

# The Influence of Compensation, Workload and Career Advancement on Employees Turnover Intention at HR Consultant Company in Indonesia

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**Abstract:-** These research has purposed to determined and explained the influenced of compensation, workload, and career advancement on employee turnover intention at PT. XYZ Indonesia. This research method uses a quantitative approach with multiple linear regression analysis methods to test hypotheses. The population in this research was 170 people. The sampling technique of this research used a random sampling technique using the Slovin formula to obtain a sample of 119 respondents. The results of this research indicated that 76.6% of PT. XYZ Indonesia is affected by compensation, workload and career advancement. Compensation has a negative and significant effect on employee turnover intention. Workload has a positive and significant effect on employee turnover intention. Career advancement has a negative and significant effect on employee turnover intention.

**Keywords:-** Compensation, Workload, Career Advancement, and Turnover Intention.

## I. INTRODUCTION

### A. Background of the problems

Turnover is a term to describe the replacement of old employees who leave the company and new employees who enter the company. The problem faced by the organization from turnover is when employees leave the organization, the knowledge learned and obtained in the organization is also carried along with the employees who leave the organization. In addition, the replacement of employees with the same level of skills and experience requires high costs. Employees who have certain skills and abilities as well as experience are very valuable assets for each organization so retaining them is very necessary so that the organization has a competitive advantage.

PT. XYZ Indonesia is a company engaged in the field of human resource consultancy with a technological approach to help improve the company's business performance. PT XYZ Indonesia was founded in 2001 and currently has become one of the leading consulting companies in providing assessment technology in the national market.

Years	2014	2015	2016	2017
Annual Turnover Rate	23%	25.66%	25.62%	26.99%

Table 1:- Annual Turnover Rate of PT. XYZ Indonesia  
 Source: HRD of PT. XYZ Indonesia

Based on table 1, it can be seen that PT. XYZ Indonesia has a high turnover rate every year and has a tendency to increase. This has become a problem in PT. XYZ Indonesia to reduce the turnover rate that continues to increase. Due to the high turnover rate every year, PT.

XYZ Indonesia, the authors conducted an initial pre-survey of 40 employees at PT. XYZ Indonesia to find out how many employees have plans to stop working at PT. XYZ Indonesia in several time frames.

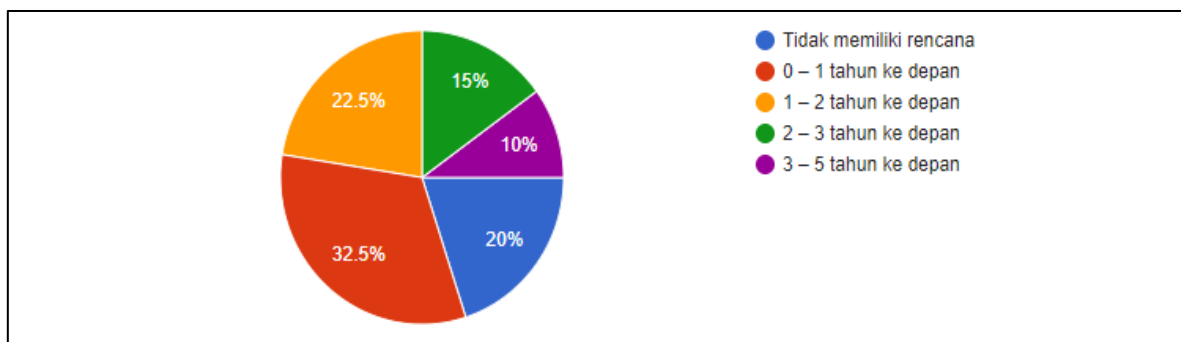


Fig 1:- Turnover Intention at PT. XYZ Indonesia  
 Source: Pre-Survey of PT. XYZ Indonesia (2018)

Preliminary pre-survey results show that 20% (8 people) do not have plans to stop working in PT. XYZ Indonesia, but as many as 80% (32 people) who have plans to leave the company with a different time span; 32.5% (13 people) in the next 0-1 years, 22.5% (9 people) in the next

1-2 years, 15% (6 people) in the next 2-3 years, and 10% (4 people) in the next 3-5 years . To support this data, the authors then conducted a pre-survey of the factors that allegedly influenced turnover intentions of employees of PT. XYZ Indonesia.

