

The role of job embeddedness in mediating the effect of ethical leadership on turnover intention (A Study at Monarch Bali Job Training Institute)

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Abstract

This study aims to examine the effect of ethical leadership on job embeddedness and turnover intention, as well as to analyze the mediating role of job embeddedness in the relationship between ethical leadership and turnover intention. The population of this study consisted of all instructors at Monarch Bali Vocational Training Institute. Data were analyzed using descriptive and inferential statistical methods through Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS software. The results indicate that ethical leadership has a positive and significant effect on job embeddedness. Furthermore, ethical leadership has a negative and significant effect on turnover intention. Job embeddedness also negatively and significantly influences turnover intention. In addition, job embeddedness partially mediates the relationship between ethical leadership and turnover intention. These findings suggest that leadership grounded in ethical values enhances employees' attachment to the organization and directly as well as indirectly reduces their intention to leave. The practical implications emphasize the importance of strengthening ethical leadership practices through leadership development programs based on integrity, fairness, honesty, and accountability. Consistent implementation of ethical leadership is expected to foster a positive work climate, enhance trust, strengthen employee embeddedness, and support sustainable employee retention strategies.

Keywords: Ethical Leadership; Job Embeddedness; Turnover Intention; Employee Retention; PLS-SEM

1. Introduction

Human resources are a critical asset that determines organizational effectiveness and sustainability. Organizations are therefore required to manage their human capital strategically to achieve optimal performance. However, high turnover intention has become a persistent issue in many organizations, as it reflects employees' tendency to leave and serves as a strong predictor of actual turnover behavior [1][2]. High turnover rates generally exceeding 10%—indicate underlying organizational problems such as low job satisfaction [3] and inadequate compensation, which may negatively affect productivity and operational costs [4]

In the context of vocational education institutions, turnover intention is particularly critical, as employee retention directly influences service quality and organizational continuity. Monarch Bali, a job training institution specializing in hospitality and cruise ship training, has experienced significant instructor turnover in recent years, especially across several branches. This phenomenon raises concerns regarding increased recruitment costs, reduced productivity, loss of organizational knowledge, and declining team morale [5].

Previous studies suggest that leadership plays a significant role in shaping employee attitudes and behaviors. Ethical leadership, characterized by fairness [6], integrity, and transparency [7], has been found to promote positive employee outcomes and reduce turnover intention [8]. Furthermore, job embeddedness, defined as the extent to which

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employees are socially and psychologically attached to their organization, has been shown to negatively influence turnover intention [9]. Employees with high job embeddedness are more likely to remain in their organization due to strong links, fit, and perceived sacrifice.

Despite these findings, limited research has examined the mediating role of job embeddedness in the relationship between ethical leadership and turnover intention, particularly within the context of job training institutions. Grounded in the Theory of Reasoned Action (TRA), which explains how attitudes and intentions influence behavior, this study aims to fill this gap by exploring how ethical leadership affects turnover intention through job embeddedness [10][11]

Therefore, this study aims to: (1) analyze the effect of ethical leadership on turnover intention; (2) examine the effect of ethical leadership on job embeddedness; (3) investigate the effect of job embeddedness on turnover intention; and (4) test the mediating role of job embeddedness in the relationship between ethical leadership and turnover intention at Monarch Bali Job Training Institute.

2. Materials and Method

This study employed a quantitative research design using a causal approach to examine the relationships among ethical leadership, job embeddedness, and turnover intention [12][13]. The conceptual framework was developed based on prior studies indicating that ethical leadership influences employee attitudes and behaviors, with job embeddedness acting as a key mechanism in reducing turnover intention [14].

