

The Effect of Compensation and Job Satisfaction on the Intention to Leave of the Starred Hotel Employees in Malang

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Abstract: *This study aims to determine effect of financial and non-financial compensation to intention to leave through job satisfaction. Samples were 145 respondents who are employees of starred hotel in Malang. Measurements were performed by Likert scale questionnaire with 1-5 score degrees of agreement from strongly disagree to strongly agree. The structure of relationships between variables were analyzed with SEM using AMOS 20. Most respondents education were diploma, 20-30 years and worked at the hotel for 1-8 years. Modeling results explain that there is a direct effect of compensation on job satisfaction at 0.345, especially from non-financial compensation. There is a significant relationship between non-financial compensation and job satisfaction at 0.563. Compensation have indirect effect to intention to leave through job satisfaction at -0.882.*

Keywords: *compensation, job satisfaction, intention to leave*

1. INTRODUCTION

Indonesia expects that creative economy will contribute 11 percent to the national economy in 2014. Indonesia includes 14 aspects of the national economy within the scope of creative economy (<http://www.indonesia.go.id>, 2013). Nirwandar (2013: 12) confirms that the sub-sectors of creative economy consists of films (video) and photography, TV and radio, advertising, printing and publishing, music, performing arts, art markets, culinary, crafts, fashion, architecture, design, information technology, interactive games, and Reserach and Development. Prasetyantoko (<http://wartaekonomi.co.id>, 2013) confirms, "Indeed, the link between tourism and creative economy is enormous. If creative industries are developed in conjunction with the tourism industry, then such a significant impact would be there soon." One of the most important aspects of the tourism industry is hospitality (<http://www.ugm.ac.id>, 2008). Harun (2008) states that "The hotel includes the main tourism superstructures. From the description afore-mentioned, it can be concluded that hotel is a principal means of tourism. Therefore, creative economy and tourism has enormous relevance. Thus, to support the development of creative economy, hotels has big role.

Malang is potential for the development of IT-based creative economy as the city is the hosts for many universities (Anshary, 2012). Kresnarini (2011) argues, "Malang and Surabaya are potential to overtake the five cities as the icon of creative economy. Hotels in Malang are quite numerous and varied in kinds. They are competing either directly or indirectly, not only in terms of business, but also other aspects, such as human resources (HR). One sensitive HR policy is the one related to compensation. It can affect all aspects of HR, such as job satisfaction and up to the intention of employees to leave.

2. LITERATURE REVIEW

2.1. The Definition of Compensation

Handoko (2008) said that one way to improve performance, motivation, and satisfaction is to provide proper compensation. Compensation in this study, according to Mondy *et al.* (2013), can be divided into two catagories:

- Financial compensation consists direct financial compensation and indirect financial compensation. Direct financial compensation takes the form of salaries, wages, bonuses, and commissions. Indirect financial compensation is also called allowances that covers all the financial rewards not covered in the direct financial compensation, such as insurance and holidays paid by the organization

- Non-financial compensation is received on the basis of the work itself, such as responsibility, opportunities for recognition, opportunities for promotion, psychological and or physical environment where employees work, such as great colleagues, healthy policies, cafeteria, division of work, compressed work days, and spare time. Fathonah and Umi (2012) divide the compensation into wages and salaries, incentives, benefits and facilities. Conceptually, compensation is defined as everything received by employees as remuneration for their contribution to the company or for the jobs or tasks they do.

2.2. Job Satisfaction

Base on Jimad (2011), Rival (2008), and Handoko (2001), conceptually, job satisfaction is satisfied or dissatisfied feeling employees have toward their job. The concept of job satisfaction could be operationalized into: (a) the payment; (b) employment; (c) working conditions that support; (d) the supervisor; (e) co-workers (Rival, 2008).

2.3. Turnover Intention

Conceptually, base on Manurung and Ratnawati (2012), Toly (2001), and Novliadi (2007), the intention to leave refers to the desire of individual employees to leave the company to another company. Operationally, this concept can be seen from the level of employees’ desire to leave the company.

2.4. The Relationship of Compensation and Job Satisfaction with the Intention to Leave

Fathonah and Umi (2012), Fortunisa and Febrina (2011), and Mustika (2011) state that compensation has a positive effect on job satisfaction, for both direct and indirect compensation. Improved compensation will also increase employee satisfaction. Sumarto (2009), Fiernaningsih (2009), and Manurung and Ratnawati (2012) conclude that compensation has a negative effect on the intention to leave. This means that higher compensation will reduce the intention to leave and the vice versa. Fiernaningsih (2009), Alam and Mohammad (2010), and Manurung and Ratnawati (2012) conclude that job satisfaction affects the intention to leave. Like compensation, job satisfaction also affects negatively on the intention to leave.

3. RESEARCH METHOD

The population of this study is starred hotel employees in Malang - Indonesia; their exact number is unknown until recently. Thus, the sampling technique used was purposive random sampling. Sample size was determined using quota sampling, based on the highest quota for each starred hotels (of a minimum requirement of a three-star hotel). Hair et al. (2006) states that the minimum number of samples in the SEM is 100. It was adapted to Structural Equation Modeling (SEM).

