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The Effect of Compensation and Workload on Turnover Intention among Generation Z Employees in Jakarta City

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Overview

Background: The high turnover rate among Generation Z employees poses a major challenge for companies because it affects recruitment, training, and performance costs. In Jakarta, this phenomenon is often associated with dissatisfaction with compensation and workload pressure.
Objective: This study aims to describe the conditions of compensation, workload, and turnover intention among Generation Z employees in Jakarta, as well as to analyze the impact of compensation and workload on turnover intention.
Methods: This study was conducted with 150 respondents using a cross-sectional quantitative approach, a Likert-scale questionnaire, and purposive sampling. The data were analyzed using descriptive statistics and partial least squares structural equation modeling (PLS-SEM) to verify causal relationships.
Results: Compensation and workload simultaneously had a significant positive effect on turnover intention, with $R^2 = 0.878$. Compensation was more dominant than workload, as indicated by its higher effect size ($F^2 = 0.222$) compared with workload ($F^2 = 0.127$). Workload and compensation each had a significant partial effect on turnover intention ($t > 1.96$; $p < 0.05$). The high R^2 value (0.878) is contextually justified, considering that both predictors are central structural determinants of turnover behavior among Generation Z employees, who are sensitive to compensation conditions and workload demands in the Jakarta labor market. The positive direction of the compensation effect ($\beta = +0.540$) reflects the reward–aspiration gap, in which higher compensation may increase market expectations and perceived professional recognition, thereby sustaining rather than suppressing exit intentions.
Conclusion: Retention strategies for Generation Z employees should focus on improving fair and transparent compensation systems and ensuring proportionate workload management. The practical implications include evaluating compensation structures, task allocation, and working-time management to reduce employees' intention to leave.

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INTRODUCTION

Generation Z refers to a cohort of individuals born within a specific period, commonly known as Generation Z. More specifically, this generation includes people born between 1995 and 2012. Members of Generation Z have only recently begun to enter the labor market, and their characteristics have significantly influenced organizational dynamics compared with those of previous generations. They are technologically savvy, capable of multitasking, flexible in responding to strategic changes, and more interested in meaningful work with clearly defined

purposes.

Age Group	Population of DKI Jakarta Province by Age Group and Sex (People)		
	Men	Women	Total
	2025	2025	2025
0-4	369.414	354.957	724.371
5-9	397.165	378.512	775.677
10-14	404.052	384.816	788.868
15-19	413.092	392.642	805.734
20-24	413.802	398.186	811.988
25-29	410.712	400.420	811.132
30-34	409.226	404.359	813.585
35-39	424.269	422.385	846.654
40-44	418.832	417.145	835.977
45-49	411.427	409.344	820.771
50-54	369.974	369.731	739.705
55-59	311.385	313.553	624.938
60-64	245.428	253.633	499.061
65+	362.049	417.465	779.514
Total	5.360.827	5.317.148	10.677.975

Figure 1. Age and Gender of DKI Jakarta Residents

Based on Figure 1, by 2025, DKI Jakarta is projected to have approximately 1,620,961 Generation Z individuals aged 18 to 27 years, consisting of 825,466 males and 795,495 females. Since employees are the main assets of any organization, full attention must be given to supporting company performance by improving their abilities and skills (Bytyqi, 2022).

Intention to leave refers to an employee's intention or desire to resign and is one of the main issues in human resource management (Egarini & Prastiwi, 2022). Winarno (2022) emphasized that identifying employees' intention to leave is important because it allows organizations to improve internal conditions and reduce the possibility of future turnover through effective human resource practices, organizational support, and employee engagement. According to a survey conducted by Jakpat in collaboration with GoodStats, approximately 69% of Generation Z employees in Indonesia intend to leave their jobs.

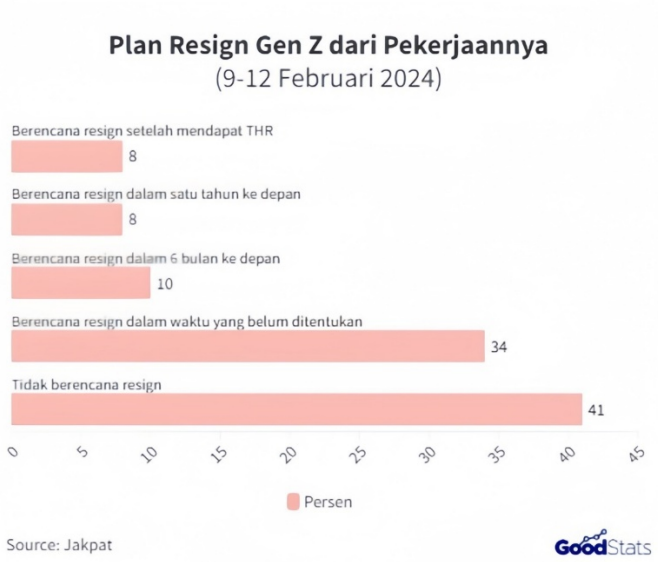


Figure 2. Generation Z quit their jobs

Among those considering resignation, 34% have not decided on a specific time frame, while 10% plan to resign within the next six months, 8% within a year, and 8% after receiving

Tunjangan Hari Raya (THR; religious holiday allowance). After resigning, 40% intend to look for a similar job, 37% are open to different jobs, and 23% want to try different types of work (GoodStats).

The intention to resign has become a serious problem for many companies. Some companies experience difficulties during the hiring process or feel increasingly frustrated after successfully attracting high-quality talent, only to find that the recruited employees choose to work for another company. A high employee turnover rate can result in various potential costs, including training costs already invested in employees, reduced organizational performance, and additional expenses for recruitment and retraining.

