

The Effect of Compensation and Job Satisfaction on Turnover Intention in Employees of PT. DOK and Perkapalan Surabaya (Persero)

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ABSTRACT

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Human resources are an important aspect in a company in order to exist in the era of global competition. The purpose of this research is to Influence Compensation and Job Satisfaction Against Turnover Intention Employees at PT Dok and Perkapalan Surabaya (Persero). The population in this study were all employees at the PT Dok and Perkapalan Surabaya (Persero) as many as 69 respondents. The research method used in this research is quantitative method. The data analysis method used is regression analysis using the SPSS 24.0 application. Based on the research that has been done at the PT Dok and Perkapalan Surabaya (Persero), the following conclusions are obtained: Compensation has a significant effect on turnover intention employees at PT Dok and Perkapalan Surabaya with t count (1,805) and a significant value of 0.008 <0.05; Job satisfaction has a significant effect on turnover intention employees at the PT Dok and Perkapalan Surabaya with a t count (0,221) with a significant value of 0,026 <0,05. The results of data analysis reveal that compensation and job satisfaction have significant effect on PT Dok and Perkapalan Surabaya (Persero) employee turnover intention as directly. Based on the results of the study above, compensation and job satisfaction provide a very significant contribution to the turnover intention of employees of PT Dok and Perkapalan Surabaya (Persero). Therefore, efforts need to be made to increase compensation and job satisfaction in order to reduce the number of turnover intention.

INTRODUCTION

Nowadays, the rivalry in the world of work is very tight, so companies and employees work harder to compete with their competitors. A common thing for companies to be able to compete with other companies is to improve the performance of their employees (Nadeem et al., 2019). This increase in employee performance will also arise when employees are satisfied with the work so that they feel comfortable working in the company (Afriany et al., 2022).

The human resources (HR) dimension is vital for companies to exist in the era of global competition.

Human resources play a crucial role in all organizational activities (Ilahi et al., 2022). Even with sophisticated equipment and infrastructure, it is impossible for an organization to have optimal operational activities without high-quality human resources (Keng et al., 2018). Along with the dynamics of the ever-changing environment, the development and retention of quality HR is becoming increasingly urgent to advance and develop an organization or company.

Human resource management faces many challenges, such as rapid technology, various government regulations and increasing rivalry in the business world, both domestically and internationally

(Sutikno, 2020). Retaining employees is not an easy task, so it is very important to study employee behavior in an organization or company. Appropriate management is needed to develop human resources so that they can be in line with organizational goals (Effendy et al., 2023). The task of human resource development is to utilize the human resources owned by an institution efficiently, which makes them able to work optimally in order to achieve the organization's vision and mission.

One form of recognition of HR performance in a company is compensation. Compensation plays an important role in staff placement. The greater the financial compensation received, the less likely the employee is to intend to leave his job (Effendy et al., 2023). Compensation is anything monetary or non-monetary that employees receive from the organization for their work (Hasibuan, 2017). Employees who receive very minimal salaries will feel unappreciated and have the desire to look for alternative jobs that offer greater opportunities for advancement in terms of salary.

Conversely, if employees receive their contractual obligations and are happy or pleased with the compensation paid, then the employee wants to continue to be allowed to work in the organization (Afriany et al., (2022). Sutikno (2020) argues that a relatively low level of turnover intention in employees can be achieved by maximizing the satisfaction value of each employee, and conversely, a high level of turnover intention is the impact of the lack of satisfaction obtained by employees which can have an impact on the company.

PT. Dok and Perkapalan Surabaya (Persero) or PT. DPS Surabaya (Persero) is the second largest state-owned company in Indonesia engaged in the field of ship production and repair. This company strives to manage existing resources even though it is faced with tight competition conditions during the COVID-19 period in recent years, resulting in ups and downs in turnover and a decrease in the number of human resources. When managing resources, the focus or attention is on the behavior of the employees or workers. Sembiring and Widodo (2023) argue that the behavior that often occurs is the desire to move (turnover intention) which will later result in employees deciding to leave their careers.

PT. DPS Surabaya (Persero) has experienced a significant decline in the number of employees over the past three years, in addition to being caused by

conditions during the COVID-19 pandemic, the Company's deteriorating financial condition, and there being 2 shipyards (Dok) that are not functioning out of a total of 4 operating Docks as well as the desire of employees who feel that the company is no longer able to manage HR. The following is employee data for the past three years.

Table 1. Employee Turnover Data of PT. Dok and Perkapalan Surabaya (Persero)

No	Year	Number of employees		Total Employees
		Enter*	Out	
1	2021	-	20	216
2	2022	-	8	208
3	2023	-	139	69

Note: *Number of employees entered unknown
Source: PT DPS HR Report 2023

Referring to the table above, the condition of employees who leave the most in 2023, even though in that year COVID-19 had become an endemic, no longer a pandemic, which indicates economic recovery. This kind of withdrawal behavior contributes to company losses, both materially and immaterially, when an employee leaves the organization, the ability of other employees to do their jobs will also be disrupted. The soaring turnover rate in the company will also affect the financing base, the quality of the people who work in the company, the vision and abilities of employees, and the quality of employee services.

