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THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON JOB SATISFACTION AND EMPLOYEE RETENTION IN TYPE C PRIVATE HOSPITALS IN BALI

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Abstract

Employee retention is a hospital management concern associated with employees' work experiences and relationships with their organizations. This study examines transformational leadership, job satisfaction, and employee retention in three Type C private hospitals in Bali. A quantitative cross-sectional design involved 100 employees purposively selected from a population of 465. The questionnaire comprised 39 items rated on a five-point Likert scale. The analysis covered descriptive statistics, internal consistency, and an examination of reported relationships between the variables. Mean scores for transformational leadership, job satisfaction, and retention were 3.79, 3.86, and 3.69, respectively. Individualized consideration, incentive fairness, and development opportunities warrant managerial attention. Job satisfaction was positively associated with retention in both the path model and regression outputs, with coefficients of 0.773 and 0.865, respectively, and $p < 0.001$. However, the direct leadership–retention relationship differed between outputs, preventing a consistent conclusion about the direct effect and mediation. The findings highlight the relevance of job satisfaction to employees' attitudes toward remaining with their organizations. Leadership development should be accompanied by concrete improvements in employees' work experiences. Interpretation is limited by the cross-sectional design, nonprobability sampling, and inconsistencies in the inferential outputs. The retention measure captures employee attitudes and intentions rather than longitudinally observed employment continuity.

Keywords: Transformational Leadership; Job Satisfaction; Employee Retention; Intention To Stay; Private Hospitals.

INTRODUCTION

Sustainable hospital services require a stable working relationship between the organization and its employees. When experienced employees leave the organization, management must reorganize the division of tasks, the learning process, and service coordination. Retention therefore needs to be understood as a matter of managing work experience, not simply fulfilling staffing needs. Hom et al. (2020) explain that the decision to stay or leave an organization is shaped by a variety of individual and organizational considerations. In healthcare, a review by Kiptulon et al. (2025) also shows that strategies for retaining nursing staff involve several intervention domains. This framework provides a rationale for examining leadership alongside job satisfaction in understanding employee retention tendencies.

The context of this research is Bhakti Rahayu Hospital, Denpasar, Bali Royal Hospital, and Cahaya Bunda Mother & Child Hospital in Bali. The human resources documentation used in the study recorded 15 resignations at Cahaya Bunda Mother & Child Hospital during 2025. At Bali Royal Hospital, 26 employees left and 43 employees joined from August 2025 to January 2026. These figures indicate a workforce movement that requires management attention. However, the observation periods for the two hospitals differ, and the number of employee departures has not been provided with a uniform denominator. These data are used as the problem context and should not be interpreted as a comparison of turnover rates between hospitals.

Transformational leadership offers an explanation of how leadership behavior relates to employee experiences. Leaders can provide role models, clarify shared goals, encourage problem-solving, and address individual development needs. Bass (1999) identified these behaviors as essential elements of transformational

leadership. In hospital organizations, these behaviors have the potential to shape experiences of recognition, support, and participation. However, this conceptual relationship does not imply that every leadership action automatically results in a decision to stay. Employees also assess the working conditions and personal consequences of these decisions.

Empirical evidence supports the importance of the relationship between leadership and work attitudes, while also highlighting the need for careful scrutiny of the outcomes studied. Judge and Piccolo (2004) linked transformational leadership to a variety of leadership attitudes and outcomes through a meta-analysis. In the nursing context, Abdélhay et al. (2025) found a positive relationship between transformational leadership and retention in hospital nurses. Goens and Giannotti (2024), on the other hand, noted that the evidence regarding the influence of transformational leadership on retention intentions is not uniform. These differences allow for the examination of work experiences that may link leadership and retention, without assuming a direct relationship exists in every organization.

Job satisfaction is relevant because it represents employees' evaluations of their experiences at work. Positive assessments of tasks, interpersonal relationships, rewards, career development, and working conditions can be reasons for maintaining a relationship with an organization. Sihombing and Sungono's (2025) study of nurses in Bandung identified job satisfaction as a mediator in the relationship between working conditions and retention. In the organizational context of Bali, Cahyadi et al. (2026) also discussed the relationship between job satisfaction and organizational commitment and retention. Both studies provide contextual support, but differences in sectors and predictors prevent their findings from being a direct test of this research model.

A study of private hospitals in Bali is necessary because hospital staff are not limited to nurses. Services also involve support staff, administrative staff, midwifery staff, medical staff, and various support functions. Experiences with leadership and human resource policies can vary by job and employment relationship. Therefore, findings from a sample exclusively including nurses should be considered cautiously when used to understand the entire workforce. The contribution of this study lies in its cross-functional overview of leadership perceptions, satisfaction, and retention propensity in the three organizations studied, not in the claim that the relationships between these constructs have not been previously studied.