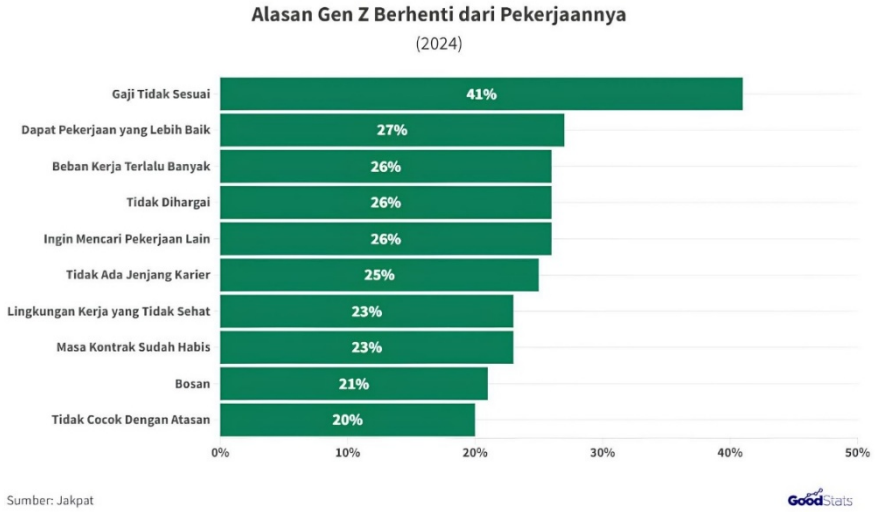


Figure 3. Reasons why Generation Z quit their jobs

Among the 168 respondents, the leading reasons Generation Z employees considered leaving their jobs were an unsatisfactory salary (41%), a better job offer (27%), a desire to explore other jobs (26%), and contract termination (23%) (Goodstats). A high turnover rate can create significant costs for companies, including wasted training investments and repeated recruitment expenses.

The main factors influencing Generation Z employees' turnover intentions are compensation and workload. Inadequate compensation can trigger employees' intention to leave the organization, This is supported by Kristanti (2021), who found that financial rewards influence turnover intention both directly and indirectly through job satisfaction and affective organizational commitment. while excessive workload can cause psychological stress, fatigue, and burnout, which in turn significantly affects turnover intention. This condition is evident among 400 Generation Z employees in DKI Jakarta, where burnout was found to function as an intervening variable in the relationship between workload and turnover intention. This argument is also supported by Dudija (2025), who found that workload influences burnout among Generation Z employees in Indonesia through work stress. Therefore, the combination of inadequate compensation and excessive workload represents a major risk factor that increases turnover intention among Generation Z employees.

Several previous studies have explored the relationship between compensation, workload, and turnover intention. Berber (2024) Confirmed that inadequate compensation significantly predicts turnover intention among private-sector employees. Aqilah (2023) Showed that workload has a positive and significant effect on turnover intention, especially when employees perceive job demands as exceeding their capabilities. Wijono (2025) Further found that compensation is the main predictor of Generation Z turnover intention in Surabaya. However, existing studies tend to examine compensation and workload separately and rarely combine the two predictors in a single structural model targeting Generation Z employees in specific urban contexts. In addition, many previous studies have not addressed the directional paradox in which high compensation scores coexist with increased turnover intention due to relative dissatisfaction or misalignment in compensation structures. This research gap justifies the present study, which

simultaneously verifies both variables in a Generation Z employee sample in Jakarta using PLS-SEM, thereby providing more contextual and actionable insights.

The novelty of this research lies in three aspects. First, compensation and workload are integrated as co-predictors of turnover intention within a PLS-SEM framework targeting Generation Z employees, an approach that has received limited attention in Indonesian human resource management literature. Second, the study is conducted in the Jakarta metropolitan area, the largest labor market in Indonesia and one of the areas with a substantial Generation Z workforce. Third, this study reveals an anomaly in the directional relationship between compensation and turnover intention by clarifying that high compensation scores among Generation Z employees may still correspond with high turnover intention. This indicates that the compensation satisfaction threshold for this generation differs from that of previous generations and that a new interpretive framework is required. These theoretical and practical contributions distinguish this research from conventional studies and provide a new foundation for designing retention policies for Generation Z employees.

Referring to the unique dynamics and characteristics of Generation Z described in the background, this study establishes the core issues that need to be addressed. The purpose of this study is to analyze, both partially and simultaneously, the influence of compensation and workload on Generation Z employees' turnover intention in Jakarta. The specific objectives are to evaluate the individual effect of compensation on turnover intention and to analyze the relationship between workload and turnover intention.

Theoretically, this study is expected to contribute to human resource management research related to Generation Z employment behavior and the factors influencing employees' work-change intentions. It is also expected to serve as a reference for future research. Practically, the findings can guide companies and human resource managers in determining retention strategies, such as formulating compensation policies, improving task allocation, managing workload distribution, adjusting work targets, and regulating working hours to reduce turnover intention among Generation Z employees.

Literature Review

Human Resource Management and Its Functions

HRM aims to manage human resources from operations (analysis and evaluation) and workers (procurement, evaluation, training, promotion, compensation, dismissal) to achieve the ability of employees to support their work (Uyun, 2021). Personnel management functions include administration (planning, organizing, commanding, control) and operational (recruitment, development, compensation, integration, maintenance, closure) (Suryani et al., 2025).

Organizational Actions

Organizational behavior is a field that studies how individual, group, and organizational structure factors affect the behavior of people in an organization, aiming to promote effectiveness through improved performance and productivity (Hakim et al., 2024). The complexity of various organizational problems demands a problem-solving approach that refers to the conditions and conditions of people in the organization.

Compensation

Compensation refers to the monetary and non-monetary rewards received by employees, including salaries, allowances, bonuses, incentives, perks, and so on (Dessler et al., 2025). Compensation consists of indirect benefits such as salary, incentives, insurance, vacations, and BPJS, and is divided into direct compensation (salary, incentives, bonuses) and indirect compensation (benefits, vacations, facilities). This study uses the dimension of Aysila (2025) as relevance to Generation Z.

