



## **Exploring the Relationship between Generational Diversity, Employee Engagement, and Turnover Intention: Evidence from Manufacturing Workers**

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### **Abstract**

Generational diversity is a challenge as well as an opportunity to increase employee engagement, which can affect turnover intention. This study analyzes the influence of these two factors on manufacturing companies in Cikarang. With a quantitative approach, this study uses a purposive sampling method with a total of 73 respondents. Data was collected through questionnaires and analyzed using the Structural Equation Modeling technique based on Partial Least Squares (PLS). The results show that both generational diversity and employee engagement have a negative influence on turnover intention, but the influence is not significant. These findings indicate that while generational diversity can create unique work dynamics and employee engagement increases employee emotional engagement, these factors are not the main determinants of turnover intention in the manufacturing sector. Job stability, compensation, and a structured work culture play a greater role in influencing employees' intentions to stay in the company. This study provides important insights for management to develop human resource management strategies that focus on strengthening job stability, providing competitive incentives, and creating a cross-generational inclusive work environment. The novelty of this study lies in its focus on the manufacturing industry context in Cikarang, where generational diversity is high yet rarely studied in relation to turnover intention. By integrating generational differences and employee engagement in a single empirical model, this research offers a new perspective that can guide more targeted HR interventions in multi-generational workplace settings.

**Keywords:** Generational Diversity, Employee Engagement, Turnover Intention, HR Management, Manufacturing Companies

### **Introduction**

Turnover intention is an employee's psychological and behavioral tendency to leave the company they work for. Employee turnover is a major challenge for many organizations, as it can negatively impact productivity, profitability, and organizational culture. According to a study by Oxford Economics (2014), replacing an employee costs an average of £30,614 per employee, which includes recruiting, training, and waiting for new hires to achieve optimal performance. Employee turnover can disrupt the company's routine, reduce the quality of products or services, and lower the morale of the remaining employees. Some of the factors known to be related to turnover intention include job satisfaction, company commitment, company climate, work stress, employer support, and rewards. However, these factors can vary depending on the employee's characteristics, such as age, gender, educational background, and generation. (Dionysia Okta Suryaningtyas & Achmad Fauzi, 2024)

Generational diversity creates unique challenges in communication patterns and interactions in the workplace. This causes a gap between expectations and work reality, which



can increase the turnover intention rate. When employees feel that the work environment is not supportive or does not understand their preferences and motivations, they tend to consider leaving the company. Therefore, it is important for management to address the issue of turnover intention with an approach that understands the characteristics of each generation. The impact of high turnover intention is not only limited to employee loss, but can also affect team morale and productivity. When employees move from one company to another, organizations lose valuable knowledge and skills, which can disrupt business operations and decrease efficiency. In research by it was found that high turnover intention correlates with reduced performance and increased costs related to recruitment and training of new employees. This shows the need for the right strategy to overcome turnover intention in order to maintain organizational stability. (Meyer, J. P. and Allen, 1991). (Griffeth, R. W. and Hom, P. W. and Gaertner, 2000),

Demographic and workforce changes, Generation X, Y and Z, in today's organizations have a significant impact on communication and interaction patterns. Each generation has different values, preferences, and communication styles. For example, Generation Z, who grew up in the digital age, is faster to adapt to technology and has different expectations of the work environment compared to Generation X and Y.

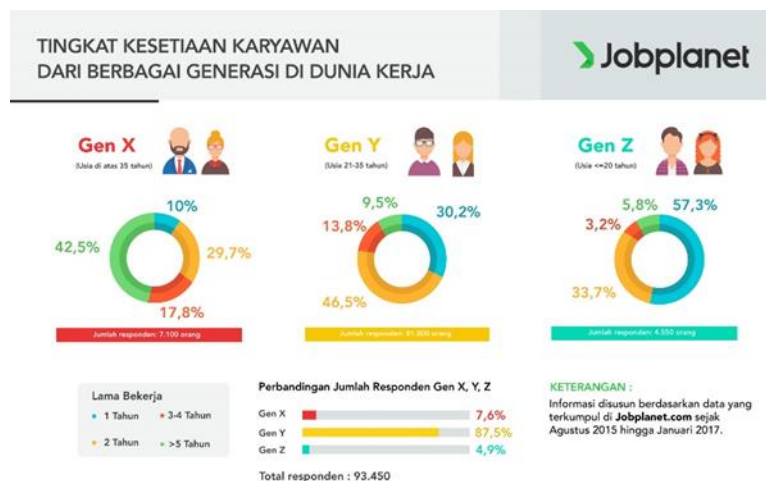


Figure 1. Data on Employee Loyalty Levels from Various Generations in the World of Work  
Source: Jobplanet.Com Research Results

