Effect of Compensation and Organization Commitment on Turnover Intention with Work Satisfaction as Intervening Variable in Indonesian Industries

Nico Alexander Vizano1, Wiwik Utami2, Sigmin Johanes3, Aty Herawati4, Havis Alma5, Achmad H Sutawijaya6, Agus Purwanto7, Joko Supono8, Puji Rahayu9, Aris Setiyani10, C Catur Widayati11

1,2,3,4,5,6,8,10,11 Universitas Mercu Buana, Indonesia
7 Pelita Harapan University, Indonesia
8 Universitas Muhammadiyah Tangerang, Indonesia

Corresponding Author: aguspurwanto.prof@gmail.com

ABSTRACT
The purpose of this study is to analyze the effect of compensation on work satisfaction, the effect of organization commitment on work satisfaction, the effect of compensation on turn over intention, the effect of organization commitment on turn over intention, the effect of compensation through work satisfaction on turn over intention, The influence of organization commitment through work satisfaction on turn over intention. The method used in this research is quantitative method. Collecting data by distributing questionnaires to 221 managers of the pharmaceutical industries in Indonesia. The method for processing and analyzing data is by using PLS and using SmartPLS version 3.0 software. The questionnaire was distributed using simple random sampling technique. The results of this study indicate that compensation has a positive and significant effect on work satisfaction, organization commitment has a positive and significant effect on work satisfaction, compensation has a negative and significant effect on turn over intention, organization commitment has a negative and significant effect on turn over intention, work satisfaction has a negative effect, and significantly on turn over intention, compensation has a negative and significant effect on work satisfaction with turn over intention, organization commitment has a negative and significant effect on work satisfaction with turn over intention.

KEYWORDS: Compensation, work satisfaction, organization commitment, turn over intention, Pharmacy Industry

Correspondence: Agus Purwanto
Pelita Harapan University, Indonesia
Corresponding Author: aguspurwanto.prof@gmail.com

