

**DESIGN STRATEGY FOR IMPROVING EMPLOYEE RETENTION
BASED ON TWO-FACTOR THEORY**

POSTGRADUATE THESIS PROPOSAL



Written by:

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INDUSTRIAL ENGINEERING MASTER PROGRAM

FACULTY OF INDUSTRIAL TECHNOLOGY

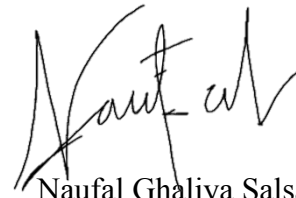
ISLAMIC UNIVERSITY OF INDONESIA

2023

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Yogyakarta, February 2023

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Naufal Ghaliya Salsabil

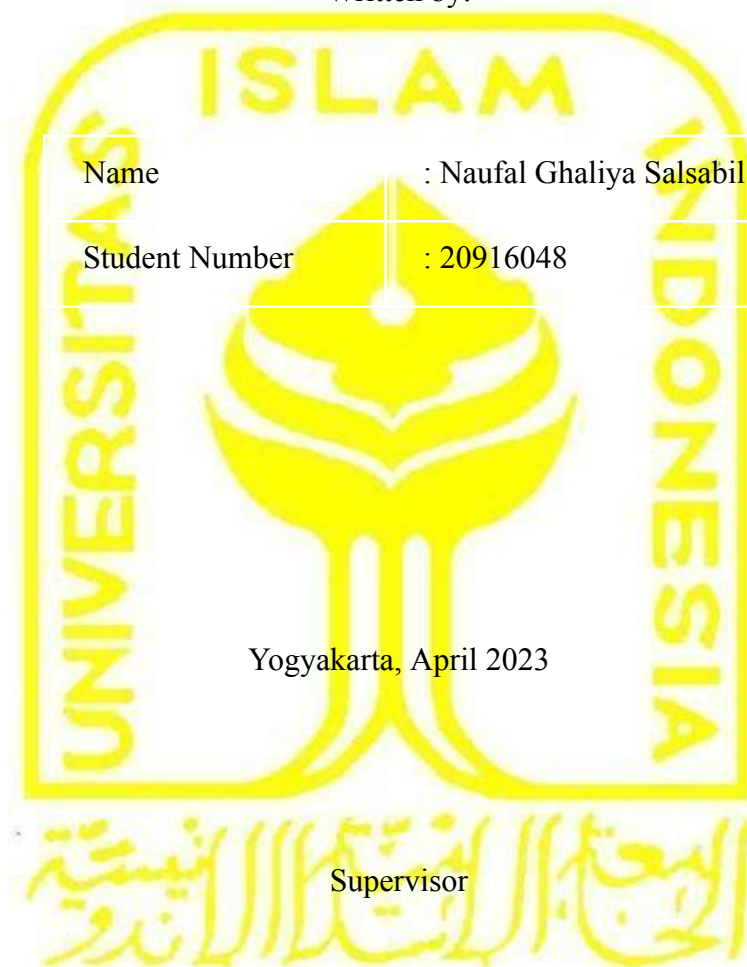
THESIS APPROVAL OF SUPERVISOR

DESIGN STRATEGY FOR IMPROVING EMPLOYEE RETENTION BASED ON

TWO-FACTOR THEORY

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**DESIGN STRATEGY FOR IMPROVING EMPLOYEE RETENTION BASED ON
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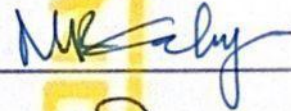
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DEDICATION PAGE

This undergraduate thesis is dedicated to:

My beloved family, my mother Vita Tri Wardani, my father Raden Tarjadi Soetarmo, my brother Dzaky Muhammad Arvi and my sister Queensha Amabel Nurivia Azzahra, for the endless prayer and support throughout my study.

All my lecturers at the Faculty of Industrial Technology, Universitas Islam Indonesia

All of my friends, seniors, and junior in the Master Program Industrial Engineering

MOTTO

“Allah does not burden a soul beyond capacity”

(Surah Al Baqarah 2:286)

PREFACE

Assalamualaikum wr.wb

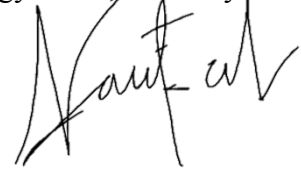
Beforehand, Alhamdulillahirobbil'Alamin, Praise to Allah SWT who always gives me strength and force to pass every stage of life until this stage. His guidance and blessing were given to the writer to finish my thesis entitled "Design of Appearance and Interface of Reverse Vending Machine". Also in the compilation of this thesis, the writer would like to thank the people who always support, contribute, and help in the process of completing this thesis. The writer would like to express gratitude to:

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12. To all of the MTI Fast Track batch 20 families.

13. All parties who cannot be mentioned one by one have given prayers, encouragement, motivation, and assistance in completing the research.

Wassalamualaikum Warahmatullahi Wabarakatuh

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Naufal Ghaliya Salsabil

ABSTRACT

One of the most important assets of an organization is its employee. The effect of the employee is more impactful compared to other assets such as technology, information, and finance. The importance of managing strong employee retention for increasing employee performance cannot be overstated. The purpose of the following research is to find Factors that crucially affect employee retention based on Herzberg's Two-Factors Theory and develop solutions based on the findings. Data was gathered by conducting participatory research with company stakeholders and researchers. Hence, the study utilized Analytical Hierarchy Processing as a decision-making tool to identify crucial factors. Hence, based on the findings Salary becomes the crucial part affecting employee retention for this case which was conducted at PT. WASABI. Therefore further development in payment methods that are following the amount of product produced is needed to make sure the payment is enough and fair for production workers to maintain a good retention rate.

Keywords: Employee Retention, AHP, Two-Factors Theory

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CHAPTER I

INTRODUCTION

1.1. Background

The world's trade of wood is predominantly as a primary or secondary product and their contribution like construction materials, electrical poles, paper manufacturing, furniture making, and other building materials to the economic growth of the society is vital (EFAP, 1994; FSR, 2015; Brack, 2018). In 2020, Plywood was the world's 226th most traded product, with a total trade of \$14.7B. Indonesia ranked 2nd position as the top exporter of plywood. In 2020 the top exporters of Plywood were China (\$4.12B), Indonesia (\$1.77B), and Russia (\$1.33B) Indonesia export 12% of the total market demand for plywood. In a globalized world with highly interconnected processes, companies are facing an increasing number of challenges to cope with. With competitors from all over the globe, innovation capacity and a short time-to-market become essential [1, 2]. Furthermore, the markets are becoming progressively volatile and heterogeneous due to constantly changing customer expectations and needs, such as customized products. PT WASABI is located in Central Java, Batang Regency, and was founded in 2004. This company primarily produces plywood and bare core for both international and local markets. The company employs a total workforce of 90 which is composed of head production, production staff, quality control staff, and administrative staff. As previously mentioned, producing plywood and bare core is the core business for PT WASABI. PT WASABI and the production process started with wood veneer or “plies” sheets of veneer are pieced and glued together with each sheet of the wood grain of the veneer placed adjacent and rotated up to 90 degrees to one another.

One of the most important assets of an organization is its employee. The effect of the employee is more impactful compared to other assets such as technology, information, and finance. Even employees are one of the most crucial factors affecting the success or failure of their own company. Therefore having a good relationship between employees and an employer is a must in an organization to expedite company performance. Where a company needs to establish an environment of corporation and commitment for its employees to assure the achievement of defined objectives. To accomplish this, it should implement policies that can

enhance employee satisfaction. Therefore, it is becoming the responsibility of management to develop and provide an appropriate environment and opportunities for employees to satisfy their needs.

Employers must adjust their human resource strategies to manage interpersonal interactions in the workplace, maintain smooth operations, prevent hiccups, and guarantee that workers are giving their best effort. For all employees to be committed to their work and the company, HRS should develop certain programs to ensure fair treatment. Retention efforts have grown to be a significant problem in many firms. One of the most crucial factors in the modern, highly competitive, and international world is effective staff retention. Problems with employee retention are soon going to become the most important workforce management difficulty.

Employee retention, according to Aruna and Anitha (2015), is the process of encouraging workers to remain with the company whose supervisors are in charge of keeping their best workers, to prevent the company from losing its finest workers. The importance of managing strong employee retention for increasing employee performance cannot be overstated. Because talented and good employees are in high demand, it is essential to maintain employee retention to keep them in the company. They will learn about organizational procedures and gain priceless experience if older, dependable personnel are kept on board to foster a learning culture for new hires and to bring stability to the company (Nath and Bagali, 2015).

Organizations that struggle to keep top performers on staff will end up with a workforce that is both underqualified and underqualified, which will ultimately limit their productivity and reduce their competitiveness. There is a dearth of highly trained workers with the knowledge and abilities required to perform at a high level, according to an examination of workforce trends (Bindu, 2017). One of the internal factors that affect employee retention is job satisfaction. According to a study by Motlou et al., work satisfaction has an impact on employee retention (2016). This happens because job happiness is a crucial determinant of employee retention. The results of a different Terera and Ngirande (2014) study show that work satisfaction has a significant positive effect on employee retention, and this conclusion is supported by further Terera and Ngirande's (2014) research. Additionally, the study by Kwenin et al. (2013) shows that job satisfaction has a positive effect on employee retention. According

to Dhanabhakyaam and Nisamudheen's research, employee retention is significantly impacted by job satisfaction (2016).

Employee retention is heavily influenced by job satisfaction, job satisfaction can be defined as “the level of contentment employees feel with their job” (chiradeep). An individual's sentiments about their work, the nature of the role, and the expectations they have for it are all factors that go into determining their level of job satisfaction. Judith Halcomb.

Job conditions, communication, the nature of the work, organizational norms and procedures, pay and benefits, prospects for promotion and advancement, recognition and appreciation, security, supervision, and relationships are some of the factors that contribute to job satisfaction (Hong lu, 2012). These include the organizational setting and working conditions, stress levels, conflicting or ambiguous roles, perceptions of roles and their contents, and organizational and professional commitment (Hong lu 2012; Khamisa,2015). Employees who are satisfied with their jobs show it through their work. According to Spector, job satisfaction is a person's feelings about their work, and they usually want to make their work relevant and pleasurable for themselves (1997). Similarly to the preceding, Luthans (2001) defined job satisfaction as a sense of joy or other positive emotions resulting from an evaluation of a job or work experience. Several factors influence job satisfaction, including difficult work, the working environment, employee relationships, and rewards (Robbin, 2002). Employees who are satisfied at work will stay for a long time; however, if they are not, they will leave (Khera, 2015).

Job satisfaction is defined by Terranova (2008:11) as the degree to which people like their jobs. It is made up of two parts: (1) an effective component that includes an individual's emotional feelings about their job, and (2) a perceptual component that assesses whether their job is meeting their needs. According to Robbins, Judge, Odendaal, and Roodt (2009:74), the extent to which an employee feels personally satisfied and content in their position at work is the definition of job satisfaction. Job satisfaction is also a crucial factor that affects an employee's motivation, which in turn affects the employee's intentions to remain with a company, according to Robbins et al. (2009:75). A person who is satisfied with their employment is optimistic. A person who is highly content at work has good views about their work, whereas an unsatisfied person has a negative attitude. According to Parvin and Kabir

(2011:117), the more stressed out a person is, the less satisfied they are with their jobs and the more likely they are to leave.

A productive environment can be created by identifying the factors that influence employee job satisfaction and then developing interventions that managers can use to integrate and improve those factors (Munyewende et al., 2014). Unfortunately, the main causes of low job satisfaction in the economy are low pay, unfavorable working conditions, and few opportunities for professional advancement among laborers and manufacturing employees (Emma r Allen). Previous research has discovered that factors such as income, advancement opportunities, relationships with managers, unfavorable working conditions, and organizational regulations can all have an impact on job satisfaction (Geleto et al., 2015). The most significant issue limiting their job satisfaction is the obvious lack of opportunities for professional growth and training (Marinucci et al., 2013). However, relationships with peers and leaders were the most important factors in job satisfaction, but the pay was a source of dissatisfaction (Lu et al., 2016). Emily R Allen

The findings can be applied to other comparable facilities while taking into account contextual variations. Several conditions must be met for motivating elements to emerge and for work unhappiness to be avoided (Maslow, 1954). As a result, the intrinsic components of Maslow's theory (higher needs) and Herzberg's motivators are complementary theories. Maslow's extrinsic factors are analogous to the hygiene factors in Herzberg's two-factor theory (dissatisfiers). Rogers succinctly described Herzberg's two-factor theory in 1975. "In other words, adequate compensation, pleasant working conditions, respected supervisors, and pleasant coworkers will not produce a contented worker; they will only produce a person who is not dissatisfied," Rogers wrote. However, for the motivational variables to be effective, their levels must be acceptable. In other words, they can help prevent disease but not necessarily treat it, similar to medical hygiene measures. Rogers, 1975.

To identify variables influencing staff retention. Analytical Hierarchy Process is introduced to identify variables that influence staff retention. Analytical Hierarchy Process (AHP) is a decision-making approach that hierarchies difficult multi-factor or multi-criteria problems. AHP employs a system-based methodology and logical integration to resolve difficult problems. AHP is a technique for establishing priorities and identifying the optimal decisions based on qualitative and quantitative information (Lee & Drake, 2010). AHP

transforms vast, unstructured problems into a model that is adaptable and simple to comprehend (Munthafa & Mubarak, 2017).

Given this scenario, the purpose of this study was to determine the crucial factors that affect employee retention of factory workers with the help of Herzberg's two-factor theory of motivation. Thus, the Herzberg theory of motivation is transformed into the Analytical Hierarchy Process Model to determine crucial factors affecting employee retention. The goal is to contribute to developing an understanding of the factors involved in encouraging satisfaction and dissatisfaction in the labor worker of the assigned company.

1.2. Problem Formulation

According to the research background, the formulated problem is, What is the main factor that affects employee retention according to the factory worker, and how to mitigate the problem.

1.3. Research Objective

Based on the problem described in section 1.2, the objective of this study is to identify factors affecting Employee retention and determine a given solution for the identified problem.

1.4. Research Limitation

To avoid counterproductive discussions, the researcher imposes research limitations. This study was conducted in PT Wasabi and the data collection focused solely on employees from PT Wasabi. The data taken were centered on employee retention issues and the results are merely a prototype. Therefore, future research can overcome these constraints and investigate additional employee retention factors.

1.5. Organization of Thesis

Several chapters define the organizational structure of this research. Initiated by Chapter 1, covers the context, problem description, aims, and constraints of the research. Then, Chapter 2 presents similar research and deductive study namely the Theory of Motivation, and the Analytical Hierarchy Process. This study's approach and specific procedures are detailed in

Chapter 3. The case study is presented in Chapter 4, followed by the study's conclusion in Chapter 5.

