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**THE EFFECT OF COMPENSATION AND WORK-LIFE BALANCE ON
EMPLOYEE RETENTION THROUGH WORK SATISFACTION (CASE STUDY
AT PT SANDANG ASIA MAJU ABADI SEMARANG)**

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Abstract

This study aims to determine the effect of compensation and work-life balance on employee retention through job satisfaction at PT Sandang Asia Maju Abadi Semarang. The author distributed questionnaires with a Likert scale model to 100 respondents in data collection techniques and was tested using validity and reliability instrument tests using the PLS (Partial Least Square) method. The data analysis used is the evaluation of the measurement model (outer model) and structural (inner model) using SmartPLS 3.0 software. The results showed that compensation has no direct effect on employee retention, work-life balance has no direct effect on employee retention, job satisfaction has a direct effect on employee retention, compensation has a direct effect on job satisfaction, work-life balance has a direct effect on job satisfaction, compensation has an indirect effect on employee retention through job satisfaction as an intervening variable and work-life balance has an indirect effect on employee retention through job satisfaction as an intervening variable.

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INTRODUCTION

The Covid-19 pandemic in 2020 that hit the world, including Indonesia, has lasted for almost two years until the end of 2021, having an impact on all areas of life, including the economic sector. Likewise, in Indonesia, although the surge in cases in 2020 has been passed, there are still new cases such as the Delta and Omicron variants. Efforts made by the government to prevent the spread of Covid-19 are by means such as carrying out social distancing, using masks, hand sanitizers, and doing work from home (WFH) until the implementation of large-scale social restrictions (PSBB). Of course, this policy has an impact on the declining economic sector, resulting in these workers having to experience termination of employment or layoffs (Ruspendi, 2021 in (Zuhri, 2022)).

The most important asset in the company is human resources (HR) or called human capital which can help in running the company's operations so that it can run well. Therefore, human capital is the main concern of company management in an effort to achieve the vision, mission, and goals of the company effectively. Employee turnover in a changing and highly competitive environment in most organizations in the world is currently increasing, so employee turnover is a big challenge for many organizations (Irabor & Okolie, 2019).

Retaining employees is becoming an increasingly important agenda for the future of the company (Al-sharafi, et al., 2018). Employees are important organs in organizations that have a function as the heart as well as the backbone. The development of globalization in organizational life makes employee retention a big challenge for human resource managers to be able to retain competent employees. The challenge in the era of globalization based on technology and knowledge is the fulfillment of competitive labor needs for every company to be able to survive in the face of increasingly fierce and competitive competition to retain skilled and potential employees (Ng'ethe, et al., 2012). The challenge is employee retention, how companies manage strategies to keep employees in the organization by reducing employee intent to leave (Jacobs & Roodt, 2011).

Employee turnover costs organizations more than 2.5 times the employee's salary to refill positions (Haider, et al., 2015). Companies that succeed in carrying out retention strategies will save costs incurred for staffing and training new employees so that they

can be used for other planning in improving employee performance so as to increase the effectiveness and efficiency of costs incurred by the company (Abbasi & Hollman, 2000).

Employee retention is considered as the center of organizational success that is able to answer the big challenges for human resource managers to keep the company afloat (Hong, et al., 2012). The basic objective of employee retention strategies and practices is to significantly reduce employee turnover and costs associated with recruiting, training, and onboarding new employees within the organization (Iqbal & Hashmi, 2015). Employee retention means retaining a potential workforce that meets the qualifications of a company (Mehta, et al., 2014).

Specifically, employee retention is the process by which employees are encouraged to remain with the organization for a maximum period of time or until the completion of a project. Employee retention practices and strategies need to be carried out by companies to reduce turnover that occurs in the company, so as to retain employees who have high potential in the company. One of the manufacturing companies in Semarang can be said to experience high employee turnover every year. PT. Sandang Asia Maju Abadi is one of the companies in the city of Semarang, Central Java engaged in the garment industry. Based on data obtained from company management, it is known the number of incoming and outgoing employees each year, as follows:

Table 1. Employee Turnover per Year

Year	Employee Entry	Employee Out	Total Employee	Turnover	Retention
2016	1925	1984	4175	47,52%	52,48%
2017	1226	1627	2970	54,78%	45,22%
2018	1387	1326	3195	41,50%	58,50%
2019	2701	2219	4945	44,87%	55,13%
2020	2918	4389	4627	94,86%	5,14%
2021	3176	3338	5427	61,51%	38,49%
Average				57,51%	42,49%

