The Influence Of Job Stress, Organizational Commitment And Compensation Of Employee Turnover Intention

Muhammad Fahdy[1], Lenny Christina Nawangsari [2], Unang Toto Handiman[3]
[1]*Alumni, Mercubuana University, Indonesia*
[2]*Lecturer, Mercubuana University, Indonesia*
[3]*Alumni, Mercubuana University, Indonesia*

Abstract: *The aim of this study is to develop a comprehensive model by measuring the influences of work stress, organizational commitment and compensation on employee turnover intentions. This research applies a descriptive research design using survey methods. To determine the sample size the Slovin formula is used. Sampling uses a disproportionate randomized model as a sampling technique. This study uses the SPSS version 18.00 application to examine the significance of the significance of the overall predetermined model and framework. The findings show that work stress partially has a positive effect on turnover intentions, organizational commitment has a negative effect on turnover intentions and compensation has a negative effect on turnover intentions. Further findings together work stress, organizational commitment and compensation affect turnover intentions.*

Keywords: *Job Stress, Compensation, Organizational Commitment, Turnover Intentions*

I.   INTRODUCTION

Either the internal problems is faced by the company is turnover. In 2010-2018 the turnover rate in the world experienced a significant increase every year. Workers around the world are starting to look for new job opportunities as growth returns and labor markets begin to rise. The sharpest rate of employee turnover globally occurred in 2014, with the largest growth occurring that year. In addition, the average turnover ratio in the next five years will increase to 23.4% and turnover will increase faster in developing countries than in developed countries (Hay Group Survey Results Report, 2014).

Employee turnover is indeed a classic problem that employers have faced since the industrial revolution era. Poor working environment conditions, too low wages, past the deadline work hours, and the lack of social security are the main causes of turnover (McKinnon, 1979 in Hartati, 1992). Another opinion that affects turnover is low compensation. Research is conducted by Sunarto (2009) shows that there is an effect of compensation on turnover.

The emergence of the turnover phenomenon is caused by attitude factors namely job satisfaction and organizational commitment (Zhao and Liu. 2010). Turnover intention can be interpreted as the intention of employees to leave the organization in the form of resignation or termination of work. Turnover according to Mathis and Jackson (2006) occurs when an employee leaves the organization and must be replaced.

The emergence of turnover intention that lead to the employee's decision to leave his job became a problem for PT. XYZ. Within one year, an average of 24 employees per month left PT. XYZ and an average of 22 people per month join PT. XYZ The biggest turnover contribution is from employee turnover of certain contract workers who have expired their contracts. The problem is that employees who resign without notice will interfere with the availability of employees, wasted recruitment time, training, termination of different contract periods and disrupt administrative processes.

Many employees feel confused due to unclear organizational structure and lack of job specialization. Employees at the operator level feel a heavy workload with unclear job descriptions for each employee. Employees at the operator level who have dedicated ten years of service also have very little opportunity to

change positions and move up. This indicates the high job stress (job stress) experienced by most employees. Job stress is shown by employees through turnover behavior at work.

II. LITERATURE REVIEW

Houkes, Janssen, Jonge, and Nijhuis in Zhang and Zhang (2012:102) define turnover intentions as "The inclination to leave the profession voluntarily". Singh, Verbeke and Rhoades (1996: 75) in Abston and Kupritz (2011:12) turnover intentions can be defined as "thoughts about quitting the organization". Tett and Meyer in Wang, et. al., (2010: 875) that "Turnover intention as a conscious psychological willingness to leave organization". Turnover intention is the pretention to quit from the present job by being shown through physical absence or physical presence but with a low level of work involvement.

