

# **ORGANIZATIONAL JUSTICE, WORK-LIFE BALANCE, AND TURNOVER INTENTION: MEDIATING ROLE OF EMPLOYEE ENGAGEMENT IN XYZ HOTEL EMPLOYEES**

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## **ABSTRACT**

*The trend of turnover intention in the hotel industry poses a significant challenge, particularly with the high intentions of Generation Z and millennials to leave their jobs, as revealed in the surveys conducted by Achievers Workforce Institute 2023 and Indonesia Millennial Report 2019. Data from Michael Page International Indonesia 2022 highlights a significant wave of resignations, especially in the leisure, travel & tourism sectors. XYZ Hotel with a workforce of a hundred employees, is experiencing the impact of job turnover trends. This study aims to examine the influence of organizational justice and work-life balance on turnover intention, with employee engagement as a mediating factor, among employees at Hotel XYZ. The population of this study includes all employees working at XYZ Hotel. A total of 100 samples were obtained using the total sampling method. The collected data were processed using SmartPLS 3. The results of this study indicate that the variables of organizational justice and employee engagement have a negative and significant influence on turnover intention. Meanwhile, work-life balance has a positive and significant influence on turnover intention in XYZ Hotel and must be mediated by employee engagement to achieve a negative effect.*

**Keywords:** Turnover intention, employee engagement, work life balance, organizational justice, Hotel

## **1. INTRODUCTION**

The hospitality industry remains a stable global sector, with customers from various regions and backgrounds [1]. Researchers before recognized the important role of the hospitality sector in economic growth in many countries both directly and indirectly, which has an impact on increasing employment, improving living standards, increasing tax revenues for state and local governments, as well as growing retail sales at the local level [2].

However, as the hospitality sector stabilizes, there is concern about employee turnover across the industry. There is a survey revealed that around a quarter of Generation Z, 23% 13% of millennials have plans to leave their company in the next year [3].

According to the Indonesian Millennial Reports, around 35.1% of millennials tend to work in the same place for only two to three years. This shows that there is a trend of high mobility among the millennial generation, who tend to look for new experiences or career opportunities elsewhere in a relatively short period. This also illustrates the importance of companies understanding and responding to the preferences and needs of the millennial generation in maintaining workforce retention and developing effective recruitment strategies [4].

Data obtained from Michael Page International Indonesia [5] The phenomenon of a wave of resignations occurred in Indonesia, where almost half of the respondents (43%) only worked at their current job for less than two years. These findings reflect a significant dynamic in Indonesia's workforce, where many individuals appear to be pursuing career changes more rapidly than ever before. Apart from that, the survey results also showed that 84% of respondents planned to look

for new career opportunities in the next six months. More specifically, Michael Page International Indonesia [5] the same research has conducted a review of 2022 turnover intention data in Indonesia in 16 employment sectors in Indonesia. The hospitality industry is shown in leisure, travel & tourism to get 92% intention to leave after 6 months of work. As shown in Figure 1.

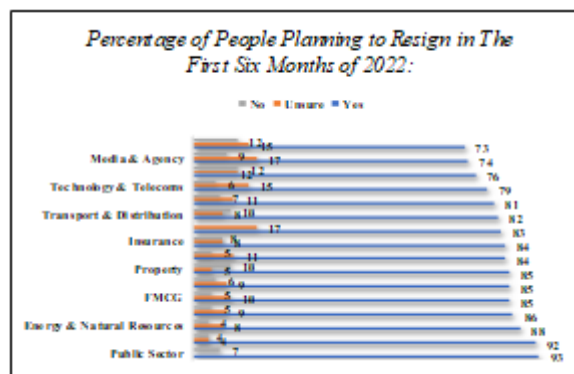


Figure 1. Percentage of People Planning to Resign in The First Six Months of 2022  
 Source: Michael Page International Indonesia

The level of turnover has the potential to spread to other employees in the organization [6]. More specifically, the impact of turnover can be felt in the company, such as when employees who leave achieve success in new jobs which can influence other employees to leave the organization [7]. Turnover in a company can also be considered a sign that the company may be facing problems that need to be addressed by management [8].

