The Effect of Financial Compensation and Job Satisfaction Against Turnover Intention at Muhammadiyah Hospital Employees Palembang

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Abstract. The purpose of this study is to analyze the influence of Financial Compensation and Job Satisfaction on Turnover Intention At Muhammadiyah Hospital Palembang. Design research based on the environment of study, research included in the field of field research design. The researcher focused the attention of the phenomenon that existed in the field so that the involvement of the researcher was directly limited to the observations as the material of cross information obtained from the object. Research location of Muhammadiyah Palembang Hospital, with 86 samples of medical and non medical employees. Technical analysis used: Validity and reliability test, Multiple Linear Regression Analysis, Hypothesis Testing (F test and t test) The result of Analysis stated that there is significant influence of financial compensation and job satisfaction together to turnover intention. And partially significant effect of job satisfaction on turnover intention. While financial compensation has no effect on turnover intention

Keywords: Financial Compensation, Job Satisfaction, Turnover Intention

1 INTRODUCTION

Human are creatures that are adptive and sensitive to what happened and needed in their environment. With the ability and potential possessed, humans strive to meet and realize all what is desired. With the potential and capabilities that humans have to try to interact and socialize also form groups and become part of the group to meet various expectations [1] [2].

Human participation in groups and organizations is called human resources. Human resources are seen as an important corporate asset, because human resources are dynamic and always needed in every process of producing goods and services [3] [4].

Discomfort in work that occurs can cause bad things for company and employees concerned. Among other things that happen is the incidence of intentions or the tendency of employees to make a turnover in the company. To reduce or even to pre-vent the occurrence of turnover intentions in the company, human resource management should pay more attention and apply policies to workers to fit the needs and expectations of workers. Management of the
provision of good compensation will make employees become loyal to the company so that will increase productivity and morale [5] [6].

Compensation has a great influence in employee withdrawal, motivation, productivity, and employee turnover. Properly managed compensation will generate employee loyalty and will reduce turnover rates [7] [8].

Employee desire to leave the organization is very detrimental in terms of performance and productivity of an organization. The desire to leave the organization with employee turnover is intertwined. Employee turnover results in increased costs and also limits the organization to optimally improve its performance. Employee turnover negatively impacts both short-term and long-term productivity and the effectiveness of the organization itself. Similar organizational impacts can also be a serious problem for healthcare organizations and humanitarian service agencies. Employee turnover within a health organization needs attention, as its impact is not only recruitment and training costs, but also on service quality. The statement is in line with the opinion of Gray and Philips, which explains that high rates of nurse turnover in hospitals will negatively impact the capacity of hospitals to meet patient needs and concern for. In addition, in Argote's opinion, employee turnover can weaken the performance of working groups within health organizations whose outcomes affect productivity. Furthermore it will affect the consistency in the service of the patient and weaken the relationship between the patient and the employee of the health organization [9] [10] [11].

Typical hospital management makes the study of hospital human resources management is interesting to be studied. There are two major groups in the hospital's human resources: medical personnel consisting of doctors, nurses, other health workers, and non-medical personnel consisting of administrative and other personnel [9] [12] [13].

To face the competition, the hospital must have qualified human resources. However, the phenomenon that often occurs in the Islamic Hospital Palembang Muhammadiyah Hospital Palembang is when the performance of the company has been good can be damaged either directly or indirectly by various employee behavior. One form of employee behavior is the exit (turnover intentions) that can lead to employee decisions to leave his job [14].

Based on the background of the above issues, it is interesting to do further study in the form of research on the Influence of Financial Compensation and Job Satisfaction To Turnover Intention On Employee Hospital Muhammadiyah Palembang.

2 REVIEW OF LITERATURE

Caplin in intention is a purpose or self-interest with characteristics that can be distinguished from psychological processes that include references or relation to an object. "Turnover intentions are essen-tially the same as the desire to move employees from one workplace to another." The opinion indicates that turnover intentions are a desire to move, not yet reached the stage of realization of moving from one workplace to other workplace. "Turnover intentions are the level or intensity of the desire to get out of the company, the many reasons that lead to turnover intentions and such is the desire to get a better job."

