

## **DEMOGRAPHIC FACTORS AND WORK ENVIRONMENT ON EMPLOYEE TURNOVER INTENTION IN THE FMCG INDUSTRY: A QUANTITATIVE STUDY SUPPORTED BY THEMATIC INSIGHTS**

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### **ABSTRACT**

This study aims to examine how demographics and workplace conditions influence employees' intentions leave in the FMCG industry, where employee turnover remains relatively high. Demographic variables: including age, gender, generational group, education level, income level, and work environment serve as independent variables, while turnover intention is treated as the dependent variable. A sequential explanatory mixed-methods approach was used, combining qualitative findings from thematic analysis with quantitative data collected from 100 respondent operational team in FMCG using a validated questionnaire (correlation > 0.2; Cronbach's Alpha > 0.7). The regression analysis results indicate that the work environment has the most dominant and significant effect in reducing turnover intention ( $\beta = -1.124$ ;  $p < 0.001$ ) ( $R^2 = 0.78$ ), influence employee decisions. Gender ( $p < 0.007$ ) and generation ( $p < 0.012$ ) also show significant effect with turnover intention. Another factor such as age, income level, and educational background appears to have only a limited influence. These findings indicate that non-financial aspects of the work environment such as the availability of facilities, break schedules, employment contract systems, and internal human resources policies are the primary factors of concern to employees. Efforts are needed to create a supportive work there is a need to create a supportive work environment, implement fair and transparent HR practices, and refine HR management strategies to improve employee retention. The findings of this study are expected to help enhance the competitiveness of the FMCG industry and provide guidance for internal HR policies regarding strategic decision-making on employee retention.

**Key words:** Turnover Intention; Work Environment; Demographic Factors; FMCG (Fast-Moving Consumer Goods); Employee Retention

### **INTRODUCTION**

One of the fastest-growing sectors in Indonesia, *Fast-Moving Consumer Goods* (FMCG) industry is holds a pivotal role in driving the national economy. Intense competition, high efficiency demands, and production speed require FMCG companies to be able to compete globally, maintain product quality, and respond quickly to changing consumer needs. Organizations are highly dependent on human resource performance as a strategic asset in achieving sustainable competitive advantage in FMCG and broader business objectives (Anwar et al., 2021).

Competent, productive, and highly loyal employees play an important role as an important asset in maintaining company performance, especially in the labor-intensive FMCG industry. The main challenge is the elevated level of turnover intention, which reflects the tendency of employees to exit the company. Turnover intention refers to an individual's psychological predisposition to voluntarily leave an organization, influenced by job satisfaction and organizational commitment, and has been established dominant predictor of actual turnover (Mobley et al., 1978; Tett & Meyer, 1993; Tika Nur Halimah et al., 2016).

Turnover intention originates from thoughts of leaving, which progressively develop into the intention to seek alternative employment and ultimately culminate in the intention to resign (Mobley, 1978). The contributing factors encompass job dissatisfaction, low levels of employee commitment and engagement, unsupportive leadership, unmet expectations, limited career development opportunities, and excessive work pressure (Mobley et al., 1978; Tett & Meyer, 1993; Meyer & Allen, 1991). The FMCG industry itself is notably characterized by high pressure and intense competition, further compounded by the demographic diversity of its workforce (Sutherland et al., 2020).

The turnover rate FMCG Majalengka in 2025 reached 4.916% per month, with 45% of employee departures attributed to work environment factors influenced by demographic differences, followed by career development concerns, dissatisfaction with management, and personal factors such as family obligations, health conditions, and educational pursuits. The predominance of these reasons indicates that the work environment has yet to be fully human-centered, as evidenced by many departing employees having a tenure of less than one year, which reflects low levels of employee engagement and less than optimal onboarding and adaptation process. Based on

Ferry's study (2023) and FMCG Indonesia's HRD data (2024), the average employee turnover in the manufacturing industry reaches 15-25% per year. High Turnover can disrupt operational stability if not managed properly, increase recruitment and training costs, losing potential employees, and negatively affect overall organizational effectiveness (Robbins & Judge, 2019).

