

## The Role of Flexible Work Arrangement, Job Embeddedness, and Work-Life Balance in Reducing Turnover Intention: Study on Millennials and Generation Z Employees

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### ABSTRACT

Millennials and Generation Z, as the largest demographics entering the workforce, were anticipated to drive national progress. However, despite their significant numbers, many of them are experiencing high turnover rates. This study investigates the role of flexible work arrangements, job embeddedness, and work-life balance in reducing turnover intention among millennials and Generation Z in multi-finance companies at Jakarta headquarters. This research is quantitative research with non-probability sampling. The questionnaire was distributed to 280 respondents. The data analysis technique uses Partial Least Square (PLS) analysis tools. The results indicate that (1) flexible work arrangement has a significant negative impact on turnover intention; (2) flexible work arrangement has a significant positive impact on job embeddedness and work-life balance; and (3) flexible work arrangement has a significant negative impact on turnover intention which is partially intervened by job embeddedness and work-life balance. It is suggested for multi-finance companies to optimize flexible work arrangement practices by implementing work-life balance and job embeddedness to reduce turnover intention among millennials and Generation Z.

**Keywords:** Flexible Work Arrangement; Generation Z; Job Embeddedness; Millennials; Turnover Intention; Work-Life Balance

## **INTRODUCTION**

The world is feeling the impact of the COVID-19 pandemic, which has damaged economies, governments, and businesses. In addition, the COVID-19 pandemic caused business closures, resulting in unprecedented disruption of production and commercial activities. Consequently, organizations are facing challenges in terms of health, safety, and anxiety management, supply chain, and workforce management (Jungmann & Witthöft, 2020; Wynne et al., 2021). Indonesia also faces various challenges, including these global economic uncertainties. Global economic uncertainty can negatively impact the economy in Indonesia. Not to mention the recent environmental issues that have occurred in Indonesia related to air pollution, which require workers to make arrangements regarding their arrival at the office and are required to work from home, meaning that they are more flexible in work arrangements. This underscores the likelihood of uncertainty in business organizations, both by companies and the dynamics of their workers (BBC News Indonesia, 2023). This is in line with the statement by Wynne et al. (2021) that organizations face challenges, one of which is related to workforce management and must also face high turnover rates in the millennial generation and Generation Z, especially in Indonesia (Finnegan, 2022).

Based on data from the 2020 population census results, the composition of Indonesia's population is dominated by millennials and Generation Z, indicating that Indonesia is experiencing a demographic bonus. As a whole, Generation Z comprises 74.93 million people, accounting for 27.94% of Indonesia's total population. Although not all members of Generation Z are currently in the productive age group, within approximately seven years, all of them will have entered this stage. The second dominant demographic group is the millennial generation, with 69.38 million individuals in the productive age bracket, representing 25.87% of the total population. Therefore, it can be concluded that during the demographic bonus era, millennials constitute the largest cohort entering the productive age, along with some members of Generation Z. It is expected that millennials and Generation Z entering the productive age will contribute positively to the nation's progress due to their significant population size (Ali & Purwandi, 2016).

However, the reality is contrary to these estimates. This is evidenced by data from Deloitte Indonesia Perspectives (2019), where the number of millennials is increasing and has dominated many jobs, followed by an increase in turnover rates. In this context, it can be concluded that the high turnover rate in Indonesia will be dominated by millennials and some Generation Z individuals in the workforce, encompassing those born in the 1980s to the 2000s. Furthermore, the overall industry turnover rate is dominated by companies engaged in hospitality, healthcare, banking, and finance, as indicated by research results from Compdata in Melick and Porter (2018).

Based on the research results from Compdata in Melick and Porter (2018), it shows that the percentage of turnover in several industrial fields is in the high category. This is in accordance with the statement by Roseman (1981), if annual turnover in a company exceeds 10%, then turnover in the company can be categorized as high. Recent studies reinforce the turnover phenomenon, as conducted by Finnegan (2022). Indonesia is included in the research sample, and it was reported that turnover is one of the problems faced by many companies in Indonesia. The turnover rate in Indonesia reached 15%, higher than the global average of 13%. This shows that Indonesia has a fairly high turnover rate, in line with the results of studies by Finnegan (2022), reflecting the phenomenon of turnover within the millennial workforce and some Generation Z, which dominate these generational groups.

