

# The Effect of Compensation and Work Discipline on Employee Performance with Turnover Intention as Intervening Variable

(A Study at it Consulting Management Service Company Employees)

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**Abstract:-** The challenge of the globalization era is that the success of a company in achieving its vision and mission does not only depend on resource facilities such as technology, facilities, and infrastructure, but on the performance of company employees. Employees have a vital role in building and developing the company, so there needs to be an appropriate appreciation given by the company to avoid a desire to leave the company. This type of research is causal quantitative. This study aims to analyze the effect of compensation and work discipline on employee performance mediated by turnover intention in IT Consulting Management Service Company Employees. The number of samples in this study comprises of 100 respondents using a census sample which is part of the non-probability model sampling technique. The data analysis method used is Structural Equation Modeling Partial Least Square (SEM-PLS). The results of the study show that turnover intention partially mediates the indirect effect of compensation and work discipline on employee performance. Turnover Intention has a positive effect on employee performance. Compensation and work discipline have a positive and significant effect on employee performance with a contribution of 77.1%. Compensation is the dominant factor, especially the giving of bonuses that affects employee performance. Compensation and work discipline have a significant effect on turnover intention with a contribution of 73.3%. Direct compensation, especially the provision of bonuses, is the dominant factor that affects turnover intention.

**Keywords:-** Compensation, Work Discipline, Turnover Intention, Employee Performance.

## I. INTRODUCTION

The employee turnover rate is increasing from year to year from 2017 to 2020. The biggest increase occurred in 2019 and 2020, where the percentage is above 10% which can be said to be unstable and unnatural. As according to Gillis in Santoso (2014) labor turnover is said to be normal if it is at 5-10 percent per year. In addition, a decrease in the number of permanent employees every year relates to a decrease in employee performance. The impact of an increase in employee turnover in 2020 was due to the Covid-19 virus pandemic that occurred in the world which resulted in a weakening of business in the world, including in Indonesia, as happened in an IT Consulting Management Service Company. All

businesses must quickly take steps and be responsive to be able to maintain their business. The following is data on salary reductions given by employees after the Covid-19 pandemic, as follows:

**Table 1. Condition of Employees in IT Consulting Management Services Company**

Number of employees	2017	2018	2019	2020
Permanent employees	145	141	138	134
Employee Turnover	5	9	20	25
Turnover Percentage	3,4%	6,4%	14,5%	18,7%

Source: Internal Data (2021)

**Table 2. Employee Salary Decrease**

Name of Worker	Amount of Wages Before Withholding	Amount of Wages Received	Withholding 25%
Employee 1	Rp 8,500,000	Rp 6,375,000	Rp 2,125,000
Employee 2	Rp 30,000,000	Rp 22,500,000	Rp 7,500,000
Employee 3	Rp 27,000,000	Rp 20,250,000	Rp 6,750,000
Employee 4	Rp 8,500,000	Rp 6,375,000	Rp 2,125,000
Employee 5	Rp 15,000,000	Rp 11,250,000	Rp 3,750,000
Employee 6	Rp 11,000,000	Rp 8,250,000	Rp 2,750,000
Employee 7	Rp 11,000,000	Rp 8,250,000	Rp 2,750,000
Employee 8	Rp 11,000,000	Rp 8,250,000	Rp 2,750,000
Employee 9	Rp 9,500,000	Rp 7,125,000	Rp 2,375,000
Employee 10	Rp 11,000,000	Rp 8,250,000	Rp 2,750,000

Source: Internal Data (2021)

One of the steps taken by the IT Consultancy Management Service Company is to cut the compensation received by employees by 25%. Compensation cuts for employees are not only from salaries, but also allowances (transport and meal allowances) for employees who work from home (work from home). The following is a list of employee attendance during the COVID-19 pandemic.

**Table 3. Employee Attendance List**

<b>TIMESHEET</b>																	
<b>DESEMBER 2020</b>																	
<b>Name</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>
<b>P1</b>	wfh	wfh	wfh	wfh	wfh	S	S	wfo	wfo	wfo	wfo	C	S	S	wfh	wfh	wfh
<b>P2</b>	wfh	wfh	wfh	wfh	wfh	A	U	wfo	wfo	wfo	wfo	H	A	U	wfh	wfh	wfh
<b>P3</b>	wfh	wfh	wfh	wfh	wfh	T	N	wfo	wfo	wfo	wfo	R	T	N	wfh	wfh	wfh
<b>P4</b>	wfo	wfo	wfo	wfo	wfo	U	D	wfh	wfh	wfh	wfh	I	U	D	wfo	wfo	wfo
<b>P5</b>	wfo	wfo	wfo	wfo	wfo	R	A	wfh	wfh	wfh	wfh	S	R	A	wfo	wfo	wfo
<b>P6</b>	wfo	wfo	wfo	wfo	wfo	D	Y	wfh	wfh	wfh	wfh	T	D	Y	wfo	wfo	wfo
<b>P7</b>	wfo	wfo	wfo	wfo	wfo	A		wfh	wfh	wfh	wfh	M	A		wfo	wfo	wfo
<b>P8</b>	wfh	wfh	wfh	wfh	wfh	Y		wfh	wfh	wfh	wfh	A	Y		wfo	wfo	wfo
<b>P9</b>	wfh	wfh	wfh	wfh	wfh			wfo	wfo	wfo	wfo	S			wfh	wfh	wfh
<b>P10</b>	wfh	wfh	wfh	wfh	wfh			wfo	wfo	wfo	wfo	T			wfh	wfh	wfh
<b>P11</b>	wfh	wfh	wfh	wfh	wfh			wfo	wfo	wfo	wfo				wfh	wfh	wfh
<b>P12</b>	wfh	wfh	wfh	wfh	wfh			wfo	wfo	wfo	wfo				wfh	wfh	wfh
<b>P13</b>	wfo	wfo	wfo	wfo	wfo			wfh	wfh	wfh	wfh				wfo	wfo	wfo
<b>P14</b>	wfo	wfo	wfo	wfo	wfo			wfh	wfh	wfh	wfh				wfo	wfo	wfo
<b>P15</b>	wfo	wfo	wfo	wfo	wfo			wfh	wfh	wfh	wfh				wfo	wfo	wfo

