Research Article

Work-Life Satisfaction and Job Incentives Affect Turnover Intention Mediated by Employee Engagement

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Abstract.

In today’s era, the proactive, aggressive, and goal-oriented nature of business requires active involvement and thorough dedication from employees that can increase turnover intention. However, this study argued that work-life balance can contribute to higher levels and more stable states, that is, from a life satisfaction lens. In addition, the researcher proposed a job incentive because, in various literature studies related to human resource management (HR), the incentive was an aspect that plays a central role but can also attract, motivate and retain the workforce. Furthermore, the authors developed the theory of interpersonal love to construct employee engagement as a mediator variable that implements the conceptual model among work-life satisfaction, job incentive, and turnover intention. Questionnaires were distributed to 133 respondents who worked in startup companies and were tested with Structural Equation Modeling. The outcomes depicted that employee engagement is vital in the linkages between work-life satisfaction and job incentives toward turnover intention. Theoretically, the theory of interpersonal love revealed that they can engage in creativity and autonomy with their jobs and realize steady will benefit the employee and stay with the company. The mediating variable hypothesis was a novelty from a theoretical aspect. At the same time, practical benefits can use mediation as an approach.

Keywords: theory of interpersonal love, work-life satisfaction, job incentive, employee engagement, turnover intention

1. Introduction

The wave of mass job resignations in Indonesia is very high, with around 84% of Indonesian workers planning to resign in the next six months [1]. The results of a survey conducted by global recruitment expert [2] stated that the wave of mass resignations from jobs in Indonesia in the last two years was 43%, meaning that a current work has been in a job for no more than two years. In a company, that is the impact caused by a global pandemic. This phenomenon is motivated by various employee motivations; 36% of workers are dissatisfied with current wages or salaries, and the remaining 22% are unhappy with the company’s strategy or direction. Furthermore, it was found that 68% of workers are willing to give up salary, bonuses, or promotions for greater welfare,
mental health, and happiness. Employee turnover in the industry is categorized as ideal if it ranges from 5-10% per year and as high if it exceeds 10% per year [3]. Referring to [4], losing one worker will reduce profits and productivity by up to 60% for the company’s organization. Thus, some companies seek to improve the business performance of their employees to reduce turnover intention. In today’s era, the proactive, aggressive, and goal-oriented nature of business requires active involvement and thorough dedication from employees. Be that as it may, past thoughts have centered nearly solely on non-workspace conditions, not cognitive or emotional reactions to these conditions, such as part strife or Life Satisfaction. Moreover, typically worth noticing since inquiries about that state of mind within the non-workspace and non-work conditions impact behavior within the work environment [5, 6]. Considering that most of the Turnover Purposeful models expect that Work Fulfillment intervenes in the relationship between working conditions and Turnover Intention, a consistent expansion of investigations that centers on the impacts of non-work and work and non-work intelligence on Turnover Purposeful is to consider the impact of Life Fulfillment as Life Satisfaction can be considered the summation of one’s encounters overall life spaces [7, 8]. The thought of satisfaction suggests a minor level of satisfaction. In any case, within the setting of Turnover Deliberate, perspectives of Life Satisfaction can be a significant figure that can impact and direct Turnover Deliberate. [9] explained that life satisfaction could be a required work of fulfillment. Hence, people have an assortment of needs which, on the off chance that they are satisfied, can result in life fulfillment [10] (Greguras & Diefendorff, 2010). In expansion, [11] contend that the linkage of life fulfillment is an impact that reflects real humopan life in terms of coordination work life [12]. According to a study by [13], life satisfaction negatively affects turnover intention and intentional export turnover. Motivating forces can increment execution accomplishment since inspiration is emphatically related to one’s capacities [14]. Moreover, [15] explained how the incentive system influences spending intention in the relationship between turnover intention and work motivation variables. The research concludes that an effective incentive system reduces turnover intention. [16] proved that ineffective incentive systems affect turnover intention by reducing organizational commitment. Furthermore, research [17] found that the interaction between incentives and leadership style in influencing creative performance is not significant. [18] found that incentives could not effectively moderate the relationship between working hours and turnover intention among doctors. It was also found that incentives did not effectively modify the relationship between turnover intention [19]. Thus, there is also a Job Incentive research gap on turnover intentions.
Research has shown that employee engagement and work-life satisfaction have a positive relationship when a person works but is not equally engaged [20]. In addition, employee engagement can be a positive indicator for improving the work and family situation, which ultimately seems to show that the positive effects induced by employee engagement affect various areas of life outside the home and increase well-being and life satisfaction [21]. When engaged, employees are not usually associated with burnout, are more likely to behave proactively[22], and have positive beliefs about their effectiveness [23]. Life satisfaction has a positive relationship with longer tenure and organizational commitment and a reduction in intentional turnover [9]. there is also the impact of the work motivation variable, as proven by the investigation [24], that there is a solid relationship between work motivating forces and representative engagement. In addition, studies by [25, 26] found that engaged employees tend to have lower turnover rates. Therefore, this study has novelty (novelty) in using employee engagement in the relationship between life satisfaction and work motivations with turnover intention.

