

The Influence of Employee Experience on Employee Performance with Turnover Intention as a Mediating Variable among Employees WITH Generation at PT. Shou Fong Lastindo in Bojonegoro

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Abstract

This study examines the impact of employee experience on employee performance, with turnover intention as a mediating variable, among Generation Z employees at PT. Shou Fong Lastindo in Bojonegoro. This research employs a quantitative, survey-based approach, collecting data from 51 respondents via questionnaires. The analysis is conducted using Structural Equation Modeling (SEM). The findings indicate that employee experience has a significant positive effect on employee performance and on turnover intention. Furthermore, turnover intention positively affects employee performance and does not mediate the relationship between employee experience and performance. These results highlight the importance of enhancing employee experience to reduce turnover intention and improve employee performance. Organizations should focus on creating a supportive work environment, encouraging career development opportunities, and ensuring job satisfaction to retain Generation Z employees.

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INTRODUCTION

In an era of increasingly fierce business competition, human resources (HR) are a key asset determining a company's sustainability and competitiveness. Optimal employee performance not only contributes to achieving company targets but also reflects the effectiveness of the HR management strategies implemented. One aspect that is beginning to receive attention in HR management is employee experience, namely, the work experiences employees experience during their time in the organization. Employee experience encompasses various aspects, including the work environment and management systems, career development opportunities, and employee psychological well-being.

In today's workforce, Generation Z is beginning to dominate the labor market with distinct characteristics compared to previous generations. As a generation that grew up in the digital age, they prioritize work flexibility, a balance between work and life, and seek meaningful work experiences that align with their personal values. However, companies face significant challenges in retaining employees from this generation, given their higher tendency to leave if they feel the work environment does not support their professional growth or psychological well-being.

The phenomenon of turnover intention, namely the tendency or intention of employees to leave the company and seek opportunities elsewhere, is becoming an increasingly common issue in the modern workplace, especially among Generation Z. High turnover intention not only results in the loss of talented talent, but also increases recruitment costs, hinders knowledge transfer within the organization, and lowers the morale of remaining employees. Therefore, understanding the factors that influence turnover intention, especially how

employee experience can reduce turnover rates, is crucial for companies seeking to retain a competent workforce.

PT. Shou Fong Lastindo in Bojonegoro is one of the companies facing challenges in managing Generation Z employees. Based on initial observations, this company is experiencing relatively high turnover intentions, which are suspected to be related to employees' work experiences within the company environment. Several factors, such as limited career development, a less flexible work environment, and a lack of appreciation for employee contributions, can trigger increased turnover intentions, ultimately affecting overall employee performance.

Given the urgency of this issue, this study aims to analyze how employee experience affects employee performance, with turnover intention as a mediating variable. By understanding the relationships among these variables, this research aims to provide companies with insights for designing more effective strategies to increase retention of Generation Z employees and optimize their performance.

LITERATURE REVIEW

The theoretical basis is used for analysis and discussion to solve the problems formulated in the research. In this study, several variables were used: Employee Experience, Turnover Intention, and Employee Performance.

Employee Experience

According to Morgan in Lee & Kim (2023), employee experience encompasses all interactions an employee has during their time at a company, from recruitment to career development. This experience covers employee perceptions of the work environment, company culture, and their relationships with coworkers (Khotimah & Adiwati, 2024). Positive experiences can increase job satisfaction, engagement, and overall company performance.

Employee experience is another factor that can influence employee engagement (Khotimah & Adiwati, 2024). Employee experience can increase employee engagement. A positive work experience can be described in terms of the technological, physical, and cultural environments. Providing a positive work experience can keep employees motivated and retain existing talent. This will significantly help the company grow. Employee experience is not only assessed by employee skills and abilities, but also by the time spent working at the company (Mohammad Khotib et al., 2022).

Every experience an employee has during their time at a company, from recruitment to departure, is referred to as the employee experience. Every touchpoint, from recruitment to onboarding, training, promotions, and departures, influences how employees perceive the company.

Employee Performance

Employee performance results from employees carrying out assigned tasks to achieve predetermined goals. A company or organization's success in achieving its objectives is greatly influenced by employee performance. With high performance, employees can work well and produce sound output (Andrey et al., 2020). Employee performance is the result achieved by employees in carrying out the tasks assigned to them to achieve work goals. It is one of the factors that determines the company's success in achieving its goals.

According to Afrin et al. (2023), employee performance can be measured using the performance achievement level indicator, which assesses how well employees perform within the same company compared to colleagues with the same qualifications.

Turnover Intention

Factors such as job satisfaction, compensation, and the workplace environment often influence turnover intention. High employee turnover rates can result in losses for companies due to the loss of reliable and qualified human resources (Hamam, 2023). Companies must incur costs to find qualified candidates to fill positions left by departing employees. If a company's cultural values align with each employee's values,

turnover can be reduced (Hamam, 2023). According to Ali & Anwar (2021), turnover intention can be measured by assessing an employee's evaluation of factors influencing the decision to leave one's current job.

