

THE INFLUENCE OF WORK LIFE BALANCE AND JOB SATISFACTION ON EMPLOYEE RETENTION PT COMPLETE SELULAR

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ABSTRACT

Employee retention has become an important issue for organizations operating in highly competitive industries due to its impact on organizational stability, productivity, and long-term sustainability. This study aims to analyze the influence of work-life balance and job satisfaction on employee retention at PT Complete Selular. This research employed a quantitative approach using saturated sampling techniques involving 110 employees of PT Complete Selular as respondents. Data were collected through questionnaires and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 software. The findings indicate that work-life balance and job satisfaction have a positive and significant effect on employee retention. Furthermore, job satisfaction demonstrates a more dominant influence on employee retention compared to work-life balance. The structural model also shows a strong explanatory power, with an R-square value of 0.891, indicating that 89.1% of employee retention is explained by work-life balance and job satisfaction. These findings suggest that employees who experience positive work environments, balanced work conditions, and satisfying work experiences are more likely to remain within the organization. The study contributes theoretically by strengthening the applicability of the Job Demands–Resources Theory and Social Exchange Theory in explaining employee retention behavior among Generation Z employees within the telecommunication retail and distribution sector. Practically, the findings imply that organizations should develop employee-centered retention strategies by improving job satisfaction, creating supportive work environments, maintaining work-life balance, and providing flexible and psychologically supportive working conditions to strengthen employee retention and organizational sustainability.

Keywords: Employee Retention, Job Satisfaction, Work Life Balance.

ABSTRAK

Retensi karyawan menjadi isu penting bagi organisasi yang beroperasi dalam industri dengan tingkat persaingan tinggi karena berdampak terhadap stabilitas organisasi, produktivitas, dan keberlanjutan jangka panjang perusahaan. Penelitian ini bertujuan untuk menganalisis pengaruh keseimbangan kehidupan kerja dan kepuasan kerja terhadap retensi karyawan pada PT Complete Selular. Penelitian ini menggunakan pendekatan kuantitatif dengan teknik saturated sampling yang melibatkan 110 karyawan PT Complete Selular sebagai responden. Data

dikumpulkan melalui penyebaran kuesioner dan dianalisis menggunakan *Partial Least Squares Structural Equation Modeling* (PLS-SEM) dengan bantuan software SmartPLS 4. Hasil penelitian menunjukkan bahwa keseimbangan kehidupan kerja dan kepuasan kerja berpengaruh positif dan signifikan terhadap retensi karyawan. Selain itu, kepuasan kerja menunjukkan pengaruh yang lebih dominan terhadap retensi karyawan dibandingkan keseimbangan kehidupan kerja. Model struktural penelitian juga menunjukkan kemampuan penjelasan yang kuat dengan nilai R-square sebesar 0,891, yang berarti bahwa 89,1% retensi karyawan dijelaskan oleh keseimbangan kehidupan kerja dan kepuasan kerja. Temuan ini menunjukkan bahwa karyawan yang merasakan lingkungan kerja yang positif, kondisi kerja yang seimbang, dan pengalaman kerja yang memuaskan cenderung memiliki keinginan lebih besar untuk tetap bertahan dalam organisasi. Penelitian ini memberikan kontribusi teoritis dengan memperkuat penerapan *Job Demands–Resources Theory* dan *Social Exchange Theory* dalam menjelaskan perilaku retensi karyawan pada karyawan Generasi Z di sektor retail dan distribusi telekomunikasi. Secara praktis, hasil penelitian mengimplikasikan bahwa organisasi perlu mengembangkan strategi retensi yang berorientasi pada karyawan melalui peningkatan kepuasan kerja, penciptaan lingkungan kerja yang suportif, menjaga keseimbangan kehidupan kerja, serta menyediakan kondisi kerja yang fleksibel dan mendukung kesejahteraan psikologis guna memperkuat retensi karyawan dan keberlanjutan organisasi.

Kata Kunci: Kepuasan Kerja, Keseimbangan Kerja-Kehidupan, Retensi Karyawan.

