










“Impact of transformational and laissez-faire leadership styles on performance, job satisfaction, and turnover intention: A case study of educational organizations in Chile”

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IMPACT OF TRANSFORMATIONAL AND LAISSEZ-FAIRE LEADERSHIP STYLES ON PERFORMANCE, JOB SATISFACTION, AND TURNOVER INTENTION: A CASE STUDY OF EDUCATIONAL ORGANIZATIONS IN CHILE

Abstract

Employee turnover has emerged as a growing and complex challenge, particularly among young workers with higher expectations and a greater propensity to change jobs. Certainly, leadership plays a pivotal role in addressing these challenges. Accordingly, this study aims to examine the effects of transformational and laissez-faire leadership styles on job satisfaction, turnover intention, and employee performance within public educational organizations in Chile. A quantitative, cross-sectional research design was employed, utilizing a sample of 221 teachers from Antofagasta, Chile. Data were collected through an online questionnaire and analyzed using R Studio for descriptive statistics and SmartPLS software for hypotheses testing. For a sample of teachers, composed primarily of females (66%) and millennials (59%), the results show that teachers recognize more attributes of transformational (3.9 on a scale of 1 to 5) than laissez-faire leadership (2.1 on a scale of 1 to 5) in their principals. The findings reveal a significant positive relationship between transformational leadership and job satisfaction ($\beta = 0.774, p < 0.001$), with job satisfaction playing a key role in reducing teachers' turnover intention ($\beta = -0.451, p < 0.001$). Furthermore, a significant negative association was identified between teachers' age and turnover intention. Likewise, a positive relationship was found between teachers' age and job satisfaction. In contrast, laissez-faire leadership was significantly and positively associated with turnover intention ($\beta = 0.233, p < 0.05$).

Keywords

leadership style, turnover intention, job satisfaction, performance, educational organization

JEL Classification

M12, D23, J63

INTRODUCTION

In the contemporary organizational landscape, talent retention has emerged as a complex and pressing challenge, particularly among younger employees who exhibit distinct and evolving professional expectations coupled with a heightened propensity for job mobility (Hussein et al., 2024). Specifically, millennial and Generation Z workers demonstrate a greater likelihood of leaving their positions when organizational offerings fall short of meeting both their professional and personal aspirations (Stewart et al., 2017). This challenge is particularly pronounced in complex work environments where job demands may exceed available resources and/or capabilities, generating frustration and dissatisfaction among workers. This is the case in public educational institutions in Chile and, more broadly, in underdeveloped countries. In Chile, public educational establishments face persistent

and multifaceted challenges, including limited access to resources, disparities in educational quality, and widespread teacher dissatisfaction (Ávalos et al., 2010). These factors have contributed to a growing problem of teacher turnover.

A key predictor of turnover is turnover intention, defined as an employee's inclination to seek employment opportunities outside their current workplace (Cohen et al., 2016). High turnover rates impose substantial hiring and training costs, which not only increase operational expenses but also undermine overall institutional performance, including quality. Leadership style is widely recognized as a critical factor influencing employee performance, job satisfaction, and turnover intention (Bass, 1985). In response, the Chilean Ministry of Education has actively promoted transformational leadership – one of the most widely studied leadership styles – in public educational institutions, integrating its principles into guidelines and best practice manuals for school principals. However, its perceived effectiveness from the perspective of teachers remains insufficiently examined.

Among various leadership styles, transformational leadership has garnered significant attention due to its demonstrated capacity to enhance both employee performance and emotional well-being (Judge & Piccolo, 2004). Conversely, laissez-faire leadership, often considered its antithesis, has received comparatively less attention in the literature. This leadership style is characterized by passivity and minimal engagement in providing guidance or intervention in the work process (Alloubani et al., 2019). While the literature has extensively examined the role of leadership in various aspects of organizational performance, further research is needed to explore unresolved controversies, incorporate diverse organizational contexts, and consider alternative leadership styles.

