THE IMPACT OF JOB SATISFACTION AND EMPLOYEE ENGAGEMENT ON EMPLOYEE RETENTION AT PT.MEGAH PRIMA SUPRA MAKMUR MANADO

DAMPAK KEPUASAN KERJA DAN KETERIKATAN KARYAWAN TERHADAP RETENSI KARYAWAN DI PT.MEGAH PRIMA SUPRA MAKMUR MANADO

Oleh: Esterlita Claudia Hido¹ Frederik G.Worang² Regina T. Saerang³

Faculty of Economics and Business Management Program International Business Administration Program Sam Ratulangi University Manado

> E-mail: ¹ esterlitahido4@gmail.com ² frederikworang@gmail.com ³ regina.saerang@unsrat.ac.id

Abstract: In era 4.0, Human resources are very important for increasing the profitability of one organization or company. Employees are not effective in working if they do not feel irresponsible and has a negative or positive impact on their of work. If they can not maintain a negative perception or negative development, of course, they can not reach the target or goals and surely the company will give a punishment. With so, confidence and optimism in the company will encourage employees to have a higher sense of attachment and make employees will stay and survive in the company.States According to Gary Dessler, "Human resource management is the process of acquiring, training, appraising and compensating employees and of attending to their labor relations, health & safety and fairness concerns and how to obtain the job satisfaction for represents a person's evaluation of his or her job and works context. every organization must try to maximize the contribution of each employee to achieve success, each employee needs to find their work goals and satisfaction based on employee engagement and employee retention itself.

Keywords: Job Satisfaction, Employee Engagement, and Employee Retention

Abstrak: Di era 4.0, sumber daya manusia sangat penting untuk meningkatkan profitabilitas suatu organisasi atau perusahaan. Karyawan tidak efektif dalam bekerja jika merasa tidak bertanggung jawab dan berdampak negatif atau positif pada pekerjaannya. Jika mereka tidak dapat mempertahankan persepsi negatif atau perkembangan negatif, tentunya mereka tidak dapat mencapai target atau tujuan tersebut dan tentunya perusahaan akan memberikan sanksi. Dengan begitu, kepercayaan diri dan optimisme dalam perusahaan akan mendorong karyawan untuk memiliki rasa keterikatan yang lebih tinggi dan membuat karyawan akan bertahan dan bertahan di perusahaan. Menurut Gary Dessler, "Manajemen sumber daya manusia adalah proses memperoleh, melatih, menilai dan memberi kompensasi kepada karyawan dan memperhatikan hubungan kerja, kesehatan & keselamatan, dan masalah keadilan dan cara mendapatkan kepuasan kerja untuk mewakili evaluasi seseorang terhadap atau konteks pekerjaan dan pekerjaannya. Setiap organisasi harus berusaha memaksimalkan kontribusi setiap karyawan untuk mencapai kesuksesan, setiap karyawan perlu menemukan tujuan dan kepuasan kerja mereka berdasarkan employee engagement dan retensi karyawan itu sendiri.

Kata Kunci: Kepuasan Kerja, Keterlibatan Karyawan, dan Retensi Karyawan

INTRODUCTION

Research Background

Success or failure, the company it depends on the human resources to increase the profitable from the company. Of course, if employees work with loyalty and quality employees will get an awards as a form of corporate appreciation for the employee's performance. Or conversely employees are not effective in working for example irresponsible and also work in the company will give punishment to the company.

Human resources are the most important thing for an organization to achieve sustainable conditions and to be survived for competitive advantage. An organization is operating in a cycle and dynamic for reaching a competitive advantage, they need to build or make new existing strategies to acquire and retain the skilled workforce in the business environment.

An Employee is an important aspect that determines the success of a company to become more competitive in the global business environment. Recently, most of organization required highly talented and skilled employee in line with providing high-quality products to their customers.

Meanwhile, the competition to get the achievement is part of employee motivation and human resources not just based on knowledge but that it already also become implementation as the company needed. So motivation is the act of stimulating someone or oneself to get the desired course of action or to push the right button to get desired reactions.

