The Influence of Work Environment, Workload, and Transformational Leadership on Employee Retention at Dira Café Kencong in Jember Regency

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ABSTRACT: High employee turnover is a significant challenge for the service industry, including the culinary sector, such as Dira Café Kencong in Jember Regency. A non-conducive work environment, unbalanced workload, and less than inspiring leadership are often the main factors in low employee retention. This research aims to analyze the influence of Work Environment, Workload, and Transformational Leadership on employee retention simultaneously or partially. The research method used is quantitative with a multiple linear regression approach. Data was collected from 75 employees through a questionnaire whose validity and reliability were tested. The research results show that the three independent variables have a significant influence on employee retention, with Transformational Leadership as the most dominant variable. Simultaneously, Work Environment, Workload, and Transformational Leadership explained 34.9% of the variation in employee retention. These results emphasize the importance of creating a supportive work environment, managing workload effectively, and strengthening a transformative leadership style to increase employee loyalty.

Keywords: Work Environment, Workload, Transformational Leadership, Employee Retention

INTRODUCTION

In today's increasingly competitive business world, employee retention has become a key focus for companies. A conducive work environment and transformational leadership can significantly impact employee retention rates. (Oktaviany et al., 2023). The work environment encompasses not only physical aspects such as workspace and facilities but also psychological aspects, including interpersonal relationships, workplace atmosphere, and employee satisfaction with company policies. Workload also plays a crucial role in maintaining a balance between individual capacity and organizational demands. Meanwhile, transformational leadership inspires and motivates employees to surpass their limits and achieve greater performance. (Damayanti et al., 2023).

Employees who feel comfortable and motivated tend to have higher retention rates. This can reduce turnover, which poses a threat to business sustainability. (Nurul Qomariah, Abadi Sanosra, Eko Budi Satoto, 2022)High turnover rates drain resources and affect productivity and the morale of other employees. Therefore, managing factors such as the work environment, workload, and leadership style is crucial in retaining quality employees. (Jefri et al., 2024)Emerging trends across various business sectors show that companies often face significant challenges in retaining their employees. Numerous studies indicate that an unsupportive work environment, excessive workload, and a lack of inspirational leadership are the primary causes of high turnover rates. This situation is further exacerbated by employees' increasing expectations for a balance between work and personal life.

Millennial and Generation Z employees, who now dominate the workforce, have different expectations compared to previous generations. They tend to prefer companies that offer flexible work environments, emotional support, and adaptive leadership. A company's inability to meet these expectations can lead to dissatisfaction, ultimately affecting retention rates.

Globally, data shows that the average employee turnover rate across various industries has steadily increased over the past five years. According to a report by the World Economic Forum, annual turnover rates in certain sectors have even reached 20% to 30% (Mubarok, 2025), signaling the urgent need for companies to implement strategic measures to retain their talent. High turnover rates lead to increased recruitment and onboarding costs, training for new employees, and short-term declines in productivity (Rusdianti, 2024).

Data from the Central Statistics Agency (BPS) shows that turnover rates in the service and tourism sectors, including hospitality and restaurant industries, have reached alarming levels. This indicates an urgent need for companies to understand better the dynamics influencing employee retention (Mardiah, 2024). The work environment encompasses various aspects, from physical safety and comfort to social interactions in the workplace. Research by (Trisna & Guridno, 2021) states that a positive work environment can enhance employees' intrinsic motivation. On the other hand, an unbalanced workload can lead to stress, directly affecting employees' physical and mental health, as explained by (Novitasari et al., 2019).

Transformational leadership also plays a significant role in fostering a strong organizational culture. This leadership style comprises four key elements: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Transformational leadership not only improves employee performance but also strengthens the emotional bond between leaders and their teams, as highlighted by (F. Wibowo & Tjahjono, 2023).

Several previous studies have highlighted the importance of the relationship between work environment, workload, and leadership on retention. A study by (Akinwale & George, 2020) found that a comfortable work environment can increase job satisfaction by up to 25%, ultimately contributing to retention rates. Another study by (A. Wibowo, 2021) revealed that high workloads without adequate support can increase turnover risk by 30%. Research by (Dhir et al., 2020) on the impact of transformational leadership demonstrated that this leadership style could enhance employee loyalty by 35%. Transformational leadership has been proven effective in fostering emotional attachment between employees and the company (Nursaid et al., 2020).

Most prior studies appear to focus solely on the individual impacts of the work environment, workload, or transformational leadership on employee retention, without offering a comprehensive analysis of how these three factors simultaneously affect retention, particularly in the context of small enterprises in the service sector. To address this gap, this study aims to integrate the influence of the work environment, workload, and transformational leadership on employee retention simultaneously, with a particular focus on local culinary businesses such as Dira Café Kencong. The novelty of this research lies in its holistic approach, which not only measures the individual impact of each variable but also explores the interactions among these factors in creating a supportive work environment that enhances employee retention within the context of small businesses in the culinary sector.

