

EMPLOYEES' SATISFACTION TOWARDS WELFARE BENEFITS AND TURNOVER INTENTION INTERNET FINANCIAL COMPANIES: A CASE STUDY OF COMPANY P*

Dianxiang Wang, Haiyue Jiang

International Chinese College, Master of Business Administration,
Rangsit University, Thailand
E-mail: 547681845@qq.com

Abstract

With the popularity of the Internet and the continuous growth of the financial market, Internet financial enterprises have become essential for the social economy. Inclusive finance, as an important part of Internet finance, has also received great attention from the Chinese government. In today's society, to achieve sustainable development, building a virtuous talent ladder has become the common tool of all companies, so a talent has also become a key to competition among Internet finance companies. As a technology-driven financial institution holding a consumer finance license, Company P is also inevitably facing the problem of talent turnover, with job-hopping and career changes from time to time. In recent years, the turnover rate of Company P has been constantly rising. Facing such a severe environment, how to effectively recruit and retain talents has been an important issue that cannot be ignored.

This paper aimed to explore and analyze satisfaction towards welfare benefits and turnover intention of employees in Company P with an emphasis on four dimensions of welfare benefits including salary level, salary raise, benefits, salary structure and management). Data were collected using a questionnaire. The research found that salary level, benefits, and salary structure and management had a significant negative impact on the turnover intention of the employees.

Keywords: Satisfaction welfare benefits; Turnover intention; System optimization

Introduction

Turnover intention refers to the willingness and feasibility of employees to change their current work status within a certain period of time. Many researchers have pointed out that the research on employee turnover intention is far more valuable than the research on employee turnover behavior. Academic experts and scholars have explored the two most important related factors among many dimensions of turnover intention: job satisfaction and organizational commitment. Salary satisfaction is regarded as one of the most important factors affecting individual job satisfaction, and its influence on individual turnover intention is also very important.

Accordingly, it is necessary to theoretically re-integrate the research on the factors of salary satisfaction and individual turnover tendency, and further study the current research status of salary satisfaction and turnover tendency of Internet finance companies according to the new characteristics of Internet finance, and find effective solutions. method.

Objectives of the Study

Through research, this paper intends to verify whether employee salary satisfaction in Internet finance companies is the root cause of turnover intention? Differences in employee

* Received: October 23, 2022; Revised: May 8, 2023; Accepted: June 30, 2023

compensation satisfaction under the six variables of gender, age, marital status, educational level, age, and job title?

Material and Method

1. Literature review

As for the research on the positive correlation between employee salary satisfaction and turnover intention, Wanous first concluded in 1974 through the experimental observation of the salary management system of many large companies that a perfect salary management system is the first choice for enterprises to achieve salary effects. Very effective in improving employee turnover. Then, Heneman (1985) obtained a negative correlation between salary satisfaction and turnover intention through literature research. Williams (2006) then demonstrated this result through theoretical analysis and experimental studies. The salary satisfaction of company employees represents the overall mentality of the company's employees towards salary work, and therefore also affects the overall mentality of the company's employees towards work and behavior. Salary is regarded as the overall reflection of the early labor income of the company's employees, and the reduction of salary satisfaction will also promote the employees' work mentality and behavior in the future, so that the company's employees gradually have the idea of leaving the team.

Wu Xiaoyi (2006) conducted an empirical analysis on the relationship between salary satisfaction and turnover intention through quantitative analysis. The results of the study show that employees' perception of pay equity can affect employee pay satisfaction, and pay satisfaction can further affect turnover intention. Then, by establishing a salary satisfaction model, Xu Jinren and Xie Jiani (2009) divided the salary satisfaction according to the source, and divided it into the salary satisfaction generated by internal salary and the salary satisfaction generated by external salary. The results also show that the influence of salary satisfaction can also affect employee turnover intention, and the two are negatively correlated, and the interaction between internal and external rewards is particularly prominent.

After verification, the current research on employee salary satisfaction and turnover intention of Internet financial enterprises is currently in a state of lack. Based on this, on the basis of previous research and combined with the current development status of Internet financial enterprises, this paper selects P company as the research sample, which is original. In order to overcome the limitation of using only one method to test the questionnaire in previous studies, it can give a more reasonable and scientific explanation, which plays an important role in effectively improving the problem of employee turnover in Internet financial enterprises.