PT. Megah Prima Supra Makmur The company was founded in September 2002, this company is the one company for the distribution company in Manado which distributed PT. Loreal Indonesia (L'Oréal, world leader in beauty: makeup, cosmetics, haircare, perfume), PT. Cussons (baby powder, baby parfume, etc.), PT. Universal Robina Corporation or PT. URC (Multinational company Consumer Food Goods, Agribisnis dan Komoditas), PT. Forisa (Nutrijel, Anget sari Nutricake, Agar rasa, Teh Sisri, My Vla,etc), PT. Energi Indonesia an actuarial engineering & construction firm, located in Jakarta, and PT Glaxo Smith Kline (production of vaccine products, medicines and health care).

In an era like now, job satisfaction of employees is needed to measure the level of employee satisfaction at work. someone with a high level of job satisfaction will definitely show a positive attitude and enthusiasm for the job. Now, a large number of job seekers and jobs are lacking in meeting the fierce competition in the recruitment process.

Employee engagement is an emotional relationship between employees and the company in the context of increasing discretionary effort. Employees who feel that they have an emotional connection to work will surely achieve their goals.

The company issues policies to prevent employees from leaving the company. for retaining competent people is very important because retaining employees is better than finding new employees.

Of course, it is needed for a strong strategy to make employees comfortable at work. Facilities from the office is one of support system that makes work are comfortable and conducive to getting work done.

Like PT. Megah Prima Supra Makmur who prefers to retain competent employees by providing compensation in the form of bonuses salaries for the diligent company.

Employees who are satisfied in completing work or given responsibilities will automatically increase employee retention with this company. They feel have a bond with their work and feel responsible and always improve their potential skills will increase the level of employee retention in this company.

That way the company will become more exist in the eyes of consumers, while if many employees are not comfortable working because of a less conducive work environment will also affect the image of this company.

Research Objectives:

This research objectives are :

- 1. To know the effect of job satisfaction on employee retention at PT. Megah Prima Supra Makmur.
- 2. To know the effect of employee engagement on employee retention at PT. Megah Prima Supra Makmur
- 3. To know the effect of job satisfaction and employee engagement on employee retention at PT.Megah Prima Supra Makmur

THEORETICAL REVIEW

Human Resources Management

John Storey (1995), states that HRM is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly a committed and capable workforce, using an integrated array of cultural, structural and personal techniques.

Job Satisfaction

Robbins and Judge (2013) stated Job satisfaction is a positive feeling about one's job resulting from evaluating the characteristics of the job.

Zainal (2014: 246) states that job satisfaction is an assessment of workers about how much far his work as a whole satisfies his needs.

Employee Engagement

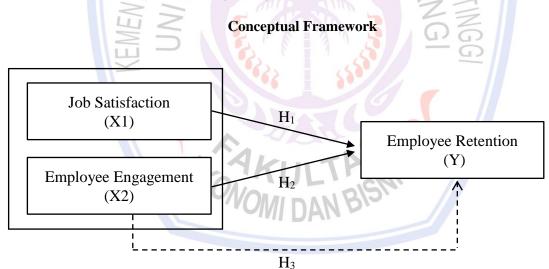
Employee engagement is the emotional commitment of employees to the organization and its goals. This emotional commitment means employees really care about their work and company. They do not work only for salary, or only for promotion, but work on behalf of organizational goals (Blessing White, 2011).

Employee Retention

Employee-retention is generally 'the intention of employees to stay loyal to their current workplace' (Huang, Itali, 2006). It is when employees are encouraged to remain in the organization for a long period or until the ongoing-project is complete (Bidisha, 2013).

Turnover Intention

States that job satisfaction has a negative effect on turnover intention through mediating organizational commitment. In also, research conducted by Indrayanti (2016).



Notes:

-- Simultaneous Influence

→ Partial Influence

Figure 1.Conceptual Framework

Source: Data Processed, 2020

RESEARCH METHOD

Research Approach

This is a quantitative research that emphasize objectives measurements and the statistical, mathematical, or numerical analysis of data collected through polls, questionnaires, and surveys, or by manipulating pre-existing statistical data using computational techniques. This survey at PT.Megah Prima Supra Makmur Manado method

used as the source of primary data and secondary data by distributing questionnaire to find out the impact of independent variable (X) which are job satisfaction, employee engagement and dependent variable (Y) which is employee retention.

Population, Sample, Sampling Techniques

The population of this research are 30 (based on the employee permanent status) of PT.Megah Prima Supra Makmur Manado from the total employees of this company are 57 employees.

The researcher using probability sampling to obtain the data is it. In this case, each individual is chosen entirely by chance and each member of the population has an equal chance, or probability, of being selected.

