

## THE MEDIATING ROLE OF JOB SATISFACTION ON RELATIONSHIP AMONG WORK LOAD, COMPENSATION AND EMPLOYEE RETENTION

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**ABSTRACT :** The purpose of this study is explaining the mediating role of job satisfaction in the relationship among compensation, workload and employee retention of PT. Jalur Nugraha Ekakurir Express (JNE Express) Denpasar Branch. Data were accumulated from 70 respondents. Data analysis found that the effect of both compensation satisfaction and workload are statistically significant. The higher the compensation, the higher the job satisfaction and the lower the intention of employee to leave the company, it does mean that the employee retention will tend to be higher. The findings supported previous finding regarding the effects of compensation on job satisfaction and employee retention. The effect of workload on job satisfaction is positively significant. The company implemented performance based compensation system. The findings showed that the more individual employee deliver the package, the higher financial reward they get. It is the reason why workload is not necessarily caused higher intention to leave the company, because the individual employee paid based on his achieved productivity.

**Keywords :** *compensation, workload, job satisfaction, employee retention.*

### I. INTRODUCTION

To remain more competitive, organizations need therefore not to only attract the best talents but also to retain them on the job for a long term. The toughest challenge that organizations encounter nowadays is not only how to manage the people but also how to keep them on the job as long as possible and how to maintain them vigorous and ambitious. This study focuses on employee retention. Employee retention is concerned with keeping or encouraging employees to remain in an organization for a maximum period of time (Das, B. L., & Baruah, M., 2013). Workforce Planning for Wisconsin State Government (2015), operationalized employee retention as a systematic effort to create and foster an environment that encourages employees to remain employed by having policies and practices in place that address their diverse needs. Employees decided to work for the company to get some benefits to satisfy their needs. A satisfied employee is valuable for any company. It is not just because a satisfied employee is a retained employee but also an ambassador for the company and will say positive regarding the company. Satisfied employees are happy employees who are tend to be more loyal to the company and its objectives. They are going to the extra mile to achieve goals and take pride in their jobs, their teams and their achievements. Effectiveness of Human Resource Function can be reflected on employee satisfaction of its employees. Employee satisfaction is the goal of human resource management policy to build employee loyalty.

Fitz-enz (1990) observed that employee commitment and retention is not determined by a single issue but by a cluster of factors. Previous researchers found a number of factors associated with employee retention. Developmental opportunities, quality supervision, job stress and colleague stress are among others reported as influencing factors of employee retention. It has significant influence (Brown, L.K., et al., 2002). Compensation and appreciation of work done, provision of challenging work, promotion and development opportunity, attractive atmosphere within the organization, relationships with colleagues, work-life balance, communication also reported by Walker, J.W. (2001). Recently Naqvi, S.M.M.R. and Bashir, S. (2015) found that supervision also affected employee retention. Ghapanchi and Aarum (2011) described that retention factors include remuneration and benefits, training opportunities, fair and equal treatment, organizational culture. Stressed on relationship with colleague is also found as predictor of employee retention (Allen and Shanock, 2013).

Preliminary study that involved five current employees of PT. Jalur Nugraha Ekakurir Express Cabang Denpasar indicated that there were some aspects that did not meet expectation of the employees such as low compensation, no career development opportunity and excessive workload. Out of six employees, three of them stated that they plan to move to another company to find better work condition. It indicated that employee retention rate of the company was relatively low. Present study aimed to verify whether there were any relationship between workload and employee retention, relationship between compensation and employee retention, and whether employee satisfaction played mediating role on those relationship.

## II. CONCEPTUAL MODEL AND RESEARCH HYPOTHESES

### 2.1. Employee retention.

Mita, M., et al., (2014) defined employee retention as a technique adopted by businesses to maintain an effective workforce and at the same time meet operational requirements. Bidisha (2013) described it as a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project (Das, B. L., & Baruah, M., 2013). The work environment and compensation are useful tools for employee retention. Training can also be an important tool for retaining employees Anis, A., et al., (2011) reported that the impact of training on an employee can be very crucial for retention. It means that when training is provided to the employees, it has positive effect on employee compensation packages. In the end, the employee is more satisfied with his current employment and they decided to stay with the company for a longer period of time. The longer retention of employee, the higher firm productivity. Employee retention reduced the cost and wastage of time that is required to recruit and to train new employees.

