

THE INFLUENCE OF APPLICATION OF COMPENSATION SYSTEM ON EMPLOYEE TURNOVER INTENTION AT PT.AUTO PADU KUALA TANJUNG BATUBARA WITH WORK MOTIVATION AS AN INTERVENING VARIABLE

Rico Nur Ilham¹, Lala Merlita², Muhammad Multazam³, T.M Azani⁴, Ikram⁵

¹Faculty of Economic and Business Universitas Malikussaleh

^{2,3,4,5} Student at Master Science Management Program Faculty of Economic and Business Universitas Malikussaleh

*Correspondence: riconurilham@unimal.ac.id

Abstract

In this study the population is permanent employees of PT. Auto Padu Kuala Tanjung Batu Bara, namely as many as 30 people. Because the target population is less than 100, the sampling technique used is the census method, where the entire population is 30 permanent employees of PT. Auto Padu Kuala Tanjung Batu Bara which will be used as a research sample. the first hypothesis is accepted, meaning that compensation (X) has a positive and significant effect on work motivation (Z). the second hypothesis is accepted, meaning that compensation (X) has a positive and significant effect on Turnover Intention (Y). the third hypothesis is rejected, meaning that Work Motivation (Z) has no positive and significant effect on Turnover Intention (Y).

Keywords: Turnover Intention, Compensation, Work Motivation

INTRODUCTION

Human Resource Management is needed to organize and organize every employee in each field. One of these tasks is carried out by the personnel sector, which is assigned to manage employees in certain fields and organize them. In the era of globalization, the personnel sector has begun to play a broader role in the selection, training, placement or promotion of employees. Tet and Meyer in Ridho (2012) reveal the definition of intention to leave, namely the employee's intention to leave the organization with a deliberate and conscious desire from the employee to leave the organization. Turnover intention that occurs in individuals within the organization describes the individual's feelings of leaving, looking for work elsewhere and the individual's desire to leave his job. Therefore, Turnover intention is the tendency of individual feelings or intentions of individuals who have the desire to quit their jobs. According to Expectancy Theory, one's motivation is influenced by expectancy, instrumentality, and valence. PT. Auto Padu's employee motivation is also influenced by these three factors so that their motivation and performance increase due to changes in the compensation system made. This increase in motivation and performance is indicated by the achievement of company targets. Employees who used to miss work often became more diligent after the changes were made. However, there are facts that occur in employee turnover caused by several things, including the workload that must be done on time and on target,

According to Hasibuan (2017: 119) Compensation is all income in the form of money, direct or indirect goods received by employees as a reward for services provided to the company. Establishing an effective compensation system is an important part of human resource management because it helps attract and retain talented jobs. In addition, the company's compensation system has an impact on strategic performance. Promotions will also be carried out by the company for employees who are deemed fit to carry out work

duties and responsibilities that are tougher than before by proving themselves to make achievements and achieve work targets to the maximum. In this study, there is any compensation provided by the company to its employees, namely, among other things, they are given additional salaries in the form of incentives from timely overtime results, salaries that are always full and so on. Not only that, as a shared responsibility but there are times when employees within the company also have to take part in the problems that are being experienced by the company.

B.Uno, Hamzah (2012:71) which states; "Work motivation is one of the factors that also determines a person's performance, the size of the influence of work motivation on a person's performance depends on how much intensity the motivation is given." Thus it can be said that motivation is basically a mental condition that encourages an action (action or activity) and provides strength that leads to achieving needs, giving satisfaction or reducing imbalances. Meanwhile, a phenomenon was found that the motivation given by the company to employees was considered not enough to make employees comfortable at work. A clear picture of a company that is currently experiencing turnover is caused by company policies that are not in line with employees,

LITERATURE REVIEWS

Turnover Intention

Turnover Intention is the desire to change jobs or the desire to leave an organization in the form of quitting work or moving to another organization because you do not feel comfortable and want to get a better job. Basically the attitude of individuals who have the desire to leave an organization is common. Turnover intention is the final action that will be taken by an individual to leave the organization due to the factors that encourage the individual to want to leave the organization.

Compensation

Compensation is everything that employees receive as remuneration that is able to provide satisfaction to employees for the work that has been completed. Compensation is divided into two types of financial compensation and non-financial compensation. Inadequate compensation reduces employees' sense of organizational commitment, job satisfaction and work motivation (Fatimah, 2013).

