The Influence of Rewards, Job Satisfaction, Culture, and Engagement on Retention at KDS Department Store Genteng Banyuwangi.

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ABSTRACT: Employee retention is one of the main challenges in human resource management, especially in the retail sector, which has a high turnover rate. This research aims to analyze the influence of Rewards, Job Satisfaction, Organizational Culture, and Employee Engagement on employee retention levels at Karunia Damai Sejati (KDS) Department Store Genteng. This research uses quantitative methods with a causal approach. The research population was all 65 KDS employees, using a total sampling technique. Data was collected through questionnaires and analyzed using multiple linear regression. The research results show that Rewards and Job Satisfaction have a significant influence on employee retention, with values of 2,764 (p=0.008) and 3,834 (p=0.000), respectively. However, Organizational Culture (t=0.539, p=0.592) and Employee Engagement (t=1.442, p=0.155) did not have a partially significant effect. Simultaneously, these four independent variables have a significant effect on employee retention (F=30.527, p=0.000), with an R^2 value of 0.671, indicating that these variables can explain 67.1% of the variation in employee retention. This research emphasizes the importance of Rewards and Job Satisfaction as priorities in strategies to increase employee retention.

Keywords: Rewards, Job Satisfaction, Organizational Culture, Employee Engagement, Employee Retention

INTRODUCTION

Humans, especially in the retail sector, play a crucial role. High employee retention reflects a company's success in creating a conducive work environment and maintaining employee satisfaction. (Nelson & Kurnaedi, 2024). In an era of increasingly intense business competition, companies are required to prioritize productivity and pay attention to employee well-being. (Mubarok, 2025). Factors such as rewards, job satisfaction, organizational culture, and employee engagement are essential elements in determining employee retention rates.

Rewards received by employees are not limited to financial aspects, such as salaries and bonuses, but also include non-financial recognition, such as acknowledgment of achievements (Herminingsih & Hamidah, 2024). Job satisfaction encompasses the sense of fulfillment employees

gain from their work and a supportive work environment. Organizational culture plays a significant role in shaping the company's identity to align with employees' values. Meanwhile, employee engagement reflects the emotional involvement and commitment employees have toward the company. These factors interact with one another, influencing employees' decisions to remain with or leave the company.

High employee turnover remains a significant challenge in the retail industry. Many companies struggle to retain employees, particularly at the operational level. One primary cause is the lack of recognition and appreciation employees feel. (Kurniawati, 2024). In demanding work environments, employees often feel that their contributions are undervalued, ultimately affecting their job satisfaction. A weak organizational culture also contributes to declining retention rates. When an organization's culture fails to instill a sense of belonging and does not support employee development, the emotional engagement of employees with the company weakens (Farida, 2020). Low employee engagement leads to employees feeling alienated from the company, increasing their likelihood of seeking job opportunities elsewhere.

According to surveys conducted by various institutions, turnover rates in the retail sector tend to be higher than in other industries. Data indicates that the average turnover rate in Indonesia's retail industry ranges from 20–30% annually. Most employees leaving their companies report dissatisfaction with the existing reward systems (Budilestari, 2024). They feel that the rewards provided are not commensurate with the workload they bear (Nani Hartati Sihotang & Asron Saputra, 2024). Internal data from several retail companies reveal that employees with low job satisfaction tend to have shorter tenures. Internal surveys show that employees who feel unsupported by the organizational culture or emotionally disengaged from the company are more likely to leave (Mering et al., 2023). This phenomenon indicates that factors such as rewards, job satisfaction, organizational culture, and employee engagement have a direct correlation with employee retention rates.

Rewards play a crucial role in motivating employees and enhancing job satisfaction. According to Herzberg's motivation theory, rewards can be categorized as hygiene factors that help prevent job dissatisfaction (Jamal Ali & Anwar, 2021). Appropriate rewards can encourage employees to be more productive and contribute positively to the company. Job satisfaction, as explained in Locke's job satisfaction theory, encompasses positive perceptions of work and the work environment, which directly impacts employee loyalty (Adamopoulos, 2022).

Organizational culture is a set of values, norms, and practices applied within the workplace. A strong culture can create a conducive work atmosphere and support employee engagement. Employee engagement, as defined by Kahn, is the level of emotional and cognitive involvement an employee has with their work. Engaged employees are more enthusiastic about their work, more loyal to the company, and exhibit higher retention rates.

Previous research has demonstrated a significant relationship between rewards and employee retention. A study by (Al-Qathmi & Zedan, 2021) concluded that competitive rewards can enhance job satisfaction and reduce turnover. Another study by (Nuswantoro, 2021) found that employee engagement plays a key role in strengthening employee loyalty. Employees with emotional attachment to their companies tend to be more satisfied and remain longer.

Research by (Abidin, 2024) on organizational culture revealed that an inclusive culture that supports employee development can improve job satisfaction. The study also highlighted the importance of adapting organizational culture to respond to changes in the business environment. Additionally, a study by (Ngowella et al., 2022) emphasized that employee engagement not only impacts retention but also overall employee performance.