INTRODUCTION

Changes in the dynamics of the modern workplace require organizations to focus not only on organizational performance but also on the sustainability of human resources. Employee retention has become a strategic issue in human resource management because high employee turnover rates can negatively affect organizational stability, increase recruitment and training costs, and reduce productivity (Hom et al., 2018; Margaret Deery Leo Jago, 2015). Therefore, organizations need to understand the factors that influence employees decisions to remain within the company.

In the context of PT Complete Selular as a telecommunication distribution and retail company, employee retention becomes increasingly important due to the dynamic characteristics of the industry. Employees are required to adapt to demanding operational targets, rapid market changes, and intensive workloads. These conditions may potentially create work-related stress and psychological pressure that influence employees' intention to stay in the organization. Furthermore, the majority of respondents in this study are employees under 28 years old, which indicates that the workforce is predominantly composed of Generation Z employees. Previous studies suggest that Generation Z employees tend to prioritize flexibility, work-life balance, psychological well-being, and job satisfaction over long-term organizational loyalty (Ihwanudin et al., 2023; Muhaimin et al., 2025). As a result, this generation is considered more likely to

experience turnover intention when organizations fail to meet their work expectations and personal needs.

Based on preliminary observations conducted by the researcher, several employees indicated difficulties in balancing work demands and personal responsibilities due to intensive operational targets, workload pressure, and relatively dynamic working hours. These conditions potentially contribute to decreased job comfort, work stress, and employees' intention to seek alternative employment opportunities. Furthermore, the dominance of Generation Z employees within the company may further increase the risk of turnover, considering that younger employees generally tend to have lower organizational attachment and higher expectations regarding flexibility, work-life balance, and psychological well-being. Therefore, understanding the factors influencing employee retention becomes increasingly important for organizations seeking to maintain workforce stability and organizational sustainability.

One factor frequently associated with employee retention is work-life balance. Work-life balance refers to an individual's ability to manage work responsibilities and personal life demands harmoniously without experiencing excessive role conflict (Greenhaus & Allen, 2021; Sam et al., 2024). Employees who experience poor work-life balance tend to face higher stress levels, emotional exhaustion, and decreased job satisfaction, which ultimately increase turnover intention (T. D. Allen et al., 2023; Gundi et al., 2024). Conversely, organizations that support work-life balance through flexible work arrangements and supportive work environments tend to have employees with stronger organizational commitment and higher retention levels (Haar et al., 2018; Lamane-harim et al., 2021). In telecommunication retail companies such as PT Complete Selular, where operational demands are relatively high, maintaining work-life balance becomes an important strategy in sustaining employee retention.

Besides work-life balance, job satisfaction is another important factor influencing employee retention. Job satisfaction reflects employees' emotional and cognitive evaluation of their work, including compensation, work environment, career opportunities, workload, and relationships with supervisors and coworkers (Htun, 2022). Employees who experience higher job satisfaction are more likely to demonstrate stronger commitment and loyalty toward the organization (Judge et al., 2021; Nguyen & Duong, 2020a). Previous studies also indicate that job satisfaction plays an important role in reducing turnover intention and strengthening employee retention, particularly among younger employees and employees working in dynamic industries (McNall et al., 2020; Nurdin & Rohaeni, 2020).

The relationship between work-life balance, job satisfaction, and employee retention has been widely discussed in previous literature. Several studies have shown that work-life balance contributes positively to employees' psychological well-being and indirectly strengthens retention through increased job satisfaction (Kossek et al., 2018; McNall et al., 2020). However, empirical findings regarding the influence of work-life balance and job satisfaction on employee retention still show inconsistencies across different organizational and industrial contexts (Hassan et al., 2024). Some studies identify work-life balance as the dominant

determinant of retention, while others emphasize job satisfaction as the primary factor affecting employees' intention to remain in the organization.

Although previous studies have extensively discussed employee retention, research specifically examining the influence of work-life balance and job satisfaction on employee retention in telecommunication distribution companies in Indonesia remains relatively limited. Most prior studies focus on sectors such as hospitality, healthcare, education, or manufacturing, while studies within telecommunication retail companies are still underexplored. Therefore, this study seeks to fill this research gap by analyzing the effect of work-life balance and job satisfaction on employee retention at PT Complete Selular, where the workforce is predominantly composed of Generation Z employees with distinct workplace expectations and relatively high turnover tendencies.

