

Understanding Generation Z: Work-Life Balance and Job Embeddedness in Retention Dynamics

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ABSTRACT

The Great Resignation has presented a significant challenge for companies aiming to retain top talent and emphasize the critical need for effective employee retention strategies. The research investigated the relationship between work-life balance, employee retention, and turnover intention among Generation Z employees across various industries in Indonesia. By encompassing multiple sectors such as technology, finance, healthcare, and hospitality, the research aimed to capture Generation Z employees' diverse experiences and perceptions. The research involved 373 Generation Z respondents across various industries, employing a quantitative approach. Data collection was facilitated through online questionnaires, and analysis was conducted using Structural Equation Modeling (SEM) with Partial Least Square (PLS) as the analytical tool. The findings reveal significant relationships between various constructs. Work-life balance influences employee retention, turnover intention, and job embeddedness. Additionally, job embeddedness exerts an impact on both employee retention and turnover intention. Furthermore, work-life balance indirectly affects employee retention and turnover intention through its mediation by job embeddedness. The inclusion of diverse industries ensures that the results are broadly applicable, offering practical recommendations for fostering a resilient and engaged workforce in different professional environments. Future research should continue to explore industry-specific nuances to further enrich the understanding of these critical issues.

Keywords: Generation Z, work-life balance, job embeddedness, retention dynamics

INTRODUCTION

The COVID-19 pandemic has catalyzed significant transformations within the realm of employment. Notably, the emergence of the “Great Resignation” phenomenon has seen a massive wave of workers globally opting to depart from their current positions (Gianie, 2022). During the pandemic, the normalization of flexible work arrangements has prompted employees to prioritize a comfortable work-life balance, leading many to opt for job changes in pursuit of greater life satisfaction. This trend, observed as The Great Resignation or The Big Quit, has already made its mark in Indonesia. It was projected to escalate further in 2022, with statistics indicating that nearly half (43%) of employees did not anticipate remaining in their current roles for more than two years, while a staggering 84% were actively seeking new career

prospects within the next six months (MichaelPage, 2022).

The Great Resignation phenomenon poses a pertinent challenge for organizations striving to retain top talent and curtail turnover rates. Retention, as defined by Tanwar and Prasad (2016), encapsulates the propensity of employees to remain with an organization over an extended duration. Similarly, according to Aman-Ullah et al. (2023), employee retention is delineated as the willingness of individuals to sustain their tenure within the same organization. The paramount objective of employee retention lies in safeguarding organizational continuity by preventing the attrition of skilled personnel. It is further implied that retaining proficient employees fosters customer retention and augments operational efficacy by curbing organizational costs (Bharath, 2023).

Conversely, turnover intention pertains to the

likelihood of employees departing from an organization upon securing a more favorable alternative (Bright, 2021). According to Lazzari et al. (2022), turnover intention delineates employees' inclination to exit their current employment within a specified timeframe, often as a precursor to actual turnover occurrences. Employee turnover can harm the organization (Huning et al., 2020). High turnover rates pose significant fiscal implications for companies, encompassing expenses associated with recruitment, diminished morale, and performance disparities between incumbent and new hires (Guzeller & Celiker, 2020).

Generation Y and Generation Z are recognized for their propensity to change jobs and careers at an accelerated pace compared to preceding generations (Dreyer & Stojanová, 2023). Notably, a survey conducted by LinkedIn and CensusWide in December 2022 elucidated that 61% of US workers were contemplating job transitions in the ensuing year, with a significant proportion of Generation Z and millennial cohorts considering career shifts (Giordano, 2023). Consequently, understanding the career expectations of Generation Z is imperative for organizations to retain this demographic within their ranks. According to Barhate and Dirani (2022), three key career expectations of Generation Z are organizational culture, stability, and work-life balance. Fostering an appealing organizational culture, offering career stability, and promoting work-life balance are instrumental in attracting and retaining Generation Z talent.

Most studies examining job embeddedness and retention have been conducted from a Western cultural standpoint (Hassan et al., 2021). Conversely, research on similar topics within developing countries has been limited due to a lack of literature on Generation Z employee turnover and its causes. Much of the research conducted in developing countries has not incorporated underlying theories. Addressing this issue can lead to more accurate and practical outcomes. Furthermore, literature analysis indicates that data collection in developing countries often focuses on a single industry. In contrast, collecting data from various industries can provide a more comprehensive understanding of employee retention.

The research investigates the relationship between work-life balance, employee retention, and turnover intention among Generation Z employees in Indonesia. The specific problem being analyzed is the challenge of retaining Generation Z employees in a post-pandemic world where job satisfaction and work-life balance are increasingly prioritized. The research adopts a broad approach that spans various industries, which is deliberate and advantageous for several reasons.