Considering that employee turnover is formed after intention, turnover intention at XYZ Hotel needs to be paid attention to. This is caused by employees' desire to move which is the background or main cause of the turnover rate [8]. In other words, companies must pay serious attention to the factors that encourage employees to want to move. Turnover intention is not just an internal issue but also has a significant impact on organizational stability and productivity.

Based on several previous studies on turnover intention, there are differences in the role of employee engagement in mediating the relationship between organizational justice, work-life balance, and turnover intention. Research conducted by Mulang [9] shows that employee engagement does not mediate the relationship between organizational justice, work-life balance, and turnover intention. However, another research by Amelia and Lukito [10], Astuti et al. [11], and Novianto [12] reveals that employee engagement mediates between organizational justice or work-life balance and turnover intention. These studies highlight variations in the roles of organizational justice, work-life balance, and employee engagement in mediating the relationship between organizational justice, work-life balance, and turnover intention. The differences observed in the impact of organizational justice, work-life balance on turnover intention, and the mediating role of employee engagement create a research gap. Understanding how organizational justice and work-life balance affect turnover intention, and whether employee engagement mediates this relationship, requires further investigation. Therefore, additional research will help fill this research gap and provide a more comprehensive insight into the complexity of the relationships between these variables in an organizational context.

Based on what has been described, this study aims to examine the influence of organizational justice and work-life balance on turnover intention, with employee engagement as a mediating factor, among employees at Hotel XYZ.

## **2. RESEARCH METHOD**

According to Greenberg [13], organizational justice is a concept that refers to how an employee perceives an organization's treatment, decisions, and activity and how these perceptions influence their attitudes and behavior. Organizational justice is the way a worker views the standards and quality of fairness provided by their superior or the company where they work, which can be in the form of treatment, relationships, or the results of decisions [14].

In addition, Ie et al. [15] describe organizational justice as a reflection of the fair level of service provided to employees by the company. Robinson [16] also emphasized that organizational justice is the treatment that every employee receives regardless of their title or position, and can be considered fair if employees receive their rights according to the contribution they make to the company. Thus, organizational justice is a concept that describes employees' perceptions of equality in organizational treatment and its impact on their attitudes and behavior in the workplace. Work-life balance is a condition where individuals can be committed to work and family and be responsible for activities that are not related to work [17]. In addition, another researcher Saikia [18] describes work-life balance as a person's ability to combine and feel satisfied with their roles in career and personal life. This means finding a balance between work and life outside of work. According to Hill et al. [19], work-life balance is how someone organizes time, manages feelings, and acts in both worlds, namely their paid work and family responsibilities, without sacrificing either [19].

Apart from that, according to Mulang [9], work-life balance is a condition where a person can carry out their work and family life without too much conflict and both support each other. Beauregard and Henry [20] describe work-life balance as a broad concept, which includes setting the right priorities between career and personal happiness, free time, family relationships, and spiritual development. Based on the definition that has been explained as a whole, work-life balance is a person's ability to manage and combine their roles and responsibilities in work and personal life in a balanced way.

Employee engagement is a form that includes various emotional, cognitive, and physical aspects that are closely related to employees [21]. That can be interpreted as a cause that encourages workers to work better [22]. Furthermore, employee engagement is the level of individual involvement in their work with enthusiasm and satisfaction [23]. Ashwini et al. [24] also state that employee engagement is a high level of emotional involvement and motivation, where employees voluntarily give their best in their work, even exceeding the expectations of their work tasks. From the definitions provided by the experts, it can be concluded that employee engagement is the condition of employees' involvement in their work, involving emotional, cognitive, and physical aspects, which encourages better performance, enthusiasm, and job satisfaction.

