

The Effect of Compensation and Work Environment on Turnover Intention at PT. Putra Dolok Mandiri

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ABSTRACT

This study aims to determine: 1) The effect of compensation on Turnover Intention at PT. Putra Dolok Mandiri, 2) The Effect of Work Environment on Turnover Intention at PT. Putra Dolok Mandiri, 3) The Effect of Compensation and Work Environment on Turnover Intention at PT. Putra Dolok Mandiri. This study uses a quantitative approach. The sample in this study were employees of PT. Putra Dolok Mandiri, amounting to 37 people. Data collection used questionnaires and interviews, while data analysis used multiple linear regression analysis. Based on the results of this study, it is known that there is a significant effect of compensation and work environment on turnover intention at PT. Putra Dolok Mandiri.

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1. Introduction

The effort to retain employees has become an important issue in many companies. Employees who are comfortable and happy with the company's treatment of them are expected to do a good job and be able to satisfy customers. [5] Turnover Intention is a problem that often occurs in many companies. Turnover Intention is a desire to move from one company to another. [9] With the high Turnover Intention in a company, it causes an increase in the cost of recruiting and training new employees. The high turnover in a company also causes the company's image to decline because it often opens job vacancies. [14]

Many of the employees who get compensation are not according to their job and the level of safety of the work environment is considered unsafe causing many of them to think about leaving. They are also thinking of looking for other work alternatives. They are looking for a job that is better than their current job. When they get a better job they will leave the company. According to Mathis & Jackson, the factors that influence Turnover Intention are organizational components, employee relations, career opportunities, compensation, assignment and job design. [13]

Previous research by Tri Tejo Nugroho in 2018 with the title Effect of Compensation and Work Environment on Turnover Intention of PT. Circle K Indonesia Yogyakarta branch. From the above problems and previous research indicates that compensation and work environment affect Turnover Intention in the company. [3,11] So that researchers are interested in raising the title of research on the Effect of Compensation and Work Environment on Turnover Intention at PT. Putra Dolok Mandiri. In this study, the researcher added a partial test and simultaneous test in it to strengthen the research results and it is hoped that it can be better than previous studies.

Compensation is something that employees receive in return for their services to the company. [4,10] An employee values hard work and will show loyalty to the company. If the level of compensation is insufficient or unable to compete with other organizations (not competitive), it is likely that the employee will leave (turnover) to another agency which is proven to be able to provide more adequate welfare. [7,8]

The influence of the work environment is all things or elements that can directly or indirectly affect the organization or company. [7] The work environment is everything that is around the worker / employee that can affect employee job satisfaction in carrying out their work so that maximum work results will be obtained, where in that work environment there are work facilities that support employees in completing tasks assigned to employees in order to improve work. employees in a company. [1,13]

Turnover Intention is the attitude tendency or degree to which an employee is likely to leave the organization or resign. According to Nilesch, Thankre Turnover Intention is an employee's desire to leave an organization voluntarily at this time and their behavior to find a new job. [9]

2. Method

This study uses a quantitative approach. This research was conducted at PT. Putra Dolok Mandiri, whose address is deep pakam. The population in the study amounted to 37, the sample in this study were employees of PT. Putra Dolok Mandiri, amounting to 37 people, the sampling method used the census method, meaning that all populations were sampled. Data collection used questionnaires and interviews, while data analysis used multiple linear regression analysis. [2,6]

3. Results and Analysis

3.1. Instrument Test

a. Data Validity Test

The analysis was carried out using SPSS Version 20 with an error rate (significant) of 5% with a two-way test and 37 respondents (N). So that the degree of freedom (df) for correlation in this validity test is $df = N - 2$, namely $df = 37 - 2 = 35$. Based on this df, the r table is 0.275. [15]

Table 1.
Validity Test Results

No.	Variable	r count	Information
1	Compensation (X1)		
	X1.1	,629	Valid
	X1.2	,735	Valid
	X1.3	,496	Valid
	X1.4	,618	Valid
	X1.5	,669	Valid
	X1.6	,552	Valid
	X1.7	,592	Valid
2	Work Environment (X2)		
	X2.1	,634	Valid
	X2.2	,618	Valid
	X2.3	,634	Valid
	X2.4	,445	Valid
	X2.5	,634	Valid
	X2.6	,385	Valid
3	Turnover Intention (Y)		
	Y.1	,527	Valid
	Y.2	,422	Valid
	Y.3	,352	Valid
	Y.4	,634	Valid

Source: Primary data processed, 2020

It can be seen that all items of questions in this study are declared valid because $r \text{ count} > r \text{ table}$ so that the questions deserve to be given.

b. Reliability Test

After the validity test is carried out, the next test is the reliability test.

