



The Impact of Employee Job Satisfaction on Dynamic Capability: The Mediating Role of Turnover Intention

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Abstract

This study aims to analyze three concepts, employee job satisfaction, dynamic capability, and turnover intention, without separating these three concepts by analyzing the effect of employee job satisfaction on dynamic capability and turnover intention as mediation. This research is correlative quantitative research with a cross-sectional approach for employees in Indonesia and uses SEM-PLS to analyze the data. The study results show that employee satisfaction has a negative and significant effect on turnover intention, and turnover intention has a negative and significant effect on dynamic capability; including the mediation variable in this study shows that turnover intention could mediate between employee satisfaction and dynamic capabilities. From the result, this research could be a starting point for developing flexible work program strategies and measures, as well as the implications in the changing business environment, especially in the digital era or situations that cause rapid changes quickly, like urgent situations or even uncertainty and contribute to further research discussing these three concepts.

Dampak Kepuasan Kerja Karyawan terhadap Kemampuan Dinamis: Peran Mediasi Turnover Intention

Abstrak

Penelitian ini bertujuan untuk menganalisis tiga konsep yaitu kepuasan kerja karyawan, kapabilitas dinamis dan turnover intention tanpa memisahkan ketiga konsep tersebut dengan menganalisis pengaruh kepuasan kerja karyawan terhadap kapabilitas dinamis dan niat berpindah sebagai mediasi. Jenis penelitian ini merupakan penelitian kuantitatif korelatif dengan pendekatan cross-sectional dan menggunakan SEM-PLS untuk menganalisis data. Hasil penelitian adalah kepuasan karyawan berpengaruh negatif dan signifikan terhadap turnover intention dan turnover intention berpengaruh negatif dan signifikan terhadap kapabilitas dinamis termasuk variabel mediasi dalam penelitian ini menunjukkan bahwa turnover intention dapat memediasi antara kepuasan karyawan dan kapabilitas dinamis. Dari hasil penelitian, penelitian ini dapat menjadi titik awal penyusunan strategi dan langkah program kerja yang fleksibel, serta implikasinya terhadap perubahan lingkungan bisnis, khususnya di era digital atau situasi yang menyebabkan perubahan cepat, seperti situasi mendesak atau bahkan ketidakpastian dan berkontribusi pada penelitian lebih lanjut yang membahas ketiga konsep ini.

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INTRODUCTION

The relationship between employee job satisfaction and turnover intention has been investigated by many theoretical and empirical studies (Knapp, 2017; Lee, 2017; Kurniawaty, 2019; DiPietro, 2020; Romeo et al., 2020; Quek, 2021; Berber et al., 2022). In addition, no research addresses the dynamic capabilities of employee job satisfaction and turnover intention (Berber et al., 2020). The dynamic capability framework has been applied to different types of service companies, and it is suggested that future research could identify new kinds of companies, such as lodging companies, that could use this concept (Eşitti & Kasap, 2020). This study predicts that employee job satisfaction is related to the company's dynamic capabilities. This research also includes turnover intention as a mediating role between employee job satisfaction and firm dynamic capability. Firm dynamic capability refers to a firm's ability to adapt quickly and organizationally to shifting market conditions (Liu et al., 2021).

Some researchers argue that resource-based theories need to fully explain firms gaining competitive advantage in a rapidly changing business environment, and they have emphasized the role and importance of dynamic capabilities. This is due to the rapid development of science and technology and the increasingly fierce market competition in recent years (Winter, 2003). For a company to maintain a competitive advantage in an ever-changing environment, its skills must be dynamic (Ren et al., 2021). It is crucial to undergo continuous capability enhancement to guarantee that the company's strategy and the external environment are aligned (Li & Liu, 2014; Teece & Leih, 2016).

According to many studies, dynamic talent is an enduring source of competi-

ve advantage (Eisenhart & Martin, 2000). According to Teece et al. (1997), dynamic capabilities are a firm's ability to integrate, develop, and reconfigure internal and external competencies to react quickly to changing business environment conditions. This capability enables the firm to remain competitive. Teece (2007) suggests a dynamic capability framework called sensing-seizing-reconfiguring. This capability focuses on perceiving and capitalizing on opportunities, controlling threats and reconfiguring themselves.