Source: Processed data (2023)

Based on the data in the table above, it is known that the average employee turnover from 2016-2021 was 57.51% and the average employee retention from 2016-2021 was 42.49%, where it can be concluded that the value of employee turnover at PT. Sandang Asia Maju Abadi is higher than the employee retention value seen from the average period of 2016-2021. The highest turnover occurred in 2020 and 2021 where

these two years were the years of the Covid-19 pandemic. The above data shows that PT. Sandang Asia Maju has not been able to carry out employee retention practices and strategies properly so that it cannot retain employees who are loyal to the company. Many factors can affect employee retention, including compensation provided by the company, work-life balance or balance between work and life outside work and job satisfaction.

Compensation can affect employee retention (Millena & Muhammad, 2022); (Violetta & Edalmen, 2020). Adequate and balanced compensation provided by the company for employees can create a sense of happiness or pleasure at work so as to create the desire to stay and stay in the company for a long time. If this continues to be carried out correctly and well, it will be able to increase the level of productivity and employee loyalty and will reduce the turnover rate (Dewi, 2019).

The compensation that employees receive can be in the form of salaries, incentives, and benefits. Through compensation, employees will be more enthusiastic at work. Compensation is an important factor that affects a person's retention in choosing to work for the company, both in the form of money (financial) and non-money (non-financial) to employees for the labor assistance they have provided in an effort to achieve company goals. If the compensation received or given by a company does not match the contribution of an employee in the company, then the employee will leave the company and move to another company (Bibi, et al., 2018). Compensation itself is a form of appreciation from the company for the contribution and good service of employees (Panggabean, 2011 quoted in (Millena & Muhammad, 2022)). In several studies, compensation has been shown to be an important factor in improving employee retention. Less salary, no bonuses and deductions from several aspects such as leave cuts, absences, and so on resulted in a change in attitude of employees.

In addition, Work-life balance can also affect employee retention (Nurmalitasari & Andriyani, 2021); (Sinaga & Sijabat, 2022). The concept of work-life balance is built on the idea that work life and personal life complement each other in bringing perfection to one's life. In addition, both men and women implement flexible working in a variety of ways, resulting in varying results in terms of well-being and work-life balance (Chung & Lippe, 2020). Work-life balance is supported by two concepts, namely achievement and happiness (Wolor, et al., 2020). Work-life balance is supported by two concepts, namely achievement and happiness (Bataineh, 2019).

According to (Hirschi, et al., 2019) work-life balance comes from the extent to which individuals feel effective and satisfied between personal and work life. Individuals have a desirable balance between work, family, and personal life. Actions to achieve and maintain balance are influenced by the roles in each domain and the resources available in that domain. In particular, roles help establish the desired balance among domains and that role senders and resources serve to describe the various actions that can be used to achieve and maintain balance.

The problem of work-life balance regardless of gender, can affect both men and women, because it can cause conflicts that lead to psychological strain, physical health, depression, fatigue, and anxiety. This can also happen to employees of PT. Sandang Asia Maju Abadi, where employees who work are subject to shifts in work or work time transfers, both male and female workers, namely the morning shift at 06.30-14.30, the afternoon shift at 14.30-22.30 and the night shift at 22.30-06.30, so that employees not only work morning to evening but can also work in the night shift until morning. This can disrupt employees' work-life balance because it is difficult to manage time for family and work. In addition, sometimes employees are required to work overtime in order to pursue work targets that make more employee time spent working. This can be the reason employees want to stay with the company or not, which means it can affect employee retention.

Another factor that can affect employee retention is job satisfaction (Violetta & Edalmen, 2020); (Nurmalitasari & Andriyani, 2021). Job satisfaction relates to how people feel about their job and its various aspects. It has to do with the extent to which people like or dislike their work. That is why job satisfaction and job dissatisfaction can appear in any work situation. Employees who are satisfied and happy with their work are more dedicated and work for the growth of the organization. If employees are satisfied with their work then they will stay and work for the organization. This can translate to employees who are satisfied with their jobs will stay with the organization (Biaison, 2020).

METHOD

The research design used in this study is quantitative descriptive research. Quantitative descriptive research is a conscious and systematic effort to obtain deeper and

broader information on a problem and / or obtain deeper and broader information on a phenomenon using research stages (Yusuf, 2014).

Population is the process of grouping generalizations on the number of objects or subjects that have different characters that have been determined by researchers to be understood, then taken meaning (Sugiyono, 2017). The population in this study was all the employees of PT. Sandang Asia Maju Abadi, Semarang as many as 5417 population.