Factors	Percentage
Work Environment	12.5%
Leadership Style	6.25%
<b>Workload</b>	<b>18.75%</b>
Work Stress	6.25%
<b>Compensation</b>	<b>28.13%</b>
Work Training	3.13%
Job Satisfaction	6.25%
<b>Career Advancement</b>	<b>18.75%</b>

Table 2:- Turnover Intention Factors at PT. XYZ Indonesia

Source: Pre-Survey of PT. XYZ Indonesia (2018)

Table 2 shows the factors that are thought to influenced turnover intention of PT. XYZ Indonesia namely compensation (28.13%), workload (18.75%) and career advancement (18.75%). Based on the data that the authors get from companies related to turnover rate of PT. XYZ Indonesia for the last four years and the results of the pre-survey which showed that the intention of employee turnover in this company is quite high, the problems which raised in this research are the relationship of compensation, workload and career advancement to turnover intention. In connection with the phenomenon, the authors conducted research related to "*The Influenced of Compensation, Workload and Career advancement on Employees Turnover Intention at HR Consultant Companies in Indonesia*".

#### B. Problem Formulations

Based on the background that the author has been suggested, the formulation of these problem in this research as this follows:

- 1) Does the compensation has any affection towards the employees turnover intention at PT. XYZ Indonesia?
- 2) Does the workload has any affection towards the employees turnover intention at PT. XYZ Indonesia?
- 3) Does career advancement has any affection towards the employees turnover intention at PT XYZ Indonesia?
- 4) Does the compensation, workload and career advancement altogether has affection towards the employees turnover intention at PT. XYZ Indonesia?

#### C. Research Purposed

Based on the background of problem and The problem formulations that the author confirms aboved , there has several goals that wanted to achieve as its follows:

- 1) To find out and analyze the influenced of compensation on employee turnover intention at PT. XYZ Indonesia
- 2) To find out and analyze the influenced of workload on employee turnover intention at PT. XYZ Indonesia
- 3) To find out and analyze the influenced of career advancement on employee turnover intention at PT. XYZ Indonesia To find out and analyze the influenced of the compensation, workload and career advancement

on the employee turnover intention at PT. XYZ Indonesia

## II. LITERATURE REVIEW

### A. Turnover Intention, Compensation, Workload, and Career Advancement

Turnover intention is referred as a behavior to leave the company while turnover is an actual separation between employees and the company (Aydogdu and Asikgil, 2011). Then Mathis and Jackson (2011) added that turnover intention reflects the desire of individuals to leave the organization and look for alternative jobs in other organizations.

According to Dessler (2013), compensation is all forms of payment given to employees and arises from work relationships. Compensation has two main components, namely direct financial payments and indirect financial payments. While Simamora (2004) in Murty and Hudiwinarsih (2012) added that compensation is a broad term related to financial rewards received by people through their employment relations with an organization.

Gibson and Ivancevich (1993) in Cahyasari (2016) stated that the workload is a pressure as a response for a failure to self adjust, which is influenced by individual differences or psychological processes. Then Permendagri No.12/2008 stated that workload is the amount of work that must be borne by an office /organizational unit and is the product of work volume and time norms.

Siswanto and Yuniawan (2012) added that a career can be interpreted as a person's development as individual employees in the rank or position achieved during the employee's work. Career advancement or career development who referred in this research is the progress of an employee through work sequences involving ongoing activities that cause the employee to develop his skills and competencies through experience in the work being carried out.

**B. Literature Review**

The Previous research who was conducted by Pranata (2013) explained that compensation would considered unfair by employees in terms of procedures, amount, and time can trigger employee dissatisfaction. These would cause the high desire of employees to leave the company. The dissatisfaction with compensation Generally would causing someone's desire to leave their current job Then Qureshi (2013) states in his research that the workload has a positive influence on turnover intentions, the results of his research was indicated that the increase in workload will

increase turnover intentions. Recent research who was conducted by Anderson (2018) explains that the employee's desire for promotion which is included in career advancement in the workplace and the intention to leave the company was affected by limited the opportunities for career advancement within the company.

