Influence of Work Environment and Work Characteristics on Turnover Intention System with Mediation Role of Work Engagement

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Abstract

The millennial generation currently dominates human resources in the company. Millennial generation employees have many advantages, but millennials are considered less committed to their work, so they are synonymous with high turnover intentions. The research was conducted to know the effect of the work environment and job characteristics on the turnover intention with the mediating role of work engagement in millennial generation employees, work environment, and job characteristics as independent variables. Turnover intention is the dependent variable, and work engagement is a mediating variable. This study uses a survey method by distributing questionnaires where the respondents used 204 employees in the millennial generation with domiciles in the West Jakarta area. Then, the data was processed using the SEM-PLS method. The results showed that the work environment hurt turnover intention. Job characteristics do not affect turnover intention. Job engagement hurts turnover intention. The work environment has a positive effect on work engagement. Work characteristics have a positive effect on work engagement. Furthermore, work engagement mediates the relationship between the work environment and turnover intention. Job engagement also mediates the relationship between job characteristics and turnover intention.

Keywords: Work Environment, Job Characteristics, Turnover Intention, Work Engagement.

1. Introduction

In an organization or company, the most crucial element that determines and drives the course of an organization is human resources. Seeing the importance of the role of human resources, every company should be able to maintain employee commitment or loyalty to the company so that employees remain in a company where they can support the company in this...
globalization era competition. Currently, the company's human resources are dominated by generation Y, commonly known as the millennial generation. The millennial generation refers to the group of individuals born in 1980-2000 [1], [2], [3]. The IDN Research Institute (2020) classifies the millennial generation into two groups; the first group is Millennial Juniors, who were born in 1992-1999 and are currently 30-33 years old. Furthermore, the Millennial Senior Group Millennial Senior Group were born in 1984-1991; currently, they are 38-31 years old. Both of these groups are at a productive age at this time.

According to [4] the millennial generation can use technology superior to the previous generation, making it easy for the millennial generation to get information, learn faster, and be more creative and innovative. This ability helps millennials to adapt faster to changes compared to the previous generation. However, despite the various advantages possessed by the millennial generation, the existence of millennials is closely related to the phenomenon of turnover intention. Based on research conducted by Jobplanet, data was collected from 2015 to 2017, with the results stating that Gen Y has a low level of loyalty to the profession compared to previous generations. Research results show that 76.7% of Gen Y only last 1-2 years at their place of work, and only 9.5% of Gen Y survive in their place of work for five years or more. This is in line with what was revealed [5] that the millennial generation has a high turnover rate.

One of the factors that trigger turnover intention is the work environment. The work environment refers to the conditions around the workplace that cause feelings of security, comfort, and fun that can affect employees in carrying out their work. When the work environment is dirty, smells lack lighting, lack air circulation, employees will be hampered in carrying out their duties properly. In addition to being viewed in terms of the physical environment, the non-physical work environment also needs to be considered, related to the interaction between employees. When there is a bad relationship with superiors, co-workers, and subordinates in the work environment, ineffective communication will be created so that work productivity is disrupted. The work environment in terms of physical and non-physical aspects needs to be the focus of the company in order to create a conducive atmosphere so that employees can carry out their work well. According to [7], if the company has a good work environment, then employees tend not to want to leave their place of work; on the contrary, if the work environment is terrible, they tend to want to leave their workplace. Previous research is in line with this study which suggests that the work environment influences turnover intention [8]--[11].

Job characteristics are also a factor that influences turnover intention [12], [13] Stated that employees will be motivated to perform with high quality, low absenteeism, have job satisfaction, and decrease turnover intention if they perform tasks based on the dimensions of skill variety, task identity, task significance, autonomy, and feedback. According to [14], the emergence of the desire of employees to change places of work because of employee dissatisfaction with the characteristics of work in an organization. It is supported by the results of previous research that job characteristics influence turnover intention [14]--[16].

This study aims to determine the role of the work environment and job characteristics on the turnover intention of millennial employees by mediating work engagement. Furthermore, the results of this study are expected to be a theoretical reference for the discipline of human resource management, especially with theories related to the work environment, job characteristics, turnover intention, and work engagement.