At Karunia Damai Sejati (KDS) Department Store Genteng, high employee turnover has become a primary concern. Despite KDS providing various types of rewards, employee job satisfaction levels remain low. This issue is exacerbated by an organizational culture that does not fully support employee engagement. Most employees feel that the working environment at KDS offers little room for self-development, which ultimately affects their level of engagement and their decision to stay with the company.

Source: HRD KDS Store Genteng (2024)

Figure 1. Diagram of Employee Retention Rates at Karunia Damai Sejati Store Genteng

Based on Figure 1 presented by HRD KDS Store Genteng (2024), there is a noticeable downward trend in employee retention rates from 2019 to 2023. In 2019, the retention rate was still quite high, around 70%, but it continued to decline, reaching its lowest point in 2021. Although there was a slight increase in 2022 and 2023, the numbers have not returned to their initial levels. This phenomenon indicates that KDS Store Genteng is facing challenges in retaining employees. Factors such as a suboptimal reward system, low job satisfaction, and an organizational culture that does not fully support employee engagement are suspected to be the main causes. The company urgently needs to evaluate its human resource management strategies to improve employee retention sustainably.

One of the theories relevant to this study is Herzberg's Two-Factor Theory, developed by Frederick Herzberg in 1959. This theory identifies two groups of factors that influence motivation and job satisfaction: hygiene factors and motivators (Nana et al., 2024). Hygiene factors, such as rewards and working conditions, prevent dissatisfaction but do not necessarily enhance motivation or retention unless supported by motivators such as recognition for achievements, acknowledgment, and opportunities for personal development (De Oliveira et al., 2023). In this context, organizations need to ensure that elements such as rewards, a supportive organizational

culture, and emotional engagement (employee engagement) are integrated to foster greater job satisfaction, which ultimately can enhance employee retention rates.
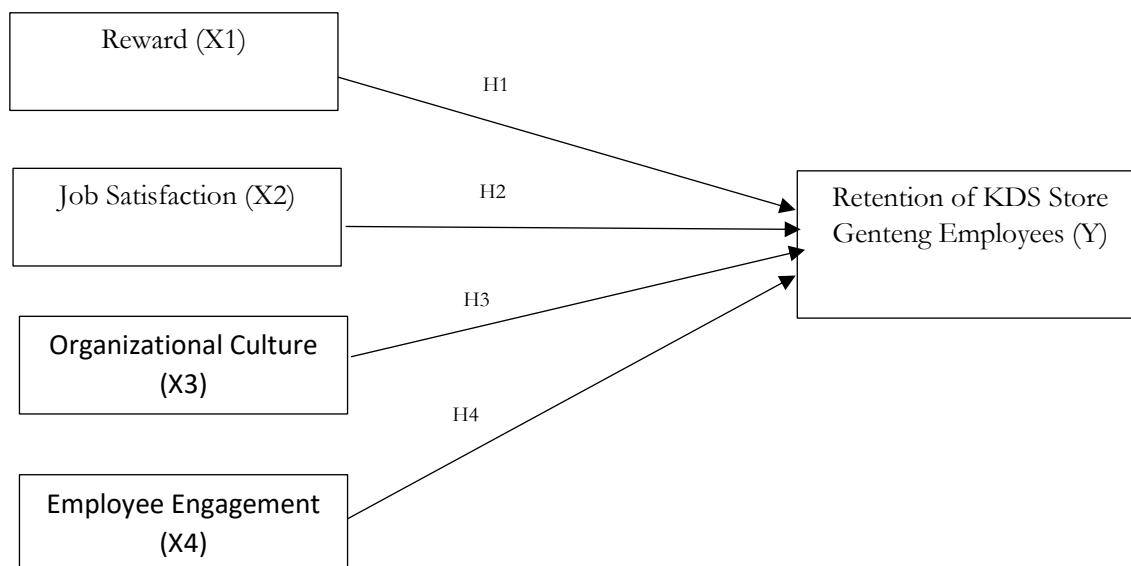

Figure 2. Conceptual Framework

Rewards play a crucial role in improving employee retention, as adequate recognition boosts loyalty and motivation, with effective reward systems significantly reducing turnover rates (Pratama, 2024). Job satisfaction directly influences employees' decisions to stay, with satisfied employees demonstrating higher retention rates (Nguyen, 2021). A positive organizational culture fosters a supportive work environment, enhancing employees' sense of belonging and increasing retention (Adindu Donatus Ogbu et al., 2024). Additionally, high employee engagement reflects emotional and cognitive commitment to the organization, reducing turnover intentions as engaged employees feel more connected to organizational goals (Henokh Parmenas, 2022).

This study aims to analyze the influence of rewards, job satisfaction, organizational culture, and employee engagement on employee retention rates at KDS Department Store Genteng. By understanding the relationships between these variables, the company is expected to formulate effective strategies to improve employee retention, create a better work environment, and reduce turnover rates.

