# IMPACT OF ORGANIZATIONAL COMMITMENT AND WORK SATISFACTION ON TURNOVER INTENTION

# (EMPIRICAL STUDY OF GARMENT COMPANIES IN SOUTH TANGERANG)

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#### Abstract:

This study was conducted to investigate the impact of organizational commitment and job satisfaction to turnover intention felt by the operator employees' one of Garment Company in Tangerang Selatan. Data were collected through survey and bibliography study. The 150 questionnaires have send to respondents and 147 were returned yielding response rate 98%. From the correlation and regression analysis, the study found that the correlation and the impact of turnover intention has supported. From four hypotheses that have tested in this study, all hypotheses were supported. The result showed that organizational commitment and job satisfaction were negatively and significantly related to turnover intention and having negative influence on it.

**Keywords**: Organizational commitment, job satisfaction, turnover intention.

## A. Preliminary:

The success and performance of a person in a field of work are largely determined by the level of competence, professionalism, and also his commitment to the field of work that is occupied. The level of work shifts carried out by employees, it can be said that quite a lot of employees who move companies in a relatively short period of time, the reasons given by job seekers to move companies, but so research on the turnover intention to date is still a process. Ratnawati (2002) suggested that in general the variables that were consistently found to be related to an employee's desire to move were

organizational commitment and job satisfaction. Yulianto (2001) with a sample of employees of insurance companies in Surakarta, examined the effect of job satisfaction, employee loyalty, organizational commitment on the desire to change jobs. The results found are that only job satisfaction and organizational commitment significantly influence the desire of an employee to change work.

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The effect of organizational commitment and job satisfaction on workover (turnover intention), the sample used is the employees of the operator (specifical sewing) in one Garment company in South Tangerang, based on

company data it is proven that the employees in the operator (specifical sewing) are has a fairly high turnover rate (source: an interview with Garment Company Manager, 2009).

Literature Review and Hypothesis Turnover Intention according to Weiss and Dawis (1982); in Yulianto, (2001) defines turnover as the willingness of employees to leave an organization and move to another organization. Turnover can be voluntary or forced (Robbins, 2001). Turnover intention is one form of withdrawal behavior (withdrawal) in the world of work, but at the same time, it is also the right for each individual to determine his choice, whether to keep working or leaving the company. However, such behavior is not bad because an employee may want to leave the company where he works to get a much better chance to work in another place or he wants to leave because he can not stand the situation at his current job (Yulianto, 2001). Manullang (1994) classifies the causes of turnover into three main causes, namely because of the desire of the company; because employees are potential employees, personal desires; among other things, the expiration of the contract period between the employee company. There are two types of turnover namely functional and dysfunctional (Robbins, 2003). Turnover is said to be functional if the discharge of employees (voluntarily) can provide benefits to the organization are employees who are not productive or potential while the company is in a difficult economic situation, so it must make cost savings. Besides, the company feels benefited if turnover is used

as a promotional opportunity for other employees in the same organization. Turnover is said to be dysfunctional if, with the discharge of the employee, the organization would suffer losses, especially if the exit is a potential employee (Yulianto, 2001). The type of turnover that is of concern in this study is turnover that occurs voluntarily and dysfunctionally.

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Turnover is considered a problem because of some of the consequences it causes. Yulianto (2001) states that the positive impact of turnover is renewal in the organization, reduction, or prevention of other turnovers, reduced conflict / increased individual self-confidence. As for the negative effects of turnover described in terms of cost, achievement, social communication patterns, declining morale, rigid control strategies, and opportunity cost strategies.

### **Organizational Commitment.**

Organizational commitment to a company is one guarantee to maintain the continuity of the company. Commitment is a kind of agreement between the individuals in it that is binding and leads to the whole. Robbins (2001) defines a commitment to the organization, which is to what extent an employee sides with a particular organization and its objectives, and intends to maintain membership in the organization. Meanwhile, according to Hatmoko (2006),organizational commitment is the loyalty of an employee to the organization through the acceptance organizational values, of goals, willingness or willingness to try to be part of the organization, as well as the desire to survive in the organization.