Lambert (2011) defined job stress as an individual's feelings of work related to hardness, tension, anxiety, worry, emotional exhaustion and distress. Cooper and Marshall in Brock and Buokley (2012:4) state that role ambiguity (lack of clarity about responsibilities, expectations, etc). Nayaputera (2011:24) states that role ambiguity occurs when an employee does not know the exact tasks and responsibilities assigned to them. Ingram and Pilla (2007:8) states that onflicting or uncertain job expectations, too much responsibility, too many "hats to wear ". Nayaputera (2011:23) explains that for employees who have too much, do not have enough time or there are not enough resources to do so will cause stress. Handoko in Tunjungsari (2011:4) states that excessive workload is one of the factors causing work stress. Nefliwati (2009:29) states that career development is one of the potential stressors including job uncertainty. Siagian (2011:301) one source of stress from work is an imbalance between authority and responsibility.

Robbins and Judge (2008:100) define organizational commitment as a situation where an employee sides with a particular organization and its goals and desires to maintain membership in the organization. According to Mathis and Jackson (2006:122) defines organizational commitment as the degree to which employees believe and accept organizational goals, and desires to stay with the organization.

Hani Handoko (2002) in Ridwan Suryo (2016) said that compensation is everything received by employees as compensation for their work. According to William B. Werther and Keith Davis in Indah Rohmawawati (2016) explained that compensation is something that employees receive as compensation for work done, either in the form of hourly wages or periodic salaries that are designed and managed by the personnel department. Furthermore according to Hasibuan (2009: 118) compensation is all income in the form of money or goods directly or indirectly received by workers / laborers in return for services rendered to the company.

Many studies that explain the factors of turnover intention. According to the research concept of Witerton (2004) shows that turnover intentions are caused by low job satisfaction and increasing open employment opportunities outside the company so if this is not handled well by management it will drive down organizational commitment and freedom of movement to look for job opportunities that other. Rainayee's research results (2012) show that economic factors such as salary have a negative effect on turnover intentions. Employees who are satisfied with their salaries will be less willing to resign than employees who are dissatisfied with their work. Blommea, Rheedeb and Tromp (2010) state that the opportunity to get good promotion and salary opportunities is also a factor in turnover intentions. According to Rainayee (2012) states that organizational-related factors have a negative influence on turnover intentions that are also in line with research by Pitts, Marvel, and Fernandez (2011). These organizational factors include: organizational fit, organizational commitment, organizational leadership, organizational policies and organizational environment.

In accordance with the results of research from previous researchers who conducted research on the effect of work stress on tornover intentions, the effect of compensation on turnover intentions and the effect of organizational commitment on turnover intentions. The results of the study are in accordance with the hypotheses proposed in this study:

H_1: Job stress has a positive influence on turnover intention.
H_2: Compensation has a negative influence on turnover intention.

H₃: Organizational commitment has a negative influence on turnover intentions.

H₄: Job stress, Organizational Commitment and Compensation simultaneously influence turnover intention.

III.   RESEARCH METHODOLOGY

The research design used by the author in this research is conclusive research, and the types are multiple cross – sectional descriptive research and causal research. The data collection method used in this research is the quantitative research method using survey method, by conducting structured interview with respondents by using questionnaire designed to obtain specific information. The statement expressed in the questionnaire is created by using 1 - 5 scale (Likert scale which is developed) to obtain the data that the nature is interval and will be given a score or value (1 = strongly disagree, 2 = disagree, 3 = Neutral, 4 = agree, 5 = strongly agree).

The variables used in this study are the Independent variable (job stress, compensation and organizational commitment) and the dependent variable (turnover intention). Dimensions of job stress according to Milbourn (2006) in Oei (2010:186) are used in this study, there are: role ambiguity, role conflict, time availability, role overload, career development, and responsibilities. The dimensions of organizational commitment according to Blau and Boal in Witasari (2009:9) are used in this study, there are: affective commitment, continuing commitment, and normative commitment. Dimensions of compensation according to Hani Handoko (2012:56) in Ridwan Suryo (2016:8) used in this study are direct compensation, indirect compensation and non-financial compensation.

In this study use the purposive sampling method, proportionate stratified random sampling technique is a sampling technique with certain conditions by determining specific criteria for the sample. The criteria used in this study are employees who have worked for more than one year. Determination of the number of samples is determined using the Slovin formula.

$$n = N / (1+ (N \times e^2) = 980 / (1+ (980 \times (0.1)^2) = 980 / 10.8 = 90.74$$

By rounding up to 90 samples, but to meet the minimum quota Slovin sampling rounded up to 100 samples.