Focusing on the phenomena experienced by several banking and finance industries based on Compdata in Melick and Porter (2018), with a turnover rate of 18.70%, and the results of turnover analysis in the millennial and Generation Z generations by Finnegan (2022) with a global average of 13%, it can be ascertained that the turnover rate in companies in the banking and finance sector is in the high category. In line with the banking and finance turnover rate of 18.70%, in the scope of finance in non-bank finance companies, namely multi-finance companies, based on information from Indonesian Financing Company Association (APPI, 2022), the average turnover of the multi-finance industry in Indonesia is 15-20% per year. Turnover records vary between companies and time periods, but overall the figure is 15%-20%. This figure is included in the high category based on the statement by Roseman (1981). This poses a challenge for companies engaged in banking and finance, especially in non-bank financing companies, namely multi-finance financing companies, to manage employees, especially millennials and Generation Z.

Answering the turnover challenge in this multi-finance finance company, a strategy is needed to reduce the turnover rate. Based on the results of a survey conducted by Deloitte Indonesia Perspectives (2019), there are reasons for rethinking the decision to move, namely work flexibility, appreciation, pleasant office atmosphere, communication with friends and community, fit in relation to skill development, office facilities provided, suitable fields, and development training. There are three largest percentages on the decision to move in millennials and Generation Z, including remuneration at 80 points, a pleasant office atmosphere at 68 points, and work flexibility at 61 points. Further research conducted by Deloitte (2022), in fact, millennials and Generation Z are then more likely to choose companies that can implement work flexibility. From this data, as much as 75% of Gen Z and 76% of millennials prefer companies with flexible work arrangement. Deloitte (2022) also reported that they also want the implementation of flexible work. Millennials and Generation Z tend to want flexible work arrangement, with a percentage of 63% for Generation Z and 62% for millennials.

The previous explanation makes it even more convincing that to reduce turnover in a company, the company must focus on reducing turnover intention. There is one strategy to reduce company turnover through the implementation of flexible work arrangement, which was explained in the previous review. Thus, management needs to pay attention to and overcome the factors that contribute to turnover intention in order to retain quality employees and prevent unwanted turnover. One of the strategies is by taking into account one variable factor, namely work flexibility through flexible work arrangement, by proposing job embeddness and work-life balance. In one of the strategies to reduce turnover intention, the focus can be on the practice of flexible work arrangement, considering previous research conducted by Ardi and Anggraini (2023). The variables in this research are how to optimize two other major factors, namely work flexibility—in this case, through flexible work arrangement, which allows employees to be more flexible in carrying out their work—as well as a pleasant office atmosphere related to job embeddness.

The strategy to reduce the turnover intention rate must also consider other perspectives regarding the challenges facing this generation, which are quite complex. According to a research report from the Pew Research Center by Dimock (2019) regarding the millennial generation in characteristics, challenges, and opportunities, it is stated that the millennial generation has a significant influence on social, cultural, and economic life today. In line with the statement by Hershatter and Epstein (2010), it is revealed that the millennials and Generation Z have different interests in terms of work. They prefer jobs that offer flexibility, work-life balance, and the opportunity to work independently. On the

other hand, the millennial generation is more likely to choose work that provides clear meaning and purpose, as well as the opportunity to contribute to society and the environment, which can be interpreted implicitly as having work engagement in it. It can be concluded that the millennials and Generation Z have a significant influence on turnover intention. Companies must pay attention to the characteristics and values held by these two generations and create a work environment that supports employee growth and development. Thus, companies can minimize turnover rates and increase organizational stability in the long term.

Based on the statement above, it is also supported by empirical studies related to the influence of flexible work arrangement on turnover intention conducted by De Sivatte & Guadamillas (2013), which stated that there is a significant negative influence on turnover intention. However, inconsistencies arise from this relationship, making the research a gap in this study. Aziz et al. (2022) and Tsen et al. (2021) stated that flexible work arrangement has a significant positive impact on turnover Intention, as the impact of work flexibility is that working time is also uncertain, and then internal individual conflicts emerge. So, it is necessary to conduct research again regarding this inconsistency.

This research aims to answer the research question regarding whether flexible work arrangement has a significant negative impact on turnover intention with job embeddedness and work-life balance as mediating variables and to research further the topic of turnover intention in the millennial generation outside the manufacturing sector so that later this research will examine how turnover intention is in the millennial generation and Generation Z in finance companies in Jakarta. Several empirical studies have inconsistencies in research results and existing phenomena, and there is still small amount of research that examines them. To close this gap, the variables Job Embeddedness and Work-Life Balance are needed as mediating variables. This research also follows the call for further research by Ardi and Anggraini (2023), who stated that further research could be carried out in the Jakarta area, especially in the industrial sector.

## **LITERATURE REVIEW**

### **Turnover Intention**

Based on the literature by Gustiawan et al. (2023), Mohyi (2021), and Widyani et al. (2019), turnover intention is the desire of an employee to leave or resign from their job. Turnover intention is the result of an individual's evaluation of the continuation of their working relationship with the company, which has not yet been realized in the act of leaving the company.

