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Compensation and Work Life Balance on Turnover Intention: The Mediating Role of Employee Satisfaction at PT. Graha Inti Jaya

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Abstract: The high turnover intention at PT. Graha Inti Jaya reflects challenges in human resource management, particularly regarding compensation, work-life balance, and job satisfaction. This study examines the influence of compensation and work-life balance on turnover intention, with job satisfaction as a mediating variable. A quantitative approach was employed through a survey of 144 respondents drawn from 225 employees. Data were analysed using structural equation modelling with Partial Least Squares. The findings indicate that compensation positively affects job satisfaction and negatively affects turnover intention. In contrast, work-life balance negatively influences job satisfaction and positively influences turnover intention. Job satisfaction itself negatively impacts turnover intention and mediates the relationship between compensation and turnover intention, but not between work-life balance and turnover intention. These results highlight that compensation plays a crucial role in enhancing job satisfaction and reducing turnover intention. Conversely, poor work-life balance can diminish satisfaction and increase employees' desire to leave. Companies are encouraged to design fair and transparent compensation systems while revising work-life balance policies to better align with employee expectations. By addressing these factors, organizations can strengthen employee commitment and reduce turnover risks.

Keywords: Compensation, Work Life Balance, Employee Satisfaction, Turnover Intention

INTRODUCTION

In an era of increasingly fierce business competition, organisations are required to be able to manage human resources optimally in order to maintain productivity and competitiveness. Employees are important assets because their contributions are crucial to the success and sustainability of the company. However, many organisations still face challenges in retaining employees, as reflected in the emergence of turnover intention, which is an employee's conscious intention to leave the organisation and seek other job opportunities (Kartono, 2017). High turnover intention not only disrupts operational stability but also increases recruitment and training costs and has the potential to reduce organisational performance (Saputra et al., 2022).

This phenomenon also occurred at PT. Graha Inti Jaya, a company engaged in the palm oil industry in Indonesia. The company experienced a relatively high turnover rate between 2020 and 2024, particularly among employees with less than one year of service. This situation indicates dissatisfaction in the early stages of employment, which is thought to be influenced by the compensation system, an imbalance between work and personal life, and the process of adaptation to the work environment.

The pre-survey results of PT. Graha Inti Jaya Head Office employees show that there are seven main factors perceived to be the causes of turnover intention, namely compensation, career stagnation, leadership, work stress levels, an unsupportive work environment, unachieved work-life balance, and competence. More specifically, the majority of respondents expressed dissatisfaction with the compensation they received because it was considered not commensurate with their workload. In addition, work-life balance was also considered low due to high workloads and long working hours, which interfered with employees' personal lives. These conditions contributed to fluctuating job satisfaction levels, which ultimately led to increased turnover intention.

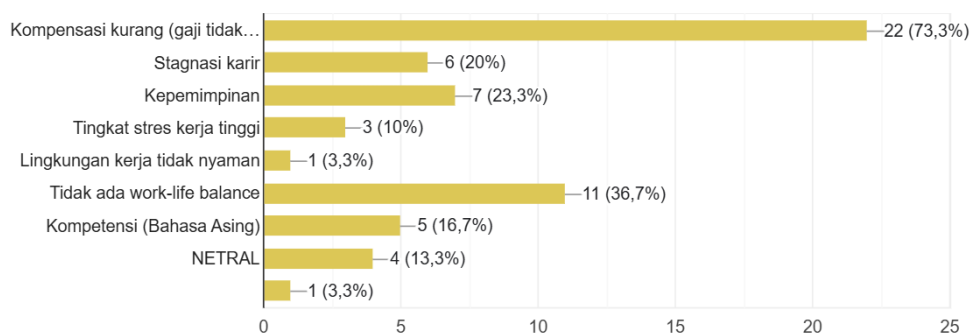


Figure 1. 2 Pre-Survey Results on Factors Affecting Turnover Intention in Determining Variable X2
Source: Researcher's Findings, 2025

The preliminary survey results regarding satisfaction levels with compensation show that most respondents expressed dissatisfaction. This indicates that the compensation system implemented by the company does not fully meet employee expectations. This dissatisfaction is an important signal for management to conduct an evaluation, both in terms of fairness, suitability to workload, and transparency of compensation components. Thus, the results of this preliminary survey form the basis for formulating the focus of the research as well as developing more appropriate instruments for further quantitative analysis.

