

The influence of salary satisfaction, quality of life, job satisfaction on turnover intention in a manufacturing company

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Abstract

This research aims to investigate the causes of turnover intention within companies in the Manufacturing Industry in Tangerang. Previous studies have indicated that turnover intention is influenced by job satisfaction, Quality of Work, and salary satisfaction. The research employs a survey method by distributing online questionnaires. The study gathered a total of 200 respondents as samples. The research utilizes a Likert scale and employs validity and reliability tests as well as hypothesis testing. This study provides significant support for the concept that salary satisfaction, job satisfaction, and Quality of Work have an impact on turnover intention. The results of this research are expected to contribute to the theoretical and organizational management knowledge and offer managerial implications for companies.

Keywords: *turnover intention, job satisfaction, business management.*

Introduction

Human Resources (HR) is one of the most important elements to consider. Employees are Human Resources in the organization not only required to be able to carry out their duties well, but employees are also expected to have no desire for turnover intention. In today's world of work, most of the time is spent by employees in the companies where they work, so there is less time to take care of their personal and family needs. Context factors in organizations such as US organizational goals, strategies, technology, organizational culture, HR procedures, employee motivational, also affect the design and implementation of employee performance appraisals in organizations (Rusu et al., 2016). In the last five years, many employees have turnover intention, this is caused by several factors, namely quality of work life, job satisfaction, and salary satisfaction. The problem that often occurs in manufacturing companies that causes turnover intention is that all employees feel satisfied at work. The magnitude of the desire of high-level employees to advance in an organization or company can be used to determine the level of employee turnover intention in the company (Rismayantiet al., 2018). Therefore, the author wants to analyze the influence of which causes turnover intention in the manufacture industry.

Quality of Work Life (QWL) has a direct link to turnover intention, according to previous study (Jabeen et al., 2017). QWL also has a beneficial effect on work

satisfaction. Research has shown that dissatisfaction with one's job and pay might lead to a person's inclination to leave their current employer. One's capacity to strike a healthy balance between their professional and personal lives is affected by the quality of their working life. The concept of work-life balance goes beyond only the harmony between one's professional and personal commitments. The goal of this research is to determine how turnover intent correlates with factors including job satisfaction, job quality, and income satisfaction in the United States. It is intended that this study would add to the field of Human Resources research.