Conceptual Framework

The conceptual framework of this research is presented in Figure 1.

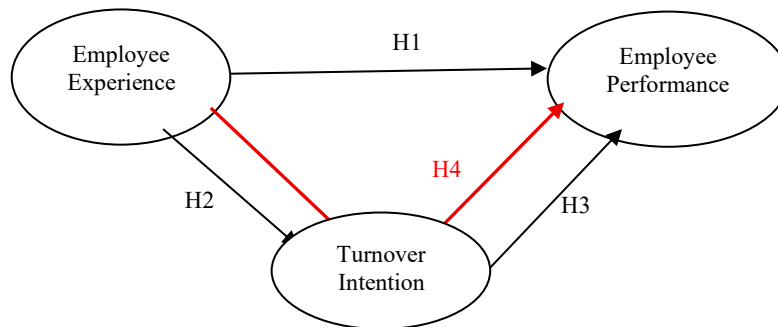


Figure 1. Conceptual framework of the research

Based on previous research, this study formulates the following hypothesis:

- H1: Employee experience has a significant positive effect on the performance of Generation Z employees at PT Shou Fong Lastindo, Bojonegoro.
- H2: Employee experience has a significant adverse effect on the turnover intention of Generation Z employees at PT Shou Fong Lastindo, Bojonegoro.
- H3: Turnover intention has a significant adverse effect on the performance of Generation Z employees at PT Shou Fong Lastindo, Bojonegoro.
- H4: Turnover intention significantly mediates the relationship between employee experience and the performance of Generation Z employees at PT Shou Fong Lastindo, Bojonegoro.

RESEARCH METHOD

This type of research uses a quantitative, explanatory survey research design to test the causal relationship between the variables under study. The data analysis technique used is Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach, which allows testing the relationship between variables simultaneously. Sugiyono (2019:126) states that a population can be defined as a generalizable area consisting of subjects or objects that have certain qualities and attributes, as determined by researchers, to be studied and from which conclusions can be drawn. In this study, 51 employees at PT Shou Fong Lastindo in Bojonegoro are the subjects.

RESULTS AND DISCUSSION

Validity testing is conducted to ensure that an instrument, process, or technique used to measure a concept truly functions as a measuring tool appropriate to the intended concept (Sugiyono, 2022). The results of the validity testing in this study can be explained as follows.

Based on the validity test results presented in Table 1, each variable has a loading factor greater than 0.5, indicating it is valid.

Based on the reliability test, Cronbach's Alpha coefficient was >0.7 , indicating that the items in the employee experience, turnover intention, and employee performance variables met the reliability test criteria. The coefficient of determination test was conducted to measure the extent to which independent variables can influence the dependent variable. The results of the coefficient of determination test in this study are as in Table 3.

Based on the R-Square in Table 3, work-life balance explains 29% of the variability in turnover intention, while factors outside the scope of this study influence the remaining 71%. Furthermore, work-life balance accounts for 38% of the variability in employee performance, while the remaining 62% is influenced by other

factors not examined in this study. The predictive relevance test assesses whether a variable in the study can effectively predict the research model. This measurement tool serves as an indicator of the model's predictive relevance. The Q value²A value greater than zero (>0) on an endogenous variable indicates good predictive ability. The following are the results of the predictive relevance test in Table 4.

Table 1. Validity Test Results

Variables	Indicator	Code Item	Loading Factor	Information	AVE
Employee Experience	Physical Experience (EE1)	EE1.1	0.589	Valid	0,67
		EE1.2	0.691	Valid	
		EE1.3	0.638	Valid	
		EE1.4	0.749	Valid	
	Technology Experience (EE2)	EE2.1	0.564	Valid	
		EE2.2	0.648	Valid	
		EE2.3	0.609	Valid	
		EE2.4	0.776	Valid	
	Cultural Experience (EE3)	EE3.1	0.705	Valid	
		EE3.2	0.581	Valid	
		EE3.3	0.672	Valid	
		EE3.4	0.783	Valid	
EE3.5		0.731	Valid		
EE3.6		0.680	Valid		
Employee performance	Performance Achievement Level	KK1.1	0.855	Valid	0,80
		KK1.2	0.711	Valid	
		KK1.3	0.849	Valid	
Intense Turnover	Considerations for leaving your current job	IT1.1	0.567	Valid	0,68
		IT1.2	0.802	Valid	
		IT1.4	0.784	Valid	
		IT1.5	0.597	Valid	
		IT1.6	0.686	Valid	
		IT1.7	0.839	Valid	
		IT1.8	0.831	Valid	

Table 2. Reliability Test Results

No	Variables	Composite Reliability	Cronbach's Alpha	Information
1	Employee Experience	0.91	0.91	Reliable
2	Intense Turnover	0.88	0.86	Reliable
3	Employee performance	0.72	0.73	Reliable

Table 3. Coefficient of Determination Test (R-Square)

Variables	R-square	R-square adjusted
Intense Turnover	0.29	0.28
Employee performance	0.38	0.36

Table 4. Predictive Relevance (Q²)

Variables	Q ²
Intense Turnover	0.206
Employee performance	0.297

Table 4 shows that the turnover intention and employee performance variables meet the standards for predictive relevance testing. The effect size test aims to analyze the extent to which one variable influences another. This measure assesses the relative impact of an exogenous variable on an endogenous variable. The results of the effect size test are shown in Table 5.

