

# Can compensation really increase the desire to quit?

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**Abstract :** *The purpose of this study is for mapping the potential development of the East Jakarta Convenience Store Area in the Pandemic era, in this case to find out how much the influence of the work environment, the workload of compensation and its implications for the Turnover Intention of the workers. So it is expected to get the best model in Personal Development, so it can minimize Turnover Intention in workers in realizing the sustainability of the convenience store business in the Pandemic era. The analytical method used in this study is linear regression. The study population was a convenience store worker at several in the East Jakarta area. The non-probability sampling method used in this study, with a convenience sampling techniques of 165 respondents. Data collection methods use questionnaires, and are calculated and analyzed using the Smart PLS application. The results of the work environment do not affect Turnover Intention, the workload affects turnover intention, compensation affects turnover intention, the work environment affects the turnover intention mediated by compensation, the workload affects the turnover intention mediated compensation.*

**Keywords:** *turnover intention, work environment, workload, compensation, convenience store*

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## I. Introduction

Data from the Ministry of Manpower as of April 20, 2020 recorded as many as 2,084,593 workers from

116,370 companies laid off and exposed to termination of employment. This happens because a number of companies have decreased production and even stopped producing. To find out the impact of the Covid 19 pandemic on the workforce, the Indonesian science institution (LIPI), the Ministry of Manpower Development Agency and the Demographic Institution of the Faculty of Economics and Business, University of Indonesia conducted an online survey. The survey was conducted over the period April 24 to May 2, 2020 against the population aged 15 years and over, with the number of respondents who were netted as many as 2,160 respondents spread across 34 provinces in Indonesia. (lipi.go.id, 2020). The current study may find a high percentage of Turnover Intention due to low-quality conditions and work environments to maintain their position, thus worsening their work security (Oh and Kim, 2019).

In terms of workers, the wave of labor layers and a decrease in income as a result of disruption of business activities in most sectors. As many as 15.6% of workers experienced layoffs and 40% of workers experienced a decrease in income, including 7% of labor income fell to 50% (lipi.go.id, 2020). Along with human life's life is inseparable from various problems in his environment (Hertati, 2016). Excess workload can have an impact on the desire to quit employees (Ngantung et al., 2015).

In terms of businessmen, the Covid 19 pandemic caused the cessation of business activities and the low ability to survive entrepreneurs. The survey results recorded 39.4 percent of businesses stopped, and 57.1 percent of the business decreased production. Only 3.5 percent are not affected. The ability to survive among the business world also experienced limitations. As many as 41% of entrepreneurs can only last less than three months. This means that in August their business will stop. As many as 24% of employers can last for 3-6 months, 11% are able to survive for the next 6-12 months, and 24% can last more than 12 months (lipi.go.id,

2020). The greater the compensation paid, the reduced laborover intention laborover (Sumarto, 2009) lab. Therefore, if the compensation given to employees is low, the Turnover Intention Employee will increase and if the compensation given to the employees is appropriate, the Turnover Intention Employees will be low / decreases. Compensation systems and fair performance evaluations and reasonable working hours must be guaranteed in health care facilities to reduce changes, and institutional steps and policies must be applied to improve the quality of the workplace environment (Oh and Kim, 2019).

According to Milkovich, Newman & Gerhart, that compensation is a wage received by an individual in return from the work they do, which is generally a source of their financial security (Riyanto et al., 2017). While the impact of Covid 19 in independent efforts made businesses stopped and some experienced a decline in production. As many as 40% of independent businesses stopped their business activities, and 52% experienced a decrease in production activities. This impacts 35 percent of independent efforts without income

and 28 percent of income decreases by 50 percent. The work environment is very influential on the level of comfort of workers (Soehari et al. 2019). Work environment, workload can affect the desire of a worker to stay or get out of the organization where it works. Whereas according to the results of Widayanti et al., (2018) the work environment has a negative and significant effect on turnover intention.

From the above problems, researchers want to examine the impact of the work environment during a pandemic, the workload of the convenience store workers, and compensation for Turnover Intention Workers Convenience Store.

## II. Literature Review

According to Memon et al. (2016) employee turnover intentions are a tendency or level of attitude where an employee has the possibility of getting out of the organization or resigning voluntarily from his work. Employees' entry intention is marked with various things concerning employee behavior, among others: the more absent, lazy to work, the rise of courage to violate work order, the courage oppose or protest to superiors and seriousness resolve all responsibilities of employees who are very different from usual (Sutanto & Kurniawan, 2016).

Physical form of work environment is space, physical layout, noise, equipment, material, and co-workers; The quality of all these aspects has an important and positive influence on the quality of work performance (Tyssen, 2005). The results of the research from Wan et al (2018) show that the work environment has a significant effect on job satisfaction, in addition there are research journals from Idris et al (2020) regarding work environment variables that indicate that the working environment variable does not have a significant effect on job satisfaction. Based on the above statement, the hypothesis can be formulated as follows: H1: Work environment has a significant effect on turnover intention.

According to Hart & Staveland in Tarwaka (2011), the workload is an emerging of the interaction between the demands of the work environment tasks which are used as workplaces, skills and perceptions of workers. Workload is sometimes operationally defined in factors such as the demands of tasks or efforts made to do work. The results of the study from Judges (2020), January et al. (2020) shows that the work environment has a significant effect on job satisfaction, in addition there are research journals from Pradita and Satrya (2019) regarding workload variables that indicate that the variable work environment does not have a significant effect on job satisfaction. Based on the above statement, the hypothesis can be formulated as follows:

H2: Workload has a significant effect on turnover intention.