This study has three objectives. First, to describe transformational leadership, job satisfaction, and retention based on employee perceptions. Second, to examine the direct and indirect relationships reported in the research model. Third, to identify aspects of the work experience relevant to retention management, taking into account measurement limitations and estimation consistency. The term retention in this article refers to a survey construct that combines organizational commitment and intention to stay. This limitation is necessary to prevent perception scores from being equated with the proportion of employees who actually remain employed over a given period, as explained by Tett and Meyer (1993) regarding the differences in attitudes, intentions, and behaviors.

LITERATURE REVIEW

Transformational leadership and job satisfaction

Transformational leadership encompasses idealized influence, inspirational motivation, intellectual stimulation, and individualized attention. Idealized influence relates to role modeling and trust in the leader. Inspirational motivation relates to conveying direction and goals that are understandable to organizational members. Intellectual stimulation allows for critical thinking and alternative problem-solving, while individualized attention emphasizes the needs and development of each employee. These four elements should be interpreted as interrelated behaviors, not as personal attributes that automatically lead to organizational success (Bass, 1999).

The relationship between leadership and job satisfaction can be explained through employee experiences when performing tasks. Understandable directions reduce ambiguity regarding job demands. Opportunities to express ideas provide space for participation, while coaching helps employees navigate difficulties. These explanations are theoretically expected mechanisms and should be distinguished from those demonstrated in the data. Akdere and Egan (2020) linked transformational leadership to employee learning, job satisfaction, and human resource development in healthcare organizations. These findings support the study of leadership as part of the employee development environment.

Job satisfaction can also be understood as an evaluation of several aspects of a job that are not always assessed in the same way. Employees may positively assess relationships with coworkers but question the fairness of incentives. Therefore, the overall average needs to be complemented by a reading of the dimensions and measurement items. Montuori et al. (2022) demonstrated the relevance of social and organizational contexts in the study of job satisfaction. Based on these considerations, the first hypothesis was formulated as H1, namely, that

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transformational leadership is positively related to job satisfaction. In a cross-sectional design, this relationship does not establish a cause and effect sequence.

The direct relationship between leadership and retention

Transformational leadership can be directly related to employee retention through trust and organizational engagement. Jiatong et al. (2022) discussed the relationship between transformational leadership, employee engagement, affective commitment, and performance. Buil et al. (2019) examined the mechanisms of identification and engagement in hotel employees. Both studies support the importance of psychological processes in explaining the relationship between leadership and employee outcomes, but did not directly examine the full satisfaction and retention pathways in this study. Given these limitations, H2 states that transformational leadership is positively related to retention after job satisfaction is accounted for.

Job satisfaction, commitment, and propensity to persist

The retention construct requires a clear operational definition. Actual retention reflects the observable continuity of the employment relationship over a period, while retention intentions represent employees' statements about their plans. Organizational commitment relates to the psychological connection to the organization. The three may be interrelated, but they are not identical. Tett and Meyer (1993) distinguished satisfaction, commitment, turnover intentions, and turnover in a meta-analytic model. In this study, the retention instrument used attitudes and intentions as proxies for retention; these measures do not provide evidence that a respondent will remain employed in the subsequent period.

Meyer and Allen (1991) differentiate between affective, continuance, and normative commitment. Affective commitment relates to emotional attachment and a desire to remain a member of the organization. Continuance commitment relates to considerations of the costs or consequences of leaving the organization. Normative commitment reflects a sense of obligation to remain a member. This research instrument incorporates all three dimensions along with intention to remain. Thus, the composite score captures a variety of psychological reasons. A low score on costs of leaving does not automatically indicate a failure in employee management, as individuals may choose to remain based on positive work experiences without feeling bound by costs of leaving.

Job satisfaction can be related to retention tendencies when employees perceive their jobs as meeting their needs and expectations. However, this relationship does not negate the role of job opportunities outside the organization, family needs, or career changes. Hom et al. (2020) emphasize the diversity of reasons employees have for remaining and leaving an organization. Taking this framework into account, H3 states that job satisfaction is positively related to both attitudinal and intention-based retention. This hypothesis addresses the relationship between perception scores at the time of the survey, not changes in the number of resignations after a specific policy is implemented.