Factors causing turnover intentions are age, length of work, education level, length of service, employee satisfaction, attachment to company, corporate culture. Some aspects of the turnover intention described by Mobley. Thinking of quitting, considering leaving the organization; 2), Intention to search, the desire to seek work outside the organization and; 3). Intention to quit, the decision to leave the organization.
There are various factors that affect employee turnover. According to Woods and Macaulay, there are eight main reasons for causing employee turnover: 1) Low pay and benefits; 2) Uncomfortable working conditions; 3) Lack of quality of supervision; 4) Less effective communication; 5) Lack of peer quality; 6) Incompatibility with the company's "culture"; 7) Lack of clear definitions and responsibilities about work; 8) Unclear direction for things to do.

Woods et al. (1998) also explained that there are five internal factors that can lead to employee turnover, namely: 1) Compensation; 2) Communication problems; 3) Lack of career opportunities; 4) Employee conflict; 5) Conflict with the management.

Define turnover as a permanent termination of a person from his work in a work organization. Meanwhile, according to Glueck, Sherman and Bohlander, turnover is the movement of workers in and out in a work organization.

According to Mobley, turnover as one form of employee withdrawal is the right of the individual in determining his choice. Mobley prior to turnover, the behavior that preceded it was the intentions or turnover intentions that were the best predictors of turnover. "Turnover is a particular challenge for human resource development. While Mobley, argued that the general limitation on employee turnover is: "the cessation of individuals as members of an organization with accompanied by financial rewards by the organization concerned".

According to: "Turnover intentions are characterized by various matters concerning employee behavior, among others: increased attendance, from lazy work, increased courage to violate work rules, courage to oppose or protest to superiors, settling all the responsibilities of employees that are very different from the usual. "These indications can be used as a reference to predict employee turnover intention in a company: 1) Increased attendance; 2) Start lazy to work; 3) Improvement of breach of work order; 4) Increased protests against superiors; 5) Positive behavior is very different from usual.

Compensation by Mondy and Noe is defined as any form of reward given to employees in exchange for the contributions they provide to the organization. Compensation is divided into 2 (two) parts, namely: 1) financial compensation consisting of direct and indirect financial compensation, and 2) nonfinancial compensation consisting of work and work environment. The organization's compensation system should be linked to the organization's vision, mission, goals and strategy. Financial compensation is divided into direct and indirect financial compensation, whereas nonfinancial compensation is divided into work and worker environments. The objectives of compensation are to get qualified employees, to retain qualified employees, the existence of justice in the employees, efforts to change attitudes and behaviors that lead to better, cost efficiency, and legalization of organizational administration.

Compensation defines as everything that an employee receives as a reward provided by the organization for the work performed. According to the compensation system should be managed seriously and appropriately by the company because if not managed properly will result in pay dissatisfaction that is the feeling of dissatisfaction of employees on the remuneration received that impact on turnover.

Compensation has a great influence in employee withdrawal, motivation, productivity, and employee turnover. Mapped out the compensation forms in two major groups of financial compensation and non-financial compensation. Financial compensation in the form of direct financial compensation while non-financial compensation in the form of satisfaction obtained by a person from the work itself, or from the psychological, and or physical environment in which the person works.

Divides the forms of compensation, including financial compensation, which is a form of compensation paid to employees in the form of money for services they contribute to their
work, and nonfinancial compensation ie rewards given to employees not in money, but rather leads to awards such as more challenging work, more work hours, career rewards, social security, or other forms that can lead to job satisfaction.

The main dimensions to consider in compensation are: 1) meeting basic needs 2) considering external justice, 3) considering internal justice, 4) compensation value adjusted to individual needs, and 4) consider performance.

There are three main dimensions that can be used to assess justice in compensation, namely: inter-nal justice (relative value), external justice (market competitive value), and individual justice. Internal justice can be explained, that the basic structure of compensation (primarily the salary) of an organization should reflect the value of the work, in which jobs of equal value are compensated equally and of different compensation for work of unequal value.

View job satisfaction as the overall result of the degree of work's likes or dislikes for various aspects of the job. Job satisfaction is one form of employee behavior in the organization. Furthermore, satisfaction can affect work behavior, such as motivation and morale, work productivity, work performance, and other forms of work behavior.

States job satisfaction (job satisfaction) is an emo-tional state of employees where there is or does not occur the intersection between the value of employee repayment of the company with the level of the value of the desired services by the employees concerned, financially and non financially.

Job satisfaction is individual and job satisfaction issues can affect employee absenteeism, labor turnover, morale, grievances and other vital personnel issues. This means job satisfaction as a person's feelings toward his work.

States that job satisfaction is not necessarily affect the performance of work. Although there is often a positive relationship between high job satisfaction with high work performance. In reality in the world of work, the relationship is not always the case. Many employees are high employee satisfaction but the average work productivity alone, so it seems that job satisfaction itself is not a powerful motivator.