Workload

Workload refers to the extent to which an individual's abilities are required to complete a task, including workload, deadlines, and task recognition (Anita, 2013). It is influenced by external

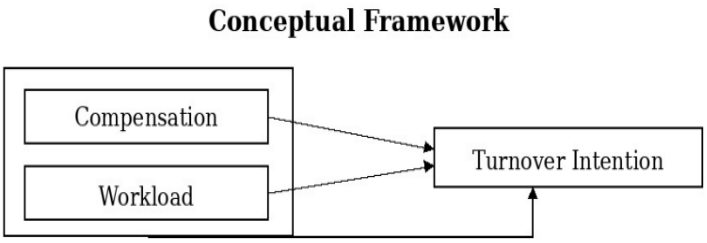
factors (task characteristics, organization, environment) and internal factors (response to external body loads). The dimensions used: working conditions, use of working hours, goals for task achievement.

Intention of Change

Turnover intention refers to an employee's willingness to leave the company due to dissatisfaction or work disagreements. Determinants: internal (salary, incentives, supervisory attitude), external (external company environment), individual (personal characteristics). Dimensions: thoughts about resignation, looking for a job, intention to quit, intention to resign, discomfort, job search, consideration of job offers.

Conceptual framework

A conceptual framework is a framework that governs the relationships between variables, defines key concepts, and systematically establishes the focus of research, helping to better understand analytical results and providing a basis for decision-making and theoretical development.



Source: Author Data Processing (2025)
Figure 4. Conceptual framework

Premise

Based on this theory and previous research, the hypotheses proposed in this study are as follows.

H1: Compensation has a negative but significant impact on the turnover intentions of Generation Z employees in Jakarta.
H2: The turnover rate of Generation Z employees in Jakarta shows that workload positively and significantly affects turnover intentions.
H3: Compensation and workload simultaneously have a significant impact on the turnover intentions of Generation Z employees in Jakarta.

METHOD

Types of Research

This study used a quantitative method with descriptive and causal approaches. According to Sugiyono (2023), the quantitative method is a research method based on empirical principles used to investigate populations or samples, as well as to describe and verify predetermined hypotheses. The dependent variable in this study was turnover intention, while the independent variables were compensation and workload. Data were collected through a survey, which, according to Sugiyono (2023), is considered an efficient method for reaching many respondents. The unit of analysis in this study was the individual. Bougie (2020) classify units of analysis into several types, namely individuals, dyads, groups, organizations, and cultures. Data were processed using path analysis to examine causal relationships between variables, along with descriptive analysis. According to Sugiyono (2023), descriptive analysis focuses on explaining the characteristics of the data so that conclusions can be drawn and generalized to a broader population.

Table 1. Research Characteristics

No	Research Characteristics	Types
1	Method	Quantitative
2	Purpose	Overview
3	Survey Types	Causes
4	Research Unit	Individual
5	Implementation Period	cross-section

Source: Author Data Processing (2025)

Operationalization of measurement variables and scales

According to Bougie (2020), a research variable is a component or object that has a value and can be measured or observed in relation to a phenomenon within the research subject. Independent variables are variables that can influence the dependent variable either positively or negatively (Bougie & Sekaran, 2020). In this study, the independent variables were compensation (X1) and workload (X2). Meanwhile, the dependent variable was the focus of the research Bougie (2020), namely turnover intention (Y). The measurement used a Likert scale, which, according to Sugiyono (2023), serves as a standard for measuring individuals' or groups' attitudes, opinions, and perceptions. The scale consisted of five response options, with scores ranging from 1 to 5.

Table 2. Operational variables

Variable	Dimensions	Indicator	Product Number	Scale
Compensation (X1) --- Aysila (2025)	Direct compensation	Compatibility with salaried jobs	1	Sequence
		Evaluation of Incentives and Outcomes	2	Sequence
		The bonus received is suitable for the job.	3	Sequence
	Indirect compensation	Eligibility and expectations for benefits	4	Sequence
		Insurance suitability tailored to life needs	5, 6	Sequence
		Suitability of Facilities Tailored to Job Needs	7, 8	Sequence
		Eligibility for awards given in conjunction with workforce achievement	9, 10	Sequence
Workload (X2) --- Hamilton (1991)	Work Environment	Understand employee work	11, 12	Sequence
		Employees can do their own tasks.	13, 14	Sequence
	Time of use	Working hours according to company SOP	15, 16	Sequence
		The use of working hours does not burden employees.	17, 18	Sequence
	Goals to achieve	Imbalance between work objectives and completion time	19, 20	Sequence
Work-change Intentions (Y)--- Dalgic (2022)	Thinking about quitting	Thoughts on leaving the organization	21, 22	Sequence

	Job Hunting	Looking for another job	23, 24	Sequence
	Intention to retire	I think about the attitude of quitting the company	25, 26	Sequence

Source: Author Data Processing (2025)

Table 3. Likert scale score

Answer	Score
I totally agree	5
I agree	4
Neutral	3
Contrary opinion	2
I strongly oppose	1

Research Internship

The research stage lasted for six months and included problem identification, a literature review, problem and hypothesis formulation, selection of research methods, data collection through questionnaires, data analysis, discussion and interpretation of the results, and the formulation of conclusions and recommendations for future research.

Population and Sample

According to Sugiyono (2023), a population is the entire group of subjects studied by researchers that has certain quantities and characteristics, while a sample is part of the population that represents those quantities and characteristics. The population of this study consisted of Generation Z employees working in Jakarta. This study used a non-probability sampling technique with purposive sampling. According to Sugiyono (2023), purposive sampling determines the sample based on certain criteria. The criteria in this study included gender, age between 18 and 27 years, and residence in Jakarta. According to Hair (2021), when the population size cannot be reliably determined, the minimum sample size should be five times the number of indicators. The sample size was determined using the following formula:

Sample = number of indicators × 5

Sample = 26 × 5

Sample = 130 respondents

Based on this calculation, the minimum required sample size was 130 respondents. However, this study collected data from 150 respondents, exceeding the minimum requirement.

