

THE EFFECT OF WORK STRESS AND FINANCIAL COMPENSATION ON TURNOVER INTENTION THROUGH JOB SATISFACTION

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ABSTRACT

The purpose of this study is to analyze job stress and financial compensation on turnover intention through job satisfaction. The sampling technique in this study used purposive sampling, which determines the sample with certain considerations. Therefore, the number of respondents in this study was 50 employees. Data collection techniques used questionnaires and data documentation from HRD. The analysis method used SEM PLS. The software used to process this research data was WarpPLS 6.0 Software. The results of the study indicate that the variable Job Stress has a negative and insignificant effect on Job Satisfaction, Financial Compensation has a positive and significant effect on Job Satisfaction, Job Satisfaction has a positive and insignificant effect on Turnover Intention, Job Satisfaction has a positive and insignificant effect on Turnover Intention, Job Stress has a positive and insignificant effect on Turnover Intention through Job Satisfaction, and Financial Compensation has a positive and significant effect on Turnover Intention through Job Satisfaction.

Keywords: Job Stress, Financial Compensation, Job Satisfaction, and Turnover Intention

INTRODUCTION

Previous research has strongly linked turnover intention to work stress, financial compensation, and job satisfaction. According to Widayati & Yunia (2016: 387-401), companies must pay special attention to employees by treating them fairly as a reward for their contributions to the company. Therefore, companies must manage and prioritize human resources effectively. Effective employee management can reduce turnover intention, a common problem within a company.

Based on the data presented, it is clear that over the past five years, from 2018 to 2022, the turnover intention rate in the IT department has been quite high. This high employee turnover rate has occurred annually, reaching its highest level in 2021, with 26 employees joining and 21 leaving, for a turnover rate of 25%. Deloitte Indonesia explains that the average turnover rate in companies in Indonesia is 10%. This demonstrates that turnover intention is considered significant, as it exceeds 10%. Also, in 2022, data collected in May, or five months, showed a turnover intention rate of 11%.

A total of 32 employees have decided to resign from PT. Shelter Nusa Indah within a two-year period (2020-2021). Exit interviews with these 32 employees, conducted by HR, concluded that the reasons for leaving were career uncertainty, inadequate benefits, and high workload, all of which were related to employee satisfaction. These three factors include financial compensation, job stress, and job satisfaction.

Research conducted by Saeka & Suana (2016: 3736–3760) found that job satisfaction negatively impacts employee turnover intention. Bailey et al. (2016: 821–840) stated that job satisfaction occurs when an individual's needs are met. This is related to the degree of likes or dislikes associated with the employee, a common attitude displayed by employees due to

the perceived rewards they will receive after performing a job. Stress can arise when someone experiences a heavy burden or task that they cannot cope with. The body will respond by being unable to cope (Atmaja, 2018: 815). Providing appropriate and correct compensation will make employees feel satisfied at work and motivated to achieve organizational goals. Conversely, if compensation is inappropriate and inadequate, it will lead to decreased employee performance, motivation, and job satisfaction (Saputra, 2022: 2-12).

Based on the explanation above, this study aims to analyze the effect of work stress and financial compensation on turnover through employee satisfaction. It is hoped that this research can provide a solution to reduce the level of turnover intention in the IT Department of PT. Shelter Nusa Indah, based on the findings of this study.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The definition of work stress in this study draws from the theory by Vanchapo (2020: 37), which states that emotional states arise from a mismatch between the workload and an individual's ability to cope with the pressures they face. Financial Compensation, Hasibuan (2017: 119) states that compensation is all income in the form of money, direct or indirect goods received by employees in return for services rendered to the company. Job Satisfaction, Edy Sutrisno (2019: 74) states that job satisfaction is an employee's attitude toward work related to the work situation, cooperation between employees, rewards received in the work, and matters concerning physical and psychological factors. Komalasari et al. (2021: 38-47) define turnover intention as a mediating factor between attitudes that influence intention to leave and actual turnover. According to Azwar (2017: 39), an operational definition is a reformulation of the variable definition operationally so that it can be observed and measured. From the definition above, it can be concluded that operational definition is used to determine the types of variables and indicators so that hypothesis testing can be carried out correctly in accordance with the research title.