The mediating role of job satisfaction

Job satisfaction is positioned as a hypothesized mediator when leadership is predicted to be related to work experience, and then that experience is related to retention intentions. In a simple mediation model, the indirect relationship is represented by the product of the leadership-to-satisfaction path and the satisfaction-to-retention path after accounting for leadership. MacKinnon et al. (2007) explain that assessing mediation requires estimating the uncertainty of the indirect effect and assessing the appropriateness of model assumptions. Therefore, the product of positive coefficients alone is not sufficient to establish a causal mechanism.

The fourth hypothesis, H4, states that job satisfaction mediates the relationship between transformational leadership and employee retention. This hypothesis is a theoretical proposition evaluated based on the results of the analysis, not an assumed conclusion. Maxwell and Cole (2007) demonstrated that cross-sectional mediation estimates can deviate from the process unfolding over time. The model in Figure 1 is therefore used to clarify the relationship under study. The direction of the arrows indicates the direction of the research proposition, while the validity of the empirical relationship remains dependent on the quality of the measurement, the consistency of the estimates, and the research design.

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Figure 1 Framework of the relationship between leadership, satisfaction, and retention

H1 and H3 form the hypothesized indirect path to H4. The arrow represents the direction of the hypothesis and does not imply that a causal relationship has been proven.

METHOD

Location design and unit of analysis

The study employed a quantitative approach with a cross-sectional design. The units of analysis were individual employees at three private hospitals: Bhakti Rahayu Hospital, Denpasar, Bali Royal Hospital, and Cahaya Bunda Mother & Child Hospital. The study included employees with both service and support functions, thus not limited to a single healthcare profession. Primary information was derived from questionnaire responses, while human resource documentation was used to explain the organizational context and population size. Population data refer to 2025 documentation, while the research results processing table lists the year 2026.

This design allows for the description of perceptions and the examination of relationships between scores at a single measurement point. The design does not include leadership interventions, monitoring changes in satisfaction, or tracking respondents' employment status after the survey. Therefore, the term "relationship" is used in interpreting the results, although the coefficients in the model output are labeled as direct and indirect effects. This analytical decision maintains a good fit between the research questions and the design's ability to answer them. Explicit reporting of the sample, measurements, and limitations allows readers to assess the generalizability of the findings, in accordance with von Elm et al.'s (2007) principles for reporting observational studies.

Population and respondent selection

The study population consisted of 465 employees. A total of 100 employees were selected using purposive sampling, with allocation based on the proportion of the hospital's total number of employees. Respondent criteria included having worked for at least six months, having direct or indirect interaction with the unit leader or management, being willing to participate, and completing the questionnaire completely. Respondent allocation is summarized in Table 1. These proportions provide coverage for all three locations, but selection based on criteria remains a non-probability procedure. Because the probability of selection for each employee is unknown, the results should not be interpreted as population estimates with a specific margin of error.

Table 1 Population and distribution of respondents by hospital

Hospital	Population	Respondents	Sample proportion
Bhakti Rahayu Hospital, Denpasar	210	45	45.0%
Bali Royal Hospital	160	34	34.0%
Cahaya Bunda Mother & Child Hospital	95	21	21.0%
Amount	**465**	**100**	**100.0%**

Source: 2025 Human Resources documentation and research sample distribution. Sample proportions indicate each location's share of the total 100 respondents.

The analyzed sample combines all study sites. The available analysis does not disaggregate the correlation coefficients by hospital, profession, or employment status. Therefore, variations in respondent composition are treated as contextual information, not as a basis for determining the hospital or group with the best retention. The

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use of a combined sample also means that the reported correlations may contain both inter-individual and inter-organizational variation. Separating these two sources of variation requires more detailed information and analytical specifications.

Variables and instruments

Transformational leadership served as a predictor, job satisfaction as an endogenous variable and hypothesized mediator, and employee retention as an outcome variable. The instrument consisted of 12 leadership items, 15 satisfaction items, and 12 retention items, totaling 39 items. Responses were given on a five-point Likert scale, ranging from 1 for strongly disagree to 5 for strongly agree. Each dimension was represented by three items. Table 2 summarizes the operational structure of the instrument.

Table 2 Variable structure and measurement limits

Variables	Measured dimensions	Item	Meaning of score
Transformational leadership	Idealized influence; inspirational motivation; intellectual stimulation; individual attention	12	Perception of leadership behavior
Job satisfaction	Jobs; interpersonal relationships; compensation and rewards; career development; working conditions	15	Evaluation of work experience
Employee retention	Affective commitment; continuance commitment; normative commitment; intention to persist	12	Attitudes and tendencies to persist, not actual retention

Source: operationalization of research variables and instruments. Explanation of commitment dimensions refers to Meyer and Allen (1991).