Table 5. Analysis Effect Size (f²)

Variables	EE	IT	KK
Employee Experience		0.41	0.26
Intense Turnover			0.05
Employee performance			

Table 5 shows that the employee experience variable has a 0.41% effect on turnover intention and a 0.26% effect on employee performance. Meanwhile, the turnover intention variable has a 0.05% effect on employee performance. The results of the hypothesis testing are shown in Table 6.

Table 6. Hypothesis Test Results

Research hypothesis	Original sample (O)	T statistics	P values	Information
Employee Experience → Employee Performance	0.476	2.514	0.012	Accepted
Employee Experience → Turnover Intention	0.540	5.023	0.000	Rejected
Turnover Intention → Employee Performance	0.215	1.102	0.271	Rejected
Employee Experience → Turnover Intention → Employee Performance	0.116	0.939	0.348	Rejected

The results of the first hypothesis test indicate that the employee experience variable has a significant positive effect on employee performance. The statistical test results yielded a t-statistic of 2.514 with a p-value of 0.012. The results of the first hypothesis (H1) test indicate that the employee experience variable has a positive and significant effect on employee performance. Thus, the results of this study are consistent with previous research by Joko Suprianto et al. (2023). Employees are required to complete tasks within a predetermined time limit, in accordance with the company's work standards, goals, or criteria. Employee performance can improve when they are in a supportive work environment, are motivated, and are encouraged to develop their skills (Joko Suprianto et al., 2023). In this study, employee experience influences employee performance. The more positive work experiences an employee has, the better the resulting performance.

The test results for the second hypothesis indicate that the employee experience variable has a significant positive effect on turnover intention. The statistical test results yielded a t-statistic of 5.025 with a p-value of 0.000. The analysis results indicate that the employee experience variable has a positive and significant effect on turnover intention. This is supported by the respondent with the highest mean, who stated, "I would quit my current job for a similar position with a better salary in another company if the opportunity arises." A good employee experience increases Generation Z employees' expectations of the company. If employee standards are not met, employees tend to look for other jobs. Generation Z values transparency, flexibility, and work-life balance. Without these aspects, employees' desire to change employment remains high. In this study, the employee experience variable has a positive and significant effect on turnover intention. The more positive work experiences an employee has, the lower the level of turnover intention in a company. In addition, the same position with different salaries can encourage employees to leave their jobs.

The test results for the third hypothesis indicate that the turnover intention variable has a positive, but insignificant, effect on the employee performance variable. The statistical test produced a t-statistic of 1.102 and a p-value of 0.271. The analysis results indicate that the turnover intention variable has a positive but insignificant effect on the employee performance variable. This is supported by the respondent's statement with the highest means, namely, "I have succeeded in achieving good performance." The summary of respondents' responses to the employee performance variable shows that one item received the most "Strongly Agree (SS)" responses: "I have succeeded in achieving good performance." In this study, the turnover intention variable has a positive and significant effect on employee performance. The higher the level of turnover intention, the higher the employee performance in a company.

The results of the fourth hypothesis test indicate that the turnover intention variable does not mediate the relationship between the employee experience and employee performance variables. The statistical test results show a t-statistic of 0.939 with a p-value of 0.348. The analysis results indicate that the Turnover Intention variable, as a mediator, does not sufficiently mediate the relationship between the employee experience and employee performance variables. The benefit of Turnover Intention as a mediator is that, by understanding its role, companies can develop better retention plans, such as improving the social environment and job satisfaction. This means that the relationship between these variables is that the better the social exchange in the workplace, the lower the employee turnover intention, and low turnover intention contributes to better performance assessments, indicating that more engaged employees tend to perform better (Vinda, 2022).

CONCLUSION

Based on the research analysis, it was found that employee experience has a significant positive influence on employee performance at PT Shou Fong Lastindo in Bojonegoro. The more positive the employee experience

in a company, the higher the employee performance. The results of the hypothesis test indicate that the relationship between the two variables is significant. Employee experience positively influences turnover intention at PT Shou Fong Lastindo in Bojonegoro. The more positive the employee experience in the company, the greater employees' desire to keep moving. The results of the hypothesis test indicate that the relationship between the two variables is rejected. Turnover intention positively influences employee performance at PT Shou Fong Lastindo in Bojonegoro. The higher turnover intention in the company, the higher employee performance. The results of the hypothesis test indicate that the relationship between the two variables is rejected. Turnover intention as a mediator is not supported as mediating between employee experience and employee performance at PT Shou Fong Lastindo in Bojonegoro. The results of the hypothesis test indicate that the relationship between the two variables is rejected.

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