

THE INFLUENCE OF WORK ENVIRONMENT AND COMPENSATION ON EMPLOYEE TURNOVER INTENTION

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Abstract

The persistence of a employee in a company is an indication that the company can be said to be a successful company because employees are the lifeblood of the company and without employees the company cannot do anything. There are a number of factors that can determine whether an employee will stay or not, one of which is the work environment. This research aims to examine the influence of the work environment on Employee Turnover Intention. Different from other studies, this research adds the Compensation variable as an Independent variable which researchers believe can influence the Employee Turnover Intention variable. This research is a quantitative research with an exploratory approach which was distributed using the questionnaire method to 300 Basmlalah supermarket employees spread throughout Indonesia. The data collected was analyzed using smart PLS 3.0. The research results show that the Work Environment variable has a negative relationship and an insignificant influence on the Employee Turnover Intention variable because the t-table value is negative and above the significance level. On the other hand, according to the researcher's assumption that the Compensation variable has a positive relationship and has a significant influence on the Employee Turnover Intention variable because the t-table value is positive and below the significance level. Thus, the first hypothesis is rejected and the second hypothesis is accepted.

Keywords : Work Environment, Compensation, Employee Turnover Intention.

1. INTRODUCTION

According to (Hidayati, 2016), employee turnover is an important aspect in a company because it can affect performance and costs in the company. According to (Kurniawati, 2019), turnover is one of the problems that must be paid attention to because it can affect the condition of a company. According to (Wisantyo, 2015), turnover intention is the level of employee turnover that occurs when employees leave the organization and must be replaced. Turnover intention reflects an individual's desire to leave the organization and seek alternative employment elsewhere. According to (Abdullah Fuad, 2012) states that turnover is the movement of workers leaving their place of work. Turnover intention is a situation where employees have a conscious intention to look for another job as an alternative in a different organization. (Rio et al., 2021) stated that turnover intention is a problem that often arises in an organization regarding the desire to leave.

According to (Nasution, 2017), citing (Waspodo, Handayani, and Paramita 2013), the negative impact felt due to turnover in companies is on the quality and ability to replace employees who leave the company, so that it takes time and new costs to recruit new employees. employee. Turnover intention that occurs in companies is one illustration of low employee loyalty to the company. (Steyn, 2010)states that employee loyalty is reflected through the availability and willingness of employees to contribute to the organization and

their desire not to leave the organization. According to (Azeez, 2016) stated that a high turnover rate will reduce the company's efficiency and productivity, conversely if the turnover rate is low then the company's efficiency and productivity will be maintained. A high company turnover rate will have an impact on company revenue because turnover raises recruitment costs, training costs, and costs incurred to fill empty positions within the company (Khan and Du, 2014). Causes of turnover include job stress, job satisfaction, commitment organizational, work environment, and so on (Suwatno, 2011).

Based on the explanation above, it indicates that turnover intention is something that a company should avoid. In line with research (Suwatno, 2011) that one of the causes of employee turnover intention is the work environment. (Waspodo, 2013) that a work environment is a condition where there are special characteristics where in that environment you can do work, where in this environment it is possible for psychological changes to occur that need special attention, where in this work environment there is a vulnerability to boredom. at work due to monotonous work and fatigue due to the work being done.

The work environment is factors outside the employee, which can be physical or non-physical in a company. Companies must pay attention to their work environment in order to create a conducive atmosphere so that employees can carry out their work smoothly. Employees can feel uncomfortable at work if the environment in which they work does not make them comfortable. Insufficient or excessive lighting can interfere with the employee's view while working. The temperature of the work space must also be maintained so that it is not too hot or too cold so that employees do not feel hot or cold while working, and noise in the work space must be carefully controlled because it can be disturbing. employee concentration at work. If the employee's comfort level at work decreases, the employee will feel uncomfortable and will have the desire to leave (Aziz, 2021).

Therefore, companies must pay close attention to the work environment so that all employees feel comfortable in completing all the work they are given. If employees feel comfortable at work then the work results that will be produced will be satisfying, and employees will also feel comfortable and at home working at the company. There are a number of studies (Jamil, 2012) ; (Rio et al., 2021) & (Qureshi, 2013) state that the Work Environment variable has a negative direction towards the Employee Turnover Intention variable. In contrast to the studies above, this study adds a compensation variable which researchers believe can also have an influence on the Employee Turnover Intention variable.

2. RESEARCH METHODS

Research that uses primary data with a questionnaire instrument, the questionnaire consists of statements of agree, strongly agree, normal, disagree, and strongly agree, and the analysis uses software, so it can be described as quantitative research (Supriyanto, 2019). This research is quantitative research that relies on numerical matters to determine the certainty of the results hypothesized by the researcher (Sugiyono, 2019). This research consists of two independent variables, namely work environment and compensation and 1 dependent variable, namely Employee Turnover Intention Interest. The primary data used was distributed to Basmalah supermarket employees spread throughout Indonesia. The data obtained was analyzed with smart PLS 3.0 (Jonathan Sarwono, 2016):