METHOD

The research method used in this study is quantitative causal research. Quantitative causal research aims to identify cause-and-effect relationships between the variables studied (Sugiyono, 2019b), with rewards, job satisfaction, organizational culture, and employee engagement as independent variables and employee retention as the dependent variable. This approach enables researchers to measure the direct influence of each independent variable on the dependent variable using

numerical data and statistical analysis. This type of research is well-suited for testing hypotheses and providing objective and measurable results (Sugiyono, 2018).

The primary and secondary data sources for this study are primary and secondary data. Primary data were obtained directly from respondents, namely the employees of KDS Store Genteng, through questionnaires designed to measure the variables of rewards, job satisfaction, organizational culture, employee engagement, and employee retention. Meanwhile, secondary data were collected from the company's internal reports, such as employee records, annual turnover rates, and documentation related to reward policies and employee development programs. The use of both data types aims to provide a more comprehensive analysis.

The population in this study consists of all 65 employees working at KDS Store Genteng, Banyuwangi, encompassing all divisions and job levels to ensure that the data collected provides a comprehensive overview of the influence of rewards, job satisfaction, organizational culture, and employee engagement on employee retention. This population selection aims to represent the actual conditions at KDS Store Genteng without excluding any employee groups (Sugiyono, 2021). The sampling technique used is total sampling, where all members of the population are included as the sample (Sugiyono, 2019a)Thus, the total sample size for this study is 65 respondents, corresponding to the total number of employees at KDS Store Genteng. Total sampling ensures that every employee has an equal opportunity to participate, resulting in more valid and accurate findings regarding the relationships between the variables studied.

The data collection technique used in this study is a questionnaire. The questionnaire is structured in the form of closed-ended questions using a Likert scale to measure the variables of rewards, job satisfaction, organizational culture, employee engagement, and employee retention. The questionnaire was directly distributed to all employees of KDS Store Genteng who participated as respondents in this study (Creswell & Creswell, 2018). Additionally, secondary data were collected through company documentation, such as employee reports and internal policies related to employee management. The combination of primary and secondary data aims to provide comprehensive and in-depth information on the variables studied.

The data analysis technique used in this study is multiple linear regression analysis. This technique is employed to determine both the simultaneous and partial effects of the independent variables—namely, rewards, job satisfaction, organizational culture, and employee engagement—on the dependent variable, which is employee retention. Prior to conducting the regression analysis, the data were subjected to validity and reliability tests to ensure that the research instruments could accurately and consistently measure the variables. Additionally, classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, were conducted to ensure the regression model meets the required assumptions. The results of the multiple linear regression analysis will provide coefficients for each independent variable, allowing the determination of the extent to which each variable influences employee retention, both individually and collectively. The analysis was performed using SPSS 27.

RESULT AND DISCUSSION

Karunia Damai Sejati (KDS) Department Store Genteng is a modern shopping center located in the Genteng area of Banyuwangi, East Java. Established in 2005, KDS Store Genteng initially operated as a general store focusing on household necessities and fashion products. Over time, KDS has evolved into one of the primary shopping destinations in the area, attracting customers from various demographics. Its strategic location in the heart of downtown Genteng makes it easily accessible to the public, positioning it as a top choice for daily shopping needs. With a one-stop shopping concept, KDS not only offers a wide range of products but also strives to create a comfortable shopping experience for its customers. However, like many other retail businesses, KDS faces challenges in retaining employees, particularly amidst the intense competition in the industry and the dynamic demands of human resources.

Table 1. Informant Characteristics

Characteristics	Frequency	Percentage (%)
Age		
< 25 years	35	53.8
25-35 years	15	23.1
> 35 years	15	23.1
Gender		
Male	25	38.5
Female	40	61.5
Education Level		
High School/Equivalent	40	61.5
Diploma	10	15.4
Bachelor's Degree	15	23.1

The characteristics of the informants in Table 1 reveal that the majority of respondents are under 25 years old (53.8%), followed by those aged 25–35 years and over 35 years, each comprising 23.1%. In terms of gender, females dominate the sample, accounting for 61.5%, while males make up 38.5%. Regarding educational background, most respondents have a high school education or equivalent (61.5%), with a smaller proportion holding diplomas (15.4%) and bachelor's degrees (23.1%). These characteristics indicate a predominantly young and female workforce at KDS Store Genteng, with most employees possessing basic educational qualifications.