Work-life balance denotes individuals' equilibrium in harmonizing their professional, personal, and health-related pursuits (Faisal, 2023). Work-life balance encompasses individuals' satisfaction levels concerning their occupational and personal life domains (Bellmann & Hübler, 2021).

When individuals balance work and personal life, they can effectively navigate the demands of both spheres while leveraging their resources optimally, thereby deriving fulfillment from both domains (Fuchs et al., 2022).

According to Aman-Ullah et al. (2022), a notable positive correlation between work-life balance and employee retention is established. The equilibrium between work and personal life can impact employee satisfaction with the organization, their commitment to it, and the likelihood of their departure, underscoring work-life balance as a pivotal determinant of retention. This finding aligns with Stefhani and Irvianti (2014) regarding the influence of job satisfaction on employee retention. Similarly, work-life balance is significant and positively associated with employee retention (Panda & Sahoo, 2021). Factors such as workplace flexibility, familial and social support, effective teamwork and communication, opportunities for career advancement, and financial and non-financial incentives bolster employee retention. Hence, a hypothesis is proposed as follows.

H1: Work-life balance positively affects employee retention.

Next, a negative correlation is identified between work-life balance and turnover intention (Aman-Ullah et al., 2024). This statement implies that when employees encounter challenges in managing their personal and familial commitments alongside their professional obligations, they may initiate job searches, leading to turnover intention. Hence, work-life balance negatively correlates with turnover intention (Ahmad Saufi et al., 2023). This assertion stems from the notion that employees who achieve a harmonious equilibrium between work and family life often experience greater satisfaction and contentment, diminishing their inclination toward turnover intention. Consequently, the following hypothesis is suggested.

H2: Work-life balance negatively affects turnover intention.

Moreover, according to Azmy (2023), job satisfaction positively influences employee performance. Content and fulfilled employees tend to develop a strong attachment to their positions. Job embeddedness encompasses psychological, social, and financial factors that impact employee retention within organizations (Fakoor Saghih & Nosrati, 2021). As articulated by Ampofo and Karatepe (2022), as employees' embeddedness in the organization deepens, so does their affinity toward it. It is suggested that employees who achieve work-life balance are more inclined to experience satisfaction and contentment in managing work and family responsibilities (Ahmad Saufi et al., 2023). This contentment fosters a sense of job attachment. Furthermore, According to Fuchs et al. (2022), a positive correlation is observed between work-life balance and employee job embeddedness.

Consequently, when organizations' institute policies are supportive of work-life balance, and employees perceive attaining such equilibrium as feasible, they are more likely to feel fulfilled. Thus, a hypothesis is posited.

H3: Work-life balance positively affects job embeddedness.

A significant correlation is asserted between job embeddedness and employee retention (Aman-Ullah et al., 2023). When organizations demonstrate attentiveness to their employees' needs, it engenders feelings of satisfaction among the workforce, fostering a greater propensity for employees to become deeply embedded within the organizational framework and opt to remain therein. Following Praveena et al. (2017), reinforcing employees' attachment to their work and the organization by augmenting the factors that tether them to their roles can engender heightened commitment and a greater inclination to remain within the organizational fold. Similarly, a positive association is highlighted between attachment to work and employee retention, positing that heightened attachment correlates with a heightened likelihood of employee retention (Juhdi et al., 2018). Therefore, a hypothesis is formulated as follows.

H4: Job embeddedness positively affects employee retention.

The importance of job embeddedness in fostering organizational success is widely recognized, as it enhances social capital and contributes to lower turnover rates. However, despite receiving attention from researchers and practitioners, a comprehensive examination of job embeddedness has yet to be achieved (Majumdar & Dasgupta, 2024). It is demonstrated that job embeddedness correlates negatively with turnover intention (Fuchs et al., 2022). When employees perceive their company as understanding the complexities of their lives and actively offering solutions that promote balance, they tend to exhibit higher productivity and longer tenures within the organization. Similarly, according to Mashi et al. (2022), there is a negative association between job embeddedness and turnover intention. Their findings indicate that employees who feel strongly connected to the organization are less inclined to depart. Additionally, employees with stronger ties to their job environment are less inclined to consider quitting, even when facing job uncertainty (Peltokorpi & Allen, 2024). Thus, based on these findings, a hypothesis is formulated.

H5: Job embeddedness negatively affects turnover intention.

According to Dechowatanapaisal (2017), there is a positive correlation between work-life balance

and organizational embeddedness. Job embeddedness theory as employee retention is due to the unique bond between employees and the organization (Awan et al., 2021). Previous research validates the significant association between job embeddedness and employee retention (Aman-Ullah et al., 2023). Furthermore, job embeddedness is a complete mediator in the relationship between work-life balance and intention to stay (Thakur & Bhatnagar, 2017). When employees experience job satisfaction, they often cultivate a supportive organizational culture that is not easily replicated elsewhere. Consequently, should employees opt to depart, their absence is keenly felt. Thus, guided by these findings, a hypothesis is formulated.

