



Clariva



THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP, JOB SATISFACTION, AND BURNOUT ON TURNOVER INTENTION AMONG GEN-Z EMPLOYEES IN START-UP COMPANIES IN INDONESIA

Ryan Kharisma RAKHMAT¹, Mentiana SIBARANI²

1,2Master of Management, Sekolah Tinggi Ilmu Ekonomi Harapan Bangsa,

Indonesia

Corresponding author: Ryan Kharisma Rakhmat

E-mail: ryan.kharisma@outlook.com

Article History:

Volume: 6

Number: 4 Page: 775 - 788

Received: 2025-05-21 Revised: 2025-06-22 Accepted: 2025-07-16

Abstract:

This study investigates the influence of transformational leadership, job satisfaction, and burnout on turnover intention among Generation Z employees in Indonesian start-up companies. Utilizing a quantitative research approach with 150 respondents from fintech, e-commerce, and logistics start-ups in Jakarta and Bandung, data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings reveal that transformational leadership significantly enhances job satisfaction and reduces burnout, but it does not directly affect turnover intention. Burnout significantly increases turnover intention, while job satisfaction does not serve as a significant mediator in the relationship between transformational leadership or burnout and turnover intention. These results highlight burnout as a critical factor driving employee turnover and suggest that leadership strategies alone are insufficient to retain Gen Z talent. The study underscores the importance of addressing emotional well-being, work-life balance, and organizational support systems to mitigate turnover in high-pressure start-up environments.

Keywords: Transformational Leadership, Job Satisfaction, Burnout, Turnover Intention, Generation Z, Start-Up, Indonesia, Human Resource Management

INTRODUCTION

In recent years, Indonesia has experienced a significant demographic shift in its workforce composition. A substantial portion of the labor force is now occupied by Generation Z (Gen-Z)—individuals born between 1997 and 2012—who are entering the job market in increasing numbers and bringing with them new values, work expectations, and behavioral patterns that differ significantly from previous generations. Based on data from Badan Pusat Statistik (BPS, 2021), Gen Z makes up more than 75 million individuals, or approximately 27% of Indonesia's population. Of this number, over 20 million are estimated to have entered the workforce, making them a dominant force in the labor market.

Supporting this trend, the National Labor Force Survey (SAKERNAS, 2019) reported that 57% of Gen-Z had already secured full-time jobs, surpassing the permanent employment rates of other generational cohorts. Furthermore, the LinkedIn Talent Report (2020) found that 56% of employers were shifting their recruitment focus toward Gen-Z, reinforcing the notion that this generation would increasingly shape the direction of the workplace.





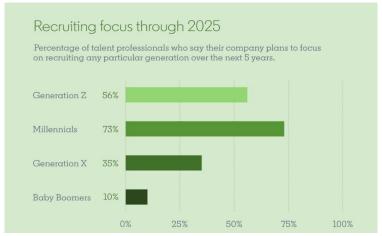


Figure 1. LinkedIn Talent Report 2020 Survey: Gen-Z Recruiting Focus

As digital natives, Gen-Z has grown up immersed in information technology, social media, and instant access to knowledge. These conditions have cultivated unique cognitive and psychological traits, including strong multitasking abilities, high expectations for meaningful work, and a pronounced desire for work-life balance. These expectations do not always align with traditional organizational structures, and thus, Gen-Z's integration into the workforce has catalyzed profound changes in workplace culture, management styles, and organizational dynamics.

According to Chauduri (2015), human resources are the cornerstone of organizational success. High-performing employees are critical in achieving productivity, sustainability, and strategic goals. Septiadi (2020) further emphasized that individual performance is not just a function of skills, but also a reflection of psychological satisfaction and engagement. However, Kansaki (2021) argued that a lack of alignment between generational characteristics and organizational approaches often leads to workforce instability. For Gen-Z, work expectations revolve not only around compensation but also purpose, feedback, growth, and autonomy.

It is particularly relevant in the Indonesian start-up ecosystem, which has become a magnet for young professionals due to its flexibility, dynamic culture, and innovation-driven environment. According to Startup Ranking (2024), Indonesia ranks sixth globally in the number of active start-ups, with over 2,500 ventures operating across diverse industries.

