

# THE INFLUENCE ANALYSIS OF REWARDS, WORK-LIFE BALANCE AND CAREER DEVELOPMENT IN INFLUENCING EMPLOYEE RETENTION THROUGH JOB SATISFACTION AND EMPLOYEE WELL-BEING IN THE MANUFACTURING INDUSTRY IN CIKARANG

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## Keywords

*Work-Life Balance, Career Development, Employee Retention, Job Satisfaction, Employee Well-Being*

## ABSTRACT

This study aims to explore the role of reward, work-life balance, career development, job satisfaction, and employee well-being in influencing employee retention. The research was quantitative and collected data cross-sectionally from the Manufacturing Industry sector in the Cikarang area in 2024. The study will examine independent variables, including Reward, Work-life Balance, and Career Development, and their impact on dependent variables such as Job Satisfaction, Employee Well-being, and Employee Retention. The results of the hypothesis test show that the better the reward received by operator employees, the better it has a good influence on Job Satisfaction. The better the Career Development owned by the operator employees in the manufacturing industry, the more it improves the welfare of the operator's employees. It is concluded that if employees have opportunities for career development at the company where they work, it will increase the level of job satisfaction.

## INTRODUCTION

Although Entrepreneurs and Leaders are important factors in the success of a company, employees in a business are also a lifeblood of the success of the organization. The right employees will carry out the mission of a company and drive the growth of the business (Peek, 2023). This statement is also the same as Tarigan et al. (2023), where according to him employees who work in the Company need to be managed as best as possible, with the aim that employees become productive and qualified, so that in this fierce global era competition the Company can still achieve common organizational goals. According to Santoni & Suana (2018), it is said to be productive if employees can work by achieving predetermined targets and objectives, and are responsible for being able to complete tasks within a predetermined period of time.

Business competition in Indonesia itself can be said to be quite fierce, according to Pratomo (2024) March 2024 19 new companies have been registered obtained from data from the Indonesia Stock Exchange (IDX), with a total of 921 companies listed on the Indonesia Stock Exchange (IDX) in Quarter 1 2024. With a lot of existing business competition, the Company is required to be able to have strong competitiveness to avoid failure (Bangun, 2008). Even in Indonesia itself, there are already 2 names of large companies that ended up going bankrupt because they lost the competition, such as PT Hung-A Indonesia and PT Sepatu Bata Tbk (Djailani, 2024). Companies can increase their competitiveness with several factors, such as creating good relationships with customers, promotions, innovating continuously and having motivated human resources to perform their duties in the best possible way (Herawati, 2022). Seeing that there are many big business competitors that have

emerged, the Company needs to keep its valuable employees working and working there. To do this, the Company needs to pay attention to several factors, such as opportunities for employees to learn and develop, as well as attractive rewards that can be offered to employees (Poindexter & Craig, 2022).

Increasing Employee Engagement and reducing Employee Turnover cannot be done without the Company's strategy aimed at retention. The Company's ability to retain employees will be determined by the organization's capacity to meet working conditions that are in accordance with the expectations and needs of its human resources. The retention strategy must include steps that encourage employees to be able to work and stay there longer, therefore it is very important for the company to be able to know employee satisfaction with various factors regarding work (Pimentel & Pereira, 2022). This is supported by the statement of Arnold (2005), that Rewards have a role in retention, because it gives the impression to employees that they are valued in the company. According to him, if employees tend to feel that they are not given equal rewards for their efforts and performance, they will tend to leave the company. Reward according to Ajufoh et al. (2023), is something with the purpose of recognizing someone's contribution. A person will get a financial reward for a job or service performed, and the form will vary according to the level of work, competence and skills of each employee.

Work-life Balance also plays a role in Job Satisfaction and Retention. According to Thilagavathy & Geetha (2023), Work-life Balance is a balance between responsibilities and demands with personal life outside of work. Syal et al. (2024) argue that if the Company wants to support the existence of Work-life balance within the Company, management can facilitate employees with things such as flexible working hours, work autonomy and supportive employers. All of these things can affect job satisfaction and employee retention.

Career development or career development can also be done by the Company to create job satisfaction and end up in employee retention. Career development is one of the promotional activities that can be carried out by the Company to encourage the motivation of employees in building a better career in terms of status and income. Each employee wants to continue to grow in order to achieve their own success. A well-planned career program can increase employee motivation and job satisfaction (Febrian & Sani, 2023). In addition, career development is also important to improve the knowledge, competencies and skills of employees for the overall good of the organization (Prince, 2005).