H6: Work-life balance positively affects employee retention through job embeddedness.

The impact of work-life balance on turnover intention through job embeddedness has not been established in prior research. It represents a novel area for exploration, adding to the discussion's intrigue. However, previous research has demonstrated the influence of work-life balance on job embeddedness (Thakur & Bhatnagar, 2017). Similarly, the positive effect of work-life balance on organizational embeddedness is asserted (Dechowatanapaisal, 2017). A positive correlation is also highlighted between work-life balance and employee job embeddedness (Fuchs et al., 2022).

Moreover, job embeddedness diminishes employee turnover intention (Ampofo & Karatepe, 2022). Conversely, a negative relationship is indicated between job embeddedness and turnover intention (Fuchs et al., 2022; Mashi et al., 2022). Considering the preceding explanations, it can be inferred that job embeddedness mediates the relationship between work-life balance and turnover intention. Consequently, a hypothesis is put forth.

H7: Work-life balance negatively affects turnover intention through job embeddedness.

The research model depicted in Figure 1 illustrates the investigation's focus on assessing the impact of work-life balance on employee retention and turnover intention through the mediating role of job embeddedness within Generation Z. The research aims to address the research gaps identified by Aman-Ullah et al. (2023) and expand upon previous theoretical frameworks within diverse industry sectors. Previous research highlights the importance of exploring factors beyond job satisfaction that may influence employee retention and turnover intention behaviors (Aman-Ullah et al., 2023). Despite an extensive literature review conducted via Google Scholar until August 25, 2023, no research has examined the collective influence of the four variables: work-life balance, employee retention, turnover intention, and job embeddedness. This research gap represents a novel contribution to

the field and warrants comprehensive investigation. Furthermore, understanding the interrelationships among these variables holds significant implications for organizations seeking to effectively engage and retain Generation Z employees amidst prevalent job-hopping tendencies characteristic of this demographic cohort.

The decision to include diverse industries is intended to capture the unique dynamics and challenges across multiple sectors such as technology, finance, healthcare, and hospitality. The research aims to capture Generation Z employees' diverse experiences and perceptions across different professional environments by encompassing these various industries. Then, industry diversity enhances the generalizability of findings. Meanwhile, specific industry contexts may influence how work-life balance practices are implemented or perceived. Overarching trends and insights that apply broadly across sectors can still be drawn. This inclusive approach allows for a more robust understanding of the factors influencing employee retention and turnover intention, regardless of industry specifics. In addition, by examining various industries, the research can identify commonalities and disparities in retention strategies and challenges faced by Generation Z. This comparative analysis can inform organizations of effective practices that transcend industry boundaries, which promote more universally applicable strategies for enhancing employee retention and reducing turnover.

In short, considering the diversity of industries, the research objective is to provide a comprehensive understanding of how work-life balance impacts employee retention and turnover intention among Generation Z employees in Indonesia. By doing so, the research aims to offer valuable insights that can help organizations to develop more effective strategies

for retaining their Generation Z workforce. However, it is important to note that while the findings offer valuable insights into common factors influencing employee retention and turnover intention, they may not fully capture the specificities of individual sectors. The results provide a broad understanding but should not be generalized to represent every industry. The researchers acknowledge the necessity for industry-specific studies to delve deeper into the unique challenges and develop targeted solutions tailored to each sector.

METHODS

The research aims to investigate the impact of the independent variable on the dependent variables, mediated by a mediating variable. The independent variable under scrutiny is work-life balance. Dependent variables include employee retention and turnover intention, while job embeddedness is the mediating variable. Work-life balance is operationalized using 3 items adapted from Haar (2013). Employee retention is assessed through 11 items adapted from Kyndt et al. (2009). Turnover intention is measured using 5 items adapted from Crossley et al. (2007). Job embeddedness is also evaluated through 7 items adapted from Crossley et al. (2007).

The research uses a non-probability sampling technique. It is a type of sampling in which the researcher uses sampling that does not provide every member of the target population to participate in the research; instead, participants are selected by the researchers, referred to the researchers, or self-selected to participate (Stratton, 2021). Specifically, a purposive sample is a sample whose characteristics are determined for purposes relevant to the research (Andrade, 2021).

