

Unraveling the Employability Paradox: The Impact of Compensation and Training on Turnover Intention in the Airline Catering Industry

Rina Syafitri¹, Nidya Dudija²

^{1,2}Telkom University, Bandung, Indonesia, Indonesia.

rinasyafitri@student.telkomuniversity.ac.id *✉

ARTICLE INFO

ABSTRACT

Keywords:
Compensation;
Employability
Paradox; Employee
Engagement;
Training
Turnover Intention;

Background: Retaining skilled employees in the high-pressure airline catering sector remains a critical organizational challenge, particularly in labor-intensive environments characterized by operational demands, strict service standards, and limited career mobility.

Method: This study employed a quantitative cross-sectional research design. Primary data were collected through systematic random sampling involving 175 permanent employees from various hierarchical levels at an Indonesian airline catering company. Data were analyzed using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS) to examine the direct and indirect relationships among compensation, training, employee engagement, and turnover intention.

Results: The findings demonstrate that fair compensation significantly reduces turnover intention while simultaneously enhancing employee engagement across organizational departments. In contrast, training programs positively influence employee engagement but fail to significantly suppress turnover intention. The results further reveal an employability paradox, where extensive training investments increase employees' external marketability when not accompanied by clear internal career advancement opportunities.

Conclusion: The study concludes that for mature employees operating across multiple organizational layers, retention is driven more strongly by direct economic exchange mechanisms than by affective emotional attachment. Compensation remains the most effective retention instrument, whereas training initiatives without structured career pathways may unintentionally encourage employee mobility toward external opportunities. These findings highlight the importance of aligning organizational development programs with long-term internal career strategies to strengthen workforce retention in the airline catering industry.

Received: 4/20/2026

Revised: 5/25/2026

Accepted: 5/30/2026

How to cite this article:

Syafitri, R., Dudija, N. (2026). Unraveling the Employability Paradox: The Impact of Compensation and Training on Turnover Intention in the Airline Catering Industry. *Sharia Economic and Management Business Journal (SEMBJ)*, 7(2), 150-157. <https://doi.org/10.62159/sembj.v7i2.2212>

INTRODUCTION

Retaining skilled employees has become a critical strategic challenge in the contemporary service sector, especially within the high-stakes environment of aviation catering. Employees in this industry face intense operational demands and strict zero-tolerance aviation food safety regulations. When experienced personnel resign deliberately, it immediately threatens daily efficiency and compromises overall flight service quality. To mitigate this retention crisis, organizations typically invest significant financial resources into human resource management (HRM) practices, such as competitive compensation packages and capacity-building training, with the expectation that these initiatives will foster engagement and secure long-term loyalty (Wilopo & Wahyuningtyas, 2024).

In theory, this dynamic is grounded in Social Exchange Theory (SET) and the Job Demands-Resources (JD-R) model. SET posits that employees reciprocate organizational support—such as fair pay—with heightened emotional dedication (Blau, 1964; Sadilla & Wahyuningtyas, 2023). Concurrently, the JD-R framework suggests that adequate training acts as a vital job resource, helping workers cope with extreme operational demands. While previous studies consistently link robust HRM practices to lower turnover intentions (Jevtić & Gašić, 2025), they often rely on the premise that employee engagement serves as the ultimate psychological mediator ensuring retention (Berber & Gašić, 2024). However, this classic framework frequently overlooks demographic realities. For a cross-functional workforce heavily dominated by older, mature employees, the decision to stay might rely more on the reality of domestic economic obligations than on emotional enthusiasm.

Earlier studies have evaluated similar HRM variables, but our study takes a different path to challenge the long-held belief that higher engagement automatically translates to higher retention. This research has interesting novelties to study, which are, first, the exploration of retention dynamics within the highly specific and labor-intensive aviation catering ecosystem where the workforce is predominantly mature (over the age of 40); second, the integration of stricter boundary concepts, namely the "Employability Paradox" (Boon et al., 2011) and "Job Embeddedness" (Mitchell et al., 2001), to contrast the popular assumption that HR investments automatically buy affective loyalty; and third, the empirical demonstration that high-value capacity building inadvertently increases external marketability rather than internal retention, ultimately causing employee engagement to fail as a psychological mediator.