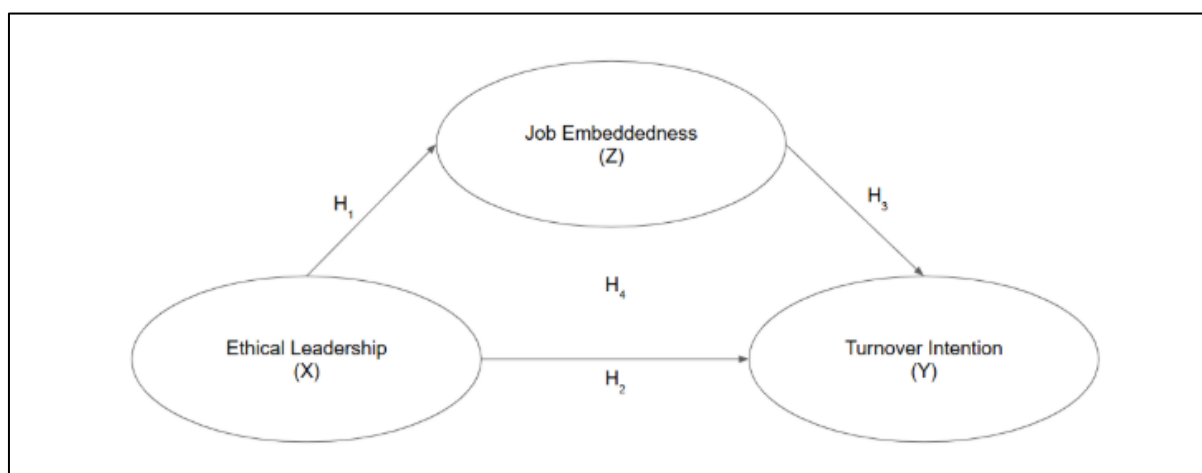


Figure 1 Research Concept

The research was conducted at Monarch Bali Job Training Institute, focusing on three branches (Dalung, Candidasa, and Gianyar) that exhibit relatively high turnover rates. The population consisted of all instructors working at these branches, totaling 68 employees. Due to the relatively small population size, this study applied a saturated sampling (census) technique, in which all population members were included as respondents [19].

Data were collected through a structured questionnaire, designed to measure three main variables: ethical leadership, job embeddedness, and turnover intention. Ethical leadership was conceptualized as leaders' demonstration of normatively appropriate conduct through personal actions and interpersonal relationships [20][21]. Job embeddedness refers to the extent to which employees are connected to and integrated within their organization through links, fit, and sacrifice [9]. Turnover intention was defined as the employees' conscious and deliberate willingness to leave the organization [10]. All items were measured using a Likert scale.

To test the proposed hypotheses, data analysis was conducted using inferential statistical methods, including regression-based analysis to examine direct effects and mediation analysis to test the indirect effect of ethical leadership on turnover intention through job embeddedness [14][15][29]. This approach enables the identification of both direct and indirect relationships among variables, ensuring the robustness and reproducibility of the findings.

3. Results and Discussion

3.1. Respondent Profile and Descriptive Findings

The study involved 68 instructors from three branches of Monarch Bali (Dalung, Candidasa, and Gianyar). The majority of respondents were female (52.95%), aged between 29–34 years (35.29%), held a diploma degree (D1) (33.82%), and had 3–4 years of work experience (44.11%). This profile indicates a relatively mature and professionally active workforce.

Descriptive analysis shows that ethical leadership was perceived at a moderate to high level (mean = 3.36), job embeddedness at a very high level (mean = 4.49), and turnover intention at a high level (mean = 3.89). Despite strong embeddedness, the relatively high turnover intention suggests underlying organizational issues, particularly related to leadership consistency and decision-making fairness.

3.2. Measurement Model Evaluation

The measurement model demonstrates satisfactory validity and reliability. All indicators met the convergent validity criteria with outer loadings > 0.50 and AVE values above 0.50 [16][17]. Discriminant validity was confirmed through cross-loading analysis, where each indicator loaded highest on its respective construct. Furthermore, composite reliability and Cronbach’s alpha values exceeded 0.70, indicating strong internal consistency across all variables. These results confirm that the measurement instruments are robust and suitable for further structural analysis.

3.3. Structural Model and Hypothesis Testing

The structural model shows that job embeddedness is strongly explained by ethical leadership ($R^2 = 0.784$), indicating a substantial explanatory power. Meanwhile, turnover intention is moderately explained ($R^2 = 0.348$), suggesting that other factors beyond the model may also influence employees’ intention to leave [18].