Validity and Reliability Test

Table 2. Validity Test

Variable	Question Item	r Calculated	Description
Reward (X1)	X1.1	0.870	VALID
	X1.2	0.884	VALID
	X1.3	0.894	VALID
Job Satisfaction (X2)	X2.1	0.813	VALID
	X2.2	0.864	VALID

	X2.3	0.856	VALID
Organizational Culture (X3)	X3.1	0.883	VALID
	X3.2	0.858	VALID
	X3.3	0.911	VALID
Employee Engagement (X4)	X4.1	0.767	VALID
	X4.2	0.873	VALID
	X4.3	0.893	VALID
Employee Retention	Y1.1	0.877	VALID
	Y1.2	0.820	VALID
	Y1.3	0.768	VALID

Source: SPSS Version 27 (2024)

Table 2 presents the validity test results for the research variables: Reward (X1), Job Satisfaction (X2), Organizational Culture (X3), Employee Engagement (X4), and Employee Retention (Y). All question items for each variable have r-calculated values exceeding the minimum threshold of 0.60, indicating that all items are valid for measuring their respective constructs. The highest r-calculated value is observed in Organizational Culture item X3.3 (0.911), reflecting a strong correlation in assessing this variable. Similarly, all other variables and their items show consistent validity, ensuring that the research instruments accurately capture the intended dimensions. These results confirm the appropriateness of the questionnaire for further data analysis.

Table 3. Reliability Test

Variable	Cronbach's Alpha	Cut-Off Value	Description
Reward (X1)	0.858	0.60	Reliable
Job Satisfaction (X2)	0.803	0.60	Reliable
Organizational Culture (X3)	0.860	0.60	Reliable
Employee Engagement (X4)	0.793	0.60	Reliabel
Employee Retention (Y)	0.838	0.60	Reliable

Source: SPSS Version 27 (2024)

Table 3 shows the reliability test results for the variables Reward (X1), Job Satisfaction (X2), Organizational Culture (X3), Employee Engagement (X4), and Employee Retention (Y). All variables have Cronbach's Alpha values exceeding the cut-off value of 0.60, indicating high reliability and consistency of the research instruments. Organizational Culture (X3) has the highest reliability score of 0.860, followed closely by Reward (X1) with 0.858, reflecting strong internal consistency for these variables. Other variables, such as Employee Retention (Y) at 0.838, Job Satisfaction (X2) at 0.803, and Employee Engagement (X4) at 0.793, also demonstrate satisfactory reliability. These results confirm that the measurement tools are reliable for analyzing the research constructs.

Correlation Test

The Pearson correlation test is used to determine the strength and direction of the linear relationship between the independent variables—work environment, workload, and

transformational leadership—and the dependent variable, employee retention. The results of this test provide an initial overview of the level of association between variables, serving as a basis for further analysis, such as regression testing.

Table 4. Pearson Correlation Test

Correlations

		Reward	Kepuasan Kerja	Budaya Organisasi	Employee Engagement	Retensi Karyawan
Reward	Pearson Correlation	1	.509**	.711**	.711**	.724**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	65	65	65	65	65
Job Satisfaction	Pearson Correlation	.509**	1	.334**	.461**	.645**
	Sig. (2-tailed)	.000		.007	.000	.000
	N	65	65	65	65	65
Organizational Culture	Pearson Correlation	.711**	.334**	1	.865**	.630**
	Sig. (2-tailed)	.000	.007		.000	.000
	N	65	65	65	65	65
Employee Engagement	Pearson Correlation	.711**	.461**	.865**	1	.694**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	65	65	65	65	65
Employee Retention	Pearson Correlation	.724**	.645**	.630**	.694**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	65	65	65	65	65

**. Correlation is significant at the 0.01 level (2-tailed).
Source: SPSS Version 27 (2024)

The results of the Pearson correlation test in Table 4 indicate significant relationships between all the variables studied, with a significance level of 0.01 (2-tailed). Rewards show a strong positive correlation with employee retention ($r = 0.724$), followed by employee engagement ($r = 0.694$), organizational culture ($r = 0.630$), and job satisfaction ($r = 0.645$). The correlation between organizational culture and employee engagement is also very strong ($r = 0.865$), indicating that these two variables mutually support each other in influencing employee retention. The significant positive relationships among these variables suggest that rewards, job satisfaction, organizational culture, and employee engagement collectively contribute to employee retention, with rewards showing the most dominant contribution based on the correlation results. This underscores the importance of managing rewards and engagement to enhance employee loyalty.

The significant relationship between rewards and employee retention is consistent with prior studies, which have shown that competitive and well-structured reward systems significantly reduce turnover rates. Furthermore, the strong correlation between organizational culture and employee engagement, as found in this research, aligns with previous findings (Goyal & Kaur, 2023), which emphasize that fostering a supportive and inclusive workplace culture enhances

engagement and indirectly improves retention. However, the weaker direct influence of organizational culture and employee engagement on retention at KDS suggests that these factors need to be strengthened through practical interventions. These findings imply that KDS should prioritize optimizing reward systems while simultaneously developing programs that strengthen organizational culture and engagement, such as team-building activities and improved communication channels, to improve employee loyalty and reduce turnover rates holistically.

