

# Effect Of Training, Career Development, Compensation, And Performance Appraisal On Employee Intention To Stay

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**Abstract.** The practice of human resource management is an important aspect because it has a very large impact on the interests of employees and the company. When human resource management practices are carried out properly, employees will feel comfortable and want to continue working at the company. This study's aimed to analyze the impact of various human resource management techniques. (i.e training, career development, compensation, performance appraisal) on employee intention to stay. In this research, the population are all employees of PT. Adi Satria Abadi with 239 employees. Then, the sample are some employees of PT. Adi Satria Abadi as many as 105 people. Simple random sampling is used in this research. Techniques for gathering information with a questionnaire. The data analysis tool used is multiple linear regression using SPSS version 25. The results show that training and performance appraisal have no effect on intention to stay, while career development and compensation each have a positive effect on intention to stay.

**Keywords:** training, career development, compensation, performance appraisal) on employee intention to stay

## 1 Introduction

Human resources (HR) is one of the most important aspects of growth and success to achieve business goals in running a company, so companies need to pay attention to HR management, commonly known as HR practices [1]. The purpose of human resource practices is to develop company commitment and improve performance so as to retain employees in the long term. Factors that need to be considered are training, career development, compensation, and performance appraisal which are considered capable of predicting the company can help increase company productivity and innovation [2]. Each of these variables has a positive influence on the employee's intention to stay at the company. Happy and satisfied employees will be motivated to make the company achieve its goals, so it will be mutually beneficial. PT. Adi Satria Abadi Yogyakarta is a company that has a very low employee turnover rate, but some employees who leave are not satisfied with the management of human resource practices. The purpose of this study was to evaluate how successful the training, career development, compensation, and performance appraisal at PT. Adi Satria Abadi Yogyakarta.

## 2 Theoretical Basis

### Training

The purpose of the training is to improve the skills of each person's workforce in relation to economic activities. Employees are encouraged to learn practical information and apply it during training to develop the knowledge, skills and attitudes required by businesses to produce high-quality work. [3] Training is a short-term educational process in which non-managerial staff members acquire expert insight and competence for categorical purposes through an organized and systematic process. Training is one way to improve the quality/skills of employees. Before starting work, all new or existing employees must undergo training. Based on the views of these experts, it can be explained that training is a human resource management tactic that is needed to improve employee operational effectiveness by developing employee abilities, talents, or attitudes.

### Career Development

To help an employee develop his personality in the future and improve his quality of life, career development requires career planning. More than just accepting what they have right now, employees in the company anticipate change, progress, and the possibility to reach new and better levels. Employees aspire to advance their careers because it is considered a reward for their efforts and dedication in their work. [4] Employees who are promoted consistently score high on their performance are perceived as more committed to the company, and less likely to leave the company. [5] Career development is preparing an employee to take on new or more important responsibilities within the company. Typically, development entails increasing the cognitive or emotional capacities needed to perform tasks more effectively.

## Compensation

Everything that employees get in return for their performance is known as compensation. In addition, compensation is one of the best ways for human resources to advance employee productivity, motivation and job satisfaction. Companies can attract, recruit, and retain employees by using an effective compensation structure. [6] Compensation is an expense sacrificed by a company in the hope that the company can receive a reward in the form of increasing employee performance.

## Performance Appraisal

The best way to evaluate employee performance at work is through performance appraisal [7]. Performance appraisal is a necessary system to review and assess employee performance on a regular basis. Performance appraisal is absolutely necessary because every employee's performance appraisal action will be evaluated and assessed [8]. [9] Performance appraisal is a process that enables companies to precisely and accurately identify, evaluate, and assess the performance of their employees. These activities are interrelated and have an impact on how well the company implements and operates human resources in the company, such as career development, training and compensation. This is because employees can receive feedback about their actual performance and the company can receive important information that will help them make better decisions. If the employee cannot clearly understand what action he or she should take and in what way it is done, one's will and ability are ineffective. Everyone who demonstrates performance in the workplace which is the right action taken by employees according to their job responsibilities.

