



The Effect of Leadership, Motivation, and Compensation on Employee Turnover Intention with Job Satisfaction as an Intervening Variable at Pt Bpr Npb 22 Binjai

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Abstract. Employee turnover has a negative impact on the organization, which can be seen from the organization's instability in terms of workforce and the increase in human resource costs in the form of training costs that have been invested in employees to the cost of recruitment and retraining. This research aims to analyze the variables of Leadership, Work Motivation, Compensation, Towards Turnover Intention, Through Employee Job Satisfaction at PT BPR NPB 22 Binjai. The population that was studied was all employees of PT BPR NPB 22 Binjai, with a total of 60 people. The sampling technique used in this research is saturation sampling using Path Analysis (Smart-PLS). Research results show that leadership has a positive and insignificant effect on employee job satisfaction at PT BPR NPB 22 Binjai. Motivation has a positive and insignificant impact on employee job satisfaction at PT BPR. Compensation has a positive and insignificant effect on employee job satisfaction at PT BPR NPB 22 Binjai. Job satisfaction has a positive and significant impact on employee turnover intention at PT BPR NPB 22 Binjai. Leadership has a positive and significant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai. Motivation has a positive and insignificant impact on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai. Compensation has a positive and insignificant effect on employee job satisfaction through turnover intention at PT BPR NPB 22 Binjai.

Keywords: Compensation · Job Satisfaction Leadership · Motivation · Turnover Intention

1 Introduction

BPR (Bank Perkreditan Rakyat) is one of Indonesia's microfinance institutions with a high level of competition. The phenomenon that occurs is that competition does not only happen among BPRs but also occurs with other financial institutions. The expansion carried out by commercial banks by plunging into the micro-segment, which was initially the domain of microfinance institutions, has made the position of BPR increasingly

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squeezed. Capital owned by commercial banks, such as more advanced technology, office networks, and better management of human resources, add to the challenges of BPR in facing competition. Job Satisfaction is an employee's attitude towards work related to the work situation, cooperation between employees, rewards received at work, and related physical and psychological factors. Job satisfaction has a positive and significant effect on turnover intention. This shows that the higher the level of job satisfaction will reduce turnover intention [1].

Leadership is a person's ability to influence others, in this case, his subordinates, in such a way that his associates want to obey the leader's will even though they do not like it [2]. Leadership is a tool, means, or process to persuade people to want to do something voluntarily [3].

Work motivation is an urgent part of an organization that functions as a tool to achieve goals or objectives. [4]. Work motivation contains two main goals in the individual: to meet personal needs or desires and organizational goals. Work motivation given to someone is only effective as long as a person has the confidence or belief to move forward and succeed in the organization.

Compensation is what a worker receives in return for the work he provides. Both hourly wages and periodic wages are designed and managed by personnel [5]. Turnover intention is the tendency or intention of an employee to quit his job voluntarily or move from one workplace to another according to his own choice. Reveals that turnover is more directed to the absolute reality faced by the organization in the form of many employees leaving the organization. Turnover Intention indicators, according to Chen and Francesco [6] in Yuda and Ardana [7], include:

1. Thoughts to go out

Various factors cause a person to leave the company.

2. Desire to find vacancies.

Reflects the individual's desire to find work in other organizations.

3. There is a desire to leave the organization in the coming months.

The employee's desire to try to separate from another organization.

Job satisfaction is a general attitude towards a person's work that shows the difference between the number of awards that workers receive and the amount they believe they should receive [8]. The following phenomenon is that many BPRs are developing with good performance while competing with commercial banks in the microfinance segmentation, then disturbed by the behavior of employees who carry out turnover, namely the decision of an employee to leave his job which begins with the intention or desire to change careers (turnover intention). PT. BPR Nusantara Bona Pasogit 22 (NBP 22) is a company engaged in the financial banking business, which was established in 1992 and is domiciled in the city of Binjai Province, North Sumatera. The following is the employee turnover data of PT. BPR NBP 22 Binjai from 2020 to March 2022 (Table 1).

In 2020, 35% of employees of PT. BPR NBP 22 Binjai, or 22 employees, left for various reasons, and 23 new employees entered. In 2021 with a percentage of 51% employees of PT. BPR NBP 22 Binjai, or 31 employees, left for various reasons, but 31 new employees entered. In 2022 from January to March, the percentage of 8% or five employees left, and five new employees joined (Table 2).