Theoretically, this study is grounded in the Job Demands–Resources (JD-R) model and Social Exchange Theory (SET). The JD-R model explains that work-life balance functions as a job resource that helps employees reduce stress and maintain psychological well-being, while job satisfaction represents an attitudinal outcome that influences behavioral intentions such as employee retention (Bakker & Demerouti, 2019). Meanwhile, Social Exchange Theory suggests that employees who perceive organizational support and positive work experiences tend to reciprocate through stronger commitment and loyalty to the organization (Biron & Boon, 2023; Cropanzano & Mitchell, 2020). Through these theoretical perspectives, this study aims to provide a more comprehensive understanding of the factors influencing employee retention in the telecommunication distribution sector.

Based on the background and research gap described above, this study aims to analyze the affect of work life balance and job satisfaction on employee retention at PT Complete Selular. Specifically, this study seeks to answer the following research question:

1. Does work life balance significantly affect employee retention?
2. Does job satisfaction significantly affect employee retention?

LITERATURE REVIEW

Work Life Balance and Employee Retention

Work-life balance refers to an individual's ability to manage work responsibilities and personal life demands harmoniously without creating excessive role conflict (Greenhaus & Allen, 2021; Sam et al., 2024). In organizational contexts, work-life balance is considered an important factor in maintaining employees' psychological well-being, reducing stress, and improving emotional comfort at work. Employees who experience imbalance between work and personal life tend to suffer from burnout, emotional exhaustion, and decreased organizational attachment, which may eventually increase turnover intention and reduce employee retention (T. D. Allen et al., 2023; Gundi et al., 2024). Conversely, organizations that provide flexible work arrangements, supportive work environments, and balanced workloads tend to have employees with stronger organizational commitment and higher retention levels (Haar et al., 2018; Lamane-harim et al., 2021).

From the perspective of Social Exchange Theory (SET), work-life balance can be understood as a form of organizational support provided to employees. According to SET, employees who perceive positive treatment and support from the organization tend to reciprocate through positive attitudes and behaviors, including loyalty and willingness to remain within the organization (Biron & Boon, 2023; Cropanzano & Mitchell, 2020). In this context, when organizations provide adequate work-life balance through flexible schedules, manageable workloads, and supportive policies, employees are more likely to feel valued and psychologically supported. As a response, employees develop stronger commitment and greater intention to stay within the organization. This explanation indicates that work-life balance not only reduces stress but also strengthens the reciprocal relationship between employees and organizations, ultimately influencing employee retention.

Previous studies have consistently demonstrated that work-life balance contributes positively to employee retention. Haar et al. (2018) found that employees with better work-life balance tend to experience higher job satisfaction and stronger organizational commitment, which subsequently reduce turnover intention. Similarly, McNall et al. (2020) reported that flexible work arrangements positively influence employee satisfaction and retention outcomes. Nurdin and Rohaeni (2020) also emphasized that work-life balance reduces turnover intention through improved job satisfaction among younger employees. However, despite these findings, empirical evidence regarding the strength of the relationship between work-life balance and employee retention remains inconsistent across industries and organizational contexts. Hassan et al. (2024) found that work-life balance significantly influences retention, while several other studies indicate that its effect may become weaker when compared to more proximal attitudinal factors such as job satisfaction. These inconsistencies indicate the existence of a research gap that still requires further empirical investigation, particularly within telecommunication retail and distribution companies dominated by Generation Z employees.

In the context of PT Complete Selular, employees operate in a highly dynamic industry characterized by intensive workloads, operational pressure, and demanding performance targets. Such conditions may increase stress and reduce employees' ability to maintain balance between professional and personal responsibilities. Consequently, employees who are unable to achieve work-life balance may experience emotional exhaustion and decreased attachment to the organization, which ultimately lowers employee retention. Based on the theoretical explanation and empirical findings above, the following hypothesis is proposed:

H1: Work Life Balance has a positive and significant affect on Employee Retention.