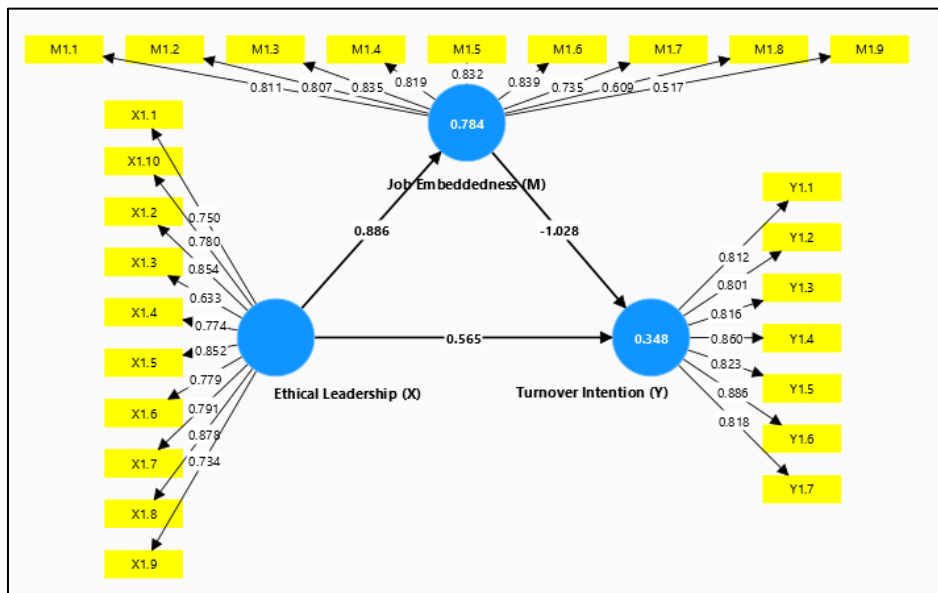


Figure 2 Outer Model

Hypothesis testing using bootstrapping ($t > 1.96$; $p < 0.05$) revealed the following:

Table 1 T-Statistic Significance Test Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Note
Ethical Leadership (X) -> Job Embeddedness (M)	0,886	0,892	0,024	36,938	0,000	Accepted
Ethical Leadership (X) -> Turnover Intention (Y)	-0,565	-0,620	0,271	2,082	0,037	Accepted
Job Embeddedness (M) -> Turnover Intention (Y)	-1,028	-1,088	0,235	4,371	0,000	Accepted
Ethical Leadership (X) -> Job Embeddedness (M) -> Turnover Intention (Y)	0,911	0,973	0,225		0,000	Accepted

- Ethical leadership → Job embeddedness: positive and significant ($\beta = 0.886$; $p = 0.000$)
- Ethical leadership → Turnover intention: negative and significant ($\beta = -0.565$; $p = 0.037$)
- Job embeddedness → Turnover intention: negative and significant ($\beta = -1.028$; $p = 0.000$)
- Indirect effect (mediation): significant ($\beta = -0.911$; $p = 0.000$)

This study examines the mediating role of job embeddedness using the Variance Accounted For (VAF) method. Mediation is classified into three categories: full mediation if $VAF > 80\%$, partial mediation if $20\% < VAF < 80\%$, and no mediation if $VAF < 20\%$. The results show that all direct relationships are statistically significant. Ethical leadership has a significant direct effect on turnover intention ($\beta = -0.565$, $p < 0.05$), as well as on job embeddedness ($\beta = 0.886$, $p < 0.05$). Additionally, job embeddedness significantly affects turnover intention ($\beta = -1.028$, $p < 0.05$). The indirect effect of ethical leadership on turnover intention through job embeddedness is also significant ($\beta = -0.911$, $p < 0.05$), resulting in a total effect of $\beta = -1.476$ ($p < 0.05$).

The VAF value is 0.617 (61.7%), which falls within the range of partial mediation. This indicates that job embeddedness partially mediates the relationship between ethical leadership and turnover intention. In other words, ethical leadership reduces turnover intention both directly and indirectly through job embeddedness. However, since the mediation is partial, job embeddedness is not the only mechanism explaining this relationship, and other mediating variables may also play a role.

