

# CHAPTER I

## PRELIMINARY

### 1.1. Research Background

The business world has undergone several significant changes over the past decade. The global financial crisis has taught me how the world can be interconnected with global trade and trade growth during this period. Although, at the same time, many countries have been able to protect themselves from significant financial turmoil, many companies have failed. Companies that fail to maintain their business to transform to the demands of the current business environment are finally forced to give up in business competition.

The world that is so dynamic and rapidly changing today is described as the world of VUCA, a term initially coined by the US Army War College. VUCA stands for Volatility, Uncertainty, Complexity, and Ambiguity. In today's volatile environment, the business environment changes unexpectedly, suddenly, and in extreme directions, making business obsolete. The world of VUCA represents a turbulent, uncertain, complex, and ambiguous world. A business leader in the VUCA world needs a unique set of capabilities, with the ability to innovate quickly and adopt new technology quickly. Today, most organizations operate in a complex, diverse, dynamic, highly competitive, and volatile environment. Companies are often faced with problems that have not even emerged (Tarique & Schuler, 2010). In this context, companies must deal with challenges to find out how to effectively manage human resources as a company's capital resources to generate and maintain a sustainable competitive advantage (Dries, 2013). Currently, there are at least ten major threats to businesses, as shown in Figure 1.

The company's business development was made more erratic when the Covid pandemic hit the world. Many companies are forced to reduce the salaries and benefits of their employees. Many others are forced to lay off their employees or even close their businesses. The pandemic, which has passed for more than one year, has genuinely devastated the industry, social and economic order. The

Indonesian Chamber of Commerce noted that by early October 2020, more than 6.4 million workers had been laid off.

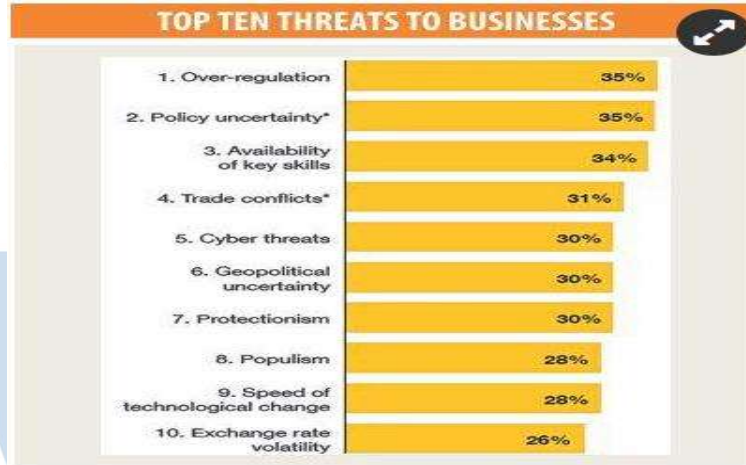


Figure 1. 1 Top Ten Threats to Business Sources; The Daily Star, February 12, 2019



Figure 1. 2 How Much Do You Know about VUCA Situation (Bennet & Lemoine, 2014)

Meanwhile, according to Ministry of Finance data, the COVID-19 pandemic has caused an increase in unemployed employees by 2.67 million people. So, as of November 2020, the total number of unemployed people has reached 9.07 million

(Detiknews.com, December 2, 2020). How to restore order, business, economy, and society is a challenge for all business actors.

Meanwhile, the Chairman of the Indonesian Chamber of Commerce and Industry, Rosan Roeslani, stated that the latest survey by Saiful Mujani Research and Consulting (SMRC) said that around 29 million Indonesians experienced layoffs Covid-19 period, which was no different from the data he received from various sources. For example, in the formal sector, data obtained by Rosan from several associations under Kadin showed that 6.4 million workers were affected by Covid. The most dismissed from the legal industry are workers in the textile sector. The figure reaches 2.1 million people: land transportation 1.4 million people, restaurants nearly 1 million people, footwear 15 thousand, and others. In the informal sector/micro, small and medium enterprises (UMKM), according to Rosan, MSME entrepreneurs who requested to be restructured in banking based on data from the Financial Services Authority (OJK) have already reached 550 trillion Rupiah from a total of almost 1100 trillion Rupiah. That means 50 percent has been affected. The Asian Development Bank (ADB) survey report also stated that MSMEs that stopped immediately affected by Covid totaled 48.4 percent of the 60 million. This report means approximately 30 million MSMEs ([www.liputan6.com](http://www.liputan6.com), August 7, 2020)

