
LITERATURE REVIEW ON TURNOVER INTENTION AND EMPLOYEE CHARACTERISTICS IN STARTUP COMPANIES

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Abstract

Turnover intention refers to an employee's tendency or desire to quit or change jobs voluntarily without coercion. Many startups struggle to retain employees long-term, primarily due to the often demanding nature of their work, the uncertainty surrounding the company's direction, and a lack of career clarity. This study employed a systematic literature review, an approach to identifying, reviewing, interpreting, and evaluating all relevant research on the topic under study. This involves defining appropriate research questions and systematically reviewing and identifying journals based on predetermined steps. The results indicate that companies need an integrated approach to addressing turnover intention, particularly among millennial employees. Identifying factors such as compensation, incivility, work quality, mental health, and reward systems, as well as how employee characteristics influence responses to these factors, is an important initial step. It can be concluded that several factors significantly influence employee turnover intention, including workplace incivility, compensation, quality of work life, mental health, and the company's reward system. Each of these factors is interrelated and can strengthen or weaken an employee's desire to remain with the company.

Keywords: Turnover, Intention, Startup

INTRODUCTION

Turnover intention refers to an employee's conscious desire to leave their workplace, as explained by Pambudi and Djastuti (2021). While not necessarily followed by concrete actions such as resignation, this tendency reflects employees' negative assessments of their working conditions and their relationship with the company (Saerang et al., 2020; Ibad, 2024). Startup companies, which often have unstable organizational structures and high workloads, tend to be more vulnerable to this problem. A dynamic work environment, challenging targets, long working hours, and a lack of certainty regarding career paths and compensation systems can reduce job satisfaction and well-being. When employees feel inadequately supported or lack a clear future, they are more likely to seek new opportunities elsewhere. High turnover intention can lead to various negative impacts, such as decreased productivity, low work motivation, reduced discipline, weakened team spirit, and an increased risk of workplace accidents due to psychological stress and fatigue (Saerang et al., 2020).

According to Mobley (in Nugraha & Garin, 2019), turnover intention refers to an employee's tendency or desire to quit or change jobs voluntarily without coercion. Turnover reflects the total number of employees who leave a company within a specific time period. Thus, turnover intention can be understood as an employee's desire to switch jobs for specific reasons and is the result of a personal evaluation of their current employment conditions.

The rapid growth of startups in Indonesia and globally has opened up numerous job opportunities for the community, especially for the dynamic and adaptable younger generation, adapting to technological developments (Ramadhan Lubis et al., 2024). Startups have emerged as a new form of business innovation, offering work flexibility, a more open organizational culture, and ample room for the exploration of ideas (Permanasari et al., 2024). However, behind this appeal, startups face serious challenges, one of which is employee retention. Many startups struggle to retain employees long-term, primarily due to the often demanding nature of the work, the uncertainty of the company's direction, and the lack of career clarity.

REVIEW OF LITERATURE

The high level of workforce mobility in the startup sector indicates that employee loyalty to startups tends to be lower than to established companies (Raharjo, 2021). This is a critical concern in human resource management practices, as frequent employee turnover can reduce team effectiveness, disrupt operational continuity, and increase recruitment and training costs.

Understanding employee characteristics is a key factor in managing human resources, particularly in startup environments with unique and dynamic work cultures (Muktamar, 2023). Individual characteristics such as age, education level, work experience, gender, and socioeconomic background can influence how a person responds to work pressure, job expectations, and their desire to stay or leave a workplace. For example, younger employees tend to be more open to change and have a strong desire to explore various career opportunities. However, on the other hand, they are also more easily dissatisfied if their personal development needs or professional aspirations are not met, potentially leading to high turnover intentions. Furthermore, previous work experience also plays a significant role in shaping an employee's work expectations and preferences (Panggabean & Satwika, 2024).

Employees who have worked in formal, established environments may experience culture shock when working at a startup, which demands high flexibility, multitasking, and rapid adaptation to change. Conversely, individuals with work experience in similar environments or personalities that are open to new challenges adapt more easily and demonstrate greater loyalty (Putra, 2024). Personal motivations, such as the desire to learn new things, build networks, or achieve intrinsic satisfaction from work, are also determining factors in the decision to stay at a startup.