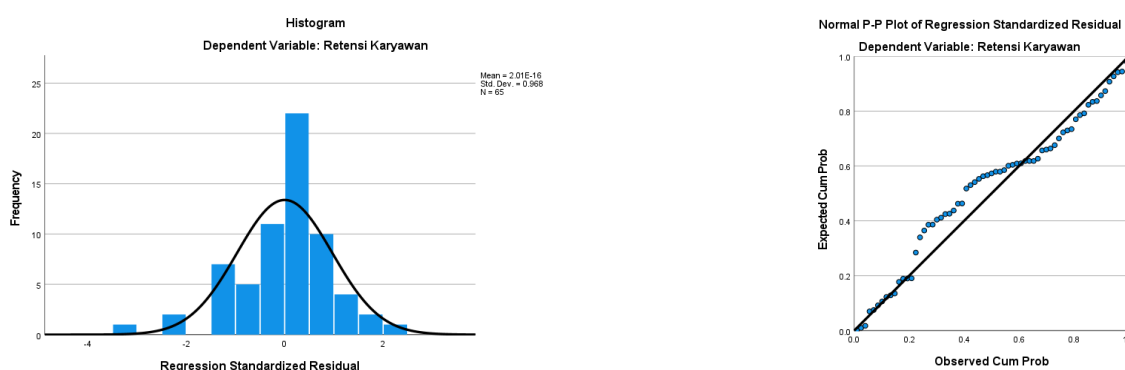**Classical Assumption Test**

1. Normality Test

Figure 3. Histogram Normality Test and P-Plots

Based on Figure 3, the normality test results using the histogram and P-P Plot indicate that the residuals of the study data are normally distributed. In the histogram, the data distribution forms a pattern resembling a normal curve, with a mean close to zero and a standard deviation of 0.968. Additionally, in the P-P Plot, the points representing the residual data are close to the diagonal line, demonstrating conformity with a normal distribution. This indicates that the normality assumption for regression analysis has been met, confirming that the regression model used is valid for further analysis.

The results of the normality test, confirming that the residual data is normally distributed, align with prior studies that emphasize the importance of meeting statistical assumptions for valid regression analysis. Similar findings were highlighted in research by (Tao et al., 2022), which demonstrated that the normal distribution of data enhances the reliability of regression models in predicting employee behaviors. The clear alignment of data points in the P-P Plot and the symmetry of the histogram further validate the robustness of the data used in this study. These findings imply that KDS can utilize the regression model with confidence, as it meets the necessary statistical criteria, enabling the company to base its employee retention strategies on reliable and accurate insights. This reinforces the broader applicability of regression techniques in HR research, as also supported by Nguyen's work.

2. Multicollinearity Test

Table 5. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-1.489	1.215		-1.225	.225		
	Reward	.346	.125	.323	2.764	.008	.403	2.483
	Job satisfaction	.418	.109	.345	3.834	.000	.678	1.476
	Organizational culture	.084	.155	.085	.539	.592	.219	4.573
	Employee Engagement	.219	.152	.231	1.442	.155	.213	4.689

a. Dependent Variable: Employee Retention
Source: SPSS Version 27 (2024)

Based on Table 5, the multicollinearity test indicates that the Tolerance and Variance Inflation Factor (VIF) values can be used to detect multicollinearity symptoms. The lowest Tolerance value is 0.213 (Employee Engagement), and the highest VIF value is 4.689 (Employee Engagement). Since the VIF values for all independent variables are below the threshold of 10 and the Tolerance values exceed the minimum threshold of 0.1, it can be concluded that there are no multicollinearity symptoms in this regression model. Therefore, the model satisfies the multicollinearity assumption, and the independent variables can be collectively used for further analysis.

The multicollinearity test results, which show that all Tolerance values exceed 0.1 and all VIF values are below 10, indicate that the independent variables are not highly correlated and can be used reliably in the regression model. This finding is consistent with prior studies, such as those by (Kyriazos & Poga, 2023), which emphasizes the importance of addressing multicollinearity to ensure the stability and accuracy of regression coefficients. The absence of multicollinearity symptoms in this study supports the robustness of the analysis, allowing for a clear interpretation of the individual and collective effects of the independent variables on employee retention. These results imply that KDS can confidently use the regression model to derive actionable insights, ensuring that strategies based on these findings are grounded in statistically sound data.
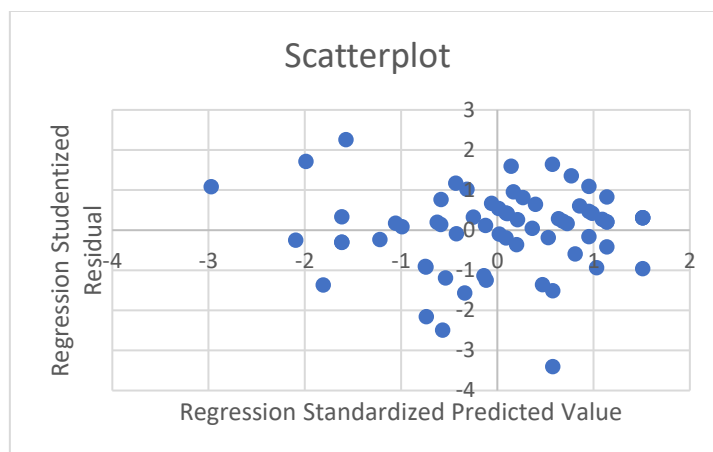
3. Heteroscedasticity Test

Figure 4. Scatterplots Heteroscedasticity Test (Source: SPSS Version 27, 2024)

Based on Figure 4, the heteroscedasticity test using a scatterplot shows that the residual points are randomly distributed around the zero line on the vertical axis without forming any specific pattern. This indicates the absence of heteroscedasticity issues in the regression model. The random and evenly distributed residuals demonstrate that the error variance is constant, fulfilling the assumption of homoscedasticity. Therefore, this regression model can be considered valid for further analysis without bias in parameter estimation.