This study also refers to several previous studies conducted by Sutikno (2020) and Sochifah (2022) which show that compensation and job satisfaction have an impact on turnover intention. In line with the results of previous research, a study conducted by Sembiring and Widodo (2023) reported that compensation has a negative impact on employees' willingness to move from the company.

In contrast to the three studies above, research conducted by Mora et al. (2022) shows that compensation and job satisfaction do not have a positive impact on turnover intention. The study conducted by Mora et al. (2022) provided the same results as the previous study by Siregar and Maryati (2020).

From this phenomenon, the author chose PT. DPS Surabaya (Persero) as the object of research because in PT. DPS Surabaya (Persero) no similar research has been conducted so that this research can be a reference for the company regarding decisions taken in the future in order to further improve performance and achieve company goals. Another reason is because the right solution has not been found in overcoming

internal and external problems that are currently occurring in PT. DPS Surabaya (Persero).

LITERATURE REVIEW

a. Compensation (X1)

As compensation for the company's customer service, any cash, cash, or periodic income is passed on to employees as a reward for the service they have provided (Hasibuan, 2019). With the following indicators, (1) Salary, (2) Bonus, (3) Commition, (4) Insurance, (5) Profit sharing, (6) Stock options (Bedaso, 2017)

b. Job Satisfaction (X2)

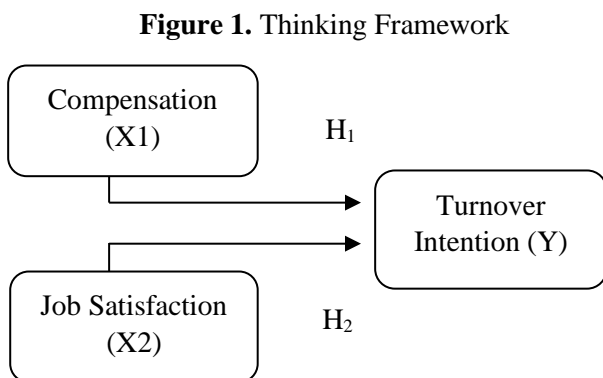
The content of each individual's feelings can lean towards negative or positive, depending on the individual's sense of satisfaction in their career (Robbins and Judge, 2019). With the following indicators, (1) The work itself, (2) Pay, (3) Promotion opportunity, (4) Supervision, (5) Coworkers (Husodo, 2018)

c. Turnover Intention (Y)

Turnover Intention is something that arises from a negative psychological reaction in certain work conditions that develops into a decision in behavior that advances decision-making and can have an impact on employees to leave their careers willingly in order to seek an ideal job opportunity rather than the career they are currently pursuing (Simone et al., 2018). With the following indicators, (1) Thinking of quitting, (2) Intention to search for alternatives, (3) Intention to quit (Mobley et al., 2016)

d. Thinking Framework

The main topic in this study is to describe and understand the impact of compensation and job satisfaction on employee turnover intention of PT. DPS Surabaya (Persero). Therefore, the framework of thinking in this study is as follows:



Source: Effendy et al., 2023

e. Hypothesis

The following are the hypotheses developed in this study:

H1: Compensation has a significant negative effect on employee turnover intention at PT. DPS Surabaya (Persero).,

H2: Job satisfaction has a significant negative effect on employee turnover intention at PT. DPS Surabaya (Persero).

METHOD

The variables in this study consist of two variables. The first variable is the independent variable namely Compensation and Job Satisfaction. The second variable is the dependent variable is Turnover Intention.

In general, population is a group of people and their characteristics, called objects and subjects, they have various personalities and backgrounds that are collected and grouped by researchers with the aim of being studied and explored (Sugiyono, 2018). The total population collected was 69 people, these 69 people were collected from all employees at PT DPS Surabaya (Persero).

Sample is one of many people recruited to act as a core group involved in systematic analysis with the aim of raising awareness of a number of major problems faced by the entire population (Sugiyono, 2018). Meanwhile, the sampling technique used is total sampling or census, this problem is caused by the quantity of employees is quite small, namely 69 people.

The approach used by researchers in this study is a quantitative approach, with the majority of use of numerical or number data. In the field of statistics, the use of data that is easy to analyze and process is very important. This data contains information or conclusions that are associated with certain values, often in the form of a percentage of the total price (Sugiyono, 2018).