Data Collection and Data Sources

According to Sugiyono (2023), data collection techniques include observation, interviews, and questionnaire distribution. This study used two types of data sources: primary and secondary data. Primary data were obtained directly from respondents through questionnaires distributed to Generation Z employees in Jakarta. Secondary data were obtained from books, academic journals, reports, and statistical data published by government agencies and research institutions.

Data Analytics Technology

This study used descriptive analysis and partial least squares structural equation modeling (PLS-SEM). According to Sugiyono (2023), descriptive analysis is a statistical analysis method used to describe data without drawing general conclusions or making broad generalizations. This technique is appropriate when the researcher's objective is to describe sample data.

The evaluation criteria were calculated in several steps. The cumulative value was obtained from the total score of the statements answered by 150 respondents. The percentage was calculated using the following formula:

Percentage = (total item score / maximum score) × 100%

The highest score was calculated as 150 × 5 = 750, while the lowest score was calculated as 150 × 1 = 150. Therefore, the highest percentage was (750 / 750) × 100% = 100%, and the lowest percentage was (150 / 750) × 100% = 20%. The range was 100% − 20% = 80%, and the

interval was 80% / 5 = 16%.

Table 4. Score Interpretation Criteria

No	Percentage	Compensation	workload	Intention of Change
1	20%--36%	Very poor	very low	very low
2	37%--52%	Poor	lower	lower
3	53%--68%	Fair	moderate	moderate
4	69%--84%	Good	High	High
5	85%--100%	Very good	Very high	Very high

Source: Author Data Processing (2025)

The total score for each variable is calculated using the following formula.

Total Points = (SA × 5) + (A × 4) + (N × 3) + (D × 2) + (SD × 1)

Ideal score = number of respondents (assuming all respondents strongly agree×

Interpretation of score = (Total score / Ideal score) × 100%

In addition, partial least squares structural equation modeling (PLS-SEM) was also used. According to Hair (2021), SEM is an analytical method designed to address the limitations of classical statistical methods in handling complex data involving many variables. PLS is also referred to as soft modeling because it does not require the basic assumptions of ordinary least squares regression, such as multivariate normal distribution and the absence of multicollinearity among exogenous variables. Its main objective is to verify predictive relationships among constructs, as evaluated through the R-squared value. The stages of PLS-SEM include the assessment of the outer model, consisting of convergent validity tests, with AVE ≥ 0.5 and outer loading > 0.7; discriminant validity, with AVE > 0.5; and reliability tests, with Cronbach's alpha > 0.7 and composite reliability > 0.7. The assessment also includes the inner model, which consists of R-squared, path coefficient, effect size, predictive relevance, and model fit.

Hypothesis testing was carried out by measuring the path coefficient, where a value close to +1 indicated a strong positive relationship, while a value close to −1 indicated a negative relationship. The hypotheses tested in this study were as follows:

H1: Compensation has a negative but significant impact on the turnover intention of Generation Z employees in Jakarta.

H2: The workload of Generation Z employees in Jakarta has a positive and significant impact on turnover intentions.

H3: Both compensation and workload simultaneously have a significant impact on the turnover intentions of Generation Z employees in Jakarta.

RESULTS AND DISCUSSION

Results

Descriptive Analysis

Using descriptive analysis, this section presents a summary of responses to variables such as compensation, workload, and turnover intent, with a total of 26 questions. In this study, a descriptive analysis was carried out on 150 Generation Z employees in Jakarta, based on the results of the distribution of the research questionnaire.

Table 5. Variables such as compensation, workload, and turnover rate

Variable	Key Indicators	Total Points	Percentage	Categories	Detailed explanation
Compensation	Salary matches the job (X11)	585	78.00%	High	Most employees feel that their salary is in line with their responsibilities and work.
	Incentives commensurate	602	80.27%	High	Incentives are given fairly

	with workforce performance (X12)				based on employee performance.
	Match Bonus Contribution (X13)	562	74.93%	High	Bonuses are proportional to individual contributions, but some employees still feel there is room for improvement.
	Benefits of Meeting the Needs (x14)	587	78.27%	High	The allowance fully supports the employee's work and well-being.
	Insurance match coverage (X15)	581	77.47%	High	Corporate insurance provides adequate protection for employees.
	Insurance facilities provide peace of mind (X16)	593	79.07%	High	Employees feel confident in the insurance services provided by the company.
	Work equipment supports smooth operation (X17)	558	74.40%	High	Some employees find workplace facilities to be very supportive, but others still need improvement.
	Workplace facilities tailored to the needs of the job (X18)	588	78.40%	High	The available work facilities meet daily operational needs.
	Matchmaking Results Award (X19)	587	78.27%	High	Awards are given based on performance and encourage employee contributions.
	Performance Award Enhancement (X110)	622	82.93%	High	Many employees feel that the awards they receive motivate and improve performance.
workload	Difficulty in understanding	631	84.13%	High	This job is challenging and

	work (X21)				requires a deep understanding, and some employees have difficulty completing tasks.
	Unsupported ability to complete (X22)	609	81.20%	High	Employees still feel that their abilities are insufficient.
	Jobs require great effort (X23)	563	75.07%	High	The job demands extra effort and shows that employees are burdened with a heavy workload.
	Jobs require high concentration (X24)	599	79.87%	High	The job requires high concentration and demands employees to focus their entire attention.
	Working hours do not meet standards (X25)	612	81.60%	High	The hours of work given may not meet the standards of task completion, causing work stress.
	Working hours cause fatigue (X26)	574	76.53%	High	Employees often feel tired due to long hours and heavy workloads.
	Hours are too heavy (X27)	592	78.93%	High	Working hours sometimes exceed employees' capabilities, causing physical and mental strain.
	Extra time to complete task (X28)	597	79.60%	High	Employees are often forced to work overtime to complete assigned tasks.
	Work objectives do not correlate with completion time (X29)	607	80.93%	High	High-purpose jobs relative to the available time increase work pressure.
	Too high a work	605	80.67%	High	Some employees