A high employee turnover rate is one of companies' most challenging difficulties. It will likely result in various economic, psychological, and organizational implications (József et al., 2021), including a loss of HR and institutional expertise (Verma & Kesari, 2020). In recent years, research has been conducted into the issue of employee turnover intentions as a result of the increasing difficulty for many countries and companies to recruit and retain adequate numbers of workers (Verma & Kesari, 2020; József et al., 2021; Sandhya & Sulphrey, 2021). The most important tasks managers must perform in human resource management (HRM) are attracting, competent, and striving to retain talented employees.

Many challenging factors impact the business environment and the labor market. However, the most significant of these factors are as follows the presence of new generations of employees (generations Y and Z) in the labor market, who have different perspectives and ideas about work, career, and authority, contemporary political, social, and economic challenges, the COVID-19 pandemic, and rapid technological developments.

In such a situation, different businesses must fight hard to maintain their competitive advantage. In addition, an organization's ability to attract and retain

employees depends on several organizational factors, such as managerial style, corporate culture, HR practices (such as staffing, compensation, training, career development, etc.), employee job satisfaction stress, and conflict management. The work environment of an organization needs to be designed in such a way as to attract, motivate, and retain employees (Berber et al., 2022).

Then, researchers examined the role of turnover intention as a mediator in the influence of employee job satisfaction and dynamic capabilities. Researchers strongly emphasize dynamic capabilities because of their employee capacity to adjust to an employee satisfaction characterized by rapid change and uncertainty (Teece, 2007; Li & Liu, 2014). According to Helfat & Martin (2015), for businesses to gain a competitive advantage in market competition, they must quickly recognize and understand changes in the surrounding employee satisfaction and have the dynamic capabilities to adapt to these changes. The development of dynamic capabilities is not only an essential component for an organization's ability to adapt to the uncertainty of the surrounding employee satisfaction and to achieve a competitive advantage but also an essential prerequisite for businesses that want to improve their overall performance (Jiao et al., 2010; Zeng & Song, 2011).

Based on the above background, in previous research, the three components, employee job satisfaction, turnover intention, and dynamic capability, were often examined separately without considering the mediation effect. Several previous studies studied comparable associations, but none included mediation analysis. This study analyses the effect of employee job satisfaction and turnover intention, the impact of turnover intention and dynamic capability, and the mediating effect of tur-

nover intention as an essential influential factor with these two constructs. Therefore, the mediation analysis presented in this study is the novelty of this research.

Employee Job Satisfaction and Turnover Intention

Employees might react to good HRM practices not only with their actions but also with their positive work attitudes, such as job satisfaction, engagement, dedication, and other characteristics. However, in the majority of the research that was mentioned, one of the variables that were commonly investigated was job satisfaction because employee attitude on the job, which includes evaluative, cognitive, and affective components (Williams et al., 2017), shows the degree to which an employee is satisfied with the job they are doing. Workers who have a high degree of job satisfaction would have lower intentions of leaving their current positions, job satisfaction is believed to be a factor in employees' intentions of leaving their current positions (Eliyana et al., 2019; Kotey & Sharma, 2019).

Regarding employee turnover, the most effective method for researching employee turnover is to monitor workers' turnover intentions, as these intentions are a good predictor of employees' actual turnover behavior (Verma & Kesari, 2020). Turnover intentions are a mental decision prevailing between an individual's approach concerning work to continue or leave the work; it is a measure for understanding turnover before employees quit or leave organizations (Sandhya & Sulphey, 2021).

The intention of an employee to leave an organization and industry shortly is referred to as employee turnover intention (Bamfo et al., 2018). It has been shown in both empirical and theoretical research that work satisfaction is a factor in

determining whether or not an employee would leave their current position (Kim et al., 2015; Chan et al., 2016; Tongchaiprasit & Ariyabuddhiphongs, 2016; Mathieu & Babiak, 2016; Chung et al., 2017; Suifan et al., 2017; Zeffane & Melhem, 2017; Ahmad, 2018; Luz et al., 2018). Since then, more research in various sectors has shown the existence of this link.

Ahmad (2018) discovered that employee happiness indirectly influences turnover intentions and that employee commitment acts as a mediator between the two. Research conducted by Luz et al. (2018) found that an employee's desire to leave work was inversely related to their level of happiness with their current position. According to other research findings, a dissatisfying relationship between employee satisfaction and employee turnover intentions also exists (Kim et al., 2015; Chan et al., 2016; Mathieu & Babiak, 2016). Chung et al. (2017) discovered that there is a direct influence of employee satisfaction on turnover intentions; however, the degree to which self-determined work motivation moderates this connection was shown to be significant.