Source: Internal Data

There is a decrease in the level of employee discipline which can be seen from attendance or absenteeism, employees who are late, and employees who leave the office during working hours. The following is data on the rate of lateness and absenteeism of employees at an IT Consulting Management Service Company in 2017-2020:

**Table 4. The Rate of Tardiness and Absenteeism of Employees**

<b>Work Discipline</b>	<b>2017</b>		<b>2018</b>		<b>2019</b>		<b>2020</b>	
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
<b>Absent Employees</b>	27	18,62%	28	19,86%	31	22,46%	34	25,37%
<b>Late Employee</b>	23	17,16%	24	17,91%	25	18,66%	30	22,39%
<b>Employees Leave During Office Hours</b>	2	1,49%	4	2,99%	5	3,73%	6	4,48%
<b>Total Employees</b>	<b>52</b>		<b>56</b>		<b>61</b>		<b>70</b>	

Source: Internal Data

There has been an increase in the number of absent employees, the number of employees who are late, and the number of employees leaving the office during office hours every year from 2017 to 2020. While the maximum percentage set by the company is 15% of the total number of employees. As the employee performance appraisal in the following table:

**Table 5. Employee Performance Assessment**

No.	Evaluation Items	Evaluation			
		2017	2018	2019	2020
<b>1</b>	<b>Quality of Work</b> - Implement challenging work standards and targets for yourself or the team - Obey orders from superiors and follow applicable procedures or rules - Demonstrates independence in completing work - Complete work thoroughly and correctly (not just finished) - Creating innovations or breakthroughs in completing work or problems that have occurred	4,85	4,83	4,87	4,80
<b>2</b>	<b>Customer Focus</b> - Quick and responsive to requests or needs of other parties - Take initiative and know feedback from other parties - Carry out evaluation and improvement of personal self or work done	4,82	4,43	4,37	4,50
<b>3</b>	<b>Team Work</b> - Can cooperate with other parties - Proactive in helping co-workers/teams - Demonstrate commitment to co-workers/team decisions - Create and maintain communication and cohesiveness of co-workers/teams - Creating a conducive working atmosphere and situation in achieving team targets - Increase the morale and motivation of subordinates or co-workers/teams to achieve the expected company targets	4,75	4,78	4,56	4,70
<b>4</b>	<b>Leadership</b> - Manage and complete work according to superior's expectations - Demonstrate initiative and commitment to work - Make decisions quickly and accurately - Delegate work well to subordinates / colleagues in the team - Placing the interests of the company or team above personal / smaller group interests	4,56	4,60	4,72	4,79
<b>5</b>	<b>Continuous Learning</b> - Take the initiative to increase knowledge related to work - Shows interest and seriousness in participating in self-development activities held by the company - Encouraging subordinates or co-workers to learn new knowledge related to work	4,53	4,40	4,75	4,80
<b>Total</b>		<b>23,51</b>	<b>23,04</b>	<b>23,27</b>	<b>23,59</b>
<b>Average</b>		<b>4,70</b>	<b>4,60</b>	<b>4,65</b>	<b>4,72</b>

Source: Internal Data

Based on the above assessment, employee performance has not been optimal and has not reached the target. IT Consulting Management Services Company targets a minimum employee performance standard of 4.80. However, the employee performance appraisal has not reached the company's minimum standard value, which is 4.60 to 4.72 in the period 2017 to 2020.

With the phenomenon that occurs in IT Consulting Management Services Company, the researchers propose a study entitled "The Effect of Compensation and Work Discipline on Employee Performance with Turnover Intention as an Intervening Variable (A Study at IT Consulting Management Services Company).

## II. LITERATURE REVIEW

### A. Employee Performance

According to Mangkunegara (2020), employee performance is the achievement of employee work results in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Robbins (2012) states that employee performance is the result of work both in quality and quantity achieved by a person in carrying out his duties according to his responsibilities. Lijan Poltak Sinambela, et. al (2016), states that employee performance is an employee's ability to perform a certain skill in completing his duties and responsibilities in the company.

Performance indicators according to Anwar Prabu Mangkunegara (2020), are as follows:

- 1) Quality of work
- 2) Working quantity
- 3) Cooperation
- 4) Responsibility
- 5) Initiative

#### *B. Turnover Intention*

According to Mobley (1979) in Wayan (2016), turnover intention is the tendency of an employee's intention to stop working from his job. Tet and Meyer (1993) in Ridlo (2012) reveal the intention to leave, namely the employee's intention to leave the organization intentionally and consciously from the employee's self to leave the organization. Another definition according to Putri and Suana (2016), turnover intention can be interpreted as an employee's intention to move from an organization or leave the organization, either in the form of dismissal or resignation.