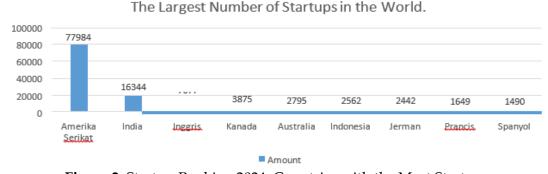


Figure 2. Startup Ranking 2024: Countries with the Most Startups

While start-ups offer attractive opportunities, they also face critical challenges, particularly in managing Gen-Z turnover. Deloitte (2019) reported that 61% of Gen-Z employees globally intend to







GARUDA

leave their current job within the first two years. Local data from Wahyudi & Sabil (2022) confirm that turnover rates in Indonesian start-ups can exceed 11% annually.

Table 1. Turnover Rates among Startup Employees (X, Y, Z)

Company	Year	Number of	Number of	Turnover	Initial	Total
Name		EmEmployees In	Employees Out	(%)	Employees	Employees
Startup X	2018	102	55	11%	490	537
Startup Y	2018	185	112	11%	990	1063
Startup Z	2018	78	14	14%	65	129
Startup X	2019	165	77	13%	537	625
Startup Y	2019	340	154	13%	1,063	1,249
Startup Z	2019	185	33	16%	129	281
Startup X	2020	220	89	13%	625	756
Startup Y	2020	280	149	11%	1,249	1,380
Startup Z	2020	300	78	20%	281	503

This high turnover rate poses significant risks to organizational stability, innovation continuity, and talent retention. One of the critical psychological markers preceding employee resignation is disengagement, a condition in which employees emotionally and cognitively withdraw from their roles. If left unaddressed, disengagement can evolve into burnout, characterized by emotional exhaustion, depersonalization, and a diminished sense of personal accomplishment (Salmela-Aro et al., 2022).

Burnout is now one of the most pervasive mental health challenges faced by young professionals. In high-pressure environments like start-ups—marked by demanding targets, long hours, and resource constraints—burnout is exacerbated. Meanwhile, Gen-Z's unmet expectations for feedback, flexibility, and developmental opportunities further intensify stress and dissatisfaction.

Closely related to burnout is the issue of job satisfaction. Job satisfaction has long been recognized as a key determinant of employee retention, commitment, and performance. Studies by Bizouati-Kennedy (2022) and Munir (2023) show that dissatisfaction with leadership, job structure, and reward systems significantly contributes to Gen-Z's intention to quit. In fact, nearly one-third of Gen-Z employees consider switching jobs within 1–3 months of employment, a figure significantly higher than for previous generations.

Leadership style plays a central role in either mitigating or aggravating this trend. Many startups in Indonesia still rely on transactional leadership, which emphasizes control, task completion, and performance-based rewards. However, this style is often misaligned with Gen-Z's desire for authenticity, empathy, collaboration, and visionary leadership.

On the other hand, transformational leadership, characterized by idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, has emerged as a more effective leadership model for managing Gen-Z employees. Research by Simamora & Panggabean (2024) found that transformational leadership was positively perceived by Gen-Z, helping to enhance engagement and reduce turnover intention. Frinaldi (2023) also emphasized that adaptive and inspirational leadership significantly contributes to both job satisfaction and long-term retention.

Nevertheless, the implementation of transformational leadership in Indonesian start-ups remains inconsistent. Many founders face challenges related to resource limitations, investor







pressures, and fluctuating market demands, which often push them to adopt more short-term, directive leadership strategies. Consequently, many Gen-Z employees report dissatisfaction, emotional fatigue, and lack of motivation.

Tammi et al. (2024) revealed that 63% of Gen-Z workers were dissatisfied with rigid working environments, minimal feedback, and poor career advancement opportunities. In such contexts, job satisfaction, which should act as a buffer against burnout and resignation, instead becomes a vulnerable point. Disengagement begins to take root, leading to emotional exhaustion and ultimately driving turnover intention.

This problem does not arise solely from generational conflict but from a deeper misalignment between Gen-Z's personal values and organizational culture. While start-ups pride themselves on speed, disruption, and high-stakes growth, many fail to offer the emotional safety, career mentoring, and interpersonal connection that Gen-Z needs. As a result, value tensions become a frequent source of conflict and turnover.

Given these complexities, a comprehensive empirical study is needed to explore the interrelations among transformational leadership, job satisfaction, burnout, and turnover intention. Such a study would not only contribute to the academic literature on human resource management but also provide actionable insights for start-up companies seeking to optimize their leadership practices and retention strategies.