Dira Café Kencong, as one of the culinary service businesses in Jember Regency, faces similar challenges. In recent years, the café has experienced significant fluctuations in employee turnover. Based on initial interviews with management, it was found that work environment and workload are the primary complaints of employees. Additionally, the managerial leadership in place has not been effective in inspiring employees to stay. This phenomenon calls for an in-depth study to understand the relationship between these factors and employee retention. Considering the critical role employees play in maintaining service quality, Dira Café Kencong must conduct a comprehensive evaluation of its human resource policies.
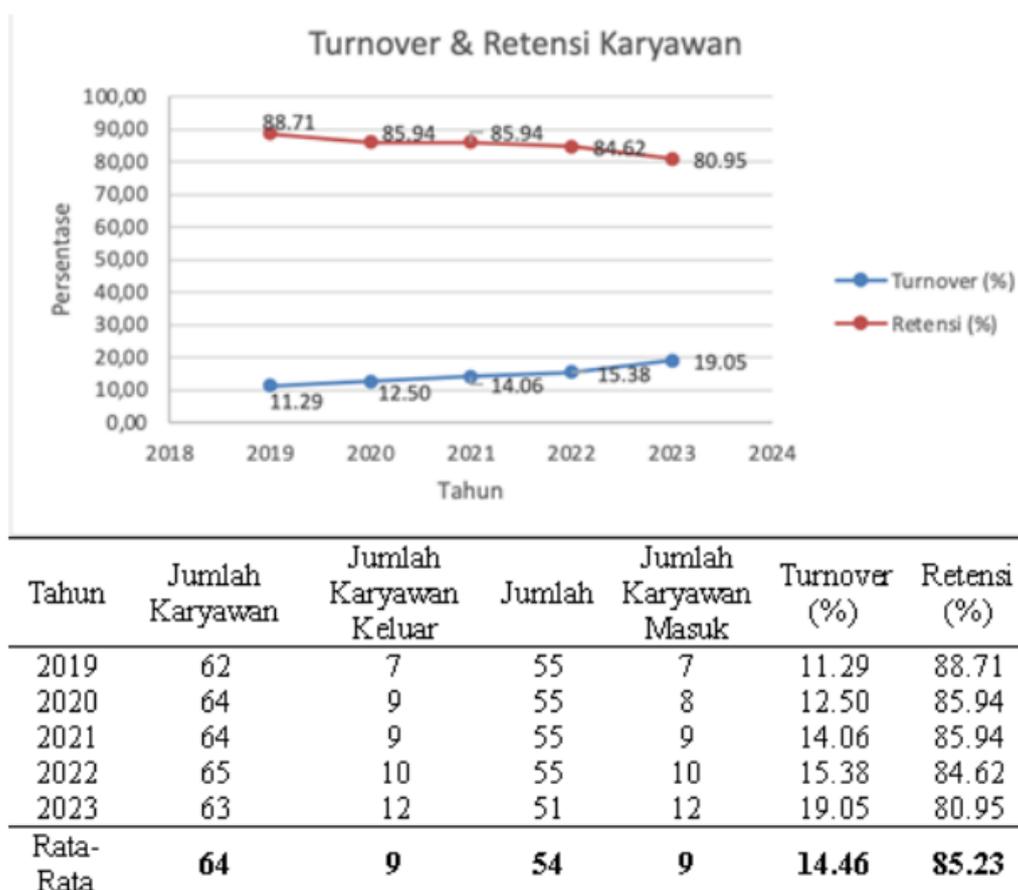

Tahun	Jumlah Karyawan	Jumlah Karyawan Keluar	Jumlah	Jumlah Karyawan Masuk	Turnover (%)	Retensi (%)
2019	62	7	55	7	11.29	88.71
2020	64	9	55	8	12.50	85.94
2021	64	9	55	9	14.06	85.94
2022	65	10	55	10	15.38	84.62
2023	63	12	51	12	19.05	80.95
Rata-Rata	64	9	54	9	14.46	85.23

Figure 1. Employee Turnover and Retention Rates at Dira Café Kencong from 2019 to 2023
Source: HRD Dira Café Kencong (2024)

Based on the data in Table 1, the employee turnover rate at Dira Café Kencong has steadily increased from 11.29% in 2019 to 19.05% in 2023. Meanwhile, the retention rate has decreased from 88.71% to 80.95% over the same period. The average turnover rate during this period was 14.46%, while the retention rate averaged 85.23%. These fluctuations reflect challenges in maintaining workforce stability. The significant rise in turnover in 2022 and 2023 highlights the need for strategic interventions to improve retention. This study aims to analyze the influence of the work environment, workload, and transformational leadership on employee retention at Dira Café Kencong in Jember Regency. By understanding the relationships among these variables, this research is expected to provide strategic recommendations for management to enhance employee retention and create a more productive and sustainable work environment.