	target (X310)				feel that their goals are too ambitious to achieve.
Intention of Change	Thoughts on Withdrawal (First Year)	610	81.33%	High	Employees often consider quitting their current company.
	I have no desire to work long term (2nd year)	584	77.87%	High	Some employees don't want to stay at their current company for long.
	Information on Finding New Hires (3rd Year)	583	77.73%	High	Employees are actively looking for other job opportunities as a career option.
	Explore opportunities at other companies (4th year)	564	75.20%	High	Employees are considering career options outside of their current company.
	Desire to leave the company in the near future (5th grade students)	608	81.07%	High	Many employees plan to leave the company soon.
	Plan to work in another company in the future (Y6)	614	81.87%	High	Many employees plan to change jobs in the future if better opportunities arise.

As a result, Generation Z employees in Jakarta categorized compensation and company workload as high, each showing a significant impact on turnover intentions. Compensation such as salaries, bonuses, incentives, benefits, insurance, workplace perks, and rewards increase certainty and motivation to work. High workloads include working conditions, working hours, and strict targets, but employees can manage their own tasks. Therefore, turnover rates have entered the high category, indicating that many employees are considering or actively seeking other roles, and companies need retention strategies through better compensation, workload management, and a comfortable work environment.

Measurement Model Testing (External Model)

Before verifying the relationships between variables in the inner model, the external model is first evaluated. The external model test aims to determine whether the indicators used in this study meet the criteria of validity and reliability, and to determine whether the indicators are suitable for measuring the components of the study. In this study, an external model evaluation was carried out using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method with the help of the SmartPLS 3 application. External model validation includes convergent validity, discriminant validity, and constructive reliability testing using alpha and composite reliability values from Cronback. Below are the results of external model testing on variables such as compensation, labor load, and turnover intention based on data processing

results using SmartPLS 3.

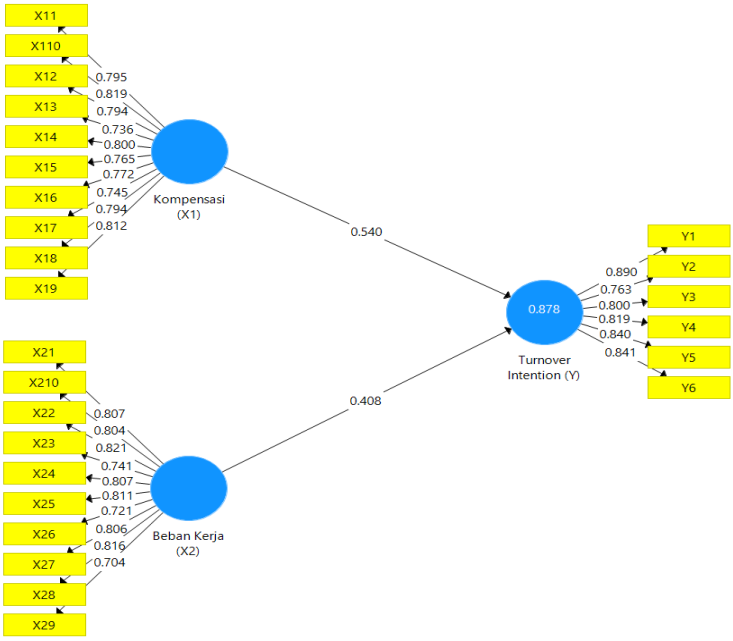


Figure 5. External model of route coefficients
Source: Researcher Data Processing

The out-of-the-way model diagram of the path coefficient above shows the relationship between compensation (X1) and labor burden (X2) for Generation Z employees in Jakarta related to leave intention (Y). In the figure, each latent variable is measured using multiple indicators represented by the load coefficient value. It is known that the load coefficient values for all indicators are above 0.70, indicating that the research indicators meet convergent validity and represent appropriately measured variables.

Table 6. Convergence Validity Test Results

Variable	Item	load coefficient	Requirements	Results
Compensation	X1.1	0.795	> 0.70	It is effective
	X1.2	0.794	> 0.70	It is effective
	X1.3	0.736	> 0.70	It is effective
	X1.4	0.800	> 0.70	It is effective
	X1.5	0.765	> 0.70	It is effective
	X1.6	0.772	> 0.70	It is effective
	X1.7	0.745	> 0.70	It is effective
	X1.8	0.794	> 0.70	It is effective
	X1.9	0.812	> 0.70	It is effective
	X1.10	0.819	> 0.70	It is effective
workload	X2.1	0.807	> 0.70	It is effective
	X2.2	0.821	> 0.70	It is effective
	X2.3	0.741	> 0.70	It is effective
	X2.4	0.807	> 0.70	It is effective
	X2.5	0.811	> 0.70	It is effective
	X2.6	0.721	> 0.70	It is effective
	X2.7	0.806	> 0.70	It is effective
	X2.8	0.816	> 0.70	It is effective
	X2.9	0.704	> 0.70	It is effective
	X2.10	0.804	> 0.70	It is effective
Intention of	Y1	0.889	> 0.70	It is effective

Change				
	Y2	0.762	> 0.70	It is effective
	Y3	0.800	> 0.70	It is effective
	Y4	0.818	> 0.70	It is effective
	Y5	0.839	> 0.70	It is effective
	Y6	0.841	> 0.70	It is effective

Based on Table 6, the load coefficient values for three variables—compensation (X1.1–X1.10), workload (X2.1–X2.10), and turnover intent (Y1–Y6)—exceed the minimum threshold of 0.70, ranging from 0.704 to 0.889 (Hair et al., 2021). Therefore, all 26 indicators are declared valid, and each component can be represented correctly, making it suitable for further research and analysis.