Compensation is accepted by employees as a substitute for its services to the company (Saluy et al., 2018). Compensation is one of the main functions of human resource management related to all kinds of appreciation to individuals as an exchange in carrying out organizational duties (Santoni and Harahap, 2018). The results of the study from Judges (2020) and January et al. (2020) show that compensation has a significant effect on job satisfaction, in addition there are research journals from Idris et al (2020) regarding compensation variables that have no influence on job satisfaction. Based on the above statement, the hypothesis can be formulated as follows:

H3: Compensation has a significant effect on turnover intention.

H4: Work environment affected turnover intention mediated by compensation. H5: Workload affected turnover intention mediated compensation

Based on the description above, the conceptual framework can be described in Figure 1. Here.

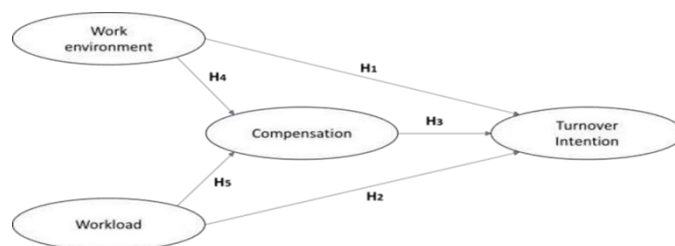


Figure 1. Conceptual Framework

## II. Method

In this study researchers used research methods of quantitative research methods. The research design used is causal research design. Causal research is a cause of causal relationships where independent variables affect the dependent variable. The population in this study were 165 convenience store workers. The sampling

method uses the non-probability sampling method with convenience sampling techniques that refer to the indicators used in this study. The number of indicators is 32, then the range of samples is 5 times indicator up to 10 indicators. Data collection methods use questionnaires, and are calculated and analyzed using the Smart PLS application.

#### **IV. Results and Discussion**

An indicator is said to have a good valid if the value is  $\geq 0.7$  while the loading factor is 0.5 to 0.6 can be considered sufficient. If the value of the latent variable has a composite reliability value  $\geq 0.70$  this means the construct has a good reliability. The results in this study of convergent validity testing from each valid indicator that has a value above 0.5 and Cronbach's Alpha  $\geq 0.70$  in the working environment variable and job satisfaction indicates that the instrument in the two variables is very reliable, while on the compensation variable and organizational culture has the value of Cronbach's Alpha  $< 0.70$  is considered quite reliable.

The results of convergent validity tests from each valid indicator that have a value above 0.5 and Cronbach's Alpha  $\geq 0.70$  on the working environment and compensation variable indicates that the instrument in the two variables is reliable, while on the working load variable and Turnover Intention has a Cronbach's value Alpha  $< 0.70$ . Adjusted R-Square value is 0.426 which means the variability of compensation that can be explained by the work environment and workload by 42.6%, while 57.4% is explained by other variables that are not examined. The R-Square Adjusted value is 0.181 which means the variability of Turnover Intention which can be explained by the work environment, workload and compensation of 18.1%, while 81.9% is explained by other variables that are not researched.

Hypothesis 1 In this study was rejected, the results of hypothesis testing showed that the work environment did not affect Turnover Intention with a value of p-value of 0.422. Hypothesis 2 In this study received, the results of hypothesis testing showed that the workload affected Turnover Intention with a P-value value of 0.025. Hypothesis 3 In this study received, the results of hypothesis testing showed that compensation affected Turnover Intention with a P-value value of 0.001. Hypothesis 4 In this study received, the results of hypothesis testing showed that the work environment affected Turnover Intention mediated by compensation with a p-value value of 0.025. Hypothesis 5 In this study received, the results of hypothesis testing showed that the workload affected Turnover Intention mediated compensation with a value of p-value of 0.005.

#### **V. Conclusion**

The work environment did not affect turnover intention, in contrast with Widayati et al., (2018) that the work environment has a significant effect on turnover intention. The workload affects turnover intention, according to the research results of Winatie et al., (2018) that an increased workload will increase employee turnover intentions. In contrast to the results of the research by Pradita and Satrya (2019) that there is no significant relationship between workload and turnover intention. The compensation affected turnover intention, in line with Friani and Mulyani (2018) that compensation has no significant effect on turnover intention. The work environment affected turnover intention mediated by compensation, in contrast with Chandra et al., (2018) the financial compensation both direct or indirect, and non-financial compensation in the form of work environment have negative significant effect on turnover intention employee. The workload affected turnover intention mediated compensation, in this case, compensation is a predictor of turnover intention, as is cynicism in Liu and Lo (2017), cynicism is the strongest predictor of turnover intention.

The work environment in east Jakarta is good so it does not affect the intention of workers to move jobs. Workloads that must be carried out by workers affect Turnover Intention, so that the organization should recalculate workloads that must be carried out by workers every day given the condition of the pandemic that is happening not only in the work area but throughout the world. Compensation provided for workers also affects Turnover Intention during the current pandemic period, it is recommended to management and related parties to pay attention to the need for workers to work at the time of Pandemic so that they do not use compensation they get to buy or issue funds related to their needs to work, Like masks, hand sanitizers, regular checks related Covid 19 (PCR Swab, Rapid, etc.).

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