



Impact of Compensation, Work Motivation, and Job Insecurity on Turnover Intention Driver Star Travel

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Compensation; job
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ABSTRACT

Purpose: This study aims to analyze the influence of compensation, work motivation, and job insecurity on turnover intention of Star Travel drivers.

Methodology: The sampling method in this study used a saturated sample containing 51 employees, and the analysis was carried out using the Partial Least Square Technique. The data were processed from a questionnaire with a Likert-based weighting scale. **Results:** it was found that compensation and work motivation had a negative and significant influence on turnover intention of Star Travel drivers. Meanwhile, job insecurity had a positive and significant influence on turnover intention of Star Travel drivers. **Findings:** This study found that job insecurity has a bigger influence on turnover intention compared to compensation and work motivation. **Novelty:** This study focuses on the problems that cause employee turnover intention in this company, which have not been previously studied. **Conclusion:** This study concludes that to reduce turnover intention, it is necessary to provide an understanding value of the benefits provided, evaluate employee motivation, and provide training to minimize errors made by employees. **Type of Paper:** Empirical research paper.

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INTRODUCTION

Business competition is a common occurrence among entrepreneurs as they strive to achieve their respective targets, vision, and mission. Achieving these goals requires hard work, collaboration, and business management. Companies also need to improve their business practices to survive, despite the presence of numerous other companies in the same sector. Therefore, companies need to maximize their human resources to gain a competitive advantage over both domestic and international competitors (Cholis & Koesmawan, 2025).

The majority of companies have implemented policies for their employees as a form of human resource development. However, sometimes these policies can have negative impacts, such as decreased job satisfaction. This can occur if the policies are not accepted and implemented by employees (Hernando & Nidia, 2023). Employees typically have high turnover intentions, perform their work slowly, complain about work or tend to go on strike, and have increased absenteeism due to low job satisfaction (Ibrahim & Suhariadi, 2021). Therefore, companies need to reaffirm or even evaluate existing policies in light of current events.

Managing Human Resources is undeniably a challenging undertaking, an organization that successfully cultivates an environment where its employees feel secure, supported, and adequately incentivized to maximize their performance will consistently solidify its competitive superiority over rivals. Conversely, if a company fails to maximize its management, it can lead to employee dissatisfaction and a desire to seek other employment (turnover intention). The impact of this can include increased costs for recruiting new employees, skills that are not necessarily equivalent to those of existing employees, and job instability. Therefore, to increase competitive advantage and maintain a company, it is necessary to reduce employee turnover rates by implementing effective policies.

Star Travel is a service company, primarily engaged in land transportation and logistics, located in Ponorogo Regency. The company has been established for over 10 years, providing services such as intercity passenger transportation, intercity package delivery, and airline ticket purchases. Despite its long history, the company likely faces human resource issues, particularly with its drivers who interact directly with customers. Researchers conducted a preliminary survey of the company and found that the company faces issues related to a relatively high number of employees joining and leaving.

Researcher found that Star Travel employees had high turnover intentions between 2022 and 2024. In 2022, the turnover rate was 13%, in 2023 it was 14%, and in 2024 it was 9,8%. According to Sakinah (in Kuswahyudi et al., 2022), a turnover rate exceeding 10% annually is considered high. The researcher also conducted an interview with the Star Travel Manager, which revealed several factors influencing employee turnover, including insufficient living expenses due to perceived inadequate compensation, lack of employee motivation, and feelings of insecurity within the company. According to Asmara (in Rezeki & Rahman, 2024), indicators of turnover intention include intention to quit, job search, and thoughts of quitting.