Indicators of turnover intention According to Mobley (1979) in Wayan (2016):

- 1) Thoughts of quitting  
Starting with job dissatisfaction felt by employees, then employees began to think about leaving their current workplace, resulting in high and low intensity for not attending work.
- 2) Desire to leave (intention to quit)  
Employees have started to often think about leaving their jobs, these employees will try to find jobs outside the company that they feel better.
- 3) Desire to find another job  
The employee intends to leave if he has found a better job, sooner or later it will end with the employee's decision to stay or leave his job.

#### *C. Compensation*

Compensation according to Rivai (2017) is something that employees receive as a substitute for their service contribution to the company. According to Sinambela (2016), compensation is the total of all awards given to employees in

return for the services they provide to the organization. According to Malayu S.P Hasibuan (2021) definition, compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the company.

Compensation indicators are classified into two groups according to Rivai (2017), including:

#### 1) Financial Compensation

Consists of indirect and direct compensation. Direct compensation consists of employee payments in the form of salaries, bonuses, incentives, and allowances.

#### 2) Non-Financial Compensation

Additional privileges other than compensation payments such as payments for not attending the office (training, work leave, sick holidays, red days, personal events, rest periods, health insurance and pension programs).

#### *D. Work Discipline*

According to Siswanto (2013) in Sinambela (2016), discipline is an attitude of respect and obedience to the applicable regulations, both written and unwritten, and able to run them and do not avoid receiving sanctions if violated. According to Hasibuan (2021), work discipline is a person's awareness and willingness to obey all company regulations and applicable social norms. According to Keith Davis (1985) in Mangkunegara (2020), discipline management actions to enforce organization standards. Work discipline is the implementation of management to strengthen organizational guidelines and company operational standards.

According to Bejo Siswanto (2013) in Sinambela (2016), there are several indicators of work discipline as follows:

- 1) Attendance Frequency
- 2) Employee Alert Level
- 3) Adherence to work standards
- 4) Compliance with work regulations
- 5) Work ethic

#### *E. Framework*

Based on the literature review and previous studies, this framework can be described as follows:

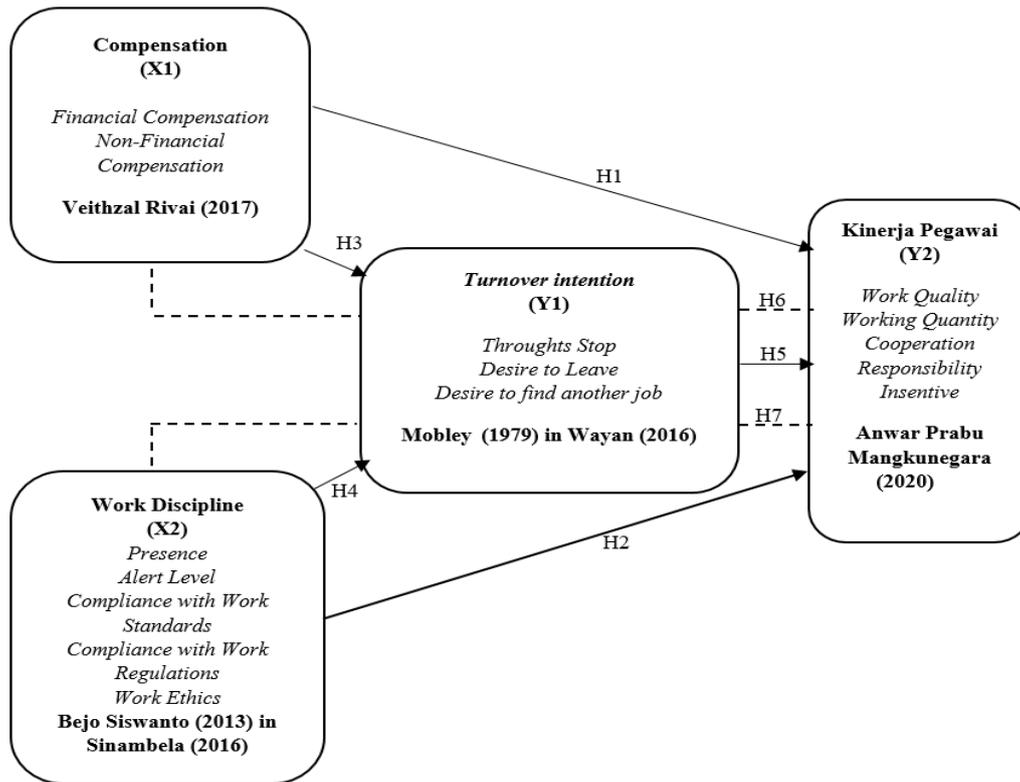


Fig 2. Thinking Framework

**F. Hypothesis**

- H1: Compensation has a significant effect on employee performance in IT Consulting Management Services Company
- H2: Work Discipline has a significant effect on employee performance at an IT Consulting Management Service Company
- H3: Compensation has a significant effect on turnover intention in IT Consulting Management Services Company
- H4: Work Discipline has a significant effect on turnover intention in IT Consulting Management Services Company
- H5: Turnover Intention has a significant effect on employee performance in IT Consulting Management Services Company
- H6: Compensation has a significant effect on employee performance through turnover intention in IT Consulting Management Services Company
- H7: Work Discipline has a significant effect on employee performance through turnover interntion at an IT Consulting Management Service Company.