Descriptive statistical techniques are used to present data for each variable individually and subsequently are used to measure central symptoms including median, mode, average, and size of spread by using standard deviations and are equipped with frequency tables and histogram charts. Data analysis methods is carried out in two stages, namely (1) questionnaire test to ensure the validity and reliability of the questionnaire as a research instrument, (2) hypothesis testing to analyze research data on hypotheses submitted in research. Inferential statistical techniques are used to test research hypotheses, with regression analysis and simple / multiple correlation with previously tested the analysis requirements through estimated tests for each simple and multiple regression and variant homogeneity test for variables indpendent.

IV.   RESULT AND ANALYSIS

Demographics in this study are dominated by female as much as 66%, with ages from 20 to 30 years old as much as 51%, with jobs position as labor and staf as much as 56%, with last education of Senior High School as much as 66%, whose spend money per month is below 2.5 million rupiah as many as 85%, with married status as much as 67%, and with work period of 1-3 years as much as 67%.

In this study the validity test was conducted on the research instruments of variables job stress, compensation, organizational commitment and turnover intentions use SPSS. There are 12 indicators on the job stress variable, 4 indicators on the compensation variable, 6 indicators on the organizational commitment variable and 5 indicators on the turnover intention variable. All indicators on each variable have a value of r (Pearson Correlation) greater than 0.361 so that all indicators on each variable is valid and can be used in subsequent tests.

Reliability is a measure that shows stability in measuring. The stability here means that the questionnaire is consistent if used to measure concepts or constructs from one condition to another. In this technique the measurement is carried out only at one time, then a comparison is made with other statements or by measuring the correlation between answers. In the SPSS program, this method is done by the Cronbach

Alpha method, where a questionnaire is said to be reliable if the value of Cornbach Alpha is greater than 0.60. The test results show that all indicators on each variable is reliable that have a Cronbach Alpha value greater than 0.60.

Statistical analysis of descriptions was made based on the results of research conducted on 100 respondents through questionnaires. From this questionnaire, the respondents answers to the answers of each study were based on a scale of 1 - 5. Job stress, the measurement results are the average value of the variable obtained is 2.27. This indicates that the Job Stress is poor. The factor that most influences is role ambiguity occurs when an employee does not know the exact tasks and responsibilities assigned to them. Compensation, the measurement results are the average value of the variable obtained is 3.17. This indicates that the Compensation is good. The factor that most influences is non financial rewards dimension. Organizational commitment, the measurement results are the average value of the variable obtained is 3.25. This indicates that the organizational commitment is good. The factor that most influences is continuance commitment dimension. Turnover intension, the measurement results are the average value of the variable obtained is 2.59. This indicates that the turnover intention is poor. The factor that most influences the turnover intention is tendency to leave the organization dimension.

Before analyzing the relationship between variables using a simple linear regression test and multiple linear regression, the assumption test is first performed to prove that the data processing of this study is feasible using prametric statistical methods. In this study will be tested for the presence or absence of normality, multicollinearity and heteroscedasticity disorders. Following are the assumption tests conducted in this study.
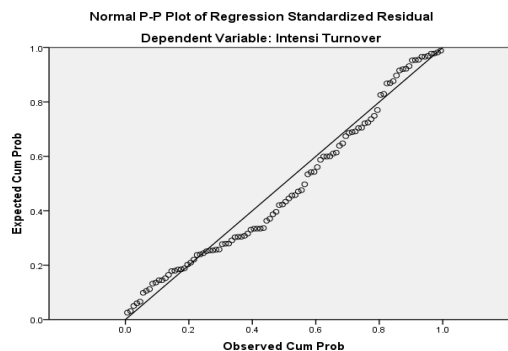
Fig. 1 Normality Test Chart

Based on Fig. 1, the data spreads across the diagonal line and follows the direction of the diagonal line or the histogram graph, the data shows normal distribution, then the regression model meets the normality assumption.