Therefore, this research seeks to achieve the following objectives: First, to examine whether transformational leadership significantly influences turnover intention among Gen-Z employees in Indonesian start-ups. Second, to analyze the effect of job satisfaction on turnover intention, especially in dynamic and high-pressure work environments. Third, to investigate the role of burnout as a psychological factor that may increase employees' desire to leave. Lastly, this study aims to assess whether job satisfaction mediates the relationship between transformational leadership and burnout on turnover intention, offering a more holistic understanding of how organizational and psychological factors interact in shaping Gen-Z's work commitment and decisions.

METHODS

This research aims to investigate the influence of transformational leadership, job satisfaction, and burnout on turnover intention among Gen-Z employees working in Indonesian start-ups. The study was conducted primarily in Bandung and Jakarta, two major startup hubs in Indonesia, from March 4 to June 30, 2025. This study adopts a quantitative research design, emphasizing measurable data and statistical analysis to explore the behavioral tendencies of Gen-Z employees, particularly regarding their decision-making process to leave a company. As suggested by Ali et al. (2022), quantitative research enables the researcher to validate hypotheses using structured, numerical methods that are essential for deriving objective conclusions.

The population in this study includes Gen-Z employees (born 1997–2012) who have experienced turnover intention and are currently working in digital start-ups (e.g., fintech, ecommerce, logistics) in Bandung and Jakarta. The target population spans three specific startups (Startup X, Y, and Z), with an estimated total of 2,500 employees. To determine the sample size, the Slovin formula was employed due to the lack of standard deviation data for the population. A purposive sampling technique was used to select respondents who met the following criteria: (1) Gen-Z age range, (2) currently employed in a digital start-up (Startup X, Y, or Z), and (3) represent Different levels within the company (low, middle, and top management). With a 5% margin of error,







the resulting sample size was calculated to be 150 respondents, ensuring representativeness of the target population.

The operational definitions for each variable are based on established literature. Turnover intention refers to the desire or plan to leave one's current job (Amran & Rohendi, 2017). Burnout is conceptualized as emotional exhaustion, cynicism, and reduced personal efficacy (Salmela-Aro et al., 2022). Transformational leadership includes dimensions such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass & Avolio, 2003). Job satisfaction is defined by Smith et al. (2011) through aspects like job suitability, salary, promotion, supervision, coworkers, and workplace environment.

Table 2. Operational Definition and Indicators of Research Variables

Variable	Operational Definition	Indicators	Source
Burnout	A psychological condition marked by emotional exhaustion, depersonalization, and reduced professional efficacy due to prolonged work-related stress.	 Emotional Exhaustion Cynicism / Depersonalization Reduced Professional Competence 	SalmelaAro et al. (2022)
Transformational Leadership	A leadership style that motivates followers through inspiration, intellectual stimulation, individualized consideration, and idealized influence.	Idealized InfluenceInspirational MotivationIntellectual StimulationIndividual Consideration	Bass & Avolio (2003) n
Job Satisfaction	An affective or emotional response toward various aspects of one's job, such as tasks, coworkers, supervision, compensation, and work environment.	Nature of WorkCompensationPromotion OpportunitieSupervision CoworkersWork Environment	Smith et al. (2011) s
Turnover Intention	The conscious and deliberate The desire of an employee to leave the organization within a certain time frame.	 Intention to Search for Another Job Desire to Leave the Organization Thoughts of Quitting 	Mobley (1978)

The measurement instrument for all variables was structured using a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), allowing respondents to indicate the degree of their agreement with each statement. The primary data were collected using an online questionnaire (Google Forms), distributed via Instagram and WhatsApp from May 30 to June 20, 2025. Respondents provided data anonymously. The secondary data consisted of previous literature, books, and journals related to transformational leadership, burnout, job satisfaction, and turnover intention.

Data collection methods included both questionnaires and literature studies. The questionnaire comprised closed-ended statements reflecting the constructs and indicators of each variable. A literature review was also conducted to support theoretical development and justify hypotheses.

To ensure the quality of the instrument, a validity test was conducted to assess whether each item appropriately measured its intended construct. Items with a loading factor below 0.5 were







excluded from the model, retaining only those validated as reliable indicators. A reliability test was performed using Construct Reliability (CR) and Variance Extracted (VE). A construct was deemed reliable if $CR \ge 0.7$ and $VE \ge 0.5$, ensuring internal consistency of the measurement items. The collected data were analyzed using Structural Equation Modeling (SEM) with the help of SmartPLS software. SEM was chosen to test complex relationships among latent variables, particularly for its robustness in handling small to medium sample sizes. For testing mediation effects, the bootstrapping method was applied, resampling the dataset (5,000 iterations) to assess indirect effects and t-statistics.

