

The Effect of Work Satisfaction and Motivation to Turnover Intention with Organizational Commitment as Mediator Variable on Azevedo Consultant Firm

Dito Wiratomo^{1*}, D. Sunu Kanto², Noverdi Bross³

^{1*23}Trilogi University, Graduate School of Management,
TMP Kalibata Road, Jakarta 12760, Indonesia
wiratomodito@gmail.com

Abstract: *Work satisfaction is basically a very individual concept and highly depends on personalities of each employee. However there are several factors related to employee satisfaction such as social satisfaction, physical satisfaction, and financial satisfaction. This study aims to test the effect of Work Satisfaction and Motivation to Turnover Intention with Organizational Commitment as mediator variable. This study is split into two research model. The variables used in this study are Work Satisfaction and Motivation as independent variables, Organizational Commitment as mediating variables, and Turnover Intention as the dependent variable. The method used in this study is multiple regression analysis with SPSS version 23 as statistical tool. The results suggest that Work Satisfaction has positive and significant impact to Organizational Commitment, Motivation has positive and significant impact to Organizational Commitment, Work Satisfaction has negative and significant impact to Turnover Intention, Motivation has negative and significant impact to Turnover Intention, Organizational Commitment has negative and significant impact to Turnover Intention.*

Keywords: Motivation, Organizational Commitment, Turnover Intention, Work Satisfaction.

1. Introduction

Understanding the importance of human capital in a production process is absolutely necessary, considering that human beings as a factor of production that cannot be equated with other factors of production. In terms of behavior and psychological immateriality, it also distinguishes humans from one another, both concerning the system of values, motives, needs, traits and ideals, feelings and temperaments. Various differences are very potential to be the cause of the emergence of conflicts between individuals and groups that can hinder the achievement of organizational goals.

Employee satisfaction is basically very individualistic and is something that is very dependent on the personalities of each employee. However, there are several factors related to employee satisfaction such as social satisfaction factors (social interaction among fellow employees, between employees and supervisors and between employees with employees of different types of work), physical satisfaction factors such as physical conditions of work environment, and physical conditions of employees, and financial satisfaction factors which are factors related to salaries, guarantees and welfare of employees.

If the factors that support job satisfaction are fulfilled, then the employee will work well, on the contrary if the job satisfaction factors are not fulfilled it will result in a decrease in work motivation such as wasted work time in working days due to being late and resting outside hours rest, the level of absenteeism of employees and the frequency of not entering work are high which ultimately results in irregularities in work results and failure to achieve organizational goals.

Work motivation is employee morale for companies that arises from the desire to meet individual needs. Providing the right motivation can improve employee performance so that the company's goals can be achieved while meeting the individual needs of the employees themselves [1].

Job satisfaction and motivation that can be felt to influence one's thoughts to get out. Evaluation of various employment alternatives will ultimately lead to turnover because individuals who opt out of the organization will expect more satisfying results elsewhere. Job satisfaction and motivation that can be felt to influence one's thoughts to get out. Evaluation of various employment alternatives will ultimately lead to turnover because individuals who opt out of the organization will expect more satisfying results elsewhere.

However, the phenomenon that often occurs is that when a company's performance is good it can be damaged directly or indirectly by various employee behaviors. One form of employee behavior is turnover intentions) which can lead to the decision of employees to leave their jobs. turnover intentions can be interpreted, namely the movement of labor out of the organization. Turnover can be in the form of resignation, transfer out of the organizational unit, dismissal, or death of an organization member.

A high turnover rate will have a negative impact on the organization, such as creating instability and uncertainty about the condition of the workforce and increasing the cost of human resources in the form of training costs that have been invested in employees until the costs of recruitment and retraining. High turnover also results in ineffective organizations because companies lose experienced employees and need to retrain new employees.

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Turnover is seen as important for the organization because it has the potential to cause various potential costs, especially if the turnover rate is relatively high. The high turnover of employees has resulted in higher costs for the organization, compared to the opportunities obtained from improving the performance of new employees. Turnover that occurs in core employees who have high performance, can cause potential costs such as the cost of training that has been invested, the cost of recruitment and re-training [2].

The high level of labor turnover can be predicted from how much the desire to move is owned by the staff of an organization or company. Existing studies and literature show that the desire to move someone is closely related to motivation, job satisfaction and organizational commitment. To achieve the objectives mentioned above, management control is needed to provide assurance that the organization has implemented its strategy effectively and efficiently [3].

Management control systems are useful for managing the activities of members of an organization to suit the desires of the organization. A high turnover rate can have a negative impact on the organization, such as in creating instability in working conditions and increasing costs of human resources. Even so, organizational commitment has a stronger relationship with exit intention, meaning that job satisfaction is a variable that precedes organizational commitment.