Multicollinearity test was also taken in this study. The choice of testing method used is the Variance Inflation Factor (VIF) test use SPSS. If the VIF value is lower than 10 and tolerance greater than 0.10, there is no multicollinearity problem.

Based on Table 1 shows that the VIF value of the job stress, compensation and organizational commitment variable are lower than 10, Tolerance value of the job stress, compensation and organizational commitment variable are greater than 0.10, it can be concluded that there is no multicollinearity between the independent variables.

Table 1 Multicollinearity Test

Variable	Tolerance	VIF
Job Stress	0.895	1.105
Compensation	0.894	1.106
Organizational commitment	0.890	1.110

Based on Figure 2 shows that the distribution of data (in the form of small circles) spread randomly. The random distribution occurs either at the top of the zero or below the zero of the vertical axis or the y axis. Thus it can be concluded that there was no heteroscedasticity in this regression model.
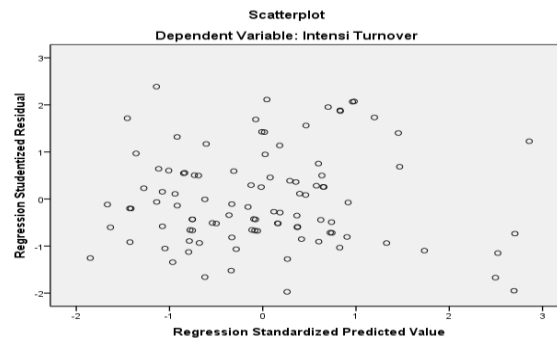
Fig. 2 Heteroskedasitas Test

Regression analysis basically learns about the dependent variable (Y) with one or more independent variables (X1, X2, and X3), with the aim to estimate and or predict the average population or the average value of the dependent variable based on the known independent variable values. Regression analysis in this study to determine how much influence the independent variable (independent) consists of Job stress (X1), Compensation (X2), and Organizational commitment (X3) on the dependent variable (dependent) is the Turnover intention (Y).

The results of the Multiple Linear Regression Test are shown in the following Table 2:

Table 2 Multiple Linear Regression Tests

Variable	Coefficient	t.	Sig.
(Constant)	3.959	3.533	0.003
Job Stress	0.318	3.452	0.003
Compensation	-0.277	-1.733	0.152
Organizational commitment	-0,160	-471	0.639
F	**31.985**		**0,000**
Adjusted R	0,513		
R Square	0,531		

Partial Hypothesis

Partial test results can be observed by the SPSS output coefficients results t count and compare t $_{count}$ with t $_{table}$ of 1,984 obtained from table t with df = n - k (100-3) and α / 2 (0.05 / 2) = 0.025. Following is the discussion of a partial test The influence job stress, compensation, and organizational commitment on turnover intentions.

Ho = Partially or individually independent variables have no effect on the dependent variable.
Ha = Partially or individual independent variables have an influence on the dependent variable.

Based on Table 2 the calculation results show the Sig values for the regression model are as follows:

1) Job stress (X1) has a value of Sig 0.003 so that Sig 0.003 < 0.05.
2) Organizational commitment (X2) has a value of Sig 0.639 so that Sig 0.639 > 0.05.
3) Compensation X3 has a Sig value of 0.152 so that Sig 0.152 > 0.05.

Based on Table 2 the calculation results show the calculated t value for the regression model is as follows:

1) Job stress (X1) has a value of t $_{count}$ 3.452 so that t $_{count}$ 3.452 > t $_{table}$ 1.984
2) Organizational commitment (X2) has a value of t $_{count}$ -1.733 so that t $_{count}$ -471 < t $_{table}$ 1.984
3) Compensation X3 has a value of t $_{count}$ -1.733 so that t $_{count}$ -1.733 < t $_{table}$ 1.984

Based on the results of the regression test, partially the influence of work stress, compensation and organizational commitment to turnover intentions can conclude as follows:

1) Ho is rejected and Ha is accepted. It can be concluded partially that there is a significant influence between job stress on intention turnover. Thus in accordance with the hypothesis in this study job stress has a positive effect on turnover intention.