Maslow's Hierarchy of Needs, introduced by Abraham Maslow in 1943 through *A Theory of Human Motivation*, categorizes human needs into five levels: physiological, safety, social, esteem, and self-actualization (Mustaf et al., 2023). Individuals prioritize basic needs such as food, water, and shelter before advancing to higher levels, including interpersonal relationships, recognition, and self-fulfillment. A supportive work environment that fulfills physiological and safety needs fosters comfort and security, reducing turnover. Transformational leadership addresses esteem and self-actualization needs by providing inspiration, motivation, and recognition (Desmet & Fokkinga, 2020). Studies suggest that employees whose basic needs are met tend to be more loyal and motivated, underscoring the importance of applying Maslow's theory in HR policies to create healthy workplaces, balanced workloads, and effective leadership, ultimately boosting retention (Ihensekien & Joel, 2023).
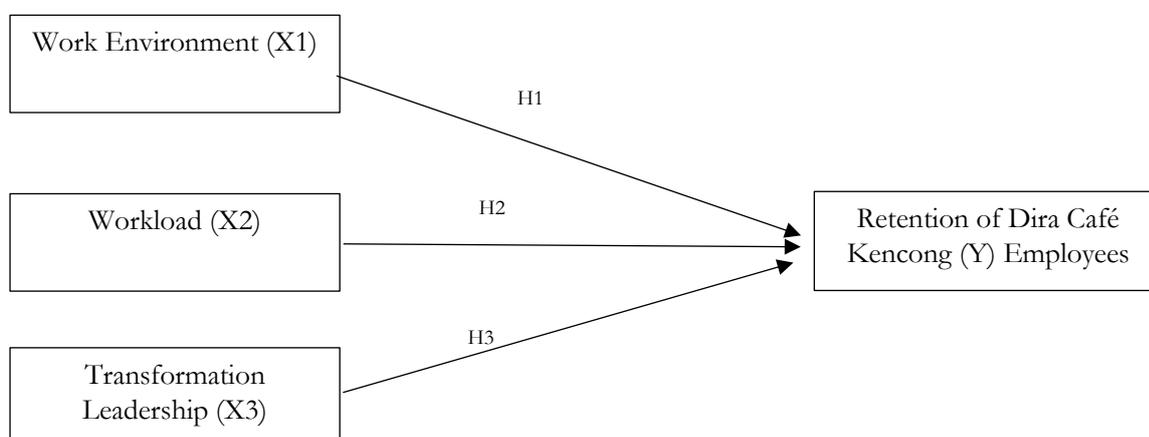

Figure 2. Conceptual Framework

The work environment, workload, and transformational leadership significantly influence employee retention. A conducive work environment, both physically and psychologically, enhances employee comfort and satisfaction, fostering loyalty (Biason, 2020). Balanced workloads prevent stress and burnout, while workloads aligned with employee capacity boost productivity and satisfaction, reducing turnover risk (Pahlawan & Wahyuni, 2022). Additionally, transformational leadership plays a vital role by inspiring, motivating, and providing individualized attention to employees, creating emotional attachment and loyalty. Studies indicate that

transformational leadership can increase employee loyalty by 35% (Ramadhan, 2024), highlighting its importance in retaining quality employees for long-term organizational success.

This study aims to analyze the influence of the work environment, workload, and transformational leadership on employee retention at Dira Café Kencong in Jember Regency. By understanding the relationships among these variables, this research is expected to provide strategic recommendations for management to enhance employee retention and create a more productive and sustainable work environment.

METHOD

This study employs a quantitative research design with a causal associative method, aiming to examine the influence of independent variables work environment, workload, and transformational leadership on the dependent variable, employee retention. According (Sugiyono, 2019)Causal associative research is designed to analyze cause-and-effect relationships between two or more variables. This design was chosen because it enables the researcher to identify the extent to which the independent variables impact employee retention. The study focuses on collecting numerical data to measure the degree of influence of each variable, providing a deeper understanding of the factors contributing to the improvement or decline in employee retention at Dira Café Kencong, Jember Regency.

Primary data for this study was collected directly from respondents through questionnaires distributed to employees of Dira Café Kencong, capturing their perceptions of the work environment, workload, transformational leadership, and retention. This data is highly relevant as it reflects employees' direct experiences and conditions (Sugiyono, 2018). Secondary data was obtained from internal company documents, such as employee reports, turnover data, and HR policies and programs, as well as from literature, scientific journals, reference books, and official reports related to work environment, workload, transformational leadership, and employee retention concepts (Creswell, 2017). The combination of primary and secondary data provides a robust empirical foundation and theoretical relevance for the study, enriching the analysis with both direct insights and contextual support.

The population in this study consists of all 75 employees of Dira Café Kencong. According to (Sugiyono, 2021), a population is a generalization area comprising objects or subjects with specific characteristics defined by the researcher for study and conclusion. In this context, all employees of Dira Café Kencong are considered relevant for the research, as they are directly involved in the café's operational activities and have work experience aligned with the study variables: work environment, workload, transformational leadership, and employee retention. The sampling technique used in this research is total sampling, where the entire population is included as the research sample. This approach was chosen because the population size is relatively small, making it feasible to study all employees. Consequently, the sample size is equal to the population, totaling 75 employees. The advantage of total sampling is that it provides more accurate and representative results, as the entire population is represented. The respondents in this study, comprising

employees from various positions and divisions at Dira Café Kencong, offer comprehensive data for analysis.

