

EFFECT OF ORGANIZATIONAL COMMITMENT AND COMPENSATION ON TURNOVER INTENTION OF PT INFOMEDIA NUSANTARA

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Keywords:

Organizational Commitment, Compensation, and Turnover Intention.

Abstract

This study aims to examine and analyze the Effect Of Organizational Commitment And Compensation On Employee Turn Over Intention. This study uses a quantitative approach. The object under study is an employee who works at the office of PT Infomedia Nusantara. The data in this study were obtained by survey methods and research instruments in the form of a questionnaire. The research sample was 120 people who were selected by the census sampling method. Data were analyzed by multiple regression method using SPSS program. The results of this study indicate that organizational commitment and compensation influence the Turnover Intention of PT Infomedia Nusantara.

INTRODUCTION

Turnover intention is the desire of the workforce movement to resign from the company based on various reasons, one of which is to get a better job or position. Turnover intention can be resignation, leaving the organization, or the death of a member of an organization. The decision to change jobs is usually one of the last options for an employee if he finds that his working conditions are not as expected. The existence of turnover intention not only eliminates organizational talent but also hinders the smooth running of the organization. Turnover intention is a person's behavioral

attitude to leave an organization, while turnover describes the actual act of separating oneself from an organization (Naman Shaman et al., 2016). To observe the phenomenon of employee turnover at the PT.X Company, the author made initial observations through interviews relating to employees whose tenure did not reach one year, there were still many in 2020 there were as many as 20 employees, this proves that employee turnover in PT.X Company is still high.

According to (Bramantara & Kartika, 2015) one of the factors that influence turnover intention is the low commitment of employees to the organization where they work. Employees who have a high commitment will have a long service life when compared to employees who have a low commitment to the company. With a high sense of commitment to the organization, employees can work optimally. According to (Fan, 2007) commitment is also defined as a rational decision and emotional investment of individuals towards the organization, work, and career, based on the exchange of resources and psychological support, which contributes to and maintains a stable behavior consistency, including loyalty. According to (Ahmad et al., 2010) organizational commitment is a condition when individuals who have jobs identify their work roles and focus on work, and are responsible for work as expected.

One of the factors that can affect employee turnover is organizational commitment. According to (Kaswan, 2017) organizational commitment is a measure of an employee's willingness to stay with a company in the future. Commitment often reflects an employee's belief in the mission and goals of the organization, a willingness to make an effort to get the job done, and a desire to continue working there. If organizational commitment is low, then employee loyalty to the company will also be low and increase the employee's desire not to maintain membership in the company (Novriyadhi & Riana, 2015).

Another factor that affects employee turnover is compensation, in a study conducted by (Artiningrum & Satrya, 2016) states that the factor that affects employee turnover is salaried satisfaction. However, according to (Chua et al., 2009) stated that the emergence of feelings of individuals who wish to move from an organization, end their work in the organization or leave the organization they currently occupy is related to individual feelings of being satisfied or dissatisfied with resource practices. The company must fulfill the rights of employees in HRM practices such as salaries,

compensation, benefits, and support for employees (Pramusiwi, 2015). The results of (Putrianti, 2014) show that compensation is one of the dominant factors in influencing turnover intention. The same thing was also explained by (Wibowo & Sukirno, 2016) that compensation has a big influence on the high and low turnover intention of employees.

Based on the results of observations and interviews conducted in this study at PT. Infomedia Nusantara researchers found that there is a desire to work more because the wages earned are based on working hours, which means that work commitment is also influenced by wages and applicable regulations, but not many also resign for 2 months of work. This then became the concentration of researchers to continue the correlation survey of employees working at PT. Infomedia Nusantara.

Based on the results of these two studies, this research is interested in conducting a study entitled Effect Of Organizational Commitment And Compensation On Turnover Intention Of Pt Infomedia Nusantara.

RESEARCH METHODS

This study aims to examine and analyze the Effect Of Organizational Commitment And Compensation On Employee Turn Over. This study uses a quantitative approach. The object under study is an employee who works at the office of PT Infomedia Nusantara. The data in this study were obtained by survey methods and research instruments in the form of a questionnaire. The research sample was 120 people who were selected by the census sampling method. Data were analyzed by multiple regression method using SPSS program. The variables in this study are organizational commitment, compensation, and turnover intention.

RESULTS AND DISCUSSION

Multiple Linear Regression Analysis Test

By using the SPSS Version 25 data analysis program tool, the regression coefficient value of each variable which includes organizational commitment and compensation is obtained which is entered in the following model:

$$Y = 4.201 + 0,381X_1 + 0,502X_2$$

The multiple linear regression equation above can be interpreted as follows:

1. The multiple linear regression formula above obtains a constant value of 4.201.

Table 1. Regression calculation results

Coefficients*						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.201	2.958		1.802	.384
	Organizational Commitment	-.381	.060	-.273	-3.042	.004
	Compensation	-.502	.122	-.371	-4.424	.000

a. Dependent Variable: Turnover Intention

Source: Primary data processed, 2022

- The regression coefficient value of organizational commitment (X1) is -0.381 which means that there is a negative and significant effect of organizational commitment on Turnover Intention of -0.381 so that if the organizational commitment score increases by 1 point, it will be followed by a decrease in Turnover Intention score of -0.381 points.
- The value of the compensation regression coefficient (X2) of -0.502 means that there is a negative and significant compensation effect on Turnover Intention of -0.502 so that if the competency score increases by 1 point, it will be followed by a decrease in Turnover Intention score of -0.502 points.