### 2.2. Employee Work Load and Job Satisfaction.

Workload may be defined as the amount of work completed by a worker within a specified time frame. Hoogendoorn, W. E. et al., (2002) showed that the effect of psychosocial work characteristics on sickness absence due to low back pain. After adjustment for confounders, a significantly increased RR was only found for low job satisfaction University. Lea, V. M., (2012) also stated that increased workload contributed to increasing job-related stress and decreasing job satisfaction. Gidman, W. K. et al., (2007) reported that pharmacists felt workloads were escalating, and that this was linked to increased stress and reduced job satisfaction. Further Gidman, W. K. et al., (2011) demonstrated that increased workload have associated with increased levels of stress, decreased levels of health and well-being, decreased job satisfaction and job turnover. Yeh, H. J. (2015) indicated that job resources such as earnings, job content, and workplace relations increase job satisfaction while job demands such as working hours, workloads, and work/family conflict decrease job satisfaction. The effect of workload on job satisfaction is formulated as :

H1: Workload affects job satisfaction negatively

### 2.3 Employee Compensation and Job Satisfaction.

Sokoya (2000) in his investigation on job satisfaction level among the public sector managers found that income or compensation is the most valuable determinant of job satisfaction. Michael, B. Et al., (2016) proved that there is a positive result exist between compensation package and job satisfaction. Employee compensation, in terms of salary, benefits, and incentives, was the most important factor for determining job satisfaction (Davis, T. L., 2013). Moncarz, E., Zhao, J., & Kay, C. (2009). Compensation is not only the return and benefits for the work that done, but it also reflects their accomplishments (Ali, 2009). There were a significant and positive correlation between the three dimensions of compensation system design and employee satisfaction; The correlation between job-based pay and employee satisfaction is the highest, performance-based pay and skill based pay. Employee satisfaction relates to the compensation system design of an enterprise (Lai, H. H. (2011). The effect of compensation on job satisfaction is presented as:

H2. Compensation affects job satisfaction positively.

### 2.4. Job satisfaction and Employee Retention.

Locke et al., (1976) defined job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Aziri, B. (2011) explained that job satisfaction is a combination of positive and negative feelings that workers have toward their work. When a worker joins a business organization, he/she brings with him/her the needs, desires and experiences which he expects from his job. Job satisfaction represents the extent to which expectations matches with the real awards. model

clearly depicts that employee retention factors have a direct relationship with job satisfaction. If these factors exist in the organization, then the tendency to leave the job or switch over to some other job gets reduced. Job satisfaction is negatively correlated with employee turnover. It clearly showed that if there is job satisfaction in an organization, it will lead to the retention of the existing employees into the organization. (Das, B. L., & Baruah, M., 2013). The effect of job satisfaction on employee retention is formulated as:

H3: Job satisfaction affects employee retention positively.

**2.5. Employee Compensation and Employee Retention.**

Anis, A., et al., (2011) claimed that compensation policy plays an important role in employee retention program.

Increasing the compensation of employees after their training and development makes a fruitful result for retaining employees. Michael, B. Et al., (2016) revealed that there was a significant relationship between compensation package and employee retention, the more an employee is rewarded or compensated, the longer they remain in an organization. Employee compensation, in terms of salary, benefits, and incentives, was the most important factor for determining employee retention (Davis, T. L., 2013). Hong, E. N. C. Et al., (2012) found that there is a significant positive relationship between compensation and employee retention. External compensation competitiveness attracts competent employees and individual equity to retain top talent can be fostered by a fair compensation system. Employees may feel that they are appreciated by the organization for their performance and contributions if they get good salary (Lai, 2011). Indirectly, they tend to retain in the organizations since they are valued. There is a significant relationship between compensation package and employee retention, the more an employee is rewarded or compensated, the longer they remain in an organization and Employee Retention (Michael, B. Et al., 2016). Prediction regarding the effect of compensation on employee retention is:

H4: Compensation has positive effect on employee retention.

**2.6. Employee Work Load and Employee Retention.**

Liu, H. L., & Lo, V. H. (2018) in his survey of 1,099 reporters indicated that workload and news autonomy were significantly associated with burnout. In addition, burnout was found to be negatively related to job satisfaction, which in turn had a significant effect on turnover intention. Bowling, N. A. et al., (2015) reported consequences of workload. Further described found that social support was negatively associated for supervisor support, co-workers support) were each positively associated with workload on the other hand workload is negatively associated with psychological and physical well-being, and affective organizational commitment and is positively associated with turnover intention and absenteeism.