1. LITERATURE REVIEW AND HYPOTHESES

Leadership is the dynamic relationship between leaders and their followers, which plays a critical role in enhancing organizational efficiency and employee satisfaction (Kour & Andotra, 2016). Over time, leadership has been examined from various perspectives, including results-oriented, activity-oriented, people-oriented, internal climate-oriented, and situational approaches, leading to the identification of diverse leadership styles. These include directive or authoritarian leadership, laissez-faire leadership, participative or democratic leadership, transactional leadership, situational leadership, and transformational leadership (Samad, 2012). Among these, transformational leadership has been widely recognized for its positive impact, as it aims to inspire behavioral change by establishing a shared vision to which individuals voluntarily commit (Kane & Tremble, 2000). Transformational leaders achieve this influence by shaping followers' behavioral choices and attitudes through inspiration, individualized consideration, and intellectual stimulation (Griffith, 2004).

Transformational leadership, a concept initially introduced by Griffith (2004) and later elaborated by

Kour and Andotra (2016), is distinctly differentiated from transactional leadership. Griffith (2004) defined transformational leadership as the creation of “a mutually stimulating and uplifting relationship that turns followers into leaders and can transform leaders into moral agents.” Expanding on this foundation, Kour and Andotra (2016) emphasized that transformational leadership enables leaders to inspire followers to exceed expectations by altering their attitudes and values. Their research further demonstrated a positive and statistically significant influence of transformational leadership on organizational performance. While the majority of the literature supports the notion that transformational leadership positively impacts job performance (Mangkunegara & Huddin, 2016), some studies suggest that this effect may be contingent upon mediating factors such as job satisfaction, without which the impact could be negligible (Manzoor et al., 2019).

Hussein et al. (2024) and Nurtjahjani et al. (2023) investigated the impact of transformational leadership on job satisfaction, concluding that this leadership style significantly influences job satisfaction. Hussein et al. (2024) highlight a positive relationship between transformational leadership and job

satisfaction. Liu et al. (2024), employing a model with strong explanatory power and closely resembling the one proposed in this study, found that among various leadership approaches, transformational leadership exerts the most significant positive impact on both employee performance and job satisfaction. This relationship can be attributed to several factors. First, transformational leadership is characterized by the leader's ability to inspire and motivate followers through a shared vision and common values, which enhances employees' sense of purpose and commitment at work (Bass & Riggio, 2006). Additionally, transformational leaders often provide individualized support and recognition, fostering improved employee morale and well-being (Judge & Piccolo, 2004). These practices contribute to creating a more satisfying work environment where employees feel supported, valued, and understood. However, Yousfi and Aomari (2024) conclude that compared to transactional leadership, transformational and laissez-faire leadership styles are less effective in enhancing job satisfaction and, consequently, productivity.

Generally, the relationship between job satisfaction and performance is clear and direct, i.e., satisfaction serves as a significant predictor of performance. For instance, Patterson et al. (2004) suggest that job satisfaction is more strongly associated with performance when the latter is measured in economic terms rather than productivity metrics. However, in certain contexts, such as organizations with less favorable working conditions, job satisfaction does not necessarily lead to superior performance (Paais & Pattiruhu, 2020). The present study examines a case where both scenarios coexist: performance is assessed based on teachers' self-perception, while the context involves public educational organizations in Chile, which are characterized by less favorable working conditions.

A significant negative relationship has been identified between job satisfaction and adverse organizational behaviors, such as absenteeism and turnover, indicating that lower job satisfaction is associated with higher rates of these behaviors. Griffith (2004) highlights a negative correlation between job satisfaction and turnover intention; specifically, as job satisfaction increases, the turnover intention decreases. Job satisfaction functions as a key retention factor, as satisfied employees are generally less

inclined to seek alternative employment opportunities. This suggests that enhancing employees' job well-being can help organizations reduce turnover and retain talent, thereby fostering a more stable and committed work environment. Furthermore, Roberts-Turner et al. (2014) propose that higher levels of transformational leadership are positively associated with increased job satisfaction, which, in turn, leads to a reduced turnover intention. Likewise, Lim et al. (2017) highlight that job satisfaction mediates the relationship between transformational leadership and turnover intention. In this regard, transformational leadership indirectly affects turnover intention through the mediating role of job satisfaction. Empirical evidence suggests that when transformational leadership fosters job satisfaction, employees are significantly less likely to decide to leave the organization (Gan & Voon, 2021).