The analysis of employee demographic characteristics is essential as a foundational basis for formulating effective human resource strategies aimed at enhancing employee engagement, retention, work environment quality, as well as inclusive and adaptive organizational policies. Demographic factors such as age, generation, gender, educational background, length of service, work location, and income play a significant role in shaping employee performance, job satisfaction (Deery & Jago, 2015; Kurniawan et al., 2023). Demographic factors a significant role in shaping employee motivation and loyalty. This is strongly influenced by personal values, expectations, and preferred working preferences (Lubis & Hanum, 2021). The work environment also influences turnover intention; a conducive environment whether physical, psychological, or social can enhance employee satisfaction and engagement while reducing the intention to leave (Nurfadillah et al., 2022). Conversely, an unconducive environment, characterized by high work pressure, poor working relationships, and insufficient managerial support, can trigger stress and increase employees' intention to seek employment elsewhere (Putra & Setiawan, 2019). Constantio and Bangun (2025) found that workload significantly increases job stress, which further drives turnover intention, suggesting that stress mediates the relationship between working conditions and employee retention.

According to Mitchell et al. (2001), three interconnected factors have been identified as determinants of employees' decisions to remain with or leave an organization: social relationships in the workplace, working environment conditions, and the degree of alignment between individual values and organizational values. Pramudita (2025) reported that burnout strongly influences turnover intention, highlighting the psychological dimension of employee behavior. These findings indicate that turnover intention not only by financial but also non financial aspects related the employee experience at work.

Previous research on turnover intention has largely examined financial variables in isolation, with limited attention to the combined role of demographic and work environment factors, particularly for operational employees in the FMCG industry. Furthermore, there is limited evidence explaining how demographic diversity interacts with workplace conditions in shaping employee turnover intentions. This gap is highlights for an integrated the need approach that considers both personal and organizational factors in employee retention strategies. Based on this framework, the following hypotheses are proposed:

H1 : Demographic factors significantly affect turnover intention.

H2 : Work environment negatively affect turnover intention

## **METHOD**

A sequential explanatory mixed-method design was utilized in this research, wherein thematic analysis served to further elaborate and contextualize the quantitative findings. The colletion independent variables (demographic characteristics and work environment) and the dependent variable (turnover intention) was analyzed using a quantitative approach combine with thematic analysis insight. Employee perceptions were obtained through the administration of questionnaires and structured interviews.

This research carried out at an FMCG company located in Majalengka, Indonesia over the period of March to May 2025. The study involved 100 operational employee in the production division. Sampling was carried out use a purposive sampling technique, with the sample criteria were limited to production employees who had been employed for a minimum of one year and were actively engaged in production activities. Samples from diverse groups in terms of age, gender, educational level, and various production departments. Collected data through structured questionnaires and subsequently verified against HR records with demographic data : age, gender, generation, educational background, and income, were . The questionnaire covered three main variables consist of demographic characteristics, work environment, and turnover intention. The questionnaire response verified with HR records, the main variables were measured using likert scale. The validity and reliability tests of the instrument in the study using item-total correlation ( $>0.20$ ) and Cronbach's Alpha coefficient ( $>0.70$ ), which indicates an acceptable level of internal consistency and reliability of the measurement. Quantitative data were analyzed using multiple linear regression analysis, supported by descriptive statistics, residual normality test, t test, F test, test and determination coefficient ( $R^2$ ). Furthermore, thematic analysis was applied with employee ballot boxes and one-on-one interviews with several employees.

## **RESULT AND DISCUSSION**

The quantitative analysis result showed that demographic factors and work environment significant affected turnover intention in the FMCG manufacturing industry. A validity test on the work environment (LK) and turnover intention (TI) scales confirmed that all questionnaire items had item total colletion values above 0.2 with the construct validity standard (Ghozali, 2018).

