THE EFFECTS OF COMPENSATION AND CAREER DEVELOPMENT ON TURNOVER INTENTION WITH JOBS SATISFACTION AS THE INTERVENING VARIABLE

Hana Rizka Ananda[1], Nur Hidayah[2]
Magister Manajemen Rumah Sakit, Program Pascasarjana Universitas Muhammadiyah Yogyakarta, Indonesia
E-mail : hanarizkananda@gmail.com

Abstract

There have been many studies on Turnover Intention. One of the factors which cause Turnover Intention is compensation. Moreover, career development which is inconsistent with nursing rank, as many nurses work as nursing staff until they retire, and there is no sustainable education and training program from hospital management make them resign. Today, one of the indicators of hospital service quality is satisfaction level. If nurse's job satisfaction level is low, the nurse tends to choose to work in another place which has more satisfactory offers than the current workplace. This study used quantitative research design with cross sectional time approach. The sampling technique was simple random sampling. In this study, the sample of 47 nurses of PKU Muhammadiyah Gamping Hospital, with a sample who had worked for over two years. This study used primary data of questionnaire. The research hypothesis used Path Analysis test aided by SPSS 21. The study found that compensation and career development had direct and significant effects on Turnover Intention. Moreover, compensation and career development also had indirect and significant effects on Turnover Intention through job satisfaction as the intervening variable.

Keywords: compensation, career, satisfaction, turnover intention

BACKGROUND

Rapid development of corporate management today, especially human resources management, is driven by demands to pay more attention to policies applied on jobs. Of various problems which occur in organization, Turnover is one of them. Intention is a meaning which occurs on individual to do something. Meanwhile, Turnover is an employee's resignation from their workplace voluntarily or moving from one workplace to another. According to Mobley (in Saining, Hamzah & Indar, 2011) Turnover Intention is a trend or intention of an employee to resign from work voluntarily or involuntarily or moving from one workplace to another by their own choice

Turnover among nurses is one of the most important issues in hospital management. In Korea, the average turnover rates of nurses in 2010-2014 was 16.6% to 18.9%. Moreover, the proportion of nurses with turnover intention is significant, up to 70-80%. In the United States, workers' resignation is 15 times higher at the age of 35 and it also happens to nurses. Some studies show that the annual turnover rate of hospital nurses is 20%-70% Russel (2006). In Indonesia, in RS Agung Jakarta, the turnover rate was 26.9-40.5% in 2001. In RS Harapan Bunda Batam the turnover rate was 13% in 2005 and it increased in 2006 to 23%.

Due to very high turnover rate, workers can be predicted from the level of turnover intention of members of an organization or company. Many studies and literatures show that one's turnover intention is closely related with satisfaction of salary, job satisfaction, and career development.

RESEARCH METODH

This study used quantitative research design which is analyzing the relation between variables using cross sectional survey research type, in which all independent variables and dependent variables are measured and observe at the same time. The purpose was determining the Effects of Compensation and Career Development on Turnover Intension with Job Satisfaction as the Intervening Variable among Nurses of PKU Muhammadiyah Hospital, Gamping.

The objects in this study were compensation, career development, job satisfaction and Turnover. The research subjects were nurses in PKU Muhammadiyah Hospital, Gamping. The study was performed in PKU Muhammadiyah Hospital, Gamping on April 2016 to June 2016.

The research sample was nurses who worked for over 2 years. The sample was selected because nurses with over 2 years of experience had relatively stable adaptation with organizational values. It used random sampling method which is collecting sample randomly. The sampling technique was random numbers technique. The number of sample was determined using Yamane's approach (1973, in Ferdinand, 2007). This study had 47 samples.

Primary data is data collected by distribution of questionnaire to the nurses of PKU Muhammadiyah Hospital, Gamping, which was made and arranged into questions containing series of answers. The basis of this method was subject's self report. Data collection was performed using questionnaire, which is a data collection method by providing or distributing a list of question to respondents.

The analysis method was path analysis method.

RESULT

The validity test used Product Moment correlation technique. An instrument is valid if its r-count > r-table (Hadi, 2000) The r-table at n-2 degree of freedom or 47 – 2 = 45 is 0,294. After the questionnaire was valid, its reliability was tested.

