

## **THE EFFECT OF WORK SATISFACTORY ON TURN OVER INTENTION AND ORGANIZATIONAL COMMITMENT AS WELL AS ITS IMPACT TOWARD EMPLOYEE PERFORMANCE AT PT. BANK SULTENG**

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### **ABSTRAK**

This research intends to determine and to analyze the direct effect of work satisfaction on turn over intention and organizational commitment and its impact on the performance of employees at PT. Central Sulawesi Bank. The population consists of 87 people who are employees at Head Office PT. Bank Sulteng taken from all levels of employees. Data analysis in this research used Structural Equation Model (SEM). The results of the analysis using the SmartPLS ver 3.0 statistical tool reveals that work satisfaction has a positive and significant effect on tur nover intention. Work satisfaction has a positive and significant effect on organizational commitment. Work satisfaction has a positive and significant effect on employee performance. Turn over intention has a positive and significant effect on employee performance. Organizational commitment has a positive and significant effect on employee performance. Work satisfaction has a positive and significant effect on performance through turn over intention as an intervening variable. Work satisfaction has a positive and significant effect on employee performance through organizational commitment as an intervening variable.

**Keywords:** Work satisfaction, Turn over Intention, Organizational Commitment, Performance

### **INTRODUCTION**

An organization or a company are required to have qualify employees if an organization or company wants to progress or develop. Employees with quality are employees whose performance can meet the targets set by the company. Performance is the achievement of employee work in the form of quality and quantity as work performance in a period of time that have been adapted to their duties and responsibilities. Employees can work well if they have a high level of performance so that it will produce good output (Mangkunegara, 2016).

Companies certainly want the performance of employee to be optimal and productive to achieve success and company goals. For this reason, company management needs to pay attention to important factors to be able to improve employee performance. Golung (2013) states that employee performance basically depends on many factors such as organizational commitment, satisfaction employee work, compensation, training and development, job security, organizational structure, turnover intention and others.

PT. Bank Sulteng is the only regional banking company in Central Sulawesi Province which is a company with the status of a Regional Owned Enterprise of Central Sulawesi Province, where income and Customer Social Responsibility (CSR) will be fully channeled to improve the progress of the Central Sulawesi Province. One of the missions of PT. Bank Sulteng is to be a driver of the pace of the economy and regional development as well as a source of local revenue, the asset management and performance of PT. Central Sulawesi Bank needs to be maximized.

Based on Turnover Data PT. Bank Sulteng in 2017 to 2019, PT. Bank Sulteng detected experiencing employee turnover.

**Table 1.**  
**Employee Turnover Data Of**  
**PT. Central Sulawesi Bank**

No	Year	Number of Employees	Turn in Employees	% Turn in Employees	Turnover Employees	% Turnover Employees
1	2017	685	14	2,04%	26	3,80%
2	2018	673	23	3,42%	38	5,65%
3	2019	658	51	7,75%	50	7,60%

In Table 1.1, it can be seen that the total turnover at PT. Bank Sulteng has been increasing for three years, from 3.80% in 2017 to 7.60% in 2019. This turnover rate will have a negative impact on the company, because the company will incur costs to find replacement employees and conduct training for these employees. .

Based on the results of interviews with one of the employees of PT. Bank Sulteng initials Mr. T on November 3, 2020 who stated that he had occupied the same position for approximately 4 (four) years which had an impact on feeling bored with work so that his KPI score had decreased in the last two years. The boss and promotion factors are the cause. Mr. T has a supervisor who is not supportive (a typical boss is someone who is authoritarian, provides overload work and does not pay attention to employee development) and he has not received the promotion as expected.

The work factor is also the cause of turnover intention and decreased performance. Ms. T who was transferred to a place far from her family explains that she just get married and has 2 toddlers and her husband's has permanent job in Palu. This resulted in limited time to gather with family and take care of children.

Based on the results of the interview above, work satisfaction factors can affect turnover intention. Work satisfaction for employees has a very important meaning for the company. Employees will stay in the company and be able to work productively if they are satisfied with what they get. Novliadi (2007) suggests that work satisfaction has a close relationship with thoughts of quitting work and intentions to look for other jobs. Intention to quit eventually has a significant relationship to actual turnover.