Hypotheses Development

1. Compensation and Turnover Intention

Compensation serves as a crucial job resource under the Job Demands-Resources model and a tangible organizational inducement within the Social Exchange Theory framework. Previous research indicates that equitable financial rewards significantly alleviate employees' domestic economic anxieties, thereby suppressing their urge to leave the organization. Recent empirical studies consistently confirm that competitive compensation systems exert a strong negative effect on turnover intention, particularly in labor-intensive service sectors (Aman-Ullah et al., 2022; Jevtić & Gašić, 2025; Periyadi et al., 2025). This study argues that when the financial compensation provided to aviation catering employees is highly competitive and fair, their intention to seek alternative employment will naturally decrease. Thus, the proposed hypothesis is as follows:

H1: Compensation has a negative and significant effect on turnover intention.

2. Training and Development and Turnover Intention

Continuous organizational investment in capacity-building is conventionally believed to foster high institutional commitment. Training programs minimize work-related frustration and role ambiguity by equipping employees with the necessary skills to perform complex operational duties efficiently. Previous studies evaluating similar dynamics have found that adequate training and developmental initiatives effectively lower employees' desire to quit the company by fulfilling their need for competence and career security (Fulmore et al., 2023; Kanchana & Jayathilaka, 2023). This study argues that the better the training and development opportunities implemented by management, the lower the turnover intention will be among the operational workforces. Thus, the proposed hypothesis is as follows:

H2: Training and development have a negative and significant effect on turnover intention.

HR Practices and Employee Engagement

Based on the reciprocity norm of Social Exchange Theory, when employees perceive robust organizational support through fair pay and career development, they feel an implicit obligation to repay the organization. Fair compensation liberates employees' cognitive space from financial stress, allowing them to immerse themselves fully in their tasks, while high-value training acts as a massive catalyst for psychological stimulation. Recent academic literature has found that both compensation and capacity-building investments significantly boost an employee's daily vigor, dedication, and work absorption (Fulmore et al., 2023; Sadilla & Wahyuningtyas, 2023). This study argues that excellent compensation and comprehensive training programs will directly foster a highly engaged workforce. Thus, the proposed hypotheses are as follows:

H3: Compensation has a positive and significant effect on employee engagement.

H4: Training and development have a positive and significant effect on employee engagement.

3. The Mediating Role of Employee Engagement

In contemporary organizational behavior literature, employee engagement is consistently positioned as the ultimate psychological shield against voluntary resignation. Highly engaged individuals naturally develop a robust sense of institutional belonging that dampens frustration and neutralizes the intention to leave, even under extreme workload pressure (Desiana et al., 2024; Wilopo & Wahyuningtyas, 2024). Consequently, engagement is theoretically positioned as an essential mediating variable. The positive impacts of financial and developmental human resource investments must first be emotionally processed into high engagement before they translate into long-term retention (Berber & Gašić, 2024). This study argues that the higher the employee engagement generated by compensation and training, the stronger its capacity to reduce the urge to quit. Thus, the proposed hypotheses are as follows:

H5: Employee engagement has a negative and significant effect on turnover intention.

H6: Employee engagement negatively mediates the relationship between compensation and turnover intention.

H7: Employee engagement negatively mediates the relationship between training and development and turnover intention.

METHOD

This research employed a quantitative, cross-sectional survey approach conducted within PT XYZ, a prominent Indonesian aviation catering provider. The target population encompassed 685 permanent staff members with a minimum tenure of one year, distributed across various regional hubs including Cengkareng, Denpasar, and Surabaya. To ensure proportional and unbiased representation without periodic patterns, participants were selected utilizing a systematic random sampling technique. Based on a 5% margin of error using the Slovin formula, structural data from 175 valid respondents were successfully retrieved and analyzed under strict confidentiality protocols. This final sample size comfortably exceeds the statistical power thresholds required for structural equation modeling to securely detect medium-to-large effect sizes.

Data collection relied on a structured, anonymous online questionnaire to mitigate social desirability bias, prompting honest responses regarding sensitive topics such as resignation. The exogenous constructs, encompassing financial compensation and capacity-building training, alongside the mediating variable of employee engagement (assessed via the Utrecht Work Engagement Scale), and the endogenous variable, turnover intention, were measured using established 5-point Likert scales (ranging from 1 = Strongly Disagree to 5 = Strongly Agree). Methodologically, SmartPLS 4 was used to assess measurement integrity (outer model) and evaluate structural mediation pathways (inner model). This variance-based analytical technique was deliberately selected for its superior ability to handle complex multiple-mediation pathways and its robustness to non-normally distributed behavioral data.

