

Effect of Job Satisfaction and Organizational Commitment towards Employees Turnover Intention in Pasar Tohaga Bogor Company

Dedin Nazarudin¹, Syamsul Ma'arif², Sadikin Kuswanto³

- 1) Management and Business Post Graduate Program IPB
- 2) Chief Advisory Committee and Business Management Post Graduate Program IPB
- 3) Member of Advisory Committee and Business Management Graduate Program IPB

Gd. SB IPB, Pajajaran Street, Bogor 16151

Abstract

Satisfaction is one factor that triggers intention for employee(s) to leave a job. Job satisfaction may predispose a person to leave the organization. The evaluation of various alternatives of jobs will eventually consequence turnover because individuals intending to go out from organization would have expected more satisfactory job elsewhere. The emergence of turnover intention are based on employees working dissatisfaction in the concerned company. Other factors that may trigger the intention of employee(s) to leave a job is the organizational commitment. Organizational commitment is a form of individual behavior showing the willingness of employee(s) to fully contribute in the process of achieving organizational goals. This shows that organizational commitment need to be established in order to improve the affection between the individual and the organization. Method used is the analysis of Structural Equation Modeling (SEM) with the amount of permanent employee population data of 107 people. The results showed that the effect of job satisfaction on organizational commitment brings significant and positive results. Job satisfaction on turnover intention showed significant and negative results. Organizational commitment towards turnover intention also showed a significant and negative results.

Keywords: job satisfaction, organizational commitment, turnover intentions

1. Introduction

1.1 Background

Managing market besides providing infrastructures, basically is to manage human resources (HR) activities as a seller or buyer as well as the market manager. Maintaining the dynamics of the relationship between the seller, buyer and manager of the market is a task performed by the Pasar Tohaga Bogor Company. Employees are a very important element in Pasar Tohaga Bogor Company as human resources to manage the company. Employees as human resource to object and subject of the company's development. Human resource is a valuable asset as well as an important component that determines the success of the company. Organization or company is a place where every man works to meet its own needs and the needs for the community. The Company today is seen as a community. In the perspective of the company as a community, human resources placed as community members grow and develop with the community. Human resources is not input only, but as actors who are responsible for the progress of the community. Here human resources is treated as a whole person, respected by all the dimensions of her being, confidence and spirit of learning. In Law No. 13 of 2003 on Labor Article 1 paragraph 2 which states that labor is "Everyone who is able to work in order to produce goods or services to meet the needs of themselves and the community".

Pasar Tohaga Bogor Company in the operations management services market, in 2014 to manage 24 traditional markets in 21 districts, supported by human resources (HR) as many as 131 employees. From the number of these employees, as many as 107 people or 81% permanent employee status, 16 people or 12% of non-permanent employee status and 8 people or 7% contract employee status. Employee data is illustrated in the following table:

Table 1 Data of Pasar Tohaga Bogor Company Employees

YEAR	EMPLOYMENT STATUS			AMOUNT
	Permanent	Temporary	Contract	
2010	108	589	22	719
2011	102	567	33	702
2012	107	544	23	674
2013	115	524	25	664
2014	113	530	19	662
2015	107	16	8	131

Source : General & Human Resources Division

In aggregate happened declined in the number of employees was reduced by 2.36% or 17 employees in 2011, amounting to 3.99% or less 28 employees in 2012, amounting to 1.48%, or decreased by 10 employees in 2013 and amounted to 0.30% or reduced by 2 employees in 2014. The decline in the number of employees is due to the employees of the turnover annually. In 2011 recorded six permanent employees and 22 casual employees out, while recorded 11 contract employees sign. In 2012 recorded 23 non-permanent employees and 10 contract workers out, while carrying five permanent employee entrance. In 2013 recorded 20 casual employees out, while carrying eight permanent staff and two contract employees sign. In 2014 recorded two permanent employees and 6 employees of contracting out, while 6 casual employee entrance. In 2015 recorded six permanent employees, 514 contract staff and 11 casual employees out.

