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## The Influence of Job Satisfaction and Reward Systems on Turnover Intention

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**Abstract:** High turnover intention poses a significant challenge for many organizations, particularly in retaining skilled employees. This study aims to analyze the influence of job satisfaction and reward systems on turnover intention through a literature review. The research employs a systematic literature review method by examining previous studies that discuss the relationship between job satisfaction, reward systems, and employees' intention to leave an organization. The findings indicate that job satisfaction plays a crucial role in reducing turnover intention. Factors such as a supportive work environment, good relationships with colleagues and supervisors, and career development opportunities contribute to increased job satisfaction. Furthermore, a fair and competitive reward system, both financial and non-financial, is proven to be effective in enhancing employee retention. Conversely, dissatisfaction with the reward system is a primary driver for employees to seek alternative job opportunities. Therefore, organizations must develop appropriate strategies to manage job satisfaction and reward systems to minimize turnover intention and enhance employee loyalty.

**Keywords:** Job Satisfaction, Rewards System, Turnover Intention, Employee Retention, & Human Resource Management

## INTRODUCTION

Employee retention has become one of the main challenges for organizations across various sectors (Gunawan et al., 2024). A company's ability to retain competent employees is crucial for maintaining operational stability, increasing productivity, and reducing the costs associated with recruiting and training new employees. However, high employee turnover remains a persistent issue faced by many companies. One of the key aspects receiving significant attention in human resource research is turnover intention, which refers to an employee's desire or intention to leave their job (Dodanwala & Santoso, 2022). Understanding the factors that influence employees' intention to leave is essential for companies in designing effective retention strategies.

One of the primary factors influencing turnover intention is job satisfaction. According to (Hu et al., 2022), employees who are satisfied with their jobs tend to have a higher

commitment to the company and are less likely to seek employment elsewhere. Conversely, dissatisfaction in aspects such as work environment, organizational culture, leadership style, career development opportunities, and work-life balance can drive employees to look for alternative job opportunities. Therefore, companies must ensure that job satisfaction-related factors are well-managed to reduce turnover rates.

In addition to job satisfaction, reward systems also play a crucial role in determining employee loyalty to a company. (Al-Qathmi & Zedan, 2021) explain that reward systems include both financial and non-financial incentives, such as salaries, bonuses, promotions, performance recognition, and career development opportunities. When employees feel that their contributions are fairly rewarded, they tend to be more motivated and exhibit higher levels of loyalty to the company. Conversely, dissatisfaction with the reward system can lead to job dissatisfaction, decreased motivation, and ultimately, an increased intention to leave the organization.

The relationship between job satisfaction, reward systems, and turnover intention has been the focus of numerous studies in human resource management. Several studies have highlighted the interconnections among these variables. For instance, research by (Lin & Huang, 2021) found that job satisfaction significantly reduces turnover intention, while a well-structured reward system enhances employee retention. Another study by (은영 et al., 2022) revealed that organizations with well-established reward systems tend to have lower turnover rates. Additionally, research by (Islam et al., 2023) confirmed that job dissatisfaction and lack of recognition are key predictors of high turnover intention.

Despite the extensive research on this topic, there are still gaps in understanding how various aspects of job satisfaction and reward systems interact in influencing turnover intention across different industries and cultural contexts. The complexity of these relationships highlights the need for a comprehensive literature review to gain deeper insights into the underlying dynamics. Therefore, this study aims to conduct a thorough literature review on the influence of job satisfaction and reward systems on turnover intention, identifying key findings, theoretical frameworks, and implications for human resource management practices.

Through this literature review, this study is expected to contribute to the development of more effective employee retention strategies. By gaining a deeper understanding of the factors influencing employees' intention to leave, organizations can design more appropriate policies to enhance job satisfaction, improve reward systems, and ultimately reduce turnover intention within the company.

## **METHOD**

This study employs a literature review approach to analyze and synthesize various previous studies that discuss the relationship between job satisfaction, reward systems, and turnover intention. This method was chosen to gain a more comprehensive understanding of the empirical findings in the field of human resource management. The data sources used in this study consist of academic journals, books, and relevant scientific publications, particularly those published within the last five years to ensure relevance to current conditions.