INTRODUCTION
The Pharmaceutical Industry in the increasingly in the global competition during the Industrial Revolution 4.0 period must be able to increase competitiveness in the business field in which it operates. To improve business competitiveness, the pharmaceutical industry must have an important aspect, namely competent and quality human resources. Thus, the Pharmaceutical Industry needs to systematically manage and regulate human resources so that the effectiveness and efficiency of the Pharmaceutical Industry will increase (Diputra and Mujianti, 2016). Currently there are 199 totals of pharmaceutical industries operating in Indonesia. Of these, 35 pharmaceutical industries are foreign investment with an estimated market share of 29.5%. The other four pharmaceutical industries are state-owned companies with a market share of 7.0% and the rest are domestic investment with a market share of 63.5%. Meanwhile, the number of products circulating in Indonesia is approximately 7,500 products, of which 69% are ethical products with a market share of 62%. The remaining 31% are OTC products with a market share of 38%. According to Priyambodo (2007), compared to various other industries, the pharmaceutical industry has specific characteristics. The characteristics of the pharmaceutical industry that need to be considered include: 1. The pharmaceutical industry is an industry that is strictly regulated (such as registration, Good Manufacturing Practices, distribution and trading of products produced, etc.) because it involves the human soul (life). 2. Besides producing drugs for sufferers, the pharmaceutical industry is also an industry that is profit oriented. So, there is not only a social aspect but also an economic (business) aspect. 3. The pharmaceutical industry is one of the high-risk industries because it is not possible in the future if it is proven that unwanted consequences occur due to drug use, the pharmaceutical industry will be sued and pay very large compensation. 4. The pharmaceutical industry is a research-based industry that always requires innovation, because the product or drug life cycle is relatively short (approximately 10-25 years) and after that a new generation of better, safer and more effective drugs will be found. Turnover intention has become a serious problem for many pharmaceutical industries. The negative impact that is felt due to the turnover of nucleus is that many employees leave the pharmaceutical industry, so it takes time and new costs to recruit new employees. Human resources are the main managers in the context of carrying out the activities of the organization’s wheels so that they continue to move dynamically (Asbari, 2019). Human resources are a very important factor for the progress of a pharmaceutical industry. The Pharmaceutical Industry requires human resources with high competitiveness in any situation and condition. For the sake of the advancement of the Pharmaceutical Industry, human resources in the Pharmaceutical Industry must prioritize compliance with regulations, a commendable attitude, and unlimited work loyalty (Nanulaitta, 2018). Employees are an important resource for the Pharmaceutical Industry (Asbari, 2019).
Lestari (2015) states that employees are the main asset of the Pharmaceutical Industry who are planners and active actors of every organizational activity. One of the most important things for the Pharmaceutical Industry is the right and suitable employees and according to the needs of the Pharmaceutical Industry. When the Pharmaceutical Industry has found employees who are suitable and in tune with the needs of the Pharmaceutical Industry, then the Pharmaceutical Industry must pay attention to employees job satisfaction, because this will affect and have an impact on employee turnover. Job satisfaction is a form of intense feeling that is satisfying or vice versa when employees view their jobs Industry 4.0 which continues to develop, competition between the Pharmaceutical Industry to become a leader in it is unavoidable. The Pharmaceutical Industry as a profit-oriented organization will certainly strive to achieve conditions for profit optimization and loss minimization (Arsyad, 2010). Human resources in the organization are very important factors for the effectiveness of activities within the organization. Existing human resources must also be required to contribute in realizing the goals the organization wants to achieve. To be able to achieve this goal, many factors influence it, including internal organizational factors such as organizational commitment and compensation, where the two components have a role in determining the performance produced by employees. A higher performance implies an increase in efficiency, effectiveness, or a higher quality of completing a series of tasks assigned to an employee in an organization. In general, employee performance is influenced by commitment from the employees themselves and compensation (Asbari, 2019). In line with the opinion of Lee et al., (Bernato, 2019) argued that employee compensation satisfaction significantly affects their organizational commitment, implying that better paid members of the organization will show more willingness to identify and engage in their work. The level of commitment both of the Pharmaceutical Industry's commitment to employees, as well as between employees to the Pharmaceutical Industry is very necessary because through these commitments a professional work climate will be created and result in increased performance because employees work wholeheartedly and feel that these employees are an important part of an organization. In addition, an adequate compensation system, especially in relation to employee performance, should be owned by organizations with higher environmental uncertainty. According to Pramono (2014), the key to organizational success depends entirely on employee commitment to the organization. Commitment to the organization is more than just a formal membership which includes an attitude of assertiveness and a willingness to pursue everything for the pharmaceutical industry. According to Purwanto (2019) organizational commitment has three components of affective commitment, sustainability commitment, and normative commitment. With adequate compensation, an employee will produce an increase in performance which is expected to achieve organizational goals. Compensation also provides a tangible measure of individual value for the organization (Murty and Hudiwinarsih, 2012). The provision of compensation is a strategic human resource function that has a significant impact on other human resource functions. Employees also need to get compensation from the sacrifices that have been given in the form of non-financial compensation. Employees as human resources owned by the Pharmaceutical Industry have internal and external drives in relation to the work that is realized. Employee internal drive is a drive that comes from within the employee such as commitment, loyalty, and so on. Meanwhile, external drives are basically stimulated directly by the pharmaceutical industry, for example through compensation schemes. In other words, the management of employees as human resources in relation to producing positive performance for the Pharmaceutical Industry, it is important to pay attention to and manage the internal and external aspects of employees’ encouragement Where the Pharmaceutical Industry is expected to manage employees as a resource that produces output in the form of optimal performance. In employee relations and the Pharmaceutical Industry, where the Pharmaceutical Industry wants optimal performance results from its employees, it is important to see whether the optimal performance has been obtained. Ali, et al. (2018), Chalim and Riana (2018), Azeez and Adeyemi (2016), and Anjani, et al (2018), have shown previous studies that organizational loyalty substantially negates the ability to quit. There is no important relationship between the two variables, namely the corporate commitment to turnover, as against research undertaken in Ihhar (2015). The varying organisational engagement may also be influenced by work satisfaction in addition to the impact on the objective of turnover. The fact that work satisfactions have a considerable positive impact on organisational engagement shows that Ali, et al. (2018), Chalim, Indrayanti, Riana (2018). However, a contrast between job satisfaction and corporate commitment is evident in Köse (2017) which explains the lack of significant connexions. The aim of this analysis is to measure, quantify, and evaluate the effect of compensation on job satisfaction, the effect of organisational commitment on employment satisfaction, the effect of compensation on intention to turnover, the influence of organisational commitment on intention to turnover and the effect of satisfaction on intention for turnover.

**LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

**Compensation**

To increase productivity and motivate employees, companies need to provide compensation to employees, to encourage high achieving employees, to maintain productive and quality employees in order to remain loyal to the organization / company. According to Notadamojo in Eddy Sutrisno (2009: 188) there are several objectives of compensation that need to be considered, namely: 1. Respect for work performance 2. Providing justice 3. Keep employees in business. 4. Achievement of quality workers 5. Cost search 6. Compliance law Compensation for workers is a duty for businesses to be complied with in a timely, equitable and work-resulting way. Compensation is whatever workers get for jobs. An organisation is provided with a different compensation scheme, which is suited to the vision, mission and goals. The reward is a financial benefit, according to Simamora (1997), (fundamental fee, success fee, incentive payment, deferral, security
programme, payment outside hours, facilities) and non-financial (working and business) compensation. The pay of the corporation is one of the significant factors affecting an organisation’s choice of work. A good cooperative partnership to advance business success would create a suitable reward of workers expectations and company capacity. Moreover, compensation based on employers’ desires for their workers will raise employees’ moral standards from time to time and thereby increase employee working. The factor for creating work fulfillment is happiness regarding the amount of pay. Compensation satisfaction also plays a part in influencing the attitude of an employee at work. Simamora (1997) says the compensation has an influence on satisfaction and efficiency inasmuch as feedback, which can make an improvement of employees’ behaviour, can be given compensation in various ways, including wages, allowances and bonuses. Wage is the remuneration of workers as a result of their status as an employee who contributes to the achievement of corporate and organisational goals (Kadarisman, 2012). The company’s wage level is very critical, given that it impacts the organisation’s capacity to recruit and preserve skilled personnel and its competitive position on the commodity market. Three objectives can be accomplished through a healthy payroll strategy, namely: to attract a sufficient supply of jobs, to maintain current workers at a standard of salary and to prevent expensive employee turnover (Kadarisman 2012). The compensation shall be all revenues in the form of currency, products earned by employees, direct or indirect, to pay for services rendered to their companies (Purwanto 2019).

