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Compensation, Non-Physical Work Environment, and Turnover Intention among Generation Z Coffee Shop Workers: The Mediating Role of Burnout

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ABSTRACT

This study aims to analyze the effects of compensation and the non-physical work environment on turnover intention, with burnout serving as a mediating variable among Generation Z employees in coffee shops. A quantitative research approach was employed using purposive sampling. Data were collected through questionnaires with a five-point Likert scale and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The findings reveal that compensation and the non-physical work environment have negative and significant effects on burnout, with coefficients of -0.367 and -0.486, respectively. Both variables also negatively and significantly affect turnover intention, with coefficients of -0.307 and -0.247, respectively. Meanwhile, burnout positively and significantly influences turnover intention, with a coefficient of 0.368. Furthermore, burnout significantly mediates the relationships between compensation and turnover intention (-0.135), as well as between the non-physical work environment and turnover intention (-0.179). These findings imply that organizations should improve compensation systems and foster supportive interpersonal work environments to reduce employee burnout and turnover intention. Such strategies are essential for strengthening employee retention and promoting a healthier, more sustainable workplace for Generation Z employees.

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INTRODUCTION

Generation Z has become an increasingly significant part of the contemporary workforce, particularly in the food and beverage industry, including coffee shops. This sector attracts young workers because it offers relatively accessible employment opportunities, flexible working arrangements, and opportunities to gain professional experience and financial independence at an early age (Dulude & Milley, 2021; Nurhikmah, 2024; Runeare, 2024). However, the growing participation of Generation Z in the workforce also raises concerns

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regarding employee retention and workplace sustainability. Employees are expected to provide consistent customer service, maintain effective communication, adapt to shift schedules, and perform efficiently under time pressure. These demands may become challenging when organizational support does not meet employees' expectations, particularly regarding compensation and interpersonal working conditions (Nadhifah, 2026; Ni'am & Firdausiyah, 2025; Sudarwan, 2026). Inadequate compensation and unsupportive workplace relationships can contribute to dissatisfaction, psychological exhaustion, and the desire to seek alternative employment. Such conditions are particularly relevant in the coffee shop industry, where employee performance directly influences service quality and operational continuity. Therefore, understanding the factors influencing employee turnover intention is important not only for organizational sustainability but also for improving employment conditions and promoting a healthier working environment for younger generations.

Compensation and the non-physical work environment are important organizational factors that can influence employee attitudes and behavioral intentions. From the perspective of Equity Theory, employees evaluate the fairness of compensation by comparing their contributions, such as time, effort, and performance, with the rewards they receive. Compensation perceived as inadequate or unfair may generate dissatisfaction and increase employees' intention to leave their jobs (Hefniy, 2025; Jasri, 2025). Meanwhile, the non-physical work environment can be understood through the Social Exchange Theory, which emphasizes reciprocal relationships between employees and organizations. Supportive communication, harmonious interpersonal relationships, fair supervision, and organizational recognition can strengthen employees' commitment and willingness to remain in an organization. In addition, the Job Demands-Resources (JD-R) Model explains that excessive job demands combined with insufficient resources can trigger burnout. Burnout is characterized by emotional exhaustion, reduced energy, and declining work motivation (Fitriani, 2025; Shoha & Rasyidah, 2026). These conditions may subsequently increase turnover intention as employees seek to escape persistent occupational pressure. Accordingly, compensation and the non-physical work environment represent important job resources, while burnout serves as a psychological mechanism connecting workplace conditions with employees' intention to leave.

