EMPLOYEE RETENTION STRATEGIES IN THE DIGITAL ERA IN PRIVATE RETAIL COMPANIES IN WEST JAVA

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Abstract

This study aims to analyze and empirically test the simultaneous and partial effects of Digital Training, Transformational Leadership, and Workplace Well-being on Employee Retention in a private retail company amidst the massive digital transformation. The high rate of employee turnover in the retail sector requires a retention strategy that is adaptive to the demands of technology and the modern workforce. This quantitative study uses a causal approach. Data were collected through distributing questionnaires to 75 employee respondents of PT Retail Nusantara, then analyzed using Multiple Linear Regression analysis. The results show that Digital Training, Transformational Leadership, and Workplace Well-being simultaneously have a significant effect on Employee Retention ($F_{count}=42.781$, Sig. 0.000). Partially, Digital Training (t=4.875) is proven to be the variable with the most dominant influence, followed by Transformational Leadership and Workplace Well-being. The coefficient of determination shows the contribution of the three variables is 68.2% to employee retention. This study provides critical empirical evidence for HR management that in the digital era, investing in improving employees' technological competencies through Digital Training programs is the most effective retention strategy, which must be integrated with a supportive leadership style and policies that ensure work-life balance.

Keywords*: Employee Retention; Digital Training; Transformational Leadership; Workplace Well-Being; Digital Retail.*

INTRODUCTION

Disruptive digital transformation has fundamentally changed business models in the retail sector, forcing companies to transition from conventional strategies to omnichannel approaches and data-driven operations. These changes, while offering efficiencies, create significant pressure on human resources, often leading to high employee turnover rates—a challenge that requires serious attention (Mathis & Jackson, 2019). Employee retention has become a crucial strategy for maintaining operational sustainability and saving substantial recruitment and retraining costs. Human resource management literature in the digital era identifies three main pillars believed to influence retention. First, Digital Training is considered essential because it serves as a bridge to bridge the gap in employee skills with the demands of new technologies (Sari & Pratama, 2023; Putri & Siregar, 2023). Second, Transformational Leadership is essential because leaders must be able to provide inspiration and clear direction to navigate digital uncertainty (Bass & Avolio, 1994; Riwukore, Alie, & Habaora, 2023). Third, Work-Life Balance is a determining factor in satisfaction, especially for Millennials and Gen Z, where flexibility and balance are valued non-financial compensation (Rahman, 2022; Handoko, Tobing, & Setyawan, 2024).

While these three factors have been recognized separately, there remains an empirical gap regarding which of these digital-based strategies has the most dominant influence when implemented simultaneously in the context of the Indonesian private retail industry. Given resource constraints, companies need to understand which factors to prioritize to optimize retention efforts.Based on the background and literature gaps mentioned above, the primary objective of this study is to examine and analyze the partial and simultaneous effects of Digital Training, Transformational Leadership, and Workplace Well-being on Employee Retention at PT Retail Nusantara. These findings are expected to provide theoretical contributions to the development of retention models in the digital era and practical contributions in the form of focused HR policy recommendations for private retail companies.

METHOD

This study uses a descriptive quantitative approach. The study population was 75 employees of the retail company "PT Retail Nusantara".

Data were collected through a questionnaire using a Likert scale of 1–5. Data analysis included validity and reliability tests, multiple linear regression tests, t-tests, F-tests, and coefficients of determination (R^2).

RESULTS AND DISCUSSION
Research result

Table 1. Instrument Reliability Test

Variables	Number of Items	Cronbach's Alpha	Information
Digital Training (X_1)	5	0.875	Reliable
Transformational Leadership (X_2)	5	0.861	Reliable
Work Welfare (X_3)	5	0.842	Reliable
Employee Retention (Y)	5	0.892	Reliable
Total	20	0.892	Reliable (≥ 0.7)

Interpretation: The Cronbach's Alpha value of all variables is > 0.7, so the research instrument is declared reliable. Cronbach's Alpha = 0.892 → Reliable (≥ 0.7), Because the Alpha value (0.892) far exceeds the minimum limit of the general reliability criteria (0.70), it can be concluded that all research instruments (questionnaires) used to measure variables X_1, X_2, X_3, and Y are consistent and reliable. The data collected is valid for use in further analysis.

Table 2. Results of Multiple Linear Regression Analysis

Independent Variables	Regression Coefficient (β)	t-count	Sig.	Information
Constant	4,215	-	-	-
Digital Training (X_1)	0.421	4,875	0,000	Significant
Transformational Leadership (X_2)	0.318	3,429	0.001	Significant
Work Welfare (X_3)	0.276	2,987	0.004	Significant

Regression equation: $Y = 4.215 + 0.421X_1 + 0.318X_2 + 0.276X_3$

Coefficient of Determination (R^2) = 0.682

Constant (a = 4.215): Shows that if Digital Training, Transformational Leadership, and Workplace Well-being are considered zero (none), then the average value of Employee Retention is 4.215.