The retention score includes conceptually distinct elements of commitment and intent to stay. Its interpretation is therefore directed at respondents' perceived propensity to maintain the employment relationship. Items regarding costs of leaving the organization, moral obligations, and plans to seek other employment are not treated as records of employee behavior. Dimensional readings are retained to capture differences in reasons for staying that might be obscured by a combined score. This approach also avoids the interpretation that increasing all types of commitment necessarily has the same managerial significance.

Data processing and instrument evaluation

Data processing included checking the completeness of responses, coding, and tabulation. Descriptive statistics were presented in the form of frequencies, percentages, means, and standard deviations for available characteristics. The construct mean was calculated by dividing the total score of all items by the number of respondents and the number of items. Dimension means were obtained using the same procedure for the three constituent items. Descriptive calculations were checked against the distribution of responses for each item. These calculations used aggregate frequencies and did not reconstruct individual response pairs to generate new inferential analyses.

Descriptive categories use intervals of 1.00–1.80 for very poor; greater than 1.80 to 2.60 for poor; greater than 2.60 to 3.40 for fair; greater than 3.40 to 4.20 for good; and greater than 4.20 to 5.00 for very good. The categories are used as interpretive summaries of the scale, not clinical cutoffs or institutional performance standards. Proportions of good and very good categories are calculated from groupings of respondents' reported scores. These percentages are not converted to actual retention rates or individual chances of survival.

Instrument evaluation used item correlations with total scores and Cronbach's alpha, which are reported in the research results. Correlation ranges and alphas are briefly presented for each construct. Internal consistency indicates the interconnectedness of responses within a group of items, but does not, by itself, prove that all items form a single dimension or that the three constructs have been empirically separated. Tavakol and Dennick (2011) emphasize the need to distinguish reliability from other measurement properties. Therefore, correlation and alpha results should not be used as a substitute for more comprehensive construct validity testing.

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Study of the relationship between variables

The relationships between variables are examined through the path model coefficients presented in the research results and multiple regression output in the statistical appendix. Standardized coefficients are denoted by beta, while unstandardized coefficients in the regression are denoted by B. A significance value printed as 0.000 is written as $p < 0.001$ because this number is a software rounding display, not a probability equal to zero. Indirect effects are described as the product of two paths, while maintaining the limits of mediation interpretation according to MacKinnon et al. (2007).

Consistency checks were conducted by comparing the direction of the relationship, coefficient magnitude, significance status, and measurement information in the available outputs. This comparison was not positioned as a robustness test of the originally planned model because the equivalence of specifications between outputs could not be confirmed. The methods narrative lists AMOS, while the model figure lists SmartPLS and the regression table lists SPSS. The model figure also uses six leadership indicators, five satisfaction indicators, and five retention indicators, differing from the number of questionnaire items. This inconsistency limits inferential conclusions and is explained alongside the results.

No regression or mediation re-estimation of marginal frequency distributions was performed. The absence of individual score pairs prevents valid reconstruction of covariances between variables from these frequencies. Significance values and coefficients in the articles remain identified by their original output and are therefore not considered reconciled reprocessing results. Conclusions focus on consistent patterns, while statements regarding the direct influence of leadership and mediation are treated as findings requiring verification. This choice ensures that available statistical details are not overemphasized beyond the data's support.

RESULTS AND DISCUSSION

Respondent characteristics

Respondents were aged 21–58 years, with a mean of 33.56 years and a standard deviation of 7.74 years. Their length of service ranged from 1–16 years, with a mean of 6.82 years and a standard deviation of 5.30 years. Seventy-two women and 28 men were women. Most respondents had a bachelor's degree and were permanent employees. This composition provides context for the group of employees who responded to the survey.

Table 3 Characteristics of 100 respondents

Characteristics	Category or size	Amount or value
Age	Mean ± standard deviation	33.56 ± 7.74 years
Years of service	Mean ± standard deviation	6.82 ± 5.30 years
Gender	Female / male	72 / 28
Education	High School or Vocational School / Diploma 3	21 / 20
Education	Bachelor's / Postgraduate	55 / 4
Employment status	Fixed / contract	56 / 44
Position	Nursing	24
Position	Medical support	18
Position	Administration	12
Position	Midwifery / medical	3 / 2
Position	Other	41

Source: descriptive research output. For the respondent category, the number of people is equal to the percentage because n = 100. Age and length of service values are rounded from the appendix output.

The composition of positions indicates that this study cannot be interpreted as a nurse-specific survey. Nursing staff comprised 24% of respondents, while other job categories accounted for 41%. Within the work unit grouping, 71% of respondents also fell into other categories. The large number of categories limits the ability to

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describe the needs of each function in detail. Furthermore, medical staff comprised only two respondents. Therefore, the aggregated results cannot be used to describe physicians' experiences or compare the professions separately.

