Determinants of Turnover Intention Through Job Satisfaction

Reza Ananda Abdi Pane, Desi Astuti, Hernawaty

Abstract

The purpose of this study was to examine the effect of compensation and work environment on employee turnover intention, with job satisfaction as an intervening variable, at PT. Suryamas Cipta Perkasa I in Pulang Pisau Regency, Central Kalimantan. This study used a quantitative approach. The sample in this study consisted of 116 supervisory employees. Data were collected using questionnaires and analyzed using Smart PLS version 3.3.3 software. The results of this study indicate that the compensation variable has a positive and significant effect on job satisfaction. The work environment has a positive and significant effect on job satisfaction.The work environment has a positive and significant effect on job satisfaction. Compensation has a positive and significant effect on turnover intention. The work environment has a positive and significant effect on turnover intention. Job satisfaction has a positive and significant effect on turnover intention. Job satisfaction is able to mediate the effect of compensation on turnover intention. Job satisfaction is able to mediate the effect of the work environment on turnover intention.

Keywords: Compensation, Work Environment, Job Satisfaction, and Turnover Intention.

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Introduction

A key factor that affects the performance of palm oil plantation companies is the quality of human resources within them, especially supervisory employees. Amid this complexity, lower-level supervisory employees, often referred to as foremen and clerks, play a very crucial role as the main link between management and daily operations in the field. The company's success in achieving its vision and mission is certainly closely related to the performance of the reliable human resources within it. Human resources are the most valuable and important asset in a company. The success of a company is certainly greatly determined by the human resources within it. In recent years, palm oil plantation companies have faced high levels of supervisory employee turnover, which can negatively impact company performance.

The high rate of employee turnover intention today has certainly become a very serious problem for many companies, which of course can have a negative impact on the company's sustainability in the future.

According to Putri (2017), the negative impacts of turnover intention on a company include an unconducive work atmosphere, increased costs that the company must bear, decreased productivity, the need to find new employees, and spending time and money to recruit employees with the desired skills and quality. A compensation system that is well-implemented, accurate, and appropriate will certainly motivate and improve employee performance.

Employees will feel more motivated to work and satisfied because their basic needs are met. If the company does not implement a good, appropriate, and proper compensation system, employees' motivation may decrease and their job satisfaction will also decline, which could lead to a desire to change jobs. A safe and comfortable working environment will also make employees more enthusiastic and motivated in carrying out their tasks.

Conversely, if a good working environment is not established, employees will not feel safe or comfortable in performing their duties, resulting in decreased job satisfaction. From there, it can lead to employees being interested in leaving the company and joining another company.

According to Robbins (2015), job satisfaction is an individual's general attitude toward their job, which differs between what employees receive and what they should receive. A person will work with enthusiasm if satisfaction can be obtained, and job satisfaction becomes the key to discipline, morale booster, and improvement of work performance. On the other hand, low employee satisfaction at work will result in a high desire to leave or resign and seek another company.

Literature Review

1. Turnover Intention

According to Ardan & Jaelani (2021), turnover intention is an employee's desire to voluntarily leave their job of their own accord.

Employee Turnover Intention Indicators

According to Ardan and Jaelani (2021), there are three indicators to measure turnover intention, namely:

1. Thoughts of quitting.
2. Intention to quit.
3. Intention to search for another job.

2. Job Satisfaction

According to Yuniarsih (2017), job satisfaction is a depiction of employees' psychological condition regarding their work outcomes. A person's level of satisfaction is essentially influenced by the values within themselves, thus the level of satisfaction will vary among individuals.

Job Satisfaction Indicators

According to Yuniarsih (2017), there are several indicators of employee job satisfaction, as follows:

1. Supervision.
2. Work environment.
3. Promotion.
4. Supportive coworkers.
5. Mentally challenging work.
6. Compensation in the form of wages/salary.

3. Compensation

According to Simamora (2015), compensation is a general term related to the financial rewards received by an individual through their employment relationship with an organization.

Compensation Indicators

According to Simamora (2015), there are four indicators to assess compensation, namely:

1. Wages and salaries
2. Incentives
3. Allowances
4. Facilities

4. Work Environment

According to Budiasa (2021), the work environment is all aspects surrounding employees while they work, both physical and non-physical, that can affect themselves and their work. The work environment encompasses everything that can have a direct or indirect impact on employees and their performance.