The data collection process was conducted by searching various academic databases such as Google Scholar, Scopus, and ScienceDirect using keywords such as job satisfaction, reward systems, turnover intention, and employee retention. The identified studies were then selected based on predetermined inclusion and exclusion criteria. The inclusion criteria encompassed studies focusing on the relationship between job satisfaction, reward systems, and turnover intention across various industry sectors, while studies that were irrelevant or had significant methodological limitations were excluded from the analysis.

Subsequently, the collected data were analyzed using a thematic approach to identify patterns, research gaps, and the theoretical and practical implications of the existing studies.

The findings from this analysis were synthesized to provide insights into how job satisfaction and reward systems contribute to turnover intention. Thus, this study offers a strong theoretical foundation for organizations in developing more effective employee retention strategies.

## RESULTS AND DISCUSSION

The results of the literature review indicate that job satisfaction plays a significant role in reducing turnover intention. Employees who are satisfied with their jobs tend to have higher loyalty to the organization and are less likely to seek job opportunities elsewhere (Mansour & Abu Sharour, 2021). Factors such as a conducive work environment, good relationships with colleagues and supervisors, and career development opportunities contribute to increased job satisfaction. Studies by (Matsumoto et al., 2024) and (Otache & Inekwe, 2022) also show that job satisfaction can act as a mediator between reward systems and turnover intention, where effective rewards enhance job satisfaction and ultimately decrease employees' desire to leave the company.

In addition to job satisfaction, reward systems have also been proven to have a direct impact on turnover intention. A study by (Kristanti et al., 2021) found that employees who feel valued through fair compensation, adequate incentives, and recognition for their performance tend to have higher loyalty to the company. Conversely, dissatisfaction with the reward system, both in financial and non-financial aspects, often serves as a primary trigger for increased turnover intention. Research by (Laulié et al., 2021) also highlights the importance of transparent, performance-based reward systems, which can boost employee motivation and reduce their tendency to seek alternative employment opportunities.

Although there is strong evidence supporting the relationship between job satisfaction, reward systems, and turnover intention, some research gaps remain to be addressed. A study by (Pratama et al., 2022) suggests that the influence of these factors may vary depending on the industry, organizational culture, and employees' demographic characteristics. Furthermore, research on the effectiveness of different types of reward systems in various contexts remains limited. Therefore, further studies are needed to understand how these factors interact in different work environments and to identify the most effective strategies for improving employee retention. The previous studies used in this research are described in Table 1 below.

**Table 1. Previous Research**

No	Title	Author & Year	Method	Research Result
1	The mediating role of job stress on the relationship between job satisfaction facets and turnover intention of the construction professionals	(Dodanwala & Santoso, 2022)	Cross-sectional survey, path analytical model	Job stress mediates the relationship between job satisfaction facets and turnover intention. Supervision and job security reduce stress, which lessens turnover intention.
2	Global challenges of the mining industry: Effect of job insecurity and reward on turnover intention through job satisfaction	(Gunawan et al., 2024)	Quantitative survey, path analysis	Job insecurity negatively affects job satisfaction and increases turnover intention. Fair rewards can mitigate these effects.
3	Nurses' turnover intention, hope and career identity: the mediating role of job satisfaction	(Hu et al., 2022)	Descriptive cross-sectional, structural equation modeling	Job satisfaction fully mediates the relationship between career identity, hope, and turnover intention in nurses.
4	Employee turnover intentions and job performance from a planned change: the effects	(Lin & Huang, 2021)	Quantitative survey, structural equation modeling	Organizational learning culture lowers turnover intentions and improves job performance. Job