To determine item reliability, Alpha Cronbach's formula was used. An instrument is reliable if the Cronbach's Alpha value > 0,6 (Hair et al., 2005). The summary of the results of validity and reliability tests is as follows:

Table 1. Validity and Reliability test

Variable	Item	r-count	Information	Koef Alpha Cronbach	Information
Trunover Intension	1	0.639	Valid		
	2	0.674	Valid		
	3	0.755	Valid		
	4	0.619	Valid	0.801	Reliable
	5	0.478	Valid		
	6	0.346	Valid		
	7	0.847	Valid		
	8	0.798	Valid		
Compensation	1	0.926	Valid		
	2	0.818	Valid		
	3	0.883	Valid	0. 909	Reliable
	4	0.870	Valid		
	5	0.833	Valid		
career development	1	0.881	Valid		
	2	0.823	Valid		
	3	0.819	Valid		
	4	0.815	Valid		
	5	0.894	Valid	0.947	Reliable
	6	0.851	Valid		
	7	0.841	Valid		
	8	0.841	Valid		
	9	0.800	Valid		
Job satisfaction	1	0.711	Valid		
	2	0.711	Valid		
	3	0.774	Valid		
	4	0.691	Valid		
	5	0.768	Valid		
	6	0.842	Valid		
	7	0.799	Valid		
	8	0.682	Valid	0.937	Reliable
	9	0.714	Valid		

	10	0.772	Valid	
	11	0.736	Valid	
	12	0.742	Valid	
	13	0.719	Valid	
	14	0.788	Valid	
	15	0.754	Valid	
	16	0.576	Valid	
	17	0.356	Valid	
	18	0.375	Valid	

Source: 2017 primary data

The result of the validity test above shows that all items have r-count > r-table, so all items in the present study were valid. The next step was reliability test. The result of the reliability test showed that all variables in the study have Alpha Cronbach coefficient values > 0,6, thus it was concluded that all research variables were reliable.

Table 2 Descriptive Analysis of Compensation Variables

Total Respondents	Min	Max	Mean
47	12	20	15.87

Source: 2017 primary data

Table 2 shows that compensation has the minimum value of 12, maximum value of 20 and mean of 15.87.

Tabel 3 Descriptive Analysis of Career Development Variable

Total Respondents	Min	Maxi	Mean
47	23	38	29.72

Source: 2017 primary data

Table 3 shows that career development has the minimum value of 23, maximum value of 38 and mean of 29.72.

Tabel 4 Descriptive Analysis of Job Satisfaction Variables

Total Respondents	Min	Max	Mean
47	51	73	67.30

Source: 2017 primary data

Table 4 shows that employee performance has the minimum value of 51, maximum value of 73 and mean of 67.30.

Tabel 5 Descriptive Analysis *Turnover Intention* Variables

Total Respondents	Min	Max	Mean
47	26	36	32.19

Source: 2017 primary data

Table 5 shows that turnover intention has the minimum value of 26, maximum value of 36 and mean of 32.19.

Tabel 1 Distribution of Respondents by Gender

Category	Frequency	Presentage
Man	5	10.6
Women	42	89.4
Total	47	100.0

Source: 2017 primary data

Most nurse respondents in this study were female because women tend to be more interested in nursing profession which is connected with caring than men. However, male nurses are also required for difficult works, so they can help with works that female nurses have difficulty performing to provide optimal patient care.

Tabel 2 Respondents Distribution by Age

Category	Frequency	Presentage
< 25 Years	4	8.5
25-30 Years	23	48.9
31-35 Years	8	17.0
> 35 Years	12	25.5
Total	47	100.0

Source: 2017 primary data

In the present study, most nurses of PKU Muhammadiyah Hospital, Gamping were at productive age and were able to change job because at the age range, it's very possible to find work in other hospitals due to additional experience and for better career development.

Tabel 3 Distribution of Respondents by Education

Category	Frequency	Presentage
D3	33	70.2
S1	14	29.8
Total	47	100.0

Source: 2017 primary data

The most education level of nurses working PKU Muhammadiyah Hospital, Gamping was Associate's Degree of Nursing which was consistent with the number of graduates of Associate's Degree of Nursing in Indonesia and in the city. The nursing career development program of the hospital was expected to help nurses with

Associate's Degree obtain Bachelor Degree of Nursing. The career development was also expected to reduce the turnover intention in PKU Muhammadiyah Hospital, Gamping.

Tabel 4 Distribution of Respondents Based on Marriage Status

Category	Frequency	Presentage
Single	11	23.4
Married	36	76.6
Total	47	100.0

Source: 2017 primary data

Single nurses were more possible to change job or look for workplace which offered more than the current one because they had less burden and responsibility than married nurses who had many considerations before changing job.