Based on the background, business phenomena, and research gaps, it was explained previously regarding the problems encountered due to differences in the effect of the variable turnover intention on life satisfaction, job incentives, and employee engagement. In connection with the research problems described, background research objectives and formulation of research problems are as follows:

i Test the effect of work-life satisfaction on turnover intention

ii Test the effect of work incentives on turnover intention

iii Test the effect of work-life satisfaction on employee engagement

iv Test the effect of job performance incentives on employee engagement

v Test the effect of employee engagement on turnover intention

vi Test the effect of employee engagement as a mediator of work-life satisfaction on turnover intention

vii Test the effect of employee engagement as a mediator of job incentives on turnover intentions.
2. Literature Review

2.1. Theory Of Interpersonal Love

The starting hypothesis of Interpersonal Adore became prevalent since the development of Sternberg’s hypothesis in 1986; talking about interpersonal love, there are three aspect: intimacy, passion, and commitment. Says less approximately the heading of commitment over time but focuses out that it often increments slowly, quickening as the relationship moves forward and inevitably smoothes out in an S-shaped bend. Of course, if the relationship falls flat, commitment will rapidly lessen. Moreover, in an organization or company, workers who have engaged in their work will show devotion and have suggestions for low Turnover Intention.

2.2. Turnover Intention

Turnover intention is the thought or desire to leave one's job in the future and the desire to find a new job. The purpose of turnover can be voluntary or involuntary. Thus, the turnover intention is the idea or desire of the employee to stop working, then leave the company and move to another job according to their desire.

2.3. Work-Life Satisfaction

Work-Life satisfaction is characterized by a cognitive theory approach, namely how individuals view themselves based on a standardized measure of the individual self. Life satisfaction is a process that refers to the evaluation process in which people evaluate their quality of life based on their unique criteria. Life satisfaction factors are the desire to change one’s life, satisfaction with one’s present life, satisfaction with the past, satisfaction with the future, and the views of significant others about one’s life. Life satisfaction is influenced by several factors, namely the following: health, organizational performance, lifestyle, income, and education.

2.4. Job Incentives

A performance incentive is any tangible incentive or stipend given to agents in the form of money. Motivational forces can also be characterized as objective criteria, where a person must, as it were, set quantitative guidelines for implementation. Some analysts divide motivational forces into two types: natural and ethical motivations. Incentives refer
to the circulation of scholarships through a certificate to settle lawsuits against someone [34]. Specific incentives refer to coordinating ways to compensate efforts by rewarding them. This survey examines the specific incentives given to experts. Job incentive is a material rewards given to employees through money. Incentives can also be defined as objective criteria where the individual wants to set measurable performance levels. Some researchers divide incentives into two types, namely material and moral incentives. Moral incentives refer to indirect compensation through witnessing, such as judging someone [34]. Specific incentives mean direct ways of rewarding effort by giving bonuses. This study deals with specific incentives given to employees.

2.5. Employee Engagement

Employee engagement can be understood as the physical, psychological, and emotional arousal observed in employees who are fully engaged and committed to their work. Research has shown a link between employee engagement and higher organizational performance. [35] in a meta-analytic study positively associated employee engagement with work-related outcomes and performance. [36] their research emphasized employee engagement as essential to improving performance and increasing organizational sustainability.