Star Travel provides compensation to its drivers regularly and in accordance with internal company regulations, based on wages, incentives, and benefits. Drivers are paid in cash upon receipt of their daily earnings based on the number of passengers or goods they transport. Drivers are then awarded incentives and performance bonuses every six months or at the end of the year, depending on company conditions. These incentives and bonuses are based on work target achievement, attendance, loyalty, and individual responsibility. The company also provides compensation in the form of a holiday allowance. The company provides Holiday Allowance to its employees approximately 7-10 days before Eid al-Fitr to all employees who have contributed to their work for at least one month. However, this provision still does not guarantee employee retention at this company because when calculated their monthly wages over the past three years, employees receive total compensation that is still below the Ponorogo Regency Minimum Wage. Therefore, employees desire other compensation such as meal allowances to reduce their expenses. Therefore, receiving compensation that does not meet employee expectations can indicate increased turnover intention. According to Hasibuan (in Thalibana, 2022), compensation indicators are Salary, Wages, Incentives, Allowances, and Facilities.

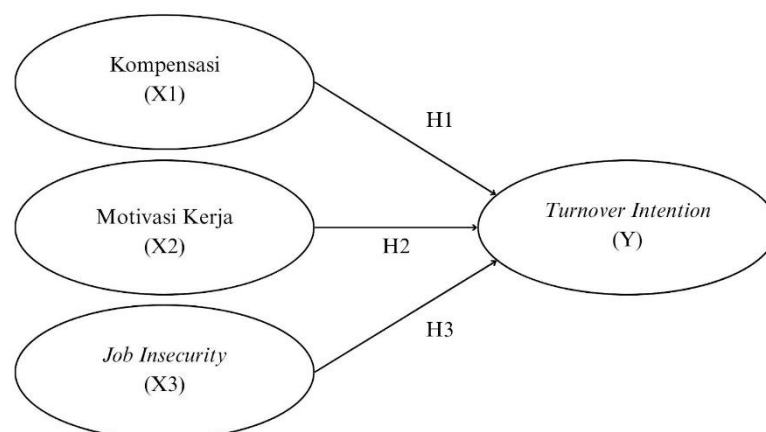
In addition to compensation, employees also need work motivation to feel satisfied and able to perform their jobs well. According to Sutrisno (in Azhari, 2020), employees with low work motivation, or even none at all, will convey an attitude of withdrawal to their social environment. This can be evidenced by their absence from work that should be done. In 2022, the percentage of absence was 6,6%, then in 2023 it decreased to 5,7%. Then, the percentage increased again in 2024, namely 6,3%. This indicates that in 2022-2024, the percentage of Star Travel driver absences tended to fluctuate and had poor discipline. According to Hasibuan (in Prastyo et al., 2024), the reasonable limit for absence in a company is 5,7%. Therefore, if a company exceeds this limit, it can be interpreted as an unreasonable absence. According to Hasibuan (in Thalibana, 2022), compensation indicators include the drive to achieve goals, work enthusiasm, initiative and creativity, and a sense of responsibility.

Poor compensation and work motivation are apparently not enough to keep Star Travel drivers loyal to the company. Employees will also leave the company if they feel job insecurity. This feeling can manifest as anxiety about the uncertainty of their work and the future risks of working without health insurance. Meanwhile, every employee naturally desires a sense of comfort and security at work. This sense of security extends beyond the threat of job loss and the danger of workplace accidents (Medysar et al., 2019). This aligns with the situation experienced by Star Travel drivers, whose work carries a high risk of accidents due to their constant work experience, yet they lack health insurance, and are all contract employees. According to Nugraha (in Rezeki & Rahman, 2024), indicators of job insecurity include the meaning of the job to the individual, the level of potential threats currently occurring and impacting the individual's overall work, the level of potential threats that will occur in the future and impact the individual's overall work, the individual's perceived powerlessness, and the level of threat to the job in the following year.

In light of the preceding phenomena, the primary objective of this study is to empirically assess the influence exerted by compensation, work motivation, and job insecurity on turnover intention. Furthermore, this research is expected to be useful in strengthening understanding and insight regarding the relationship between these factors and employees propensity to quit.

RESEARCH FRAMEWORK

Figure 1. Research Framework



The Influence of Compensation on Turnover Intention

The role of compensation in influencing employee turnover is critical. Substantial financial packages generally mitigate the propensity of personnel to exit the organization. Conversely, when employees perceive their compensation entitlements as unmet or insufficient, their likelihood of pursuing alternative employment increases. This establishes a negative relationship between compensation and turnover intention; thus, enhanced remuneration levels are associated with a reduced employee desire to seek external job opportunities (Saputra et al, 2022).