Previous research findings show mixed results regarding the effect of compensation and work-life balance on turnover intention. (Saputra et al., 2022) found that compensation had a significant effect in reducing turnover intention, while (Saruksuk et al., 2023) stated that compensation had no significant effect. Similarly, several studies indicate that work-life balance has a negative effect on turnover intention (Ariyani et al., 2022), while other studies conclude the opposite (Barage & Sudarusman, 2022) (Azhar & Khan, 2024) Furthermore, job satisfaction is often viewed as a mediating factor that can suppress turnover intention (Missye & Hosen, 2024), although some studies have found that job satisfaction does not play a significant role as a mediator (Yuliani & Ekhsan, 2024).

The differences in the results of this study indicate a research gap regarding the relationship between compensation, work-life balance, and employee satisfaction on turnover intention. Therefore, this study aims to analyse the effect of compensation and work-life balance on turnover intention, with employee satisfaction as a mediating variable. By taking a case study at PT. Graha Inti Jaya, this study is expected to contribute theoretically to the development of human resource management studies and provide practical recommendations for palm oil companies in formulating employee retention strategies.

METHOD

This study utilised a quantitative approach with a survey method, in which data was obtained through the distribution of closed questionnaires to respondents. The research object focused on the effect of compensation (X1) and work-life balance (X2) on turnover intention (Y), with employee satisfaction (Z) as a mediating variable. The research population consisted of all 225 employees of PT. Graha Inti Jaya. The sample size was determined using the Slovin formula with a 5% margin of error, resulting in a sample of 144 respondents. The sampling technique used was simple random sampling, so that each employee had an equal chance of becoming a respondent.

The research instrument was a questionnaire with a five-point Likert scale, ranging from ‘strongly disagree’ (score 1) to ‘strongly agree’ (score 5). The research variables were measured based on the following indicators: (1) Compensation was measured through the dimensions of direct compensation (basic salary, incentives) and indirect compensation (allowances, work facilities); (2) Work-life balance is measured through four aspects: work interference with personal life, personal life interference with work, personal life enhancement of work, and work enhancement of personal life; (3) Employee satisfaction is measured through leadership, career development, compensation, social relationships, and the job itself; (4) Turnover intention is measured through the aspects of thoughts of quitting, job search behaviour, and intention to leave.

The collected data were analysed using Structural Equation Modelling–Partial Least Squares (SEM-PLS) techniques with the assistance of SmartPLS software. This analysis included testing the validity and reliability of the instruments (outer model) and testing the relationships between latent variables (inner model). Hypothesis testing was performed using bootstrapping techniques to measure the significance of direct and indirect effects between variables.

RESULTS AND DISCUSSION

Outer model

The measurement model can be evaluated by examining internal consistency reliability using composite reliability, indicator reliability using outer loadings, convergent validity using average variance extracted (AVE) values, and discriminant validity using cross loadings.

Internal Consistency Reliability

Cronbach’s Alpha

Table 3.1. Cronbach's Alpha Model Specifications

	Cronbach's Alpha
Employee Satisfaction (Z)	0.904
Compensation (X1)	0.893
Turnover Intention (Y)	0.873
Work Life Balance (X2)	0.365

Source: Researcher's Findings, 2025

Cronbach's Alpha is used to assess internal reliability, which is the extent to which indicators of a latent variable are consistent in measuring the same concept. Although frequently used, this measure has limitations because its value is influenced by the number of indicators, sometimes resulting in estimates that are too low (Hair et al., 2014).

As shown in Table 3.1, three latent variables, namely Employee Satisfaction (0.904), Compensation (0.893), and Turnover Intention (0.873), have Cronbach's Alpha values above the minimum threshold of 0.7, so they can be considered reliable. Conversely, the latent

variable Work-Life Balance only obtained a value of 0.365, which is far below the threshold. This indicates that the indicators in the latent variable are not yet consistent in measuring the intended construct.

