

Factors Affecting Turnover Intention

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This study aims to analyse work compensation, work motivation and turnover intention in the Fishery SPL 88 Company, and to establish the factors that influence turnover intention. This type of research is descriptive and verification research using a quantitative approach. The sampling technique used in this study was purposive sampling. Based on the calculations that have been done, the samples in this study were 47 respondents with data collection using the questionnaire instrument. Path analysis was used to explain this study. After calculations, the study found that the compensation variable and work environment simultaneously had a significant effect on employee job satisfaction, and partially the compensation variable and work environment had a significant effect on employee job satisfaction in a positive direction. In addition, compensation variables, work environment and job satisfaction also had an influence on turnover intention simultaneously, and partially compensation variables, work environment and job satisfaction had a significant and negative effect on employee turnover intention. Indirectly the compensation variable and work environment have a negative influence on employee turnover intention.

Key words: *Compensation, work environment, job satisfaction, turnover intention.*

Introduction

In organisations, human resources are important assets because good human resource management enables a company to continue to achieve development. The performance of an organisation cannot be separated from the performance of each individual in the company; and the organisation can improve individual performance in various ways. These methods are expected to increase employee satisfaction and commitment to the completion of the performance that is the goal of the company. Employee dissatisfaction in an organisation can be caused by various factors within the organisation itself, and this dissatisfaction can often be identified as a reason for turnover intention.

The desire of an employee to leave a company becomes a phenomenon within a company, which ultimately becomes an evaluation of work and its relationship with the organisation. The higher the turnover that occurs within an organisation, the more often the organisation will experience employee turnover, resulting in losses for the company and consequent costs

incurred by the company, including to recruit and train new employees. Based on the data obtained by researchers, over the last three years there has been an increase in the number of employees leaving the Fishery SPL 88 Company. The number of employees who left in 2015, 2016 and 2017 were 14.8 per cent, 22.2 per cent and 29.6 per cent respectively.

Compensation and work environment in the organisation, especially related to its regulation, will affect job satisfaction and subsequently will impact turnover intention. Turnover intention that occurs within the organization can be an obstacle to achieving company goals. This study therefore focuses on the role of the compensation variable and work environment in influencing the occurrence of job satisfaction in the organisation and its impact on turnover intention in an organisation. The object used in this study is a private company.

Literature Review

Definition of Compensation

Compensation has two components: financial rewards or direct or cash financial payments in the form of wages, salaries, incentives, commissions and bonuses; and non-financial rewards or indirect payments According to Sjafri (2011, p. 203), compensation includes forms of direct cash payments, indirect payments in the form of employee benefits, and incentives to motivate employees to work hard to achieve higher productivity. Hasibuan (2017, p. 118) states that compensation is all income in the form of money, goods directly or indirectly received by employees as compensation for those given to companies. Ardana (2012) suggests that compensation is everything that is received by employees as remuneration or contribution to companies or organisations. In general, the purpose of compensation is to help companies successfully achieve the company's strategy in ensuring internal and external justice. In general, compensation can be divided into direct and indirect compensation.

Understanding the Work Environment

The work environment is an important aspect for management to consider. A good working environment will create work relationships that will bind workers in their environment. Sedarmayanti (2013) states that the work environment includes all conditions related to work relations – both with superiors and with co-workers.

Nuraini (2013) claims that the work environment is everything that exists around the employee, and that it can influence the way they carry out the tasks assigned to them. Josephine and Harjanti (2017) state that the work environment is everything that happens to people and others that affects the way people work. The work environment is a collection of both physical and non-physical factors that influence employees at work.

Definition of Job Satisfaction

Bangun (2012) states that job satisfaction is an assessment of a job whether the job is pleasant or unpleasant to do, while according to Yianita (2015), job satisfaction is an employee's feelings related to work and a general attitude of an individual to work where they are required to interact with others in the workplace. Setyaningrum and Mukzam (2018) state that employee job satisfaction is the most important thing to consider in relation to productivity. Basically, job satisfaction can be caused by various factors related to both the individual and the external environment.

Definition of Turnover Intention

Mobley (2011) states that turnover intention is the result of an individual's evaluation of the continuity of their relationship with the company where they work, which has not been realised. According to Robbins and Judge (2015), turnover intention is a tendency or level at which an employee has the possibility to leave the company – either voluntarily or not – due to a lack of interest in the current job and the availability of alternative jobs. Mathis and Jackson (2011) describe turnover intention as the process by which employees leave the organisation and must be replaced. According to Kasmir (2016), employees usually leave a due to two factors: being stopped and stopping themselves. Mobley (2011) states that two factors influence a person to change jobs: first, organisational factors (size of organisation, size of work unit, payroll, workload and supervision style); and second, individual factors (satisfaction with day-to-day work, satisfaction with work as a whole, promotion payments, workload, work relationships, assessment, attachment to the organisation, expectation of finding another job, intention to leave or stay, mental stress and environment).