H1: Compensation has a negative and significant effect on Star Travel Driver Turnover Intention.

The Influence of Work Motivation on Turnover Intention

Work motivation is a condition that can provide encouragement or stimulus to employees so that they can give their all, so that certain company goals can be achieved (Vo et al., 2022). In other words, if employees lack work motivation, they will indirectly show a decline in performance, even to the point of extreme behavior, such as not coming to work and withdrawing from their environment. Work motivation negatively affects turnover intention. Accordingly, when an organization fails to maintain motivation, its reduction directly fosters an increased intent among employees to resign (Setianto et al., 2022).

H2: Work Motivation has a negative and significant effect on Star Travel Driver Turnover Intention.

The Influence of Job Insecurity on Turnover Intention

Job insecurity is a feeling of anxiety among employees due to a feeling of lack of control over potential future threats that could potentially lead to job loss. This lack of job performance can also lead to employees feeling unsafe and uncomfortable, leading to a desire to seek a more suitable workplace. The relationship between job insecurity and turnover intention is positive. This implies that as employees experience elevated levels of concern regarding their job stability, their intent to seek alternative employment will increase proportionally (Panjaitan & Adiwati, 2021).

H3: Job Insecurity has a positive and significant effect on Star Travel Driver Turnover Intention.

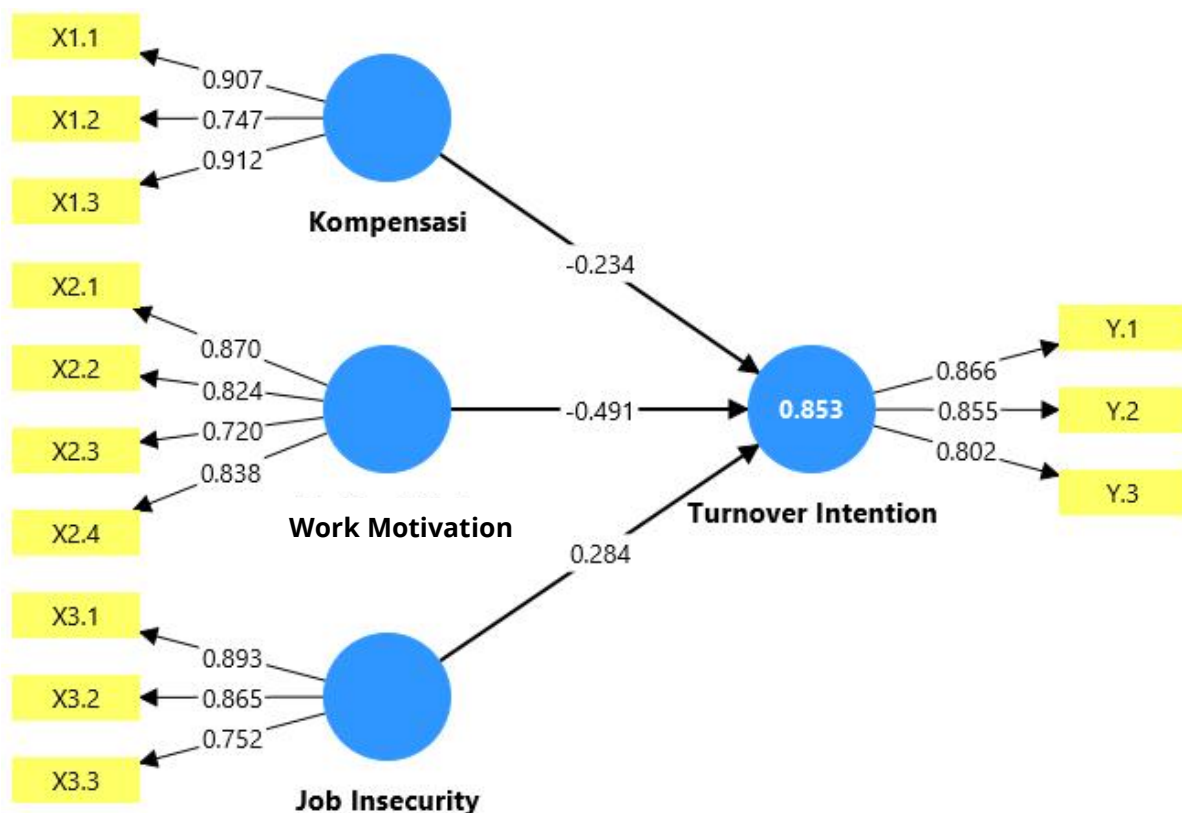
METHOD

The research scale used in this study is an ordinal measurement scale with a Likert weighting technique. This study used a saturated sampling technique, which appropriate for small populations where the entire group can be surveyed on 51 Star Travel drivers. The data collection method was through direct observation at Star Travel, interviews with Star Travel Managers and distribution of questionnaires to Star Travel drivers using a Likert scale of 1-5 through the Google Form application. Meanwhile, other data that was also used to support this research was obtained from literature studies, such as journals. The data analysis technique for this study used the Partial Least Square (PLS) method with Structural Equation Modeling (SEM) analysis on SmartPLS 4 software.

RESULTS AND DISCUSSION

RESULTS

Figure 2. PLS Output Result Path Diagram



CONVERGENT VALIDITY**Table 1. Outer Loadings**

	Compensation (X1)	Work Motivation (X2)	Job Insecurity (X3)	Turnover Intention (Y)