Table 7. Extracted average variance results

Variable	Extracted Mean Variance (AVE)
Workload (X2)	0.616
Prizes (x1)	0.614
Intention to Leave (Y)	0.683

Based on the test results in the table above, it is known that the AVE value for all research variables exceeds 0.50. The AVE workload variable is 0.616, the reward variable is 0.614, and the turnover intent variable is 0.683. These values indicate that all components of the study meet the criteria of convergent validity, and the indicators used can effectively explain latent variables, making them suitable for further analysis.

Validity of Discrimination

Fornell-Larker Criteria

Discriminant validity testing using the Fornell Larker standard is performed to ensure that each variable in the study has different characteristics and that each component can be properly described. This test was performed by comparing the square root of the average variance extract value (AVE) for each variable with the correlation value between the other variables. If the square root of the AVE value is greater than the correlation between other constructs, the construct is declared to satisfy the discriminant validity. You can check the results of the Fornell-Larker Standard Test in the table below.

Table 8. Fornell-Larker Standard Test Results

Variable	Workload (X2)	Prizes (x1)	Intention to Leave (Y)
Workload (X2)	0.985		
Compensation (x1)	0.952	0.984	
Intention to Leave (Y)	0.922	0.929	0.826

Based on the test results in the table above, it is known that the square root of the AVE value for each variable is greater than the correlation value between the other variables. The value of the workload variable is 0.985, the reward variable is 0.984, and the sales intent variable is 0.826. These results show that all variables in the study meet the criteria of discriminant validity, clearly distinguishing each component of the study and making it suitable for further analysis.

Cross-loading

Cross-loading tests were conducted to assess the validity of the assessment by comparing the relationship between the indicators and the latent variables they measured against other latent variables. The indicator is declared to have discriminatory validity if the cross-load value of the measured component is greater than that of the other component. The results of the road intersection trial in this study can be found in the table below.

Table 9. Crossroads Test Results

Item	Workload (X2)	Prizes (x1)	Intention to Leave (Y)
X11	0.717	0.795	0.733
X12	0.757	0.794	0.708
X13	0.707	0.736	0.664
X14	0.780	0.800	0.749
X15	0.719	0.765	0.732
X16	0.743	0.772	0.736
X17	0.725	0.745	0.693
X18	0.754	0.794	0.710
X19	0.773	0.812	0.758
X110	0.784	0.819	0.785
X21	0.807	0.751	0.744
X22	0.821	0.777	0.761
X23	0.741	0.716	0.696
X24	0.807	0.777	0.726
X25	0.811	0.778	0.752
X26	0.721	0.696	0.680
X27	0.806	0.756	0.728
X28	0.816	0.750	0.737
X29	0.704	0.693	0.669
X210	0.804	0.776	0.742
Y1	0.793	0.803	0.890
Y2	0.713	0.705	0.763
Y3	0.758	0.749	0.800
Y4	0.761	0.775	0.819
Y5	0.779	0.790	0.840
Y6	0.766	0.777	0.841

Based on the test results in the table above, it is known that all indicators have the highest measured variable load compared to others. The reward variable indicator has the highest load value in the compensation statement, the workload variable indicator has the highest load value in the workload statement, and the turnover intent indicator has the highest load value in the turnover intent structure. Therefore, all these research indicators were declared to meet the criteria of discriminatory validity through cross-loading testing, and the measurement model was rated good and suitable for further analysis.

Heterotrait-monotrait correlation ratio (HTMT)

The Heteromorph-Single Trait Correlation Ratio (HTMT) test was performed to measure the discriminative validity between the constructs studied. The HTMT test aims to confirm that each latent variable is clearly different from the others. If the HTMT value is below 0.90, the component is declared to have discriminant validity. The results of the HTMT test in this study can be seen in the table below.

Table 10. Heterogeneous-Single Trait Correlation Ratio (HTMT) Test Results

Variable	Workload (X2)	Prizes (x1)	Intention to Go (Y)
Workload (X2)			
Compensation (x1)	0.724		
Intention to Leave (Y)	0.705	0.711	

Based on the test results in the table above, it is known that all HTMT values among the variables are below 0.90. The HTMT value between workload and compensation is 0.724, between workload and turnover intent is 0.705, and between compensation and turnover intent is 0.711. The results of this study show that all variables in the study meet the criteria of discriminatory

validity based on the HTMT method, clearly distinguish the components of the study, and state that the measurement model is suitable for use in the next phase of analysis.

Composite reliability

Reliability tests were performed to assess the level of consistency and stability of respondents' responses. Reliability verification in this study was carried out by comparing the alpha, rho_A, and composite reliability values of Cronback. Variables with alpha reliability and Kronback composite reliability values exceeding 0.70 are declared to be highly reliable. The results of the reliability test in this study are shown in the table below.

Table 11. Composite Reliability Test Results

Variable	Cronbach's Alpha	rho_A	Composite reliability	Extracted (AVE)	Mean Variance
Workload (X2)	0.930	0.931	0.941	0.616	
Compensation (x1)	0.930	0.931	0.941	0.614	
Intention to Leave (Y)	0.906	0.908	0.928	0.683	

Based on the test results in the table above, it is known that the alpha, rho_A, and composite reliability values for all the study variables for Cronback exceeded 0.70. The composite reliability value for the workload variable is 0.941, the reward variable is 0.941, and the turnover intent variable is 0.928. In addition, all variables have AVE values above 0.50. The results of this study show that all variables in this study are reliable and maintain good consistency, indicating suitability for further research analysis.