Certain characteristics, such as goal orientation, stress resilience, and an entrepreneurial spirit, are often found in individuals who thrive in startups. A literature review plays a crucial role in providing a comprehensive understanding of turnover intention, particularly in a rapidly evolving work environment like startups. A literature review is necessary to collect, compare, and analyze previous findings related to the key factors driving turnover intention. Through this review, general patterns, dominant variables, and the relationship between employee characteristics and their tendency to stay or leave the company can be identified. For example, some studies may highlight the importance of job satisfaction, superior leadership, workload, or rewards as key determinants of turnover intention. Meanwhile, other studies emphasize the role of age, experience, or intrinsic motivation as individual factors that influence employee decisions. The purpose of this literature review is to identify and analyze factors influencing turnover intention and the role of employee characteristics in predicting turnover intention in startups.

RESEARCH METHOD

This study uses a systematic literature review method, which is an approach to identify, examine, interpret, and evaluate all research relevant to the research topic, by establishing appropriate research questions and conducting a systematic review and identification of journals based on predetermined steps. In this study, researchers utilized Publish or Perish software to collect journal articles from various sources, such as Google Scholar, SINTA, ResearchGate, Scopus, and DOAJ. The keywords used included Turnover, Intention, and startup. Based on these keywords, more than 100 relevant articles were published between 2018 and 2023. From the collected articles, researchers selected 5 articles that were most relevant to this research topic.

RESULTS AND DISCUSSION

The purpose of this study was to determine the factors influencing turnover intention and the role of employee characteristics in predicting turnover intention in startup companies. Based on over 100 articles found, the researchers selected five articles that met the topic and criteria, published between 2018 and 2023. These articles can be seen in Table 1.

Table 1.

Literature Review Results

Title (Researcher, Year)	Journal	Results
GENERATION Y EMPLOYEES OF JAVANESE STARTUP COMPANIES: WORKPLACE INCIVILITY	Psychodynamics: Journal of Psychological Literacy	This study demonstrates a positive relationship between workplace incivility and turnover intention among Generation Y employees at startup companies in Java. Data

<p>AND TURNOVER INTENTION(IMANUEL & KOMANG MAHADEWI SANDIASIH, 2024).</p>		<p>analysis indicates that increased workplace incivility can increase employee intentions to leave the company.</p>
<p>THE EFFECT OF COMPENSATION ON EMPLOYEE PERFORMANCE AND TURNOVER INTENTION THROUGH JOB EMBEDDEDNESS AS AN INTERVENING VARIABLE(SOLIKHA & ROJUANIAH, 2023).</p>	<p>Innovative: Journal of Social Science Research</p>	<p>This study shows that compensation has a positive effect on job embeddedness and a negative effect on turnover intention, but has no effect on employee performance. Job embeddedness is shown to mediate the relationship between compensation and performance, but not between compensation and turnover intention, especially among millennials.</p>
<p>THE RELATIONSHIP BETWEEN QUALITY OF WORK LIFE AND TURNOVER INTENTION OF MILLENNIAL EMPLOYEES IN STARTUP COMPANIES (OLIVIANI ET AL., 2021).</p>	<p>Malahayati Journal of Psychology</p>	<p>This study found a significant negative relationship between quality of work life and turnover intention among millennial employees at startup companies. This demonstrates the importance of creating a supportive work environment to reduce turnover intention and increase employee contributions to company development.</p>
<p>“THE IMPORTANCE OF MENTAL HEALTH”: EXAMINING THE RELATIONSHIP BETWEEN MENTAL HEALTH AND TURNOVER INTENTION AMONG MILLENNIAL EMPLOYEES IN STARTUP COMPANIES(HASANAH & MAHADEWI SANDIASIH, 2024).</p>	<p>Psychodynamics: Journal of Psychological Literacy</p>	<p>This study shows a negative relationship between mental health and turnover intention among millennial employees at startups. These findings underscore the importance of maintaining employee mental health to reduce their intention to leave their jobs and to increase employee retention at startups.</p>
<p>REWARD SYSTEM AND TURNOVER INTENTION FOR MILLENNIAL EMPLOYEES(KAIRUPAN & KUSUMA, 2022).</p>	<p>Tirtayasa Business Review</p>	<p>This study shows that remuneration, cash incentives, and supervisor support significantly influence turnover intention among millennial employees. These results reinforce</p>

the importance of an effective reward system for employee retention in the modern workplace.

Turnover intention, or the intention to change jobs, is a crucial issue that needs to be addressed in human resource management, especially in dynamic and rapidly growing startup companies. These companies are generally dominated by millennial or Generation Y employees, who possess unique characteristics, such as a need for flexibility, work-life balance, and fair and meaningful rewards. Numerous studies have shown that various factors influence turnover intention in this group, ranging from unpleasant workplace behavior, compensation systems, quality of work life, mental health, and the company's reward system. Each of these factors is interrelated and influenced by the personal characteristics of each employee.