Job stress, according to Robbins and Judge (2017: 597) states that job stress is a dynamic condition where an individual is faced with an opportunity, demand or resource related to environmental conditions, organizational conditions and within a person. The indicators used are workload, leader attitudes, working hours and communication. Financial compensation, according to Simamora (2015: 442) states that compensation is a financial reward and intangible services and benefits received by employees as part of the employment relationship. The indicators used are incentives, wages and salaries. Job satisfaction, job satisfaction is a form of emotional attitude that is pleasant and loves one's work which is shown by work morale, discipline, and work performance. The indicators used are awards, promotion opportunities, supervision or superiors, individual characteristics, the work itself or the type of work. Turnover intention is defined as a mediating factor between attitudes that influence the intention to leave and actual departure from a company (Komalasari et al. 2021: 38-47). The indicators used are thoughts of quitting, intention to quit, and intention to search for alternatives.

This study uses two types and sources of data, namely primary and secondary, for primary data obtained directly by distributing questionnaires and for secondary data obtained from HRD in the form of recapitulation data of user exit of IT employees of PT. Shelter Nusa Indah. The research hypothesis testing was carried out using the Structural Equation Model (SEM) approach based on Partial Least Square (PLS). PLS is a structural equation model (SEM)

based on components or variants. Structural Equation Model (SEM) is one of the fields of statistical study that can test a series of relationships that are relatively difficult to measure simultaneously. The analysis technique in this study uses the PLS technique which is carried out in two stages, namely descriptive analysis and inferential analysis.

METHOD

Research Approach

The research approach used in this study can be categorized as quantitative research. According to Arikunto (2016:12), quantitative research is a research approach that uses a lot of numbers, from data collection, interpretation of the data obtained, and presentation of the results.

Variable Measurement

The data measurement tool used to quantify the data to be analyzed from survey/direct research results via questionnaires is a Likert scale, a method that measures attitudes by expressing agreement or disagreement with a particular subject, object, or event. A four-point rating indicates the order of agreement or disagreement.

Population and Sampling Procedure

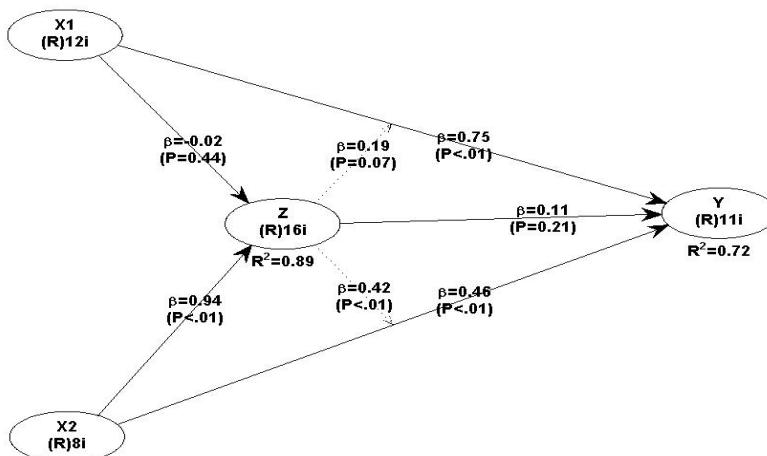
Arikunto (2016:117) states that a population is the entire research object. If someone wants to examine an element within the research area, then the research is population research. The population in this study was 62 IT department employees at PT. Shelter Nusa Indah. The researchers used purposive sampling, which considered the variables used in this study—work stress, financial compensation, and job satisfaction—that employees experience after having their own duties and responsibilities for more than three months. In this case, the sample was determined based on their length of service, namely employees with a tenure of more than six months. This is because new employee training at this company only lasts two months, after which they have their own responsibilities. Therefore, the sample size for this study was 50 IT employees out of a total of 62 IT employees.

