances, job satisfaction, the work environment, health, and performance (Aliyyani, Wong, & Cummings, 2018). This motivates individuals to continue working and to remain dedicated to their jobs. As a result, the initial hypothesis of this research is as follows:

**H1: Authentic leadership affects turnover intention**
Based on psychological contract theory, the organisation provides job security, pay, benefits, and other resources to employees to accomplish their jobs. On the other hand, organisations can hire and keep devoted individuals who perform well (Keim et al., 2014). Employees will have a negative psychological response and will be less likely to leave if they cannot expect the organisation to reward their contributions (D. Rousseau, 1989). Employee turnover intention has increased due to psychological responses such as motivation loss and emotional tiredness (J. Kim, 2015). Thus, job uncertainty in government employees can lead to a desire to leave. This leads to the second theory, which is as follows:

**H2: Job insecurity affects turnover intention**

**METHOD**

**Participants and procedure**

Employees from various public organisations in Indonesia, such as hospitals, schools, and government offices, took part in this study. Participants were recruited using an online survey, and they were asked to read the permission form before participating in this study, and they could withdraw at any moment. 231 people carried out the data analysis. Male participants were 87 (38%), whereas female participants numbered 144 (62%). The participants' average age is 32.39 (SD = 13.37), they have 10 years of service (SD = 10.52), and the most recent education is a diploma and/or bachelor's degree (64%).

**Measures**

All measuring instruments were subjected to a rigorous translation from English to Indonesian (Sousa & Rojjanasrirat, 2011). A thorough description of the measurement apparatus is provided below:

1. **Authentic leadership inventory**

   The authentic leadership inventory is used to assess leaders' authentic leadership based on participants' views of their superiors' behaviour. This tool (Walumbwa et al., 2008) generated 16 elements and 4 dimensions (self-awareness, balanced processing, moral perspective, relational transparency). This tool employs a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The construct validity test findings using Confirmatory Factor Analysis (CFA) revealed that the fit model with four factors (CMIN/DF = 1.86, TLI=.91, RMSEA=.06) outperformed two factors (CMIN/DF= 1.27, TLI=.86, RMSEA=.07) and one factor (CMIN/DF= 10.17, TLI=.78, RMSEA=.09). Cronbach's alpha has a reliability coefficient value of .86, indicating that all of the scale analysis results are valid and reliable for use in measurements. Example: Before making a choice, he carefully considers the viewpoints of others.

2. **Job Insecurity Scale**

   The Job Insecurity Scale assesses individuals' powerlessness at work. (Vander Elst, De Witte, & De Cuyper, 2014) Created this measuring tool, which consisted of four items. This tool employs a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The CFA construct validity test produced the same results as the fit model with one component (CMIN/DF = 25.87, TLI =.94, RMSEA =.08). Cronbach's alpha has a reliability coefficient
value of .66, indicating that all of the scale analysis results are valid and reliable for use in measurements. Example: Chances are, I will soon lose my job.

**Turnover Intention Scale**

The turnover Intention Scale is used to assess Turnover Intention. This measuring instrument was created by (Liu, 2006) and comprised three components. This tool employs a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The construct validity test with CFA yielded the findings of the fit model with one factor (CMIN/DF= 83.06, TLI=.99, RMSEA=.00). Cronbach’s alpha has a reliability coefficient value of .77, indicating that all of the scale analysis results are valid and reliable for use in measurements. Example: I intend to quit my current job.

**RESULT AND DISCUSSION**

Result

1. **Bivariate correlation analysis**

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Age</td>
<td>32.39</td>
<td>13.37</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gender</td>
<td>1.38</td>
<td>.49</td>
<td>.31***</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Tenure</td>
<td>9.95</td>
<td>10.52</td>
<td>.89***</td>
<td>.29***</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Education</td>
<td>6.00</td>
<td>1.26</td>
<td>.36***</td>
<td>.16*</td>
<td>.31***</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. AL</td>
<td>55.09</td>
<td>8.43</td>
<td>-.01</td>
<td>-.06</td>
<td>.01</td>
<td>.05</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>6. JI</td>
<td>7.55</td>
<td>2.72</td>
<td>-.14*</td>
<td>-.07</td>
<td>-.16*</td>
<td>-.15*</td>
<td>-.06</td>
<td>—</td>
</tr>
<tr>
<td>7. TI</td>
<td>6.24</td>
<td>2.96</td>
<td>-.34***</td>
<td>-.04</td>
<td>-.30***</td>
<td>-.22***</td>
<td>-.11</td>
<td>.50***</td>
</tr>
</tbody>
</table>

Note: N= 231, ”p<.05, ””p<.01, ”””p<.001, AL=Authentic Leadership, JI= Job Insecurity, TI=Turnover Intention

Based on table 1 above, age was negatively related to JI (r= -.14, p<.05) and TI (r= -.34, p<.001). In addition, length of service was also negatively related to JI (r= -.16, p<.05) and TI (r= -.30, p<.001). Education level was illustrated to be negatively related to JI (r= -.15, p<.05) and TI (r= -.22, p<.001). The results of the analysis also proved that JI was positively related to TI (r= .50, p<.001).

