



Employee Retention As a Mediation Variable of Career Development and Reward Management System that Impact Prevention Turn Over Employee

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ABSTRACT

The purpose of this study is to see how much the independent variable contributes to the dependent variable and to see the indirect effect of the intervening variable. This study wants to test the effect of independent and intervening variables on the dependent variable, to determine the significance between variables. The results of this study after looking at the literature review that has been analysed that there is significance between variables. This research uses a literature review study that does not use respondents as the basis for data processing. To prevent turnover in an organization the company must have an employee retention career development program for employees and implement a reward management system.

INTRODUCTION

Every company has to go through an enveloping process every time. Turnover is the process by which an employee leaves or leaves the company. This process actually makes sense when sales are still normal. A high turnover rate, or the number of employees moving in and out of a company, should be used as a reflection of the company. Companies with high employee turnover will definitely be negatively impacted. The impact can affect the quality of the production results, up to reducing the company's profits. Employees cannot live without building a career at the company. That's why we have to prepare a variety of attractive career paths within the company. This solution allows them to have clear career goals and direction. Make sure they get detailed information about their career paths at your company. We can also help them achieve their desired career paths through training and skill development activities. High employee turnover or fluctuations are the mirror of a company. Are you hiring unresilient employees or is your company too hard on employees, It's not good because it can affect the surviving employees. Of course, it's not good for people trying to get into the company. (Kaliannan & Adjovu, 2015); (Susanto, Sawitri, et al., 2023); (Acikgoz, 2019); (Moore et al., 2020); (Ruotsalainen et al., 2023)

There are several important factors in this. It can come from an employee, the company, or an outside party. It goes without saying that sales brings both advantages and disadvantages to a company. One of the benefits is that companies can cut low-potential employees and get better replacements. The downside, however, is that if employee turnover is high enough, it can reduce the productivity level of the organization and affect the bottom line of the organization as well. (Luthans & Peterson, 2002); (Susanto, Agusinta, et al., 2023); (Thamrin AR et al., 2022); (Nuraeni et al., 2022)

It was previously noted that the factors that cause employee turnover can come from the employee himself, the company, or an outsider. The full explanation is as follows. (1). Individual factors, The number one cause of turnover is either personal or by the employee itself, generally due to job satisfaction, unreasonable workload, excessive working hours, and employee mental health issues. (2). Business factors, The company's factors are unstable work schedules that do not pay attention to employee well-being, opaque pay systems, lack of human resource and development programs, overly monotonous work schedules, and lack of transparency to employees. (3). external factor, External factors are usually related to the distance between home and office or the non-strategic location of the office. As a result, these employees feel tired every time they walk in and out of the office. (Loyarte-López et al., 2020); (Wang et al., 2020); (Pizzi et al., 2015; Vu, 2022)

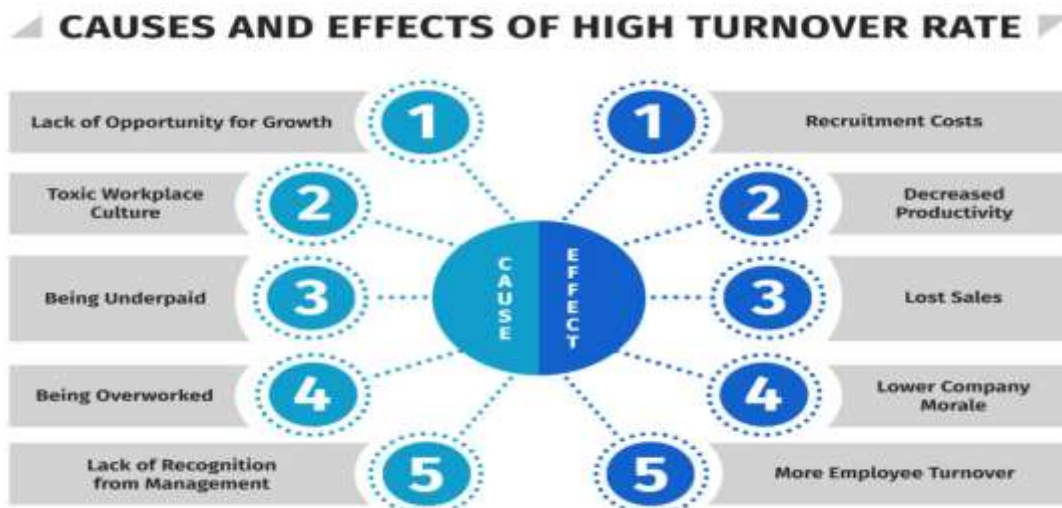
LITERATURE REVIEW

Scientific articles use a qualitative method with a literature search model of dozens of scientific articles, consisting of scientific articles and their article variables from well-established international and national journals. Researchers hope to obtain the authors' future findings and recommendations

from the results of preparing reviews on variables. It is shown in the tables below.