In contrast, laissez-faire leadership has received less research attention than other leadership styles (Robert & Vandenberghe, 2021). This leadership style is often perceived as the absence of leadership, and research on it remains relatively sparse in comparison to more dominant leadership approaches (Ali & Ullah, 2023). Laissez-faire leadership can be defined as the absence or lack of effective leadership (Yukl & Mahsud, 2010). Characterized by a lack of active intervention and support, it has been associated with both advantages and disadvantages in the organizational context. On the one hand, laissez-faire leadership fosters innovation and creativity and allows for quicker decision-making, granting autonomy to make decisions without waiting for approval (Amanchukwu et al., 2015). This approach may be more suitable in industries or work environments characterized by innovation or in professional fields with a broader scope for managerial and decision-making discretion. On the other hand, laissez-faire leaders often avoid decision-making, demonstrating indecisiveness rather than actively addressing the leadership needs of a given situation. As a result, it is considered one of the least effective and most unsatisfactory leadership styles, as the lack of intervention can lead to inefficient and difficult-to-manage work practices (D.M. Bass & R. Bass, 2009).

Judge and Piccolo (2004) note that laissez-faire leadership can lead to perceptions of disinterest

on the part of the leader, which is positively associated with an increased turnover intention. Similarly, Skogstad et al. (2007) suggest that laissez-faire leadership may contribute to an unsatisfactory work environment by failing to address employees' needs and concerns, which can further increase the turnover intention. The lack of intervention and support from the leader in this leadership style can cause employees to feel disengaged and unmotivated, thereby increasing their desire to seek new employment opportunities. Additionally, the absence of direction and supervision may hinder performance, as team members may lack the necessary guidance to achieve their goals (Anbazhagan & Kotur, 2014). However, there is limited empirical evidence that can be generalized regarding its effects on key organizational behavior indicators, particularly in the context of educational organizations, where the creativity and innovation of teachers in the classroom might potentially be encouraged by this leadership style.

Therefore, this study aims to assess whether the conclusions drawn from existing studies can be generalized to this type of organization. Specifically, the study examines the relationship between the perception of leadership (transformational and laissez-faire) and job satisfaction, as well as the subsequent relationships between job satisfaction, performance, and turnover intention among primary school teachers (Figure 1).

Based on the above, the study develops a conceptual model to illustrate the following hypothetical relationships between the variables:

- H1: *The perception of transformational leadership has a direct and positive effect on the job satisfaction of elementary school teachers.*
- H2: *The perception of laissez-faire leadership has a direct and negative effect on the job satisfaction of elementary school teachers.*
- H3: *Job satisfaction has a direct and positive effect on the performance of elementary school teachers.*
- H4: *Job satisfaction has a direct and negative effect on the turnover intention of primary school teachers.*

H5: *The perception of transformational leadership has a direct and negative effect on the turnover intention of primary school teachers.*

H6: *The perception of laissez-faire leadership has a direct and positive effect on the turnover intention of primary school teachers.*

H7: *The perception of laissez-faire leadership has a direct and negative effect on the performance of elementary school teachers.*

H8: *The perception of transformational leadership has a direct and positive effect on the performance of elementary school teachers.*

The effects of leadership styles on educational organizations have received limited attention in the literature.

2. METHODS

The hypotheses were empirically tested using a cross-sectional quantitative research design and a non-probabilistic convenience sampling method. The sample consisted of 221 teachers from public elementary schools in the city of Antofagasta, Chile. This context is particularly relevant, as public educational institutions in Chile have recently faced significant quality gaps, which have increased pressure on teaching staff. Despite these heightened demands, there has been no corresponding increase in resources for teaching teams, leading to widespread teacher dissatisfaction and, in some cases, attrition from the profession (Ávalos et al., 2010). Data collection was conducted through a structured questionnaire comprising two sections. The first section gathered information on teacher identification and sociodemographic characteristics. The sample of teachers consisted predominantly of women (66%), with an average age of 41 years. Most participants fell within the age range of 23 to 38 years (see Table 1). Thus, the study group primarily comprises millennials and women. Most teachers are characterized by a predominantly teaching role, and to a lesser extent, there are teachers with a predominantly management role. The second section addressed self-reported data on the constructs under study, measured using scales validated in academic literature.