Despite the employment opportunities offered by the coffee shop industry, employees frequently encounter working conditions that may threaten their well-being and intention to remain employed (Adzimah, 2024; Kamil, 2025). These challenges include demanding customer interactions, high workloads during peak operating hours, repetitive tasks, rotating shifts, and the need for continuous coordination among coworkers. Such conditions may become more problematic when employees perceive compensation as disproportionate to their

responsibilities or experience inadequate interpersonal support from supervisors and colleagues. In practice, some coffee shops provide monthly salaries ranging from IDR 1,500,000 to IDR 2,500,000 for barista positions, accompanied by inconsistent additional income from tips. Furthermore, non-financial rewards, such as professional development opportunities, performance recognition, and flexible working arrangements, may receive insufficient organizational attention. This situation is relevant to employees working at CW, 5CM, and Tropic, three coffee shop businesses characterized by relatively extensive branch operations and operating hours of up to 24 hours. Their operational characteristics require adequate staffing and effective workforce management. Consequently, insufficient organizational support may contribute to employee burnout and increase turnover intention, making employee retention an important managerial concern.

Previous studies have examined the relationships between compensation, the non-physical work environment, burnout, and turnover intention from various organizational perspectives. Existing findings generally indicate that adequate compensation can reduce employees' intention to leave by improving perceived fairness and job satisfaction (Ma'arif, 2025; Mohlas, 2025). Similarly, a supportive non-physical work environment can strengthen interpersonal relationships, employee comfort, and organizational attachment. Research has also demonstrated that burnout is positively associated with turnover intention, suggesting that employees experiencing prolonged emotional and psychological exhaustion are more likely to consider leaving their jobs. Nevertheless, these findings have several limitations when applied to the coffee shop industry. Much of the existing research focuses on manufacturing companies, transportation services, and large-scale organizations, where employment structures and job demands differ from those of coffee shops (Fikri, 2026; Kusumawati, 2026). Furthermore, previous investigations frequently examine compensation and workplace conditions as direct predictors of turnover intention without sufficiently explaining the psychological processes underlying these relationships. This limitation is important because employee decisions to leave may not arise solely from dissatisfaction but may also develop through accumulated occupational exhaustion. Therefore, a more integrated analytical framework is required to explain these relationships.

Another limitation in previous research concerns the relatively limited attention given to Generation Z employees in the coffee shop industry, particularly those working in customer-facing positions. Although previous studies have investigated compensation and turnover intention among younger generations, the specific role of burnout as a mediating mechanism remains insufficiently explored within this occupational context. Employees working as waiters experience intensive interpersonal interactions, continuous service demands, and coordination responsibilities that may generate distinct

psychological pressures. These characteristics suggest that the relationship between organizational factors and turnover intention may operate through employees' experiences of burnout. The present study addresses this research gap by integrating compensation, the non-physical work environment, burnout, and turnover intention into a single research framework. Its novelty lies in examining both the direct and indirect effects of compensation and the non-physical work environment on turnover intention through burnout among Generation Z waiters in coffee shops. This approach provides a more comprehensive understanding of how organizational resources influence employees' psychological conditions and subsequent behavioral intentions. The findings are expected to contribute to the development of human resource management literature while offering practical insights into workforce retention strategies in the food and beverage industry.

Based on the identified research gap and theoretical arguments, this study investigates the effects of compensation and the non-physical work environment on turnover intention, both directly and indirectly through burnout, among Generation Z waiters in coffee shops. The study proposes seven hypotheses. First, compensation is expected to have a negative effect on turnover intention because fair and adequate financial rewards strengthen employees' willingness to remain employed. Second, the non-physical work environment is expected to negatively affect turnover intention because supportive workplace relationships and effective communication promote employee comfort and organizational attachment. Third, compensation is expected to negatively affect burnout by reducing financial dissatisfaction and work-related strain. Fourth, the non-physical work environment is expected to negatively affect burnout through stronger interpersonal support and a more positive working atmosphere. Fifth, burnout is expected to positively affect turnover intention because prolonged exhaustion encourages employees to consider leaving their jobs. Sixth and seventh, burnout is expected to mediate the effects of compensation and the non-physical work environment on turnover intention, respectively. By examining these relationships, the study contributes to human resource management research and provides practical recommendations for improving employee well-being and retention.

