

The Effect of Compensation and Job Satisfaction on Turnover Intention Through Employee Engagement in Employees of PT Permodalan Nasional Madani Mekaar Jepara Branch.

Laisha Viori Avrilian^{1*}, Eko Nur Fuad²

Nahdlatul Ulama Islamic University Jepara¹, Nahdlatul Ulama Islamic University Jepara²
211110003060@unisnu.ac.id^{1*}, ekonfuad@unisnu.ac.id²

Abstract

The purpose of this study was to determine the effect of Compensation and Job Satisfaction on Turnover Intention through Employee Engagement. This research was conducted at one of the finance companies PT Permodalan Nasional Madani Mekaar Jepara Branch. The research was conducted using quantitative methods. The population and sample used were all staff with a total of 95 respondents. Data collection is done through questionnaires in filling out surveys directly. Data analysis in this study fully uses the help of the smart PLS software program version 3.0. The results of this study indicate that compensation has no effect on employee engagement. Job satisfaction has a positive effect on employee engagement. Employee engagement has a negative effect on turnover intention. Compensation has no effect on turnover intention. Job satisfaction has no effect on turnover intention. Employee engagement is not able to mediate the effect of compensation on turnover intention. Employee engagement is able to mediate the effect of job satisfaction on turnover intention. The strength of the Compensation and Job Satisfaction variables in predicting Employee Engagement is 42.5%. Furthermore, the R-square value for the Turnover Intention variable is 0.666. This value explains that the strength of the Compensation, Job Satisfaction, and Employee Engagement variables in predicting Turnover Intention is 66.6%. So that the criteria for the R-square value that is close to being considered strong.

Keywords: Compensation, Job Satisfaction, Turnover Intention, Employee Engagement

1. Introduction

Human Resource Management is very important and is the focus of many organizations in achieving competitive advantage. Human Resources are resources that have many advantages over other resources in the organization or company. Human resources (HR) are an important factor for organizations so they need to be managed properly. A good company (business entity) will have the ability to maintain the quality of its human resources properly. Quality human resources have their own benefits to increase the competitiveness of the company (business entity). In line with this, companies usually invest funds to conduct training and development of high quality human resources.

Turnover Intention is the level of employee desire to leave the company or quit the job voluntarily. (Rahmawati & Mikhiriani, 2016). The measure of turnover intention can be seen based on thoughts of leaving, the desire to find another job and the desire to leave the organization. (Tsani, 2016). According to Flippo (2013) turnover is employee turnover which refers to the movement of employees who exceed the membership limit of an organization. Marquis & Houston, (2012) stated that turnover intention in employees will result in many losses from the organizational side, both physical and emotional losses.

PT Permodalan Nasional Madani (PNM) Mekaar Jepara Branch as one of the finance companies has very good performance. This can be shown through a table that presents the performance realization of PT Permodalan Nasional Madani Mekaar Jepara Branch for the last three years, namely 2021 to 2023.

Table 1. Performance Realization of PT Permodalan Nasional Madani Mekaar Jepara Branch

Economics, Business, Entrepreneur, and Sustainability Conference (ECoBESC)

Annual Performance	Lending (Financing Distribution)			Outstanding (Total Active Financing)		
	Target	Realiation	Achievements	Target	Realiation	Achievements
2021	75.925	91.491	120,5%	115.362	139.788	121,1%
2022	76.642	87.525	114,2%	142.436	167.214	116,6%
2023	70.412	78.932	112,1%	171.510	194.641	113,1%

Source: PT PNM Jepara Branch (2024)

The target achievement of PT Permodalan Nasional Madani Jepara Branch has increased over the past three years. Although the target setting increases every year, the target is always achieved. However, the achievement of Lending and Outstanding has decreased every year, when compared to the previous year's achievement. In the percentage of Lending achievements where each year has decreased from 120.5% in 2020 to 114.2% in 2021 and 112.1% in 2022. In the percentage of Outstanding per year from 2020, which was originally 121.1%, it decreased in 2020 to 116.6% in 2021 and 113.1% in 2022. Meanwhile, the achievement of the NPL percentage has increased every year from 101.4% in 2020 to 106.7% in 2021 and 106.9% in 2022. This performance can be achieved inseparable from matters relating to the attitude and behavior of employees at work.

The problem of high employee turnover is also experienced by PT Permodalan Nasional Madani Mekaar Jepara Branch. PT Permodalan Nasional Madani Mekaar Jepara Branch is a capital loan service for underprivileged women who are MSME actors launched in 2015. The high turnover intention of PT Permodalan Nasional Madani Mekaar Jepara Branch is also shown from the following data on the number of employees who left from January to May 2022:

Table 2. Employee Entry and Exit Data

Year	Percentage of Incoming Employees	Percentage of Employees leaving
2021	1,26 %	1,30 %
2022	1,18 %	1,47 %
2023	1,32 %	1,54%

Source: PT Permodalan Nasional Madani Jepara Branch Year 2024

Based on Table 1.2 that the percentage of outgoing employees tends to be greater than incoming employees, although incoming employees always experience an increase, the number of employees who leave is actually greater each year. From the results of the interview, it is known that the reason employees left and moved to the company was because PT Permodalan Nasional Madani (Persero) did not have clear working hours, besides that employees also questioned the flow of promotion policies that were less transparent. Meanwhile, the most basic reason is the high company targets imposed on employees. The inability of employees to meet these targets has caused employees to resign and change jobs.