Work Environment Indicators

According to Budiasa (2021), the work environment can be measured through the following indicators:

1. Work Atmosphere
2. Relationships with Colleagues
3. Availability of Work Facilities

Conceptual Framework
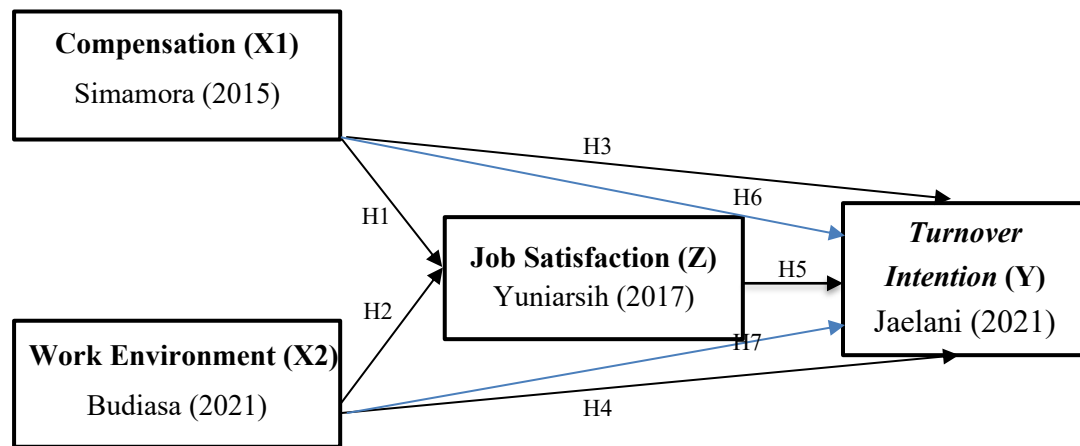
Research Hypothesis
1. Compensation has a positive and significant effect on Job Satisfaction at PT. Suryamas Cipta Perkasa I, Pulang Pisau Regency, Central Kalimantan Province.
2. Work Environment has a positive and significant effect on Job Satisfaction at PT. Suryamas Cipta Perkasa I, Pulang Pisau Regency, Central Kalimantan Province.
3. Compensation has a positive and significant effect on Turnover Intention at PT. Suryamas Cipta Perkasa I, Pulang Pisau Regency, Central Kalimantan Province.
4. Work Environment has a positive and significant effect on Turnover Intention at PT. Suryamas Cipta Perkasa I, Pulang Pisau Regency, Central Kalimantan Province.
5. Job Satisfaction has a positive and significant effect on Employee Turnover Intention at PT. Suryamas Cipta Perkasa I, Pulang Pisau Regency, Central Kalimantan Province.
6. Compensation has a positive and significant effect on turnover intention through job satisfaction at PT. Suryamas Cipta Perkasa I in Pulang Pisau Regency, Central Kalimantan Province.
7. Work environment has a positive and significant effect on turnover intention through job satisfaction at PT. Suryamas Cipta Perkasa I in Pulang Pisau Regency, Central Kalimantan Province.

Research Methodology
Type of Research
This research is a quantitative study. According to Sugiyono (2018), quantitative data is a research method based on positivism (concrete data), with research data in the form of numbers that will be measured using statistics as a tool for calculation testing, related to the problem being studied to produce a conclusion.

Research Time and Location
This research was conducted at PT. Suryamas Cipta Perkasa I, located in Paduran Sebangau Village, Sebangau Kuala District, Pulang Pisau Regency, Central Kalimantan Province.

Population

In this study, the total population of lower-level supervisory employees, which consists of foremen and clerks at PT. Suryamas Cipta Perkasa I Pulang Pisau, Central Kalimantan Province, is 164 people, divided into four work departments.

Sample

This study took a sample from the population with an allowable error rate of 5% (0.05). Based on calculations using the Slovin's formula, it was determined that the number of samples in this study was 116 supervisory employees of PT. Suryamas Cipta Perkasa I Pulang Pisau, Central Kalimantan Province.

Data Source

The research data sources used by the researcher are primary data sources. Primary data sources are when the researcher obtains data directly. Sugiyono (2018) stated that primary data sources are sources that directly provide data to the data collector or researcher.

Data Collection Techniques

The data collection technique used is a questionnaire. The researcher will distribute the questionnaire to the respondents who are the sample. According to Sugiyono (2018), a questionnaire is a data collection technique conducted by providing a set of written questions or statements to respondents to be answered.