**C. Theoretical Review**

Based on previous research and theoretical review related to turnover intention, the authors compiled a research framework model like the Figure 2 below.

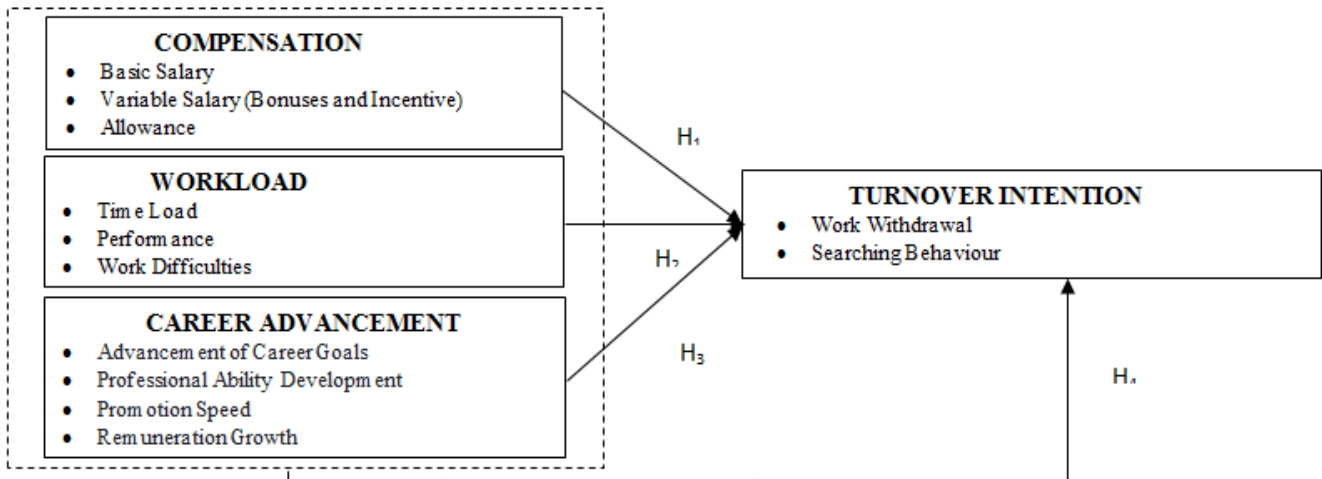


Fig 2:- Theoretical Framework  
Source: Theoretical Review

**D. Hypothesis**

Based on the thinking framework as seen in Figure 2, the authors found the formulated of the research hypothesis as it follows:

- 1) Compensation influences Turnover Intention
- 2) Workload influences Turnover Intention
- 3) Career advancement influences Turnover Intention
- 4) Compensation, Workload and Career advancement altogether influence the Turnover Intention.

**III. METHOD**

Based on the conceptual framework above, the purpose of this research is gaining an understanding of the analysis of the effect of compensation, workload, and career advancement on turnover intention. This research uses descriptive research method with quantitative approach. Descriptive method is used to describe the phenomenon that occur in this research and quantitative methods are used to explain the relationship between research variables.

The population of this research is the employees of PT. XYZ Indonesia, amounted to 170 people. The sampling technique in this research used a simple random sampling technique, using the Slovin formula at an error rate of 5% and the sample in this research amounted to 119 respondents. Data that obtained by survey method with distributing questionnaires to respondents. The operational

definitions of variables in this research are compensation (X1), workload (X2), career advancement (X3), and turnover intention (Y). Data processing using SPSS version 25 through multiple linear regression analysis to examination the hypothesis.

