

## **Analysis of the Influence of Work-Life Balance and Work Environment on Turnover Intention: The Mediating Role of Remuneration (Case Study at Private Company X in Central Jakarta)**

**Kurnia Syafitri**

Universitas Paramadina, Indonesia  
Email: Kurniasyafitri.ks@gmail.com

### **ABSTRACT**

#### **KEYWORDS**

Work-Life Balance,  
Work Environment,  
Turnover Intention,  
Remuneration.

*Work-life balance (WLB)* and employee engagement are important factors that can drive a company's sustainable growth. *Turnover intention* has become a common problem faced by many companies, resulting in an increase in employee turnover rates. This has a significant impact on the sustainability of the company's operations. This study aims to test the influence of *work-life balance (WLB)* and *work environment* on *turnover intention*, with *remuneration* as an intervening variable, among employees of Company X in Central Jakarta. Using a quantitative method with the *Partial Least Squares (PLS)* analysis technique, data were collected from 120 respondents through a questionnaire. The results of the study show that the *work environment* has a negative and significant effect on *turnover intention*. In contrast, *WLB* was found to have a positive and significant effect on *turnover intention* in this sample. *Remuneration* has been proven to significantly mediate the influence of the *work environment* on employee exit intention but is unable to mediate the relationship between *WLB* and exit intention.

### **INTRODUCTION**

The high turnover rate (turnover intention) is a significant challenge for the company's operations and finances. In Indonesia, the composition of the working population is dominated by workers/employees. For Generation Z, flexibility and a work environment that supports self-development are top priorities. Company X is an expanding electric transportation company; it needs to manage employee switching intentions to support sustainable growth (Ahmed et al., 2019; Denstadli & Julsrud, 2019; Fang et al., 2023). This study explores how work-life balance, office environment conditions, and remuneration systems interact in determining employee loyalty.

Robbins and Judge (2015) stated that turnover intention is the tendency or degree to which an employee has the possibility of leaving the company, either voluntarily or involuntarily, due to a lack of interest in the current job and the availability of other job alternatives. According to research from the study (Geofanny et al., 2022), the existence of work-life balance has a negative and significant impact on turnover intention. In other words, the greater the level of work-life balance, the lower the rate of turnover intention, and vice versa. Remuneration, defined as payment or payroll, can be in the form of money or equivalent benefits, given under certain regulations in exchange for routine work performed,

excluding overtime and honorarium (Adams, 2019; Asekenye, 2018; Permana & Bharoto, 2021).

A suitable, healthy, safe, and comfortable workplace can improve employee performance, enabling them to work effectively and give their best. A supportive work environment allows employees to focus on tasks and increase productivity (Sutagana et al., 2022). The Indonesian government has delegated responsibility for enforcing occupational safety regulations to local governments following the Regional Autonomy (decentralization) Law of 2000. A safe work environment is a fundamental aspect of decent work. A safe and healthy work environment is crucial because the ideal workplace supports both the physical and psychological health of workers and protects them from potential risks. Occupational safety must be a top priority, and the workplace must be managed to minimize work accidents (BPS, 2024).

Company X, the focus of this research, is a Vietnamese multinational company engaged in public transportation services, including taxis, established in 2024. This branch company, operating under the same brand from Vietnam, has been developing its footprint in Indonesia for approximately one year (Abdulkadir et al., 2020; Phạm et al., 2020; Serikkaliyeva et al., 2024; Van Tran et al., 2024). The company has shown rapid expansion in the field of land transportation (public transportation taxis), commencing operations in Jakarta in December 2024. The company must manage employees' turnover intentions to support its expansion program in Indonesia (Pratama et al., 2025; Suyono et al., 2020; Vizano et al., 2020).