Additionally, Suifan et al. (2017) concluded that the level of employee satisfaction directly influenced the desire to leave the company. Zeffane & Melhem (2017) conducted a study examining the job satisfaction levels of workers in public and private enterprises. They concluded that public sector workers reported higher levels of job satisfaction and had lower intentions of leaving their jobs. It was discovered that employee satisfaction had both a direct and an indirect influence on turnover intention and that work stress might operate as a mediator in the interaction between the two (Tongchaiprasit & Ariyabuddhiphongs, 2016). An individual can quit their job entirely if their talents aren't relevant to the pros-

pects currently open to them inside the business. Another research found that job satisfaction is negatively related to turnover intention (Bamfo et al., 2018; Nointin, 2018; Tran et al., 2022).

According to previous research findings, employee job satisfaction generally negatively influences turnover intentions, meaning that it lowers such purposes. Consequently, these programs could be employed as a strategy for retaining employees. Employee-friendly practices, such as those that increase job satisfaction for workers, may, when implemented correctly, lead to a positive view of workers, who exhibit more positive working behaviors by being less likely to express a desire to quit the company. In light of the information presented above, the first hypothesis that will be tested in this study is as follows:

H1: Employee Job Satisfaction has negative relations to Turnover Intention.

Turnover Intention and Dynamic Capability

In addition to behaviors, employees could respond to positive HRM practices with their negative work attitudes, such as job turnover intention. One of the commonly explored variables was turnover intention, as employee attitude on the job, which consists of evaluative, cognitive, and affective components, shows how much an employee is turnover intention with the job. It has been proven that employees with a high level of turnover intention will have lower dynamic capability; therefore, turnover intention is considered as a cause of employees' dynamic capability. In addition, turnover intentions are found to be negatively to dynamic capability (Eşitti & Kasap, 2020; Berber et al., 2022).

H2: Turnover Intention has negative relations to Dynamic Capability.

Employee Job Satisfaction, Turnover Intention, and Dynamic Capability

According to Teece et al. (1997) dynamic capabilities are defined as an organization's ability to integrate, create, and reconfigure its internal and external capacity to adapt to an constantly changing environment. Utilizing the capability of sensing business, capturing concrete opportunity, and managing threats/transforming continuous assets becomes an essential factor of corporate activities in terms of dynamic capabilities to create and expand unique corporate tangible/intangible assets is because utilizing this capability allows the corporation to develop and expand individual corporate tangible/intangible assets (Teece, 2007).

Thus far, this study has proposed to examine the positive impact of employee job satisfaction on dynamic capability and has suggested that turnover intention plays a mediating role between employee job satisfaction and dynamic ability. There may be a potential theoretical hypothesis underlying these assumptions. That is, the corporate industry may mediate the indirect effect of employee job satisfaction on dynamic capability through turnover intention. Therefore, this study proposes the following:

H3: Turnover Intention mediates the relationship between Employee Job Satisfaction and Dynamic Capability.

METHOD

This research is based on a quantitative correlative research technique, which assumes that the essential primary purpose of the study is to observe and analyse (collect data about) certain events, often at one time in a cross-sectional survey (Eşitti & Kasap, 2020). To answer the research hypotheses, this study utilizes a descriptive research approach and employs sur-

vey measures to capture the objective and social reality of the lodging industry. The survey statements focused on determining employee job satisfaction, turnover intention, and company dynamic capabilities. As a component of this methodology, the first step was to investigate the relevant literature to find pre-determined subjects. Taking into account previous research in the field, a model for investigation was developed. After that, Structural Equation Modelling (SEM) was used with the survey to generate and validate the predicted influences

Employees from various business activities who were allowed to reorganize how they conduct business through implementing flexible work arrangements were the primary targets for the questionnaire. Examples of flexible work arrangements include weekend work, overtime, flexible working hours, working from home, remote work, and other similar options. Among them are fields such as education, the financial sector, the insurance industry, the scientific and technological industry, various crafts, and so on. As 235 employees participated in this study by filling out a questionnaire.

Employee job satisfaction is how far the employees are satisfied with their work. This matter often happens in which two concepts are discussed together, since it is said that an individual is satisfied in the workplace as there is a factor and condition that motivate him or her (Eliyana et al., 2019). Employee job satisfaction consist of five dimensions, including a) Like job, b) Like job better than average workers, c) Enjoy job, d) Great sense personal satisfaction job, and e) Satisfied with job (Berber et al., 2022).

