

ABSTRACT

This study examines the effects of work motivation, direct compensation, and indirect compensation on turnover intention and its impact on work stress among Generation Z employees in Semarang City. A quantitative approach using Partial Least Squares Structural Equation Modeling (PLS-SEM) was applied to 191 respondents.

The results show that work motivation ($\beta = 0.281$; $p < 0.05$) and direct compensation ($\beta = 0.496$; $p < 0.05$) have positive and significant effects on turnover intention, while indirect compensation is not significant. Furthermore, turnover intention has a strong positive and significant effect on work stress ($\beta = 0.855$; $p < 0.001$).

These findings indicate that, among Generation Z, motivation and compensation do not always function as retention factors but may instead increase turnover intention. In addition, turnover intention is a key driver of work stress. This study suggests that organizations need more adaptive retention strategies aligned with Generation Z characteristics.

Keywords : *Direct Compensation, Generation Z, Indirect Compensation, Turnover Intention, Work Motivation, Work Stress*