2.6. Effect of Work-Life Satisfaction on Turnover Intention

Previous research indicates that psychological well-being alone serves as a container or umbrella term for happiness, development, health, and optimal functioning at the group and individual levels under negative and positive conditions [37]. It is supported by several studies by [38–40] who found that life satisfaction is related to positive affect and negative affect. For example, people who are satisfied with their lives tend to experience positive and less negative affect. In contrast, people who are dissatisfied with their lives experience less positive affect and more positive affect, the researcher hypothesizes, which could affect turnover. Purpose Thus, based on this explanation, the researcher proposes the following hypothesis:

\[ H1: \text{Work-Life Satisfaction has not significant influences Turnover Intention} \]
2.7. Effect of Job Incentives on Turnover Intention

Motivation is strongly related to turnover intention. When employees work in a company, it is vital to have the right incentives for employees so that employees can be retained [41]. It is rare to find employees who do not consider incentives important. Every employee understands that any benefits that can help meet their needs are significant to the employee. Once an employee gets this right, he always keeps his bond with the organization. We receive incentives to meet the basic needs of each employee, such as clothing, food, and housing. Every company should be precise in determining the wages paid to employees so that they are as low as possible according to their needs [42]. Based on this explanation, the researcher makes the following hypothesis:

$$H2: \text{Job Incentives has not significant influences Turnover Intentions.}$$

2.8. The Effect of Employee Engagement on Work-Life Satisfaction

Enhancing employee engagement is a complex organizational problem for several reasons, one of which is multiple roles (both work and life); the emotions and responsibilities of each role can be interrelated [43]. [44] defines the relationship between positive or negative affect in work and life and integration into those roles. In addition, employee engagement affects various aspects of life outside the home and increases well-being and life satisfaction [21]. Life satisfaction is positively related to increased work performance and organizational commitment, lower turnover intention [9], and mortality in the general population [45]. Thus, based on this explanation, the researcher proposes the following hypothesis:

$$H3: \text{Work-Life Satisfaction significantly influences Employee Engagement.}$$

2.9. Effect of Employee Engagement on Job Incentives

Incentives are part of compensation, where rewards are the recognition employees receive from the company [46]. [47] show that incentives significantly impact employee engagement. These two aspects are essential elements that motivate and engage employees to improve their performance. An imbalance in these issues slows down business, increases employee turnover, and reduces employee engagement, leading to lower employee performance. In addition, [48] study found that monetary, non-monetary, and tangible components of total rewards influence employee happiness and
engagement. Thus, based on this explanation, the researcher proposes the following hypothesis:

\[ H4: \text{Job Incentive significantly influences Employee Engagement.} \]

2.10. The Effect of Employee Engagement on Turnover Intention

Initially, the definition of employee engagement had to be clarified [49]. He describes employee engagement as “the organization’s use of individuals in their work; in engagement, individuals use and express themselves physically, cognitively, and sincerely, emotionally, honestly, amid some efficiency” (p. 694). found that employee engagement strongly influences resourcefulness, which has been shown to increase efficiency, profits, and customer satisfaction [35]. Too found long-term employee engagement reduces absenteeism, partisanship, and intention [50]. Thus, employee engagement has become a critical aspect in the progress of both the individual and the implementing organization [51]. Research [35] emphasizes that embedded representatives in the work environment lead to positive organizational results. Based on this explanation, the researcher makes the following hypothesis:

\[ H5: \text{Employee Engagement significantly influences Turnover Intention} \]

2.11. The role of Employee Engagement as mediator

Employee engagement has been shown to mediate relationships between conditions and outcomes, including relationships between work and life factors [52]. In addition, [53] found that employee engagement, particularly vigor, mediates the relationship between organizational commitment and life satisfaction. Life satisfaction is a global assessment of one’s well-being [54].

\[ H6a: \text{Employee Engagement significantly mediates the relationship between Work-life satisfaction and Turnover Intention} \]

Highly engaged employees perform well and use cognitive, emotional, and physical labor [50]. Similarly, engaged employees are characterized by efficiency, dedication, passion, enthusiasm, commitment, and energy, leading to task acceleration [55]. [56] states that several factors, including incentives, can influence employee engagement. Therefore, this study proposes the following hypothesis:

\[ H6b: \text{Employee Engagement significantly mediates the relationship between Job Incentive and Turnover Intentions.} \]
3. Research Methods