Research Methods

Object of Research

This study focuses on the Fishery SPL 88 company. The sampling technique used by the author is a non-probability sampling technique. According to Sugiyono (2017, p. 122) non-probability sampling does not provide equal opportunities/opportunities for each element or member of the population to be chosen as a sample. The reason for selecting samples using purposive sampling is because not all samples have criteria in accordance with the authors' requirements. Based on the return of the questionnaires, the number of samples obtained at least 47 people from a population of 54 employees. This study uses quantitative data. Data collection is the most important step in the research, and occurred through field research and a study of the literature. The variables used were compensation (X1), work motivation (X2), job satisfaction (Y) and turnover intention (Y) (see Figure 1).

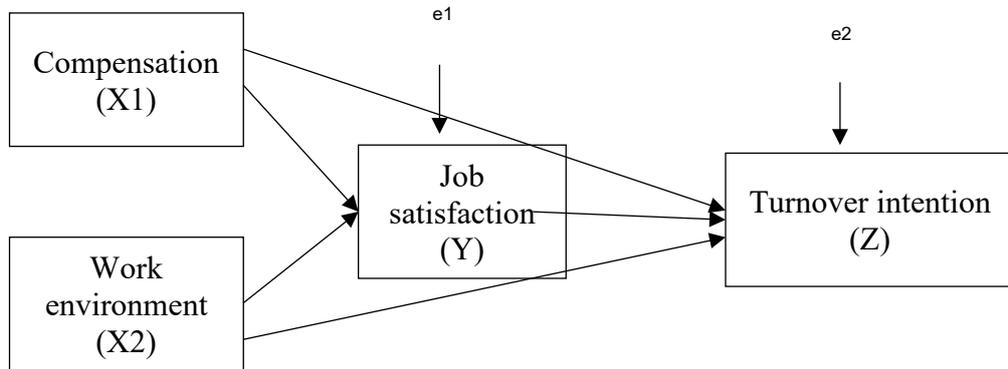


Figure 1: Research path diagram model

Research Results and Discussion

Path Analysis Results

Figure 2 shows the path analysis results.

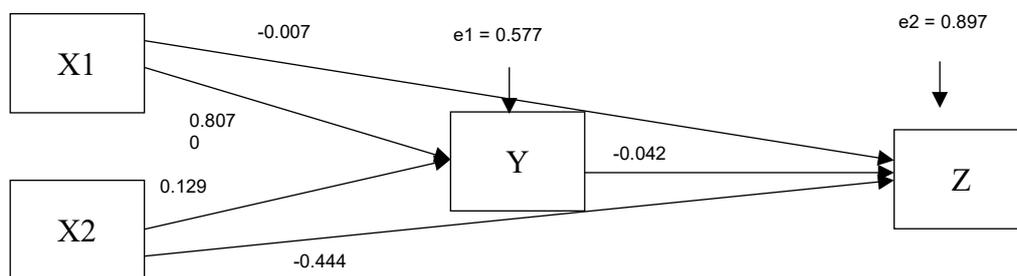


Figure 2: Path analysis results

The research path diagram has the following structural equation:

Substructure 1: $Y = \rho_{ZX1} + \rho_{ZX2} + e1$
 $Y = 0.807X1 + 0.129X2 + 0.577$

Substructure 2: $Z = \rho_{YX1} + \rho_{YX2} + \rho_{YZ} + e2$
 $Z = -0.007X1 - 0.444X2 - 0.042Y + 0.897$

Based on the results of the analysis of calculations, the influence between variables from Substructure 1 and Substructure 2 is as follows. Compensation (X1) has a positive effect on job satisfaction (Y) of 0.807 with a significance level of 0.000, meaning that the better compensation the company provides, the more job satisfaction there will be. Work

environment (X2) has a positive effect on job satisfaction (Y) of 0.129 with a significance level of 0.030, meaning that the better the working environment conditions provided by the company, the more job satisfaction will increase. Compensation (X1) has a negative effect on turnover intention (Z) directly at -0.007 with a significance level of 0.005, meaning that better compensation provided by the company will result in lower turnover intention. The work environment (X2) has a negative effect on turnover intention (Z) directly at -0.444 with a significance level of 0.000, meaning that the better the working environment conditions provided by the company, the lower the turnover intention will be. Job satisfaction (Y) has a negative effect on turnover intention (Z) directly at -0.042 with a significance level of 0.020, meaning that the higher the job satisfaction, the lower the turnover intention will be. The indirect effect of work environment (X2) on turnover intention (Z) is (0.129×-0.042) , which is equal to -0.005 , meaning that the better the working conditions provided by the company, the more job satisfaction will increase and turnover intention will decrease.