2. Research hypothesis

According to Maslow's hierarchy of needs theory (Abraham Harold Maslow, 1943), human needs are divided into five stages from low to high, namely: physical and physical requirements, health needs, social needs, dignity requirements, and self-satisfaction requirements. . Maslow's demand stratification theory also has a very important impact on the investigation of employee compensation satisfaction. Specifically, in this paper, the compensation provided by the enterprise to employees is the material guarantee for employees to survive and improve their lives. Salary level The level of employee's work enthusiasm and stability. The research of He Wei (2010) and others showed that the satisfaction with the salary level is negatively correlated with the willingness to leave the company, so they put forward the hypothesis H1a:

H1a: Salary level satisfaction has a significant negative impact on employee turnover

intention.

Williams (2006) pointed out that although the association between pay raises and the period of pay level satisfaction has not been empirically confirmed in Lawler's differential model of pay level satisfaction, the expected pay increase ratio will be related to the perception of compensation for pay raise factors. Salary satisfaction is positively correlated. Xie Xuanzheng and Xue Shengjia (2009) also indicated in their research on the satisfaction of labor management employees' compensation in Chinese enterprises that a reasonable increase in the compensation level of labor management employees in Chinese enterprises will directly affect their work enthusiasm. Wu Fei (2018) conducted an in-depth study on the game between companies and employees on salary increases and promotion incentives, and showed that the company's promotion and salary increase for high-ability employees at the right time is an effective reward method, which can increase employees' motivation. Confidence and belonging, but employees at companies with fewer opportunities for advancement are more prone to attrition. Hence hypothesis H1b is proposed:

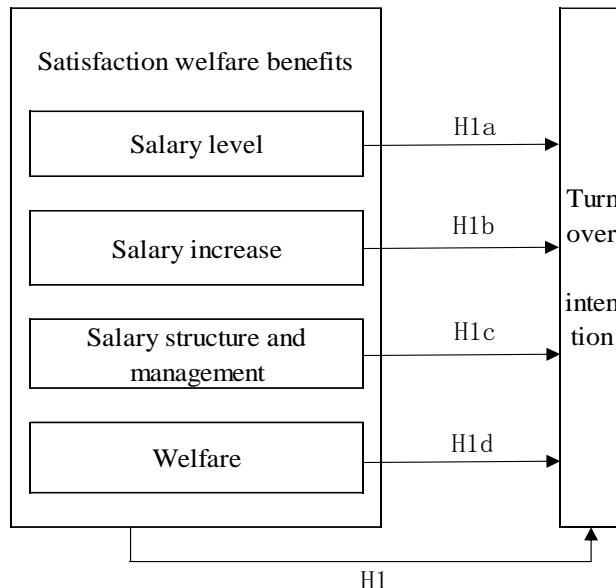
H1b: Salary improvement satisfaction has a significant negative impact on employee turnover intention.

Adams' fairness theory and Festinger's social comparison theory both explain the fairness of pay. A scientific and reasonable salary system will enable employees to clarify the distribution principles and promote employees' views on salary fairness. Therefore, a reasonable salary and management structure will increase the fairness of the company, increase the confidence of employees, and reduce employee turnover. Song J. (2012) showed in his research that employee satisfaction with salary structure and management system has a negative impact on employee turnover rate, so he proposed hypothesis H1c:

H1c: Salary structure and management satisfaction have a significant negative impact on turnover intention.

Greenhaus and Igharia showed through an empirical survey of a company that there is a negative correlation between employee welfare level satisfaction and turnover intention. Margaret's research shows that employee benefits satisfaction has a significant impact on employee motivation, which may affect their willingness to leave. Employee benefit plans play a very important role in companies as a form of indirect compensation. Good benefits make employees have a strong sense of belonging to the company. Therefore, a good employee benefits program can ensure that the company attracts the best talent and reduces turnover. ShawnM CarraHer (2011) believed that welfare satisfaction would have a negative impact on employee turnover, and put forward the hypothesis H1d:

H1d: Welfare satisfaction has a significant negative impact on employee turnover intention.



Results and Discussion

1. Descriptive statistical

A total of 322 valid questionnaires were collected in this questionnaire survey. Through statistics, it was found that the average score of the four dimensions of salary satisfaction was around 3, indicating that the salary satisfaction of employees of Internet finance companies was average. Among them, the most dissatisfied with the salary structure and management, its score is only 3.17. From the descriptive analysis results, the scores of the four dimensions of salary satisfaction are relatively close, and the difference between the lowest and the highest is only 0.05. The turnover propensity score was 2.91, indicating that employees' attitudes towards turnover were relatively uncertain.