RESEARCH METHODS

This study employed a quantitative approach with a causal-associative research design to examine the relationships among compensation, the non-physical work environment, burnout, and turnover intention among Generation Z employees working in coffee shops. All research variables were measured using a five-point Likert scale, ranging from strongly disagree (1), disagree (2), neutral (3), agree (4), to strongly agree (5). Data were collected through an online closed-ended questionnaire distributed using Google Forms (Ghanad, 2023; Gul,

2023; Sardana et al., 2023). The questionnaire link was disseminated through internal employee communication networks, particularly through employee representatives who shared the link in inter-branch communication groups. This distribution strategy was intended to reach respondents who met the predetermined research criteria while ensuring that data collection remained relevant to the research objectives.

The research sample consisted of 203 respondents selected through purposive sampling. This technique was applied to ensure that participants possessed characteristics relevant to the research context. Eligible respondents were Generation Z employees aged 18–27 years who worked specifically as waiters in coffee shops, had a minimum of six months of work experience, and voluntarily agreed to participate in the study. The selection criteria were established to ensure that respondents had sufficient workplace experience to evaluate compensation, interpersonal working conditions, burnout, and their intention to leave their jobs. The sample size of 203 respondents was considered adequate for the Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis, particularly for examining relationships among multiple latent constructs and assessing the mediating role of burnout in the proposed research model.

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0 software. This analytical technique was selected because the study aimed to examine both direct and indirect relationships among latent variables and evaluate the explanatory capacity of the proposed structural model. The analysis involved two main stages: measurement model evaluation (outer model) and structural model evaluation (inner model). The outer model was assessed to establish construct validity and reliability. Convergent validity was evaluated using outer loading values greater than 0.70 and Average Variance Extracted (AVE) values exceeding 0.50. Discriminant validity was examined using the Heterotrait-Monotrait Ratio (HTMT), with values below 0.90 indicating adequate construct differentiation. Internal consistency reliability was assessed through Cronbach's Alpha and Composite Reliability, with values above 0.70 indicating acceptable reliability.

The inner model evaluation was conducted to assess the relationships among latent variables and test the proposed hypotheses through the bootstrapping procedure. The structural model was evaluated using the coefficient of determination (R^2) to determine the extent to which exogenous variables explained variations in endogenous variables. Hypothesis testing was performed by examining path coefficients, t-statistics, and p-values. Relationships were considered statistically significant when the t-statistic exceeded 1.96 and the p-value was below 0.05, corresponding to a 5% significance level. Furthermore, mediation analysis was conducted to examine whether

burnout mediated the effects of compensation and the non-physical work environment on turnover intention. The significance of indirect effects was assessed through bootstrapping, with mediation established when the indirect effect was statistically significant. The comparison between direct and indirect effects was subsequently used to identify the nature of the mediation, whether partial or full mediation.

RESULTS AND DISCUSSION

Results

Respondent Characteristics

A total of 203 respondents participated in this study and were included in the statistical analysis. The respondents were selected based on predetermined criteria, including Generation Z employees aged 18–27 years, working as waiters in coffee shops, having a minimum of six months of work experience, and voluntarily participating in the study. The demographic characteristics were examined to provide an overview of the respondents' backgrounds, including gender, age, employment status, monthly income, educational attainment, and daily working hours. The distribution of respondent characteristics is presented in Table 1.

Table 1. Respondent Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	165	81
	Female	38	19
	Total	**203**	**100**
Age	20 years	33	16
	21 years	51	25
	22 years	39	19
	23 years	46	23
	24 years	29	14
	25 years	5	3
	Total	**203**	**100**
Employment Status	Permanent employee (Full-time)	184	91
	Contract employee (Full-time)	4	2
	Contract employee (Part-time)	15	7
	Total	**203**	**100**
Monthly Income	Below IDR 1,500,000	24	12
	IDR 1,500,000–2,500,000	179	88
	Total	**203**	**100**
Educational Attainment	Senior High School/Vocational School	198	98
	Diploma	5	2
	Total	**203**	**100**

Daily Working Hours	Below 6 hours	3	1
	6–8 hours	193	95
	9 hours	7	3
	Total	**203**	**100**

Source: Processed Primary Data (2026).