Most of the demands and resources' variables (except professional development) have effects on intentions to leave, greater workload and greater work-life interference result in higher burnout and are the strongest predictors of intention to leave (Moloney, W. Et al., (2018). Employees' daily perceived workload positively predicted daily work-family conflict, which in turn negatively predicted daily life satisfaction (Goh, Z., Ilies, R., & Wilson, K. S., 2015). Most of the demands and resources' variables (except professional development) have effects on intentions to leave. The greater workload and greater work-life interference result in higher burnout and are the strongest predictors of intention to leave (Moloney, W., et al., 2018). Prediction the effect workload and employee retention :

H5: workload has negative effect on employee retention.

**2.7. Proposed Conceptual Model.**

The relationship model among compensation, workload, job satisfaction and employee retention is presented on figure 1.

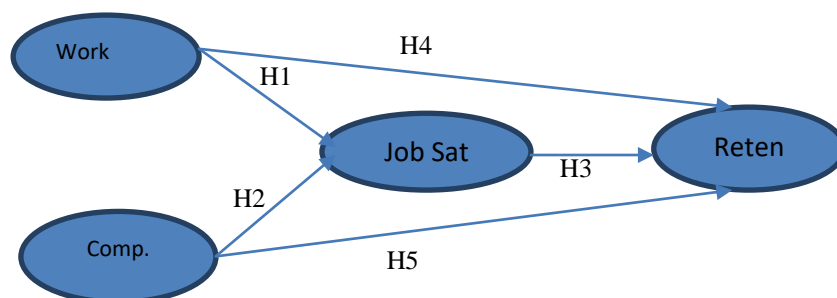


Figure 1. Conceptual Model

### III. RESEARCH METODOLOGY

#### 3.1 Research design.

Present research employ survey design. Data accumulation involved 71 employees. Characteristic of respondents are presented on table 1.

Conceptual model proposed the role of job satisfaction on the effect of compensation and workload on employee retention. Job satisfaction variable was operationalized based on two factor theory perspective. Measurement consist of element of hygiene factor and motivator that encourage individual employee to go to work. Compensation is defined as financial reward got by individual employee having the job done. Workload was defined as the job activity individual employees should do and is there any balance between demand of the job and available individual employee capability. Employee retention is measured as subjective intention to stay with the company.

Data were measured by Likert scale with five interval (1 – 5) which represented opinion of strongly dissatisfied – strongly satisfied or never – always. Validity and reliability were analyzed by factor analysis method and scale method. Research hypotheses were tested by Regression analysis method.

Table.1. Respondent characteristic

No.	Description	Quantity( Percent)
1.	<i>Sex</i>	
	<i>a. Men</i>	62(88,6)
	<i>b. Female</i>	8(11,4)
2.	<i>Age</i>	
	<i>a. 21&lt;...</i>	13(18,6)
	<i>b. 21-30</i>	51(72,9)
	<i>c. 31-40</i>	5(7,1)
	<i>d. 40&lt;...</i>	1(1,4)
3.	<i>Education background</i>	
	<i>a. High Senior</i>	53(75,7)
	<i>b. Diploma</i>	12(17,1)
	<i>c. Undergraduate</i>	5(7,1)
4.	<i>Length of service</i>	
	<i>a. &lt; 3 year</i>	34(48,6)
	<i>b. 3-5 year</i>	23(32,9)
	<i>c. 6-15 year</i>	13(18,6)

source: Primary Data, 2020.

The number of male responden (88,6%) is larger than female respondent (11,4%). Research location is logistic company. The number of male employees is significantly higher than female employee. The characteristic of the job in which physical strength is important factor to succeed. The age of respondent respondents are between 21-30 year. It is accounted for 91,5% of total unit sample. Level education of respondent dominated by those who graduated from high senior school and Diploma (92,8%), there remains are graduated from undergraduate program. The length of service of respondent 95,5% less than five year.

### IV. RESULT AND DISCUSSION.

Result of Validity and Reliability test are presented on table 2. Critical value of KMO parameter larger than 0,50; Barlett's test range 42,980 – 137,018; Commulative explained variance larger than 0,50 indicated that the data are valid.