Discussion

This study found that compensation and work environment simultaneously had an influence on job satisfaction where the significance value produced is smaller than 0.05. The magnitude of the effect of compensation (X₁) and work environment (X₂) on job satisfaction (Y) is 66.7 per cent while 33.3 per cent is influenced by other factors outside the variables studied. This means that in carrying out its business activities, the company must pay attention to compensation and the work environment so that employee job satisfaction can be achieved. Compensation that is in accordance with workload, and a good work environment with positive relationships between subordinates and superiors, and among colleagues, will increase job satisfaction. The results of this study are in accordance with the research conducted by Ramadita and Kasmandi (2018), Pioh and Tawas (2016) and Triami et al. (2016).

The results indicate that there is a significant effect between compensation for job satisfaction and positive direction where the significance value produced is smaller than 0.05, which is equal to zero. This indicates that higher compensation will increase employee job satisfaction. With the existence of a good reward system, employees will be able to meet their physical needs, as well as their requirements for social status and self-fulfilment so that they can gain satisfaction from their current work. The results of this study support previous research conducted by Safetyaningrum and Mukzam (2018), Tantowi (2016), Ramadita and Kasmandi 2018 and Triani et al. (2016).

The results show a significant influence between the work environment on job satisfaction and positive direction where the significance value produced is smaller than 0.05, which is equal to 0.030. These results indicate that the better the conditions of the work environment (work atmosphere, relations between employees, availability of work facilities, group

cooperation and supervisory leadership) are, the more employee job satisfaction will increase. The creation of a good working environment for employees by the organisation will lead to employees gaining satisfaction from their current work. The results of this study support previous research conducted by Ramadita and Kasmandi (2018), Pioh and Tawas (2016) and Triani et al. (2016).

The study found that compensation, work environment and satisfaction simultaneously had an influence on job satisfaction where the significance value produced is smaller than 0.05. The magnitude of the effect of compensation (X_1), work environment (X_2), and job satisfaction (Y) on turnover intention (Z) is 19.5 per cent, while 80.5 per cent is influenced by other factors outside the variables studied. Although it has a joint influence on turnover intention, the influence of the variables compensation, work environment and satisfaction is very small, unlike the effect of compensation and work environment on job satisfaction. This is because other variables are more influential in influencing turnover intention, whereas in assessing satisfaction, compensation variables and work environment are able to describe job satisfaction because employees still regard compensation as the highest measure of satisfaction.

The results of the study show that there is an indirect influence between compensation for turnover intention and negative direction where the significance value produced is smaller than 0.05, which is equal to 0.005. This indicates that higher compensation will reduce employee turnover intention. With the existence of a good remuneration system, employees will feel that the current place of work meets their needs so their desire to leave the workplace will decrease. The results of this study support previous research conducted by Safetyaningrum and Mukzam (2018), Qofiqi (2016), Tantowi (2016), Putianti (2014), Widayati (2016), Aini et al. (2018) and Mukzam (2014).

The study shows an indirect influence between the work environment on turnover intention and the negative direction where the significance value produced is smaller than 0.05, which is equal to zero. This indicates that the better the conditions of the work environment (work atmosphere, relations among fellow employees, availability of work facilities, group cooperation and leadership supervision), the more employee turnover intention will be reduced. If the organisation is able to create a good working environment for employees, then employees will feel that their workplace meets their needs and the desire to leave the workplace will decrease. The results of this study support previous research conducted by Halimah (2016) and Aini et al. (2018).

The results of the study show that there is a significant effect between job satisfaction on employee turnover intention and negative direction where the significance value produced is smaller than 0.05, which is equal to 0.020. These results indicate that if employees in an



organisation are satisfied with the organisation, then their desire to leave the workplace will be low. Based on the results of this study, organisations must therefore be able to create employee job satisfaction by referring to variables that can increase satisfaction. With regard to this study, at least two factors can be used – compensation and work environment – to help employees feel that the workplace meets their needs so they will be satisfied and their desire to leave the workplace will decrease. Well-controlled turnover intention controlled will benefit the company because high turnover intention results in high costs, including recruitment and training. The results of this study support previous research conducted by Safetyaningrum and Mukzam (2018) and Zaki and Marzolina (2016).

Conclusion

From the research results and discussion, this study found that compensation variables and work environment simultaneously have a significant effect on employee job satisfaction, and that compensation variables and work environment have a partial but significant effect on employee job satisfaction in a positive direction. In addition, compensation variables, work environment and job satisfaction simultaneously influence turnover intention, and the variables compensation, work environment, and job satisfaction have a partial but significant effect on employee turnover intention with a negative direction. Indirectly, the compensation variable and work environment have a negative influence on employee turnover intention.

Based on the conclusions of the study, the authors recommend further research to add variables in measuring satisfaction; this could include companies whose workers have higher education (min. S1). Whereas paying attention to compensation and the work environment was able to increase satisfaction for employees of companies in this study, other variables must also be considered to maximise employee satisfaction so turnover intention can be reduced.



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