The heteroscedasticity test results, as indicated by the random distribution of residual points in the scatterplot, confirm the absence of heteroscedasticity issues in the regression model. This finding aligns with prior research, such as the study by (Orenti et al., 2024), which emphasized that fulfilling the homoscedasticity assumption is critical for ensuring unbiased parameter estimation in regression analysis. The consistency of error variance across all levels of independent variables strengthens the reliability of this model in predicting employee retention. These results imply that KDS can rely on the regression outcomes to formulate precise and equitable strategies, as variance inconsistencies do not distort the model's predictions. This further supports the robustness of statistical analyses in HR-related studies.

Multiple Linear Regression Analysis

Table 6. Results of Multiple Linear Regression Analysis

Coefficientsª

	Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-1.489	1.215		-1.225	.225		
	Reward	.346	.125	.323	2.764	.008	.403	2.483

Job satisfaction	.418	.109	.345	3.834	.000	.678	1.476
Organizational culture	.084	.155	.085	.539	.592	.219	4.573
Employee Engagement	.219	.152	.231	1.442	.155	.213	4.689

a. Dependent Variable: Employee Retention

Source: SPSS Version 27 (2024)

Based on Table 6, the results of multiple linear regression analysis produce the following regression equation:

$$Y = -1.489 + 0.346X_1 + 0.418X_2 + 0.084X_3 + 0.219X_4$$

Where:

Y = Employee Retention (dependent variable),

X1 = Reward,

X2 = Job Satisfaction,

X3 = Organizational Culture,

X4 = Employee Engagement.

These results indicate that for every one-unit increase in Reward (X1), Employee Retention increases by 0.346, while Job Satisfaction (X2) contributes 0.418. Organizational Culture (X3) and Employee Engagement (X4) have coefficients of 0.084 and 0.219, respectively, but their significance levels do not meet the criteria of $p < 0.05$ ($p = 0.592$ and $p = 0.155$). The variables Reward ($p = 0.008$) and Job Satisfaction ($p = 0.000$) have a significant influence on employee retention, whereas Organizational Culture and Employee Engagement are not significant. The constant value of -1.489 indicates that if all independent variables are zero, the predicted Employee Retention value will be negative. Overall, these results show that the multiple linear regression model effectively explains the relationship between the independent and dependent variables, with Reward and Job Satisfaction being the most dominant variables.

The multiple linear regression analysis highlights that Reward (X1) and Job Satisfaction (X2) have a significant positive impact on Employee Retention, confirming their critical roles in retaining employees. This finding is consistent with research by (Vuong et al., 2021), which also identified job satisfaction and rewards as primary determinants of employee loyalty. In contrast, Organizational Culture (X3) and Employee Engagement (X4) show weaker influences, suggesting that these factors, while relevant, may require more strategic implementation to yield significant effects. The results imply that KDS should prioritize enhancing reward systems and job satisfaction initiatives as key drivers of retention while simultaneously working on strengthening organizational culture and engagement through targeted programs. This dual approach ensures that both immediate and long-term factors influencing employee loyalty are addressed effectively.

Hypothesis Testing

1. T-test

Table 7. T-test

Coefficients

	Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-1.489	1.215		-1.225	.225
	Reward	.346	.125	.323	2.764	.008
	Job satisfaction	.418	.109	.345	3.834	.000
	Organizational culture	.084	.155	.085	.539	.592
	Employee Engagement	.219	.152	.231	1.442	.155

a. Dependent Variable: Employee Retention
Source: SPSS Version 27 (2024)

Based on Table 7, the t-test was conducted to evaluate the partial influence of each independent variable on the dependent variable (Employee Retention). The following is the discussion of each variable:

1. Reward (X1): A t-value of 2.764 with a significance level (p) = 0.008 indicates that the Reward variable has a positive and significant influence on Employee Retention. This means that an increase in Reward can significantly enhance employee retention. With a coefficient of 0.346, Reward contributes substantially to the model.

2. Job Satisfaction (X2): A t-value of 3.834 with a significance level (p) = 0.000 indicates that Job Satisfaction has a positive and significant effect on Employee Retention. With a coefficient of 0.418, this variable has the most substantial influence among all variables, highlighting that job satisfaction is a critical factor in retaining employees.