CHAPTER II

LITERATURE REVIEW

The underlying theory applied in the research will be discussed thoroughly in the second chapter. To discuss further methods applied to conduct research in evaluating employee retention systematic literature review, systematic literature mapping and deductive study will be implemented. Furthermore, a systematic literature review & mapping will be used to discuss earlier analysis that is relevant to this study. In addition, deductive research will explain further regarding theories used in the research including the concept behind the Analytical Hierarchy Process and Theory of Motivation.

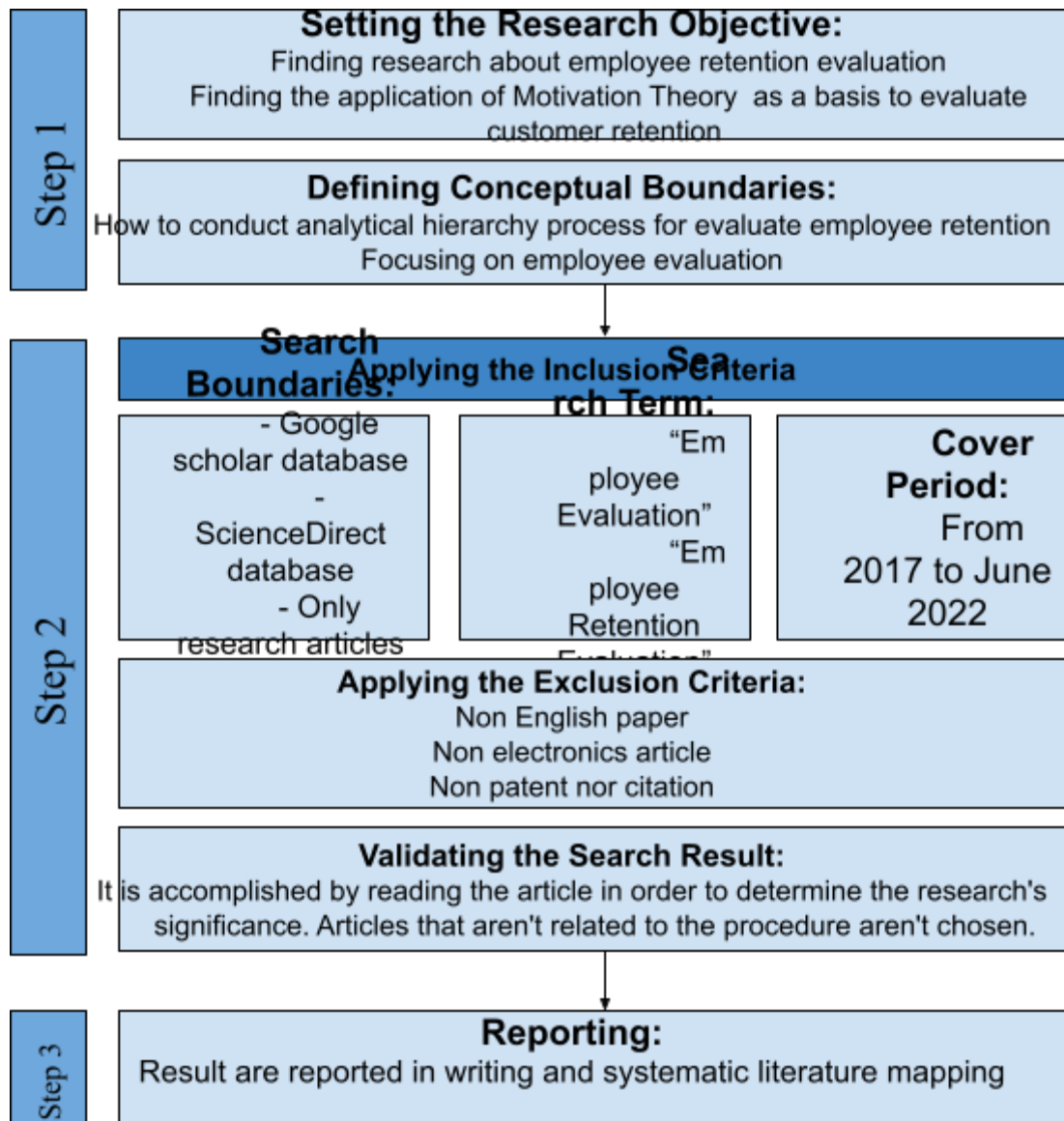


Figure 2.1 Systematic Literature Review

Based on the Systematic literature review figure above there are several search terms mentioned. For the first search term “Employee Evaluation”, the goal is to seek research mentioning Employee Evaluation starting from problem identification regarding employee retention and other related research to employee retention evaluation to gain broad knowledge about the topic. The second search term “Employee Retention Evaluation”, is to find any research conducted on employee retention evaluation starting from the study case, method, tools, and resources to conduct evaluation and developing solution given based on the finding.

2.1. Related Study

Similar research regarding evaluating employee retention has been conducted previously. In 2022 Gabriel conducted research regarding the relationship between sustainable human resource management and helped evaluate and plan employee loyalty and retention. In the research, Gabriel stated that the present problems of human resources management to recruit and retain talent are centered on developing and growing employee engagement and managing the company and teams sustainably, according to researchers. This article's purpose is to assess the impact of sustainable human resource management on social capital, employee retention, and loyalty programs. The data necessary for the empirical study was gathered through an online poll of Spanish institutions. Using the PLS-SEM method, data processing was undertaken. The results indicate that social sustainability efforts have a considerable impact on the social capital perceived by employees and that social capital has a major impact on their loyalty and retention. However, we discovered that social sustainability measures only have a large and positive effect on employee loyalty and retention when they serve as a mediator between social capital. This research contributes to the management of organizations and suggests human capital managers have more relational management of human resources in the connection, involvement, and transparency of their social sustainability actions to achieve greater loyalty and retention rates, better organizational performance, and an overall greater social benefit.

Similar to Gabriel's research, PLS-SEM is used in papers written by Wijittra Srisorn and Mohammad Ali Yousef Yamin. Starting with Wijittra Srisorn, in 2020 research regarding evaluating the relationship between internal marketing and employee retention is conducted by WIjittra Srisorn. The main subject of elderly workers in the healthcare industry. The purpose of this study was to investigate the impact of internal marketing on staff retention in the Thai hospital industry. The study employed a quantitative approach in which a closed-ended survey questionnaire was utilized to collect data from 420 Thai hospital staff. Using SEM modeling on SmartPLS, the analysis has been performed. Internal marketing was proven to have a favorable and considerable influence. In addition, the elements of internal communication, employee motivation, future growth, training, and development are statistically relevant in the context of

internal marketing considerations. Considering the extent of this investigation, the research has a few limitations. First, it is restricted to Thailand's geographical borders. Second, the targeted industry is the hospital sector of the healthcare business, and no other industries have been considered. In the future, the research can be enhanced by examining any other industry or nation. Additionally, a qualitative analysis might be used to enhance the study. Other research with unique subject age is research written by Nguyen C and Duong A in 2021 entitled The Impact of Training and Development, Job Satisfaction and Job Performance on Young Employee Retention. Nguyen C wrote this study aims to identify and evaluate the relationship between employee performance, training and development, and job satisfaction as it relates to the retention of young employees. The study's respondents were either people who were previously familiar with the factors that influence the retention of young workers in Vietnamese organizations or college students majoring in economics. The quantitative method of multiple linear regression was used as part of the inquiry to examine the authors' hypotheses. The researcher employed a thorough questionnaire to get responses from 351 participants. The results show a positive relationship between job performance and young employee retention ($r = .517^{**}$, $p < 0.01$), as well as a positive relationship between job satisfaction and young employee retention ($r = .561^{**}$, $p < 0.01$), training and development and young employee retention ($r = .599^{**}$, $p < 0.01$), and a positive relationship between job performance and young employee retention ($r = .599^{**}$, $p < 0.01$). The regression model's findings show that the predictor factors are responsible for at least 43.8% of the variation in employee commitment levels (the Adjusted R Square value was .438). One of the first studies to explore the retention of young workers in Vietnamese companies is this one. By showing that training and development, job happiness, and job performance have a direct positive impact on young employee retention in Vietnamese firms, it provides an explanation supported by empirical data. The purpose of this study is to explain the significance of these factors. The study also demonstrates how job performance, job satisfaction, and job satisfaction all help to transfer the influence of youthful employee retention in Vietnamese businesses. The study's findings provide evidence for this. This study adds to the creation of a model that will help academics and professionals analyze and comprehend the phenomenon of youthful employees being retained in Vietnamese businesses.

In addition, Al Kurdi et al 2020 also implement SEM into the research as follows. One could wonder why highly skilled employees are allowed to leave their companies. This study looks at the main factors affecting employee retention and how employee retention affects organizational performance in the Jordanian commercial banking sector. This study talks about the characteristics of self-actualization, affiliation, and financial stability as factors that affect employee retention. Using a simple random sample technique and a questionnaire, the employees' primary data are collected. SEM-SPLS is used to assess the collected data and test the study model and offered hypotheses. The findings indicate that factors such as affiliation, self-actualization, psychological factors, and economic factors all affected employee retention. In this essay, the study's theoretical and practical repercussions are also discussed. Furthermore, moving with Mohammad Ali's research which was conducted also in 2020. With a focus on examining the role of transformational leadership and entrepreneurial orientation on employee retention with moderating the role of competitive advantages. Mohammad Ali stated that The purpose of this study is to examine employee motivational and environmental variables, as well as their influence on employee retention and organizational performance. $R^2 = 76.3\%$ of the variance in employee retention is explained by the organizational environment, intrinsic motivation, organizational learning, knowledge management, entrepreneurial orientation, and external connections. Consequently, $R^2 = 19.9\%$ of the variance in organizational performance can be explained by competitive advantage and staff retention. In comparison to other exogenous factors, the examination of effect size reveals that intrinsic drive has a significant impact on size. It was determined that the predictive relevance of the model was strong, with $Q^2=40.5\%$ relevance to predict employee retention. Confirmation of the moderating effect of competitive advantage suggests that the positive association between staff retention and organizational performance will be larger when competitive advantage is greater. In comparison to other variables, the results demonstrated that intrinsic motivation was the most significant. To increase employee retention and organizational success, managers and policymakers should take intrinsic motivation and transformational leadership into account. Following is another similar research implementing SEM as a tool to calculate data starting with Jeffrey, I., & Prasetya in 2012 entitled The Employee Performance Assessment And Employee Training, On Employee Intention. This study investigates the impact of employee learning, employee retention, and employee performance evaluation on employee turnover

intentions. High staff turnover rates can affect customer service, and productivity, and elevate costs associated with hiring, training, and retraining new employees. Staff turnover is shown via secondary statistics for XYZ during 2016–2017. Staff turnover, which was 3.66 percent in August 2017, 0.48 percent more than the goal year, is one of the company's problems. Since there are 36 criteria in this survey, 180 respondents are required. 180 PT XYZ employees were included in this study. Data is gathered through observation, interview, and questioning methods and entered into the Structural Equation Model (SEM) version 22.0. Additional research may include organizational culture, compensation and benefits, leadership, coaching and mentoring, career development, and other factors that are thought to affect employee performance in a company. In 2021 Yusoff Yusliza M. also implemented SEM to help observe indicators. Following is the research, The age of rapid company growth gives employees business competition and opportunities. In this study, the relationship between peer group interaction perceived organizational support, perceived climate, supervisory relationships, and academic staff retention in Malaysia is investigated. Cross-sectional survey methods are used in this quantitative investigation. A hardcopy and online survey were utilized in this study to collect data from 225 academics at a public institution in Malaysia. SEM-PLS is used in this study to analyze the data and assess the hypotheses. According to this study, having a supportive workplace has a favorable impact on employee retention. In Malaysia, a positive workplace culture reduces the turnover of academic employees. According to our research, colleges should develop environments that are encouraging academic staff members to maintain high morale and reduce turnover.

Lastly, research implementing SEM also written by Naz, S., et al in 2020 wrote as follows The study investigated the relationship between a supportive work environment (SWE) and employee retention, as well as the mediating effects of organizational commitment (OC) and person-organization fit (POF) (ER). Everyone working in the fast food industry in Lahore, Pakistan, received one thousand surveys. The restaurants were picked based on cluster sampling. In quantitative questionnaires, numerous questions from earlier studies were used. The proposed hypothesis was assessed statistically using SmartPLS 2.0 M3. According to the study, SWE has a favorable impact on ER. SWE and ER were connected through OC and POF. According to this study, HR professionals should develop SWE methods to encourage positive exchange connections with people that lead to ER. This work identified critical retention

factors and contributed to the body of knowledge on the SWE and ER. Limitations and future research were highlighted in this paper.

Other research regarding employee evaluation was also conducted by Phillip T. Dust in Large US dairy farms with the majority of work performed by employees, the majority of whom are not native English speakers. Although personnel management is a crucial responsibility of dairy owners and managers, the characteristics that increase employee engagement and retention remain unknown. The objectives were to (1) identify key dairy farm employee management issues based on employee perceptions, (2) evaluate the strengths and weaknesses of farms based on employee responses, (3) investigate differences between Latino and English-speaking employees, and (4) investigate differences in employer and employee perception. Following a supplied questionnaire, telephone interviews were conducted with at least 10 employees from each of the 12 US dairy farms. Employees responded to 21 Likert scale questions and eight free-text questions. The workforce turnover rate on farms varied widely (10 to >100%). Latino workers had much shorter tenures and were more frequently employed in milking and animal care than their English-speaking counterparts. Employee attitudes varied between farms addressing whether they would suggest their farm as a place to work, collaboration within the dairy if regulations were implemented fairly, availability of tools and equipment, clear lines of supervision, and acknowledgment of good performance during the last 15 days. Latino employees (n = 91) were more optimistic on several of these indicators than their English-speaking colleagues (n = 77), although they were less likely to offer suggestions for business improvement. Employers underestimated their employees' replies to several topics, including their desire to learn about dairy, according to a poll of their perceptions of employee responses. When asked to name three objectives of the business, owners, managers, and employees had varying responses. Although employees evaluated their dedication to the farm and enthusiasm for learning as high, there was a clear gap between reality and ideal staff management based on turnover. Employers should thus address identified management deficiencies to promote staff retention.

