

The Influence of Compensation and Employee Involvement Toward Employee Retention at Jhun Café & Resto

D. T. Kenanga

Program Studi Manajemen, Sekolah Tinggi Ilmu Ekonomi Petra, Jl. S.H. Sarundajang, Depan Term. Induk Tangkoko, Kota Bitung, Sulawesi Utara

E-mail: dhian.kenanga2805@gmail.com

* Corresponding Author

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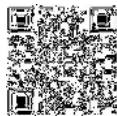
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ABSTRACT

Jhun Café & Resto adalah bisnis perusahaan swasta yang menyediakan berbagai makanan Ikan Tuna. Jhun Café & Resto terletak di Kawasan Megamas Manado, Sulawesi, Indonesia. Jhun Café & Resto memiliki masalah yaitu pergantian karyawan. Untuk mencegah pergantian tersebut, Jhun Café & Resto memerlukan upaya strategi retensi. Ada banyak faktor yang dapat mempengaruhi Retensi Karyawan, oleh karena itu judul penelitian ini adalah Pengaruh Kompensasi dan Keterlibatan Karyawan terhadap Retensi Karyawan di Jhun Café & Resto. Penelitian ini bertujuan untuk mengetahui pengaruh Kompensasi dan Keterlibatan Karyawan terhadap Retensi Karyawan di Jhun Café & Resto. Jenis penelitian adalah Asosiatif, jenis data adalah Kuantitatif, metode untuk menganalisis data adalah Analisis Regresi Linier Berganda dan Populasi karyawan berjumlah 35. Hasil uji T diperoleh bahwa Kompensasi (X_1) $t_{hitung} = 4,194 > t_{tabel} = 2,037$. Jadi, H_a diterima dan H_o ditolak. Ini berarti Kompensasi secara parsial berpengaruh terhadap Retensi Karyawan. Keterlibatan Karyawan (X_2) $t_{hitung} = 1,686 < t_{tabel} = 2,037$. Jadi, H_a ditolak dan H_o diterima. Ini berarti Keterlibatan Karyawan secara parsial tidak berpengaruh terhadap Retensi Karyawan. Dan hasil uji F diperoleh bahwa $f_{hitung} = 15,507 > f_{tabel} = 3,29$. Jadi, H_a diterima dan H_o ditolak. Ini berarti Kompensasi dan Keterlibatan Karyawan secara simultan berpengaruh terhadap Retensi Karyawan.

Jhun Café & Resto is a business of private company that provide the various food of Tuna Fish. Jhun Café & Resto located at Kawasan Megamas Manado, Sulawesi, Indonesia. Jhun Café & Resto has a problem that is employee turnover. To prevent the turnover, Jhun Café & Resto need the effort of retention strategy. There are many factors that could influence the Employee Retention, therefore the title of this research is The Influence of Compensation and Employee Involvement toward Employee Retention at Jhun Café & Resto. This study aims to find out the influence of Compensation and Employee Involvement toward Employee Retention at Jhun Café & Resto. Type of research is Associative, type of data is Quantitative, method to analyze data is Multiple Linear Regression Analysis and the Population of the employees amounted to 35. The results of the T test obtained that Compensation (X_1) $t_{test} = 4.194 > t_{table} = 2.037$. So, H_a accepted and H_o rejected. This means that Compensation partially have influence toward Employee Retention. Employee Involvement (X_2) $t_{test} = 1.686 < t_{table} = 2.037$. So, H_a rejected and H_o accepted. This means that Employee Involvement partially have no influence toward Employee Retention. And the result of F test obtained that $f_{test} = 15.507 > f_{table} = 3.29$. So, H_a accepted and H_o rejected. This mean that Compensation and Employee Involvement simultaneous have influence toward Employee Retention.



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INTRODUCTION

The globalization era in this world now certainly had an impact on the aspects of life, including in the aspect of economy. The world of economy required the companies to increase the competitive advantage in order to survive in global competition. One of the factors to assist the companies in increase the competitive advantage is through the human resource. Human resources are the people who work for the company. Human resource is the main pillar of the company, because human resource helps the company to perform the work operation. As the important asset, the company needs to maintain and increase the commitment and loyalty from the human resource in order to assist the company in achieving the desired objectives.

Nowadays, the professional human resources are really needed, so important for a company to maintain and preventing the human resources from turnover. Turnover is measurement of how long employees stay in company. Turnover have a bad consequences because when the employee leave the company, the company reputation is also placed at risk as no one feels confident to deal with the company that cannot retain its employees, the company does not only lose the employee but the company also loses the clients who were loyal to that employee, and the employee will take the valuable information about the company.