Job Satisfaction and Employee Retention

Job satisfaction refers to employees' emotional and cognitive evaluation of their work experiences, including compensation, work environment, leadership, workload, promotion opportunities, and interpersonal relationships within the organization (Htun, 2022). Employees with high job satisfaction tend to demonstrate stronger motivation, positive work attitudes, greater commitment, and

stronger intention to remain within the organization (Judge et al., 2021; Nguyen & Duong, 2020b). Conversely, dissatisfaction toward work conditions may increase turnover intention and reduce employee retention. Therefore, job satisfaction is widely recognized as one of the most important psychological determinants influencing employee retention.

From the perspective of Social Exchange Theory (SET), job satisfaction reflects employees' positive evaluation of organizational treatment and support. Employees who perceive fair compensation, supportive leadership, recognition, and positive work experiences tend to reciprocate through stronger loyalty and commitment toward the organization (Cropanzano & Mitchell, 2020). In addition, the Job Demands–Resources (JD-R) Theory explains that job satisfaction emerges when organizations successfully provide adequate resources to help employees cope with job demands and maintain psychological well-being (Bakker & Demerouti, 2019). In this context, employees who feel satisfied with their work are more likely to perceive the organization positively and maintain long-term relationships with the company. Therefore, job satisfaction functions not only as an emotional response to work experiences but also as an important mechanism influencing retention behavior.

Several previous studies have shown that job satisfaction has a significant influence on employee retention. Nguyen and Duong (2020b) found that satisfied employees tend to remain longer in organizations because they experience positive work experiences and stronger organizational commitment. Similarly, Judge et al. (2021) reported that job satisfaction is positively associated with employee performance and long-term organizational attachment. Previous studies also suggest that job satisfaction acts as a mediating mechanism through which work-life balance influences turnover intention and retention outcomes (McNall et al., 2020; Nurdin & Rohaeni, 2020). Nevertheless, despite the strong empirical support, variations in findings still exist across industries and workforce characteristics. Several studies indicate that job satisfaction becomes particularly important among younger employees and Generation Z workers who tend to prioritize meaningful work experiences, flexibility, and psychological well-being.

In the context of PT Complete Selular, employees work within a competitive telecommunication retail environment characterized by operational pressure and demanding performance expectations. Under such conditions, employees' satisfaction toward compensation, leadership, work environment, and career opportunities becomes increasingly important in maintaining retention. Employees who perceive positive work experiences are more likely to remain loyal and committed to the organization despite operational challenges. Therefore, based on the theoretical arguments and empirical findings above, the following hypothesis is proposed:

H2: Job Satisfaction has a positive and significant affect on Employee Retention.

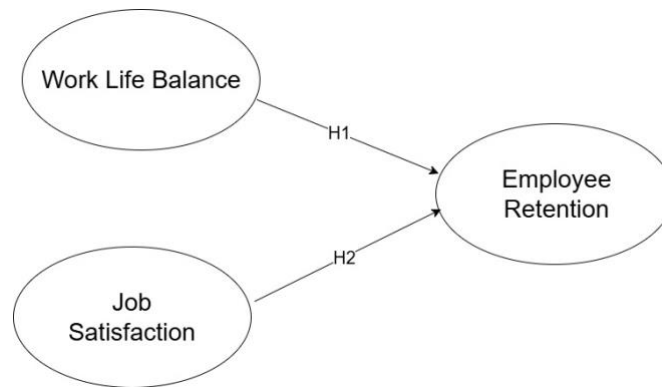


Figure1. Research Framework

RESEARCH METHOD

This study employed a quantitative research approach using an explanatory research design to examine the causal relationships between work-life balance, job satisfaction, and employee retention at PT Complete Selular. The explanatory design was selected because this study aims to analyze and explain the direct influence of independent variables on employee retention as the dependent variable. Quantitative methods were considered appropriate because they enable the measurement of relationships among variables objectively through statistical analysis and empirical testing. In addition, this study seeks to provide empirical evidence regarding the role of work-life balance and job satisfaction in influencing employee retention within the telecommunication retail and distribution industry.