Job Satisfaction
Job satisfaction is when workers rate their jobs and make them happier or unhappy (Rahman, 2017). Youcef et al. (2016) report that job satisfaction is a combination of psychological, physiological, and environmental factors that genuinely lead an employee to claim they are pleased with their jobs. Badriyah (2015) claims that workers are fulfilled with their employers. Hasibuan (2016) therefore describes work satisfaction as the emotional status of employees when input offered by a work is matched with feedback from employees. Employee feedback in this case is how much material or non-material. In order for the contribution, dedication, work morale, and employee discipline to increase, the Pharmaceutical Industry must build job satisfaction with employees as best as possible. Hardianayah, et al. (2018) describe the meaning of job satisfaction, namely as a positive emotion about one’s job which is the result of an evaluation of one’s individuality. This job satisfaction is individual, the level of satisfaction between one individual and another varies. Usually each individual will feel satisfied with his work if the work done is in accordance with the hopes and goals of his work. According to Wilbowo (2007), citing the opinion of Kreitner and Kinicki, there are five factors that can influence job satisfaction, including fulfillment of needs, differences, value achievement, justice, and dispositional or genetic components. There are five indicators of job satisfaction described by Luthans (2006), including: (1) Satisfaction with salaries, (2) Satisfaction with the job itself, (3) Satisfaction with promotion opportunities, (4) Satisfaction with supervision / supervision, (5) Satisfaction with colleagues. Mathis and Jackson (2004) divide the types of compensation into two, namely direct compensation and indirect compensation.

Organizational Commitment
Damri, et al. (2017) defines that organizational commitment is the psychological relationship of an employee to the pharmaceutical industry which includes employee contribution, loyalty and trust from employees to the value of the pharmaceutical industry. Organizational commitment is the level at which an employee feels loyal to a particular organisation (Köse, 2017). Oktaviani (2019) explains that organizational commitment is the degree to which an individual or employee believes and can accept the goals of the organization and still has the desire to remain with the organization. Then with the commitment of the employees, it will create loyalty to the Pharmaceutical Industry and the desire to be able to achieve the goals of the Pharmaceutical Industry well. Yulianti (2015) states that organizational commitment is an attitude approach that focuses on the way in which individuals think about their relationship with the organization, by aligning their vision, mission and goals with the organization. Organizational commitment is a form of psychological actualization that characterizes the bond between a person and the organization and has thoughts of considering whether to continue or not continue his position in the organization (Salam and Sahrah, 2019). The reflection of employee attitudes that present employee loyalty and commitment to the Pharmaceutical Industry and become a sustainable process by showing their concern for the Pharmaceutical Industry and the success of the Pharmaceutical Industry is an explanation of organizational commitment (Connett, 2016). Haris (2017) describes the notion of organizational commitment as the desire to always strive to become employees who are expected and wanted by the Pharmaceutical Industry, have a strong desire to play their membership in the system, have an ambition to continue to work according to organizational wishes, have beliefs and instill a sense of trust in values and goals organization. Meanwhile, Yulianti (2015) states that there are 3 indicators of organizational commitment, namely as follows. (1) Affective commitment, namely employees who have a strong affective commitment will try to remain in the Pharmaceutical Industry and become members of the Pharmaceutical Industry because they still want it (want to). (2) Continuous Commitment, which is a commitment based on cost awareness which has a relationship with the risk they must bear if they leave the Pharmaceutical Industry. Employees who have a strong ongoing commitment will stay in the organization because they need it (need to). (3) Normative Commitment, explaining that if an employee has a high normative commitment, then they will decide to try to stay with the Pharmaceutical Industry because they have to do this (ought to). According to Meyer and Allen that organizational commitment is a person’s feeling of dedication to work in the organization, a willingness to work hard and an intention to keep working in the organization. (Susanty, et al., 2013). According to Miner (2002) this commitment reflects the overall activation of the individual, which is measured by the commitment ratio to carry out all actions at the maximum possible level. Furthermore, Nelson and Campbell (2011) stated that there are certain conditions in organizations that require more than a commitment. This condition is
participation in making decisions and securing jobs. Employee commitment is a belief in organizational values, a willingness to do business for the organization, and loyalty to the organization (Idris, 2015). According to Mowday (Ali, et al., 2011), organizational commitment refers to belief someone in the goals and values of the organization and wants to stay with the organization and become every organization there is. Various studies indicate the important role of organizational commitment between leaders and members. (Eisenberger, et al, 2010). Organizational commitment has become an important issue for contemporary research (Wen Chen, 2013). Mak and Sockel (2001) found the commitment to the company of workers to their work must be taken into account, which in turn helps clarify the strength of the comparisons between recognizing individuals in a specific organization. Corporate dedication is a devotion to their organization and a continual mechanism in which workers express their concern about the company’s life and achievement (Luthans, 2005). Allen and Meyer (Idris, 2015) have divided engagement into three dimensions, that is, affective engagement, ongoing commitment and normative commitment.