X1.1	0.907			
X1.2	0.747			
X1.3	0.912			
X2.1		0.870		
X2.2		0.824		
X2.3		0.720		
X2.4		0.838		
X3.1			0.893	
X3.2			0.865	
X3.3			0.752	
Y.1				0.866
Y.2				0.855
Y.3				0.802

Source: Output SmartPLS 4, 2025

Convergent validity is measured by the factor loading value of the variable to its indicator. The number of indicators is not large, ranging from 3-7 indicators, the loading value is considered sufficient if it is 0.5-0.6. Based on the table, all indicators have scored more than 0.5, so this measurement has met the criteria of convergent validity and can be declared valid. The highest outer loading value for the compensation variable is the benefits indicator with a value of 0.912, the highest indicator for the work motivation variable is the drive to achieve goals with a value of 0.870, the highest indicator for the job insecurity variable is the meaning of the job for the individual with a value of 0.893, and the highest indicator for the turnover intention variable is the intention to quit with a value of 0.866.

DISCRIMINANT VALIDITY**Table 2. Average Variance Extracted**

	Average Variance Extracted (AVE)
Compensation (X1)	0.738
Work motivation (X2)	0.664
Job Insecurity (X3)	0.704
Turnover Intention (Y)	0.708

Source: Output SmartPLS 4, 2025

Based on the table, it can be seen that all variables have met the requirements for good discriminant validity because they are above 0.50, ranging from 0.664 to 0.738. The compensation variable has a value of 0.738, the work motivation variable has a value of 0.664, the job insecurity variable has a value of 0.704, and the turnover intention variable has a value of 0.708. This means that each construct in each variable can explain the indicator variance because it has exceeded 50%. Therefore, in this study, all variables have good validity and can be declared valid.

COMPOSITE RELIABILITY**Table 3. Composite Reliability**

Composite Reliability	
Compensation (X1)	0.893
Work motivation (X2)	0.887
<i>Job Insecurity</i> (X3)	0.876
<i>Turnover Intention</i> (Y)	0.879

Source: Output SmartPLS 4, 2025

Based on the table, it can be seen that all variables have met a good composite reliability value because it is above 0.7. The test results for the compensation variable are 0.893, the work motivation variable is 0.887, the job insecurity variable is 0.876, and the turnover intention variable is 0.879. This means that each existing variable has sufficient indicators to support this research and can be relied upon in measuring these variables. Therefore, all variables in this study can be declared reliable or confirming the internal consistency of the indicators.

