

# Effect of Compensation, Job Satisfaction & Work Stress on Turnover Intention

(Case Study: HR & General Services Directorate Employees of PT. MNC Sky Vision, Tbk)

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**Abstract:-** This research aims to analyze and examine compensation, job satisfaction & work stress effect on turnover intention of HR & General Services Directorate employees at PT. MNC Sky Vision, Tbk. The type of quantitative research with the total population 162 employees of the HR & General Services Directorate employees at PT. MNC Sky Vision, Tbk. The sample collection technique with probability (simple random sampling). The sample under study was 116 employees obtained based on Slovin formula. This research using multiple linear regression to analyzed the data. The result in this research proved that compensation and job satisfaction significantly affect on turnover intention, and work stress significantly positive affects on turnover intention. F test result is known that the compensation, job satisfaction, and work stress variable simultaneously or together significantly affect on the turnover intention of HR & General Services Directorate employees at PT. MNC Sky Vision, Tbk. R-Square test result showed that 75.90% of employee turnover intentions were influenced by variable compensation, job satisfaction, and work stress. The remaining 24,1% is influenced by another factor

**Keyword :-** Compensation, Job Satisfaction, Work Stress, Turnover Intention.

## I. INTRODUCTION

The high number of employee turnover intention at the HR & General Services Directorate of PT. MNC Sky Vision Tbk has caused the company to continuously recruit and train new employees. The number of employees who join and leave the company raises obstacles in task completion and targets achievement that have been set. Employees' desire to leave the job will give a problem to company. The average number of employees leaving the job within 3 (three) years continues to rise, i.e. 50.66%. After a preliminary survey was carried out, three factors that influenced employees' desire to leave were found: Compensation, Job Satisfaction and Work Stress.

### ➤ Research Purposes

- To analyze and examine compensation effect on turnover intention of HR & General Services Directorate employees at PT.MNC Sky Vision, Tbk.
- To analyze and examine job satisfaction effect on turnover intention of HR & General Services

Directorate employees at PT.MNC Sky Vision, Tbk.

- To analyze and examine work stress effect on turnover intention of HR & General Services Directorate employees at PT.MNC Sky Vision, Tbk.
- To analyze and examine compensation, job satisfaction & work stress effect on employee turnover intention of HR & General Services Directorate employees at PT.MNC Sky Vision, Tbk

## II. THEORETICAL REVIEW

### A. Turnover Intention

The definition is the intention that arises in an employee to move from their current workplace to another workplace. (Green, et al, 2013). According to Mahdi, et al (2012), turnover intention is the employee's intention to quit the company on the basis of their own desires. Based on these definitions, can be concluded turnover intention is the employee's intention to leave or move from their current job on personal motivation.

According to Mobley (2002) in Purba (2015), there is some factor that influence turnover intention include individual characteristics and work environment. Individual characteristics that influence the desire to change jobs include age, education and marital status. While the work environment factor includes the physical and social environment. The physical environment includes temperature, weather, construction, buildings, and location of work. While the social environment includes socio-culture in the work environment, the size of the workload, compensation received, professional work relationships. According to Mobley (2002) in Alamsyah (2015), the dimensions of turnover intention are:

- Having behavior that reflects dissatisfaction at work
- Thinking and planning to leave the company
- Trying to actively find other jobs

### B. Compensation

Compensation is an income like money or goods received by employees in return for services they provide to the company (Hasibuan, 2017). Compensation is anything that company give to the employees as compensation for their work (Handoko, 2014),. Based on the above definitions, compensation is anything that company give to employees, material and non-material, as a sign of gratitude for the performance that has been given by the employees to the company and the dimensions of compensation are:

- Direct compensation
- Indirect compensation

**C. Job Satisfaction**

Job satisfaction is an individual's general attitude towards their job, where they are required to interact with others and follow organizational rules and policies to reach the standards performance (Robbin, 2013). According to Sunyoto (2012: 210), job satisfaction is employee's emotional state when they are doing their job. Job satisfaction reflects an employee's feelings towards their job, which is seen in the employee's positive behavior towards work and everything that they encounter in their company environment. Sutrisno (2013: 75) states job satisfaction is a feeling of pleasure or displeasure of employees in doing their job. If a person is happy with their work, that means that they are satisfied with their work.