In addition to turnover intention, organizational commitment also needs management attention. Success in increasing employee commitment can grow if the relationship between employees and the organization is a mutually supportive building in a community. McNeese-Smith (1996) found that organizational commitment has a significant positive relationship with performance employee. If an organization seeks to benefit from employee commitment such as improving quality or productivity, the organization must bridge and be committed to creating a work environment where employees are encouraged to have high loyalty with policies that pay more attention to employee needs and satisfaction and provide the best for employees who concerned not only through salary and facilities but also a fair and open attitude from the company towards employees and the maintenance of a fun atmosphere at work so that organizational goals can be created.

The researchers conducted research on the effect of work satisfaction on turnover intention and organizational commitment and its impact on the performance of employees of PT. Bank Sulteng (Research at Head Office PT. Bank Sulteng).

## METHODS

### *Types of research*

This is causality research (cause and effect), namely the effect of work satisfaction on turnover intention, the effect of work satisfaction on organizational commitment, the effect of work satisfaction on performance, the effect of turnover intention on performance, the effect of organizational commitment on performance, the effect of work satisfaction on performance through variables turnover intention, the effect of work satisfaction on performance through organizational commitment variables.

### *Population and Sample*

Sugiyono (2014) states that population is a generalization area consisting of: objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. In this research, the population is employees at PT. Bank Sulteng Head Office, The sample in this research were 87 employees at PT. Bank Sulteng Head Office.

### *Analysis Method*

Data analysis in this research used the Structural Equation Model (SEM) with the Partial Least Square (PLS) method using the SmartPLS ver statistical tool. 3.0. In this research, the Partial Least Square (PLS) method uses two tests, namely the Outer Model (Convergent Validity, Discriminant Validity, Composite Reliability and AVE) and the Inner Model (R Square). Meanwhile, hypothesis testing uses a bootstrapping process to see the path coefficients.

## RESULT AND DISCUSSION

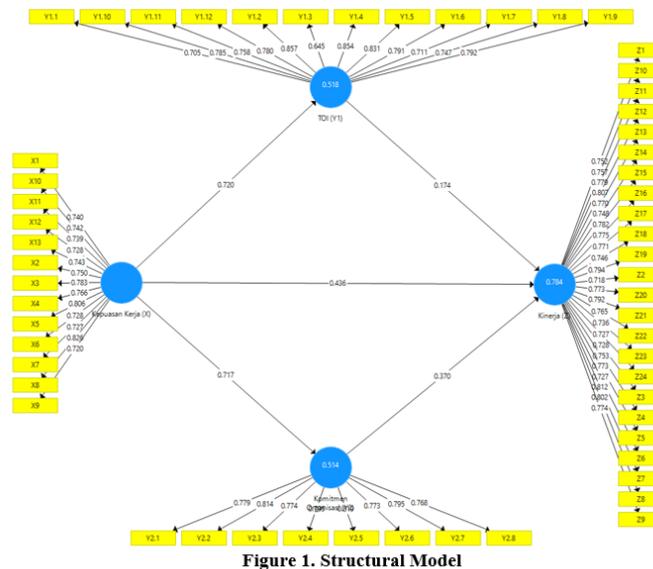
### Result

Hypothesis testing was conducted by looking at the level of significance between latent variables using t-statistics and PValues calculated from SmartPLS to determine the value of the significance level, a bootstrapping process was carried out on the SmartPLS software by looking at the path coefficients with a significance level of 5% and a confidence level of 95% so that the t-statistic must be  $> 1.96$ .

**Tabel 2.**  
***Path Coefficients***

hypothesis	Influence	Original Sample	T Statistics((O/STERR) (t)	P Values	Significance (>1.96)
H <sub>1</sub>	X→Y <sub>1</sub>	0.720	17.328	0.000	Accepted
H <sub>2</sub>	X→Y <sub>2</sub>	0.717	12.763	0.000	Accepted
H <sub>3</sub>	X→Z	0.436	4.998	0.000	Accepted
H <sub>4</sub>	Y <sub>1</sub> →Z	0.174	2.165	0.031	Accepted
H <sub>5</sub>	Y <sub>2</sub> →Z	0.370	5.009	0.000	Accepted
H <sub>6</sub>	X→ Y <sub>1</sub> →Z	0.125	2.098	0.036	Accepted
H <sub>7</sub>	X→ Y <sub>2</sub> →Z	0.265	4.574	0.000	Accepted