The factors mentioned earlier are carried out by the Company to meet the satisfaction of its workers. Job satisfaction or called Job Satisfaction reflects a person's attitude towards work which includes affection, cognition and behavioral tendencies (Meier & Spector, 2015). Job Satisfaction describes the extent to which a person feels satisfied or comfortable with their job. The term Job Satisfaction itself is a relatively new and modern concept when compared to previous centuries where the jobs available to a person are often determined by their parents' work. From the perspective of some scientists, Job Satisfaction is a sense of achievement and success of a worker in the workplace which is generally seen as directly related to productivity and personal well-being. Job Satisfaction implies doing work that you enjoy, doing it well, and getting rewarded for those efforts. More so, Job Satisfaction also includes a sense of enthusiasm and happiness at work and is a key key element that leads to recognition, income, promotion, and the achievement of other goals that lead to a satisfying sense of accomplishment (Kaliski, 2007).

When job satisfaction has been obtained, it will affect Employee Well-being or employee welfare (Abolnasser et al., 2023). Employee welfare is divided into two, namely hedonistic and eudaimonic. Hedonism generally refers to subjective feelings of pleasure as well as positive emotions (Ryan & Deci, 2001), while eudaimonis can be interpreted as a human being who feels in control of his own destiny, has a purpose and basic satisfaction with himself (Cowen, 1991).

All of the factors mentioned above, have an influence on Employee Retention. As a study that has been conducted by (Syal, Rosnani, Daud, Kalis & Hendri, 2024), where it was found that Reward, Work-life Balance and Job satisfaction have a positive influence on employee retention in Generation Z who have worked. However, in the study, there is still no study that states that Career Development and Employee Well-being have an influence on employee retention itself, especially on companies in Indonesia.

Therefore, this study attempted to discuss the role of reward, work-life balance, career development, job satisfaction and employee well-being in influencing employee retention. The

research contributes to understanding how reward systems, work-life balance, career development opportunities, job satisfaction, and employee well-being collectively influence employee retention. By exploring these factors, the study provides insights into the key drivers that help organizations retain their employees, highlighting the importance of a holistic approach to employee management and satisfaction in reducing turnover.

**METHODS**

The research was quantitative and collected data cross-sectionally from the Manufacturing Industry sector in the Cikarang area in 2024. The study will examine independent variables, including Reward, Work-life Balance, and Career Development, and their impact on dependent variables such as Job Satisfaction, Employee Well-being, and Employee Retention. Data collection will involve distributing questionnaires or surveys to respondents, focusing on their profiles and experiences related to the study's variables. The research will use random sampling, with a sample randomly selected from the population of production employees in the Cikarang Manufacturing Industry. The study will apply the Slovin formula for sampling, with a population of 350 respondents working in the factory or manufacturing sector.

$$n = \frac{N}{1 + Ne^2}$$

Note:

n: Sample size / number of respondents

N: Population size

E: The percentage of sampling errors that are still tolerable. In this study, it is 0.1 (10%).

Data analysis in this study uses the following stages: 1) Testing Validity and Reliability. 2) Calculate the score from the questionnaire results using the calculation of the Likert scale.

**RESULTS**

**Table 1. Respondent Profiles by Gender**

Respondent Profile	Characteristic	Frequency	Percentage
Gender	Man	114	76%
	Woman	36	24%
Age	17 - 25 Years	69	46%
	26-35 Years	65	43.3%
	>35 Years	16	10.7%
Education	Diploma III	133	89%
	Bachelor I	17	11%
Working Period	<1 year	53	35.3%
	1 - 5 years	86	57.3%
	>5 years	11	7.3%

Source: Processed data (see attachment)

Out of 150 respondents, the majority were male (76%), largely due to the physically demanding nature of operator roles, which the company prefers to assign to men. Most respondents were aged 17-25 years (46%), followed by those aged 26-35 years (43%), reflecting the need for young, agile, and physically strong workers. The predominant educational background was Diploma 3 (89%), as the industry mainly requires skilled workers for manual tasks rather than higher formal education. Regarding work experience, most respondents had been with the company for 1-5 years (57.3%), while 35.3% had less than one year of experience, and only 7.3% had over five years of service.

**Hypothesis Test**

**Table 2. Hypothesis Test**

Hypothesis	Estimate	P-Value	Results
H1: Rewards have a positive effect on Job Satisfaction	0,669	0,000	H1 supported

H2: Work-life Balance has a positive effect on Job Satisfaction	-0,004	0,936	H2 is not supported
H3: Career Development has a positive effect on Job Satisfaction	0,303	0,042	H3 supported
H4: Job Satisfaction has a positive effect on Employee Wellbeing	0,976	0,000	H4 supported
H5: Employee Wellbeing berpengaruh positif terhadap Employee Retention	1,046	0,000	H5 supported

*Source: AMOS output (data attached)*

**H1: Rewards have a positive effect on Job Satisfaction**

Testing of H1 showed an estimate value of 0.669 and also a p-value of 0.000. Because the p-value is less than 0.05, it is concluded that H1 support or Reward has a positive influence on Job Satisfaction. It can be interpreted that the better the reward provided by the Company, resulting in an increase in Job Satisfaction for its employees.