One of the factors that can trigger the formation of the behavior of an employee to leave a job is job satisfaction. Job satisfaction is felt can predispose a person to leave the organization. The evaluation of the various alternatives work, will eventually realize the turnover for individuals who opt out of the organization would have expected a more satisfactory result elsewhere. The emergence of turnover intention backdrop of dissatisfaction of employees working in the company concerned. Other factors that can trigger the formation of the behavior of an employee to leave a job is organizational commitment. Organizational commitment is a form of individual behavior that shows the willingness of employees to contribute fully to the process of achieving organizational goals. This shows that organizational commitment will be established to improve the attachment between the individual and the organization. The phenomenon of turnover and number of employees of the Pasar Tohaga Bogor Company downward trend is interesting to observe. It would be relevant to analyze the effects of job satisfaction and organizational commitment to the employee turnover intention.

1.2 Formulation of the problem

Formulation of the problem based on the above is:

1. How does the influence of job satisfaction on organizational commitment of company employees in Pasar Tohaga Bogor Company?
2. How does the influence of job satisfaction on employee turnover intention in Pasar Tohaga Bogor Company?
3. How does the organizational commitment to employee turnover intention in Pasar Tohaga Bogor Company?

1.3 Research purposes

The purpose of this study is as follows:

1. To analyze the effect of job satisfaction on organizational commitment in Pasar Tohaga Bogor Company.
2. To analyze the effect of job satisfaction on employee turnover intention in Pasar Tohaga Bogor Company.
3. To analyze the effect of organizational commitment to employee turnover intention in Pasar Tohaga Bogor Company.

1.4 Benefits of research

The results of this study are expected to be able to color and complete the management policy in human resource management. Results of the study is the evaluation, while the application be left entirely to the management policy.

This research is expected to be obtained the following benefits:

1. For researchers will obtain scientific knowledge and practical experience on the management of human resources.
2. As a thought to Pasar Tohaga Bogor Company in human resource management with integrity, highly competitive, dynamic and professional.
3. For education, the expected results of this study can be useful as a reference in subsequent studies, particularly the field of human resources

1.5 The scope of research

This study is limited to the scope of human resource management in Pasar Tohaga Bogor Company and does not include a market village in the district of Bogor. Analyzing in this study to explore the variables of job satisfaction and organizational commitment in their influence on employee turnover intention in Pasar Tohaga Bogor Company. The research object is limited to the problems that the turnover intention referred to in this research is the desire of employees to leave the company, either voluntarily or not, with the aim of getting a better job than his previous work

1.6 Research framework

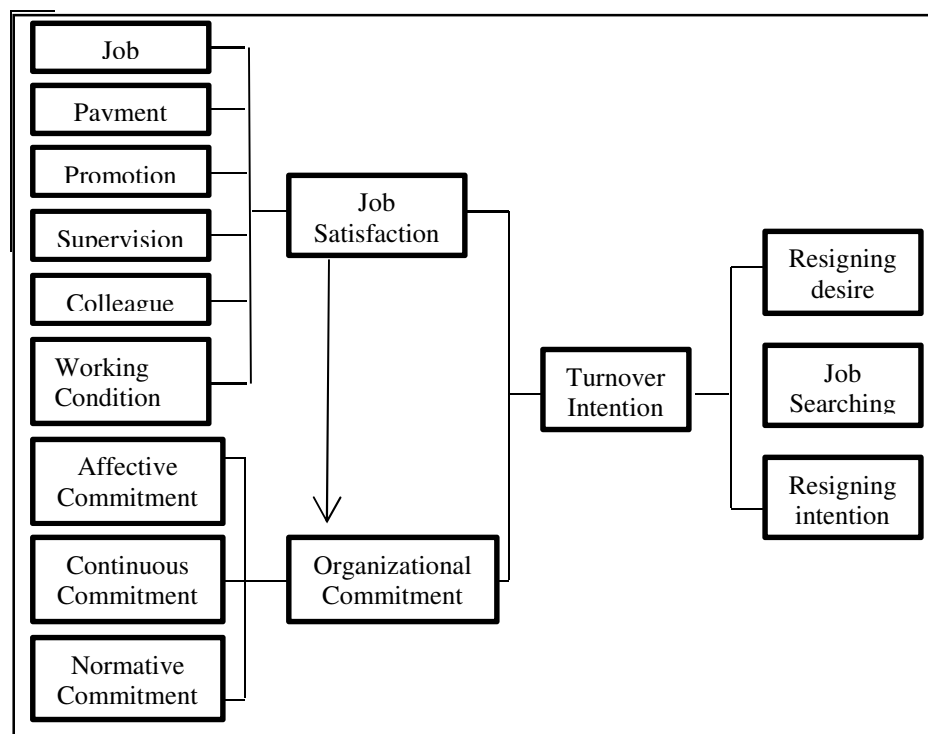


Figure 1 Research Framework

2. Research Methods

2.1 Types and Sources of Data

The data collected in this study is a quantitative and qualitative with two data sources, namely:

1. Primary data

Primary data in this study obtained directly from the source or object of study directly related to the problems studied. Technical primary data collection is done by distributing questionnaires to employees and interviews with managers to employees in Pasar Tohaga Bogor Company.

2. Secondary Data

The collection of secondary data obtained from documents and archives in the General Division of Pasar Tohaga Bogor Company as well as literature and other references relating to the object of research.

2.2 Variable Description of Research Model

Table 2 Operational definitions of variables

No	Variables	Indicators	Simbols
1	Job Satisfaction (ζ)	1. Job itself	X1
		2. Payment	X2
		3. Promotion	X3
		4. Supervision	X4
		5. Colleagues	X5
		6. Working Condition	X6
2	Organizational Commitment (η_1)	1. Affective	Y1
		2. Continuous	Y2
		3. Normative	Y3
3	Turnover Intention (η_2)	1. Resigning desire	Y4
		2. Job searching	Y5
		3. Resigning intention	Y6

Operational definitions of variables in the study can be described as follows:

1. Exogenous variables (independent variable) with the notation ($\zeta = Ksi$) is job satisfaction and organizational commitment.

2. Endogenous variables (dependent variable) with the notation ($\eta = Eta$) is turnover intention.

2.3 Validity and Reliability

Test the validity relates to whether a variable measure what should be measured. A variable is said to be valid if it is able to measure what is desired. Reliability test indicates the extent to which a measuring tool that can deliver results relatively equally, if done the re-measurement on the same object.

2.4 Descriptive analysis

Descriptive statistics are part of the statistical study ways of collecting data and presenting the data so easy to understand. Descriptive statistics only relate to decipher or supply of information regarding the data or circumstances. In other words, descriptive statistics serve to explain the circumstances, symptoms, or problems. Drawing conclusions on descriptive statistics addressed only the existing data set.

2.5 Analysis of Structural Equation Modelling

In this study, data analysis using Structural Equation Modeling (SEM). In SEM latent variables (constructs) amounted to 5 variables and each construct described by three or more indicators. This is in accordance with the amount of variables in this study who were 3 variables namely job satisfaction variables with 6 indicators, organizational commitment variable with 3 indicators and turnover intention variable with 3 indicators.

Structural Equation Modeling (SEM) is a statistical tool used to resolve simultaneous multilevel models that can't be solved by the linear regression equation. SEM can also be considered as a combination of regression and factor analysis. SEM can be used to solve the model equations with more than one dependent variable and the reciprocal influences (recursive). SEM based on the analysis of the covarians matrix thus providing more accurate than the linear regression analysis. Statistics programs that can be used to complete the example SEM Analysis of Moment Structure (AMOS) or LISREL.

3. Discussion

3.1 Results Validity and Reliability

Based on the results of the processing of the validity and reliability of the questions in the questionnaire, indicating that all the indicators or statements that represent job satisfaction variables (X1), organizational commitment (Y1) and the intention turnover (Y2) has good validity, the correlation values (r) count more greater than the correlation table Pearson (r table = 0.361). It means that the statement of each variable has good validity. The table also shows that the Cronbach alpha values of all the indicators of each variable has a value greater than 0.6 means that the statement has shown good reliability.

3.2 Characteristics of Respondents

A general description of the characteristics of the respondent explained respondents in this study. Respondent characteristics include gender, age, marital status, years of service and final education. Here is an explanation of each respondent characteristics.