Operational Definition Variables Table 1. Variable Definition

Variable	Definition	Indicator
Job Satisfaction	A pleasant emotional attitude and appreciates the •	Emotion
(X ₁)	work. Employee satisfaction (job satisfaction) •	Loyalty
	must be taken over - work morale commitment, •	Morale
	dedication, love, and company discipline . increase.	Dedicate
Employee Engagement	t The extent to which employees feel passionate •	Feel
(X ₂)	about their jobs, are committed to the •	Commitment
	organization, and put discretionary effort into • their work.	Workplace
Employee Retention	Necessity that needs to be done by companies in	Appreciations
(Y)	order to maintain the best Human Resources	Compensation
	(HR) they have.	Path Career

Validity and Reliability

Validity test use to measure the obtaining data are in line with the research concept. In other words, the instrument items used to obtain the data is correct and related with the concept of the research that will be conducted.

Reliability test use to measure the consistency of instrument items. Reliability test have consistent a measure is of a particular element over a period of time and between different participants.

Multiple Linear Regression

Multiple Linear Regression analysis in statistics is one method for determining the causal relationship between one variable and another. "Cause" variables are called by various terms: explanatory variables, independent variables, or independent variables.

This research analysis are adopted when the researcher has one dependent variable which are employee retention to be a impact on of two independent variables.

RESULT AND DISCUSSION

Result

Validity and Reliability Test

The Validity Test of Job Satisfaction (X1), Employee Engagement (X2), Employee Retention (X3) are all valid. The variable are reliable because the Value of Cronbach's Alpha are 0,819 bigger than 0,6.

Result of Multiple Linear Regression

The regression equation above shows is the relationship between the dependent variable and the independent variable partially, from this equation it can be concluded that the constant value is 7.500 which is positive, meaning that if there is no change in the variable Job Satisfaction and Employee Engagement (the values of X1 and X2 are 0) then the Employee Retention is 7.500.

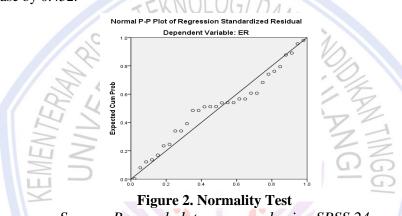
ISSN Table 2. Multiple Linear Regression

		Coefficie	nts ^a	
		Unstar	dardized	Standardized
	Model	Coef	ficients	Coefficients
		В	Std. Error	Beta
1	(Constant)	7.500	2.856	
	Job Satisfaction	.101	.242	.095
	Employee Engagement	.452	.242	.423
	a. Depend	ent Variable: I	Employee Retent	tion

Source: Research data processed using SPSS 24

If the regression coefficient value for Job Satisfaction is 0,101 and it is positive, it means that if the variable Job satisfaction (X1) changes with the assumptions that if the variable Employee Engagement (X2) is constant, the Employee Retention increasing by 0.101.

The regression coefficient value for Employee Engagement is 0.452 and positive means that if the variable Employee Engagement (X2) changes with the assumption that if the Job Satisfaction (X1) is costly, the Employee Retention will increase by 0.452.



Source: Research data processed using SPSS 24

It can be seen the data are adjacent to the diagonal line from the 30 respondents and it can be stated that the data are normally distributed.

			Job Satisfaction	Employee Engagement	Employee Retention
Spearman's rho	Job Satisfaction	Correlation Coefficient	1.000	.521**	.234
		Sig. (2-tailed)		.003	.213
		N	30	30	30
	Employee Engagement	Correlation Coefficient	.521**	1.000	.551**
		Sig. (2-tailed)	.003		.06
		Ν	30	30	30
	Employee Retention	Correlation Coefficient	.234	.551**	1.000
		Sig. (2-tailed)	.213	.006	
		N	30	30	30

Table 3. Heteroscedasticity Test

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research data processed using SPSS 24

E.C.Hido F.G.Worang., R.T.Saerang...

It can be seen that the significant value of the variable job satisfaction (X_1) is 0.213 and the variable country of employee engagement (X_2) is 0.06 and both have a value greater than 0.05 so it can be stated that there is no heteroscedacity problem.