Data Types and Sources

The types of data used in this research are primary data, which is data obtained by administering questionnaires directly to respondents. Secondary data is data obtained/collected by researchers from all existing sources. Secondary data can be obtained from various sources, such as journals, books, reports, and so on. Data Collection Techniques The data collection techniques used in this study are based on how the researcher obtained the data needed for the research process. Data were obtained by distributing questionnaires containing written questions to respondents

RESULTS

Testing has been carried out by applying outer and inner model testing, and producing the following hypothesis tests:



The relationship between work stress and job satisfaction, based on the hypothesis test, shows that the work stress variable on job satisfaction produces a path coefficient marked negatively -0.021 with P values 0.442 which means the value is greater than 0.05. This indicates that there is a negative and insignificant influence between the work stress variable on job satisfaction. The direction of the negative correlation value indicates that the higher the level of work stress, the lower the level of job satisfaction.

The effect of financial compensation on job satisfaction, based on the hypothesis test, shows that the financial compensation variable on job satisfaction produces a path coefficient marked positively 0.942 with P values <0.001 which means the value is smaller than 0.05. This indicates that there is a positive and significant influence between the financial compensation variable on job satisfaction. The direction of the positive correlation value indicates that the higher the financial compensation, the higher the level of job satisfaction.

The effect of work stress on turnover intention, based on the hypothesis test, shows that the work stress variable on turnover intention produces a path coefficient marked positively 0.752 with P values <0.001 which means the value is smaller than 0.05. This shows that there is a positive and significant influence between the work stress variable on turnover intention. The direction of the positive correlation value indicates that the higher the level of work stress, the higher the level of turnover intention.

The effect of financial compensation on turnover intention. Based on the hypothesis test, it shows that the financial compensation variable on turnover intention produces a positive path coefficient of 0.461 with P values <0.001, which means the value is smaller than 0.05. This shows that there is a positive and significant influence between the financial compensation variable on turnover intention.

The effect of job satisfaction on turnover intention, Based on the hypothesis test, it shows that the job satisfaction variable on turnover intention produces a positive path coefficient of 0.112 with P values 0.206, which means the value is greater than 0.05. This shows that there is a positive and insignificant influence between the job satisfaction variable on turnover intention.

The effect of work stress on turnover intention through job satisfaction, The results of the indirect effect test in this study indicate that work stress has a positive and insignificant

effect on turnover intention through job satisfaction. With the results of a positive path coefficient of 0.192 and p values 0.206, which means the value is greater than 0.05.

The effect of financial compensation on turnover intention through job satisfaction. The results of the indirect effect test in this study indicate that financial compensation has a positive and significant effect on turnover intention through job satisfaction. With a positive path coefficient of 0.415 and p values <0.001, meaning the value is smaller than 0.05.

Model Analysis

Validity Test

To determine the validity of the data from 68 respondents regarding the influence of Competence (X1), Work Discipline (X2), and Work Environment (X3) on Work Motivation (Z) and Employee Performance (Y), a validity test was used.

The validity test was aimed at four statements in the Competence (X1) variable, four statements in the Work Discipline (X2) variable, four statements in the Work Environment (X3) variable, four statements in the Work Motivation (Z) variable, and three statements in the Employee Performance (Y) variable using the SPSS 21.0 software application or computer program.

Based on the results of the validity test, all statement items across all variables were declared valid, as the Pearson correlation (r) value was greater than 0.30.