Based on Figure 1, research conducted by Jobplanet.com, found that Generation Z employees who participated in the research, as many as 4,550 people, turned out to have the lowest level of loyalty. As many as 57.3% of the total Generation Z respondents changed jobs after one year of working somewhere (Chaerani, 2024). Data shows that employee motivation and performance vary by generation. noted that Generation X has the highest motivation and performance scores, followed by Generation Y and Generation Z. The emergence of various generations that now make up the majority of the workforce is a new challenge for companies to create a supportive work environment for them. Because the company's long-term progress and success also depends heavily on the productivity of its employees. This phenomenon indicates that a management strategy tailored to the characteristics of each generation is needed to maximize the potential of employees. For example, a more flexible and



technology-based approach may be more acceptable to Generation Z, (Sutrasna, Y. and SE, 2023)

An in-depth understanding of generational diversity, according to research, found that proper generational diversity management, especially in increasing employee engagement, can significantly reduce turnover intention. For example, when companies provide flexibility and career development opportunities that suit the needs of millennials and Gen Z, their intention to leave the company is drastically reduced. However, other research by shows that in some contexts, generational diversity does not always produce a positive effect on engagement and can even increase conflict between employees. Generation X may value stability and opportunities to thrive. Therefore, understanding these differences is essential to reduce turnover intention and improve overall performance. Many organizations do not fully understand the influence of generational diversity on employee attitudes and behaviors, which can lead to high turnover intentions. This study aims to identify the factors that affect turnover intention among different generations and to provide recommendations for management in managing human resources effectively in this era of generational diversity (Gursoy, D., Maier, T. A., and Chi, 2008) (Solnet & Kralj, 2011) (Sutrasna, Y. and SE, 2023)

Research shows that certain factors, such as job motivation and job satisfaction, have a significant influence on turnover intention. For example, in a study by , it was found that intrinsic and extrinsic motivation contributed to a decrease in turnover intention among Generation Y employees. In addition, research by shows that high job satisfaction is negatively correlated with turnover intention, reinforcing the importance of creating a supportive and motivating work environment. However, not all studies have found a significant relationship between these factors and turnover intention. For example, research by found that although there is a positive relationship between job satisfaction and turnover intention, the effect varies depending on the organizational context and individual characteristics. This suggests that while there are many factors that can influence turnover intention, the specific context of the organization and the dynamics of diverse generations must be considered to fully understand this phenomenon (Chen, X., Huang, Q., and Davison, 2017; Kline, T. J. B., Snyder, R. A., and Watson, 2018; Yi, H.Y. and Lee, 2012).

This study focuses on the Cikarang industrial area because it is one of the largest manufacturing hubs in Indonesia with a highly diverse workforce composition. Cikarang is home to many multinational and local companies operating in various industrial sectors, which often face high turnover rates, particularly among younger employees. The dynamic and competitive labor environment in this region provides a relevant and strategic setting for analyzing the impact of generational diversity on turnover intention, as the issue is not only urgent but also underrepresented in empirical studies within the Indonesian context.

## **Methods**

This study aims to examine the influence of generational diversity and employee engagement on turnover intention in manufacturing companies in Cikarang, using a quantitative approach with an explanatory design that aims to test the relationship between variables in the research model. The population in this study is employees of manufacturing companies in the Cikarang area. Sampling was carried out using a non-probability sampling technique with a purposive sampling method, based on certain criteria relevant to the study. The purposive sampling criteria used included: (1) active employment status in the company for a minimum of one year, (2) representation from different generational cohorts (Generation X, Y, and Z), and (3) willingness to fill out the questionnaire completely and voluntarily. The number of