Turnover intention is a conscious and deliberate willfulness to leave the organization. Turnover intention as like the actual employee turnover can be voluntary or involuntary (Nointin, 2018). Turnover

intention consist of four dimensions, including a) Leaving job, b) Will not a bright future in this company, c) Start working for someone else, and d) Develop his/her career (Berber et al., 2022).

Dynamic capability is the power of businesses to integrate, build, and rearrange their internal and external competencies to cope with rapidly changing environments (Teece, 2007). According to Pavlou & Salwy (2006) and Eninggarini et al. (2020), dynamic capabilities consist of four dimensions, including a) Sensing capability, b) Learning capability, c) Integrating capability, and d) Coordinating capability.

Data collection was conducted over a period beginning in late December 2022 and continuing through August 2023. A total of 235 valid questionnaires were sent out. The researcher developed the questionnaire and the actual data collection using Google Forms. The authors recruited responses from the Indonesian population using the social media platforms Facebook, Instagram, TikTok, and LinkedIn. The dimensions were assessed using a 5-point Likert scale. The measurement range on the scale ranges from a Strongly Disagree (STS) value of 1 to a Strongly Agree (SS) value of 5. This research uses a 5-point Likert scale because this process requires less time and effort and because respondents can remain neutral by choosing the “disagree or agree” option. In addition, this study used a 5-point Likert scale because this process has proven effective (Dubey et al., 2019; Gupta et al., 2021; Chatterjee et al., 2022).

In presenting the findings of their investigation into the function of turnover intention as a mediator in the relationship between employee job satisfaction and firm dynamic capabilities, the authors utilized a computer software tool known as “Smart PLS”. The PLS-SEM analysis was conducted so that potential relationships could be investigated.

RESULT AND DISCUSSION

The demographic breakdown of the sample, including employees' gender, ages, levels of education, and positions within the organization, is shown in Table 1. The majority of the respondents in the sample were younger workers (25-34 years old, 45.53%), male (58.30%), holders of bachelor's degrees (44.68%), and employees working in professional roles in the organization (36.17%).

Table 2 shows the descriptive statistics for each indicator in this study. The authors started with indicator loadings that reflect indicator loadings and internal consistency reliability, convergent validity, and discriminant validity. This is the initial stage. In the model, reflective structures are recommended to be measured using this method (Aleksandar et al., 2020). In addition to the techniques already mentioned, the CMB test, also known as the standard method bias test, was also conducted. Load factors with values between 0.4 and 0.7 should only be retained if the absence of such values would not impact AVE and composite reliability (Hair et al., 2017; Berber et al., 2020; Gašić & Berber, 2021). Indicator reliability, reliability, and construct validity are detailed in the following table. The reliability test results are shown in Table 2, which are obtained from the calculation of Cronbach's Alpha, Composite Reliability, and Average Variance Extracted. We note that the numbers vary from 0.836 (Turnover Intention) to 0.853 (Dynamic Capability), with the highest value recorded for Employee Job Satisfaction, which is 0.857. This is based on the data collected by calculating Cronbach's Alpha. Cronbach's Alpha should not be lower than 0.6, as recommended by several researchers (Taber, 2018; Bjekić et al., 2021).

Table 1. Sample Characteristics

| No. | Sample Characteristics | N | Percentage of Sample |
|--------------------------------|-------------------------------|-----|----------------------|
| Age | | | |
| 1 | Less than 25 | 25 | 10.64 |
| 2 | 25-34 | 107 | 45.53 |
| 3 | 35-44 | 61 | 25.96 |
| 4 | 45-55 | 32 | 13.62 |
| 5 | More than 55 | 10 | 4.26 |
| Gender | | | |
| 1 | Male | 137 | 58.30 |
| 2 | Female | 98 | 41.70 |
| Education | | | |
| 1 | High School | 35 | 14.89 |
| 2 | Three-year vocational studies | 38 | 16.17 |
| 3 | Four-year vocational studies | 32 | 13.62 |
| 4 | Bachelor's degree | 105 | 44.68 |
| 5 | Master's degree | 15 | 6.38 |
| 6 | Doctor's degree | 10 | 4.26 |
| Position in the company | | | |
| 1 | Manager | 30 | 12.77 |
| 2 | Professional worker | 85 | 36.17 |
| 3 | Administrative worker | 70 | 29.79 |
| 4 | Manual worker | 50 | 21.28 |