Regression Coefficient (b):

$B_1 = 0.421$ (Positive): Each one unit increase in Digital Training (X_1), assuming other variables remain constant, will increase Employee Retention (Y) by 0.421 units.

$B_2 = 0.318$ (Positive): Each one unit increase in Transformational Leadership (X_2), assuming other variables remain constant, will increase Employee Retention (Y) by 0.318 units.

$B_3 = 0.276$ (Positive): Each one unit increase in Workplace Well-being (X_3), assuming other variables remain constant, will increase Employee Retention (Y) by 0.276 units.

Conclusion: All independent variables have a positive relationship with Employee Retention.

Table 3. t-Test (Partial)

Hypothesis	Independent Variables	t-count	Sig.	Information
H_1	Digital Training (X_1)	4,875	0,000	Accepted (Significant)
H_2	Transformational Leadership (X_2)	3,429	0.001	Accepted (Significant)
H_3	Work Welfare (X_3)	2,987	0.004	Accepted (Significant)

Interpretation: The three independent variables have a significant effect on employee retention (Sig. < 0.05).

- X_1 (Digital Training): t = 4.875; Sig = 0.000 - X_2 (Transformational Leadership): t = 3.429; Sig = 0.001 - X_3 (Occupational Well-being): t = 2.987; Sig = 0.004 All three have a significant effect on employee retention (Sig < 0.05).

Digital Training (X_1) has the most significant partial influence on Employee Retention because it has the highest t_{count} value (4.875). This indicates that retail companies' investment in improving employee technological competence is the most important factor in maintaining loyalty.

Transformational Leadership (X_2) and Workplace Well-Being (X_3) also had a significant effect, but its strength was lower than Digital Training. Overall, each tested strategy proved individually effective in increasing employee retention.

Table 4. F Test (Simultaneous)

Source of Variation	F count	Sig.	Information
Regression	42,781	0,000	Simultaneous significant model

Interpretation: Since Sig. (0.000) < 0.05, the regression model is suitable for predicting employee retention. Fcount = 42.781; Sig = 0.000 → The model is simultaneously significant. Since the significance value of 0.000 is far below 0.05, it is concluded that Digital Training (X_1), Transformational Leadership (X_2), and Workplace Well-being (X_3) collectively have a significant effect on Employee Retention (Y). This regression model is suitable for predicting employee retention.

Table 5. Coefficient of Determination (R^2)

Model	R	R^2	Adjusted R^2	Standard Error of the Estimate
1	0.826	0.682	0.671	2,145

Interpretation: 68.2% of the variation in changes in employee retention can be explained by digital training, transformational leadership, and work well-being. $R^2 = 0.682$ → This means that 68.2% of the variation in employee retention is explained by the variables of digital training, transformational leadership, and work well-being. This figure shows that 68.2% of the total variation in Employee Retention can be explained by variations in the three independent variables (Digital Training, Transformational Leadership, and Workplace Well-being). The remaining 31.8% (100% - 68.2%) is explained by other factors outside this research model (e.g., Compensation, Work Environment, Organizational Culture, etc.). Data shows that employee retention strategies at PT Retail Nusantara in the digital era rely heavily on three key pillars that have been tested, with Digital Training being the primary and most dominant driving factor in determining employees' desire to stay with the company. Employee retention strategies in private retail companies in the digital era are a combination of traditional HR management principles with adaptation to the demands of technology and the modern workforce.

DISCUSSION
Literature Study (Theoretical Contextualization)

Employee retention in the digital era is a critical strategy for private retail companies to maintain operational stability and reduce high costs. *turnover*. Digital transformation demands adaptation of HR management that integrates traditional principles with the demands of technology and the modern workforce.
a. Digital Training

Rapid technological developments have transformed the workplace landscape. The literature consistently supports the key to maintaining employee loyalty and adaptability in the digital era. Putri & Siregar (2023) specifically examined the significance of digital training on retention in the modern retail industry. Furthermore, Sari & Pratama (2023) emphasized that developing digital HR competencies is a fundamental strategy for facing the challenges of the Industrial Revolution 4.0. According to Wahyudi et al. (2023), this increased competency is a direct impact of digital transformation on human resource management.
b. Transformational Leadership

A leadership style that provides inspiration and motivation, or Transformational Leadership, is crucial in the context of digitalization and employee retention. According to Bass & Avolio (1994), this type of leadership is effective in encouraging employees to transcend self-interest for collective goals. In the digital context, Riwukore,