Meyer and Allen (1990; in Wijaya, 2002) revealed three basic divisions of organizational commitment, namely: 1. Continuance commitment This commitment is related to the amount of desire of an employee to continue his work because he did not get another job. 2. Affective commitment (Affective commitment) Almost the same continuance commitment. affective commitment is related to a person's attitude to continue to pursue his work. 3. Commitment Normative (Normative commitment) This commitment is related to employee loyalty, which is a feeling of staying in the organization due to pressure from others.

#### Job Satisfaction.

Job satisfaction has an important role in supporting the achievement of a company's goals. Job satisfaction is a set of employees' feelings about whether or not their work is fun (Davis and Newstron, 1989 in Narimawati, 2007). Someone with a high level of job satisfaction shows a positive attitude towards the Conversely, if someone is dissatisfied with his work shows a negative attitude towards his job (Robbins, 2003). The factors that influence job satisfaction are challenging work, commensurate rewards, supportive working conditions, supportive colleagues, and compatibility between work and individual personality. Luthans (1995) divides job satisfaction into 3 dimensions: 1. Job satisfaction is an emotion that is a response to work situations. This cannot be seen, but can only be suspected. Or this cannot be stated but will be reflected in the attitude of the employee. satisfaction is expressed by obtaining the appropriate result, or even exceeding what is expected, for example, someone works as well as he can and hopes to get commensurate rewards. In fact, he gets a salary as expected and gets praise from superiors because of the achievements he can achieve. Then the employee will feel satisfied at work. 3. Job satisfaction is usually expressed in an attitude. A person who is satisfied with his work will be reflected through attitude, for example, he will be more loyal to the company and work well.

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## Relationship between Research Constructions Organizational Commitment and Turnover Intention.

Commitment is a very important variable in understanding the work attitude an employee in an organization. Employees who tend to turnover usually have a low commitment to the organization where he works. This situation can occur because individuals who tend to resign usually do not like the place where he worked at that time, do not have the desire to participate in realizing the goals of the organization, as well as having decreased morale. Some studies show a significant and negative relationship between organizational commitment intention and turnover (Meyer, 1989, in Yulianto, 2001).

Robbins (2001) defines a commitment to the organization to the extent to which an employee side with a particular organization and its objectives, and intends to maintain membership in the organization. In other words, the higher one's commitment to the company will have an impact on the willingness to carry out other activities that must be carried out

without considering rewards. This indicates that the higher organizational commitment of an employee, the lower the value of the desire to move to another company. Based on these descriptions, the researchers took the following hypothesis:

Hypothesis 1: Organizational commitment is negatively related to turnover intention.

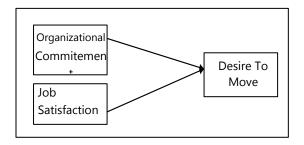
Hypothesis 2: Organizational commitment harms turnover intention.

#### **Job Satisfaction and Turnover Intention**

Job satisfaction is very important because it contributes to the success of the company, among others, can increase productivity with quality products and services and can also reduce absenteeism. The higher the value of one's job satisfaction, the lower the desire to move the employee's work. Porter et al. (1978; in Yulianto, 2001) stated that job satisfaction has a close relationship with the mind to stop working and the intention to find another job (turnover intention). The intention to stop ultimately has a significant relationship to actual turnover. The results of research conducted by Yulianto (2001) prove that job satisfaction has a negative and not significant relationship with turnover intention. Based on these descriptions, the researchers took the following hypothesis:

Hypothesis 3: Job satisfaction is negatively related to turnover intention.

Hypothesis 4: Job satisfaction negatively influences turnover intention



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Source: Modified from Yulianto (2001).

## Figure 1

Effect of Organizational Commitment and Job Satisfaction on the Desire to Change Work

Research Subject Method

The subjects of this study were employees of the operator section (specifical sewing) in one Garment company in South Tangerang. Data collection techniques using questionnaire tools. The questionnaire distributed was to respondents in the amount of 150 pieces and after passing through the distribution process there were 147 questionnaires (98% return rate) which were successfully collected again.