After the pandemic, the business world has to experience a cycle of looking for talented employees forced to lay off when the company survives. Rediscovering reliable human resources is the dream of all companies. In the hands of these skilled employees, the company's survival is at stake. Meanwhile, company competition in getting reliable workers is getting tougher. Although the number of workers available in the labor market is quite large, not all are dedicated workers (Holbeche, 2009). We can see the picture of the workforce in Indonesia in Table 1.1. and Table 1.2.

Table 1. 1 Number of Workers in Indonesia

TAHUN	Employment in Indonesia		
	Has Not been Absorbed in the World of Work	Has Been Absorbed in the World of Work	Total
2016	7,031,780	118,411,970	125,443,750
2017	7,040,320	121,022,420	128,062,740
2018	7,073,390	126,282,190	133,355,580
2019	7,104,420	128,755,270	135,859,690
2020	9,767,750	128,454,180	138,221,930

Source: BPS (2020)

Table 1.1 shows the total Indonesian workforce, according to BPS in 2020 is 138,221,930 million. For 92.93% or 128,454,180 workers have been absorbed into the world of work. And 7.07% or 9,767,750 workforces have not been absorbed into the world of work. Although the percentage of labor that has been absorbed into the world of work in a company is quite large, for 92, 93%, it does not mean that they will remain in the same company. A reliable workforce with experience and competence will usually quickly move to other companies compared to fresh graduates.

Table 1. 2 Percentage of Workers in Indonesia

Year	Percentage of Labor in Indonesia		
	Percentage (%) Not Absorbed in the World of Work	Percentage (%) Already Absorbed in the World of Work	Percentage (%) Total
2016	5.61%	94.39%	100%
2017	5.50 %	94.50%	100%
2018	5.30%	94.70%	100%
2019	5.23%	94.77%	100%
2020	7.07%	92.93%	100%

Source: BPS (2020)

Indonesia's current workforce absorption is more in agriculture, forestry, and fisheries. 29.76% or 38,224,371 working in agriculture, forestry, and fishing. The Indonesian state, an agricultural country, causes many Indonesian workers to be absorbed in this field. After that, the distribution of the Indonesian workforce was interested in the wholesale and retail trade sector, repair, and maintenance of cars and motorbikes. There are 19.23% or 24,702,695 immersed in this field,

followed by third place in the manufacturing industry—933,665 or 0.73% of the workforce absorbed in this field's information and communication sector. The information and communication business is a business that is very close to government regulations. Care is needed so as not to violate rules set by the government.

Table 1. 3 Distribution of Indonesian Workers Based on Main Employment Sectors

No.	Main Employment Field (data per August) 2020	Number	
		Total	%
A	Agriculture, Forestry, and Fisheries	38,224,371	29.76%
B	Mining and Quarrying	1,352,236	1.05%
C	Processing Industry	17,482,849	13.61%
D	Procurement of Electricity, Gas, Steam / Hot Water, and Cold Air	303,551	0.24%
E	Water Supply, Waste and Recycling Management, Waste and Garbage Disposal and Cleaning	490,984	0.38%
F	Construction	8,066,497	6.28%
G	Wholesale and Retail Trade; Repair and Maintenance of Cars and Motorcycles	24,702,695	19.23%
H	Transportation and Warehousing	5,591,941	4.35%
I	Provision of Accommodation and Provision of Food and Drink	8,543,794	6.65%
J	Information and Communication	933,273	0.73%
K	Services Finance and Insurance	1,557,927	1.21%
L	Real Estate	393,665	0.31%
MN	Corporate Services	1,796,755	1.40%

Source: BPS (2020)

When mapped from the province's distribution, the most significant number of workers is in Riau Islands Province. There are 64.59% of the workforce in the Riau archipelago. Although presently, the number of workers in the Riau Islands is the largest, the competition for workers is more pronounced in DKI Jakarta. The attractiveness of Jakarta as the capital city, metropolitan city, center of government, and center of economic turnover has made many workers try to compete in Jakarta. Various characters of the workforce with shared competencies and skills are in Jakarta.



