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The Influence of Compensation, Workload against Turnover with Satisfaction as the Mediating Variable

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ABSTRACT

Objectives: This study aims to analyze the effect of compensation and workload on Turnover with job satisfaction as a mediating variable at XYZ Bank.

Methodology: The population in this study consists of 63 respondents who are permanent employees at XYZ Bank. The method used in this research is Structural Model-Partial Least Square (SEM-PLS) data analysis. The study found a significant negative effect of compensation on turnover.

Finding: A significant positive effect of compensation on job satisfaction was also found. A significant negative effect of workload on turnover was found. A significant positive effect of workload on job satisfaction was found. A not significant negative effect of job satisfaction. There is a significant negative influence of compensation and workload on turnover through the job satisfaction variable.

Conclusion: The conclusion obtained from this study the company can provide compensation that is aligned with employment agreements, years of service, work experience, and applicable regulations, a balance between the workload assigned to employees and their individual abilities, increase compensation in line with the intensity of the work, years of service, and work experience and enhance job satisfaction in terms of compensation and a balanced workload.

Keywords: Compensation; Workload; Turnover; Job Satisfaction.

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INTRODUCTION

Turnover refers to the process of employees leaving a company or organization voluntarily and consciously, caused by both internal and external factors. High turnover can result in losses for the company, as it incurs costs in terms of money, time, and effort to recruit new employees. The time spent on recruiting new employees should ideally be used for other tasks with higher urgency. Turnover intention within a company can serve as an evaluation tool for the company to retain employees, thereby fostering employee loyalty.

The importance of stabilizing the turnover intention rate in a company can serve as an indicator that the company is able to prosper its employees, thereby increasing the company's long-term

profitability. With a stable turnover rate, employee loyalty can be enhanced. Companies will not exist and will not run without the role of human resources in it. Of course, the existing human resources must also be sufficient and qualified, not only in terms of quantity but also the most important thing is in terms of quality.

Employees who have been with the company for a long time and are competent will be able to improve the company's competitive advantage. These employees will contribute based on the experience they have gained while working at the company. Motivation is a process that explains the intensity, direction and persistence of an individual to achieve his goals. In this context, the motivation in question is a focus on organizational goals to reflect interest in work-related behavior. Employee engagement ensures that employees remain motivated to achieve organizational goals. When employees feel their work positively impacts the environment and their contributions are valued, their engagement increases

Bank XYZ is headquartered in Jakarta and has branch offices in various major cities across Indonesia. According to the Annual Report, Bank XYZ faces issues related to employee turnover rates. The turnover intention rate has fluctuated. Figure 1 above shows that in 2019, the turnover intention rate was 29.77%, followed by 18.27% in 2020 and 1.06%. However, in 2022, the turnover intention rate increased to 19.86%, showing a rise of 2.65%. The turnover intention rate over these four years has fluctuated, which can serve as an evaluation material for management to stabilize the turnover intention rate.

Several factors that contribute to turnover intention include compensation, motivation, career development, promotion, leadership, workload, and both physical and non-physical work environment. Based on the results of a pre-survey with 8 question items, the findings are as follows: compensation with 69% of respondents' answers, motivation with 66%, career development with 34%, promotion with 36%, leadership with 40%, workload with 70%, physical work environment with 12%, and non-physical work environment with 39%. From the pre-survey results, the most frequent responses were for compensation (69%) and workload (70%). Therefore, compensation and workload become the focus of the researcher's study, so that management can use these two variables for future evaluation, in order to minimize the turnover rate within the company, with job satisfaction as a mediating variable.

LITERATURE REVIEW

Compensation

Fair compensation that is in line with employee contributions is also a crucial factor in HR management. It is important for companies to adopt a transparent and detailed payroll system, while providing incentives and rewards to employees who achieve superior performance. These steps can not only increase motivation but also strengthen employee loyalty to the company, which in turn, has a positive impact on the company's productivity and overall performance (Paijan et al)

Workload

Excessive workload can cause work-related disorders or illnesses. In addition, it can also result in fatigue both physical, mental and emotional reactions such as headaches, indigestion and irritability. On the other hand, too little workload that occurs due to the repetition of roles and motions can lead to boredom.

Turnover Intention

Turnover intention is the exit of employees in a company and looking for employees decide to look for a Turnover intention can increase if employees find work conditions that are not what they expected. Servant Leadership is a leadership that comes from a sincere feeling in the heart to serve and can build trust in its employees, a leader has an orientation to be able to serve his employees, help employees to grow professionally and personally by ignoring their personal needs and interests to serve others (Ichsan et al).

Job Satisfaction

Job satisfaction is a positive feeling towards work that results from an evaluation of its fairly broad characteristics. Work requires interaction between colleagues and bosses, following organizational rules and policies, meeting performance standards, living with less-than-ideal working conditions, and so on. Job satisfaction is the level of satisfaction or pleasure felt by an employee towards their work, their organization, or their work environment.