Every company certainly expects employees to work optimally. According to (Lee & Li, 2017) turnover intention will provide a significant loss to the organization, because the work left behind will be felt and the organization must arrange recruitment procedures again from scratch. There are factors that influence turnover intention including Employee Engagement, Compensation and Job Satisfaction (Tsani, 2018).

One of the factors that can affect the level of turnover intention is caused by employee compensation. Compensation is a reward issued by the company for employees in the form of money or goods and directly or indirectly. (Hasibuan, 2019) According to Zulfa & Azizah, (2020) which explains that compensation is measured by wages and salaries, incentives, allowances, and facilities. Evidence shows that compensation has not been able to suppress high turnover intention. This shows that if compensation is high, it can reduce the level of turnover intention. The results of Yadewani & Wijaya's research (2021) show that compensation affects turnover intention. Meanwhile, the results of Sutikno's research (2020) show that compensation has a negative and significant effect on turnover intention.

The next factor that can affect the level of turnover intention is caused by the level of employee satisfaction. Employees who feel dissatisfied with their jobs tend to be uncomfortable so they want to move to other workplaces that offer better jobs. Job satisfaction can be measured using the quality of supervision, relationships with coworkers, promotion opportunities, and payment (appropriate wages/salaries). (Kristianto, Suharnomo, & Intan, 2016). Job dissatisfaction can occur if the workload borne is quite a lot (high) and the compensation that is felt is not in accordance with the workload borne by employees. This shows that if employee satisfaction is high, it can reduce the level of turnover intention. The results of Nigtyas, Purnomo, & Aswar's research (2020) show that job satisfaction shows positive and significant results on turnover intention. Meanwhile, the results of research by Marcella & Le (2022) and Alam & Wanialisa, (2021) job satisfaction has a significant and negative impact on turnover intention.

Employee engagement is basically an enthusiastic perspective of an employee by willingly contributing loyalty to his organization. Employee engagement is closely related to a transcendental individual character in having an attachment to the company positively, this situation will support success for the company, where this positive attitude can reduce the level of turnover intention in a company. The results of research by Wijaya & Suhardiyah (2020) show that employee engagement with their company can increase employee loyalty. Meanwhile, the results of research by Ansori & Andriyani, (2020) and Fauzia & Marwansyah (2020) show that there is a negative and significant influence between Employee Engagement and Turnover Intention and Employee Engagement affects turnover intention.

The motivation for this research is to test again whether using the same theory with different samples and locations will produce the same research results so that the research results can strengthen existing theories and can be generalized. Therefore, based on this background, the authors are interested in conducting research with the title "The Effect of Compensation and Job Satisfaction on Turnover Intention Through Employee Engagement in Employees of PT Permodalan Nasional Madani Jepara Branch".

2. Literature review and hypothesis/es development

2.1. The Influence of Compensation on Employee Engagement

Compensation is a reward issued by the company to employees in the form of money or goods as well as directly or indirectly. (Hasibuan, 2019). In providing compensation, there are a number of factors that influence. Broadly speaking, these factors are divided into three, namely internal organizational factors, personal factors of the employees concerned, and external factors of the organization's employees Noor Arifin, S.E., M.Si, (2013). According to (Silaban & Syah, (2018) the compensation received by an employee will be a benchmark for employee expectations of the salary he receives for his work. When employees do not receive their benefits or the compensation offered is insufficient, employees will feel dissatisfied and want to find another job that promises a more suitable salary. Some research conducted by Fauzia & Marwansyah, (2020) that there is a relationship between the effect of compensation on employee engagement. The results showed that compensation has a positive and significant effect on employee engagement. The results of Affini & Surip's research, (2018) that there is an attachment of the effect of compensation on employee engagement at PT. Bank XYZ, Tbk., The results of this study found that there is a direct effect, indirect effect and combined effect of compensation, job satisfaction, employee engagement and turnover intentions.

Hypothesis 1: Compensation Has a Positive Effect on Employee Engagement

2.2. The Effect of Job Satisfaction Employee Engagement

Job satisfaction is a very important factor for employees. By feeling satisfied at work, employees will be more productive in performing their work duties. This will also have an impact on the level of employee engagement with the company. This is possible because employees already feel comfortable and related to the company due to a sense of satisfaction in themselves with their work. (Alam & Wanialisa, 2021). Job satisfaction is an important thing that individuals have. Each

individual employee has different characteristics, so the level of job satisfaction is also different - the high and low level of job satisfaction can have an impact that is not the same. (Fauzia & Marwansyah, 2020). With the emergence of a sense of satisfaction within employees towards work, this will have an impact on the positive attitude of employees in carrying out their duties and responsibilities in an organization. this positive attitude will have an impact on the sense of comfort that employees feel towards their work and work environment. Thus, it will encourage the emergence of employee attachment to the organization as an impact caused by job satisfaction. Previous research conducted by Banta & Shaikh, (2017) showed that job satisfaction has a positive and significant impact on employee engagement.