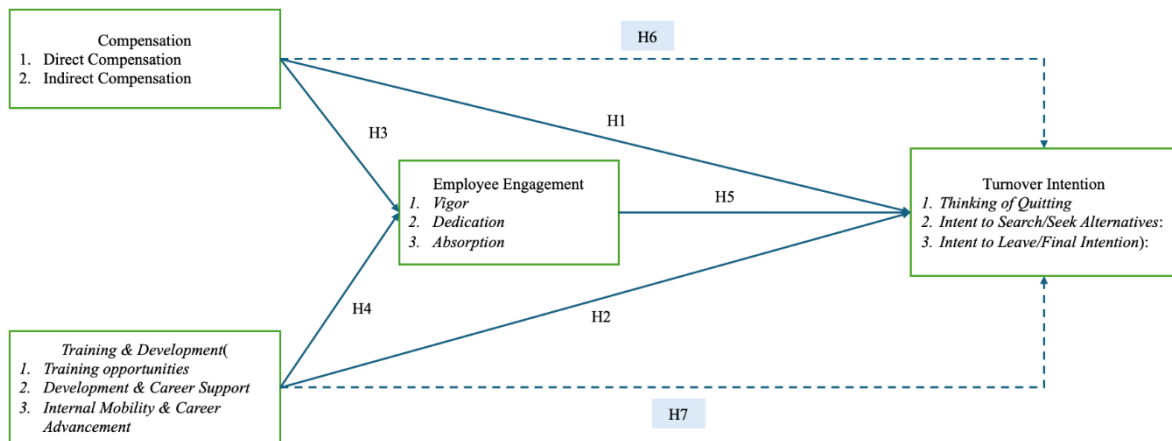


Figure 1. Empirical Research Method

RESULTS AND DISCUSSION

Before examining the measurement and structural models, it is crucial to outline the demographic profile of the 175 valid respondents, as this contextualizes the entire empirical findings. The workforce is predominantly male (69.71%), reflecting the rigorous physical and operational demands of the 24-hour aviation catering ecosystem. More importantly, the demographic is heavily concentrated in a mature age bracket, with 58.29% of employees over 40 and 81.71% with organizational tenure of more than 5 years. This senior demographic profile establishes a robust foundation of job embeddedness, indicating that the respondents are deeply rooted in their daily economic routines and domestic responsibilities, which significantly dictates their retention behavior.

The empirical data evaluation was systematically conducted in two primary phases using Partial Least Squares Structural Equation Modeling (PLS-SEM): assessing measurement integrity (the outer model) and evaluating the structural pathways (the inner model). Initial outer-model assessments confirmed robust convergent validity, discriminant validity, and internal consistency reliability across the constructs.

Table 1. Measurement Model – Results

Variable	Indicator	SLF	Cronbach's Alpha	CR	AVE
Compensation	Kom-1	0.864	0.941	0.944	0.683
	Kom-2	0.864			
	Kom-3	0.772			
	Kom-4	0.902			
	Kom-5	0.875			
	Kom-6	0.873			
	Kom-7	0.745			
	Kom-9	0.794			
	Kom-10	0.727			
Training & Development	Latih-1	0.845	0.962	0.962	0.768
	Latih-2	0.926			
	Latih-3	0.845			
	Latih-4	0.885			
	Latih-5	0.897			
	Latih-6	0.904			
	Latih-7	0.887			
	Latih-8	0.831			
	Latih-9	0.863			
Employee Engagement (EE)	EE-1	0.890	0.974	0.976	0.827
	EE-2	0.936			
	EE-3	0.904			
	EE-4	0.929			

	EE-5	0.942			
	EE-6	0.944			
	EE-7	0.803			
	EE-8	0.912			
	EE-9	0.914			
Turnover Intention (TI)	TI-1	0.913	0.962	0.972	0.867
	TI-2	0.910			
	TI-3	0.958			
	TI-4	0.946			
	TI-5	0.926			