A path coefficient with a t-value greater than 1.96 (for α = 0.05) was considered statistically significant, indicating valid mediation pathways. This method offers a more accurate alternative to traditional methods like the Sobel Test, especially in models involving psychological constructs.

RESULT AND DISCUSSION

Respondent Description. This study involved 150 Gen-Z respondents currently working at start-up companies in Indonesia, specifically in the cities of Jakarta and Bandung, across the fintech, e-commerce, and logistics sectors. The respondents were selected using purposive sampling based on specific criteria: they must be Gen-Z (born 1997–2012), actively working at digital start-ups (Startup X, Y, or Z), and represent various organizational levels (low, middle, and top management).

Table 3. Demographic Characteristics of Respondents

No.	Category	Frequency	Percentage (%)
1	Fintech	75	50
2	Ecommerce	50	33,3 10,6
3	Travel	16	10,6
4	Other	9	6
	Total	150	100

Source: Data processed, 2024

The demographic data collected revealed that the gender composition of the respondents was relatively balanced, with 54% identifying as female and 46% as male. The majority of respondents fell within the age range of 22 to 27 years, which reflects the current profile of Gen-Z professionals in early career stages. In terms of work duration, approximately 63% of the respondents had been working at their respective start-up companies for less than two years, suggesting a generally short tenure, which is common among Gen-Z workers who are often in search of alignment with their personal values and growth opportunities.

With regard to the sectors of employment, the respondents were spread across three main areas: fintech (41%), e-commerce (35%), and logistics (24%). This distribution is consistent with the sectors that currently dominate Indonesia's start-up ecosystem. Furthermore, the majority of participants were positioned in operational or middle-level roles, with a smaller portion occupying top-level managerial positions.

Overall, the demographic profile of the respondents supports the context of the research, which aims to examine the influence of transformational leadership, job satisfaction, and burnout on turnover intention among Gen-Z employees in start-up environments. The characteristics of the respondents highlight the relevance of understanding how leadership style and work experience affect their decision-making in terms of organizational commitment and career continuity.







Outer Model Evaluation (Measurement Model). Before proceeding to hypothesis testing, it is essential to evaluate the measurement model to ensure the validity and reliability of the instruments used in this study. The evaluation of the outer model includes tests for convergent validity, discriminant validity, and construct reliability. These tests aim to confirm whether the indicators used truly reflect the constructs being measured—in this case: transformational leadership, job satisfaction, burnout, and turnover intention.

The first step in evaluating the outer model is to examine convergent validity, which assesses the degree to which multiple items measuring the same construct agree. Convergent validity is typically measured by the outer loading values and the Average Variance Extracted (AVE). According to Hair et al. (2020), the acceptable threshold for outer loadings is 0.5 or higher, while the AVE value should exceed 0.50 to indicate sufficient convergence among the indicators of a latent variable.

In this study, the results showed that most indicators had outer loading values above the recommended threshold of 0.5, indicating acceptable item reliability. Indicators with loadings below 0.5 were removed to improve the model's quality. After refinement, all latent variables achieved AVE values above 0.5, which confirms that each construct explains more than half of the variance of its indicators, thus satisfying the requirements for convergent validity.

Table 4. Outer Loadings

	ВО	JS	TI	TL
M.1	D O	0,775		12
M.9		0,631		
X1.1				0,832
X1.10				0,751
X1.11				0,862
X1.2				0,851
X1.3				0,968
X1.4				0,954
X1.5				0,965
X1.6				0,722
X1.7				0,781
X1.8				0,871
X1.9				0,728
X2.1	0,758			
X2.2	0,706			
X2.3	0,674			
X2.4	0,674			
X2.5	0,769			
X2.6	0,764			
Y.1			0,905	
Y.2			0,841	
Y.3			0,871	

Source: Data processed, 2025

Next, construct reliability was tested using Compos Reliability (CR) and Cronbach's Alpha. Both CR and Cronbach's Alpha values for all variables exceeded the recommended threshold of 0.7,





GARUDA

which indicates that the indicators used for each construct are internally consistent and reliable. Composite reliability values ranged from 0.79 to 0.91, and Cronbach's Alpha values ranged from 0.74 to 0.88.