Internal consistency and construct scores

The correlation ranges between items and the total score for all constructs were positive. Cronbach's alpha was 0.892 for transformational leadership, 0.911 for job satisfaction, and 0.886 for retention. These values indicate internal consistency across the reported item groups. However, the instrument contains multiple dimensions within each construct, so these results should still be interpreted in conjunction with the operational definitions. Table 4 presents a summary of the instrument and descriptive scores examined against item frequencies.

Table 4 Summary of instruments and descriptive scores

Construct	Item	Item–total correlation	Alpha	Total score	Average
Transformational leadership	12	0.533–0.741	0.892	4,543	3.79
Job satisfaction	15	0.571–0.735	0.911	5,793	3.86
Employee retention	12	0.589–0.723	0.886	4,426	3.69

Source: Instrument test results and item frequency calculations. The average satisfaction score is 5,793 divided by 1,500, which is 3,862 before rounding. All three averages are in the good category.

The overall mean for transformational leadership was 3.79, job satisfaction 3.86, and retention 3.69. The mean range for leadership items was 3.61–3.94, satisfaction 3.43–4.28, and retention 3.19–3.94. These item variations indicate that a good category at the construct level does not necessarily mean all aspects receive uniform ratings. For job satisfaction, the difference between the highest and lowest items reached 0.85 points. This difference is descriptive and is not treated as a statistically tested difference.

Based on the respondents' score categories, 74% rated leadership as good or excellent, 78% in that category for job satisfaction, and 66% in that category for retention. Thirty-four percent of respondents were in the fair or lower category for retention, consisting of 30% in fair, 2% in poor, and 2% in very poor. These figures indicate the distribution of perceptions within the sample. The 66% figure is not the institution's retention rate, and the 34% figure is not the proportion of employees who are certain to resign.

Assessment pattern according to dimensions

Table 5 Average research dimensions

Construct	Dimensions	Average
Leadership	Ideal influence	3.82
Leadership	Inspirational motivation	3.89
Leadership	Intellectual stimulation	3.75
Leadership	Individual attention	3.69
Job satisfaction	The work itself	4.04
Job satisfaction	Interpersonal relationships	4.14
Job satisfaction	Compensation and rewards	3.54
Job satisfaction	Career development	3.79
Job satisfaction	Working conditions	3.80
Retention	Affective commitment	3.82
Retention	Continuous commitment	3.44
Retention	Normative commitment	3.61

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Construct	Dimensions	Average
Retention	Intention to survive	3.89

Source: calculated from the distribution of item scores on each dimension, three items per dimension and 100 respondents. All dimension averages are in the good category.

Inspirational motivation received the highest average score for leadership, at 3.89, while individual attention received 3.69. Leaders were rated relatively stronger at establishing shared direction and enthusiasm than at providing personal attention. At the item level, conveying the organizational vision received a score of 3.94, while attention to individual needs received 3.61. These differences suggest aspects of leadership behavior that could be further explored. The data do not indicate whether these variations stem from specific hospitals, units, or groups of respondents.

Interpersonal relationships were the satisfaction dimension with the highest average score, 4.14, followed by the work itself at 4.04. Compensation and rewards scored 3.54, lower than career development at 3.79 and working conditions at 3.80. These findings suggest that positive assessments of work interactions can go hand in hand with more cautious assessments of rewards. A good average satisfaction score still needs to be complemented by attention to aspects of the work experience, which received relatively lower ratings.

In terms of retention, intention to stay averaged 3.89 and affective commitment 3.82. Normative commitment averaged 3.61, while continuance commitment averaged 3.44. This suggests that willingness to stay and affective engagement were valued more highly than considerations of exit costs. However, comparing averages cannot determine the dominant motive for each individual. The conclusion is that the reasons for staying within the sample varied, so management needs to understand the quality of the working relationship in addition to considering overall intention to stay.

Work experience items relevant to retention management

Table 6 Selected items for managerial discussion

Rated aspect	Average	Agree and strongly agree	Neutral
Clarity of organizational vision	3.94	76%	19%
Attention to individual needs	3.61	59%	32%
Good relationship with coworkers	4.28	88%	8%
Fairness of incentives and bonuses	3.43	50%	38%
Satisfaction with salary	3.58	56%	37%
Promotion opportunities	3.68	61%	31%
Intention to keep working	3.92	75%	22%
The high costs of leaving an organization	3.19	38%	44%

Source: Distribution of responses to research items. The percentages of agree and strongly agree are the sum of the two categories. Item selection aimed to clarify variation in assessments, not to test the influence of each item.