Composite Reliability

Table 3.2. *Composite Reliability*

	Composite Reliability
Employee Satisfaction (Z)	0.918
Compensation (X1)	0.915
Turnover Intention (Y)	0.938
Work Life Balance (X2)	0.251

Source: Researcher's Findings, 2025

Composite Reliability (CR) is preferred in PLS-SEM because it takes into account the weight of each indicator, thereby providing a more accurate reliability estimate than Cronbach's Alpha, which tends to be influenced by the number of indicators (Hair et al., 2014). A CR value between 0.60 and 0.70 is still acceptable in exploratory research, whereas in the advanced stage, a value of ≥ 0.70 is considered adequate. Meanwhile, values that are too high, especially above 0.95, indicate redundancy between indicators, which is undesirable (Nunnally & Bernstein, 1994). Based on Table 3.2, the latent variables Employee Satisfaction (0.918), Compensation (0.915), and Turnover Intention (0.938) meet the reliability criteria because they have a CR value above 0.70. However, the latent variable Work Life Balance only reached 0.251, far below the threshold, so it cannot be said to be reliable. This condition indicates a problem of internal consistency in the indicators that form these variables.

Indicator Reliability

Outer Loading

Table 3.3 *Outer Loading Specification Model*

	Employee Satisfaction (Z)	Compensation (X1)	Turnover Intention (Y)	Work Life Balance (X2)
X1.1		0.756		
X1.2		0.766		
X1.3		0.820		
X1.4		0.729		
X1.5		0.740		
X1.6		0.681		
X1.7		0.775		
X1.8		0.784		
X2.1				0.800
X2.10				-0.846
X2.2				0.849
X2.3				0.841
X2.4				0.544
X2.5				0.498
X2.6				-0.014
X2.7				-0.018
X2.8				-0.518
X2.9				-0.737
Y.1			0.896	

Y.2			0.883	
Y.3			0.893	
Y.4			0.852	
Y.5			0.929	
Y.6			0.911	
Y.7			0.873	
Y.8			-0.561	
Z.1	0.810			
Z.10	0.499			
Z.11	0.542			
Z.12	0.371			
Z.13	0.459			
Z.14	0.498			
Z.2	0.872			
Z.3	0.866			
Z.4	0.840			
Z.5	0.842			
Z.6	0.787			
Z.7	0.753			
Z.8	0.771			
Z.9	0.210			

Source: Researcher's Findings, 2025

The higher the outer loading value of an indicator, the greater its contribution in explaining the latent variable being measured. Generally, an indicator is considered valid if it has an outer loading value ≥ 0.708 . If the value is in the range of 0.40–0.70, then the indicator can be considered for removal, but the decision to remove it is made by considering the dimensions of the latent variable and its impact on the composite reliability value and Average Variance Extracted (AVE) (Marliana, 2019).

Based on Table 3.3, there are a number of indicators with outer loading values below 0.708, so they are considered for deletion. In the latent variable Work Life Balance (X2), the indicators that do not meet the criteria are X2.10, X2.6, X2.7, X2.8, and X2.9. For the latent variable Compensation (X1), the indicators that are potentially deleted include X1.6, X1.4, and X1.5. Furthermore, in the Turnover Intention (Y) latent variable, indicators Y.8, Y.5, and Y.6 show low outer loading values. Meanwhile, in the Employee Satisfaction (Z) latent variable, indicators Z.12, Z.9, Z.10, Z.13, Z.14, and Z.11 also do not meet the minimum limit. The removal of these indicators still takes into account the dimensions of each latent variable, so that at least one indicator with the highest outer loading value in each dimension is retained. Further evaluation will also be carried out to ensure that after removal, the AVE value increases. Thus, the model resulting from the removal of indicators will be used in the next stage of analysis.