Alie, & Habaora (2023) found that transformational leadership impacts team productivity, which is a prerequisite for job satisfaction and retention. Risa & Endratno (2023) also confirmed that transformational leadership significantly reduces employee turnover intentions.

c. Work Wellbeing (Work-Life Balance)

Work-life well-being and work-life balance (WLB) are important factors that create job satisfaction and impact employees' desire to stay with a company. The concept of WLB is increasingly relevant for Millennials and Gen Z, where workplace unhappiness is preferred over high compensation. Handoko, Tobing, & Setyawan (2024) conducted a quantitative study showing that WLB has a significant and direct influence on employee retention, with job satisfaction acting as a mediator. Furthermore, Gunawan et al. (2023) analyzed the role of WLB in HR management in the Gig Economy and digital platforms, demonstrating the relevance of work flexibility in this era.

2. Empirical Explanation (Based on Research Results)

The empirical results obtained from multiple linear regression analysis on 75 employees of PT Retail Nusantara provide strong evidence to support the research hypothesis.

- Simultaneous Effect (F Test): The variables Digital Training (X_1), Transformational Leadership (X_2), and Workplace Well-being (X_3) collectively (simultaneously) have a very significant effect on Employee Retention (Y). The F_{count} value of 42.781 with a significance level of 0.000 proves that this regression model is feasible and statistically significant.
- Coefficient of Determination (R^2): The coefficient of determination is 0.682. This figure indicates that 68.2% of the variation in employee retention can be effectively explained by the three independent variables studied.
- Partial and Dominant Effects (t-Test): The three variables were proven to have a significant partial (individual) effect on employee retention (Sig < 0.05).
  - Digital Training (X_1): Has the highest t-value (4.875) and the largest regression coefficient (0.421), making it the strongest and most dominant factor influencing employee retention. This is consistent with Yani & Saputra's (2023) study, which emphasized the importance of talent management and job satisfaction for Gen Y and Z retention.
  - Transformational Leadership (X_2): Has a significant influence with a t-test value of 3.429. This confirms its role in providing vital motivation for employee growth.
  - Workplace Well-being (X_3): Has a significant effect with a t-value of 2.987. This indicates the importance of creating adequate job satisfaction for employees to remain.

CONCLUSION AND SUGGESTION

Table Name	Statistical Description	Numerical Results	Detailed Interpretation
Table 1. Reliability Test	Cronbach's Alpha	0.892	The alpha value of 0.892 is greater than the threshold of 0.7. This indicates that all questionnaire items used in this study (to measure X_1, X_2, X_3, and Y) are reliable or consistent in measuring the same variable.
Table 2. Multiple Linear Regression Test	Regression Equation (Y = a + b_1X_1 + b_2X_2 + b_3X_3)	Y = 4.215 + 0.421X_1 + 0.318X_2 + 0.276X_3	The constant (a) of 4.215 is the employee retention value (Y) when all independent variables (X) are assumed to be zero. The regression coefficient (b) shows: 1. X_1 (Digital Training) has the largest positive influence (0.421). 2. X_2 (Transformational Leadership) has a positive influence (0.318). 3. X_3 (Workplace Well-being) has a positive influence (0.276). This means that an increase in variable X will increase employee retention.

Table 3. t-Test (Partial)	t-value and Sig. (Partial Effect)	X_1 (Digital Training): t = 4.875; Sig = 0.000. X_2 (Transformational Leadership): t = 3.429; Sig = 0.001. X_3 (Workplace Well-Being): t = 2.987; Sig = 0.004.	Because the significance value (Sig) of the three variables is less than 0.05: * 0.000 < 0.05 * 0.001 < 0.05 * 0.004 < 0.05 Conclusion: The three variables (Digital Training, Transformational Leadership, and Workplace Well-being) have a significant partial (individual) effect on employee retention. X_1 has the largest t-value, confirming its most dominant influence.
Table 4. F Test (Simultaneous)	F_{count} and Sig. Values (Simultaneous Effect)	F_{count} = 42.781; Sig = 0.000.	Because the significance value of 0.000 is less than 0.05: Conclusion: Digital Training, Transformational Leadership, and Workplace Well-being simultaneously (together) have a significant effect on employee retention.
Table 5. Coefficient of Determination (R^2)	R^2 value	0.682.	

This study concludes that employee retention strategies in the digital era in retail companies should focus on:
1. Strengthening technology-based training programs.
2. Development of transformational leadership that is adaptive to digitalization.
3. Improved well-being and work–life balance.
PT Retail Nusantara's retention strategy should focus on strengthening technology-based training programs, as they have proven to be the most dominant. Suggested follow-up actions for the company include implementing an internal e-learning system, strengthening two-way communication, and providing digital performance-based rewards.

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