This study used a hypothesis; thus, a measurement scale on predefined variables is needed for hypothesis testing procedure. Measurement scale used was the Likert scale with 5 (five) alternatives. The type and source of the data used in this study is described in Table 1 as follows:

Table1. *Type and Source of Data*

Type	Item Data	Source	Method
Primary data	Respondents Profile or Characteristics	Respondents or research sample	Questionnaires distributed to respondents
	Research Indicators		
Secondary data	General overview of starred hotels in Malang	Malang Tourism Department	Dokumentation
	Data on employees of the starred hotels in Malang		Documentation and observations

Based on the hypothesis model, the variables used are presented in Table 2 as follows:

Table2. *Classifying Research Variables*

No.	Variables	
	Exogenous	Endogenous
1	Financial compensation (X1)	Job satisfaction (Y1)
2	Non Financial compensation (X2)	Intent to Leave (Y2)

Then, seen from the types, variables in this study are latent variables. Operationalization of variables that become the object of this study is presented in Table3 as follows:

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Table3. Operationalization of Variables

VARIABEL	INDIKATOR	ITEM
Financial compensation	a. Salary	1. Salary meets employees' expectation 2. Salary meets employees' needs 3. Salary meets employees' level of education 4. Salary meets employees' work
	b. Allowance	1. Allowance meets employees' expectation 2. Allowance meet employees' work
	c. Bonus	1. Bonus meets employees' expectation 2. Bonus meet employees' work
	d. Health insurance	1. Promotion policy meets employees' expection 2. Chance to get promoted
Non Financial compensation	a. Promotion	1. Promotion policy meets employees' expection 2. Chance to get promoted
	b. Recognition	1. Intense attention from superordinate 2. Recognition from superordinate
	c. Self development	1. Chance for self-development 2. Professional development program meets employees' needs
Job satisfaction	a. Work	1. Competence meets responsibility 2. Interesting work
	b. Supporting working environment	1. Comfortable working environemnet 2. Good and suporting facility
	c. Supervisor	1. Support from supervisors 2. Participative climate built by supervisors
	d. Co-workers	1. Supportive team 2. Good relationship with co-workers
Intention to leave	a. Think to leav	Often think t leave the company
	b. Looking for alternative	Actively looking for alternatives (other jobs)
	c. Plan to leav	Plan to leave the company
	d. Apply for other job	Send job application letter to other companies

3.1. Conceptualization of Model Based on Theory

Within this phase, the researcher conducted a literature review related to the study with the intent to justify that the issues being discussed and that the relationship between exogenous and endogenous latent variables is strongly supported by the existing theories.

3.2. Development of Measurement Model

The concept of variable relationship afore-mentioned is further illustrated in the measurement model. Development of measurement model of causal relationships is presented in Figure 1.

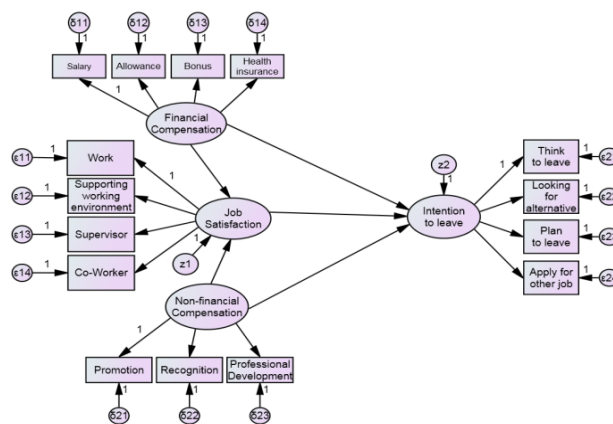


Fig1. Diagram of Measurement Model

3.3. Conversion into Structural Model (Statistical Equation)

At this stage, the researcher began to convert the specification model into a series of structural equation model. The structural equations are mathematically expressed as follows:

$$\xi_1 = (\gamma_1 \xi_1 + \gamma_2 \xi_2 + \zeta_1$$

$$\xi_2 = (\gamma_3 \xi_1 + \gamma_4 \xi_2 + \beta_1 (\xi_1 + \xi_2$$

Measurement equation of exogenous latent variable is as follows:

$$X_{11} = \lambda_1 \xi_1 + \delta_1 \quad X_{12} = \lambda_2 \xi_1 + \delta_2$$

$$X_{13} = \lambda_3 \xi_1 + \delta_3 \quad X_{14} = \lambda_4 \xi_1 + \delta_4$$

$$X_{21} = \lambda_5 \xi_2 + \delta_5 \quad X_{22} = \lambda_6 \xi_2 + \delta_6 \quad X_{23} = \lambda_7 \xi_2 + \delta_7$$

Measurement equation of endogenous latent variable is as follows:

$$Y_{11} = \lambda_8 (\xi_1 + \epsilon_1) \quad Y_{12} = \lambda_9 (\xi_1 + \epsilon_2$$

$$Y_{13} = \lambda_{10} (\xi_1 + \epsilon_3) \quad Y_{14} = \lambda_{11} (\xi_1 + \epsilon_4$$

$$Y_{21} = \lambda_{12} (\xi_2 + \epsilon_5) \quad Y_{22} = \lambda_{13} (\xi_2 + \epsilon_6$$

$$Y_{23} = \lambda_{14} (\xi_2 + \epsilon_7) \quad Y_{24} = \lambda_{15} (\xi_2 + \epsilon_8$$

3.4. Evaluation Model with Fit Model Criterion

Goodness of fit of a model can be assessed based on the following criteria (Ghozali & Fuad, 2005):

3.4.1. Chi-Square and Probability

Chi-square value indicates the deviation between sample covariance matrix and the model (fitted) covariance matrix. However, chi-square value will only be valid if data normality assumptions are met and the sample size is large. Chi-square value of zero indicates that the model has a perfect fit. Chi-Square probability is expected not significant (≥ 0.05). P is the probability of getting big deviation as indicated by the chi-square value. Thus, a significant chi-square value (< 0.05) shows that the empirical data obtained is different from the theory constructed, whereas no significant probability values indicate that the empirical data is suitable with the model.