The sample is part of the number and characteristics possessed by that population. If the population is large and it is not possible for the researcher to study everything in the population, due to limited funds, energy and time, then the researcher can use samples taken from a representative population (Geraika and Darmanah, 2019).

In this study, the author narrowed the population, namely the total number of employees as many as 5417 employees by calculating the sample size carried out using the Slovin technique according to Sugiyono (2017). This study uses the Slovin formula because in sampling, the number must be representative so that the results of the study can be generalized and the calculation does not require a table of the number of samples, but can be done with simple formulas and calculations. The Slovin formula for determining the sample is as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Information:

n = Sample size/number of respondents

N = Population size

e = Percentage of allowance for accuracy of sampling error which is still tolerable;

$e = 0.1$

In the Slovin formula there are the following conditions:

The value of $e = 0.1$ (10%) for a large population

The value of $e = 0.2$ (20%) for a small population

$$n = \frac{5417}{1+5417(1,1)^2} = \frac{5417}{54,18} = 99,98 \text{ fulfilled to } 100 \text{ respondents out off } 5,417 \text{ total employees.}$$

This research data analysis technique uses the Structural Equation Modeling (SEM) method using SmartPLS 3 software. SEM aims to examine the relationship of one or more

endogenous variables and one or more exogenous variables. According to Babin et al., 2008, the SEM method is considered successful in evaluating the measurement of latent variables and testing the relationship between latent variables. There are 2 commonly known SEM methods, namely covariance-based SEM (CB-SEM) and partial least squares path modeling (PLS-SEM). CB-SEM aims to estimate structural models based on strong theoretical studies to test causality relationships between constructs as well as measure the feasibility of models and confirm them according to empirical data. While PLS-SEM aims to test the p-predictive relationship between constructs by seeing if there is a relationship or influence between these constructs (Ghozali, 2012).

This study used Partial Least Squares – Structural Equation Modelling (PLS-SEM). Hair et al. Quoted by Ghozali (2022) recommend using PLS-SEM if the research is an exploration or extension of an existing structural theory, i.e. TAM in the context of the study. Evaluation of PLS SEM models according to Ghozali (2012) which is done by assessing the outer model and inner model.

RESULTS AND DISCUSSION

Respondent Characteristics

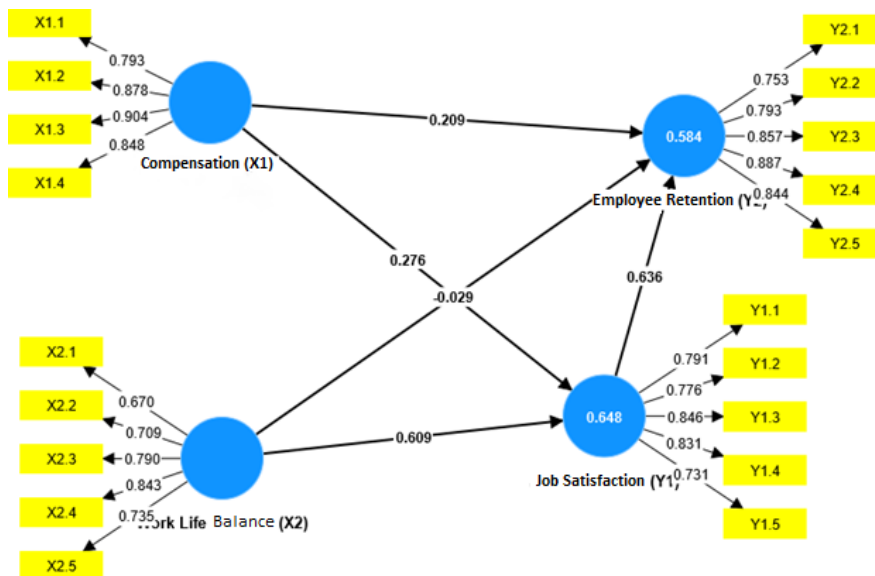
It is known that the age of respondents in this study ranged from under 20 years to above 50 years. Respondents under the age of 20 years as many as 1 person, respondents with the age between 20 to 30 years as many as 43 people and this age is the most age in respondents, respondents with the age between 31 to 40 years as many as 35 people, respondents with the age between 41 to 50 years as many as 18 people and respondents over the age of 50 years as many as 3 people. It is known that the age of respondents in this study ranged from under 20 years to above 50 years. Respondents under the age of 20 years as many as 1 person, respondents with the age between 20 to 30 years as many as 43 people and this age is the most age in respondents, respondents with the age between 31 to 40 years as many as 35 people, respondents with the age between 41 to 50 years as many as 18 people and respondents over the age of 50 years as many as 3 people. The working period of respondents in this study ranged from under 5 years to above 20 years. Respondents with a working period of under 5 years as many as 56 people are the highest number indicating that most employees have not worked more than 5 years, respondents with a working period of between 5 to 10 years as many as 18