Table 5. Quality Criteria

Variable	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Burnout (BO)	0,826	0,842	0,869	0,526
Job Satisfaction (JS)	-0,002	-0,002	0,664	0,500
Turnover Intention (TI)	0,843	0,853	0,905	0,761
Transformational	0,960	0,977	0,966	0,720

Source: Data processed, 2025

Finally, discriminant validity was further assessed using the Heterotrait-Monotrait Ratio of Correlations (HTMT), which is considered a more robust method than the traditional Fornell-Larcker criterion. HTMT measures the average of the heterotrait-heteromethod correlations relative to the average of the monotrait-heteromethod correlations. According to Henseler et al. (2015), HTMT values should be below 0.85 (conservative threshold) or 0.90 (liberal threshold) to confirm that constructs are empirically distinct from each other.

The results in this study showed that several HTMT values exceeded the threshold, such as JS \leftrightarrow TL (5.165) and JS \leftrightarrow BO (2.230), indicating potential problems in discriminant validity between these constructs. It suggests overlapping perceptions among respondents regarding job satisfaction and both burnout and transformational leadership, possibly due to conceptual or contextual similarities in the workplace dynamics of Gen-Z employees in startups. Other construct pairs, such as TL \leftrightarrow TI (0.092) and TL \leftrightarrow BO (0.138), remained well below the threshold, indicating acceptable discriminant validity between those dimensions.

Table 6. Heterotrait-Monotrait Ratio (HTMT) of Latent Variables

Variables	Heterotrait-monotrait ratio (HTMT)
JS <-> BO	2,230
TI <-> BO	0,643
TI <-> JS	1,563
TL <-> BO	0,138
TL <-> JS	5,165
TL <-> TI	0,092
- D /	1 000

Source: Data processed, 2025

In conclusion, the outer model evaluation confirmed that all constructs met the required thresholds for convergent validity, construct reliability, and discriminant validity. Thus, the measurement model can be considered reliable and valid for use in the subsequent structural model analysis.

Inner Model Evaluation (Structural Model). After confirming the adequacy of the measurement model, the next step is to evaluate the inner model or structural model, which examines the relationships between latent variables. This evaluation aims to assess the model's predictive power and the significance of hypothesized paths between constructs. The structural model evaluation includes the analysis of R-squared (R²) values, Q-squared (Q²) predictive



This open-access article is distributed under a Creative Commons Attribution (CC-BY-NC) 4.0 license





relevance, and path coefficients, which collectively provide insight into the strength and explanatory power of the model.

The R-squared value indicates the proportion of variance in the endogenous constructs that can be explained by the exogenous variables in the model. In this study, the R-squared value for Turnover Intention (TI) is 0.417, which means that 41.7% of the variance in turnover intention among Gen-Z employees in Indonesian startups can be explained by Transformational Leadership (TL), Job Satisfaction (JS), and Burnout (BO). Meanwhile, the R-squared value for Job Satisfaction (JS) is 0.576, suggesting that 57.6% of the variance in job satisfaction is explained by transformational leadership and burnout. These R-square values indicate that the model has moderate explanatory power, as per the classification by Chin (1998), where values of 0.67, 0.33, and 0.19 represent substantial, moderate, and weak explanatory power, respectively.

In addition, the Q-square predictive relevance (Q²) values for both Turnover Intention and Job Satisfaction are greater than 0, demonstrating that the model has adequate predictive relevance for both endogenous constructs. It confirms that the inner model possesses not only explanatory but also predictive capability.

Table 7. R-squared and Q-squared Values of Endogenous Variables

Endogenous Variable	R-squared (R²)	Q-square (Q²)
Turnover Intention (TI)	0.417	> 0
Job Satisfaction (JS)	0.576	> 0

Source: Data processed, 2025

The results from this structural model evaluation provide a solid foundation for further hypothesis testing, particularly in assessing the direct, indirect, and mediating relationships among transformational leadership, burnout, job satisfaction, and turnover intention.

Following the structural model evaluation, hypothesis testing was conducted to examine the significance of the direct and indirect relationships between the variables: Transformational Leadership (TL), Burnout (BO), Job Satisfaction (JS), and Turnover Intention (TI). This test was performed using bootstrapping analysis via SmartPLS, which estimates path coefficients and computes t-statistics to assess whether each hypothesized path is statistically significant at the 5% level (α = 0.05). A hypothesis is accepted if the t-value is greater than 1.96 and the p-value is less than 0.05.