Structural measurement test (internal model)

After external model testing shows that all indicators meet the criteria of validity and reliability, the next stage is the internal model evaluation. The test in the model aims to clarify the relationship between the latent variables studied and measure the magnitude of the influence of independent variables on the dependent variables. In this study, the evaluation of the internal model was carried out by examining the value of the path coefficient in the research model and the significance value of the bootstrap results.

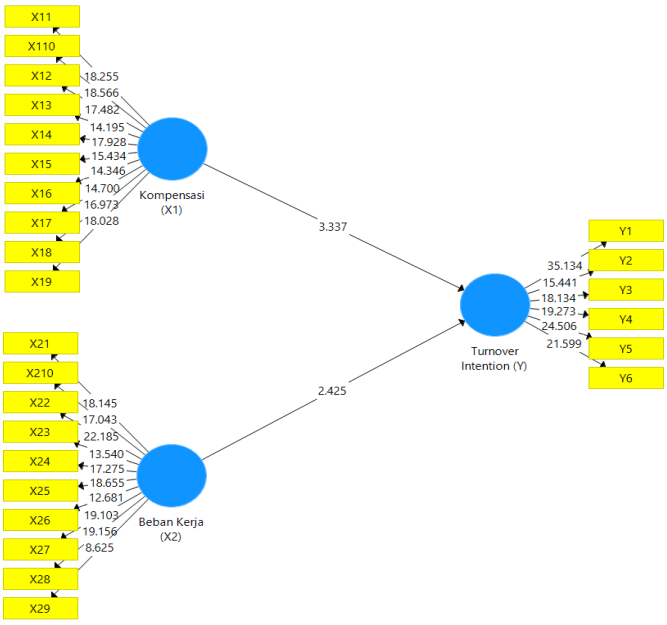


Figure 6. Route coefficient model

Based on the model diagram above, the compensation variable (X1) affects the turnover intention (Y), and the t-statistic is 3.337. Meanwhile, the workload variable (X2) affects turnover intent (Y), with a t-statistic of 2.425. The t-statistic for both relationships was 1.96 or higher, indicating that the relationship between the variables in this study was significant at a significance level of 5%. In addition, all indicators for each variable had high t-statistics, which further supports that these indicators represent the structure of the study well. Therefore, the structural model of this study is stated to be able to explain the relationship between compensation and workload among Generation Z employees in Jakarta and their intention to leave.

Table 12. R-squared, F-squared, Q-squared, and SRMR test results

Tests	Variable / Model	Value	Overview
R Square	Intention to Go (Y)	R^2 = 0.878 After adjustment = 0.876	Shows that compensation and workload can explain 87.8% of turnover rate fluctuations; This model belongs to the powerful category.
F Square	Workload → turnover rate	0.127	In small to medium effects, the contribution to turnover intent is lower than the compensation.
F Square	Intention → Compensation	0.222	It has moderate effectiveness and contributes more than the workload.
Q Square	Intention to Go (Y)	0.589	A value of >0 indicates that the model has good predictive ability (predictive relevance).
SRMR	Saturation/Estimation Model	0.047	A < value of 0.08 indicates a good model fit. This model is suitable for use.

The test results show that this research model has an excellent ability to explain and predict the turnover rate of Generation Z employees in Jakarta. A high R-squared value (0.878) showed a significant effect on compensation and workload, while a F-squared value showed a more dominant effect on compensation. Q-squared (0.589) indicates a strong predictive correlation of the model, and SRMR (0.047) indicates a good model fit, making the entire model suitable for intervariable relationship analysis.

Hypothesis tests

The hypothesis test was conducted to investigate the impact of compensation and workload on the turnover intention of Generation Z employees in Jakarta. The hypothesis test of this study was carried out by examining the path coefficient, t-statistic, and p-value of bootstrap results in the SmartPLS application. If the t-statistic is greater than 1.96 and the p-value is less than 0.05, the hypothesis is accepted. You can check the results of the hypothesis test in the table below.

Table 13. Hypothesis Test Results

	Original Sample (O)	Sample average (M)	Standard Deviation (STDEV)	Statistics T (| O/STDEV|)	p-value
Workload (x2) - Turnover Rate > *(*Y)	0.408	0.404	0.169	2.409	0.016
Compensation (×1) – > Intent *to exceed* sales (Y)	0.540	0.542	0.164	3.300	0.001

The hypothesis testing results indicate that workload has a positive and significant effect on turnover intention, as evidenced by an original sample coefficient of 0.408, a T-statistic of 2.409 (>1.96), and a p-value of 0.016 (<0.05), suggesting that higher workloads increase Generation Z

employees' intention to leave their jobs in Jakarta. Compensation also demonstrates a positive and significant effect on turnover intention, with an original sample coefficient of 0.540, a T-statistic of 3.300, and a p-value of 0.001.

Although the relationship is significant, the direction is opposite to the initial hypothesis, indicating that H1 is rejected in terms of direction because compensation was hypothesized to have a negative effect but instead shows a positive association. Furthermore, compensation and workload jointly have a significant influence on turnover intention, supported by the PLS-SEM results and an R^2 value of 0.878, indicating that these variables explain 87.8% of the variance in turnover intention, while the remaining 12.2% is attributable to other factors outside the scope of this study. Thus, H2 and H3 are supported, whereas H1 is partially rejected due to the unexpected direction of the relationship.

Discussion

Impact of Compensation on Turnover Intention

Based on the results of the study, the compensation variable significantly affected the intention of Generation Z employees in Jakarta, with the original sample value of 0.540, the T-statistic of 3.300 > 1.96, and the p-value of 0.001<0.05, so that H1 was partially negated in a directional manner. The compensation variable reached 78.20% (high category), and the turnover rate was 79.18% (high category). Demonstrate that compensation is a key factor in determining an employee's retirement tendencies; The better the compensation, the lower the turnover rate, and vice versa. These findings are in line with HRM theory, which states that monetary and non-monetary compensation increase job satisfaction and loyalty, while reducing turnover intentions. Specifically, the positive path coefficient (β = +0.540) suggests that higher perceptual compensation leads to higher turnover intentions. This is contrary to conventional hypotheses but can be explained by the theory of relative depletion and the concept of the compensation-suction gap.