3.4.2. Goodness of Fit Indices (GFI)

Is a measure of accuracy of the model in producing observed covariance matrix. GFI value should range between 0 and 1. Although in theory GFI may have a negative value, it should not happen in reality, because the model with a negative value of GFI is the worst of all existing models. GFI value greater than 0.9 shows a good model fit.

3.4.3. Adjusted Goodness of Fit Index (AGFI)

Is equal to GFI, yet it has adjusted the effect of degree of freedom in a model. Just like GFI, AGFI value of 1 means that the model has a perfect fit. A fit model is the one having AGFI value greater than or equal to 0.9. The value nearly equal to AGFI is parsimony goodness of fit index (PGFI) which also has adjusted impact and the degree of freedom and complexity of models; interpretation of PGFI should be followed by other models of fit indices. A good model has a PGFI value greater than 0.6.

3.4.4. Root Mean Square Error of Approximation (RMSEA)

Is the most informative indicator of model fit. RMSEA measures deviation of parameter values in a model with covariance matrix of the population. RMSEA values less than and 0.05 indicates the existence of a fit model, and RMSEA values range from 0.05 to 0.08 mean that the model has a reasonable error estimate (Byrne, 1998). MacCallum states that RMSEA ranging between 0.08 up 0.1 means that the model has a moderate fit. RMSEA values greater than 0.1 indicate a bad fit.

3.4.5. Tucker-Lewis Index (TLI) and Comparative Fit Index (CFI)

TLI was proposed by Tucker and Lewis (1973) as a mean to evaluate the factor analysis which was later expanded to SEM (Wijanto, 2000). Bentler (1990) proposed another index of Comparative Fit Index (CFI). TLI and CFI value ranges between 0 and 1 and is lowered on a comparison between the hypothesized model and the independence model. A model is fit if the TLI and CFI values are greater than 0.95.

Thus, the indices that can be used to test the feasibility of a model, both measurement models as well as structural or causal models, can be summarized in Table 4 below.

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Table 4. Goodness of fit Indices

Goodness of fit index	Cut-of Value
$X^2 - Chi-Square$	Expected to be small
Significance Probability	$\geq 0,05$
X^2/df	$\leq 2,00$
GFI	$\geq 0,90$
AGFI	$\geq 0,90$
CFI	$\geq 0,90$
TLI	$\geq 0,95$
TFI	$\geq 0,90$
RMSEA	$\leq 0,08 - 0,10$

The use of size in combination mentioned previously is useful to assess the suitability of the model of three perspectives, namely absolute fit, parsimony fit, and incremental fit. Absolute fit is a measure of the absolute match to determine the overall degree of predictive models for correlation and covariance matrix. Some indices used to measure the absolute fit among others are chi square, GFI, and RMSEA. Incremental fit is a measure used to compare the suitability of the proposed model with the baseline model. Some indices used to measure the incremental fit among others are CFI and TLI. Parsimony fit measures a model with a number of parameters in order to achieve a match at that level. Some indices used to measure parsimony fit among others are AGFI and (2 / df (CMIN / DF) with a maximum limit of $\leq 2-5$ (Hair *et al.*, 2006).

3.5. Hypothesis Testing

Hypothesis testing is done by analyzing Critical Ratio (CR) value and Probability (P) on the results of Regression Weights data processing, and then compared with the required statistical limits, i.e. the value of Critical Ratio (CR) should be above 2.00 and the value of Probability (P) should be under 0.05. If the results of data processing show the qualified value, then the hypothesis proposed is acceptable.

4. FINDINGS AND DISCUSSION

4.1. Characteristics of Sampel

Most respondents were Bachelors many as (59%), while the remaining (31%) were graduates of high school, and the rest (10%) were hold an undergraduate degree. The existing employees need to be developed on an on going basis in order to help them enjoy the job and the hotel as their workplace. Most respondents were 20-25 years old was 51%. The age is generally classified as the productive age and it will provide a distinct advantage for the hotel owners. The age range, however, is also the period in which a person begins to develop more needs. Most people within this age range wants to have better career. If the hotel management can manage these challenges, the intention to leave to another hotel may be reduced. The length of work in hotels ranges from 1-8 years, and it means that for most of them this was their first work experience. For new employees, a low level of job satisfaction will lead to the intention to leave. The issue of compensation is assumed as one of the driving forces for the intention to leave. Meanwhile, for more experienced employees, if the compensation received cannot increase satisfaction, it will also increase the the intention to leave.

4.2. SEM

This study developed a structural model with 15 indicators and the total sample of 145. From the evaluation of the number of samples, the hypothesized model can be analyzed using SEM.