Hypothesis 2: Job Satisfaction Positively Affects Employee Engagement

2.3. The Effect of Employee Engagement on Turnover Intention

Employee engagement is a picture of an employee where employee engagement is the attitude or condition of employees when they feel they have a relationship with the company, for example an emotional relationship. Therefore, when working employees certainly want to have a sense of pride in the company where they work, because the more employees feel comfortable and happy at work, it will make employees feel bound (engaged) with the company, then with the best performance from them, the company's goals will be achieved. (Affini & Surip, 2018). Employee engagement is basically a perspective of an employee's enthusiasm by willingly contributing full loyalty to his organization. Employee engagement is closely related to a transcendental individual character in having an attachment to the company positively, this situation will support the success of the company, where this positive attitude can reduce the level of turnover intention in a company. (Wijaya & Suhardiyah., 2020). In a company to make employees engaged, is a challenge for a company. Therefore, by increasing employee engagement in employees can reduce the turnover rate in the company. Because a strong bond between employees and the company can be a reason so that there is no intention of an employee to leave the company. This is supported by research (Ramadhoani, 2020) which states that employee engagement has a negative and significant effect on turnover intention. Also corroborated by research by (Fauzia & Marwansyah, 2020) namely employee engagement and turnover Intention there is a negative and significant influence.

Hypothesis 3: Employee Engagement Negatively Affects Turnover Intention

2.4. Effect of Compensation on Turnover Intentions

Compensation is a reward given by the company as a reward given by the company to labor because labor has provided energy, thoughts and expertise for the progress of the company in order to achieve company goals. (Affini & Surip, 2018). Compensation has a close relationship with turnover, which can have a significant effect on turnover intention, meaning that the better the compensation system provided through the provision of financial and non-financial compensation the organization will be able to reduce turnover intention. Providing good compensation paid fairly and correctly can support smoothness and enthusiasm at work and can reduce employees' intention to leave the company can be minimized. However, if compensation is not paid properly and reasonably, then employees will certainly try to leave and choose a company that pays the compensation they want. (Yadewani & Wijaya, 2021). One way to reduce the desire to move is to keep employee motivation high by providing compensation in accordance with the contribution that the employee has made to the company (Hasibuan, 2019). (Hasibuan, 2019). Another study conducted by Prasada, (2020) found that there is a negative effect on compensation on turnover intention.

Hypothesis 4: Compensation Negatively Affects Turnover Intention

2.5. The Effect of Job Satisfaction on Turnover Intention

Job satisfaction affects turnover intention (Afandi, 2018). Employees who are satisfied with their jobs will be more productive, committed, and loyal to the organization without the need for much management intervention. If an employee is satisfied with their job, company or organization, they will choose to be loyal to their company or organization. (Naveed, Iqbal, & Hamad, 2018).. Everyone who works expects satisfaction in a company where they work. Previous research conducted by Rismayanti & Aini, (2018) and Utomo, (2017) stated that job satisfaction has a significant negative effect on turnover intention, so it can be interpreted that the higher the job satisfaction, the lower the turnover intention. Turnover rate is influenced by one's job satisfaction Lu, et al., (2016). The more dissatisfied a person is with his job, the stronger the urge to turnover. Job satisfaction has a significant effect on turnover intention. (Lauren, 2017). This means that the higher the job satisfaction, the lower the tendency of employees to leave the organization.

Hypothesis 5: Job Satisfaction Negatively Affects Turnover Intention

2.6. Effect of Compensation on Turnover Intention mediated by Employee Engagement

Compensation is one of the Human Resource management functions related to all types of individual rewards in a company. Compensation can affect turnover intention. Affini & Surip's research, (2018) which states that employee engagement has a direct and significant effect on turnover intentions. Employee engagement is the level of psychological investment of employees in their organization which is characterized by say (talking positively about the organization), stay (having the desire to stay) and strive (trying to give the best for the organization). (Hewitt, 2017). Compensation that is well considered and improved by the company will reduce employee turnover intention in the company because every employee has high employee engagement with the company. In addition, employee engagement can affect turnover intention. This is in accordance with research (Sutanto, SIswanti, & Meiliawati, 2022) which states that compensation has a negative indirect effect and a significant effect on turnover intention through employee engagement.

Hypothesis 6: Employee Engagement can mediate the effect of Compensation on Turnover Intention.

2.7. The Effect of Job Satisfaction on Turnover Intention Mediated by Employee Engagement

According to Sinambela, (2017), states that job satisfaction is a view or feeling of a person towards a job that is obtained or produced by his own efforts (internal), and can also be supported by things from outside himself (external) for conditions or work situations on the work results themselves. In a company to make employees engaged, it is a challenge for a company. (Flippo, 2013). Therefore, by increasing employee engagement in employees can reduce the turnover rate in the company. Because a strong bond between employees and the company can be a reason so that there is no intention of an employee to leave the company. This is supported by research (Ramadhoani, 2020) which states that employee engagement has a negative and significant effect on turnover intention. Also corroborated by research by (Fauzia & Marwansyah, 2020) namely employee engagement and turnover Intention there is a negative and significant influence.

