

THE EFFECT OF COMPENSATION AND JOB SATISFACTION ON TURNOVER INTENTION AT PT CITRA INSANI GARDA SEMESTA (CIGS)

Dea Tiara Anggraeni¹, Ali Ridho², Suci Ayu Sudari³

Management Study Program^{1,2,3}
Jakarta Global University^{1,2,3}

deatiara02@gmail.com¹, aldohadad@gmail.com², suci@jgu.ac.id³

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Abstract: *This study aims to examine the impact of compensation and job satisfaction on turnover intention among employees at PT CIGS. Validity and reliability tests, instrument analysis such as normality test, heteroscedasticity test, and multicollinearity test, t-test, F-test, and multiple linear regression analysis are conducted to provide research results and statistical data assumptions. Hypothesis testing shows that compensation and job satisfaction have a negative effect on turnover intention. This study contributes to the academic field by enhancing the understanding of factors influencing employee turnover intention. Additionally, the results are expected to provide insights for company management in managing compensation and improving job satisfaction to reduce employee turnover.*

Keywords: *Compensation; Job Satisfaction; Turnover Intention*

I. INTRODUCTION

A company's progress is influenced by one of the key foundations, namely the competent and qualified human resources that the company has. Human resources have two different perspectives, the quantitative perspective relates to the quantity of human resources available, then the quality perspective describes the abilities possessed by individuals which can be physical or non-physical [1]. In a company, human resource management plays an important role in maintaining good relations with employees to provide a decent standard of living for its employees. A decent standard of living can be in the form of implementing company policies that benefit various parties and are fair in providing compensation by paying attention to employee needs and the company is also required to pay attention to employee job satisfaction.

The compensation provided by the company must follow applicable policies and be fair. According to [2], the amount of compensation given by the company must be borne properly so that there are no discriminatory subjective assessments, the big influence of compensation on the performance and abilities that employees have devoted to carrying out their responsibilities to the company will be a meaningful motivation.

Employee job satisfaction is very important for companies because it is the employee's view of how well the company values the work they have provided [3]. The benefits that companies get are not only in the results, companies that succeed in maintaining employee job satisfaction will be able to retain many competent employees and reduce turnover intention.

PT CIGS is a third-party company engaged in the employee recruitment service industry, aiming to meet the workforce needs of partners. The partners in question are companies that use PT CIGS's services. When other companies need workers, they can enter into a cooperation agreement with PT CIGS. As a liaison between partner companies and employees, PT CIGS has difficulty in providing wages to its employees due to



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differences in compensation policies set through cooperation with partners. PT CIGS strives to provide fair compensation and incentives even though employees are placed in partner companies that implement different policies regarding compensation. Employee job satisfaction is strengthened through job promotion policies. Job promotions at PT CIGS are rare, usually when there is a need for a new position, and prioritize experienced employees. Promoted employees get more benefits, but because promotions are rare, this is the reason some employees choose to quit their jobs.

Table 1. Number of Employees in the Last Six Years of PT CIGS
(2019-2024)

Year	Number of Employees
2019	952
2020	907
2021	553
2022	264
2023	230
2024	230

Source: PT Citra Insani Garda Semesta, 2024

In the recorded data, PT CIGS has continued to experience a decline in the number of employees over the past five years. This employee turnover problem can be anticipated by identifying the root of the problem that triggers the turnover phenomenon at PT CIGS. The company's responsibility for compensation and job satisfaction is key to maintaining employee retention and preventing them from moving from the company.

II. LITERATURE REVIEW

Compensation

According to [4] compensation is a sign of reward received by employees for the performance produced in various forms, which can be in the form of facilities or money. The provision of compensation has a positive effect on employees and the company because employees can meet their needs and the company can achieve its goals. From the explanation related to compensation, according to [4], the compensation indicators are as follows:

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

Job Satisfaction

Job satisfaction is a behavior shown by an individual towards the results of what has been done [5]. In this study, the researcher adopted the indicators used as a reference as a measuring tool for employee job satisfaction, namely the indicators proposed by [6]:

1. Work;
2. Promotion;
3. Leadership; and
4. Coworkers.

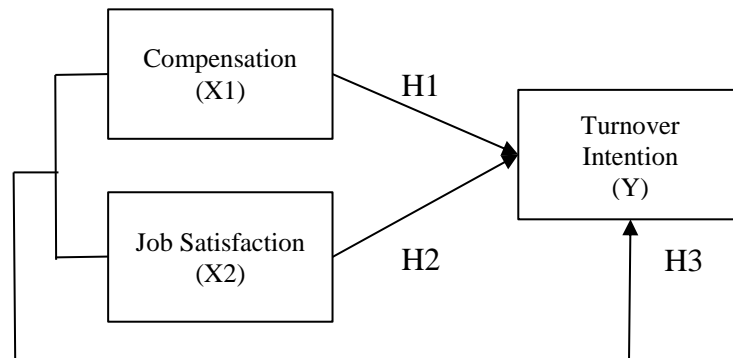
Turnover Intention

The tendency or desire of employees to end their employment relationship voluntarily, caused by their personal decisions, is known as turnover intention [7]. according to [8] turnover intention is the employee's desire to leave their job is more due to the individual's aspiration to get a better job than the job they currently have. According to [9] there are several indicators of turnover intention, as follows;

1. Thoughts of leaving the company
2. Search for alternative employment by company employees
3. Intention to leave the company



Conceptual Framework and Hypothesis



Source: developed in research, 2024

The research is based on the relationship and significant effect of the independent variables, namely compensation and job satisfaction and the dependent variable, namely turnover intention. In addition, the structure that will be used to develop the hypothesis to be tested is also used, the following is the formulation of the hypothesis in this study:

H₁: Compensation Effects Turnover Intention at PT Citra Insani Garda Semesta (CIGS)

H₂: Job Satisfaction Effects Turnover Intention at PT Citra Insani Garda Semesta (CIGS)

H₃: Compensation and Job Satisfaction Simultaneously Have an Effects on Turnover Intention at PT Citra Insani Garda Semesta (CIGS)

III. METHODOLOGY

The research method used in this study is quantitative. This study was conducted at PT Citra Insani Garda Semesta (CIGS) with a population of 230 people. The sampling technique used was non-probability sampling with an accidental method where the selection of samples was based on coincidence and the suitability of the data obtained [10]. Through the Slovin formula, a sample of 70 respondents was obtained.

In this study, the data sources to be processed are primary data and secondary data. Primary data is information collected directly through field surveys using interview methods and distributing questionnaires. While secondary data is complementary data such as data obtained from academic sources or data from companies. The data analysis technique used in this study is the validity and reliability test. Classical assumption tests such as normality tests, heteroscedasticity tests, and multicollinearity tests. Multiple linear regression analysis, determination coefficient tests, and hypothesis tests such as t-tests and f-tests

Validity Test

Validity describes the ability of the instrument to accurately measure the dimensions it is supposed to measure [11]. The validity assessment of the instrument is determined by comparing the calculated correlation value (r count) with the table correlation value (r table) for degrees of freedom (degree of freedom/df) = n-2, with n as the number of respondents. In the validity test conducted, the researcher distributed questionnaires to 30 respondents and df was 28, with a significance level of $\alpha = 5\%$ (0.05), so that r table = 0.361.



Table 2. Validity Test Results

Compensation Variable (X1)			
Item	r _{count}	r _{table}	Validity
A1	0,763	0,361	Valid
A2	0,695	0,361	Valid
A3	0,609	0,361	Valid
A4	0,586	0,361	Valid
A5	0,657	0,361	Valid
A6	0,515	0,361	Valid
A7	0,572	0,361	Valid
A8	0,527	0,361	Valid
A9	0,723	0,361	Valid
A10	0,774	0,361	Valid
A11	0,572	0,361	Valid
A12	0,644	0,361	Valid
Job Satisfaction Variabel (X2)			
B1	0,603	0,361	Valid
B2	0,592	0,361	Valid
B3	0,624	0,361	Valid
B4	0,382	0,361	Valid
B5	0,702	0,361	Valid
B6	0,697	0,361	Valid
B7	0,707	0,361	Valid
B8	0,630	0,361	Valid
B9	0,614	0,361	Valid
B10	0,529	0,361	Valid
B11	0,740	0,361	Valid
B12	0,688	0,361	Valid
Turnover Variable (Y)			
C1	0,585	0,361	Valid
C2	0,862	0,361	Valid
C3	0,673	0,361	Valid
C4	0,754	0,361	Valid
C5	0,734	0,361	Valid
C6	0,606	0,361	Valid
C7	0,799	0,361	Valid
C8	0,710	0,361	Valid
C9	0,540	0,361	Valid

