



## The Effect of Compensation and Career Development on Employee Turnover Intention in the Culinary Sector

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### ABSTRACT

This study aims to determine whether there is an effect of compensation and career development on employee turnover intention either simultaneously or partially. Based on the type of data and analysis, this research is classified as causal associative research. The research method used is descriptive quantitative. The population of this research is all employees of PT Setya Kuliner Mandiri dBesto Chicken And Burger. Method of collecting data done through a questionnaire. The data analysis method uses SPSS 24. The results of this study prove that there is an effect of giving and career development on employee turnover intention, either simultaneously or partially.

**Keywords:** Culinary, human resources, employees

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### INTRODUCTION

Human Resources (HR) is an important asset in an organization, both large and small organizations, this is because HR has an important role to move and direct the organization to grow in various conditions. (Susiawan & ; Muhid, 2015) To address this, the Company must be able to manage and retain employees who are able to have a positive impact on the company's sustainability as long as possible. The better the quality of human resources in a company, the better the company's competitiveness will be (Iskamto et al., 2021; Iskamto, Karim, et al., 2020). One of the functions of Human Resource Management (HRM) related to each reward is compensation. Compensation is something that must be fulfilled by the company for employees based on state laws, rules and regulations of the company. The reward received by each individual is a reward for the implementation of organizational tasks that have been given and carried out as well as possible for all their energy to get financial and non-financial rewards. So the organization is also obliged to provide remuneration, remuneration, awards, income, compensation or rewards (Iskamto et al., 2019; Iskamto, Ghazali, et al., 2020; Kadarisman, 2015).

In addition, career development must also be a concern for the company for each of its employees. According to Rivai and Sagala (2009) career development is the process of increasing individual work abilities achieved

in order to achieve the desired career. The higher the level of employee confidence in the career development program provided by the company, the lower the desire to leave the company.(Irvianti et al., 2011).

Another thing that is an important issue for companies and employees is the problem of turnover intention. From the company's point of view, employee turnover can provide an overview of the costs that are not small regarding the value of recruitment, training and costs that have been incurred to overcome employee turnover and various indirect costs. such as losing employees who have understood the various jobs within the company. From the employee's point of view, employee turnover can have positive and/or negative consequences(Carraher, 2011; Herman, nd; Wahyuni Ana Sri, 2014).

From previous research, it can be explained that compensation has a negative and significant effect on turnover intention (Zeffane, 2003;AlBattat & Som, 2013)ranging from salary, working conditions, superiors, or other better organizations, changes in career paths or family reasons. But research (Alhempri et al., 2021; Manik Aditya Budi Suta & Ardana, 2018 found that compensation has a positive and significant effect on employee retention, this indicates that the higher the compensation given, the higher retention will be. So here can be found different research results, for that there is a research gap that needs to be filled in order to find the novelty of this research. To fill the gap in further research, the researcher examines that career development has a positive and significant effect on turnover intention.

Based on the phenomena described above, researchers are interested in studying the effect of compensation and career development on turnover intention in the culinary sector. It is hoped that the results of this study can provide information in overcoming the level of turnover intention and then can make new policies related to compensation and career development.

As applied to PT Setya Kuliner Mandiri dBesto Chicken And Burger, which is engaged in fast food, which has a more modern and dynamic concept with a unique presentation and menu that can be consumed by all ages, young, old and children. Until now, the company has always tried to pay attention to the existence and comfort of its employees. The company always provides a compensation system that can reduce turnover intent, such as leave, insurance, a large bonus and salary system as well as a provision from the company regarding additional income.

## **LITERATURE REVIEW**

### **Compensation**

Compensation is the income received by each employee from the results of his work(Yadewani & Nasrul, 2019).Employee compensation refers to all forms of payment or remuneration for employees and derived from their work(Dessler., 2009). The general purpose of compensation is to attract, retain and motivate employees.(Mondy, 2011)

### **Career development**

Career development is a gradual process experienced by individuals to achieve a career plan that is tailored to the conditions of the company. With better career development, employees will get better rights than what was previously obtained, both material and non-material, such as increased income, improved facilities, and so on.(Putra et al., 2020)“The objectives of employee career development are 1. To ensure employees who are not promoted that they are still valuable and will be considered for further promotions, if they are qualified. 2. To explain why they were not selected, and 3. To indicate what career development activities should be taken”.(Handoko, 2008)