people, respondents with a working period of between 11 to 15 years as many as 13 people, respondents with a working period of between 16 to 20 years as many as 3 people and respondents with a working period of more than 20 years as many as 10 people with the most job positions are QC, this position consists of QC Line, QC Inspection, QC Washing and QC Sewing. The Packing, Sample and Embroidery positions have the same number of 13, in the packing position consists of helpers and packing lists, in the sample position consists of sample operators and bartack samples, in the embroidery position consists of border operators. Furthermore, the position / warehouse section is 12 people, the position of Laundry is 7 people, the position of operator and Washer with the same number of 3 people, the general position, receiving and oven with the same number of 2 people and the position of CS, Production, SPV Embro, Clinic, HRD, Sewing and Helper with the same number of 1 person.

Validity and Reliability Test (Outer Model Test)

Evaluation of outer models in PLS-SEM is carried out to assess the validity and reliability of the model (Ghozali, 2012). By using valid and reliable instruments in data collection, it is hoped that research results will be valid and reliable (Sugiyono, 2017). The results of the outer model test can be seen in the following figure.

Picture 1. Out Model Test



Source: Processed data (2023)

Test the validity in this study by looking at the value of Loading Factor and Average Variance Extracted (AVE). Data is said to be valid if the Loading value > 0.60 and if the AVE value > 0.5 . The Loading Factor value and AVE value of each variable can be seen in the following table

Table 2. Loading Factor Value and AVE Value

Indicator	Loading	Indicator	Loading	Indicator	Loading	Indicator	Loading
Y1.1	0,791	Y2.1	0,753	X1.1	0,793	X2.1	0,670
Y1.2	0,776	Y2.2	0,793	X1.2	0,878	X2.2	0,709
Y1.3	0,846	Y2.3	0,857	X1.3	0,904	X2.3	0,790
Y1.4	0,831	Y2.4	0,887	X1.4	0,848	X2.4	0,843
Y1.5	0,731	Y2.5	0,844			X2.5	0,735
Variable		AVE					
Compensation (X1)		0,634					
Work Life Balance (X2)		0,734					
Job Satisfaction (Y1)		0,686					
Employee Retention (Y2)		0,565					

Source: processed data (2023)

Based on the results of validity testing in the table above, the loading value of all indicators in each research variable is greater than 0.60 (>0.60), and it can also be known that the AVE value obtained from each research variable is greater than 0.50 (>0.50), so it can be concluded that the research data used is valid.

The validity of discriminant relates to the principle that different construct gauges should not be highly correlated. The validity of discriminant with reflexive indicators seen from cross loading for each variable should be >0.70 . The results of the discriminant validity test can be seen in the table below:

Table 3. Cross Loading Value

Item	Job Satisfaction (Y1)	Compensation (X1)	Employee retention (Y2)	Work Life Balance (X2)
X1.1	0.512	0.793	0.54	0.393
X1.2	0.574	0.878	0.516	0.557
X1.3	0.596	0.904	0.551	0.541
X1.4	0.503	0.848	0.436	0.562
X2.1	0.524	0.446	0.401	0.77
X2.2	0.568	0.436	0.451	0.709
X2.3	0.541	0.554	0.421	0.79

X2.4	0.644	0.427	0.47	0.843
X2.5	0.619	0.398	0.462	0.735
Y1.1	0.791	0.598	0.569	0.616
Y1.2	0.776	0.503	0.59	0.602
Y1.3	0.846	0.602	0.704	0.733
Y1.4	0.831	0.446	0.596	0.558
Y1.5	0.731	0.364	0.491	0.547
Y2.1	0.516	0.411	0.753	0.348
Y2.2	0.594	0.363	0.793	0.477
Y2.3	0.644	0.591	0.857	0.535
Y2.4	0.641	0.552	0.887	0.578
Y2.5	0.684	0.535	0.844	0.479

Source: processed data (2023)

Based on the table above, the cross loading value on each construct has a value of more than 0.7. This shows that the manifest variable in this study has correctly explained the latent variable and proved that all items are valid.