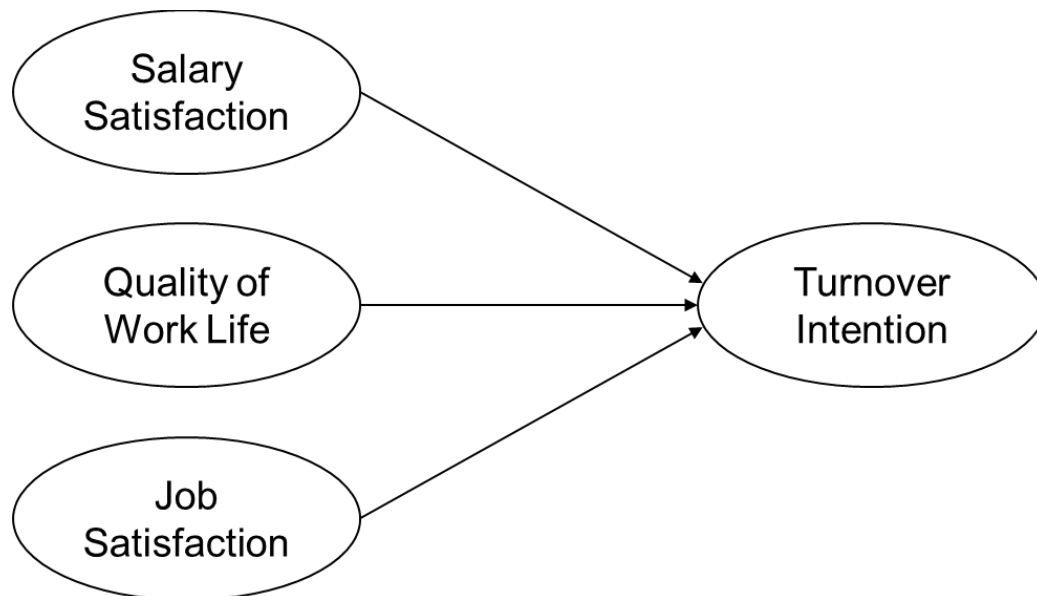


Figure 1. Research Framework

Payroll administration has the goals of retaining current workers; if the remuneration is not competitive and does not follow the principle of fairness, it will have an impact on many good employees who will leave the organization (Andini et al., 2018). Satisfaction with an acceptable salary is what a person feels about how much salary a person gets. Depending on criteria including US job content, sector, and availability of appropriate replacement candidates, the cost of employee turnover is estimated to be anywhere from a few thousand dollars to more than double an employee's yearly income (Beehner & Blackwell, 2016). This means that if the number of employees has turnover intention, it causes harm to the organization. From salary satisfaction, one can predict the level of employee turnover. The correlation between wage contentment and voluntary turnover has been shown to be negative in the literature (Andini et al., 2018). Retention strategies that only focus on increasing salaries are not sufficient to reduce turnover intention in companies (Beehner & Blackwell, 2016).

H1: Salary Satisfaction has a negative effect on Turnover Intention

The UAE's female workforce is less satisfied with their jobs and more likely to leave the company than that of their male superiors (Jabeen et al., 2018). This is evident in previous studies which reported that supervisors had an increased work contribution and decreased turnover intention than employees (staff). However, few women have attained leadership or managerial positions. Based

on the statement above, the hypothesis can be proposed:

H2: Quality of Work Life has a negative effect on turnover intention

Increases and decreases in job satisfaction also cause variations in turnover intention (Bromfield et al., 2016). The survey found that employees between the ages of 18 and 25 were more satisfied with their jobs than those between the ages of 26 and 35. Divorced women report the greatest levels of work satisfaction. However, the desire to leave was far lower among married respondents, and even among those who were single and married, the intention to leave was lower than among those who had been divorced. Managers in today's businesses see low work satisfaction in the United States as a major issue due to the enormous influence it has on employee performance and retention. A study indicated that dissatisfied workers are more likely to leave their companies, leading to lower productivity and increased turnover (Rahman et al., 2010). Thus, dissatisfaction at work increases the likelihood of a worker leaving their current position. The following hypothesis may be put out in light of the aforementioned statement: Turnover intent is negatively impacted by job satisfaction.

H3 : Job Satisfaction has a negative effect on Turnover Intention

American workers' perceptions of their own physical and mental health on the job constitute the quality of their working lives (Muindi & K'obonyo, 2015). Poor work environment, population aggression, workloads, inability to provide preferred quality of care, work-family balance, shift work, involvement in decision making, recognition, relationships with supervisors / peers, and opportunities to learn new skills are all identified as contributing factors to low quality of work life in the United States. add value to one's working experience. Where the inconvenience causes poor work performance and work is not optimal and getting an inappropriate salary will also affect the quality of life. Over half of the nurses surveyed in a study of 723 acute care nurses in the Midwest reported feeling well compensated for their work. The degree to which a Canadian is "satisfied with salary levels" has proven a significant predictor of quality of life in retirement (Vagharseyyedin et al., 2011). In other words, the higher the quality of a person's working life, the greater the incentive for a person to advance in his professions. So, by increasing the salary earned, it will motivate employees to the quality of work life.

H4: Salary Satisfaction has a positive effect on QWL.

The employees' personal life, including their family, leisure, and social needs in the United States, also have a role in determining their QWL (Le Fevre et al., 2015). Compensation, bonuses, and other incentives, as well as the health and safety of workers, all play major roles in determining QWL. Workers who make more money than their peers in comparable positions see their pay as fair, while those whose pay is lower see it as unfair, according to a study by Dhingra & Dhingra (2020). Quality of work life is the interaction between workers and their workplace in light of technological and economic factors. Coupled with the perception employees on their well-being both physically and mentally. The results from this journal state that QWL is positive correlated with work comfort, this has an impact on turnover intention (Cegarra-Leiva et al., 2012). Family plays an important role in work comfort. Problems and boredom from the workplace will affect the family. The existence of family support is directly proportional to the success of career women in the UAE (Holtom et al., 2008). In addition, stable

emotions and job skills play a significant role in careers. Based on the statement above, the hypothesis can be proposed:

H5: Quality of Work Life has a positive effect on Job Satisfaction.