Generation Z employees, who receive relatively high compensation, are also more likely to build higher career expectations, compare compensation more actively to market prices, and recognize better offers elsewhere. This creates the paradox that even with objectively high compensation, the benchmark of conformity is constantly increasing, making it impossible to suppress exit intent. This phenomenon is also consistent with fairness theory, which states that employees compare compensation not only to absolute standards but also to inequality between colleagues and industry (Adams, 1965; Lestari & Lestari, 2025). Therefore, Generation Z's compensation management must focus not only on absolute standards but also on transparency, fairness, recognized values, and alignment with career development paths. Additionally, Silaban (2018) affirms that compensation has a significant impact on turnover intentions, and Pózner (2025) point out that because Gen Z has high expectations for job happiness, cognition, and career paths, companies need to offer a competitive compensation system to retain potential employees.

Impact of Workload on Turnover Rate

Based on the results of the study, the workload variable had a positive and significant impact on the turnover rate of Generation Z employees in Jakarta, with the original sample value of 0.408, the T statistic of 2.409>1.96, and the P value of 0.016<0.05, so that H2 was accepted. The workload reached 79.85% (high category) and turnover intention was 79.18% (high category), indicating that the perceived workload was higher and the turnover intention was higher. This is evident from respondents who feel that their work goals are not proportional to their working hours and that their working hours are insufficient.

These findings are in line with the theory that the physical and psychological condition of employees is affected by the demands of work over a period of time. A high workload causes stress, fatigue, and pressure, reducing workplace comfort and ultimately increasing the desire to leave. Research by Hariyanto (2022) shows that workload has a positive and significant impact on turnover intentions, while Septyani (2024) emphasize that Generation Z prioritizes work-life balance, leading to a higher workload and a more comfortable and flexible work style.

Impact of Compensation and Workload on Turnover Rates

Based on the results of the study, the variables compensation and workload simultaneously had a significant impact on the turnover intention of Generation Z employees in Jakarta, with an R-square of 0.878 indicating that the two variables could explain 87.8% of the fluctuations in turnover intention. The results of the hypothesis test showed compensation of 3,300, workload of 2,409, pvalue of 0.05<, and H3, indicating that employees with inappropriate compensation and high workloads tended to have a higher willingness to leave. These findings are in line with HRM's theory that financial factors and working conditions influence employee work decisions. Rewards increase satisfaction and loyalty, while heavy workloads create stress and reduce comfort. Compensation has been shown to influence turnover intentions, workload is also important, and Generation Z is more likely to make decisions to stay with companies that prioritize job well-being, flexibility, cognition, and job comfort.

CONCLUSION

The survey shows that Generation Z employees in Jakarta are in the high category with compensation, workload, and turnover intention of 78.20%, 79.85%, and 79.18%, respectively. Fair and contribution-based compensation has been shown to reduce motivation for job change, while high workloads have been shown to increase motivation for changeover. Compensation had a positive and significant impact on turnover intent (β = +0.540). This indicates that relatively high compensation does not suppress Gen Z's intention to leave.

This is explained by the award-oriented gap theory and the relative scarcity theory, in which increasing compensation rates simultaneously increase market awareness and career expectations. In addition, workload positively and significantly affects turnover intentions (β = +0.408), and high workload reinforces the perception of work-life balance imbalance in this group. At the same time, since compensation and workload account for 87.8% of turnover intent fluctuations, an effective retention strategy must manage both variables simultaneously. The research also supports that most Gen Z employees are considering retirement, looking for a new job, or evaluating other job opportunities, so companies need to pay attention to the quality and transparency of compensation structures and realistic workload allocations.

Based on these findings, practical advice for companies hiring Generation Z is as follows: (1) Redesign compensation: a shift from a purely salary-based incentive structure to transparent pay levels, performance-related bonuses, and non-monetary recognition programs (such as career acceleration, mentoring access, and public recognition). And a shift to a total reward framework that integrates welfare benefits that align with Generation Z's values, including mental health support. Flexible work arrangements and self-development budget. Companies must conduct industry standards and regular compensation benchmarking to minimize the gap between compensation and disparities that drive turnover. (2) Workload Governance: A systematic workload audit is conducted to verify that task volumes, deadlines, and performance targets are proportional to staffing capacity. HR departments should establish clear overload escalation pathways, promote redistribution of tasks during overcapacity, and implement rest and severance policies to support work-life balance.

Strategic workload management through workload ratio analysis and task redistribution can reduce workload imbalance across organizational roles. (3) Monitor engagement and retention rates: Organizations should conduct quarterly employee well-being and retention pulse surveys spread across age groups to proactively identify signs of turnover risk before clear departure decisions are made. (4) Leadership development: Generation Z team line managers should receive training on goal-driven leadership, transparent career path communication, and collaborative goal setting. This leadership practice is one of the most powerful cultural levers in building Generation Z. For executives and HR, managing turnover rates alone is not enough to consider compensation but also to balance the workload. Future researchers are encouraged to expand their scope by adding other variables such as job satisfaction, stress, fatigue, work-life balance, leadership, and organizational culture, to improve the generalization of outcomes and deepen their understanding of the factors that influence employees' intention to leave.

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AUTHOR CONTRIBUTION STATEMENT

Chesa Maheshwara contributes to the conception of research, development of literature reviews, design of methodologies, data collection, data processing using PLS-SEM, and preparation of manuscripts. Didin Kristinawati is involved in providing research guidance, refining methodologies, reviewing the results of analysis, revising the content of the manuscript, and ensuring final approval of the paper. All authors have read, peer-reviewed, and approved the final version of this manuscript.

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