Table 3 Characteristics of Respondents

Characteristics of Respondents		Frekuensi	Persen
Sex	Male	78	73%
	Female	29	27%
Age	17 – 29 years old	13	12%
	30 – 39 years old	67	63%
	40 – 49 years old	25	23%
	≥ 50 years old	2	2%
Marital Status	Married	96	90%
	Not Married	11	10%
Education	High school	28	26%
	Diploma	31	29%
	Bachelor	48	45%

3.3 Results of SEM equation

In this study, the data analysis technique uses a tiered structure model Structural Equation Modeling (SEM) which is operated through a program Linear Structural Relationship (LISREL). The software used is LISREL version 8.7. The model through SEM allows a researcher can answer research questions that are regressive and dimensional, which is measure what the dimensions of a concept (Ferdinand, 2002). SEM application excellence in management research is due to its ability to confirm the dimensions of a concept or factors that are commonly used in the management as well as its ability to measure the effect of the relationships that theoretically there (Ferdinand, 2002). Structural model and the value of the loading factor of the data that has been processed is shown in Figure 2 and figure 3 below.

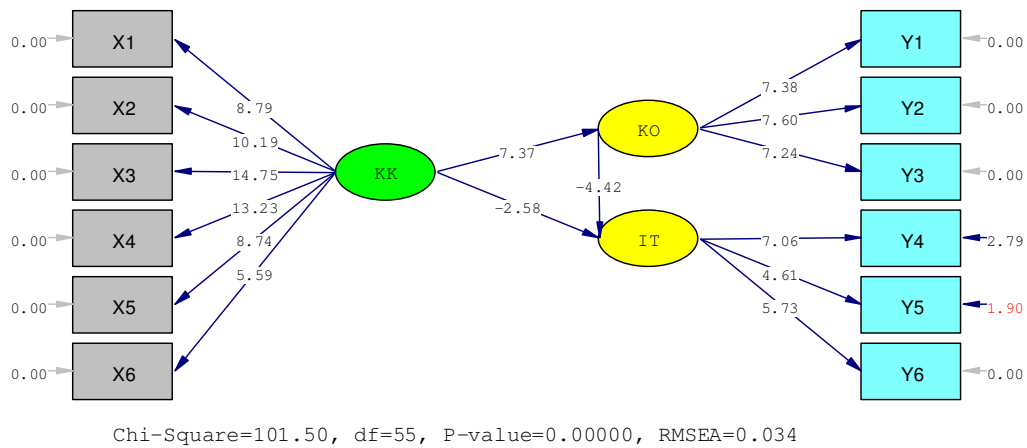


Figure 2 T Count model SEM

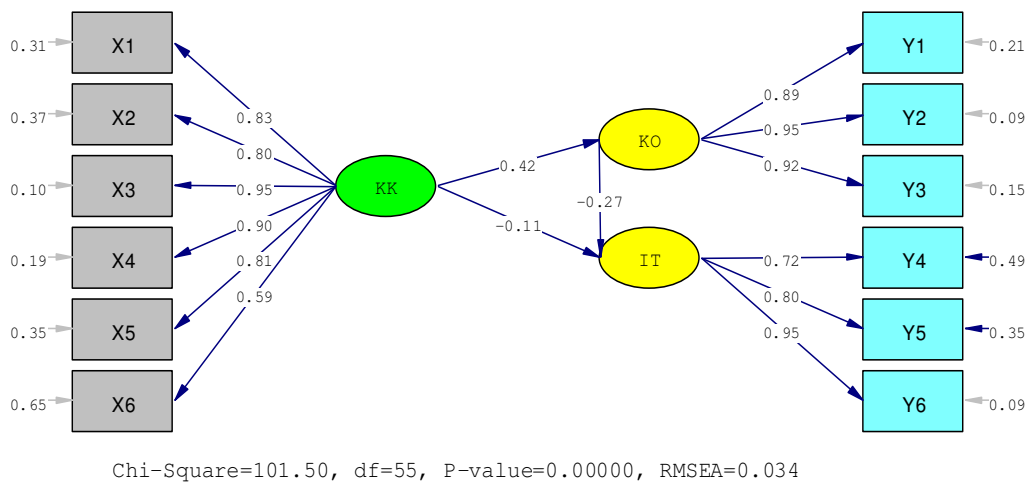


Figure 3 Standardized loading factor model of SEM

3.4 Assessing Outer Model or the Measurement Model

Outer Model or the Measurement Model job satisfaction variables explained by 6 indicators consisting of X1 through X6. Test against the outer loading aims to see the correlation between the scores of items or indicators with a score variable. Indicators are considered reliable if it has a correlation value above 0.7, but in the development phase correlation of 0.50 is acceptable (Ghozali, 2006).

