

CHAPTER V

CONCLUSION AND RECOMMENDATIONS

Conclusion

In this study, the authors identified several problems which induce turnover rate increased year by year, and even though during COVID-19 pandemic, this figure decreased slightly but not so significantly. These problems such as religious issue or understanding of Muslim that prohibits adherents from consuming usury, job rotation problems which didn't really considering the aspects of employee side, family problems such as the desire to manage family business and join husband, career development problem such promotion uneven, and leadership problems that lead to career discrimination, etc. Therefore, this study aims to determine and analyze the direct and indirect effects of leadership style on turnover intention, through the mediation of employee job satisfaction. This research is explanatory research with using a quantitative approach, in which 153 participants were involved as respondents in this study.

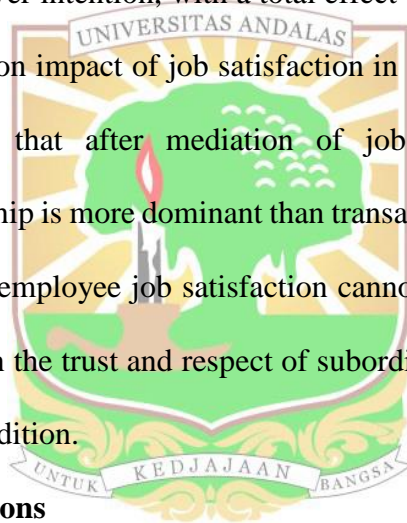
Many studies have found that transformational leadership has a negative effect on turnover intention, we cited from Amankwaa and Anku-Tsede (2015); Bright (2018); Maaitah (2018); Moon and Park (2019); Park and Pierce (2020); Peachey, Burton, and Wells (2014) and Sahu et al. (2018), but this study surprisingly found that in the COVID 19 pandemic situation, the effect of transformational leadership on turnover intention was positive even though it was not significant. This suggests that the transformational dimension does not match efforts to mitigate the level of turnover intention directly, especially in the regional bank sector. The tendency employees to

behave individually make them more concerned with what the company has to offer that they can feel immediately in the midst of the COVID 19 pandemic. Logically, this encourages transactional leaders to be more dominant because they are more focused on transactions between leaders and subordinates. This statement is evidenced by the results of this study where Transactional leadership has a negative and significant effect on turnover intention.

Meanwhile, Job Satisfaction also provides feedback on enhancing transformational and transactional leadership role and quality, in addition to the results of descriptive analysis which states that majority of participants in this study are satisfied with their overall job satisfaction. This encourages the roles of both transformational and Transactional Leadership in the banking industry amid COVID 19 Pandemic, because limited communication, and interaction makes employees more concerned with rewards which can uses in current situation rather than conversations which lead to the long-term goals of the company or something happen in the future. This study found that transformational and transactional leadership has a positives and significant effects on employee job satisfaction at the Centre Office of Bank Nagari, Padang. It means, the dimensions of the two leadership styles provide an understanding of behaviors and needs of employees in workplace. Transformational Leadership with engagement and closeness to employees, while transactional leaders with assertiveness, clarity of work, and rewards given as a replacement for their performance and productivity amid COVID 19 Pandemic.

The mediating role of job satisfaction has an impact on the effect of leadership style on turnover intention. Referring to the results of hypothesis that we found, job

satisfaction successfully mediates the relationship between transformational leadership and turnover intention with t-value 2.485 over than 1.96 t-table. Through mediation of job satisfaction variable, transformational leadership has a negative effect on turnover intention, in which the total effect is 76,74% contributed. Meanwhile, the mediating impact of job satisfaction on the effect between transactional leadership and turnover intention has a t-value of 2.217 greater than 1.96 t-table. In regard, through the mediating impact of job satisfaction, Transactional leadership style is consistent has a negative effect on turnover intention, with a total effect of 27.59% contributed. When we compare the mediation impact of job satisfaction in enhancing the leadership role and quality, it shows that after mediation of job satisfaction, the effect of transformational leadership is more dominant than transactional leadership on turnover intention. Meaning that employee job satisfaction cannot be underestimated, because it will have an impact on the trust and respect of subordinates to their leader, and will lead to relationships condition.



