

# Impact of Work-Life Balance, Work Stress, Compensation on Turnover Intention and Job Satisfaction of Gen-Z Employees

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**Abstract.** *This study aims to determine the effect of work-life balance, work stress, and compensation on turnover intention mediated by job satisfaction. This research uses primary data from Generation Z employees. The sampling technique used purposive sampling which involved 100 Gen-Z employees. The results showed that (1) work-life balance influence significantly on job satisfaction and turnover intention significantly, but job satisfaction cannot mediating work-life balance to turnover intention, (2) work stress has no effect significantly on job satisfaction and turnover intention and also job satisfaction cannot mediating the impact of work stress on turnover intention, (3) compensation influence job satisfaction and turnover intention, while job satisfaction can mediating the effect of compensation on turnover intention, and (4) gender cannot moderating the relation between job satisfaction and turnover intention*

**Keywords:** Generation Z, Turnover Intention

## I. INTRODUCTION

Based on BPS data on 2023, workers from generations X and Y still dominate the number of employees in companies. However, over time generation Z, who was born within 1995 to 2010, began to enter the workforce. The age gap within the company is a challenge for management in managing human resources. The characteristics of generation Z are also different from previous generations. So that, in this era company need more attention to handle and control the employees with different characteristics. Generation Z is known as an individual who tends to be individualistic, likes things that are instant and practical, and easily conveys the desire for comfort and freshness. Generation Z often has higher expectation compared to earlier generations. According to (Hanifah & Wardono, 2020), generation Z is looking for a work-life balance and comfortable environment. Therefore, if they do not get what they want, they do not hesitate to move out to fulfill these needs. According to (Zahari & Puteh, 2023) generation Z highly confident that they can switch career easily, because of their knowledge and ability to work with technology is very good.

The inability of the company to manage and retain its human resources can lead to the turnover intention. The incidence of turnover intention will causes lot things such a decrease in employee performance, a drop in company productivity, loss of productive time, and also can cause cost overruns (Gede et al., 2021). Turnover intention has a negative impact for the company, when employees decide to leave the company, the company requires costs to do the recruitment. The company will not only suffer financial losses, but will also suffer losses in time and energy. This incidence high-costly the company.

There are several cases of company incompetence that can cause a turnover intention, such as the lack of work-life balance, high levels of stress of work, and inadequate compensation. Some of these cases can affect the satisfaction that is felt by a person. In line with the result of research by (Prayogi et al., 2019) which show that work-life balance have significant effect on job satisfaction.

A worker who satisfied by their job, they tend to stick with their job. High pressure on the job tend to make workers get stressed easily, it can trigger the turnover intention. Not only that, employees who develop this stress symptoms can interfere with their performance (Gede et al., 2021). The inequality of benefits and compensation received by employees can also make employees want to leave their current job. As the result research of (Ramlah et al., 2021) that if the compensation managed wisely and continue to increase periodically, the turnover intention will decreases.

This research will focus on generation Z who currently work at private company in Jakarta City by adding gender as moderation. Generation Z well known as generation who realistic in this kind situation, so they do not hesitate to take step for better future. The gap between this research and previous research is this research will emphasize the discussion on the behavior of generation Z, known as job hopping. The differences of work environment, work target, and work culture would give different result.

## II. LITERATURE REVIEW

Turnover intention refers to employee's want to leave their current job or pursue opportunity at other companies for different reasons. According (Gede et al., 2021) the impact on company is kind a

negative things, it costs related to do recruitment, selection, and training of new personnel, plus this turnover can causes a fall effectiveness and productivity of other workers. Workers who already have turnover intention, they cannot show their best performance anymore. Based on (Mobley 2011) turnover intention have three dimension: (1) Thought of quitting, (2) Intention to quit, and (3) Intention to search for another job.

Work-life balance refers to condition of workers who can balance time between work and their personal time outside working hours. Someone who achieved work-life balance, can carry out all their work and responsibilities in harmony, so that the activities they carry out will not affect each other (Sismawati & Lataruva, 2020). Based on (Basem et al., 2022) work-life balance have three dimension: (1) Balance of satisfaction, (2) Time balance, and (3) Engagement balance.

Work stress is a situation where workers feel uncomfortable about their work. This discomfort arises for a variety of reasons, such as too much pressure, uncooperative coworkers, and unhealthy work environment. Employee who feel stressed about their work, will tend to feel depressed and experience a performance decline (Marcella & Ie, 2022). Based on (Marcella & Ie, 2022) work stress have three dimension: (1) Role ambiguity, (2) Career development, and (3) Work relationships.