Turnover intention becomes a concern in managing employees because if it is not addressed, turnover intention will have a negative impact on the organization. According to Mobley (1977), turnover intention having several impacts on (1) employee acquisition costs or recruitment and training costs, (2) decreased productivity, (3) decreased employee morale in this case the remaining employees in the organization, and (4) loss of knowledge and skills. Therefore, the organization or company in maintaining its human resource assets must be able to suppress the turnover intention to reduce the friction that may occur. This is in line with the statement by Finnegan (2022) that high turnover can hinder organizational performance and innovation, damage the morale of remaining employees, and damage the company's reputation. So that concentration is needed on this matter.

### **Flexible Work Arrangement**

Based on Ray & Pana-Cryan (2021) and Davidescu et al. (2020), flexible work arrangement is more specific to work flexibility by arrangement, a concept that refers to the ability to adjust work schedules, work methods, or work environments to suit individual or organizational needs. It takes many forms, such as time flexibility, place flexibility, or schedule flexibility, and can involve flexibility in working hours, leave, remote work, or more results-oriented work arrangements. Basically, work flexibility aims to improve the effectiveness and efficiency of employees by giving them more control over their work environment, allowing employees to organize their work schedule, location, and leave.

In line with empirical studies conducted by De Sivatte and Guadamillas (2013), it is stated that the implementation of flexible working arrangements has a significant negative impact on turnover intention. Thus, the hypothesis is formulated as follows.

H1: Flexible work arrangement has a significant negative impact on turnover intention.

### **Job Embeddedness**

Based on the explanation of the theory of job embeddedness or job attachment (Astamarini, 2019), it is the relationship between how well employees feel about their work and community and how they interact inside and outside of work or about the combined strength possessed by an employee caused by various things outside of work such as marital status, community, length of service, and other factors. These factors can absorb shocks or shocks that occur to employees, serving as an aggregate of high-level forces for retention so that the employee decides to stay or not leave work and not separate from the company in certain situations.

In line with previous research by Firda and Sumaryono (2019) which states that flexible work arrangements have a positive role in job embeddedness. Hence, the hypothesis is formulated as follows.

H2: Flexible work arrangement has a significant positive impact on job embeddedness/job attachment.

Ahsani et al. (2021) researched turnover intention among millennials and revealed that the high turnover rate of millennial employees' intention to move will harm the company, which can create instability and indicate that the company is ineffective. This can be interpreted as the higher the job embeddedness, the lower the intention to move. In other words, job embeddedness has a negative impact on turnover intention. In line with Ahsani et al. (2021), the study shows that job embeddedness has a negative and significant impact on employee turnover intention. Hence, the hypothesis is formulated as follows.

H3: Job embeddedness/job attachment has a significant negative impact on turnover intention.

### **Work-Life Balance**

Based on the explanation of the Work-Life Balance theory (Houston & Houston, 2005), it refers to the efforts and ways a person makes to balance and integrate personal life, which not only concerns their family but also those attached to them and work. This focuses on the influence on management efforts in balancing and integrating personal life and work, and the synergy of work and personal life (Putri et al., 2021), with the aim of improving the quality of life and well-being. There are three indicators in measuring

work-life balance, which are adapted, developed, and adjusted to the conditions in the field derived from Smeltzer et al. (2016), namely (1) Work Interference with Personal Life (WIPL), (2) Personal Life Interference with Work (PLIW), and (3) Work-Personal Life-Enhancement (WPLE).

So, in relation to their role, the idea of having a flexible work schedule is seen as a positive motivating factor that can increase overall happiness and well-being, which, in turn, promotes better work-life balance. Therefore, it can be concluded that the implementation of flexible work arrangements has a positive relationship with work-life balance. Opportunities for flexible work arrangements affect productivity, performance, job satisfaction, as well as organizational commitment in employees. The hypothesis related to this is formulated as follows.

H4: Flexible work arrangement has a significant positive impact on work-life balance.

Smeltzer et al. (2016) argue that operational work hours in bank and financing companies often extend beyond normal working hours. This is certainly not in accordance with the value of work-life balance that is highly valued by the millennial generation, where millennial generation employees are reluctant to spend hours in the office after normal working hours. So, with the implementation of work-based work-life balance, something that millennials and Generation Z are interested in, adhering to Social Exchange Theory (Homans, 1958), with the work-life balance applied in the world of work, it will reduce turnover intention in millennials and Generation Z.