The fairness of incentives and bonuses item received an average score of 3.43, with 50% agreeing or strongly agreeing and 38% neutral. Regarding salary satisfaction, 56% agreed or strongly agreed, and 37% were neutral. Neutral responses do not automatically imply rejection or dissatisfaction, as the survey did not ask for reasons behind the choice. However, the concentration of neutral responses provides a practical reason to clarify information about the basis for rewards and to open channels for feedback. Further evaluation should differentiate between issues such as reward amounts, determination procedures, and employee understanding of policies.

Regarding promotion opportunities, the average score of 3.68 and the neutral proportion of 31% indicate the need to understand employee development experiences in greater detail. Meanwhile, 75% of respondents stated their intention to remain employed, and 71% intended to stay long-term. These statements support the perception of retention tendencies at the time of the survey, but remain subject to change as employment conditions or career

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choices change. Lower exit costs also do not justify recommending policies that restrict employee mobility. Management's priority should be improving positive reasons for retention.

Coefficient of correlation and consistency between outputs

The path model summary reports a coefficient of 0.763 for leadership to satisfaction, 0.269 for leadership to retention, and 0.773 for satisfaction to retention. The indirect effect is 0.590, while the total effect of leadership on retention is 0.859. The model output figures show $p < 0.001$ for all relationships. However, the multiple regression table in the appendix reports a coefficient of 0.009 for leadership to retention with $p = 0.903$. These differences alter the assessment of the direct relationships and cannot be ignored in drawing conclusions.

Table 7 Comparison of standardized coefficients by output origin

Connection	PLS path and image models	SPSS Regression	Evaluation
Leadership → satisfaction	β = 0.763 p < 0.001	Not displayed	Reported positive; model verification required
Leadership → retention	β = 0.269 p < 0.001	β = 0.009 p = 0.903	Different significance status
Satisfaction → retention	β = 0.773 p < 0.001	β = 0.865 p < 0.001	Consistent positive direction
Leadership → satisfaction → retention	β = 0.590 p < 0.001	Not displayed	Mediation cannot be confirmed yet
Total leadership → retention relationship	β = 0.859 p < 0.001	Not displayed	Depends on path consistency

Source: Table 4.15 and the modeling image in the research results, compared with the Coefficients table in the SPSS appendix. The comparison is a reporting consistency check, not a model robustness test.

In the regression with retention as the outcome, the unstandardized coefficient of leadership is B = 0.008 with a standard error of 0.069, t = 0.123, and p = 0.903. The coefficient of satisfaction is B = 0.883 with a standard error of 0.079, t = 11.235, and $p < 0.001$. The standardized coefficients are 0.009 and 0.865, respectively. The regression constant is 0.246. These figures are presented as they appear in the regression output and are not combined with the coefficients from the path model to form a new model.

The relationship between satisfaction and retention shows the same positive direction and significance for both outcomes, but the coefficients differ in magnitude. This finding supports the focus on job satisfaction as a variable related to attitude-based retention. In contrast, the direct relationship between leadership and retention has not been consistent. Because the equivalence of specifications, indicator mappings, and data versions is unknown, these differences cannot be definitively explained solely by the use of different software or estimators.

The indirect effect of 0.590 corresponds arithmetically to the product of 0.763 and 0.773 after rounding. The agreement of these products does not verify the validity of the model or the indirect effect testing procedure. In addition to the differences in coefficients between outcomes, the coefficient of determination information in the model figure does not align with the standardized path coefficients presented for the same simple specification. Therefore, the coefficient of determination, effect size, and predictive power claims should not be used as a basis for conclusions. Surrogate values should not be estimated from insufficient information.

Hypothesis assessment follows the limits of the evidence. H1 aligns with the direction of the path model coefficient, but its estimation status remains subject to model verification. H2 cannot be consistently supported because the regression results do not show significance. H3 has support for a positive relationship in the two available outcomes, with the limitation that neither is an independent estimate nor a robustness test. H4 cannot be confirmed as either partial or full mediation. Thus, the article maintains the numerical information without labeling the hypothesis acceptance beyond the certainty of the analysis outcomes.

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DISCUSSION

The meaning of job satisfaction in the tendency to persist

The most consistent finding is a positive relationship between job satisfaction and retention based on attitudes and intentions. This relationship is understandable because the evaluation of job experiences is part of an employee's considerations for maintaining a relationship with the organization. However, this interpretation must be distinguished from the assertion that increased satisfaction necessarily decreases turnover. Research data have not observed changes in satisfaction or turnover intentions over time. Tett and Meyer's (1993) framework helps frame these results as a relationship between attitudes and intentions, with actual behavior as the outcome that remains to be observed.