**H2: Work-life Balance has a positive effect on Job Satisfaction**

Testing of H2 showed an estimate value of -0.004 and also a p-value of 0.936. Since the p-value is greater than 0.05, it is concluded that H2 is not supported. In this hypothesis, Work-life Balance has no positive effect on Job Satisfaction.

**H3: Career Development has a positive effect on Job Satisfaction**

The analysis test in H3 showed an estimate value of 0.303 and a p-value of 0.042. Because the p-value is above 0.05, it can be said that H3 is supported. The conclusion is that if employees have opportunities for career development at the company where they work, it will increase the level of job satisfaction.

**H4: Job Satisfaction has a positive effect on Employee Wellbeing**

The H4 test has an estimate value of 0.976 with a p-value of 0.000. From the analysis test, it can be concluded that H4 is supported. This means that if the Company's employees have a good level of Job Satisfaction, it will also improve in terms of Employee Wellbeing.

**H5: Employee Wellbeing berpengaruh positif terhadap Employee Retention**

The H5 test showed an estimate value of 1.946 with a p-value of 0.000. Therefore, it is concluded that H5 is supported and interpreted that Employee Wellbeing has a positive influence on Employee Retention. Based on this statement, it can be said that if employees have a good level of Employee Wellbeing, then the Company can reduce the Employee Retention rate that occurs.

**Discussion**

***Q1: There is a positive influence of Rewards on Job Satisfaction***

Based on the results of this hypothesis test, it shows an estimate value of 0.669 with a p-value of 0.000. With a p-value of less than 0.05, it is concluded that H1 is supported. Conclude that Rewards have a positive influence on Job Satisfaction. This indicates that the better the reward received by employees, the better the level of Job Satisfaction felt by employees. This is supported by research conducted by Syal et al. (2024), that Reward has a positive influence on Job Satisfaction.

***H2: There is a positive influence of Work-life Balance on Job Satisfaction***

Based on the results of the hypothesis test, H2 gets an estimate value of -0.004 with a p-value of 0.936. Because the p-value is greater than 0.05, it can be said that H2 is not supported. The conclusion is that in this study, there is no positive influence of Work-life Balance on Job Satisfaction. The majority of studies show that Work-life Balance has a positive effect on Job Satisfaction. This can happen due to several factors, such as different respondent profiles from studies that have been conducted by Syal et al. (2024).

***Q3: There is a positive influence of Career Development on Job Satisfaction***

Based on the results of the H3 test, an estimate value of 0.303 with a p-value of 0.042 was obtained. Because the p-value is above 0.05, it can be concluded that there is a positive influence of Career Development on Job Satisfaction. It is concluded that if employees have good Career Development in a Company, then the level of Job Security that employees feel to their Company increases. This research is also supported by a study that has been conducted previously by Suci et al. (2023), with the results that Career Development has a positive influence on Job Satisfaction.

***Q4: There is a positive influence of Job Satisfaction on Employee Wellbeing***

The results of the H4 test obtained an estimated value of 0.976 with a p-value of 0.000. It was concluded that H4 was supported, where Job Satisfaction had a positive influence on Employee Wellbeing. If the company has employees with a high level of Job Satisfaction, employees who work there will have good Wellbeing. The results of this hypothesis are supported by research that has been conducted by Kuo et al. (2023), that Job Satisfaction has a positive influence on Employee Wellbeing.

***Q5: There is a positive influence of Employee Wellbeing on Employee Retention***

Based on the results of the hypothesis test in this study, the influence of Employee Wellbeing on Employee Retention obtained an estimated value of 1.046 with a p-value below 0.05, which is 0.000. This concludes that H5 is supported, with Employee Wellbeing having a positive effect on Employee Retention. If employees have a good level of Wellbeing, then the retention rate at the Company will be lower. This research has also previously been conducted by Chen et al. (2023), who stated that Employee Wellbeing has a positive influence on Employee Retention.

**CONCLUSION**

The research concludes that in the Manufacturing Industry in Cikarang, rewards and career development positively impact job satisfaction among operator employees, which in turn enhances employee wellbeing. Improved wellbeing is linked to higher employee retention. However, work-life balance does not significantly affect job satisfaction. For future research, it is suggested to explore these variables in other industries and to examine additional factors like training and knowledge management that might influence employee retention.

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