Several previous studies have examined factors influencing turnover intention across different organizational contexts. Geofanny et al. (2022) found that work-life balance has a negative and significant impact on turnover intention but did not examine remuneration as a mediating variable. Amalia, Wolor, and Handaru (2024) demonstrated that both work-life balance and work environment significantly influence turnover intention among millennial workers in Jakarta, yet did not explore mediating mechanisms. Daffa, Suwarsi, and Shakti (2023) showed that work environment has a significant negative effect on turnover intention in Generation Z employees but did not consider remuneration as an intervening variable. Meanwhile, Hajjar and Sary (2025) found that work-life balance and work environment significantly affect Gen Z employee loyalty using SEM-PLS analysis, although their study focused on loyalty rather than directly measuring turnover intention and did not examine the mediating role of remuneration. Collectively, these studies reveal a research gap regarding the mediating role of remuneration in the relationship between work-life balance, work environment, and turnover intention (Berber & Gašić, 2024; Zeng et al., 2025).

Despite the growing body of research on turnover intention, several gaps remain. Previous studies have yielded inconsistent findings regarding the relationship between work-life balance and turnover intention, with most research examining direct effects without exploring mediating mechanisms—particularly in the context of newly established multinational companies in Indonesia's transportation sector, where the workforce is predominantly young, including millennials and Gen Z. The role of remuneration as an intervening variable in the relationship between work-life balance, work environment, and turnover intention remains underexplored. The novelty of this research lies in its examination of remuneration as a mediating variable, integrating work-life balance, work environment,

and remuneration into a single comprehensive model to explain turnover intention among employees of Company X in Central Jakarta. This study offers unique contributions by testing the mediating role of remuneration, providing insights into the mechanism through which work-life balance and work environment influence employees' intention to leave within the unique context of a newly established Vietnamese multinational transportation company operating in Indonesia, with a workforce predominantly composed of millennials and Gen Z (84% under age 35), while employing Partial Least Squares (PLS) analysis within the Structural Equation Modeling (SEM) framework to test both direct and indirect relationships simultaneously.

This study aims to examine the influence of work-life balance and work environment on turnover intention, with remuneration as an intervening variable among employees of Company X in Central Jakarta, specifically testing the direct effects of work-life balance and work environment on remuneration and turnover intention, as well as the direct effect of remuneration on turnover intention, while also investigating the mediating role of remuneration in these relationships. The benefits of this research are multifaceted: academically, it contributes to human resource management literature on turnover intention among young workers in multinational companies; practically, it provides insights for Company X's management to design policies for improving work-life balance, work environment, and remuneration systems; for industry development, it offers guidance for transportation sector companies facing similar talent retention challenges; and for policymakers, it informs labor policies that promote employee welfare and reduce excessive turnover. By understanding these mechanisms, companies can develop more effective retention strategies to support sustainable growth in Indonesia's competitive business landscape.

## METHOD

This study used an explanatory quantitative approach. The research population is employees at Company X Central Jakarta. Samples were taken using accidental sampling techniques of 120 respondents. The research instrument was validated through Outer Model (Convergent & Discriminant Validity) and Reliability testing. Data analysis is carried out through a bootstrapping procedure on SmartPLS to test direct and indirect hypotheses. The total sample used in this study is the Lemeshow formula as follows:

$$n = \frac{Z^2 \cdot P \cdot (1-p)}{d^2}$$

n = Minimum number of samples required in the study

Z = Standard value of the distribution by value = 5% = 1.96

P = Outcome prevalence, estimated 0.5

d = Margin of error (0.09/9%) Accuracy level 5

Through the formula above, the researcher calculates the results that will determine the number of samples to be studied, as follows:

$$n = \frac{1,96^2 \cdot 0,5 \cdot (1 - 0,5)}{0,09^2}$$

$$n = \frac{3,8416 - 0,25}{0,0081} \cdot 3$$

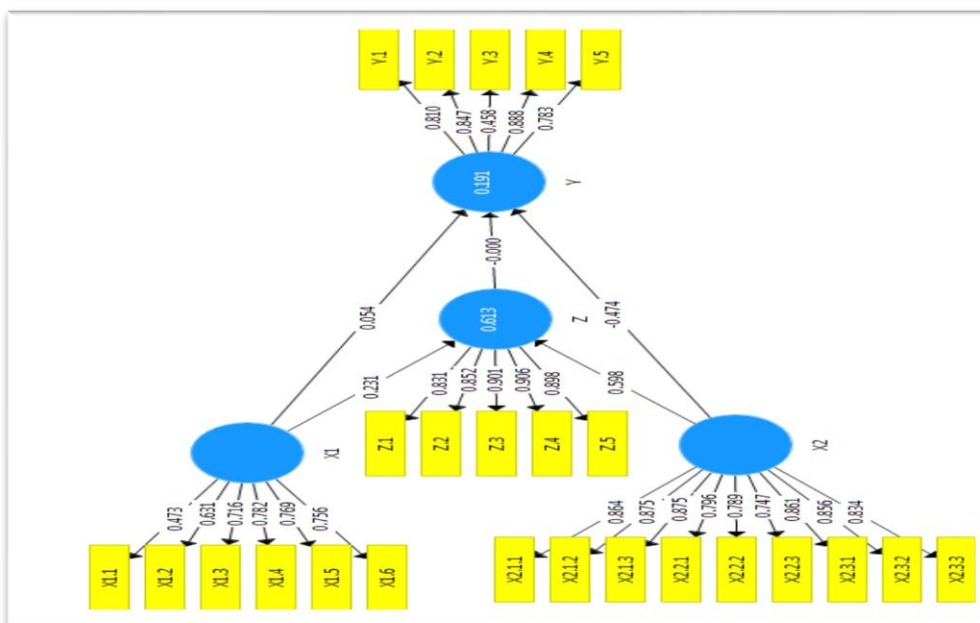
$$n = 118,5$$

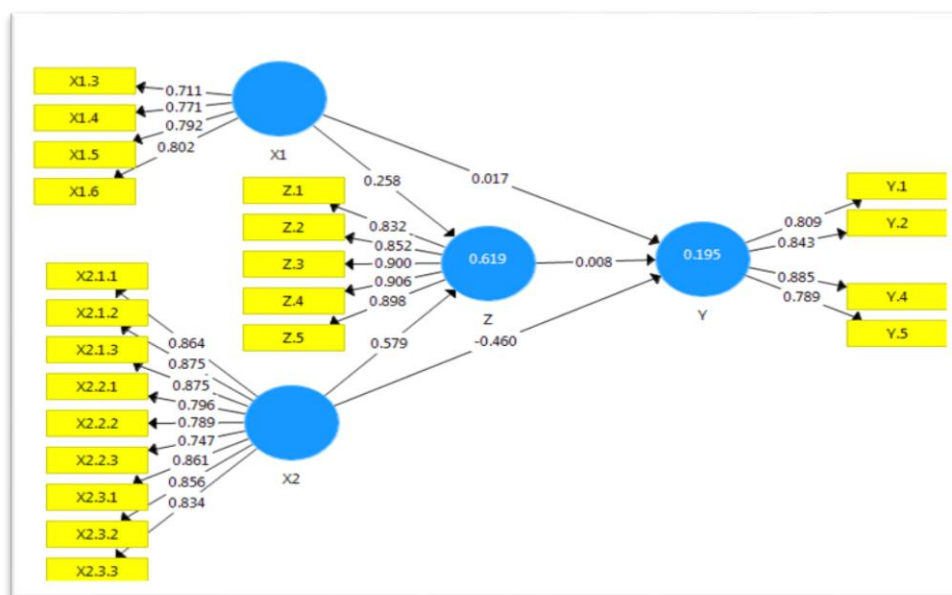
So, based on the formula, the n obtained is 118.5 which is rounded to 120 people. Thus, this study took data from a sample of at least 120 respondents. This study applies the Partial Least Square (PLS) technique within the framework of Structural Equation Modeling (SEM) to analyze the data and validate the hypothesis. Research by Hajjar, R. S., & Sary, F. P. (2025) used SEM-PLS to look at the simultaneous influence of Work Environment and Work-Life Balance on employee loyalty.