Table 1. Turnover Data at PT. BPR NBP 22 Binjai

Year	Employee Leave	Employee Sign In	Number of Employees	Percent
2020	22	23	62	35%
2021	31	29	61	51%
2022*	5	5	60	8%

Table 2. Pre-Survey Results Turnover Intention Factors at PT. BPR NBP 22 Binjai

Factors Affecting Turnover Intention	Response	%
Job Satisfaction	12	40%
Motivation	10	33.3%
Compensation	4	13.3%
Leadership	3	10%

From the pre-survey on 30 employees as respondents, it is known that the cause of the highest turnover intention is job satisfaction with the highest percentage of 40%, motivation of 33.3%, compensation of 13.3%, and the lowest factor is leadership with a percentage of 10%.

Previous research shows that leadership has a significant influence on turnover intention. The better the leadership ability in the organization, the turnover intention of employees can be reduced [9]. Previous research states that the higher the employee’s work motivation will minimize the turnover intention. Furthermore, the higher the compensation given by the company to the employees, the lower turnover intention can be reduced [10]. Based on the background, literature review, and previous research, the conceptual framework can be described in Fig. 1.

The following is the hypothesis of this study.

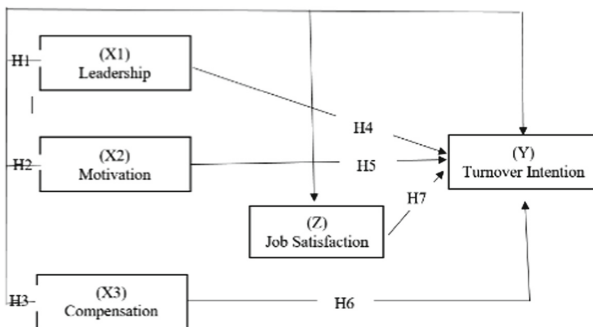


Fig. 1. Conceptual Framework

1. H1: Leadership has a positive and significant effect on employee job satisfaction at PT BPR NPB 22 Binjai
2. H2: Motivation has a positive and significant effect on employee job satisfaction at PT BPR NPB 22 Binjai
3. H3: Compensation has a positive and significant effect on employee satisfaction at PT BPR NPB 22 Binjai
4. H4: Job Satisfaction has a positive and significant effect on the turnover intention at PT BPR NPB 22 Binjai
5. H5: Leadership has a positive and significant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai
6. H6: Motivation has a positive and significant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai
7. H7: Compensation has a positive and significant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai.

2 Methods

The type of research is associative research. According to [10], an associative approach uses two or more variables to determine the relationship or influence of one another. The variables are (X1) Leadership, (X2) Work Motivation, (X3) Compensation, (Y) Turnover Intention, and (Z) Job Satisfaction of employees at PT BPR NPB 22 Binjai. This research was conducted at PT BPR NPB 22 Binjai. The population in this study were all employees of PT BPR NPB 22 Binjai of 60 people. The sample is part of the population that is considered representative of the population. The sampling technique used in this research is saturated sampling.

The saturated sample is a sampling technique used when all of the population is treated as a sample and is also known as a census. If the total population is less than 100 people, then the total number of samples is taken. The number of samples used in this study was all employees of PT BPR NPB 22 Binjai or 60 respondents.

Primary data is the initial data collected by the researchers. Primary data can be obtained through research objects, interviews, and a list of questions distributed to respondents at PT BPR NPB 22 Binjai. Secondary data means data previously collected by other people (third parties). Such data includes research literacy that supports research, comparison books, researched company literature, and other sources of information to help research at PT BPR NPB 22 Binjai. Partial least square (PLS) is a multivariate statistical technique that can handle many response and explanatory variables simultaneously. This analysis is an excellent alternative to the multiple regression analysis methods and principal component regression because this method is more robust or immune. Hypothesis testing is done by the bootstrap method. The statistical test used is t-statistics or t-test. Thus, the assumption of the data is freely distributed (free distribution) and does not require the assumption of a normal distribution. Mediation testing aims to detect the position of the intervening variable in the model. To test the significance of the indirect effect, it is necessary to test the t value of the ab coefficient.

The t-count value was also compared with the t-table value; if the t-count value $>$ the t-table value, it can be concluded that there is a mediating effect [11]. Furthermore, it was employed to determine the nature of the relationship between variables as a complete or partial mediation.