### Operational definition.

Turnover Intention. In this study, the turnover intention was measured by the Intention to leave a questionnaire from Fried et al. (1996) and JDS (Hackman and Oldham, 1980). This variable consists of 4 items containing dimensions of intention to look for work, plus 4 items of questions developed by previous researchers, namely Yulianto (2001) which contains views on the current job and the level of anticipation of the consequences of the respondents 'choices as material to strengthen respondents' answers to variable turnover intention. The Cronbach alphabet is 0.7516. Questionnaire regarding turnover intention, this uses a Likert's scale consisting of 5 points, namely very dissatisfied (STS), dissatisfied (TS), neutral (N), satisfied (S), and very satisfied (SS). Organizational Commitment. Organizational commitment is measured using the OCQ (Organizational Commitment Questionaire) instrument developed by Porter, Steers, Mowday, and Boulian (1974). This questionnaire was also used by Yulianto (2001) with Cronbach Alpha 0.7507. This organizational commitment questionnaire consists of 8 questions. Job satisfaction. Job satisfaction was measured using a standardized MSO (Minnesota Satisfaction Questionaire) questionnaire developed by Weiss, Dawis, England, and Lofquist (1967). The MSQ used consisted of 20 items of questions and measured satisfaction from 20 work dimensions. This questionnaire was also used by Yulianto (2001) in his research, with a Cronbach alpha of 0.8498.

## B. Results and Discussion of Research Subject Characteristics.

The respondents of this study were employees of the operator (specifical sewing) section of a Garment company in South Tangerang. The following is a summary of the characteristics of research subjects, respondents who participated in this study were female as many as 145 people (98.6%). Based on the age of most respondents aged 26-35 years (60.5%), married status was 129 respondents (87.8%), and the last education of respondents was mostly junior high, which

was 64 respondents (43.5%). Based on salary, most respondents have salary around>Rp 1,000,000-Rp 2,000,000 which is as much as 73 respondents. Based on the length of work, most respondents have worked for 1-5 years (72.8%).

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# Test Validity and Reliability Test Validity.

Validity test shows the extent to which the measuring instrument can measure what you want to be measured. Validity testing is done by factor analysis using the SPSS application program (Statistical Product and Service Solution) version 23.5 of 3 constructs namely job satisfaction, organizational commitment, and turnover intention. How to test validity is to look at the correlation of scores between question items with the total score in the questionnaire. The test tool used was the Confirmatory Factor Analysis. Tests carried out using factor analysis with Varimax Rotation measure the level of interrelation between variables and the feasibility of factor analysis is the Keizer-Make Measure of Sampling Adequacy (Keizer's MSA). The data used can be analyzed using factor analysis, if the items contained in the factor analysis called factor loading are greater than 0.4 then the item can be said to be valid and vice versa, if the factor loading is less than 0.4, means the item is invalid (Now, 2003).

The Reliability Test, reliability test results are shown by Cronbach's Alpha which shows the reliability of interitem consistency, or tests the respondents' consistency in responding to all items

Reliability less than alpha 0.6 is said to be bad, range 0.7 is said to be acceptable and more than 0.8 is said to be good (Sekaran, 2000; in Santosa, 2002).

Reliability testing was carried out with the help of the SPSS application program (Statistical Product and Service Solution) version 24.5.

Table 1 shows the results of the reliability test: item to total correlation and Cronbach's alpha coefficient for each item and measurement construct.

**Table 1. Reliability Test Results for Each Construction** 

Source: Data processed

**Table 2. Correlation and Regression Analysis Results** 

| Variable                | Organizational<br>Committeent | Job Satisfaction |  |
|-------------------------|-------------------------------|------------------|--|
| β                       | -0,225 *                      | -0,266 **        |  |
| $\mathbb{R}^2$          | 0,051                         | 0,071            |  |
| Adjusted R <sup>2</sup> | 4,4%                          | 6,4%             |  |
| F                       | 7,745                         | 11,043           |  |