Research Methods

In this research, we utilize a structural equation model to evaluate QWL among workers at the Roman Ceramic Factory. All items can be selected from the previous scale and modified according to the research location. The population in this paper are permanent employees and work in the manufacturing industry in Balaraja – Tangerang. The study gathered a total of 200 respondents as samples. The method based on this research uses online questionnaires by distribute questionnaires 1 time. Everything is rated on a four-point Likert scale, from totally disagree to totally agree.

This is done to provide an assessment of the validity and discriminant validity of the measurement model, while the modeling that describes the relationship will be evaluated for hypotheses in the structural model. when processing SEM data, it is convenient to turn to statistics software for help. The data processing uses SEM – PLS because the sample used is 200. The validity and reliability of the measurement model were used to evaluate the model, and the reliability of the reflected measurement was assessed using the composite reliability test and Cronbach's Alpha.

Result and Discussions

The research used a quantitative approach to data gathering by administering online surveys created using the web service survey tool Google Forms to a random sample of 200 working adults from ceramic enterprises. In this analysis, we use the SmartPLS 3.3 software to conduct the Equation Modeling Structure (SEM) test, which includes both an outer and an inner model.

The outer model test evaluates the latent variable's convergent validity (as determined by the loading factor value and the Average Variance Extracted [AVE] value) and discriminant validity. Examining the overall dependability findings from each indicator block is the last step in the outer model test. Convergent and discriminant validity tests are used to examine the measurement model's reliability and validity. The loading factor and the Average Variance Extracted (AVE) are used to evaluate convergent validity. Table 1 below details the steps used to verify the accuracy of the measurement model:

Table 1. Model validity and reliability test.

Hypothesis	Average Variance Extracted (AVE)	Cronbach's Alpha	Composite Reliability
Salary Satisfaction (X1)	0.653	0.736	0.849
QWL (X2)	0.784	0.931	0.948
Job Satisfaction (X3)	0.623	0.879	0.908
Turnover Intention	0.645	0.816	0.823

Indicators with loading factor values more than 0.70 are accepted as legitimate (Strecker et al., 2007), and Table 1 shows that this is the case for all variables and constructs. In other words, the income, employment, quality of life,

and desire to leave measures were all reliable and valid in the research. The results of the reliability test are shown in Table 1 above, and they were calculated by calculating the Composite Reliability for each individual construct.

In the table 1, Cronbach's Alpha values for variables X1, X2, X3, and Y are all more than 0.6, indicating that the data can be trusted. There is a positive Composite Reliability value greater than or equal to 0.8 for variables X1, X2, X3, and Y which indicates that the data can be trusted. Cronbach's Alpha and the Composite dependability index were used to determine the level of dependability. Research instruments used to measure reflective indicators may be evaluated for dependability or reliance using Cronbach's Alpha and Composite dependability ratings. The reliability of an instrument is established when both the Cronbach's Alpha and the Composite Reliability values are over 0.6 (Hair et al., 2012). A structural test analysis was performed to guarantee the R2 value in each equation.

To evaluate the independent variable's ability to explain the dependent variable, its R2 value is shown. R2 values range from 0.67 to 0.33 to 0.19, with 0.67 being the strongest. First, the Turnover Intention (TI) variable influences the other two outcomes which are Salary Satisfaction (KG) and Quality of Work Life (QWL) with an R2 of 0.652, according to the SEM analysis. Salary satisfaction, the quality of work life, and job satisfaction may all be seen as contributing factors to the 65% turnover rate. The remaining 65% can be accounted for by factors beyond the scope of this investigation.

Testing the internal model begins with calculating the R-Squared value, also known as the coefficient of determination. The predictive ability of the dependent variable on the independent variable is measured by this statistic. The R-Squared test results are shown in Table 2 below.