According to Robbin & Judge (2015: 154), there are several dimensions of job satisfaction, namely:

- Salary
- Supervision
- Relationships among coworkers
- Job Characteristic
- Opportunities for development/promotion

**D. Work Stress**

Work stress is a feeling of stress experienced by employees on their job. Work stress can be reflected from some symptoms, for example unstable emotions, tendency to be alone, sleeping difficulty, excessive smoking, inability to relax, anxiety, etc. According to Greenberg (2006) in Setiyana (2013), work stress is a variable that is very hard to define, that stress at work happen to someone, when the person run from the problem.

According to Robbin and Judge (2013: 377), here are some dimensions and indicators that cause stress in work:

- Environmental factors
- Organizational factors
- Personal factors

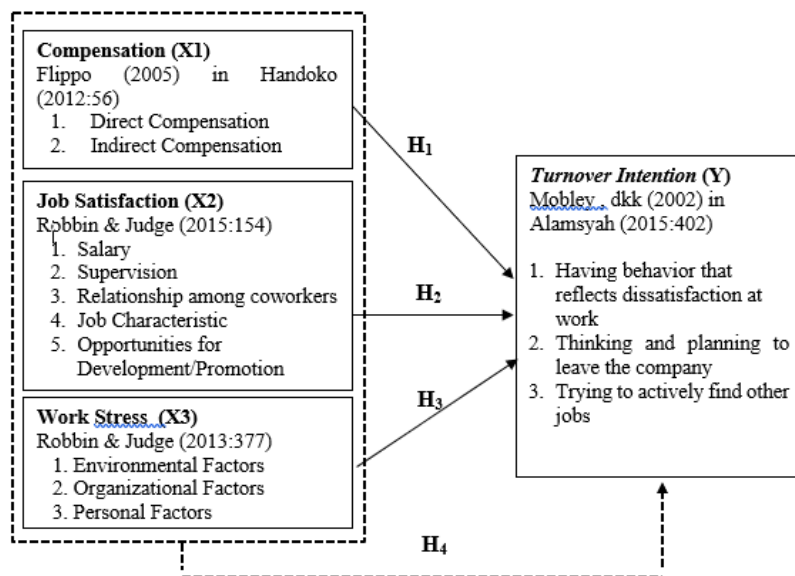


Fig 1:- Theoretical Framework

**E. Hypothesis**

- H1: Compensation significantly affects on turnover intention at the directorate of HR & General Services of PT.MNC Sky Vision
- H2: Job satisfaction significantly affects on turnover intention at the directorate of HR & General Services of PT.MNC Sky Vision
- H3: Work stress significantly affects on turnover intention at the directorate of HR & General Services of PT.MNC Sky Vision
- H4: Compensation, job satisfaction, and work stress simultaneously or together significant affect on turnover intention at the directorate of HR & General Services of PT.MNC Sky Vision

**III. RESEARCH METHOD**

This is a descriptive analysis research using quantitative research methods. The population in this study was 162 and the sample size was 116 employees. The sample collection technique with probability (simple random sampling). This research using multiple linear regression to analyzed the data. The test consists of Validity, Reliability and Classical Assumptions in the form of Normality, Multicollinearity and Heteroscedasticity. Hypothesis testing using F-Test, T-Test and Determination Coefficient Test and Correlation between dimensions. The data was processed using SPSS Version 25.0 software.

**IV. RESULT & DISCUSSION**

**A. Validity Test**

The validity test is using Pearson Product Moment Correlation, where if  $r_{count} > r_{table}$  it is mean valid indicators. If  $r_{count} > r_{table} = 0.183$  with  $\alpha = 0.05$  then the correlation coefficient is significant. The test results in this study ranged from 0.522 to 0.755, it is mean that all indicators are valid.

**B. Reliability Test**

The test was carried out by comparing Cronbach Alpha numbers where the Cronbach Alpha value requirement is at least 0.6 or  $\geq 0.6$ . The test results in this study ranged from 0.726 to 0.760, which shows that all variables are reliable.