Table 1. Matrix Literature Review

No	Title Article	Author & Years	Result
1	Employee Engagement: Turn Over Prevention Strategies and the Key To Improving Performance Management in a Multinational Company	(Henokh Parmenas, 2022)	Significants
2	One hundred years of employee turnover theory and research	(Hom et al., 2017)	Significants
3	Employee retention and turnover: Using motivational variables as a panacea	(Samuel & Chipunza, 2009)	Significants
4	On the next decade of research in voluntary employee turnover	(Lee et al., 2017)	Significants
5	Managing learning and turnover in employee staffing	(Gans & Zhou, 2002)	Significants
6	Prediction of Employee Turnover in Organizations using Machine Learning Algorithms	(Punnoose & Ajit, 2016)	Significants
7	Employee retention and turnover: Using motivational variables as a panacea	(Samuel & Chipunza, 2009)	Significants
8	Antecedents and Outcomes of Workplace Incivility	(Reio & Ghosh, 2009)	Significants
9	Commitment profiles and employee turnover	(Stanley et al., 2013)	Significants
10	The psychology of voluntary employee turnover	(Harman et al., 2007)	Significants



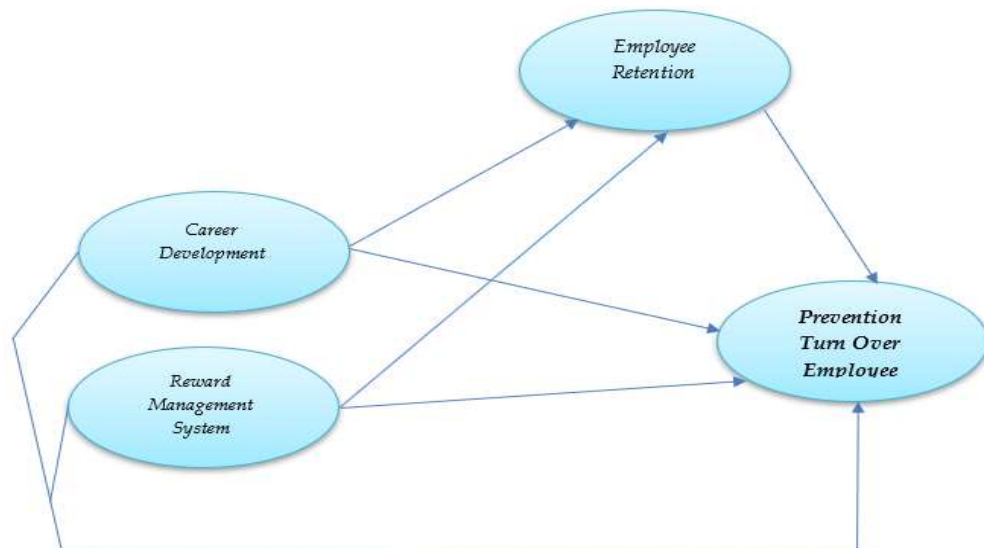
Picture 1. Turn Over Employee

Source Reference: <https://hr.university/shrm/talent-management/fix-turnover-rate/>



Picture 2. Employee Retention

Source Reference: <https://www.sketchbubble.com/en/presentation-retention-strategy.html>



Picture 3. Conceptual Framework

METHODOLOGY

A literature review is to explore and understand company documents, rationale, and information related to the topic under study in order to obtain the theoretical basis material for putting together this study. This research was conducted by collecting data from textbooks, international journals, Internet sources, and other research related to this research. The data collected are prepared, analyzed, and processed for legitimate reasons developed so that conclusions can be drawn from the data. The data obtained from the reading results are evaluated by selecting materials relevant or still relevant to the investigation. Based on the results of further data analysis, conclusions were drawn from the subjects under investigation. This analysis process uses content analysis. Detailed description stage. A data analysis technique that analyzes the

nature, characteristics, content, and context of data, interprets them theoretically and uses reason to draw conclusions.