Tabel 5 Distribution of Respondents Based on Employment Status

Category	Frequency	Presentage
Contract	8	17.0
Permanent	39	83.0
Total	47	100.0

Source: 2017 primary data

Table 10 shows that most respondent characteristic by employment status of nurses in PKU Muhammadiyah Hospital, Gamping, was permanent employee with 39 respondents (83,0%) and 8 respondents (17,0%) were contract employees.

Tabel 6
Test Coefficient of Determination (R^2) Compensation and Career Development Affects Job Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875a	.766	.756	3.338

Source: 2017 primary data

Based on Table 11, determination coefficient (adjusted R square) is 0.756 (75.6%), meaning compensation and career development explained job satisfaction by 75.6%, while the remaining 24.4% was explained by other variables which weren't studied here.

Tabel 7 Test of Coefficient of Determination (R^2) Compensation, Career Development and Job Satisfaction Affect Turnover Intention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.855 a	.732	.713	1.447

Source: 2017 primary data

Table 12 shows that the determination coefficient (adjusted R square) is 0.713 (71.3%) meaning that compensation, career development and job satisfaction were able to explain Turnover Intention by 71.3%, while the remaining 28.7% could be caused by other variables outside of the current research variables.

Tabel 8 Compensation T-Test and Career Development for Nurse Job Satisfaction

Variables	Beta	T	Sig.
Compensation	0.764	9.296	.000
Career Development	0.201	2.441	.019

Source: 2017 primary data

The direct path test shows that the value of t of compensation on job satisfaction is t=9.296 (>2.016) with significance value of 0.000 < 0.05 and standardized beta value of 0.764 which is the path value or $\rho y_1 x_1$ path, meaning every change on compensation by 100 percent would increase job satisfaction by 76.4 % in likert scale. The significance value below 0.05 showed that compensation has significant effect on job satisfaction, while the direct effect of compensation on job satisfaction is 0.764.

Meanwhile the value of Career Development is t=2.441 (>2.016) with significance value of 0.019<0.05 and standardized beta value of 0.201 which is the path value or $\rho y_1 x_2$ path, meaning every change on Career Development by 100 percent, would increase job satisfaction by 20.1 %. Significance value below 0.05 showed that Career Development had significant effect on job satisfaction, while the direct effect of compensation on job satisfaction is 0.764.

Tabel 9 Compensation T-Test, Career Development and Job Satisfaction Against Turnover Intention

| Variables	Beta	T	Sig.
Compensation	0.335	2.186	0.034
Career Development	0.197	2.076	0.044
Job Satisfaction	0.426	2.605	0.013

Source: 2017 primary data

The result of direct path test is t value of Compensation on turnover intention is t=2,186 (>2,016) with significance value of 0.034 < 0.05 and standardized beta value of 0.335 which is the path value or $\rho y_2 x_1$ path. Significance value below 0.05 showed that Compensation had significant effect on turnover intention and the direct effect of compensation on turnover intention is 0.335.

Career development has t=2.076 (>2.016) with significance value of 0.044<0.05 and standardized beta value of 0.197 which is the path value or $\rho y_2 x_2$ path. Significance value below 0.05 showed that Career Development affected turnover intention. Career Development has t=2.076 with significance value of 0.044 < 0.05. It showed that career development affected turnover intention and the direct effect of Compensation on turnover intention is 0.197.

Job satisfaction has t=2.605 (>2.016) with significance value of 0.013<0.05 and standardized beta value of 0.426 which is the path value or $\rho y_1 y_2$ path. And job satisfaction has t=2.605 with significance value of 0.013 < 0.05. It showed that job satisfaction affected turnover intention and the direct effect of

Compensation on turnover intention is 0.426.

Below are path coefficient values to determine whether job satisfaction could mediate the effects of compensation and career development on turnover intention by multiplying the coefficient value of job satisfaction with turnover intention and the coefficient value of job satisfaction with turnover intention. The results were compared and resulted in the following:
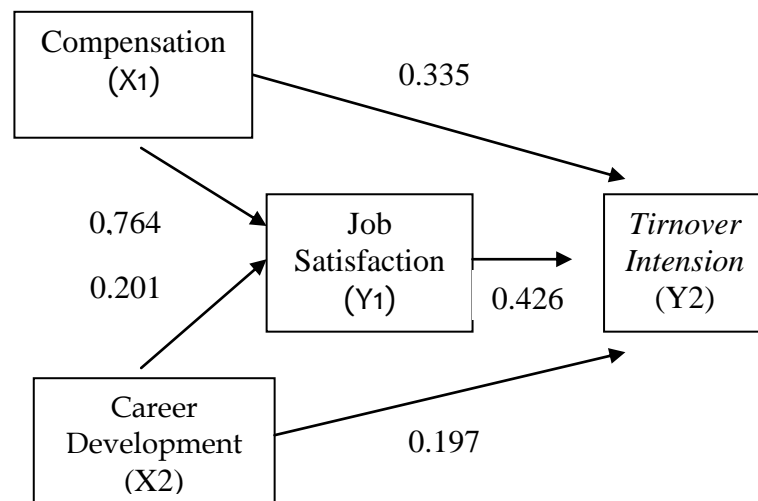
Picture 1