There are research studies that focus on the leadership element, in 2020 Malik E et al. issued a journal entitled “effect of HR Practices on Employee Retention: The Role of Perceived Supervisor Support. Human resource (HR) management is currently a top responsibility for organizations. They are attempting to maintain this effectiveness by utilizing excellent HRM

techniques. In this study, the connection between human resource management (HRM) practices and employee retention (ER) is examined. This research also investigated the moderating influence of perceived supervisor support (PSS) on the relationship between HRM practices and employee retention. Employers in the textile business were surveyed to acquire the data. The results demonstrate a substantial association between HRM strategies and staff retention. PSS moderates between HRM practices and employee retention, except employee empowerment. This will reduce staff turnover and boost the retention of talented and motivated personnel

Research written by Dagogo M in 2019 discusses the importance of planning or developing a roadmap to achieve employee retention, High-caliber employee recruitment and retention are a huge concern for businesses today, which is why many of them are turning to talent management techniques like succession planning to help them. The goal of this paper is to offer a theoretical assessment of the existing research on staff retention and succession planning in firms. The paper's main objectives are to conduct an expository review of the relationship between succession planning and employee retention; to identify the advantages that organizations stand to gain from implementing a succession plan; to determine the effects of the absence of an effective succession plan on employee retention metrics; and to establish how organizations can use succession planning programs to keep talented and competent workers. The paper concluded that succession planning significantly affects the rate of employee retention after reviewing the pertinent studies. The study's main finding is that organizations require effective succession planning plans in the modern era of talent competition to retain their top personnel. Additionally, it offered a ten-step plan for effective succession planning, one of which was that businesses should instill and preserve a culture of telling employees about their chances for professional progression as soon as they join the company. Encouraging the employees to stay with the business, would lower the rate of employee turnover and increase staff retention.

CACTUS

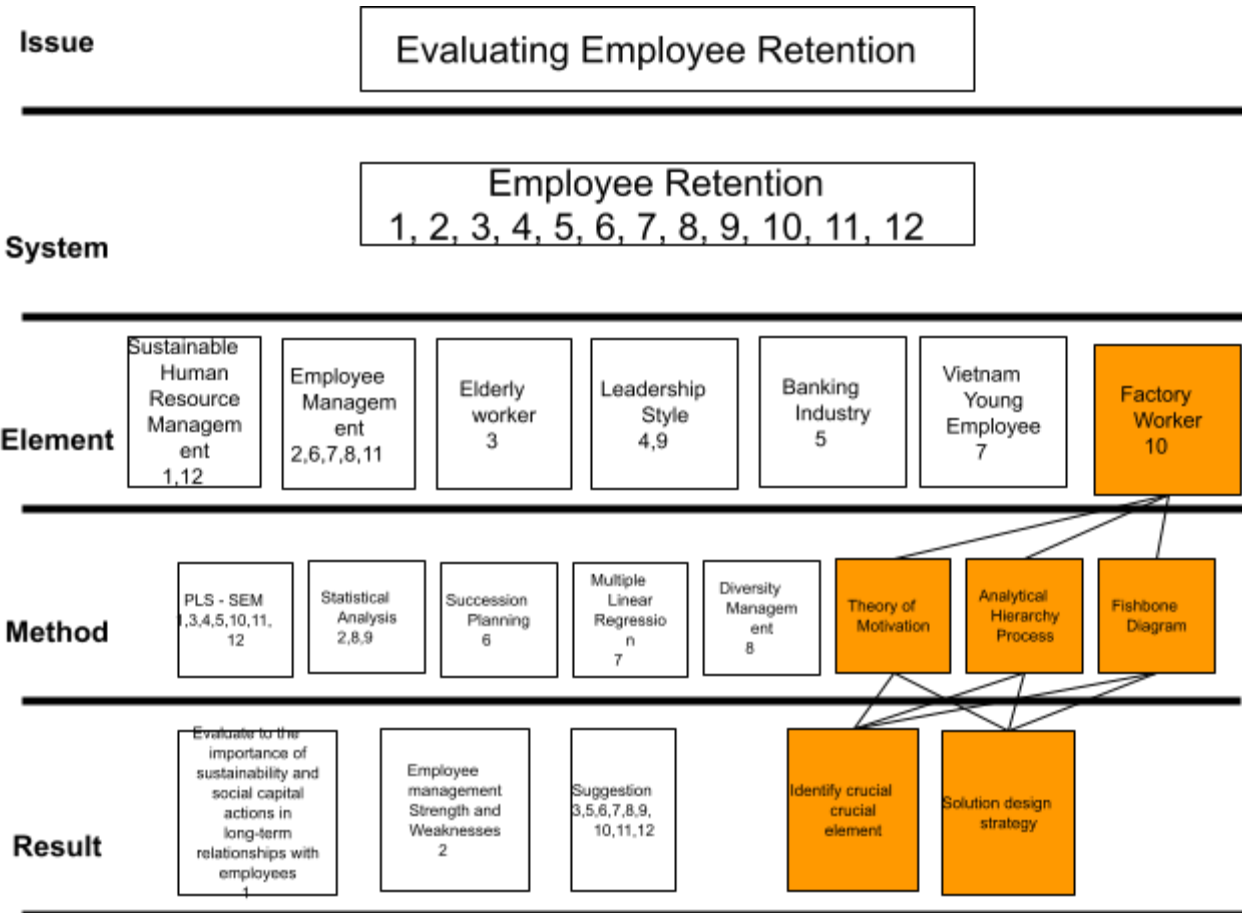


Figure 2.2 Systematic Literature Mapping

No. In Figure	Authors
1.	(Cachón-Rodríguez et al., 2022)
2.	(Durst et al., 2018)
3.	(Srisorn., 2020).
4.	(Yamin., 2020)
5.	(al Kurdi et al., 2020)
6.	(Dagogo., 2019)
7.	(Nguyen & Duong, 2021)
8.	(Sunday Onoh & Anthony Chinedum, 2019)

9.	(Malik et al., 2020)
10.	(Jeffrey & Prasetya, 2019)
11.	(Yusoff Yusliza et al., 2021)
12.	(Naz et al., 2020)

Table 2.1 Author List

2.2. Deductive Study

2.2.1. Motivation Theory

Herzberg, Mausner, and Snyderman created the motivation-hygiene theory, which was inspired by Maslow's hierarchy of requirements, and published the two-factor model of work motivation in 1959 Herzberg developed a two-dimensional model of variables affecting individuals' attitudes toward their jobs. The two-dimensional model nowadays is usually known as Herzberg's theory of motivators and hygiene factors (Herzberg's Two-Factor Theory, Mohammed altrimetry).

The diagram follows summarizes how motivational and hygienic elements affect people. Take note that motivators are frequently described as elements for satisfaction, while hygiene factors are typically described as factors for dissatisfaction.

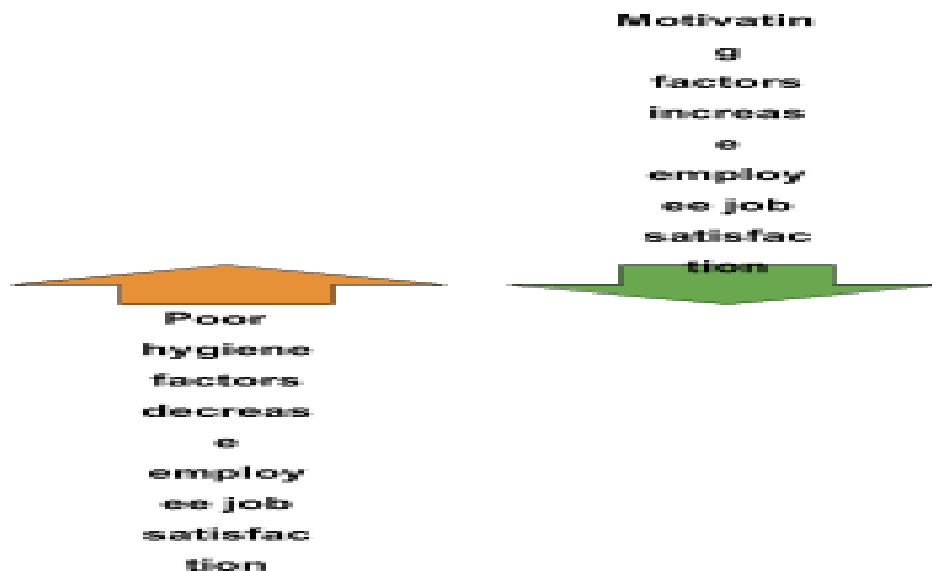


Figure 2.3 Hygiene factor and Motivating factor relationship

According to Herzberg, motivators can be defined as contends that increasing job happiness requires motivational variables. According to Herzberg, these drivers are fundamental to the profession and increase job satisfaction by meeting requirements for development and self-actualization.

Meanwhile, Hygiene factors are things that reduce employee discontent at work. The term "hygiene" was adopted by Herzberg, Mausner, and Snyderman to describe "medical hygiene...[which] functions to remove health dangers from the environment.". In the diagram below, examples of motivational and hygienic aspects are displayed.

Satisfier (Motivators)	Dissatisfiers (Hygiene Factors)
Advancement	Interpersonal relation
The Work itself	Salary
Possibility of growth	Company policies and administration
Responsibility	supervision
Recognition	Working Condition
Achievement	

Table 2.2 List of Motivators and Hygiene factors

The following is the full description of each aspect, starting with the motivators

- Advancement: Herzberg defined advancement as the upward and positive status or position of someone in a workplace. Meanwhile, a negative or neutral status at work represents negative advancement (Alshmemri et al., 2017, 2017).
- The work itself: The content of job tasks in itself can have positive or negative effects on employees. The job's difficulty and level of engagement can dramatically impact satisfaction or dissatisfaction in the workplace (Alshmemri et al., 2017, 2017).
- Possibility for growth: Possibilities for growth exist in the same vein as Maslow's self-actualization; they are opportunities for a person to experience personal growth and promotion in the workplace. Personal growth can result in professional growth, increased

opportunities to develop new skills and techniques, and gaining professional knowledge (Alshmemri et al., 2017, 2017).

- Responsibility: Responsibility encompasses both the responsibilities held by the individual and the authority granted to the individual in their role. People gain satisfaction from being given the responsibility and authority to make decisions. Conversely, a mismatch between responsibility and level of authority negatively affects job satisfaction (Alshmemri et al., 2017, 2017).
- Recognition: When employees receive praise or rewards for reaching goals at their job or for producing high-quality work, they receive recognition. Negative recognition involves criticism or blame for a poorly-done job (Alshmemri et al., 2017, 2017).
- Achievement: Positive achievement can involve, for example, completing a difficult task on time, solving a job-related problem, or seeing positive results from one's work. Negative achievement includes failure to make progress at work or poor job-related decision-making (Alshmemri et al., 2017, 2017).

In addition, the following are hygiene factors

- Interpersonal relations: Interpersonal relationships involve the personal and working relationships between an employee and his supervisors, subordinates, and peers. This can manifest in, for example, job-related interactions as well as social discussions in both the work environment and during informal break times.
- Salary: Salary includes wage or salary increases, and negative, unfulfilled expectations of wage or salary increases (Alshmemri et al., 2017).
- Company policies and administration: Company policies and administration include factors such as the extent to which company organization and management policies and guidelines are clear or unclear. For example, a lack of delegation of authority, vague policies and procedures, and communication may lead to job dissatisfaction (Alshmemri et al., 2017).
- Supervision: Supervision involves an employee's judgments of the competence or incompetence and fairness or unfairness of the supervisor or supervisions. For example, this could include a supervisor's willingness to delegate responsibility to each, as well as their knowledge of the job at hand. Poor leadership and management can decrease job dissatisfaction (Alshmemri et al., 2017).

- Working conditions: Finally, working conditions involve the physical surroundings of the job and whether or not they are good or poor. Factors leading to a good or poor workspace could involve the amount of work, space, ventilation, tools, temperature, and safety (Alshmemri et al., 2017).

2.2.2. Analytical Hierarchy Process

Thomas L. Saaty created the Analytical Hierarchy Process (AHP) decision support paradigm (1993). According to Saaty, a hierarchy is a representation of a complicated issue in a multi-level structure, where the top level is the aim, followed by the level of components, criteria, sub-criteria, and so on down to the final level, which is the alternative. Using a hierarchy, a complicated issue may be broken down into groups that are then placed hierarchically such that it seems more ordered and organized.

AHP is a decision-support paradigm that hierarchically explains complicated multi-criteria issues. This model was designed by University of Pittsburgh mathematics professor Thomas L. Saaty. (Saaty, 1980)

Hierarchy is described as describing a complicated issue using a multi-level structure, where the first level is the objective, followed by the factor level, criteria, sub-criteria, etc., until the last level, which is the alternative. Complex issues are organized hierarchically to make them more structured and methodical. The following are steps to conduct Analytical Hierarchy Process:

1. Determine the objective of the decision-making procedure: The first stage is to clearly describe the process's overarching objective. This will be the apex of the organizational structure.
2. Specify the evaluation criteria for alternatives: Identify the evaluation criteria that will be applied to the options. The next level in the hierarchy is below the objective.
3. Specify the alternatives: Specify the alternatives or options that will be evaluated. This is the lowest level in the hierarchy.

4. Construct the hierarchy by arranging the objective, the criteria, and the alternatives in a hierarchical order, with the objective at the top, the criteria below it, and the alternatives at the bottom.
5. Solicit expert or stakeholder opinions on the relative importance of the criteria and the relative performance of the alternatives concerning each criterion. These evaluations may be gathered using pairwise comparison matrices or other techniques.
6. Utilize the judgments to determine the weights for the criteria and the scores for the alternatives.
7. Utilize the weights and scores to evaluate the choices and determine the best option.
8. Sensitivity analysis: It is advised to do a sensitivity analysis to examine the robustness of the results to adjustments in the judgments. This can be accomplished by recalculating the weights and scores after perturbing the judgments.
9. Make a decision: Utilize the findings of the AHP analysis to reach a conclusion

The Analytic Hierarchy Process (AHP) helps make decisions in complex situations with several conflicting objectives and subjective assessment. It entails building a hierarchy that shows the relationships between the overall aim, criteria for evaluating alternatives, and alternatives, and using expert or stakeholder opinions to weigh and score the criteria and alternatives. Researchers and decision-makers can determine the optimal alternative and make informed judgments using AHP (Saaty, 1994)

2.2.3. Participatory Research

When a choice is made utilizing a participatory technique, individuals at all levels have the opportunity to actively and successfully influence a decision that will have an impact on their life. A participatory approach to decision-making, according to Carmeli et al. (2008), necessitates a high level of engagement from employees and supervisors in a choice that affects their job. This level of participation might take numerous forms. This illustrates that the

participatory technique allows both low-level and high-level decision-makers to share their knowledge and experiences. Because of the combined power of the parties' knowledge and talents, both parties will believe they can participate in the process of making strategic decisions.

Participatory methods are seen as effective approaches to decision-making since they involve all levels of individuals who may be affected by the decision. The majority of businesses have used this strategy, and the outcomes have been mostly positive (Parnel and Crandall, 1999). Because it incorporates a larger number of people in the decision-making process, an approach known as participative decision-making can result in better decisions. When a big number of different people are involved, a diverse range of opinions, experiences, and pieces of knowledge are generated. The individual making the decision may benefit from this by considering all of the possible outcomes. According to Fredrickson and Mitchel, referenced in Parnel and Crandall (1999), a participative technique improves decision quality by using thorough and extended metrics. This decision could be difficult and time-consuming. The process known as risk assessment is used in this specific case. The risk assessment may reduce the complexity of the decision-making process to a set of comparisons by assigning a score to each prospective course of action. This will undoubtedly assist the individual in deciding to select the best option out of all of the possibly difficult options that may arise, as it will disclose the best alternative.