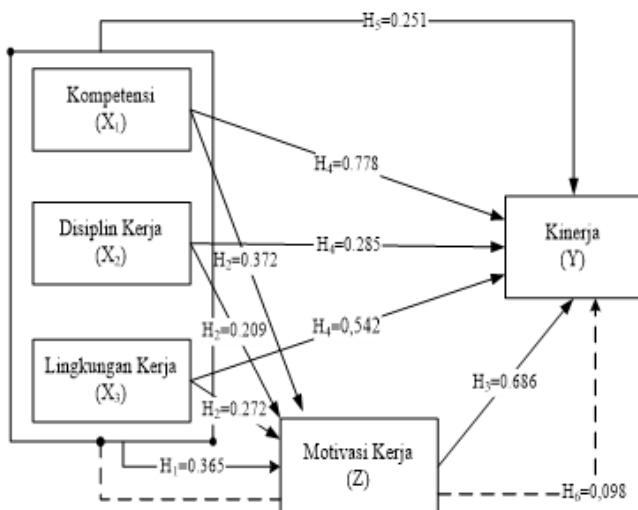
Reliability Test

To determine the accuracy of the data from 54 respondents regarding the influence of Competence (X1) and Work Discipline (X2) on Work Motivation (Z) and Employee Performance (Y), a reliability test was conducted using SPSS 21.0.

Based on the reliability test results, it can be seen that the variables Competence (X1), Work Discipline (X2), Work Environment (X3), Work Motivation (Z), and Employee Performance (Y) are reliable, as the resulting α is greater than or equal to 0.60.

Path Analysis

The following is a diagram of the path analysis test results with path coefficient values or standardization for each variable.



From the figure, it can be seen that:

1. If the variables Competence (X1), Work Discipline (X2), and Work Environment (X3) change, it will cause a change in Work Motivation (Z). A positive sign indicates that if Competence (X1), Work Discipline (X2), and Work Environment (X3) increase, Work Motivation will also increase, and conversely, if Competence decreases, Work Motivation will also decrease. The coefficient value between (X1, X2, X3) and (Z) is 0.365.
2. If the variable Competence (X1) changes, it will cause a change in Work Motivation (Z). A positive sign indicates that if Competence increases, Work Motivation will also increase, and conversely, if Competence decreases, Work Motivation will also decrease. The coefficient value between (X) and (Z) is 0.372.
3. If the variable Work Discipline (X2) changes, it will cause a change in Work Motivation (Z). A positive sign indicates that higher Work Discipline leads to higher Work Motivation, and conversely, lower Work Discipline leads to lower Work Motivation. The coefficient between (X) and (Z) is 0.209.
4. A change in the Work Environment variable (X3) will cause a change in Work Motivation (Z). A positive sign indicates that a better Work Environment leads to higher work motivation, and conversely, a worse Work Environment leads to lower work motivation. The coefficient between (X) and (Z) is 0.272.
5. A change in the Work Motivation variable (Z) will cause a change in Employee Performance (Y). A positive sign indicates that higher Work Motivation leads to higher employee performance, and conversely, lower Work Motivation leads to lower employee performance. The coefficient between (X) and (Y) is 0.26.
6. A change in the Competence variable (X1) will cause a change in Employee Performance (Y). A positive sign indicates that greater competence leads to higher employee performance, and conversely, lower competence leads to lower employee performance. The coefficient value between (X) and (Y) is 0.778.
7. A change in the Work Discipline variable (X2) will lead to a change in Employee Performance (Y). A positive sign indicates that higher work discipline leads to higher employee performance, and conversely, lower work discipline leads to lower employee performance. The coefficient value between (X) and (Y) is 0.285.

8. A change in the Work Environment variable (X3) will lead to a change in Employee Performance (Y). A positive sign indicates that a better work environment leads to higher employee performance, and conversely, a worse work environment leads to lower employee performance. The coefficient value between (X) and (Y) is 0.542. 9. If the variables Competence (X1), Work Discipline (X2), Work Environment (X3) and Work Motivation (Z) change, it will cause changes in Employee Performance (Y). A positive sign indicates that if Competence (X1), Work Discipline (X2), Work Environment (X3) and Work Motivation (Z) are higher, Employee Performance (Y) will also be higher, and vice versa if Competence (X1), Work Discipline (X2), Work Environment (X3) and Work Motivation (Z) are lower, Employee Performance (Y) will also be lower. The coefficient value between (X1, X2, X3, Z) and (Y) is 0.251.
10. If the variables Competence (X1), Work Discipline (X2) and Work Environment (X3) change, it will cause changes in Work Motivation (Z) and its impact causes changes in Employee Performance (Y). A positive sign indicates that if Competence (X1), Work Discipline (X2) and Work Environment (X3) are higher then Work Motivation and Employee Performance will also be higher, and vice versa if Competence is lower then Work Motivation and Employee Performance will also be lower. This shows that Competence (X1), Work Discipline (X2) and Work Environment (X3) have an indirect effect on Employee Performance (Y) through Work Motivation (Z) of 0.250.