Latent Variable Correlations**Table 4. Latent Variable Correlations**

	Compensation (X1)	Work motivation (X2)	<i>Job Insecurity</i> (X3)	<i>Turnover Intention</i> (Y)
Compensation (X1)	1.000	0.780	-0.624	-0.793
Work motivation (X2)	0.780	1.000	-0.775	-0.893
<i>Job Insecurity</i> (X3)	-0.624	-0.775	1.000	0.810
<i>Turnover Intention</i> (Y)	-0.793	-0.893	0.810	1.000

Source: Output SmartPLS 4, 2025

Correlation can be seen in Latent Variable Correlations, demonstrates that the maximum correlation between variables is 1 and will be better if the value is close to 1. The highest correlation value is in the job insecurity variable (X3) with Turnover Intention (Y), which is 0.810. The strongest correlation observed is between Job Insecurity (X3) and Turnover Intention (Y), with a coefficient of 0.810. This strong correlation suggests that, within the current research model, Job Insecurity is the single most influential variable determining the variance in employee turnover intention.

R SQUARE TEST**Table 5. R Square**

R Square
<i>Turnover Intention</i> (Y)
0.853

Source: Output SmartPLS 4, 2025

As presented in the results table, the coefficient of determination for the turnover intention variable is 0.853. This value signifies that the current model, encompassing compensation, work motivation, and job insecurity accounts for 85.3% of variance in turnover intention. The remaining 14.7% of the variance is explained by exogenous factors not measured in this research.

HYPOTHESIS TEST

Table 6. Path Coefficients

	Original Sample (O)	Mean Sample (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Compensation -> Turnover Intention	-0.234	-0.243	0.109	2.147	0.032
Work motivation -> Turnover Intention	-0.491	-0.471	0.120	4.079	0.000
Job Insecurity -> Turnover Intention	0.284	0.288	0.121	2.342	0.019

Source: Output SmartPLS 4, 2025

Based on the table, it can be concluded that the hypothesis states:

1. Compensation (X1) has a significant negative effect on Turnover intention (Y) **Accepted** with the original sample value of -0.234 having a negative value and a calculated t of 2.147 > 1.96 (t-table value $Z_{\alpha} = 0.05$), and a p-value of 0.032 < 0.05. Therefore, **hypothesis 1 can be accepted (negative and significant)**.
2. Work motivation (X2) has a significant negative effect on Turnover intention (Y) **Accepted** with the original sample value of -0.491 negative and t count of 4.079 > 1.96 (t-table value $Z_{\alpha} = 0.05$), and p-value 0.000 < 0.05. Therefore, **hypothesis 2 can be accepted (negative and significant)**.
3. Job Insecurity (X3) has a significant positive effect on Turnover intention (Y) **Accepted** with the original sample value of 0.284 having a positive value and a calculated t of 2.342 > 1.96 (t-table value $Z_{\alpha} = 0.05$), and a p-value of 0.019 < 0.05. Therefore, **hypothesis 3 can be accepted (positive and significant)**.

DISCUSSION

The Influence of Compensation on Turnover Intention

The results of the research demonstrated that compensation influences the turnover intention of Star Travel drivers, thus accepting the first hypothesis. These results demonstrate a substantial inverse relationship, showing that increasing compensation is an effective strategy for lowering the employees intent to leave. Based on the test results, benefits (X1.3) were the most influential factor affecting compensation. Employee expectations regarding company benefits can influence their intention to leave their jobs. Holiday Allowances are a form of company benefit provided to employees only during holidays. However, these are memorable times for employees and are associated with their families. This also happens because their wages are still below the district minimum, so employees cannot save their money for this moment. Furthermore, wages provided by the company were not the primary factor, but rather a supporting factor in employee intention to leave. The observed outcome is attributed to the fact that employees possess increased expectations regarding the remuneration and benefits dispensed by the firm.

These results also align with research conducted by Saputra et al. (2022), which found that compensation has a negative and significant effect on turnover intention. This study examined the findings and found that the more compensation a company provides to its employees, the less likely they are to leave. This means that companies that consider providing high levels of compensation will maximize profits, ultimately aligning with the company's goals. This finding aligns with research conducted by Almatina & Irbayuni (2023) and Taufik et al. (2021).