Source: Data were proceed with *SmartPLS* 3.0



**Figure 1. Structural Model**

The results of hypothesis testing indicate that all hypotheses are significantly accepted. Thus, the test results with SmartPLS show:

1. Work satisfaction has a significant effect on Turnover Intention. This condition is proven by the t-statistical value of 17,328 > 1.96 and the P-values of 0.000 < 0.05. This shows that work satisfaction has a significant effect on turnover intention. Thus the hypothesis is accepted.
2. Work satisfaction has a significant effect on Organizational Commitment. This condition is evidenced by the t-statistic value of 12.763 > 1.96 and the P-values 0.000 < 0.05. This shows that work satisfaction has a significant effect on organizational commitment. Thus the hypothesis is accepted.
3. Work satisfaction has a significant effect on performance. This condition is evidenced by the t-statistic value of 4.998 > 1.96 and the P-values 0.000 < 0.05. This shows that work satisfaction has a significant effect on performance. Thus the hypothesis is accepted.
4. Turnover Intention has a significant effect on performance. This condition is evidenced by the t-statistic value of 2.165 > 1.96 and the P-values of 0.031 < 0.05. This shows that Turnover Intention has a significant effect on performance. Thus the hypothesis is accepted.
5. Organizational commitment has a significant effect on performance. This condition is evidenced by the t-statistic value of 5.009 > 1.96 and the P-values 0.000 < 0.05. This shows that Organizational Commitment has a significant influence on performance. Thus the hypothesis is accepted.
6. Work satisfaction has a significant effect on performance through Turnover Intention as an Intervening Variable. This condition is evidenced by the t-statistic value of 2.098 > 1.96 and the P-values of 0.036 < 0.05. This shows that work satisfaction has a significant effect on performance through turnover intention as an intervening variable.
7. Work satisfaction has a significant effect on Performance through Organizational Commitment as an Intervening Variable. This condition is evidenced by the t-statistic value of 4.574 > 1.96 and the P-values of 0.000 < 0.05. This shows that work satisfaction has a significant effect on performance through organizational commitment as an intervening variable.

## Discussion

### *The Effect of Work satisfaction on Turnover Intention*

The definition of work satisfaction is the attitude shown by employees in carrying out their duties related to their expectations and existing realities. Meanwhile, turnover intention

is the tendency or intention of employees to stop working from their jobs voluntarily or move from one workplace to another according to their own choice.

The results of statistical calculations, it can be concluded that the work satisfaction variable has a positive and significant effect on the turnover intention variable. This is proven by the test results which produce a path coefficient value of 0.720 with a positive direction and t-statistics  $17,328 > t$  table (1.96). Because t- statistic  $> t$  table, then the hypothesis that work satisfaction has a direct effect on turnover intention is accepted. Thus, these results indicate that an increase in work satisfaction will make a positive contribution to a decrease in turnover intention.

The results of this research are in line with previous research by Munandar et al., (2018) which also found that work satisfaction had a positive and significant effect on turnover intention. Every organization has human resources which are the most important assets, where human resources are one of the most dominant factors and play an active role in achieving the organization's vision and mission so that in every activity the organization is faced with human resource problems with various backgrounds which result in on the success or achievement of organizational goals. These human resources need to be managed in order to achieve a balance between the needs of employees and the demands and capabilities of an organization.

The results of the questionnaire reveals that employees of PT. Bank Sulteng is quite satisfied with the salary received, promotion opportunities, supervision and co-workers with the mean value of the work satisfaction variable being 3.87. The indicator with the highest average value is the salary indicator. This is in line with the management's efforts to implement a grading system, providing remuneration, incentives, rewards which are calculated based on the results of performance appraisals or Key Performance Indicators (KPI). This is a form of appreciation to employees. -employees who have good performance, thus indirectly motivating employees to be more motivated to get rewards in the form of cash and overseas travel, grade promotions and remuneration increases as well as incentives. The large influence of work satisfaction on turnover intention is 51.8% based on the Rsquare value of 0.518. This shows that there is a fairly strong influence of work satisfaction on turnover intention which exceeds 50%. Based on this, work satisfaction is an indicator that needs to be anticipated by PT. Central Sulawesi Bank to reduce the turnover intention ratio.