Jhun Café & Resto is a business of private company that provide the various food of Tuna Fish. Jhun Café & Resto located at Kawasan Megamas Manado, Sulawesi, Indonesia. Jhun Café & Resto has a problem that is employee turnover. The following will show the recap of employee turnover at Jhun Café & Resto on January – March 2025.

Table 1. Employee Turnover at Jhun Café & Resto

Month	Employee Sign	Employee Out
January	5	7
February	2	5
March	3	7

Turnover at Jhun Café & Resto occur for various reasons, there are employees were released by the owner and there are employee were release their self by their own decision. In the other hand, there are employees at Jhun Café and Resto release their self because they are not satisfied with the compensation awarded and not felt the compensation balance with their job's burden. So, the author wanted to find out the influence of Compensation toward Employee Retention at Jhun Café & Resto. Compensation is employers that pay the employees in exchange for performing specified services. Payment terms are typically agreed on between an employer and employee at the beginning of the working, although the details can be changed over time. And compensation could influence the employee retention, because compensation helps to satisfy the financial needs of the employees.

There are employees at Jhun Café and Resto that release by the owner because they are not attended the regulation for example they are not directly doing their job. So, the author wanted to find out the influence of Employee Involvement toward Employee Retention at Jhun Café & Resto. Employee Involvement refers to the psychological and emotional extent for the employee to participate their job. Employee involvement could influence the employee retention because if the employee directly to do their job, the employee will understand and be bound by the job, so the employee will be easy to carry out their job now and later, and the employee will continue to survive in the company because they already engage with the job.

Employee retention can be stated as the processes in which employees are encouraged to stay in the company for the maximum period of time until the completion of the job. To prevent the turnover the company needs the effort of retention strategy. Retention strategies help us to know in what way the management satisfies the employees in all aspects to achieve the goals and there are many factors that could influence the Employee Retention.

Jhun Café & Resto also need the effort of employee retention. Therefore the title of this research is “The Influence of Compensation and Employee Involvement Toward Employee Retention at Jhun Café & Resto”.

METHOD

Type of Research

According to Sugiyono (2014:10), there are three type of research: descriptive, comparative, and associative. This type of research is Associative, where associative is a research that are the connected the two or more variables.

Schedule of Research

The object of research is Jhun Café & Resto located at Kawasan Megamas Manado with the period for Three months started from January – March 2025.

Type of Data

In according to Istijanto (2010:39) Quantitative is the data collected by a structured statement as provide alternative answers to a statement filed to the respondents and the answers of the respondents changed to numbers and presented through a statistical approach. In according to Sugiyono (2014:223) the Primary Source is the data sources that directly provide the data to data collectors. The primary data obtained and collected is through the questionnaires.

Data Collection Method

In according to Sugiyono (2014:199) Questionnaire is a technique of data collection by giving a set of questions or a written statement to the respondent to answer. In this research, there are 35 respondent as the population.

Variable and Indicator

In according to Sugiyono (2014:59) Variable research is a value of objects or activities which have a variations that defined to be learned. The following is the two kinds of variables, there are:

Independent Variables

- X₁ : Compensation
- X₂ : Employee Involvement

Dependent Variable

- Y : Employee Retention

Table 2. Variable and Indicator

Variable	Dimension	Indicator	Measurement
Compensation (X1)	Base Pay	Salary	Likert Scale
	Variable Pay	Incentives	
	Benefits	Indirect Compensation	
Employee Involvement (X2)	Formal – Informal	System rules, Awareness	Likert Scale
	Direct – Indirect	Directly do the individual's	
	Access to Decision	job	
	Decision Content	Have a right to make decision	
Employee Retention (Y)	Employee Satisfaction & Employee Engagement	Obvious objectives from the Organization, Organizational support, Work Relationship	Likert Scale

Validity Test

According to Riduwan (2010:23) Validity Test is a size showing the level of validity. Validity test shows how good is one of the progression that made to measure the concept of certain want in progression. The decision taking:

1. If $r_{test} > r_{table}$ that means the data is valid
2. If $r_{test} < r_{table}$ that means the data is invalid

Reliability Test

According to Sekaran (2010:155) Reliability Test is index that showing the extent of measurement and it guarantees of measurement consistent traffic time and traffic diverse. To test reliability or circumstances used a measurement is the coefficient of Cronbach Alpha. The coefficient of Cronbach Alpha, shows the quality of the entire process of the data collection of the research. The decision taking:

1. If the reliability of Cronbach Alpha (α) >0.6, it means the item of the variable statement is reliable
2. If the reliability of Cronbach Alpha (α) <0.6, it means the item of the variable statement is unreliable.