The respondent profile indicates that the sample was predominantly male, accounting for 165 respondents (81%), while female respondents represented 38 (19%). In terms of age, the largest group was 21 years old, comprising 51 respondents (25%), followed by those aged 23 years (23%) and 22 years (19%). Regarding employment status, most respondents were permanent full-time employees, representing 184 individuals (91%). Monthly income was predominantly within the IDR 1,500,000–2,500,000 range, reported by 179 respondents (88%). Furthermore, 198 respondents (98%) had completed senior high school or vocational school, while only five (2%) held a diploma qualification. Daily working hours were concentrated within the 6–8-hour range, accounting for 193 respondents (95%). These characteristics indicate that the study primarily represents young, full-time coffee shop employees with secondary-level educational backgrounds and relatively similar working-hour patterns. This respondent composition provides an empirical basis for examining the relationships among compensation, the non-physical work environment, burnout, and turnover intention within the targeted occupational group.

Measurement Model Evaluation (Outer Model)

Convergent Validity and Indicator Reliability

The measurement model was first evaluated to determine whether the indicators adequately represented their respective latent constructs. Convergent validity was assessed using outer loading values and Average Variance Extracted (AVE). An indicator was considered to have satisfactory reliability when its outer loading exceeded 0.70, while an AVE value above 0.50 indicated that the construct explained more than half of the variance in its indicators. The results of the indicator-level assessment are presented in Table 2.

Table 2. Outer Loading Results

Construct	Indicator	Outer Loading	Assessment
Compensation	K1	0.907	Valid
	K2	0.910	Valid
	K3	0.811	Valid
Non-Physical Work Environment	LKN1	0.779	Valid
	LKN2	0.897	Valid
	LKN3	0.858	Valid
	LKN4	0.894	Valid
	LKN5	0.782	Valid

Burnout	B2	0.821	Valid
	B3	0.935	Valid
	B4	0.909	Valid
Turnover Intention	T1	0.834	Valid
	T2	0.914	Valid
	T3	0.896	Valid

Source: SmartPLS 4.0 Analysis Results (2026).

As presented in Table 2, all 14 measurement indicators demonstrated outer loading values above the recommended threshold of 0.70. The compensation construct recorded loading values ranging from 0.811 to 0.910, while the non-physical work environment construct ranged from 0.779 to 0.897. For burnout, the loading values ranged from 0.821 to 0.935, and turnover intention ranged from 0.834 to 0.914. The highest outer loading was observed for indicator B3 (0.935), whereas the lowest was recorded for indicator LKN1 (0.779). Nevertheless, both values satisfied the minimum criterion. These findings demonstrate that all indicators adequately represent their respective constructs and can be retained for subsequent structural model analysis.

Construct Reliability and Convergent Validity

In addition to indicator reliability, construct reliability and convergent validity were evaluated using Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). These measures were used to assess the internal consistency of each construct and the extent to which its indicators shared sufficient common variance. The results are summarized in Table 3.

Table 3. Construct Reliability and Convergent Validity

Construct	AVE	Cronbach's Alpha	Composite Reliability	Assessment
Compensation	0.769	0.850	0.871	Reliable
Non-Physical Work Environment	0.712	0.898	0.905	Reliable
Burnout	0.791	0.867	0.883	Reliable
Turnover Intention	0.778	0.857	0.863	Reliable

Source: SmartPLS 4.0 Analysis Results (2026).