Hypothesis 7: Employee Engagement can mediate the effect of Job Satisfaction on Turnover Intention.

Table 3: Measurement Items

Variables	Items	Indicators	Source
Turnover Intention (Y) ₂	Y2.1	Thoughts of leaving	(Robbins & Judge, 2018)
	Y2.2	Search for new job vacancies	
	Y2.3	Comparing work	
	Y2.4	Increased absenteeism rate	
Employee Engagement (Y) ₁	Y1.1	Positive attitude and pride in the organization	(Robbins & Judge, 2018)
	Y1.2	Empowering capabilities	
	Y1.3	The organization provides opportunities to perform well	
	Y1.4	Act humbly and be a good team member	
Compensation (X) ₁	X1.1	Wages and Salaries	(Ariandi, 2018)
	X1.2	Incentives	
	X1.3	Allowances	
Job Satisfaction (X) ₂	X2.1	Supervision	(Sinambela, 2017)
	X2.2	Work environment	
	X2.3	Promotion	
	X2.4	Supportive coworkers	
	X2.5	Work that is mentally challenging	
	X2.6	Rewards in the form of wages/salaries	
Variables	Items	Indicators	Source
Turnover Intention (Y) ₂	Y2.1	Thoughts of leaving	(Robbins & Judge, 2018)
	Y2.2	Search for new job vacancies	
	Y2.3	Comparing work	
	Y2.4	Increased absenteeism rate	
Employee Engagement (Y) ₁	Y1.1	Positive attitude and pride in the organization	(Robbins & Judge, 2018)
	Y1.2	Me	
	Y1.3	The organization provides opportunities to perform well	
	Y1.4	Act humbly and be a good team member	
Compensation (X) ₁	X1.1	Wages and Salaries	(Ariandi, 2018)
	X1.2	Incentives	
	X1.3	Allowances	
Job Satisfaction (X) ₂	X2.1	Supervision	(Sinambela, 2017)
	X2.2	Work environment	
	X2.3	Promotion	
	X2.4	Supportive coworkers	
	X2.5	Work that is mentally challenging	

	X2.6	Rewards in the form of wages/salaries	
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3. Methodology

This research aims to test hypotheses regarding the cause-and-effect relationship between one variable and another. The research model is developed through a hypothesis approach and tested based on certain principles. This research was conducted on employees of PT Permodalan Nasional Madani Jepara Branch with a total of 95 employees in 5 branches. This study uses quantitative methodology to determine the role of compensation and job satisfaction on turnover intention through employee engagement in employees. (Sugiyono, 2019). The data analysis technique in this study uses Structural Equation Modeling (SEM) using PLS software. (Ghozali, 2019). Data collection and hypothesis testing were carried out using a questionnaire with a Likert scale with ten alternative answers

4. Results and discussion

The results of statistical data analysis using the Smart PLS program, especially testing the external model and internal model, will be explained in more detail in this sub chapter. Least Partial Square (PLS) is a component or variant-based equation model (SEM). According to Ghozali, (2019), PLS is an alternative approach that moves from a covariance-based SEM approach to a variance-based approach. Covariance-based structural equation modeling (SEM) usually tests causality / theory, while PLS is a more predictive model. PLS is a powerful analytical method because it does not rely on many assumptions, for example, data must be normally distributed, samples do not need to be large. (Ghozali, 2019).

4.1. Theoretical Model Development

Based on the hypotheses built in this study, the research model will be further analyzed with SEM analysis as follows:

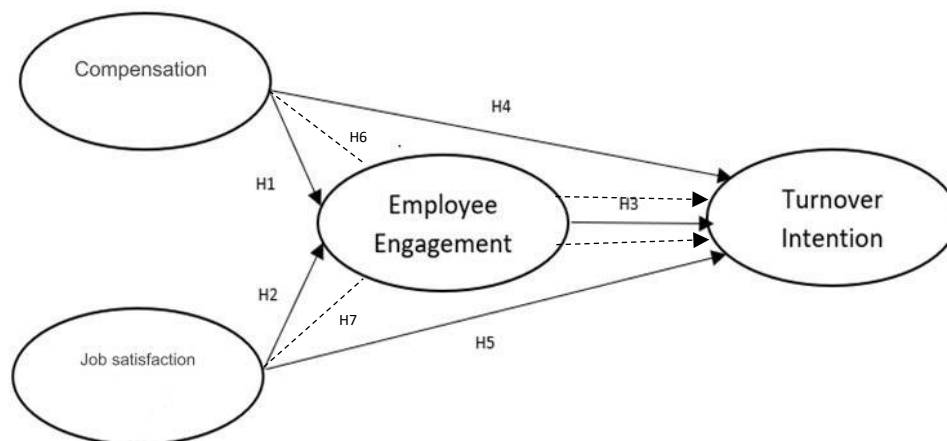


Image 1. Theoretical Model

4.2. SEM Model Development

In this diagram, the relationship between constructs will be determined through arrows. Straight arrows indicate a direct causal relationship between constructs