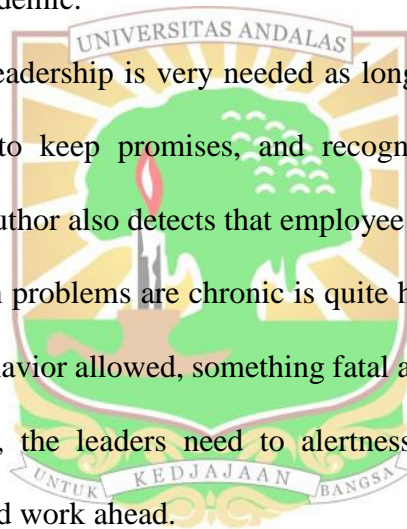
Research Implications

The implications of the research are divided into two parts, namely implications for actors or practitioners, and implications for further researches. The allocations based on the clarity of purpose given to a certain scope.

Implication For Practitioners

There are several practical implications proposed based on the results were written to be an illustration and considerations to carry out further actions, including:

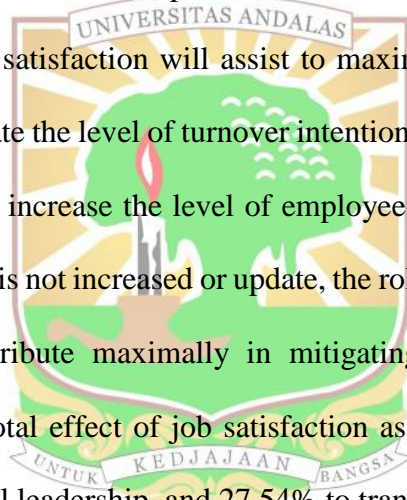
1. Descriptive findings on turnover intentions variable, indicate that as many as 44 employees who almost always think to out of the company. If this intention continuous to grows, it will impact on actual turnover.
2. Regarding transformational leadership, we found that leaders are very ambitious to emphasize common missions, while leaders are more concerned with themselves. If this behavior continuous and sustainable, it will have an impact on decreasing employee confidence in their leaders during the COVID-19 pandemic.
3. Transactional leadership is very needed as long COVID-19 pandemic when they are able to keep promises, and recognize employee achievements. However, the author also detects that employee recognition regarding leaders who react when problems are chronic is quite high, with a response value of 60%. If this behavior allowed, something fatal and undesirable will happen at work. For that, the leaders need to alertness and quick response to the problems related work ahead.
4. Job satisfaction has been found to be one of the keys for employees to stay committed and maintain their relationships until term of service expires. In regards to employee job satisfaction, dissatisfaction with promotion opportunities and career advancement was not very clear, and it was very risky for the company because employees who participated in this study dominantly established workers, and they are very sensitive to career advancement. If this continues and there is no strategy from management to fix it, it will have an



impact on the growth of employee intentions to leave the company, because of some feeling about career discrimination.

5. In the identity of respondents, the authors found the majority of employees are Muslim, and more than 60% of them prefers Sharia for future operations of Bank Nagari, which will also improve their image in society regarding their work which is still in question about law. If management continues to retain conventional bank operations, it will have an impact on employee motivation at work, and will affect their performance.

6. The higher job satisfaction will assist to maximize the quality of leaders in efforts to mitigate the level of turnover intention. Therefore, it is important for Bank Nagari to increase the level of employee job satisfaction. If employee job satisfaction is not increased or update, the role of leaderships will be weak, or cannot contribute maximally in mitigating turnover intention, this is evidenced by total effect of job satisfaction as much as 76.74% in enhance transformational leadership, and 27.54% to transactional leadership, meaning that job satisfaction is really important factor in enriching the role and quality of leaders to mitigate turnover rate. If a problem found related to job satisfaction, then it cannot be ignored and must be corrected immediately. Job satisfaction will eliminate stiffness and create a flexible relationship between subordinates and leaders, and it also important factor to retaining employees.



Implication For Study

In regard with suitability of a leadership style for an organization or company must be tested periodically to times adaptations, especially when conducting research

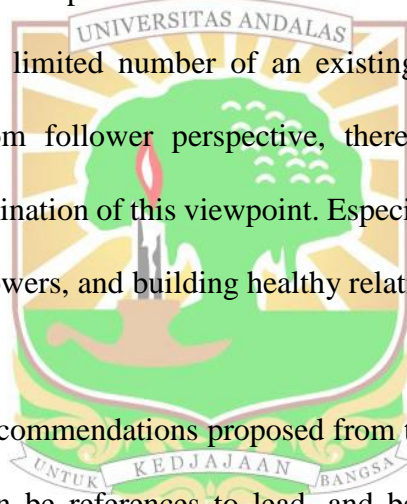
in the companies owned and managed by local governments such as Bank Nagari Padang. It is very important to measure and evaluate job satisfaction in the relationship between leaders and subordinates to suitable leadership implementing, maintaining employee qualities, and mitigating turnover rates. There are several implications proposed to an academic and further research, as follow:

1. The results that we found in the direct effect of transformational leadership, which has a positive effect on turnover intention during COVID 19 Pandemic, can be used as a comparison for future research.
2. By considering limited number of an existing studies on leadership style preferences from follower perspective, there is a great opportunity for continued examination of this viewpoint. Especially for the concept of leaders embracing followers, and building healthy relationships.