Divide job satisfaction into two kinds, namely: 1) Functional satisfaction is the satisfaction derived from the achievement or completion of tasks that are the respon-sibility of employees, and 2) Psychological satisfaction is the satisfaction obtained from the sides other than the fulfillment of duties and obligations.

To know the dimensions of employee job satisfaction is through Job Description Index (JDI). JDI consists of five dimensions, namely:

1) The work itself. In discussing this, job design is an important component.
2) Supervision. Is a factor of job satisfaction about the relationship between superiors with subordinates related to the work done, including the attitude of superiors to subordinates, assistance provided, communication relationships with employees and feedback provided.
3) Rewards. Reward or compensation is something that a company receives in return for the energy, thought and time that has been given to the company
4) Promotion work. Promotion is the transfer of employees from positions to other positions that have higher levels of organization, responsibility and rewards.
5) Coworkers. Coworkers are peer relationships in providing support for each other related to work.
3 RESEARCH METHODS

This study was at the Muhammadiyah Hospital of Palembang. The selection of this hospital, because theoretically and empirically has various characteristics that fit the topic and purpose of the study.

Number of Population Muhammadiyah Hospital Palembang is as many as 595 people consisting of: Medical personnel – Doctor (95); Medical Personnel-Nurse (350); and Non-Medical Personnel (150)

States that sample sizes greater than 30 and less than 500 are adequate for the entire study. The number of samples was determined based on calculations from the Slovin formula with a tolerable error rate of 10% with the following formula.

\[ n = \frac{N}{1 + N(e)^2} \]

By using the above formula can be obtained the number of samples as follows:

\[ n = \frac{595}{1 + 595 (0.1)^2} \]

\[ n = 85.61 = 86 \text{ Respondents} \]

3.1 Definition of Operationalization

The research variables are essentially something that is examined, which can differentiate or change value. All the variables in this study are described descriptions and developed each of its variables into several indicators in detail as illustrated in the following, variables and Variable Definitions:

3.1.1 Turnover Intension (Y)

The desire of someone to exit the organization, that is evaluation of a person's current position with regard to discontent can trigger a desire someone to go out and look for another job. Indicator: a) Increased attendance; b) Start lazy to work; c) Increased violation of work discipline; d) Increased protests against superiors; e) Positive behavior is very different from usual

3.1.2 Work Compensation (X1)

In this research is every form of appreciation provided to employees in the form financially as remuneration for that contribution given to the organization. Indicator: a) Incentives according to the same task; (b) Incentives in accordance with the same old employees.

3.1.3 Job Satisfaction (X2)

In this study is the gap between expectations and the reality received in doing the work within an organization as its. Indicator: a) Satisfied with the views of people around this work; b) Satisfied for the availability of free work; c) . Incentives are given according to the time promised; d) Incentives are given according to the work; e) Incentives given fair; f) Some partial incentives can be saved.
The data needed in this research is qualitative data, that is data which cannot be measured in numeric scale. Qualitative data in this research is ordinal data.

Various methods of data collection according are interviews (interview), questionnaire, observation, documentation (secondary sources), or test (test). In this study used questionnaire (questionnaire). Data analysis technique in this research using multiple regression analysis technique with SPSS 20 program. The stages of executing the analysis include: Validity Testing; Reliability Testing;

3.2 Analysis Technique:

3.2.1 Multiple Regression Analysis

Used to know how big influence of variable of Financial Compensation (X1), Job Satisfaction (X2) to Turnover Intention (Y).

Multiple linear regression is used because the influence variable (X) is more than one, by the formula:

\[ Y = a + b_1X_1 + b_2X_2 + \varepsilon \]

Keterangan:
- \( Y \) = Turnover Intention
- \( a \) = Constants
- \( b_1, b_2, b_3 \) = Coefficient of regression
- \( X_1 \) = Financial Compensation
- \( X_2 \) = Job satisfaction
- \( \varepsilon \) = Error of Term

3.2.2 Concurrent Testing (Test F)

Regression analysis of simultaneous test (Test F) is done to prove the hypothesis of research influence the independent variables of research together to the dependent variable.

The testing criteria are as follows:

- Ho accepted: \( \text{sig} F > 0.05 \) dan \( F_{\text{count}} < F_{\text{table}}. \)
- Ho rejected: \( \text{sig} F \leq 0.05 \) dan \( F_{\text{count}} \geq F_{\text{table}} \)

Ho: There is no effect of Financial Compensation and Job Satisfaction collectively simultaneously to Turnover Intention.
Ha: There is influence of Financial Compensation and Job Satisfaction simultaneously to Turnover Intention.