### ***The Effect of Work satisfaction on Organizational Commitment***

The results of statistical calculations shows that the work satisfaction variable has a positive and significant effect on the organizational commitment variable. This is proven through the test results that produce a path coefficient value of 0.717 with a positive direction and t-statistics  $12.763 > t$  table (1.96). Because t- statistics  $> t$  table, then the hypothesis that work satisfaction has a direct effect on organizational commitment is accepted. Thus, these results indicate that an increase in work satisfaction will make a positive contribution to the increase in employee organizational commitment.

The results of this research are in line with previous research by Puspitawati dan Riana (2014) which also found that work satisfaction had a positive and significant effect on organizational commitment. The variable of work satisfaction measured by indicators of salary, promotion opportunities, supervision, co-workers and work shows that it has been managed properly so that it contributes to organizational commitment. Based on the results of the assessment questionnaire from respondents or employees, the remuneration given by PT. Bank Sulteng has met employee expectations, the opportunity for employees to be promoted is carried out according to the performance of each employee, leaders who are willing to listen to

suggestions, co-workers who support each other in their work and the work given is in accordance with the right man on the right place.

The large influence of work satisfaction on organizational commitment is 51.4% based on the R-square value of 0.514. This shows that there is a fairly strong influence of work satisfaction on organizational commitment that exceeds 50%. Based on this, work satisfaction is an indicator that needs to be anticipated by PT. Bank Sulteng to increase employee commitment to the organization.

### **The Effect of Work satisfaction on Performance**

The results of statistical calculations shows that the work satisfaction variable has a positive and significant effect on the performance variable. This is proven by the test results that produce a path coefficient value of 0.436 with a positive direction and t-statistics  $4,998 > t$  table (1.96). Because t-statistics  $> t$  table, then the hypothesis that work satisfaction has a direct effect on performance is acceptable. Thus these results indicate that an increase in work satisfaction will make a positive contribution to increasing employee performance.

Satisfaction is one of the factors in improving an organization's performance, this is if employees are satisfied with their work and all their duties, then every employee will have a better performance so that the performance of an organization becomes very good and effective and efficient. The impact of one's job dissatisfaction will affect the level of maturity of psychologists, it can even cause frustration. Another impact, lack of satisfaction in work will cause morale to decrease.

The influence of work satisfaction on performance is 78.4% based on an R-square value of 0.784. This shows that there is a very strong influence of work satisfaction on organizational commitment which exceeds 75%. It is undeniable that the purpose of a person's work is to fulfill needs. Employees will feel satisfied when they get what is needed and expected. The more likely the employee's needs are met, the satisfaction will increase or vice versa. Therefore, the drive for work satisfaction is related to employee performance. PT. Bank Sulteng understands that work satisfaction is a challenge and is currently improving the management of human resources.

The results of this research are in line with the results of research by Ristiana (2013) which shows that the relationship between work satisfaction and performance has a positive and significant influence.

### **The Effect of Turnover Intention on Performance**

The results of statistical calculations reveals that the turnover intention variable has a positive and significant effect on the performance variable. This is proven by the test results which produce a path coefficient value of 0.174 with a positive direction and t-statistics  $2.165 > t$  table (1.96). Because t-statistics  $> t$  table, then the hypothesis that turnover intention has a direct effect on performance is accepted. Thus, these results indicate that an increase in turnover intention will make a positive contribution to a decrease in employee performance. Even though turnover intention is not in the form of a real act of employees leaving or resigning, turnover intention can be a predictor of employee turnover rates for the next period. The high turnover intention ratio needs to be a warning for the company to be able to retain every employee so that operational activities can run effectively and efficiently.

Turnover intention can be interpreted as the movement of employees out of the organization, it can be in the form of resignation, transfer out of the organizational unit, dismissal or death. A high turnover rate will have a negative impact on the organization, such

as creating instability and uncertainty in labor conditions and increasing human resource costs in the form of training costs and recruitment costs. High turnover also makes the organization ineffective because the company loses experienced employees and needs to retrain new employees.