PT Complete Selular was selected as the research locus because the company represents a dynamic telecommunication retail and distribution organization characterized by demanding operational targets, intensive workloads, and rapid business changes. These characteristics make employee retention an important organizational issue within the company. Furthermore, the workforce composition at PT Complete Selular is predominantly represented by Generation Z employees, who are widely recognized for prioritizing flexibility, psychological well-being, work-life balance, and job satisfaction in their career decisions. This condition makes PT Complete Selular a relevant single-case organizational setting for examining employee retention phenomena, particularly regarding the influence of work-life balance and job satisfaction in organizations operating within dynamic and competitive environments.

The population in this study consisted of all employees of PT Complete Selular, totaling 110 employees. Since the number of employees was relatively manageable, this study applied a saturated sampling technique (census sampling), in which all members of the population were included as research respondents. Therefore, the total sample used in this study was 110 respondents. The use of saturated sampling was intended to provide more comprehensive and representative data regarding employee perceptions toward work-life balance, job satisfaction, and employee retention within the organization. In addition, the sample size fulfilled the minimum requirements for Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis based on the Rule of Thumb approach, which recommends a

minimum sample size of at least ten times the largest number of structural paths or indicators directed toward a construct (Haar et al., 2018).

The respondents in this study were selected based on several inclusion criteria to ensure that they possessed sufficient understanding and experience regarding organizational conditions and work environments. The criteria included employees who were actively working at PT Complete Selular during the data collection period and had a minimum working period of at least six months. These criteria were established because employees with longer work experience were considered more capable of evaluating their work-life balance, job satisfaction, and retention intentions objectively based on their actual work experiences within the organization.

Data collection was conducted over a two-month period from January to February 2025 through the distribution of structured questionnaires to employees of PT Complete Selular. The questionnaire was distributed directly and electronically using Google Forms to facilitate accessibility and improve response efficiency. The measurement indicators used in this study were adapted from previous studies that had demonstrated adequate validity and reliability. The work-life balance variable was measured using indicators adapted from Haar et al. (2018) and Greenhaus and Allen (2021), while the job satisfaction variable was adapted from Nguyen and Duong (2020b) and Htun (2022). Furthermore, the employee retention variable was adapted from previous employee retention studies developed by Hom et al. (2018) and related retention literature. All questionnaire items were measured using a five-point Likert scale ranging from strongly disagree to strongly agree.

Before distributing the questionnaires, the researcher conducted a review and adjustment process to ensure that the questionnaire items were understandable and relevant to the organizational context of PT Complete Selular. Several wording adjustments were made to improve clarity and ensure that the statements matched employees' work conditions and organizational experiences. This process was conducted to minimize potential misunderstanding and improve the quality of the collected data.

This study utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 software as the primary analytical technique. PLS-SEM was selected because it is considered appropriate for predictive and explanatory research models involving multiple latent variables and simultaneous relationships between constructs (Haar et al., 2018). In addition, PLS-SEM is suitable for studies with relatively moderate sample sizes and does not require strict assumptions regarding normal data distribution. The analysis process consisted of two stages, namely outer model evaluation and inner model evaluation. The outer model analysis was conducted to assess the validity and reliability of the measurement model through convergent validity, discriminant validity, composite reliability, and Cronbach's alpha. Meanwhile, the inner model analysis was performed to examine the structural relationships between variables through path coefficients, coefficient of determination (R-square), and hypothesis testing using bootstrapping procedures.

Through this methodological approach, the study is expected to provide comprehensive empirical evidence regarding the influence of work-life balance and job satisfaction on employee retention among employees at PT Complete Selular.

RESULTS AND DISCUSSION

Based on a questionnaire distributed to employees at the PT Complete Selular, 110 respondents met the following criteria:

Table 1. The Respondent Data

Category	Number	Percentage
Gender		
Male	49	44,5%
Female	61	55,5%
Age		
< 28 year	65	59,5%
> 28 year	45	40,9%
Domicile		
Cirebon	81	73,6%
Indramayu	14	12,7%
Majalengka	7	6,4%
Kuningan	8	7,3%
Length of Work		
1 - 6 months	49	44,5%
> 6 months	61	55,5%

The data shows that the gender of the respondents is mostly female, with 61 respondents representing 55,5%. Based on their domicile, the majority of respondents are from Cirebon, with 81 respondents representing 73,6%. The majority of respondents are under 28 years old, with 65 respondents representing 59,5%. Based on the characteristics of their work period, there are 61 respondents with a work period of more than 6 months, with 55,5%.overall, the respondents profile in this study is dominated by female employees domiciled in the Cirebon area, under 28 years of age, and with relatively short to medium work periods. These characteristics reflect a group of productive age workers who are in the early phase of their careers, so that the issues of work life balance and job satisfaction are cricial factors that have the potencial to influence employee retention decisions at PT Complete Selular.