**Turnover Intention**

Suifan, et al. (2016) defines turnover intention as the willingness of employees to withdraw from their work to other pharmaceutical industries according to their own choice. Arfian and Anindita (2017) argue that turnover intention is the desire to quit working from the pharmaceutical industry. Turnover intention is a process in which an employee resigns from his current job position and is later taken over by someone else (Santoso, 2019). Perdana (2015) Explained that a person may voluntarily or voluntarily decide (voluntary turnover) to withdraw from an organization (turnover). Voluntary turnover or abandonment is the decision by an employee to leave the company voluntarily at this stage because of a variety of interesting reasons and the availability of alternative jobs. The unintentional turnover or dismissal defines the decision of an employer to end the working partnership and is uncontrollable for employees. Voluntary sales are characteristic preventable volunteer sales and inevitable voluntary sales. Voluntary turnover is discouraged on account of reasons for higher pay, better working conditions, issues with representatives, etc. In 2015, Perdana notes that voluntary turnover can only be avoided unless a partner travels to other cities, changes his or her job, stays at home to care for children and pregnancy.

**HYPOTHESIS DEVELOPMENT**

According to Pawesti and Wikansari (2016), how to accurately measure employees who want to leave the pharmaceutical industry is seen from one’s satisfaction with their work. Job satisfaction has a role to anticipate the behavior of a real desire to leave. In its implementation, job satisfaction greatly affects turnover intention in a pharmaceutical industry. Job dissatisfaction will affect high employee turnover or turnover rates. Mufidah (2016) explains that employees’ desire to leave the Farming Industry is directly affected by job satisfaction. Job satisfaction is an important prerequisite for the creation of a massive organizational environment (Kuswibowo, 2017). Employees who have work motivation and are easy to motivate themselves in their work are more likely to have good job satisfaction. From this explanation, it can be explained that the higher the level of job satisfaction, the greater the organizational commitment of employees (Akbar, et al., 2016). Mufidah (2016) also argues that job satisfaction has a direct effect on initial commitment before entering the pharmaceutical industry. This explains that if organizational commitment to employees increases so that it is said to be directly proportional to where employees’ satisfaction with their work will certainly increase. High organizational commitment is formed from job satisfaction belonging to very good employees where the tendency of an employee to keep his job continuously and stay in the agricultural industry. In line with job satisfaction, organizational commitment also has a negative effect on employees’ desire to leave the pharmaceutical industry. Wonowijoyo and Tanoto (2018) explain Gita Kusuma Dewi & Budiono. The Role of Organizational Commitment Mediation on the Effect of Job Satisfaction on Turnover Intention on Employees of PT Pancaputra Mitratama Mandiri, that the low level of employee absenteeism is the influence of the high level of employee commitment. Thus, it shows that employees’ willingness to resign from the pharmaceutical industry has decreased. Other than that, employees who consistently demonstrate their organizational commitment to the Pharmaceutical Industry will make themselves more inclined to take extra action and more efforts beyond their ordinary qualifications in order to fortify themselves from participating in counterproductive behavior, one of which is the desire to find a new job. (Suifan, et al., 2016). Indrayanti and Riana (2018) found that organizational commitment variables were able to mediate the effect of job satisfaction on turnover intention. Wahyun, et al. (2014) argue that job satisfaction has a positive effect on initial commitment before entering the pharmaceutical industry. This is directly proportional to the high level of job satisfaction of employees, then the organizational commitment level will increase. Employees with high job satisfaction can be stated that they have high organizational commitment and will tend to keep their jobs in the Pharmaceutical Industry and sustainably and not leave the Pharmacy Industry and their jobs, so that the turnover intention will decrease.

Hypothesis 1 (H1): There is a positive and significant effect of Compensation on Work Satisfaction
Hypothesis 2 (H2): There is a positive and significant effect of Organization Commitment on Work Satisfaction
Hypothesis 3 (H3): There is a negative and significant effect of Compensation on Turn Over Intention
Hypothesis 4 (H4): There is a negative and significant effect of Organization Commitment on Turn Over Intention
Hypothesis 5 (H5): There is a negative and significant effect of Work Satisfaction on Turn Over Intention
Hypothesis 6 (H6): There is a negative and significant effect of compensation through mediation of Work Satisfaction on Turn Over Intention
Hypothesis 7 (H7): There is a negative and significant effect of organization commitment through mediating Work Satisfaction on Turn Over Intention