Organizational commitment is a strong predictor of voluntary turnover. The tendency of commitment before entering the organization will be positively related to the initial commitment (before entering the organization) and the next commitment (after entering the organization) will be negatively related to voluntary turnover [4].

A high employee turnover rate is a measure that is often used as an indication of a fundamental problem in the organization. Employee turnover can cost a lot of money so organizations need to reduce it to acceptable levels. However, maintaining a zero turnover rate is unrealistic and even undesirable. A certain amount of turnover is needed because employees develop new skills and are promoted to a greater level of responsibility.

Azevedo Consultant Firm is an event organizer consulting company. Problems that arise in the Azevedo Consultant include the desires of leaders who require continuous improvement in the company so as to cause complaints from employees that are not delivered openly in the company's meeting forum. These things are suspected of influencing employee job satisfaction which can affect their commitment to the company. This is due to the efforts of the capital owners (concurrently the president director) to increase productivity through increasing employee burdens and narrow work deadlines but not accompanied by an increase in compensation. Another contributing factor is the presence of interference from superiors so that they have less control over their work. In addition, internal problems arise between employees, for example mutual accusation if there are errors in carrying out the standard steps that have been set so that it creates a conflict for them. High Turnover Intention takes the company's attention because it interferes

with operations, creates moral problems for employees who live, and also catapults costs in recruitment, interviews, tests, reference checks, new employee processing administrative costs, benefits, orientation, and opportunity costs lost due to employees just have to learn new skills.

1.1 Problem Statements

This study has multiple problem statements as follow:

- 1) Is Work Satisfaction affect Turnover Intention?
- 2) Is Motivation affect Turnover Intention?
- 3) Is Work Satisfaction affect Organizational Commitment?
- 4) Is Motivation affect Organizational Commitment?
- 5) Is Organizational Commitment affect Turnover Intention?
- 6) Is Organizational Commitment mediating Work Satisfaction and Turnover Intention?
- 7) Is Organizational Commitment mediating Motivation and Turnover Intention?

2. Prior Studies

There are many prior studies that focus on the exit turnover with many related factor such as benefits, motivation, and so on. However only few of them that this study used.

In [5], the author proposed a study about the effect of Work Satisfaction and Organizational Commitment to Turnover Intention. This study suggests that work satisfaction and organizational commitment have negative effect to turnover intention. The higher the job satisfaction felt by employees, the lower the turnover rate of employee intention. The higher the organizational commitment of employees, the lower the turnover rate of employee intention because they already have a commitment to stay with the company. While [6] conduct a study about the effect of Work Satisfaction to Turnover Intention with Organizational Commitment as intervening. This study suggest that work satisfaction has a direct and significant effect to turnover intention, and indirect effect between turnover intention and work satisfaction. [7]has conduct a study about the effect of Financial Satisfaction and Work Satisfaction to Turnover Intention with Organizational Commitment as mediator. His study suggests that Organizational Commitment does not mediate the effect of work satisfaction to exit intention, it also does not mediate the effect of financial satisfaction to exit intention. On the other hand, [8] conduct a study about the effect of Work Satisfaction and Organizational Commitment to Employee Performance with Turnover intention as intervening factor. This study suggest that work satisfaction and organizational commitment have a negative and significant effect on turnover intention, work satisfaction and organizational commitment have a significant and significant effect on employee performance, turnover intention has a negative and significant effect on employee performance, and turnover intention is able to mediate satisfaction relationships work and organizational commitment to employee performance. And lastly, [9] has done a study about Work Compensation, Motivation, and Organizational Commitment to Turnover Intention. The results of this study indicate that partially, the compensation variable, work motivation and organizational commitment

have a significant negative effect on turnover intention. While simultaneously or simultaneously, the compensation variable, work motivation and organizational commitment have a significant effect on turnover intention.

3. Research Design

This study aims to test the effect of Work Satisfaction and Motivation to Turnover Intention with Organizational Commitment as mediator on Azevedo Consultant Firm. This study is using Work Satisfaction and Motivation as independent variable, Organizational Commitment as mediator variable, and Turnover Intention as dependent variable.