No	Title	Author & Year	Method	Research Result
	of an organizational learning culture and job satisfaction			satisfaction fully mediates these effects.
5	Results of survey on perception of patient safety culture among emergency nurses in Jordan: influence of burnout, job satisfaction, turnover intention, and workload	(Mansour & Abu Sharour, 2021)	Cross-sectional survey	Turnover intentions negatively affect patient safety culture perception. Burnout and workload also contribute to negative outcomes.
6	Applying the relational job design theory to the retail industry: the association between perceived social impact and job satisfaction, turnover intention, and persistence	(Matsumoto et al., 2024)	Cross-sectional survey, intervention study	Perceived social impact is positively associated with job satisfaction and negatively with turnover intention. The intervention did not change outcomes significantly.
7	The relationship between job satisfaction, turnover intentions and performance of Nigerian polytechnic lecturers with doctorate degrees	(Otache & Inekwe, 2022)	Descriptive correlational research, PLS-SEM	Job satisfaction is positively linked to performance and negatively to turnover intentions. High turnover intentions negatively impact performance.
8	The effect of job satisfaction and organizational commitment on turnover intention with person organization fit as moderator variable	(Pratama et al., 2022)	Descriptive research, multiple linear regression, MRA	Job satisfaction and organizational commitment negatively affect turnover intention. Person-organization fit moderates organizational commitment to turnover intention.
9	External alternatives, job stress on job satisfaction and employee turnover intention	(Ramlawati et al., 2021)	Structural model with Partial Least Square (PLS) approach	External alternatives significantly affect job satisfaction and turnover intention. Job satisfaction significantly affects turnover intention, while job stress has no significant effect.
10	Analysis of the effect of job satisfaction and tenure on turnover intention	(Soeprapto et al., n.d.)	Survey method, Pearson correlation, multiple regression analysis	Job satisfaction and tenure negatively related to turnover intention. Both significantly decrease turnover intention. Interaction between job satisfaction and tenure affects turnover intention.
11	Person-environment fit and medical professionals' job satisfaction, turnover intention, and professional efficacy: A cross-sectional study in Shanghai	(Xiao et al., 2021)	Structural equation model, hierarchical regression analysis	PG fit positively associated with job satisfaction and professional efficacy. PJ fit negatively associated with turnover intention. Demographics affect fit levels.
12	The effect of incentive management system on turnover rate, job satisfaction and motivation	(Al-Qathmi & Zedan, 2021)	Cross-sectional questionnaire study,	Discrepancy in wage allocation is the most prominent factor affecting turnover intention. Lack of autonomy and

No	Title	Author & Year	Method	Research Result
	of medical laboratory technologists		convenience sampling	independence is a factor, while workgroup cohesion is least ranked.
13	Rewards and faculty turnover: An individual differences approach	(Hoyos & Serna, 2021)	Binary logistic regression, multiple correspondence analysis	Faculty members' dissatisfaction with rewards linked to turnover intention. No moderator effect of age, seniority, and education level. Individual differences affect reward satisfaction.
14	Green Human Resource Management (GHRM) practices and millennial employees' turnover intentions in tourism industry in Malaysia: Moderating role of work environment	(Islam et al., 2023)	Survey with partial least squares structural equation modeling (PLS-SEM)	Green involvement and green pay/reward reduce turnover intention. No moderating effect of work environment. Findings extend GHRM literature on millennial turnover intention in hotels.
15	Effect of the effort-reward imbalance and job satisfaction on turnover intention of hospital nurses	(은 영 et al., 2022)	Descriptive statistics, t-test, ANOVA, regression analysis	Effort-reward imbalance and job satisfaction significantly affect turnover intention. Nurses with high effort-reward imbalance and low job satisfaction more likely to have high turnover intention.
16	Turnover intention among lecturers in private higher education: the direct impact of financial rewards and mediation of job satisfaction and effective organizational commitment	(Kristanti et al., 2021)	Survey method, online questionnaire, non-probability sampling	Financial rewards affect job satisfaction and organizational commitment, but not turnover intention. Job satisfaction and commitment mediate the relationship between financial rewards and turnover.
17	How leader contingent reward behavior impacts employee work engagement and turnover intention: the moderating role of age	(Laulié et al., 2021)	Online surveys, moderated mediation analysis	Age moderates the mediation effect of work engagement in the relationship between leader contingent reward behavior (CRB) and turnover intention, especially for employees working at headquarters.
18	The mediating effect of exhaustion in the relationship between effort-reward imbalance and turnover intentions: a 4-year longitudinal study from Sweden	(Leineweber et al., 2021)	Longitudinal study (4 years), structural equation modeling	Effort-reward imbalance (ERI) is linked to increased exhaustion, which in turn raises turnover intentions. The relationship was significant in earlier time points but not in later ones.
19	Pengaruh Kepuasan Kerja dan Reward System Terhadap Turnover Intention	(Rostandi & Senen, 2021a)	Descriptive explanatory survey	Both job satisfaction and reward systems significantly increase turnover intention in employees at PT. Catur Sentosa Anugerah.