2) Ho is accepted and Ha is rejected. It can be stated partially that there is no significant influence between compensation on intention turnover. Thus in accordance with the hypothesis in this study compensation has a negative effect on turnover intention.

3) Ho is accepted and Ha is rejected. It can be stated partially that there is no significant influence between organizational commitment on intention turnover. Thus in accordance with the hypothesis in this study compensation has a negative effect on turnover intention.

Simultaneous Hypothesis Test (Test F)

To find out whether or not a significant influence of job stress, compensation, and organizational commitment variable simultaneouly on a turnover intention variable, the statistical F test was used. If $F_{count} > F_{table}$, then H_0 is rejected and Ha is accepted. This means that there is an influence between the independent variables on the dependent variable with the degree of confidence used by 5%. The F tabel value in this study was 2.68.

Ho: Product Quality, Place, Service Quality, and Promotion has no influence on Purchasing Decisions
Ha: Product Quality, Place, Service Quality, and Promotion has influence on Purchasing Decisions

Based on Table 2, it can be concluded that the variables of job stress, compensation, and organizational commitment simultaneously influence on the turnover intention. It can be seen from the calculated F_{count} is 31,985 greater than 2.68 with a probability of 0,000 less than 0.05, and the calculated $F_{count} > F_{table}$ obtained at α = 0.05 (k=3; n - k = 97). Thus obtained $F_{count} > F_{table}$ (31,985> 2.68) then the alternative hypothesis is accepted.

Determination Coefficient Analysis (R^2)

Based on table 2, it can be concluded that the adjusted determination coefficient (Adjusted R Square) is 0.513 or 51.3%. Adjusted R Square ranges from 0 - 1, with the greater the Adjusted R Square number, the stronger the relationship of the three variables in the regression model. It can be concluded that 51.3% of turnover intention variables can be explained by job stress, compensation and organizational commitment variables. While the other 48.7% difference is influenced or explained by other variables not included in this study.

V. Conclusion

Based on the results of the research and discussion in the previous chapters, several conclusions can be made as follows:

1) Job stress variable has a positive effect on turnover intention, with the dimension of role ambiguity having the most influence.

2) Organizational commitment variable has a negative effect on turnover intentions, with the dimension of continuance commitment having the most influence.

3) The compensation variable has a negative effect on turnover intentions, with the dimension non financial rewards having the most influence.

4) Job stress variable, organizational commitment variable, and compensation variable simultaneously influence on the turnover intention, with job stress variable having the most influence.

Suggestion:

Based on the results of the descriptive statistical analysis of the frequency of the four variables, there is a large value of the indicators on the 4 variables as well as the analysis of the discussion and some conclusions

above. The results of the descriptive analysis of frequency for the largest variable work stress respondents stated strongly agree is my responsibility in this company to deal more with taking care of other people from their own work, for the largest compensation variable respondents stated strongly disagree is I feel the incentives provided by the company in accordance with the work that I did, for the variable of organizational commitment the largest respondents stated strongly disagree is this company has a very big meaning for me, and for the variable turnover intentions the largest respondents stated strongly agree is I might be out of this company if there are offers from other companies that provide higher salaries. From the 4 biggest indicators based on descriptive statistical analysis, some suggestions for management of the company can be taken as follows:

1) The responsibility given to employees or labors must see whether the responsibility of the work given is too heavy or too light, because something given the responsibility of the work company certainly requires the ability to think to be able to achieve a company goal.

2) Determining the amount of indirect compensation in the form of incentives (commissions and bonuses) that exist in the company should see compliance with workloads and fulfill a sense of fairness in accordance with the period of service of employees not equal.

3) The employees might leave this company if there is an offer from another company that provides a higher salary. Employee loyalty to the company is not seen from the company has provided direct compensation and indirect compensation in accordance with applicable regulations, but the company must be able to provide non-financial compensation in the form of awards so that employees have loyalty to the company.