The turnover intention is the desire to change jobs but has not yet moved from one workplace to another [9]. Chen et al. [25] see it as a behavioural tendency for employees to try to leave their place of work, indicating that there are concrete efforts or plans to look for alternatives. Meanwhile, according to Sardiman [26], turnover intention is a strong urge to leave the company. Turnover intention is also defined as the result of negative psychological reactions to certain conditions at work or in the organization [27]. Turnover intention is an employee's thoughts about leaving their current job and wanting to look for more profitable opportunities even though they have not taken concrete action to do so.

The research model in this study is as follow:

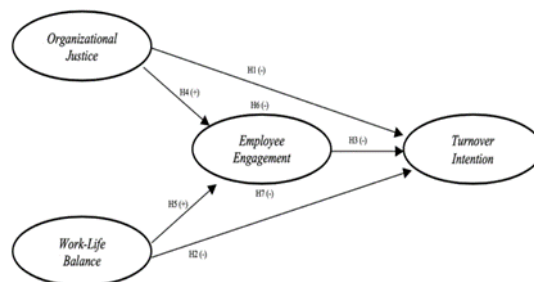


Figure 2. Research Model

**H1:** Organizational justice has a negative influence on turnover intention of XYZ Hotel employees.

**H2:** Work life balance has a negative influence on turnover intention of XYZ Hotel employees.

**H3:** Employee engagement has a negative influence on turnover intention of XYZ Hotel employees.

**H4:** Organizational justice has a positive influence on employee engagement of XYZ Hotel employees.

**H5:** Work-life balance has a positive influence on employee engagement of XYZ Hotel employees.

**H6:** Organizational justice has a negative influence on turnover intention through employee engagement of XYZ Hotel employees.

**H7:** Work-life balance has a negative influence on turnover intention through employee engagement of XYZ Hotel employees.

### 3. RESULTS AND DISCUSSIONS

This research employs the Structural Equation Modeling (SEM) technique in the analysis of validity, which comprises convergent validity (Average Variance Extracted (AVE and outer loadings) and discriminant validity (HTMT and cross loading).

Convergent validity can occur if the scores obtained from different instruments used to measure the same construct have a high correlation [28]. This convergent validity measurement is carried out through two types of measurements, namely loading factor, the results of which are considered valid if each indicator used to measure the variable has a value of more than 0.7 ( $>0.7$ ) [29] and is still acceptable if is between 0.6 to 0.5 [30]. Furthermore, the average variance extracted (AVE) is considered valid if the variable's AVE value is 0.5 or more than 0.5 ( $\geq 0.5$ ) [29].

Table 1. Average Variance Extracted (Convergent Validity)  
 Source: SmartPLS

Variable	Average Variance Extracted (AVE)
Employee Engagement	0.915
Organizational Justice	0.785
Turnover Intention	0.747
Work-Life Balance	0.647

Based on the results of the average variance extracted (AVE) analysis in Table 1, it can be concluded that each variable in this research is said to be valid because it has an average variance extracted (AVE) value above 0.5 ( $>0.5$ ).

Table 2. Loading Factor (Convergent Validity)

	<b>Employee Engagement</b>	<b>Organizational Justice</b>	<b>Turnover Intention</b>	<b>Work Life Balance</b>
<b>Laten Variable Absorption</b>	0,944			
<b>Laten Variable Dedication</b>	0,942			
<b>Laten Variable Distributive Justice</b>		0,901		
<b>Laten Variable Interactional Justice</b>		0,920		
<b>Laten Variable Job Autonomy</b>				0,645
<b>Laten Variable Manager's Support</b>				0,907
<b>Laten Variable Procedural Justice</b>		0,836		
<b>Laten Variable Vigor</b>	0,983			
<b>Laten Variable Work Personal Life Enhancement</b>				0,838
<b>Turnover Intention 1</b>			0,904	
<b>Turnover Intention 2</b>			0,778	
<b>Turnover Intention 3</b>			0,837	
<b>Turnover Intention 4</b>			0,937	
<b>Turnover Intention 5</b>			0,857	

The results of which are considered acceptable if each indicator used to measure the variable has a value between 0.6 to 0.5 [30]. Therefore, the result in Table 2 shows that every indicator is considered valid because the values are between 0.6 to 0.5. In this research, discriminant validity testing was carried out by looking at the scores obtained from HTMT which can be seen in Table 3 below.