The results of the questionnaire with all statements that are unfavorable and reverse coding has been carried out on data processing, most of the employees of PT. Bank Sulteng does not agree with the statements on the variables and indicators of turnover intention as evidenced by the mean value of the turnover intention variable, which is 3.94 in the good category. Based on the mean value above, it can be seen that the employees of PT. Bank Sulteng prefers to disagree with negative statements. The indicator with the highest average score is the indicator of violation of rules and regulations. This shows that most of the employees do their work and make decisions based on the applicable regulations and SOPs.

### ***The Effect of Organizational Commitment on Performance***

The results of statistical calculations shows that the organizational commitment variable has a positive and significant effect on the performance variable. This is proven through the test results that produce a path coefficient value of 0.370 with a positive direction and t-statistics  $5.009 > t$  table (1.96). Because t-statistics  $> t$  table, then the hypothesis that organizational commitment has a direct effect on performance is accepted. Thus these results indicate that an increase in organizational commitment will make a positive contribution to improving employee performance.

Robbin dan Judge (2007) stated that organizational commitment (organizational commitment) is a condition in which an employee sided with the goals of the organization and has a desire to maintain membership in the organization. The results of this research are in line with the research results of Sapitri dan Suryalena (2016) which show that the relationship between organizational commitment and performance has a positive and significant influence.

The organizational commitment variable is measured by indicators of affective commitment, continual commitment and normative commitment, which shows that it has been managed well which can be seen based on the mean value of the organizational commitment variable, which is 3.97 so that it contributes to performance. Based on the results of the assessment questionnaire from respondents or employees, the indicator with the highest average value is the affective commitment indicator with a mean value of 4.01. PT. Bank Sulteng continues to strive to maintain a strong organizational commitment in order to continuously improve employee performance and create loyal employees.

### ***The Effect of Work satisfaction on Performance Through Turnover Intention as an Intervening Variable***

The results of statistical calculations reveals that the work satisfaction variable has a positive and significant effect on the performance variable through turnover intention as an intervening variable by partially mediating (partial mediation). Partial mediation is an independent variable (work satisfaction) capable of directly influencing the dependent variable (performance).) with or without a mediator variable (turnover intention). This is proven by the results of the test which produces a path coefficient value of 0.125 with a positive direction and t-statistics  $2.098 > t$  table (1.96). Since t-statistics  $> t$  table, the hypothesis that satisfaction work has a direct effect on performance through turnover intention as an acceptable intervening variable.

### ***The Effect of Work satisfaction on Performance Through Organizational Commitment as an Intervening Variable***

The results of statistical calculations shows that the variable work satisfaction has a positive and significant effect on the performance variable through organizational commitment as an intervening variable by partially mediating (partial mediation). Partial mediation is an independent variable (work satisfaction) capable of directly influencing the dependent variable (performance). with or without a mediator variable (organizational commitment). This is proven through the test results that produce a path coefficient value of 0.265 with a positive direction and t-statistics  $4.574 > t$  table (1.96). Since t-statistics  $> t$  table, the hypothesis that work satisfaction have a direct effect on performance through organizational commitment as an acceptable intervening variable.

## **CONCLUSIONS**

Results of the discussion are as follows:

1. Work satisfaction has a positive and significant effect on employee turnover intention of Head Office PT. Bank Sulteng.
2. Work satisfaction has a positive and significant effect on the organizational commitment of Head Office PT. Bank Sulteng.
3. Work satisfaction has a positive and significant effect on the performance of Head Office PT. Bank Sulteng.
4. Turnover intention has a positive and significant effect on the performance of employees of Head Office PT. Central Sulawesi Bank.
5. Organizational commitment has a positive and significant effect on the performance of Head Office PT. Central Sulawesi Bank.
6. Work satisfaction has a positive and significant effect on the performance of Head Office PT. Bank Sulteng through turnover intention as an intervening variable.
7. Work satisfaction has a positive and significant effect on the performance of Head Office PT. Bank Sulteng through organizational commitment as an intervening variable.

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