

The Influence of Work Environment and Work-Life Balance on Turnover Intention Among Generation Z Workers in Gresik Regency

Ficho Al Ghifari^{1*}, Ika Korika Swasti², Ayundha Evanthi³
Faculty of Economics and Business, UPN "Veteran" East Java

Corresponding Author: Ficho Al Ghifari 20012010233@student.upnjatim.ac.id

ARTICLE INFO

Keywords: Generation Z, Work Environment, Work-Life Balance, Turnover Intention,

Received : 28, August

Revised : 12, September

Accepted: 15, October

©2024 Ghifari, Swasti, Evanthi: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

This research explores the influence of work environment and work-life balance on the likelihood of Generation Z employees in Gresik Regency leaving their jobs. The study employs a quantitative method with a nonprobability sampling technique through purposive sampling, involving 90 Generation Z workers in Gresik Regency. Data were gathered via questionnaire distribution and analyzed using the partial least square method. The study's findings demonstrate that both work environment and work-life balance significantly reduce turnover intention. When Generation Z workers in Gresik Regency perceive their work environment and work-life balance positively, they are less likely to leave their jobs.

INTRODUCTION

Generation Z now represents a significant portion of the workforce, comprising individuals born between 1997 and 2012. Typically, they seek a positive work atmosphere, flexible working hours, seamless integration of technology, and the freedom to dress comfortably (Rachmawati, 2019). This group is known as the digital generation because of their strong skills in utilizing digital technology, allowing them to efficiently carry out various tasks, including making decisions (Hernandez-de-Menendez et al., 2020). Generation Z is frequently viewed as having a high job turnover rate and is often perceived as less loyal to their employers. This can be seen in a survey conducted by JakPat (2024), which involved 1,262 Generation Z respondents from Indonesia. The findings revealed that 31% of respondents had changed jobs once, 15% had done so twice, 3% had switched jobs three times, and 8% had moved to different companies more than four times. High employee turnover can have adverse effects on businesses, including increased costs, wasted time, and the loss of skilled employees (Bhrahmantio et al., 2022). A population survey conducted by BPS Gresik (2021), stated that the majority of the population in Gresik Regency consists of Generation Z, accounting for 25.69%, with a total of 338,663 people.

Table 1. Workforce of Gresik Regency

Workforce of Gresik Regency	
Year	Number of People
2019	657.273
2020	685.213
2021	724.046
2022	720.872
2023	739.013

Source: BPS Gresik (2024)

The table above shows a yearly rise in the workforce in Gresik Regency. Since Generation Z constitutes the majority of the population there, this annual growth in the workforce suggests that members of Generation Z are starting to enter the job market.

Given the characteristics of Generation Z, human resource management needs to understand and comprehend what they actually desire in order to prevent the emergence of turnover intentions. In contrast to earlier generations that typically favor traditional office environments, Generation Z seeks a more welcoming workplace with a range of amenities. They anticipate a perfect work experience that includes informal areas for socializing and cafes as working spaces (Gensler, 2022). It is crucial to recognize the significance of the non-physical work environment. A survey conducted by the World Economic Forum (2023) 34% of employees indicated they would consider resigning due to an unhealthy work environment. According to Bridges as cited in Gaidhani et al. (2019), Generation Z often prioritizes workplaces that provide mentorship, learning, and professional development opportunities, as they perceive their

education as lacking the practical skills required to navigate real-world challenges.

In addition to their concerns about the work environment, Generation Z places a high importance on achieving a work-life balance. A survey by JakPat (2024) highlights this, showing that 92% of Generation Z respondents view work-life balance as crucial. Work-life balance pertains to the capacity to evenly manage work obligations alongside personal and family needs. Employees who manage to balance their engagement in both work and personal activities are usually more effective in their roles, with each role enhancing the others. When these roles complement each other, employees tend to be more productive and motivated to fulfill their responsibilities at the company (Olanda & Swasti, 2023).