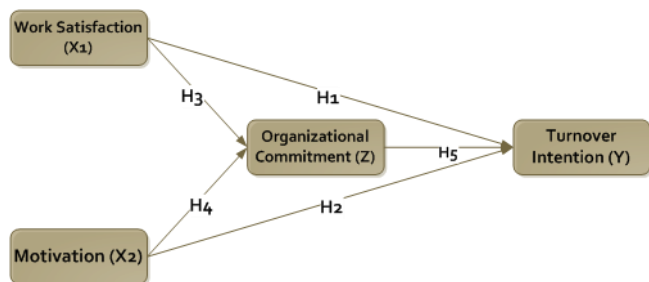


Figure 1: Research Framework

3.1 Population, Sample Selection, and Dataset

This study is using all employees of Azevedo Consultant Firm as a population, and using purposive sampling as sample selection methods, therefore a total of 40 employees were selected as sample study. A set of questionnaire were used to obtain the data needed for the study.

3.2 Data Analysis and Hypothesis Testing

This study is using multiple regression analysis to test all of the hypothesis mentioned in previous section. The regression model is split into two model. First, each of the research model is test by using classical assumption test, then move to the partial and simultaneous to test each hypothesis, and last the data were analyzed using Sobel Test to observe the indirect effect of the moderating variable. The data is run and analyzed by using the latest SPSS software version 24. The classical assumption test is required for every multiple linear regression model to ensure the model has fulfilled the assumption of Best Linear Unbiased Estimator (BLUE). In this study, there are 3 sets of classical assumption test, multicollinearity test, heteroskedasticity test, and normality test.

The first research model is Work Satisfaction and Motivation to Organizational Commitment, while the second model is Work Satisfaction, Motivation, and Organizational Commitment to Turnover Intention.

4. Results and Findings

4.1 Classical Assumption Tests

In this section, the result of all classical assumption test will be discussed and compared to each of the safe limit. Classic

assumption test is a statistical requirement that must be fulfilled in multiple linear regression analysis based on ordinary least square. In this study, there are total of 3 tests of classical assumption conducted.

4.1.1 Multicollinearity Test

To prevent a high correlation between independent variable, this study use multicollinearity test. If there is a high correlation between the independent variables, then the relationship between the independent variables to the dependent variable becomes disturbed. To detect the high correlation, this study use Variance Inflation Factor (VIF) value on both research model.

Table 1: Multicollinearity Test Result

Model	Variables Tested	VIF Value	Criteria	Result
1	Work Satisfaction	1,402	≤ 10.0	Pass
	Motivation	1,402	≤ 10.0	Pass
2	Work Satisfaction	2,717	≤ 10.0	Pass
	Motivation	1,665	≤ 10.0	Pass
	Organizational Commitment	3,208	≤ 10.0	Pass

Table 1 above shown the result of multicollinearity test that measured by VIF value. It can be seen that both model has pass the multicollinearity test since each variable tested have VIF value under 10.0.

4.1.2 Heteroskedasticity Test

Heterokedasticity test is the type of test to ensure both of the research model have similar varians. This study is using scatterplot graph to detect heterokedasticity problem. A good regression model will have no spesific patterns on the scatterplot graph.

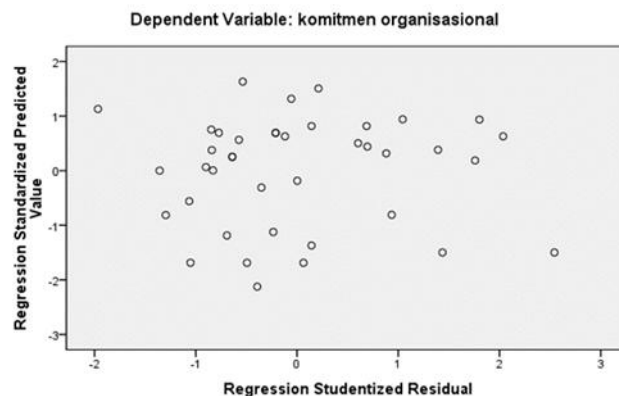


Figure 2: Scatterplot Research Model 1

Figure 2 above is the result of scatterplot test from multiple regression model 1. It can be seen that there is no pattern that forms the scatterplot. So the conclusion is there is no signs of heterokedasticity in regression model 1.

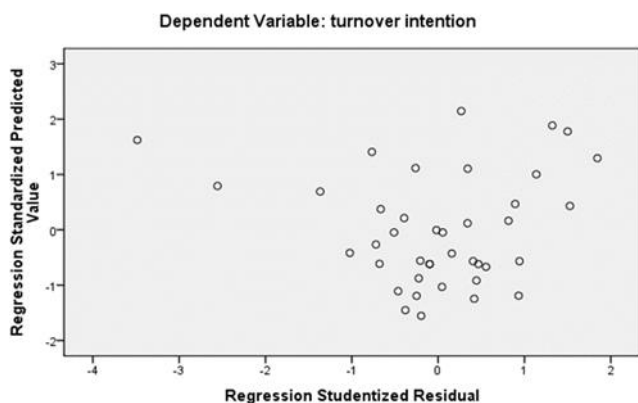


Figure 3: Scatterplot Research Model 2

Figure 3 above is the result of scatterplot test from multiple regression model 2. It can be seen that there is no pattern that forms the scatterplot. So the conclusion is there is no signs of heterokedasticity in regression model 2.