3. Organizational Culture (X3): A t-value of 0.539 with a significance level (p) = 0.592 indicates that Organizational Culture does not significantly influence Employee Retention. The coefficient of 0.084 also shows a very minimal contribution, suggesting that organizational culture cannot be considered a primary variable for improving retention in the context of this study.

4. Employee Engagement (X4): A t-value of 1.442 with a significance level (p) = 0.155 indicates that Employee Engagement does not significantly affect Employee Retention. While the coefficient of 0.219 suggests a positive relationship, it is not strong enough to conclude that employee engagement can significantly increase retention when considered individually.

The t-test results emphasize the significant influence of Reward and Job Satisfaction on Employee Retention, reinforcing their critical roles in enhancing loyalty among employees. These findings align with previous research, such as that by (Alkandi et al., 2023), which identified competitive reward systems and high job satisfaction as key drivers of reduced turnover rates. Conversely, the minimal impact of Organizational Culture and Employee Engagement suggests that these factors

are not yet fully optimized at KDS. This highlights the need for KDS to focus on strengthening these areas through improved cultural alignment and engagement initiatives. The results imply that while immediate interventions on rewards and job satisfaction are essential, long-term strategies should also address cultural and engagement aspects to achieve sustainable retention outcomes.

2. F Test

Table 8. Simultaneous F Test

ANOVA[a]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	324.700	4	81.175	30.527	.000[b]
	Residual	159.546	60	2.659		
	Total	484.246	64			

a. Dependent Variable: Employee Retention
b. Predictors: (Constant), Employee Engagement, Job satisfaction, Reward, Organizational culture

Source: SPSS Version 27 (2024)

Based on Table 8, the results of the simultaneous F-test show an F-value of 30.527 with a significance level (p) = 0.000. Since the significance value is less than 0.05, it can be concluded that the independent variables (Reward, Job Satisfaction, Organizational Culture, and Employee Engagement) collectively have a significant influence on the dependent variable (Employee Retention). The Sum of Squares for a Regression value of 324.700 indicates that most of the variation in employee retention can be explained by the combination of these independent variables. Thus, this regression model is suitable for examining the collective impact of these variables on employee retention, emphasizing the importance of addressing all these aspects in an integrated manner to improve retention rates.

The results of the simultaneous F-test demonstrate that the independent variables collectively have a significant impact on Employee Retention, highlighting the importance of addressing these factors in an integrated manner. This finding aligns with prior research by (Ahuchogu et al., 2024), which emphasized that a combination of factors such as rewards, job satisfaction, and engagement is more effective in improving retention than addressing them individually. The high Sum of Squares for Regression value indicates that the model explains a substantial portion of the variation in employee retention. These results imply that KDS should adopt a holistic approach, focusing on a balanced strategy that leverages the strengths of each variable to enhance retention rates comprehensively, thereby reducing turnover and fostering a more stable workforce.

3. Coefficient of Determination (R^2)

Table 9. Coefficient of Determination Test (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.819[a]	.671	.649	1.631

a. Predictors: (Constant), Employee Engagement, Job satisfaction, Reward, Organizational culture

Source: SPSS Version 27 (2024)

Based on Table 9, the R^2 value of 0.671 indicates that 67.1% of the variation in the dependent variable (Employee Retention) can be explained by the independent variables: Reward, Job Satisfaction, Organizational Culture, and Employee Engagement. Meanwhile, the remaining 32.9% is explained by other factors outside the model. The Adjusted R^2 value of 0.649 suggests that, after adjusting for the number of variables and sample size, the model still demonstrates a strong ability to explain the relationship between the independent and dependent variables. The standard error of 1.631 indicates a relatively small deviation in the prediction results, further supporting the validity of the regression model. Overall, these findings demonstrate that the model has a reasonably good predictive power for analyzing the factors influencing employee retention.

The R^2 value of 0.671 confirms that the independent variables—Reward, Job Satisfaction, Organizational Culture, and Employee Engagement—account for a significant proportion of the variation in Employee Retention, demonstrating the model's strong predictive capability. This result aligns with the findings of (Khatun et al., 2023), which also showed that similar factors explain a large percentage of employee retention in retail organizations. The Adjusted R^2 value of 0.649 reinforces the robustness of the model even when accounting for sample size and variable adjustments. The relatively small standard error of 1.631 further supports the reliability of the predictions. These results imply that KDS can utilize this model to develop targeted strategies that focus on the identified key variables while exploring additional factors to address the remaining unexplained variation, ensuring a comprehensive approach to improving retention rates.

Variable Analysis

The results of this study show that Reward has a significant impact on employee retention at KDS Department Store Genteng. Rewards, which include both financial aspects, such as salaries and bonuses, and non-financial aspects, such as recognition for contributions, significantly enhance employee loyalty. This finding aligns with (Mintawati, 2024), who stated that competitive rewards can improve job satisfaction and reduce employee turnover. Additionally, Herzberg's Motivation Theory supports these results, categorizing rewards as hygiene factors that help prevent job dissatisfaction. Therefore, KDS should continuously improve its reward system to meet employee needs and maintain high loyalty levels.