**III. RESEARCH AND METHODS**

This study uses a comparative causal design which is included in the type of quantitative research. Comparative causal design is used to explain the causal relationship between variables through hypothesis testing. According to Creswell (2016), quantitative research is the deepening of problems based on existing theory testing efforts, which include variables, can be assessed with numbers, and can be analyzed

statistically to determine that a generalization of the theory is wrong or right.

**A. Population and Sample**

According to Silaen (2018), the population is the whole of objects or individuals that have characteristics. The population used in this study are employees of an IT Consulting Management Service Company with a total of 134 employees. The minimum sample size is the sampling consideration determined by using the Slovin formula. Errors that may occur must be overcome as small as possible with a level of error of 0.05 which means a 95% confidence level.

The sampling technique used is random sampling. Based on this, a sample of 100 employees is found.

**B. Method of Data Collection**

The source of data in a study becomes an important element, which can show the quality of the research results. For this reason, data sources need to be considered for researchers in determining data collection methods. As stated by Sugiarto (2017), the data sources consist of primary data and secondary data.

**C. Data Analysis Method**

The data analysis technique in this study is Partial Least Square (PLS). PLS is a Structural Equation Modeling (SEM) equation model with an approach based on variance or component based structural equation modeling. According to Ghazali & Latan (2017), the purpose of PLS-SEM is to develop a theory or build a theory (prediction orientation). PLS is used to explain whether there is a relationship between latent variables (prediction).

**IV. RESULT AND DISCUSSION**

**A. Characteristics of Respondents**

Respondents are research subjects by considering certain characteristics. These characteristics are different for each respondent and are adapted to research needs, to avoid

inaccuracies and errors in the results of research data. Characteristics of respondents described by gender, age, length of work, employment status, last education.

**Table 6. Characteristic of Respondents**

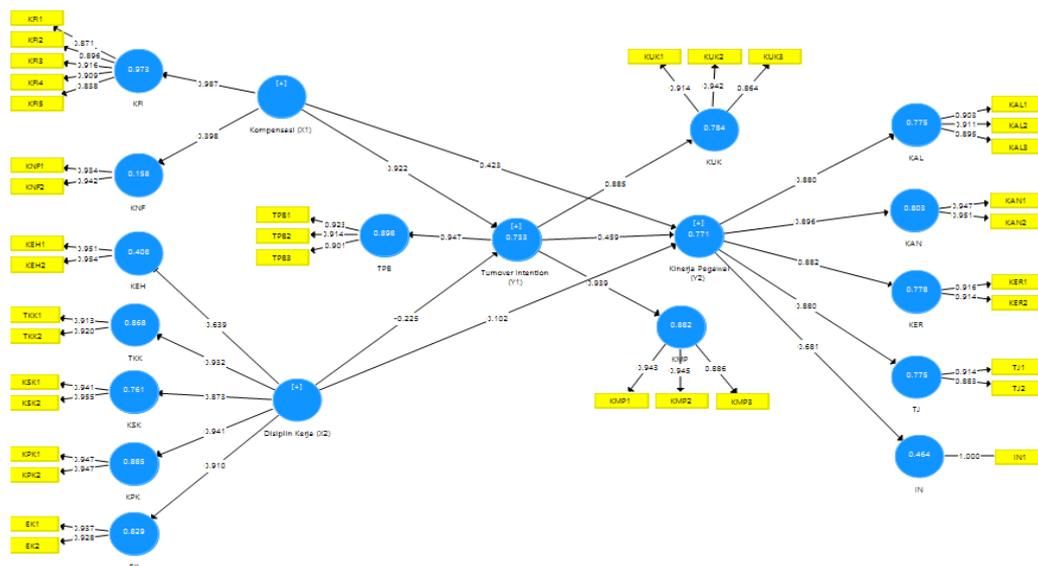
Category	Option	Number of Respondents	Percentage	Total Percentage
Gander	Male	78	78%	100%
	Female	22	22%	
Age	20-30 years old	20	20%	100%
	31-40 years old	60	60%	
	41-50 years old	15	15%	
	>50 years old	5	5%	
Long Period	<1 year	10	10%	100%
	1-5 years	36	36%	
	6-10 years	37	37%	
	11-20 years	17	17%	
Employee Status	Permanent	85	85%	100%
	Contract	15	15%	
Education	Senior High School	2	2%	100%
	D3	3	3%	
	S1	79	79%	
	S2	15	15%	
	S3	1	1%	

Source: Data calculation by the researcher

According to the company's internal data, male respondents dominate the company by 78%. The age of employees who dominate the company is at the age of 31 to 40 years by 60%. The length of work of employees is dominated by employees whose tenure is between 6-10 years by 37%. The number of permanent employees is higher than that of contract employees by 85%. The latest data shows that the percentage of employees with the most recent S1 education dominates at 79%.

**B. Measurement Model Test Results (Outer Model)**

The outer model is a specification of the relationship between the latent variable and its indicator, which explains the characteristics of the latent variable with its indicator or manifest variable (Wiyono, 2020). An instrument is said to meet the convergent validity test if it has a loading factor above 0.7.



**Fig 3. Convergent Validity Test Results with Loading Factor after Reduction**  
Source: Management output with SmartPLS 3

An instrument is said to meet the convergent validity test if it has an Average Variance Extracted (AVE) above 0.5. The results of convergent validity testing using AVE are presented in the following table.