Convergent Validity
Average Variance Extracted (AVE)

Table 3.4. AVE Specification Model

	Average Variance Extracted (AVE)
Employee Satisfaction (Z)	0.467
Compensation (X1)	0.574
Turnover Intention (Y)	0.734
Work Life Balance (X2)	0.414

Source: Researcher's Findings, 2025

Average Variance Extracted (Table 3.4) is used to assess convergent validity, which is the extent to which indicators in a latent variable can explain its variance. An AVE value ≥ 0.50 indicates that the latent variable can explain more than half of the variance of its indicators. Conversely, a value below 0.50 indicates that more of the indicator variance cannot be explained by the latent variable (Hair et al., 2014). Based on Table 3.4, the latent variables Compensation (0.574) and Turnover Intention (0.734) have met the convergent validity criteria because they have AVE values above 0.50. However, the latent variables Employee Satisfaction (0.467) and Work Life Balance (0.414) are still below the threshold, so they cannot be considered valid. This condition indicates the need to adjust the model by removing indicators with low outer loadings in order to increase the AVE value.

Discriminant Validity
Cross Loading

Higher cross loading on other constructs compared to the original construct of the indicator indicates a problem with discriminant validity (Hair et al., 2011). These criteria are actually relatively loose in assessing discriminant validity, so they often need to be supported by additional tests to ensure their validity.

Table 3.5. Cross Loading

	Employee Satisfaction (Z)	Compensation (X1)	Turnover Intention (Y)	Work Life Balance (X2)
X1.1	0.544	0.756	-0.502	-0.434
X1.2	0.572	0.766	-0.571	-0.505
X1.3	0.707	0.820	-0.515	-0.488
X1.4	0.719	0.729	-0.497	-0.526
X1.5	0.600	0.740	-0.481	-0.606
X1.6	0.533	0.681	-0.459	-0.430
X1.7	0.649	0.775	-0.522	-0.553
X1.8	0.665	0.784	-0.540	-0.506
X2.1	-0.469	-0.513	0.619	0.800
X2.10	0.588	0.583	-0.578	-0.846
X2.2	-0.514	-0.539	0.578	0.849
X2.3	-0.507	-0.525	0.540	0.841
X2.4	-0.377	-0.288	0.262	0.544
X2.5	-0.302	-0.223	0.183	0.498
X2.6	0.046	-0.081	0.087	-0.014
X2.7	0.040	-0.002	0.051	-0.018
X2.8	0.441	0.373	-0.348	-0.518
X2.9	0.658	0.629	-0.477	-0.737

Y.1	-0.613	-0.609	0.896	0.601
Y.2	-0.596	-0.594	0.883	0.542
Y.3	-0.590	-0.626	0.893	0.612
Y.4	-0.593	-0.643	0.852	0.558
Y.5	-0.636	-0.616	0.929	0.633
Y.6	-0.689	-0.638	0.911	0.662
Y.7	-0.577	-0.542	0.873	0.535
Y.8	0.412	0.262	-0.561	-0.276
Z.1	0.810	0.644	-0.608	-0.530
Z.10	0.499	0.203	-0.284	-0.166
Z.11	0.542	0.436	-0.362	-0.390
Z.12	0.371	0.185	-0.159	-0.250
Z.13	0.459	0.305	-0.239	-0.375
Z.14	0.498	0.244	-0.394	-0.278
Z.2	0.872	0.701	-0.637	-0.584
Z.3	0.866	0.701	-0.676	-0.611
Z.4	0.840	0.674	-0.574	-0.553
Z.5	0.842	0.706	-0.510	-0.554
Z.6	0.787	0.680	-0.528	-0.559
Z.7	0.753	0.762	-0.491	-0.563
Z.8	0.771	0.805	-0.562	-0.587
Z.9	0.210	0.091	-0.138	-0.138

Source: Researcher's Findings, 2025

Fornell-Larcker Criterion

Table 3.6. *Discriminant Validity: Fornell-Larcker Criterion*

	Employee Satisfaction (Z)	Compensation (X1)	Turnover Intention (Y)	Work Life Balance (X2)
Employee Satisfaction (Z)	0.684			
Compensation (X1)	0.829	0.757		
Turnover Intention (Y)	-0.692	-0.675	0.857	
Work Life Balance (X2)	-0.686	-0.669	0.658	0.643