**METHODS**

This research applies quantitative methods. Observation
methods, interviews and then followed by distributing questionnaires are the methods used to collect data in this study. Likert scale 1-5 is a calculation method in this study. The results of data management in this study are supported by computer software, namely the PLS 3.0 smart application program and analyzed using Structural Equation Modeling (SEM) with analysis method namely partial least square (PLS). The measurement of job satisfaction uses indicators that refer to Changgriawan (2017), namely: working conditions, pay, promotion opportunities, bosses, and relationships with co-workers. Then, the measurement of turnover intention uses indicators that refer to Wong and Wong (2017), namely: a tendency to think of quitting, a possibility to seek for alternative jobs in a near time elsewhere, and being active to seek for alternative jobs elsewhere. Furthermore, measuring organizational commitment refers to the indicators of Yulianti (2015), namely affective commitment, continuous commitment, and normative commitment. This research is included in the type of quantitative research that is descriptive analytical. Quantitative in the sense that in this research, statistical testing is carried out, especially to measure how much the relationship or strength of the relationship between the variables studied. Analytical descriptive in nature means that this research wants to clearly describe the commitment, compensation, and performance as well as analysis of the relationships therein. In this study, the authors used a survey approach. A survey is a study conducted in large and small populations, but the data studied is a sample taken from that population so that the relative incidence, distribution and influence of variables is found (Sugiyono, 2004).

**Table 1.** Respondent Descriptive Information

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 30 Years</td>
<td>56</td>
<td>25.8%</td>
</tr>
<tr>
<td>30 - 40 Years</td>
<td>105</td>
<td>47.1%</td>
</tr>
<tr>
<td>&gt; 40 Years</td>
<td>60</td>
<td>27.1%</td>
</tr>
<tr>
<td><strong>Working Period</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 Years</td>
<td>81</td>
<td>36.2%</td>
</tr>
<tr>
<td>5-10 Years</td>
<td>108</td>
<td>49.3%</td>
</tr>
<tr>
<td>&gt; 10 Years</td>
<td>32</td>
<td>14.5%</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>114</td>
<td>59.1%</td>
</tr>
<tr>
<td>Female</td>
<td>107</td>
<td>40.9%</td>
</tr>
</tbody>
</table>

The approach used in this analysis is quantitative. Data collection through the distribution of questionnaires to 221 pharmaceutical industry managers in Indonesia. Every closed Q&A item has five reply options: strongly agree (SS) score 5, agree(S) score 4, neutral / doubtful (N) score 3, disagree (TS) score 2, and strongly disagree (STS) score 1. Score 1. The way to process and analyse data is through PLS and SmartPLS software version 3.0. 221 management of the pharmaceutical industry in Indonesia were respondents to this report. The survey has been distributed using the basic technique of random sampling.

**Figure 1.** Research Model

Hypothesis 1 (H1): There is a positive and significant effect of Compensation on Work Satisfaction

Hypothesis 2 (H2): There is a positive and significant effect of Organization Commitment on Work Satisfaction
Hypothesis 3 (H3): There is a negative and significant effect of compensation on Turn Over Intention
Hypothesis 4 (H4): There is a negative and significant effect of Organization Commitment on Turn Over Intention
Hypothesis 5 (H5): There is a negative and significant effect of Work Satisfaction on Turn Over Intention
Hypothesis 6 (H6): There is a negative and significant effect of compensation through mediation of Work Satisfaction on Turn Over Intention
Hypothesis 7 (H7): There is a negative and significant effect of organization commitment through mediating Work Satisfaction on Turn Over Intention

RESULT AND DISCUSSION

Test Results of the Validity and Reliability of Research Indicators

The first test step of the model involves convergent testing for meaning, discriminant testing for validity. The alpha and composite reliability values of Cronbach were used for evaluating reliability. If all PLS metrics have met convergent validity, discriminant valids and reliability checks, the study results can be used to evaluate the research hypothesis using PLS.

Convergent Validity Testing
Convergent validity checks are carried out by looking at the loading factor of each indicator on the structure. The majority of references consider that a factor weight of 0.5 or more is adequately high in terms of clarification of latent constructs (Chin, 1998; Ghozali, 2014; Hair et al., 2010). The minimum load factor in this study is 0.5, subject to an AVE value of > 0.5 in each structure (Ghozali, 2014). Both indicators have a loading factor value above 0.5 after using SmartPLS 3.0 or given the AVE value is above 0.5. Figure 2 demonstrates the health or valid model for this analysis. This satisfies the criterion for the convergent validity of this research model.

Construct Reliability Testing

The reliability of the structure is calculated by the alpha value of Cronbach and the composite reliability of each building. The appropriate composition and alpha value of cronbach is over 0.7 (Ghozali, 2014).

Table 2. Indicator Loadings, Cronbach’s Alpha, Composite Reliability, and Average Variance Extracted (AVE)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Loadings</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation (C)</td>
<td>C1</td>
<td>0.654</td>
<td>0.711</td>
<td>0.791</td>
<td>0.814</td>
</tr>
<tr>
<td></td>
<td>C2</td>
<td>0.653</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>C3</td>
<td>0.642</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization Commitment (OC)</td>
<td>OC1</td>
<td>0.721</td>
<td>0.813</td>
<td>0.981</td>
<td>0.715</td>
</tr>
<tr>
<td></td>
<td>OC2</td>
<td>0.533</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OC3</td>
<td>0.713</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Satisfaction (WS)</td>
<td>WS1</td>
<td>0.781</td>
<td>0.711</td>
<td>0.876</td>
<td>0.871</td>
</tr>
<tr>
<td></td>
<td>WS2</td>
<td>0.682</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WS3</td>
<td>0.982</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turn Over Intention (TO)</td>
<td>TO1</td>
<td>0.721</td>
<td>0.653</td>
<td>0.981</td>
<td>0.761</td>
</tr>
<tr>
<td></td>
<td>TO2</td>
<td>0.711</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TO3</td>
<td>0.653</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of reliability calculations in table 2 above show that all constructs have composite reliability and Cronbach’s alpha values are greater than 0.7 (> 0.7). And it can be concluded that all constructs have met the reliability requirements.