The results in Table 3 demonstrate that all constructs achieved satisfactory reliability and convergent validity. The AVE values ranged from 0.712 to 0.791, exceeding the minimum threshold of 0.50. Burnout exhibited the highest AVE value (0.791), indicating that its indicators captured a relatively high proportion of the construct's variance. Meanwhile, the non-physical work environment

recorded the highest Cronbach's Alpha (0.898) and Composite Reliability (0.905), reflecting strong internal consistency. All Cronbach's Alpha and Composite Reliability values exceeded 0.70, confirming that the measurement items consistently represented their respective constructs. Taken together with the outer loading results, these findings establish that the measurement model meets the requirements for indicator reliability, internal consistency, and convergent validity. Therefore, all four constructs are considered sufficiently reliable and valid for further structural model assessment.

Discriminant Validity

Discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT) to determine whether each construct was empirically distinct from the others. An HTMT value below 0.90 indicates an acceptable level of discriminant validity, suggesting that the constructs measure conceptually different phenomena. The results are presented in Table 4.

Table 4. Discriminant Validity Assessment Using HTMT

Construct	Burnout	Compensation	Non-Physical Work Environment	Turnover Intention
Burnout	–			
Compensation	0.682	–		
Non-Physical Work Environment	0.740	0.526	–	
Turnover Intention	0.821	0.742	0.716	–

Source: SmartPLS 4.0 Analysis Results (2026).

Table 4 indicates that all HTMT values were below the recommended threshold of 0.90. The highest value was found between burnout and turnover intention (0.821), followed by the relationship between compensation and turnover intention (0.742), burnout and the non-physical work environment (0.740), and the non-physical work environment and turnover intention (0.716). The lowest HTMT value was observed between compensation and the non-physical work environment (0.526). Although some constructs exhibited relatively strong associations, none exceeded the established threshold. These results confirm that the four constructs demonstrate adequate discriminant validity and can be empirically distinguished from one another. Thus, the measurement model satisfies the criteria for proceeding to structural model evaluation.

Structural Model Evaluation (Inner Model)

Coefficient of Determination (R-Square)

Following the assessment of the measurement model, the structural model was evaluated to determine its explanatory capacity. The coefficient of determination (R^2) was used to examine the proportion of variance in endogenous constructs explained by their respective predictor variables. Both R^2 and adjusted R^2 values were considered to provide an overview of the model's explanatory performance while accounting for the number of predictors. The results are presented in Table 5.

Table 5. Coefficient of Determination Results

Endogenous Construct	R-Square	Adjusted R-Square
Burnout	0.538	0.533
Turnover Intention	0.615	0.610

Source: SmartPLS 4.0 Analysis Results (2026).

Based on Table 5, the burnout construct obtained an R^2 value of 0.538 and an adjusted R^2 value of 0.533. This indicates that compensation and the non-physical work environment jointly explain 53.8% of the variance in burnout, while the remaining 46.2% is attributable to factors outside the research model. Meanwhile, turnover intention recorded an R^2 value of 0.615 and an adjusted R^2 value of 0.610. This means that compensation, the non-physical work environment, and burnout collectively explain 61.5% of the variance in turnover intention, with the remaining 38.5% explained by other factors not included in the model. The relatively small differences between the R^2 and adjusted R^2 values indicate that the explanatory estimates remain consistent after accounting for the number of predictors. Overall, both endogenous constructs demonstrate moderate explanatory power, indicating that the proposed model provides a reasonable explanation of the relationships examined in this study.

Direct Effect and Hypothesis Testing

The direct relationships between the research constructs were examined through path coefficient analysis using the bootstrapping procedure. The assessment focused on the original sample values, sample means, standard deviations, t-statistics, and p-values. A hypothesis was considered statistically supported when the t-statistic exceeded 1.96 and the p-value was below 0.05.

