

JOB SATISFACTION, COMPENSATION AND ORGANIZATIONAL COMMITMENT AS ANTECEDENTS OF TURNOVER INTENTION

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ABSTRACT

This study aims to determine the effect of Job Satisfaction, Compensation and Organizational Commitment on Turnover Intention (Study at PT Bank Danamon Indonesia Ambon Branch). Respondents in this study were Bank Danamon Ambon Branch employees with a sample of 34 respondents. This type of research is associative and the data source uses primary data. Data collection techniques using questionnaires through manual questionnaires. The collected data were then analyzed using SPSS software. The results showed that Job Satisfaction has a significant effect on Turnover Intention then Compensation has a significant effect on Turnover Intention. However, other findings state that Organizational Commitment has a significant effect on Turnover Intention. Then the limitations in this study were that the respondents who were involved were only employees of the Ambon Branch of Bank Danamon. For this reason, it is hoped that further research can add other variables and add respondents from other banks.

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1. INTRODUCTION

One form of employee behavior is the desire to move (turnover intention) which leads to the employee's decision to leave his job. (Hidayati & Trisnawati, 2016). Sakinah (2008) states that the standard employee turnover rate that can be tolerated in each company is different, but if the turnover rate reaches more than 10% per year, it is too high according to many standards. According to Aamodt in Hayuningtyas (2015), based on the turnover data obtained, it was recorded that the industrial sector in the United States experienced a loss of 1.5 hours of salary they paid to employees. Supposedly, the company only spends \$40,000 to pay employees, but in reality the company has to spend at least around \$60,000 to recruit new employees. Every year there are around 16.8% of employees who turn over. Research by Ramlall (2003) shows that the total cost of employee turnover is 150% of employee salaries. For this reason, personnel management must find out the factors that make employees want to quit their jobs in order to reduce the turnover rate because companies can lose experienced employees and need to be trained. new employees. One of the contributing factors is the issue of salary which is included in the compensation. Giving compensation to employees can also be interpreted as a form of company appreciation for the work contribution of employees. Employees who are well compensated tend to be motivated at work and loyal to the company. This is because employees feel their hard work is recognized and appreciated by the company. If the compensation given to employees is considered not comparable to what they expect, then employees will be less motivated and will look for other jobs that provide better compensation. This statement is in line with research conducted by Ayu Dwi Puspa (2015) that compensation has a significant positive effect on employee loyalty. Provision of good compensation by the company is considered effective in increasing employee loyalty to the company. This will reduce the desire to change jobs (Turnover Intention) of employees who work for the company. With the fulfillment of this compensation, job satisfaction is created for employees.

The problem of job satisfaction is a fundamental thing that is felt to influence a person's thoughts about leaving their place of work and trying to find another job that is better than their previous place of work. This can happen due to various factors, one of the factors that results in employee dissatisfaction is

compensation that does not meet expectations. So, the lower the level of employee job satisfaction, the more likely it is that they will think about leaving their job and choosing another alternative job.

Job satisfaction is an individual's positive feelings about his or her job which are the result of an evaluation of its characteristics (Robbins and Judge, 2008). When positive feelings arise, employees will feel satisfied with their work and will feel happy and free from pressure, so that the employee's desire to stay will be great. However, if what employees feel is negative, there is no feeling of joy and a lot of pressure, then it is clear that turnover intention will be greater.

Another factor that influences employee turnover intention is organizational commitment. The issue of organizational commitment is very important because it will have an impact on employee work performance in carrying out their duties and responsibilities. Organizational commitment is defined as a situation where an employee supports a particular organization and its goals and desires to maintain membership in that organization (Robbins & Judge). Furthermore (Mitchell, 2004) states that organizational commitment is loyalty and individual identification of the organization. Those with high commitment tend to be more persistent and have low absenteeism than those with low commitment. So, high job involvement means favoring an individual's particular job, while high organizational commitment means siding with the organization that recruits the individual. From several previous definitions, it can be concluded that organizational commitment is something that is more than just passive loyalty but implies an effective employee relationship with the company.