## Intention to Stay

Employees who have the intention to stay tend to want to stay until they leave the company for some reason. This situation is known as the intention to stay or the intention of the employee not to change jobs. [10] Intention to remain as permanent employees to stay in the company for a long time, by showing their dedication to the company and their agreement to stay with the company. Meanwhile, according to Siahaan [11], the intention to stay is the intention of an employee to stay in the company and work voluntarily.

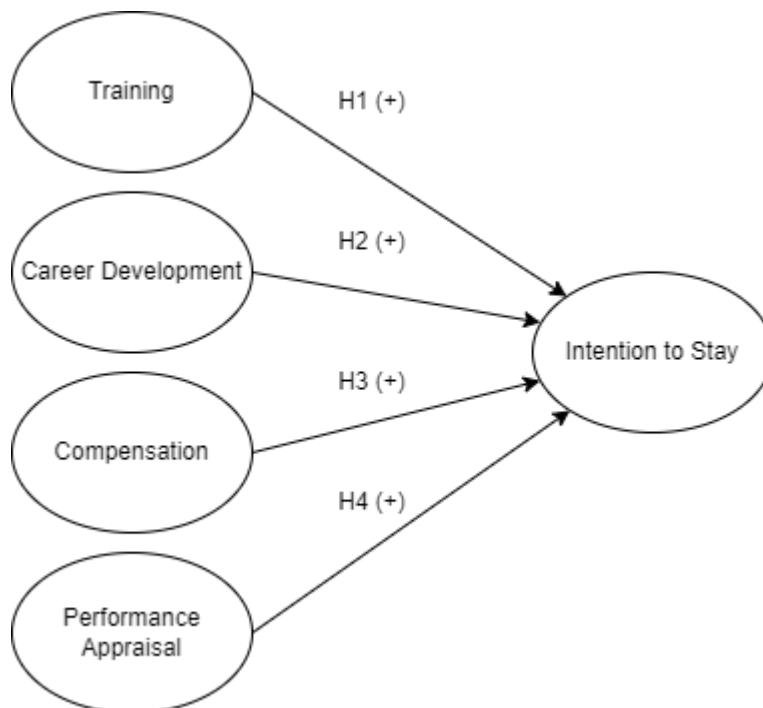


Figure 1. Research Framework

## Effect of training on intention to stay

Training is education that provides knowledge, skills and attitudes so that employees can perform well and in accordance with labor norms. [11] From the training, the company is expected to have a positive impact on the employee's decision to stay at the company. This is supported by the statement from Johari [2] that employees who feel their abilities have increased due to training and feel developed in skills in relation to future careers are more likely to remain in the company. Ghazali [13] proved in his research that training has a positive effect on intention to stay. This description allows the formulation of the following hypothesis:

**H1: Training has a positive effect on the intention to stay on employees of PT. Adi Satria Abadi Yogyakarta.**

### **Effect of career development on intention to stay**

Employees who believe they have career development opportunities often enjoy their jobs and perform well. However, if their position is not matched by career development, they will most likely have to find another job. Usually in a company there are limited positions and not everyone can be promoted. An aspiring employee may not intend to stay for a long time at the company and may quit their job as soon as possible. Therefore, everyone will look for another job which is closer to their career development opportunities and which will influence their decision to stay or leave the job. [16] states that high promotion opportunities can encourage employee career development in the company, provide job security, long-term income in the future, and influence employees to stay in the company. With that, companies need to prepare good career opportunities for employees because they feel that they are contributing to the company. This will make them more engaged with work and less likely to leave the company. Employees who feel they have higher promotion opportunities stay with the company rather than leaving the company. However, career development opportunities not only make employees feel valued and grateful, but can also consider employees to stay or leave the company. Siahaan [11] conducted a study whose results showed career development had a positive influence on employee intentions to stay at the company (Intention to Stay). This description allows the formulation of the following hypothesis:

**H2: Career development has a positive effect on the intention to stay on employees of PT. Adi Satria Abadi Yogyakarta.**