T test

According to Riduwan (2010) T test is used to test the significance of each regression coefficient, so to determine whether the partial influence between independent variable toward dependent variable. The decision taking:

1. If $t_{test} > t_{table}$, then H_0 rejected and H_a accepted. It means independent variables partially have influence toward dependent variable
2. If $t_{test} < t_{table}$, then H_0 accepted and H_a rejected. It means independent variables partially have no influence toward dependent variable

F test

According to Riduwan (2010) F test is used to test the significance of the regression coefficients to know whether simultaneous influence independent variable toward dependent variable. The decision taking:

1. If $f_{test} > f_{table}$, then H_a accepted H_0 rejected. It means independent variables simultaneously have influence toward dependent variable
2. If $f_{test} < f_{table}$, then H_a rejected and H_0 accepted. It means independent variables simultaneously have no influence toward dependent variable

Statistical Tool of Analysis

Multiple Linier Regression Analysis

According to Sugiyono (2010:23) Multiple Linear Regression Analysis is used to determine how much is the influence of simultaneously between the independent variables on the dependent variable. The formula is as follows:

$$Y = a + b_1 X_1 + b_2 X_2$$

Where formula means:

Y = Employee Retention

a = Constant

X_1 = Compensation

X_2 = Employee Involvement

b_1, b_2 = Regression Coefficient of the independent variable

Multiple Coefficient Determination (r^2)

According to Riduwan (2010:136) Multiple Coefficient Determination show the variation of independent variable between dependent variable. The value of coefficient determination are between zero and one. The small value of determination mean the ability of independent variable in explaining the variation variable of the dependent variable is limited. The value that approached one it means that independent variable give high the information needed to predict variation of the dependent variable.

$$D = r^2 \times 100 \%$$

Where formula means:

D = Value of coefficient determination

r^2 = Value of coefficient correlation

RESULTS AND DISCUSSION

Characteristic of Respondent

In this research a set of 35 characteristics of respondent based on Gender, Age and, Education will be present.

Respondent Based on Gender

Table 3. Respondent Based on Gender

Gender	Frequency	Percent
Male	11	31.5%

Female	24	68.5%
Total	35	100%

It is clear that the total respondents investigated for this research majority were females (68.5%).

Respondent Based on Age

The respondents' ages are used to comprehending their opinions regarding the specific issues. An individual's age reflects their level, thus it becomes more crucial to look at the reaction.

Table 4. Respondent Based on Age

Age	Frequency	Percent
< 25	6	17%
25–40	21	60%
> 40	8	23%
Total	35	100%

It is evident from the table that on an average respondents are about 25-40 years (60%).

Respondent Based on Education

Education of the respondents is use to see person’s attitudes to understand the particular problem.

Table 5. Respondent Based on Education

Education	Frequency	Percent
JHS	6	17.2%
SHS	29	82.8%
Total	35	100%

It is evident from the table that on an average respondents are about educated up to Senior High School (82.8%).

Validity Test

$r_{table\alpha} = 0.05$
 $df = n-k (35-3=32)$
 $= 0.3388$

Table 6. Validity Test

Variables	Statement	r_{table}	r_{test}	Valid
Compensation	1	0.3388	0.903	Valid
	2	0.3388	0.931	Valid
	3	0.3388	0.811	Valid
Employee Involvement	1	0.3388	0.630	Valid
	2	0.3388	0.822	Valid
	3	0.3388	0.780	Valid
Employee Retention	1	0.3388	0.731	Valid
	2	0.3388	0.741	Valid
	3	0.3388	0.752	Valid

$r_{test} > r_{table} (0.3388)$. So, all the variables in all items of the question is Valid.

Reliability Test

Table 7. Reliability Test

Variable	Cronbach's Alpha	Reliable
Compensation	0.853	Reliable
Employee Involvement	0.677	Reliable
Employee Retention	0.689	Reliable

The value is above 0.60. So, the variables in this research is Reliable or accuracy to be used as a variable.

T Test

$t_{test\alpha} = 0.05$
 $df = n-k (35-3=32)$
 $= 2.037$

Table 8. T test

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1 (Constant)	5.274	1.620			3.255	.003
Compensation	.722	.172	.749		4.194	.000
Employee Involvement	.210	.124	.272		1.686	.102

a. Dependent Variable: Employee Retention

Compensation (X_1)

$t_{test} = 4.194 > t_{table} = 2.037$. So, H_a accepted and H_o rejected. This means that Compensation partially have influence toward Employee Retention.