Reliability test in this study by looking at the value of Composite reliability and Cronbach's Alpha. Data is said to be reliable if the Composite reliability value > 0.60 and if the value of Cronbach's Alpha > 0.60 . The value of Composite reliability and the value of Cronbach's Alpha for each variable can be seen in the following table.

Table 4. Composite Reliability and Chronbatch's Alpha Value

Variable	Composite reliability	Cronbach's Alpha
Compensation (X1)	0,865	0,855
Work Life Balance (X2)	0,883	0,878
Job Satisfaction (Y1)	0,893	0,885
Employee Retention (Y2)	0,810	0,805

Source: processed data (2023)

Based on the results of reliability tests on the Composite reliability and Cronbach's Alpha values above, it is known that the Composite reliability and Cronbach's Alpha values obtained by each research variable are greater than 0.60 (> 0.60), so it can be concluded that the research data used is reliable or trustworthy.

The Assumption Test

The assumption test in this study is a multicollinearity test conducted to ascertain whether in a construct model there is an intercorrelation or collinearity between independent variables. Intercollation is a linear or strong relationship between one

independent variable and another predictor variable in structural collinearity statistical models. To find out whether a formative indicator experiences multicollinearity by knowing the VIF value of <10 , it can be said that the indicator does not experience multicollinearity. And the processed data there is a VIF value of initial data against several indicators that have a VIF value of <10 these indicators can be seen in the following table.

Table 5. Multicollinearity Test Results

Item	VIF	Comments
X1.1	1.77	there is no multicollinearity
X1.2	2.472	there is no multicollinearity
X1.3	3.075	there is no multicollinearity
X1.4	2.624	there is no multicollinearity
X2.1	1.377	there is no multicollinearity
X2.2	1.504	there is no multicollinearity
X2.3	2.012	there is no multicollinearity
X2.4	2.299	there is no multicollinearity
X2.5	1.713	there is no multicollinearity
Y1.1	1.853	there is no multicollinearity
Y1.2	1.712	there is no multicollinearity
Y1.3	2.231	there is no multicollinearity
Y1.4	2.375	there is no multicollinearity
Y1.5	1.86	there is no multicollinearity
Y2.1	1.926	there is no multicollinearity
Y2.2	2.111	there is no multicollinearity
Y2.3	2.574	there is no multicollinearity
Y2.4	3.592	there is no multicollinearity
Y2.5	2.597	there is no multicollinearity

Source: processed data (2023)

Based on the results in the table above, it can be seen that all VIF values of each statement item on each research variable are below 10 (< 10), meaning that it can be concluded that in the model there is no multicollinearity.

Hipotesis (Inner Model)

Structural model assessment using SmartPLS begins by looking at the R-Square value for each endogenous latent variable, namely the effect of compensation and work-

life balance on employee retention with job satisfaction as a mediating variable. The results of the R Square test can be seen in the following table.

Table 6. R-Square Test

Variable	R-square	R-square adjusted
Job Satisfaction (Y1)	0.648	0.641
Employee Retention (Y2)	0.584	0.571

Source: processed data (2023)

Based on the results of the R-square test in the table above, it is known that the value of R-square in the employee retention variable is 0.587, which means that the compensation variable and the work life balance variable can explain the construct of the employee retention variable by 58.7 percent and the rest is explained by other variables outside the study. The R-square value in the job satisfaction variable is 0.648, which means that the compensation variable and the work life balance variable can explain the construct of the job satisfaction variable by 64.8 percent and the rest is explained by other variables outside the study.

f-Square is used to determine the magnitude of influence between variables. The f^2 values of 0.02, 0.15 and 0.35 can be interpreted that the predictors of latent variables have small, medium and large influences. The results of the f-Square test can be seen in the following table.