3 Results and Discussion

3.1 Outer Model or Measurement Model

The Outer Model or Measurement Model is also known as the measurement model. The outer model test aims to specify the relationship between latent variables and their indicators. Outer loading is a table containing loading factors to show the correlation between indicators and latent variables. The loading factor value must be greater than 0.5 [11] then it is said to be valid. Indicators and latent variables are applied as deviations (deviations) from the mean (average) to see the relationship between indicators and their constructs. Indicators with a loading factor value below 0.50 must be removed so that the validity and reliability of this model can be improved and validated (Fig. 2).

Based on the results of Outer Loading, it can be seen in the previous table that all indicators have a loading factor value above the validity requirement of 0.50, so it has met the requirements of the first validation of the model evaluation, has a value above 0.50 so that the results meet the validation requirements of the second model (Table 3).

It can be seen in the table on construct reliability and validity that the AVE value of each dimensional construct in the final model exceeds the value > 0.5. Namely Leadership (0.886), Motivation (0.931), Compensation (0.734), Job Satisfaction (0.808) and Turnover Intention (0.789). Furthermore, the proposed structural equation model has met the convergent validity criteria (Table 4).

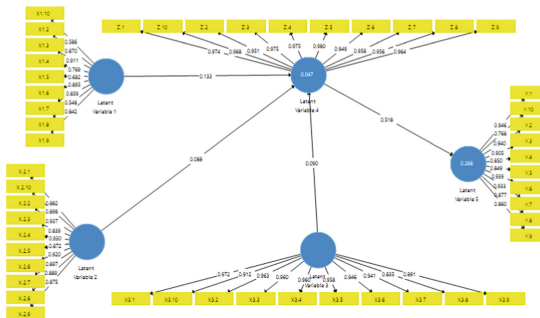


Fig. 2. Outer Model

Table 3. Construct Reliability dan Validity.

	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance
Compensation	0.986	0.989	0.987	0.886
Job Satisfaction	0.992	1.001	0.993	0.931
Leadership	0.955	0.963	0.961	0.734
Motivation	0.974	0.979	0.977	0.808
Turnover Intention	0.970	0.973	0.974	0.789

Table 4. Discriminant Validity

	Compensation	Job Satisfaction	Leadership	Motivation	Turnover Intention
Compensation	0.941				
Job Satisfaction	0.102	0.965			
Leadership	0.234	0.051	0.857		
Motivation	0.281	0.096	0.209	0.899	
Turnover Intention	0.617	0.504	0.500	0.577	0.889

It can be seen in the results of the cross-loading estimation in the previous table shows that the loading value of each indicator item to the construct of the cross-loading value of the measurement value is greater than 0.50. Thus, all latent constructs or variables already have better discriminant validity than the indicators on the other blocks.

3.2 Inner Model

An inner model is a structural model used to predict the causal relationship (cause and effect relationship) between latent variables or variables that cannot be measured directly (Fig. 3).

The inside of the model is analyzed by estimating the coefficient of the relationship path between the constructs. Positive values indicate positive influences, and vice versa; negative values indicate negative influences. The results of the analysis of the inner model on the Path Coefficients can be concluded as follows:

1. The test results show that the value of the beta coefficient of Leadership to Job Satisfaction is 0.133, and the t-statistic is 0.522. From these results, the t-statistic is insignificant because < 1.673 with a p-value < 0.05 , so the first hypothesis is

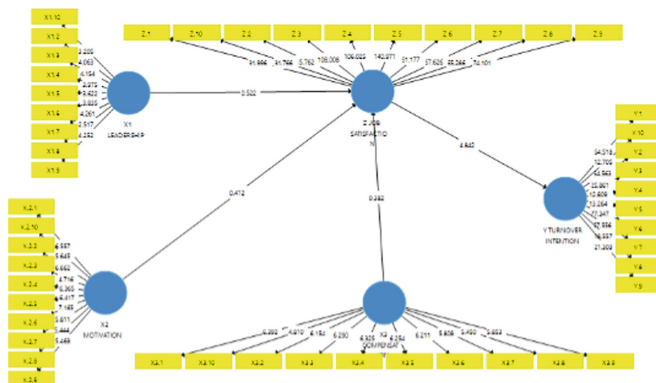


Fig. 3. Inner Model

not accepted. This proves H1: Leadership has a positive and insignificant effect on employee job satisfaction at PT BPR NPB 22 Binjai.