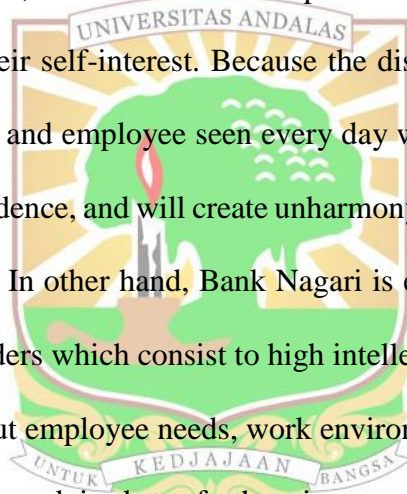
Recommendations

There are several recommendations proposed from the writer to Bank Nagari and an academics which can be references to lead, and be considerations for decision makers, especially it related with employee job satisfaction and retention in the future actions and research, including:

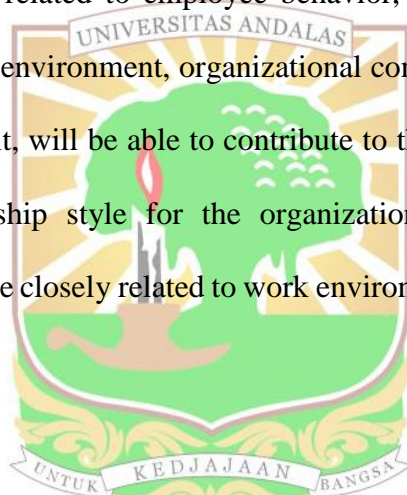
1. Bank Nagari recommend to shifting to be Sharia Bank, because the majority of participants prefers sharia bank in work preference than conventional, and 100 % of participants are Muslim, in which management also expected to establishing future leaders with strong understanding and knowledge about Islam.



2. Leaders includes SPV, Ass. Manager, Division Manager, General Manager need to pay attention in motivating and inspiring staff or one level below their current position when they can't prove somethings related work and job satisfaction, because it will be impact on decreasing organizational trust. The Leaders also recommend to be more quick reaction to facing a problem,
3. The consistency is needed from the leader in his actions and words, so that employees trust to their leaders can be achieved. When leaders emphasize a common mission, leaders should also prioritize common interests and they goes beyond their self-interest. Because the discrepancy seen between what the leaders said and employee seen every day will have a negative impact to employee confidence, and will create unharmony relationship between leaders and employees. In other hand, Bank Nagari is expected to be more stringent in selecting leaders which consist to high intellectuals, consistency, and has a knowledge about employee needs, work environment, and sharia aspects.
4. Bank Nagari is advised to further improve employee job satisfaction, transparency and accountability, especially in career advancement, it is the lowest response among the indicators used. It also supported by participant profiles in which 59 employees never get promotions so far this time. Even though they have bachelor degree levels and has an experienced more than 5 years. Most employees who easily leave the organization are employees who have high education and experience, because they feel able to find better jobs in out there.



5. Promotion is a strategic process, in which an appropriate rewards and recognition will be given according to risks and responsibilities, this needs to be emphasized through regulation, in order to mitigate political promotion.
6. To increasing level of satisfaction regarding career paths at the bank, new regulations are needed regarding transparency on clarity of promotion time, level of education, and achievement required.
7. In this case, further research suggested to developing this research by add more variables related to employee behavior, aspects of sharia, leadership ethics, external environment, organizational commitment, and organizational trust. As a result, will be able to contribute to the management in applying a suitable leadership style for the organization through the mediation of variables that are closely related to work environment leaderships and religion of employees.



Limitations

In this study, there are several limitations found when research conducted, includes:

1. There are no supporting journals regarding the results of research which found surprisingly that transformational leadership has a positive direct effect on turnover intention, however its effect insignificant amid COVID 19 Pandemic.
2. There is no specific theory included in theoretical literature regarding COVID 19 Pandemic. And this study only used job satisfaction as mediator.