In order to understand the basic situation of the respondents, descriptive statistics are used for analysis, and the analysis results are shown in the following table:

Topic	Options	Frequency	Percentage
Gender	Male	163	50.6
	Female	159	49.4
Age	Under 25 years old	84	26.1
	26-35 years old	101	31.4
	36-45 years old	81	25.2
Working years	Over 45 years old	56	17.4
	Less than a year	56	17.4
	1 -3 years	101	31.4
	3-5 years	102	31.7

Journal of Buddhist Education and Research : JBER

ปีที่ 9 ฉบับที่ 2 เมษายน-มิถุนายน 2566

[230]

Vol.9 No.2 April-June 2023

Topic	Options	Frequency	Percentage
Marital status	5 -10 years	47	14.6
	More than 10 years	16	5.0
	Unmarried	89	27.6
	Married	233	72.4
Educational level	Junior high school and below	19	5.9
	High school / technical secondary school	34	10.6
	Junior college	109	33.9
	Undergraduate	96	29.8
Job title	Master degree or above	64	19.9
	Ordinary staff	130	40.4
	Grass roots management	110	34.2
	Middle management	62	19.3
	Top management	20	6.2

2. Correlation analysis

In order to understand the salary level, welfare, salary promotion, salary structure and management, turnover intention and salary satisfaction, it can be seen from the table below that the correlation between salary promotion and salary level, welfare, salary structure and management, turnover intention is more than 0.05, and there is no significant correlation. The correlation significance between other dimensions is less than 0.05, there is a significant correlation, there is a significant negative correlation between turnover intention and other dimensions, and there is a significant positive correlation between other dimensions.

	Salary level	Welfare	Salary increase	Salary structure and management	Turnover intention
Salary level	1				
Welfare	0.516**	1			
Salary increase	-0.023	0.024	1		
Salary structure and management	0.589**	0.379**	-0.046	1	
Turnover intention	-0.681**	-0.489**	-0.015	-0.522**	1

Note: ** means $P < 0.01$

Assumption verification

1. Regression summary

In order to study the impact of salary level, welfare, salary promotion, salary structure and management on turnover intention, firstly, take gender, age, company age, marital status, education level and position as independent variables and turnover intention as dependent variables, and use linear regression to establish regression equation M1. It can be seen from the table below that age, company age, marital status and position are less than 0.05, which has a significant impact on the dependent variables, while gender and education are more than 0.05, which has no significant impact on the dependent variables. On the basis of equation M1, the independent variables salary level, welfare, salary promotion, salary structure and management are included to establish the regression equation m2. It can be seen that the significance of salary level, welfare, salary structure and management is less than 0.05, there is a significant impact, and the significance of salary promotion is greater than 0.05, there is no significant impact. Therefore, it can be seen that after excluding the influence of control variables, salary level, welfare, salary structure and management can have a significant negative impact on turnover intention.

Independent variable	M1			M2		
	B	t	P	B	t	P
Constant	4.881	14.210	0.000	6.555	22.302	0.000
Gender	-0.064	-0.624	0.533	-0.054	-0.717	0.474
Age	-0.214	-4.046	0.000	-0.166	-4.227	0.000
Working years	-0.205	-4.014	0.000	-0.092	-2.413	0.016
Marital status	-0.292	-2.536	0.012	-0.091	-1.069	0.286
Educational level	0.019	0.404	0.686	-0.039	-1.136	0.257
Job title	-0.211	-3.685	0.000	-0.143	-3.366	0.001
Salary level				-0.446	-9.169	0.000
Welfare				-0.119	-2.698	0.007
Salary increase				-0.010	-0.285	0.776
Salary structure and management				-0.163	-3.628	0.000
R ²	0.214			0.585		
F	14.324***			43.780***		
ΔR ²	0.214			0.370		
ΔF	14.324***			69.323***		

2. Analysis summary

Through data analysis and research, it is concluded that the overall satisfaction of employees of P company with their salary is not high.

Based on the characteristics of young Internet finance companies and high work

pressure, from the perspective of age, employees under the age of 25 have the lowest salary satisfaction, but the highest turnover intention, because among the employees under the age of 25, ordinary employees account for a large proportion, and they are mainly concentrated in the business team, the high-intensity performance appraisal pressure makes their income level relatively low, and there is no mature career plan shortly after joining, so the cost of leaving is low.

Conclusion

In Chapter 1, this paper proposes to verify whether employee salary satisfaction in Internet finance companies is the root cause of turnover intention? Through investigation and analysis, the research hypotheses on employee compensation satisfaction and turnover intention of Internet finance companies have been basically verified:

H1: Salary satisfaction has a significant negative impact on employee turnover intention. Assumptions are uncertain.