Table 6. f-Square Test

Variable	Job Satisfaction (Y1)	Employee Retention (Y2)
Job Satisfaction (Y1)		0.342
Compensation (X1)	0.139	0.059
Employee Retention (Y2)		
Work Life Balance (X2)	0.676	0.001

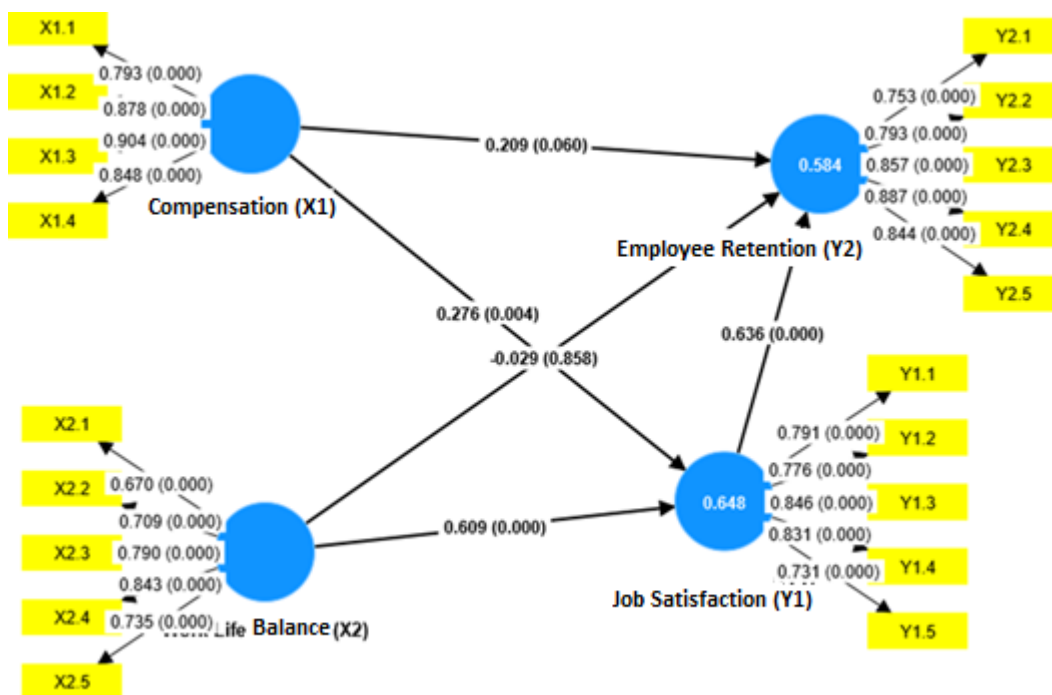
Source: processed data (2023)

Based on the results in the table above, it is known that job satisfaction has a nili f square for employee retention of $0.342 < 0.35$ so that it can be said that job satisfaction has a moderate size effect on employee retention. Compensation has a nili f square to employee retention of $0.059 < 0.15$ so it can be said that compensation has a small size effect on employee retention. Work life balance has a nili f square to employee retention of $0.001 < 0.02$ so it can be said that work life balance has no effect on size on employee retention. Compensation has a nili f square to job satisfaction of $0.139 < 0.15$ so it can be

said that compensation has a small size effect on job satisfaction. Work life balance has a nili f square to job satisfaction of $0.676 > 0.35$ so it can be said Work-life balance has a large size effect on job satisfaction.

Hypothesis testing is carried out based on the results of Inner Model testing (structural model) which includes r-square output, parameter coefficients and t-statistics. To see whether a hypothesis can be accepted or rejected among others by considering the significance value between contracts, t-statistics, and p-values. Hypothesis testing of this study was carried out with the help of SmartPLS software. These values can be seen from the results of bootstrapping. The rules of thumb used in this study were t-statistics > 1.96 with a significance level of p-value of 0.05 (5%) and a positive beta coefficient. The value of testing this research hypothesis can be shown in Table 7 and for the results of this research model can be described as shown in picture 2 below:

Picture 2. Research Model Test Result



Source: Processed data (2023)

Table 7. Direct Impact Test Result

Variable	T statistics	P values
Job Satisfaction (Y1) -> Employee Retention (Y2)	5.141	0.00
Compensation (X1) -> Job Satisfaction (Y1)	2.887	0.004
Compensation (X1) -> Employee Retention (Y2)	1.88	0.06

Work Life Balance (X2) -> Job Satisfaction (Y1)	6.839	0.00
Work Life Balance (X2) -> Employee Retention (Y2)	0.179	0.858

Source: processed data (2023)

Based on the table above, it can be seen that the direct influence of each independent variable on the dependent variable. The results in the table above show that the statistical t value of compensation for employee retention is $1.88 < 1.96$ with a significant value of $0.06 > 0.05$, so it can be said that compensation has no direct effect on employee retention. The t value of the Work life balance statistics on employee retention is $0.179 < 1.96$ with a significant value of $0.858 > 0.05$, so it can be said that Work life balance does not have a direct effect on employee retention. The statistical t value of job satisfaction on employee retention is $5.141 > 1.96$ with a significant value of $0.00 < 0.05$, so it can be said that job satisfaction has a direct influence on employee retention. The statistical t value of compensation on job satisfaction is $2.887 > 1.96$ with a significant value of $0.004 < 0.05$, so it can be said that compensation has a direct effect on job satisfaction. The t value of the Work life balance statistics on job satisfaction is $6.839 > 1.96$ with a significant value of $0.00 < 0.05$, so it can be said that Work life balance has a direct influence on job satisfaction.