DISCUSSION

1. The Relationship between Job Stress and Job Satisfaction

Hypothesis testing shows that the relationship between job stress and job satisfaction produces a negative path coefficient of -0.021 with a P value of 0.442, indicating a value greater than 0.05. This indicates a negative and insignificant correlation between job stress and job satisfaction. The negative correlation indicates that higher levels of job stress lead to lower levels of job satisfaction.

Based on data obtained during the study, the highest loading factor for the job stress variable was indicator X1.2, Leader Attitude, with the statement "Feeling given work beyond one's capabilities." Meanwhile, the lowest loading factor was indicator X1.1, Workload, with a value of 0.654, with the statement "Having significant responsibility in the current job."

Based on the discussion above, it can be concluded that although high levels of job stress lower job satisfaction, this effect is negligible. These results contradict research by Tentama et al. (2019: 2277-8616), which found that job stress significantly influences job satisfaction. However, the conclusion that work stress has no significant effect on job satisfaction aligns with research (Vikky, 2017), which found that work stress has a positive but insignificant effect on employee job satisfaction.

2. The Effect of Financial Compensation on Job Satisfaction

Hypothesis testing shows that the financial compensation variable on job satisfaction produces a positive path coefficient of 0.942 with a P value <0.001, meaning the value is less than 0.05. This indicates a positive and significant influence between financial

compensation and job satisfaction. The positive correlation indicates that higher financial compensation leads to higher levels of job satisfaction.

Based on data obtained during the study, the financial compensation variable with the highest loading factor for each statement item is indicator X2.2 Incentives, which indicates the absence of incentives for working outside of working hours and that the incentives provided so far do not increase work enthusiasm. Meanwhile, indicator X2.1 Workload, with the lowest loading factor, has 0.650, which states, "Feel that motivation and work enthusiasm are not driven by salary received."

Based on the discussion above, it can be concluded that good financial compensation will increase job satisfaction, and financial compensation will influence employee job satisfaction. These research findings support Fajriana & Kustini's (2022: 220-226) assertion that if a company can provide good compensation, employee satisfaction will increase. Therefore, providing adequate remuneration or compensation will impact employee satisfaction. This demonstrates a positive and significant relationship between compensation and job satisfaction.

3. The Effect of Job Stress on Turnover Intention

The hypothesis test shows that the variable of job stress on turnover intention produces a positive path coefficient of 0.752 with a P value <0.001, meaning the value is less than 0.05. This indicates a positive and significant influence between the variable of job stress and turnover intention. The positive direction of the correlation indicates that higher levels of job stress lead to higher levels of turnover intention.

Based on the discussion above, it can be concluded that if IT employees experience high levels of job stress, turnover intention will increase, and this stress will influence turnover intention. One symptom of stress associated with behavior is employee turnover. The stress experienced by employees can trigger employees to desire to leave the company. The results of this study support the research of Zahra el al. (2018: 1-12), which describes the impact of job stress on employee turnover intention, with a statistically positive and significant effect.

4. The Effect of Financial Compensation on Turnover Intention

Hypothesis testing shows that the financial compensation variable on turnover intention produces a positive path coefficient of 0.461 with a P value <0.001, meaning the value is less than 0.05. This indicates a positive and significant effect between financial compensation and turnover intention.

Based on the discussion above, it can be concluded that if IT employees receive high financial compensation, turnover intention will increase, thus contributing to financial compensation's effect on turnover intention. It can be argued that even IT employees with good financial compensation are unable to remain employed and still have the intention to leave. These results support research by (Ahyar & Maulana, 2022: 100-114) that states that compensation has a significant positive effect on turnover intention.