4.1.3 Normality Test

To ensure the residual from multiple model regression is distributed normally, this study conduct normality test as a part of classical assumption test. A good regression model is having a residual value that is normally distributed. So the normality test is not done on each variable but on the residual value. This study is using Kolmogorov-Smirnov (KS) Test to measure the distribution of residual value. The distribution of the residual value were considered normal if the KS test result is above 0.05.

Table 2: Normality Test Result

Model	Variables Tested	KS Value	Criteria	Result
1	Residual Model 1	0,633	≥ 0.05	Pass
2	Residual Model 2	0,572	≥ 0.05	Pass

Table 2 provide the results of normality test using KS for both research model. And it indicate that the residual value in both regression model are normally distributed.

4.2 Hypothesis Testing

In this section, the results of the regression model analysis for both research model will be displayed and analyzed.

4.2.1 Multiple Regression Research Model 1

Below is the multiple regression analysis from model 1 that consist of Work Satisfaction (X₁) and Motivation (X₂) to Organizational Commitment (Z).

Table 3: Output Results Research Model 1

Model	Variables	Coefficient	t - Sig.	F - Sig.	R ²
1	Constanta	4,474		0,000	0,688
	Work Satisfaction	0,342	0,000		
	Motivation	0,172	0,012		

Table 3 above is shown the result of regression analysis for research model 1. It can be concluded that the independent variable Work Satisfaction (X₁) and Motivation (X₂) are statistically proven to be significant simultaneously to Organizational Commitment (Z), this because the F -

statistic significant value has shown a result under 0,05 (0,000 < 0,05).

Partially, both independent variable are statistically proven to have significant effect to Organizational Commitment (Z), this because from table 3 above, it can be seen that the t - Statistic significant value has shown results of under 0,05 for both independent variable. And R² value is at 0,688, this result indicates that about 68.8% of variable Organization Commitment (Z), can be explained by Work Satisfaction (X₁) and Motivation (X₂). Thus, the multiple regression for research model 1 can be expressed as follow:

$$Z = 4,474 + 0,342X_1 + 0,172X_2$$

Where:

Z = Organizational Commitment

X₁ = Work Satisfaction

X₂ = Motivation

4.2.2 Multiple Regression Research Model 2

Below is the multiple regression analysis from model 2 that consist of Work Satisfaction (X₁), Motivation (X₂), and Organizational Commitment (Z) to Turnover Intention (Y).

Table 4: Output Results Research Model 2

Model	Variables	Coefficient	t - Sig.	F - Sig.	R ²
2	Constanta	34,91		0,000	0,753
	Work Satisfaction	-0,163	0,042		
	Motivation	-0,154	0,030		
	Organizational Commitment	-0,472	0,005		

Table 4 above is shown the result of regression analysis for research model 2. It can be concluded that the variable Work Satisfaction (X₁), Motivation (X₂), and Organizational Commitment (Z) are statistically proven to be significant simultaneously to Turnover Intention (Y), this because the F - statistic significant value has shown a result under 0,05 (0,000 < 0,05). Partially, all independent variable are statistically proven to have significant effect to Turnover Intention (Y), this because from table 4 above, it can be seen that the t - Statistic significant value has shown results of under 0,05 for all independent variable. And R² value is at 0,753, this result indicates that about 75.3% of variable Turnover Intention (Y), can be explained by Work Satisfaction (X₁), Motivation (X₂), and Organizational Commitment (Z). Thus, the multiple regression for research model 2 can be expressed as follow:

$$Y = 34,91 - 0,163X_1 - 0,154X_2 - 0,472Z$$

Where:

Y = Turnover Intention

X₁ = Work Satisfaction

X₂ = Motivation

Z = Organizational Commitment

4.3 Indirect Impact

In this section, the mediator effect from variable Organizational Commitment (Z) will be shown. The indirect impact came from the effect of independent variable Work Satisfaction (X₁) and Motivation (X₂) to Turnover Intention (Y) through Organizational Commitment (Z).