The managers and actual individuals now operating in the field's perspectives usually accompany the fundamental source of the problem. This approach or method is referred to as a participatory move. As a result, a responsible or in charge individual may more thoroughly examine the issue as a chance to boost the company's profitability by recruiting employees to provide feedback.

Holding a simple forum group discussion is one technique to make the participative method more accessible (FGD). This technique requires participation from active participants who are not constrained in any manner in their ability to participate to improve the quality of the information. According to Escalada (2014), rules for forum group chats should be set to better the desired outcome. Among these suggestions are the following:

1. Clearly define the forum's aims and insights.

2. Sorting the summary's information into categories.
3. Create a list of insightful queries.
4. Emphasize the phases and eliminate any questions that aren't reasonable.

If the observer follows these procedures, they will be able to locate relevant information and explore deeper knowledge that may not always be visible. As a result, performing this analysis is an absolute must before processing primer data. On the other hand, the level of engagement employed in this study, which symbolizes decision-making authority, was approximately up to level 8.

2.2.4. Fishbone Diagram

Fishbone diagrams are used to identify and evaluate the root causes of a problem or issue. The fishbone diagram was created by Japanese quality control expert Kaoru Ishikawa and is also known as a cause and effect diagram or Ishikawa diagram. It is founded on the premise that a problem or issue can be traced back to several underlying causes, and that the problem may be effectively resolved by identifying and resolving these causes. For illustrative and analytic reasons about the origins of invention, a complete theoretical framework, such as the fishbone diagram, may be useful. (Coccia, 2018)

The central spine of the fishbone graphic represents the issue or problem, while the branches reflect potential sources of the issue. Typically, these divisions are categorized as materials, methods, equipment, environment, and personnel. To utilize the fishbone diagram, you must first identify the issue or problem you wish to address, and then generate a list of likely causes for the issue. These potential reasons are placed in the proper category on the diagram (Ishikawa, 1986). Once all potential causes have been discovered, you can assess each one to determine their relative importance and then take the necessary steps to address the causes of the problem. This may require replacing a defective part, modifying operating protocols, or enhancing maintenance procedures (Ishikawa, 1986)

A fishbone diagram is a powerful tool for identifying and addressing problems in a methodical and structured manner, and it is frequently used in a range of industries for quality improvement activities. It is especially useful for detecting complicated or multidimensional

problems since it helps you to comprehend the relationships between potential causes and pick the most important ones. (Ishikawa, 1986)

CHAPTER III

RESEARCH METHODOLOGY

This chapter will illustrate the research advancement. Incorporating the Employee Retention problem based on the Herzberg Theory of Motivation into the Analytical Hierarchy Process Model, this study will discover the critical aspects influencing the employee performance-retention relationship. Figure 3 describes the steps of this investigation.

3.1. Research Area and Object

The primary objective of this study is to investigate the critical elements influencing the relationship between employee performance and employee retention. The focus of the study is confined to PT Wasabi manufacturing line employees. This study aims to identify the factors that influence staff retention at PT Wasabi in Batang Jawa Tengah. In addition, solutions are formed based on the discovery of future solutions for enhancing employee performance.

3.2. Research Subject

The subject for the following research is workers from the production team. To be specific, the workers studied are workers that have already worked for at least 10 years with the company.

3.3. Data Collection

This research utilizes both primary and secondary data. The information obtained directly from industrial manufacturing personnel constitutes primary data. Participatory research is conducted to collect primary data and seeks to offer a comprehensive picture of the study population and sample. Participatory research is conducted by conducting 2 focus groups discussions sessions with stakeholders in the company. The first step is fulfilled by conducting a focus group discussion with the Head of the Human Resource department and the Head of Production. The goal of FGD is to determine who filled out the questionnaire and ensure the data collected is valid. This was conducted to gain an idea of what happened on the ground.

Hence, the second forum group discussion is conducted to find the outline of a problem and turns it into a fishbone diagram. Later at the end of the research, the third FGD is conducted to determine the solution.

Secondary data is collected from prior research of organizational documents, books, and articles. This study utilized secondary data as research support and qualitative definition reinforcement.

3.4. Data Analysis

3.4.1. Analytical Hierarchy Process

The AHP Analytic Hierarchy Process (AHP) technique is primarily intended to logically capture people's views that are directly tied to particular issues utilizing methods meant to arrive at a preference scale among numerous alternative sets. This analysis is intended to generate an unstructured problem model, typically used to solve measurable (quantitative) problems, problems requiring opinion (judgment), or complex or unframed situations, where data, statistical information is minimal or nonexistent and only qualitative in nature, based on perception, experience, or intuition. AHP is also commonly used in choices involving several factors, including planning, resource allocation, and prioritizing of participants' conflict tactics (Kadarsah, 1998).

The AHP approach decision-making phases are essential as follows:

- 1) Define the issue and establish the intended remedy
- 2) Create a hierarchical structure beginning with the main aim, followed by the criteria and alternative alternatives to be rated.
- 3) Construct a pairwise comparison matrix describing the relative contribution or effect of each factor on each goal or criteria level above. Comparisons are made based on the decision maker's preference or judgment by comparing the degree of significance of one aspect to that of other components.
- 4) Normalize the data by dividing the value of each element in the paired matrix by the total value of each column.
- 5) Calculating the eigenvector values and verifying their consistency; if they are inconsistent, do an alternate inconsistency test from the 1st through the 9th eigenvectors.

If the data are still inconsistent, the data with substantial gaps must be rectified by retrieving the data again (preferences). The relevant eigenvector eigenvalue is the greatest eigenvector value computed using Matlab R2018a or by hand.

- 6) Repeat steps 3, 4, and 5 for each hierarchy level.
- 7) Compute each pairwise comparison matrix's eigenvector. The weight of each element is the eigenvalue vector. The objective of this stage is to synthesize options for ranking items at the lowest hierarchical level.
- 8) Test the hierarchy's consistency. If it does not satisfy the CR 0.1 threshold, a different test for inconsistency is conducted from the 1st through the 9th. If the data are still inconsistent, then the data with substantial gaps must be recollected and repaired (preferences).

3.5. Research Flow



Figure 3.4 Research Flow

CHAPTER IV

DATA COLLECTING AND PROCESSING RESULT

The data collecting and processing procedures employed in this study will be covered in detail in this chapter. There are multiple sub-chapters in this chapter, including ones on data collecting, processing, and analysis.

4.1. Data Collecting

4.1.1. Participatory Data

Participatory languages include individuals who can comprehend the task field, i.e., specialists. This mentality involves both the production manager and workers in the production area. The target output should closely resemble what occurs in the field. It is accomplished by arranging a forum group discussion involving production managers and human resource managers regarding the topic of staff retention. The purpose of the first discussion is to choose who should complete the questionnaire and do validation based on the limitless considerations of the project's specialists.

The outcome of the initial discussion is from a total of 62 workers, only 3 required workers needed to fill up the questionnaire. The considerations are, these three workers are the longest-serving employee on the production line. Hence, the gathered data is validated by HR managers. Next, the researcher facilitates a second discussion session with the HR managers and production heads. The objective of this second discussion session is to design a strategy for staff retention based on the forthcoming findings.

4.1.2. Questionnaire Result

The distribution of questionnaires is how the data is gathered. The questionnaire's intended responders are the PT Wasabi production staff, and it consists of 11 statements that are delivered to consumers. The research requires staff that is already working for more than 4 years. Hence from 62 employees that work in the production area, the total number of responders to this inquiry is 3 Person

4.2. Data Processing

This step of the research will be completed utilizing Analytical Hierarchy Process computed using excel. The Analytical Hierarchy Process will be broken down into multiple parts during this stage.

4.2.1. Development of Theory Model

Variable	Attributes	Variable Measurements Defined
Motivation factors		Motivation factors, or motivators, are intrinsic to the job and foster positive attitudes toward it because they satisfy the "need for growth or self-actualization."
	Advancement	Advancement is an employee's rise in the workplace. Negative or neutral work status hinders advancement.
	Work itself	The content of job tasks and assignments affects employees. The job's difficulty, interest, or boredom can affect employee satisfaction.
	Possibility of growth	Growth opportunities allow people to improve themselves and advance in their careers. This allows for professional growth and learning new skills, techniques, and knowledge.
	Responsibility	This factor includes job responsibility and authority. Being given the freedom and responsibility to make decisions is satisfying. Job dissatisfaction is caused by authority-responsibility gaps.
	Recognition	Positive recognition occurs when employees are praised or rewarded for meeting goals or producing high-quality work. Negative recognition at work includes criticism and blame for the job.
	Achievement	Positive achievement includes completing a difficult task on time, solving a work-related problem, or seeing positive results. Negative achievement involves poor job performance or decision-making.
Hygiene factors		Hygiene factors are associated with a decrease in job dissatisfaction, as opposed to motivation factors, which directly affect an employee's motivation and satisfaction. The conditions surrounding the "doing" of a job or the

		workplace are related to hygiene factors.
	Interpersonal relationship	The worker's personal and professional relationships with superiors, subordinates, and peers are included. Job-related and social conversations at work and during breaks are included.
	Salary	All forms of workplace compensation, such as wage or salary increases or unfulfilled expectations of such increases or decreases, are included. Hospital policies on salary increases and bonuses should be clear.
	Policies and administration	This includes descriptions of good or bad company organization and management policies and guidelines. Organizational policies that affect employees are this factor. For example, they may include a lack of delegation of authority, poor policies and procedures, and poor communication.
	Supervision	The supervisor's competence and fairness determine supervision. This factor includes fairness, job knowledge, and the supervisor's ability to teach or delegate. Job satisfaction is improved by a good supervisor or access to supervision. Poor management can lower workplace satisfaction.
	Working condition	These include the job's physical environment and facilities. Workload, space, ventilation, tools, temperature, and safety are all factors in working conditions. Employees are proud and happy in a good environment.
Employee Retention		Employee retention is the organization's goal of keeping talented employees and reducing turnover. This is done by creating a positive work environment to encourage engagement, showing appreciation for employees, and giving them competitive pay, benefits, and a healthy work-life balance.
	Employee Satisfaction	Employee satisfaction is a broad term used by the human resources (HR) industry to describe how happy or content employees are with things like their jobs, their employee experience, and the companies they work for.

Table 4.3 Variable Measurement Defined

4.2.2. Development of Hierarchy Diagram

As indicated in the theory models, a Hierarchy diagram showing the causal relationship between the elements can subsequently be constructed. Typically, a Hierarchy model consists of three layers: The Goals, Criteria, and Alternatives. The research's usage of a Hierarchy diagram is depicted in the diagram that follows.

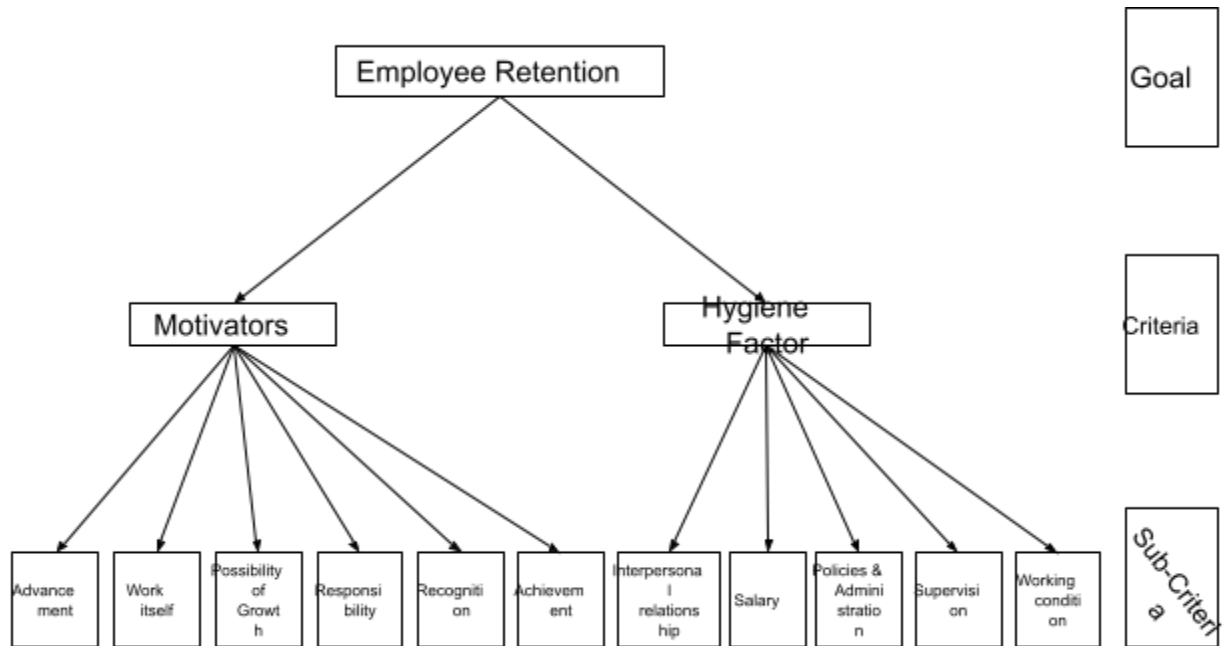


Figure 4.5 Hierarchy Diagram

4.2.3. Respondent Data

Filling in the AHP questionnaire was carried out by employees who had previously been determined from the results of the FGD by comparing the interests between the criteria and comparing each alternative based on the criteria using the reference in the diagram above. The following is the result of filling in the questionnaire that has been carried out, where the box red is the correct value chosen

A. Criteria weighting data

WEIGHTING BETWEEN CRITERIA																			
No	Kriteria																	Kriteria	
1	Motivators	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Hygiene
2	Motivators	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Hygiene
3	Motivators	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Hygiene

Table 4.4 Criteria Weighting Data

B. Motivators weighting data

1ST RESPONDENT																			
COMPARISON BETWEEN SUB CRITERIA MOTIVATORS																			
No	Criteria (Motivators)																	Criteria (Motivators)	
1	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Work ifself
2	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Possibility of growth
3	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Responsibility
4	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
5	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
6	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Possibility of growth
7	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Responsibility
8	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
9	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
10	Possibility of growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Responsibility
11	Possibility of growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
12	Possibility of growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
13	Responsibility	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
14	Responsibility	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
15	Recognition	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement

Table 4.5 1st Respondent Motivators Weighting Data

2ND RESPONDENT																			
COMPARISON BETWEEN SUB CRITERIA MOTIVATORS																			
No	Criteria (Motivators)																	Criteria (Motivators)	
1	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Work ifself
2	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Possibility of growth
3	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Responsibility
4	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
5	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
6	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Possibility of growth
7	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Responsibility
8	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
9	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
10	Possibility of growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Responsibility
11	Possibility of growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
12	Possibility of growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
13	Responsibility	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
14	Responsibility	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
15	Recognition	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement

Table 4.6 2nd Respondent Motivators Weighting Data

3RD RESPONDENT																			
COMPARISON BETWEEN SUB CRITERIA MOTIVATORS																			
No	Criteria (Motivators)																	Criteria (Motivators)	
1	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Work ifself
2	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Possibility of growth
3	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Responsibility
4	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
5	Advancement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
6	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Possibility of growth
7	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Responsibility
8	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
9	Work ifself	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
10	Possibility of growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Responsibility
11	Possibility of growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
12	Possibility of growth	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
13	Responsibility	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Recognition
14	Responsibility	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement
15	Recognition	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Achievement

Table 4.7 3rd Respondent Motivators Weighting Data

C. Hygiene Factors weighting data

1ST RESPONDENT																			
COMPARISON BETWEEN SUB CRITERIA HYGIENE FACTORS																			
No	Criteria (Hygiene)																	Criteria (Hygiene)	
1	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Salary
2	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Policies & Administration
3	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Supervision
4	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition
5	Salary	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Policies & Administration
6	Salary	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Supervision
7	Salary	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition
8	Policies & Administration	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Supervision
9	Policies & Administration	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition
10	Supervision	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition

Table 4.8 1st Respondent Hygiene Factors Weighting Data

2ND RESPONDENT																			
COMPARISON BETWEEN SUB CRITERIA HYGIENE FACTORS																			
No	Criteria (Hygiene)																	Criteria (Hygiene)	
1	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Salary
2	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Policies & Administration
3	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Supervision
4	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition
5	Salary	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Policies & Administration
6	Salary	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Supervision
7	Salary	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition
8	Policies & Administration	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Supervision
9	Policies & Administration	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition
10	Supervision	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition

Table 4.9 2nd Respondent Hygiene Factors Weighting Data

3RD RESPONDENT																			
COMPARISON BETWEEN SUB CRITERIA HYGIENE FACTORS																			
No	Criteria (Hygiene)																	Criteria (Hygiene)	
1	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Salary
2	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Policies & Administration
3	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Supervision
4	Interpersonal relationship	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition
5	Salary	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Policies & Administration
6	Salary	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Supervision
7	Salary	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition
8	Policies & Administration	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Supervision
9	Policies & Administration	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition
10	Supervision	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Working condition

Table 4.10 3rd Respondent Hygiene Factors Weighting Data

4.2.4. Criterion Consistency Test

WEIGHTING AND CONSISTENCY TEST CRITERIA													
Criteria	Hygiene	Motivators	Hygiene	Motivators	1	2	3	4	5	6	7	8	
					Total Weight Matrix	eugen vector	Multiplication Matrics	Eugen Value	$\lambda maks$	CI	IR	CR	
Hygiene	1	3,5569	0,7806	0,7806	1,5611	0,7806	1,5611	2,0000					
Motivators	0,28114422	1	0,2194	0,2194	0,4389	0,2194	0,438896	2,0000	2,0000	0,0000	0,0000	0,0000	
TOTAL	1,28114422	4,5569	1,0000	1,0000	2,0000	1,0000	2,0000	4,0000					

Table 4.11 Weighting and Consistency Test for Criteria

Following is the calculation for the criterion consistency matrix test, based on the result it shows that the Hygiene factor is more important than the motivator factor. The Eigenvector of the Hygiene factor is greater than the Motivation factor.

4.2.5. Sub-criteria Consistency Test - Motivators

The data calculation started by calculating each respondent's sub-criteria consistency. The following are the calculation for each respondent

MATRIX AND SUBCRITERIA CONSISTENCY TEST																				
FIRST RESPONDENT																				
Motivators	Advancement	Work itself	Possibility of growth	Responsibility	Achievement	Recognition	Advancement	Work itself	Possibility of growth	Responsibility	Achievement	Recognition	1	2	3	4	5	6	7	8
													Total Weight Matrix	eugen vector	Matrix Multiplication	Eugen Value	A maks	CI	IR	CR
Advancement	1	7	5	6	1/6	2	0,124851	0,28	0,265486726	0,255319149	0,09569378	0,230769231	1,2521	0,2087	1,4095	6,7540	6,5148	0,1030	1,24	0,0830
Work itself	1/7	1	1/3	1/2	1/8	1/4	0,017836	0,04	0,017699115	0,021276596	0,071770335	0,028846154	0,1974	0,0329	0,2063	6,2704				
Possibility of growth	1/5	3	1	2	1/8	1/4	0,02497	0,12	0,053097345	0,085106383	0,071770335	0,028846154	0,3838	0,0640	0,3919	6,1273				
Responsibility	1/6	2	1/2	1	1/8	1/6	0,020809	0,08	0,026548673	0,042553191	0,071770335	0,019230769	0,2609	0,0435	0,26	6,0669				
Achievement	6	8	8	8	1	5	0,749108	0,32	0,424778761	0,340425532	0,574162679	0,576923077	2,9854	0,4976	3,639486	7,3146				
Recognition	1/2	4	4	6	1/5	1	0,062426	0,16	0,212389381	0,255319149	0,114832536	0,115384615	0,9204	0,1534	1,005639	6,5560				
TOTAL	8,00952381	25	18,83333333	23,5	1,741666667	8,666666667	1	1	1	1	1	1	6	1	6,916669	39,0891				

Table 4.12 1st Respondent Motivators Weighting and Consistency Test

MATRIX AND SUBCRITERIA CONSISTENCY TEST																				
SECOND RESPONDENT																				
Motivators	Advancement	Work itself	Possibility of growth	Responsibility	Achievement	Recognition	Advancement	Work itself	Possibility of growth	Responsibility	Achievement	Recognition	1	2	3	4	5	6	7	8
													Total Weight Matrix	eugen vector	Matrix Multiplication	Eugen Value	A maks	CI	IR	CR
Advancement	1	6	5	6	1/5	2	0,14218	0,25	0,319148936	0,255319149	0,110453649	0,224299065	1,3014	0,2169	1,4681	6,7685	6,4748	0,0950	1,24	0,0766
Work itself	1/6	1	1/3	1/2	1/8	1/4	0,023697	0,041666667	0,021276596	0,021276596	0,069033531	0,028037383	0,2050	0,0342	0,2149	6,2914				
Possibility of growth	1/5	3	1	3	1/7	1/2	0,028436	0,125	0,063829787	0,127659574	0,078895464	0,056074766	0,4799	0,0800	0,4995	6,2445				
Responsibility	1/6	2	1/3	1	1/7	1/6	0,023697	0,083333333	0,021276596	0,042553191	0,078895464	0,018691589	0,2684	0,0447	0,27	5,9990				
Achievement	5	8	7	7	1	5	0,7109	0,333333333	0,446808511	0,29787234	0,552268245	0,560747664	2,9019	0,4837	3,417321	7,0656				
Recognition	1/2	4	2	6	1/5	1	0,07109	0,166666667	0,127659574	0,255319149	0,110453649	0,112149533	0,8433	0,1406	0,910808	6,4800				
TOTAL	7,033333333	24	15,66666667	23,5	1,810714286	8,916666667	1	1	1	1	1	1	6	1	6,779015	38,84899				

Table 4.13 2nd Respondent Motivators Weighting and Consistency Test

MATRIX AND SUBCRITERIA CONSISTENCY TEST																				
THIRD RESPONDENT																				
Motivators	Advancement	Work itself	Possibility of growth	Responsibility	Achievement	Recognition	Advancement	Work itself	Possibility of growth	Responsibility	Achievement	Recognition	1	2	3	4	5	6	7	8
													Total Weight Matrix	eugen vector	Matrix Multiplication	Eugen Value	A maks	CI	IR	CR
Advancement	1	6	4	3	1/6	2	0,121212	0,25	0,269662921	0,181818182	0,094276094	0,2	1,1170	0,1862	1,2330	6,6232	6,4018	0,0804	1,24	0,0648
Work itself	1/6	1	1/3	1/2	1/8	1/4	0,020202	0,041666667	0,02247191	0,03030303	0,070707071	0,025	0,2104	0,0351	0,2176	6,2080				
Possibility of growth	1/4	3	1	2	1/7	1/2	0,030303	0,125	0,06741573	0,121212121	0,080808081	0,05	0,4747	0,0791	0,4827	6,1012				
Responsibility	1/3	2	1/2	1	1/6	1/4	0,040404	0,083333333	0,03707865	0,060606061	0,094276094	0,025	0,3373	0,0562	0,35	6,1594				
Achievement	6	8	7	6	1	6	0,727273	0,333333333	0,471910112	0,363636364	0,565656566	0,6	3,0618	0,5103	3,597732	7,0502				
Recognition	1/2	4	2	4	1/6	1	0,060606	0,166666667	0,134831461	0,242424242	0,094276094	0,1	0,7988	0,1331	0,89463	6,2691				
TOTAL	8,25	24	14,83333333	16,5	1,767857143	10	1	1	1	1	1	1	6	1	6,712027	38,41108				

Table 4.14 3rd Respondent Motivators Weighting and Consistency Test

Hence, after calculating the consistency tech for each respondent. The data is combined and calculated using a geometric mean to merge the data into unity.

Geometric Mean															
Responden 1	7	5	6	1/6	2	1/3	1/2	1/8	1/4	2	1/8	1/4	1/8	1/6	5
Responden 2	6	5	6	1/6	2	1/3	1/2	1/8	1/3	3	1/7	1/2	1/7	1/6	5
Responden 3	7	4	6	1/6	2	1/3	1/2	1/8	1/4	3	1/7	1/2	1/7	1/6	6
GM	6,6494	4,641588834	6	0,16666667	2	0,333333333	0,5	0,125	0,275160604	2,62074139	0,136638	0,396850263	0,136638	0,166667	5,313293

Table 4.15 Geometric Mean of Motivators Weighting and Consistency Test

After calculating the geometric mean, the data are put together into the matrix again and recalculated.

MATRIX AND SUBCRITERIA CONSISTENCY TEST																				
GEOMETRIC MEAN																				
Motivators	Advancement	Workitself	Possibility of growth	Responsibility	Achievement	Recognition	Advancemen t	Workitself	Possibility of growth	Responsibility	Achievement	Recognition	1	2	3	4	5	6	7	8
													Total Weight Matrix	eugen vector	Matrix Multiplic ation	Eugen Value	λmaks	CI	IR	CR
Advancement	1	6/3	4/3	6	1/6	2	0,124494248	0,273822191	0,29235895	0,259507249	0,095066988	0,218532176	1,2638	0,2106	1,4145	6,7155	6,5005	0,1001	1,24	0,0807
Work itself	1/7	1	1/3	1/2	1/8	2/7	0,018722629	0,041179986	0,020995609	0,021625604	0,071300241	0,030065723	0,2039	0,0340	0,2135	6,2824				
Possibility of growth	2/9	3	1	2 5/8	1/7	2/5	0,026821473	0,123539959	0,062986826	0,113350232	0,077938545	0,043362276	0,4480	0,0747	0,4621	6,1886				
Responsibility	1/6	2	3/8	1	1/7	1/6	0,020749041	0,082359972	0,024033972	0,043251208	0,077938545	0,018211015	0,2665	0,0444	0,27	6,0139				
Achievement	6	8	7	7	1	5 1/3	0,746965485	0,32913989	0,440907785	0,302758457	0,570401928	0,580562723	2,9710	0,4952	3,614279	7,2990				
Recognition	1/2	3 5/8	2 1/2	6	1/5	1	0,062247124	0,149658002	0,158716857	0,259507249	0,107353753	0,109266088	0,8467	0,1411	0,917824	6,5036				
TOTAL	8,03249965	24,28364095	15,87633568	23,12074139	1,753149756	9,15197038	1	1	1	1	1	1	6	1	6,889314	39,00308				

Table 4.16 Motivators Matrix and Sub-criteria Consistency Test

The following are the result of the calculation of the Motivators sub-criteria consistency test. The table above shows the consistency ratio below 0,01 therefore it concluded that the data are already consistent. Furthermore, based on the calculation above shows that the most important factors are Achievement.

4.2.6. Sub-criteria Consistency Test - Hygiene Factors

The data calculation started by calculating each respondent's sub-criteria consistency. The following are the calculation for each respondent

MATRIX AND SUBCRITERIA CONSISTENCY TEST																		
FIRST RESPONDENT																		
Hygiene	Interpersonal Relationship	Salary	Policies and Administration	Supervision	Working environment	Interpersonal Relationship	Salary	Policies and Administration	Supervision	Working environment	1	2	3	4	5	6	7	8
											Total Weight Matrix	eugen vector	Matrix Multiplication	Eugen Value	λ maks	CI	IR	CR
Interpersonal Relation	1	1/6	3	3	5	0,127118644	0,10566	0,233766234	0,206896552	0,294117647	0,9676	0,1935	1,0607	5,4813	5,3725	0,0931	1,12	0,0832
Salary	6	1	8	7	7	0,762711864	0,633962	0,623376623	0,482758621	0,411764706	2,9146	0,5829	3,4138	5,8565				
Policies and Administration	1/3	1/8	1	3	2	0,042372881	0,079245	0,07922078	0,206896552	0,117647059	0,5241	0,1048	0,5488	5,2358				
Supervision	1/3	1/7	1/3	1	2	0,042372881	0,090566	0,025974026	0,068965517	0,117647059	0,3455	0,0691	0,35	5,0810				
Working environment	1/5	1/7	1/2	1/2	1	0,025423729	0,090566	0,038961039	0,034482759	0,058823529	0,2483	0,0497	0,258588279	5,2081				
TOTAL	7,866666667	1,577381	12,83333333	14,5	17	1	1	1	1	1	5	1	5,633018953	26,86263583				

