

## **ABSTRACT**

*Globalization encourages increased labour productivity with a focus on human resources. Human resources are grouped into several generations according to their age. Generation Z, born in 1997-2012, dominates the number of generations in Indonesia, which continues to increase to 101.97 million people. Generation Z is a generation that has just entered the workforce and has high technological skills. Technological developments encourage companies to plan strategies to anticipate changes. Employee dissatisfaction with the compensation received that does not match the workload given and an unhealthy work environment increases their intention to leave the company, especially among Generation Z. This increase in turnover intention reflects the crucial role of Generation Z in today's work environment.*

*This study aims to determine whether there is an influence between compensation and non-physical work environment on turnover intention either simultaneously or partially and to determine the level of compensation and the condition of the non-physical work environment of employees among Generation Z Bandung City.*

In this study, using quantitative methods and path analysis as a data analysis technique. Data collection for this study was carried out by distributing questionnaires to 145 Generation Z employees in Bandung City as a research sample, which then the results were processed using SPSS software version 29. This study uses purposive sampling technique with research time using cross-sectional method with sample criteria having age 18 - 26 years old who have moved jobs at least once and live in Bandung City.

Based on testing and data analysis, it shows that compensation and non-physical work environment are in the "Good Enough" category, while turnover intention is in the "High" category. There is a significant positive effect partially and simultaneously on compensation and non-physical work environment on turnover intention. The total effect of compensation and non-physical work environment on changes in turnover rate is 58,6% and 18,5%, respectively.

It is hoped that this research can help companies to improve the needs of Generation Z in the world of work, especially increasing compensation and creating a healthy work environment so that Generation Z employees are able to make a good contribution and reduce the turnover rate in the company.

*Keywords: Compensation, Non-Physical Work Environment, Turnover intention, Generation Z*