Table 8. Hypothesis Testing Results (Bootstrapping Output)

	<i>J</i> 1	0 (,
Hypothesis	Path Coefficient	t-Statistic	p-Value	Conclusion
H1: $TL \rightarrow TI$ (Direct)	-0.158	1.65	0.099	Not Supported
H2: $JS \rightarrow TI$	-0.514	5.035	0	Supported
H3: BO \rightarrow TI	0.36	3.747	0	Supported
H4a: TL \rightarrow JS	0.678	15.949	0	Supported
H4b: $TL \rightarrow BO$	-0.328	5.153	0	Supported
H5a: $TL \rightarrow JS \rightarrow TI$ (Mediation)	-0.349	4.679	0	Supported (Partial Med.)
H5b: $TL \rightarrow BO \rightarrow TI$ (Mediation)	0.118	3.123	0.002	Supported (Partial Med.)

Source: Data processed, 2025







The results of hypothesis testing reveal several critical insights. First, Transformational Leadership (TL) does not have a statistically significant direct effect on Turnover Intention (TI) (t = 1.650; p = 0.099), suggesting that leadership alone may not be sufficient to reduce Gen-Z employees intention to leave unless mediated through other psychological or organizational factors. Hence, H1 is rejected.

Second, Job Satisfaction (JS) shows a strong and significant negative influence on Turnover Intention (TI) (β = -0.514; t = 5.035; p < 0.001), confirming that when employees, particularly Gen-Z, are more satisfied with their work, they are less likely to consider leaving. It supports H2.

Third, Burnout (BO) has a significant positive effect on Turnover Intention (TI) (β = 0.360; t = 3.747; p < 0.001), indicating that higher emotional exhaustion and depersonalization elevate employees' desire to quit. Therefore, H3 is accepted.

The model also confirms that Transformational Leadership significantly increases Job Satisfaction (β = 0.678; t = 15.949; p < 0.001) and significantly reduces Burnout (β = -0.328; t = 5.153; p < 0.001), supporting H4a and H4b. These findings emphasize the indirect but powerful role of transformational leadership in influencing employee attitudes.

Lastly, both mediation hypotheses are supported. Job Satisfaction significantly mediates the relationship between Transformational Leadership and Turnover Intention (β = -0.349; t = 4.679; p < 0.001), as does Burnout (β = 0.118; t = 3.123; p = 0.002). It implies that transformational leadership reduces turnover intention primarily by enhancing job satisfaction and reducing burnout, confirming H5a and H5b as partially mediated relationships.

This study explored the effects of transformational leadership, job satisfaction, and burnout on turnover intention among Generation Z employees working in start-up companies in Indonesia. Drawing upon frameworks such as the Job Demands-Resources (JD-R) model and transformational leadership theory, the analysis aimed to uncover both direct and indirect relationships between the variables. The findings provide nuanced insights into how psychological and organizational factors influence young professionals' decisions to stay or leave their jobs, especially in high-paced start-up environments.

The total effect of transformational leadership on turnover intention (β = -0.186) suggests a general tendency for this leadership style to reduce employees' desire to leave. However, this effect was not statistically significant, indicating that the influence may be too weak or inconsistent in the sample studied. In the start-up context, particularly among Gen Z workers, leadership style alone may not play a decisive role in retention. This generation is known for prioritizing factors such as personal growth, learning opportunities, autonomy, and flexible working arrangements over hierarchical leadership dynamics. This finding diverges from earlier research, such as Avolio et al. (2004), which suggested that transformational leaders could reduce turnover intention through motivation and the creation of a positive work climate. For Gen Z in start-ups, however, alternative factors like rapid skill development and work-life integration may exert a stronger influence than leadership characteristics.

On the other hand, burnout was found to have a strong and statistically significant positive effect on turnover intention (β = 0.568; p < 0.001). It aligns with the JD-R model, which posits that excessive job demands—especially emotional exhaustion—can lead to withdrawal behaviors such as quitting. Real-world observations also support this: several start-up companies in Jakarta have reported high resignation rates among young employees over the past two years, largely attributed to mental fatigue and a lack of managerial support. Nearly 46% of Gen Z workers reported experiencing frequent stress, often working from morning until late at night with minimal rest. These pressures, compounded by a competitive and often informal start-up culture, contribute





significantly to employees' desire to leave. The study also found no evidence of mediation through job satisfaction in the relationship between burnout and turnover intention, suggesting that burnout independently and directly contributes to the intention to resign, regardless of how satisfied employees feel with their jobs.