PT Bank Danamon Indonesia Ambon Branch is a private bank in Indonesia which operates in the banking sector. PT Bank Danamon Indonesia Tbk, which was founded in 1956, as of June 30 2021 manages total consolidated assets of IDR 194 trillion together with its subsidiary, namely PT Adira Dinamika Multi Finance Tbk. (Adira Finance). In terms of share ownership, 92.47% of Danamon shares are owned by MUFG Bank, Ltd. and 7.53% owned by the public. Danamon is supported by a network of 846 conventional branch offices, one of which is in the city of Ambon, which is centered on Jalan Diponegoro.

Facing increasingly dynamic business competition in the banking industry and also digital disruption in the business world which is taking place continuously and very quickly, requires companies to carry out a continuous transformation process to create competitive advantages. So companies must prepare themselves and change the mindset of all employees in the organization and also safeguard their talents by implementing the principle of "employees as assets".

PT Bank Danamon Indonesia Ambon Branch has several areas within the company such as front office, back office, sales officer, account officer. There are currently 15 employees at PT Bank Danamon Indonesia Ambon Branch in 2022. This number has continued to decrease over the last 5 years. The following is employee data for PT. Bank Danamon Indonesia, Tbk Ambon Branch 2018-2022:

Table 1. Number of Employees PT. Bank Danamon Indonesia, Tbk Ambon Branch 2018-2022

Year	Number of employees
2018	38
2019	38
2020	38
2021	36
2022	34

Source: PT. BDI, Tbk Ambon Branch, 2022.

From table 1 you can see the number of employees of PT. Bank Danamon Indonesia, Tbk Ambon Branch from 2018-2022 has experienced a decline. From this data it can be seen that employee turnover is decreasing every year and is classified as very high, this has the potential to disrupt operational performance. Companies that have high employee turnover have to spend more on recruiting new employees, selecting and training.

Compensation is provided by the management of PT Bank Danamon Indonesia Ambon Branch to its employees in the hope of increasing their productivity. The compensation provided includes salary, BPJS insurance, bonuses based on the employee's length of service, and training. Apart from compensation, the company also gives awards to employees with a length of service of 10 years, 20 years and 30 years. This provision aims to motivate employees to work and increase employee loyalty.

PT Bank Danamon Indonesia Ambon Branch is a banking company that pays attention to the needs of their employees by providing adequate facilities for employees at work. These facilities include lockers, dining

room, air conditioning. These facilities are provided to employees to increase their sense of comfort and job satisfaction so that employees are able to work well. Bank Danamon Ambon branch has 6 security officers to ensure employees feel safe at work. A sense of comfort and security at work is expected to improve employee performance both qualitatively and quantitatively.

Based on initial observations and interviews with one of the employees, a phenomenon or problem was found that occurred in the Bank Danamon work environment, namely that there were employees who had worked for approximately 15 years at Bank Danamon Ambon who said that they were very used to the facilities provided and felt comfortable with the facilities. which are given. The workplace facilities that PT Bank Danamon Indonesia Ambon Branch has provided to its employees do not eliminate the potential for problems in the workplace. However, according to him, there are still problems in the field that occur between employees, such as the discovery of employees who are less able to work in groups, besides that the job does not match the job description in the sense that employees who are in a high position who should only serve customers are required to also do marketing work, namely selling banking products even though the compensation given is different from the marketing department. Sometimes the workload exceeds the existing standards, the working hours do not match the specified ones and all in all there is no additional income

Several previous studies have examined job satisfaction, compensation, organizational commitment on turnover intention and have shown gaps between previous researchers so that this research is still interesting to carry out.

Research conducted by Murphy (2008) tested whether compensation had an influence on turnover intentions and the results turned out to have a positive influence. This is different from research conducted by Yudisthira (2016), the results of which show that compensation has a significant negative effect on , research on commitment conducted by Susilo & Satrya (2019) shows that organizational commitment has a negative and significant effect on turnover intention. Hussain and Asif's research (2012), shows that the relationship between organizational commitment and turnover intention is negative. If employees receive support from the organization and believe in their commitment, they will still choose to stay. (Khatimah, Djumali, Paauthor; 2019) where the research results show that the commitment variable partially has a positive but not significant effect on turnover intention.