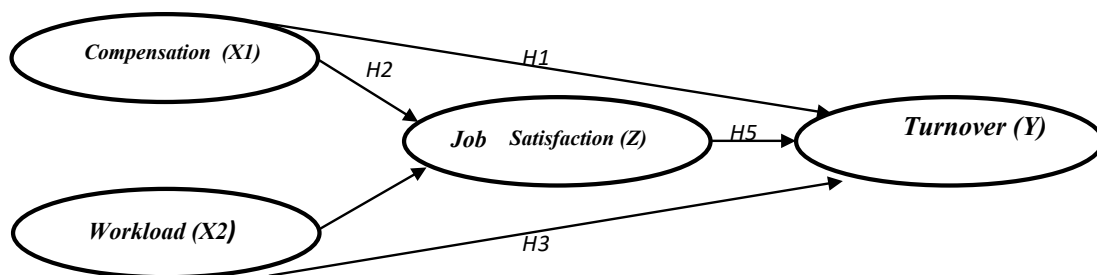


Figure 1. Conceptual Framework

Information:

H1= The influence of compensation on turnover

H2= The influence of compensation on Job Satisfaction

H3= The influence of workload on turnover

H4= The influence of workload on Job Satisfaction

H5- The influence of turnover on Job Satisfaction

H6= The Influence of Compensation Mediating Job Satisfaction on Turnover Intention

H7= The Influence of Workload Mediating Job Satisfaction on Turnover Intention

METHOD

This study began in November 2023 with the distribution of questionnaires for the pre-survey, continuing until September 2024 for the survey questionnaire. The research used Google Forms and the questionnaires were distributed to respondents through personal WhatsApp channels. The pre-survey used a Likert scale from 1 to 5. The variables are as follows: compensation is abbreviated as X1, workload as X2, turnover intention as Y, and job satisfaction as Z. The research employed in this study is qualitative research. The population consisted of 63 respondents, all of whom are permanent employees."

RESULT AND DISCUSSION

Table 1. Results of Descriptive Statistical Test of Variables

Variabel	Indicator	Mean	Deviation Standar
Compensation	X1.1	2,952	0,844
	X1.2	2,778	0,916
	X1.3	2,794	0,929
	X1.4	2,698	0,953
	X1.5	2,730	0,963
	X1.6	2,698	0,953
Workload	X2.1	2,746	1,642
	X2.2	2,730	1,654
	X2.3	2,921	1,938
	X2.4	2,540	1,670
	X2.5	3,270	1,792
	X2.6	2,825	1,804
Job Satisfaction	Z1	2,730	1,115
	Z2	3,429	1,150
	Z3	2,556	1,011
	Z4	4,175	0,878
	Z5	4,016	1,041
	Z6	4,571	0,968
Turnover	Y1	2,937	1,125
	Y2	2,889	1,100
	Y3	2,937	1,111
	Y4	2,937	1,125
	Y5	3,571	1,151
	Y6	3,159	1,130

Based on Table 1, the average values indicated by the compensation dimension range from 2.95 to 2.69. The indicator X1, which refers to the dimension of providing salary according to employee responsibility, has the highest mean at 2.95. This result indicates that salary compensation is the most appropriate compared to compensation in the form of bonuses, incentives, allowances, insurance, and pension funds.

The average values indicated by the workload dimension range from 2.74 to 2.82. The highest mean is found in the dimension of assigning additional roles outside of the main role, with a mean of 2.92. This result shows that the assignment of additional roles outside the primary

duties is the statement most often experienced by employees compared to other statements. The average values indicated by the job satisfaction dimension range from 2.55 to 4.57. The highest mean is found in the dimension of teamwork in completing tasks with fellow employees, which is 4.57.

This result indicates that cooperation among employees is the most commonly felt by employees compared to other statements. The average values indicated by turnover intention range from 2.88 to 3.57. The highest mean is found in the dimension of the desire to find another job if an opportunity arises, with a mean of 3.57. This result indicates that employees are likely to leave the company to seek other job opportunities if given the chance.

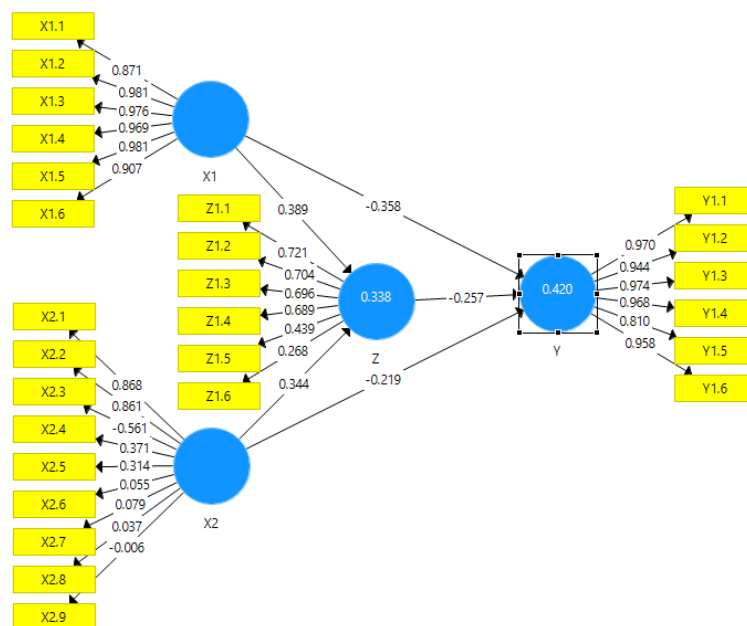


Figure 2. PLS Algorithm Results (First Modification)