In line with previous research by Ardi and Anggraini (2023) which states that work-life balance has a negative impact on turnover intention by paying attention to employee satisfaction. The results of this study can be interpreted that in line with the definition of work-life balance itself, when life balance can be achieved, worker satisfaction will increase, which can then reduce turnover intention (Fauzi et al., 2023). The results showed that work-life balance has a significant negative impact on turnover intention. So, in this study, the the hypothesis of the role of work-life balance on turnover intention is formulated as follows.

H5: Work-life balance has a significant negative impact on turnover intention.

#### **Further Hypotheses Development**

##### ***The Role of Job Embeddedness/Job Attachment in Intervening the Impact of Flexible Work Arrangement on Turnover Intention***

It is rare to find research that considers job embeddedness as a mediator in the impact of flexible work arrangements on turnover intention, which makes this aspect a research gap. However, in empirical studies in previous research, implicitly by Hassan et al. (2021), it is not explicitly explained but implied that the flexible factor is part of the flexible work arrangement, showing results that the mediating impact of job embeddedness can strengthen the relationship between the two variables, they are flexible work arrangements and turnover intention, implying that job embeddedness as a mediating variable has a positive impact.

Another study by Kaushalya and Perera (2018) found that flexible work arrangements have a positive influence on employee engagement, which in turn has a negative influence on turnover. There are several reasons why flexible work arrangements can increase employee engagement. Firstly, flexible work arrangements can give employees more control over their work, which is an important source of motivation and job satisfaction. Flexible work arrangements can help employees balance their work and

personal lives, which can improve their job satisfaction and overall well-being. Thus, with this, the hypothesis in this study is formulated as follows.

H6: Job embeddedness/job attachment intervenes the impact of flexible work arrangement on turnover intention.

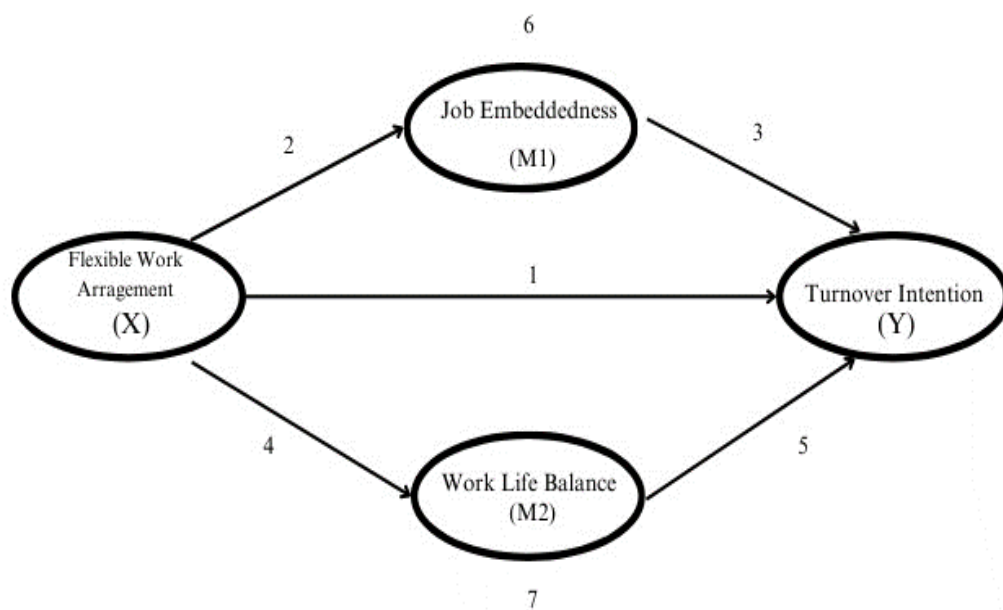
### **The Role of Work-Life Balance in Intervening the Impact of Flexible Work Arrangement on Turnover Intention**

Individuals will continue to engage in social relationships as long as they feel that the benefits they receive from the relationship outweigh the disadvantages. If the perceived losses are greater than the gains, individuals will tend to leave the relationship. If it is related to the mediating variable in the study, namely work-life balance, it is suspected that this positive relationship also has a positive impact on suppressing turnover intention. In line with previous research conducted by Russel et al. (2009), the study found that work-life balance as a mediating variable can have a positive impact on the relationship between the two variables of flexible working arrangements and job embeddedness. According to Brough et al. (2014), the mediating variable is work-life balance. This study found that flexible work arrangements have a positive influence on work-life balance, which in turn has a negative influence on turnover. This means that flexible work arrangements can improve work-life balance, which in turn can reduce turnover (positive impact).

The role of work-life balance in the relationship between these two variables is that when in practice flexible work arrangements can improve work-life balance, turnover intention can be suppressed. Meanwhile, the relationship between the two variables, namely flexible work place and flexible work time on turnover intention variables intervening by work-life balance variables, has a positive influence. The results of this study explain that the implementation of flexible work arrangements has a negative impact on reducing turnover intention. So, the hypothesis in this study is as follows.