Data Analysis Method

According to Imam Ghozali (2016), the Partial Least Square (PLS) method explains that the variance-based structural equation model (PLS) is capable of representing latent variables (not directly measurable and measured using indicators or manifest variables). According to Ghozali (2016), Partial Least Square (PLS) is a powerful analysis method because it does not assume that the data must be measured using a specific scale and can handle small sample sizes. The purpose of Partial Least Square (PLS) is to help researchers obtain latent variable values for prediction purposes.

Outer Model

This model includes testing individual item reliability, internal consistency or construct reliability, and Average Variance Extracted. These three measures are grouped based on convergent validity, which assesses the degree of correlation between variables and the latent variable. In addition to convergent validity, there is also testing for discriminant validity. Measurement modeling is carried out to determine the relationship between variables and their indicators. This individual item reliability test illustrates the correlation between each measurement item (metric) and its structure in standardized loading factor values. If the ideal load factor value is greater than 0.5, it means that this indicator is valid as an indicator that can measure the structure.

evaluated using cross-loading, and then by comparing the AVE value with the square of the correlation values between variables. Cross-loading measurement is used to compare the correlation of a variable with other block variables, indicating that the variable predicts its own block better than other blocks. Another measure of Discriminant Validity is that the square root

of the AVE should be greater than the correlations between other variables, or the AVE value should be greater than the squared correlations between variables.

Inner Model

The measurement of the structural model is conducted by researchers to understand the relationships between the hypothesized structures. In this model, there are several steps to carry out the evaluation. The first step is to examine the significance of the relationships between variables. This can be seen from the path coefficient, which describes the strength of the relationships between variables. A path coefficient (β) value greater than 0.2 indicates that the path has an effect in the model. The second step is to test the T-test value using the bootstrapping method with a two-tailed test at a 5% significance level to test the research hypothesis. If the T-test value is greater, the developed research hypothesis can be accepted. The third step is to evaluate the R^2 (coefficient of determination) value. This value explains the variance of each target variable with a standard size of around 0.75 indicating strong, around 0.5 moderate, and less than 0.25 indicating a low level of variance.

Results
1. Analysis of Measurement Model (Outer Model).

Testing the measurement model (outer model) is used to determine the relationship between latent and manifest variables. The test includes convergent validity, discriminant validity, and reliability.

Convergent Validity

This test is assessed based on the factor loadings; the threshold value is 0.7. The Average Variance Extracted (AVE) threshold is 0.5 if it exceeds this value, it is considered valid.
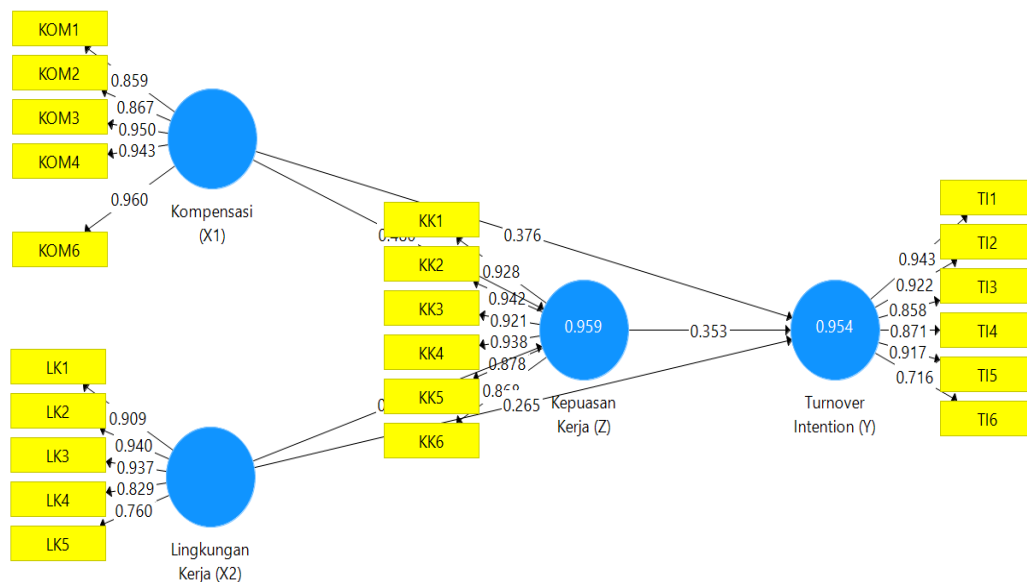
Figure 1. Structural Equation Modeling (SEM) Structural Model Analysis (Inner Model)