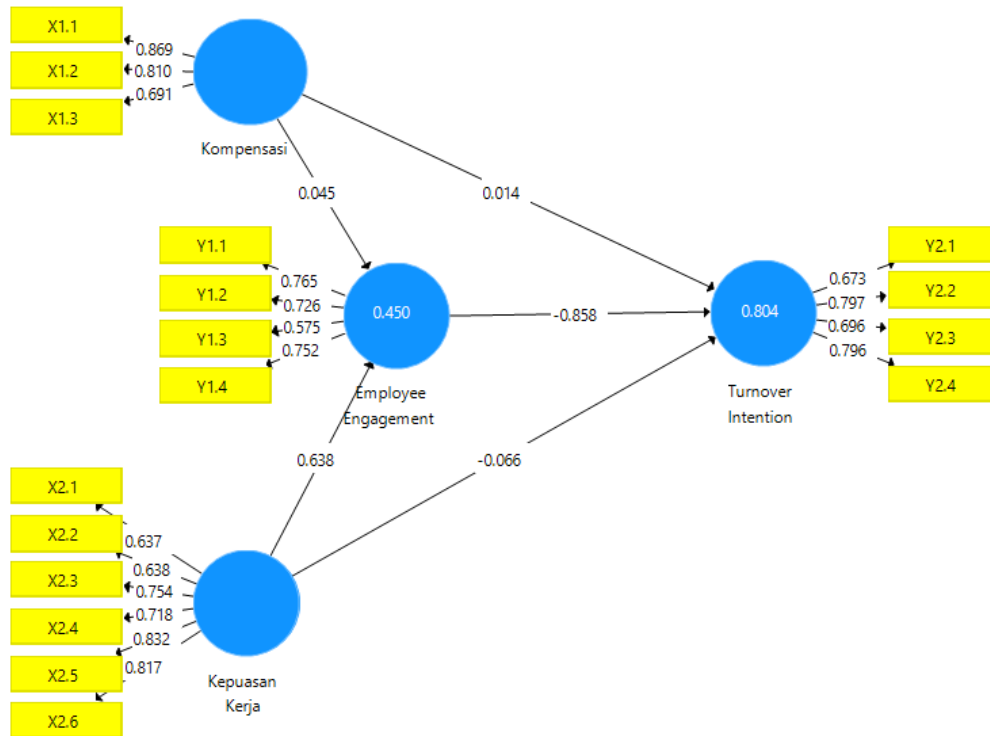


Image 2. Model of Causal Relationship between Variables

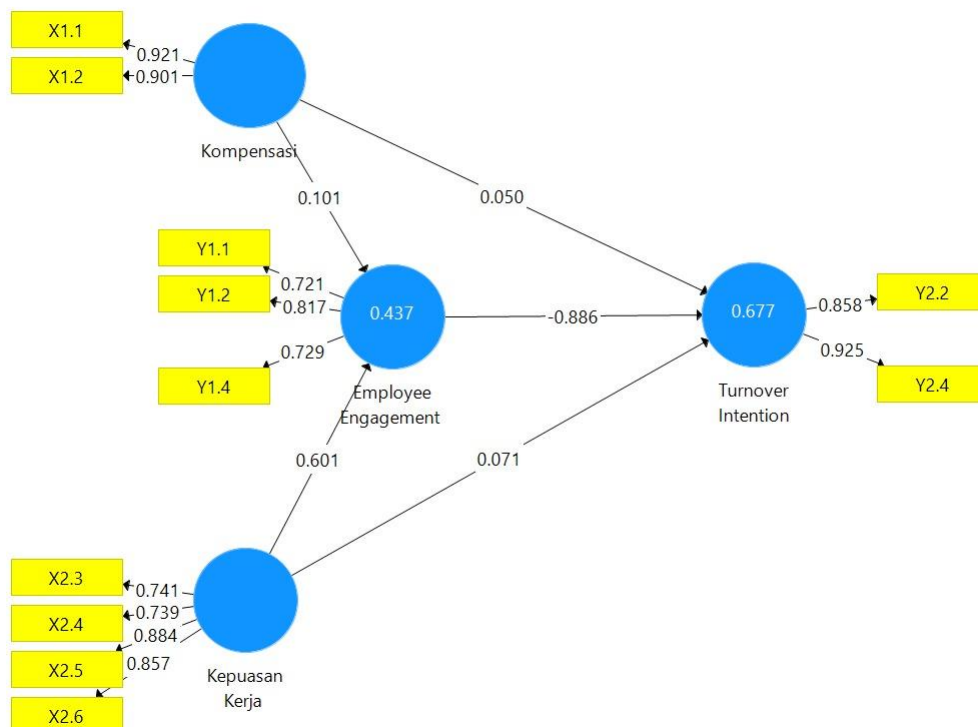


Image 3. Causal Relationship Model Between Variables After Improvement

4.3. Outer Model Test

Used as a tool to determine whether or not it is feasible as a measurement, namely the latent relationship between variables and their indicators consists of three types, namely Convergent validity, Reliability, and Discriminant validity.