**IV. RESULTS AND DISCUSSION**

**A. Research Result**

The results showed that the t count value of the compensation variable is  $-6,063 < -1.98$ , the t count of career growth variable is  $-5,923 < -1.98$  and the t count variable workload is  $6,817 > 1.98$ , it can be concluded that both of the compensation variable, the burden variable work, career growth variables affect turnover intention and the value of Sig. of the independent variable  $< 0.05$  which means significant, meaning H1, H2, and H3 are accepted. The regression equation is as follows:

$$Y = 3.985 - 0.192 X1 + 0.158 X2 - 0.162 X3$$

The results of the F test and R<sup>2</sup> test indicate that the value of F count  $129,672 > F$  table (2.68) and Sig. 0,000, because the results of the Sig.  $0,000 < Sig.$  0.05 then the hypothesis (H4) is accepted which states that compensation, workload, and career advancement simultaneously affect turnover intention by 76.6% while the remaining 23.4% is influenced by other factors outside this research.

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.985	0.140		28.517	0.000
Compensation	-0.192	0.032	-0.355	-6.063	0.000
Career Advancement	-0.162	0.027	-0.340	-5.923	0.000
Workload	0.158	0.023	0.365	6.817	0.000
F				129.672	.000 <sup>b</sup>
R <sup>2</sup>	0.766				

Table 3:- Hypothesis Test Results  
Source: Results of Analysis Using SPSS version 25

Based on table 3 above, the interpretation can be explained as follows:

1) Correlation of Compensation for Turnover Intention

In the Compensation variable, the highest correlation dimension with the strongest relationship level is shown by the Indirect Financial dimension to the Searching Behavior dimension of -0,574. This shows that the change in the Searching Behavior dimension is most influenced by the Indirect Financial dimension of the Compensation variable. By increasing the Indirect Financial dimension, the Searching Behavior dimension of the employee Turnover Intention variable will decrease.

2) Workload Correlation to Turnover Intention.

In the Workload variable, the Time Load dimension has a dominant influence of 0.560 on the Work Withdrawal

dimension. Withdrawal from work by employees to low employee performance is affected by the high burden of time where employees have very little time to complete their work. For this reason, if the employee has more adequate time it will reduce the Time Burden so that it will have an impact on the decline in Work Withdrawal and the employee's performance will be good.

3) Career Advancement Correlation to Turnover Intention

In the Career Advancement variable, the Professional Ability Development dimension has the strongest influence of -0,533 on the Searching Behavior dimension. Many employees' behaviors looking for opportunities in other companies are caused by the lack of Professional Ability Development at PT. XYZ Indonesia. Thus, efforts are needed to provide opportunities for Professional Ability Development to reduce employee Searching Behavior.

Variable	Dimensions	Correlations	Turnover Intention (Y)	
			Y.1 Work Withdrawal	Y.2 Searching Behaviour
Compensation (X1)	X1.1 Direct Financial	Pearson Correlation	-.544**	-.310**
	X1.2 Indirect Financial	Pearson Correlation	-.404**	-.574**
Workload (X2)	X2.1 Time Load	Pearson Correlation	.560**	.540**
	X2.2 Performance	Pearson Correlation	.438**	.466**
	X2.3 Work Difficulties	Pearson Correlation	.443**	.508**
Career Advancement (X3)	X3.1 Advancement of Career Goals	Pearson Correlation	-.323**	-.394**
	X3.2 Professional Ability Development	Pearson Correlation	-.488**	-.533**
	X3.3 Promotion Speed	Pearson Correlation	-.487**	-.509**
	X3.4 Remuneration Growth	Pearson Correlation	-.489**	-.514**
N			119	119

Table 4:- correlation between dimensions  
Source: Results of Analysis Using SPSS version 25

B. Discussion

The t-value of the compensation variable against turnover intention is greater than the t-table while the value of Sig. smaller than 0.05 so it can be said that in this research partially compensation has a significant effect on turnover intention. In this research it can be said that employee dissatisfaction with Compensation raises the desire of employees at PT. XYZ Indonesia to resign. The results of this research are consistent with the results of

previous studies conducted by Pranata (2013) which explains that compensation that is considered unfair by employees in terms of procedures, amount, and time can trigger employee dissatisfaction. This can cause the high desire of employees to leave the company. Dissatisfaction with compensation received generally results in the desire to leave someone from their place of work.