Source: Researcher's Findings, 2025

The Fornell-Larcker criteria are used to assess discriminant validity by comparing the square root of the AVE value of each construct with the correlation between constructs. A construct is said to have good discriminant validity if the square root of the AVE value is greater than the correlation of that construct with other constructs (Hair et al., 2014). Based on Table 3.6, it can be seen that the square root AVE values of each construct are on the diagonal (e.g., Employee Satisfaction = 0.684; Compensation = 0.757; Turnover Intention = 0.857; and Work Life Balance = 0.643). However, there are several conditions where the correlation between constructs is higher than the AVE root. For example, the correlation between Compensation and Employee Satisfaction is 0.829, which exceeds the AVE root of Employee Satisfaction (0.684) and Compensation (0.757). A similar pattern can be seen in the relationship between Employee Satisfaction and Work-Life Balance, which is 0.686, higher than the AVE root of Work-Life Balance (0.643). Thus, it can be concluded that this model still shows a problem of discriminant validity because some constructs do not meet the Fornell-Larcker criteria, so further model improvements are needed.

Heterotrait-Monotrait Ratio (HTMT)

Table 3.7. Discriminant Validity: Heterotrait-Monotrait

	Employee Satisfaction (Z)	Compensation (X1)	Turnover Intention (Y)	Work Life Balance (X2)
Employee Satisfaction (Z)				
Compensation (X1)	0.871			
Turnover Intention (Y)	0.712	0.722		
Work Life Balance (X2)	0.637	0.564	0.623	

Source: Researcher's Findings, 2025

Discriminant validity was also evaluated using the Heterotrait-Monotrait Ratio (HTMT) approach. This method was used to ensure that each construct in the model was empirically distinct. Discriminant validity was considered adequate if the HTMT value was below 0.85 for conservative criteria, or below 0.90 for more lenient criteria (Henseler et al., 2015). Based on the results in Table 3.7, it can be seen that all HTMT values between constructs are in the range of 0.564 to 0.871. Most of the values are still below the threshold of 0.85, such as between Work Life Balance and Employee Satisfaction (0.637) and Work Life Balance and Turnover Intention (0.623). However, there is one relatively high value, namely between Employee Satisfaction and Compensation, which is 0.871. This value is still acceptable when using a limit of 0.90, but it exceeds the conservative threshold of 0.85. This indicates that, in general, the model meets the criteria for discriminant validity. However, it should be noted that the relationship between Employee Satisfaction and Compensation tends to be quite strong, which could potentially indicate conceptual overlap. Therefore, further evaluation of the indicators in both constructs is needed to ensure that conceptual differences are maintained.

Adjusted Model

Table 3.8. AVE Comparison

	AVE Model Specifications	AVE Adjusted Model
Employee Satisfaction (Z)	0.467	0.696
Compensation (X1)	0.574	0.664
Turnover Intention (Y)	0.734	0.803
Work Life Balance (X2)	0.414	0.599

Source: Researcher's Findings, 2025

The test results show that the AVE value (Table 8) increased after the model was adjusted, while the Composite Reliability (CR) value (Table 9) and Cronbach's Alpha (Table 10) for all constructs were within the recommended range, which is above 0.7. This condition confirms that there is no indication of redundancy between indicators, so that each indicator makes a different contribution in representing the construct. In addition, these findings also indicate that the internal consistency of the construct is at a good level without showing any overfitting or excessive similarity between indicators. Thus, the construct can be declared reliable and suitable for use in further analysis, as it meets the criteria recommended by (Hair et al., 2014).

Table 3.9. CR Comparison

	CR (rho_c) Model Specifications	CR (rho_c) Adjusted Model
Employee Satisfaction (Z)	0.918	0.948
Compensation (X1)	0.915	0.908
Turnover Intention (Y)	0.938	0.953
Work Life Balance (X2)	0.251	0.878

Source: Researcher's Findings, 2025

Table 3.10. Cronbach’s Alpha Comparison

	Cronbach's alpha Model Specifications	Cronbach's alpha <i>Adjusted Model</i>
Employee Satisfaction (Z)	0.904	0.937
Compensation (X1)	0.893	0.874
Turnover Intention (Y)	0.873	0.939
Work Life Balance (X2)	0.365	0.835

