

Journal of Applied Business, Taxation and Economics Research Vol. 4, No. 4, April 2025 (Page: 678-684) P-ISSN 2828-4976 DOI: 10.54408/jabter.v4i4.418 E-ISSN 2808-263X

Diagnosing and Mitigating Employee Turnover: A Case Study on **Quality of Work Life**

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Keywords : Employee Turnover,	Abstract: Employee turnover is a critical issue
Turnover Intention, Employee	in the manufacturing sector, leading to
Retention, Quality of Work Life	increased operational costs, workflow
	disruptions, and reduced productivity. This
	study investigates the relationship between
	Quality of Work Life (QoWL) and employee
	turnover in XYZ Company, a furniture
	manufacturing company, with a particular
	focus on the production division. The company
	faces a high turnover rate of 17.70%, with the
	production division contributing 92.11% of
	total employee exits. This research employs a
	quantitative approach, utilizing QoWL and
	turnover intention questionnaires to assess
	key factors such as working structure,
	compensation, work environment, and
	interpersonal relationships. Data were
	collected from production employees and
	analyzed using correlation tests and multiple
	linear regression to determine the impact of
	QOWL dimensions on turnover intention. The
	findings reveal that dissatisfaction with
	compensation and indaequate working
	A strong correlation was identified between
	A strong correlation was identified between OoWI dimensions and turnover intention
	highlighting the urgency for targeted
	interventions The study proposes practical
	solutions, including aligning compensation
	with industry standards, implementing
	structured career development programs, and
	enhancing workplace conditions to improve
	employee retention. By addressing QoWL
	dimensions, organizations can foster a
	supportive work environment, enhance job
	satisfaction, and reduce turnover rates,
	ultimately ensuring long-term operational
	stability and success.



Introduction

Employee turnover remains a significant challenge in the manufacturing sector, where operational efficiency depends on a stable workforce. High turnover rates lead to increased recruitment and training costs, workflow disruptions, and productivity losses. The manufacturing industry, particularly labor-intensive sectors such as furniture production, struggles with talent retention due to factors like physically demanding work, limited career growth opportunities, and uncompetitive compensation structures. Other research also states that retaining talents in manufacturing industries is quite the challenge with the high turnover rate that can reach 10-20% per year (Anggraini & Ardi, 2020). Based on data collected, the turnover rate in the XYZ company is at 17,70%.

Studies highlight the importance of QoWL in retaining employees. Poor working conditions, inadequate compensation, and lack of career growth contribute to employee dissatisfaction and increase turnover intention (Pertiwi, et.al., 2024). This research aims to fill this gap by investigating the relationship between QoWL and employee turnover in XYZ Company, a furniture manufacturer facing a high turnover rate, particularly in its production division, which accounts for 92.11% of total employee exits. This research contributes to the literature by providing empirical evidence on how QoWL factors impact turnover intention in a manufacturing setting, specifically within the furniture industry. It offers practical recommendations for workforce stability by integrating compensation, career development, and workplace improvements into a holistic retention strategy. This research will also try to tailor a solution to address the quality of work life problem based on the significant dimension.

Research Method

This study employs a quantitative research design to investigate the relationship between Quality of Work Life (QoWL) and employee turnover in the production division of XYZ Company. A survey-based approach was utilized to collect primary data (QoWL questionnaire & turnover intention questionnaire). There are 4 dimensions of QoWL that will be used in this research, they are working environment, compensation, working structure, and relation & participation. The population consists of employees working in the production division of XYZ Company, as this department accounts for the majority (92.11%) of total employee turnover. The study used purposive sampling, targeting employees with direct production responsibilities. The minimum sample size was determined using Green's formula:

N > 50+8P

(Green, 1991)

The result is a requirement of at least 58 respondents. To ensure reliability, 30 initial responses were used for validity and reliability testing before full-scale data collection. Both questionnaires used a Likert scale and were adapted to ensure cultural and organizational relevance. The survey was conducted in Bahasa Indonesia and distributed to respondents in the production division. After finishing both validity and reliability test, this research will also applied classical assumptions tests (normality test, multicollinearity test, and heteroscedasticity test) to confirm the suitability of regression analysis (Manurung, 2014). After that correlation analysis will be used to measure the strength and direction of relationships between QoWL dimensions and turnover intention. Multiple Linear Regression

will also be used to identify significant predictors of turnover intention and quantifying their effects.

Result and Discussion

Validity & Reliability Test

The first result is the validity and reliability of the questionnaire. The results can be seen below.

Table 1. Validity Test Result		
	Validity Test Result	t
Question	Pearson Correlation	Result
1	0,526	Valid
2	0,486	Valid
3	0,629	Valid
4	0,561	Valid
5	0,667	Valid
6	0,587	Valid
7	0,804	Valid
8	0,452	Valid
9	0,581	Valid
10	0,572	Valid
11	0,473	Valid
12	0,456	Valid
13	0,651	Valid
14	0,845	Valid
15	0,734	Valid
16	0,807	Valid

The QoWL and turnover intention questionnaires were tested for validity using Pearson correlation. The interpretation process of this test is if an item's correlation coefficient is significantly higher than a critical value (0,361 for n = 30) the item is considered valid (Wibisono & Putri, 2018). Looking at table 1, all the pearson correlations is larger than 0,361, thus confirming the validity of each question. Moving on to the reliability test, Dimension 1 represents working structure while dimension 2 represents compensation. Dimension 3 represents relation & participation while dimension 4 represents working environment. Dimension 5 represents the turnover intention.