- 2 The test results show that the beta coefficient of Motivation to Job Satisfaction is 0.088, and the t-statistic is 0.412. From these results, the t-statistic is insignificant because it is > 1.673 with a p-value < 0.05 , so the second hypothesis is not accepted. This proves that H2: Motivation has a positive and insignificant effect on employee job satisfaction at PT BPR NPB 22 Binjai.
- 3 The test results show that the value of the beta coefficient of Compensation to Job Satisfaction is 0.090, and the t-statistic is 0.382. From these results, the t-statistic is not significant. Because < 1.673 with a p-value < 0.05 , so the third hypothesis is accepted. This proves that H3: Compensation has a positive and insignificant effect on employee job satisfaction at PT BPR NPB 22 Binjai.

The test results show that the value of the Job Satisfaction beta coefficient to Turnover Intention is 0.518, and the t-statistic is 4,842. From this result, the t-statistic is significant because > 1.673 with a p-value < 0.05 , so the fourth hypothesis is accepted. This proves that H4: Job satisfaction positively and significantly affects employee turnover intention at PT BPR NPB 22 Binjai. The results of the inner model analysis on the Specific Indirect Effect can be seen as follows.

1. The test results show that the value of the beta coefficient of the mediation effect of Leadership on Job Satisfaction through Turnover Intention is 0.069, and the t-statistic is 0.533. From these results, it is stated that t-statistics are not significant. Because < 1.673 with a p-value < 0.05 , so the fifth hypothesis is rejected. This proves that H5: Leadership has a not positive and significant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai.
2. The test results show that the value of the beta coefficient of the mediation effect of Motivation on Job Satisfaction through Turnover Intention is 0.046, and the t-statistic is 0.407. From these results, it is stated that t-statistics are not significant. Because < 1.673 with a p-value < 0.05 , so the sixth hypothesis is rejected. This proves that H6: Motivation has a positive and insignificant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai.
3. The test results show that the value of the beta coefficient of the mediation effect of Compensation on Job Satisfaction through Turnover Intention is 0.047, and the t-statistic is 0.391. From these results, it is stated that t-statistics are not significant. Because < 1.673 with a p-value < 0.05 , so the sixth hypothesis is rejected. This proves that H7: Compensation has a positive and insignificant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai.

Discussions

Leadership is a tool, means, or process to persuade people to do something voluntarily. The better a person's ability to lead his subordinates, the higher the subordinates' job satisfaction. In this research, leadership has a positive and insignificant effect on employee job satisfaction at PT BPR NPB 22 Binjai. This result is possible because of the many other variables influencing job satisfaction.

Motivation is a condition or energy that moves employees who are directed or intended to achieve the company's organizational goals. Motivation also affects

employee job satisfaction Motivation has a positive and insignificant effect on employee job satisfaction at PT BPR NPB 22 Binjai Compensation is often also called appreciation and can be defined as all forms of appreciation given to employees in return for the contribution they make to the organization [12]. Compensation has a positive and insignificant effect on employee job satisfaction at PT BPR NPB 22 Binjai.

The higher the employee's job satisfaction, the lower the turnover intention. On the other hand, the lower the employee's job satisfaction, the higher the turnover intention. Job satisfaction positively and significantly affects employee turnover intention at PT BPR NPB 22 Binjai.

Leadership on previous results affects job satisfaction but is not significant. However, leadership positively and significantly affects employee job satisfaction through turnover intentions at PT BPR NPB 22 Binjai. This indicates that employee turnover has a real influence on this research. Motivation has a positive and insignificant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai. The higher the motivation and job satisfaction, the lower the turnover intention. This result is complete with the hypothesis of this research. Compensation has a positive and insignificant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai. The results of the hypothesis are in accordance with previous statements and research by Zamzami et al. [13].

4 Conclusions

This study concludes that leadership positively but insignificantly affects employee job satisfaction at PT BPR NPB 22 Binjai. Motivation positively but insignificantly affects employee job satisfaction at PT BPR. Compensation has a positive but insignificant effect on employee job satisfaction at PT BPR NPB 22 Binjai. Job satisfaction positively and significantly affects employee turnover intention at PT BPR NPB 22 Binjai.

Leadership has a not positive and significant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai. Motivation has a positive and insignificant effect on employee job satisfaction through employee turnover intention at PT BPR NPB 22 Binjai.

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