Discriminant Validity Testing

Validity of discrimination is practised to guarantee that each latent variable varies from other latent ones. The model is of good discriminatory validity if the AVE value of any exogenous building exceeds the relation between this building and other buildings (Ghozali, 2014). The results of discriminant validity tests are obtained by the use of the AVE square, namely the Fornell Larcker criterion value obtained in Table 3.

Table 3. Discriminant Validity

<table>
<thead>
<tr>
<th>Variables</th>
<th>C</th>
<th>OC</th>
<th>WS</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>0.932</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization Commitment</td>
<td>0.812</td>
<td>0.981</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Satisfaction</td>
<td>0.616</td>
<td>0.643</td>
<td>0.905</td>
<td></td>
</tr>
<tr>
<td>Turn Over Intention</td>
<td>0.612</td>
<td>0.622</td>
<td>0.621</td>
<td>0.942</td>
</tr>
</tbody>
</table>

The results of yesterday’s discriminating validity test in Table 3 above show that all buildings have AVE above the correlation with other latent builds (via the Fornell-Larcker criteria). Both items of an indicator have a cross-charge value that is higher than other indicator items so that a discriminant model can be found (Fornell & Larcker, 1981).

Collinearity Testing

In addition, the collinearity test is performed to determine whether the model has collinearity. The VIF of
each building needs to be measured to find collinearity. If the VIF value is above 5, the model has collinearity (Hair et al., 2014).

**Table 4. Collinearity Statistics (VIF) Periode**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Performance(P)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>1.321</td>
</tr>
<tr>
<td>Organization Commitment</td>
<td>2.345</td>
</tr>
<tr>
<td>Work Satisfaction</td>
<td>1.313</td>
</tr>
<tr>
<td>Turn Over Intention</td>
<td>1.321</td>
</tr>
</tbody>
</table>

Based on the test results in Table 4, all VIF scores for all variables are less than 5, meaning that this model does not have a collinearity problem. The direct impact significance test involves the hypothesis test in PLS. The EFT test is performed with the t-statistical test using the SmartPLS 3.0 programme in the partially least quadrated analysis model (PLS). The R Square value and the sense test value were obtained as shown in the table below by the bootstrapping technique:

**Table 5. R Square Value**

<table>
<thead>
<tr>
<th></th>
<th>R Square Value</th>
<th>R Square Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turn Over Intention</td>
<td>0.876</td>
<td>0.687</td>
</tr>
<tr>
<td>Work Satisfaction</td>
<td>0.873</td>
<td>0.676</td>
</tr>
</tbody>
</table>

Based on Table 5 above, the value of R Square turn over intention is 0.876, which means that the variable turn over intention can be explained by the compensation variable, work satisfaction and organization commitment of 87.6%, while the remaining 12.4% is explained by other variables not discussed in the study. This. The R Square value of work satisfaction is 0.873, which means that variable work satisfaction can be explained by the compensation variable, organization commitment of 87.3%, while the remaining 12.7% is explained by other variables not discussed in this study.

**Hypothesis testing**

Table 6 shows t-statistics and p-values that show the influence of the variable variable compensation, work satisfaction, organization commitment and turn over intention.

**Table 6. Hypotheses Testing**

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Relationship</th>
<th>Beta</th>
<th>SE</th>
<th>T Statistics</th>
<th>P-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>C-&gt;WS</td>
<td>0.521</td>
<td>0.012</td>
<td>3.212</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>OC-&gt;WS</td>
<td>0.652</td>
<td>0.021</td>
<td>5.321</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>C-&gt;TO</td>
<td>-0.621</td>
<td>0.025</td>
<td>3.212</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>OC-&gt;TO</td>
<td>-0.731</td>
<td>0.081</td>
<td>2.021</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H5</td>
<td>WS-&gt;TO</td>
<td>-0.691</td>
<td>0.052</td>
<td>4.192</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>C-&gt;WS-&gt;TO</td>
<td>-0.652</td>
<td>0.071</td>
<td>3.201</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H7</td>
<td>OC-&gt;WS-&gt;TO</td>
<td>-0.521</td>
<td>0.026</td>
<td>2.011</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Based on the statistical calculations summarized in Table 6 above, it is concluded that all variable compensation, work satisfaction, organization commitment and turn over intention, positively and negatively significant Evidenced by the value of t-statistics greater than 1.96 and a p-value of less than 0.05. meaning that all hypotheses are accepted.