a) Convergent Validity Test

In this study using a limit of 0.7, so indicators with a factor loading value above 0.5 are declared valid. (Ghozali, 2019). The results of the validity test processing:

Table 4. Convergent Validity Test Results

Variables	Item	Outer Loading Value	Outer Loading Value Limits	Decision
Compensation (X ₁)	X1.1	0,869	0,7	Valid
	X1.2	0,810	0,7	Valid
	X1.3	0,691	0,7	Invalid
Job Satisfaction (X ₂)	X2.1	0,637	0,7	Invalid
	X2.2	0,638	0,7	Invalid
	X2.3	0,754	0,7	Valid
	X2.4	0,718	0,7	Valid
	X2.5	0,832	0,7	Valid
	X2.6	0,817	0,7	Valid
Employee Engagement (Y ₁)	Y1.1	0,765	0,7	Valid
	Y1.2	0,726	0,7	Valid
	Y1.3	0,575	0,7	Valid
	Y1.4	0,752	0,7	Valid
Kinerja Karyawan (Y ₂)	Y2.1	0,673	0,7	Invalid
	Y2.2	0,797	0,7	Valid
	Y2.3	0,696	0,7	Invalid
	Y2.4	0,796	0,7	Valid

Source: Daya processed with SmartPLS, 2024

It can be seen from the stage 1 validity test that all item factor loading values still have indicators whose values are below 0.7, so improvements are made to the indicators as follows:

Table 5. Convergent Validity Test Results After Improvement

Variables	Item	Outer Loading Value	Outer Loading Value Limits	Keputusan
Compensation (X ₁)	X1.1	0,921	0,7	Valid
	X1.2	0,901	0,7	Valid
	X2.3	0,741	0,7	Valid
Job Satisfaction (X ₂)	X2.4	0,739	0,7	Valid
	X2.5	0,884	0,7	Valid
	X2.6	0,857	0,7	Valid
Employee Engagement (Y ₁)	Y1.1	0,721	0,7	Valid
	Y1.2	0,817	0,7	Valid
	Y1.4	0,729	0,7	Valid
Kinerja Karyawan (Y ₂)	Y2.2	0,858	0,7	Valid
	Y2.4	0,925	0,7	Valid

Source: Data processed with SmartPLS, 2024

It can be seen from the stage 2 validity test that all items have a factor loading value above 0.7 and are declared valid.

b) Composite Reliability

According to Ghozali, (2019), the value used to obtain reliability consists of Cronbach's Alpha and Composite Reliability must exceed 0.60 for confirmatory research and a value of 0.60 - 0.70 is still acceptable for exploratory research. (Ghozali, 2019). The results of this test are as follows:

Table 6. Reliability Test Results

Variables	Cronbach's Alpha	Composite Reliability	Reliability Limit	Decision
Compensation	0,799	0,801	0,60	Reliable
Job Satisfaction	0,825	0,882	0,60	Reliable
Employee Engagement	0,797	0,908	0,60	Reliable
Employee Performance	0,749	0,886	0,60	Reliable

Source: Data processed with SmartPLS, 2024

Based on the data presentation in the table above, it can be seen that the composite reliability value of all research variables is > 0.60. These results indicate that each variable has met the *composite reliability* so that it can be concluded that the overall variable has a high level of reliability

c) Model Fit Test

The R-Square (R²) value is used to determine the predictive power of the structural model in SEM-PLS analysis. The criteria for the R-square value close to 0.67 are considered strong, 0.33 as moderate, and 0.19 as weak. (Ghozali, 2019). The R-square value can be seen in the following table:

Table 7. Nilai R-Square

Endogenous Variable	R Square	Adjusted R Square
Employee Engagement	0,437	0,425
Turnover Intention	0,677	0,666

Source: Data processed with SmartPLS, 2024

This value explains that the strength of the Compensation and Job Satisfaction variables in predicting Employee Engagement is 42.5%. Furthermore, the R-square value for the Turnover Intention variable is 0.666. This value explains that the strength of the Compensation, Job Satisfaction, and Employee Engagement variables in predicting Turnover Intention is 66.6%. So that the criteria for the R-square value that is close to being considered strong

d) Hypothesis Test

Hypothesis testing is a method of decision making carried out by analyzing data to determine whether the hypothesis is true or false. According to Husain, (2015) hypothesis testing can be seen from the t-statistic value and probability value. For hypothesis testing, namely by using the statistical value then for alpha 5%. So that the acceptance criteria for rejecting or accepting a hypothesis using probability, H_a is accepted if the p value is <0.05.