Source: Data processed

Based on the table above, it can be seen that a simple regression analysis tests turnover intention on job satisfaction and organizational commitment: 1. Organizational Commitment, shows that organizational commitment has a negative relationship with turnover intention (B = -0.225,  $\rho = 0.006$ ). The effect of organizational commitment on turnover intention is seen from the coefficient of determination R2 (R square) that is equal to 0.051 (F = 7.745,  $\rho$  = 0.006). The coefficient of determination of 0.051 indicates that the variable turnover intention significantly explains the organizational commitment of 0.051. 2. Satisfaction, shows that satisfaction has a negative relationship with turnover intention (B = -0.266,  $\rho$  = 0.01). The effect of job satisfaction on turnover intention is seen from the coefficient of determination (R2). The magnitude of R2 (R square) = 0.071 (F = 11.043,  $\rho = 0.01$ ). The coefficient of determination of 0.071 indicates that the variable turnover intention significantly

E-ISSN: 2685-2527

| Construct                       | Σ<br>Item | Cronbach<br>Alpha | Keterangan |
|---------------------------------|-----------|-------------------|------------|
| Organizational<br>Committeement | 5         | 0,724             | Reliable   |
| Job<br>Satisfaction             | 13        | 0,860             | Reliable   |
| Turnover<br>Intention           | 4         | 0,706             | Reliable   |

explains job satisfaction by 0.071.

## **Hypothesis Test Results.**

Correlation analysis results show that there is a significant negative relationship between organizational commitment and job satisfaction with turnover intention. The results of the regression analysis also showed similar results, that there was a significant effect of organizational

commitment and job satisfaction on turnover intention. The same research results have also been supported by Yulianto (2001) which shows that there are a significant relationship and influence between organizational commitment and turnover intention.

### C. Conclusion.

Empirically replicating the research carried out by its predecessor, it aims to examine the impact of organizational commitment and job satisfaction on the turnover intention with employee respondents who specialize in sewing at one of the garment companies in South Tangerang. Therefore, this study intends to re-examine whether the results of the studies that have been carried out remain consistent, even with different samples.

The results of the correlation and regression analysis conducted, the results show that the relationship and the effect of organizational commitment and job satisfaction on turnover intention are perfectly supported because the results indicate that the hypothesis in this study is consistent with the results of the previous research.

Based on the results of research on the impact of job satisfaction and organizational commitment on turnover intention, the following conclusions can be drawn: 1. Job satisfaction and organizational commitment together affect turnover intention so that the hypothesis in this study is proven. 2. Job satisfaction has a negative relationship with turnover intention. 3. There is a negative and significant relationship between organizational commitment and turnover intention. This shows the consistency of organizational commitment in predicting employee desires to leave the organization.

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#### Researcher's Limitations.

Some limitations of this study along with suggestions for further research can be stated as follows: 1. Respondents are only limited to special operator sewing employees. It would be better if the included respondents other employees. 2. Most respondents female. This condition affects the results of the study because this causes only certain people to fill out the questionnaire. This causes the demographic characteristics of less spread. In further research, it is necessary to use a different data collection distribution system.

### Suggestion.

Based on the various conclusions above, the researchers gave several suggestions which would be of benefit to the employees of the special operator sewing department in one garment company in South Tangerang as a research sample. The turnover case is gaining a lot of attention these days mainly because of the loss of company productivity. 1. To anticipate this, companies should get to know and pay attention early on regarding the possibility of the desire of their employees to leave the company. 2. Then it is necessary to look for reasons that affect the desire of employees to leave the company by approaching the employee or discussing with the employee concerned about his desire to leave the company and finally deciding what is best for both parties (both the company and employees), namely by holding regular meetings between superiors and subordinates to evaluate and motivate employee work. 3. Companies can also hold joint events with subordinates so that employees feel more familiar with the company.

Based on the conclusions in this study, the level of turnover intention that occurs in the environment of one Garment company in South Tangerang is caused by organizational commitment. Efforts to increase organizational commitment can be proposed as a way to overcome or prevent turnover. By looking at the negative relationship between organizational commitment and turnover

intention in this study, it should be noted for companies that if the level of turnover occurs is high, it is necessary to see how the organizational commitment, vice versa if the employee response to organizational commitment is low, then the management needs to be aware of the possibility of increasing employee turnover. Increasing organizational commitment would not do the company even if the turnover rate is not high, it is intended to prevent the emergence of turnover intention by giving more incentives or giving rewards to employees who have worked more than 5 years and benefits to make employees have a high commitment to the company they work for.

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