Source: Researcher's Findings, 2025

Discriminant validity testing using the Fornell-Larcker criteria shows that all constructs have met the requirements, where the AVE square root value on the diagonal of the table is higher than the correlation between constructs. This confirms that each construct in the model can be clearly distinguished from other constructs. In addition, evaluation using the Heterotrait-Monotrait Ratio (HTMT) approach in Table 3.12 also shows that all values are below the threshold of 0.90. Thus, discriminant validity in the model has been fulfilled through both the Fornell-Larcker and HTMT criteria. Based on these results, it can be concluded that the adjusted model provides better measurement results than the initial specifications, so this model was selected for use in the next stage of analysis.

Table 3.11. *Discriminant Validity: Fornell-Larcker Criterion Adujsted Model*

	Employee Satisfaction (Z)	Compensation (X1)	Turnover Intention (Y)	Work Life Balance (X2)
Employee Satisfaction (Z)	0.834			
Compensation (X1)	0.794	0.815		
Turnover Intention (Y)	-0.670	-0.656	0.896	
Work Life Balance (X2)	-0.583	-0.524	0.600	0.774

Source: Researcher's Findings, 2025

Table 3.12. *Discriminant Validity: Heterotrait-Monotrait*

	Employee Satisfaction (Z)	Compensation (X1)	Turnover Intention (Y)	Work Life Balance (X2)
Employee Satisfaction (Z)				
Compensation (X1)	0.845			
Turnover Intention (Y)	0.717	0.724		
Work Life Balance (X2)	0.766	0.718	0.678	

Source: Researcher's Findings, 2025

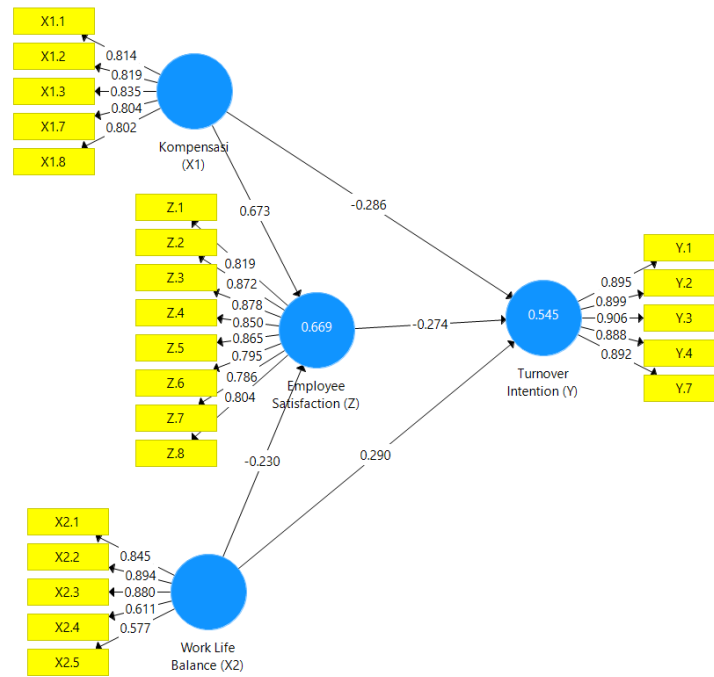


Figure 2. Adjusted Model
Source: Researcher's Findings, 2025

Evaluasi Model Struktural *Reflective (Inner model)*
Colinearity Test

Table 3.13. *Colinearity Test*

	Employee Satisfaction (Z)	Compensation (X1)	Turnover Intention (Y)	Work Life Balance (X2)
Employee Satisfaction (Z)			3.545	
Compensation (X1)	1.812		3.402	
Turnover Intention (Y)				
Work Life Balance (X2)	1.812		2.011	