Research conducted by Hidayatulloh & Moko (2019), indicates that the work environment has a significant negative impact on employee turnover intention. Meanwhile, research conducted by Rilantiana et al. (2022) discovered that work-life balance significantly reduces turnover intention. Based on the above phenomenon, this study aims to evaluate how the work environment and work-life balance influence turnover intention among Generation Z employees in Gresik Regency.

LITERATURE REVIEW

Work Environment

According to Nitisemito as cited in Rosida & Swasti (2022), the work environment encompasses all aspects encountered while working and can influence how tasks are performed. In line with this definition, Terry, as cited in Kertiyasa & Irbayuni (2022), describes the work environment as various factors that affect performance in an organization or company, both directly and indirectly. Suwardi & Daryanto, as cited in Fitri & Ferdian (2021), identify two types of work environments: physical and non-physical. Indicators used to measure the work environment, according to Budiasa (2021), include: a) work atmosphere; b) availability of work facilities; c) relationships among coworkers.

Work-life Balance

The concept of work-life balance is subjective and can vary greatly from person to person. According to Parkes as cited in Mauludi & Kustini (2022), work-life balance is achieved when individuals can effectively manage and balance their responsibilities between work and family life. Hudson, as cited in Vyas & Shrivastava (2017), defines work-life balance as achieving a satisfactory level of integration or harmony among the different roles a person plays in their life. McDonald, as cited in Olanda & Swasti (2023), identifies work-life balance can be measured by three indicators: a) time balance; b) involvement balance; c) satisfaction balance.

Turnover Intention

Robbins and Judge, as referenced in Panjaitan & Retno (2021), describe turnover intention as an employee's plan to exit their current role, whether by choice or due to external pressures. A comparable perspective is offered by

Mobley, as referenced in Masita (2021), who defines turnover intention as an employee's willingness or intention to voluntarily resign from their job or transition to a different workplace of their choosing. According to Dharma as cited in Bhrahmantio et al. (2022), employee turnover can negatively impact a company in terms of costs, time, and the loss of employee competencies. There are three indicators for measuring turnover intention according to Mobley as cited in Alam et al. (2022): a) thoughts of leaving; b) intention to leave; c) job search for alternatives.

Relationship Between Work Environment and Turnover Intention

In the research conducted by Daffa et al. (2023), it was found that the work environment has a significant and negative effect on turnover intention. Similarly, Hidayatulloh & Moko (2019) found that the work environment also significantly and negatively impacts turnover intention. These findings suggest that as employees perceive their work environment more positively, their intention to leave the job decreases.

H1: Work environment has negative and significant impact on turnover intention

Relationship Between Work-Life Balance and Turnover Intention

Research by Afnisya'id & Aulia (2021) indicates that work-life balance significantly reduces turnover intention. This result aligns with findings from Rilantiana et al. (2022), which also show a significant negative impact of work-life balance on turnover intention. Both studies suggest that improved work-life balance perception among employees correlates with lower turnover intention.

H2: Work-life balance has negative and significant impact on turnover intention

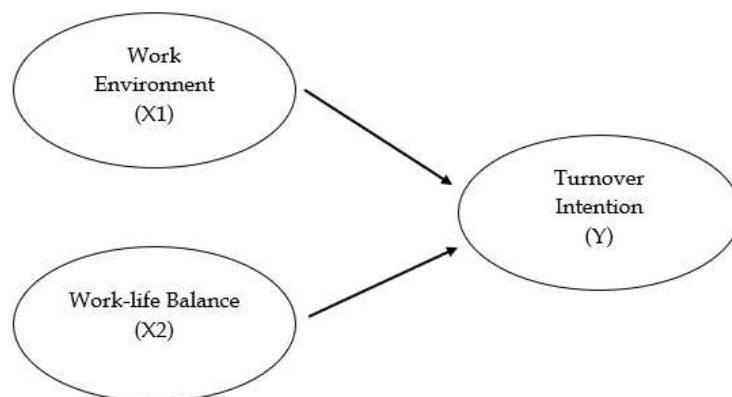


Figure 1. Conceptual Framework

METHODOLOGY

This quantitative study utilizes primary data sources. Primary data was collected through questionnaires administered to 90 Generation Z employees working in various sectors within Gresik Regency. A purposive sampling technique was employed for participant selection. The questionnaire, consisting