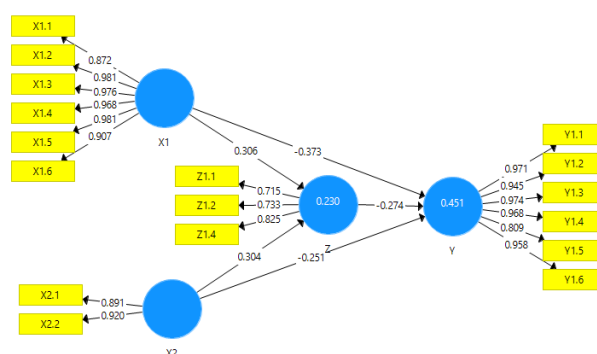


Figure 3. PLS Algorithm Results (Final Modification)

Figure 3 above shows the final modification results of the PLS algorithm, which has reached a loading factor value of 0.7, indicating that it is valid and ready for further testing.

Table 2. Results of Partial Hypothesis Testing

Effect	Original Sample	T Statistics	P Values	Information
Compensation(X1)-Turnover Intention	-0.457	4.452	0.000	Negative, Significant
Compensation- Job Satisfaction	0.306	2.313	0.021	Positive, Significant
Workload- Turnover Intention	-0.334	4.156	0.000	Negative, Significant
Workload- Job Satisfaction	0.304	2.940	0.003	Positive, Significant
Job Satisfaction- Turnover Intention	-0.274	2.308	0.042	Negative, Significant

Table II above shows the results of the effect of compensation on turnover, which is significantly negative with a P-Value of 0.000 and a T-Statistic of 4.452. A higher level of compensation provided by the company will reduce employees' desire to seek employment at other companies. Table II above also shows a significant positive effect of compensation on job satisfaction with a P-Value of 0.021 and a T-Statistic of 2.313. Compensation in the form of bonuses and allowances can improve job satisfaction. Table II above shows a significant negative effect of workload on turnover with a P-Value of 0.000 and a T-Statistic of -0.334. This is consistent with the study by Nisa (2019), which states that the workload assigned to employees should be adjusted according to each employee's capabilities.

There is also a significant positive effect of job satisfaction on job satisfaction with a P-Value of 0.0003 and a T-Statistic of 0.304. This is because employees do not feel challenged to complete the tasks assigned to them. Previous research by Indra (2024) concluded that the amount of workload, whether high or low, does not affect job satisfaction. The effect of job satisfaction on turnover is significantly negative with a P-Value of 0.042 and a T-Statistic of -0.274. This indicates that employees are less likely to change jobs to another company if the company is able to meet their expectations for job satisfaction when they joined the company.

Table 3. Results of Indirect Effect Testing

Effect	Original Sample	T Statistics	P Values	Information
Compensation(X1)-Job Satisfaction- Turnover	-0.084	1.494	0.136	Negative, Not Significant
Workload- Job Satisfaction- Turnover	-0.083	1.551	0.121	Negative, Not Significant

In Table III above, it shows the insignificant negative effect of compensation on turnover when mediated by job satisfaction, with a P-Value of 0.136 and a T-Statistic of -0.084. This means

that employee satisfaction is not able to mediate the effect of compensation on turnover. A study by Yelfira (Yelfira & Soeling, 2021) found the same result: an insignificant negative effect of compensation on turnover when mediated by job satisfaction. The conclusion drawn is that job satisfaction is not able to mediate compensation's effect on turnover. Table III above also shows the insignificant negative effect of workload on turnover when mediated by job satisfaction, with a P-Value of 0.121 and a T-Statistic of -0.083. This is consistent with the study by Dewanti (2023). The conclusion is that job satisfaction is not able to mediate the effect of workload on turnover.

CONCLUSION

Based on the results of direct hypothesis testing, the conclusions of this study are as follows: there is a significant negative effect of compensation on turnover, compensation has a significant positive effect on job satisfaction, there is a significant negative effect of workload on turnover, there is a significant positive effect of workload on job satisfaction, and there is an insignificant negative effect of job satisfaction on turnover. The results of indirect testing show that there is an insignificant negative effect of compensation and workload on turnover through job satisfaction.

Several recommendations that can be made based on this study include:

1. Based on the analysis of the compensation variable, the company can provide compensation that is aligned with employment agreements, years of service, work experience, and applicable regulations.
2. The results of the workload variable study demonstrate the need for a balance between the workload assigned to employees and their individual abilities, which should also be based on the employment agreement.
3. Based on the analysis of the job satisfaction variable, the company can increase compensation in line with the intensity of the work, years of service, and work experience by raising compensation annually in a fair manner according to employee performance.
4. Based on the analysis of the turnover variable, the company can enhance job satisfaction in terms of compensation and a balanced workload, which could serve as important considerations for employees when deciding whether to seek employment at other companies they perceive as more suitable.

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