**Table 7. Convergent Validity Test with Average Variance Extracted (AVE)**

Variable	Dimension	Average Variance Extracted (AVE)	Cut Off	Description
Compensation	KFI	0.786	0,5	Valid
	KNF	0.880	0,5	Valid
Work Discipline	KEH	0.907	0,5	Valid
	TKK	0.839	0,5	Valid
	KSK	0.899	0,5	Valid
	KPK	0.897	0,5	Valid
Turnover intention	EK	0.869	0,5	Valid
	KUK	0.823	0,5	Valid
	KMP	0.856	0,5	Valid
Employee Performance	TPB	0.833	0,5	Valid
	KAL	0.815	0,5	Valid
	KAN	0.901	0,5	Valid
Employee Performance	KER	0.837	0,5	Valid
	TJ	0.808	0,5	Valid
	IN	1.000	0,5	Valid

Source: Management output with SmartPLS 3

**D. Discriminant Validity**

The value of cross loading is obtained by comparing the magnitude of the relationship of each dimension to the variable, or as reflected by the value of the factor loading, then the magnitude of the relationship of each dimension to the variable must be greater than the relationship of each dimension to other variables. The result is that the factor loading of each dimension on the latent variable is proven to be greater than the relationship to the other latent variables so that it can be concluded that discriminant validity is met.

**E. Reliability Test**

The value of the latent variable has a composite reliability value > 0.7 and Cronbach's alpha > 0.6. It means that the construct has good reliability, or the questionnaire used as a tool in this study is declared reliable or consistent. Based on this, it can be presented in the following table.

**Table 8. Construct Reliability Test**

Variable	Dimension	Cronbach's Alpha	Composite Reliability	Description
Compensation	KFI	0.932	0.948	Valid
	KNF	0.864	0.936	Valid
Work Discipline	KEH	0.897	0.951	Valid
	TKK	0.809	0.913	Valid
	KSK	0.888	0.947	Valid
	KPK	0.886	0.946	Valid
Turnover intention	EK	0.849	0.930	Valid
	KUK	0.892	0.933	Valid
	KMP	0.915	0.947	Valid
Employee Performance	TPB	0.899	0.937	Valid
	KAL	0.887	0.930	Valid
	KAN	0.890	0.948	Valid
	KER	0.805	0.911	Valid
Employee Performance	TJ	0.763	0.894	Valid
	IN	1.000	1.000	Valid

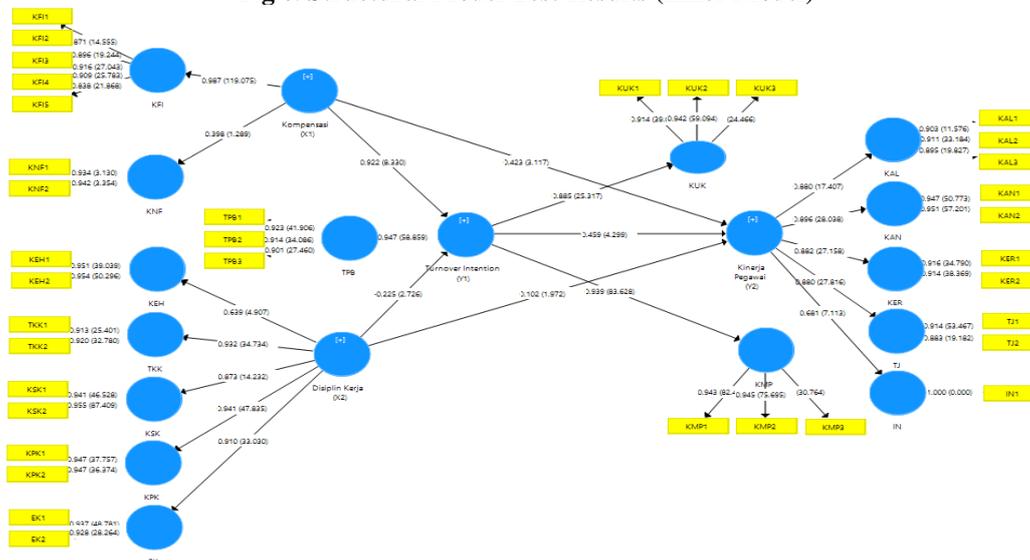
Source: Management output with SmartPLS 3

Based on the table above, the value of Cronbach's alpha is greater than 0.6 and the value of composite reliability is greater than 0.7. Thus, based on the calculation of the value of Cronbach's alpha and the value of composite reliability, all indicators are declared reliable in measuring the variables.

**F. Evaluation of Structural Measurement Model (Inner Model)**

In the structural model analysis stage (inner model), there are two things that become testing tools, namely the R Square (R<sup>2</sup>) analysis and the t-statistical test to test the partial hypothesis obtained by using Bootstrapping calculations on the SmartPLS application (Ghozali and Latan, 2017).

**Fig 6. Structural Model Test Results (Inner Model)**



Source: Management output with SmartPLS 3

G. R Square(R<sup>2</sup>)

The table below shows that employee performance variables are influenced by other variables simultaneously at R<sup>2</sup> = 77.1, and the remaining 22.9% is influenced by other variables outside the variables studied. While the variable turnover intention is influenced by other variables simultaneously at R<sup>2</sup> = 73.3%, and the remaining 27.7% is influenced by other variables outside the variables studied.