No	Title	Author & Year	Method	Research Result
20	Mediating role of need satisfaction on total reward management towards retention: a conceptual framework	(Sarkar et al., 2023)	Conceptual analysis	Proposed frameworks show that need satisfaction (autonomy, competence, relatedness) mediates the relationship between total rewards and employee retention, contributing new insights to retention literature.
21	Illegitimate tasks and employees' turnover intention: A serial mediation model	(Zeng et al., 2021)	Survey, mediation analysis	Illegitimate tasks lead to increased turnover intention, both directly and indirectly through effort-reward imbalance and work-family conflict, particularly within the Chinese context.

### The Impact of Job Satisfaction on Turnover Intention

Job satisfaction is a key factor contributing to reducing turnover intention. (Ramlawati et al., 2021) explain that employees who are satisfied with their jobs tend to be more loyal and have a strong emotional attachment to the organization. Factors influencing job satisfaction include a comfortable work environment, good relationships with colleagues and supervisors, and a balance between work and personal life. When employees feel that their work is meaningful and offers opportunities for growth, they are more likely to have high work motivation and are less likely to seek other job opportunities (Soeprapto et al., n.d.), (Yosepha et al., 2024).

On the other hand, employees who experience job dissatisfaction often show signs of disengagement, lack of motivation, and increased work stress. Research by (Xiao et al., 2021) indicates that job dissatisfaction can be caused by unmet expectations, such as excessive workload, lack of promotion opportunities, and minimal support from management. When dissatisfaction persists without improvements from the company, employees tend to have a higher intention to leave and seek jobs that better align with their expectations.

### The Role of Reward Systems in Reducing Turnover Intention

An effective reward system plays a critical role in enhancing employee retention. Rewards can be financial, such as salaries, bonuses, and benefits, or non-financial, such as performance recognition, career development opportunities, and work flexibility (Leineweber et al., 2021). When employees feel that their contributions are fairly appreciated, they are more motivated to stay with the organization and perform at their best. A study by (Rostandi & Senen, 2021b) shows that companies with performance-based reward systems tend to have lower turnover rates compared to companies without clear reward policies.

Conversely, dissatisfaction with the reward system can be a major trigger for increased turnover intention. Employees who feel that their salary and incentives are not proportional to their efforts and contributions often seek opportunities that offer better compensation (Sarkar et al., 2023). Additionally, perceptions of unfairness in the distribution of rewards can lower employee morale and create a less conducive work environment (Zeng et al., 2021). Therefore, companies need to design transparent, competitive, and performance-based reward systems to enhance employee motivation and loyalty.

### Implications for Human Resource Management

The findings from this study have important implications for human resource management within organizations. Managers and company leaders need to recognize that job

satisfaction and reward systems are two key factors that interact to influence turnover intention (Lin & Huang, 2021). Therefore, a holistic approach is required when developing employee retention strategies, which should focus not only on financial compensation but also on aspects such as a positive work environment, development opportunities, and work-life balance.

Moreover, it is important for companies to regularly evaluate job satisfaction and the effectiveness of the reward systems in place. Job satisfaction surveys and exit interviews can be useful tools for identifying areas that need improvement (Hoyos & Serna, 2021). By understanding employees' needs and expectations, companies can develop more adaptive, data-driven policies to reduce turnover intention and improve long-term workforce retention.

## CONCLUSION

This study indicates that job satisfaction and reward systems have a significant impact on employee turnover intention. Employees who are satisfied with their jobs tend to have higher loyalty to the company and are less likely to seek job opportunities elsewhere. Factors such as a conducive work environment, good relationships with colleagues and supervisors, and career development opportunities play an essential role in enhancing job satisfaction and reducing the intention to leave the organization.

Moreover, a fair and competitive reward system is also a key factor in retaining employees. Both financial rewards, such as salaries and incentives, and non-financial rewards, such as recognition and work flexibility, contribute to employee motivation and loyalty. Conversely, dissatisfaction with the reward system can increase turnover intention, especially if employees feel their contributions are not adequately recognized. Therefore, organizations need to design comprehensive retention strategies by optimizing job satisfaction and reward systems to minimize turnover rates and enhance workforce sustainability.

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