Table 1. 4 Percentage of Labor Formal by Province

Province	2020
ACEH	38.12
NORTH SUMATRA	40.38
WEST SUMATRA	33.72
RIAU	44.03
JAMBI	37.26
SOUTH SUMATRA	34.74
BENGKULU	30.77
LAMPUNG	27.74
KEP. BANGKA BELITUNG	47.07
KEP. RIAU	64.59
DKI JAKARTA	61.78
WEST JAWA	44.41
CENTRAL JAVA	37.25
IN YOGYAKARTA	42.59
EAST JAVA	36.36
BANTEN	50.83
BALI	43.31
NUSA TENGGARA BARAT	26.53
EAST NUSA TENGGARA	23.90
KALIMANTAN WEST	36.99
CENTRAL KALIMANTAN	44.20
SOUTH KALIMANTAN	39.18
EAST KALIMANTAN	52.86
EAST KALIMANTAN	49.07
NORTH SULAWESI	39.54
SULAWESI	32.63
SULAWESISOUTH	35.78
EAST SULAWESI	35.41
GORONTALO	37.88
WEST SULAWESI	27.37
MALUKU	33.44
NORTH MALUKU	33.87
WEST PAPUA	42.02
PAPUA	20.08
INDONESIA	39.53

Source: BPS (2020)

Since the opening of AFTA in 2015, the picture of labor competition has become increasingly severe. Local Indonesian workers who try to work in Jakarta and many foreign workers from ASEAN enter Indonesia. On average, foreign workers who enter Indonesia are skilled. Meanwhile, Indonesian workers who work abroad are not experts. Professions such as household assistants, drivers, factory workers, nannies, and carers for the elderly are examples of workers absorbed abroad (BPS data source for 2020).

Even though many workers are available, finding a qualified workforce is not easy. Moreover, finding a reliable force. A skilled workforce in the concept of talent management is called talent. Holbeche (2009) defines talents as people who can make a difference in company performance. These talents can contribute in the long term and always show a high level of competence. The scramble to get talents is what McKinsey (Dobbs et al., 2012) calls the "war of talent."

Companies apply various strategies to be able to admit talent to the company. The most common approach used by companies to get talent is through strict selection. Multiple stages of selection were carried out, starting from the interview test, midwifery test, psychological test, medical test, and final interview. This selection is carried out to find the most suitable talent for the company. In the final stage, the talent and the company will negotiate the salary. Talents with particular, rare, and experienced skills usually have a high value. The rarer the skills are possessed by the talent and the more suitable the values and character of the talent owned by the company, the company will reward the importance of these talents even higher (Gümüő et al., 2013). Usually, a company with a "buy above the market" strategy will become the idol of a reliable workforce. Compensation is always the initial engagement between the company and its talents.

In the concept of talent management, after successfully attracting talents, the company should, as far as possible, retain talent by providing lots of attractive benefits for talents. The goal is, of course, none other than to be able to keep these talents in the company. Satisfaction with the compensation and benefits system is the initial stage. Talent chooses to stay at the company. After that, many factors can

influence why a talent stays or decides to leave the company. The desire to leave the company is also known as a turnover intention. The proportion of organization members who are voluntary and non-voluntary leave the organization within a certain period is known as turnover. Generally, turnover is stated in one year. The average turnover is not more than 10% per year (Ridlo, 2012). Mobley (2011) says that turnover intention is a predictor of turnover actual. Turnover intention is the tendency or intention of employees to quit their job voluntarily or move from one workplace to another according to their own choice.

The company seeks to control employee turnover that occurs, especially among talented employees. One of the reasons the company strives to retain talent to stay in the company is that organizations invest a lot in their employees in induction and training, developing, maintaining, and retaining them in their organization. Therefore, the company must, by all means, minimize employee turnover. Although there is no standard framework for understanding the employee turnover process, various factors have been useful in interpreting employee turnover. Kevin et al. (2004) in (Ongori, 2007)

Smith and Watkins (1978) identified three main cost categories when employee turnover occurs: separation, replacement, and training. Cascio added categories to include performance differences between employees who left and their successors. Pinkovitz et al. (1997) added another type, the price of vacancies, to account for the additional costs/savings realized when a vacant position. Separation costs include exit interviews, administrative functions related to employment termination, severance pay/severance pay, and any increases in unemployment compensation. Job costs include net costs/savings incurred due to increased overtime or temporary employees required to complete assignments from that vacant position. Reimbursement costs include attracting applicants, entrance interviews, testing, travel/moving costs, pre-employment administrative costs, medical examination, and information acquisition and dissemination.