respondents used was 73 people, calculated using the formula Hair et al. (5–10 times the number of indicators). Data collection was carried out by distributing questionnaires to respondents and each statement in the questionnaire was measured using a Likert scale with five levels, namely: Strongly agree (SS) with a score of 5, Agree (S) score 4, Neutral (N) score 3, Disagree (TS) score 2, and Strongly disagree (STS) score 1. The questionnaires were distributed directly to respondents with the help of HR departments in selected manufacturing companies, and some were distributed online using Google Forms to ensure wider coverage. The variables in this study include generational diversity as the first independent variable with indicators such as organizational commitment, work behavior and attitude, and job satisfaction. The second independent variable, namely employee engagement, was measured using The Utrecht Work Engagement Scale (UWES) indicator, which includes vigor, dedication, and absorption. Dependent variables of turnover intention include the desire to leave the company, thoughts of finding another job, and consideration of leaving the company. The collected data was analyzed using the Structural Equation Modeling (SEM) technique based on Partial Least Squares (PLS) with SmartPLS software. SmartPLS was chosen because it is suitable for exploratory research with a relatively small sample size and non-normal data distribution. It allows simultaneous analysis of complex models with latent variables and provides robust estimates even with small data sets, which fits the conditions of this study. This analysis includes evaluation of validity, reliability, and testing of relationships between variables, thus providing credible results to test research hypotheses.

## Results and Discussion

### Characteristics of Respondents

The characteristics of the respondents in this study were analyzed based on demographic data which included gender, age, and last education. Gender analysis was used to see the gender proportion of respondents, age grouped into specific ranges to understand age distribution, while last education was analyzed to find out the educational background relevant to the study.

Table 1. Respondent Profile

Items	Type	Responden t	Percentage (%)
Gender	Man	13	18%
	Woman	60	82%
Age	18 - 24	46	63%
	25 - 34	15	21%
	35 - 44	6	8%
	45 - 54	4	5%
	> 55	2	3%
Last Education	High School/Vocational High School Equivalent	43	59%
	Diploma	2	3%
	S1/Bachelor	26	36%
	S2	2	3%

Source : SmartPLS Data Processing (2024)



Based on Table 1 of the data processing in this study, the demographic profile of the respondents shows that the majority of respondents are women with a percentage of 82%, while men cover 18% of the total sample. In terms of age, respondents were dominated by the age group of 18-24 years with a percentage of 63%, followed by the age group of 25-34 years at 21%. The age groups of 35–44 years, 45–54 years old, and over 55 years old accounted for 8%, 5%, and 3% of the total respondents, respectively. Judging from the last level of education, the majority of respondents have a high school/vocational education background equivalent to 59%, while 36% of respondents have a bachelor's education (S1), and the rest, 3% each, have a diploma and postgraduate education level (S2). This data shows that the majority of respondents are young women with secondary education as their educational background.

### Validity Test

In this study, a validity test was carried out to evaluate the extent to which the indicators used were able to measure the desired concept or variable. The following are the results of validity tests conducted on the research instruments used:

Table 2. Outer Loading Results

	Employee Engagement	Diversity Generation	Turnover Intention	Information
EE1	0,798			Valid
EE10	0,827			Valid
EE2	0,727			Valid
EE3	0,788			Valid
EE4	0,713			Valid
EE5	0,718			Valid
EE6	0,806			Valid
EE7	0,829			Valid
EE8	0,839			Valid
EE9	0,828			Valid
KG10		0,832		Valid
KG2		0,772		Valid
KG3		0,782		Valid
KG5		0,797		Valid
KG6		0,798		Valid
KG9		0,829		Valid
TI1			0,860	Valid
TI10			0,712	Valid
TI2			0,859	Valid
TI3			0,826	Valid
TI4			0,852	Valid
TI5			0,852	Valid





TI6	0,870	Valid
TI7	0,823	Valid
TI8	0,810	Valid
TI9	0,874	Valid
KG1	0,790	Valid

Source : SmartPLS Data Processing (2024)

Based on Table 2, the results of the validity analysis through the outer loading test can be concluded that all research instruments have met the criteria for good validity. After making improvements through the process of eliminating several instruments that do not meet the standards, results are obtained that show that all indicators have outer loadings values above 0.600. In the X1 (Employee Engagement) variable, the outer loadings value ranged from 0.713 to 0.839, while the X2 variable (Generational Diversity) had an outer loadings value range from 0.772 to 0.832. For the Y (Turnover Intention) variable, the outer loadings value shows a range between 0.712 to 0.874. These results show that each measurement instrument has an adequate level of accuracy and consistency in measuring their respective constructs. Thus, the research instruments used have met the validity standards, so that they can produce credible and meaningful research findings.