The analytical tool used in this study is SPSS 27 (Statistical Package for the Social Sciences), and the data analysis technique applied is quantitative analysis using multiple linear regression. According to (Ghozali, 2018), multiple linear regression analysis is employed to determine the simultaneous and partial influence of two or more independent variables on a single dependent variable. In this study, the independent variables are work environment, workload, and transformational leadership, while the dependent variable is employee retention. The data collected through questionnaires is processed and analyzed using SPSS 27 to test the causal relationships between variables. Additionally, this research includes validity and reliability tests for the instruments to ensure data accuracy, as well as classical assumption tests such as normality, multicollinearity, and heteroscedasticity tests to ensure the feasibility of the regression model. The results of this analysis provide an empirical understanding of the extent to which each independent variable influences employee retention at Dira Café Kencong.

RESULT AND DISCUSSION

Dira Café Kencong is a local café located in Kencong Subdistrict, Jember Regency, East Java. Established in 2015, the café was founded to meet the community's need for a comfortable dining and hangout spot that offers quality signature dishes at affordable prices. In recent years, Dira Café Kencong has successfully attracted customers from various demographics, ranging from teenagers to families, thanks to its warm ambiance, modern interior design, and friendly service. Its strategic location in the subdistrict center makes it a popular choice for gatherings, events, or simply relaxing. However, the café faces challenges in retaining employees due to increasing fluctations in turnover rates, which is the focus of this study.

Table 1. Informant Characteristics

Characteristics	Frequency	Percentage (%)
Age		
< 25 years	30	40.0
25–35 years	35	46.7
> 35 years	10	13.3
Gender		
Male	40	53.3
Female	35	46.7
Education Level		
High School/Equivalent	45	60.0
Diploma	20	26.7
Bachelor's Degree	10	13.3

Based on Table 2, the characteristics of the informants show that the majority of respondents are aged 25–35 years, totaling 35 individuals (46.7%), followed by those under 25 years with 30

individuals (40.0%), and the remaining 10 individuals (13.3%) are over 35 years old. In terms of gender, the majority of respondents are male, totaling 40 individuals (53.3%), while female respondents account for 35 individuals (46.7%). Regarding educational background, most respondents have a high school education or equivalent, totaling 45 individuals (60.0%), followed by diploma holders with 20 individuals (26.7%), and bachelor's degree holders with 10 individuals (13.3%). This data reflects a demographic distribution relevant to the employee population at Dira Café Kencong, indicating that most employees are in their productive age group with at least a secondary education, contributing significantly to the company's operations.

Validity and Reliability Test

The validity test aims to ensure that each item in the questionnaire accurately measures the intended variable, thereby aligning the data with the theoretical concepts. Meanwhile, the reliability test is conducted to ensure the consistency of measurement results when the same instrument is used again under similar conditions. By ensuring the validity and reliability of the instrument, the analysis results can be considered accurate and trustworthy to support the research conclusions.

Table 2. Validity Test

Variable	Question Item	r Calculated	Description
Work Environment (X1)	X1.1	0.823	VALID
	X1.2	0.830	VALID
	X1.3	0.862	VALID
Workload (X2)	X2.1	0.868	VALID
	X2.2	0.860	VALID
	X2.3	0.793	VALID
Transformational Leadership (X3)	X3.1	0.921	VALID
	X3.2	0.944	VALID
	X3.3	0.873	VALID
Employee Retention (Y)	Y1.1	0.858	VALID
	Y1.2	0.924	VALID
	Y1.3	0.856	VALID

Source: SPSS Version 27 (2024)

Based on Table 2, the validity test results show that all question items for the variables of the work environment (X1), workload (X2), transformational leadership (X3), and employee retention (Y) have calculated R-values greater than the specified r-table value, indicating that all items are valid. For the work environment variable, the calculated R-values range from 0.823 to 0.862, while for the workload variable, they fall between 0.793 and 0.868. The transformational leadership variable exhibits the highest calculated r-value, reaching up to 0.944, indicating excellent instrument quality. Similarly, the employee retention variable shows calculated R-values ranging from 0.856 to 0.924. These results indicate that all question items accurately measure their respective variables, ensuring that the collected data can be reliably used for further analysis.

Table 3. Reliability Test

Variable	Cronbach's Alpha	Cut-Off Value	Description
Work Environment (X1)	0.785	0.60	Reliable
Workload (X2)	0.791	0.60	Reliable
Transformational Leadership (X3)	0.899	0.60	Reliable
Employee Retention (Y)	0.851	0.60	Reliable

Source: SPSS Version 27 (2024)

The reliability test results in Table 3 indicate that all variables in this study have Cronbach's Alpha values greater than the cut-off value of 0.60, confirming that all variables are reliable. The work environment variable (X1) has a Cronbach's Alpha value of 0.785, workload (X2) is 0.791, transformational leadership (X3) is 0.899, and employee retention (Y) is 0.851. These values indicate that the research instruments exhibit good internal consistency in measuring each variable, ensuring that the data obtained is reliable and can support further analysis.

Correlation Test

The Pearson correlation test is used to determine the strength and direction of the linear relationship between the independent variables—work environment, workload, and transformational leadership—and the dependent variable, employee retention. The results of this test provide an initial overview of the level of association between variables, serving as a basis for further analysis, such as regression testing.

