THE INFLUENCE OF COMPENSATION, WORK MOTIVATION, AND JOB SATISFACTION ON COMPANY’S TURNOVER INTENTION

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ABSTRACT

In this modern era, employee is a valuable asset to the company, hence employee’s satisfaction in a company becomes an important aspect which needs to be considered by a company’s management. When employees are not satisfied with their working in the company, the turnover rate of employee in the company will be high. This will in turn create a negative impact on the company since the company have to provide additional expenses to recruit new employees and train them to the desired standard. Therefore, it can be seen that this turnover will affect the work performance of the company, which in the long run will interfere with the system of the company’s management. The purpose of this study is to analyze the effect of compensation, work motivation, and working satisfaction on company’s turnover intention. The research method used in this thesis is one that is quantitative with a total sample of 50 persons who is currently an employee of the company. The results of this study shows that compensation, work motivation and working satisfaction have a significant effect on the company’s turnover intention.

Keywords: Human Resource Management, Compensation, Work Motivation, Working satisfaction, Turnover Intention.

INTRODUCTION

CoAmoy was founded in 1997 by the researchers’ parents who migrated from Jakarta to open a small business engaged in the garment. The first selection business line of CoAmoy was children wear and men’s and women’s underwear. CoAmoy can be categorized as a company that grows rapidly within the last 17 years. In its early year, CoAmoy only had one branch in Jembatan Merah Plaza, and today it has more than 20 branches which are spread specifically in Surabaya. The business prospect of garment industry is classified as high, since garment is the primary needs of human and the competition level in this industry is relatively low. It is predicted that the prospect for market development of CoAmoy will still grow in the future. Since this company is engaged in fashion, having female employees with good skills and knowledge in promoting and marketing the company’s products is very essential for the company.