### Reliability Test

Reliability tests were conducted to measure the consistency and reliability of research instruments. Once the instrument has been proven valid, the reliability test stage is essential to ensure that it can provide stable and consistent measurements if used repeatedly under similar conditions. The reliability test was carried out by paying attention to the Composite Reliability and Cronbach's Alpha values which should be greater than 0.70.

Table 3. Reliability Test Results

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Engagement	0,932	0,937	0,943	0,622
Generational Diversity	0,907	0,917	0,926	0,641
Turnover Intention	0,952	0,961	0,958	0,697

Source : SmartPLS Data Processing (2024)

Based on Table 3, the results of the reliability test show that all research variables obtained very satisfactory results. All variables have a Cronbach's Alpha value above 0.800, a rho\_A value above 0.800, and a Composite Reliability value above 0.860. In addition, the Average Variance Extracted (AVE) value for each variable is also above 0.500. This indicates that the research instrument has high consistency and reliability in measuring each variable studied. Therefore, these variables can be relied on to produce accurate data and can be used in testing research hypotheses.



### Path Coefficients

Path coefficients were obtained through path analysis and provided information about the direct influence between independent variables on dependent variables in the research model. The following are the results of the path coefficients calculation that illustrate the relationship between variables in the tested model:

Table 4. Path Coefficients Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
EE -> IT	-0,159	-0,183	0,243	0,656	0,512
KG -> IT	-0,339	-0,340	0,239	1,419	0,157

Source : SmartPLS Data Processing (2024)

Based on Table 4, the results show that Employee Engagement has an insignificant negative influence on Turnover Intention with a coefficient of -0.159 and a p-value of 0.512, which means that although the effect is negative, the relationship is not strong enough to be considered significant. Likewise with Generational Diversity, which also showed a negative influence on Turnover Intention with a coefficient of -0.339 and a p-value of 0.157. Although the influence is relatively greater compared to Employee Engagement, it remains insignificant. These findings indicate that although there is a negative relationship between the two independent variables and Turnover Intention, the influence is not significant enough to prove a strong or direct relationship between Generation Diversity and Employee Engagement on Turnover Intention in the manufactured companies studied.

### Relationship of Generation Diversity (X1) on Turnover Intention (Y)

Generational diversity has not been proven to be able to contribute directly to turnover intention in manufacturing companies, in this study generational diversity shows a negative influence on turnover intention, although the influence is not significant. This suggests that although the presence of multiple generations in the workplace has the potential to shape organizational dynamics, it does not directly trigger the desire of employees to leave the company. This indicates that generational diversity has not made a strong enough direct contribution to reduce the intention of employees to leave the company. However, generational diversity can play a role in creating interesting work dynamics if managed properly, for example by strengthening cross-generational communication and paying attention to the needs of each generation. In this context, the way organizations facilitate generational understanding can indirectly contribute to employee retention, although it may not yet manifest in measurable turnover outcomes.

This finding is supported by the profile of the respondents, the majority of whom are in the young age group with a high school/vocational secondary education background. It shows that young employees from Generation Z, although this generation tends to be considered to have a lower level of loyalty, as reflected in the related literature, but the diversity of generations in manufacturing companies does not have a significant impact on turnover intention. This insignificant generational diversity in turnover intention indicates that the manufacturing sector itself tends to have a structured and hierarchical work culture, which can reduce the potential for intergenerational conflict. The clear division of roles, job



routines, and performance standards that are not heavily influenced by generational characteristics could weaken the direct link between generational diversity and the intention to resign. This creates a situation where generational diversity does not significantly affect turnover intention, as employees focus more on practical aspects of work such as daily tasks and production targets. The company seems to have succeeded in creating an inclusive work environment, where generational diversity is accepted as part of the organizational dynamics without triggering significant conflict and impacting turnover intention.