Source: processed by researchers, 2024

Based on the table above, it can be concluded that if $r_{count} > r_{table}$ with a significance level of 5%, the question is considered valid. Conversely, if $r_{count} < r_{table}$, the question is considered invalid. In this study, the testing method used a questionnaire that presented 33 statement items, with 12 statements to measure the validity of compensation, 12 statements for job satisfaction, and 9 statements for turnover intention. After the calculation, it can be seen that out of a total of 33 statements, it was proven valid with $r_{count} > r_{table}$ and significance < 0.05 .



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Reliability Test

Reliability testing is useful for determining whether an instrument can be applied repeatedly, thus producing consistent data. Reliability testing can be tested using the SPSS application. The comparison between Cronbach's alpha (α) with a significant level (0.06) which is measured becomes a measure to test reliability.

Table 3. Reliability Test Results

Variable	Cronbach's Alpha (α)	Reliability
Compensation (X1)	0,856	Reliable
Job Satisfaction (X2)	0,810	Reliable
Turnover Intention (Y)	0,863	Reliable

Source: processed by researchers, 2024

From the results it is known that the reliability test value for each variable is declared reliable because the cronbach's alpha (α) value is > 0.06 for each variable; in the compensation variable the cronbach's alpha (α) value is 0.856, the job satisfaction variable is 0.810, and the turnover intention variable is 0.863. Because it meets the requirements of cronbach's alpha (α) more than 0.06, each instrument tested in this study can be declared reliable and can be used in research.

IV. RESULTS AND DISCUSSION

Multiple Linear Regression Results

Table 4. Multiple Linear Regression

Model	Coefficients ^a	
	Unstandardized Coefficients	
	B	Std. Error
(Constant)	57,982	6,939
Compensation	-0,175	0,175
Job Satisfaction	-0,618	0,224

Source: processed by researchers with SPSS, 2024

The regression equation is obtained as follows:

$$Y = 57.982 - 0.175 X1 - 0.618 X2$$

1. The results of the multiple linear regression test show that the constant obtained in this study is 57.982. This indicates that if the independent variable does not exist, the dependent variable does not change.
2. The regression coefficient of the compensation variable is -0.175 and has a negative sign indicating that compensation and turnover intention have an inverse relationship. This can be interpreted that every additional one-unit compensation (X1) will reduce turnover intention (Y) by -0.175 with speculation that other variables are considered constant.
3. The regression coefficient of the job satisfaction variable is -0.618 and has a negative sign indicating that job satisfaction has an inverse relationship with turnover intention. This means that every one-unit increase in job satisfaction (X2) will reduce turnover intention by -0.618 with speculation that other variables are considered constant.

Determination Coefficients Test Results

The coefficient of determination is one of the tests used to measure the variance in the dependent variable, where the value used is between zero and one (0-1), the closer to one, the more the independent variable variance provides a lot of projection of the variance in the dependent variable [12]



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Table 5. Determination Coefficients Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.623 ^a	.388	.370	6,57312
a. Predictors: (Constant), Kepuasan Kerja, Kompensasi				

Source: processed by researchers with SPSS, 2024

Through the test results above, the adjusted R square value is 0.370 or in percent 37%, which means that the compensation and job satisfaction variables have an influence of 37% on turnover intention at PT CIGS. Furthermore, there is 63% influenced by other factors outside the variables studied in the study.

Partial Hypothesis Test Results (t-test)

A hypothesis functions as a statement about the state of a population or parameter whose truth will be tested statistically based on research sample data.

Table 6. Hypothesis Test Compensation Variable

Coefficients ^a				
Model		Unstandardized Coefficients	t	Sig.
		B		
1	(Constant)	43,883	8,919	0,000
	Compensation	-0,576	-5,642	0,000

Source: processed by researchers with SPSS, 2024

It can be seen in the table above that the results of the t-test (partial) show that the significance value of compensation (X1) on turnover intention (Y) is 0.000 < 0.050 and the calculated t value is 5.642 > 1.996 t-table value. This shows that the first hypothesis is acceptance "the Compensation has a negative and significant effect on Turnover Intention at PT CIGS".