**Table 9. R Square Value**

	R Square	R Square Adjusted
<b>Employee performance (Y2)</b>	0.771	0.763
<b>Turnover intention (Y1)</b>	0.733	0.727

Source: Management output with SmartPLS 3

I. Goodness of Fit Model

In this study, the SRMR (Standardized Root Mean Square Residual) criterion is used which is a measure of the absolute value of the mean residual covariance. This measure assesses the magnitude of the difference between the analyzed correlation and the expected absolute measurement of the appropriate model. The results of the GoF test can be seen that it is quite good or 0.10.

**Table 10. GoF Model**

Criteria	Saturated Model	Estimated Model	Cut off Value	Result
<b>SRMR</b>	0,104	0,122	≤ 0,10	Good enough

Source: Management output with SmartPLS 3

J. Model Testing or Simultaneous Test

Model testing is used to test whether there is an overall effect of the exogenous variables together on the endogenous variables. The test criteria state that if the f-statistics ≥ f-table (1.96) or p-value < significant alpha 5% or 0.05, it means that there is a significant effect of exogenous variables on endogenous variables simultaneously. The results of the significance and model testing can be seen through the following table.

**Table 11. Model Test or Simultaneous Test**

R Square	N	k	F <sub>count</sub>	F <sub>table</sub>	P-Value	Description
0.771	100	2	335,21	2,70	0,000	Significant
0.733	100	2	284,19	2,70	0,000	Significant

Source: Management output with SmartPLS 3

The resulting f-statistics table is 335.21 with an R square of 0.771, and for the f-statistics it produces 284.19 with an R Square of 0.733 with a p-value of 0.000 each. The test results show that the f-statistics value is > 2.70, and the p-value is < 0.05. This means that it can be concluded that the research model can be used to explain the relationship between compensation and work discipline on employee performance with turnover intention as an intervening variable.

K. Hypothesis

The criteria for testing the hypothesis state that if the value of t-statistics ≥ t-table (1.96) or the value of p-value < significant alpha 5% or 0.05, it means that there is a significant effect of exogenous variables on endogenous variables. The results of the significance and model testing can be seen through the explanation below.

**Table 12. Hypothesis Test**

Hypothesis	Coefficient	T Statistics ( O/STD EV )	P-Value
<b>Compensation (X1) -&gt; Employee Performance (Y2)</b>	0.423	3.29	0.001
<b>Work Discipline (X2) -&gt; Employee Performance (Y2)</b>	0.102	1.995	0.047
<b>Compensation (X1) -&gt; Turnover intention (Y1)</b>	0.922	9.029	0.000
<b>Work Discipline (X2) -&gt; Turnover intention (Y1)</b>	-0.225	2.949	0.003
<b>Turnover intention (Y1) -&gt; Employee Performance (Y2)</b>	0.459	4.507	0.000
<b>Compensation (X1) -&gt; Turnover intention (Y1) -&gt; Employee Performance (Y2)</b>	0.423	4.041	0.000
<b>Work Discipline (X2) -&gt; Turnover intention (Y1) -&gt; Employee Performance (Y2)</b>	-0.102	2.462	0.014

Source: Management output with SmartPLS 3

- 1) Testing the effect of compensation on employee performance has a path coefficient of 0.423 with a t-statistic value of 3.290 and a p-value of 0.001. Because the t-statistic value > 1.96 and p-value < 0.05, then there is a significant positive effect between compensation on employee performance.
- 2) Testing the effect of work discipline on employee performance has a path coefficient of 0.102 with a t-statistic value of 1.995 and a p-value of 0.047. Because the t-statistic value > 1.96 and p-value < 0.05, then there is a significant positive effect between work discipline on employee performance.
- 3) Testing the effect of compensation on turnover intention has a path coefficient of 0.922 with a t-statistic value of 9.029 and a p-value of 0.000. Because the t-statistic value > 1.96 and p-value < 0.05, then there is a significant positive effect between compensation on turnover intention.
- 4) Testing the effect of work discipline on turnover intention has a path coefficient of -0.225 with a t-statistic value of 2.949 and a p-value of 0.003. Because the t-statistic value > 1.96 and p-value < 0.05, then there is a significant negative effect between work discipline on turnover intention.
- 5) Testing the effect of turnover intention on employee performance has a path coefficient of 0.459 with a t-statistic value of 4.507 and a p-value of 0.000. Because the t-statistic value > 1.96 and p-value < 0.05, there is a significant positive effect between turnover intention on employee performance.

- 6) Testing the effect of compensation on performance through turnover intention has a path coefficient of 0.423 with a t-statistic value of 4.041 and a p-value of 0.000. Because the t-statistic value  $> 1.96$  and p-value  $< 0.05$ , then there is a significant positive effect between compensation on employee performance through turnover intention.
- 7) Testing the effect of work discipline on employee performance through turnover intention has a path coefficient of -0.103 with a t-statistic value of 2.462 and a p-value of 0.014. Because the t-statistic value  $> 1.96$  and p-value  $< 0.05$ , then there is a significant negative effect between work discipline on employee performance through turnover intention.