2. Literature Review

2.1 Work Environment

The work environment, by definition, is a condition that surrounds employees and affects employees in carrying out their assigned tasks. According to the work environment is a force that influences directly or otherwise the organization or company. Defines the work environment as facilities & infrastructure around employees that can influence the execution of tasks at work, including the workplace, work facilities, work aids, cleanliness, lighting, peace,
and work relations. Furthermore, according to [17], the work environment is around the workplace. It is essential in the form of room, layout, facilities, infrastructure, and interactions between employees or other stakeholders in the workplace. Another opinion is that there are two categories in the work environment, namely: 1) Physical work environment, which includes lighting in the workplace, temperature, air circulation, noise, unpleasant odors, colors, decorations, music, and safety. 2) The non-physical work environment includes all matters related to work affairs. Such as relationships with superiors, co-workers, and subordinates. Based on the opinions expressed by the experts, it can be concluded that the work environment is everything around the employee's workplace that affects the ongoing work [18].

2.2 Job Characteristics

Job characteristics in the definition include responsibilities, diversity of tasks, and the extent to which these tasks are considered unique so that employees feel satisfaction from work. Furthermore, job characteristics are closely related to the employee's work. Related to how employees evaluate the tasks that are in their work. [38] argues that job characteristics are a detail that includes responsibilities, a variety of tasks, and the level of satisfaction obtained from work itself. [19] said that job characteristics are factors that differentiate a job from other types of work. Each job is described into five core dimensions: skill variety, task identity, task significance, autonomy, and feedback. Based on experts' opinion, it can be concluded that job characteristics are a unique feature of a task that distinguishes a job from other jobs.

2.3 Turnover Intention

Turnover Intention in definition is the state of the employee leaving the job or organization and must be replaced. [17] Argues that turnover intention is defined as the exit and entry of employees at work within a particular time or period, which means that there are employees who enter through recruitment and leave for various reasons that cause changes in the number of employees. According to the definition [20], the turnover intention is the speculation of an employee to leave his job and wish to find another job. Meanwhile, [21] defines turnover intention as the willingness of the employee himself to stop working from his job. Turnover intention is formed from the desires contained in employees; in him, the intention arises to leave the company related to incompatibility with his work, environment, leadership, or other things related to work, making employees feel uncomfortable in the company where he works [22].

Thus, the conclusion of turnover intention is the desire in employees to cut ties with the place where they work or the organization, which can be seen from the behavior of employees who show no good towards the company, which causes changes in the number of employees in a company or organization.

3. Method

3.1 Research design

A causal research design is used in this study which aims to prove how a variable can affect other variables. This research is research with a quantitative method that emphasizes proving the hypothesis. The design of this study uses survey measurements by distributing questionnaires with the help of Google Forms.

3.2 Measurement

In this study there are two independent variables, namely the work environment (X1) and job characteristics (X2), and the dependent variable is turnover intention (Y) and there is a mediating variable, namely work engagement (Z). The work environment variable using the Work Environment Scale (WES) contains 10 questions adopted from [23]. Variable job characteristics using the Job Diagnostic Survey (JDS) there are 5 questions adopted from...
The work engagement variable using the Utrecht Work Engagement Scale (UWES) contains 9 questions adopted from [25]. Turnover intention variable has 4 questions adopted from [26]. The total measurement in this study amounted to 28 questions and was measured using a Likert scale, each item of the instrument was given a score range of 1-5.

3.2 Data Analysis Method
Structural Equation Modeling-Partial Least Square (SEM-PLS) is used as a data analysis technique in this study. SEM-PLS is divided into two stages, the first stage is the outer model and the second stage is the inner model. The validity test uses convergent validity and discriminant validity which is carried out in the first stage. It is said that convergent validity seen from the value of outer loading, is declared valid if it has a value $>0.6$, however a value $>0.5–0.6$ is still acceptable. And seen from the Average Variance Extracted (AVE) with the provisions of the value $>0.5$ [27]. Cronbach’s Alpha is used in the reliability test; the instrument is declared reliable if it has a value of $>0.6$ and composite reliability with a value of $>0.7$ (Ghozali et al., 2015). Furthermore, in the second stage, namely the inner model, the R Square (R2) test, model fit, path coefficients, and indirect effects are carried out. There are three provisions for the R-square value, namely 0.75 in the strong category, 0.50 in the moderate category and 0.25 in the weak category. Bootstrapping procedure is performed to test the significance of the independent variable on the dependent variable, it is said to be a significant hypothesis if T-statistics $>1.96$.