Table 4. Pearson Correlation Test

Correlations

		Work Environment	Beban Kerja	Transformation Leadership	Retensi Karyawan
Work Environment	Pearson Correlation	1	-.137	-.417**	.0305**
	Sig. (2-tailed)		.242	.000	.008
	N	75	75	75	75
Workload	Pearson Correlation	-.137	1	.304**	.301**
	Sig. (2-tailed)	.242		.008	.009
	N	75	75	75	75
Transformation Leadership	Pearson Correlation	-.417**	.304**	1	.329**
	Sig. (2-tailed)	.000	.008		.004
	N	75	75	75	75
Employee Retention	Pearson Correlation	.035	.301**	.329**	1
	Sig. (2-tailed)	.768	.009	.004	
	N	75	75	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 27 (2024)

Based on Table 4, the Pearson correlation test results indicate significant relationships among the study variables. The work environment has a significant positive correlation with employee retention ($r = 0.305$, $p = 0.008$), suggesting that a favorable work environment can enhance retention. Workload also shows a significant positive correlation with transformational leadership ($r = 0.304$, $p = 0.008$) and employee retention ($r = 0.301$, $p = 0.009$), indicating that well-managed

workloads can contribute to retention, especially under transformational leadership. Transformational leadership has a significant positive correlation with employee retention ($r = 0.329$, $p = 0.004$), highlighting the importance of this leadership style in fostering employee loyalty. Overall, these relationships support the theoretical framework that the work environment, workload, and transformational leadership contribute to employee retention, with interconnected influences among the variables.
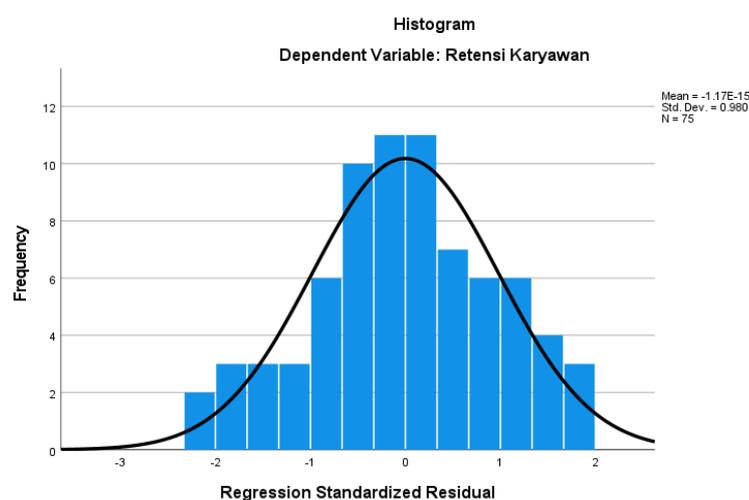
Classical Assumption Test

1. Normality Test

Figure 3. Histogram Normality Test (Source: SPSS Version 27 2024)

Based on Figure 3, the results of the normality test using a histogram indicate that the residual distribution follows a normal distribution pattern characterized by a symmetrical histogram resembling a bell curve. The mean value of -1.17E-15 and a standard deviation of 0.980 support the conclusion that the data approximates a normal distribution. This indicates that the normality assumption for regression has been met, ensuring that the regression model used is valid for further analysis.

The results of this normality test are consistent with the study by (Aman-Ullah et al., 2022), which also found a normal residual distribution in the analysis of the impact of the work environment on employee retention in the service sector. The study highlights the importance of regression model validity to ensure reliable analytical outcomes. The implication is that the results of this study can be used to provide accurate recommendations for strategies to improve employee retention, particularly in managing a more conducive work environment.
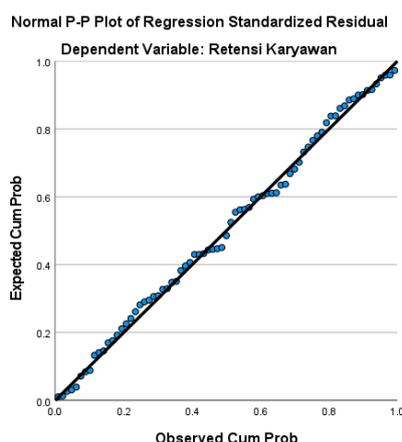
Figure 4. Normality Test P-P Plot (Source: SPSS Version 27 2024)

Based on Figure 4, the results of the normality test using the Normal P-P Plot show that the data points are distributed around the diagonal line and follow a linear pattern. This indicates that the regression model's residuals meet the normality assumption. The distribution of residuals close to the diagonal line demonstrates that the residual data is normally distributed, which is a key assumption in regression analysis. With this assumption fulfilled, the regression analysis results can be considered valid and suitable for further interpretation.

The results of this normality test are consistent with the findings of (Feng et al., 2020), which also showed a linear pattern of data points around the diagonal line in their Normal P-P Plot analysis. This indicates that the residuals meet the normality assumption, supporting the validity of the regression model. The implication is that the analysis results can be reliably interpreted, providing a solid foundation for strategic recommendations aimed at improving employee retention.