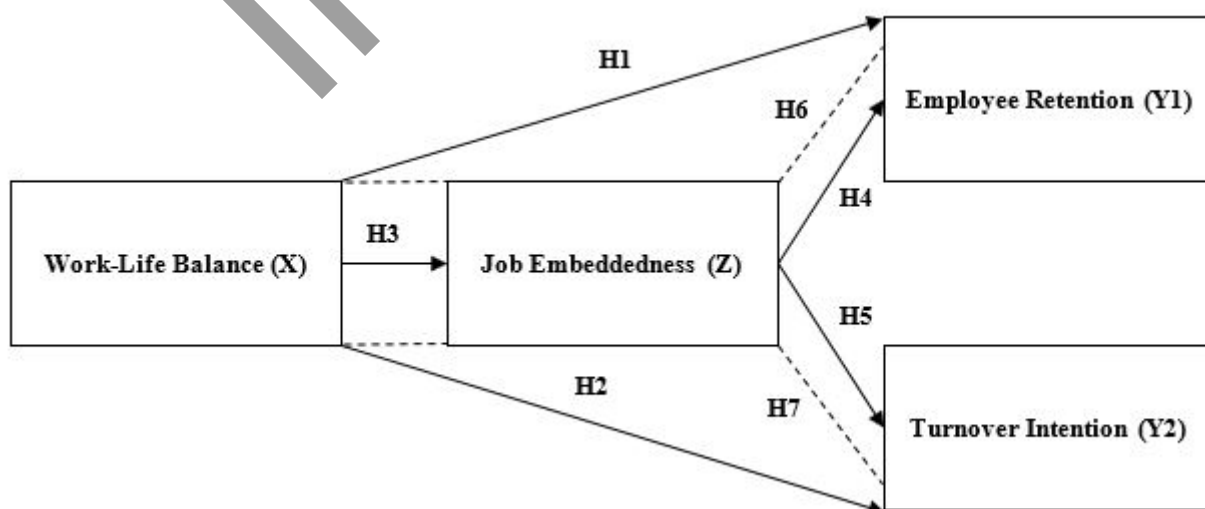


Figure 1 Research Model

The criteria for selecting respondents in the research are designed to ensure relevance and consistency in exploring the dynamics of work-life balance, employee retention, and turnover intention among Generation Z employees in Indonesia. Respondents are identified explicitly as individuals born between 1997 and 2005, aligning with the generational cohort definitions for Generation Z. This age range is chosen based on established generational research that characterizes Generation Z by their distinctive values, behaviors, and career expectations. Additionally, respondents must have served as permanent employees within their organizations for at least one year. This criterion aims to capture insights from individuals with sufficient tenure to provide meaningful perspectives on their experiences with work-life balance, retention factors, and turnover intentions. By focusing on permanent employees, the research explores retention challenges and turnover dynamics among individuals who have committed to their current roles, thereby enhancing the depth and relevance of the findings.

The research does not restrict itself to specific industries but encompasses diverse sectors prevalent in the Indonesian workforce. This inclusive approach ensures comprehensive insights into how work-life balance influences employee retention and turnover intention across various professional environments. Industries represented include, but are not limited to, technology, finance, healthcare, hospitality, and others. This diverse industry focus allows for a broader exploration of commonalities and differences in retention challenges that Generation Z faces across different sectors, ultimately contributing to more robust findings for talent management strategies.

The research questionnaire was distributed online via Google Forms from October to November 2023. It yields 373 eligible respondents from the 477 total responses. The criteria for inclusion are clearly defined: respondents have to be born between 1997 and 2005 and permanent employees who have worked at their current company for at least one year. Consequently, 104 respondents who do not meet these criteria are excluded from the analysis.

Data analysis employs the Structural Equation Modeling (SEM) approach, specifically Partial Least Square (PLS) as the SEM statistical method, facilitated by SmartPLS software. SEM allows researchers to simultaneously model and estimate complex relationships between multiple dependent and independent variables (Hair et al., 2019). PLS-SEM is adept at estimating path models with latent variables and aggregating information across attribute levels to represent attributes holistically within the path model (Hair et al., 2019).

The data analysis process comprises several stages. Initially, the measurement model (outer model) undergoes evaluation, encompassing validity and reliability tests. Two validity tests are conducted: convergent validity and discriminant validity. Convergent validity is assessed by examining the

outer loading values of each indicator on its latent variable and the Average Variance Extracted (AVE) values of each variable. According to Hair et al. (2019), the outer loading value must be greater than 0.5. Ideally, outer loading has a value that is in the range of 0.7–0.8. Meanwhile, the criterion for AVE is that the value should be 0.5 (50%) or higher (Hair et al., 2020). Discriminant validity, on the other hand, is appraised by scrutinizing cross-loading correlation values of each indicator against every variable. According to Cheung et al. (2024), discriminant validity requires that each indicator loads uniquely on only one construct. If the identical indicator measures two constructs, it is difficult to argue that they differ. Reliability can be assessed from Cronbach's alpha value and composite reliability of all constructs. The recommended composite reliability and Cronbach's alpha value are more than 0.7.