of nine positive statements measured on a Likert scale, was used to gather data. Secondary data was obtained through a comprehensive literature review. Data analysis was performed using partial least squares (PLS) with the SmartPLS 4 application.

RESEARCH RESULT

In this study, testing was conducted on the outer model, inner model, and hypothesis testing using partial least squares.

Outer Model

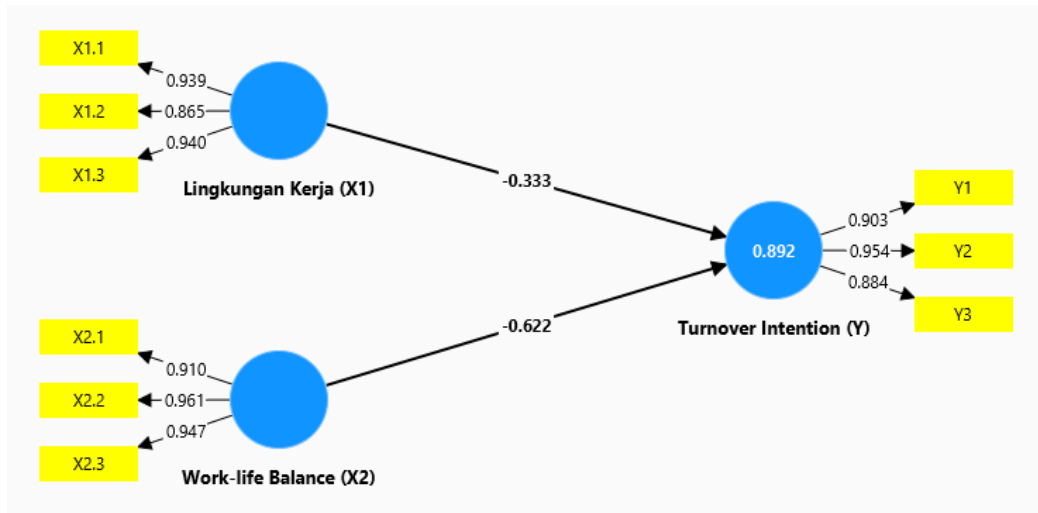


Figure 2. Outer Model

Convergent validity was assessed using outer loadings and average variance extracted (AVE). In this study, it was found that the indicators used have good validity, as the original sample values for outer loadings exceed 0.70. The strongest indicator for the work environment (X1) is the relationship among coworkers, with a value of 0.940. For work-life balance (X2), the strongest indicator is involvement balance, with a value of 0.961. For turnover intention (Y), the strongest indicator is the intention to leave, with a value of 0.954. Additionally, the AVE values in this study are 0.838 for the work environment (X1), 0.836 for work-life balance (X2), and 0.883 for turnover intention (Y). The study's findings support the validity of the convergent validity.

Table 2. Cross Loading Result

	Work Environment (X1)	Turnover Intention (Y)	Work-life Balance (X2)
X1.1	0.939	-0.886	0.897
X1.2	0.865	-0.785	0.798
X1.3	0.940	-0.868	0.918
X2.1	0.845	-0.902	0.910
X2.2	0.926	-0.882	0.961
X2.3	0.916	-0.861	0.947
Y1	-0.822	0.903	-0.838
Y2	-0.909	0.954	-0.907

Y3	-0.803	0.884	-0.828
-----------	--------	-------	--------

Source: Processed Questionnaire Data

To test discriminant validity and understand the extent to which the variables being studied differ from others, a cross-loadings analysis was conducted. This analysis revealed that the factor loadings of the indicators in this study are more strongly related to their own variables compared to the factor loadings of other variables. The results indicate that the criteria for discriminant validity in this study have been met.