Distribution of multivariate data should be analyzed to see if the assumption of multinormal distribution is met that the data can be further processed for SEM modeling. Normal distribution test in the descriptive analysis was conducted to determine the distribution pattern of the scores of variables. In the modeling, multinormal distribution test aimed to meet the requirements for the feasibility test and estimated parameters (loading factor and path coefficients) of the model with the maximum likelihood estimation technique. Multinormal distribution test was carried out by calculating the results of curtosis multivariate test.

Table5. *Multinormal Distribution Test*

Variable	min	Max	skew	c.r.	curtosis	c.r.
Y24	1.000	5.000	-0.434	-2.135	-0.112	-0.276
Y23	1.000	5.000	0.345	1.697	0.125	0.307
Y22	1.000	5.000	-0.032	-0.156	0.649	1.594
Y21	1.000	5.000	-0.137	-0.675	-0.951	-2.337
Y14	4.000	10.000	-0.346	-1.702	0.139	0.342
Y13	4.000	10.000	-0.410	-2.017	-0.213	-0.524
Y12	3.000	10.000	0.252	1.238	0.126	0.309
y11	4.000	10.000	0.529	2.601	0.497	1.222
X23	4.000	10.000	0.422	2.073	-0.339	-0.833
X22	3.000	10.000	0.055	0.272	0.096	0.237
X21	2.000	10.000	-0.676	-3.322	0.394	0.968
X14	4.000	10.000	0.654	3.217	0.126	0.310
X13	3.000	10.000	0.156	0.768	-0.185	-0.455
X12	3.000	10.000	-0.263	-1.294	-0.273	-0.670
X11	5.000	20.000	-0.386	-1.899	0.076	0.188
Multivariate					-1.718	-0.458

The test result on the value of curtosis was -1.718 generating cr value of -0.458, meaning that the data used in the modeling followed multinormal distribution because the value of cr is between of -2.54 to 2.54. Next is the examination on the existence of univariate outliers by determining the threshold value categorized as outliers by converting the value of research data into a standard score or so-called z-score. For large samples (over 80 samples), evaluation of univariate outlier occurs if the value of z-score is outside the range of -4 to 4 (Hair *et al.*, 2006).

Table6. *Examination on Univariate Outlier*

Indicators	Minimum	Maximum
Zscore: X11. Salary	-2.862	1.133
Zscore: X12. Allowance	-2.274	1.279
Zscore: X13. Bonus	-2.971	1.249
Zscore: X14. Health insurance	-2.325	3.057
Zscore: X21. Promotion	-2.213	1.621
Zscore: X22. Recognition	-2.126	1.855
Zscore: X23. Self-developmet	-1.763	1.988
Zscore: Y11. Work	-3.322	1.951
Zscore: Y12. Work environment	-3.205	1.439
Zscore: Y13. Supervisor	-2.237	0.902
Zscore: Y14. Co - Workers	-3.014	0.718
Zscore: y21. Think to leave	-1.379	1.128
Zscore: y22. Plan to leave	-1.750	1.714
Zscore: y23. Look for another job	-1.603	1.772
Zscore: y24. Apply for another job	-1.746	1.047

Observations resulted in a z-score outside the range of -4.00 to 4.00 would be categorized as outliers. In Table 6, the data used in this study did not have a univariate outlier, as all values were within the range of permissible values.

Table7. *Outlier Multivariate Examination*

Observation number	Mahalanobis d-squared	p1	p2
51	28.645	.018	.835
67	27.789	.023	.671
36	23.524	.074	.981
76	23.003	.084	.973
47	22.815	.088	.946
89	22.787	.089	.888
.	21.979	.108	.926
.	21.570	.120	.922
.	21.415	.124	.886
.	20.396	.157	.963
62	7.876	.929	.005
44	6.059	.979	.117

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To find out outliers in multivariate, Mahalanobis Distance found on the output result of analysis using AMOS 2.0 was used. In the analysis results, no multivariate outliers were found because all data had a value $p1 > 0.01$. To that end, there were 100 observations in this study to analyze.

4.2.1. Confirmatory Factor Analysis (CFA) Model

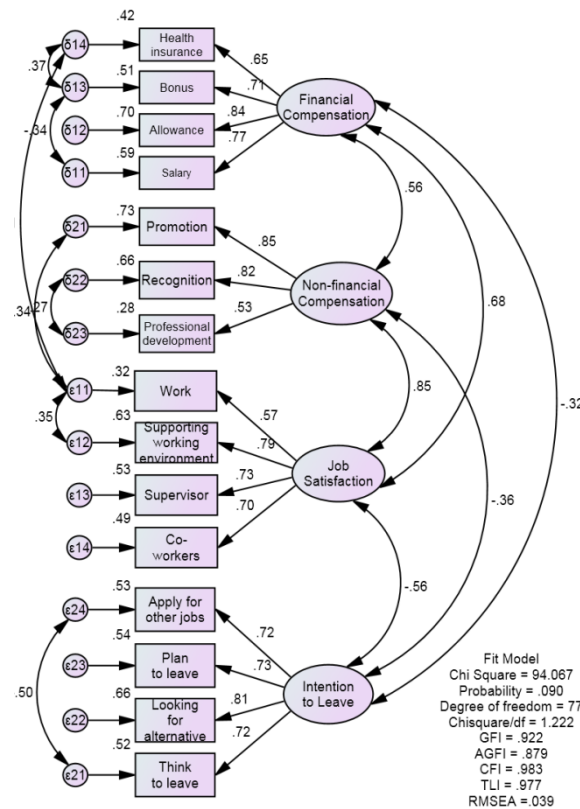


Fig2. Confirmatory Factor Analysis (CFA) Model

The initial step before testing the full model in SEM was conducting confirmatory factor analysis (CFA) for all variables. CFA aims to determine the validity and reliability of indicators. If through CFA, indicators with low loading factor are found, i.e. less than 0.32, these indicators shall be eliminated from the model (Tabachnick and Fidel, 2006). CFA can be used to check uni-dimensionality of a variable. The existing model in CFA will prove to have a variance covariance matrix of estimation result not different from variant covariance matrix of the data if the chi-square test generates a probability value greater than 0.05.