Table 4.17 1st Respondent Hygiene Factors Weighting and Consistency Test

MATRIX AND SUBCRITERIA CONSISTENCY TEST																		
SECOND RESPONDENT																		
Hygiene	Interpersonal Relationship	Salary	Policies and Administration	Supervision	Working environment	Interpersonal Relationship	Salary	Policies and Administration	Supervision	Working environment	1	2	3	4	5	6	7	8
											Total Weight Matrix	eugen vector	Matrix Multiplication	Eugen Value	λ maks	CI	IR	CR
Interpersonal Relation	1	1/7	2	2	4	0,108108108	0,089552	0,188976378	0,148148148	0,235294118	0,7701	0,1540	0,8660	5,6225	5,4290	0,1072	1,12	0,0957
Salary	7	1	7	6	7	0,756756757	0,626866	0,661417323	0,444444444	0,411764706	2,9012	0,5802	3,4437	5,9349				
Policies and Administration	1/2	1/7	1	4	3	0,054054054	0,089552	0,094488189	0,296296296	0,176470588	0,7109	0,1422	0,7475	5,2579				
Supervision	1/2	1/6	1/4	1	2	0,054054054	0,104478	0,023622047	0,074074074	0,117647059	0,3739	0,0748	0,38	5,1034				
Working environment	1/4	1/7	1/3	1/2	1	0,027027027	0,089552	0,031496063	0,037037037	0,058823529	0,2439	0,0488	0,254962197	5,2260				
TOTAL	9,25	1,595238	10,58333333	13,5	17	1	1	1	1	1	5	1	5,693783374	27,14477339				

Table 4.18 2nd Respondent Hygiene Factors Weighting and Consistency Test

MATRIX AND SUBCRITERIA CONSISTENCY TEST																		
THIRD RESPONDENT																		
Hygiene	Interpersonal Relationship	Salary	Policies and Administration	Supervision	Working environment	Interpersonal Relationship	Salary	Policies and Administration	Supervision	Working environment	1 Total Weight Matrix	2 eugen vector	3 Matrix Multiplication	4 Eugen Value	5 λ maks	6 CI	7 IR	8 CR
Interpersonal Relation	1	1/5	2	2	4	0,137931034	0,120603	0,171428571	0,16	0,25	0,8400	0,1680	0,9184	5,4670	5,3352	0,0838	1,12	0,0748
Salary	5	1	8	6	6	0,689655172	0,603015	0,685714286	0,48	0,375	2,8334	0,5667	3,2616	5,7557				
Policies and Administration	1/2	1/8	1	3	3	0,068965517	0,075377	0,085714286	0,24	0,1875	0,6576	0,1315	0,6878	5,2300				
Supervision	1/2	1/6	1/3	1	2	0,068965517	0,100503	0,028571429	0,08	0,125	0,4030	0,0806	0,41	5,0778				
Working environment	1/4	1/6	1/3	1/2	1	0,034482759	0,100503	0,028571429	0,04	0,0625	0,2661	0,0532	0,27379668	5,1455				
TOTAL	7,25	1,658333	11,66666667	12,5	16	1	1	1	1	1	5	1	5,550964026	26,67593679				

Table 4.19 3rd Respondent Hygiene Factors Weighting and Consistency Test

Hence, after calculating the consistency tech for each respondent. The data is combined and calculated using a geometric mean to merge the data into unity.

Geometric Mean										
Responden 1	1/6	3	3	5	8	7	7	3	2	2
Responden 2	1/7	2	2	4	7	6	7	4	3	2
Responden 3	1/5	2	2	4	8	6	6	3	3	2
GM	0,168239087	2,289428	2,289428485	4,30886938	7,651724731	6,316359598	6,6494	3,301927249	2,620741394	2

Table 4.20 Geometric Mean of Hygiene Factors Weighting and Consistency Test

After calculating the geometric mean, the data are put together into the matrix again and recalculated.

MATRIX AND SUBCRITERIA CONSISTENCY TEST																		
GEOMETRIC MEAN																		
Hygiene Factors	Interpersonal Relationship	Salary	Policies and Administration	Supervision	Working environment	Interpersonal Relationship	Salary	Policies and Administration	Supervision	Working environment	1	2	3	4	5	6	7	8
											Total Weight Matrix	eugen vector	Matrix Multiplication	Eugen Value	λ maks	CI	IR	CR
Interpersonal	1	1/6	2/2/7	2/2/7	4/1/3	1/8	1/9	1/5	1/6	1/4	0,8565	0,1713	0,9443	5,5127	5,3670	0,0917	1,12	0,0819
Salary	6	1	7/2/3	6/1/3	6/2/3	3/4	5/8	2/3	1/2	2/5	2,8908	0,5782	3,3629	5,8165				
Policies and Administration	3/7	1/8	1	3/1/3	2/5/8	0	0	0	1/4	1/6	0,6259	0,1252	0,6551	5,2328				
Supervision	3/7	1/6	1/3	1	2	0	0	0	0	1/8	0,3740	0,0748	0,38	5,0826				
Working environment	1/4	1/7	3/8	1/2	1	0	0	0	0	0	0,2528	0,0506	0,262432113	5,1903				
TOTAL	8,049581859	1,607637	11,62557806	13,40771533	16,57901054	1	1	1	1	1	5	1	5,604831134	26,8349152				

Table 4.21 Hygiene Factors Matrix and Sub-criteria Consistency Test

The following are the result of the calculation of the Motivators sub-criteria consistency test. The table above shows the consistency ratio below 0,01 therefore it concluded that the data are already consistent. Furthermore, based on the calculation above shows that the most important factors are Salary, Interpersonal Relationships, and Policies & Administration.

4.1. Root Cause Identification

After receiving the risk agent's priority from the AHP calculation, the next phase can be begun. To achieve the optimal choice for mitigation measures, it is necessary to generate and analyze possible mitigation actions based on the problem's root cause. This research uses a fishbone diagram to analyze the risk analysis of causes and effects. This technique seeks to identify the optimal recommended mitigation measure for maximizing PT Wasabi's employee retention rate, as seen in the figure below.



Figure 4.10 Low Employee Retention Rate Fishbone Diagram

The following fishbone diagram is a result based on a group discussion with the Human resource department. This statement was issued based on the HR department's experience with the issue regarding employee turnover.

4.2. Calculation of Opportunity Loss

Thereafter the root cause of the problem is identified, calculation of opportunity loss that occurred due to possible employee turnover is conducted. The opportunity cost of a departing employee quantifies the potential financial losses incurred by a business as a result of a departing employee. This cost can be estimated using the method I described previously, which takes into account several elements that contribute to the total financial impact of an employee's resignation.

Hence, the following is the formula used to calculate the opportunity cost of a resigning employee:

$$\text{Opportunity Loss} = \text{Training Cost} + (\text{Lost Productivity} \times \text{Average Revenue per Unit of Productivity} + \text{Lost Revenue} + \text{Recruitment Cost})$$

1. Training Cost: Costs associated with training a new employee to replace one who has resigned.
2. Lost productivity: The difference in productivity between the new employee and the one who quit during the time it takes for the new employee to reach the same level of productivity as the previous employee.
3. Lost Revenue: Potential revenue that the company would have generated if the employee had remained and continued to generate revenue.
4. Recruitment Cost: Costs associated with finding and hiring a new employee.

Given:

1. Number of employees: 62
2. The turnover rate in a year: 20%
3. Revenue per month: IDR 4,042,019,206
4. Total cost per month: IDR 3,931,051,002

5. Productivity of a new employee: 80% of that of an experienced employee for the first 6 months

To calculate the opportunity cost of employee turnover, the first step is to determine the number of employees who will leave the company each year, which in this case would be 12.4 employees (62×0.2).

Next, we need to estimate the training costs. In this scenario, the company doesn't spend any budget on training new employees. Hence, each worker is trained for IDR 0, so the training costs would be IDR 0.

To calculate the lost productivity, the average revenue per unit of productivity is needed. In this scenario, as the data on revenue and cost per month are given, we can calculate the average revenue per m² of productivity by dividing the monthly revenue by the monthly cost, which would be IDR 79,263.

Lost Productivity can then be calculated as the number of employees who leave the company multiplied by the number of months they will not be at full productivity, multiplied by the average revenue per unit of productivity and the percentage of lost productivity, which in this case is 20% for the first 6 months. So, the lost productivity would be:

$$12.4 \times 6 \times \text{IDR } 79,263 \times 20\% = \text{IDR } 170,912,063.6$$

Lost Revenue can be calculated as the number of employees who leave the company multiplied by the number of months they will not be at full productivity, multiplied by the average revenue per unit of productivity, which in this case would be:

$$12.4 \times 6 \times \text{IDR } 79,263 = \text{IDR } 5,743,260.$$

Finally, the recruitment costs can be calculated as the number of employees who leave the company multiplied by the cost of recruitment per employee, which in this case is IDR 0, so the recruitment costs would be IDR 0.

Therefore, the opportunity cost of employee turnover in this scenario would be:

$$\text{Opportunity Cost} = \text{IDR } 0 + \text{IDR } 170,912,063.6 + \text{IDR } 5,743,260 + \text{IDR } 0 = \text{IDR } 176,655,323.6. / \text{ year}$$

Based on the given data, the opportunity cost of employee turnover in a year would be 176,655,323.6. / year

CHAPTER V

DISCUSSION

5.1. Analytical Hierarchy Process Analysis

5.1.1. Criteria Weight and Consistency Test

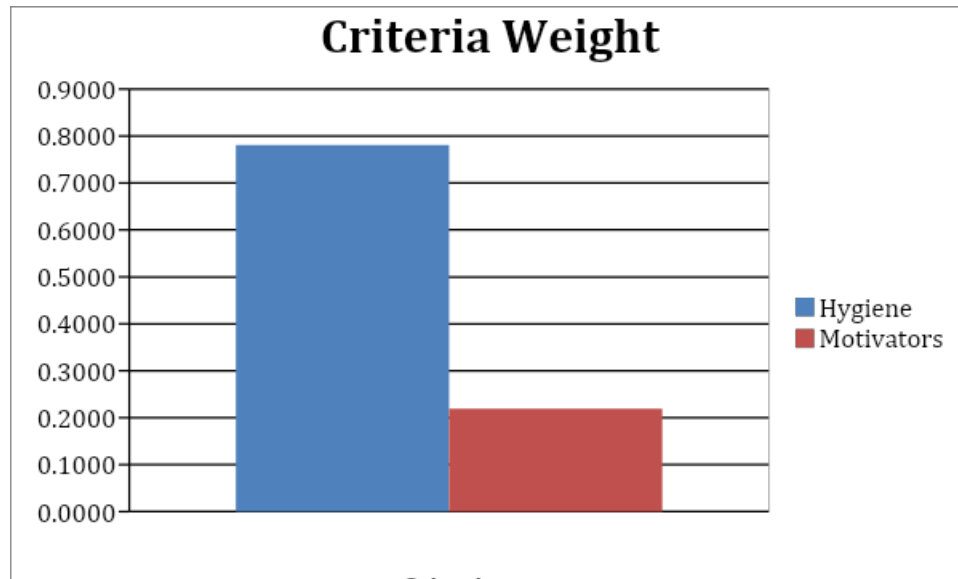


Figure 5.11 Result of Criteria Weighting Calculation

According to Criteria data processing results, the weights for Hygiene factors and Motivators were respectively 0.78 and 0.21. Each row's sum is divided by the relevant priority before the results are added up to determine the weight value for each criterion. The assessment matrix can be said to be consistent if it has an Inconsistency of 0.1, and since the CI value for Criteria is 0, it can be stated to be consistent.

5.1.2. Sub-Criteria Weight and Consistency Test

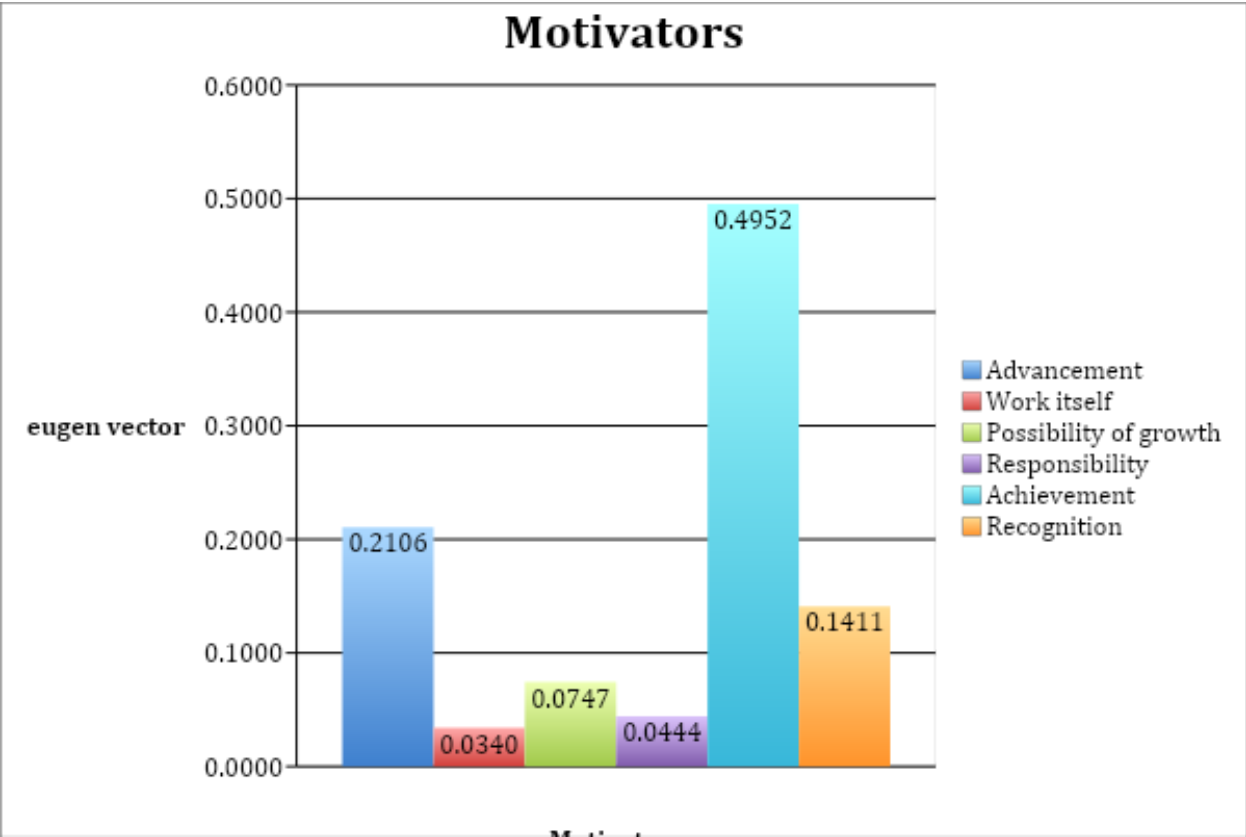


Figure 5.12 Result of Motivators Weighting Calculation

It was discovered that the Motivator's weight value is based on the outcomes of data processing utilizing the Analytical Hierarchy Process (AHP) method. The analysis of the data reveals that the most important factors, Achievement Advancement and Recognition, have alternate weighted values of 0.49, 0.21, and 0.14, respectively, and have a direct impact on employee retention. As a result, achievement and recognition are the motivators based on the AHP calculation results that have the greatest influence on the employee retention rate.