Source: Data Processed (2026)

Table 2. Heterotrait-Monotrait Ratio (HTMT) criterion—Results

Variable	Compensation	Training and Development	Employee Engagement	Turnover Intention
Compensation		0.627	0.551	0.250
Training and Development			0.783	0.077
Employee Engagement				0.073
Turnover Intention				

Source: Data Processed (2026)

Notably, to preserve the structural purity of the financial compensation variable, two normative indicators (Kom-8 and Kom-11) were deliberately eliminated as their outer loadings fell below the stringent 0.70 threshold. Transitioning to the inner model evaluation, the analysis revealed no pathological multicollinearity, with all Variance Inflation Factor (VIF) scores securely positioned below the recommended 3.3 limit. Prior to executing the path analysis, the structural model's predictive accuracy and relevance were rigorously established. The coefficient of determination (R^2) analysis revealed that the combination of compensation and training programs accounts for 58.9% of the variance in employee engagement ($R^2 = 0.589$), indicating moderate to robust explanatory power. Interestingly, the model explains only 8.0% of the total variance in turnover intention ($= 0.080$). This low variance explicitly signals that the ultimate decision to resign among mature operational staff is predominantly dictated by external demographic or economic realities outside the investigated human resource practices. Furthermore, the blindfolding procedure yielded predictive relevance (ρ) values of 0.575 for employee engagement and 0.043 for turnover intention. Since both values are securely greater than zero, the structural model is confirmed to possess valid predictive relevance. Following the measurement validation, the structural hypothesis testing was conducted via a bootstrapping procedure utilizing 5,000 subsamples.

Table 2. Research Hypothesis Test

Hypothesis		Path Coefficient	t-statistic	p-value	Result
Compensation → TI	H1	-0.353	3.387	0.000	Support
Training & Development → TI	H2	0.139	1.057	0.145	Unsupport
Compensation → EE	H3	0.126	1.672	0.047	Support
Training & Development → EE	H4	0.685	9.400	0.000	Support
Employee Engagement → TI	H5	0.048	0.406	0.342	Unsupport
Compensation → EE → TI	H6	0.006	0.323	0.373	Unsupport
Training & Development → EE → TI	H7	0.033	0.405	0.343	Unsupport

Source: Data Processed (2026)