All indicators in the Work Life Balance, Job Satisfaction, and Employee Retention constructs in Table 2 show outer loading values above the minimum threshold of 0.70, ranging from 0.751 to 0.939. this indicates that each indicator has adequate convergent validity, so the research instrument is declared reliable and suitable for use to measure the constructs in the structural model related to the influence of Work Life Balance and Job Satisfaction on Employee Retention at PT Complete Selular.

Table 2. Outer Loading

Indicator	WLB (X1)	JS (X2)	ER (Y)	Conclusion
X1.1	0.751			Valid
X1.2	0.808			Valid
X1.3	0.889			Valid
X1.4	0.848			Valid
X1.5	0.864			Valid
X1.6	0.891			Valid
X2.1		0.865		Valid
X2.2		0.813		Valid
X2.3		0.879		Valid
X2.4		0.881		Valid
X2.5		0.889		Valid
X2.6		0.833		Valid
Y.1			0.930	Valid
Y.2			0.886	Valid
Y.3			0.894	Valid
Y.4			0.937	Valid
Y.5			0.868	Valid
Y.6			0.939	Valid

Table 3. Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Conclusion
WLB (X1)	0.958	0.966	0.827	Reliable
JS (X2)	0.931	0.945	0.743	Reliable
ER (Y)	0.918	0.936	0.711	Reliable

All variables in Table 3 show Cronbach's Alpha values above 0.70, Composite Reliability (rho_c) above 0.90, and AVE above 0.59, confirming that each construct is reliable for the further analysis.

Table 4. R Square

	R Square	R Square Adjusted
Employee Retention	0.891	0.889

Table 4 shows that the R-square value is 0.891 and the adjusted R-square is 0.889 for the employee retention variable. These results indicate that the research model is able to explain 89.1% of the employee retention variation through work life balance and job satisfaction variables, indicating the model's explanatory power is very effective in explaining employee retention at PT Complete Selular. However, there is still a proportion of variance influenced by other factors that are still relevant to enriching the understanding of the determinants of employee retention.

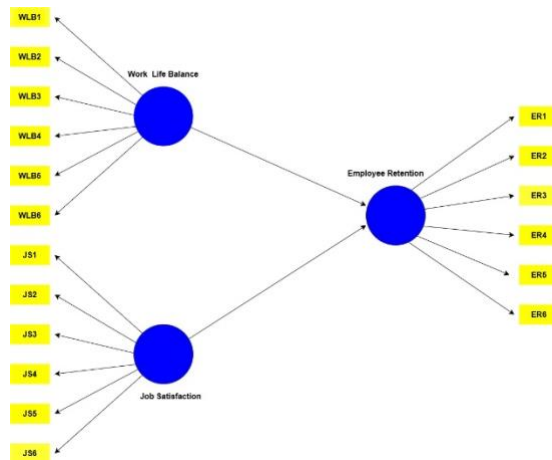


Figure 2. Path Model

Table 5. PLS Regression

	Original Sample (O)	T statistics (O/STDEV)	P Values	Conclusion
WLB -> ER	0.313	2.552	0.005	H1 Accepted
JS -> ER	0.643	5.302	0.000	H2 Accepted

Table 5 shows that all hypotheses proposed in this study are empirically supported. Job Satisfaction is proven to have positive and significant effect on Employee Retention, indicating that the level of Employee Satisfaction with their work plays an important role in encouraging employee decisions to stay at PT Complete Selular. In addition, Work Life Balance is a dominant factor in increasing Employee Retention. This finding confirms that both Job Satisfaction and Work Life Balance are main determinants in strengthening Employee Retention, thus supporting the proposed each model.