Table 2.
Reliability Test Results
Reliability Statistics

Cronbach's Alpha	N of Items
,893	17

Source: Primary data processed, 2020

The results of reliability testing in the table above show that the coefficient alpha (α) > 0.6 so it can be said that the questionnaire compiled is reliable or reliable as a data collection tool in this study.

3.2. Data analysis

a. Classical Assumption Test Results

1) Normality Test Results

Based on the Kolmogorov-Smirnov test can on the independent variable 0.638 and 0.616 and in the dependent variable 0.115. This value is greater than 0.05 so that the data tested is normally distributed, so that the assumption of normality is fulfilled.

2) Linearity Test Results

Two variables are said to have a linear relationship if the significance is > 0.05. From the table, it can be seen that the significance value of the two independent variables is 0.923 > 0.05 and 0.241 > 0.05, meaning that all independent variables have a linear relationship with the dependent variable.

3) Multicollinearity Test Results

Based on the multicollinearity test with SPSS 20, the VIF value of the two independent variables is 1.465 < 10, meaning that there is no multicollinearity between the independent variables in the regression model of this study.

b. Multiple Linear Regression Test Results

Multiple linear regression analysis aims to measure the strength of the relationship between two or more variables, it also shows the direction of the relationship between the dependent variable and the independent variable. This study uses multiple linear regression equations because it has more than one independent variable. The following are the results of data processing using SPSS 20. [15,6]

Table 3.
Multiple Linear Regression Test
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	4,069	1,347	
1 COMPENSATION	,173	,043	,439
WORK ENVIRONMENT	,318	,066	,522

a. Dependent Variable: TURNOVER INTENTION

Source: Primary data processed, 2020

From the regression table above, it can be seen that the equation formed is:

$$Y = 4.069 + 0.173 X_1 + 0.318 X_2$$

This equation explains that:

- 1) A constant of 4.069 shows that if the compensation and work environment variables are constant, the Turnover Intention variable is 4.069.
- 2) The value of 0.173 shows that if the compensation variable (X1) increases by one, the value of the Turnover Intention variable will increase by 0.173 assuming other factors are constant.
- 3) The value of 0.318 shows that if the work environment variable (X2) increases by one, the value of the Turnover Intention variable will increase by 0.318 assuming other factors are constant.

3.3. Hypothesis testing

a. Partial Test Results (t test)

The t test is used to determine whether each independent variable partially has a significant effect on Turnover Intention. The calculation of the t test or partial test in this study uses SPSS version 20. The number of respondents in this study is N = 37, the number of variables X k = 2, so to find the t table is df = N - k = 37 - 2 = 35 so that the value t table obtained is 1.689.

Table 4.
T Test Results
Coefficients^a

Model	t	Sig.
(Constant)	3,021	,005
1 COMPENSATION	4,018	,000
WORK ENVIRONMENT	4,785	,000

a. Dependent Variable: TURNOVER INTENTION

Source: Primary data processed, 2020



The t test between the average compensation (X1) and Turnover Intention obtained the t value of 4.018 while the t table value was 1.689. Because the value of t count $4.018 >$ the value of t table 1.689 and the significance of $0.000 < 0.05$, it can be seen that partially there is a significant influence between the compensation variable (X1) and the Turnover Intention (Y) variable. This means H1 is accepted.