#### L. Discussion

From testing the research results, there is a significant positive effect between compensation on employee performance in IT Consulting Management Services Companies. From this research, it is explained that if the compensation given by the company is appropriate for its employees, the employee's performance is also good. On the other hand, if the compensation provided by the company is not suitable for its employees, the employee's performance will also be poor. This is supported by the existence of several indicator factors, namely, the need for an adequate salary for everyday life, receiving appropriate bonuses, receiving appropriate incentives, receiving health insurance according to company regulations, as well as facilities that make employees feel comfortable. These results are in accordance with the opinion of Prasetyo (2019), Chepchumba (2017), Sundari (2019), that there is a positive and significant influence between compensation on employee performance. Thus, the hypothesis H1 in this study states that "compensation has a positive effect on employee performance" is accepted.

Furthermore, there is a significant positive influence between work discipline on employee performance at an IT Consulting Management Service Company. These results can be interpreted that the better the employee's work discipline, the employee's performance will increase and vice versa if the employee's work discipline is poor, the employee's performance will be low. This is supported by the existence of several indicator factors, namely, the level of employee attendance, responsibility in completing work, an attitude of cooperation in completing tasks and respecting the opinions of others. This study is in accordance with previous studies by Heriyanto et.al (2018), Iptian et.al. al (2020), and Noel et. al (2017) showed that there was a positive and significant effect of work discipline on employee performance, which means that the higher the employee's work discipline, the higher the results of employee performance at an IT Consulting Management Service Company. Thus, the hypothesis H2 in this study states that "work discipline has a significant effect on employee performance" is accepted.

From testing the results of the next study, there is a positive and significant effect between compensation on turnover intention in IT Consulting Management Services Companies. This has an effect because of the need for compensation for employees, both financial compensation and non-financial compensation, namely, in giving bonuses that

are in accordance with the quality of the work produced but in providing employee incentives not in accordance with company regulations which affect the increase in turnover intention. The higher the level of individual desire, the higher the level of perceived satisfaction, this is due to the influence of what is called "intermediate commitment", namely a person who survives and feels satisfied with the current condition of the company while waiting for the opportunity to move if there is a more promising company. higher satisfaction. As the results of research by Setiawan et. al (2016) compensation has a positive and significant effect on turnover intention. Thus, the H3 hypothesis in this study states that "compensation has a significant effect on turnover intention" is accepted. This research is not in line with several previous studies by Sugiono (2019) and Zakaria (2017). The results of the author's research show that compensation has a positive effect on turnover intention, and this hypothesis is contrary to the ideal hypothesis. This is different because the results of the respondent's data show that employees are actively looking for other jobs and thinking about leaving the company. Employees want to leave the company if the employee gets the opportunity to work in another company that is better with more satisfaction.

The results of the next study there is a significant negative effect between compensation on work discipline in an IT Consulting Management Service Company. This shows that if the level of discipline is good, employees will tend to choose to stay. Vice versa, if the employee's level of discipline is not good, the employee feels uncomfortable and tends to choose to leave the company. This is also supported by the existence of several indicator factors, namely, the level of employee attendance, employee responsibilities in completing work, suitability in completing work, as well as employee relations with superiors and colleagues. This research is also in line with several previous studies conducted by Wisantyo et. al (2015) and Lenny (2020) show that there is a negative and significant influence between discipline on employee turnover intention. Thus, the H4 hypothesis in this study states that "work discipline has a significant effect on turnover intention" is accepted.

Furthermore, there is a positive and significant influence between turnover intention on employee performance at an IT Consulting Management Service Company. Based on the results of research by Dhini Puji Ridhowat (2015) which shows that turnover intention has a positive and significant effect on employee performance. This is influential because many employees are active in looking for other jobs and always think about leaving the company, and if the opportunity to change jobs is available, employees will take that opportunity. The dominance of employees wants to leave the company if the employee gets the opportunity to work in another better company. Thus, the hypothesis H5 in this study states that "turnover intention has a significant effect on employee performance" is accepted. This study is not in line with several previous studies conducted by Marsiah (2020) and Wong (2014) which showed a negative and significant influence between turnover intention on employee performance. The results of the author's research show that turnover intention has a positive effect on employee

performance, and this hypothesis is contrary to the ideal hypothesis. This result is different because the respondent's data shows the answer that most employees are active in looking for other jobs and always think about leaving the company and employees tend to maintain good performance in the company such as completing tasks on time, and employee initiative in completing work without waiting for orders to show employee performance who are still good and show a professional attitude towards the company.

The results of the next study that the turnover intention variable was able to partially mediate the effect of compensation on employee performance. Referring to relevant indicators, namely the provision of appropriate incentives for employees, as well as the level of thinking of employees to leave the company, which is still normal in the company, it will affect employee performance, especially in completing tasks on time and employee initiative in completing work without waiting for orders to make turnover. intention can mediate the effect of compensation on employee performance. This research is also in line with previous research conducted by Palupiningdyah et. al (2017) and Ajiputra (2016) that turnover intention can mediate the relationship of job compensation satisfaction to employee performance. Thus, the hypothesis H6 in this study states that "compensation has a significant effect on employee performance through turnover intention" is accepted.

The next test, turnover intention can mediate partial (partial mediation) the effect of work discipline on employee performance. In this case, it indicates that if the level of discipline is good, and the performance is good, it will indirectly affect the low turnover intention. This is also supported by the disciplined attitude of employees who are responsible for the work done and completion of work in accordance with applicable regulations followed by the low level of employees thinking outside the company which affects employee performance, especially the attitude of employees who can complete tasks on time and initiative. employees in completing work without waiting for orders from superiors. This research is also in line with research conducted by Sugiono and Vitaloka (2019) which states that turnover intention can mediate the relationship between work discipline and employee performance. Thus, the hypothesis H7 in this study states that "work discipline has a significant effect on employee performance through turnover intention" is accepted.