Subsequently, the structural model (inner model) is evaluated using the coefficient of determination (R^2), hypothesis testing, and indirect effect testing. According to Ghazali and Latan (2014), a high coefficient of determination signifies a robust influence of the independent variable on the dependent variables, while a low coefficient suggests a weaker influence. Hypothesis and indirect effect testing involve examining the t-statistic and p-value. Hypothesis testing can be said to be significant if the t-statistic value is greater than ($>$) 1.96 and the p-value is smaller than ($<$) 0.05. Conversely, the null hypothesis is upheld if these thresholds are not met.

RESULTS AND DISCUSSIONS

The research analyzes data collected from a sample of 373 respondents. As illustrated in Table 1 (see Appendices), the distribution indicates a higher representation of female respondents ($n=167$) than male respondents ($n=206$). Predominantly, respondents fall within the age bracket of 21–23 years old ($n=197$), followed by 24–26 years old ($n=128$) and 18–20 years old ($n=48$). Regarding jobs, most respondents are employed in the private sector ($n=359$), with only 14 respondents working as civil servants. Additionally, the duration of employment varied, with 332 respondents having worked for 1–3 years, 34 for 4–6 years, 5 for 7–9 years, and 2 for ≥ 10 years. Regarding job positions, the majority of respondents hold staff positions ($n=210$), followed by low-level managers ($n=100$), middle-level managers ($n=35$), and top-level managers ($n=28$).

The first stage is validity testing, namely convergent validity and discriminant validity. Table 2 (see Appendices) shows the results of the convergent validity test. It can be seen that the outer loading value of all indicators on the research variables is valid because it has an outer loading value above 0.5. In addition, Table 2 (see Appendices) shows that each variable's AVE value shows a number greater than 0.5. So, it can be concluded that all variables are valid.

The second stage is the reliability test. Table 3

(see Appendices) shows the reliability test results. It can be seen that the four variables have Cronbach's alpha and composite reliability values greater than 0.7. From these results, it can be concluded that all variables are reliable.

Next, the results of the discriminant validity test can be seen in Table 3 (see Appendices) and Table 4 (see Appendices). The indicators of the work-life balance, job embeddedness, employee retention, and turnover intention variables have higher cross-loading values on their variables when compared to the cross-loading values on other variables. Based on the results obtained, it can be concluded that the indicators in these variables have an excellent discriminant validity value and meet the criteria because each indicator of these variables can measure its variable better when compared to measuring other variables.

The next stage is the coefficient of determination (R^2). Table 5 (see Appendices) shows that job embeddedness can be influenced by work-life balance by 10.90%, and the remaining 89.10% is explained by other variables not included in the research. Meanwhile, employee retention can be directly influenced by work-life balance and job embeddedness by 44.40%, and other variables outside the research model explain the remaining 55.60%. Next, turnover intention can be directly influenced by work-life balance and job embeddedness by 10.50%, and other variables outside the research model explain the remaining 89.50%.

The fourth analysis stage involves hypothesis testing. The results presented in Table 6 (see Appendices) reveal that work-life balance positively influences employee retention by 44.4%. The first hypothesis test demonstrates a t-statistic value of 10.290 and a p-value of 0.000, leading to the acceptance of H1. According to Bhende et al. (2020), improved work-life balance indicates better performance among workers and the organization. Employees with a higher work-life balance at work will show more favorable of their work and exhibit more positive qualities (Bahar et al., 2022). The mean analysis results from work-life balance are 3.806, categorized as high. Specifically, item WLB2, with a mean of 3.834, shows that employees enjoy every part of their lives equally, suggesting overall high satisfaction. These findings support that Generation Z employees perceive an excellent balance between work and personal life, leading to enhanced performance and positive workplace behavior. When employees feel balanced between work and personal life, they are less stressed and more satisfied. This balance allows them to be more engaged and productive at work, fostering a positive work environment. The psychological satisfaction from maintaining this balance translates into better job performance and more favorable work attitudes.

Furthermore, work-life balance negatively affects turnover intention by -25.2%. The second hypothesis test yields a t-statistic value of 4.370 with a p-value of 0.000, resulting in the acceptance of H2. This finding aligns with the research conducted

by Lestari and Margaretha (2021) and Parray et al. (2023) that work-life balance negatively impacts turnover intention. The mean analysis shows that employees are satisfied with their work-life balance (mean = 3.806), particularly on items like WLB3 (mean = 3.799), which indicates employees can balance work demands with personal life. This high level of satisfaction likely reduces stress and the desire to leave the company. Thus, a well-maintained work-life balance minimizes employees' likelihood of leaving their jobs, as supported by Kakar et al. (2021) and Ahmad Saufi et al. (2023). Reduction of stress and burnout plays a critical role here. When employees can balance their work and personal lives, they experience lower stress levels, directly impacting their desire to stay with the organization. High stress and burnout levels are significant predictors of turnover intention, so maintaining a work-life balance helps to mitigate these risks, leading to lower turnover rates. According to Aman-Ullah et al. (2024), a negative relationship between work-life balance and turnover intention is found. When employees struggle to find time for themselves and their families, they will start looking for new jobs, thus triggering their turnover intention. It is also found that work-life balance negatively correlates with turnover intention (Ahmad Saufi et al., 2023). Employees who balance work and family life tend to feel satisfied and happy with their jobs and responsibilities, thus reducing turnover intention.