2. METHOD

This research is causal comparative research, namely a type of research with problem characteristics in the form of a cause and effect relationship between two or more variables. The advantage of comparative causal research is that it allows researchers to examine a number of variables that cannot be studied experimentally and makes it easier to identify variables (Mudrajat Kuncoro, 2013: 277). Researchers can identify facts or events as dependent variables and carry out investigations into variables that influence (independent) variables (Indriantoro and Supomo, 2011:27).

This research uses quantitative data because the data presented is related to numbers or scoring. The data is then analyzed and processed into statistical analysis to test hypotheses that explain the relationship between the variables used. The data source used in this research is primary data or data obtained directly from respondents without intermediaries.

3. RESULTS AND DISCUSSION

Linear regression is a statistical method used to form a relationship model between the dependent variable (dependent Y) and the independent variable (independent X). The influence of the independent variables, namely, Job Satisfaction (X1), Compensation (X2) and Organizational Commitment (X3) on the dependent variable Turnover Intention (Y). And the regression equation can be formulated as follows:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

Information :

Y = Turnover Intention

X1 = Job Satisfaction

X2 = Compensation

X3 = Organizational Commitment

a = Constant

b = Independent variable regression coefficient E = Error

The following are the results of multiple linear regression analysis tests

Table 2. Multiple Linear Regression Test Results
Coefficients

Model	Unstandardized		standardized
	B	std. Error	Betas
1 (Constant)	2,665	2,564	
Satisfaction	.209	.062	.407
Compensation	.350	.116	.273
Commitment	.267	.081	.388

a. Dependent Variable: Turnover Intention

Source: Primary data processed, 2023

The Effect of Job Satisfaction on Employee Turnover Intention at PT Bank Danamon Indonesia Tbk Ambon Branch

The results of testing hypothesis 1 using regression analysis show that Job Satisfaction has a significant and positive effect on Turnover Intention. This is evidenced by the value of the regression coefficient of 0.209 at a significance of 0.002. The resulting R Square coefficient value of 80% shows that employee Turnover Intention is influenced by Job Satisfaction by 80% and the remaining 20% is influenced by other factors outside this research. The result is t-count (3.344) > t-table (2.03452) and a significant level (0.002) < (0.05). The B value of the Job Satisfaction variable is 0.209. So it can be concluded that H1 is accepted. This means that there is a partially positive significant effect between the Job Satisfaction variables on Turnover Intention.

Another thing found in this research is that the majority of PT Bank Danamon Indonesia Tbk Ambon Branch employees are satisfied with their work. Based on testing the relationship between variables as well it can be seen that there is a strong correlation between employee Job Satisfaction and Turnover Intention of PT Bank Danamon Indonesia Tbk Ambon Branch, which is dominated by employees with an average response (mean) 4 (agree) to statements of job satisfaction at PT Bank Danamon Tbk Ambon Branch. The majority of employees feel happy with their jobs and positions in the company, this has definitely had an impact on their desire to leave their jobs or can be said to have low Turnover Intention. The questions in this research questionnaire also show that the job satisfaction of PT Bank Danamon Indonesia Tbk Ambon Branch employees is due to the attention and treatment of superiors towards employees. This is evidenced by the highest score on the employee job satisfaction indicator on the job satisfaction indicator. The lowest value is in the indicator of satisfaction with salary, this shows that there are still many employees who are not satisfied with the salary they receive now. The results of this research are supported by the results of research conducted by Retno Khikmawati (2015) and Putu Agus et al (2014) which concluded that Job Satisfaction influences employee Turnover Intention.

The Effect of Compensation on Employee Turnover Intention at PT Bank Danamon Indonesia Tbk Ambon Branch

Results testing hypothesis 2 use analysis regression shows that compensation has a positive and significant effect on Turnover Intention. If compensation increases, employee Turnover Intention increases. This is proven by the regression coefficient value of 0.350 at a significance of 0.005. The resulting R Square coefficient value of 80% shows that employee turnover intention is influenced by compensation by 80% and the remaining 20% is influenced by other factors outside this research. The research results also show that t count > t table (3.028 > 2.03452) and significance < 0.05, namely 0.005, which means that compensation has an effect on Turnover Intention so that hypothesis three (H2) can be accepted.