Table 8. Path Coefficient Test

	(O)	(M)	(STDEV)	T	P Values	Decision
Compensation (X1) -> Employee Engagement (Y1)	0,101	0,089	0,130	0,776	0,438	rejected
Job Satisfaction (X2) -> Employee Engagement (Y1)	0,601	0,621	0,108	5,573	0,000	Retrieved
Employee Engagement (Y1) -> Turnover Intention (Y2)	-0,886	-0,895	0,052	16,904	0,000	Retrieved
Compensation (X1) -> Turnover Intention (Y2)	0,050	0,058	0,071	0,695	0,487	rejected
Job Satisfaction (X2) -> Turnover Intention (Y2)	0,071	0,075	0,080	0,888	0,375	rejected
Compensation (X1) -> Employee Engagement (Y1) -> Turnover Intention (Y2)	-0,090	-0,081	0,118	0,762	0,446	rejected
Job Satisfaction (X2) -> Employee Engagement (Y1) -> Turnover Intention (Y2)	-0,533	-0,555	0,099	5,375	0,000	Retrieved

Source: Data processed with SmartPLS, 2024

a) Compensation to Employee Engagement

The value of the compensation construct on employee engagement has a positive direction and a statistical t-value of 0.776, and p-values of $0.438 > 0.05$. Therefore, the first hypothesis which states that compensation has a positive effect on employee engagement is not proven. So the results show that compensation has no effect on employee engagement.

b) Job Satisfaction on Employee Engagement

The construct value of job satisfaction on employee engagement has a positive direction and a statistical t-value of 5.573, and p-values of $0.000 < 0.05$. Therefore, the second hypothesis which states that job satisfaction has a positive effect on employee engagement is proven. So the results showed that job satisfaction has a positive effect on employee engagement.

c) Employee Engagement on Turnover Intention

The construct value of employee engagement on turnover intention has a negative direction and a statistical t-value of 16.904, and p-values of $0.000 < 0.05$. Therefore, the third hypothesis which states that employee engagement has a negative effect on turnover intention is proven. So that the results show employee engagement has a negative effect on turnover intention.

d) Compensation on Turnover Intention

The value of the compensation construct on turnover intention has a positive direction and a statistical t-value of 0.695, and p-values of $0.487 > 0.05$. Therefore, the fourth hypothesis which states that compensation has a negative effect on turnover intention is not proven. So the results showed that compensation has no effect on turnover intention.

e) Job Satisfaction on Turnover Intention

The construct value of job satisfaction on turnover intention has a positive direction and a statistical t-value of 0.888, and p-values of $0.375 > 0.05$. Therefore, the fifth hypothesis which states that job satisfaction has a negative effect on turnover intention is not proven. So the results showed that job satisfaction has no effect on turnover intention.

f) Employee Engagement mediates Compensation with Turnover Intention

The construct value of employee engagement mediating compensation with turnover intention has a negative direction and a statistical t-value of 0.762, and p-values of $0.446 > 0.05$. Therefore, the sixth hypothesis which states that employee engagement can mediate the effect of compensation on turnover intention is not proven. So the results showed that employee engagement was unable to mediate the effect of job satisfaction on turnover intention.

g) Employee Engagement mediates Job Satisfaction with Turnover Intention

The construct value of employee engagement mediating job satisfaction with turnover intention has a negative direction and a statistical t-value of 5.375, and p-values of $0.000 < 0.05$. Therefore, the seventh hypothesis which states that employee engagement can mediate the effect of compensation on turnover intention is proven. So the results showed that employee engagement is able to mediate the effect of job satisfaction on turnover intention.

4.4. Discussion

Compensation has no effect on employee engagement. So compensation is not a very important thing to stay in the company. The compensation earned is often not a problem but also cannot guarantee employee engagement. Other variables whose results have a significant positive effect are Status/Recognition and development opportunities, where these two variables will greatly affect the level of employee engagement of employees. This development opportunity is very capable of increasing employee engagement because employees feel more motivated if their role is involved with interesting challenges, allowed to contribute to important decisions, and provide opportunities for continued learning and development of the employee himself. (Affini & Surip, 2018). The same research results were studied by Filatrovi & Attiq, (2020) compensation variables have no effect on employee engagement.

Job satisfaction has a positive effect on employee engagement. Employees are quite satisfied with everything or something that has nothing to do with work. Employees have a sense of job satisfaction so that when performing tasks employees feel very comfortable with the conditions created. This will also have an impact on the sense of engagement created from employees towards the company. An employee who feels that he is positively attached to the company will always maintain his attitude at work and always be active at work. (Afandi, 2018). Employees who are actively involved in the company indicate that the company has a positive work climate. This is because employees who have a good attachment to the company where they work will have great enthusiasm for work. sometimes even far beyond the main tasks stated in their employment contract. With a unidirectional relationship between job satisfaction and employee engagement, employees will feel part of the company if the job satisfaction they expect can be fulfilled by the company. This is in line with previous research by Lienardo & Setiawan, (2017), which states that job satisfaction has a positive and significant effect on employee engagement. Good job satisfaction will lead to positive emotional attachment of employees to the company, which has an impact on providing benefits to the company.