The results of the indirect influence of the independent variable on the dependent variable through the mediation variable can be seen in the table below:

Table 8. Indirect Impact Test Result

Variable	T statistics	P values
Compensation (X1) -> Job Satisfaction (Y1) -> Employee Retention (Y2)	2.666	0.008
Work Life Balance (X2) -> Job Satisfaction (Y1) -> Employee Retention (Y2)	3.916	0.00

Source: processed data (2023)

Based on the results in the table above, it can be seen that the t value on the effect of compensation on employee retention with job satisfaction as an intervening variable is $2.666 > 1.96$ with a significant $0.008 < 0.05$ so that it can be concluded that the compensation variable has an indirect influence on employee retention and the job satisfaction variable can increase the effect of compensation on employee retention. The t value on the effect of work life balance on employee retention with job satisfaction as an intervening variable is $23.916 > 1.96$ with a significant $0.00 < 0.05$ so that it can be

concluded that the variable work life balance has an indirect influence on employee retention and the variable job satisfaction can increase the effect of work life balance on employee retention.

DISCUSSION

Compensation and Employee Retention

Based on the results of research that has been done, it was found that the compensation variable does not have a direct effect on employee retention, which is evident from the statistical t value of $1.88 < 1.96$ with a significant $0.06 > 0.05$ so that the first hypothesis proposed that compensation has an influence on employee retention is rejected. This can happen because employees do not value compensation as the main reason to determine whether they want to stay in the company or not, this can also be due to the comfort that employees get in the company so that even though they do not get more compensation they will still stay with the company.

The results of respondents' answers to item indicators of employee retention and compensation variables showed results in the good category, meaning that respondents considered that staying in the current job was important, because employees assumed that if they left the company then they would not necessarily get the same compensation as in PT. Sandang Asia Maju Abadi, Semarang, as respondents considered the compensation provided by the company to be good for them. This can be the cause of the absence of the effect that compensation has on employee retention.

The results of this study refute some of the results of previous studies including: (Millena & Muhammad, 2022), (Zuhri, 2022) and (Violetta & Edalmen, 2020) That said, compensation has an influence on employee retention.

Work Life Balance and Employee Retention

Based on the results of research that has been conducted, it was found that the variable work life balance does not have a direct effect on employee retention where it is evident from the statistical t value of $0.179 < 1.96$ with a significant $0.858 > 0.05$ so that the second hypothesis proposed, namely work life balance has an influence on employee retention, is rejected. This can happen because work and personal life are two different things that cannot be united, meaning that if an employee is working at his workplace

then he should not mix with his personal affairs. This can also happen when an employee can position himself when he is at work then he is working and when he is outside the workplace then he is not as an employee.

The absence of the effect of work-life balance on employee retention can also be caused because respondents assume that staying working in the current company does not burden the lives of employees outside the company so that employees do not feel disturbed between personal life and work, this is shown from respondents' answers to variable work life balance statement items and employee retention in the good category.

The results of this study support the results of the study (Hassan, et al., 2020) and (Afiani & Mulyana, 2022) which shows that work-life balance does not have a significant effect on employee retention, but the results of this study reject the results of the study (Nurmalitasari & Andriyani, 2021) and (Sinaga & Sijabat, 2022) which shows the result that work-life balance has a significant influence on employee retention.

The Effect of Job Satisfaction on Employee Retention

Based on the results of research that has been done, it was found that the variable of job satisfaction has a direct effect on employee retention where it is evident from the statistical t value of $5.141 > 1.96$ with a significant $0.00 < 0.05$ so that the third hypothesis proposed is that job satisfaction has an influence on employee retention is accepted. The effect given by job satisfaction on employee retention is positive so that it can be interpreted that the higher employee satisfaction, the higher the employee retention in the company.

This result is in accordance with the description of respondents' answers to each statement item on the variables of job satisfaction and employee retention where all answers show a good category. This means that respondents consider job satisfaction and employee retention to be two things that must be fought for and companies must consider this for mutual benefit.