Other criteria used to measure the feasibility of the model is the value of goodness of fit index (GFI). Minimum value expected for GFI is 0.90 (Hair, 2006). When the results of GFI calculation is greater than 0.90, this means that the indicator shows an acceptable reliability. In this study, all the variables will be measured by at least three indicators. Here are the results of the calculation for the four existing variables in this study.

All calculation CFA explains that the fifteen-indicator model was eligible. The GFI value as a measure of the feasibility of the model was 0.922 (greater than 0.90) and the chi-square was 94.067 producing a probability value of 0.090 (greater than 0.05). Other feasibility indices were also qualified, namely AGFI of 0.879 (greater than 0.80), CFI of 0.983 (greater than 0.95), TLI of 0.977 (greater than 0.95), and RMSEA of 0.039 (smaller of 0.08). Loading factor on each latent construct ranged from 0.53 to 0.84, meaning that each indicator had a high construct validity for latent variables.

4.2.2. Full Model

The use of Structural Equation Modeling (SEM) in the study of behavior is becoming more popular as a statistical method to test various relationships in a model (Kerlinger, 2000). To analyze and evaluate the validity and causality between variables within the model, we use AMOS 20 computational software. Based on the analysis using AMOS 20 on the SEM, indexes of goodness of fit were resulted

which would be compared with the cut-off value of each index. A good model is expected to have the criteria of the goodness of fit indices that meet the cut-off value limits. Figure 3 is the initial result of the structural model under study.

The results of the feasibility test on absolute fit consist of the value of chi square, GFI, and RMSEA showed that some components were feasible. GFI value of 0.846 has a marginal status as it is between 0.80 to 0.90, and RMSEA value of 0.102 is not good because it is less than 0.08. GFI value of 0.846 means that 84.6% of covariance matrix of the population can be explained by the covariance matrix of the sample. RMSEA value is an index that measures the deviation of parameters of a model with covariance matrix of the population (Browne and Cudek, 1993). The test on the model with chi-square resulted in 211.360 with a probability of 0.000. This result explains that the variance-covariance matrix of the empirical data is different from the model proposed (prob <0.05). Thus, at the absolute fit components, the structural models are not acceptable.

Feasibility of the models on parsimonious fit part consisted of CMIN / DF and AGFI components. AGFI value is similar to GFI but the existing value has been adjusted to the effects of degrees of freedom in a model. Recommended AGFI value is at least 0.80, and within this analysis 0.783 for AGFI was resulted. The AGFI value is not good enough because the value is less than 0.80. Meanwhile, the value of CMIN / DF is 2.487, and it is not good because it is more than 2; thus, the parsimonious fit structural model is unacceptable.

Feasibility index on the incremental fit consists of Comparative Fit Index (CFI) and Tucker Lewis Index (TLI). TLI recommends a value of at least 0.95, and the results of TLI for the model reached only 0.846. The feasibility index for CFI recommends a value of at least 0.95 and the calculation results reached only 0.875. Thus, the incremental fit on the structural models is not acceptable.

The analysis on the three feasibility elements of the model led to the conclusion that these structural models did not yet produce an acceptable feasibility. Early models often face unsatisfactory results, and respecification or evaluation would be done. Evaluation of the model is expected to be able to improve the suitability of the model under study. There are two respecification approaches in the model. First is 'trimming theory' (Pedhazur, 1982; Dillon, 1984; Garson, 2012), that seeks to answer which parameters to be eliminated in order to improve the suitability of the model. Second is 'theory building' by adding parameters to improve the suitability of the model. The latter is commonly known as modification indices (MI). The first evaluation of these models is the addition of correlation between exogenous variables. Here are the results of the evaluation.

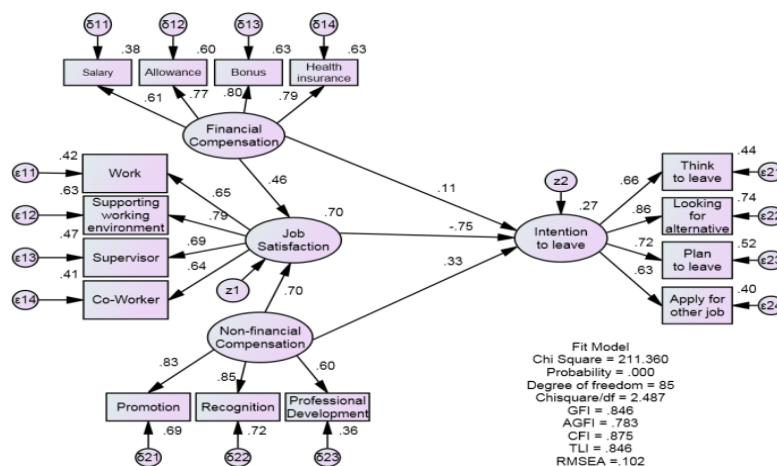


Fig3. Initial Models

Figure 3 is the result of the first evaluation of the structural model under study. The result of feasibility test on the model was slightly better than the initial model. But the results of feasibility test on the absolute fit consisting of the value of chi square, GFI, and RMSEA did not show changes to the components. GFI value of 0.870 remains marginal as it is between 0.80-0.90, while RMSEA of 0.087 possesses an unfavorable status as it is above 0.08.