H7: Work-life balance intervenes the impact of flexible work arrangement on turnover intention.

**Figure 1.** Conceptual Model



In Figure 1, the research conceptual framework above can explain the relationship between four variables, namely variable X (Flexible Work Arrangement / Work flexibility), dependent variable Y (Turnover Intention) and Job Embeddedness (M1), Work-Life Balance (M2) as mediating variables. The intention is that Flexible Work Arrangement affects Turnover Intention through Job Embeddedness and Work-Life Balance.

## **RESEARCH METHOD**

This study consists of four main constructs, those are the independent variable (flexible work arrangement) and one dependent variable (turnover intention). This study adds two intervening variable there are (job embeddedness) and (work-life balance) Several hypotheses that have been formulated are carried out through quantitative testing or statistical tests and using the Partial Least Squares (PLS) approach.

### **Data Collection and Sampling Frame**

Data was collected using a survey through a questionnaire distributed using Google Forms with the population and sample information below.

The target population in this study is mapped as all millennial generation and Generation Z employees in non-bank finance companies, namely multi-finance financing companies at the Jakarta head office.

The research sampling technique used non-probability sampling employing the formula where the sample size can be calculated based on the number of indicators multiplied by 5 to 10. Based on these guidelines, the number of samples for this study is calculated as follows:  $n = \text{number of parameters} \times 8$ . The number of indicators in this study was 35 parameter items, so based on this formula, the sample size was obtained as follows:  $n = 35 \times 8 = 280$  respondents. The research sample criteria in this study are based on the category of respondents for the millennial generation and Generation Z, categorized by age. The next category includes employees who have a minimum of 1 year of service in a non-bank or multi-finance financing company headquartered in Jakarta, and the company where they work applies flexible work arrangement.

**Table 1. Demographic Profile**

Characteristics of Respondents		Frequency	Percentage (%)
Gender	Male	146	52.14
	Female	134	47.86
Education	Senior HIGSC	0	0
	Diploma I/II/III	1	0.036
	Undergraduate (S1)	25	91.43
	Master (S2)	3	8.21
	Doctoral (S3)	0	0
Working Period	≥ 1 year	45	16.07
	≥ 2-3 years	96	34.29
	≥ 4-5 years	30	10.71
	≥ 5 years	109	38.93
Marital Status	Married	110	39.29
	Single	170	60.71
Company	Company 1	52	18.57
	Company 2	18	6.43
	Company 3	21	7.50
	Company 4	24	8.57



	Company 5	19	6.79
	Company 6	15	5.36
	Company 7	15	5.36
	Company 8	31	11.07
	Company 9	11	3.93
	Company 10	74	26.43
	Millennial generation	220	78.57
Generation	Generation Z	60	21.43

Demographic data in Table 1 shows that the percentage of male respondents is 54.14% and women are 47.86%. Respondents with the most recent education at the S1 level account for 91.43%, with an average working period of 38.93% working more than 5 years. The composition of millennial generation respondents is 78.57%, and Generation Z is 21.43%. Lastly, the respondents' place of work, in accordance with the target population in this study, namely multi-finance companies with assets of 10 T and above. It can be seen the distribution of respondents among 10 multi-finance companies in Jakarta. The names of the companies are deliberately withheld for privacy reasons. Respondents in finance companies with a spread percentage were in companies 1, 8, and 10. From the description of the distribution of respondents in this study, it can be said to have represented the conditions expected by this research to obtain reliable results.

## RESULTS

### Measurement Model

Before conducting descriptive statistical analysis in this study, the first thing that must be done is to test the research instrument, which consists of a validity test and a research reliability test. Outer model analysis using SmartPLS is employed to ensure the level of fit between variables and their measurements. An individual reflective measure can be deemed high if it correlates above 0.7 with the measured construct.