### **Effect of compensation on intention to stay**

Compensation refers to various kinds of inequalities that are offered to employees in return for their efforts in achieving company goals, both in the form of money and goods. [17]. Compensation is very meaningful for employees. High or low compensation can affect whether the employee feels at home or not in the company. If the employee receives adequate compensation, then he does not hesitate to stay at the company. Kumar [1] proves in his research that compensation has a positive effect on employees' intention to stay at the company (intention to stay). Similarly, research conducted by Anter [18] which shows that compensation has a positive effect on employees' intention to stay. So that the more compensation, the higher the interest of employees not to change jobs. This description allows the formulation of a third hypothesis:

**H3: Compensation has a positive effect on the intention to stay on employees of PT. Adi Satria Abadi Yogyakarta.**

### **Effect of performance appraisal on intention to stay**

Performance appraisal very clearly affects employee performance. Through a fair performance appraisal process, employees can be more productive and committed to performing their duties. According to research conducted by Siahaan [11] performance appraisal has a positive influence on employees to stay in the company. Therefore, employee work behavior, such as intention to stay (intention to stay) can reflect their perception of performance appraisal [11]. According to the research above, it can be said that performance appraisal has an impact on employees' intention not to change jobs. So that the better the performance appraisal of an employee, it can increase employee interest in staying longer in the company. This description allows the formulation of a fourth hypothesis:

**H4: Performance appraisal has a positive effect on the intention to stay on employees of PT. Adi Satria Abadi Yogyakarta.**

## **3 Research Methods**

### **Population and Sample**

A total of 239 employees of PT. Adi Satria Abadi Yogyakarta became the population of this study. While 105 employees of PT. Adi Satria Abadi Yogyakarta was used as the number of samples. The data collection technique used simple random sampling, which included a random sample selection from the population without taking into account pre-existing population strata [19]. To identify the pattern of relationship between the independent variables (training, career development, compensation, and performance appraisal) with the dependent variable (intention to stay) this study used multiple linear regression analysis, using SPSS version 25.

### **Operational Definition**

The dependent variable in this study is Intention to stay. The intention to stay measurement replicates the items used by Angga [20] with the following indicators:

1. The tendency of an employee to think about staying in the company.
2. There is a possibility that an employee will not get a job at another company.
3. It is possible that an employee will continue to work for the company.
4. The probability that an employee will remain with the company for a considerable period of time.
5. Chances of an employee staying with the company although there are better chances.

The independent variables of this study are training, career development, compensation, and performance appraisal. The four independent variables were measured using a number of questions, namely:

1. Training: a) the instructor of the training held is able to invite active participants in discussing the material. b) The instructor of the training held has sufficient understanding according to his field, is personal, and competent. c) employees are interested in participating in the training held. d) employees actively participate in participating in the training programs organized. e) the material in the training held can increase the knowledge of employees according to the needs of the job. f) the material in the training held can be applied on the job. g) there is a simulation that makes it easier for employees to master the material held. h) training objectives in accordance with the training carried out. i) know the reasons for holding the training. j) the training provided is very well targeted. k) the targets given are very clear.
2. Career development: a) receive fair treatment in terms of career development. b) the company is very open about employee career paths. c) superiors are very concerned about career development. d) superiors appreciate the potential of employees. e) employees are very easy to access information on employee promotion opportunities provided. f) provide employees with opportunities as well as opportunities to grow through training programs. g) employees are interested in being promoted to a higher position. h) employees will not refuse if they get a promotion. i) the promotion criteria set are not burdensome. j) employees are satisfied with the existing career path.
3. Compensation: employees receive salaries according to the years of service. b) employees get a salary according to the work. c) incentives that employees get according to their performance. d) work motivation can be increased by providing compensation. e) employees receive allowances according to position status. f) the provision of work support allowances is in accordance with the needs. g) the company provides facilities according to the needs of the work. h) the facilities within the company are very comfortable and the work environment is supportive.
4. Performance appraisal: a) employees understand the procedures for implementing the applicable performance appraisal. b) employees understand the elements in the implementation of the applied performance appraisal. c) the result of the value given on the performance appraisal form is in accordance with the actual work of the employee. d) the value given by the appraisal officer in the performance appraisal is well received by the employee. e) the employee's performance has been assessed by the appraiser which is carried out accurately and objectively. f) the appraisal officer always provides information related to the results of the performance appraisal of the employee. g) the employee received the average grade category in the assessment form very well. h) the appraisal officer gives a written value to the employee of each element with the applicable performance appraisal implementation guidelines. i) prior to carrying out the performance appraisal there is always notification and scheduling. j) the results of the performance appraisal are always notified to employees. k) the appraiser gives a decision on the value of the performance appraisal result by not finding fault with the employee. l) if there are employees who get lower grades compared to before, they will be given special guidance in order to improve work performance.

