

# The Influence of Non-Financial Compensation and Workload on Employee Turnover Intention PT. Megah Abadi Estate

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## ARTICLE INFO

### Article history:

Received Mar 25, 2023

Revised Apr 13, 2023

Accepted Apr 25, 2023

### Keywords:

Non-Financial  
Compensation,  
Workload,  
Employee Turnover  
Intention

## ABSTRACT

This study aims to analyze the effect of Non-Financial Compensation and Workload on Employee Turnover Intention of PT Majestic Eternal Estate Totaling 40 employees. Data collected through questionnaires and analyzed using multiple linear regression method. The results showed that partially Non-Financial Compensation has an effect on Employee Turnover Intention. Conversely, workload has no effect on employee turnover intention. Simultaneously, Non-Financial Compensation and Workload affect Employee Turnover Intention. This empirical finding is useful for PT Majestic Eternal Estate. Company leaders should pay attention to Non-Financial Compensation and Workload in company management because these two factors affect Employee Turnover Intention.

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## 1. INTRODUCTION

Human resource management HRM is related to the concept of management itself, as it is known that the definition of management is a science or art that regulates the process of utilising human and other resources effectively and efficiently to achieve a company goal. In improving the competence of human resources HR which is also considered a company asset, because HRM acts as a driving force in carrying out operations and production in a company and is important in maintaining the company's survival continuity in its development, besides that HRM is used to conduct performance appraisals of employees is the main benchmark in HR development, good human resource management will improve employee performance and company productivity (Faroman Syarief, 2022).

Providing compensation needs to pay attention to important regulations and is a concern for many companies to maintain and attract quality human resources. Meanwhile, less attractive compensation leads to an increase in turnover intention which results in some human resources leaving the company so as to create a high level of labour turnover. Non-financial compensation is compensation that is not in the form of money, but something that is not directly felt by employees. This compensation serves to maintain employees, maintain employee motivation and performance with a good work environment.

However, non-financial compensation generally refers to a safe working environment, promotion, and adequate facilities (Nugraha & Tjahjawati, 2018). Non-financial compensation from

the career aspect can include a sense of security when occupying a position, promotion, appreciation from the leadership, new findings, and achievements, while from the environmental aspect, it can include praise, friendship, comfort, and a conducive environment (Margo Priyatono, 2019).

The provision of excessive workload is also one of the causes of turnover intention, excessive workload will make employees think about leaving the organization. The workload is the demands of the tasks given to employees that must be completed within a certain period of time in a company. According to Monika (2018), workload is a process carried out by a person in completing the tasks of a job or a group of positions carried out under normal circumstances within a certain period of time. Along with the development of a company, various problems will arise related to human resources. One of the problems concerning the company's human resources is employee turnover intention. Robbins and Judge (2018) suggest that turnover intention is a tendency where an employee has the possibility to leave the company either voluntarily or involuntarily due to the lack of interest in the current job or the availability of other job alternatives. (Rahayuningsih, 2018) explains that high and low turnover intention will have several impacts on employees and companies, including workload, employee withdrawal costs, training costs, loss of production during position vacancies, waste due to new employees, and employee stress. The causes of turnover intention are interrelated with each other, namely age, tenure, workload, environmental factors, job satisfaction, and non-financial compensation.

In a study entitled "The Effect of Workload, Job Dissatisfaction and Compensation on Turnover Intention (Study on Marketing employees of Mataram Sakti Kebumen)" by Azizah et al. (2019) it was concluded that financial compensation and non-financial compensation have a positive and significant effect on job satisfaction. Financial compensation has a significant negative effect, non-financial compensation has a negative insignificant effect and job satisfaction has a significant negative effect on turnover intention. Job satisfaction as an intervening variable weakens the effect of financial compensation on turnover intention and strengthens the effect of non-financial compensation on turnover intention.

PT Megah ABadi Estate is an oil palm plantation company in Lubuk Linggau, Sanga Desa District, Musi Banyuasin Regency. It aims to be a world-class plantation company and has a mission to realize the potential of palm oil plantations, as well as having the motivation to believe that palm oil is the answer to the surge in the need for vegetable oil in the future, a driver of national development, and a carrier of real benefits for society and the environment.

For this reason, the provision of non-financial compensation such as responsibility authority, as well as appreciation for employee performance and workload such as targets that must be achieved, as well as the working conditions that employees receive. Based on this background, the authors are interested in conducting research on human resources with the title "The Effect of Non-Financial Compensation and Workload on Employee Turnover Intention of PT Megah ABadi Estate".

## 2. RESEARCH METHOD

This study aims to determine the effect of non-financial compensation (X1) and workload (X2) on employee turnover intention (Y) at PT Megah ABadi Estate. The object of research studied was employees at PT Megah ABadi Estate. The type of data used in this research is quantitative data which aims to collect some data and the data will be used to test the hypothesis. The data will be used to test the hypothesis. The data source used in this research is primary data in this researcher is the answers of respondents obtained through direct questionnaire distribution. This research was conducted using Nonprobability Sampling with saturated sampling technique. The data analysis technique in this study used the IBM SPSS Statistics 26 application. Analysis in this study descriptive statistical analysis of respondent data, validity test reliability test, normality test, multiple linear regression analysis, partial t test and simultaneous f test, correlation coefficient (R), coefficient of determination test ( $R^2$ ).