Variable	Cronbach's Alpha	Critical Value	Conclusion
Compensation	0.760	> 0.6	Reliable
Job Satisfaction	0.757	> 0.6	Reliable
Work Stress	0.726	> 0.6	Reliable
Turnover Intention	0.733	> 0.6	Reliable

Table 1

**One-Sample Kolmogorov-Smirnov Test**

		Turnover Intention
N		116
Normal Parameters	Mean	3.4875
	Std. Deviation	.55522
Most Extreme Differences	Absolute	.090
	Positive	.060
	Negative	-.090
Test Statistic		.090
Asymp. Sig. (2-tailed)		.023 <sup>c</sup>
a. Test distribution is Normal. b. Calculated from data c. Lilliefors Significance Correction		

Table 2

The value of Asymptotic Significance in this study was greater than 0.05, so the regression distribution was normal.

**C. Multicollinearity Test**

Variance Inflation Factor test is one of the multicollinearity tests commonly used, if VIF value for the variable  $X < 10$ , then multicollinearity does not occur. In this study the VIF value of the variable was less than 10, so it is mean that multicollinearity did not occur to the data tested.

**D. Heteroscedasticity Test**

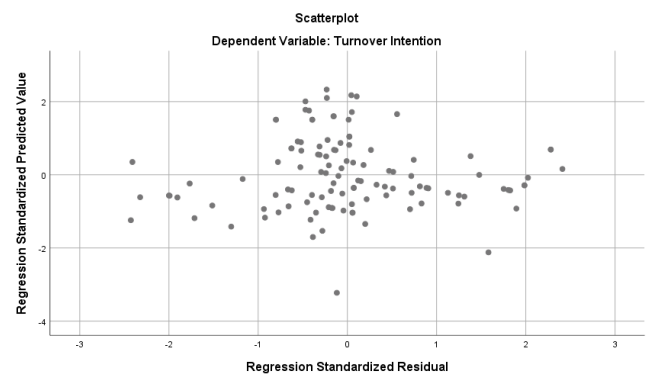


Fig 2

Based on the table above, there is random patterns, and the points deploy above and below the 0 line on the Y axis. It is mean, the data tested is free from the assumption of heteroscedasticity.

**E. Simultaneous Significance Test (F-Test)**

It was found that the value of  $F = 121.467$ , Sig. value = 0,000, and the F table value  $df(3,112) = 2.69$ . Thus, Hypothesis 0 is rejected, it is mean the Compensation variable, Job Satisfaction Variable, and Work Stress variable simultaneously significant affect on the Turnover Intention.

ANOVA <sup>a</sup>					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	27.117	3	9.039	121.467	.000 <sup>b</sup>
Residual	8.334	112	0.074		
<b>Total</b>	<b>35.451</b>	<b>115</b>			

a. Dependent Variable: Turnover Intention

b. Predictors: (Constant), Work Stress, Compensation, Job Satisfaction

Table 3

**F. t-test**

t-test is performed as a hypothesis test to find out independent variable effect on the dependent variable. According to Priyatno (2012: 139), to calculate the t-table, this formula  $df = n - k = 116 - 4 = 112$  is used at the level of significant ( $\alpha$ ) of 5% (error rate of 5% or 0.05) or a confidence level of 95% or 0.95, so if the error rate of a variable is more than 5%, it means that the variable is not significant.

Model	Coefficients <sup>a</sup>			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1 (Constant)	3.186	0.215		14.796	0.000
Compensation	-0.286	0.058	-0.354	-4.971	0.000
Job Satisfaction	-0.208	0.056	-0.266	-3.701	0.000
Work Stress	0.505	0.047	0.517	10.862	0.000

**a. Dependent Variable: Turnover Intention**

Table 4

**The t-test result :**

- For compensation variable obtained t-count = -4.971 (t-count < t table (df = 112) = -1.98) and the Sig. = 0,000. The coefficient value is **negative**, which is -0.286
- For job satisfaction variable obtained t-count = -3.701 (t-count < t table (df = 112) = -1.98) and the Sig. =

0,000. The coefficient value is **negative**, which is -0.208

- For work stress variable obtained t-count = 10.862 (t-count > t table (df = 112) = 1.98) and Sig. = 0,000. The coefficient value is **positive**, which is 0.505

**G. Determination Test (R-Square)**

Model	Model Summary <sup>b</sup>			
	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875 <sup>a</sup>	0.765	0.759	0.273

a. Predictors: (Constant), Stress Kerja, Kompensasi, Kepuasan Kerja

b. Dependent Variable: Turnover Intention

Table 5

It was found that the R Square value = 0.759. This shows that 75.90% of Employee Turnover Intention is influenced by the Compensation, Job Satisfaction variable,

and Work Stress variable, while the remaining 24.1% of Employee Turnover Intention (Y) is influenced by other factors.