2. Multicollinearity Test

Table 5. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	22.399	2.239		10.002	.000		
	Work Environment	-.279	.106	-.292	-2.640	.010	.750	1.334
	Workload	-.496	.099	-.527	-4.996	.000	.823	1.214
	Transformation Leadership	-.491	.092	-.611	-5.311	.000	.693	1.442

a. Dependent Variable: Employee Retention
Source: SPSS Version 27 (2024)

Based on Table 5, the multicollinearity test results show that all independent variables—work environment, workload, and transformational leadership—have tolerance values above 0.10 and Variance Inflation Factor (VIF) values below 10. The tolerance values for each variable are 0.750, 0.823, and 0.693, while the VIF values range from 1.214 to 1.442. This indicates that there is no multicollinearity among the independent variables in the regression model. Therefore, the

regression model can be considered valid, and the relationships between the independent variables do not significantly affect the analysis results.

The multicollinearity test results align with the findings of (Masta & Riyanto, 2020), who also reported tolerance values above 0.10 and VIF values below 10 in a similar study on workload and leadership's impact on employee retention. This confirms the absence of multicollinearity, ensuring the validity of the regression model. The implication is that the relationships among independent variables—work environment, workload, and transformational leadership—can be analyzed independently, leading to more accurate conclusions and practical recommendations for improving employee retention.

3. Heteroscedasticity Test

Table 6. Breusch-Pagan Heteroscedasticity Test

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.518	1.301		.399	.691
	Work Environment	.020	.061	.043	.318	.751
	Workload	.055	.058	.122	.956	.342
	Transformation Leadership	.086	.054	.224	1.603	.113

a. Dependent Variable: RES2

Source: SPSS Version 27 (2024)

Based on Table 6, the heteroscedasticity test results using the Breusch-Pagan method show that all independent variables—work environment, workload, and transformational leadership—have significance (Sig.) values greater than 0.05. The significance values for each variable are 0.751 for work environment, 0.342 for workload, and 0.113 for transformational leadership. This indicates that there is no heteroscedasticity problem in the regression model, as the residual variance is constant. Therefore, the regression model meets the assumption of homoscedasticity, ensuring that the regression analysis results are valid.

The heteroscedasticity test results are consistent with the findings of (ILORI & TANIMOWO, 2022), who also observed significance values greater than 0.05 in their Breusch-Pagan analysis, indicating no heteroscedasticity in their regression model. This confirms that the residual variance is constant, validating the assumption of homoscedasticity. The implication is that the regression analysis results are robust and can be used reliably to provide actionable insights for improving employee retention through strategies addressing the work environment, workload, and transformational leadership.

Multiple Linear Regression Analysis

Multiple linear regression analysis aims to determine the simultaneous and partial effects of independent variables on the dependent variable. In this study, the independent variables are Work Environment (X1), Workload (X2), and Transformational Leadership (X3), while the dependent variable is Employee Retention (Y). The multiple linear regression equation derived from Table 8 is as follows:

Table 7. Results of Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	22.399	2.239		10.002	.000
	Work Environment	.279	.106	.292	2.640	.010
	Workload	.496	.099	.527	4.996	.000
	Transformation Leadership	.491	.092	.611	5.311	.000

a. Dependent Variable: Employee Retention

Source: SPSS Version 27 (2024)

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3$$

Based on the analysis results, the regression equation can be written as:

$$Y = 22.399 + 0.279 X_1 + 0.496 X_2 + 0.491 X_3$$

Y is Employee Retention

X1 is the Work Environment

X2 is Workload

X3 is Transformational Leadership

The regression analysis results indicate that the work environment has a significant effect on employee retention ($b_1 = 0.279$), where an increase of one unit in the work environment can increase retention by 0.279 units. Workload also has a highly significant impact ($b_2 = 0.496$), with each one-unit increase in workload improving retention by 0.496 units, emphasizing the importance of workload management. Transformational leadership also shows a very significant influence ($b_3 = 0.491$), with a one-unit increase in transformational leadership raising retention by 0.491 units. These findings highlight the importance of managing the work environment, workload, and transformational leadership to enhance employee loyalty.

The regression analysis results align with the findings of (Nguyen, 2021), who also identified significant positive effects of leadership and workload management on employee retention. Their study emphasized the importance of transformational leadership in fostering loyalty, which corresponds to the high coefficient value for transformational leadership ($b_3 = 0.491$) in this analysis. The implication is that organizations can enhance employee retention by simultaneously

improving the work environment, effectively managing workloads, and adopting a transformational leadership style, thereby addressing multiple retention factors comprehensively.

Hypothesis Testing

1. T test

Table 8. T test

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	22.399	2.239		10.002	.000
	Work Environment	.279	.106	.292	2.640	.010
	Workload	.496	.099	.527	4.996	.000
	Transformation Leadership	.491	.092	.611	5.311	.000

a. Dependent Variable: Employee Retention
Source: SPSS Version 27 (2024)

1. Work Environment has a t-value of 2.640 with p = 0.010, which is less than 0.05, indicating that this variable significantly affects employee retention. The positive coefficient (b = 0.279) shows that improvements in the work environment can enhance employee retention.

2. Workload has a t-value of 4.996 with p = 0.000, significantly below 0.05, indicating a very significant influence. The positive coefficient (b = 0.496) suggests that effective workload management can significantly improve employee retention.