REFERENCE

[1] Abston, K. A. dan Kupritz, V. W. (2011). Employees as Customers : ExplorinService Climate, Employee Patronage, and Turnover. Performance Improvement Quarterly, 23(4) PP-7-26.

[2] Aydogdu, S. dan Asikgil, B. (2011). An Empirical Study of the Relationship Among Job Satisfaction, Organizational Commitment and Turnover Intention. International Review of Management and Marketing. Vol. 1, No. 3, pp. 43-53.

[3] Blommea, R.J., Van Rheedeb, A. dan Trompb, D.M. (2010). The use of the psychological contract to explain turnover intentions in the hospitality industry: a research study on the impact of gender on the turnover intentions of highly educated employees. The International Journal of Human Resource Management, Vol. 21, No. 1, January 2010, 144–162.

[4] Brock, M.E. dan Buckley, M.R. (2012). The Role of Stres s in Workers' Compensation : Past, Present and Future. Public Personnel Management Volume41No. 1 Spring 2012, pp. 1-14.

[5] Dessler, G. (2010). Manajemen Sumber Daya Manusia. Jakarta : Penerbit Indeks.

[6] Duwi Priyatno. (2017). Panduan Praktis Olah Data Menggunakan SPSS, CV Andi Offset, Yogyakarta

[7] Ghozali, Imam. (2011). Aplikasi Analisis Multivariate Dengan Program SPSS. Semarang: Badan Penerbit Universitas Diponegoro.

[8] Gupta, N. (2012). Factors Contributing To The Employee Turnover In Pharmaceutical Companies In India: A Case Study Of Ranbaxy Laboratories Limited. Indian Streams Research Journal Volume 2, Issue. 8, Sept 2012 Page 1-8.

[9] Handoko, T. Hani. 2012. Manajemen Personalia dan Sumber Daya Manusia. Yogyakarta. BPFE

[10] Hay Group : Employee Turnover To Increase Significantly.eu.cianews.

[11] Hasibuan, Melayu, Sp. 2003. Manajemen Simber Daya Manusia Edisi Revisi. Jakarta : Bumi Aksara.

[12] Ingram, J.S. dan Pilla, S.D. (2007). Stress in the Workplace. Global Risk Control Services Occupational Health and Safety. A Research White Paper, pp.1-24.

[13] Lambert, E., G., Kelley, T. dan Hogan, N., L. (2012). Hanging on Too Long: The Relationship between Different Forms of Organizational Commitment and Emotional Burnout among Correctional Staff. Am J Crim Just 38:51–66.

[14] Mathis, L. R. dan Jackson, J. H. (2006). Manajemen Sumber Daya Manusia. Jakarta : Penerbit Salemba Empat.

[15] Nayaputera, Y (2011). Analisis Pengaruh Kepuasan Kerja dan Stres Kerja terhadap Intensi Turnover Customer Service Employee di PT. Plaza Indonesia Reality TBK. Tugas Akhir Program Magister, Magister Manajemen Universitas Indonesia. Jakarta.

[16]   Nefliwati, A. (2009). Hubungan Stresor Kerja dengan Prevalensi Stres di PT. Actavis Indonesia. Tugas Akhir Program Magister, Magister Manajemen Universitas Terbuka. Jakarta.

[17]   Ongori, H. (2007). A review of the literature on employee turnover African Journal of Business Management. pp. 049-054.

[18]   Rainayee, R. (2012). Organization, Job, Perks and Employee turnover Intentions. International Monthly Refereed Journal of Research In Management & Technology. Volume I, December 2012, 17-21.

[19]   Robbins, S. R. dan Judge, T. A. (2008). Perilaku Organisasi. Jakarta : Penerbit Salemba Empat.

[20]   Siagian, S. P. (2011). Manajemen Sumber Daya Manusia. Jakarta : Penerbit PT. Bumi Aksara.

[21]   Witerton, J. (2004). A conceptual model of labour turnover and retention. Human Resource Development International 7:3 (2004), pp. 371–390.