Table 4 Measurement model of job satisfaction variables

Indicators		Standardized Loading Factor	T Count
Job itself	X1 <- KK	0,83	8,79
Payment	X2 <- KK	0,80	10,19
Promotion	X3 <- KK	0,95	14,75
Supervision	X4 <- KK	0,90	13,23
Colleagues	X5 <- KK	0,81	8,74
Working condition	X6 <- KK	0,59	5,59

Primary data source (2016)

The feasibility of a model can also be seen from the t – statistics. Provided t-statistics should be greater than t - count 1.960 on significance level of 0.05.

Outer Model or the Measurement Model of organizational commitment variable is explained by 3 indicators consisting of Y1, Y2 and Y3. The following table variable measurement model of organizational commitment.

Table 5 Measurement variable model of organizational commitment

Indicators		Standardized Loading Factor	T count
Affective Commitment	Y1 <- KO	0,89	7,38
Continuous Commitment	Y2 <- KO	0,95	7,60
Normative Commitment	Y3 <- KO	0,92	7,24

Primary data source (2016)

The feasibility of a model can also be seen from the t – statistics. Provided t-statistics should be greater than t - count 1.960 on significance level of 0.05.

Outer Measurement model of turnover intention variable is explained by 3 indicators consisting of Y4, Y5 and Y6. The following table variable measurement models turnover intention.

Table 6 Measurement model of turnover intention variable

Indicator		Standardized Loading Factor	T count
Resigning desire	Y4 <- IT	0,72	7,06
Job searching	Y5 <- IT	0,80	4,61
Resigning intention	Y6 <- IT	0,95	5,73

Primary data source (Processed 2016)

The feasibility of a model can also be seen from the t - statistics, provided t-statistics should be greater than t - count 1.960 on significance level of 0.05.

3.5 Hypothesis testing

Hypothesis testing is based on the value contained in the model of structural analysis, a significance level path coefficient obtained from the t-value and the value of the standardized path coefficient. Limit values or threshold hypothesis that the value t load factor is greater than the critical value (≥ 1.96) and the value of the standardized path coefficient ($p \geq 0.05$). Summary results of hypothesis testing can be seen in the results table below structural test models.

Table 7 Hypothesis Test

Hypothesis	Standardized Loading Factor	T count	Explanation
KK -> KO	0,42	7,37	Significant
KK -> IT	-0,11	2,58	Significant
KO -> IT	-0,27	4,42	Significant

If $|t \text{ count}| > t \text{ table} (1,96)$, it's significant

The first hypothesis is the influence of job satisfaction on organizational commitment. SEM results show the value of loading factor of 0.42 to the absolute value of t to 7.37. Values t is greater than t table 1.96 means that the influence of job satisfaction on organizational commitment of employees in Regional Government Enterprise of Pasar Tohaga Bogor significant and positive meaning if the job satisfaction increases, will directly influence the improvement of organizational commitment. These results are consistent with the results of Naderi (2011) in his research found positive and significant relationship between job satisfaction and organizational commitment. The various dimensions of job satisfaction, as satisfaction with salary, satisfaction with co-workers, supervision, leadership and the work itself is needed for workers to meet their basic needs. When their needs are met then the level of commitment of their organizations will be high.

The second hypothesis is influence job satisfaction on turnover intention. SEM results show the value of loading factor equal to 0,11 with an absolute value of 2.58 t. Values t is greater than t table 1.96 means that the influence of job satisfaction on employee turnover intention Regional Government Enterprise of Pasar Tohaga Bogor significant and negative pales job satisfaction increases, will directly influence the decrease in turnover intention. These negative effects in this study support the findings enough previous research conducted Kalbers & Fogarty (1995); Passewark & Strawser (1996); and Tett & Meyer (1993), which states that the higher employee job satisfaction, the lower the rate of turnover intentions.