**Table 2.** Outer Loadings of All Variables

Variable	Item	FWA	Information
Flexible Work Arrangement	FWA1	0.913	Valid
	FWA2	0.911	Valid
	FWA3	0.921	Valid
	FWA4	0.923	Valid
	FWA5	0.857	Valid
	FWA6	0.85	Valid
	FWA7	0.879	Valid
	FWA8	0.903	Valid
	FWA9	0.916	Valid
	FWA10	0.927	Valid
	FWA11	0.927	Valid
	FWA12	0.817	Valid
Work-Life balance	WLB1	0.839	Valid
	WLB2	0.833	Valid
	WLB3	0.843	Valid

	WLB4	0.87	Valid
	WLB5	0.869	Valid
	WLB6	0.82	Valid
	WLB7	0.876	Valid
	WLB8	0.878	Valid
	WLB9	0.828	Valid
	WLB10	0.863	Valid
	WLB11	0.883	Valid
Job Embeddedness	JE1	0.838	Valid
	JE2	0.856	Valid
	JE3	0.82	Valid
	JE4	0.862	Valid
	JE5	0.906	Valid
	JE6	0.88	Valid
	JE7	0.898	Valid
	JE8	0.898	Valid
	JE9	0.9	Valid
Turnover Intention	TOI1	0.945	Valid
	TOI2	0.957	Valid
	TOI3	0.939	Valid

In table 2 above, it can be seen that all items have an outer loading value greater than 0.7 and it can be interpreted that all items are valid. It can be concluded that the instrument is able to measure what it wants to measure and can reveal data from the variables studied precisely. The next step is to compare the correlation between variables with the root AVE ( $\sqrt{\text{AVE}}$ ). The measurement model has good discriminant validity if the  $\sqrt{\text{AVE}}$  of each variable is greater than the correlation between variables. The  $\sqrt{\text{AVE}}$  value can be observed from the Fornell-Larcker Criterion Output.

**Table 3.** Fornell Larcker Criterion

Variable	Flexible work Arrangement	Job Embeddedness	Turnover Intention	Work-Life Balance
Flexible work Arrangement	0.896			
Job Embeddedness	0.178	0.874		
Turnover Intention	-0.372	-0.529	0.947	
Work-Life Balance	0.509	0.348	-0.479	0.855

From Table 3 above, it can be concluded that the square root of the Average Variance Extracted (Fornell Larcker Criterion) for each construct to be greater than the correlation between one construct and another construct in the model. Based on the above statement, the constructs in the estimated model meet the discriminant validity criteria.

### Cronbach Alpha, Composite Reliability, and AVE

**Table 4.** Testing of Cronbach Alpha, Composite Reliability, and AVE

Variable	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance	Information
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				Extracted (AVE)	
Flexible Work Arrangement	0.977	0.979	0.98	0.803	Reliable
Job Embeddedness	0.961	0.962	0.967	0.763	Reliable
Turnover Intention	0.943	0.945	0.963	0.897	Reliable
Work-Life Balance	0.963	0.964	0.968	0.731	Reliable

Composite reliability and Cronbach's Alpha are both  $\geq 0.70$ . So, it can be concluded that the questionnaire used as a research tool is reliable and consistent.

### Structural Model

**Table 5.** Determinant Coefficient/R Square ( $R^2$ )

Variable	R Square
Job Embeddedness	0.032
Work-Life Balance	0.259
Turnover Intention	0.401

From the data on Table 5 above, it can be concluded that the R-Square value is 0.401, which means that the Y variable (Turnover intention) can be explained by all the independent variables by 40.1% and the remaining 59.9% is explained outside this research model. The R-Square value is 0.032, which means that the M1 (Job Embeddedness) variable can be explained by all the independent variables by 3.2% and the remaining 96.8% is explained outside this research model. The R-Square value is 0.259, which means that the M2 (Work-Life balance) variable can be explained by all the independent variables by 26% and the remaining 74% is explained outside this research model. After knowing ( $R^2$ ),  $Q^2$  can be determined by the calculation below.

$$\begin{aligned}
 Q^2 &= 1 - (1 - R_1^2)(1 - R_2^2)(1 - R_3^2) \\
 &= 1 - (1 - 0.032)(1 - 0.259)(1 - 0.401) \\
 &= 0.570344
 \end{aligned}$$

Based on the results of the  $Q^2$  calculation above, it shows that the research model has a  $Q^2$  value of 0.570344 or 57%. This means that the turnover intention variable can be predicted by the Flexible Work Arrangement, Job Embeddedness, and Work-Life Balance variables, while the remaining 43% is the contribution of other variables not included in this research model. Then, the calculation for the Goodness of Fit value is as follows:

$$\begin{aligned}
 \text{Average AVE} &= (0.803 + 0.763 + 0.731 + 0.897) / 4 = 0.7985 \\
 \text{Average } R^2 &= (0.032 + 0.259 + 0.401) / 3 = 0.230666667 \\
 \text{GoF} &= \sqrt{\text{AVE} \times R^2} \\
 &= \sqrt{0.7985 \times 0.230666667} \\
 &= 0.4291
 \end{aligned}$$

The Goodness of Fit Model (GoF) is 0.4291. This value explains that this research model is strong or feasible because the GoF value is more than 0.36 according to Gof's requirements from (Ghozali & Latan, 2016) if GoF more than 0.36 is strong.