## V. CONCLUSION AND RECOMMENDATION

### A. Conclusion

- 1) Compensation has a positive and significant effect on employee performance for employees at an IT Consulting Management Service Company. Receipt of bonuses for employees is the most dominant influence on compensation. This means that employees who are satisfied with receiving bonuses that are in accordance with their work become increasingly animating their work and improve their performance in the company.

- 2) Work discipline has a positive and significant effect on employee performance at the IT Consulting Management Service Company. Employees are always responsible for work and carry out work in accordance with applicable regulations to be the most dominant influence on work discipline. This means that employees who have been responsible for their work make employees more productive and influence higher performance.
- 3) Compensation has a positive and significant effect on turnover intention of employees in IT Consulting Management Services Company. Employees in receiving bonuses are in accordance with the quality of work and feel appreciated by the bonus being dominant. This affects the turnover intention relationship. The higher the level of individual desire, the higher the level of perceived satisfaction, this is due to an influence called intermediate commitment, namely a person who persists and feels satisfied with the current condition of the company while waiting for the opportunity to move if there is a company that promises more satisfaction. higher.
- 4) Work Discipline has a negative and significant effect on turnover intention in IT Consulting Management Service Companies. Employees are always responsible for the work done and the work they do is in accordance with applicable regulations, being the most dominant indicating that employees are aware of their obligations to the company so that their disciplined attitude has an influence on employee performance.
- 5) Turnover intention has a positive and significant effect on turnover intention in IT Consulting Management Service Companies. Respondents' results indicate that most employees are active in looking for other jobs to be the most dominant. In addition, employees tend to maintain good performance in the company such as completing tasks on time, and employee initiative in completing work without waiting for orders shows employee performance that is still good and shows a professional attitude towards the company. This shows the dominance of employees wanting to leave the company if the employee gets the opportunity to work in another, better company.
- 6) Turnover Intention can mediate partial (partial mediation) the effect of compensation on employee performance. Referring to relevant indicators, namely the provision of appropriate incentives for employees, as well as the level of thinking of employees to leave the company, which is still normal, it will affect employee performance, especially in completing tasks on time and employee initiative in completing work without waiting for orders to make turnover intention can mediate the effect of compensation on employee performance.
- 7) Turnover intention can mediate partial (partial mediation) the effect of work discipline on employee performance. With the disciplined attitude of employees who are responsible for the work done and completion of work in accordance with applicable regulations followed by low levels of employees who think outside the company affects employee performance, especially the attitude of employees who can complete tasks on time and employee initiative in completing work without waiting for orders from superiors.

### B. Recommendation

Based on the conclusions above and with the hope that the research can present better research results, the researchers try to provide some input or suggestions, namely as follows:

- 1) IT Consulting Management Services Company must pay attention to and increase employee compensation, both financial compensation and non-financial compensation. Referring to the indicator with the highest loading factor value, namely financial compensation. Employees are still not satisfied with the bonuses given by the company. Companies need to ensure that employees get satisfaction with bonuses that are in accordance with the job responsibilities assigned to employees and in accordance with company regulations, so that employees feel valued by these gifts. Referring to the indicator with the lowest loading factor value, namely non-financial compensation, the benefits received by employees need to be considered, such as BPJS and health insurance for outpatient facilities. This is in line with reducing the intention and intensity of employees to leave the company.
- 2) IT Consulting Management Services Company must pay attention to the level of turnover intention. Referring to the indicator with the highest loading factor value, namely active employees in looking for other jobs, being the most dominant. Referring to the indicator with the lowest loading factor value, employees always think about leaving the company. This shows the dominance of employees wanting to leave the company if the employee gets the opportunity to work in another, better company.
- 3) An IT Consulting Management Service Company must pay attention to the level of employee discipline, referring to the indicator with the highest loading factor value, doing work according to the needs of the office. Companies need to provide support to employees such as by providing debriefing or training in accordance with their field of work so that employees will always think ahead and develop, especially in the ease of completing their work. Referring to the indicator with the lowest loading factor value is the completion of tasks and responsibilities for the work done. Companies must give rewards to their employees if they find the best employees with the best percentage of attendance. So that it can provide work motivation and enthusiasm for working employees. With this effort, it is expected that employees can maintain the level of employee discipline and will affect employee performance at work.
- 4) The researchers hope that the IT Consulting Management Service Company can create balanced compensation with the principle of fairness so that employees will improve their performance better and go hand in hand so that production activities or employee activities run smoothly in accordance with company goals.
- 5) Suggestions for further researchers are to present and add other variables such as organizational culture, work environment, job rotation, organizational commitment, career development, outside of compensation and work discipline variables, because there are other variables that influence turnover intention and employee performance that do not discussed in this study.

- 6) It is hoped that future researchers will be able to use a larger and more varied sample.  
In practice, this research has limitations, including:
  - 1) The research sample in this study is still less creative and relatively small, due to time constraints, the situation and conditions of the company in implementing the lockdown.
  - 2) There are limitations in the selection and collection of data due to the Covid-19 pandemic which causes the data obtained from respondents to still have an element of subjectivity in filling out the questionnaire.

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