Source: Data Processed (2023)

Table 2. Indicator Reliability, Reliability, and Construct Validity

| | Cronbach's Alpha | rho_A | CR | AVE |
|-----|------------------|-------|------|------|
| EJS | .857 | .857 | .898 | .637 |
| TI | .836 | .849 | .891 | .672 |
| DC | .853 | .855 | .900 | .693 |

Source: Data Processed (2023)

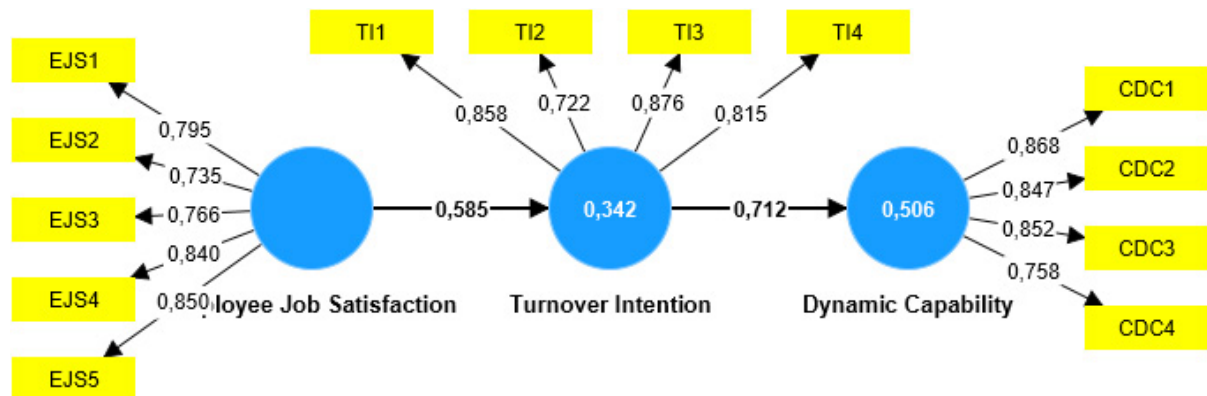


Figure 1. Estimated Path Coefficients

Based on the above information, Figure 1 shows the retained items with loadings greater than 0.722. The constructs' composite dependency values ranged from 0.898 for EJS to 0.891 for TI to 0.900 for CD, which was the highest value measured. Some authors suggest that an acceptable CR threshold of no lower than 0.7 should be considered adequate. We can conclude that the CR criterion has been met due to the findings shown in the table above. Since the composite reliability (CR) value is slightly higher than the Cronbach Alpha value, but the difference between the two is insignificant, the composite reliability can be used as an alternative.

The average variance extracted test is used to evaluate the convergence of validity (AVE). The average AVE values are shown in the table above. The values vary from 0.637 (EJS) to 0.672 (TI) to 0.693 (DC), which is the highest value ever recorded. The minimum AVE value that can be considered acceptable is 0.5. The acceptance limit has been reached, and as a result, we can conclude that convergent validity has been met across all three dimensions. This finding is based on the data shown in the table above.

The last thing that needs to be done is an analysis of the relationship between the independent variable (EJS), the dependent variable (TI and DC), and an examination of the role played by job satisfaction as a mediator in the relationship between EJS

and DC. R² (R-squared), a statistical measure of the proportion of variance for the dependent variable explained by the independent variables, shows that the value for "TI" is 33.9%. In comparison, the value for "DC" is 50.4%, both explained by the independent variable "EJS" in the model. R² is a statistical measure of the proportion of variance for the dependent variable explained by the independent variables.

Based on Table 3, there is a negative and statistically significant influence between EJS and TI ($\beta=-0.585$; $T=13.327$). There is a negative and statistically significant influence between TI and DC ($\beta=-0.714$; $T=21.404$). Regarding the mediating role of Turnover Intention in explaining the relationship between EJS and DC, a negative mediating effect is found because the indirect effect of EJS on DC through TI is significant ($\beta=-0.416$; $T=9.153$). This is because the direct effect of EJS on DC through TI is significant. Figure 2 illustrates the relationship between variables.