Tabel 3. Heteroit-Monotrait Ration (Discriminant Validity)  
 Source: SmartPLS

	<b>Employee Engagement</b>	<b>Organizational Justice</b>	<b>Turnover Intention</b>	<b>Work-Life Balance</b>
<b>Employee Engagement</b>				
<b>Organizational Justice</b>	0.170			
<b>Turnover Intention</b>	0.224	0.545		
<b>Work-Life Balance</b>	0.514	0.318	0.450	

The recommended HTMT value is less than 0.90 [31], if the HTMT value is above 0.90 then the HTMT shows a lack of discriminant validity. The HTMT results in Table 3. show that the value for each indicator is less than 0.9 ( $<0.9$ ) so it can be said that the results from the HTMT meet the requirements.

The cross-loading values of each indicator for a particular construct must be higher than the cross-loading values for indicators of other constructs, so all items can be considered as valid [30].

Tabel 4. Cross Loading (Discriminant Validity)

	Employee Engagement	Organizational Justice	Turnover Intention	Work Life Balance
<b>Laten Variable Absorption</b>	0,944	0,107	-0,196	0,419
<b>Laten Variable Dedication</b>	0,942	0,097	-0,232	0,318
<b>Laten Variable Distributive Justice</b>	0,165	0,901	-0,516	-0,216
<b>Laten Variable Interactional Justice</b>	0,132	0,920	-0,611	-0,195
<b>Laten Variable Job Autonomy</b>	0,483	0,080	-0,071	0,645
<b>Laten Variable Manager's Support</b>	0,282	-0,230	0,387	0,907
<b>Laten Variable Procedural Justice</b>	-0,119	0,836	-0,272	-0,185
<b>Laten Variable Vigor</b>	0,983	0,118	-0,242	0,403
<b>Laten Variable Work Personal Life Enhancement</b>	0,269	-0,307	0,429	0,838
<b>Turnover Intention 1</b>	-0,341	-0,524	0,904	0,234
<b>Turnover Intention 2</b>	-0,019	-0,319	0,778	0,276
<b>Turnover Intention 3</b>	-0,078	-0,310	0,837	0,293
<b>Turnover Intention 4</b>	-0,229	-0,529	0,937	0,371
<b>Turnover Intention 5</b>	-0,224	-0,656	0,857	0,347

The cross-loading results in Table 4 indicate that the cross-loading values of each indicator for a particular construct are higher than the cross-loading values for indicators of other constructs, confirming the validity of all items.

This research uses Cronbach's alpha and composite reliability for reliability testing. Based on Hair et al. [29], an indicator can be said to be reliable if the Cronbach's alpha value is above 0.6 ( $>0.6$ ) with a maximum of 0.95 and composite reliability is 0.7 or more than 0.7 ( $\geq 0.7$ ). Reliability testing for all variables in this study was carried out using Cronbach's alpha and composite reliability, the results of which can be seen in Table 5.

Tabel 5. Cronbach's Alpha dan Composite Reliability  
 Source: SmartPLS

Variable	Cronbach's Alpha	Composite Reliability
Employee Engagement	0.954	0.970
Organizational Justice	0.872	0.916
Turnover Intention	0.917	0.936
Work-Life Balance	0.722	0.843

In this research, the variable employee engagement r-square value of 0.204 which explains that 20.4% of the employee engagement variable can be explained by organizational justice and work-life balance with a weak influence. Meanwhile, the remaining 79.6% can be explained by variables not used in this research. So organizational justice and work-life balance have a weak influence in influencing employee engagement variables.