3.2.3 Partial Testing (Test T)

Regression analysis of partial test of each independent variable to dependent variable can be explained by using t test.

The testing criteria according to Duwi is: Test the hypothesis with t test ie testing the hypothesis of variable X to variable Y partially or one by one [15].

The test criteria are as follows:
Ho accepted: sig t > 0,05 dan \( t_{\text{count}} < t_{\text{table}} \).

Ho rejected : sig t ≤ 0,05 dan \( t_{\text{count}} \geq t_{\text{table}} \).

Ho: There is no effect of Financial Compensation and Job Satisfaction partially to Turnover Intention.

Ha: There is influence of Financial Compensation and Job Satisfaction partially to Turnover Intention.

4 RESULTS AND DISCUSSION

4.1 RESULTS

4.1.1 Instrument Testing Results

Based on the calculation result using SPSS for Windows Version 20.00, the data validity test on question items in Turnover Intention (Y), Financial Compensation (X1), and Job Satisfaction (X2) variables are stated valid at the real level \( \alpha = 5\% \), so it can serve as a valid measuring tool in the next analysis.

Based on reliability testing on the dependent variable is Turnover Intention (Y), and independent variables are Financial Compensation (X1) and Job Satisfaction (X2). It is seen that all Cronbach’s alpha of each variable is above the number 0.600, otherwise relabel, it means that all the items of question that exist in each of these variables, can be used as a reliable measure in the next analysis.

4.1.2 Linear Multiple Regression Analysis

Used to know how big influence of variable of Financial Compensation (X1), Job Satisfaction (X2) to Turnover Intention (Y). Based on the calculation results obtained the estimated function of multiple linear regression equation, namely:

\[
Y = 1.990 + 0.095 X_1 + 0.437 X_2
\]

The regression equation can be described as follows:

a. Constant of 1.990 means that if Financial Compensation, and Job Satisfaction has a fixed value then the Turnover Intention level of 1.990.

b. The coefficient value of financial compensation variable is 0.095. This implies any increase in the number of one-unit financial compensation variables, the Turnover Intention variable will rise by 0.095 assuming that other independent variables of the regression model are other independent variables of the fixed regression model.

c. Value of coefficient of Job Satisfaction variable is 0.437. This means any increase in the number of variable Satisfaction Working one unit then Turnover Intention variable will rise by 0.437 with the assumption that other independent variables of the regression model fixed.
4.1.3 Concurrent Testing (Test F)

Table 1. Test results F

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Square</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3,149</td>
<td>2</td>
<td>1,575</td>
<td>12,341</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>10,590</td>
<td>83</td>
<td>1,28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13,739</td>
<td>85</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*aDependent variable: Y
*bPredictors: (Constant), X1, X2

As the test decision that: Ho accepted if Sig F ≥ 0.05 and F arithmetic ≤ Ftable. Then Ho is rejected if Sig F <0.05 and Fcount> Ftable.

Based on the above table, the value of Sig F (0.000) < α (0.05), then Ho is rejected and Ha accepted, meaning there is significant influence of Financial Compensation (X1), Job Satisfaction (X2) jointly to Turnover Intention (Y) At Muhammadiyah Hospital staff Palembang

4.1.4 Partial Testing (T Test)

Table 2. Test Result t

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1,990</td>
<td>.440</td>
<td>4,520</td>
<td>.000</td>
</tr>
<tr>
<td>X1</td>
<td>.955</td>
<td>.065</td>
<td>1,466</td>
<td>.146</td>
</tr>
<tr>
<td>X2</td>
<td>.437</td>
<td>.102</td>
<td>4,302</td>
<td>.000</td>
</tr>
</tbody>
</table>

Based on result of t test output can be concluded that:

a. **The Effect of Financial Compensation on Turnover Intention**

Based on the above t test results for Financial Compensation (X1) with Sig t of 0.147 > α (0.05), Ho is accepted and Ha rejected, meaning no significant effect of Financial Compensation (X1), to Turnover Intention (Y) At the employee Muhammadiyah Hospital Palembang

b. **The influence of Job Satisfaction on Turnover Intention**

Based on the result of t test above for variable Job Satisfaction (X2) with Sig t equal to 0.000 < α(0.05), Ho is rejected and Ha accepted, meaning there is significant influence of Job Satisfaction (X2) to Turnover Intention (Y) Mu-hammadiyah Hospital Palembang
4.2 DISCUSSION

4.2.1 Significant Influence of Financial Compensation and Job Satisfaction Together to Turnover Intention

Based on Table 2, above, the value of Sig F (0.000) < α(0.05), then Ho is rejected and Ha accepted, meaning there is significant influence of Financial Compensation (X1), Job Satisfaction (X2) together towards Turnover Intention Y) At the employee Mu-hammadiyah Hospital Palembang.