Compensation according to Sutikno (2020) is one of the company's efforts to retaining its employees. Basically, compensation is one of the consideration for the employee to decide where to work. Compensation payment is also a strategic human resources function that significantly impacts other human resources functions (Vizano et al., 2020). Based on Ariyanti & Suartina (2021) compensation have 4 dimension: (1) Wages and salaries, (2) Incentives, (3) Allowances, and (4) Facilities.

Job satisfaction refers to the feeling of satisfaction and pleasure, felt by a worker over the work he has done. According to Sismawati & Lataruva (2020) job satisfaction will be followed by the worker's behavior and performance. In line with Kristianti & Sarsono (2020) a worker who satisfied by their work will give positive energy and performance. Based on Marcella & Ie (2022) job satisfaction have five dimension: (1) The job itself, (2) Salary, (3) Work relationships (coworkers), (4) Supervision, and (5) Promotion opportunities.

### III. RESEARCH METHODS

This study conducted with data primer and quantitative approach. The data was collected by questionnaires in Google Form, measured by Likert Scale 1 to 5. The population of this study were generation Z, aged between 14 years old to 29 years old, who worked in Jakarta City for one year or more

in private company, totaling 100 people. The software used to process data using WarpPLs.

Based on current study, the analytical method used is path analysis and multiple regression analysis which aims to determine whether factors such as Work-Life Balance, Work Stress, and Compensation can affect Turnover Intention mediated by Job Satisfaction and also to find out whether Gender can moderate the relationship between Job Satisfaction and Turnover Intention. The figure 1 shows the framework of the research.

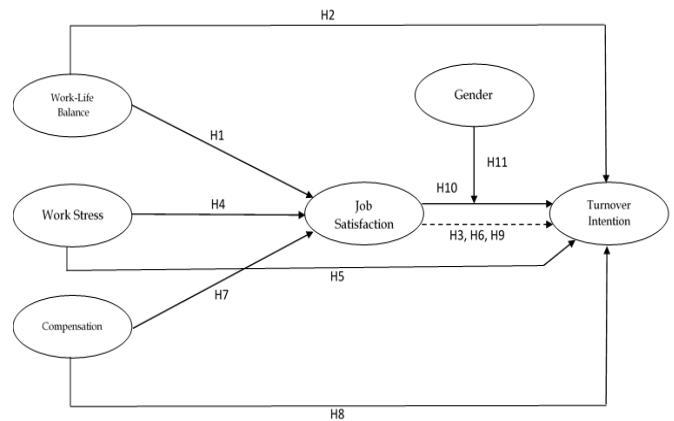


Figure 1 : Research Framework

Referring Figure 1. The hypothesis of this research was formulated as follow:

- H1 : Work-life balance has positive significant effect on job satisfaction of generation Z
- H2 : Work-life balance has negative significant effect on turnover intention of generation Z
- H3 : Work-life balance can affect turnover intention through job satisfaction of generation Z.
- H4 : Work stress has negative significant effect on job satisfaction of generation
- H5 : Work stress has positive significant effect on turnover intention of generation Z
- H6 : Work stress can affect turnover intention through job satisfaction of generation Z
- H7 : Compensation has positive significant effect on job satisfaction of generation Z
- H8 : Compensation has negative significant effect on turnover intention of generation Z
- H9 : Compensation can affect turnover intention through job satisfaction of generation Z
- H10: Job satisfaction has negative significant effect on turnover intention of generation Z
- H11 : Gender can moderate relation between job satisfaction and turnover intention of generation

IV. RESEARCH RESULT AND DISCUSSION

The following are the results of the research data processing by Warp-Pls software.

**Table 1. Respondent Identity**

Respondent Identity	Number of People	Frequency
<b>Gender</b>		
Male	32	32%
Female	68	68%
<b>Age</b>		
14 - 19 years old	3	3%
20 - 24 years old	49	49%
25 - 29 years old	48	48%
<b>Level of Education</b>		
Highschool	21	21%
Diploma	9	9%
Bachelor's Degree	68	68%
Master Degree	2	2%

Source: processed data (2024)

Based on data result on Table 1, here the following respondent which shows 68% are female and 32% are male. This shows that female respondents are more dominant than female. In this study, generation Z who work in private companies with an age range of 20 – 24 years old, about 49%, are the most respondents and the most last level of education on Bachelor's Degree about 68%.