Table 2. Test of Validity

No	Variable	KMO	Barlett's test	Commulative Variance	Interp.
1	Job Satisfaction	0,738	137,018	95,702	Valid
2	Workload	0,625	130,321	66,228	Valid
3	compensation	0,876	118,676	74,861	valid
4	Employee retention	0,612	42,980	74,109	valid

Source; Primary data, 2020

Reliability test indicated that Value of Cronbach Alpha of Job satisfaction, workload, compensation and employee retention are larger than 0,60. It indicated that data are reliable and then hypotheses testing can be done. The result are presented on table 3 in detail.

Table 3. Reliability Test

Variabel	Cronbach's Alpha	Reliability
Workload	0,852	Reliable
Compensation	0,709	Reliable
Jobsatisfaction	0,951	Reliable
Emplooeerentention	0,613	Reliable

Source :Priary data,, 2020

#### 4.1 Employee Retention Scores Distribution.

Average total employee retention score indicated that employee intention to leave the organization is high (4,03), even though they have not plan to quit from current organization. They have been looking for information about job vacancy in other organization (3,87); They sent job application to other organization they perceived better than current organization (3,69) and when they find a better job, they will resign from current organization (4,04). Data indicated that the number of job applications submitted by the respondents is higher than the number of respondents who are actively search job vacancy outside.

Table 4. Employee Retention Score Distribution

N o.	item	frequency					Average	Interp
		Strongly Disagree	Dissagree	Netral	Agree	Strongly agree		
1.	I have no plan to leave current organization	0	2	1	27	40	4,50	Very High
2.	I have been looking for information about job vacancy available outside my current organization.	0	7	12	34	17	3,87	High
3.	I send some job application to other organization to get better job	0	14	9	32	15	3,69	High
4.	When I found new job outside, I will resign from my current job at PT. Jalur Nugraha Ekakurir (JNE Express) Cabang Denpasar	1	3	12	30	24	4,04	High
<b>Average score of employee retention</b>							<b>4,03</b>	<b>High</b>

source: Primary data, 2020.

#### 4.2 Job Satisfaction Score Distribution.

Average job satisfaction total score is high (3,77). Contribution of average motivator factors score (3,78) is higher than Hygiene Factors score (3,75). There is a number of elements that have positive contribution in fostering job satisfaction. Respondents said that there are some motivator that meet their expectations such as opportunity to achieve high compensation (4,13); Job reputation (3,81); Job meaningfulness (3,81). On the other hand there are positive performance of hygiene factor elements. Remuneration (3,96); Equipment availability (3,93) and Management policy (3,80) Data are presented on table 6 in detail.

**Table.5 Job Satisfaction Score Distribution**

No.	Item	Frequency					Average Score	Interp.
		SDS	DS	Neu tral	S	SS		
<b>Hygiene Factors</b>								
1.	Supported management Policies	0	1	22	37	10	3,80	High
2.	Job security	0	4	26	36	4	3,57	High
3.	Equipment availability	0	1	20	32	17	3,93	High
4.	Peer Support	0	3	24	32	11	3,73	High
5.	Peer relationship	0	1	21	41	7	3,77	High
6.	Pay Satisfaction	0	2	16	35	17	3,96	High
7.	Supervisor Support	1	5	14	43	7	3,71	High
8.	Supervisor credibility	0	3	20	39	8	3,74	High
9.	Pay – workload equity	0	3	15	38	14	3,90	High
10.	Pay satisfaction	0	1	18	43	8	3,83	High
11.	Benefits	0	6	25	34	5	3,54	High
12.	Incentives	0	6	26	35	3	3,50	High
<b>Average Hygiene factors score</b>							<b>3,75</b>	<b>High</b>
<b>Motivation Factors</b>								
13.	Achievement recognition	0	3	22	38	7	3,70	High
14.	Transparent performance appraisal	0	6	16	38	10	3,74	High
15.	Career development opportunity	0	5	20	33	12	3,74	High
16.	Job reputation	0	3	20	34	13	3,81	High
17.	Job variation	0	3	28	34	3	3,59	High
18.	Job meaningfulness	0	2	18	41	9	3,81	High
19.	Peer support	0	3	19	39	9	3,77	High
20.	Supervisor's trust	0	1	24	40	5	3,70	High
21.	Self development opportunity	1	2	13	47	7	3,81	High
22.	Opportunity to achieve	0	0	13	35	22	4,13	High
<b>Average motivator factors score</b>							<b>3,78</b>	<b>High</b>
<b>Average jobs satisfaction score</b>							<b>3,77</b>	<b>High</b>

Source : Primary data, , 2020

#### 4.2.1. Top Scores Job Satisfaction Elements

Distribution score of Top scores Jobs satisfaction elements are presented on table.7.