The study employed four instruments to measure the constructs under investigation. Transformational leadership and laissez-faire leadership styles were assessed using the Multifactor Leadership Questionnaire (MLQ) (Bass & Avolio, 1994), specifically the short version in Spanish adapted by López-Zafra (1998). This instrument evaluates employees' perceptions of their supervisor's leadership style using a 5-point Likert scale, where 1 corresponds to "never" and 5 to "frequently." For transformational leadership, the instrument measures four core attributes of leaders. Idealized influence refers to leaders' actions guided by moral commitments, integrity, and respect. Inspirational motivation encompasses behaviors that inspire and motivate others to achieve their goals. Intellectual stimulation involves encouraging innovative thinking and problem-solving among followers and fostering creativity. Finally, individual consideration reflects leaders' recognition and responsiveness to the needs of their followers, emphasizing empathy. In contrast, laissez-faire leadership style is characterized by inattention, lack of resolution, and minimal support or guidance, all of which are captured through the MLQ.

To assess job satisfaction, the Job Satisfaction Scale by Macdonald and MacIntyre (1997), in its Spanish version adapted by Salessi et al. (2021), was utilized. This instrument is widely recognized for its reliability and validity in organizational contexts. The scale provides a global and multidimensional assessment of the degree of satisfaction employees experience regarding their work environment. It evaluates both intrinsic and extrinsic factors, including working conditions, interpersonal relationships, opportunities for professional development, and perceptions of recognition. The Propensity to Leave Scale developed by Fournier et al. (2010) was employed to measure turnover intention. This scale, validated in various Spanish-speaking organizational contexts (Máñez-Guaderrama & Cavazos-Arroyo, 2021), is well-regarded for its capacity to assess the likelihood of an employee considering leaving their current organization. It integrates cognitive and emotional factors that influence the decision-making process. Finally, job performance was measured using the Performance Scale by Babin and Boles (1996). This instrument is recognized for its ability to comprehensively evaluate self-perceived performance

within organizational settings. For all constructs, a 5-point Likert scale was applied, ranging from 1 ("strongly disagree") to 5 ("strongly agree").

The data collected through the aforementioned instruments were analyzed using R Studio software. Descriptive statistics were computed using the dplyr package (version 1.1), with cross-tabulations by categories such as gender and age for the study variables. Additionally, the Hmisc package (version 5.2) was employed to calculate Pearson correlations, assessing the direction, magnitude, and significance of relationships between the following variables: gender, age, transformational leadership, laissez-faire leadership, job satisfaction, turnover intention, and performance. Subsequently, the partial least squares (PLS) technique was applied to test the hypotheses, given that the study variables are not directly observable. Specifically, structural equation modeling using the PLS approach (SEM-PLS) was conducted via SmartPLS software (version 4.0). This method enables the evaluation of both causal relationships among indicators/items and latent constructs. All constructs were modeled as first-order reflective variables.

3. RESULTS

Regarding the perception of transformational leadership, teachers generally reported recognizing the attributes of this leadership style in their principals (see Table 1). These findings align with those of Griffith (2004), who observed similar patterns in public elementary schools in the United States. Additionally, this prior work identified instances of transactional leadership in specific situations. In the context of Chilean public elementary schools, the data indicate that teachers' perceptions of transformational leadership are not associated with their age or gender (see Table 2). Both correlations were non-significant and near zero. Conversely, job satisfaction among teachers was observed at moderate levels, slightly higher for men, and increased progressively with age, showing a low positive correlation. However, the correlation between job satisfaction and gender remained close to zero and statistically non-significant.

Regarding turnover intention, men, on average, exhibit higher levels of turnover intention. However, the correlation between gender and

turnover intention is near zero and not statistically significant. Conversely, the results reveal a low but significant negative association between age and turnover intention. Specifically, as teachers' age increases, their intention to quit decreases. This suggests a higher risk of turnover among younger teachers. This finding is particularly noteworthy, as it could be partially explained by the lower professional and familial costs, as well as the greater incentives that younger teachers may experience when considering a job change. Stewart et al. (2017) argue that millennial and Generation Z workers demonstrate a greater tendency to leave their jobs when organizational expectations, both professional and personal, are unmet.