Source: Researcher's Findings, 2025

According to Hair et al. (2014), the potential for collinearity in the model can be tested through the Variance Inflation Factor (VIF) value. A construct is said to experience collinearity if it has a VIF value above 5, thus requiring further evaluation of the construct. Based on the results in Table 13, all VIF values are below the threshold of 5, ranging from 1.812 to 3.545. This indicates that there is no collinearity problem between the predictor constructs in the model, so that the relationship between variables can be further analyzed without the interference of multicollinearity. The potential for collinearity in the model can be tested using the Variance Inflation Factor (VIF) value. A construct is said to be collinear if it has a VIF value above 5, requiring further evaluation of the construct. Based on the results in Table 3.13, all VIF values are below the threshold of 5, ranging from 1.812 to 3.545. This indicates that there is no collinearity problem between the predictor constructs in the model, so that the relationship between variables can be further analyzed without the interference of multicollinearity.

Koefisien Determinasi (R²)

Table 3.14. Koefisien Determinasi (R²)

	R Square	R Square Adjusted
Employee Satisfaction (Z)	0.718	0.714
Turnover Intention (Y)	0.558	0.548

Source: Researcher's Findings, 2025

The coefficient of determination (R^2) is used to measure how much of the variability in the endogenous construct can be explained by the exogenous construct in the model. The R^2 value ranges from 0 to 1, with the interpretation that the higher the value, the better the model's ability to explain the variation in the construct. (Hair et al., 2011; Henseler et al., 2009) categorize R^2 values into three categories: substantial (≥ 0.75), moderate (≥ 0.50), and weak (≥ 0.25).

Based on Table 3.14, Employee Satisfaction (Z) has an R^2 value of 0.718, which is in the moderate to substantial category, so it can be well explained by its predictor construct. Meanwhile, Turnover Intention (Y) has an R^2 value of 0.558, which is in the moderate category. These results indicate that the model is able to explain the variability of both endogenous constructs quite well, although there are still other factors outside the model that also contribute to this variability.

Effect Size (f^2)

Table 3.15. Nilai f^2

	Employee Satisfaction (Z)	Compensation (X1)	Turnover Intention (Y)	Work Life Balance (X2)
Employee Satisfaction (Z)			0.056	
Compensation (X1)	0.878		0.034	
Turnover Intention (Y)				
Work Life Balance (X2)	0.110		0.103	

Source: Researcher's Findings, 2025

In addition to evaluating the R^2 value, the f^2 effect measurement is used to assess the relative contribution of each exogenous construct to the endogenous construct in the model. The f^2 value shows how much the R^2 changes when an exogenous construct is removed from the model. Referring to Cohen's guidelines (1988), an f^2 value of 0.02 is categorized as small, 0.15 as medium, and 0.35 as large (Cohen, 1988). Based on Table 3.15, it is known that Compensation (X1) has a very large effect on Employee Satisfaction (Z) with an f^2 value of 0.878. Meanwhile, Work Life Balance (X2) has a small effect on Employee Satisfaction (Z) with an f^2 value of 0.110. Furthermore, both Employee Satisfaction (Z) and Work Life Balance (X2) have a small effect on Turnover Intention (Y), with f^2 values of 0.056 and 0.103, respectively. The effect of Compensation (X1) on Turnover Intention (Y) is very small, at 0.034. These findings indicate that Compensation (X1) is the most dominant factor in increasing Employee Satisfaction (Z), while the contribution of other constructs to Turnover Intention (Y) is relatively limited. Thus, the employee satisfaction variable plays an important role as a mediator in linking Compensation and work-life balance to turnover intention.

Hypothesis Testing

Direct Effect

Table 3.16. Total *Direct Effect*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Employee Satisfaction (Z) -> Turnover Intention (Y)	-0.274	-0.279	0.124	2.207	0.028
Compensation (X1) -> Employee Satisfaction (Z)	0.673	0.668	0.049	13.858	0.000
Compensation (X1) -> Turnover Intention (Y)	-0.286	-0.281	0.131	2.176	0.030
Work Life Balance (X2) -> Employee Satisfaction (Z)	-0.230	-0.239	0.062	3.730	0.000
Work Life Balance (X2) -> Turnover Intention (Y)	0.290	0.288	0.070	4.117	0.000