Mo	del	Unstand Coeffici		Standardized Coefficients	Т	Sig.	Collinearity	ty Statistics	
		В	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	7.500	2.856		2.626	.014			
	Job Satisfaction	101	.242	095	420	.678	.624	1.603	
	Employee Engagement	.452	.242	.423	1.873	.072	.624	1.603	

Table 4. Multicollinearity Test

a. Dependent Variable: Employee Retention Source: Research data processed using SPSS 24

It can be seen that the tolerance value of the two independent variables is 0,624. more than 0.100 and the VIF value of the two independent variables is below 10.00. So, they stated that the regression model does not have a multicollinearity problem.

Coefficients ^a	2	5		1,0	
	Unstandard	lized	Standardized	27	F
Model	Coefficients		Coefficients	T	Sig.
	B	Std. Error	Beta		1
1 (Constant)	7.500	2.856		2.626	.014
Job Satisfaction	.101	.242 💋	.095	.420	.678
Employee	.452	.242	.423	1.873	.072
Engagement	.432	.242	.423	1.075	.072

Source: Research data processed using SPSS 24

The variable Job Satisfaction (X1) has a positive and significant effect on increase Employee Retention in PT. Megah Prima Supra Makmur Manado. This can be seen from the significant value of Job Satisfaction (X1), which are 0.000 <0.05. The impact of Employee Engagement or X2 Variables on Employee Retention or Y (H2). The variable Employee Engagement (X2) has a positive insignificant impact on increase Employee Retention in PT. Megah Prima Supra Makmur Manado. This can be seen from the insignificant value of Employee Retention in (X2).

Table 6 F-Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.654	2	4.827	2.274	.122 ^b
	Residual	57.312	27	2.123		
	Total	66.967	29			

a. Dependent Variable: employee retention

b. Predictors: (Constant), job satisfaction, employee engagement *Source: Research data processed using SPSS 24*

It can be seen that can be stated that the variable of Job Satisfaction (X1) and Employee Engagement (X2) simultaneously have a significant impact on Employee Retention for (Y).

ISSN

Discussion

Following with the data collection that the researchers collected mainly or directly through a questionnaire that was run to 30 respondents from the 57 total employees who working at PT.Megah Prima Supra Makmur Manado.

In more detail, which are addressed to employees who have worked for a long time and already have status as a permanent employees in this company.

They are also categorized based on gender, age, latest education, length of work in the company and categories related to the discussion of this study, namely regarding emotions, employee morale, loyalty, dedication, the responsibility given by superiors, commitment, and about the workplace.

After the characteristics of the respondent were continued with testing the validity and reliability of the questionnaire data which was carried out using SPSS version 24 as a tool.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the results and discussion that has been explained regarding the Job Satisfaction and Employee Engagement on Employee Retention at PT. Megah Prima Supra Makmur Manado, it can be concluded that the results of this study have shown that Job Satisfaction partially has a positive and significant effect on Employee Retention PT. Megah Prima Supra Makmur Manado.

And simultaneously together with Employee Engagement it also has a significant impact on Employee Retention.

It can be said that Job Satisfaction has an important role in the impact Employee Retention at PT. Megah Prima Supra Makmur Manado.

The results of this study have shown that Employee Engagement partially or has a positive but insignificant effect on employee retention. Meanwhile, simultaneously together with Job Satisfaction have a significant effect on employee retention for the employee itself.

Based on existing respondent indicators for job satisfaction variables. For the emotion indicators is employees who work in this company feel proud of the brand's work at PT. Megah Prima Supra Makmur Manado.

For the loyalty of indicators the result is employees working at the company PT. Megah Prima Supra Makmur Manado does not think that being an employee who remains loyal is a wise move.

for the indicator of morale the result is employees working at the company PT. Megah Prima Supra Makmur Manado feel they are not offended by tags and pressures while working.

For the dedicate of indicators the result is most employees at PT. Megah Prima Supra Makmur Manado feel it is okay for them to working extra time to obtained the reward.

Recommendation

Based on the conclusions obtained in this study, suggestions made as a complement to the research results that can be given are as follows employees who work at PT. Megah Prima Supra Makmur Manado has satisfaction while at work they feel proud of the work they are doing now, but to be employees who remain loyal to a company is a wise thing. Likewise with the pressure exerted by the Company.

Respondents feel challenged by the existing targets so that the respondents feel that they are okay with this. Respondents also have no problem with working a long time or extra time with balanced salary bonuses.

Further the researcher can develop this research or simply as references by using other methods of job satisfaction and employee engagement with employee retention, either through in-depth interviews with respondents or through questionnaires.