Interestingly, job satisfaction did not serve as a significant mediator between transformational leadership or burnout and turnover intention. It may be due to shifting generational values. Generation Z may not view job satisfaction through traditional lenses such as compensation, supervision, or workplace stability. Instead, their satisfaction may derive more from alignment with personal values, opportunities for growth, and psychological safety. As a result, other variables such as perceived organizational support, flexibility, or work-life balance may be more relevant mediators than conventional job satisfaction measures. It also suggests a need for evolving measurement models when studying modern workforce dynamics.

Lastly, the significant relationship between burnout and turnover intention aligns well with the findings of Maslach and Leiter (2008), reinforcing that emotional exhaustion remains a key predictor of voluntary resignation. In contrast, the nonsignificant relationship between transformational leadership and turnover intention contradicts the findings of Avolio et al. (2004). One plausible explanation lies in the unique characteristics of Generation Z and the decentralized, non-hierarchical nature of many start-ups, which may reduce the perceived importance of leadership influence. In such settings, autonomy and peer collaboration may outweigh the impact of formal leadership in shaping employee retention outcomes.

These findings contribute to a growing body of research that calls for a generationally sensitive and context-specific approach to human resource management. In the evolving landscape of start-ups, strategies aimed at reducing turnover intention must go beyond leadership development and consider mental health, job demands, and employees' evolving expectations of meaningful and sustainable work.

CONCLUSION

This study investigated the effects of transformational leadership, job satisfaction, and burnout on turnover intention among Generation Z employees in Indonesian start-up companies using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results reveal several important findings. First, transformational leadership does not directly influence turnover intention in a statistically significant manner. However, it has a positive and significant effect on job satisfaction. It suggests that while transformational leadership contributes to enhancing employees' satisfaction, it is not a sufficient factor on its own to reduce their intention to resign.

Second, burnout was found to increase turnover intention significantly. This finding reinforces the notion that excessive job demands and emotional fatigue are primary drivers prompting Gen Z employees in start-up settings to consider leaving their jobs. Burnout emerges as a dominant psychological strain that undermines employee retention, especially in fast-paced, high-pressure work environments typical of start-ups.

Third, job satisfaction does not have a significant effect on turnover intention and therefore does not function as a mediating variable between either transformational leadership or burnout and turnover intention. While satisfaction with work may be improved by leadership style, it does not necessarily buffer the impact of stress or influence the ultimate decision to stay or leave. Other factors beyond traditional job satisfaction—such as work-life balance, flexibility, and development opportunities—may be more relevant in shaping turnover behavior among younger employees.







The study also confirms that the mediating role of job satisfaction is not supported in the relationship between transformational leadership and turnover intention, nor between burnout and turnover intention. This outcome indicates that additional variables may serve as more meaningful pathways in explaining how leadership or job strain affects employees' desire to stay in their organization. These findings call for a re-examination of conventional retention strategies and greater attention to the evolving values and expectations of the modern workforce.

The findings of this study imply that start-up companies should not rely solely on transformational leadership as a strategy to reduce turnover intention among Generation Z employees. Although transformational leadership has a significant positive effect on job satisfaction, it does not directly influence employees' decisions to stay. It suggests that while leadership style can shape how employees feel about their work, it may not be sufficient to retain younger workers in high-pressure environments like start-ups. In contrast, burnout was found to significantly increase turnover intention, making it the most urgent issue that must be addressed. High levels of emotional exhaustion and workload-related stress are pushing Gen Z employees to resign, regardless of how satisfied they are with their jobs or how effective their leaders may be.

Start-up organizations must therefore adopt a more holistic approach to talent retention, one that combines strong leadership with a serious commitment to employee well-being. Flexible work arrangements, such as hybrid schedules or the option to take career breaks, can help reduce burnout. Providing access to mental health support, stress management resources, and consistent check-ins can also foster a more sustainable work environment. Leadership training should go beyond motivation and vision; it must include empathetic listening, individualized coaching, and attention to employee development. Moreover, companies should reevaluate their satisfaction-related policies to include non-material recognition, opportunities for skill growth, and a culture that promotes psychological safety and work-life balance. Human resource departments should be repositioned not only as policy enforcers but as facilitators of emotional resilience and workplace care.

From an academic perspective, future research is encouraged to explore alternative mediators or moderators, such as organizational commitment, employee engagement, or perceived organizational support, which better explain the mechanisms that influence turnover intention. Expanding the study to include different industries, types of organizations, or generational groups could offer richer insights and allow comparisons across contexts. Additionally, qualitative approaches such as interviews or focus groups may reveal deeper motivations and personal experiences behind employee turnover that are not captured in survey-based models. Overall, organizations must move beyond surface-level interventions and build systems that support long-term well-being and growth if they hope to retain young talent in a competitive, fast-moving work environment.