### **Turnover Intention**

Turnover intention is the tendency or intensity of individuals to leave the organization for various reasons and including the desire to get a better job. (Ronald Sukwadi, 2014). Furthermore, the negative impact of employee turnover intentions for the company in addition to increasing expenses and taking a long time in recruiting new employees, the company also has difficulty getting new employees in accordance with the qualifications determined by the company.(Waspod, 2013). Even though in reality employee turnover is also needed if there are employees who have low performance(Hollenbeck, 1986)

## METHOD

### conceptual framework

In this case, the researcher explains that compensation, career development and turnover intention have a close relationship. The conceptual framework of this research can be seen in Figure 1 below:

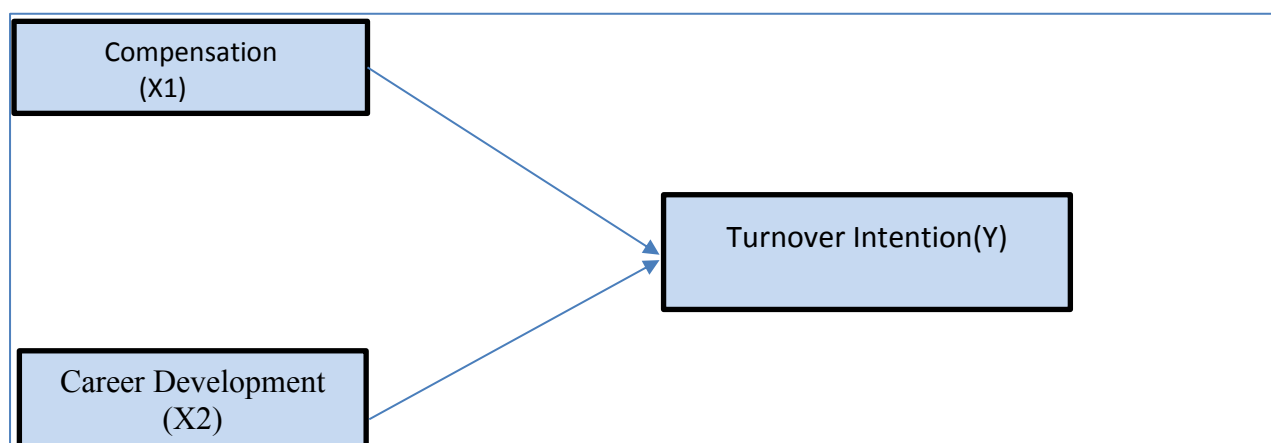


Figure 1, Conceptual Framework

### Hypothesis Statement

H1: Compensation has a significant effect on turnover intention

H2: Career Development has a significant effect on turnover intention

### Researcher Design

This research was conducted at PT Setya Kuliner Mandiri dBesto Chicken And Burger which was held in February 2021. Based on the type of data and analysis, this research is classified as causal associative research. according to(Sugiyono, 2012)causal associative research (relationship) is a research that aims to determine the relationship between two or more variables. The sample in this study were all 23 employees at the PT Setya Kuliner Mandiri office. This study used an instrument in the form of a questionnaire (questionnaire) containing questions or written statements. Research instruments are tools used by researchers in collecting data so that research is easier and the results are easy to process(Arikunto, 2003). Variable instruments of compensation, career development and turnover intention were developed from the research conducted(Iswandi, 2019).

The validity test for compensation and career development variables on turnover intention uses the Corrected Item Total Correlation statistical test. The criteria are said to be valid if the correlation coefficient is more than or equal to 0.3. The reliability test for the variable of compensation and career development on turnover intention uses Cronbach's Alpha statistical test. The instrument can be said to be reliable if the alpha coefficient value exceeds 0.7(Muhson,2015)

## RESULTS AND DISCUSSION

### Compensation for Turnover Intention

The value of R square in table 1 is 0.193. This means that 19.3% of turn over intention is influenced by compensation of 19.3%. The results of this study are in line with research conducted by (Irbayuni ,2012; Putrianti,2014;Tantowi et al., 2016). Next

**Table 1. Model Summary**

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | .440a | .193     | .155              | 2,742                      |

Silaban & Shah (2018); Rubles & Kee (2015), concluded that the lower the compensation given to employees will lead to a high level of turnover intention. This explains that a good compensation system greatly affects the desire of every employee to stay afloatso that it can support the achievement of goals PT. Setya Kuliner Mandiri dBesto Chicken And Burgermore effectively and efficiently.