H1a: Salary level satisfaction has a significant negative impact on employee turnover intention. hypothesis is valid.

H1b: Welfare satisfaction has a significant negative impact on employee turnover intention. hypothesis is valid.

H1c: Salary improvement satisfaction has a significant negative impact on employee turnover intention. Assumption does not hold.

H1d: Salary structure and management satisfaction have a significant negative impact on employee turnover intention. hypothesis is valid.

From the above analysis conclusions, it can be found that salary satisfaction is a good predictor of employee turnover intention. Overall satisfaction with pay levels, benefits, pay structure, and management all had good negative predictors of turnover intention, suggesting that all three aspects affected turnover intention. The negative impact of satisfaction with salary enhancement on individual turnover intention has not been empirically tested, which may be due to the sampling procedure, most of the employees who received feedback were employees with shorter working hours, and their responses to salary enhancement satisfaction may be similar, resulting in an insignificant effect.

What is the difference in salary satisfaction of the employees in question under the six variables of gender, age, marital status, educational level, age, and job title? Through the verification analysis, it can be seen that there is no significant difference in employee compensation satisfaction in terms of gender and educational level, but there are differences in age, marital status, age, and position.

In order to understand the feelings of the respondents of Internet finance companies on salary satisfaction, the author conducted a descriptive data analysis on all sample data, and found that the average salary satisfaction was 3.19, of which the average salary level satisfaction was 3.22, and the average welfare satisfaction was 3.19. 3.21, the satisfaction rate of salary promotion is 3.18, and the average salary structure and management satisfaction rate is 3.17, indicating that the overall satisfaction of employees of Internet finance enterprises is not high. The low salary satisfaction of employees of Internet finance companies is due to the characteristics of the Internet finance industry, frequent adjustments to the business structure and product line, and changes in the requirements for personnel skills at different stages. Various consumptions in the region are also relatively high, so wages have become a core point of great concern for practitioners. It is not very feasible to rely solely on increasing employee

compensation to increase their satisfaction. Because every worker wants to be paid as much as possible. Therefore, companies can use different ways to reduce the likelihood of employees leaving the company.

The average turnover intention of employees of Internet finance companies is 2.91, which reflects the relatively high turnover intention of the surveyed employees. In addition to the personal characteristics and psychological factors of employees, the factors that affect employees' turnover intention are also related to the external environment of the organization and the psychological role of the team. Therefore, the higher turnover intention of employees in Internet finance companies is generally due to these factors. the result of the interaction. Salary satisfaction discussed in the paper also has an impact on this, with lower salary satisfaction being associated with higher turnover intentions. The high turnover rate of employees has always been a difficult problem in the development of Internet finance companies. There are many and complex factors that affect the turnover rate. Therefore, if you want to effectively reduce turnover intention, you need to use a variety of methods to work together.

References

Allen. D. G., & Griffeth. R. W. (1999). Job performance and turnover :a review and integrative multi-route model. *Human Resource Management Review*, 9(4): 525-548.

Ana-Maria. (2012). The antecedents of satisfaction with pay in teams: do performance-based compensation and autonomy, *Psychology of Women Quarterly*, 22(3): 23-25.

Carol,& Danehower . (1992). A conceptual model of the determinants of employee benefit satisfaction. *Human Resource Ma*, 24(2): 46-49.

Griffeth, R. W., Hom, P. W., & Gaertner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover: update, moderator tests, and research implications for the next millennium. *Journal of Management*, 26(3): 463-488.

Herbert G. Heneman III & Donald P. Schwab. (1985). Pay satisfaction: its multidimensional nature and measurement. *International Journal of Psychology* t, 33(6): 63-68.

Igbaria, M., & Greenhaus, J. H. (1992). Determinants of mis employees' turnover intentions: a structural equation model. *Communications of the ACM*, 97(45): 77-79.

Judge . (1994). Person–organization fit and the theory of work adjustment: implications for satisfaction, tenure, and career success. *Journal of Vocational Behavior*, 44(1): 32-54.

Jung, H. S., & Yoon, H. H. (2015). Understanding pay satisfaction: the impacts of pay satisfaction on employees' job engagement and withdrawal in deluxe hotel. *International Journal of Hospitality Management*, 48(2): 22-26.

Lawler. (1971). Long-term impact of employee participation in the development of pay incentive plans: a field experim. *Journal of Applied Psychology*, 74(5): 805-814.

Leon Festinger . (1954). Research methods in the behavioral sciences. *Social Problems*, 13(4): 178-178.