Path Analysis Test Results

Path coefficient of compensation on job satisfaction is 0.764. Path coefficient of career development on job satisfaction is 0.201. Path coefficient of job satisfaction on turnover intention is 0.426. The indirect effect of compensation on turnover intention 0.764 x 0.426= 0.325. The indirect effect of career development on turnover intention 0.201 x 0.426= 0.086. The direct effect of compensation on turnover intention was bigger than the indirect effect through job satisfaction. The direct effect of career development on turnover intention was bigger than the indirect effect through job

satisfaction. Total Effects of Compensation, Career development on Turnover Intention through Job satisfaction as the Intervening Variable by Comparing Path Coefficient Values.

Tabel 10 Direct Influence, Indirect Influence and Total Influence

	Influence Directly	No influence Directly	Influence total
$\rho \ y_1x_1$	0.764		0.764
$\rho \ y_1x_2$	0.201		0.201
$\rho \ y_2x_1$ Indirect influence (via y_1) Direct and indirect influence	0.335	0.325	0.660
$\rho \ y_2x_2$ Indirect influence (via y_1) Direct and indirect influence	0.197	0.086	0.283

Source: 2017 primary data

Table 15 shows that in the direct effect test for path coefficient test of compensation and turnover intention, compensation (x_1) had 33.5 % direct positive effect on turnover intention (y_2), while the indirect effect path coefficient test of compensation (x_1) through job satisfaction (y_1) on turnover intention (y_2) was 32.5 %. It meant the direct effect was greater than indirect effect and in total the effect of compensation on turnover

intention was 66%. In direct effect test of path coefficient test of career development and turnover intention, career development (x_2) had 19.7 % direct positive effect on turnover intention (y_2), while the indirect effect path coefficient test of career development (x_2) through job satisfaction (y_1) on while the indirect effect path coefficient test of (y_2) was 8.6 %. It meant that direct effect was greater than indirect effect and in total the effect of compensation and Turnover Intention was 28.3%.

DISCUSSION

The research result showed that compensation affected nurse's job satisfaction in PKU Muhammadiyah Hospital, Gamping. The contribution of compensation on nurse's job satisfaction in PKU Muhammadiyah Hospital, Yogyakarta was quite high, i.e. 76.4%.

Compensation is a very important issue because good compensation will encourage employees, including nurses, to work better. Moreover, compensation also has significant effect on nurse's spirit and excitement for work, because they will give the hospital good performance, so they will be more satisfied when having good compensation and performance. Experience shows that inadequate compensation can reduce work achievement, motivation and job satisfaction, even may cause nurses to resign. Moreover, compensation in the forms of salary, allowance and incentive from hospital will make nurses more satisfied. Allowance outside of basic salary can fulfill their needs, while incentive will provide physical satisfaction to them.

The term compensation is often used to matters related to salary and wage, but it has broader concept and meaning. Compensation is everything received by employee as remuneration for their work. Compensation for nurse affected job satisfaction and work motivation, as well as work result. By giving compensation in accordance with work type and job title, nurses will be satisfied at work because their work and position are remunerated by sufficient compensation. A hospital should know factors which can create job satisfaction for nurses and provide appropriate compensation, to give the nurses job satisfaction which will improve their performance.

The research result showed that compensation affected nurse's turnover intention in PKU Muhammadiyah Hospital, Gamping. The contribution of compensation to nurse's turnover intention in PKU Muhammadiyah Hospital, Gamping was 33.5 %.

Compensation is the right of nurse and obligation of hospital. By giving appropriate compensation, hospital expects nurse performance to conform to hospital objectives. Giving bonus or reward to nurse is expected to make them contribute new ideas to help hospital to grow. Nurse skill which is consistent with their competence will also develop, reducing intention to leave hospital.

Compensation had the greatest contribution to turnover intention. Employee's turnover intention was determined by compensation. It meant the better the compensation system of a company, the lower the turnover intention. It was because dissatisfaction to compensation triggered negative employee behaviors, e.g. absenteeism and lassitude.