3. Transformational Leadership has a t-value of 5.311 with p = 0.000, demonstrating a very significant effect on employee retention. The positive coefficient (b = 0.491) indicates that an effective transformational leadership style can significantly enhance employee loyalty and retention.

Overall, the t-test results show that all independent variables significantly affect employee retention. This underscores the importance of managing the work environment, workload, and transformational leadership in improving employee retention rates.

The t-test results are consistent with the findings of (Bagus et al., 2021), who also identified significant positive effects of work environment, workload, and leadership on employee retention. Their study emphasized the role of leadership in boosting employee loyalty, which aligns with the strong t-value and coefficient for transformational leadership (t = 5.311, b = 0.491) in this analysis. The implication is that organizations should prioritize improving these variables collectively to achieve higher retention rates, as each factor plays a critical and complementary role in retaining employees.

2. F Test

Table 9. Simultaneous F Test

ANOVAa

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	268.598	3	89.533	12.710	.000b
	Residual	500.149	71	7.044		
	Total	768.747	74			

a. Dependent Variable: Employee Retention
b. Predictors: (Constant), Transformation Leadership, Workload, Work Environment
Source: SPSS Version 27 (2024)

Based on the F-test results in Table 9, the calculated F-value is 12.710 with a significance value (p) of 0.000, which is less than 0.05. This indicates that the independent variables—work Environment, Workload, and Transformational Leadership—simultaneously have a significant effect on the dependent variable, Employee Retention. Therefore, the regression model used in this study can significantly explain the relationship between the independent variables and employee retention. These findings confirm that these three factors collectively play a crucial role in improving employee retention.

The F-test results align with the findings of (Chatzoudes & Chatzoglou, 2022), who demonstrated that work environment, workload, and leadership factors simultaneously and significantly affect employee retention. The significant F-value (12.710, p = 0.000) in this study underscores the collective importance of these variables. The implication is that integrated strategies addressing all three factors are essential for organizations to effectively enhance employee retention, as focusing on any single variable may not yield optimal results.

3. Coefficient of Determination (R^2)

Table 10. Coefficient of Determination Test (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591a	.349	.322	2.654

a. Predictors: (Constant), Transformation Leadership , Beban Kerja, Work Environment
Source: SPSS Version 27 (2024)

Based on Table 10, the results of the coefficient of determination test show an R Square value of 0.349, indicating that 34.9% of the variation in the dependent variable, Employee Retention, can be explained by the independent variables Work Environment, Workload, and Transformational Leadership. Meanwhile, the remaining 65.1% is explained by other factors outside the model. The Adjusted R Square value of 0.322 provides a more realistic level of adjustment, accounting for the number of independent variables in the model. With a standard error of 2.654, the model demonstrates an acceptable level of error for regression analysis, indicating that the independent variables contribute reasonably well to influencing employee retention.

The coefficient of determination results are consistent with the study by (Chang et al., 2024), which also found that work environment, workload, and leadership explained a substantial portion of employee retention variability, though other external factors played a significant role. This study's R Square value of 0.349 highlights the moderate explanatory power of these variables. The implication is that while these factors are crucial, organizations should also explore additional variables, such as organizational culture or employee benefits, to address retention challenges comprehensively.

The results of the coefficient of determination test show an R Square value of 0.349, indicating that 34.9% of the variation in employee retention can be explained by the work environment, workload, and transformational leadership, with the remaining 65.1% influenced by other factors. This suggests that while these three variables play a significant role, improvements in their management could further enhance retention. Practical recommendations for Dira Café Kencong include fostering a supportive work environment by upgrading workplace facilities, ensuring proper lighting and ventilation, and promoting a culture of mutual respect among employees. To address workload concerns, management should optimize task allocation and provide clear role definitions to reduce stress and improve efficiency. For transformational leadership, café managers should focus on leadership development programs that enhance skills in motivating, inspiring, and supporting employees individually, thereby creating stronger emotional bonds and increasing loyalty. These actions can collectively contribute to a more stable and productive workforce.

The Influence of Work Environment, Workload, and Transformational Leadership on Employee Retention

The research findings show that the work environment has a significant influence on employee retention, with a regression coefficient of 0.279 (p = 0.010). This indicates that an improved work environment leads to increased employee retention. A positive work environment includes physical aspects, such as adequate facilities, and psychological aspects, such as harmonious relationships among employees. These findings align with the study by (Lumbantoruan, 2024), which states that a conducive work environment enhances motivation and job satisfaction, thereby reducing turnover. For Dira Café Kencong, creating a supportive work environment can be a critical strategy to retain employees amidst the challenges of competition in the culinary service industry.

The workload variable has a highly significant impact on employee retention, with a regression coefficient of 0.496 (p = 0.000). This result demonstrates that effective workload management can increase employee retention. Workloads that align with employee capacity help reduce stress and the risk of burnout, thus enhancing their loyalty to the company. These findings are consistent with the study by (Wahdiniawati, 2024), which emphasizes the importance of workload balance in creating a harmony between work and personal life. At Dira Café Kencong, a fair distribution of workload is a key factor in fostering a productive work environment that supports retention.