The findings of this study indicate that turnover intention is negatively influenced by employee job satisfaction and dynamic capability is negatively influenced by turnover intention. Turnover intention is a mediating factor in the relationship between employee job satisfaction and dynamic capability. Employee turnover intention is one way in which job satisfaction can have an indirect impact on

Table 3. Mean, Standard Deviation, T-statistic, and P-value

| Hypothesis | | Path Coefficients | t-value | Results |
|---|----|-------------------|---------|---------|
| Employee Job Satisfaction -> Turnover Intention | H1 | -.585 | 13.327 | Support |
| Turnover Intention -> Dynamic Capability | H2 | -.714 | 21.404 | Support |
| Employee Job Satisfaction -> Turnover Intention -> Dynamic Capability | H3 | -.416 | 9.153 | Support |

Source: Data Processed (2023)

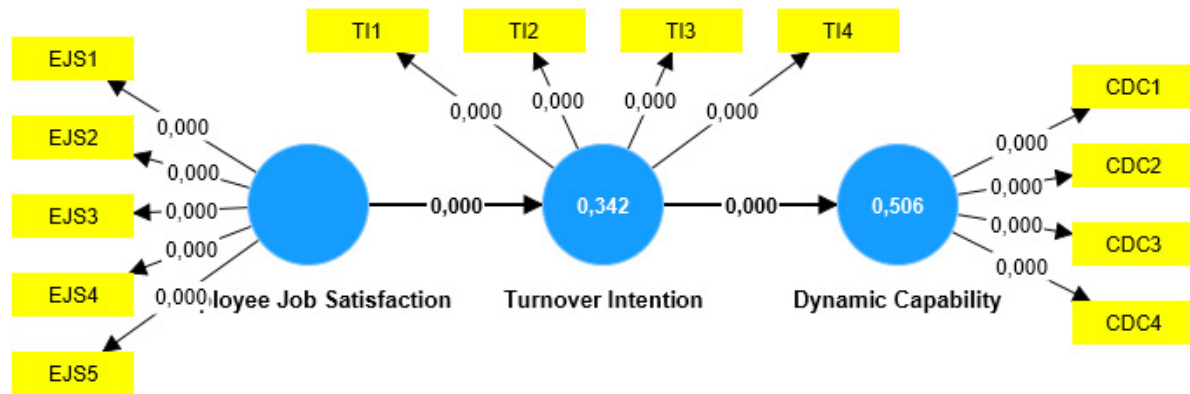


Figure 2. Empirical Research Method

dynamic capabilities. Implementing employee job satisfaction increases turnover intention and dynamic capabilities, thus providing opportunities for companies to retain their best employees and create a modern work environment that allows employees to have more opportunities and security in the current business environment.

The effect of employee job satisfaction on turnover intention. The results showed a negative and statistically significant influence between these variables. This means that more satisfied employees are less likely to have turnover intention. Employees who feel their work is satisfying, provide a sense of achievement, feel their current job matches their ideal job, and feel happy with their company have less tendency to turnover intention, and vice versa. Lim & Cho (2018) supports this study's results, which show that job satisfaction has a significant relationship to turnover intention. At the same time, different things were found in previous studies (Kim et al., 2015; Chan et al., 2016; Mathieu & Babiak, 2016; Tongchaiprasit & Ariyabuddhiphongs, 2016; Chung et al., 2017; Suifan et al., 2017; Zeffane & Melhem, 2017; Ahmad, 2018; Luz et al., 2018;). This fulfils the a priori assumption; therefore, the first hypothesis is also accepted. Ahmad (2018) identified an in-

direct effect of employee satisfaction on turnover intention, and Luz et al. (2018) also found an inverse relationship between employee satisfaction with work and turnover intention.

According to the findings published by Demir et al. (2021), many researchers feel that job satisfaction and employee turnover intention have an inverse effect on each other. On the other hand, some argue the opposite (Faraj et al., 2021). For example, the term employee turnover intention considered a reasonably specific perception (Hameed & Anwar, 2018), cannot be well clarified by more general viewpoints such as commitment and job satisfaction (Hamza et al., 2021). Several elements or variables can be associated with the influence of employee turnover intention and job satisfaction. These factors include remuneration, stress, environment, and training (Ismael et al., 2021).