The performance results indicate slightly higher levels among women, with an increase observed across older age groups. However, the correlation between performance and age is near zero and not statistically significant. As anticipated based on the literature, there is a positive and significant association between job satisfaction and transformational leadership. Conversely, turnover intention is negatively and significantly associated with both transformational leadership and job satisfaction. In other words, turnover intention decreases

as the perception of transformational leadership increases. Similarly, higher levels of job satisfaction correspond to a reduction in turnover intention. Finally, laissez-faire leadership is negatively associated with job satisfaction and performance but positively associated with turnover intention. Specifically, as perceptions of laissez-faire leadership increase, job satisfaction and performance decrease while turnover intention rises.

Before proceeding to the estimation of the structural model, the psychometric properties of the measurement model were evaluated. The criteria of reliability, convergent validity, and discriminant validity were analyzed. Table 3 shows the loadings of each variable. The first step was to evaluate the reliability of each variable, analyzing the loadings of the indicators as recommended by Hair et al. (2014). For an indicator to be considered part of a variable, it must have a loading of at least 0.70 (Chin, 1998). In order to meet this criterion, LL5, LL7, LL8, and JS7 indicators were eliminated, as they did not reach the minimum required value. Subsequently, the loadings of the other indicators were recalculated. The reliability of the scales was ensured through Cronbach's Alpha (CA) and composite reliability (CR). As can be seen in Table

Table 1. Sample characterization and descriptive statistics

Variable	Categories	Percentage of Sample	Transformational Leadership (TL)	Laissez-faire Leadership (LL)	Job Satisfaction (JS)	Turnover Intention (TI)	Performance (P)
			Average	Average	Average	Average	Average
Gender	Female	66%	3.942	2.054	3.784	2.044	4.242
	Male	34%	3.938	2.082	3.890	2.082	4.125
Age (years old)	23–38	44%	3.827	2.141	3.643	2.235	4.137
	39–54	32%	4.014	2.022	3.940	2.056	4.234
	55–70	24%	4.053	1.977	3.961	1.706	4.301

Table 2. Correlations

Variable	Gender	Age	Transformational Leadership (TL)	Laissez faire Leadership (LL)	Job Satisfaction (JS)	Turnover Intention (TI)	Performance (P)
Gender	1						
Age	0.076	1					
Transformational Leadership (TL)	−0.002	0.082	1				
Laissez-faire Leadership (LL)	0.016	−0.082	−0.590***	1			
Job Satisfaction (JS)	0.054	0.133*	0.747***	−0.584***	1		
Turnover Intention (TI)	0.015	−0.180***	−0.601***	0.547***	−0.665**	1	
Performance (P)	−0.087	0.085	0.414***	−0.311***	0.388***	−0.308***	1

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

3, the CA and CR values exceed the recommended threshold of 0.7 (Hair et al., 2017). As for the additional reliability indicator, the Dillon-Goldstein Rho, all Rho values are also above 0.7 (Hair et al., 2014). Therefore, the constructs exhibit a high level of internal consistency.

To assess convergent validity, the AVE values were examined, confirming that they all meet the minimum accepted level of 0.5 (Chin, 1998). Thus, the results indicate good internal consistency of the constructs and adequate convergent validity (see Table 3).

After confirming the reliability of the measurement model, the discriminant validity of the measures was assessed. Fornell and Larcker's (1981) criterion states that a construct should share more variance with its measurement instruments than with the instruments of other constructs in the model. In Table 4, the square roots of the average value of variance extracted (AVE) are higher than the squared correlations between the different underlying constructs shown below the diagonal. An additional criterion for assessing discriminant validity is the heterotrait-monotrait ratio (HTMT), developed by Henseler et al. (2015). This ratio pro-