Research results show that workload has a positive and significant effect on turnover intention. This can be seen from the results of the correlation between dimensions which place the time load dimension correlated with the work withdrawal dimension. Employees as workers should have workloads that are appropriate to their capacity in terms of quantity, and employees should have adequate time to complete their work responsibilities. If the employee has limited time to do many things, the employee is considered to have a high time burden, this affects the quality of work and the performance of the employee. Withdrawal from work is caused by this because employees will have poor performance where too little time to complete the work. Potential employees do not complete the work to completion, or work is completed without seriousness from the employee. This also supports the results of previous research conducted by Qureshi (2013) which states that the positive results of the influence of workload on turnover intentions, the results of his research indicate an increase in workload will increase turnover intentions.

The results showed that career advancement had a negative and significant effect on turnover intention. This can also be seen in the results of the correlation between the dimensions of professional ability development on career advancement variables with the dimension of searching behavior on the turnover intention variable. This can be interpreted that the more open opportunities for developing professional capabilities within the company, will reduce the intention of employees who are in it to leave. Every employee, as a workforce, wants career advancement in the place of work. This also supports the results of a previous research conducted by Anderson (2018) where the results of his study explained the employee's desire for promotions included in career development in the workplace and intention to leave the company affected by limited opportunities for career advancement within the company.

In the F test of this research it was stated that simultaneously the compensation, workload, and career advancement variables together affected the turnover intention. All variables, namely compensation, workload, and career advancement partially and significantly influence turnover intention. The employee's desire to leave the company is influenced by several factors and when the employee decides to leave, the employee has considered the factors that influence his decision. Based on this research, variables that influence employee intention to leave the company are compensation, workload, and career advancement.

## V. CONCLUSIONS AND SUGGESTIONS

### A. Conclusions

The conclusions that can be drawn based on the discussion of data analysis through verification of the hypotheses that have been set in this research are:

- 1) Compensation has a negative and significant effect on employee turnover intentions of PT. XYZ Indonesia.

- 2) Workload has a positive and significant effect on employee turnover intentions of PT. XYZ Indonesia.
- 3) Career advancement has a negative and significant effect on PT. XYZ Indonesia.
- 4) Compensation, Workload, and Career Advancement simultaneously influence and significantly effect of the Turnover Intention of PT. XYZ Indonesia.

### B. Suggestions

Suggestions that the authors convey based on the results of data processing obtained in this research related to the impact caused by the variable Compensation, Workload, and Career Advancement on the Turnover Intention of employees at PT. XYZ Indonesia are as follows:

- 1) Compensation has a negative and significant effect on employee turnover intentions of PT. XYZ Indonesia. Financial indirect has the highest influence on Turnover Intention, therefore it is recommended for PT. XYZ Indonesia conducted a review related to the remuneration system provided to employees including salaries, incentives, bonuses, and other benefits.
- 2) Workload has a positive and significant effect on employee turnover intentions of PT. XYZ Indonesia. Time load has the highest influence on Turnover Intention, therefore it is recommended for PT. XYZ Indonesia conducts a management review of the standard procedures and workload analysis in the company. By conducting a standard procedure review and workload analysis, PT. XYZ Indonesia has a breakdown of how much labor is needed to complete a job so that employees do not feel they have a workload that is too high.
- 3) Career advancement has a negative and significant effect on PT. XYZ Indonesia. Professional development has the highest influence on Turnover Intention. It is recommended for PT. XYZ Indonesia has a competency development program for its employees according to the needs of the organization. To retain employees, PT. XYZ Indonesia can provide employees the opportunity to develop through training and development programs. Career advancement does not always mean promotion, if the company cannot provide a career path, employees feel they are developing within the company if the employee can continue to learn and grow professionally. By designing training programs according to the needs of the organization and also the developing desires of employees, PT. XYZ Indonesia can minimize the desire of employees to leave the company.
- 4) Compensation, Workload, and Career Advancement simultaneously influence and significantly affect the Turnover Intention of PT. XYZ Indonesia. This means that the higher compensation, the lower workload, and the higher career advancement will further reduce the intention of employees to leave the company PT. XYZ Indonesia. This means that in order to prevent the best employees from having the employee's intention to

resign from the company, there needs to be a better remuneration system, structured workload management, and employee development programs that are targeted according to organizational needs.

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