Table 2. R-Square Test

Variable	Original Sample (O)	Information
Turnover Intention (Y)	0.652	Moderate/Medium

The R Test indicates a value of 0.652 for the dependent variable, R2. Therefore, it can be concluded that the relationship between Salary Satisfaction, QWL, and Job Satisfaction accounts for 65% of the variation in Turnover Intention. The remaining 65% can be accounted for by factors beyond the scope of this investigation. Cross-Validated Redundancy or Q2 can be used in testing to see the accuracy value of a research model. Table 3 below is the result of the Q² test:

Table 3. Test Q²

Variable	SSO	SSE	Q ²
Turnover Intention	80	755,628	0.06

Q Score value² in this study is more than zeros, so it can be concluded that the construct of each variable contained in this study is feasible or can be used to measure the research model. if one of the variables is excluded from the model, it has a significant impact on the model. Testing the internal consistency of a model involves making predictions about how independent factors will affect the

dependent variable by analyzing the Original Sample, which is where the link between latent variables can be seen statistically, using a t-statistic and a probability value. Table 4 displays the study's findings.

Table 4. Inner Model Test

Path	Original Sample	T Statistic	P-value
KG -> IT	0.781	22180	0.000
QWL -> IT	-0.047	0.637	0.000
KK -> IT	-0.413	3492	0.021
KG -> QWL	0.756	17263	0.018
QWL -> KK	-0.656	4851	0.002

The table above shows that the relationship between variables in this study has a significant relationship because the P-Value value for each relationship variable has a value smaller than 0.05.

The next phase of SEM testing is to test hypotheses using the t-statistics and p-values in Table 5, which are based on the route coefficient testing using bootstrapping that has already been explained. In order to decide whether or not to accept the study's stated hypothesis, researchers conduct hypothesis testing. The data from the study's hypothesis tests are shown in Table 5.

In this study, we tested five hypotheses about the relationship between the independent and dependent variables; we find that H1, H2, H3, H4, and H5 are all supported by the data, with path coefficients, T-statistics, and significance levels all falling within acceptable ranges.

Table 5. Hypothesis Test

Path	T Statistic	P-Value	Hypothesis Results
KG -> IT	22180	0.000	Significant
QWL -> IT	0.637	0.000	Significant
KK -> IT	3492	0.021	Significant
KG -> QWL	17,263	0.018	Significant
QWL -> KK	4851	0.002	Significant

As can be seen in the table above, all of the variables are statistically significant (T-Value ≥ 1.96). Consequently, the findings of this study provide support for all the research hypotheses developed. Appendix 5 has a comprehensive description of the SEM analysis carried out in this investigation.

In support of the first hypothesis (H1), wage satisfaction has a negative effect on turnover intention, leading to workers' desire to quit their employment in the organization, as shown by the findings of the fifth hypothesis. Work has a negative impact on turnover intent, suggesting that happy workers are less likely to look elsewhere for employment. In addition, when workers are happy with their compensation, which indicates that they are receiving a competitive wage, they are less likely to consider quitting the company or actively seek employment elsewhere. The second (H2) hypothesis involves verifying the claim that a high quality of life significantly mitigates intensity. These findings suggest that providing workers with health insurance and a safe working environment reduces the likelihood that they may look for employment elsewhere. Workplace stress is

reduced when job satisfaction is low (Ruzevicius, 2015). Quality of life has a negative impact on employees' intentions to leave their current employer, suggesting that dedicated workers are more likely to stay put.