Reliability testing involved the use of composite reliability and cronbach's alpha analyses. The composite reliability analysis results showed that the values are 0.939 for work environment (X1), 0.939 for work-life balance (X2), and 0.958 for turnover intention (Y). Meanwhile, the Cronbach's alpha results indicated values of 0.903 for work environment (X1), 0.901 for work-life balance (X2), and 0.933 for turnover intention (Y). In both tests, each variable showed values greater than 0.70, indicating that the measurement instrument indicators are consistent and reliable for measuring the same variables.

Inner Model

Meanwhile, the inner model can be tested through statistical significance tests and adjusted R square. The purpose of testing the inner model in this study is to assess the relationships between latent variables. Statistical significance testing is conducted through correlation analysis among latent variables, focusing on the highest correlation values between these variables.

In the latent variables correlations results, the highest correlation is between work-life balance (X2) and turnover intention (Y), with a value of -0.939. This suggests that turnover intention (Y) is more significantly affected by work-life balance (X2) compared to the work environment (X1). The adjusted R square value of 0.889 in this study indicates that the combined effect of the work environment (X1) and work-life balance (X2) accounts for 88.9% of the variance in turnover intention (Y). The remaining 11.1% of the variance is attributed to factors not included in this study.

Hypothesis testing

Table 3. Estimate for Path Coefficients Result

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Work Environment (X1) -> Turnover Intention (Y)	-0.333	-0.338	0.107	3.108	0.002
Work-life Balance (X2) -> Turnover Intention (Y)	-0.622	-0.617	0.105	5.912	0.000

Source: Processed Questionnaire Data

In the hypothesis testing stage using partial least squares, hypothesis testing is conducted using the estimate for path coefficients through bootstrapping. The findings supported H1, indicating a negative relationship between work environment and turnover intention. This conclusion is based on a p-value of 0.002 (less than 0.05) and a negative original sample value (O) of -0.333. Similarly, H2 was accepted, confirming a negative association between work-life balance and turnover intention. A p-value of 0.000 (below 0.05) and a negative original sample value (O) of -0.622 support this result.

DISCUSSION

The Effect of the Work Environment on Turnover Intention

The testing results revealed a negative correlation between work environment and turnover intention among Generation Z workers in Gresik Regency. This finding indicates that the perceived work environment can contribute to turnover intention among Generation Z workers. The study revealed that relationships among coworkers are the strongest indicator for measuring the work environment. For retention purposes, Generation Z is more likely to remain with an organization if they have strong personal relationships. Moreover, Generation Z often needs guidance from their supervisors or seniors in their work (Rachmawati, 2019). The results of this study align with the findings of research conducted by Daffa et al. (2023) and Hidayatulloh & Moko (2019), which also indicate that the work environment negatively affects turnover intention among workers. In contrast, research by Purwati & Maricy (2019) found that the work environment does not affect turnover intention.

The Effect of the Work-Life Balance on Turnover Intention

The study found that work-life balance negatively affects turnover intention among Generation Z workers in Gresik Regency. The findings suggest that maintaining a balance between work and personal life can decrease the likelihood of employees leaving their jobs. The study revealed that involvement balance is the strongest indicator of work-life balance. Favoritism from supervisors is a common issue across various industries, where some employees feel excluded from decision-making processes, which can ultimately affect their own work. This study's findings align with the results of Rilantiana et al. (2022) and Afnisya'id & Aulia (2021), which indicate that work-life balance significantly negatively impacts turnover intention. In contrast, research conducted by Azhar (2023) found that work-life balance does not affect turnover intention.