The results of the model test with chi-square produces a value of 175.160 with a probability value of 0.000. This result explains that the variance-covariance matrix of empirical data is different from the model proposed (prob <0.05). The absolute fit of the structural model is not acceptable. CFI and TLI

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value reached 0.910 and 0.887, which are not good enough because they have not exceeded the value of 0.95. Therefore, both criteria have not been met in the parsimony fit. Results of the evaluation of the feasibility of the model are not acceptable, so the model will be evaluated for the second time through error correlation between the indicators in accordance with the results of MI. Here are the results of the second evaluation.

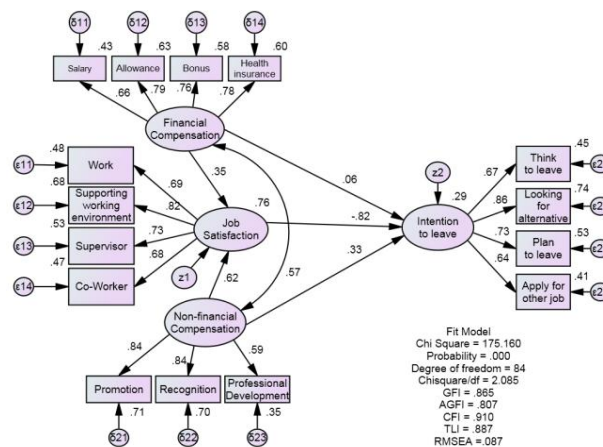


Fig4. First Evaluation Model

The result of the second evaluation on the feasibility of the model is better than the initial model and the first evaluation. Chi-square value in the first evaluation model was 175.160 and decreased to 95.964 in the second evaluation model with a probability value of 0.061. The decrease in chi square occurs because of the addition of correlation on several pairs error indicator. The feasibility of the model was met including Chi Square test results. Other feasibility indices also met the requirement, in which that GFI was 0.924 (greater than 0.90), AGFI was 0.879 (greater than 0.80), CFI was 0.980 (greater than 0.95), TLI was 0.973 (greater than 0.95) and RMSEA was 0.043 (less than 0.08). Thus, this evaluation model could be accepted as the final model for interpretation and hypothesis testing.

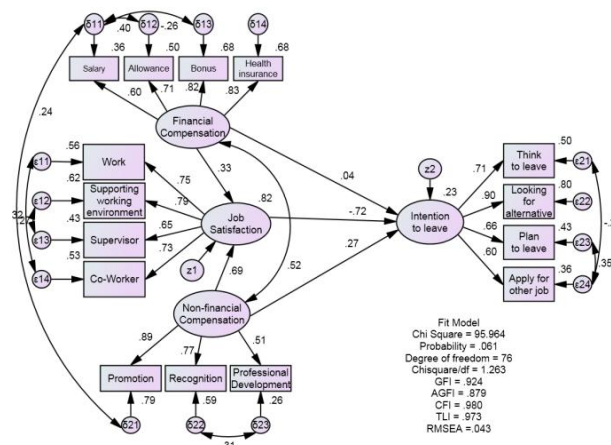


Fig5. Second Evaluation Model (Final Model)

4.2.3. Measurement Model

Test on the measurement model was associated with the four latent variables in our model. The results presented in Table 7 shows that:

- The loading indicators of financial compensation range from 0.60 to 0.83. This means that all indicators to measure the financial compensation were significant ($p < 0.05$), so the measurement model of this variable is acceptable.
- The loading indicators of non-financial compensation range from 0.51 to 0.89. This means that all indicators to measure the non-financial compensation were significant ($p < 0.05$), so the measurement model of this variable is acceptable.
- The loading indicators of job satisfaction range from 0.65 to 0.79. This means that all indicators to measure the job satisfaction were significant ($p < 0.05$), so the measurement model of this variable is acceptable.

Table 7. The Results of Significance Test of Loading Factor on the Measurement Model

Variable	Indicator	Loading	C.R	p
Financial compensation	X11	0.60	Fixed	Fixed
	X12	0.71	5.159	< 0,001
	X13	0.82	4.261	< 0,001
	X14	0.83	3.860	< 0,001
Non Financial compensation	X21	0.89	Fixed	Fixed
	X22	0.77	6.719	< 0,001
	X23	0.51	4.969	< 0,001
Job satisfaction	Y11	0.75	Fixed	Fixed
	Y12	0.79	5.036	< 0,001
	Y13	0.65	4.662	< 0,001
	Y14	0.73	4.043	< 0,001
Intention to leave	Y21	0.71	Fixed	Fixed
	Y22	0.90	4.821	< 0,001
	Y23	0.66	4.309	< 0,001
	Y24	0.60	3.691	< 0,001

Note: Fixed means no parameter estimation for the position of indicators. In SEM, parameter value should be set at one of the indicators, while the rest will be estimated. Thus, the indicator does not have a CR and P value.