That all five hypothesized direct relationships were statistically significant, as indicated by t-statistics exceeding 1.96 and p-values below 0.001. Compensation exhibited a negative and significant effect on turnover intention

(β = -0.307; t = 5.647; p < 0.001), indicating that higher compensation was associated with lower employee intentions to leave their jobs. Similarly, the non-physical work environment had a negative and significant effect on turnover intention (β = -0.247; t = 4.267; p < 0.001), suggesting that more supportive interpersonal working conditions were associated with reduced turnover intention.

Regarding the determinants of burnout, compensation demonstrated a negative and significant relationship with burnout (β = -0.367; t = 6.368; p < 0.001). This finding indicates that more favorable compensation was associated with lower levels of employee burnout. The non-physical work environment also exhibited a negative and significant effect on burnout (β = -0.486; t = 9.628; p < 0.001). Among all direct relationships examined, this path had the largest absolute coefficient, indicating that the non-physical work environment was the strongest predictor of burnout within the proposed structural model.

Furthermore, burnout demonstrated a positive and significant effect on turnover intention (β = 0.368; t = 5.314; p < 0.001). This result indicates that employees experiencing higher levels of burnout tended to report stronger intentions to leave their jobs. Overall, these findings support all five direct-effect hypotheses and demonstrate that compensation and the non-physical work environment are negatively associated with both burnout and turnover intention, whereas burnout is positively associated with turnover intention.

Specific Indirect Effects and Mediation Analysis

The mediation analysis was conducted to determine whether burnout transmitted the effects of compensation and the non-physical work environment on turnover intention. The specific indirect effects were evaluated using bootstrapping, with statistical significance determined by t-statistics greater than 1.96 and p-values below 0.05.

Indirect relationships were statistically significant, confirming the mediating role of burnout in the proposed research model. The indirect effect of compensation on turnover intention through burnout was negative and significant (β = -0.135; t = 3.787; p < 0.001). This finding indicates that compensation is associated with lower turnover intention not only through its direct relationship but also through its relationship with reduced burnout. Similarly, the non-physical work environment demonstrated a negative and significant indirect effect on turnover intention through burnout (β = -0.179; t = 4.886; p < 0.001). This result suggests that a more supportive non-physical work environment is associated with lower burnout, which subsequently corresponds to reduced employee turnover intention.

A comparison of the indirect effects reveals that the mediating pathway involving the non-physical work environment (β = -0.179) was stronger in absolute magnitude than the pathway involving compensation (β = -0.135). This indicates that burnout represents an important mechanism through which interpersonal working conditions are associated with employees' intentions to leave their jobs. Furthermore, when these findings are considered alongside the significant direct effects reported in Table 6, both relationships exhibit complementary partial mediation because the direct and indirect effects are statistically significant and have the same direction. Therefore, H6 and H7 are supported. These results establish that burnout functions as an intervening variable connecting organizational conditions, particularly compensation and interpersonal workplace relationships, with turnover intention among Generation Z coffee shop employees.

Summary of Hypothesis Testing

To provide an integrated overview of the empirical findings, Table 8 summarizes the results of all seven hypotheses examined in this study.

Table 8. Summary of Hypothesis Testing

Hypothesis	Proposed Relationship	Direction of Effect	Statistical Result	Decision
H1	Compensation → Turnover Intention	Negative	Significant	Supported
H2	Non-Physical Work Environment → Turnover Intention	Negative	Significant	Supported
H3	Compensation → Burnout	Negative	Significant	Supported
H4	Non-Physical Work Environment → Burnout	Negative	Significant	Supported
H5	Burnout → Turnover Intention	Positive	Significant	Supported
H6	Compensation → Burnout → Turnover Intention	Negative (Indirect)	Significant	Supported
H7	Non-Physical Work Environment → Burnout → Turnover Intention	Negative (Indirect)	Significant	Supported

Source: Processed Research Data (2026).