Employee Involvement (X_2)

$t_{test} = 1.686 < t_{table} = 2.037$. So, H_a rejected and H_o accepted. This means that Employee Involvement partially have no influence toward Employee Retention.

F Test

$f_{test\alpha} = 0.05$
 $df1 = k-1 (3-1=2)$
 $df2 = n-k (35-3=32)$
 $= 3.29$

Table 9. F test

ANOVA ^b					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	38.510	2	12.837	15.507	.000 ^a
Residual	25.662	32	.828		
Total	64.171	34			

a. Predictors: (Constant), Compensation, Employee Involvement
 b. Dependent Variable: Employee Retention

$f_{test} = 15.507 > f_{table} = 3.29$. So, H_a accepted and H_o rejected. This mean that Compensation, and Employee Involvement simultaneous have influence toward Employee Retention.

Multiple Linear Regression Analysis

Table 10. Multiple Linear Regression Analysis

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1 (Constant)	5.274	1.620			3.255	.003
Compensation	.722	.172	.749		4.194	.000
Employee Involvement	.210	.124	.272		1.686	.102

a. Dependent Variable: Employee Retention

$$Y = 5.274 - 0.722X_1 + 0.210X_2$$

1. Constant = 5.274
It means that if the factor of Compensation and Employee Involvement equal to zero (0), value of Employee Retention is 5.274.
2. Compensation (X_1) = 0.722
It means Compensation has a positive influence toward Employee Retention. When Compensation at Jhun Café & Resto increase by 1 point then Employee Retention will increase at 0.722 with assumption other variable is fixed or constant.
3. Employee Involvement (X_2) = 0.210
It means Employee Involvement has a positive influence toward Employee Retention. When Employee Involvement at Jhun Café & Resto increase by 1 point the Employee Retention will increase at 0.210 with assumption other variable are fixed or constant.

Based on the result of Multiple Linear Regression Analysis, variable Compensation and Employee Involvement has a positive influence toward Employee Retention.

Multiple Coefficient Determination (r^2)

Coefficient determination show the variation of independent variable between dependent variable.

Table 11. Multiple Coefficient Determination (R^2)

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.775 ^a	.600	.561	.90983	2.528

a. Predictors: (Constant), Compensation, Employee Involvement

b. Dependent Variable: Employee Retention

From the results can be seen that Adjusted R Square obtained amounted 0.561. This means that 56.10% Employee Retention in Jhun Café & Resto influenced by variables Compensation and Employee Involvement while the remaining 43.90% influenced by other variables not examined in this research.

Discussion

The Characteristic of Respondent based on Gender is dominated by Woman, based on Age is dominated by 25-40 years, based on Education is educated up to Senior High School.

T test is aimed to determine whether the partial influence between independent variable toward dependent variable. The results of the T test obtained that Compensation (X_1) $t_{test} = 4.194 > t_{table} = 2.037$. So, H_a accepted and H_0 rejected. This means that Compensation partially have influence toward Employee Retention. Employee Involvement (X_2) $t_{test} = 1.686 < t_{table} = 2.037$. So, H_a rejected and H_0 accepted. This means that Employee Involvement partially have no influence toward Employee Retention.

F test is aimed to determine whether the simultaneous influence independent variable toward dependent variable. The results of the F test obtained that $f_{test} = 15.507 > f_{table} = 3.29$. So, H_a accepted and H_0 rejected. This mean that Compensation and Employee Involvement simultaneous have influence toward Employee Retention.

Based on the T test result, Compensation have influence toward Employee Retention because at Jhun Café & Resto the Compensation is the most affected factor to make the employee retain their self. As the result of the questionnaire, mostly employee at Jhun Café & Resto agree that the salary balance with the job's burden, incentive gives high spirit of working, and at Jhun Café & Resto gives benefits for the employees. And Employee Involvement have no influence toward Employee Retention. Because at Jhun Café & Resto Employee Involvement is not really affected factor to make the employee retain their self.

CONCLUSION

Based on the analysis conducted in this research, the Multiple Linear Regression Analysis indicates Compensation and Employee Involvement have a contribution toward Employee Retention.

From the result discussion, it can be conclude that by T test Compensation have influence toward Employee Retention at Jhun Café & Resto. Employee Involvement have no influence toward Employee Retention at Jhun Café & Resto. By F test Compensation and Employee Involvement have simultaneous influence toward Employee Retention at Jhun Café and Resto.

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