CONCLUSIONS AND RECOMMENDATIONS

Based on the research results concerning how the work environment and work-life balance influence turnover intention among Generation Z in Gresik Regency, it can be concluded that the work environment affects turnover intention, with the strongest indicator being relationships among coworkers. It is hoped that companies can foster harmonious relationships among employees, which can be achieved through various programs such as employee bonding activities. Work-life balance also affects turnover intention, with involvement

balance being the strongest indicator of work-life balance. In this regard, companies can provide employees with the freedom to engage more in operational activities, while still maintaining boundaries to prevent employees from feeling overwhelmed.

ADVANCED RESEARCH

Future researchers should explore this topic in greater depth by including additional variables and focusing their studies on specific industries to gain more detailed insights.

REFERENCES

- Afnisyá'id, M. D., & Aulia, P. (2021). Pengaruh Work-Life Balance Terhadap Turnover Intention Karyawan Kantor Pusat Perum Bulog Jakarta. *E-Proceeding of Management*, 8(5), 6548–6553.
- Alam, S., Ridjal, S., Samad, A., & Samad, M. A. (2022). Pengaruh Kepemimpinan, Kepuasan Kerja Dan Kompensasi Terhadap Turnover Intention Pada Karyawan Perusahaan Pers dalam SMSI SULSEL. *PUBLIK: Jurnal Manajemen Sumber Daya Manusia, Adminstrasi Dan Pelayanan Publik*, 9(3), 489–499.
- Azhar, M. H. (2023). *Pengaruh Work-Life Balance Terhadap Turnover Intention Dengan Kompensasi Sebagai Variabel Intervening Pada Pekerja Generasi Z Di Kota Malang*. Universitas Islam Negeri Maulana Malik Ibrahim.
- Bhrahmantio, L., Mukti, A. H., & Veronika, S. (2022). Pengaruh Kompensasi Kerja, Job Insecurity, Kepuasan Kerja, Stres Kerja dan Komitmen Organisasi Terhadap Turnover Intention (Studi Kasus pada PT. Mercedes-Benz Indonesia). *Jurnal Ilmiah Bisnis, Pasar Modal, Dan UMKM*, 5(1), 1–10.
- BPS Gresik. (2021). *Hasil Sensus Penduduk 2020 (SP2020) Kabupaten Gresik*.
- BPS Gresik. (2024). *Keadaan Ketenagakerjaan Kabupaten Gresik Agustus 2023*. <https://gresikkab.bps.go.id/pressrelease/2024/03/15/235/keadaan-ketenagakerjaan-kabupaten-gresik-agustus-2023.html>
- Budiasa, I. K. (2021). *Beban Kerja dan Kinerja Sumber Daya Manusia* (N. K. Suryani, Ed.). CV. Pena Persada.
- Daffa, M. T., Suwarsi, S., & Firdaus, F. S. (2023). Pengaruh Lingkungan Kerja dan Beban Kerja terhadap Turnover Intention Karyawan Generasi Z. *Bandung Conference Series: Business and Management*, 3(2), 602–611. <https://doi.org/10.29313/bcsbm.v3i2.7698>