The t test between the average work environment (X2) and Turnover Intention obtained the t value of 4.785 while the t table value was 1.689. Because the t value is $4.785 >$ the t table value is 1.689 and the significance is $0.000 < 0.05$, it can be seen that partially there is a significant influence between the work environment variable (X2) and the Turnover Intention (Y) variable. This means that H2 is accepted.

b. Simultaneous Test Results (Test F)

Table 5.
F Test Results
ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	77,381	2	38,691	44,454	,000b
	Residual	29,592	34	,870		
	Total	106,973	36			

a. Dependent Variable: TURNOVER INTENTION

b. Predictors: (Constant), WORKING ENVIRONMENT, COMPENSATION

Source: Primary data processed, 2020

From the results of data processing above, it can be seen that Fcount is 44.454 with a significance of 0.000. F count $44.454 >$ F table 4.12 and the significance value $0.000 < 0.05$, it can be seen that the regression analysis model is significant. This means that H3 is accepted, meaning that there is an effect of compensation (X1) and work environment (X2) on Turnover Intention (Y).

c. Coefficient of Determination (R²)

Table 6.
Coefficient of Determination
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,915a	,837	,831	1,58003

a. Predictors: (Constant), WORKING ENVIRONMENT, COMPENSATION

Source: Primary data processed, 2020

Based on Table 6, it is obtained that the R square (R²) value is 0.723, this means that the compensation and work environment variables have an effect of 72.3% on Turnover Intention, while the remaining 27.7% is influenced by other variables not discussed in this study.

Apart from the R square value, the coefficient of determination can also be seen from the adjusted R square value. Based on Table 6, it is obtained an adjusted R square value of 0.707, this means that the compensation and work environment variables have an effect of 70.7% on Turnover Intention while the remaining 29.3% is influenced by other variables that are not discussed. in this research.

3.4. Discussion

a. Effect of Compensation on Turnover Intention

The results of this study indicate that compensation has a positive effect on Turnover Intention which can be explained by several factors. Salary factors and departure allowances that are deemed insufficient to meet daily needs. When the remuneration provided by the company is not in accordance with the workload of the employee, the employee's performance will decrease and encourage the employee to resign from the company. By providing compensation that is not sufficient to meet the needs of employees by the company it results in not achieving compensation such as high job satisfaction and motivated employees. Failure to achieve the compensation objective will have an impact on increasing the level of Turnover Intention in the company.

b. Effect of Work Environment on Turnover Intention

The results of this study indicate that the work environment has a positive effect on Turnover Intention. The influence of the work environment on Turnover Intention can be explained by several factors. The factor that often occurs is the loss of certain items that causes losses and is borne by employees. Incomplete office stationery can hinder employee performance. Co-workers who lack understanding in carrying out their duties and are less responsible. When employees feel uncomfortable with their work environment, this encourages employees to resign from the company. A safe work

environment and complete work facilities can reduce the Turnover Intention rate. On the other hand, incomplete facilities and an unsafe environment can increase the turnover intention rate.

c. Effect of Compensation and Work Environment on Turnover Intention

The results of this study indicate that compensation and work environment have a positive effect on Turnover Intention. The compensation factor is influenced by a fair salary, appropriate incentives, and benefits that are in line with expectations. Work environment factors are influenced by the work atmosphere and work facilities. Salaries and departure allowances that are deemed insufficient to meet their daily needs will cause employees to look for jobs that provide salaries and allowances that are able to meet their daily needs. Lack of a level of security and inadequate work facilities causes employees not to feel safe and comfortable at work. Providing compensation that is not in accordance with the burden carried by employees and an unsupportive work environment results in an increase in Turnover Intention.

4. Conclusion

Based on the results of the research conducted, the following conclusions can be drawn:

- From the results of the t test, it shows that the compensation variable and the Turnover Intention variable have a significant effect by obtaining a t value of $4.018 > t$ table value of 1.689 and a significance of $0.000 < 0.05$.
- From the results of the t test shows that the work environment with Turnover Intention has a significant effect by obtaining a t value of $4.785 > t$ table value of 1.689 and a significance of $0.000 < 0.05$.
- Based on the results of the F test, it shows that the independent variables, namely compensation and work environment, on the dependent variable, Turnover Intention, have a significant effect, namely the F count of $44.454 > F$ table 4.12 and a significance value of $0.000 < 0.05$.
- Based on the R square (R²) test, it shows that the value of 0.723 means that the compensation and work environment variables have an effect of 72.3% on Turnover Intention.
- From the results of research simultaneously based on grouping sex, age, education and length of work there is no difference with the results of the simultaneous test as a whole.

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