The summary in Table 8 confirms that all seven hypotheses were supported by the empirical results. The findings establish significant direct relationships between compensation, the non-physical work environment, burnout, and turnover intention. In addition, both compensation and the non-physical work environment demonstrated significant indirect relationships with turnover intention through burnout. These results indicate that organizational factors are associated with employee turnover intention through both direct

pathways and an indirect psychological mechanism. Consequently, the proposed structural model provides empirical support for the mediating role of burnout in explaining turnover intention among Generation Z employees working in coffee shops.

Discussion

The findings demonstrate that compensation has a negative and significant effect on turnover intention, indicating that employees who perceive their compensation as fair and adequate tend to have lower intentions to leave their jobs. This finding is consistent with previous research suggesting that financial rewards play an important role in shaping employee retention decisions. However, it contrasts with studies reporting that compensation does not always have a significant direct relationship with turnover intention, suggesting that the influence of financial rewards may vary depending on organizational conditions and employee characteristics (Alwahedi, 2025; Furqon, 2026; Zen, 2026). In the present study, this relationship is particularly relevant because 88% of respondents reported monthly incomes ranging from IDR 1,500,000 to IDR 2,500,000, while 12% earned below IDR 1,500,000. These findings indicate that compensation remains an important consideration for Generation Z waiters when evaluating their employment conditions. Furthermore, the non-physical work environment also demonstrated a negative and significant effect on turnover intention, suggesting that harmonious interpersonal relationships, effective communication, and supportive supervision contribute to employees' willingness to remain employed. This finding supports previous research emphasizing the importance of workplace relationships in reducing employee turnover. Theoretically, these results reinforce the relevance of Equity Theory and Social Exchange Theory in explaining how perceived reward fairness and organizational support influence employees' behavioral intentions. Practically, coffee shop managers need to establish transparent compensation systems, fair incentive distribution, and supportive workplace relationships to strengthen employee retention.

The results further reveal that compensation has a negative and significant effect on burnout, while the non-physical work environment demonstrates an even stronger negative relationship with burnout (Aripin, 2025; Holidi, 2026; Syafiih, 2025). These findings indicate that adequate financial rewards and supportive interpersonal working conditions are important resources for reducing employees' physical and psychological exhaustion. The compensation findings are consistent with previous studies suggesting that financial recognition can reduce dissatisfaction and improve employees' psychological well-being. Meanwhile, the stronger influence of the non-physical work environment highlights the importance of social support in service-oriented occupations. This finding is particularly relevant to coffee shop operations,

where waiters are required to maintain continuous coordination with baristas, cashiers, supervisors, and customers. Most respondents worked between six and eight hours per day, indicating sustained involvement in operational activities that require physical effort and interpersonal interaction. Under these conditions, supportive colleagues, clear communication, fair task distribution, and constructive supervision can function as important psychological resources. Conversely, interpersonal conflicts and unsupportive managerial practices may intensify occupational exhaustion. Theoretically, these findings strengthen the Job Demands-Resources perspective by demonstrating that organizational resources, particularly social support and adequate compensation, are associated with lower burnout. From a practical perspective, coffee shop management should prioritize fair workload distribution, constructive communication, supportive supervision, and appropriate employee rewards to prevent prolonged occupational exhaustion.

Furthermore, burnout was found to have a positive and significant effect on turnover intention, indicating that employees experiencing greater exhaustion are more likely to consider leaving their jobs. This finding is consistent with previous research identifying burnout as an important psychological antecedent of employee withdrawal behavior. The result can be understood through the working characteristics of coffee shop employees, particularly waiters, who are required to maintain service quality, respond to customer complaints, and remain emotionally composed during demanding working shifts (Arsyad, 2026; Saleha & Hina, 2023; Sumarni et al., 2026). Continuous interpersonal interactions and the expectation of maintaining positive attitudes despite fatigue can gradually deplete employees' psychological resources. When such conditions persist without adequate organizational support, employees may experience emotional exhaustion, reduced work motivation, and declining attachment to their workplace. Consequently, leaving the organization may become an alternative for employees seeking to reduce persistent occupational pressure. These findings theoretically reinforce the role of burnout as a psychological mechanism connecting workplace demands and employee behavioral intentions within the Job Demands-Resources framework. They also extend the understanding of turnover intention by demonstrating that employees' decisions are not determined exclusively by financial considerations or workplace relationships but are also associated with their psychological experiences. Practically, coffee shop managers need to identify early signs of employee exhaustion, evaluate shift arrangements, provide adequate recovery periods, and establish mechanisms for employees to communicate work-related difficulties before burnout develops into stronger turnover intentions.