Based on Table 2, result of outer model analysis, it can be seen that all variables, names work-life balance, work stress, compensation, job satisfaction, and turnover intention has cronbach's alpha value above 0.6 and composite reliability value above 0.7. These result shows that all substantial things have a great level of reliability and validity. This study uses a validity test with a level of up to 0.5 referring to the statement (Sugiyono, 2018).

**Table 2. Outer Model Analysis Result**

Compensation (X3)	Turnover Intention (Y)		
Job Satisfaction (Z)	Independent	Dependent	
	Turnover Intention (Y)	Turnover Intention (Y)	-0.043
	Job Satisfaction (Z)	Turnover Intention (Y)	-0.136
Items	Loadings Factor (>0.5)	AVE	Composite Reliability (>0.7)
<b>Work-Life Balance</b>			
WLB1	0.806		
WLB2	0.853		
WLB3	0.851	0.594	0.877
WLB4	0.759		
WLB6	0.541		
<b>Work Stress</b>			
WS1	0.515		
WS2	0.765		
WS4	0.641	0.509	0.835
WS5	0.802		
WS6	0.800		
<b>Compensation</b>			
C1	0.651		
C2	0.803		
C3	0.608		
C4	0.668	0.552	0.907
C5	0.778		
C6	0.788		
C7	0.824		
C8	0.790		
<b>Job Satisfaction</b>			
JS1	0.706		
JS2	0.665		
JS3	0.618		
JS4	0.693		
JS5	0.721		
JS6	0.773	0.511	0.912
JS7	0.709		
JS8	0.747		
JS9	0.691		
JS10	0.804		
<b>Turnover Intention</b>			
TI1	0.776	0.641	0.913

Source: processed data (2024)

Based on Table 3, R-square of the job satisfaction (JS) is valued at 0.651 (65.1%) It means that the work-life balance, work stress, and compensation only can explained by job satisfaction about 65.1% and the rest 34.9% is contributed by other variables which are not discussed in this study. The Q-square about 0.656 (65.5%) indicates that work-life balance, work stress, and compensation good enough to predict job satisfaction.

**Table 3. Inner Model Analysis Result**

Items	WLB	WS	C	JS	TI
VIF	2.243	1.713	2.291	2.842	1.557
R-Square				0.651	0.419
Q-Square				0.656	0.380

Source: processed data (2024)

**Table 4. Direct Effect & Indirect Effect Result**

Items (Direct)	Path Coefficients	P-Value	Description
WLB -> JS	0.391	<0.001	Significant
WLB -> TI	-0.243	0.005	Significant
WS -> JS	-0.089	0.181	Insignificant
WS -> TI	0.119	0.110	Insignificant
C -> JS	0.482	<0.001	Significant
C -> TI	-0.472	<0.001	Significant
JS -> TI	-0.136	0.081	Insignificant
Items (Indirect)	P-Value	Description	
WLB -> JS -> TI	0.407	Insignificant	
WS -> JS -> TI	0.479	Insignificant	
C -> JS -> TI	0.385	Insignificant	

V. DISCUSSION

Based on the results of data analysis, the p-value of the work-life balance variable on job satisfaction is  $0.001 < 0.05$  and path coefficients value is 0.391. It means that work-life balance has a positive significant effect on job satisfaction. Therefore, the first hypothesis is accepted. In line with the research result of (Nurdin & Rohaeni 2020) and (Prayogi et al., 2019) that employee's who feel the work-life balance, these employee's will be more satisfied with their jobs. Being satisfied with their jobs will give positive impact on both the worker himself and the company (Sismawati & Lataruva, 2020).

Based on the results of data analysis, the p-value of the work-life balance variable on turnover intention is  $0.005 < 0.05$  and path coefficients value is -0.243. It means that work-life balance has a negative significant effect on turnover intention. Therefore, the second hypothesis is accepted. In line with the research result of (Sismawati & Lataruva, 2020) which the better employee's work-life balance, the lower turnover intention that occurs. This is relate to how employee's behaves towards their job, positive

attitudes and behaviours will reduce employee's desire to leave current company.