The loading indicators of intention range from 0.60 to 0.90. This means that all indicators to measure the intention to leave were significant ($p < 0.05$), so the measurement model of this variable is acceptable. Plan to leave (X14) explains the biggest loading factor for intention to leave

4.2.4. Structural Model

Causality developed in this model was tested with the null hypothesis that the path coefficient between the two constructs is not different from zero through t-test like the one in the regression analysis. CR statistical value will be distributed on t with a degree of freedom of 76. The following is a description of the test results to the five paths on the final models. Hypothesis testing on the structural model is associated with the results of regression coefficient described in Table 8. The structural model in this study was built upon two equations: (1) the effect of financial and non-financial compensation to job satisfaction, and (2) the effect of financial compensation, non-financial compensation, and job satisfaction on the intention to leave.

Table 8. The Results of Path Analysis

			Estimate	C.R.	P
Satisfied	<---	Financial	0.328	3.472	<0.001
Satisfied	<---	NonFinancial	0.688	6.610	<0.001
Leave	<---	Satisfied	-0.716	-1.986	0.047
Leave	<---	Financial	0.040	0.250	0.803
Leave	<---	NonFinancial	0.269	0.951	0.341

The result of the analysis on the structural model explains that not all relationships in the hypothesis model proved significant. Financial and non-financial compensation has a significant effect ($p < 0.05$) on job satisfaction. Employee satisfaction will increase if they perceive to have better financial and non-financial compensation. Path coefficient of non-financial compensation (0.69) which is greater than the one of financial compensation explains that a change in job satisfaction is more due to non-financial compensation, especially from promotion.

Job satisfaction has a significant effect ($p < 0.05$) against the intention to leave. Financial and non-financial compensation effect, on the other hand, has non-significant effect ($p > 0.05$) on job satisfaction. Employees with high job satisfaction will be able to manage their intention to leave the hotel. For the majority of employees, the intention to leave still occur despite the good financial and non-financial compensation received.

4.3. Hypothesis Testing

- The path coefficient of financial compensation is 0.328 ($p = < 0.001$), and it has a significant effect on job satisfaction. Thus, H1, which states that there is a significant relationship between financial compensation and job satisfaction, must be accepted. Job satisfaction is explained by the perception of the employees on the financial compensation received.

- The path coefficient of non-financial compensation is 0.68 ($p = <0.001$), and it has a significant effect on job satisfaction. Thus, H2, which states that there is a significant relationship between non-financial compensation and job satisfaction, must be accepted. Job satisfaction is explained by the perception of the employees on the non-financial compensation received.
- The path coefficient of financial compensation is 0.040 ($p = <0.001$), and it has a non-significant effect on intention to leave. Thus, H3, which states that there is a significant relationship between financial compensation and intention to leave, must be rejected. Intention to leave cannot be explained by the perception of the employees on the non-financial compensation received.
- The path coefficient of non-financial compensation is 0.269 ($p = <0.001$), and it has a non-significant effect on intention to leave. Thus, H4, which states that there is a significant relationship between financial compensation and intention to leave, must be rejected. Intention to leave cannot be explained by the employees perception on the financial compensation received.
- The path coefficient of job satisfaction is 0.716 ($p = <0.001$), and it has a significant effect on intention to leave. Thus, H4, which states that there is a significant relationship between job satisfaction and intention to leave, must be accepted. Intention to leave is explained by the perception of the employees on job satisfaction.

4.4. Discussion

4.4.1. The Effect of Financial Compensation to Job Satisfaction

Results of the analysis show that there is a direct, positive, and significant influence of financial compensation on job satisfaction with a path coefficient of 0.328. This means that if employees perceive to get enough financial compensation, then their job satisfaction will increase. Low appreciation on financial compensation brings a significant impact, that is low job satisfaction. Low job satisfaction, based on empirical data, may come from mismatches of capabilities with responsibility, uncomfortable work environment, weak role of supervisors, and low support from co-workers. The significant effect of financial compensation to job satisfaction is in line with the research results by Fiernaningsih (2009), Sari (2009), Fortunisa and Febrina (2011), and Mustika (2011). This finding is also supported by the theory from Handoko (2001), that HRD uses compensation as one of the ways to increase employees work performance, motivation, and job satisfaction. Other findings that support the result of present research is that job satisfaction can be achieved through compensation. From the perspective of positions at work, almost all show similar response to financial compensation. Job satisfaction on customer services and security guards is relatively high; yet, office boys, receptionists, and marketing staff tends to show lower.