Work-life balance positively influences job embeddedness by 33%. The third hypothesis test reveals a t-statistic value of 6.832 and a p-value of 0.000, thereby validating H3. These results are consistent with Fuchs et al. (2022) regarding a positive correlation between work-life balance and employee job embeddedness. Organizational implementation of conducive practices to work-life balance, coupled with employees' perception of achieving such equilibrium, fosters a sense of prosperity among employees. The high mean values for work-life balance indicators, such as WLB2 (mean = 3.834), show that employees feel integrated into their personal and professional lives, fostering a sense of prosperity and embeddedness within the organization. When employees perceive that their organization supports their work-life balance, they develop a stronger attachment to the organization. This perception enhances their sense of belonging and commitment, making them more embedded within the organizational culture and less likely to consider leaving.

Job embeddedness positively impacts employee retention, accounting for a 37.2% variance. The fourth hypothesis test reveals a t-statistic value of 8.945 with a p-value of 0.000, leading to the acceptance of H4. This finding aligns with Praveena et al. (2017) about a significant relationship between job embeddedness and employee retention. The mean analysis for job embeddedness indicates a mean of 2.953, categorized as sufficient, with the highest mean on item JE1 (mean = 3.255), showing that employees feel attached to their organization. This attachment fosters commitment

and a propensity to remain within the organization. Job embeddedness involves the extent to which employees feel integrated into their work environment and community. When employees are embedded, they perceive high costs associated with leaving the organization, including loss of social connections and benefits, making them more likely to stay.

Furthermore, job embeddedness negatively affects turnover intention, reducing -13.8%. The fifth hypothesis test yields a t-statistic value of 2.173 with a p-value of 0.030, leading to the acceptance of H5. This finding is consistent with Mashi et al. (2022), indicating that employees with solid organizational attachments are less likely to leave. The mean analysis results show that job embeddedness is sufficient (mean = 2.953), and item JE2, with the smallest standard deviation (SD = 1.086), indicates respondents share a common perception of difficulty in leaving the organization, thereby reducing turnover intention. It is indicated that job embeddedness reduces employee turnover intention (Ampofo & Karatepe, 2022). This is because the more significant the influence of the job is, the more difficult it is for employees to consider leaving the organization. Job embeddedness negatively correlates with turnover intention (Fuchs et al., 2022). When employees feel that their company values the complexity of their lives and tries to offer alternatives that contribute to balance, employees are likely to be more productive and stay longer in the organization. According to Mashi et al. (2022), there is a negative relationship between job embeddedness and turnover intention. The research results indicate that employees who feel attached to the organization are less likely to leave the organization. Job embeddedness creates a psychological and practical bond between the employee and the organization. The stronger this bond is, the less likely employees are to consider other job opportunities because the perceived benefits of staying outweigh those of leaving.

The final stage involves the indirect effect test. Analysis from Table 7 (see Appendices) reveals that the work-life balance exerts an indirect positive effect on employee retention through the mediation of job embeddedness, with a t-statistic value of 5.508 and a p-value of 0.000, supporting the acceptance of H6. This result is congruent with findings from Thakur and Bhatnagar (2017), indicating that job embeddedness fully mediates the relationship between work-life balance and intention to stay. The high mean for work-life balance (3.806) and sufficient mean for job embeddedness (2.953) illustrate how these factors enhance employee retention. Job embeddedness acts as a buffer. When employees experience high work-life balance, they become more embedded in their jobs. This embeddedness then strengthens their attachment to the organization, enhancing retention rates.

Additionally, the work-life balance variable exerts an indirect negative effect on the turnover intention by mediating job embeddedness, with a t-statistic value of 2.158 and a p-value of 0.031, validating the acceptance of H7. While previous studies

have not explored the mediation of job embeddedness, research by Thakur and Bhatnagar (2017), Dechawatanapaisa (2017), and Fuchs et al. (2022) has established the influence of work-life balance on job embeddedness. Moreover, research by Ampofo and Karatepe (2022), Fuchs et al. (2022), and Mashi et al. (2022) corroborates the notion that job embeddedness mitigates turnover intention. The low overall mean for turnover intention (2.265) suggests that employees are less likely to leave their organization, and job embeddedness plays a crucial role in this relationship. Thus, the research emphasizes the mediating role of job embeddedness in the relationship between work-life balance and turnover intention. High work-life balance increases job embeddedness, which in turn reduces turnover intention. This two-step process highlights the importance of fostering both elements to manage employee turnover effectively.