The alignment of the direction of this relationship is relevant to Sihombing and Sungono's (2025) study of nurses in Bandung. In that study, job satisfaction was part of the relationship between working conditions and retention. Cahyadi et al. (2026) also provided contextual support regarding satisfaction and retention in organizations in Bali. However, the results between studies were not compared through coefficient values because the instruments, respondent composition, predictors, and analytical approaches differed. The value of previous research lies in supporting the relevance of the construct, not as proof that the estimates in this study have been verified.

Descriptive patterns clarify the underlying aspects of these relationships. Interpersonal relationships were rated most positively, while compensation and rewards ranked lowest among satisfaction dimensions. Employees could enjoy daily collaboration while simultaneously evaluating reward policies less positively. These findings demonstrate the importance of interpreting satisfaction as a multi-component experience. Policies that merely strengthen social relationships may not address the question of incentive transparency. Conversely, changing incentives alone may not address the need for personal support and learning opportunities. These explanations are implications of the score patterns, not the results of separate causal tests on each dimension.

Bradacs et al. (2025) identified workplace satisfaction, leadership, and career development as relevant aspects in discussing hospital retention. In this study, the promotion opportunity score of 3.68 and the development dimension of 3.79 provide a basis for reviewing the clarity of development opportunities. Management can begin by identifying employee experiences regarding access to training and promotion criteria, then comparing these with formal policies. This survey did not determine whether the problem lies in limited opportunities, unequal information, or perceptions of fairness. All three possibilities require further examination before policy is established.

Leadership as a practice experienced by employees

On average, good leadership is accompanied by a distinction between inspirational motivation and individualized attention. Employees are relatively more positive about conveying a vision than about addressing personal needs. Practically, communication of organizational goals may be well underway, while the experience of receiving guidance may not be as strong. Within Bass's (1999) framework, individualized attention is a core dimension of transformational leadership. The findings of this study therefore focus on observable behaviors, such as opportunities for consultation and following up on development needs, rather than general assessments of whether or not a leader is transformational.

Akdere and Egan (2020) demonstrated the relevance of leadership to human resource development and employee learning in healthcare. Based on the scoring patterns in this study, unit leader development can be linked to staff learning needs. For example, discussions about work difficulties can be followed up with guidance, tailored support, or access to relevant training. These recommendations do not necessarily indicate that the study has tested the effectiveness of leader training. They represent reasonable implementation directions for leadership aspects that received relatively lower scores.

Evidence regarding a direct relationship between leadership and retention must be interpreted with caution. Goens and Giannotti (2024) found that research on transformational leadership and retention intentions yielded mixed results. Abdélhay et al. (2025) reported a positive relationship in the context of hospital nurses, but differences in context and measurement may limit the transferability of conclusions. In this study, a more fundamental issue is the inconsistency of two outcomes from the same reporting model. External literature cannot be used to select coefficients that better align with theoretical expectations. The selection of conclusions must follow a reconciliation of the research findings.

Limits of mediation explanation

The conceptual model posits satisfaction as a possible mechanism linking leadership and retention. This mechanism would make sense if leadership behavior first shapes work experiences, and then those experiences

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influence retention decisions. However, this sequence was not observed in this survey. The reverse relationship could also be considered, for example, employees who already have positive attitudes toward the organization would rate their leaders and jobs more favorably. This possibility is not a result of the research, but rather a methodological reason to limit causal interpretation to contemporaneous measurements.

Maxwell and Cole (2007) explain that cross-sectional mediation can produce a picture that differs from that of longitudinal processes. MacKinnon et al. (2007) also emphasize the importance of testing indirect effects, including their assumptions and uncertainties. In this study, it is inappropriate to establish partial mediation simply because 0.590 is greater than 0.269. Mediation status requires coefficients derived from consistent specifications and traceable inferential procedures. Given differences in the significance of direct relationships, establishing partial or full mediation should be deferred until relevant outcomes have been reconciled.

The measurement boundaries also influence the interpretation of the model. The retention instrument includes affective, continuance, and normative commitment, while theory places all three as components of organizational commitment (Meyer & Allen, 1991). The term retention was retained for consistency of research variables, but its meaning was clarified as attitude and intention to stay. Future studies could measure commitment and intention to stay separately and relate them to actual employment status. This separation would help clarify whether satisfaction is related to a sense of belonging, plans to stay, or actual job continuity.