The results of this study are not in line with several previous studies, such as the research conducted by showing that generational diversity has a significant influence on turnover intention, especially in organizations that face inter-generational conflicts. These conflicts often arise from differences in values and work expectations, which can increase employee dissatisfaction and their desire to leave the company. In addition, it was also concluded that generational mismatches in the work team can trigger work stress, which contributes to turnover intention. However, the research by this study is in line with the results of this study which states that generational diversity is not always the dominant factor in turnover intention, in the context of manufacturing companies, a more structured and pragmatic work culture, and a focus on job stability, seem to dampen the influence of generational diversity on turnover intention. Smith et al. (2019) Johnson, M et al. (2021) Fang et al., (2020)

Theoretically, this study enriches the literature on turnover intention by showing that generational diversity does not have a significant effect on turnover intention in manufacturing companies. These findings provide a new perspective in understanding the more dominant factors, such as job stability and organizational culture, in influencing employees' intention to leave the company. Meanwhile, its practical implications lead manufacturing companies to focus more on strengthening structural aspects, such as ensuring job stability, providing appropriate incentives, creating a supportive work environment for all generations, paying attention to career development and upskilling for employees, and strengthening internal communication that does not depend on generational diversity, but rather on achieving common goals.

### **Employee Engagement (X2) Relationship on Turnover Intention (Y)**

Employee engagement has not been proven to be able to contribute directly to turnover intention in manufacturing companies. In this study, employee engagement showed a negative influence on turnover intention, but the effect was not significant. This indicates that while employee engagement is important, other factors such as compensation, job stability, and career development opportunities may further influence employees' intention to leave a company in the manufacturing sector.

This finding is supported by the profiles of the majority of respondents who are young with a high school/vocational secondary education background. This younger generation, while often judged to have lower levels of loyalty, may prioritize practical aspects of work such as stability and income over emotional involvement in work. This is in line with the characteristics of work in manufacturing companies, where the focus on efficiency and production targets tends to reduce attention to the aspect of emotional involvement. Thus, even though employee engagement exists, its effect on turnover intention becomes insignificant.

The results of this study are not in line with some previous studies, such as the research conducted by employee engagement significantly increases turnover intention in the





context of work flexibility, where employees who are overly involved tend to experience work burnout, which ultimately encourages the intention to leave the company. Research by also shows that despite high employee engagement, when employees feel stagnant in their careers or stuck in routines, excessive engagement actually contributes to burnout, which increases turnover intention. However, the research by this study is in line with the results of this study which states that in the manufacturing sector, employee engagement has a less significant influence on turnover intention compared to other factors, such as job security and financial stability. This indicates that the industry context can influence how employee engagement affects turnover intention. (Gašić & Berber, 2023) (Bai et al., 2023) (Chen et al. (2017)

Theoretically, this study enriches the literature on the relationship between employee engagement and turnover intention by showing that in the context of manufacturing companies, the influence of employee engagement becomes less significant than other factors such as job stability. Meanwhile, the practical implication is that companies need to place more emphasis on job stability, competitive compensation, and career development opportunities, in addition to pursuing employee engagement programs, this shows that engagement must be carefully managed to have a greater positive impact in the long run.

## **Conclusion**

Based on the results of the study, it can be concluded that generational diversity and employee engagement do not have a significant influence on turnover intention in manufacturing companies in Cikarang. This shows that while generational diversity has the potential to create unique work dynamics, and employee engagement can increase employee emotional engagement, they are not the dominant factors influencing turnover intention in the manufacturing sector. Job stability, compensation, and a structured work culture seem to play a greater role in determining an employee's intention to stay in the company. Therefore, companies are advised to focus more on human resource management strategies that ensure job stability, provide competitive incentives, career development opportunities, and strengthen cross-generational communication to create a supportive work environment, so as to reduce turnover intention and increase organizational productivity. From a theoretical perspective, these findings contribute to enriching the literature on turnover intention by emphasizing the limited role of generational diversity and engagement in highly structured industrial settings, especially in emerging markets. Practically, the research encourages HR professionals in the manufacturing sector to shift attention toward foundational workplace needs that transcend generational categories. However, this study has limitations, particularly in the sample size and the concentration of respondents from a single geographic region and industrial context, which may limit the generalizability of the findings. Future research should consider larger and more diverse samples, as well as additional mediating variables such as organizational culture or leadership style, to gain a more comprehensive understanding of turnover behavior across generations.

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