The research findings should be considered within the context of the respondents' diverse industry backgrounds. The sample includes employees from mining and energy, agriculture, manufacturing, consumer goods, healthcare, finance, real estate, technology, infrastructure, transportation and logistics, investment, and hospitality. These industries present unique work environments, job demands, and cultural norms that can significantly influence the relationship between work-life balance, job embeddedness, turnover intention, and employee retention.

While numerous studies have explored employee retention and turnover intention, few have focused specifically on Generation Z employees within the Indonesian context. The research provides valuable insights into the work-life balance and job embeddedness of this emerging demographic in a rapidly developing economy. The research simultaneously investigates two critical outcomes – employee retention and turnover intention – within a single framework. This dual focus allows us to present a comprehensive understanding of the factors influencing both staying and leaving behaviors among Generation Z employees. The researchers examine the mediating role of job embeddedness in the relationship between work-life balance and both employee retention and turnover intention. It adds depth to the existing literature by exploring how job embeddedness can serve as a crucial mechanism in these dynamics. By including respondents from various industries such as technology, finance, healthcare, and hospitality, the research captures a wide range of experiences and challenges.

For instance, high-stress industries like healthcare and finance often demand long working hours and high levels of dedication, making work-life balance a critical factor for employee performance and retention (Keeton et al., 2007; McCarthy et al., 2011). In contrast, industries such as technology and creative sectors may offer more flexible work arrangements, which naturally support better work-life balance. The variance in job roles and industry expectations highlights the need for tailored work-life

balance programs that cater to the specific needs of each industry to effectively enhance job satisfaction and retention rates (Collings et al., 2019).

Cultural differences also play a pivotal role in shaping employees' perceptions of work-life balance and job embeddedness. Cultures that emphasize collectivism, like many Asian cultures, often prioritize family and community over individual work achievements (Hofstede, 1984). In such cultures, employees might expect more support for work-life balance initiatives that allow them to fulfill family and community obligations. Conversely, in individualistic cultures, common in Western societies, personal achievement and career advancement may take precedence, affecting how employees perceive and prioritize work-life balance (Spector et al., 2017).

CONCLUSIONS

The research examines the influence of work-life balance and job embeddedness on employee retention and turnover intention within Generation Z. The results indicate that work-life balance significantly impacts employee retention, turnover intention, and job embeddedness among Generation Z employees. Additionally, job embeddedness notably influences employee retention and turnover intention within this demographic. Furthermore, work-life balance indirectly affects employee retention and turnover intention through its mediation by job embeddedness.

Organizations aiming to enhance their strategies for managing Generation Z employees should prioritize work-life balance initiatives. Implementing flexible working arrangements, such as flexible hours, telecommuting, and job-sharing, can help to reduce stress and enhance satisfaction. Additionally, fostering a positive work environment by aligning organizational values with Generation Z's priorities, promoting cultural alignment and engagement through open communication, and offering comprehensive benefits like pension guarantees, health insurance, and wellness programs can further reduce turnover intentions.

To strengthen employees' attachment to the organization, companies should focus on career development opportunities such as clear career paths, mentorship programs, and continuous learning. Recognition and rewards for achievements also play a crucial role in boosting morale and retaining Generation Z talent. By implementing these strategies, organizations improve work-life balance, job satisfaction, and retention among Generation Z employees and enhance their overall competitiveness in attracting and retaining talent in today's evolving workplace environment.

The research has some limitations. The geographical bias towards Generation Z employees primarily located on the island of Java may limit the generalizability of the findings. Future research should broaden the scope by including respondents from

diverse regions across Indonesia, including Sumatra, Kalimantan, Nusa Tenggara, Sulawesi, and the islands of Papua and Maluku. Furthermore, the effectiveness of work-life balance and job embeddedness strategies may vary significantly across different sectors and cultural settings. Each industry faces unique challenges that can influence turnover and retention differently. For instance, technology companies may prioritize remote work options more than manufacturing firms, while startups may offer different benefits compared to established corporations. Therefore, while the research provides valuable insights into the relationship between these variables, organizations should consider the industry's specific factors when applying these findings. Future research should explore these contextual factors in greater detail by conducting industry-specific or cross-cultural comparative studies. Such research can provide deeper insights into how different contexts influence work-life balance, job embeddedness, turnover intention, and employee retention, offering more refined guidance for organizations operating in diverse environments. Additionally, future studies can explore additional mediating variables, such as employee engagement, motivation, and organizational commitment, to better understand their impact on employee retention and turnover intention among Generation Z.