4. Results
4.1 Respondent Demographics
Data collection was carried out by distributing online questionnaires using google forms and obtained as many as 204 respondents, this study had 28 instruments, so the minimum number of samples was 140 respondents in accordance with the provisions according to the determination of the size of the sample size, which is at least 5 times the number of instruments. All of the respondents in this study are domiciled in West Jakarta but have various characteristics. Based on the calculation results, it is known that the gender identity shows the same number, namely 102 men (50%) and 102 women (50%). Furthermore, the majority of respondents aged 21-30 years were 172 people (84.8%). Then, based on the identity of the marital status, the majority of respondents were unmarried, amounting to 160 people (78.4%). Finally, based on the identity of the period of service, the majority of respondents worked for 2-5 years with a total of 148 people (72.5%).

Measurement of Outer Model
The Outer Model is carried out with the help of the PLS Algorithm procedure with the aim of showing the specification of the relationship between latent variables and their indicators. The measurement model is assessed using validity and reliability.
4.2 Validity & Reliability Test

![Outer Loading Algorithm Results](image)

Based on Figure 1, the results of testing the validity and reliability are presented in the following table:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Characteristics</td>
<td>0.957</td>
<td>0.957</td>
<td>0.966</td>
<td>0.852</td>
</tr>
<tr>
<td>Work Attachment</td>
<td>0.980</td>
<td>0.980</td>
<td>0.983</td>
<td>0.862</td>
</tr>
<tr>
<td>Work Environment</td>
<td>0.978</td>
<td>0.979</td>
<td>0.980</td>
<td>0.833</td>
</tr>
<tr>
<td>Turnover Intention</td>
<td>0.963</td>
<td>0.963</td>
<td>0.973</td>
<td>0.900</td>
</tr>
</tbody>
</table>

Source: Data processed SmartPLS.2022

A correlation is said to meet convergent validity if it has a loading factor value > 0.6 and an AVE value > 0.5 [27]. Each indicator on the work environment variable, job characteristics, work engagement and turnover intention has a loading factor value of > 0.6 so that this study has met convergent validity and all indicators for work environment variables, job characteristics, work engagement and turnover intention are declared valid because they have meet the significance value with AVE value > 0.5. Next, look at the value of Cronbach's Alpha and composite reliability for the reliability test. All instruments in this study were declared reliable because the Cronbach's Alpha value was > 0.6 and the composite reliability value was > 0.7 so it could be used for the next research stage. After the evaluation of
convergent validity is fulfilled, an evaluation of the discriminant validity is carried out by looking at the AVE root value and then comparing it with the correlation between constructs.

4.3 Inner Model Measurement

Inner model aims to see the cause and effect relationship. To get the results of the inner model analysis, it is necessary to do bootstrapping. Furthermore, the measurement of the inner model is carried out by looking at the value of $R^2$, path coefficient and indirect effects, model fit.

R-Square

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Pernyataan Hipotesis</th>
<th>T-Statistics (&lt;1.96)</th>
<th>Information</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>The work environment has a negative effect on turnover intention</td>
<td>7.569</td>
<td>The data support the hypothesis</td>
<td>H1 accepted</td>
</tr>
<tr>
<td>H2</td>
<td>Job characteristics have a negative effect on turnover intention</td>
<td>0.088</td>
<td>The data do not support the hypothesis</td>
<td>H2 rejected</td>
</tr>
</tbody>
</table>

R-square is used to measure how big the contribution of the independent variable in influencing the dependent variable. From the results of the research above, work engagement has an R-square value of 0.885, which means that the work environment and job characteristics are able to show their influence on the work engagement variable of 88.5% while those influenced by other factors outside the model studied are 11.5%. Furthermore, based on the table the R-square value of the turnover intention variable of 0.847, it can be interpreted that the variables of the work environment, job characteristics and work engagement have an influence on the turnover intention variable by 84.7% and 15.3% is influenced by other factors outside of the model described above. researched. The R-square value in this study belongs to the strong category.