The research results indicate that transformational leadership has a highly significant influence on employee retention, with a regression coefficient of 0.491 (p = 0.000). Transformational leadership, characterized by inspiration, motivation, and individualized attention, has been proven

to enhance employee loyalty. This finding aligns with the study by (Supriyanto, 2022), which states that transformational leadership creates emotional bonds between leaders and employees, strengthening their commitment to the company. At Dira Café Kencong, transformational leadership can serve as a strategic solution to address employee turnover fluctuations by fostering a more supportive and innovative workplace culture.

The research findings show that the work environment has a significant influence on employee retention, with a regression coefficient of 0.279 (p = 0.010). This indicates that an improved work environment leads to increased employee retention. A positive work environment includes physical aspects, such as adequate facilities, and psychological aspects, such as harmonious relationships among employees. For Dira Café Kencong, creating a supportive work environment can be a critical strategy to retain employees amidst the challenges of competition in the culinary service industry. Practical recommendations include upgrading facilities such as seating, lighting, and ventilation to improve comfort. Additionally, fostering open communication and regular team-building activities can help create stronger interpersonal relationships and a positive workplace atmosphere.

The workload variable has a highly significant impact on employee retention, with a regression coefficient of 0.496 (p = 0.000). This result demonstrates that effective workload management can increase employee retention. Workloads that align with employee capacity help reduce stress and the risk of burnout, thus enhancing their loyalty to the company. At Dira Café Kencong, a fair distribution of workload is a key factor in fostering a productive work environment that supports retention. To address this, management should regularly evaluate job roles and responsibilities to ensure tasks are evenly distributed and implement systems for employee feedback on workload concerns.

The research results indicate that transformational leadership has a highly significant influence on employee retention, with a regression coefficient of 0.491 (p = 0.000). Transformational leadership, characterized by inspiration, motivation, and individualized attention, has been proven to enhance employee loyalty. At Dira Café Kencong, transformational leadership can serve as a strategic solution to address employee turnover fluctuations by fostering a more supportive and innovative workplace culture. To achieve this, managers should focus on leadership training programs that develop skills in motivating employees, providing constructive feedback, and recognizing individual achievements. Regular one-on-one meetings with employees can also help managers better understand their team's needs and aspirations, further strengthening loyalty and commitment.

Relevance to Maslow's Hierarchy of Needs

The findings of this study align closely with Maslow's Hierarchy of Needs, which provides a structured understanding of the factors influencing employee retention. Maslow's theory emphasizes that individuals are motivated by a progression of needs, starting from basic physiological needs to safety, social belonging, esteem, and, ultimately, self-actualization.

In the context of this study, the work environment plays a crucial role in fulfilling employees' physiological and safety needs. Adequate facilities, a secure workplace, and harmonious relationships among colleagues address fundamental concerns, providing employees with a sense of stability and comfort. The regression coefficient for work environment (b = 0.279) underscores its importance in ensuring that these foundational needs are met, thereby fostering loyalty and retention.

The workload variable aligns with both physiological and safety needs. When workloads are well-balanced and proportionate to an employee's capacity, it reduces stress and burnout risks, promoting physical and mental well-being. A regression coefficient of 0.496 indicates the substantial influence of workload on retention, highlighting how effectively managed tasks can help employees focus on higher-order needs, such as esteem and personal growth.

Transformational leadership, on the other hand, addresses higher-order needs in Maslow's hierarchy, particularly esteem and self-actualization. Leaders who inspire, motivate, and provide individualized recognition empower employees to feel valued and capable of achieving their fullest potential. The significant regression coefficient for transformational leadership (b = 0.491) demonstrates its role in creating emotional connections and a sense of purpose among employees, which enhances their commitment to the organization.

This study reinforces the applicability of Maslow's theory by showing how addressing needs at different levels can contribute to employee retention. By creating a supportive work environment, managing workloads effectively, and fostering transformational leadership, organizations can cater to employees' needs across all levels of the hierarchy. This integrated approach not only improves retention but also cultivates a motivated, engaged, and satisfied workforce.

CONCLUSION

This study concludes that the work environment, workload, and transformational leadership significantly influence employee retention at Dira Café Kencong. The findings demonstrate that improving the work environment fulfills employees' basic and safety needs, effective workload management reduces stress. It promotes work-life balance, and transformational leadership enhances loyalty by addressing higher-order needs such as esteem and self-actualization. Empirically, these findings contribute to understanding the key factors that drive employee retention in the service sector, particularly in local businesses. Theoretically, the study reaffirms the relevance of Maslow's Hierarchy of Needs in explaining employee behavior. Economically, these insights can help organizations like Dira Café Kencong improve retention strategies, reduce turnover costs, and foster a productive work culture.

However, this study has limitations that should be considered. First, the study focused on a single business in a specific sector, limiting the generalizability of the findings to broader contexts. Second, the use of cross-sectional data may not fully capture the dynamic relationship between the variables over time. Third, while the study relied on employee perceptions through questionnaires, additional qualitative data such as interviews could provide deeper insights into their experiences. Future researchers are encouraged to address these limitations by conducting longitudinal studies,

expanding the scope to different industries, or incorporating mixed-method approaches. Despite these limitations, the findings provide a solid foundation for further exploration of retention strategies in the service industry.

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