Table 3. Reliability and convergent validity

Variable	Item	Loadings	(t-value)	Cronbach's Alpha	Rho A	CR	AVE
Transformational Leadership	TL1	0.767	33.340***	0.964	0.964	0.968	0.715
	TL 2	0.846	11.366***				
	TL 3	0.853	42.215***				
	TL 4	0.833	75.235***				
	TL 5	0.865	21.071***				
	TL 6	0.861	37.305***				
	TL 7	0.862	58.874***				
	TL 8	0.871	5.795***				
	TL 9	0.851	65.510***				
	TL 10	0.843	25.553***				
	TL 11	0.858	51.594***				
	TL 12	0.835	12.759***				
Laissez-faire Leadership	LL1	0.811	21.681***	0.824	0.842	0.875	0.584
	LL2	0.832	27.732***				
	LL3	0.707	14.109***				
	LL4	0.746	15.828***				
	LL5	0.608	8.674***				
	LL6	0.718	17.339***				
	LL7	0.495	2.201***				
	LL8	0.214	5.927***				
Performance	P1	0.691	10.236***	0.831	0.851	0.879	0.594
	P2	0.813	23.121***				
	P3	0.715	14.472***				
	P4	0.749	18.707***				
	P5	0.847	28.398***				
	P6	0.700	14.921***				
Job Satisfaction	JS1	0.820	26.158***	0.933	0.935	0.945	0.683
	JS2	0.773	23.325***				
	JS3	0.904	56.174***				
	JS4	0.863	39.928***				
	JS5	0.864	40.110***				
	JS6	0.791	27.981***				
	JS7	0.468	6.823***				
	JS8	0.770	21.396***				
	JS9	0.818	34.303***				
Turnover Intention	TI1	0.924	54.866***	0.852	0.863	0.931	0.562
	TI2	0.943	111.016***				

Note: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 4. Discriminant validity

Variable	P	TI	TL	LL	JS
Performance (P)	0.771	0.386	0.421	0.386	0.464
Turnover Intention (TI)	-0.331	0.933	0.683	0.658	0.741
Transformational Leadership (TL)	0.391	-0.621	0.846	0.761	0.870
Laissez-faire Leadership (LL)	-0.349	0.570	-0.696	0.764	0.685
Job Satisfaction (JS)	0.422	-0.665	0.827	-0.615	0.826

Note: Diagonal items representing the square root of the average value of variance extracted (AVE) are shown in bold.

vides an estimate of the expected correlation between two constructs if they were measured perfectly, for which a maximum threshold of 0.90 is proposed (Henseler et al., 2015). At the top of the diagonal in Table 4, it can be seen that the indicators meet this criterion.

After validation of the measurement model, the structural model is examined using the PLS bootstrap process with a full result, a subsample of 5,000 and a one-tailed *t*-test with a significance threshold of 0.05%. This analysis allows one to evaluate the causal relationships and their level of significance, in addition to obtaining the results of the explained variance of the dependent variables attributed to the explanatory variables (Chin, 1998). In relation to the predictive power of the model, the criteria of Falk and Miller (1992) were followed, who consider that the minimum *R*² value is 0.1, this being the minimum significance value. Table 5 shows that the *R*² value of all the dependent factors (JA, TI, and P) is greater than 0.1. The overall model fit was measured using the root mean square residual (SRMR), which resulted in a value of 0.060 for this indicator, which was below the recommended threshold value of 0.080 (Hair et al., 2017), thus confirming the fit of the measurement model.

4. DISCUSSION

The results highlight the differing impacts of transformational and laissez-faire leadership styles on job satisfaction, turnover intention, and performance among teachers in Chile. These findings reflect the complexity of organizational dynamics, particularly in contexts where cultural, structural, and individual factors distinctly influence the relationships explored.

The transformational leadership style demonstrates a strong, positive relationship with job satisfaction, aligning with its established role in enhancing employee well-being. This finding is consistent with contemporary research that links transformational leadership with increased organizational morale and commitment (Aya Hamza et al., 2024; Hussein et al., 2024). In high-pressure work environments, such as public educational organizations that face demands for quality improvements despite limited resources, the support, coaching, and recognition provided by transformational leaders can enhance employee morale and well-being (Judge & Piccolo, 2004), thereby fostering a more positive environment and greater teacher satisfaction.

Table 5. Hypotheses testing

Hypothesis	Relationship	Beta (β)	Standard Deviation	t-value	p-value	Result
H1	TL → JS	0.774	0.058	13.293	0.000	Accepted
H2	LL → JS	-0.076	0.063	1.199	0.230	Rejected
H3	JS → P	0.295	0.116	2.552	0.011	Accepted
H4	JS → TI	-0.451	0.103	4.382	0.000	Accepted
H5	TL → TI	-0.086	0.115	0.745	0.456	Rejected
H6	LL → TI	0.233	0.102	2.285	0.022	Accepted
H7	TL → P	0.058	0.146	0.401	0.688	Rejected
H6	LL → P	-0.127	0.105	1.213	0.225	Rejected

Note: *R*² JS= 0.687; *R*² TI=0.486; *R*² P= 0.192. SRMR= 0.060. P = Performance; TI = Turnover Intention; TL = Transformational Leadership; LL = Laissez-faire Leadership; JS = Job Satisfaction.