4.4.2. The Effect of Non-Financial Compensation to Job Satisfaction

Results of the analysis show that there is a direct, positive, and significant influence of non-financial compensation on job satisfaction with a path coefficient of 0.688. This means that if employees perceive to get enough non-financial compensation, then their job satisfaction will increase. For both types of compensations, the role of non-financial compensation to control job satisfaction is more powerful than financial compensation. Low non-financial compensation brings such a significant impact on job satisfaction. Low appreciation on financial compensation brings a significant impact, that is low job satisfaction. Low job satisfaction, based on empirical data, may come from mismatches of capabilities with responsibility, uncomfortable work environment, weak role of supervisors, and low support from co-workers. The significant effect of financial compensation to job satisfaction is in line with the research results by Fiernaningsih (2009), Sari (2009), Fortunisa and Febrina (2011), and Mustika (2011). The increase in non-financial compensation given by the company will increase job satisfaction. The amount of non-financial compensation reflects the status, recognition, and the degree of fulfillment enjoyed by employees with their family. The higher non-financial compensation received by employees, the higher their status will be—meaning that their family will also enjoy more of this. Competitive compensation is more important for a company having high sales performance and which uses incentive at every level in the organization. Compensation affects satisfaction and acts as feedback that enables employees to adjust their behavior. From the perspective of positions at work, customer services, security guards, marketing staff, and receptionists show relatively high satisfaction; yet, office boys tends to show lower job satisfaction.

4.4.3. The Effect of Financial Compensation to Intention to Leave

Results of the analysis show that there is no significant direct effect of financial compensation to intention to leave with path coefficient of 0.040. This means that if employees perceive to get enough financial compensation, then their intention to leave will decrease. The indirect effect of financial and non-financial compensation through job satisfaction on intention to leave is stronger than the direct effect. This type of effect means that intention to leave could appear massive, and could be more powerful shall job satisfaction become relatively low. Results of measurement on four potential associated with intention to leave show that employees had been trying some, especially in terms of considering to leave and sending job applications to other companies. Results of this study are not consistent with those by Sumarto, (2009), Fiernaningsih (2009), and Manurung and Ratnawati (2012) that compensation has a negative correlation with intention to leave. The greater the compensation received by employees, the lower the intention to leave. Compensation further affects job satisfaction and acts as feedback that enables employees to adjust their working behavior. This reflects that if employees are low-paid, they will frequently be absent or resign. Employees will leave the company if compensation is not competitive.

4.4.4. The Effect of Non- Financial Compensation to Intention to Leave

Results of the analysis show that there is no significant direct effect of non-financial compensation to intention to leave with path coefficient of 0.269. This means that even when employees perceive to get enough financial compensation, their intention to leave will not decrease. In other words, high non-financial compensation is not able to reduce their intention to leave. Non-financial compensation has indirect effect on intention to leave through job satisfaction. The indirect effect of non-financial compensation to intention to leave is stronger than the direct effect. The effect of non-financial compensation can sooner or later lead to intention to leave. Results of measurement on four potential associated with intention to leave show that employees had been trying some, especially in terms of considering to leave and sending job applications to other companies. Results of this study are not consistent with those by Sumarto, (2009), Fiernaningsih (2009), and Manurung and Ratnawati (2012) that compensation has a negative correlation with intention to leave. The greater the compensation received by employees, the lower the intention to leave. This finding is also supported by Rivai (2008) arguing that employees will leave if compensation is not competitive and will consequently lead to higher employee turnover. Similarly, Handoko (2001) states that if the level of compensation is not competitive, undoubtedly many employees leave.

4.4.5. The Effect of Job Satisfaction to Intention to Leave

Results of the analysis show that there is significant direct negative effect of job satisfaction to intention to leave with path coefficient of -0.716. Low levels of job satisfaction will increase the intention to leave the company. The results support the research conducted by Sumarto (2009), Alam and Muhammad (2010), Pepe (2010), Manurung and Ratnawati (2012). Quality of work and job satisfaction is vital to intention to leave the company. Normative commitment does not have a significant impact on intention to leave, but job satisfaction has a greater direct impact on the issue of organizational commitment. Affective response that consists of job satisfaction, organizational commitment, and job involvement will affect the level of intention to leave the company. The intention to leave is high among office boys, receptionists, and marketing staff. If it is associated with lower levels of job satisfaction, then these positions are classified as a division of work sensitive to intention to leave.

5. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusions

Based on the analysis, discussion, and hypothesis testing, the following conclusions can be drawn:

- There is a significant relationship between financial compensation and job satisfaction at 0.345. This shows that when employees perceive to get enough financial compensation, their job satisfaction will increase.
- There is no significant relationship between financial compensation and intention to leave at 0.113. This confirms that even good financial compensation does not guarantee that employees will not have intention to leave the company.

- There is a significant relationship between non-financial compensation and job satisfaction at 0.563. This shows that good non-financial compensation will improve job satisfaction.
- There is no significant relationship between non-financial compensation and intention to leave at 0.247. This confirms that even good non-financial compensation does not guarantee that employees will not have intention to leave the company.
- There is a significant relationship between job satisfaction and intention to leave at -0.882. This shows that job satisfaction will reduce intention to leave.

5.2. Suggestions

Based on the results of the study, some suggestions can now be given:

- For Hotel Management. To further improve job satisfaction and to reduce intention to leave, compensation policy needs to be improved. The component of financial compensation to improve is the suitability of salary with the needs of employees, the suitability of bonus with work, and the suitability of health insurance with the existing regulations. The component of non-financial compensation to improve is promotion, attention from superordinate to subordinate, chance for professional development. In addition to improving employee job satisfaction, responsibilities given must be made suitable with the capabilities of employees, and supervisors must be able to support subordinates.
- Future researchers are recommended to involve more hotels of various star levels. Thus, the results are to contribute more to compensation policy for hotel employees.

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