The effect of turnover intention on dynamic capability. The results showed a negative and statistically significant influence between these variables ($\beta=-0.714$; $T=21.404$). This means that more dynamic capability employees are less likely to have turnover intention. In addition to behaviors, employees could respond to positive HRM practices with their negative work attitudes, such as job turnover intention. One of the commonly explo-

red variables was turnover intention, as employee attitude on the job, which consists of evaluative, cognitive, and affective components, shows how much an employee is turnover intention with the job. It has been proven that employees with a high level of turnover intention will have lower dynamic capability; therefore, turnover intention is considered as a cause of employees' dynamic capability. In addition, turnover intentions are found to be negatively to dynamic capability (Eşitti & Kasap, 2020; Berber et al., 2022).

The effect of employee job satisfaction on dynamic capabilities through turnover intention. A negative mediating effect was found on employee job satisfaction and the relationship between dynamic capability and turnover intention. This effect shows that employee job satisfaction positively impacts dynamic capability through turnover intention ($\beta=0.339$; $T=6.845$), indicating that employees who are more satisfied with their jobs show lower turnover intention. In addition, findings from the validation and reliability tests conducted on the questionnaires and data showed high levels of validity and reliability; therefore, these instruments can be used to investigate the constructs above in the context of specific business environments. Workers who felt that their jobs offered opportunities to achieve a healthy balance between their personal lives and professional responsibilities reported higher levels of job satisfaction. They have a greater sense of satisfaction, and as a result, they can exhibit more positive work behaviors, such as an increased capacity to respond dynamically. The findings from the research on mediation, which is the main objective of this study, provide support for the practice of mediation. Employee turnover intention is a moderating factor in the relationship between dynamic capabilities and employee job satisfaction.

Therefore, managers should carefully plan, monitor, organize, and promote employee job satisfaction to create a better working situation and strive to retain talent in the business. As leaders are seen as a critical factor in building a favorable psychological climate in an organization (Radmilaa et al., 2021), especially in times of crisis such as the pandemic, an essential role in this process should be dedicated to them. The findings should be evaluated in light of this epidemic. The main concern regarding the pandemic is the possibility of contracting the COVID-19 virus, especially home-based work, teleworking, or flextime. It can significantly stimulate employees in terms of their satisfaction related to maintaining their health and safety. In addition, when employees see that the company and their managers are striving to help them stay healthy and offer beneficial work programs, this can reduce the likelihood of them leaving the company. This is because employees see their managers fighting to help them stay healthy.

On the other hand, employees' fear that the pandemic will negatively affect the business may cause them to have less intention of leaving their jobs. This fear may lead to lower turnover intention. Since this reason has nothing to do with dynamic capabilities, it is also necessary to look at this area.

CONCLUSION AND RECOMMENDATION

This research has practical implications for applying employee job satisfaction to improve dynamic capabilities within the company. These implications can be found in the potential to develop dynamic capabilities. This is important because almost every company operating in the modern era has recognized that the most significant HRM challenges faced are the scarcity of human resources, inc-

reased levels of job stress, and increased dynamic capabilities. Employees report higher levels of job satisfaction, lower levels of stress, and decreased desire to leave their current employer when they are given more discretion to decide how, when, and where their work will be done. Workers need more than workers' job satisfaction to achieve this goal. Other variables, such as a solid organizational culture and environment, acceptable leadership styles, and other HRM practices, are essential to ensure that employees are happy in their jobs and that the business can remain active. Therefore, companies should research, plan, and prepare for employee job satisfaction that can be provided to workers as a component of a more comprehensive strategy to retain workers. This is especially important amid new issues, such as the COVID-19 pandemic, which has increased the work done in virtual environments, made digital businesses and digital strategies more significant, and dramatically increased the amount of teleworking that occurs. Using a specialized research approach and data analysis, this study is one of the first in Indonesia to address the issues of employee job satisfaction, employee turnover intention, and dynamic capabilities. Therefore, the findings of this study have the potential to be a starting point for the development of flexible work program strategies and measures, as well as their proper implementation, to produce human resource outcomes such as job satisfaction and the decision to remain employed by the company.

An important theoretical implication is the increased understanding of the effects of turnover intentions on the influence of employee job satisfaction and firm dynamic capabilities. These effects have a direct bearing on the significance of the findings. The impact of mediation was investigated in this study, and the findings led the researchers to conclude that tur-

nover intention acts as a mediator in the postulated relationship. The findings of this study contribute to the growing body of knowledge regarding the effect of employee job satisfaction on turnover intention and firm dynamic capability and the special relationship between these three concepts.

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