The Influence of Work Motivation on Turnover Intention

The results of the research conducted showed that motivation influences the turnover intention of Star Travel drivers, thus accepting the second hypothesis. These results demonstrate a significant inverse correlation that enhanced employee motivation leads to a diminished propensity to quit. According to the tests conducted, the drive to achieve goals (X2.1) was the most influential factor on work motivation. Rahmawan & Adiwati (2021) stated that motivation encourages employees to be more enthusiastic in carrying out their work. Without encouragement and motivation, the company's operations will become stagnant and lead to a tendency to withdraw from their environment. Companies can reconsider providing rewards to employees so that they have other goals to pursue. Therefore, providing encouragement to employees is necessary to understand the purpose of their work and to control employee turnover intention.

The present results corroborate the findings reported by Kuswahyudi et al. (2022), whose study established a negative and statistically significant influence of work motivation on turnover intention. This study examined the findings and found that the greater the motivation received by employees, the lower their desire to leave the company. This means that employees desperately need encouragement to stay motivated to complete their work well, thus making them feel comfortable at the company. This finding aligns with research conducted by Setianto et al. (2022) and Cholis & Koesmawan (2025).

The Influence of Job Insecurity on Turnover Intention

The results of the research demonstrated that job insecurity influences the turnover intention of Star Travel drivers, thus accepting the third hypothesis. These results establish a statistically significant positive influence, demonstrating that an increase in perceived job insecurity proportionally heightens the propensity to quit. Crucially, the analysis indicated that the meaning of the job for the individual (X3.1) acts as a fundamental antecedent to job insecurity. Job insecurity, also known as job insecurity, is essential for every employee to feel safe and comfortable in their work, and it also influences turnover intention. Employees who perceive their work as valuable and beneficial to their lives are likely to be less inclined to leave the company. Furthermore, providing short-term and long-term benefits to employees, such as permanent employment and health insurance, will also increase their sense of security.

These results are consistent with the established literature, notably the research by Panjaitan & Adiwati (2021), which found a statistically significant positive relationship between job insecurity and turnover intention. Specifically, this study demonstrated that heightened feelings of job instability increase the staff's desire to seek alternative employment. This means that companies that ensure the safety of their employees will make their work valuable and rewarding. This finding aligns with research conducted by Handaru et al. (2021) and Hallo & Dewi (2022).

CONCLUSION & SUGGESTION

Compensation contributes to turnover intention among Star Travel drivers. The benefits received by employees are the most important factor influencing turnover intention because employees feel their expectations for benefits are very high, but the company cannot meet them. Consequently, the compensation they receive is insufficient to prevent their intention to leave the company. Therefore, it is necessary to evaluate the benefits provided by the company to ensure they align with employee expectations. Furthermore, the company also needs to review its benefit regulations by improving internal communication and transparency. The company can also provide other forms of compensation, such as meal allowances, to reduce employee expenses. These steps can strengthen job satisfaction, thereby reducing their intention to leave the company.

Work motivation contributes to turnover intention among Star Travel drivers. Lack of encouragement from the company is the most influential factor influencing turnover intention because employees are not yet maximizing their performance to complete their work. Therefore, the work motivation they receive is insufficient to prevent their intention to leave the company. The

form of encouragement or motivation provided by the company and superiors also needs to be evaluated to ensure it is conveyed effectively to employees. This encouragement can be tailored to the needs of employees, both personal and general. Furthermore, companies can provide rewards to their employees, thus motivating them to maximize their performance. If employees feel motivated to maximize their performance, it can reduce turnover intention.

Job insecurity contributes to turnover intention among Star Travel drivers. The fact that employees perceive their current job as valuable and beneficial to their lives is the most significant factor influencing turnover intention, as they depend on it for their livelihood. Therefore, job insecurity is insufficient to discourage them from leaving the company. Companies can also introduce additional skills and training and development programs for employees to help them reduce errors. With these skills, companies can create a more stable and supportive work environment. Furthermore, providing health insurance and retirement benefits can also help control turnover intention among employees.

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