R-Square Test

Table 1. R-Square Test

Research Variable	R Square	R Square Adjusted
Job Satisfaction (Z)	0,959	0,958
Turnover Intention (Y)	0,954	0,953

Source: Smart PLS 3.3.33

  Based on Table 1 above, the R-square for the Job Satisfaction (Z) variable is 0.959, which means that the Compensation (X1) and Work Environment (X2) variables are able to predict Job Satisfaction (Z) by 95.9%. Meanwhile, for the Turnover Intention (Y) variable, the value is 0.954. This means that the Compensation (X1) and Work Environment (X2) variables together have a very significant influence in predicting Turnover Intention (Y), which is 95.4%.

F-Square test

Table 2. F-Square Test

Variable	Compensation (X1)	Work Environment (X2)	Job Satisfaction (Z)	Turnover Intention (Y)
Compensation (X1)			0,825	0,247
Work Environment (X2)			0,959	0,115
Turnover Intention (Y)				
Job Satisfaction (Z)				0,111

Source: Smart PLS 3.3.33

  Based on the F-Square table 2 above, the Compensation variable (X1) has a large influence on Job Satisfaction (Z) with an F-Square value of 0,825, and has a moderate influence on Turnover Intention (Y) with a value of 0,247. Furthermore, the Work Environment variable (X2) has a large influence on Job Satisfaction (Z) with a value of 0,959, as well as a moderate influence on Turnover Intention (Y) with a value of 0,115. Meanwhile, the Job Satisfaction variable (Z) has a low influence on Turnover Intention (Y) with an F-Square value of 0,111, which falls into the small category.

2. Hypothesis

Table 3. T-statistic significance test of Direct Effect

Research Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (Stdev)	T Statistics (|O/Stdev|)	P Values
Compensation (X1) -> Job Satisfaction (Z)	0,480	0,485	0,080	6,038	0,000
Work Environment (X2) -> Job Satisfaction (Z)	0,518	0,513	0,079	6,516	0,000
Compensation (X1) -> Turnover Intention (Y)	0,545	0,552	0,076	7,182	0,000

Work Environment (X2) -> Turnover Intention (Y)	0,448	0,441	0,075	6,000	0,000
Job Satisfaction (Z) -> Turnover Intention (Y)	0,353	0,339	0,126	2,803	0,006

Source: Smart PLS 3.3.33

Table 4. t-statistic Significance Test of Indirect Effect

Research Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (Stdev)	T Statistics (|O/Stdev|)	P Values
Compensation (X1) -> Job Satisfaction (Z) -> Turnover Intention (Y)	0,170	0,165	0,071	2,398	0,018
Work Environment (X2) -> Job Satisfaction (Z) -> Turnover Intention (Y)	0,183	0,173	0,067	2,742	0,007

Source: Smart PLS 3.3.33

This study has several objectives, namely to analyze the direct effect of compensation (X1) on job satisfaction (Z), the effect of compensation on turnover intention (Y), the effect of work environment (X2) on job satisfaction (Z), the effect of work environment on turnover intention (Y), as well as the indirect effect of compensation on turnover intention through job satisfaction, and the effect of work environment on turnover intention through job satisfaction.

Conclusion

1. The better the compensation provided by the company to employees, the greater the increase in employee job satisfaction. Adequate compensation will motivate employees to work well, achieve the expectations set by the company, and enhance employee satisfaction.
2. Good working conditions also affect employees' enthusiasm and emotions, which impact their job satisfaction.
3. A good and conducive work environment can increase employee job satisfaction.
4. Poor compensation systems provided by the company influence employees' decisions to leave the company, and the work environment provided by the company has not yet been able to provide comfort for employees, making it one of the causes of the high turnover intention. Job satisfaction determines the level of employee retention within the company.
5. If employees do not feel satisfied with their jobs, their desire to leave the company (Turnover Intention) tends to be high.
6. Providing good compensation, as well as fair and adequate pay, can support smooth workflow and work motivation, and can minimize employees' intention to leave the company. Conversely, a poor work environment that does not support employees' tasks will certainly increase their desire to leave the company (Turnover).

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