The turnover intention variable gets a value of 0.475. That means that 47.5% of the turnover intention variable can be explained by the variable's organizational justice, work-life balance, and employee engagement with a moderate influence, while the other 52.5% is influenced by variables

not examined in this research. So organizational justice, work-life balance, and employee engagement have a moderate influence in influencing the turnover intention variable. Based on the result of hypothesis testing in Table 6, as follow

Table 6. Significance Test

Variable	Original Sample	t-statistic	p-values	Remark
OJ → TI	-0,449	6,321	0,000	Accepted
WLB → TI	0,390	3,830	0,000	Rejected
EE → TI	-0,339	4,547	0,000	Accepted
OJ → EE	0,213	2,416	0,016	Accepted
WLB → EE	0,448	3,549	0,000	Accepted
OJ → EE → TI	-0,072	1,987	0,047	Accepted
WLB → EE → TI	-0,152	2,537	0,011	Accepted

Based on the test results, analyses, and discussions presented, this research concludes several crucial aspects regarding turnover intention among employees at Hotel XYZ. Organizational justice significantly influences a negative impact on employees' intention to quit, highlighting the importance of fair practices within the organization. Moreover, work-life balance is found to have a significant positive effect on turnover intention, indicating the potential impact of a balanced professional and personal life on the decision to relocate. Employee engagement emerges as a critical factor, showcasing a significant negative influence on turnover intention, emphasizing the role of active employee involvement in reducing the inclination to resign.

Additionally, organizational justice positively influences employee engagement levels, suggesting that fair practices contribute to higher engagement. Similarly, work-life balance also positively affects employee engagement, underlining the importance of a balanced work and personal life for enhanced engagement. Furthermore, organizational justice exhibits a significant negative impact on turnover intention through employee engagement, illustrating the mediating role of engagement in reducing turnover intention. Lastly, work-life balance significantly influences turnover intention through employee engagement, indicating that a balanced lifestyle can decrease the desire to relocate when mediated by employee engagement.

These insights underscore the significance of fostering organizational justice, promoting work-life balance, and enhancing employee engagement as integral strategies to address turnover intention at Hotel XYZ.

The results of the hypothesis testing are depicted in Figure 2 within the bootstrap model as follows:

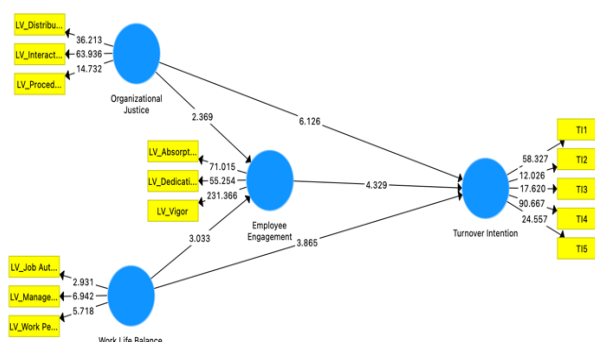


Figure 2. Bootstrapping Result

#### 4. CONCLUSIONS AND SUGGESTIONS

Based on all hypotheses, it was found that organizational justice had a significant negative influence on the intention to quit of XYZ Hotel workers, in line with previous findings [32]. Although work-life balance turns out to have a significant positive impact on turnover intentions which is also in line with 2019 research on turnover intention [33], this effect can turn negative if mediated by employee engagement [8]. Employee engagement acts as a mediator that changes the positive impact of work-life balance into a reduction in intention to change jobs. Therefore, management strategies that pay attention to organizational justice, work-life balance, and employee involvement can be the key to managing and reducing turnover intention at the XYZ Hotel.

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