Job satisfaction has proven to be the most significant factor influencing employee retention at KDS, as evidenced by its highest regression coefficient. This indicates that a conducive work environment, fulfilling job expectations, and harmonious relationships have a substantial impact on employee loyalty. These findings are consistent with (Cipto, 2024), who asserted that high job satisfaction directly contributes to improved retention, as employees feel emotionally and professionally fulfilled. Furthermore, Locke's Theory of Job Satisfaction reinforces that a positive perception of work is directly related to loyalty. To address this, KDS management should focus on enhancing job satisfaction through employee development programs, effective communication, and a balance between workload and rewards.

While Organizational Culture has a positive correlation with employee retention, its impact is not statistically significant in this study. This suggests that although a good organizational culture is

essential, its role at KDS has not been optimized to influence employees' decisions to stay. This finding slightly diverges from (Hamzah, 2023), who found that an inclusive organizational culture significantly impacts employee retention. This disparity may be attributed to the implementation of organizational culture at KDS, which is either not strong enough or misaligned with employee values. Thus, KDS should strengthen its organizational culture by introducing programs that foster a sense of belonging and support employee development.

Employee Engagement has a positive but statistically insignificant relationship with employee retention at KDS. This indicates that while employees' emotional involvement and commitment to the company are important, they are not currently a major factor influencing retention at KDS. This finding differs from (Nuswantoro, 2021), who highlighted the critical role of employee engagement in strengthening employee loyalty. This discrepancy may be due to the lack of robust engagement programs at KDS, leading employees to feel less emotionally connected to the company. KDS should enhance engagement by providing training, involving employees in decision-making, and implementing programs that actively promote involvement to boost loyalty.

Overall, this study highlights the significant impact of Reward and Job Satisfaction on employee retention, identifying them as the most influential factors. In contrast, Organizational Culture and Employee Engagement, while positively correlated with retention, were not found to have significant impacts, indicating the need for further improvements in these areas. These findings suggest that KDS should prioritize enhancing its reward system and job satisfaction initiatives while also focusing on strengthening organizational culture and engagement programs to create a more comprehensive strategy for improving employee retention. This holistic approach is crucial for ensuring sustainable employee loyalty and reducing turnover rates.

The findings of this study show that Reward and Job Satisfaction significantly influence employee retention, while Organizational Culture and Employee Engagement do not have a significant impact. One possible reason for these results is the suboptimal internal conditions at KDS in building a strong organizational culture and fostering emotional engagement among employees. For example, a lack of continuous training programs or ineffective communication may weaken employee engagement. External factors may also play a role, such as intense competition in the retail industry, which often offers more attractive incentives or greater work flexibility at other companies. Additionally, individual employee characteristics, such as the predominantly young workforce at KDS, might make them more inclined to seek new experiences rather than commit to a single company for the long term.

Based on these findings, KDS can implement several strategic steps to improve employee retention. First, strengthen the reward system by adopting a more personalized approach, such as providing recognition based on individual or team achievements, which can enhance loyalty. Second, job satisfaction can be improved by creating a supportive work environment, for instance, through clear career development programs, providing comfortable work facilities, and fostering open communication between management and employees. Third, enhance organizational culture by integrating company values that resonate with employees, such as supporting diversity or promoting innovation. Finally, KDS can boost employee engagement through initiatives like regular discussion forums, involving employees in decision-making processes, or organizing

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corporate social activities. These measures will not only increase retention but also create a healthier and more productive work environment.

CONCLUSION

In this study the findings highlight the significant influence of rewards and job satisfaction on employee retention at Karunia Damai Sejati (KDS) Department Store Genteng. Rewards, encompassing both financial and non-financial components, were found to significantly enhance employee loyalty, emphasizing the importance of creating a balanced reward system. Similarly, job satisfaction emerged as the most influential variable, underscoring the critical role of a supportive work environment and fulfilling job roles in retaining employees. These findings align with Herzberg's Two-Factor Theory, reaffirming the necessity of addressing both hygiene factors and motivators to maintain a stable and committed workforce. While organizational culture and employee engagement showed positive relationships with retention, their impact was not statistically significant, indicating potential areas for improvement in KDS's current strategies. The study contributes empirical and theoretical insights by validating Herzberg's model in the context of a modern retail environment and offering practical guidance for enhancing employee retention.

This study is not without limitations. The primary limitation lies in its reliance on a single case study, which may limit the generalizability of the findings to other organizations or industries. Additionally, the cross-sectional nature of the data prevents the analysis of long-term trends or changes in employee behavior over time. The limited sample size of 65 respondents, while sufficient for the scope of this study, may also restrict broader applicability. These constraints may have influenced the strength and interpretation of the results, particularly regarding the insignificance of organizational culture and employee engagement. Future researchers are encouraged to address these limitations by conducting longitudinal studies across diverse organizations and incorporating larger, more varied samples. By doing so, they can further explore the complex interplay of factors influencing employee retention and refine the theoretical models underpinning these relationships.

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