They're often grouped into resignation behavior or desire to resign. If employee was dissatisfied with the compensation provided by the company, they would behave negatively, increasing turnover intention.

The research result showed that job satisfaction affected nurse's turnover intention in PKU Muhammadiyah Hospital, Gamping. The contribution of compensation to nurse's turnover intention in PKU Muhammadiyah Hospital, Gamping was 42.6 %.

Job satisfaction affected turnover intention, because nurse's dissatisfaction at work. Many factors affect employee turnover, but generally the highest contributor to employee turnover is employee dissatisfaction. Actually, employee satisfaction can maximize hospital profitability in the long term in four ways, i.e. satisfied employee has higher quality of work, works more productively, lasts longer in company, and create satisfied customer (Kuswadi, 2004).

Job dissatisfaction is often identified as an important reason for resignation. Job satisfaction has close relation with thoughts to resign and intention to look for other jobs. Job satisfaction has negative relation with resignation, but other factors, e.g. job market, alternative job opportunity, and long years of service, are important factors in leaving current job.

The research result showed that career development affected nurse's turnover intention in PKU Muhammadiyah Hospital, Gamping. The contribution of career development to nurse's job satisfaction in PKU

Muhammadiyah Hospital, Gamping was 20.1 %.

A career reflects nurse's individual development in rank or position during years of service in organization. Therefore, a career shows people their role or status. Career is nurse's individual development in rank or position during years of service in hospital.

Career planning and development lead to satisfaction, personal development and quality work life. Some strategic benefits of training and development are employee satisfaction, increased motivation, higher retention rate, lower turnover, improvement in employee withdrawal, better outcome, and the fact that satisfied employee produces satisfied customer (Mondy, 2008)

The hospital had given reward in the form of compliment for achievement or bonus. Training was required to enhance nurses' knowledge and skills. It has significant effect on the nurses' job satisfaction.

The research result showed that career development affected nurse's turnover intention in PKU Muhammadiyah Hospital, Gamping. The contribution of career development to nurse's turnover intention in PKU Muhammadiyah Hospital, Gamping was 19.7%.

Career development or opportunity for promotion is a component which determined a nurse's satisfaction level. Nurse who has great career opportunity will get new experience and knowledge, raising their position and compensation. Nurse who is satisfied with career opportunity in hospital will stay in the hospital and be reluctant to leave it and vice versa.

Career development is an important factor of intention to resign. The greater the career opportunity given by hospital to nurse, the more satisfied they are, so they keep working in the hospital.

The research result was in line with Hunter, Felix dan Tan (2008) who state that career development has significant effect on turnover intention. It's because limited opportunity to develop career leads to higher turnover intention than employees with great career development.

CONCLUSION

Compensation affected the job satisfaction of nurses in PKU Muhammadiyah Hospital, Gamping.. Compensation directly affected the Turnover of nurses in PKU Muhammadiyah Hospital, Gamping. Job satisfaction affected the Turnover Intention of nurses in PKU Muhammadiyah Hospital, Gamping. Career development affected the job satisfaction of nurses in PKU Muhammadiyah Hospital, Gamping. Career development directly affected the Turnover Intention of nurses in PKU Muhammadiyah Hospital, Gamping. There was indirect effect between compensation and turnover intention through job satisfaction in PKU Muhammadiyah Hospital, Gamping. There was indirect effect between development and turnover intention through job satisfaction in PKU Muhammadiyah Hospital, Gamping. The total effect of compensation on Turnover Intention through job satisfaction as the intervening variable is 66.0 %. The total effect of career development on Turnover

Intention through job satisfaction as the intervening variable is 28.3 %.

DAFTAR PUSTAKA

Ferdinand, Augusty, *Metode Penelitian Manajemen Edisi 2*, Semarang: Badan Penerbit Universitas Diponegoro, 2006

Hair. JF., Joseph.F,et.Al.(1998). *Multivariate Data Analysis*. Fifth Edition. Prentice-Hall. Inc., New Yersey

Kuswadi. 2004. *Cara Mengukur Kepuasan Karyawan.* Jakarta: PT Elex Media Komputindo

Mondy, R. Wayne. 2008. *Manajemen Sumber Daya Manusia.* Jakarta: Penerbit Erlangga

Saining, J. P. G., Hamzah, A., & Idar. (2011). *Analisis faktor keinginan pindah kerja(intention Turnover) perawat di rumah sakitumum daerah(RSUD) kabupaten Buol provinsi Sulawesi Tengah*