- Fitri, N. N., & Ferdian, A. (2021). Pengaruh Lingkungan Kerja Fisik dan Lingkungan Kerja Non Fisik Terhadap Kinerja Karyawan pada Pt Infrastruktur Telekomunikasi Indonesia. *Jurnal Ilmiah Mahasiswa Ekonomi Manajemen*, 6(2), 444–455. <http://jim.unsyiah.ac.id/ekm>
- Gaidhani, S., Arora, L., & Sharma, B. K. (2019). Understanding The Attitude Of Generation Z Towards Workplace. *International Journal of Management, Technology And Engineering*, 9(1), 2804–2814.
- Gensler. (2022). *Returning to the Office: US Workplace Survey*. www.gensler.com/research
- Hernandez-de-Menendez, M., Escobar Díaz, C. A., & Morales-Menendez, R. (2020). Educational experiences with Generation Z. *International Journal on Interactive Design and Manufacturing (IJIDeM)*, 14(3), 847–859.
- Hidayatulloh, H. A., & Moko, W. (2019). Pengaruh Kepuasan Kerja dan Lingkungan Kerja terhadap Perputaran Karyawan pada CV. Anugerah Tani Makmur Gresik. *Jurnal Ilmiah Mahasiswa FEB*, 7(2), 1–9.
- JakPat. (2024). *Preference in the Workplace*.
- Kertiyasa, B., & Irbayuni, S. (2022). Pengaruh Lingkungan Kerja dan Kompensasi Terhadap Loyalitas Karyawan pada PT. Mahakam Kencana Intan Padi Surabaya. *Journal of Economic, Business and Accounting*, 6(1), 505–513.
- Masita, I. (2021). Faktor-Faktor Yang Mempengaruhi Turnover Intention (Studi Kasus pada Karyawan Yayasan Cendikia Bunayya Kabanjahe). *Jurnal Ilmiah Mahasiswa FEB*, 9(2).
- Mauludi, M. F., & Kustini, K. (2022). Pengaruh Work Life Balance dan Lingkungan Kerja Non Fisik terhadap Loyalitas Karyawan pada Generasi Milenial. *J-MAS (Jurnal Manajemen Dan Sains)*, 7(2), 472. <https://doi.org/10.33087/jmas.v7i2.414>
- Olanda, A., & Swasti, I. K. (2023). The Influence of Work Life Balance, Work Motivation and Dual Role Conflict on Employee Performance CV. Huda Jaya Sidoarjo. *Indonesian Journal of Business Analytics*, 3(5), 1619–1630. <https://doi.org/10.55927/ijba.v3i5.5460>

- Panjaitan, D. J., & Retno, M. (2021). Pengaruh Job Insecurity Dan Stress Kerja Terhadap Turnover Intention Karyawan Produksi PT. Primagro Indonesia. *Jurnal Sosial Ekonomi Dan Politik (JSEP)*, 2(2), 74–83.
- Purwati, A. A., & Maricy, S. (2019). The Influence of Workload, Work Environment and Job Insecurity On Turnover Intention of PT. Bumi Raya Mestika Employees Pengaruh Beban Kerja, Lingkungan Kerja dan Job Insecuriy Terhadap Turnover Intention Karyawan PT. Bumi Raya Mestika Pekanbaru. *Management Studies and Entrepreneurship Journal*, 2(1), 77–91. <http://journal.yrpiiku.com/index.php/msej>
- Rachmawati, D. (2019). Welcoming Gen Z in Job World (Selamat Datang Generasi Z di dunia kerja). *Proceeding Indonesia Career Center Network Summit*, 1(1), 21–24.
- Rilantiana, R., Pradana, B. Y., & Ilmawan, M. D. (2022). Memahami Mental Kerja Karyawan Melalui Analisa Worklife Balance Pada Turnover Intention Di Perguruan Tinggi Swasta Di Bawah Bumn Gresik. *Jurnal Manajerial*, 9(2), 168–185. <https://doi.org/10.30587/manajerial.v9i02.3932>
- Rosida, N. F., & Swasti, I. K. (2022). Pengaruh Beban Kerja Dan Lingkungan Kerja Terhadap Kinerja Karyawan Kantor Pos Cabang Utama Kota Surabaya. *Jurnal Pendidikan Ekonomi (JURKAMI)*, 7(3), 285–294. <https://doi.org/10.31932/jpe.v7i3.1905>
- Vyas, A., & Shrivastava, Dr. D. (2017). Factors Affecting Work Life Balance - A Review. *Pacific Business Review International*, 9(7), 194–200.
- World Economic Forum. (2023, February 3). *What are the top 5 things people want from work? New report.* <https://www.weforum.org/agenda/2023/02/work-economy-randstad-survey/>