Work motivation

B.Uno Hamzah (2012:71) which states; "Work motivation is one of the factors that also determines a person's performance, the size of the influence of work motivation on a person's performance depends on how much intensity the motivation is given. Human behavior is actually just a reflection of their basic motivation at its simplest. For human behavior to conform to organizational goals, there must be a combination of motivations for fulfilling their own needs and those of the organization's demands.

METHODS

In this study the population is permanent employees of PT. Auto Padu Kuala Tanjung Batu Bara, namely as many as 30 people. Because the target population is less than 100, the sampling technique used is the census method, where the entire population is 30 permanent employees of PT. Auto Padu Kuala Tanjung Batu Bara which will be used as a research sample.

Data analysis is a desire to classify, make a sequence, manipulate and abbreviate data so that it is easy to read and understand. In other words, data analysis activities are raw data that has been collected needs to be categorized or divided into several categories or groups, abbreviated in such a way that the data can answer problems according to research objectives and can test hypotheses (Silaen and Widiyono, 2013).

RESULTS AND DISCUSSION

A. Multiple Linear Regression Testing

Multiple Linear Regression Results

		Coefficients ^a					
		Unstandardized Coefficients		Standardized Coefficients			
Model		B	std. Error	Betas	t	Sig.	Collinearity Statistics tolerance VIF
1	(Constant)	2,386	1968		1,212	.236	
	X_compensation	.691	.139	.800	4,978	.000	.646 1,547
	Motivation_Z	.121	.182	.107	.665	.512	.646 1,547

a. Dependent Variable: Turnover_Intention_Y

Based on these results, the multiple linear regression equation has the formulation:
 $Y = a + b_1X + b_2Z + \epsilon$, so that the equation is obtained:

$$Y = 2.386 + 0.691 X + -0.121 Z + \epsilon$$

The description of the multiple linear regression equation above is as follows:

- The constant value (a) of 2.386 indicates the magnitude of Turnover Intention (Y) if Compensation (X) and Work Motivation (Z) are equal to zero.
- The regression coefficient value of Compensation (X) (b₁) is 0.691 indicating the magnitude of the role of Compensation (X) on Turnover Intention (Y) assuming that the variable Work Motivation (Z) is constant. This means that if the Compensation factor (X) increases by 1 value unit, it is predicted that Turnover Intention (Y) will increase by 0.691 value units assuming Work Motivation (Z) is constant.
- The regression coefficient value of Work Motivation (Z) (b₃) is 0.121 indicating the large role of Work Motivation (Z) on Turnover Intention (Y) assuming the variable Compensation (X) is constant. This means that if the Work Motivation factor (Z) increases by 1 value unit, it is predicted that Turnover Intention (Y) will increase by 0.121 value units assuming that Compensation (X) is constant.

B. t test (Partial)

Partial Test (t) Equation 1

Model		Coefficients ^a						Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients		t	Sig.		
		B	std. Error	Betas				tolerance	VIF
	(Constant)	5,098	1,800			2,832	.008		
	X_compensation	.453	.116	.595		3,914	.001	1,000	1,000

a. Dependent Variable: Motivation_Z

Hypothesis test of the influence of the Compensation variable (X) on the Work Motivation variable (Z).

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

1. Accept H0 If $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$ or Sig. > 0.05 .
2. Reject H0 If $t_{count} \geq t_{table}$ or $-t_{count} \leq -t_{table}$ or Sig. < 0.05 .

From the table above, a tcount value of 3.914 is obtained with $\alpha = 5\%$, ttable (5%; nk = 28) obtained a ttable value of 2.048. From this description it can be seen that tcount (3.914) $< t_{table}$ (2.048), likewise with a significance value of $0.001 < 0.05$, it can be concluded that the first hypothesis is accepted, meaning that the compensation variable (X) has a positive and significant effect on work motivation (Z).

Partial Test (t) Equation 2

		Coefficientsa						Collinearity Statistics	
		Unstandardized		Standardized		t	Sig.		
		Coefficients		Coefficients					
Model		B	std. Error	Betas		t	Sig.	tolerance	VIF
1	(Constant)	2,386	1968			1,212	.236		
	X_compensation	.691	.139	.800		4,978	.000	.646	1,547
	Motivation_Z	.121	.182	.107		.665	.512	.646	1,547

a. Dependent Variable: Turnover_Intention_Y

Hypothesis Test the effect of Compensation (X) on Turnover Intention (Y)

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

1. Accept H0 If $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$ or Sig. > 0.05
2. Reject H0 If $t_{count} \geq t_{table}$ or $-t_{count} \leq -t_{table}$ or Sig. < 0.05

From the table above obtained tcount value of 4.978 With $\alpha = 5\%$, ttable (5%; nk = 28) obtained ttable value of 2.048 From this description it can be seen that tcount (4.978) $>$

ttable (2.048), and its significance value is $0.000 < 0.05$ it can be concluded that the second hypothesis is accepted, meaning that compensation (X) has a positive and significant effect on Turnover Intention (Y).