The high investment costs to replace employees who leave the company make the company try to raise the organizational commitment of its employees.



Employees who have organizational commitment feel that they have a strong attachment to the company, so they do not desire to leave. Especially when employees feel that they have received support from the company, this implies that satisfaction with the benefits system cannot be a factor that directly determines an employee's intention to remain in the organization. But the effect of satisfaction may be based on how it affects the quality of their social exchange relationship with the organization. Social exchange theory states that employees satisfied with the compensation and benefits will perceive that the company cares about them in the reciprocity norm. In return, the employees will feel obligated to the company. Therefore, employees will be emotionally attached to the organization, and consequently, they are less likely to intend to leave. On this basis, Ruiz et al. (2019) proposed that benefit satisfaction effect intention turnover mediated by perceptions of organizational support and affective organizational commitment.

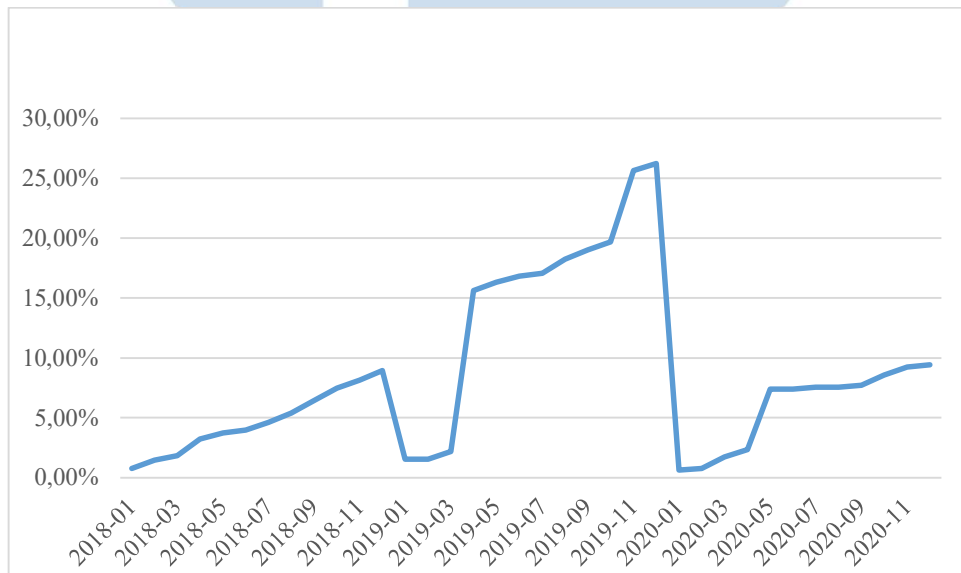


Figure 1. 3 Kompas Turnover Over Rate 2018-2020  
Source: Kompas Human Resource Division (2021)

In addition to facing VUCA and the Pandemic, challenges the company faces face four generations that characterize the company's workforce. The employee's age structure changes significantly—current trends in work change when talented, efficient, and flexible employees represent young employees exclusively.

Companies need to attract and retain young talent, but on the other hand, they still have to maintain a balance of aging employees to remain productive. An aging employee population has considerable consequences for businesses and represents a significant shift between the "old and young" phenomenon. Companies in managing their human resources are currently facing this challenge. Based on age demographics, there are four-generation characteristics: traditionalists, baby boomers, gen-x, and Millennials. Each of these generations has unique factors that affect staff grouping strategies, methods, procedures, and their effectiveness (Joniaková & Blštáková, 2015).

According to Eisner and Harvey (2009), there are three generations in the workforce: Baby Boomers, Gen X, Gen Y. Baby Boomers, born in 1944-1965. Gen X is the generation born from 1965-to 1980. Gen Z is the generation born from 1980-to 1995. Meanwhile, according to Bassiouni & Hackley (2014) and Fister-Gale (2015), one more generation has started to enter the world of work today, called Gen Z. Gen Z was born after 1995. Data from the Central Bureau of Statistics for 2020 based on age shows that four generations color the company. Baby Boomer Generation, Generation X, Generation Y, and Generation Z. The existence of generational differences also makes companies also have to prepare the right retention strategy according to the character of their generation.