## RESULT AND DISCUSSION

Company X is an application-based eco-friendly electric taxi service provider (VinFast) that officially operates in Jakarta as of December 2024. Company X's operational office is located in Central Jakarta. The administrative city of Central Jakarta has an area of 48.13 km<sup>2</sup>. The results of the study showed that the composition of respondents was 89 people (74.17%), while female respondents amounted to 31 people (25.83%) out of a total of 120 people. Workers are dominated by the early-to-mid career age group, with the most details at the age of 26 - 30 years (35.83%) and the age of 31 - 35 years (30%). The work environment is dominated by the younger generation, where 84% of the total respondents are under the age of 35, which includes late millennials and Gen Z (12%).

The data that has been collected through the questionnaire will be analyzed using SmartPLS 4.0 software. This analysis aims to test the influence of work-life balance and compensation on turnover intention by remuneration as a mediating variable.





**Figure 1.** Outer Model Test and Convergent Validity Testing  
 Source: Researcher-processed SmartPLS 4.0 output, 2026

The Composite Reliability (CR) value is that all variables have a CR value above 0.70. The highest value is found in the Work Environment (X2) variable of 0.948, which shows a very high internal consistency between the indicators. Cronbach's Alpha value i.e. all variables also met the Cronbach's Alpha criterion  $> 0.70$ , which strengthens the evidence that this research instrument is reliable and consistent when used at different times. Based on these results, the measurement model (outer model) has met the requirements for construct reliability so that it is feasible to proceed to structural model testing (inner model).

**Table.1** Construct Reliability Values

Variable	Cronbach's Alpha	Composite Reliability	Minimum Standards	Remarks
Work Life Balance (X1)	0,782	0,851	$> 0.70$	Reliable
Work Environment (X2)	0,938	0,948	$> 0.70$	Reliable
Turnover Intention (Y)	0,853	0,900	$> 0.70$	Reliable
Remuneration (Z)	0,928	0,945	$> 0.70$	Reliable

Source: SmartPLS output, processed by 2026 researchers.

Based on the analysis above, the results of the direct test between the variables are shown as follows:

1. H1 (Work Life Balance to Remuneration): Has a T-Statistics value of 7.483 ( $> 1.96$ ). This shows that Work Life Balance has a positive and significant effect on the perception of Remuneration.

2. H2 (Work Environment to Remuneration): A T-Statistics value of 2.142 ( $> 1.96$ ) indicates that a good Work Environment significantly increases the positive perception of Remuneration.
3. H3 (Work Life Balance on Turnover Intention): Had a significant effect with a T-Statistics value of 2,731. Although the coefficient is small (0.054), this relationship is still statistically proven.
4. H4 (Work Environment to Turnover Intention): Is the strongest influence with a T-Statistics value of 10.008. A negative coefficient (-0.474) means that the better the Work Environment, the lower the Turnover Intention rate.
5. H5 (Remuneration to Turnover Intention): Has a T-Statistics value of 1.975 which is slightly above the threshold of 1.96. This shows that Remuneration has a very small but still significant influence in suppressing the intention to change jobs.

## CONCLUSION

The work environment is the strongest predictor in reducing turnover at Company X in Central Jakarta. Work-Life Balance can actually lead to the intention to move if it is not accompanied by career development and a dynamic work environment. Companies are advised to strengthen a transparent remuneration system and create a harmonious working atmosphere to maintain the retention of young employees. Based on the findings, several recommendations can be proposed. For Company X, management should prioritize improving the work environment and strengthening a transparent remuneration system to maintain employee retention, while also integrating work-life balance policies with clear career development programs. For future research, it is recommended to expand the sample size and include other variables such as organizational culture, leadership style, and job satisfaction that may further explain turnover intention. Longitudinal studies are also needed to understand how turnover intention evolves over time, and comparative studies across different companies in the transportation sector would provide broader insights into effective retention strategies in Indonesia's competitive business landscape.

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