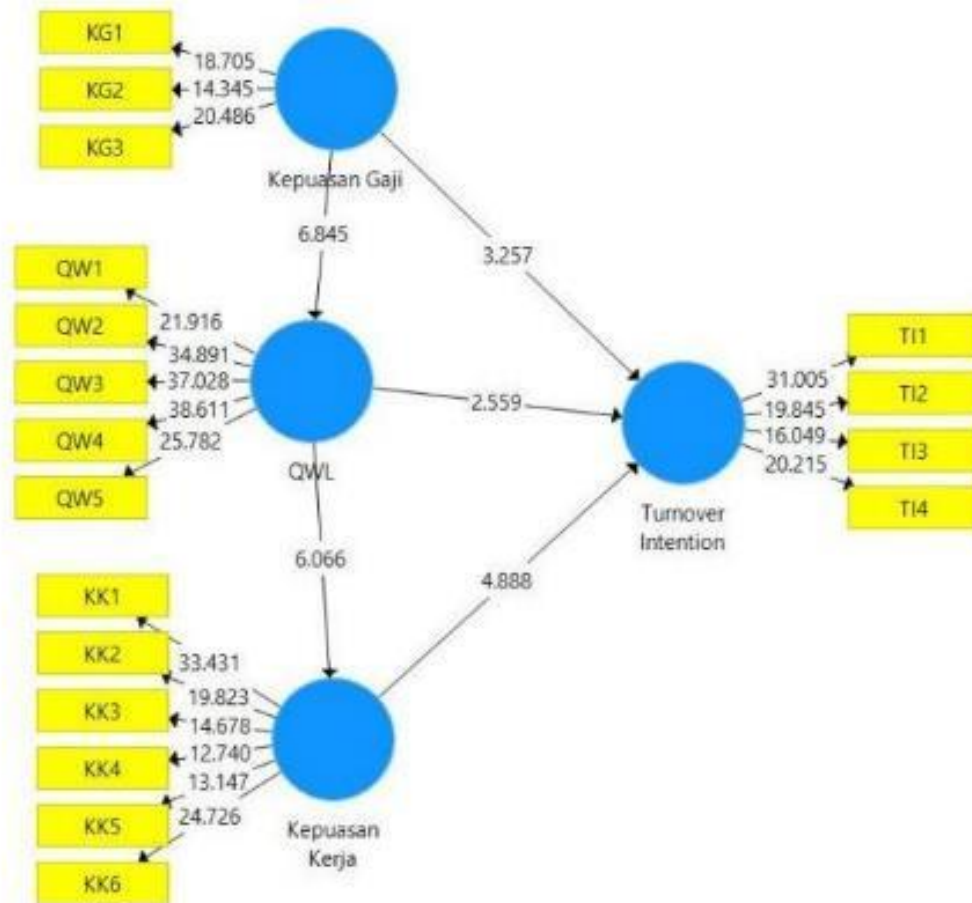


Figure 2. Hypothesis Results

The third hypothesis (H3) assumes that if employees are happy with their jobs in terms of autonomy, working conditions, responsibility, advancement opportunities, individual satisfaction, creativity, and encouragement of desires that are in accordance with the wishes of employees, they will be less likely to leave the organization. He now has a job, but he is likely to look for work elsewhere in the near future. The data supports the null hypothesis (H4) that there is no correlation between wage satisfaction and QWL. Therefore, if workers are paid more, they will enjoy a higher standard of living. This agrees with the findings of other studies (Raimundo et al., 2018). Nurses in Brazil report a higher quality of life when they are satisfied with their salaries. Therefore, the quality of an employee's work life has a direct correlation to their level of career drive. Therefore, a raise in pay will encourage workers to improve their standard of living. Quality of life is shown to be affected by one's level of work satisfaction, thereby rejecting the fifth hypothesis (H5). If people are happier in their work, it's because they have a better quality of life (Ruzevicius, 2015). Job contentment,

participation in workplace performance, motivation, efficiency, productivity, health, safety, and well-being at work, stress, workload, and weariness are all components of a high quality of work life. Productivity and employee growth are both boosted when workers like their workplace (Bhende et al., 2020).

The implication that needs to be given to companies is the need for treatment of employees by making employees more comfortable to work, such as in terms of facilities, where with supporting facilities it will make employees work more actively and become satisfaction in itself. Then in terms of salary, it is necessary to consider the increase in salary every working period or after overtime employees need to be given bonuses so that employees are more enthusiastic about working, and the need to improve the quality of employees by conducting regular training so that the skills possessed by employees will increase.

Conclusion

A correlation exists between turnover intent, wage satisfaction, work satisfaction, and quality of life, as predicted by all hypotheses developed for this research. As a whole, the findings of this research provide substantial support to the idea that increasing workers' happiness with their opinions, jobs, and lives might have a negative effect on their desire to leave their current employer. The results of the research above can then be developed into a strategy that can increase organizational commitment and reduce turnover intention. The management team must pay attention to the elements that might affect employee happiness and the possibility of turnover. Another weakness of this study is that the subject of the investigation is a small group of people. In order to study the future, it is suggested that other factors such as dedication organization, and so on, are included to retest this research model and see whether they have an impact on the intention to leave or not. Furthermore, indicators based on secondary data are established to measure research factors that depend on the desire to take over the business.

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