This research approach is explanatory, which is used to test multiple hypotheses to explain the relationships between the independent variables: Work-life Satisfaction, Job incentive, mediating variables: Employee Engagement, and the dependent variable: Turnover Intention. Questionnaires were distributed to 133 respondents who worked in startup companies working in startup companies located in the city of Tangerang, Banten. The sampling technique used in this study aimed at determining the number of samples taken; [57] stated that when the population's behavior is not known with certainty, the formula is necessary to obtain a representative number of the entire sample. Based on the Slovin method, with a population (N) of 300 populations, with an estimated error rate of 5%, the minimum number of samples (n) is $n = \frac{300}{1 + 300 \times 0.05^2} = 200$ to 200 respondents. The sampling technique was applied through purposive sampling, where the sample was determined based on specific considerations [58]. This technique suits quantitative or non-generalizable research [27]. The data used are primary, i.e., questionnaire surveys, to personally find out the respondents’ understanding of answering the statements related to the variables of this study [59]. The questionnaire is divided into two parts, the first part is the respondent’s identity, and the second part is the statements of the research variables. The necessary information was obtained through research questionnaires distributed directly to employed respondents in several hotels in Salatiga. Questionnaires are distributed via Google Forms. Structural equation modeling PLS-SEM (Partial Least Squares Structural Equation Models) is used, and this methodology has increased (Sarstedt et al., 2017). This type of research elucidates the effect and causal relationship between variables through hypothesis testing [60]. This research uses a quantitative approach emphasizing testing theories or concepts through variable measurements and data analysis techniques using statistical tools to test hypotheses.
3.1. Measurement Models

Convergence and discriminant validity were statistically tested using SmartPLS. Convergent validity aims to determine the validity of the relationship between indicators and constituents or latent variables. All constructs are tested for real factor loadings > 0.7, combined confidence > 0.8, and mean sampling variance (AVE) > 0.5 to assess convergence effectiveness [61]. Almost all items in this model are significant from >0.7, except for WLS5, JI5, and TI1. They were omitted because the factor loading is less than 0.70. The results show that the model meets the convergence validity criteria. The internal reliability of the scale was also tested with Cronbach $\alpha$. Table 1 shows all variables’ loading factors, average sampling variance (AVE), combined reliability, and rho_A.

We then tested the validity of the discriminants with the heterotrait-monotrait correlation ratio method; the results are shown in Table 2. For HTMT scores less than 0.90 [62], discriminant validity analysis is shown in Table 2. All components of the measurement model are also judged to be highly discriminatory. An estimation model considers the relationship between a variable and its terms. A well-fitting model was found to have acceptable measurements (standardized root mean square residual [SRMR] = 0.071 and standard fit index [NFI] = 0.928) with an SRMR value of 0.9 [61]. Therefore, the framework fits the data and is sufficient to validate the research hypothesis.

4. Results and Discussion

4.1. Hypothesis Examining

In this study, we examine the structural relationships of variables by analyzing different mediation effects through path analysis. Pathway analysis is used to evaluate research model hypotheses using the smart PLS program. The results shown in Table 3 represent standard pathway coefficients for the research model. From Table 3 we can see that all hypotheses for both H1, H2, are not accepted (-0.056* < 0.01; 0.404* < 0.05; and H3, and H4, H5, H6a, H6b accepted 0.460* < 0.05; < 0.01; 0.408* < 0.1; 0.365; 0.149; 0.118). All variables, namely work-life satisfaction and job incentive are directly and indirectly mediated by the employee engagement of the variables, with not significant positive and significant effects on Turnover intention.

Figure ??, Results of path analysis (*p value < 0.01; **p value < 0.05; ***p value < 0.10).
### Table 1: Convergent Validity