**Table.6. Top score of Job Satisfaction Elements**

No	Item indicator	Average score	Interpretation
<b>Motivator Elements</b>			
1	Opportunity to achieve	4,13	Very High
2	Job reputation	3,81	High
3	Job meaningfulness	3,81	High
<b>Hygiene Elements</b>			
1	Remuneration	3,96	High
2	Equipment availability	3,93	High
3	Supported management policy	3,80	High

source : Primary data, , 2020

Respondent reported that average compensation satisfaction score is high. It is supported by holiday benefits (3,93); Medical benefits policy (3,90) and basic salary (3,79), while management has something to do on overtime compensation policy, because it is the least satisfied compensation aspect (3,50). Data are presented on table 7 in detail.

4.3. Compensation Distribution Score.

Table 7. Compensation Score Distribution

No.	Item	Frequency					Average	Interp.
		EDS	DS	Neu tral	S	HS		
1.	Basic salary satisfaction	0	5	16	38	11	3,79	High
2.	Overtime rate satisfaction	1	10	22	27	10	3,50	High
3.	Medical benefit satisfaction	0	3	16	36	15	3,90	High
4.	Holiday Benefit satisfaction	0	1	15	42	12	3,93	High
Average score compensation satisfaction							3,78	High

Source: Primary Data, 2020

4.7 Workload Distribution Score

Workload is reported high by the respondents. The average workload score is 3,31. Respondent explained that they often have excessive workload (3,33). They are insisted to work fastly in delivering the package to the customer (3,33). The positive insight is that the complexity of the job demand even though it is perceived high (3,29), it is also still attainable (3,49) because they said that job demand is equal to job capacity. Job Complexity (3,21) and Activity complexity (3,21) need management attention.

Table 8 Workload Score Distribution.

No.	Item	Frequency					Average core	Interp.
		never	Rare	Some time	often	always		
1	Job completion in time	0	16	24	29	1	3,21	High
2	Excessive workload Everyday	2	11	27	22	8	3,33	High
3	Activity complexity	1	14	32	15	8	3,21	High
4	Work fast	1	9	32	22	6	3,33	High
5	Competency demand	0	11	33	21	5	3,29	High
6	Job demand equal to job capacity	0	14	17	30	9	3,49	High
<b>Average score workload</b>							<b>3,31</b>	<b>High</b>

Source: Primary Data, 2020

4.6 Hypotheses testing.

Research hypotheses tested in two stages. Conceptual model was divided into two sub models. First model verified the role of job satisfaction on the relationship between compensation and employee retention then the second one verified the role of job satisfaction and workload and employee retention.

4.6.1

Verification of the role of job satisfaction plays on the relationship between compensation and employee retention sub model.

4.6.1.1. The effect of compensation on job satisfaction.

Regression model of the effect of compensation on job satisfaction is presented on relationship Table 9.

Data

indicated that contributed variance of compensation satisfaction on variance of job satisfaction is positively significant ( $\beta = 0,638$ ;  $t = 8,317$ ;  $p < 0,05$ ). It is accounted for 50,4%.

4.6.1.2. The effect of job satisfaction on employee retention.

Data presented on table

showed that the effect of job satisfaction on employee retention is positively significant ( $\beta = 0,844$ ;  $t = 8,433$ ;  $p < 0,05$ ). Variance contributed by job satisfaction on variance of employee retention accounted for 51,1%.

Table 9. Regression model of relationship between compensation and job satisfaction

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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	B	Std. Error	Beta		
(Constant)	1,616	0,294		5,494	0,001
Compensation	0,638	0,077	0,717	8,317	0,000
R <sup>2</sup>				0,504	
F				69,175	0,000

Source: Primary data primer, 2020

**Table.10. The effectofjobsatisfactiononemployee retention**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0,849	0,380		2,233	0,029
JobSatisfaction	0,844	0,100	0,715	8,433	0,000
R <sup>2</sup>					0,511
F					71,112
Sig.F					0,000

Source: Primary data primer, 2020

**4.6.1.3. The EffectofCompensationandJobsatisfactiononEmployeeRetention.**

Indirectvariancecontributionofcompensationwaslowerevenremainstatisticallysignificant ( $\beta = 0,339$ ,  $t = 5,083$ ;  $p,0,05$ ) whenjobsatisfactionexist in theequation. Itisindicatedthatjobsatisfactionplays as partialmediationontheeffectofcompensationonemployee retention. Data are presented in detilon table.11.