Table 1. 5 Total Workforce Age Fifteen Years Older by Age and Work Generation

YEARS OF AGE	GEN	NUMBER	TOTAL%
55-90	BABY BOOMER	24,390,938	18.99%
40-54	Gen X	41,598,036	32.38%
25-39	Gen Y	45 439 .552	35.37%
15-24	GEN Z	17.025.658	13.25%
TOTAL		128.454.184	100.00%

BPS Data Source (2020)

In 2019, Kompas conducted an Employee Engagement Survey. Using the stratified sampling method, the sample of employees who were asked to fill out the survey was 237 people. Data were collected from December 16, 2019, to January

10, 2020. Employees asked twenty-one survey items in 17 quantitative questions and three qualitative questions. The results of the 2019 Kompas employee engagement survey are illustrated in Table 1.7

Table 1. 6 Results of Kompas Employee Engagement Survey 2019

No	Items	Agree	Disagree
1	The company motivates me to work beyond the demands of the job given.	31%	69%
2	The leadership of the company ensures that I receive the latest information regarding the state of the company	45%	55%
3	My boss is a good role model for me	67%	33%
4	The leadership of the company communicates a vision that can motivate me	44%	56%
5	The company can meet my needs to work and develop	69%	31%
6	I have the opportunity to grow (training / mentoring / knowledge sharing).	76%	24%
7	The systems and processes (workflow) of the company support me to complete tasks effectively	58%	42%
8	I know what it takes to be successful in my role	74%	26%
9	I get recognition for a job I have done well	70%	30%
10	The decisions taken by the company show that the quality and development of employees are the top priority	54%	46%
11	The leadership shows genuine concern for my career aspirations.	52%	48%
12	I believe there is a chance to develop a career in this company.	66%	34%
13	This company contributed to my development.	83%	17%
14	I am proud to work for this company.	92%	8%
15	I recommend Kompas as an excellent place to work.	76%	24%
16	I sometimes think of looking for a job at another company	47%	53%
17	In the next two years, I see myself still working at Kompas.	69%	31%

Source: Kompas Human Resource Division (2020)

Of the seventeen survey items, three are perceived as weaknesses in Kompas. First, 69% of employees perceived that Kompas is still not motivating employees to work beyond their job demands. Second, 56% of employees feel the leader cannot convey a vision that motivates employees. Third, 55% of employees perceived that they do not have information about the latest news on the company's

state. On the other hand, Kompas has a strong point. 92% of employees feel proud of working at Kompas, 83% of employees perceived Kompas as an excellent contribution to developing employee competencies, and 76% of employees are willing to recommend Kompas as a good company. Another result from the Kompas employee survey in 2019 from open questions when an employee should answer the question “What makes you motivated at work? Most employees believed the answer was an opportunity for development, learning, and training. The second area is related to the remuneration system and benefit system, or employee welfare factors, and the third is the clarity of the company's vision and mission. The results show that the remuneration system or compensation and benefits system is sufficient to motivate employees to work. But something was worrying when 47% of employees who took part in this survey stated that they have thought of looking for work elsewhere. And 31% of employees said they saw themselves no longer working at Kompas in the next two years. Management was shocked by this fact. If it happens, Kompas has a serious problem of losing talent. The second largest reason employees want to leave the company in the next two years is compensation and benefit factors.



Figure 1. 4 Respons of Employee Engagement Survey Number 16  
 Source: Kompas Human Resource Division (2020)

**PERNYATAAN 17**

*Dalam 2 tahun ke depan, saya melihat diri saya masih bekerja di Kompas.*

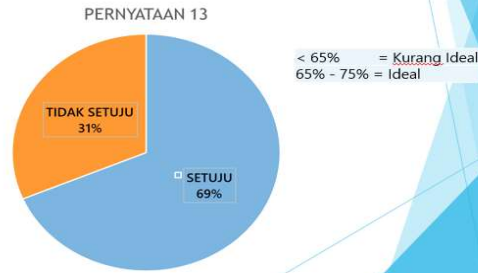


Figure 1. 5 Respon of Employee Engagement Survey Number 17  
Source: Kompas Human Resource Division (2020)