DISCUSSION

The results of this study indicate that work-life balance and job satisfaction have a positive and significant effect on employee retention at PT Complete Selular. The statistical analysis demonstrates that employees who experience better balance between work responsibilities and personal life tend to show stronger willingness to remain within the organization. Similarly, employees with higher levels of job satisfaction demonstrate stronger organizational attachment and retention intentions. Furthermore, the structural model produced an R-square value of 0.891, indicating that work-life balance and job satisfaction simultaneously explain 89.1% of the variance in employee retention. This finding demonstrates that internal organizational factors play a dominant role in influencing employees' decisions to remain within the company. In other words, employee retention at PT Complete Selular is largely determined by employees' psychological and emotional experiences within the organization rather than external factors such as alternative job opportunities or competitor offers. This finding becomes particularly important

considering that PT Complete Selular operates within a highly competitive telecommunication retail and distribution industry characterized by intensive workloads, operational pressure, and demanding performance targets.

From the perspective of Social Exchange Theory (SET), the findings of this study validate the argument that employees who perceive organizational support and positive work experiences tend to reciprocate through stronger loyalty and commitment toward the organization (Biron & Boon, 2023; Cropanzano & Mitchell, 2020). In this context, work-life balance can be interpreted as a form of organizational support that enables employees to manage work demands and personal responsibilities more effectively. When employees perceive that the organization provides flexibility, manageable workloads, and concern for employee well-being, employees develop positive emotional responses toward the organization. These positive perceptions subsequently strengthen employees' intention to remain within the company. Therefore, the findings support the fundamental assumption of Social Exchange Theory that positive organizational treatment stimulates reciprocal employee behavior in the form of loyalty and retention.

In addition, the findings of this study also support the Job Demands–Resources (JD-R) Theory, which explains that employees require adequate resources to cope with work demands and maintain psychological well-being (Bakker & Demerouti, 2019). In the context of PT Complete Selular, work-life balance and job satisfaction function as important psychological resources that help employees adapt to operational pressure and intensive workloads within the telecommunication retail industry. Employees who experience balanced work conditions and satisfying work experiences are more capable of managing stress and maintaining positive attitudes toward the organization. Consequently, employees become more emotionally attached to the organization and demonstrate stronger retention intentions. This finding indicates that employee retention is not solely influenced by financial factors but is also strongly associated with employees' psychological comfort and emotional evaluation of organizational experiences.

The findings further reveal that job satisfaction appears to have a more dominant influence on employee retention compared to work-life balance. This result suggests that although work-life balance is important in reducing stress and maintaining employee well-being, employees' emotional evaluation of their work experiences ultimately becomes the primary determinant influencing retention decisions. Employees who feel satisfied with compensation, leadership, work environment, interpersonal relationships, and career opportunities tend to demonstrate stronger commitment and lower intention to leave the organization. This finding enriches previous employee retention literature by indicating that within highly competitive and fast-paced industries such as telecommunication retail, job satisfaction functions as the “main driver” of employee retention, while work-life balance serves as an important supporting factor that strengthens employees' psychological comfort.

The dominance of job satisfaction in influencing employee retention also reflects the behavioral characteristics of Generation Z employees, who constitute

the majority of respondents in this study. Previous studies indicate that Generation Z employees tend to prioritize meaningful work experiences, psychological well-being, flexibility, recognition, and supportive work environments rather than long-term organizational loyalty alone (Muhaimin et al., 2025; Muhammad et al., 2025). Therefore, younger employees are more likely to remain within organizations that provide emotional satisfaction and positive workplace experiences. In the context of PT Complete Selular, employees operate within a highly dynamic and competitive environment characterized by demanding operational targets and rapid work rhythms. Under such conditions, employees' emotional comfort and satisfaction become increasingly important in influencing retention behavior. This finding demonstrates that Generation Z employees may tolerate demanding workloads as long as they continue to experience supportive organizational treatment, positive interpersonal relationships, and satisfying work experiences.