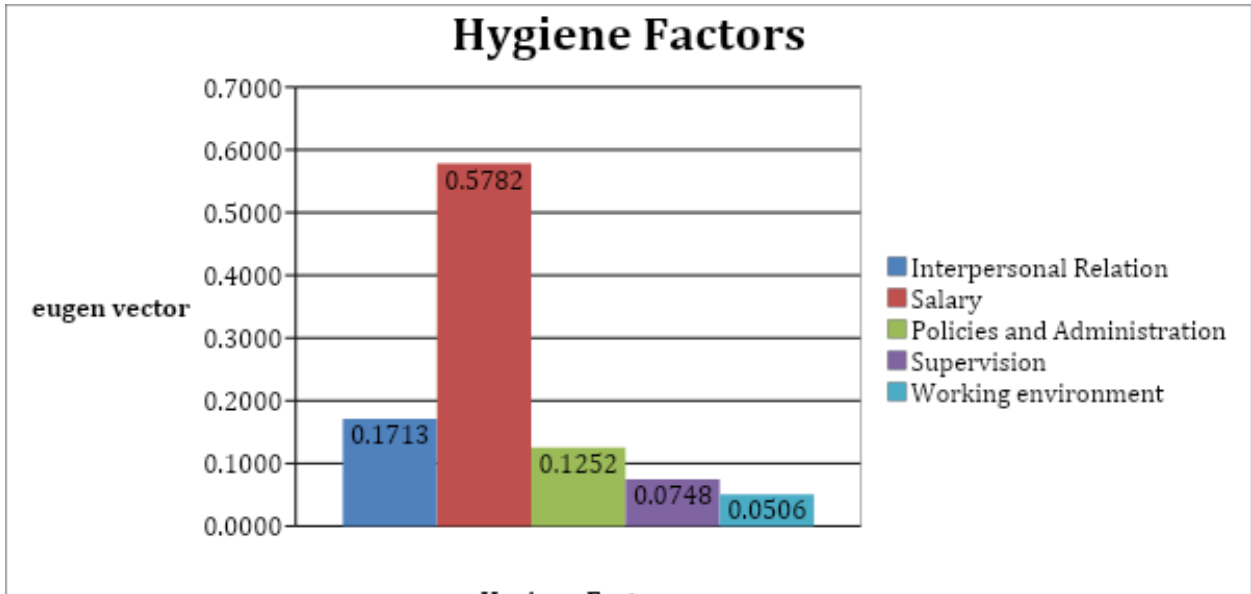


Figure 5. 13 Result of Hygiene Factors Weighting Calculation

The Hygiene Factors criteria are based on weight value calculation using Analytical Hierarchy Process (AHP) method. The outcome of data processing shows that the primary factors affecting employee retention are Salary with a weighted value of 0.57. Therefore, Salaries are critical factors that influence employee retention from Hygiene Factors criteria.

Based on both criteria namely Motivators and Hygiene factors. Results of the Analytical Hierarchy Process (AHP) method identified the following factors that are pivotal to affecting employee retention rate Achievement in the first position, Recognition in the second position, and Salary in the third position.

5.2. Fishbone Diagram Analysis

Based on the finding, several indications affect employee retention rate. As a company maintaining good employee retention is important to not only encourage workers to remain with the firm but also raise productivity and encourage greater levels of involvement, which eventually leads to a rise in income. The primary objective of any retention plan is to minimize employee turnover. In this research, the researcher's goal is to find factors that affect employee retention based on Herzberg's theory of motivation. With the help of a fishbone diagram, the

author anticipates easing the process of finding possible causes of lower employee retention rates more systematically and developing solutions.

The following factors that are mentioned in the fishbone diagram are based on crucial factors affecting employee retention based on previous calculations. Hence, the factors are Achievement, Recognition, Salary, Advancement, Work, and Policies. From the mentioned factors, the possible causes of each factor were breakdown was describing in the explanation as follows:

First is Organizational Performance, It has been acknowledged that the lack of welfare services and low wages are likely fundamental causes of poor organizational performance. When employees are not appropriately compensated or have inadequate access to social benefits, they may become demotivated and disengaged, resulting in a decline in productivity and performance. Due to poor salaries and the absence of welfare benefits, substantial worker turnover can disrupt the organization's operations and significantly diminish its performance. In addition, a low income and the absence of welfare benefits may hinder an organization's ability to attract and retain top people, which can have a detrimental effect on its overall performance. When morale is low and employee turnover is high, employees may be less motivated to provide high-quality service; thus, customer satisfaction may decrease. In addition, a demotivated and disengaged staff may be less likely to produce new ideas or take risks, impeding an organization's ability to innovate and remain competitive. There may be a multitude of causes for a company's low wages and lack of a welfare system. This scenario could be the result of tight budgets, limited competition, poor management practices, deteriorating employee relations, and legal or regulatory restrictions. It is necessary for companies to assess the potential impact of low salaries and the absence of social services on employee morale, retention, and overall performance, and to take corrective action if any issues are discovered.

Effective ways for tackling low pay and a lack of social services may include boosting salaries, adopting a more robust welfare system, enhancing communication with employees, and soliciting assistance from consultants and other professionals from outside the organization. By addressing these concerns, firms may increase staff morale and retention, boost customer happiness, and boost overall performance.

Followed by Organizational Culture, A weak organizational culture can have a substantial detrimental impact on the performance and success of an organization. There are many potential root reasons for a weak company culture, including a low incentive system, ineffective leadership, inadequate recognition, and inadequate organizational capacity to promote shared goals and employee engagement. A low reward structure may demotivate workers and reduce organizational engagement. When employees do not feel appreciated or recognized for their achievements, they may be less likely to go above and beyond or be fully devoted to the organization's goals. This can result in a reduction in performance and production. Ineffective leadership can also contribute to a harmful organizational culture. Ambiguity and mistrust can be fostered by leaders who are inadequate at defining direction, articulating expectations, and providing support. This might result in a breakdown in communication, diminished motivation, and decreased performance. Failure to recognize employees can also lead to a detrimental organizational culture. When employees do not feel appreciated or valued, they may become disengaged and less motivated to contribute to the success of the organization. This can result in a drop in morale and productivity. Negative business culture can also result from insufficient organizational capacity to promote shared objectives and staff dedication. Employees may be less motivated to work towards common goals if they lack a sense of belonging to a cohesive team or if their efforts are not connected with the organization's vision. This might result in a lack of teamwork and collaboration, impeding the organization's capacity to achieve its goals. To enhance performance and achieve success, businesses must address these core reasons for poor corporate culture. This may involve establishing a more robust reward system, boosting leadership approaches, increasing recognition for employee achievements, and enhancing the organization's ability to generate shared goals and employee engagement.

Implementing a clear goal and vision statement, developing open communication lines, fostering transparency and accountability, and encouraging staff development and progress can be effective techniques for enhancing company culture. By implementing these measures, businesses may foster a culture that boosts morale, motivation, and productivity.

Lastly, Job Characteristics. Poor job qualities can negatively affect employee well-being and organizational effectiveness. A high-pressure working environment, a poor ventilation system, an excessive workload, a lack of safety standards, a congested working environment, and a lack of safety procedures are all potential reasons for poor job characteristics. A high-pressure work atmosphere can contribute to increased employee stress and burnout. This can have a significant influence on employee health and well-being, as well as their capacity to properly perform their jobs. Inadequate ventilation can also contribute to undesirable job characteristics. Poor air quality can result in respiratory problems and other health issues, which can have a detrimental influence on staff productivity and well-being.

Additionally, excessive workload might be a root source of negative job qualities. When employees are overburdened with work, they may experience stress and burnout, resulting in a drop in performance. Inadequate safety rules and a crowded workplace might also contribute to undesirable job qualities. A cluttered and crowded workplace can result in accidents and injuries, which can have a negative influence on employee health and productivity. Lastly, a lack of safety policies might contribute to undesirable employment qualities. When employees do not feel supported or protected by their employer, they may be less motivated to carry out their responsibilities properly.

Improving employee well-being and organizational effectiveness requires addressing these core causes of undesirable job characteristics. This may involve taking measures to lessen workplace pressure, increasing air quality, managing workloads more effectively, enforcing safety standards, and establishing clear safety procedures.

5.3. Solution Development

5.3.1. Suggestion Strategy for Management

Based on the finding above, the solution needed for PT. Wasabi is closely related to Competitive Salary, Advancement opportunities, and Good safety protocol. The solution is given to PT. Wasabi to maintain an employee retention rate high and minimize employee turnover can be overcome by: Maximizing the role of payroll management in tackling the challenges of low wages and the absence of welfare programs is significant. By ensuring employees are paid accurately and on time, payroll management may boost morale and

decrease turnover. Moreover, implementing a more sophisticated payroll system with a broader range of welfare benefits, such as health insurance and retirement plans, can aid in enhancing the overall well-being of employees.

Consequently, there are numerous facets. For a plywood company to manage payroll effectively, the following steps must be taken to carry out payroll management. The first is, Determining the payroll schedule, Hence Collecting employee details, and Creating Account for the employee

Determine the payroll schedule: The frequency of payroll processing should be determined based on the size of the business, the number of employees, and its financial resources. There are options for weekly, bimonthly, and monthly pay periods. Collect employee details by collecting the full name, mailing address, social security number, and job title of each employee must be collected and maintained up-to-date. This information is necessary for payroll calculations and tax compliance. Hence, create accounts for payroll In the payroll system, each employee should be issued a payroll account. This account should contain the salary or hourly wage of the employee, as well as any tax or benefit deductions. Contributions by the company to perks like health insurance and retirement plans must also be accounted for.

The payroll system should be utilized to calculate each employee's compensation based on their salary or hourly rate and the number of hours worked. Additionally, tax and benefits deductions should be made. Payroll processing includes issuing paychecks or transferring funds directly to employee bank accounts, as well as completing any tax forms necessary by the government. All payroll processes, including employee pay and deductions, must be meticulously documented. This assures compliance with tax requirements and reduces the likelihood of errors. The accumulation of vacation and sick leave, as well as any other employee benefits, should be tracked.

In addition, a strategy to offer incentives for employees who meet production goals was devised. Implementation of the procedures conducted in the form of employee performance tracking and goal planning. Hence, the strategy suggested for management is as follows:

First, conducting a comprehensive review of the current manufacturing processes and personnel performance was the initial step in the implementation process. This was accomplished by gathering information on staff production, efficiency, and productivity. This

research offered a clear picture of the present levels of performance and indicated potential improvement areas.

Based on this analysis, personnel was given clear and measurable production goals to achieve. These objectives were connected with the organization's general objectives and were intended to be tough yet attainable. Key performance indicators (KPIs) such as productivity, efficiency, and output were used to establish the objectives. Then, incentives were seen as a means of encouraging staff to meet or surpass production goals. These incentives included monetary bonuses, promotions, and extra vacation time. These incentives were adjusted to the specific demands and preferences of each employee, as well as the production goals that were established.

The management must therefore put in place a system of rewards for performance that exceeds the predetermined targets. This system can be put into place regularly, such as quarterly, semester, or annually, but it should depend on how stable the organization's finances are. The following incentive plan has been proposed by researchers:

Each division had its own target, Starting with the Production department. The current average monthly production is at 1400m³ therefore it stated as the base target for production rate. The goal of the manufacturing crew is a 10% increase in monthly plywood output to 1540m³. A bonus of Rp200.000,00 will be given to each person in the team for achieving the goal, plus an extra Rp20.000,00 will be given for every 10m² of plywood created above the goal, in order to encourage them to make and surpass it. For every 10m² of plywood made below the goal, however, a fine of Rp 10,000 will be taken away. These rewards are meant to keep the production team responsible for their work while also encouraging them to meet their goals.

Manufacturing Team Incentive Plan:

1. Target: Boost production output by 10% each month to 1540m³
2. Bonus: Rp200.000,00 for meeting the goal, plus an extra Rp20.000,00 for every additional 10 m³ of board made.
3. Rp10.000,00 will be taken away for every 10m³ of plywood made below the goal as punishment.

The following target is given considering the goal of the company to increase the number of production and with the current weak market demand for local market, it is better to increase the target slowly yet with maintaining the quality product. In addition, the value of the incentive is given after considering the current company financial capabilities.

Followed with the Sales department, Based on the average revenue Rp 4,042,019,206. Therefore, Rp4.000.000.000,00 is set to be the minimum target of revenue. if an individual meets a sales turnover objective of 100%, they would receive 100% of their income. The employee will earn their base wage in addition to a bonus determined as a percentage of the surplus turnover divided by the entire number of employees if they surpass the objective and achieve a sales turnover of more than 100%. The formula is stated below

Sales turnover target 100% = Salary 100%

Sales turnover target >100% = Salary 100% + (turnover surplus x percentage of shares)
/ total workers

The owner and management of the company should decide how many shares an employee will get as a bonus. The target-share relationship, however, has been suggested by researchers as a guide for motivating employees: if the sales turnover is between 101% and 110%, the employee will receive a bonus equal to 2% of the surplus; if it is between 111% and 120%, the worker will receive a bonus equal to 3% of the surplus; and if it between 121% and 150% the worker will receive a bonus equal to 5%; Last, if it between 151% and 200% the worker will receive a bonus equal to 7% This advice's goal is to motivate employees to aim for better levels of productivity.

The subsequent stage was to build a performance tracking system that would allow the business to monitor personal progress toward the production goals. This system was created to offer consistent feedback on employee performance and indicate areas where more support or resources may be required.

The success of the incentives program was shown to be dependent on effective communication and regular feedback. This includes properly communicating the program to

staff, providing consistent performance feedback, and honoring employees who met or surpassed output goals. In addition, the company devised a method for employees to submit feedback and suggestions on how to enhance the incentives program.

The study concluded that it is essential to regularly analyze and modify the incentive scheme as necessary. This may involve gathering employee feedback, reviewing performance data, and modifying the program to ensure it remains effective and motivating for employees. Using simpler methods such as employee performance tracking and goal planning, the incentive program can be built to be both effective and sustainable over time, resulting in greater output and employee satisfaction. Lastly, it is essential to regularly assess and modify the rewards program as necessary.

In addition, Based on the opportunity loss calculated previously, it stated that the company could suffer a loss of up to IDR 176,655,323. / year due to the loss of productivity resulting from resigning an employee. Based on the calculation, the turnover rate is reaching 20% a year or up to 12 employees resigning in a year. Hence, apart from incentives for employees who meet production. To minimize the number of losses due to employee turnover, implementing additional bonuses in a form of a communal incentive system for workers could be one of the solutions to minimize retention.

According to the researchers' proposals, management can put into place the following communal incentive system:

1. Set a 5% or lower annual target for employee turnover.
2. The total amount saved on hiring expenses and the predicted opportunity cost will be used as incentives for current employees if the company succeeds in meeting this goal.

This approach tries to increase employee motivation and retention while lowering the expense of hiring new staff and limiting the potential cost of turnover. The management can concentrate on staff retention and fostering a positive work environment by defining a clear and attainable turnover objective. Additionally, giving existing workers incentives to stay with the company and contribute to its success would further persuade them to do so by utilizing the savings from reduced hiring expenses and opportunity costs.