Reliability Test Result		
Dimension	Cronbach's Alpha	Result
1	0,623	Reliable
2	0,818	Reliable
3	0,697	Reliable
4	0,627	Reliable
5	0,704	Reliable

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The interpretation process of this test is if the alpha values below 0.6 are generally considered poor. 0,6 - 0,7 are considered moderate. 0,7 - 0,8 are considered good. 0,8 - 0,9 are considered very good. While values above 0.9 may indicate perfectly reliable (Wibisono & Putri, 2018). Based on table 2, all the dimensions are considered reliable.

Classical Assumption Test

The second result is the classical assumption test. The result for normality test can be seen below.

Table 3. Normality Test Result		
Normality Test Result		
Significance	0,2	

The normality test in this research uses the Kolmogorov-Smirnov normality test. The interpretation of this normality test will be by comparing the p-value with the significance level (0,05). From the table we can see that the significance is 0,2 (> 0,05). Therefore, the data can be considered follow a normal distribution. Moving on to multicollinearity test, the test is to know whether there's any correlation between independent variables. This research will use tolerance and variance inflation factor (VIF) for the multicollinearity test. The test result can be seen below.

Table 4. Multicollinearity Test Result		
Multicollinearity Test Result		
Dimension	Tolerance	VIF
D1	0,651	1,537
D2	0,538	1,857
D3	0,779	1,284
D4	0,602	1,66

The interpretation of the multicollinearity test is if the tolerance is higher than 0,1 and the VIF is less than 10, it means that there is no multicollinearity. But if the tolerance is lower than 0,1 and the VIF is higher than 10, multicollinearity is present. From the table, we can see that there's no correlation between the independent dimensions of quality of work life. Moving on to heteroskedasticity test which will use Park test. The test result can be seen below.

Table 5. Heterokedasticity Test Result		
Heterokedasticity Test Result		
Dimension	Significance	
D1	0,208	
D2	0,473	
D3	0,35	
D4	0,769	

The interpretation of this test will be by comparing the p-value with the significance level (0,05). If the p-value is smaller than the significance level, it indicates that there is evidence that heteroskedasticity is present. If the p-value is larger than the significance level, it indicates that heteroskedasticity is not present (Park, 1996). From the tablem we can see

that the significance is all above 0,05, therefore we can conclude that heterokedasticity is not present.

Correlation Test

The third test is correlation test. This research use pearson correlation analysis to know the correlation between quality of work life and turnover intention. The result of the test can be seen below.

Table 6. Correlation Test Result		
Correlation Test Result		
Factor	Pearson Correlation	Result
QoWL	-0,747	Negatively Strong
D1	-0,634	Negatively Strong
D2	-0,688	Negatively Strong
D3	-0,49	Negatively Moderate
D4	-0,538	Negatively Moderate

Pearson correlation analysis demonstrated significant negative correlations between QoWL dimensions and turnover intention, indicating that improvements in working structure, compensation, work environment, and interpersonal relationships were associated with lower turnover intention. The result also shows that for the working structure and compensation the correlation is negatively strong.

Multiple Linear Regression

The last test is multiple linear regression. This research use pearson correlation analysis to know the correlation between quality of work life and turnover intention. The result of the test can be seen below.

Multiple Linear Regression		
Dimension	Coefficient	Significance
Constant	22,612	<0,001
D1	0,447	<0,001
D2	-0,731	<0,001
D3	-0,041	0,825
D4	-0,133	0,486
Adjusted R Square		0,578

Table 7. Multiple Linear Regression Test Result

The multiple regression model confirmed that QoWL dimensions significantly influenced turnover intention. The adjusted R square value (0,578) showed that 57,8% of the variation of turnover intention is influenced by the quality of work life. The other 42,2% is from other factor not being explained in this research. Table 7 showed each dimension significance. From the regression model, we can conclude that only dimension 1 (working structure) and dimension 2 (compensation) is statistically significant. Table 7 also showed each coefficient. From them, we can construct the linear equations that can be seen below:

Y = 22,612 - 0,447X1 - 0,731X2 - 0,041X3 - 0,133X4

The constant value of 22,612 can be interpreted if the independent variable is 0 (constant), then the dependent variable value is 22,612. All the independent variable value is negative which shows that if the independent variable (quality of work life) value goes up (better) the dependent variable (turnover intention) value will go down (reduced).

Conclusion

This study investigated the relationship between Quality of Work Life (QoWL) and employee turnover intention in XYZ Company, a furniture manufacturing company facing a high turnover rate, particularly in its production division. The findings indicate that dissatisfaction with compensation and inadequate working conditions are the primary drivers of turnover intention among production employees. The correlation and regression analyses confirmed a strong negative relationship between QoWL dimensions—working structure, compensation, work environment, and interpersonal relationships—and turnover intention.

Among the four QoWL dimensions, compensation and working structure showed the most significant impact on turnover intention, suggesting that employees who feel inadequately compensated and lack clear career pathways are more likely to consider leaving. The adjusted R-squared value (0.578) from the regression model suggests that 57.8% of turnover intention is influenced by QoWL factors, emphasizing the importance of workplace quality improvements in retention strategies.

To address the issue of employee turnover, XYZ Company must take strategic actions to enhance the quality of work life for its production employees. One of the most crucial steps is improving compensation and benefits, as dissatisfaction with pay has been identified as a significant factor influencing turnover intention. The company should align its salary structure with industry standards by conducting regular benchmarking to ensure competitive wages. Additionally, implementing performance-based bonuses and incentives can help recognize and retain high-performing employees, while expanding non-monetary benefits such as health insurance, pension plans, and additional allowances can contribute to overall job satisfaction.

Career development opportunities must be strengthened to create a more engaging and fulfilling work environment. Employees should have clear pathways for career progression, supported by structured promotion criteria and regular training programs to enhance both technical and managerial competencies. The introduction of mentorship and leadership development programs can further encourage employees to envision long-term career growth within XYZ Company, reducing their inclination to seek employment elsewhere.

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