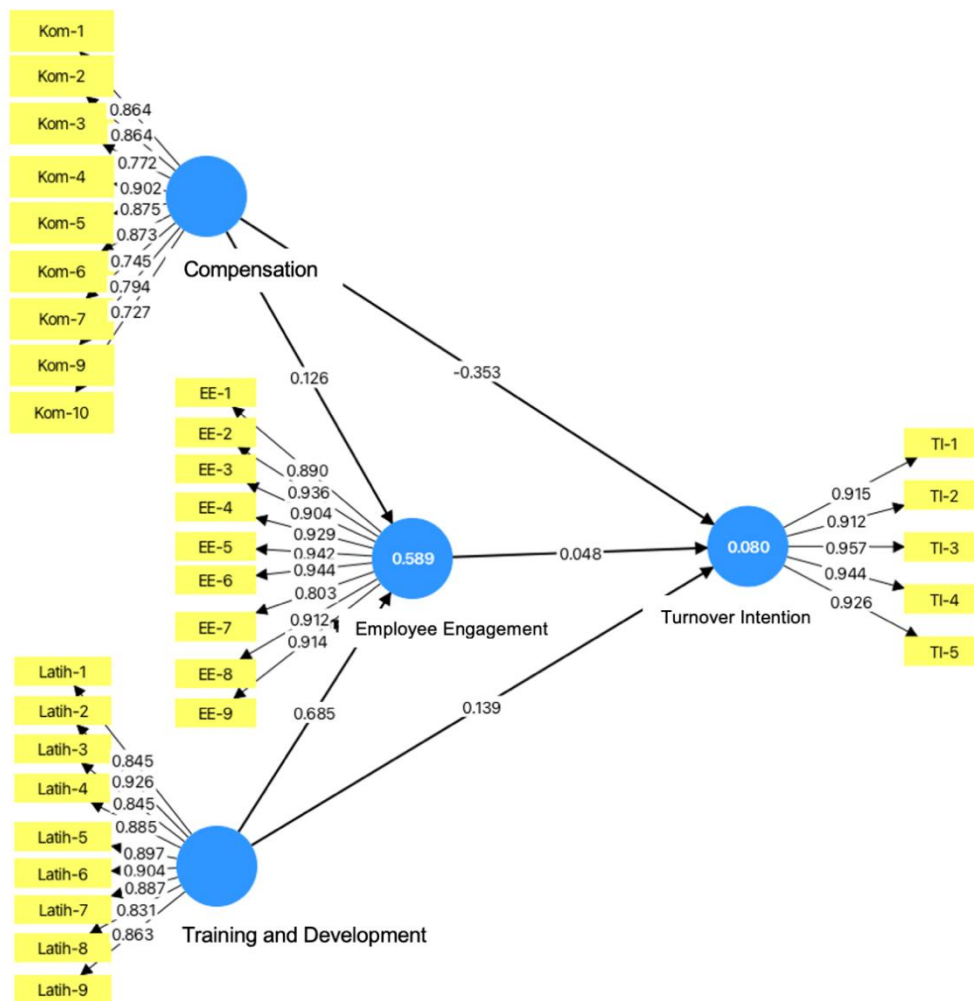


Figure 2. The Results of Full Model Analysis

The empirical outcomes presented a mix of expected confirmations and profound theoretical anomalies. Regarding the direct effects of organizational inducements, Hypothesis 1 was strongly supported. It is demonstrated that equitable compensation practically functions as a retention 'seatbelt', effectively suppressing employees' urge to voluntarily resign. Furthermore, Hypothesis 3 was also confirmed, indicating that fair financial rewards significantly foster employee engagement. Under the Job Demands-Resources framework, adequate compensation acts as a vital extrinsic resource that alleviates domestic economic anxieties. When workers are no longer preoccupied with financial stress, they have greater cognitive and emotional capacity to fully immerse themselves in their operational duties.

Similarly, Hypothesis 4 was supported, demonstrating that capacity-building investments serve as a powerful catalyst for elevating daily employee engagement. However, a striking anomaly emerged regarding the direct impact of these training programs on retention. The structural evaluation rejected Hypothesis 2, revealing that the provision of premium training and development completely failed to diminish turnover intention.

This specific failure was further compounded by the rejection of the mediation pathways. The structural evaluation firmly rejected Hypotheses 5, 6, and 7. The data explicitly revealed that exhibiting high levels of daily work engagement did absolutely nothing to diminish an employee's intention to leave the organization. Consequently, employee engagement entirely collapsed as a psychological mediator in this specific demographic context.

The rejection of Hypothesis 2 alongside the collapse of these mediation pathways empirically highlights the manifestation of the "Employability Paradox" (Boon et al., 2011). Within a labor-intensive ecosystem heavily populated by mature, senior operational staff, channeling substantial financial

resources into premium capacity-building programs creates a double-edged sword. While such training successfully stimulates daily vigor and operational dedication (as shown in Hypothesis 4), it also enhances employees' skill sets, making them highly attractive to the external labor market. The fundamental flaw observed at PT XYZ was the lack of strategic follow-through; the organization awarded premium certifications but failed to align these investments with internal career advancement or post-certification financial adjustments. Ironically, the newly certified and highly engaged workers felt adequately equipped to pursue superior opportunities outside the institution. For this mature demographic, loyalty is not dictated by affective emotional attachment, but rather by the transactional and economic realities embedded in the "Job Embeddedness" framework (Mitchell et al., 2001).

CONCLUSION

Securing a reliable workforce in intensely demanding industries takes a lot more than just engineering a happy workplace. Based on our findings, we conclude that fair monetary rewards genuinely work as a solid barrier against resignation while simultaneously sparking work engagement. However, injecting funds into employee skill development creates a very tricky employability paradox. Giving staff access to elite training definitely makes them more energetic on a daily basis. The catch is that without matching those new skills to internal career promotions, the company accidentally prepares its own people to hunt for better jobs elsewhere. Because of this, turnover intentions remain high, and employee engagement completely loses its power to mediate retention. On a practical level, these insights should act as a serious warning for corporate leaders. It is time for management to stop believing that emotional engagement initiatives alone are enough to keep mature employees loyal. Any expensive training programs rolled out by the organization have to be tied directly to obvious internal career paths and matching salary bumps. If a business pays for top-tier certifications but leaves its workers stagnant in their current roles, it is basically paying the training expenses for rival companies.