The exceptionally high explanatory power of the model ($R\text{-square} = 0.891$) represents one of the most important findings of this study. The finding suggests that work-life balance and job satisfaction collectively provide strong explanatory evidence regarding employee retention behavior at PT Complete Selular. This result indicates that internal organizational factors almost entirely explain employees' decisions to remain within the organization. Consequently, external factors such as salary competition, alternative employment opportunities, or competitor offers may have relatively smaller influence than previously assumed, particularly when employees already experience positive organizational environments and emotional satisfaction. This finding contributes theoretically by demonstrating a unique intersection between work flexibility and emotional satisfaction within the telecommunication retail industry, which is generally characterized by high-pressure working environments. Thus, the study extends previous employee retention literature by emphasizing that employee retention among Generation Z employees is strongly shaped by psychological and emotional workplace experiences rather than solely by economic considerations.

The findings of this study are consistent with previous studies conducted by Haar et al. (2018), McNall et al. (2020), Nguyen and Duong (2020b), and Nurdin and Rohaeni (2020), which indicate that work-life balance and job satisfaction positively influence employee retention. However, this study does not merely confirm previous findings but also enriches the literature by providing empirical evidence within the Indonesian telecommunication retail and distribution sector, which remains relatively underexplored. Moreover, this study highlights the importance of understanding employee retention from the perspective of Generation Z employees working within highly competitive and operationally demanding industries. Therefore, this study contributes theoretically by strengthening the applicability of Social Exchange Theory and Job Demands–Resources Theory in explaining employee retention behavior within contemporary organizational environments characterized by dynamic work systems and changing workforce expectations.

CONCLUSION

This study was conducted to address the issue of employee retention highlighted in the introduction, particularly the need to identify key factors that influence employees' intention to remain within the organization. Based on the empirical analysis using PLS-SEM, the findings reveal that both work-life balance and job satisfaction have a significant effect on employee retention, with a high explanatory power indicated by an R-square value of 0.891. This suggests that 89.1% of the variation in employee retention can be explained by these two variables. Specifically, work-life balance shows a positive and significant effect ($\beta = 0.313$; $p < 0.05$), indicating that employees who are able to balance their work and personal life tend to have a higher intention to stay. However, the magnitude of this effect is moderate, suggesting that work-life balance alone is not sufficient to fully address retention issues.

In contrast, job satisfaction emerges as the dominant predictor with a stronger and highly significant effect ($\beta = 0.643$; $p < 0.001$), indicating that employees' evaluation of their job plays a more decisive role in determining retention. These findings imply that while work-life balance contributes to improving employees' psychological well-being, job satisfaction serves as the primary driver of retention. Therefore, the main conclusion of this study is that employee retention is best understood as the result of the interaction between supportive work conditions and positive job evaluations. From a practical perspective, organizations should adopt an integrated strategy by prioritizing improvements in job satisfaction—such as fair compensation, supportive leadership, and a positive work environment—while also maintaining work-life balance initiatives to strengthen overall employee well-being. This combined approach is essential to effectively reduce turnover and enhance long-term organizational sustainability.

RECOMMENDATIONS

Based on the findings of this study, organizations—particularly PT Complete Selular—are strongly encouraged to prioritize strategies that enhance job satisfaction, as it has been proven to be the most dominant factor influencing employee retention ($\beta = 0.643$; $p < 0.001$). This can be achieved by improving key aspects such as fair and competitive compensation, supportive leadership, a positive work environment, and clear career development opportunities. Since job satisfaction reflects employees' overall evaluation of their work experience, organizations should adopt a holistic approach in managing human resources to ensure that employees feel valued, motivated, and engaged. In addition, strengthening communication between management and employees is essential to better understand their needs and expectations, which in turn can foster stronger organizational commitment and reduce turnover intentions.

Furthermore, although work-life balance has a relatively moderate effect ($\beta = 0.313$; $p < 0.05$), it remains an important supporting factor that contributes to employees' psychological well-being. Therefore, organizations should continue to develop and implement policies that support work-life balance, such as flexible working arrangements, reasonable workload distribution, and employee well-being

programs. These initiatives are expected to reduce stress and improve employees' ability to manage their professional and personal responsibilities effectively. For future research, it is recommended to include additional variables such as organizational culture, leadership style, or employee engagement to provide a more comprehensive understanding of employee retention. Expanding the research scope to different industries or larger sample sizes is also suggested to enhance the generalizability of the findings.

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