The third hypothesis is the influence of organizational commitment to turnover intention. SEM results show the value of loading factor of -0.27 with the absolute value of t 4.42. t values is greater than t table 1.96 means that the influence of organizational commitment to employee turnover intention in Pasar Tohaga Bogor Company is significant and negative pales organizational commitment increases, will directly influence the decrease in turnover intention. The results support Lum *et al* research (1998) which concluded that there is a negative relationship between organizational commitment to low levels of temporary employees. Tett and Meyer (1993) in his study also state that organizational commitment has a strong influence on the withdrawal of employees. Putra (2015) supports the results of calculations performed in testing the effect of variable organizational commitment to turnover intentions indicate that organizational commitment has a negative and significant effect on turnover intentions shown by the standardized beta values of -0.339 and a probability of 0.017. This shows that at the higher organizational commitment of employees.

3.6 Eligibility Criteria for SEM Model

Below is a table of test results suitability criteria SEM models

Table 8 Results of SEM models conformance criteria

Goodness-of-Fit	Cutt-off-Value	Result	Explanation
RMR (Root Mean Square Residual)	$\leq 0,05$ atau $\leq 0,1$	0.029	Good Fit
RMSEA (Root Mean square Error of Approximation)	$\leq 0,08$	0.034	Good Fit
GFI (Goodness of Fit)	$\geq 0,90$	0.93	Good Fit
AGFI (Adjusted Goodness of Fit Index)	$\geq 0,90$	0.90	Good Fit
CFI (Comparative Fit Index)	$\geq 0,90$	0.97	Good Fit
Normed Fit Index (NFI)	$\geq 0,90$	0.98	Good Fit
Non-Normed Fit Index (NNFI)	$\geq 0,90$	0.96	Good Fit
Incremental Fit Index (IFI)	$\geq 0,90$	0.98	Good Fit
Relative Fit Index (RFI)	$\geq 0,90$	0.97	Good Fit

According to the table GOF, all indicators show that the model is already Fit and well. Data from the questionnaire has been able to answer the theory.

3.7 Managerial implications

The results of the influence of job satisfaction and organizational commitment to turnover intention in Pasar Tohaga Bogor Company is a result that is in accordance with the theory behind this study, the results of loading of job satisfaction factors that indicate the level of highest to lowest influence on job satisfaction can provide feedback to the company. An indicator campaign has the highest loading values, which means that sale is an indicator of job satisfaction, according to the most influential employee job satisfaction because it will be able to increase organizational commitment and lower employee turnover intention. Value indicators of working conditions with the lowest loading indicates less satisfied employees over working conditions at the company. This is valuable input for the company to improve working conditions in the working environment of the company, so it will be able to increase job satisfaction and can influence the decrease in turnover intention.

The result of the influence of organizational commitment to turnover intention is the result that is in accordance with the theory that supports this research. Indicators support affective organizational commitment is a commitment, continuous commitment and normative commitment. Indicators that have the highest value is the commitment to continuous loading of 0.95 so as to provide feedback to the company that high sustained commitment will be able to increase organizational commitment and have a direct impact on the decrease in turnover intention. Indicators should be improved because it has the lowest loading namely affective commitment, these indicators should be improved so as to be able to increase the organizational commitment and directly impact the decline in turnover intention.

4. Conclusions and Suggestions

4.1 Conclusions

Based on SEM results can be summarized as follows:

1. Job satisfaction has a significant and positive impact on employee organizational commitment in Pasar Tohaga Bogor Company. Increased employee satisfaction will have directly significant effect on improvement of organizational commitment.
2. Job satisfaction has a significant and negative effect on employee turnover intention in Pasar Tohaga Bogor Company. Increased job satisfaction will have directly significant effect to the decline in turnover intention.
3. Organizational commitment has a significant and negative effect on employee turnover intention in Pasar Tohaga Bogor Company. Increased organizational commitment will have directly significant effect on a decrease in turnover intention.

4.2 Suggestion

Based on this research, there are some suggestions that can be used as a material consideration in determining the policy in the future, especially with regard to job satisfaction, organizational commitment and turnover intention. In order to improve job satisfaction, companies should give equity to all employees in terms of salary suitability. Organizational commitment is further enhanced in an effort to increase employee loyalty through the award according to their contribution and give conviction to employees that they are part of the company.

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