RESEARCH RESULTS

X1: Career development is defined as a process where someone develops their skills, increases their level of confidence, and makes themselves more attractive during the course of their career. The aforementioned procedure will result in someone becoming more focused on something in order to achieve their ideal job aim, compromise their desired values, as well as the way of life they were raised to value. In a different instance, a definition of career development focuses on the language that is used by an individual to express their thoughts and become more capable of understanding the job market now and in the future. There are several techniques that can be applied to career development in a particular organization or business, among them: Employee/Manager self-service. This method can be carried out by concealing some information found on a company or organization's website so that users can access it whenever they need it and assist in the comparison of the options for the keputusan that will be made. (Bird, 2019); (Zhihang & Yueyue, 2021)

X2: A reward is an award or recognition given to someone who has done something positive or done something positive. In the workplace, compensation usually takes the form of bonuses in exchange for performance or achievement of organizational goals. Companies typically retain top talent and offer rewards to improve employee performance. These compensation and benefits are intended to reduce the company's turnover rate. In other words, these rewards are reciprocated by employee loyalty. Compensation Management designs and implements a fair, equitable and consistent compensation system in line with each employee's values to support the company's success and to attract and retain the best employees or talents in the company, is for Important Topics in Compensation Management Skill-focused reward philosophies versus result-focused reward philosophies Educational background and years of service Closed Compensation Planning and Planning (Some People) versus Open Compensation Planning and Planning (Many Including Employees) Evaluation fee increase based on years of service versus evaluation fee increase based on performance Implementing Manual Compensation and Implementing System Compensation. (Güngör, 2011); (Kaur, 2017)

Z: Employee retention is the ability of a company to retain its employees for a specified period of time. This employee retention should be done by all companies to avoid employee turnover that the company does not really need. Employee retention refers to an organization's ability to retain human resources (in this case, employees) for a specified period of time in order to avoid unnecessary employee turnover. This is very important as it is about company efficiency. When many employees leave the company for whatever reason, the company cannot work efficiently. Because companies have to spend money, time, and effort to find replacement employees instead of using them for other purposes. Moreover, the company cannot succeed in finding a replacement for

the former employee in a short period of time. Therefore, employee retention must be high in order for the company to operate effectively and make efficient use of all its assets. Employee retention rates impact the quality of professional services provided to clients. New hires with less experience are more likely to make mistakes that compromise the customer experience to a greater or lesser extent. Experienced employees tend to be adept at dealing with customers and can build fairly strong relationships. (Scharp et al., 2022); (Asrar-ul-Haq & Anwar, 2018); (Susanto, 2022)

Y: In the business world, this is called selling. Attrition is a matter related to employee retirement activities, whether voluntary or at the will of another party. Sales are usually made by employees to get new job opportunities in new locations. One of the causes of fluctuation is the lack of work-life balance. Human resources must be guided in the performance of their tasks by top management, the Human Resources Manager. It should be noted that the quality of a corporate organization cannot be judged only by the high turnover rate. One of the factors behind high turnover in companies is the quality of management. The presence of good managers is certainly expected to have a positive impact on employees to ensure that they maintain standards and achieve company goals. Like rotation caused by age or retirement. If turnover is age-related, companies can anticipate it by preparing potential executives for employee positions. However, when employee turnover is caused by layoffs, companies find it difficult, time consuming and expensive to find replacement employees. (Stirpe et al., 2022); (Wang et al., 2020)

DISCUSSION

Turnover rate refers to the total number of employees who leave the company within a certain period of time. This includes not only employees who voluntarily leave, but also those who have been laid off, i.e. forced fluctuations. Income is different than employee turnover. Employee terminations and layoffs are not taken into account in the volatility calculation. Employee turnover is the voluntary or involuntary termination of a large number of employees with vacancies. There are two types of employee terminations: spontaneous: Occurs when an employee voluntarily leaves the company. Because the employee usually works for another company. Involuntary: Occurs when it is not the employee's decision to leave the company. In other words, forced turnover occurs when an employee is terminated due to poor job performance, absenteeism, or workplace policy violations. (Alqudah et al., 2022); (Andrulli & Gerards, 2023)

Looking at all the costs associated with employee turnover, it becomes clear why the cost of employee turnover is so high. First, companies need to find and hire new employees. Next, the company needs to recruit and train new employees. The company must also calculate the start time. Inexperienced employees tend to be less productive. Not to mention wasting time finding, hiring and training new employees until they are truly productive. (Celma et al., 2018)

CONCLUSIONS AND RECOMMENDATIONS

This scientific paper can be developed and studied using quantitative research methods and the same variables as the existence of the research subject. Alternatively, this research can be quantified by collecting questionnaires from respondents to obtain the accuracy of survey statistics.

FURTHER RESEARCH

This research can still be developed by other researchers in the future, this research has limitations, namely not using data analysis using spss statistics and the absence of structured interviews with respondents and informants. In the future, this research can be developed to involve respondents in filling out questionnaires which are the basis for statistical data processing for a more in-depth analysis process.

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