**Table 11.The EffectofCompensationandJobsatisfactiononEmployeeRetention**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0,488	0,336		1,455	0,150
compensation	0,399	0,081	0,445	4,954	0,000
jobsatisfaction	0,539	0,106	0,456	5,083	0,000
R <sup>2</sup>					0,642
F					60,139
Sig.F					0,000

Source:Primary data,2020

**4.6.1.4. The EffectofCompensationonEmployeeRetention**

**Table .12. The EffectofCompensationonEmployeeRetention**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,671	0,194		4,394	0,000
Compensation	0,638	0,172	0,517	3,317	0,000
R <sup>2</sup>					0,550
F					49,175
					0,000

Source: Primary data,2020

**4.6.2.1. The effectofworkloadonjobsatisfaction**

Regression model oftheeffectworkload has onjobsatisfactionispresentedon relationshipTable.13. Resultofanalysisindicatedthatcontributedvarianceofworkloadonvarianceofjobsatisfactionispositivelysignificant ( $\beta = 0,221$ ;  $t = 2,108$  ;  $p ,0,05$ ). Itisaccountedfor 6,1% (R<sup>2</sup>).



**Table13.The effectofworkloadonjobsatisfaction**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3,033	0,352		8,619	0,000
Beban Kerja	0,221	0,105	0,248	2,108	0,039
R <sup>2</sup>					0,061
F Hitung					4,443
Sig.F					0,039

Source: primary data,2020

#### 4.6.2.2. The effectofworkloadonemployee retention.

Result of data analysis uncovered that the effect of workload on employee retention is insignificant statistically. It is indicated that those who did high volume work did not intend to leave and try to get a new job at another organization ( $\beta = 0,201$ ;  $t = 1,602$  ;  $p = 0,114$ ). The variance of workload contributed to variance employee retention just 3,6% ( $R^2$ ).

**Table.14. The effectofworkloadonemployee retention**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	31,360	0,421		7,985	0,000
Workload	0,201	0,125	0,191	1,602	0,114
R <sup>2</sup>					0,036
F					2,568

Source: Primary data, 2020

#### 4.6.2.2.The Effectsofworkloadandjobsatisfactiononemployee retention.

Data analysis presented on table 15, indicated that workload and jobsatisfaction contributed 71,5% of variance employee retention. Further, jobsatisfaction positively affected employee retention ( $\beta = 0,840$ ;  $t = 8,070$  ;  $p,0,05$ ) while the effect of workload insignificant on employee retention ( $\beta = 0,15$ ;  $t = 0,165$  ;  $p= 869$ ). This case indicated that intention to leave the organization is not necessarily because of high workload.

**Table15.The EffectsofWorkloadandJobsatisfactiononEmployee Retention**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0,814	0,437		1,864	0,067
Jobsatisfaction	0,840	0,104	0,711	8,070	0,000
Workload	0,015	0,093	0,015	0,165	0,869
R <sup>2</sup>					0,715
F Hitung					35,061
Sig.F					0,000

Source: Primary data,2020

Regression model does comply with classic assumption regarding normality, multicollinearity, as well as heteroskedasticity. The Output of normality verification is presented on table.9. Regression model does comply with classic assumption regarding normality, multicollinearity, as well as heteroscedasticity. The Output of normality verification is presented on table.16.

Table.16. Test of Normality

	Unstandardized Residual
N	70
<b>The effects of compensation, job satisfaction on employee retention</b>	
Kolmogorov-Smirnov Z	1,250
Asymp. Sig. (2-tailed)	0,085
<b>The effects of workload, job satisfaction on employee retention</b>	
Kolmogorov-Smirnov Z	1,067
Asymp. Sig. (2-tailed)	0,068

Source: Primary data, 2020

Kolmogorov-Smirnov parameter value bothequationfor The effects of compensation, job satisfaction on employee retention (0,085) and The effects of workload, job satisfaction on employee retention (0,067) are larger than 0,05. It is showed that data has normal distribution.