However, no significant correlation was found between the transformational leadership style and performance. This may be attributed to the complexity inherent in school environments, which may limit leaders' ability to adjust their actions easily to achieve better results. In certain contexts, such as organizations with less favorable working conditions, job satisfaction does not necessarily guarantee superior performance (Paais & Pattiruhu, 2020). Additionally, Patterson et al. (2004) suggest that job satisfaction is more strongly related to performance when performance is measured through economic factors rather than productivity. In the present study, performance is assessed based on the teachers' own perceptions.

The study supports the notion that job satisfaction serves as a key mediator between leadership style and organizational outcomes. It is observed that higher job satisfaction leads to improvements in teacher performance and teaching effectiveness in this context. Furthermore, increased job satisfaction reduces the turnover intention. Job satisfaction acts as a retention factor, as satisfied employees are generally less inclined to seek new opportunities (Roberts-Turner et al., 2014). This suggests that by enhancing job well-being, organizations can reduce turnover and retain talent, thereby fostering a more stable and engaged work environment. These findings are consistent with contemporary research that emphasizes job satisfaction as a critical indicator of organizational strength and efficiency (Manzoor et al., 2019; Nurtjahjani et al., 2023).

On the other hand, and in contrast to one of the key challenges in the educational context, the

laissez-faire leadership style increases turnover intention. This suggests that, within the educational context, the support, guidance, and direction provided by school principals may play a significant role in teachers' turnover intention. These findings align with previous research, which indicates that this leadership style is associated with "unsatisfactory" and uninspiring work environments (Skogstad et al., 2007). In other words, hands-off leadership practices should be avoided in academic settings, where intentional guidance and motivation are critical for professional success.

Consequently, the results indicate that the impacts of transformational and *laissez-faire* leadership styles vary depending on the context in which they are applied. Effectiveness in the educational setting also depends on the availability of adequate resources and the implementation of supportive teaching practices (Aya Hamza et al., 2024). While it is widely acknowledged that the transformational leadership style can contribute to educational institutions, it is most effective when there is sufficient support for teacher autonomy and the adoption of teaching practices that encourage creativity in educators (Ali & Ullah, 2023). In summary, the findings of this study underscore the need to tailor leadership styles to the specific characteristics of the organizational environment. Therefore, to maximize the positive impact of transformational leadership and mitigate the adverse effects of *laissez-faire* style, educational communities must address structural or organizational conditions, teacher expectations, and the availability of resources to implement necessary actions.

CONCLUSION

This study examines the impact of transformational and *laissez-faire* leadership styles on job satisfaction, turnover intention, and performance within the context of public educational organizations. It also explores the mediating role of job satisfaction in these relationships. The findings reaffirm that transformational leadership exerts a significant positive influence on job satisfaction by fostering more engaging and fulfilling work environments. However, its relationship with perceived performance and turnover intention remains less clear, likely due to the inherent complexities of the educational setting.

Moreover, the study underscores that employee retention – one of the most pressing challenges in contemporary organizations – can be effectively enhanced through job satisfaction and its various

dimensions. Conversely, laissez-faire leadership significantly increases turnover intention, highlighting the necessity of avoiding passive leadership styles in environments where guidance and direction are critical for maintaining team cohesion and motivation.

Finally, this study emphasizes the importance of prioritizing strategies and policies that strengthen transformational leadership among school principals while discouraging laissez-faire practices. In addition, continuous monitoring and improvement of teacher job satisfaction are recommended, as higher satisfaction levels contribute to teacher retention and the development of a more stable and committed workforce. This is particularly relevant in educational organizations where retention is a persistent challenge due to the pressures faced by teachers, limited structural resources, a conflict-prone work environment, and the significant presence of millennial workers in teaching teams.

AUTHOR CONTRIBUTIONS

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