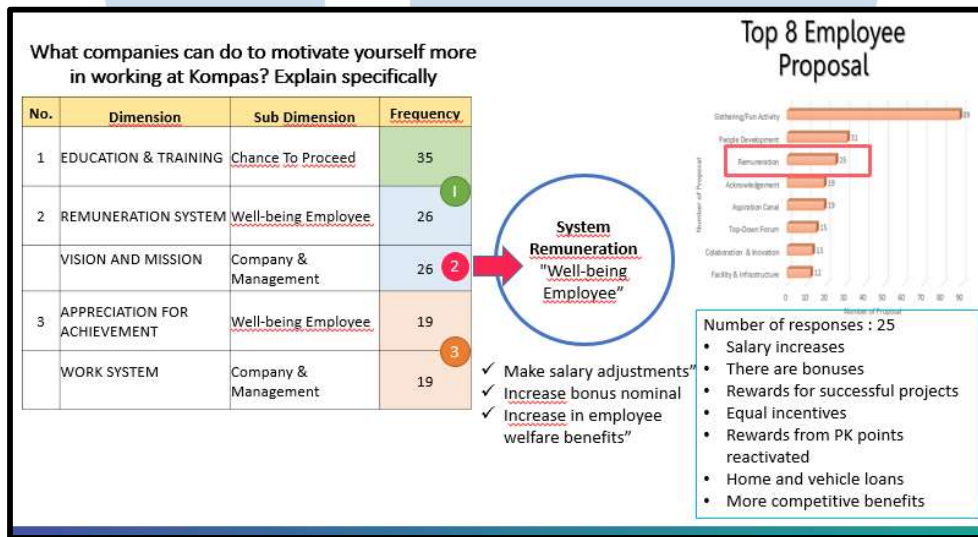


Figure 1. 6 Respon of Employee Engagement Survey: Open Question about Compensation and Benefit  
Source: Kompas Human Resource Division (2020)

This finding leads the Human Resources Department of Kompas to review the compensation and benefit system. Kompas's history of compensation and benefits is illustrated in Table 1.7. In early 1990, Kompas had at least 34 items of compensation and benefits received by the employees. But for the next 30 years, there was only 15 items of compensation and benefits. Some items have been disappeared, and some others are "freeze." At least employees no longer feel 19 items of compensation and benefit from the company. The drastic loss of several



compensation and benefits was due to the impact of the Covid-19 pandemic. The company was freezing all the working equipment and motorbike loan facilities in 2020. Two years before, the employee lost facilities for a home loan, which triggered talent to leave. The average years of service of the resigned talent are getting shorter. In 2015-2017 the average years of service resigned talent was 8.1 years, while in 2018-2020, the years of service of resigned talent decreased to 6.6 years. The comparison of the shorter years of service resigned talent can show in Table 1.8 and Table 1.9