H. Interdimensional Correlation Matrix

Variable	Dimensions	Correlations		
		Turnover Intention (Y)		
		Y.1 Having behavior that reflects dissatisfaction at work	Y.2 Thinking and planning to leave the company	Y.3 Trying to actively find other jobs
Compensation (X1)	1.1 Direct Compensation	-0.465**	-0.399**	-0.457**
	1.2 Indirect Compensation	-0.575**	-0.285**	-0.510**
Job Satisfaction (X2)	2.1 Salary	-0.476**	-0.517**	-0.529**
	2.2 Supervision	-0.514**	-0.294**	-0.452**
	2.3 Relationships among coworkers	-0.507**	-0.255**	-0.483**
	2.4 Job Characteristic	-0.426**	-0.388**	-0.423**
	2.5 Opportunities for development/promotion	-0.489**	-0.340**	-0.445**
Work Stress (X3)	3.1 Environmental factors	0.483**	0.430**	0.466**
	3.2 Organizational factors	0.270**	0.198*	0.373**
	3.3 Personal Factors	0.308**	0.365**	0.439**
	N	116	116	116

\*\* . Correlation is significant at the 0 . 01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

Table 6:- Interdimensional Correlation Matrix

Based on this table, the interpretation is :

- 1) The greatest correlation value between the dimensions in the Compensation and the Turnover Intention is between Indirect compensation dimension and Behavior Reflects Dissatisfaction at Work dimension, i.e. -0.575, and is in the category of a fairly strong relationship level.
- 2) The greatest correlation value between the dimensions in the job satisfaction variable and the Turnover Intention variable is between dimension Salary dimension and Actively Trying to Find Another Job Dimension, i.e. -0.529, and is in the category of a fairly strong relationship level.
- 3) The greatest correlation value between the dimensions in the Work Stress variable and the Employee Turnover Intention variable is between Environmental factors dimension and Behavior Reflects Dissatisfaction at Work dimension, i.e. 0.483, and is in the category of a fairly strong relationship level.

V. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

- Compensation significant negative effect on turnover intention of the HR & General Services Directorate Employees at PT. MNC Sky Vision, Tbk This shows that lower compensation given to employees can

increase the Employee Turnover Intention at the Directorate of HR & General Services of PT. MNC Sky Vision, Tbk.

- Job satisfaction significant negative effect on turnover intention of the HR & General Services Directorate Employees at PT. MNC Sky Vision, Tbk. This shows that lower level of job satisfaction felt by employees will increase the Employee Turnover Intention at the Directorate of HR & General Services of PT. MNC Sky Vision, Tbk.
- Work stress significant positive effect on turnover intention of the HR & General Services Directorate Employees at PT. MNC Sky Vision, Tbk This shows that higher level of Work Stress felt by employees will increase the Employee Turnover Intention at the Directorate of HR & General Services at PT. MNC Sky Vision, Tbk
- Compensation, Job Satisfaction and work stress simultaneously significant effect on turnover intention of the HR & General Services Directorate Employees at PT. MNC Sky Vision, Tbk.

B. Recommendations

- The company needs to pay attention to providing compensation to employees, especially indirect compensation specifically related to training and education allowances, to reduce turnover intention.

- The company needs to increase employees' job satisfaction, especially related to employees' salary or income and benefits in accordance with the needs and welfare of employees, to reduce turnover intention.
- The company needs to evaluate a number of policies by looking at aspects that cause pressure and threats to employees, especially in the environmental factors in the company and work such as the application of UMP (Provincial Minimum Wage) and employee status in accordance with regulations and adjustments to economic conditions and stability of the company, to reduce turnover intention.

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