According to the result, the p-value  $0.407 > 0.05$ , it means job satisfaction cannot mediate the relationship between work-life balance to turnover intention. Therefore, the third hypothesis is **rejected**. In line with the result of (Prayogi et al., 2019) and (Naini & Riyanto, 2023) that work-life balance towards turnover intention not affected by job satisfaction. However, this research is inversely proportional to the results of (Nurdin & Rohaeni, 2020) which shows that job satisfaction can mediate work-life balance on turnover intention. The inability of job satisfaction to influence the relationship between work-life balance and turnover intention proved that generation Z who worked in Jakarta more prefer doing work-life balance to decrease their intention to leave rather than job satisfaction.

Based on the results of data analysis, the p-value of the work stress on job satisfaction is  $0.181 > 0.05$  and path coefficient value is  $-0.089$ . It means that work stress has a negative not significant effect on job satisfaction. Therefore, the fourth hypothesis is rejected. In line with the result of (Futri & Kustini, 2024) proves work stress has a negative effect insignificant on job satisfaction. However, this research inversely proportional to the result of (Wahyuni et al., 2022) that proves work stress negatively significant affects job satisfaction.

Based on the results of data analysis, the p-value of the work stress on turnover intention is  $0.110 > 0.05$  and path coefficient value is  $0.119$ . It means work stress has positive not significant effect on turnover intention. Therefore, the fifth hypothesis is rejected. In line with the result of (Almubarokah et al., 2024) that shows work stress is positively insignificant to turnover intention. However, this research inversely proportional to the result of (Marcella & Ie, 2022) that shows work stress has a positive significant to turnover intention.

According to the result, the p-value  $0.479 > 0.005$ , it means job satisfaction cannot mediate the relation between work stress and turnover intention. Therefore, the sixth hypothesis is rejected. This result align with (Almubarokah et al., 2024) that job satisfaction not affect the relation between work stress and turnover intention. However, this research is inversely proportional to the results of (Rangga & Hermiati, 2023) that proves work stress to turnover intention can be mediated by job satisfaction.

Based on the results of data analysis, the p-value of the compensation on job satisfaction is  $0.001 < 0.05$  and path coefficient value is  $0.482$ . Therefore, the seventh hypothesis is accepted. It means compensation has positive significant effect on job satisfaction. In line with result of (Ramlah et al., 2021) research that high employee job satisfaction is a result of fair compensation, while low satisfaction occurs when compensation is inadequate.

Based on the result of data analysis, the p-value of the compensation on turnover intention  $0.001 < 0.05$  and path coefficient value is  $-0.472$ . Therefore, the eighth hypothesis is accepted. It means that compensation has negative significant effect on turnover intention. In line with result of (Sutikno, 2020) research that the greater compensation paid to employees, the lower turnover intention employees.

According to the result, the p-value  $0.385 > 0.005$ , it means job satisfaction cannot mediate the relation between compensation and turnover intention. Therefore, the ninth hypothesis is rejected. In line with the results of (Siregar & Maryati, 2021) that shows compensation to turnover intention cannot mediated by job satisfaction because the employee more concerned about compensation more than satisfaction to lower the turnover intention.

Based on the result of data analysis, the p-value of job satisfaction  $0.333 > 0.05$  and path coefficient value is  $-0.043$ . It means that job satisfaction has negative not significant effect on turnover intention. Therefore, the tenth hypothesis is rejected. This result align with (Gessesse & Premanandam, 2023) that show job satisfaction of employee's does not significantly affect their turnover intention.

Based on the result of data analysis, gender doesn't affect the relation between job satisfaction towards turnover intention. The p-value  $0.081 > 0.005$ , it means neither male workers nor female workers have an influence on job satisfaction on turnover intention. Therefore, the eleventh hypothesis is rejected.

## VI. CONCLUSION

This research was dominated by generation Z female workers with age around 20-24 years old. Based on this result, for X1, work-life balance has a positive significant effect to job satisfaction, work-life balance has a negative significant effect to turnover intention, but work-life balance to turnover intention cannot mediated by job satisfaction. For X2, work stress has a negative not significant effect to job satisfaction, work stress has a positive not significant effect to turnover intention, and also job satisfaction cannot mediate work stress to turnover intention. For X3, compensation has positive significant effect to turnover intention, compensation has negative significant effect to turnover intention, but job satisfaction cannot mediate compensation to turnover intention. For gender cannot influence job satisfaction to turnover intention.

This study has several limitations that future research can examine such as the limited number of samples and time. Suggestions for the next researchers that researchers can accompany respondent while filling out questionnaires to minimize respondent confusion and biased answers.

Then researchers can expand the range of their research and consider other variables for testing.

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