Table 1. 7 History of Compensation and Benefit Item in Kompas

C/B	FV/NC	Deskripsi	Jenis	<1990	2007	2014	2016	2018	2020	2021
Com	Fix	Base Pay (Gaji)	All	V	V	V	V	V	V	V
Com	Fix	CoLa	All	V	V	V	V	Yt	Yt	Cola
Com	Fix	Penyesuaian Gaji Penetapan Promosi	All	V	V	V	V	V	Penyesuaian-Gaji- Penetapan-Promosi	Penyesuaian-Gaji- Penetapan-Promosi
Com	Var	Insentif Sales	Iklan					V	V	V
Ben	Fix	Tunjangan Kesehatan (Karyawan, Isteri, Anak tng)	All	V	V	V	V	V	V	V
Ben	Fix	Tunjangan Keluarga (isteri & anak)	All	V	V	Tunjangan-Keluarga	Tunjangan-Keluarga	Tunjangan-Keluarga	Tunjangan-Keluarga	Tunjangan-Keluarga
Ben	Fix	Tunjangan Perkawinan	All	V	V	Tunjangan-Perkawinan	Tunjangan-Perkawinan	Tunjangan-Perkawinan	Tunjangan-Perkawinan	Tunjangan-Perkawinan
Ben	Fix	Tunjangan Transpor	All	V	V	V	V	V	V	V
Ben	Fix	Tunjangan Uang Makan	All	V	V	V	V	V	V	V
Ben	Fix	Tunjangan Cuti Besar	All	V	V	V	V	V	V	Yt
Ben	Var	Bonus PK	All	V	V	V	V	V	Yt	Yt
Ben	Var	Bonus I & II (72->60-50)	All	V	V	V	V	V	Bonus-I-&-II	Bonus-I-&-II
Ben	Var	Dividen	All	V	V	V	V	V	Dividen	Dividen
Ben	Var	Gratifikasi	All	V	Gratifikasi	Gratifikasi	Gratifikasi	Gratifikasi	Gratifikasi	Gratifikasi
Ben	Var	Poin PK	All	V	V	V	Poin-PK	Poin-PK	Poin-PK	Poin-PK
Ben	Fix	THR	All	V	V	V	V	V	V	V
Ben	Fix	Jaminan Pensiun	All	V	V	V	V	V	V	V
Ben	Fix	Tunjangan Pajak	All	V	V	V	V	V	V	V
Ben	Fix	Tunjangan Pulsa	Struktural	V	V	V	V	V	Tunjangan-Pulsa	Tunjangan-Pulsa
Ben	Fix	Tunjangan Jabatan	Struktural	V	V	V	V	V	Tunjangan-Jabatan	Tunjangan-Jabatan
Ben	NC	Pinjaman Alat Kerja Laptop/Komputer	War & Struktural	V	V	V	V	V	Pinjaman-alat-kerja-Lap- Topi/Komputer	Pinjaman-alat-kerja-Lap- Topi/Komputer
Ben	NC	Pinjaman Alat Kerja Kamera	War	V	V	V	V	V	Pinjaman-alat-kerja- kamera	Pinjaman-alat-kerja- kamera
Ben	NC	Pinjaman HP	All	V	V	V	V	Pinjaman-HP	Pinjaman-HP	Pinjaman-HP
Ben	NC	Pinjaman Motor	All	V	V	V	V	V	Pinjaman-motor	Pinjaman-motor
Ben	NC	Pinjaman Rumah	All	V	V	V	V	Pinjaman-rumah	Pinjaman-rumah	Pinjaman-rumah
Ben	NC	Pinjaman Kontrak Rumah	All	V	V	V	V	Pinjaman-kontrak-rumah	Pinjaman-kontrak-rumah	Pinjaman-kontrak-rumah
Ben	NC	Pinjaman Renovasi Rumah	All	V	V	V	V	Pinjaman-renovasi-rumah	Pinjaman-renovasi-rumah	Pinjaman-renovasi-rumah
Ben	NC	Mobil Dinas Jabatan	Struktural	V	V	V	Mobil-Dinas-Jabatan	Mobil-Dinas-Jabatan	Mobil-Dinas-Jabatan	Mobil-Dinas-Jabatan
Ben	Var	Satyakalpa	All	V	V	V	V	V	Yt	Yt
Ben	NC	Bantuan Pilmik	All	V	V	V	V	V	V	V
Ben	Var	Bantuan Pendidikan	All	V	V	V	V	Bantuan-Pendidikan	Bantuan-Pendidikan	Bantuan-Pendidikan
Ben	NC	Produk2 KG	All	V	Produk2-KG	Produk2-KG	Produk2-KG	Produk2-KG	Produk2-KG	Produk2-KG
Ben	Fix	BPJS Ketenagakerjaan	All	V	V	V	V	V	V	V
Ben	Fix	BPJS Kesehatan	All			V	V	V	V	V
Ben	Fix	BPJS Pensiun	All			V	V	V	V	V
Ben	Var	Kebijakan Pesangon Pensiun	All	V	Kebijakan-Pesangon- Pensiun	Kebijakan-Pesangon- Pensiun	Kebijakan-Pesangon- Pensiun	Kebijakan-Pesangon- Pensiun	Kebijakan-Pesangon- Pensiun	Kebijakan-Pesangon- Pensiun
Ben	NC	MCU	All	V	V	V	V	V	MCU	MCU
Jumlah item paket comben				34	31	30	29	25	16	15
					-3	-4	-5	-9	-18	-19

Source: Kompas Human Resources Division (2021)