Implications for hospital human resource management

The first priority to consider is clarifying employee experiences with incentives and rewards. The average incentive fairness score of 3.43 represents the lowest satisfaction score, while 38% of respondents voted neutral. Management can examine whether the incentive criteria, calculations, and review mechanisms are understood by employees. Follow-up actions should begin by exploring the needs of each unit, as aggregated results do not yet pinpoint the locations or groups most in need of change.

The next priority is strengthening individualized attention through regular supervisory practices. Employees need the opportunity to explain work obstacles and development needs to a superior who has the authority to follow up. This can include brief but documented development conversations, clarification of grievance channels, and feedback on staff suggestions. These practices can be tailored to each unit's workload. Their feasibility should be reviewed with employees to ensure that new activities do not simply add administrative obligations. The goal is to ensure leadership support is felt in daily work.

Clarity about career development is also important. A lower score for promotion opportunities than for training opportunities indicates that access to learning and job development may be perceived differently. Hospitals can map competencies, clarify role advancement requirements, and provide feedback on employee readiness. Development does not necessarily mean moving to a structural position, but can include enhancing capabilities in current functions. This is a managerial proposal that needs to be tailored to the organizational structure and service needs.

Policy evaluations need to distinguish between perceptual and employee indicators. Periodic surveys can monitor changes in satisfaction, leadership attention, and retention intentions. Human resource records can show resignations, tenure, and retention by unit and over the same period. Both provide different and complementary information. Kiptulon et al. (2025) emphasize the diversity of retention interventions, so evaluations should not assume one program is adequate for all needs. Changes in a single perceptual measure also need to be examined alongside actual behavioral developments before declaring retention success.

Limitations and Directions for Further Research

The study has limitations in design, sampling, measurement, and completeness of analytical reporting. The cross-sectional design could not identify the sequence of leadership changes, satisfaction, and retention. Purposive sampling in three hospitals limits generalizability to all private hospitals in Bali. Respondents were current employees, so the experiences of individuals who have resigned are not captured. The results are also aggregated across locations and professions; variation between groups has not been explained through separate analyses.

The use of questionnaires completed by respondents at the same time allows for variance related to the measurement method. Podsakoff et al. (2003) explained that the same measurement source can influence the relationship between variables. This study did not provide sufficient testing to confirm the presence or absence of such bias. Furthermore, internal consistency does not demonstrate the empirical separation of the entire construct. The integration of the commitment component into retention further necessitates examining the definition and structure of the measure before further interpreting structural relationships.

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The most significant limitation to inferential conclusions is the discrepancy between the path and regression model summaries in the appendix. The mapping of the 39 questionnaire items to the 16 indicators in the model figure is also unclear. This information, combined with the misalignment of the model's explanatory measures, makes the results unsuitable for treating as a final, validated estimate. Paired individual data and analysis project files are needed to determine whether the differences stem from data version, score generation, specification, or reporting errors. Without such investigation, coefficients are not substituted, combined, or speculatively recalculated.

Future research could use sequential measures, such as leadership at the initial stage, satisfaction at the subsequent stage, and actual job status after a defined monitoring period. Collecting data from different sources can help separate perceptual assessments from behavioral information. Lai et al. (2020) provide an example of using measures across time and sources in a study of leadership and employee outcomes, even though the outcome they examined was performance. Longitudinal measures in retention research need to include a uniform definition of the exit event and observation period.

Developing the analysis also requires attention to employee grouping within hospitals or work units. Job title and unit information should be recorded in greater detail to prevent overpowering other categories. The sample size is then planned based on the model, level of precision, and the actual needs of the intergroup analysis. Actual retention, intent to stay, and commitment can be positioned as distinct constructs or outcomes. This step will enhance the accuracy of the relationship between the research questions, operational definitions, and conclusions drawn from the analysis.

CONCLUSION

A survey of 100 employees at three type C private hospitals in Bali found that transformational leadership, job satisfaction, and attitude-based retention were in the good category, with average ratings of 3.79, 3.86, and 3.69, respectively. Overall positive ratings were accompanied by room for improvement in individual attention, compensation and rewards, and clarity of career progression. Retention intentions were rated higher than considerations of the costs of leaving the organization, so retention management needs to consider the quality of employees' reasons for maintaining employment.

Job satisfaction demonstrated a positive relationship with retention across both available analytical outputs. However, estimates of the direct relationship between leadership and retention have been inconsistent, and mediation mechanisms have not been confirmed. Conclusions regarding both direct and mediation effects need to be made after reconciling measurement specifications and statistical outputs. Practically, the descriptive findings support a review of incentive transparency, leadership support for individuals, and development opportunities. The effectiveness of these policies needs to be assessed through monitoring work experiences and the sustainability of actual employment relationships, so that improvements in perceptions are not directly equated with retention success.

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