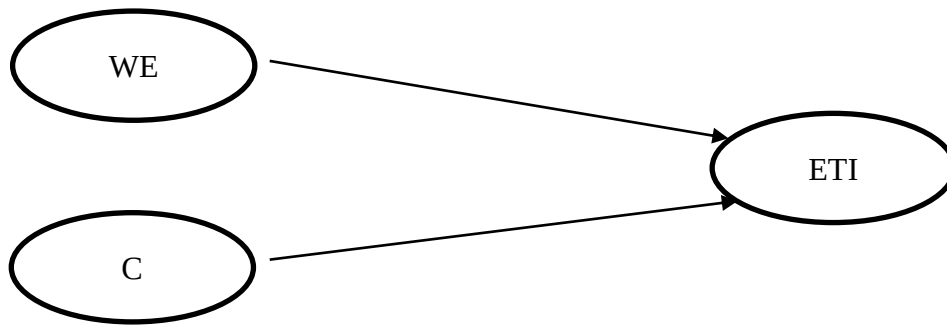


Figure 1
Mode Hypothesis

Noted:

WE: Work Environment

C: Compensation

ETI: Employee Turnover Intention

Hypothesis:

1. The influence of Work Environment on Customer Pruchase Interest
2. The influence of Compensation on Customer Pruchase Interest

3. RESULT AND DISCUSSION

3.1. Result

Convergent Validity

After distributing questionnaires to 300 Basmalah supermarket employees spread across Indonesia, the next stage was testing 22 question items consisting of 8 Work Environment variable question items, 8 Compensation variable question items, and Employee Turnover Intention variable question items with the following reliability test results(Sarstedt et al., 2014):

Table 1
Convergent Validity

Variable	Question Item	Loading Factor
Work Environment (X1)	An uncomfortable work environment makes employees feel uncomfortable	0.825
	An uncomfortable environment makes employees unable to complete their work optimally	0.867
	An uncomfortable environment makes employees feel stressed	0.835
	An uncomfortable environment makes	0.854

	employees want to look for a new place of work	
	An uncomfortable environment makes employees do their work casually	0.844
	An uncomfortable environment makes employees want to go home quickly	0.867
	An uncomfortable environment makes employees work unprofessionally	0.851
	An uncomfortable environment degrades employee integrity	0.841
Compensation (X2)	Compensation given at the wrong time makes employees uncomfortable	0.829
	Compensation given in small amounts encourages employees to look for other jobs	0.851
	Small compensation makes employees lazy to work	0.841
	Inappropriate compensation makes employees unprofessional	0.875
	Moderate compensation makes employees work as hard as they can	0.842
	Compensation should pay attention to employee work results	0.849
	Compensation is something that must be prioritized so that employee work results are maximized	0.852
	Compensation makes employees satisfied at work	0.864
Employee Turnover Intention	The work environment encourages employees' desire to look for other	0.888

(Y)	jobs	
	Unsupportive coworkers encourage employees to look for another job	0.891
	Unsupportive bosses encourage employees to look for other jobs	0.893
	Small compensation makes employees feel dissatisfied at work	0.905
	Compensation that is not in accordance with work results forces employees to look for other work	0.910
	Small compensation makes employees tempted to other companies that have greater compensation	0.899

Data processed by researcher, 2023

Valid : > 0.70

Realibility Test

After obtaining the validity test results of 22 question items consisting of 8 Work Environment variable question items, 8 Compensation question items, and Employee Turnover Intention question items. So the next step is to find out the true value and lower value of a construct to find out whether each variable used in this research is reliable and can be continued at the next stage. (Ghozali, 2016):

Table 2
Realibility Test

Variable	Composite Realibility	Cronbach Alfa
Work Environment	0.810	0.770
Compensation	0.840	0.802
Employee Turnover Intention	0.880	0.831

Data processed by researcher, 2023

Reliable > 0.70

Path Coefisien

After obtaining the validity test results for 22 question items consisting of 8 question items for the Work Environment variable, 8 question items for the Compensation variable, and 6 question items for the Employee Turnover Intention variable, all of them have been declared valid. Apart from that, the results of the Reliability Test have also been obtained, the results of all variables in this research are reliable, and can be continued at the path coefficient stage. This stage aims to determine the direction of the relationship between the Independent and Departmental variables, and whether they have an influence or not (Sarstedt et al., 2014).

Table 3
Path Coefisien

Direct Influence	Variable	T-Table	Noted
	WE-)ETI	-0.025	Rejected
	C-)ETI	0.015	Acceptable

Data processed by researcher, 2023

Level of Significance : 0.05

H1: The influence of Work Environment on Employee Turnover Intention

In fact, the work environment has the opposite effect on Employee Turnover Intention because employees are comfortable with other colleagues, a comfortable work environment, and so on, which will make employees feel more at home and choose to stay with a company that makes them comfortable. In line with the statement above, the results of table 3 of the path coefficient show that the Work Environment variable has a negative relationship with an insignificant effect on the Employee Turnover Intention variable. This is in line with research (Jamil, 2012) ; (Rio et al., 2021) & (Qureshi, 2013)

. Thus the first hypothesis in this research is **rejected**.

H2: The influence of Compensation on Employee Turnover Intention

In contrast to the results above and the theories in previous research, the compensation variable is a determining factor in whether or not employees stay in a company. Large compensation will make employees calm and comfortable because their daily needs are met. In line with the statement above, the results of the second hypothesis in this study show that the Compensation variable has a positive relationship and has a significant influence on the Employee Turnover Intention variable. Thus, it can be concluded that the second hypothesis in this research can be **accepted**.

4. CONCLUSION

Based on the results of the explanation above, it can be concluded that the Work Environment variable has a negative relationship and has an insignificant influence on the Employee Turnover Intention variable because the t-table value is negative and is above the significance level. On the other hand, according to the researcher's assumption that the Compensation variable has a positive relationship and has a significant influence on the Employee Turnover Intention variable because the t-table value is positive and below the significance level. Thus, the first hypothesis is rejected and the second hypothesis is accepted.

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