**DISCUSSION**

**Effect of Compensation on Work Satisfaction**

It is concluded based on the statistical estimates outlined above in Table6 that the salary variable affects the variable of job satisfaction positively and significantly. This is shown by the value of t-statistic 3.212 above1.96 and the value for p of 0.001 below 0.05. The hypothesis is thus accepted. The finding is consistently with the findings of previous researches, which suggest that compensation has a substantial positive impact on job satisfaction (Asbari, 2019; Basuki et al., 2020; Goestjahjanti et al., etc.), thereby increasing job satisfaction.

**Effect of Organization Commitment on Work Satisfaction**

Based on the statistical calculations summarized in Table 6 above, it is concluded that the Organizing variable Dedication impacts the employee satisfaction variable positively and substantially. The t-statistic value of 5.321, which exceeds 1.96 and the p-value of 0.000 is less than 0.05, shows this. In other words, it supports the theory. The findings of this research are consistent with and consistent with previous research results (Asbari, 2019; Fazihall, et al., 2020; Goestjahjanti, et al., 2020), which notes that the commitment of Organizations has a positive and important impact on satisfaction at work so that the commitment of Organizations is boosted. Job enjoyment.

**Effect of Compensation on Turn Over Intention**

Based on the statistical estimates found in Table 6 above, the compensation variable has a major and negative effect on the turn-over variable. Less than 0.05. In other words, the theory is accepted. This finding is in accordance with, and in accordance with, previous research findings (Asbari, 2019; Basuki, et al., 2020; Goestjahjanti et al., 2020) which state that compensation affects the turnover, implying that compensation would reduce turnover. The findings are negative and significant. Goal Goal:

**Effect of Organization Commitment on Turn Over Intention**

The statistical calculations summarised in Table 6 above...
have shown that the organisation commitment variable influences the turnover intention variable negatively and significantly. This can be shown by the value -0.731 of beta and by the value of t-statistics of 2.021 of -0.96 and p-value of 0.002 of -0.05. The hypothesis is thus accepted. Those findings are in line with and consistent with previous research (Asbari, 2019; Basuki et al., 2020; Goestajahjanti et al., 2020) that says that the organisational commitment will have a negative and important impact on turn over purpose, which will promote a reduced turnover intention. These findings are based on the results of previous research.  

Effect of Work Satisfaction on Turn Over Intention  

It is concluded that the Job Satisfaction variable negatively and substantially influences the turnover intention variable based on statistical estimates summarised in Table 6. The beta value -0.691 and 4.192, which are larger than 1.96 and 0.001 less than 0.05, is proof that this is the t statistical value. The hypothesis is therefore appropriate. This finding is consistent with and compatible with the previous findings (Asbari, 2019; Fayzhall et al., 2020; Purwanto, Europe, 2020), stating that the impact of labour satisfactions on turn-over intent would negatively and significantly reduce job satisfaction.  

Effect of compensation through Work Satisfaction on Turn Over Intention  

It has been concluded, based on the statistical estimates outlined in Table 6 above, that job satisfaction compensation variable negatively affects the turnaround intention variable. The beta value of -0.652 is proven to be above 1.96 and the t-statistics value of 3.201, and the p-value is less than 0.05. In other words, it supports the theory. This finding is in line with and in line with previous research findings (Asbari, 2019; Fayzhall et al., 2020; Goestajahjanti et al., 2020), which show that compensation through job satisfaction has a negative and substantial negative impact on turn-over intention.  

Effect of organization commitment through Work Satisfaction on Turn Over Intention  

Based on the statistical calculations summarized in Table 6 above, it is concluded that the variable organization commitment through Work Satisfaction negatively and significantly affects the Turnover Intention variable. This is evidenced by the beta value of -0.521 and the t-statistics value of 2.011 is greater than 1.96 and the p-value of 0.000 is smaller than 0.05. That is, the hypothesis is accepted. This finding is in line with and in accordance with the results of previous research (Purwanto, 2020; Basuki et al., 2020; Goestajahjanti et al., 2020) which states that organization commitment through work satisfaction has a negative and significant effect on Turn Over Intention, which means organization commitment through Work Satisfaction will drive a decrease in Turn Over Intention. One of the factors that influence the level of turnover intention to employees is compensation. Putriani’s (2014) research results show that compensation is one of the dominant factors in influencing turnover intention. The same thing was explained by Wibowo (2016) that compensation has a big influence on the level of turnover intention on employees. Compensation refers to the salary or remuneration that employees receive from organizations or the Pharmaceutical Industry for services or jobs that employees have provided for the Pharmaceutical Industry (Monday, 2008). Furthermore, Dessler (2005) explains that compensation is all forms of compensation for employee work provided by the Pharmaceutical Industry. Zakaria and Astuty (2017) define compensation as a reward for work received and performed by an employee or worker. From some of the above definitions, it can be concluded that compensation is a gift received by employees from the pharmaceutical industry, both in financial and non-financial forms, as a form of remuneration for employees for doing their job. Employee satisfaction or dissatisfaction with the compensation received is one of the factors that determines the level of intention or desire of a person to continue working in the Farm Industry or move to another Pharmaceutical Industry (turnover intention). In addition to compensation, another factor that can influence the level of turnover intention is employee organizational commitment (Parashaki et al., 2017). Organizational Commitment is a situation or circumstance in which an employee chooses to remain in an organization and is willing to maintain his membership in the organization (Robbins and Judge, 2008). Furthermore, Sani (2013) explains that organizational commitment refers to the desire and willingness of employees to contribute to the success of an organization or the Pharmaceutical Industry. Wibowo (2016) defines organizational commitment as the desire of employees to remain part of the organization. Organizational commitment affects whether employees will remain part of the organization or leave the organization and look for new jobs. Furthermore, Wibowo (2016) explains that organizational commitment is the feelings, attitudes, and behaviors of individuals or employees who identify themselves as part of the organization / pharmaceutical industry, are involved in organizational activities, and are loyal to the organization in an effort to achieve goals or goals. organization. From several understandings related to organizational commitment described above, it shows that organizational commitment will be a means of increasing a sense of belonging between employees and the pharmaceutical industry. It is important that employees’ commitment to the organization where they work is built in order to increase the sense of belonging between employees and the pharmaceutical industry. Thus, the level of employee commitment to the organization where they work will determine the level of employee loyalty to the Pharmaceutical Industry. Furthermore, the level of employee loyalty will have an impact on employee turnover intention.  