Employee engagement has a negative effect on turnover intention. This means that when employee engagement increases, it will further reduce turnover intention. Companies can create a condition where employees can be more a part of the company as if employees show a sense that employees love their company with a positive attitude. Then it can be created by the formation of Engagement in employees, the company can create a togetherness event that shows that the company has a sense of caring for its employees and the company really needs its employees. Employee engagement needs to be improved by the way the company meets the needs of the needs needed by its employees so that it can create a positive attitude towards the company where its employees work. (Fauzia & Marwansyah, 2020). Based on the results of interviews conducted by researchers with employee employees. Revealed that they have a sense of enthusiasm when working because the work is carried out in order to fulfill needs (make money). This is supported by research (Ramadhoani, 2020) which states that employee engagement has a negative and significant effect on turnover

intention. Also corroborated by research by (Fauzia & Marwansyah, 2020) namely employee engagement and turnover Intention there is a negative and significant influence.

Compensation has no effect on turnover intention. Shows that the compensation justice obtained by employees is not a trigger for the level of employee turnover intention towards their organization. employees get compensation justice well, but this has no effect on turnover intention. This is in line with research conducted by Astiko, (2012) which found that compensation justice has no effect on turnover intention. In other words, there are factors other than compensation justice in influencing employee turnover intention such as age, length of work, availability of other jobs and work environment factors.

Job satisfaction has no effect on turnover intention. The more employee job satisfaction increases, the more employee turnover intention levels decrease. If employee job satisfaction decreases, the level of turnover intention will increase. (NingTyas, Purnomo, & Aswar, 2020). Efforts made by the company to increase employee job satisfaction are the distribution of work that is fair and in accordance with the abilities of employees, providing salaries according to employee rights, providing promotion opportunities (promotion) to employees who excel, improving leadership to be more integrated with employees, so as to motivate employees, and increasing the sense of kinship among coworkers. The results of this study are not in line with research conducted by Saeka & Suana, (2016) which states that job satisfaction has a negative effect on employee turnover intention.

Employee engagement is not able to mediate the effect of compensation on turnover intention. indirectly employees are not able to increase compensation on turnover intention, so that low employees make employee compensation will also be vulnerable this results in high turnover intention. This shows that if compensation (whether salary, bonuses, or benefits) does not meet expectations or is considered not commensurate with the effort they spend, employees tend to have the intention to leave (turnover intention).

Employee engagement is able to mediate the effect of job satisfaction on turnover intention. The results of this study indicate that there is job satisfaction with the organization / company caused by employee engagement. Making employees more strive to provide good performance to the organization/company. Based on the results of data analysis, it can be stated that the employee engagement variable has a positive and significant effect on the turnover intention variable. This research is in line with research conducted by Ramadhoani, (2020) which explains that employee engagement affects turnover intention.

5. Conclusion

5.1. Conclusion

Compensation has no effect on employee engagement. So compensation is not a very important thing to stay in the company. Compensation earned is often not a problem but also cannot guarantee employee engagement. Job satisfaction has a positive effect on employee engagement. Employees are quite satisfied with everything or something that has nothing to do with work. Employees have a sense of job satisfaction so that when performing tasks employees feel very comfortable with the conditions created. Employee engagement has a negative effect on turnover intention. This means that when employee engagement increases, it will further reduce turnover intention. Companies can create a condition where employees can be more part of the company as if employees show a sense that employees love their company with a positive attitude. Compensation has no effect on turnover intention. Shows that the fairness of compensation obtained by employees is not a trigger for the level of employee turnover intention towards their organization. Job satisfaction has no effect on turnover intention. The more employee job satisfaction increases, the lower the employee turnover intention level. If employee job satisfaction decreases, the level of turnover intention will increase. Employee engagement is not able to mediate the effect of compensation on

turnover intention. Employee engagement is able to mediate the effect of job satisfaction on turnover intention.

5.2. Limitation

This study has several limitations that need to be considered. First, the research was only conducted at one branch of PT Permodalan Nasional Madani Mekaar, namely the Jepara Branch. This causes the research results cannot be generalized to all branches of the company in other regions. In addition, the variables used in this study are limited to compensation, job satisfaction, and employee engagement as mediators, without including other factors such as work environment, promotion policy, and organizational culture that may also affect employee turnover intention. The data collection method used in the form of a Likert scale questionnaire is highly dependent on the understanding and honesty of respondents in providing answers, which has the potential to cause bias. This research was also conducted over a relatively short period of time, so it has not considered seasonal factors or changes in company policy that could affect the results.

5.3. Sugestion

Based on these limitations, future research is recommended to expand the population and sample by involving more branches of PT PNM in different regions in order to obtain more representative results. In addition, research should add other variables such as work environment, organizational culture, and promotion policy to see a broader influence on turnover intention. The use of mixed-methods, combining questionnaires and in-depth interviews, is also recommended in order to gain a more comprehensive understanding of the relationship between employee engagement and turnover intention. Further research could also include moderation analysis, such as work motivation or organizational commitment, to test the influence of these factors on the relationship of the variables. A longitudinal research design could also be considered to see how changes in compensation and job satisfaction affect turnover intention in the long term. Finally, studies could be developed to examine the different effects of compensation and job satisfaction on turnover intention across different generations of employees, such as Generation Z and Millennials, to better understand how age and job perceptions influence the results.

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