**Table 2. Coefficientsa**

|       |             | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|-------|-------------|-----------------------------|------------|---------------------------|-------|------|
| Model |             | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant)  | 9.052                       | 3.818      |                           | 2,371 | .027 |
|       | COMPENSATIO | .238                        | .106       | .440                      | 2,244 | .036 |
|       | N           |                             |            |                           |       |      |

In table 2, the positive and significant influence between compensation on turnover intention can be seen in table 3, which is 0.238 so the regression equation is  $Y = 9.052 + 0.238 X_1 + e$ . If the compensation increases by 1, the turnover intention will also increase.

### Career Development on Turnover Intention

In table 3 the value of R square is 0.346. This means that 34.6% of turnover intention is influenced by career development by 34.6%. The results of this study are in line with research conducted by(Putra, Achmad Irvan Dwi ; Valentina, Lie ; Alvani, 2020), (Hafiz, Jauhari; Badia, Parizade; Hanafi, 2016), (Dyastuti, 2020), (Koster, F., de Grip, A., & Fouarge, 2011).(Silaban & Shah, 2018)

**Table 3. Model Summary**

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | .588a | .346     | .315              | 2.469                      |

The value of R square in table 4 is 0.346. This means that 34.6% of turn over intention is influenced by career development by 34.6%.

The effect of having a good career development for employees is being able to provide a close bond between employees and the company because a career is a necessity for every employee in developing the abilities that exist within each employee that affect the continuity of PT. Setya Kuliner Mandiri dBesto Chicken And Burger

**Table 4. Coefficientsa**

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
|       |            | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant) | 4.431                       | 3.963      |                           | 1.118 | .276 |
|       | CAREER     | .319                        | .096       | .588                      | 3,332 | .003 |

In table 4, the large influence between career development and turn over intention can be seen from table 6, which is 0.319, so the regression equation is  $Y = 4.431 + 0.319 X_2 + e$ . If career development increases, the turnover intention will be better. The value of R square based on table 10 is 0.346. This means that 34.6% of turnover intention is influenced by career development by 34.6%.

### **Compensation, Career development on turnover intention**

In table 5 the value of R square is 0.374. This means that 37.4% of turnover intention is influenced by compensation and career development. The results of this study are in line with research conducted by (Palupi, 2018), (Sudnanti & Wijayant, 2018), (Kumbara, 2018), (Sunarti, 2017).

**Table 5: Model Summary**

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | .612a | .374     | .311              | 2.475                      |

The implication of this research is that clear compensation, a good career path, can suppress the desire to leave employees from PT. Setya Kuliner Mandiri dBesto Chicken And Burger

**Table 9. Coefficientsa**

| Model |                  | Unstandardized Coefficients |            | Standardized Coefficients |      | t     | Sig. |
|-------|------------------|-----------------------------|------------|---------------------------|------|-------|------|
|       |                  | B                           | Std. Error | Beta                      |      |       |      |
| 1     | (Constant)       | 2.859                       | 4.304      |                           |      | .664  | .514 |
|       | CAREER           | .267                        | .111       |                           | .491 | 2,402 | .026 |
|       | COMPENSATIO<br>N | .105                        | .111       |                           | .194 | .948  | .354 |

The large influence between compensation and career development on turnover intention can be seen in table 9. The regression equation is  $Y = 2.859 + 0.105 X_1 + 0.267 X_2 + e$ . If compensation increases, turnover intention will increase by 10.5%. If career development increases, turnover intention will increase by 26.7%.

### **CONCLUSION**

Based on the results of the study, it can be concluded that there is an effect of compensation on turnover intention. The better the compensation system that is applied, the turnover intention can be suppressed. It was found that there was an influence between career development and turn over intention. The better the career development system in the company, the turnover intention can be reduced. (3) Turnover intention is influenced by compensation and career development. The better the compensation system and career development provided to employees, the less desire to move.

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