5. The Effect of Job Satisfaction on Turnover Intention

Hypothesis testing shows that the job satisfaction variable on turnover intention produces a positive path coefficient of 0.112 with a P value of 0.206, meaning the value is greater

than 0.05. This indicates a positive but insignificant effect between job satisfaction and turnover intention.

Based on the discussion above, it can be concluded that if IT employees have high job satisfaction, turnover intention will increase, but this does not affect the relationship between job satisfaction and turnover intention. Job satisfaction is an employee's feelings about their working conditions, whether positive or negative. Observations indicate that some employees are dissatisfied with their jobs but choose to stay with the company. This is because they still need the job and it is increasingly difficult to find a new one. The positive effect of job satisfaction supports research (Ahyar & Maulana, 2022: 100-114) that states job satisfaction has a significant positive effect on turnover intention. However, this study found that job satisfaction did not influence turnover intention.

6. The Effect of Job Stress on Turnover Intention through Job Satisfaction

The results of the indirect effect test in this study indicate that job stress has a positive but insignificant effect on turnover intention through job satisfaction. The path coefficient is positive at 0.192 and the p-value is 0.206, indicating a value greater than 0.05.

Based on the discussion above, it can be concluded that if IT employees experience high levels of job stress, turnover intention will increase if accompanied by job satisfaction. However, job stress has no effect on turnover intention through job satisfaction. This contrasts with H3, where job stress directly influences turnover intention without a significant effect through job satisfaction. Therefore, in this case, job stress can directly influence turnover intention without requiring job satisfaction.

7. The Effect of Financial Compensation on Turnover Intention through Job Satisfaction

The results of the indirect effect test in this study indicate that financial compensation has a positive and significant effect on turnover intention through job satisfaction. The path coefficient is positive at 0.415 and the p-value is <0.001, meaning the value is less than 0.05.

Based on the discussion above, it can be concluded that if IT employees perceive high financial compensation, turnover intention will increase, accompanied by job satisfaction. Similar to H4, financial compensation directly influences turnover intention without significantly influencing job satisfaction. Therefore, when employees perceive good financial compensation, satisfaction will increase, but not enough to gradually and consistently influence IT employees' intention to leave. Therefore, financial compensation, whether or not it influences job satisfaction, will still influence turnover intention.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The results of this study on the effect of job stress and financial compensation on turnover intention through job satisfaction can be concluded as follows: The results of the H1 hypothesis test indicate that job stress has a negative and insignificant effect on job satisfaction. The results of the H2 hypothesis test indicate that financial compensation has a positive and significant effect on job satisfaction. The results of the H3 hypothesis test indicate that job stress has a positive and significant effect on turnover intention. The results of the H4 hypothesis test indicate that financial compensation has a positive and significant effect

on turnover intention. The results of the H5 hypothesis test indicate that job satisfaction has a positive but insignificant effect on turnover intention. The results of the H6 hypothesis test indicate that job stress has a positive but insignificant effect on turnover intention through job satisfaction. The results of the H7 hypothesis test indicate that financial compensation has a positive and significant effect on turnover intention through job satisfaction.

Recommendations

Based on the research results and conclusions drawn, the following recommendations relate to this study: Job stress can directly influence turnover intention with a positive and significant impact. Therefore, it is important for leaders to pay attention to this aspect of work stress. The work stress variable, "Often working outside of work hours," received the highest score compared to other items. Therefore, leaders are expected to monitor employee stress levels, one way being to ensure the workload is balanced with existing working hours. Financial compensation can directly and indirectly influence turnover intention through job satisfaction. This positive and significant impact illustrates that good financial compensation does not retain employees, and poor financial compensation also lowers turnover intention. However, it is important to note that when high financial compensation leads to high turnover intention, other factors must be considered, as improving financial compensation is not a means of reducing turnover intention in the IT department. Similarly, when high financial compensation is accompanied by high job satisfaction, turnover intention also increases.

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