The research model is presented in tabular form based on the results of hypothesis testing as follows:
<table>
<thead>
<tr>
<th>Hypothesis (H)</th>
<th>Description</th>
<th>Stat Value</th>
<th>Data Support</th>
<th>Hypothesis Accepted</th>
</tr>
</thead>
<tbody>
<tr>
<td>H3</td>
<td>Job engagement has a negative effect on turnover intention</td>
<td>4.426</td>
<td>The data support the hypothesis</td>
<td>H3 accepted</td>
</tr>
<tr>
<td>H4</td>
<td>Work environment has a positive effect on work engagement.</td>
<td>2.650</td>
<td>The data support the hypothesis</td>
<td>H4 accepted</td>
</tr>
<tr>
<td>H5</td>
<td>Job characteristics have a positive effect on work engagement.</td>
<td>17.962</td>
<td>The data support the hypothesis</td>
<td>H5 accepted</td>
</tr>
<tr>
<td>H6</td>
<td>Job engagement mediates the relationship between the work environment and turnover intention</td>
<td>2.595</td>
<td>The data support the hypothesis</td>
<td>H6 accepted</td>
</tr>
<tr>
<td>H7</td>
<td>Job engagement mediates the relationship between job characteristics and turnover intention</td>
<td>4.059</td>
<td>The data support the hypothesis</td>
<td>H7 accepted</td>
</tr>
</tbody>
</table>

Source: Processed by the Author, 2022

5. Discussion

Based on the tests performed on each hypothesis, several results were obtained. In the first hypothesis (H1), research on the work environment on turnover intention in the millennial generation has a negative influence. That is, the better the work environment, the lower the turnover intention of millennial generation employees. The influence of the work environment is supported by companies that plan everything well, so that work can be completed efficiently, this is included in task orientation. Where task orientation correlates with how far employees are cared about by the company regarding how to carry out tasks. Thus helping to form a good work environment because it makes millennial generation employees feel cared for in carrying out their duties as well as possible by the company or agency where they work. In a company, the work environment is the most important factor because it is
closely related to the implementation of the tasks assigned to employees. Employees will feel comfortable with a good and conducive work environment such as good relations between co-workers or leaders by providing mutual support and by creating a pleasant physical environment. In addition, a conducive work environment will also create a sense of enthusiasm at work, while employees who work in inadequate working conditions and poor working relationships will make employees feel difficult at work, so it will cause thoughts to leave or leave. company. This is in agreement with previous research which explains that the work environment has a negative relationship to turnover intention [6], [29], [30].

In the second hypothesis (H2), research on job characteristics has a negative effect on turnover intention of millennial generation employees. In other words, job characteristics do not affect the increase and decrease in turnover intention in millennial generation employees and employees perceive that job characteristics are not a top priority at work. Job characteristics will be significant if mediated by work engagement variables.

In the third hypothesis (H3), work engagement research on the turnover intention of millenial employees has a negative influence. This proves that the higher the work engagement, the lower the level of turnover intention in millennial generation employees. The influence of work engagement is supported by dedication and absorption shown by millennial generation employees feeling proud of their work and feeling dissolved in their work so that they create a strong sense of work attachment.

In the fourth hypothesis (H4), the research shows that there is a positive influence between the work environment on the work engagement of millennial generation employees. That is, the better the work environment it will foster employee work engagement. The influence of the work environment is supported by (task orientation) which plans everything well, so that work can be completed efficiently. In terms of completing tasks, employees feel that the work environment in which they work is very concerned about them by planning so that work can be completed efficiently, not only requiring employees to complete work well without paying attention to what employees need to complete their work. The comfortable and conducive work environment created by the company is able to attract workers to work productively.