Table.17. Test of Multicoliniarity

Equation model	Tolerance	VIF
<b>I. Compensation, jobsatisfactiononemployee retention</b>		
Compensation	0,572	1,749
Jobsatisfaction	0,672	1,890
<b>II. Workload, jobsatisfactiononemployee retention</b>		
Workload	0,452	1,562
Jobsatisfaction	0,540	1,781

Source: Primary data, 2020

Test of multicollinearity indicated that there is no violation on multicollinearity assumption. Result of multicollinearity testing is presented on table. Value of Inflation Factor of compensation, workload, jobsatisfaction on multiple regression equation between 0,1 – 10,0.

Result of heteroscedasticity testing is described on table. It is indicated that the errors of regression are similar/constant variance.

Table.18. Test of Heteroscedasticity (Glesjer test)

Variabel	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
<b>I. Compensation, jobsatisfactiononemployee retention</b>					
(Constant)	.895	.250		2.453	.001
Compensation	-.019	.008	-.298	-2.013	.087
Jobsatisfaction	.037	.015	.215	2.112	.065
<b>II. Compensation, jobsatisfactiononemployee retention</b>					
(Constant)	.785	.150		2.253	.011
Workload	-.012	.038	-.198	-2.113	.077
Jobsatisfaction	.027	.025	.115	2.312	.067

Source: Primary data, 2020

#### 4.7 Determination analysis.

**Table.19 Determinant Analysis**

Model	Adjusted R <sup>2</sup>	F	Sig F
a. Compensation, jobsatisfactionandemployeeretention	0,642	60,139	0,000
b. Workload, jobsatisfactionandemployeeretention	0,715	35,061	0,000

Source: Primary data , 2020

Determinant parameter value indicated that models are valid. Sub model that explained the relationship among compensation, jobsatisfactionandemployeeretention ( $R^2 = 0,642$ ;  $F = 60,139$ ;  $p < 0,05$ ) and relationship among Workload, jobsatisfactionandemployeeretention ( $R^2 = 0,715$ ;  $F = 35,061$ ;  $p < 0,05$ ) are valid.

Result of partial analysis showed that jobsatisfaction plays moderating role totally on the relationship between compensation and employeeretention. Direct effect of compensation on employeeretention ( $\beta = 0,638$ ;  $t = 8,317$ ;  $p < 0,000$ ) is higher than indirect effect ( $\beta = 0,399$ ;  $t = 4,954$ ;  $p < 0,000$ ). On the other hand jobsatisfaction does not play mediating role on the relationship between workload and employeeretention.

Direct effect of workload on employeeretention was insignificant statistically ( $\beta = 0,201$ ;  $t = 1,602$ ;  $p > 0,05$ ), while indirect effect of workload on employeeretention also statistically insignificant ( $\beta = 0,015$ ;  $t = 0,165$ ;  $p > 0,05$ ).

**Table.19. Partial correlation analysis (summary)**

Equation	Unstandardized Coefficients Beta	t	Sig.
a. Compensation, jobsatisfactionandemployeeretention			
- Compensation (Direct effect)	0,638	8,317	0,000
- Compensation, Jobsatisfaction (Indirect effect)	0,399	4,954	0,000
b. Workload, jobsatisfactionandemployeeretention			
- Workload (Direct effect)	0,201	1,602	0,114
- Workload, jobsatisfaction (Indirect effect)	0,015	0,165	0,869

Source: Primary data, 2020

#### 4.8 Discussion.

The effect of both compensationsatisfactionandworkload are statistically significant. The higher the compensation the higher jobsatisfactionand the lower the intention of employee to leave the company, it does mean that the employeeretention will tend to be higher.

The findings supported previous finding regarding the effects of compensation on jobsatisfactionandemployeeretention. The effect of workload on jobsatisfaction is positively significant.

The company implemented performance based compensation system. The findings showed that the more individual employee deliver the package, the higher financial reward they get. It is the reason why workload is not necessarily caused higher intention to leave the company.

The findings recommended management to pay more attention to over time rate of compensation, redesign performance appraisal system to improve its transparency and accountability and direct management priority to prepare individual development to provide career development opportunity for its employees in order to minimize intention to leave and to improve employeeretention rate.

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