Hypothesis test of the effect of Work Motivation (Z) on Turnover Intention (Y)

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

1. Accept H_0 If $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$ or $Sig. > 0.05$
2. Reject H_0 If $t_{count} \geq t_{table}$ or $-t_{count} \leq -t_{table}$ or $Sig. < 0.05$

From the table above, a t_{count} value of 0.665 is obtained with $\alpha = 5\%$, t_{table} (5%; $n_k = 28$) obtained a t_{table} value of 2.048. From this description it can be seen that t_{count} (0.665) $< t_{table}$ (2.048), and its significance value is $0.512 > 0.05$, it can be concluded that the third hypothesis is rejected, meaning that Work Motivation (Z) has no positive and significant effect on Turnover Intention (Y).

Path Analysis

Direct and Indirect Relations

No	Variable	Direct	Indirects	Total	Criteria	Conclusion
1	Compensation (X)	0.800	0.595	-	Significant	As Independent Variable
2	Work motivation (Z)	0.107	-	0.063	No Significant	No As an Intervening Variable

CLOSING

Conclusion

Based on the results of the research and discussion in the previous chapter, it can be concluded as follows:

1. The things proposed state that: From table 4.16, a t_{count} value of 3.914 is obtained. With $\alpha = 5\%$, t_{table} (5%; $n_k = 28$) a t_{table} value of 2.048 is obtained. From this description it can be seen that t_{count} (3.914) $> t_{table}$ (2.048), Likewise with a significance value of $0.001 < 0.05$, it can be concluded that the first hypothesis is accepted, meaning that compensation (X) has a positive and significant effect on work motivation (Z).
2. From table 4.17, a t_{count} value of 4.978 is obtained. With $\alpha = 5\%$, t_{table} (5%; $n_k = 28$) a t_{table} value of 2.048 is obtained. From this description it can be seen that t_{count} (4.978) $> t_{table}$ (2.048), and its significance value is $0.000 < 0.05$, it can be concluded that the second hypothesis is accepted, meaning that compensation (X) has a positive and significant effect on Turnover Intention (Y).
3. From table 4.17, a t_{count} value of 0.665 is obtained. With $\alpha = 5\%$, t_{table} (5%; $n_k = 28$) a t_{table} value of 2.048 is obtained. From this description it can be seen that

$t_{count} (0.665) < t_{table} (2.048)$, and its significance value is $0.512 > 0.05$, it can be concluded that the third hypothesis is rejected, meaning that Work Motivation (Z) has no positive and significant effect on Turnover Intention (Y).

REFERENCES

- AA Anwar Prabu Mangkunegara, 2011. Performance Evaluation of Human Resources.: Refika Aditama. Bandung
- Bastian, Indra. 2010. Public Sector Accounting Third Edition.: Erlangga Jakarta
- B. Uno, Hamzah. 2012. Theory of Motivation and Measurement: PT. Script Earth. . Jakarta
- Luthans, Fred. 2012. "Organizational Behavior". Yogyakarta: Publisher Andi.
- Ghozali, Imam. 2011. "Application of Multivariate Analysis with the SPSS Program" Diponegoro University Publisher Agency. Semarang
- Hasibuan, Malayu SP. 2017. Human Resource Management. Revised Edition. Jakarta: Earth Script.
- Nazir, Moh. 2013. "Research Method". Indonesian Ghalia. Bogor
- Sugiyono. 2012. "Business Research Methodology", Print 16. Alfabeta. Bandung
2013. "Quantitative, Qualitative and R&D Research Methods". Alfabeta. CV. Bandung:
- Suryana. 2013. "Entrepreneurship Tips and Processes for Success. Jakarta: SALEMBA FOUR."
- Siagian, Sondang. 2010. Human Resource Management. Jakarta: Earth Script
- Rivai, Veithzal. 2011, Human Resource Management for Companies: from Theory to Practice, Jakarta
- Ridlo, IA 2012. Employee Turn Over "Literature Study". Surabaya: Public Health Movement
- Wibowo, Bagus Ari. 2011. Design and Implementation of a Decision Support System for Roads Using the ID3 Method (Case Study of BAPPEDA City of Salatiga). Satya Wacana Christian University: Central Java.