MANAGERIAL IMPLICATION  

Referring to the results of the research above, it is known that organizational commitment is proven to mediate the relationship between compensation and turnover intention. Furthermore, the organizational commitment dimension is the best developed in the affective commitment dimension. This is something good that needs to be maintained, improved, and managed properly by the Pharmaceutical Industry because the reason employees stay in the Pharmaceutical Industry is an emotional factor, they feel close to the Pharmaceutical Industry. In addition, they also identify themselves as part of the Pharmaceutical Industry. This is something better than if they stay in the Pharmaceutical Industry just because of thoughts or considerations of the benefit if they leave the Pharmaceutical Industry or just because they feel that the co-existence of the Pharmaceutical Industry is
something that is normal or should be, like normative commitment. Thus, efforts that can be made to maintain and increase the affective commitment of employees include: first, Participatory Decision making or decision making by superiors by involving subordinates. By involving subordinates in making decisions, subordinates will feel that the Pharmaceutical Industry values their thinking. In addition, subordinates will feel part of the Pharmaceutical Industry or organization because they are involved in making decisions that determine the sustainability of the organization or the Pharmaceutical Industry in which they work. Second, job security or job security. Certainty in this case, especially related to the work relationship between employees and the Pharmaceutical Industry (contract employees and permanent employees). By ensuring job security for employees, it can show employees that the Pharmaceutical Industry is serious about and appreciates the efforts they give to the Pharmaceutical Industry.

CONCLUSION

Then this research provides some practical suggestions that come from analysis, observation, and interview results, namely this research suggests maintaining and continuing to improve the personnel management system so that employees feel comfortable while doing their work, as well as improving facilities that support employee performance by providing adequate transportation means. and also the need for employees to support daily reports, weekly reports, and monthly reports such as personal computers, because so far employees still use their own laptops and according to interviews with several employees, this is quite burdensome for employees. For this reason, the Pharmaceutical Industry can schedule family gathering events or structured outbound events. These suggestions will increase organizational commitment of employees in the Pharmaceutical Industry followed by the awakening of employee enthusiasm with their peers to continue to improve their performance and also cohesiveness between employees so that they feel satisfaction with their work and can increase employee performance. It is hoped that the current compensation will be maintained because based on the results of research, employee perceptions or assessments of current and ongoing compensation are assessed or perceived as good. However, the thing that needs to be paid more attention to the Pharmaceutical Industry is related to employees. It is important for employee benefits management to be more focused and immediately fulfilled because this dimension gets a lower perception compared to other dimensions of compensation. It is expected to manage or pay attention to the Organizational Commitments owned by employees. Organizational Commitment that develops well for employees is Affective Commitment. This is a good thing because the reason employees stay in the Pharmaceutical Industry is because emotionally, they feel close to the Pharmaceutical Industry. In addition, they also identify themselves as part of the Pharmaceutical Industry. This is something better than if they survive in the Pharmaceutical Industry only because of thoughts or considerations of profit and loss if they leave the Pharmaceutical Industry (Continued Commitment) or simply because they feel that the coexistence of the Pharmaceutical Industry is something that normally or should be like that normative commitment. In an effort to manage Turnover Intention levels, employees are expected to not only pay attention to employee compensation, because based on the results of this study, compensation does not have a significant effect on employee turnover intention, although on the other hand employees have a good perception of compensation carried out by the pharmaceutical industry. It is necessary to integrate the Compensation management policy with efforts to increase or manage the Organizational Commitment of its employees. It is hoped that by combining these two approaches, employee turnover intention can be controlled properly. In this study, the compensation variables studied were only related to salaries / wages, incentives, benefits, and work facilities. It is recommended for further research to use a wider coverage of compensation variables so that it will be more comprehensive in seeing its effects on variable turnover intention. In this study, only one mediation variable is used, namely the work satisfaction variable. It is recommended for further research to add different mediating variables or add mediating variables, such as work motivation, job satisfaction, and other variables.

REFERENCES


Vol 11, Issue 9, Sep-Oct 2020

295