Table 1. 8 Average Years of Service Resigned Talent 2015-2017

TAHUN RESIGN	RERATA MK	RERATA USIA
Rata2 MK 2015	4,1	34,11
Rata2 MK 2016	7,4	35,88
Rata2 MK 2017	10,1	37,96
<b>Rata2 MK All</b>	<b>8,1</b>	<b>36,56</b>

Source: Kompas Human Resources Division (2021)

Table 1. 9 Average Years of Service Resigned Talent 2018-2020

TAHUN RESIGN	RERATA MK	RERATA USIA
Rata2 MK 2018	6,5	33,09
Rata2 MK 2019	6,7	32,88
Rata2 MK 2020	6,5	32,00
<b>Rata2 MK All</b>	<b>6,6</b>	<b>32,76</b>

Source: Kompas Human Resources Division (2021)

Based on this background, research is needed to determine whether the employee turnover intention is higher? Especially when many items of compensation and benefits of the company have been freeze or removed? Did they satisfied with the compensation and benefit system now? What do they feel about organizational support? Do they still have an organizational commitment?

## 1.2. Problem Formulation

From the background, we can conclude that Kompas has had a problem with employee turnover since 2018. And Kompas was worrying about losing talent for the next two years because employee turnover intention increased. This research aims to determine what factors caused the high turnover intention of Kompas employees. The researcher will expand the research scope for Kompas Gramedia corporation because several HR officers felt the same things. And because this problem causes another serious problem in attracting new talent for replacement. The reduction of compensation and benefit items is the initial suspicion of this problem.

Therefore, several research questions will explore further in this study:

1. Does compensation satisfaction have a negative effect on turnover intention?

2. Does benefit satisfaction have a negative effect on turnover intention?
3. Does compensation satisfaction have a positive effect on perceived organizational support?
4. Does benefit satisfaction have a positive effect on perceived organizational support?
5. Does compensation satisfaction have a positive effect on affective organizational commitment?
6. Does benefit satisfaction have a positive effect on affective organizational commitment?
7. Does perceived organizational support have a positive effect on affective organizational commitment?
8. Does affective organizational commitment have an effect negative on turnover intention?
9. Does compensation satisfaction have a positive effect on affective organizational commitment through perceived organizational support?
10. Does benefit satisfaction have a positive effect on affective organizational commitment through perceived organizational support?
11. Does compensation satisfaction have a negative effect on turnover intention through perceived organizational support and affective organizational commitment?
12. Does compensation satisfaction have a negative effect on turnover intention through perceived organizational support and affective organizational commitment?

### **1.3. Research Objectives**

This study aims:

1. To determine the effect of compensation satisfaction on turnover intention.
2. To determine the effect of benefit satisfaction on turnover intention.
3. To determine the satisfaction of compensation on perceived organizational support.

4. To determine the effect of benefit satisfaction on perceived organizational support.
5. To determine the effect of compensation satisfaction on affective organizational commitment.
6. To determine the effect of benefit satisfaction on affective organizational commitment.
7. To determine the effect of perceived organizational support on the desire for affective organizational commitment.
8. To determine the effect of affective organizational commitment on turnover intention.
9. To determine the effect of compensation satisfaction on affective organizational commitment through perceived organizational support.
10. To determine the effect of benefit satisfaction on affective organizational commitment through perceived organizational support
11. To determine the effect of compensation satisfaction on turnover intention through perceived organizational support and affective organizational commitment.
12. To determine the effect of benefit satisfaction on turnover intention through perceived organizational support and affective organizational commitment.

#### **1.4. Research Benefits**

##### Theoretical Benefits:

1. Contribute thoughts and provide scientific contributions in human resource management to find out the factors that cause turnover and control employee turnover intention
2. As a foothold and reference for further research relating to compensation and benefits systems, human resources plans, and human resource management
3. This study enhances previous research by conducting further analysis using a second-order approach.

4. Continue to retest the validity and reliability of measuring instruments from the Comprehensive Compensation Satisfaction Questionnaire (CCSQ), Perceived Organizational Support Questionnaire (POSQ), Affective Organizational Commitment Questionnaire (AOCQ), and Turnover Questionnaire (TOQ).

**Practical Benefits**

1. To provide recommendations to management in formulating the most effective compensation and benefits to keep talent in the company.
2. Companies can use the results of this study to make managerial decisions.

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