Source: Researcher's Findings, 2025

Based on Table 3.16, it can be concluded that most of the relationships in this research model are significant because they have p-values below the significance level of 0.05. The Compensation variable (X1) is proven to have a positive and significant effect on Employee Satisfaction (Z) ($\beta = 0.673$, $t = 13.858$, $p = 0.000$), so that the better the compensation received by employees, the higher their job satisfaction. Furthermore, Employee Satisfaction (Z) has a negative and significant effect on Turnover

Intention (Y) ($\beta = -0.274, t = 2.207, p = 0.028$), which shows that increasing employee satisfaction can reduce their intention to leave the company. Similarly, Compensation (X1) has a negative and significant effect on Turnover Intention (Y) ($\beta = -0.286, t = 2.176, p = 0.030$), which means that adequate compensation can directly reduce employees' intention to leave the company.

In addition, Work Life Balance (X2) has a negative and significant effect on Employee Satisfaction (Z) ($\beta = -0.230, t = 3.730, p = 0.000$), which means that the higher the Work Life Balance, the lower the level of employee job satisfaction. Conversely, Work-Life Balance (X2) has a positive and significant effect on Turnover Intention (Y) ($\beta = 0.290, t = 4.117, p = 0.000$), so that the better the perceived Work-Life Balance, the higher the employees' intention to leave the company. Thus, Compensation (X1) and Work-Life Balance (X2) both play an important role, both directly and indirectly, in influencing Employee Satisfaction (Z) and Turnover Intention (Y).

Indirect Effect

Table 3.17. Total *Indirect Effect*

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Compensation (X1) -> Turnover Intention (Y)	-0.185	-0.187	0.086	2.161	0.031
Work Life Balance (X2) -> Turnover Intention (Y)	0.063	0.066	0.034	1.845	0.066

Source: Researcher's Findings, 2025

Based on Table 3.17, the test results show that Employee Satisfaction mediates the effect of Compensation (X1) on Turnover Intention (Y). This is indicated by the coefficient value $\beta = -0.185, t = 2.161$, and $p = 0.031$, which is below the significance threshold of 0.05. This means that hypothesis H6 can be accepted. This finding indicates that the better the Compensation received by employees, the higher their job satisfaction will be, and ultimately it can reduce employees' desire to leave the company. In other words, the role of Employee Satisfaction as a mediating variable in the relationship between Compensation and turnover intention is very important. Meanwhile, Employee Satisfaction does not mediate the effect of Work Life Balance (X2) on Turnover Intention (Y). The test results show a value of $\beta = 0.063, t = 1.845$, and $p = 0.066$, which is greater than 0.05. Thus, hypothesis H7 is rejected. This indicates that although Work Life Balance affects turnover intention, the effect does not go through employee satisfaction. In other words, in the context of this study, Work Life Balance does not have a significant mediating effect on turnover intention through Employee Satisfaction.

CONCLUSION

The results of this study provide several important findings. First (H1), compensation was found to have a positive and significant effect on employee satisfaction ($\beta = 0.673; p = 0.000$), meaning that the better the compensation received by employees, the higher their job satisfaction. Second (H2), work-life balance has a significant but negative effect on employee satisfaction ($\beta = -0.230; p = 0.000$), which means that the lower the perceived work-life balance, the lower the job satisfaction, thus rejecting this hypothesis. Third (H3), compensation has a negative and significant effect on turnover intention ($\beta = -0.286; p = 0.030$), indicating that adequate compensation can reduce employees' intention to leave.

Fourth (H4), work-life balance has a positive and significant effect on turnover intention ($\beta = 0.290; p = 0.000$), meaning that the worse the work-life balance, the higher the tendency for employees to resign. Fifth (H5), employee satisfaction has a negative and significant effect on turnover intention ($\beta = -0.274; p = 0.028$), so that job satisfaction is an important factor in reducing turnover intention. Sixth (H6), employee satisfaction was found to mediate the effect of compensation on turnover intention ($\beta = -0.185; p = 0.031$), meaning that compensation can reduce turnover intention by increasing job satisfaction. Seventh (H7), employee satisfaction does not mediate the effect of work-life balance on turnover intention ($\beta = 0.063; p = 0.066$), so this hypothesis is rejected.

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