Research by Imanuel and Sandiasih (2024) found that workplace incivility, or rude behavior in the workplace, is positively related to employee intentions to leave their jobs. Workplace incivility includes belittling, subtle rudeness, or other negative attitudes that are often not immediately taken seriously but have significant psychological impacts. Generation Y employees, who value a supportive and harmonious work environment, are more vulnerable to the negative effects of this unpleasant behavior. Increased workplace incivility causes emotional distress, which encourages the desire to find a more conducive workplace.

In addition to socio-emotional factors, compensation is also a significant determinant of turnover intention. Research by Solikha and Rojuaniah (2023) confirms that adequate compensation can increase employee engagement with the company and reduce the desire to leave. Although it doesn't directly improve performance, fair compensation can foster a sense of belonging and loyalty. Job embeddedness also plays a role in retaining employees. Employees who feel a strong connection to their work environment, both socially and structurally, are more likely to decide to leave even when faced with other job offers.

Another study by Oliviani et al. (2021) highlighted the importance of quality of work life as a key factor in reducing turnover intention. A healthy work environment, opportunities for self-development, and a balance between work and personal life are aspects highly valued by millennials. When companies are able to provide good working conditions, employees tend to feel satisfied and less inclined to look for other jobs. A high quality of work life not only creates comfort but also encourages greater motivation and engagement in work.

In addition to external factors, employee mental health also has a significant influence on turnover intention. Hasanah and Sandiasih (2024) found that employees with good mental health are less likely to consider leaving their jobs. Conversely, prolonged psychological distress such as stress, anxiety, or emotional exhaustion can prompt employees to consider mentally healthier employment alternatives. Millennials are known to be more open to mental health issues and tend to seek out workplaces that support psychological well-being.

Kairupan and Kusuma (2022) added the reward system dimension as another factor influencing turnover intention. They found that remuneration, cash incentives, and support from superiors significantly influence employees' desire to stay or leave their jobs. A fair and transparent reward system can create a sense of appreciation and increase work motivation. When employees feel their efforts are recognized and fairly rewarded, they are more motivated to stay with the company, even when they face significant work challenges.

Millennials highly value clarity and fairness in reward distribution, making an effective reward system key to reducing turnover intention.

All these findings indicate that turnover intention among millennial employees in startup companies is influenced by complex and interacting factors. Improving a single aspect, such as salary or the work environment, is not sufficient; companies need to develop a comprehensive strategy that encompasses improving work systems, enhancing interpersonal relationships, and addressing mental well-being. The open, expressive characteristics of millennial employees, who have high expectations of the workplace, should be a primary consideration when designing employee management policies.

Startups looking to retain their employees need more than just offering modern work facilities or fast-paced career paths. They must create an emotionally supportive work environment, provide a competitive reward system, prioritize employee life balance, and foster a healthy work culture free from disruptive behavior. These efforts will not only reduce turnover intentions but also increase employee engagement, loyalty, and overall performance.

Based on this analysis, it can be concluded that companies need to take an integrated approach to addressing turnover intention, particularly among millennial employees. Identifying factors such as compensation, incivility, work quality, mental health, and reward systems, as well as how employee characteristics influence responses to these factors, is a crucial first step. Companies must continuously evaluate the needs and expectations of younger employees to ensure effective strategies. This way, companies can build a stable, productive, and highly committed workforce that thrives alongside the company.

CONCLUSION

Turnover intention among millennial employees in startup companies is a strategic issue that cannot be ignored. Based on a review of various studies, it can be concluded that several factors significantly influence employee intention to leave, namely workplace incivility, compensation, quality of work life, mental health, and the company's reward system. Each of these factors is interrelated and can strengthen or weaken an employee's desire to stay with the company.

Millennials possess unique characteristics that make them more sensitive to discomfort in the workplace, more open to issues of psychological well-being, and have high expectations for quality of life and fairness in rewards. Therefore, unsupportive treatment, an inhumane work system, or unclear reward systems can easily lead to turnover intention. Conversely, when companies are able to create a positive, emotionally healthy, and systematically fair work environment, employees tend to have higher loyalty and a strong motivation to grow with the company.

The role of individual characteristics in predicting turnover intention cannot be ignored. Employees who possess good psychological resilience and feel a good fit with the work culture tend to be better able to withstand stress. Therefore, it is crucial for companies to recognize employee profiles and tailor their managerial approach accordingly.

Overall, a comprehensive strategy that is responsive to the needs of the millennial generation is key to reducing turnover intention. This effort not only helps retain qualified employees but also supports the growth and sustainability of startups amidst the challenges of intense competition.

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