4. Discussion

4.1. Effect of Ethical Leadership on Job Embeddedness

The findings confirm that ethical leadership has a strong positive effect on job embeddedness, supporting prior research [12][13]. Leaders who demonstrate fairness, honesty, and ethical communication foster trust and psychological safety, which strengthen employees' attachment to the organization.

From the perspective of the Theory of Reasoned Action (TRA), ethical leadership shapes employees' beliefs and attitudes toward the organization, leading to stronger organizational attachment. This attachment is reflected in the dimensions of fit, links, and sacrifice, which collectively enhance job embeddedness. These findings are consistent highlight that ethical leadership strengthens employee retention through trust and organizational alignment.

4.2. Effect of Ethical Leadership on Turnover Intention

Ethical leadership was found to have a significant negative effect on turnover intention, indicating that employees are less likely to leave when leaders act ethically. This aligns with previous studies [22][23][24].

Ethical leaders create a fair and transparent work environment, which reduces employees' motivation to seek alternative employment (intention to search). In line with TRA, positive beliefs about leadership translate into favorable attitudes, thereby reducing behavioral intentions to leave.

Additionally, ethical leadership enhances organizational trust and psychological safety, which are key factors in lowering turnover intention [25][26].

4.3. Effect of Job Embeddedness on Turnover Intention

The results show that job embeddedness has a strong negative effect on turnover intention, confirming its role as a critical retention factor [9][27].

Among the three dimensions, social links and communication appear particularly influential.

Strong interpersonal relationships and effective communication create emotional attachment and a sense of belonging, making employees less likely to leave. Job embeddedness—especially its social dimension—is a key predictor of employee retention, even under challenging work conditions [28][29][30].

4.4. Mediating Role of Job Embeddedness

The study demonstrates that job embeddedness partially mediates the relationship between ethical leadership and turnover intention. This means that ethical leadership reduces turnover intention both directly and indirectly through increased embeddedness.

This finding supports prior research [14][15][29] indicating that job embeddedness is an important psychological mechanism linking leadership behavior to employee retention.

From a theoretical perspective, this result reinforces TRA by showing that ethical leadership influences behavioral intentions not only directly but also through shaping employees' attitudes (embeddedness). However, the partial mediation suggests that other factors—such as job satisfaction, organizational commitment, or work environment—may also play a role.

4.5. Implications

4.5.1. Theoretical Implications

This study extends the application of the Theory of Reasoned Action (TRA) in organizational behavior by demonstrating how ethical leadership shapes employee beliefs, attitudes (job embeddedness), and behavioral intentions (turnover intention). It also confirms the mediating role of job embeddedness as a key mechanism in employee retention.

4.5.2. Practical Implications

Organizations should:

- Strengthen ethical leadership practices through training and value-based management
- Enhance job embeddedness by fostering teamwork, communication, and career development
- Implement employee retention strategies that focus on both leadership quality and social attachment
- Integrate ethical values into HR policies to build a supportive organizational culture

5. Conclusion

This study examined the relationships between ethical leadership, job embeddedness, and turnover intention among instructors at Monarch Bali. Based on the results, several key conclusions can be drawn.

First, ethical leadership has a positive and significant effect on job embeddedness, indicating that higher levels of ethical leadership strengthen employees' attachment to their organization and work environment. Second, ethical leadership has a negative and significant effect on turnover intention, suggesting that ethical leadership directly reduces employees' intention to leave the organization. Third, job embeddedness negatively and significantly affects turnover intention, meaning that employees who are more strongly embedded in their jobs are less likely to consider leaving.

Furthermore, this study finds that job embeddedness partially mediates the relationship between ethical leadership and turnover intention. This implies that ethical leadership reduces turnover intention both directly and indirectly through enhancing employees' job embeddedness. Overall, the findings highlight the critical role of ethical leadership and job embeddedness as key factors in employee retention. Strengthening ethical leadership practices and fostering employee attachment to the organization are essential strategies for reducing turnover intention.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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