The mediation analysis confirms that burnout partially mediates the relationship between compensation and turnover intention, as well as the relationship between the non-physical work environment and turnover

intention. The indirect effect of compensation on turnover intention through burnout was negative and significant, with a coefficient of -0.135, while the indirect effect of the non-physical work environment was also negative and significant, with a coefficient of -0.179. Both indirect relationships were supported by significant bootstrapping results, and the direct effects remained significant. The VAF values of 30.54% for compensation and 42.02% for the non-physical work environment further indicate that burnout accounts for a meaningful proportion of the respective total effects. These findings are consistent with previous research emphasizing the mediating role of employees' psychological conditions in the relationship between organizational factors and turnover intention. However, the present study provides a more integrated explanation by examining both financial and interpersonal workplace factors within the same mediation framework. The stronger indirect effect of the non-physical work environment suggests that interpersonal working conditions may have a particularly important relationship with turnover intention through burnout. Theoretically, this finding contributes to the development of the Job Demands-Resources framework by illustrating how organizational resources are associated with employee withdrawal intentions through psychological exhaustion. In practical terms, reducing turnover intention requires more than increasing compensation or improving workplace relationships independently; organizations must also prevent the accumulation of burnout through consistent employee support and appropriate work management.

Overall, this study contributes to human resource management literature by integrating compensation, the non-physical work environment, burnout, and turnover intention into a single explanatory framework focused on Generation Z waiters in the coffee shop industry. Unlike studies that primarily examine direct relationships or focus on different organizational sectors, this research demonstrates that compensation and interpersonal workplace conditions are associated with turnover intention through both direct and indirect pathways. The findings also identify the non-physical work environment as the strongest predictor of burnout, while burnout itself plays a significant role in explaining employees' intentions to leave. These results suggest that employee retention strategies should address both organizational and psychological dimensions of employment. Coffee shop owners and managers should therefore develop balanced compensation policies, establish transparent incentive arrangements, maintain constructive supervisor–employee relationships, ensure fair shift distribution, and provide supportive working conditions. Nevertheless, the findings should be interpreted within the characteristics of the research sample and organizational context, as the study focuses specifically on Generation Z waiters in coffee shops. Other factors, including workload, career development opportunities, leadership styles, and work-life balance, may also contribute to employee turnover intention but were not incorporated into the present model. Accordingly, future research could expand the proposed framework by

examining these additional factors and comparing employees across different positions, age groups, and service industries to develop a broader understanding of employee retention.

CONCLUSION

This study demonstrates that Generation Z employee retention in the coffee shop industry is influenced not only by financial compensation but also by the quality of the non-physical work environment and the organization's ability to reduce burnout. Its scholarly contribution lies in examining the integrated effects of compensation and the non-physical work environment on turnover intention, with burnout serving as a partial mediator, thereby extending human resource management research in the food and beverage sector. Practically, coffee shop managers should prioritize fair compensation, effective communication, equitable task distribution, and employee well-being. However, the limited geographical scope, purposive sampling, relatively homogeneous respondent characteristics, cross-sectional design, and self-reported data restrict generalizability and causal interpretation. Future research should expand the sample, employ longitudinal or mixed-method approaches, and examine additional variables, particularly job demands and leadership.

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