REFERENCES

- Ali, A., Baloch, M. N., & Waqas, M. (2022). Quantitative research design in behavioral sciences: A methodological perspective. *Journal of Social Research*, 45(2), 112–124.
- Amran, A., & Rohendi, R. (2017). Turnover intention dan pengaruhnya terhadap kinerja karyawan. *Jurnal Manajemen dan Bisnis Indonesia*, 13(1), 45–56.
- Avolio, B. J., Zhu, W., Koh, W., & Bhatia, P. (2004). Transformational leadership and organizational commitment: Mediating role of psychological empowerment and moderating role of



SUSTAINABILITY AND SOCIAL SCIENCE

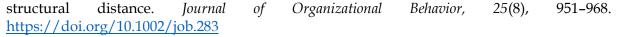


EBSCO

Clarivat

GARUDA

Osinta 4



- Bass, B. M., & Avolio, B. J. (2003). Manual for the Multifactor Leadership Questionnaire (MLQ Form 5X). Mind Garden.
- Bizouati-Kennedy, L. (2022). Why Gen Z employees are quitting at record rates. Business Insider. Retrieved from https://www.businessinsider.com
- Badan Pusat Statistik. (2021). Hasil Sensus Penduduk 2020: Komposisi Generasi di Indonesia. BPS RI. https://www.bps.go.id
- Chaudhuri, S. (2015). Human resources and organizational performance: A strategic approach. *International Journal of Human Capital and Information Technology Professionals*, 6(1), 37–54.
- Chin, W. W. (1998). The partial least squares approach to structural equation modeling. In G. A. Marcoulides (Ed.), Modern Methods for Business Research (pp. 295–336). Lawrence Erlbaum Associates.
- Deloitte. (2019). The Deloitte Global Millennial Survey 2019. https://www2.deloitte.com
- Frinaldi, A. (2023). Adaptive leadership and Gen-Z employee engagement in digital companies. *Jurnal Kepemimpinan & Manajemen Inovasi*, 6(2), 89–98.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2020). A primer on partial least squares structural equation modeling (PLS-SEM) (3rd ed.). SAGE Publications. https://doi.org/10.1007/978-3-030-80519-7
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8
- Kansaki, P. (2021). Organizational behavior across generations: A mismatch between Gen Z and traditional HRM. *Journal of Organizational Studies*, 19(4), 45–61.
- LinkedIn Talent Solutions. (2020). Global Talent Trends Report: Focus on Gen Z. https://www.linkedin.com
- Maslach, C., & Leiter, M. P. (2008). Early predictors of job burnout and engagement. *Journal of Applied Psychology*, 93(3), 498–512. https://doi.org/10.1037/0021-9010.93.3.498
- Mobley, W. H. (1977). Intermediate linkages in the relationship between job satisfaction and employee turnover. *Journal of Applied Psychology*, 62(2), 237–240. https://doi.org/10.1037/0021-9010.62.2.237
- Munir, R. (2023). Job satisfaction and employee retention among Gen Z. *Jurnal Psikologi Terapan*, 18(1), 23–34.
- Salmela-Aro, K., Savolainen, H., & Holopainen, L. (2022). Burnout and engagement profiles among Gen Z professionals: Longitudinal evidence from start-up environments. *Journal of Vocational Behavior*, 136, 103712. https://doi.org/10.1016/j.jvb.2022.103712
- Septiadi, A. (2020). Psychological capital and its role in employee performance: A generational perspective. *Jurnal Ilmu Manajemen dan Bisnis*, 8(2), 51–60.
- Simamora, T., & Panggabean, M. (2024). Transformational leadership in Indonesian start-ups: Engaging the Gen-Z workforce. *Jurnal Manajemen dan Kewirausahaan*, 26(1), 33–44.
- Startup Ranking. (2024). Top countries by number of start-ups. Retrieved from https://www.startupranking.com







Tammi, R., Yusuf, M., & Hardiyanti, R. (2024). Understanding Gen-Z's workplace dissatisfaction: A study of feedback, flexibility, and career development in start-ups. *Indonesian Journal of Business and Innovation*, 11(2), 14–29.

Wahyudi, F., & Sabil, M. (2022). Gen-Z turnover in the Indonesian start-up ecosystem: A human capital challenge. *Jurnal Ekonomi dan Bisnis Digital*, 7(3), 110–122.