The descriptive analysis indicated that respondents with productive age, between 19 to 34 years old (Mean=24.24 years), with a generational composition 80% generation Z and 20% generation Y. In terms of gender were 78% male and 22% female. The majority (96%) had a high school or vocational education, with an average monthly income of IDR 2,610,632. Average score for the work environment variable was 0.6453 shows

a fairly positive perception, while the average turnover intention score of 0.6512 indicates that the level of desire to change jobs is in the medium category. The result with earlier research showing that turnover intention is shaped by both internal and external factors, include personal background and workplace conditions (Robbins & Judge, 2019; Kurniawan et al., 2023). Consistent with Burhanudin et al. (2025), who found that compensation fairness and job satisfaction significantly affect employees' intention to stay. Based on the results, dominant respondent profile consists of Generation Z employees with vocational or senior high school educational backgrounds, suggesting a comparatively higher propensity toward turnover intention. The average scores of the Work Environment variable are as follows:

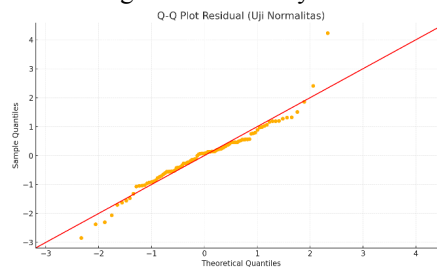
Table 1. Descriptive Statistics Results

Variable	Red	Std Dev.	Min	Max
Age	24.24	3.841	19	34
Gender	0.78	0.416	0	1
Generation	1.2	0.402	1	2
Education	1.04	0.197	1	2
Income	2610632	303454.854	2404632	3504632
Work Environment	0.6453	0.107	0.39	0.9
Turnover Intention	0.6512	0.144	0.2	1

(Source: Processed Data, 2025)

The normality test indicates that the residuals of the regression model approximate a normal distribution ( $D = 0.095 < 0.136$ ), thereby confirming that the normality assumption has been satisfactorily met (Ghozali, 2018)

Figure 1. Normality Test



(Source: Processed Data, 2025)

Based on the results of the multiple regression analysis conducted to examine the influence of demographic factors and work environment on turnover intention, the following findings were obtained:

Table 2. Results of Multiple Linear Regression Analysis (t- and F-Tests)

Variable	Coefficient	Std. Error	t-stat	p-Value	Remark
Intercept	1.385	0.086	16.130	<0.001**	Significant
Age	0.005	0.003	1.565	0.121	NS
Gender	0.048	0.017	2.752	0.007*	Significant (+)
Generation	-0.082	0.032	-2.557	0.012*	Significant (-)
Education	-0.036	0.041	-0.866	0.389	NS
Income	0.000	0.000	-0.519	0.605	NS
Work Environment	-1.124	0.075	-14.892	<0.001**	Highly Significant (-)

$R^2 = 0.778$  Adjusted  $R^2 = 0.764$ , F test 54,04

(Source: Processed Data, 2025)

The regression model proved to be simultaneously significant ( $F = 54.4$ ;  $p < 0.001$ ), explained 77.8% ( $R^2=0.778$ ) of the variance in turnover intention. At the individual level, three variables emerged significant predictors: the work environment ( $\beta=-1.124$ ;  $p < 0.001$ ), gender ( $\beta=0.048$ ;  $p = 0.007$ ), and generation ( $\beta=-0.082$ ;  $p=0.012$ ). These findings indicate that turnover intention influenced more strongly by workplace conditions than by most demographic characteristic. This may occur because supportive workplace conditions increase comfort, fairness and psychological security. Consistent with Herzberd (1959) and (Nurfadillah et al. (2002) Non financial support and fairness in reducing turnover intention. In a study conducted by Griffeth, Hom, & Gaertner (2000), career opportunities and compensation outside the company were found to have a more dominant influence on the intention to change jobs in other cases, the work environment did not always play a significant role

Gender and generation also significant affects on turnover intention, reflect differences in work expectations, adaptation patterns, and employment preference across demographic operational setting, particularly younger generations and female employees tend to carry different workplace expectations and preferences (Lubis & Hanum, 2021). In this regard, Ramlall (2004) advocates for demographically sensitive retention strategies, while Heinen et al. (2013) caution that the magnitude of gender's influence on turnover intention may vary across different industries and organizational settings. Notably, Twenge (2010) reminds us that despite the presence of generational differences, organizational culture and environmental factors tend to be more decisive in shaping

turnover intention, implying that generational influence alone may not be universally determinative. Syahputra and Hendarman (2024) highlighted that employee retention among Generation Z in Indonesian FMCG start-ups is shaped by several key organizational and individual factors.

Age, educational background, and income level were not statistically significant effect on turnover intention. This finding may be explain by relatively homogeneous demograpic composition of the respondents, most of whom were young operational employees with similar eduction and income background. The result may not have shown enough variation to produce a strong statistical effect.