RESULT

Table 2. Multiple Linear Regression Test Results

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	-1,277	2,205		,579	,564
	Compensation	-,765	,424	-,218	1,805	,008
	Job Satisfaction	-,077	,349	-,027	,221	,026

a. Dependent Variabel: Turnover Intention

Source: SPSS (Questionnaire processed 2024)

Table 2 shows the multiple linear regression equation model as follows:

$$Y = -1.277 + (-0.765)X_1 + (-0.077)X_2$$

Description:

Y = Turnover Intention

X1 = Compensation

X2 = Job Satisfaction

Based on the multiple linear regression model, the following results are obtained:

- 1) The constant value (α) is -1.277, where the constant value is a number that does not have a variable so it has no load. Furthermore, the negative value of the constant (α) means that even though the company PT. DPS does not provide adequate compensation and does not provide a sense of satisfaction to employees. So it can be interpreted that there are other independent variables that can affect the dependent variable, namely turnover intention.
- 2) The compensation coefficient value (X1) is -.765. This means that the better the company provides compensation, such as wages, bonuses, commissions, etc. It will reduce turnover intention and employees will think if they want to leave the company. The coefficient is negative, this explains the inverse relationship between compensation (X1) and turnover intention (Y).
- 3) The value of the job satisfaction coefficient (X2) is -.077. This means that the better the company provides a sense of satisfaction to employees while working, such as providing clear tasks, appropriate wages, promotions, etc. It will reduce turnover intention and employees will think about leaving the company. The coefficient is negative, this explains the inverse relationship between job satisfaction (X2) and turnover intention (Y).

DISCUSSION

a. Partial test results (t-test) explanation

The results of the multiple linear regression analysis test can be obtained:

1. The effect of compensation on turnover intention.
Previously, the analysis of X1 on Y produced a t-value of 1.805 with a significance value of $0.008 < 0.05$. This means that the intention to move employees from the company is likely to be negatively and significantly affected by compensation at PT. DPS Surabaya (Persero) or H1 can be accepted.

2. The effect of Job Satisfaction on turnover intention.

The indication of the significance of X2 compared to Y found a t-value of 0.221 in the previous explanation by reaching a significance of 0.026, not more than 0.05. Based on the proposed hypothesis, work turnover intention is significantly and negatively influenced by job satisfaction, therefore job satisfaction tends to have a negative influence on turnover intention at PT. DPS Surabaya (Persero) or H2 can be accepted.

b. The Effect of Compensation on Turnover Intention of Employees of PT. Dok and Perkapalan Surabaya (Persero).

Furthermore, the results of this study also show a negative effect of compensation on turnover intention. This is indicated by the significance value of the compensation variable on turnover intention of $0.008 < 0.05$ with a t-value of 1.805. As the compensation given to staff increases, the desire to change jobs will decrease. This is evidenced by the data cited above. In addition, if the compensation given to employees is minimal, the employee's intention to change jobs will also be affected and increase by a large amount.

The opinion in this study is supported by research conducted by Keng et al. (2018), Saputra and Suwanda (2022), Effendy et al. (2023), Sutikno (2020) and Marhamah et al. (2022) who found that compensation has a negative effect on feelings of wanting to leave the current company. As stated in this analysis, when a worker achieves all his work goals and is satisfied with the compensation given, the worker will be motivated to stay in the company where he works.

In the opinion of Lee and Kim (2023) it shows that there are several things that influence employee desire to leave outside of compensation, namely the work environment and social environment, without intervention from the environment, workers will persist in their careers.

At PT. DPS Surabaya (Persero) when the compensation system runs well, satisfaction with compensation will reduce the intention of employees to move from the company.

c. The Influence of Job Satisfaction on Turnover Intention of Employees of PT. Dok and Perkapalan Surabaya (Persero).

Evidence of the negative impact of job satisfaction aimed at turnover intention is also presented in this study. The significance value of turnover intention is indicated by the job satisfaction variable with a significance level of $0.026 < 0.05$. with a t-value of 0.221. Based on these data, the higher the salary level, the lower the employee's turnover intention will be

when the compensation level increases. As previously explained, when the company provides low compensation and below the minimum standard, turnover intention will increase. The findings of this study are in accordance with the development results of Sutikno et al. (2020), Ariyanti and Suartina (2021) and Afriany et al. (2022) both of which show that employee turnover intention is negatively influenced by employee job satisfaction. Robbins and Judge (2019) stated that the desire to move is a natural thing for every employee, but it is very important for companies to try to reduce the intentions that arise.

At PT. DPS Surabaya (Persero) employees feel satisfied with their jobs. This is indicated by various things such as satisfaction in the compensation system of the work given, the encouragement in completing the work, the promotion in the work and so on. This makes employees feel comfortable with the work and also suppresses the hope of changing jobs.

CONCLUSION

Based on the results of the previous research and discussion, the researcher concluded. Compensation has a significant negative effect on the turnover intention of employees of PT. DPS Surabaya (Persero). Job satisfaction has a significant negative effect on the turnover intention of employees of PT. DPS Surabaya (Persero).

After deciding the research results and implementation reports, the researcher then formulated several suggestions as follows. For PT DPS top management, maintain consistency in providing compensation and job satisfaction for work that has been done by employees which will later help progress in the company and anticipate increasing employee turnover intentions.

The researcher hopes that future researchers can consider adding other variables to improve the results of their research regarding the factors that influence Turnover Intention. Several factors that can be considered include work-life balance, work environment, work stress, and business risk. Thus, the research model is expected to get better as the value of the coefficient of determination increases.

Author contribution

Author: Conceptualisation and Research Design, Data Collection, Methodology, Supervision, Writing Entire Paper, Conceptualisation, Data Collection and Analysis, Editing and Layouting. All Authors have read the final version of the paper.

Declaration of interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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