Based on the results of prior research, a corporation looking to enhance organizational performance may find success in creating a collective incentive program that compensates workers for surpassing performance goals. A system like this can assist to boost employee morale, job satisfaction, motivation, and loyalty while lowering turnover rates and training and recruitment expenses. A collective incentive program's execution can also promote a climate of accountability, motivation, and teamwork, which motivates workers to consistently strive for excellence and reach or surpass performance goals. (Olufemi et al, 2015)

The corporate management should carefully assess the viability of introducing a community incentive system and consider including it in its overall retention and performance management plan to enjoy these benefits. Setting clear performance goals and deciding on the rewards that will be given for exceeding them, such as a share of the money saved through lower turnover or a pay raise, are two ways to do this. (Naseer, M.A 2017)

In conclusion, implementing a collective incentive system for performance that exceeds the target is a move that could help the business in several ways, such as enhancing organizational performance, lowering attrition rates, and boosting employee engagement and work satisfaction. The management should carefully analyze this solution and how it can affect the business.

5.3.2. Solution for Management

To properly implement the plan previously presented by the researcher, the researcher provides management with viable solutions to examine. The solutions involve the roles of the company's owner, management, and marketing staff. The company's owner is responsible for monitoring the company's overall direction and performance. The management is responsible for managing day-to-day operations and making decisions that affect the success of the firm. The marketing team is responsible for promoting and selling the company's products to the intended market. Each of these jobs is essential for executing the solutions and contributing to the company's growth and success.

5.3.3. Owner

Solution for the owner, The solutions provided to the business owner pertain to two essential factors namely, Increasing Revenue (turnover) and streamlining operations. For increasing revenue, researchers break it down into 2 suggestions namely, product distinction and market expansion. The explanation is as follows.

1. Regarding product differentiation, the owner is urged to concentrate on offering distinctive, high-quality products that are distinct from those given by competitors. This can be accomplished by continual product development and improvement, This could involve the creation of plywood with eco-friendly components and manufacturing procedures. This product could be promoted as a more environmentally friendly alternative to standard plywood products, appealing to consumers who place a premium on making environmentally responsible purchases. Additionally, the corporation might differentiate its product by providing a broader selection of sizes, thicknesses, and finishes, making it more adaptable and applicable to a broader range of applications. In addition, the company may differentiate its products through premium packaging and branding, emphasizing the superior characteristics and benefits of its eco-friendly plywood in comparison to those of its competitors.
2. Targeting new markets, the owner is advised to investigate untapped, high-potential markets and adapt their products and marketing tactics to appeal to these new clients. This can be achieved through targeted advertising, strategic alliances, and a solid internet presence. In addition, the owner must evaluate the cultural and economic characteristics of the new market and make the appropriate adaptations to maximize the probability of success. The concept of targeting new markets is compatible with the blue ocean approach. Instead of competing in existing markets, the blue ocean approach stresses the creation of new market sectors. By employing this method to target new markets, the company will be able to locate untapped market segments with great potential and generate new demand by offering novel products and services that match the specific needs and preferences of these clients.

To accomplish this, the organization might conduct in-depth market research to identify the unmet needs and preferences of the target market. By creating value for these

clients and providing a distinct value proposition, the company can separate itself from rivals and capture a substantial portion of the new market. Additionally, the organization can use customized marketing and distribution strategies to reach and engage with the target market, utilizing partnerships and establishing a robust online presence to boost visibility and reputation. By adopting a blue ocean strategy when targeting new markets, the company can achieve sustainable and profitable growth through the creation of new market spaces and the exploitation of new demand sources.

Hence for streamlining operations, researchers offer three recommendations for streamlining operations: improve employee and equipment efficiency, and management system deployment.

1. To improve employee and equipment efficiency, as the owner of a plywood firm, it is essential to implement techniques that increase the productivity of both personnel and machinery. The following steps can be of assistance:
 - a. Employee Training and Development: The owner of a business should invest in continual training and professional development programs to enhance employees' skills. These programs will assist staff in keeping abreast of the most recent industry trends and innovations, resulting in enhanced efficiency and productivity.
 - b. Machine Inspection: regular reviews of the company's equipment should be conducted to ensure optimal operation. The owner should consider upgrading equipment and implementing cutting-edge technology to increase productivity and efficiency.
 - c. Process Optimization: the organization should examine its manufacturing processes to find opportunities for enhancement. The implementation of lean manufacturing principles, the streamlining of processes, and the reduction of waste can boost efficiency and decrease downtime.
 - d. Employee Engagement: By fostering collaboration and open communication, encouraging staff input and suggestions, and giving opportunities for employee appreciation, the owner can build a good and engaging work environment.

- e. Performance Management: The business owner should implement a performance management system to track and assess employee performance and encourage continual development. This approach should provide regular feedback and foster the growth of an efficient and productive culture.

In conclusion, the use of these tactics can result in considerable gains in personnel and equipment productivity, thereby adding to the plywood company's long-term success. Monitoring and adjusting these efforts regularly can assist to sustain and expand these benefits over time.

- 2. Implement management system: Implementing an Enterprise Resource Planning (ERP) system is essential for the owner of a plywood company to streamline operations and increase efficiency. A comprehensive enterprise resource planning (ERP) system integrates and automates multiple organizational tasks, including finance, accounting, production, sales, and supply chain management. The owner of a plywood firm can successfully adopt an ERP system by implementing the following strategies:
 - a. Identify Objectives: The project owner should clearly define the project's objectives and aims. This may involve lowering expenses, increasing precision and productivity, and streamlining operations. This will help assure the success of the implementation by providing clear instructions for its execution.
 - b. Assemble a Project Team: The owner should assemble a cross-functional project team to oversee the ERP system's deployment. This team should consist of individuals from multiple departments, including finance, accounting, production, and supply chain management, as well as technical experts.
 - c. Undertake a Thorough Evaluation: The owner should conduct a thorough evaluation of the company's present procedures and systems to discover any gaps or improvement opportunities. This will help define the ERP system's unique requirements and guarantee that it is matched to the company's demands.
 - d. Choose the Right Vendor: The owner should conduct research and select an ERP vendor with a track record of successful plywood industry implementations. The

- provider must also have a scalable and sturdy solution that can grow with the business.
- e. **Plan for Change Management:** The owner should plan for change management and ensure that all staff are properly trained and understand the benefits of the ERP system. Additionally, the owner should design a communication strategy to keep staff informed and involved during the implementation process.
 - f. **Monitor Progress:** The owner of the ERP installation project should monitor its progress and make any required adjustments to ensure its success. Regular reviews and assessments of progress should be done, and the owner should be prepared to address any potential obstacles.

In conclusion, a successful ERP deployment involves meticulous planning, teamwork, and execution. By adhering to these guidelines, the proprietor of a plywood firm can improve its operations and attain its objectives, resulting in long-term success.

5.3.4. Management

The solutions presented to management are primarily intended to assist the owner in implementing the prior solutions. The management's solutions fall into three categories: First, improve the quality of production. Second, evaluate the employees. Third, innovate in response to market requirements:

1. To improve production quality, the management team could implement several strategies:
 - a. Implementing a quality management system, such as ISO 9001, may ensure that production processes are standardized and match the needs of consumers and other stakeholders. The management team should ensure that the system is incorporated into all elements of the manufacturing process and is routinely reviewed and modified to ensure its continued effectiveness.
 - b. **Continuous Improvement:** The management team should foster a culture of continuous improvement by recognizing improvement opportunities and implementing activities to solve them. This can be accomplished through periodic

- performance evaluations, employee feedback, and the application of qualitative methods such as Six Sigma and Lean.
- c. **Training and Development of Employees:** Providing training and development opportunities for employees can help to equip them with the skills and knowledge required to produce high-quality products. The management team should guarantee that training is centered on continuous learning and professional growth, and is regularly reviewed and modified to reflect production process changes.
 - d. **Process Optimization:** The management team should analyze the production process to find areas for enhancement and undertake initiatives to streamline operations, minimize waste, and raise productivity. Utilizing technologies such as automation and data analytics can also be advantageous for process optimization.
 - e. **Regular maintenance and updates of equipment** can help to ensure that it is operating at peak efficiency and generating high-quality goods. The management team should establish a maintenance program that prioritizes equipment upkeep and utilizes technology developments to increase productivity.

The goal of these strategies is to foster a culture of quality and continual improvement that can contribute to the long-term success of an organization. Monitoring and adjusting these efforts regularly can assure their continual progress over time.

- 2. To evaluate the employee, the following are ways to assist the proprietor of a plywood firm in analyzing employee performance:
 - a. **Develop a Complete Performance Management System:** A comprehensive performance management system should be designed to evaluate employee performance and provide consistent feedback. This system should have explicit performance expectations and measurements, as well as a method for performing regular performance evaluations.
 - b. **Establish Performance Objectives:** Each employee's performance objectives should be connected with the company's overarching objectives. These objectives should be

- explicit, measurable, and attainable, and they should be reviewed frequently to assure their continued relevance and significance.
- c. Encourage Employee Involvement: Throughout the performance management process, employee participation should be encouraged. This may involve providing regular performance evaluations, allowing staff to submit input and improvement suggestions, and fostering open communication.
 - d. Encourage Employees to Strive for Excellence in Their Job and Consistently Enhance Their Skills and Knowledge The management team should encourage employees to strive for excellence in their work and continuously improve their skills and knowledge. To complement this effort, regular training and professional development opportunities should be made available.
 - e. Implement a Program of Recognition and Prizes: A program of recognition and rewards can help to encourage staff and reinforce positive performance. This program should be related to performance goals and acknowledge employees who meet or exceed expectations consistently.

By applying these measures, the management team may assist the owner in assessing employee performance and establishing a culture of continual improvement. Regular monitoring and modification of these initiatives can guarantee the company's continued competitiveness and ability to attract and retain top employees.

- 3. Innovate according to market demands, To assist the company's owner in fostering innovation in response to market demands, the management team can apply the following strategies:
 - a. Market Analysis and Research: The management team should perform frequent market analysis and research to be abreast of industry trends and changing client wants. This information can be utilized to identify the potential for innovation and direct product development efforts.
 - b. Customer Feedback: Encouraging customers to submit feedback and suggestions for improvement can provide significant insights into what they are searching for in a

- product. This data can be used to direct innovation efforts and guarantee that new goods match client needs.
- c. Cooperation and Idea Creation: Encouraging collaboration and idea generation among staff can help to develop a culture of innovation. The management team should establish opportunities for employees to discuss their ideas and cooperate on new product development activities.
 - d. Resource Allocation: The management team should distribute resources, including funding and people, to support innovation projects. This may include devoting an entire staff to research and development or providing funding for employees to participate in training and professional development programs.
 - e. Monitoring and Assessment: Regular monitoring and evaluation of innovation initiatives should be done to verify that they are aligned with market demands and contribute to the success of the organization. Feedback should be shared with employees and used to guide future initiatives.

In conclusion, a mix of market analysis and research, customer input, collaboration and idea generation, resource allocation, and monitoring and evaluation can support the owner in driving innovation and responding successfully to market demands.

5.3.5. Marketing

The solutions proposed for marketing are primarily designed to increase sales. with the intent to seal to increase the company's revenue. The marketing solutions are classified into two groups: First, pursue market expansion. Second, investigate market and client requirements.

1. The marketing team can take the following actions to aid the owner and management team in their pursuit of market expansion:

- a. **Market Research:** The marketing team should do in-depth market research to find new target markets and comprehend the needs, tastes, and purchasing patterns of potential clients. This will allow the team to successfully target and engage these new customers with their marketing efforts.
- b. **Competitor Analysis:** The marketing team should also analyze the competition in the target market to determine its strengths, weaknesses, and prospects. This data can then be used to establish a competitive advantage and market position for the company's products and services.
- c. **Product Positioning:** The marketing team should collaborate with the owner and management to position the products and services of the organization in the target market. This requires developing a compelling value proposition, separating the company from its competitors, and fostering brand awareness and loyalty.
- d. **Marketing Mix:** The marketing team should create an effective marketing mix that incorporates the appropriate product, pricing, place, and promotion techniques. This combination should be adjusted to the target market, taking cultural, economic, and geographical variables into account.
- e. **Channel Development:** To reach clients in the target market, the marketing team should identify and establish the optimal distribution channels. This could entail forging alliances with local businesses, establishing an internet presence, and investing in targeted advertising.

In conclusion, the marketing team can play an essential role in assisting the owner and management team in their pursuit of market expansion. The marketing team may help ensure the success of this endeavor by performing market research, analyzing the competition, positioning the company's products, building an efficient marketing mix, and determining the appropriate distribution channels.

2. The marketing team can apply the following tactics to assist the owner and management team in determining market and consumer needs:

- a. Market Research: Conduct exhaustive market research to collect information about target clients, market trends, and rivals. This can be accomplished through surveys, focus groups, and analysis of competitors.
- b. Analyze the behavior and preferences of customers, including their purchase habits, pain areas, and motivations. This data can be utilized to better personalize products and marketing tactics to customers' preferences.
- c. Focus on Customer Engagement: Encourage two-way communication and customer feedback to foster a customer-centric strategy. This can be accomplished through a variety of channels, including social media, email, and customer service.
- d. Use data and analytics to guide decision-making and monitor progress. Monitoring and analyzing consumer and market data regularly can assist the marketing team in anticipating market trends and client preferences.
- e. Collaboration with the Sales and Product Teams: Promote close collaboration between the marketing, sales, and product teams to ensure that customer feedback is successfully incorporated into product design and sales tactics.

By employing these techniques, the marketing team may provide the owner and management team with useful information and support in their quest for market expansion and investigation of client demands.

CHAPTER VI

CONCLUSION

6.1. Conclusion

Based on the problem described in section 1.2, the objective of this study is to identify factors affecting Employee retention and determine a given solution for the identified problem.

Based on the research conducted in PT. Wasabi with the object of the study to identify factors that affect employee retention can be concluded that:

1. Based on the calculation of the Analytical Hierarchy Process, factors that critically affect employee retention based on Herzberg's theory of motivation are: from Motivators there is Achievement in the first place, in the second position is Advancement and last is Recognition. Hence, from Hygiene factors, Salary has the biggest impact on employee retention.
2. Proposed solutions that can be carried out according to the facts in the field are implementing a Payroll management system to ensure employees are paid more accurately and on time, Adding a Target Bonus incentive system, and Communal Incentive bonuses.

6.2. Recommendation

Based on the research, the following are recommendations given by researchers for the problem. Researchers aim to conduct a further study by gathering large amounts of data on workers to find a better understanding of the issue of employee retention factors. Hence, further study needed to be conducted to determine the number of bonuses given to employees to develop a bonus commission scheme thoroughly.

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