## 4 Research Results And Discussion

### Respondent characteristics analysis

The research sample was dominated by women, with a total of 77 respondents (73.3%); length of work 6 years to 10 years as many as 65 people (61.9%); golf glove division as many as 105 respondents (100%) and employment status, namely permanent employees as many as 102 respondents (97.1%).

**Table 1. Validity Test Results**

Items	Training	Career Development	Compensation	Performance Appraisal	Intention to Stay
P4.1	0,571				
P4.2	0,642				
P5.1	0,795				
P5.2	0,767				
P6.1	0,632				
PBK1.1		0,725			
PBK2.1		0,684			

Items	Training	Career Development	Compensation	Performance Appraisal	Intention to Stay
PBK4.2		0,555			
PBK5.1		0,657			
PBK5.2		0,613			
K1.1			0,745		
K1.2			0,785		
K2.1			0,834		
K2.2			0,733		
K3.1			0,594		
K4.2			0,551		
PK.1.2				0,586	
PK2.1				0,769	
PK2.2				0,623	
PK3.1				0,718	
PK4.1				0,534	
PK6.1				0,589	
ITS1.2					0,768
ITS3.1					0,854
ITS3.2					0,842
ITS4.1					0,761

Source: Primary Data (2022)

**Table 2. Reliability Test Results**

Variable	Cronbach Alpha
Training (X1)	0,715
Career Development (X2)	0,651
Compensation (X3)	0,798
Performance (X4)	0,709
<i>Intention to Stay</i> (Y)	0,821

Source: Primary Data (2022)

Based on table 2, it is known that: a) Cronbach's Alpha training is 0.715 which is greater than 0.6 then the item measuring training is categorized as reliable; b) Career development variable (X2), the result of Cronbach Alpha test is 0.651 which exceeds 0.600, so that the item measuring career development is declared reliable; c) Compensation variable (X3), the result of Cronbach Alpha test is 0.798 which is greater than 0.6. This means that the compensation items are declared reliable; d) The performance appraisal variable (X4), the result of the Cronbach Alpha test is 0.709 which is higher than 0.6, then the performance appraisal variable is declared reliable.

**Table 3. Results of Multiple Linear Regression Analysis**

Variable	B	Sig
(Constant)	0,500	0,618
Training	0,082	0,539
Career development	0,422	0,001
Compensation	0,472	0,002
Performance appraisal	-0,130	0,377

Source: Primary Data (2022)

Based on table 3, the multiple linear regression equation is obtained:

$$Y = 0,500 + 0,082X1 + 0,422X2 + 0,472X3 - 0,130X4 + e \quad (1)$$

The following conclusions can be drawn from the equation for multiple linear regression: a) The regression coefficient of Intention to Stay (Y) is 0.500, if X1, X2, X3, and X4 are considered 0, then the Intention to Stay value is 0.500; b) the value of the Training regression coefficient (X1) is 0.082, which is positive, which means that there is Training (X1) and Intention to Stay has a positive relationship, meaning that if the training is higher, the Intention to Stay will also increase, c) Regression coefficient for Career Development (X2) is 0.422 has a positive sign which means that Career Development (X2) and Intention to Stay are positively related, which means that the higher the Career Development, the Intention to Stay will also increase. d) The regression coefficient for Compensation (X3) is 0.472, which is positive (there is a positive relationship between Compensation (X3) and Intention to Stay), which means that the higher the Compensation, the Intention to Stay will also increase. e) The regression coefficient for Performance Assessment (X4) is -0.130 (has a negative sign) which means that there is a negative relationship between Performance Assessment and Intention to Stay, which means that the higher the Performance Assessment, the lower the Intention to Stay.