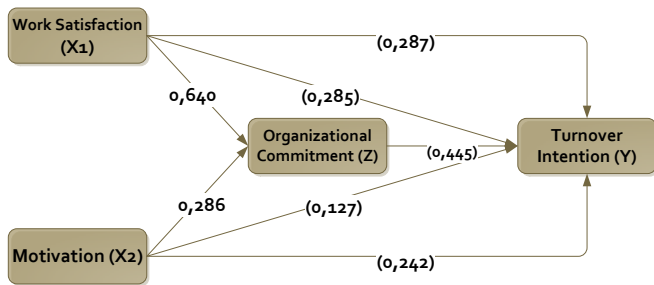


Figure 4: Indirect Impact Path Coefficient

Figure 4 above show the path coefficient between variables. The indirect effect of Work Satisfaction (X_1) to Turnover Intention (Y) through Organizational Commitment is $-0,285$ ($0,640 \times -0,445$). And The indirect effect of Motivation (X_2) to Turnover Intention (Y) through Organizational Commitment is $-0,127$ ($0,286 \times -0,445$). The Sobel test were used to determine the significance level of the indirect effect.

Table 5: Sobel Test Result

X_n	Y	Z	Indirect Effect	t - Sig.
Work Satisfaction	Intention Turnover	Organizational Commitment	-0,285	0,007
Motivation	Intention Turnover	Organizational Commitment	-0,127	0,047

Table 5 above has shown the indirect effect of moderating variable, Organizational Commitment (Z). Both Work Satisfaction (X_1) and Motivation (X_2) are statistically proven to have indirect and significant effect to Turnover Intention (Y) through Organizational Commitment (Z).

4.4 Further Results Discussion

The previous section has shown the results and findings from both of research model multiple regression analysis, and in this section, the discussion of the results will be shown.

4.4.1 Work Satisfaction (X_1), Motivation (X_2), and Organizational Commitment (Z) to Turnover Intention (Y)

Job satisfaction is an emotional attitude that is fun and loves his job. Job satisfaction is enjoyed in work, outside work, and a combination of in and outside work. Job satisfaction is defined as job satisfaction enjoyed in work by gaining praise for work, placement, treatment, equipment, and the atmosphere of the work environment. While job satisfaction outside of work is satisfaction enjoyed outside of work with the amount of remuneration that will be received from the results of his work in order to meet the needs. Motivation in the workplace is widely believed to be the main factor affecting the performance of individuals and organizations. Also an important predictor of the intention to leave the workplace. While organizational commitment encourages employees to maintain their jobs and show the results they should. Employees who have a high commitment to the company tend to show good quality, more totality in work and the turnover rate for the company is also low. Therefore, H_1 , H_2 , and H_5 are all accepted.

4.4.2 Work Satisfaction (X_1) and Motivation (X_2) to Organizational Commitment (Y)

Job satisfaction is seen in the positive attitude of employees towards their work and everything they face in their work environment, whereas employees who are not satisfied by the dimensions of work seem to have a negative attitude that reflects their lack of commitment to the company such as frequent absenteeism, low productivity, high the level of damage, the transfer of employees, anxiety and the occurrence of demands that ended in a strike. And employees who are given encouragement will feel cared for, valued, and feel involved in organizational activities, then will grow commitment to the organization. The process of commitment certainly takes a long time, and there are many influencing factors, one of which is motivation. Therefore, H_3 and H_4 are accepted.

4.4.3 Indirect effect of Work Satisfaction (X_1) and Motivation (X_2) to Turnover Intention (Y) through Organizational Commitment (Z)

Job satisfaction is viewed as a response to job characteristics such as diversity and opportunities to use skills and autonomy. An employee is willing to stay in a company because they get what is expected. Companies that want to take competent employees own competitors dare to offer more rewards, so that the employees are interested in changing jobs. The desire of employees to exit intention is an indicator of the success of the motivation of a company so that it can keep employees motivated to work. Basically, commitment expresses one of the most important factors that determine the movement of employees. Because it can be said that organizational commitment is something that shows how the motivation of employees in helping organizations to get a better direction. Therefore H_6 and H_7 are accepted.

5. Conclusions

This study’s objective is to find the connection between Work Satisfaction and Motivation to Turnover Intention, by going through Organizational Commitment. The result has proven that there are significant connection between Work Satisfaction and Motivation to Turnover Intention through Organizational Commitment.

Each employees have their own definition of work satisfaction, and each of them have different opinion. And everytime their working satisfaction increase, their motivation to keep working is also increase. In the end, only upper management team of Azevedo Consultant Firm who could support their own employee, and have a better working system that could improve their employee’s motivation.

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Author Profile

DitoWiratomo is a Graduate School of Management student in Business from Trilogi University. He received his Bachelor Degree in Business from Trilogi University, and master degree in Management, in 2013 and 2019 respectively.