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APPENDICES

Table 1 Respondents' Profile

Classification	Description	Total
Gender	Male	167
	Female	206
Age	18–20 years old	48
	21–23 years old	197
	24–26 years old	128
Job	Private employee	359
	Civil servants	14
Length of employment	1-3 years	332
	4-6 years	34
	7-9 years	5
	≥ 10 years	2
Employee's position	Staff	210
	Low-level manager	100
	Middle-level manager	35
	Top-level manager	28
Sector	Mining & Energy	5
	Agriculture	3
	Manufacture	46
	Consumer Goods	38
	Health	12
	Finance	46
	Property	10
	Technology	28
	Infrastructure	14
	Transportation & Logistics	21
	Investment	1
	Restaurants & Hotels	21
	Others	128

Table 2 The Results of Outer Loading

Indicator	Work-Life Balance	Employee Retention	Turnover Intention	Job Embeddedness
WLB1: satisfied balance	0.865			
WLB2: recent enjoyment	0.897			
WLB3: balanced demands	0.861			
ER1: planning to stay		0.696		
ER2: job satisfaction		0.798		
ER3: internal options		0.604		
ER4: future in the organization		0.829		
ER6: five-year commitment		0.735		
ER7: staying current job		0.773		
ER8: declining outside offer		0.569		
ER9: job importance		0.732		
ER10: liking current job		0.825		
TI1: intending to leave			0.920	
TI2: planning to depart			0.942	
TI3: exiting soon			0.928	
TI4: leaving shortly			0.944	
TI5: maybe leaving soon			0.888	
JE1: feeling committed				0.663
JE2: challenging to leave				0.831
JE3: too entrenched				0.730
JE4: feeling dependent				0.841
JE5: not capable of leaving				0.889
JE6: not easy exit				0.868
JE7: strongly attached				0.858

Table 3 The Results of Validity and Reliability

Variables	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Work-Life Balance	0.846	0.852	0.765
Employee Retention	0.890	0.902	0.539
Turnover Intention	0.957	0.959	0.855
Job Embeddedness	0.915	0.935	0.664

Table 4 The Results of Cross-Loading

Indicator	Employee Retention	Job Embeddedness	Turnover Intention	Work-Life Balance
ER1	0.696	0.413	-0.375	0.313
ER2	0.798	0.307	-0.408	0.539
ER3	0.604	0.224	-0.188	0.367
ER4	0.829	0.471	-0.443	0.423
ER6	0.735	0.446	-0.332	0.384
ER7	0.773	0.388	-0.373	0.455
ER8	0.569	0.390	-0.188	0.217
ER9	0.732	0.397	-0.212	0.393
ER10	0.825	0.386	-0.343	0.574
JE1	0.263	0.663	-0.066	0.235
JE2	0.481	0.831	-0.244	0.315
JE3	0.264	0.730	0.016	0.212
JE4	0.449	0.841	-0.177	0.243
JE5	0.452	0.889	-0.219	0.280
JE6	0.462	0.868	-0.214	0.250
JE7	0.483	0.858	-0.229	0.322
TI1	-0.444	-0.180	0.920	-0.315
TI2	-0.40	-0.225	0.942	-0.247
TI3	-0.412	-0.195	0.928	-0.291
TI4	-0.373	-0.203	0.944	-0.248
TI5	-0.410	-0.220	0.888	-0.266
WLB1	0.521	0.294	-0.281	0.865
WLB2	0.514	0.304	-0.271	0.897
WLB3	0.445	0.264	-0.223	0.861

Table 5 The Results of R-Square (R²)

Variables	R-Square	Adjusted R-Square
Employee Retention	0.444	0.441
Turnover Intention	0.105	0.101
Job Embeddedness	0.109	0.107

Table 6 The Results of the Hypothesis Test

Hypothesis	Original Sample (O)	T-Statistics ($ O/STDEV $)	P-Values
Work-Life Balance → Employee Retention	0.444	10.290	0.000
Work-Life Balance → Turnover Intention	-0.252	4.370	0.000
Work-Life Balance → Job Embeddedness	0.330	6.832	0.000
Job Embeddedness → Employee Retention	0.372	8.945	0.000
Job Embeddedness → Turnover Intention	-0.138	2.173	0.030

Table 7 The Results of the Indirect Effect Test

Hypothesis	Original Sample (O)	T-Statistics ($ O/STDEV $)	P-Values
Work-Life Balance → Job Embeddedness → Employee Retention	0.123	5.508	0.000
Work-Life Balance → Job Embeddedness → Turnover Intention	-0.045	2.158	0.031