**Table 4. Partial Test Results**

Variable	T	Sig.	Description
Training	0,617	0,539	no effect
Career development	3,298	0,001	positive effect
Compensation	3,247	0,002	positive effect
Performance appraisal	-0,887	0,377	no effect

Source: Primary Data (2022)

In table 4 it is known: a) The training has a significance value of 0.539 which is greater than 0.05 which means that the first hypothesis is rejected; b) Career Development variable has a significance value of 0.001 which is smaller than 0.05 (second hypothesis is accepted); c) The compensation variable is known to have a significance value of 0.002 (less than 0.05), meaning that the third hypothesis is accepted; d) The Performance Appraisal variable is known to have a significance value of 0.377 which proves that H4 is rejected because the significance value (0.377) > alpha (0.05).

#### **Effect of Training (X1) on Intention to Stay (Y)**

Based on the regression results, it is known that the intention to stay is not influenced by training. In this case, hypothesis one (H1) is not supported allegedly because, when viewed from the characteristics of respondents with long working criteria, employees of PT. Adi Satria Abadi with a total of 91 people (86%) have worked for more than 6 years so the presence or absence of training does not affect the intention to stay because they are experts or are used to doing their jobs. The findings of this study are in line with the research of Johari (2012).

#### **Effect of Career Development (X2) on Intention to Stay (Y)**

Career development is proven to have a positive influence on intention to stay. Career development is closely related to an employee's intention to stay in the company because employees feel that they contribute to the company, so they tend not to leave the company. Likewise, employees who have a higher chance of being promoted will not leave the company and choose to remain in the company. Therefore, companies must understand that promotions will not only give employees appreciation and gratitude, but will also influence employees' decisions to keep or leave the company. In line with these findings, Siahaan (2014) also found that intention to stay was positively influenced by career development, which means that there is a unidirectional relationship between career development variables and intention to stay, which means that better career development can increase intention to stay.

#### **Effect of Compensation (X3) on Intention to Stay (Y)**

This study succeeded in proving that compensation has a positive effect on intention to stay. The provision of compensation is very important for the welfare of employees. Because the motivation of employees to stay in a company can be influenced by the amount of compensation. The findings of this study are in accordance with the findings of Kumar et al., (2012) and Anter (2016). a good compensation method has been developed by PT. Adi Satria Abadi Yogyakarta to encourage employees not to change jobs. If PT. Adi Satria Abadi wants his company to grow, so compensation must be taken into account when the development of the industrial world and the economy changes because this factor affects the employee's desire to survive.

## Effect of Performance Appraisal (X4) on Intention to Stay (Y)

The results of this study prove that the performance assessment has no effect on the intention to stay. In this case, hypothesis four (H4) is not supported, it is suspected because, when viewed from the characteristics of respondents with employment status criteria, employees of PT. Adi Satria Abadi has 102 permanent employees (97%). So for them the performance appraisal has no effect on the intention to stay because they already have permanent employee status. The results of previous research by Johari (2012), which concluded that performance appraisal has no effect on intention to stay, is supported by the current research. Intention to stay is supported by current research. Based on these findings, PT. Adi Satria Abadi employees do not believe that their performance appraisal has an impact on their decision to stay with the company. This is most likely due to their lack of focus on effectiveness, timeliness, and quality of performance reviews.

## 5 Conclusion

the conclusion of this research are:

1. training and performance appraisal, each of which has no effect on the intention to stay.
2. Career development and compensation partially have a positive effect on intention to stay

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