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Factors Loading</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>rho_A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-Life Satisfaction (WLS)</td>
<td>WLS1: I can negotiate well at work and family.</td>
<td>0.761</td>
<td>0.522</td>
<td>0.867</td>
<td>0.817</td>
</tr>
<tr>
<td></td>
<td>WLS2: Based on feedback from co-workers and family members, that I complete my work and family responsibilities.</td>
<td>0.771</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WLS3: I am very satisfied with my life personally.</td>
<td>0.771</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WLS4: In many ways, my life is close to my goals.</td>
<td>0.741</td>
<td>0.598</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WLS5: So far, I have gotten the important things I want in my life. WLS6: If I could live life, I would change almost nothing.</td>
<td>0.741</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Incentive (JI)</td>
<td>JI1: My company provide financial incentives to employees when working professionally.</td>
<td>0.778</td>
<td>0.589</td>
<td>0.877</td>
<td>0.831</td>
</tr>
<tr>
<td></td>
<td>JI2: My company provides enough payment to make ends meet.</td>
<td>0.786</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JI3: The company gives me overtime pay after working hours.</td>
<td>0.777</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JI4: The company provides bonuses to employees according to their position and is consistent with their level of performance.</td>
<td>0.802</td>
<td>0.688*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Engagement (EE)</td>
<td>EE1: I am very concerned about my job responsibilities</td>
<td>0.830</td>
<td>0.711</td>
<td>0.925</td>
<td>0.898</td>
</tr>
<tr>
<td></td>
<td>EE2: At work, I concentrate fully on my work.</td>
<td>0.860</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EE3: At work, I concentrate fully on my work.</td>
<td>0.838</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EE4: I believe in the vision, mission, and goals of my company.</td>
<td>0.852</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>EE5: I care about the future of my company</td>
<td>0.834</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover Intention (TI)</td>
<td>TI1: I am considering leaving my job.</td>
<td>0.672</td>
<td>0.560</td>
<td>0.864</td>
<td>0.802</td>
</tr>
<tr>
<td></td>
<td>TI2: I am frustrated when I am not given opportunities in my work.</td>
<td>0.815</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>TI3: I dream of getting another job that better suits my needs.</td>
<td>0.770</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TI4: I would likely accept another job with the same level of compensation if it were offered to me.</td>
<td>0.750</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TI5: I look forward to another day at my job.</td>
<td>0.729</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Moreover, according to our hypothesized model, according to our results, one’s life satisfaction plays a crucial role in the transition to spending intention. Looking specifically at how employees interact with their colleagues, we suggest that life satisfaction leads to a climate in which employees have high trust. Employees with high life satisfaction can help prevent turnover intentions. It is consistent with the study [63, 64] that stress is a factor that causes employee life satisfaction and leads to high turnover intention. Analysis of variance showed that employee demographic characteristics such as gender, marital status, age, and family size can influence this. In addition, work incentive programs help provide more benefits to existing employees and reduce their desire to move.

The incentive system is effective and attractive for employees, and their spending intentions gradually decrease. Even though the incentives are significant, the increased workload can also cause turnover intensity [19, 65] Therefore, the decision-makers of the ministries direct their personnel policy and strategy to focus more on the implementation of fairness and equality to employees through performance evaluations, salary increases, bonuses, and gifts, and in terms of rewards and recognition HRM must increase employee satisfaction by increasing their willingness and desire to contribute more and maximize work contribution by assigning appropriate rewards and rewards.
through incentives to motivate them and increase their job satisfaction. In addition, the indirect relationship between employee engagement also acts as a mediating bridge between life satisfaction and work motivation [66, 67]. It was found that the most important factors are considered as a form of employee commitment. Employees more satisfied with their lives and with adequate incentives at work also show more significant commitment. However, recent evidence [18, 42] shows that life satisfaction can act as an antecedent of work engagement.

The main conclusion is that job commitment can be related to factors outside the organization that are a vital part of an employee’s life. As a psychological and emotional state, work commitment can be related to aspects of an employee’s life other than the fulfillment of his organizational and work duties. On the other hand, this assumption has been recommended in previous literature, generally referring to the role of life satisfaction in future behavior [68, 69], as well as the reciprocity of combining work and life satisfaction. [70–72].

Interpersonal love theory assumes that the variety of love experienced by people has three primary dimensions. Intimacy is feelings that promote closeness, love, and attachment with partners. It can be considered the “warm” component of love because it conveys a sense of comfort in a relationship, in this case, at work. Passion consists of motivation, self, belonging, mastery, and fulfillment [27]. Commitment implies a conscious choice because first, there is a decision to love the job and then to keep the job. Because it is the most thoughtful aspect of love, it can be considered the “cold” component. According to [27], the average level of this component is predictable and can also change within a relationship. This study can give meaning that employee engagement is also higher when commitment is higher. It can reduce the level of turnover intention. Of course, this is influenced by several underlying factors, such as life satisfaction and the incentives that motivate employees. So, the employees must be firmly committed to their jobs.

5. Finding and Conclusion

5.1. Implications, Limitations, and Suggestions

Theoretically, mediating variable hypothesis as a novelty from the theoretical aspect. While practical benefits can use mediation as an approach. This research can serve as a foundation for companies that can see several aspects in dealing with turnover intention and enrich the use of interpersonal love theory in HR research. This study
has limitations, so future researchers must develop it further. This survey was limited to student testing, which allowed the researchers to expand the number of respondents to homemakers, white-collar workers, and others. In addition, the variables used can be tested on social media and other platforms. Results that are less influential can be used as input for further researchers in further research and data collection using a cross-sectional approach may use longitudinal data in the future.

References