The qualitative findings reinforce the quantitative results. The thematic analysis based on questionnaires and interviews indentified three dominant theme as follows:

1. Work facilities and physical comfort.

Limitations in workplace facilities, including parking areas, rest spaces, canteens, places of worship, and overall environmental comfort, have become primary concerns for employees. Improvements in physical facilities are considered crucial for enhancing employee well-being and productivity (Putra & Setiawan, 2019).

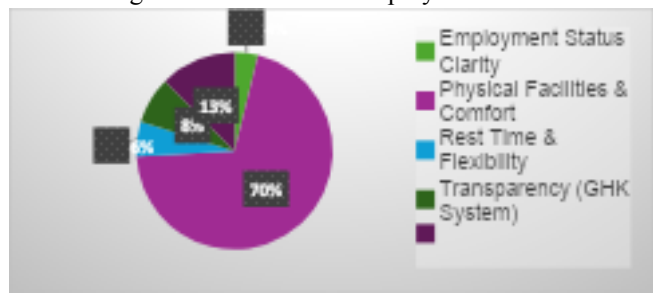
2. Clarity of employment status and job security.

Clear information regarding contract status and employment administrative matters is essential requirement, as uncertainty in employment status negatively affects employees' sense of security and loyalty (Kurniawan et al., 2023).

3. Performance appraisal transparency and work-life balance.

Employees emphasize the importance of transparency and fairness in the performance appraisal system (GHK), in line with Herzberg's hygiene factors. Furthermore, clarity regarding leave entitlements, particularly regarding Sundays, reflects the need for a better work-life balance (Anwar et al., 2021).

Figure 2. Overview of Employee Concern



(Source: Employee Feedback, 2025)

Most complaints are non-financial in nature, asserting that increased environmental, fairness, and comfort factors can decrease dissatisfaction and desire to go out (Herzberg, 1959). Based on these findings in FMCG, the following strategies are recommended to reduce the intention to leave :

1. The work environment needs to be improved with a safe, comfortable, and inclusive work environment, including the provision of adequate facilities, workplace safety guarantees, and a proportional distribution of workloads must be prioritized (Herzberg et al., 1959).
2. Ensuring that the company establishes and upholds HR policies that are accountable and transparent. It is necessary to foster trust between employees and the company regarding job status clarity, evaluation systems, and career clarity. Burhanudin et al. (2025), highlight that fair compensation and policy clarity can increase organizational commitment and reduce turnover intention.
3. The strategies implemented must be tailored to the employees' generation. Companies need to develop learning opportunities, digital communication channels, and performance-based incentives, if necessary, that are tailored to the employees' generation (Kultalahti & Viitala, 2014).
4. Recognition fosters employee commitment and a sense of belonging and employee engagement is a key mechanism linking human-centered leadership to lower turnover intention (Syahputra et al, 2024).
5. Leaders who demonstrate exemplary behaviour, empathy, inclusivity, and strong leadership. Edonomokumor et al. (2025), leadership transformational can help reduce turnover intention with enhancing employee satisfaction, commitment, and attachment to the organization.

Table 3. Interpretation of Hypothesis Testing Result

Hypothesis	Statement	Results	Supported
H1	Demographic factors significantly affect turnover intention.	Only gender and generational significant affect while age, education and income did not	Partially Supported
H2	Work environment negatively affects turnover intention	Work environment had a strong negative and significant affect on turnover intention	Supported

(Source: Processed Data, 2025).

## CONCLUSION

The study concludes that work environment is a key factor influencing the intention to change jobs in the FMCG industry study in Majalengka. Demographic factors partially supported, with gender and generation emerging as significant variables. These findings suggest that turnover intention among operational employees is more influenced by non-financial aspects of the work environment, such as comfort, fairness, and organizational support, than by most demographic characteristics. Therefore, employee retention strategies should not rely solely on compensation but should also emphasize creating a supportive and transparent work environment that can enhance employees' daily work experience. This study is limited to a single FMCG company and uses a cross-sectional design, which may limit the generalizability of the findings. Future research recommended to involve a wider sample and include other variables, such as leadership, human centered lean, career development, and work stress, to provide a more comprehensive understanding of employee retention in the FMCG industry.

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