The results of this study are in line with the results of the study (Nurmalitasari & Andriyani, 2021) who said that job satisfaction has a positive influence on employee retention but the results of this study contradict the results of the study (Millena & Muhammad, 2022) which suggests that job satisfaction has a significantly negative influence on employee retention.

The Effect of Compensation on Job Satisfaction

Based on the results of research that has been done, it was obtained that the compensation variable has a direct effect on job satisfaction where it is evident from the statistical t value of $2.887 > 1.96$ with a significant $0.004 < 0.05$ so that the fourth hypothesis proposed is that compensation has an influence on job satisfaction received. The effect given by job satisfaction compensation is positive so that it can be interpreted that the higher the compensation, the higher the employee's job satisfaction.

This result is in accordance with the description of respondents' answers to each statement item on the variables of job satisfaction and compensation where all answers show a good category. This means that respondents consider job satisfaction and compensation to be two things that must be fought for and companies must consider this for mutual benefit. The results of this study are in line with the results of the study (Dewi, et al., 2022) and (Millena & Muhammad, 2022) That said, compensation has a positive influence on job satisfaction.

The Effect of Work Life Balance on Job Satisfaction

Based on the results of research that has been done, it was obtained that the variable work life balance has a direct effect on job satisfaction where it is evident from the statistical t value of $6.839 > 1.96$ with a significant $0.00 < 0.05$ so that the fifth hypothesis proposed, namely work life balance has an influence on job satisfaction is accepted. The effect given by work life balance job satisfaction is positive so that it can be interpreted that the higher the work life balance, the higher the employee job satisfaction.

This result is in accordance with the description of respondents' answers to each statement item on the variables of job satisfaction and work life balance where all answers show a good category. This means that respondents consider job satisfaction and work-life balance to be two things that must be fought for and companies must consider this for mutual benefit. The results of this study are in line with the results of the study (Sinaga & Sijabat, 2022), (Dewi, et al., 2022) and (Nurmalitasari & Andriyani, 2021) That said, work-life balance has a positive influence on employee job satisfaction.

The effect of Compensation on Employee Retention with Job Satisfaction as an intervening variable

Based on the results of research that has been done, it was obtained that the compensation variable has an indirect effect on employee retention with job satisfaction as an intervening variable where it is evident from the statistical t value of $2.666 > 1.96$ with a significant $0.008 < 0.05$ so that the sixth hypothesis proposed, namely compensation has an influence on employee retention with job satisfaction mediation is accepted. This can be interpreted that the variable of job satisfaction can mediate and increase the effect of compensation on employee retention.

The results of the study are in line with the research conducted (Violetta & Edalmen, 2020) showed that job satisfaction had an influence as a mediating variable on the relationship between compensation and employee retention, but rejected the results of research conducted by (Millena & Muhammad, 2022) Job satisfaction does not mediate the effect of compensation on employee retention.

The effect of Work Life Balance on Employee Retention with Job Satisfaction as an intervening variable

Based on the results of research that has been conducted, it was obtained that the variable work life balance has an indirect effect on employee retention with job satisfaction as an intervening variable where it is evident from the statistical t value of $3.916 > 1.96$ with a significant $0.00 < 0.05$ so that the seventh hypothesis proposed, namely work life balance, has an influence on employee retention with job satisfaction mediation accepted. This can be interpreted that job satisfaction variables can mediate and increase the effect of work-life balance on employee retention.

The results of the study are in line with the research conducted by (Sinaga & Sijabat, 2022) showed that job satisfaction had a mediating influence on the relationship between work-life balance and employee retention, but rejected the results of research conducted by (Nurmalitasari & Andriyani, 2021) shows that job satisfaction does not mediate the effect of work-life balance on employee retention.

CONCLUSIONS AND SUGGESTIONS

Based on the results of research and discussion that have been described in the previous chapter, the conclusion in this study is: Compensation variables do not directly affect employee retention variables. The work-life balance variable does not directly affect the employee retention variable. Job satisfaction variables directly affect employee retention variables. The compensation variable has a direct effect on the job satisfaction variable. The variable work life balance directly affects the variable of employee satisfaction. Variable compensation indirectly affects employee retention by mediating job satisfaction. Variable work life balance indirectly affects employee retention by mediating job satisfaction.

The advice given in the next study is: The number of research samples should be increased in order to get a comparison of results and accuracy of data. The object of research should be more than one in order to be a comparison with research respondents. Look for variables that may be more influential on employee retention in addition to compensation, work-life balance and job satisfaction.

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