2. **Measurement model analysis**

Before testing the hypothesis, this study validated the measuring methodology. Confirmatory Factor Analysis (CFA) tests revealed that the measurement model (CMIN/DF= 8.10, CFI=.98, TLI=.98, RMSEA=.02, GFI=.94, SRMR=.08) suited the model well. These findings imply that the measurement model used in this investigation is adequate.

3. **Hierarchical Multiple Regression**

Table 2. Hierarchical Multiple Regression

| Variable | Step and Predictor |
The research revealed that age, gender, tenure, and education are significant predictors of turnover intention ($R^2_{\text{Adj}} = .12, p > .001$). Step 1 demonstrates that age negatively affects turnover intention ($\beta = -.32, p < .05$). In step 2, AL and JI were added as predictors of turnover intention, and the model was revealed to be significant ($R^2_{\text{Adj}} = .32, p > .001$). Age ($\beta = -.36, p < .001$) and JI ($\beta = .45, p < .001$) affect turnover intention.

**Discussion**

This study investigates numerous factors affecting turnover intention in public organisations, including authentic leadership and work insecurity. The study discovered that job insecurity had been demonstrated to affect turnover intention. Therefore, this study verifies earlier findings about the effect of job insecurity on employee turnover intention (Akgunduz & Eryilmaz, 2018; Balz & Schuller, 2021; H. S. Jung, Jung, & Yoon, 2021; Ratnasari & Lestari, 2020; Staufenbiel & König, 2010).

Furthermore, the outcomes of this study can be explained by psychological contract theory (D. Rousseau, 1989; D. M. Rousseau, 1990; D. M. Rousseau & Parks, 1993). Dissatisfaction and a desire to quit the job stem from a psychological contract breach (Solinger et al., 2016). Older employees have worked differently from younger colleagues in response to psychological contract violations (Keim et al., 2014). This is consistent with the findings of the research analysis, which reveal that age is negatively related to work insecurity and negatively affects turnover intention. Employees that have been with the company for a long time are more likely to have relevant expertise and knowledge. As a result, changing employment may have more negative consequences than staying in one's existing position.

Employees thrive in their occupations because they have a sense of security. A violation creates job insecurity in the psychological contract between employees and the organisation (De Cuyper & De Witte, 2006; Herrera & De Las Heras-Rosas, 2021). Employees become attached to the organisation when they feel safe at work in terms of facilities, psychology, and work relationships (Asriani & Riyanto, 2020). This attachment is what keeps employees at their
employment. The leader’s position becomes critical in supporting this attachment, yet the study results reveal that authentic leadership has little effect on turnover intention.

Employees of public organisations are involved in community service; therefore, issues that impact job insecurity, such as salary, remuneration, benefits, skill development, et cetera, are overlooked. Job characteristics that include remuneration benefits likely to result in lesser turnover (Grissom, Viano, & Selin, 2016). The outcomes of this investigation are congruent with the findings of the literature.

**Practical Implication**

The study suggests that job insecurity affects employees’ intentions to leave public organisations. As a result, organisational leaders can establish psychologically and managerially safe working circumstances for individuals to survive in their positions. Furthermore, the findings of this study may raise the need for industrial psychology practitioners to develop strategies and treatments to reduce job insecurity, as well as for organisational leaders and policymakers to lower turnover rates.

**Limitation and Future Research Direction**

According to the findings of this study, authentic leadership does not affect turnover intention. As a result, research might investigate the leadership style influencing turnover intention in public organisations’ employees. Several factors may impact workers’ intentions to leave the public sector.

**CONCLUSION**

Based on the application of psychological contract theory, the study’s findings reveal that work insecurity affects turnover intention. However, it has yet to explain the impact of authentic leadership on turnover intention. As a result, more research into the effect of leadership on staff retention in the organisation is required.

**REFERENCES**


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