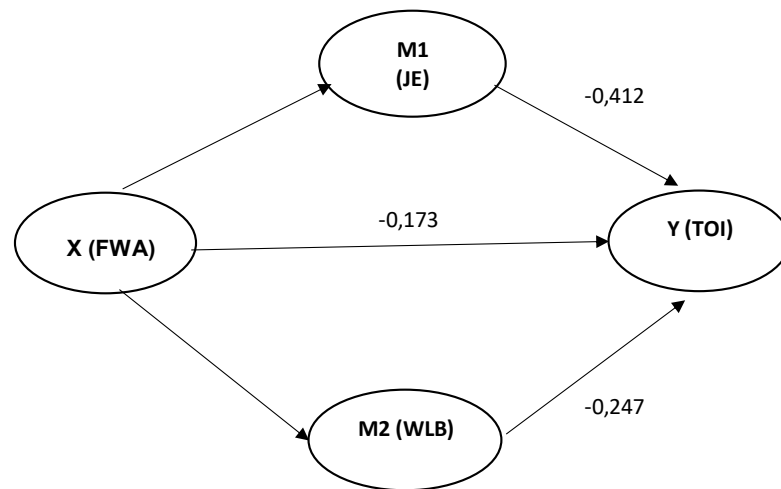
### Hypothesis Testing Results

**Table 6.** Testing Direct Impact

Impact		Path Coefficient	T Statistics	P Values	Detail	Hypothesis
H1	X (Flexible Work Arrangement) → Y (Turnover Intention)	-0.173	2.416	0.016	Sig	Accepted
H2	X (Flexible Work Arrangement) → M1(Job Embeddedness)	0.178	2.688	0.007	Sig	Accepted
H3	M1(Job Embeddedness) → Y (Turnover Intention)	-0.412	5.298	0.000	Sig	Accepted
H4	X (Flexible work Arrangement) → M2 (Work-Life Balance)	0.509	8.023	0.000	Sig	Accepted
H5	M2 (Work-Life Balance) → Y (Turnover Intention)	-0.247	3.044	0.002	Sig	Accepted

Based on Table 6 above, it shows that H1, H2, H3, H4, and H5 are significant and accepted because they have a p-value of less than 0.05, have a statistical value that is greater than the T table (namely 1.96), and have a path coefficient that is in accordance with the hypothesis.

**Figure 2.** Direct Influence Pathways of Structural Models



Furthermore, the results of hypothesis testing between latent variables based on the direct effect path can be seen in Figure 2 above which shows the direct effect, namely Flexible Work Arrangement on turnover intention has a negative effect (-0.173), Job Embeddedness on turnover intention has a negative effect (-0.412), and Work-Life on turnover intention (-0.247).

**Table 7.** Indirect Impact

Impact		Path Coefficient	T Statistics	P Values	Detail
H6	X (Flexible work Arrangement) → M1(Job Embeddedness) → Y (Turnover Intention)	-0.074	2.705	0.007	Accepted
H7	X (Flexible work Arrangement) → M2 (Work-Life Balance) → Y (Turnover Intention)	-0.126	3.127	0.002	Accepted

It can be concluded that M1 (Job Embeddedness) is able to intervene in the influence of X (Flexible Work Arrangement) on Y (Turnover Intention), so that hypothesis 6 is accepted.

It can also be concluded that M2 (Work-Life Balance) was able to intervene in the influence of X (Flexible Work Arrangement) on Y (Turnover Intention), so that hypothesis 7 was accepted. Both have a mediating role, partial mediation.