If the significance value of job satisfaction is 0,213 and employee engagement is 0,06 it is correlation both two variable have a value greater than 0.05 so it can be stated that there is no heteroscedasticity problem. Where job satisfaction $(X1) \ge$ then employee engagement (X2). So, there is no heteroscedasticity problem

So, the information obtained can be more varied. Also, further researchers can also develop this research by using several measuring instruments and several supporting theories.

PT. Megah Prima Supra Makmur Manado should pay more attention to employee retention because the higher employee retention will affect the company's performance in achieving the goals and mission of this

company which are suggested that the company offering better quality the company can retain the loyal of employee it self

REFERENCES

- Pandowo. H.C. (2009), Pengaruh Kualitas Pelayanan terhadap Kepuasan Konsumen. *Journal EMBA Vol. 6 No.3*. Retrivied from : <u>https://ejournal.unsrat.ac.id/index.php/emba/article/view/20411</u>. Accessed on May 7th 2020.
- Abelson, M. A., (1987). Examination of Avoidable an Unavoidable Turnover. *Journal of Applied Psychology* (72), Vol. 72 No. 3 Page 382 386. Retrivied from : <u>https://psycnet.apa.org/doi/10.1037/0021-9010.72.3.382</u>. Accessed on May 7th.
- Accord Management Systems. (2004). Employee Engagement Strategy: A Strategy of Analysis to Move from Employee Satisfaction to Engagement. Vol. 22 Page 188 195 [Online] Available: <u>www.accordsyst.com/papers/engagement_wp.pdf</u>. Accessed on May 7th 2020.
- Adeyinka, C. O., Ayeni, E. O. and Popoola, S. O. (2007). Work Motivation, Job Satisfaction and Organisational Commitment of Library Personnel in Academic and Research Libraries in Oyo State, *Nigeria. Library Philosophy and Practice*. Vol. 5 Page 13 – 20. Retrivied from: <u>https://digitalcommons.unl.edu/cgi/viewcontent.cgi?article=1118&context=libphilprac</u> Accessed on May 7th 2020.
- Anitha, J. (2014). Determinant of Employee Engagement and Their Impact on Employee Performance. International Journal of Productivity and Performance Management, Vol. 3 Page 308-323. Retrivied from: <u>https://www.emerald.com/insight/content/doi/10.1108/IJPPM-01-2013-0008/full/html</u>. Accessed on May 10th 2020.
- Farry B,P (2015). The Influences of Job Satisfaction and Job Performance to Employee Turnover Intention at Hotel Yuta Manado. Journals Emba. Vol. Retrivied 3 No. 4 from: 10^{th} 2020. https://ejournal.unsrat.ac.id/index.php/emba/article/view/11132. Accessed on May
- Armstrong, M. (2009). Armstrong's Handbook of Human Resource Management Practice. 11th Edition, LondonJournal.Vol.11Page.55.Retriviedfrom:https://www.scirp.org/(S(1z5mqp453edsnp55rrgjct55))/journal/index.aspx. Accessed on May 10th 2020.
- Bidisha, L. D., M B. (2013) Employee retention: A review of literature. Journal of Business and Management. Vol.14 Page 8 - 16. Retrivied from: <u>https://www.researchgate.net/publication/318920807</u> Factors_Affecting_Employee_Retention. Accessed on May 10th 2020.
- Briando N.V W (2014) The analysis of factors affecting employee retention AT PT HASJRAT ABADI MANADO. Journal EMBA. Vol. 2 No. 11. Retrivied from: <u>https://ejournal.unsrat.ac.id/index.php/emba/article/view/4074</u>. Accessed on May 10th 2020.
- Cook, S. (2008). The Essential Guide to Employee Engagement : Better Business Performance Throught Staff Satisfaction. USA Journal Publications : Replika Press Pvt Ltd. Vol. 20 Page 231 – 240. Retrivied from: <u>https://media.neliti.com/media/publications/85759-ID-analisa-pengaruh-employee-engagement-ter.pdf</u>. Accessed on May 10th 2020.
- Lisdayanti.L Effect of work satisfaction on employee on employee retention in PT Bumi Sari Prima Pematangsiantar . UNPAD Journals. Vol. 79 page 83 Retrivied from: <u>http://repositori.usu.ac.id/bitstream/handle/123456789/18312/120803073.pdf?sequence=1</u>. Accessed on May 10th 2020.