Even though we applied strict methodological controls, a few limitations exist in this study. Relying on a cross-sectional framework means we cannot observe how engagement levels rise or fall over extended periods, especially several months after a major training session wraps up. Also, since we pulled all empirical data from one specific aviation catering provider (PT XYZ), researchers should be careful before applying these exact dynamics to entirely different service fields. Looking ahead, future studies should definitely build on this retention model by adding demographic moderators. Testing generational differences—like comparing Gen Z to Gen X—would help clarify if the old "engagement equals retention" rule only applies to younger crowds. Finally, using a longitudinal setup or exploring other mental bridges, such as satisfaction with career growth, will give the academic world a much clearer picture of how the employability paradox functions across varying industries.

REFERENCES

- Aman-Ullah, A., Aziz, A., Ibrahim, H., Mehmood, W., & Aman-Ullah, A. (2022). The role of compensation in shaping employee's behaviour: a mediation study through job satisfaction during the Covid-19 pandemic. *Revista de Gestão*, 30(2), 221–236. <https://doi.org/10.1108/REGE-04-2021-0068>
- Berber, N., & Gašić, D. (2024). The mediating role of employee commitment in the relationship between compensation system and turnover intentions. *Employee Relations*, 46(4), 721–755. <https://doi.org/10.1108/ER-05-2023-0270>
- Blau, P. M. (1964). *Exchange and Power in Social Life*. Wiley.
- Boon, C., Den Hartog, D. N., Boselie, P., & Paauwe, J. (2011). The relationship between perceptions of HR practices and employee outcomes: examining the role of person–organisation and person–job fit. *The International Journal of Human Resource Management*, 22(1), 138–162. <https://doi.org/10.1080/09585192.2011.538978>
- Desiana, P. M., Andrias, M. S., & Ahyinaa, G. S. (2024). The mediating effect of employee engagement and well-being on turnover intention in Indonesia. *Problems and Perspectives in Management*, 22(2), 477. [https://doi.org/10.21511/ppm.22\(2\).2024.37](https://doi.org/10.21511/ppm.22(2).2024.37)
- Fulmore, J. A., Fulmore, A. L., Mull, M., & Cooper, J. N. (2023). Reducing employee turnover intentions in the service sector: The connection between human resource development practices and

- employee engagement. *Human Resource Development Quarterly*, 34(2), 127–153. <https://doi.org/https://doi.org/10.1002/hrdq.21471>
- Jevtić, T., & Gašić, D. (2025). The effects of the compensation system on job satisfaction and turnover intention of employees in the Republic of Serbia. *Strategic Management*, 30(00), 64. <https://doi.org/10.5937/straman2300063j>
- Kanchana, L., & Jayathilaka, R. (2023). Factors impacting employee turnover intentions among professionals in Sri Lankan startups. *PLOS ONE*, 18(2), e0281729. <https://doi.org/10.1371/journal.pone.0281729>
- Mitchell, T. R., Holtom, B. C., Lee, T. W., Sablinski, C. J., & Erez, M. (2001). Why people stay: Using job embeddedness to predict voluntary turnover. *Academy of Management Journal*, 44(6), 1102–1121.
- Periyadi, Indiyati, D., & Sary, F. P. (2025). The Impact of Compensation and Motivation on Turnover Intention of Employees Providing Labor Services in Mining Business License Areas, Mimika Regency, Papua Province. *Journal of Business and Management Studies*, 6(3 SE-Research Article), 85–93. <https://doi.org/10.32996/jbms.2024.6.3.9>
- Sadilla, V., & Wahyuningtyas, R. (2023). The effect of reward and recognition on employee engagement (Case study at PT. X Part Directorate H). *International Journal of Engineering Technologies and Management Research*, 10(8), 19–32.
- Wilopo, S. D., & Wahyuningtyas, R. (2024). The Influence of Workload and Job Satisfaction on Turnover Intention of Lintasarta Central Sumatra Area Employees. *International Journal of Social Science and Human Research*, 7(09).