### 3. RESULTS AND DISCUSSIONS

#### 3.1 Non-Financial Compensation (X1) and Workload (X2) Against Employee Turnover Intention (Y)

Based on the test results in this study, it can be seen that the f-count value is  $10,823 > f\text{-table } 3.24$  and the sig value is  $0.000 < 0.05$ . This shows that the independent variables consisting of the independent variables of non-financial compensation and workload simultaneously (together) have a positive and significant effect on the dependent variable turnover intention.

The results of this study indicate that the effect of non-financial compensation and workload on employee turnover intention simultaneously has a positive and significant effect at PT Megah ABadi Estate. The results of this study are in line with previous research conducted by Sutikno (2020), and Azizah et al (2022) which state that the effect of non-financial compensation and workload simultaneously has a significant effect on employee turnover intention.

Non-financial compensation and workload affect employee turnover intention because these two variables are instruments that encourage an employee's tendency to turnover intention. In accordance with the opinion of Verina Azizah (2022), it is explained that non-financial compensation and workload simultaneously affect employee turnover intention because both will likely determine a sense of comfort and security and thoughts of staying for an employee.

#### 3.2 Non-Financial Compensation (X1) on Employee Turnover Intention (Y)

Based on the test results in this study, it can be seen that the value of non-financial compensation (X1) t-count is  $3.701 > t\text{-table } 2.024$  ( $3.701 > 2.024$ ) and sig  $0.001 < 0.05$  ( $0.001 < 0.05$ ) So that H1 is accepted and it can be concluded that non-financial compensation (X1) affects turnover intention (Y) by 37.01%.

The results of this study indicate that partially there is a negative effect of non-financial compensation on employee turnover intention at PT Megah ABadi Estate. The results of this study are in line with previous research conducted by Arin (2014), Permana (2015), and Asih (2021) which state that non-financial compensation has a negative effect on employee turnover intention.

Non-financial compensation has a negative effect on employee turnover intention because the provision of non-financial compensation can increase employee enthusiasm at work and improve the quality of employee performance compensation such as supportive working conditions or rewards such as appreciation for employee performance can reduce the level of employee turnover intention. In accordance with the opinion according to Purnama (2015), non-financial compensation provides sufficient space for employees to have a sense of comfort in undergoing work. Enough space for an employee will reduce the level of employee turnover intention.

#### 3.3 Workload (X2) on Employee Turnover Intention (Y)

Based on the test results in this study, it can be seen that the value of workload (X2) t-count is  $1.372 < t\text{-table } 2.024$  ( $1.372 < 2.024$ ) and sig  $0.178 > 0.05$  ( $0.178 > 0.05$ ) So that H2 is rejected and it can be concluded that workload (X2) has no effect on turnover intention (Y) by 13.72%.

The results of this study indicate that there is no effect of workload on employee turnover intention at PT Megah ABadi Estate. The results of this study are in line with previous research conducted by Laksmi Sito Dwi Irvianti, Renno Eka Verina (2015), Gayatri (2020), and Latifah (2022) which state that workload has no effect on employee turnover intention.

Workload does not affect employee turnover intention because the tasks, targets, and responsibilities received by employees are not in accordance with the benefits that employees will get. This situation provides a sense of discomfort at work and gives an increase in employee turnover intention. In accordance with the opinion of Verina (2022), it states that workload partially does not affect employee turnover intention because such as targets and job desc or a guideline made by the company for employees to carry out their duties and responsibilities in accordance with the position that has been determined, this situation tends to influence a person's decision to stay or make employee turnover intention.

#### 4. CONCLUSION

Based on the results of data analysis, conclusions were drawn. From the results of research conducted simultaneously on non-financial compensation and workload variables, the results of F-Count of  $10.823 > F\text{-Table } 3.24$  with a significance value smaller than 0.05 ( $0.000 < 0.05$ ), it can be concluded that non-financial compensation and workload simultaneously have a significant effect on employee turnover intention. From the results of research conducted in partial test (t-Test) obtained non-financial compensation variable (X1) T-Count value of  $3.701 > T\text{-Table } 2.024$  and the significance level is smaller than 0.05 ( $0.001 < 0.05$ ), it can be concluded that non-financial compensation partially has a negative and significant effect on employee turnover intention. From the results of research conducted in a partial test (t-Test), the value of the Workload variable (X2) obtained a T-Count value of  $1.372 < T\text{-Table } 2.024$  and a significance level greater than 0.05 ( $0.178 > 0.05$ ), it can be concluded that workload partially has no effect on employee turnover intention.

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