Distribution of tendencies for the Compensation variable at PT Bank Danamon Indonesia Tbk Ambon Branch, the majority in the agree category and there were no employees with responses of disagreeing and strongly disagreeing for the compensation indicator, only 1 (one) response disagreed for the negative statement on the bonus indicator. The majority of employees are satisfied with the compensation provided by PT Bank Danamon Indonesia Tbk Ambon Branch. Providing appropriate compensation by the company will have a positive impact on employee performance and loyalty to the company. This is because compensation is remuneration for the size of the employee's contribution to the

company, so providing appropriate compensation will make employees feel that their contribution has been properly appreciated by the company. The questions in this research questionnaire also show that employees are satisfied with the benefits, incentives, bonuses and awards provided by the company. This is proven by the highest value on the Compensation indicator being the Benefits indicator. Fulfilling employees' needs for appropriate benefits by the company has been carried out by PT Bank Danamon Indonesia Tbk Ambon Branch, thereby making employees satisfied with the compensation provided. The lowest value on the questionnaire is in the Reward indicator. This may be due to employees not receiving personal appreciation from their superiors for the results of their work. This appreciation can be verbal congratulations, bonuses, or other awards.

Influence Commitment Organization against Turnover Intention Employees at PT Bank Danamon Indonesia Tbk Ambon Branch.

The results of testing hypothesis 3 using regression analysis show that Organizational Commitment has a positive and significant effect on Turnover Intention. If the compensation is higher, then the employee's Turnover Intention is higher. This is evidenced by the value of the regression coefficient of 0.267 at significance 0.002. The resulting R Square coefficient value of 80% shows that employee Turnover Intention is influenced by Organizational Commitment by 80% and the remaining 20% is influenced by other factors outside this research. The research results also show that $t_{count} > t_{table}$ ($3.299 > 2.03452$) and significance < 0.05 , namely 0.002, which means that Organizational Commitment influences Turnover Intention so that hypothesis three (H3) can be accepted.

The acceptance of the third hypothesis (H3) shows that employee Turnover Intention is influenced by employee organizational commitment. Organizational commitment is the extent to which employees believe and accept the organization's goals and remain in the organization. Mitchell in Rivai (2004:27) states that commitment is an individual's loyalty and identification with the organization. Those who have high commitment tend to persist and have lower absenteeism than those with low commitment. This could be because the majority of answers were that employees had worked for a long time and felt that the company PT Bank Danamon Tbk Indonesia had become part of the employee's family. So employee organizational commitment is able to influence employee Turnover Intention.

The Influence of Job Satisfaction, Compensation and Organizational Commitment on PT Bank Danamon Tbk Employee Turnover Intention

Ambon

Based on the multiple regression test, it can be seen that Job Satisfaction, Compensation and Organizational Commitment jointly influence Turnover Intention. Organizational Commitment is the Variable with the Most Dominant Influence on the Turnover Intention of PT Bank Danamon Tbk Ambon Branch Employees.

The research results explain that Organizational Commitment is the variable with the most dominant influence on Turnover intention, namely 55.9–79.4%. This shows that of the three variables that influence turnover intention, Organizational Commitment is still the main factor. Organizational Commitment compared to Job Satisfaction and compensation greatly influences an employee's decision to leave the company. The higher the employee's organizational commitment, the lower the employee's Turnover Intention.

4. CONCLUSION

Based on the results of data analysis and discussions carried out in this research regarding Job Satisfaction, Compensation and Organizational Commitment to employee Turnover Intention at PT Bank Danamon Indonesia Tbk Ambon Branch, the following conclusions can be drawn: There is a partially significant influence between Compensation on Turnover Intention at PT Bank Danamon Tbk Ambon Branch. There is a partial significant influence between Organizational Commitment to Turnover Intention at PT Bank Danamon Tbk Ambon Branch. There is a partially significant influence between Job Satisfaction on Turnover Intention at PT Bank Danamon Tbk Ambon Branch. There is a significant simultaneous influence between Compensation, Organizational Commitment and Job Satisfaction on Turnover Intention at PT Bank Danamon Tbk Ambon Branch.

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