Partial Testing (t-test)

the variables partially or individually the independent variable (X) against the dependent variable (Y) can be used t-test. This can be seen in the results of the SPSS version 25 data processing analysis which is contained in the following table:

Table 2 t-test results

Coefficients*						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.201	2.958		1.802	.384
	Organizational Commitment	-.381	.060	-.273	-3.042	.004
	Compensation	-.502	.122	-.371	-4.424	.000

a. Dependent Variable: Turnover Intention

Source: Primary data processed, 2022

From the description of the t-test using the SPSS version 25 data analysis program, it is known that the four independent/independent variables (X) have a positive and significant effect on Turnover Intention with the following summary:

1. Organizational commitment variable (X1) with a sig value smaller than 0.05, namely 0.004.
2. The compensation variable (X2) with a sig value less than 0.05 is 0.000.

Simultaneous Testing (F-Test)

The F test serves to test organizational commitment and compensation whether the four variables studied have a simultaneous influence on Turnover Intention. The analysis was carried out using SPSS version 25 data processing program tools which can be described in Table 3. below:

Table 3. F Test Results

ANOVA*			
Model		F	Sig.
1	Regression	39.746	.000 ^b

Because the value of Fcount is 39,746, it means that the independent variable (X) which includes transparency, competence, and participation simultaneously affects the accountability of the management of village fund allocation in North Toraja Regency, it can be said to be significant because the test shows that the result of Fcount = 39,746 is greater than F. table = 2.68 or it can be said that Ho is rejected and Ha is accepted.

This study also found the magnitude of the influence of the independent variable on the dependent variable which can be seen from the value of the coefficient of determination (Adjusted R square) and can be seen in the following table:

Table 4 R Square

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson

1	.713 ^a	.661	.684	1.79460	1.397
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a. Predictors: (Constant), X1, X2

b. Dependent Variable: Y

Sumber : Data primer diolah, 2022

The coefficient of determination (Adjusted R square) is 0.684 which means that the independent variable (X) which includes transparency, competence, and participation contributes to the variation of Turnover Intention by 64.4%, while the remaining 31.6% is influenced by other variables. which were not included in this study.

Discussion:

The Effect of Organizational Commitment on Turnover Intention

organizational commitment is an attitude that reflects employee loyalty to the organization and the ongoing process by which organizational members express concern for the organization. Organizational commitment can grow from bonding emotions towards the company which includes moral support, values in the company as well as inner willingness to serve the company (Cahyani, 2020). In this case, the individual identifies himself in a particular organization and hopes to remain part of the company's members to participate in achieving the company's vision and mission.

The results of this study also prove the influence of organizational commitment on Turnover Intention. Therefore, the higher the organizational commitment, the lower the employee's intention to leave, and vice versa. As evidenced by (Akram et al., 2016) that organizational commitment hurts turnover intention. This is also evidenced by previous research that low commitment to employees will be the most important factor that causes the desire to leave the organization and in the end, their position will be replaced by someone else (Ghafoor et al., 2011).

Effect of Compensation on Turnover Intention

Everyone works to earn an income to meet their daily needs. For that everyone works to get reciprocity according to the work done. So that employees work diligently and responsibly in carrying out their duties properly to get an award for their work performance in the form of compensation. One way of management to increase

productivity, creativity, work performance, motivation, and improve employee performance is by providing compensation. The results of this study also prove the effect of compensation on Turnover Intention. this means that if the compensation variable (increases, the turnover intention will decrease. The compensation program is very important to be seriously considered because compensation can increase or decrease performance, job satisfaction, and employee motivation. (BAHTIAR, 2020)

This study is in line with (Cahyani, 2020) who examined the Effect Of Compensation And Organizational Culture On Turnover Intention. The results in this study indicate that the compensation variable has a significant and negative effect on the turnover intention variable.

CONCLUSION

Based on the results of the analysis in this study, several conclusions can be drawn as follows:

1. Organizational commitment has a negative and significant effect on the Turnover Intention of PT Infomedia Nusantara Employees.
2. Compensation has a negative and significant effect on the Turnover Intention of Employees of PT Infomedia Nusantara.

SUGGESTION

Based on the results of the research and the conclusions in this study, some suggestions that need to be submitted are (1) Compensation given to employees, especially overtime wages with company regulations that are in the initial work agreement, must be appropriate, and pay more attention to the salary that must be the right time. (2) Then suggestions for organizational commitment must be increased to all employees before entering this office, and for employees who are still working in this office to make a good contribution again, to create a more conducive atmosphere and create team engagement / a team that is solid among fellow employees to create comfort in the work environment so that it can make a greater contribution in reducing the level of turnover intention. (3) For future researchers, it is better to add other variables that are not in this study, for example, Motivation, Organizational Commitment, Employee Performance, and Leadership Style. So that further research will be more perfect and provide more information.

ACKNOWLEDGEMENTS

Acknowledgments and appreciation are given to the editors who have reviewed and reviewed the jpim journal (jurnal of management science research), thanks to the university of muhammadiyah sidenreng rappang campus which has supported the research activities that the authors carried out.

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