**Figure 3.** Result By SmartPLS

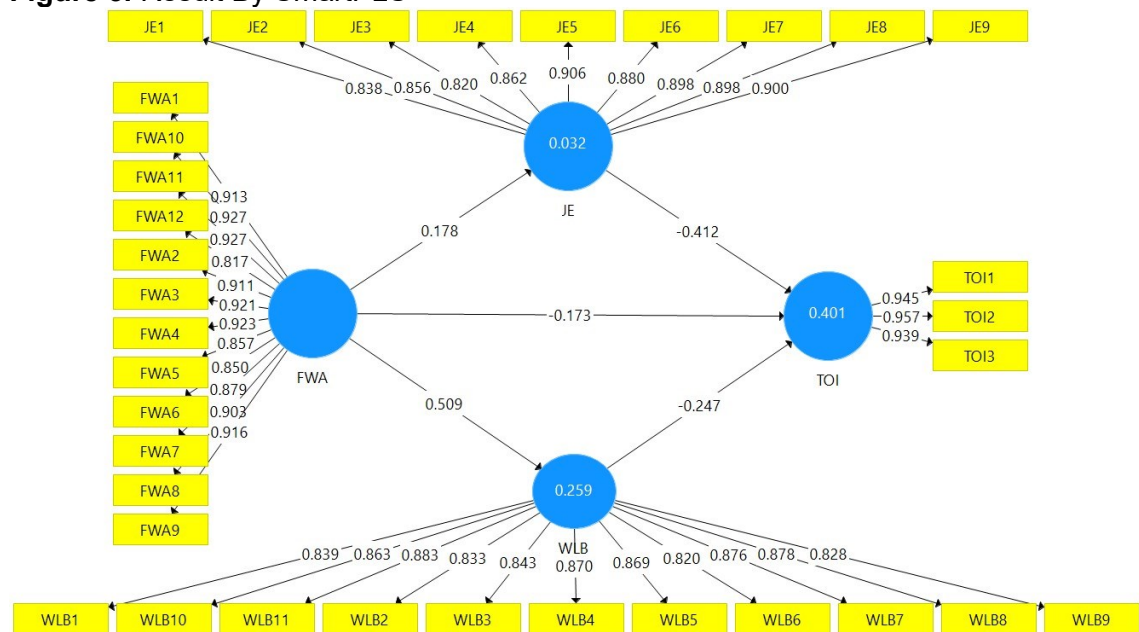


Figure 3 above summarizes the overall research test results, including the SMART PLS Outer and inner model outcomes, along with hypothesis testing, for easier comprehension of the study findings.

## DISCUSSION

This research aims to examine the influence of flexible work arrangements, job embeddedness, and work-life balance on turnover intention. Based on statistical calculations, the results show that flexible work arrangement, job embeddedness, and work-life balance significantly negatively affect turnover intention. This indicates a successful implementation of flexible work arrangements, which helps reduce turnover intention among millennial and Gen Z employees in multi-finance companies at headquarters. The findings align with previous studies by De Sivatte & Guadamillas

(2013), which found a significant negative effect of flexible work arrangements on turnover intention.

Moreover, when flexible work arrangements positively influence work-life balance, the effect of work-life balance on turnover intention becomes negative. This is supported by previous research conducted by Brough et al. (2014), Kaushalya & Perera (2018), Ardi & Anggraini (2023), and Fauzi et al. (2023), indicating a significant negative effect of work-life balance on turnover intention. In terms of job embeddedness, employees tend to hesitate to leave their current positions due to the social connections and supportive environment they have built. This aligns with previous research by Ahsani et al. (2021), which found a negative and significant effect of job embeddedness on employee turnover intention.

Furthermore, flexible work arrangements positively influence job embeddedness and work-life balance, indicating their potential to increase job embeddedness among millennial and Gen Z employees. This is consistent with research by Firda & Sumaryono (2019), Shanker (2023), and Subramaniam et al. (2015), highlighting the positive role of flexible work arrangements in job embeddedness and work-life balance. The results also demonstrate the mediating role of job embeddedness and work-life balance in the relationship between flexible work arrangements and turnover intention. Overall, this model suggests that enhancing flexible work arrangements can increase job embeddedness and work-life balance, thereby reducing employee turnover intention.

## **CONCLUSION**

According to the results of this study, several findings can be summarized. Firstly, flexible work arrangement has a significant negative impact on turnover intention. Secondly, flexible work arrangement has a significant positive impact on job embeddedness and work-life balance. Thirdly, flexible work arrangement has a significant negative impact on turnover intention which is partially intervened by job embeddedness and work-life balance.

Implementing a good flexible work arrangement can reduce turnover intention. Successful flexible work arrangement implementation requires careful planning and consideration from the company. Flexible work arrangement can also improve work-life balance and job embeddedness. In order to increase the effect of the flexible work arrangement on work-life balance and job embeddedness, companies can focus on the application of the flexible work arrangement program as well as the process of making it easier to take leave and integrating employee applications to the program through making it easier to apply for leave, etc., by creating a human resource mobile app based on flexible work arrangement. Work-life balance and job embeddedness are absent, and employee activities are integrated into one ecosystem.

Regarding this implementation, researchers have a blueprint regarding implementation mechanisms in accordance with research variables to reduce turnover intention rates along with comprehensive programs that are synchronized with the company's human resources management system and Oracle HR programs or other HR systems with and without violating labor laws and regulations, and copyright law.

It is important to note that turnover intention is a complex variable and is influenced by many other factors beyond work-life balance and job embeddedness. Other factors such as salary, benefits, career development opportunities, and relationships with supervisors can also play an important role in turnover intention.

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## DECLARATION OF CONFLICTING INTERESTS

The authors declared no potential conflicts of interest.

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