Table 7. Hypothesis Test Job Satisfaction Variable

Coefficients ^a				
Model		Unstandardized Coefficients	t	Sig.
		B		
1	(Constant)	59,647	8,852	0,000
	Job Satisfaction	-0,805	-6,445	0,000

Source: processed by researchers with SPSS, 2024

It can be seen in the table above that the results of the t-test (partial) show that the significance value of job satisfaction (X2) on turnover intention (Y) is 0.000 < 0.050 and the calculated t value is 6,445 > 1,996 t-table value. This shows that the second hypothesis is acceptance "the Job Satisfaction has a negative and significant effect on Turnover Intention at PT CIGS".

Simultan Hypothesis Test Results (F-test)

Table 8. Hypothesis Test Results

ANOVA ^a				
Model	df	F	Sig.	
1 Regression	2	21,278	0,000 ^b	
Residual	67			



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Total	69		
1) Dependent Variable: Turnover Intention			
2) Predictors: (Constant), Kepuasan Kerja, Kompensasi			

Source: processed by researchers with SPSS, 2024

Based on the results of the F test, it is known that the two independent variables, compensation (X1) and job satisfaction (X2), together or simultaneously affect the dependent variable, namely turnover intention (Y). This is evidenced by a significance value of 0.000 which is smaller than 0.05, and the calculated F value > F table with a value of 21.278 > 3.13. Thus, hypothesis 3 (H₃) is accepted "Compensation and Job Satisfaction Simultaneously effect Turnover Intention at PT Citra Insani Garda Semesta (CIGS)".

Discussion

Compensation Has a Negative and Significant Effect on Turnover Intention

Through the research conducted, the results and testing of the first hypothesis, it can be concluded that there is a negative influence between the compensation variable and turnover intention with the significance value of compensation (X1) on turnover intention (Y) is 0.000 < 0.050 and the calculated t value is 5.642 > 1.996 t table value. Furthermore, based on the test results, the compensation variable has a regression coefficient of - 0.576 with a significance value of 0.000 which is smaller than the significance level of 0.05. This indicates that the compensation variable has a negative effect on turnover intention of PT CIGS. Therefore, companies can consider implementing compensation strategies and policies that support work-life balance to reduce turnover intention.

Job Satisfaction Has Negative and Significant Effect on Turnover Intention

there is a negative influence between the variables of job satisfaction and turnover intention with the significance value of job satisfaction (X2) on turnover intention (Y) is 0.000 < 0.050 and the calculated t value is 6.445 > 1.996 t table value. Furthermore, based on the test results. This indicates that the compensation variable has a negative effect on turnover intention at PT CIGS. Thus, it can be concluded that job satisfaction is one of the factors that contribute to low turnover intention at PT CIGS.

Compensation and Job Satisfaction Together Have an Effect on Turnover Intention

Based on the results of the F test, it is known that the two independent variables, compensation (X1) and job satisfaction (X2), together or simultaneously affect the dependent variable, namely turnover intention (Y). This is evidenced by the significance value of 0.000 which is smaller than 0.05, and the calculated F value > F table with a value of 21.278 > 3.13, then hypothesis 3 (H₃) is accepted.

Therefore, companies need to prioritize competitive compensation policies and create a supportive work environment to minimize the level of turnover intention, which will ultimately contribute to the stability and growth of the company.

V. Conclusion

Based on the results of research on the influence of compensation and job satisfaction on turnover intention at PT Citra Insani Garda Semesta, it can be concluded:

1. Compensation has a negative effect on turnover intention at PT CIGS, so hypothesis 1 (H₁) can be accepted. Therefore, the company must maintain the determination of compensation policies to its employees to prevent turnover intention at PT CIGS.
2. Job satisfaction has a negative effect on turnover intention at PT CIGS, then hypothesis 2 (H₂) is accepted. Thus, through the results of the questionnaire it can be concluded that most employees of PT CIGS are satisfied with their current jobs, thus the company needs to maintain corporate values in order to increase employee job satisfaction, increasing employee job satisfaction will greatly impact the turnover intention level of PT CIGS employees.
3. it is concluded that compensation and job satisfaction simultaneously affect turnover intention, so hypothesis 3 (H₃) is accepted. Thus, the research conducted at PT CIGS, the company is expected to be able to maintain policies related to compensation and increase employee satisfaction continuously so that turnover intention does not occur.



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