This study is in agreement with Woods et al. that can affect employee turnover rate, which is job satisfaction and incentive (compensation) factors [16]. Compensation and good job satisfaction can reduce the employee turnover rate while poor job satisfaction will encourage employees to exit.

Research conducted by Charlie et.al., with the results showed that high employee turnover caused by the existence of inadequate payroll system. In contrast to the negative effect of payroll growth on employee turnover, where an adequate payroll system leads to low employee turn-over rates [17].

Based on the results of research, previous re-search and theory, then what has been passed to medical and non medical employees by Muhamma-diyah Hospital leaders Palembang it has been good, so that employees no intention to change work from Muhammadiyah Hospital Palembang. This will result in the performance and productivity of Muhammadiyah Hospital will also be good. And if the desire of employees to leave the organization is very detrimental in terms of performance and productivity of an organization. Therefore, the head of Muhamma-diyah Hospital of Palembang must create comfort for medical and non medical emplo-yees, if the discomfort in work that happened can cause things that bad for Muhammadiyah Hospital Palembang and the employees concerned.

4.2.2 Significant Influence of Financial Compensation to Turnover Intention

Based on Table 3, above the above t test results for Financial Compensation (X1) with Sig t of 0, 147> α (0,05), Ho is accepted and Ha is rejected, meaning no significant effect of Financial Compensation (X1) Turnover Intention (Y) At the employees of Mu-hammadiyah Hospital Palembang.

Compensation has a great influence in employee withdrawal, motivation, productivity, and employee turnover [18]. Properly managed compen-sation will generate employee loyalty and will reduce turnover rates.

In accordance with the opinion of Lieke mentioned above, it means that financial compen-sation given by the leadership of Muhammadiyah Hospital to the medical and non-medical employees, is good enough, so the intention to move for the employees becomes low. If an employee moves out of the Muhammadiyah Hospital, the good performan-ce of the company can be damaged either directly or indirectly by various employee behaviors.

4.1.3. Significant Influence of Job Satisfaction on Turnover Intention

Based on Table 3, the result of t test above for varia-ble Job Satisfaction (X2) with Sig t is 0.000 < α (0,05), Ho is rejected and Ha accepted, meaning there is significant influence of Job Satisfaction (X2) to Turnover Intention (Y ) At Muhammadiyah Hospital staff Palembang.

The higher the level of job satisfaction of a medical and non medical employee of Muhammadi-yah Palembang Hospital, the lower the intensity to leave the job, this is proved in the research Lum et al. [19] and Cowin et.al. [20]. Lum et al. [19], states that job satisfaction
affects employee turnover, low job satisfaction usually results in high employee turnover. Job satisfaction is individual and job satisfaction issues can affect employee absenteeism, labor turnover, morale, grievances and other vital personnel issues.

5 CONCLUSIONS AND IMPLICATIONS

5.1 Conclusion

a. The result of the analysis states that there is a significant effect of financial compensation and job satisfaction together on turnover intention. And partially significant effect of job satisfaction on turnover intention. While the financial compensation has no effect on turnover intention.

b. The financial compensation given by the head of Muhammadiyah Hospital to the medical and non-medical employees is good enough, so the intention to move for the employees is low. If the employee has moved from Muhammadiyah Hospital Palembang, then the good performance of Muhammadiyah Palembang Hospital can be damaged either directly or indirectly by various employee's behavior.

c. The higher the level of job satisfaction of a medical and non-medical staff of Muhammadiyah Palembang Hospital, the lower the intensity to leave the job.

5.2 Implications

a. The results of this study indicate that financial compensation has no significant effect on hospital staff turnover intention. It becomes interesting to follow up on the same company at a later date or on a different research object as a research gap.

b. The Head of Muhammadiyah Palembang Hospital keeps paying attention in terms of financial compensation and job satisfaction, to create comfort for medical and non-medical employees, and if the inconvenience in work that happened can cause things that bad for Muhammadiyah Hospital Palembang and the employees concerned.

References