In the fifth hypothesis (H5), the results of the study prove that job characteristics have a positive influence on the work engagement of millennial generation employees, which means that the higher the level of job characteristics, the higher the work engagement of millennial generation employees. The task significance indicator is the main factor that supports the influence of job characteristics, millennial generation employees state that they feel the work they do is important and has a direct impact on the welfare of the company and its clients. With the high task significance, it causes high work engagement of millennial generation employees. Employees feel their work is meaningful and important to other individuals.

In the sixth hypothesis (H6), work engagement mediates the relationship between the work environment and turnover intention. This means that the better the work environment, the lower the level of turnover intention through work engagement. Mediation in this relationship is included in the category of part mediation. The influence of the work environment is task orientation by doing good planning so that work can be completed efficiently. That way a good work environment will be formed and requires the role of work engagement, namely dedication and absorption so that employees feel proud of their work and employees feel dissolved with the work they are doing, this triggers a sense of work attachment for millennial generation employees. If workers are facilitated with a supportive work environment, there will be confidence that they are able to complete their work optimally so that employees will feel they have work engagement through dedication with a sense of pride in their work and absorption so that employees work with full concentration and feel absorbed in their work which in the end was able to reduce the level of turnover intention and minimize employees to think their current place of work did not have good prospects, so that employees felt like leaving their place of work.
In the seventh hypothesis (H7), the last finding states that job engagement mediates the relationship between job characteristics and turnover intention. Mediation in this relationship is included in the category of full mediation. Significantly, work engagement is able to provide a mediating role in the relationship between job characteristics and the turnover intention of millennial generation employees. Job characteristics are not able to influence turnover intention without going through work engagement, which means to suppress the high turnover intention with job characteristics variables, it is necessary to pay attention to work engagement, because good job characteristics create a sense of work attachment and will have implications for decreasing turnover intention.

5. Conclusion
Based on the results of the work environment research on turnover intention, there is a negative influence, if the work environment is getting better, the turnover intention of millennial generation employees will be lower. Furthermore, the results of the research on job characteristics on turnover intention are stated to be insignificant, which means that job characteristics are not able to influence millennial generation employees in terms of turnover intention. Next, the results of work engagement research on turnover intention are able to have a negative influence, meaning that the higher work engagement, the lower the turnover intention of millennial generation employees. Then, the results of the study state that the work environment has a positive effect on work engagement, which means that a work environment with good conditions means that millennial generation employees will have high work engagement. Research suggests that job characteristics also positively affect work engagement. In the sense that the higher the level of job characteristics, the higher the work engagement of millennial generation employees. Then, research proves that work engagement is able to mediate the work environment on turnover intention. Likewise, the results of the latest research state that work engagement can also mediate job characteristics on turnover intention.

The limitation in this study is that it only concentrates on the variables of the work environment, job characteristics, work engagement, and turnover intention, even though there are various variables that can affect the turnover intention of millennial employees such as burnout and work stress. And this research was only carried out specifically for employees who live in the West Jakarta area, if the distribution was carried out wider, there would be different results.

Further researchers can use this research as a comparison and reference in their research and further researchers are expected to add what is lacking from this research, such as adding variations of other variables. Not only that, further researchers can expand the population by covering a wider area and using other different analytical tools for comparison.

There are several managerial implications related to efforts to reduce the level of turnover intention in millennial generation employees. Based on the results of this study, the work environment affects the turnover intention of millennial generation employees, therefore companies should not underestimate the work environment, because the work environment supports employees in carrying out their duties, the creation of a good work environment will make employees comfortable and productive so that it can reduce the level of turnover intention. In this study, job characteristics have no influence on the turnover intention of millennial employees, but job characteristics affect work engagement. Thus the company must have good job characteristics so that employees have a high sense of work engagement. High work engagement will make employees feel full of energy, proud and enthusiastic and fully concentrate on work so that employees will not think about looking for another job. In the sense that the more employees have a strong work engagement, the lower the turnover intention will be. It is expected that the company or agency always strives to improve deficiencies related to the work environment, job characteristics, and work engagement in order to reduce the level of employee turnover intention. The high turnover intention of employees will have a negative impact on the running of a company.
References


