THE EFFECT OF WORK SATISFACTION AND ORGANIZATIONAL COMMITMENT TO TURNOVER INTENTION AND EMPLOYEE'S PERFORMANCE OF PT. XYZ AT SURABAYA

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ABSTRACT

ASEAN countries had the quality of human resources (HR) was generally said to be quite good, therefore ASEAN association makes a program called Asean Economic Community (AEC). One impact of AEC policy is the entry of foreign workers into another country freely at ASEAN areas, so that, every ASEAN country should prepare and improve the quality of its human resources properly to face global competition. Human resources department (HRD) is a department that which is owned by every company and have important role. HRD also helps the company to win business competition and achieve the goals of company itself. In order to improve the quality and the role of human resources in a company, the company should maintain and improve about job satisfaction, organizational commitment and performance. This study aims to determine the influence of job satisfaction on turnover intention, determine the influence of organizational commitment to turnover intention and determine the influence of turnover intention on employee's performance of PT. XYZ at Surabaya. The result of this study is performance variable explained by work satisfaction, organizational commitment and turnover intention only 0,585 or 58,5%, while 41,5% is explained by other variables.

Keywords: Job Satisfaction, Organizational Commitment, Turnover Intention, Performance

INTRODUCTION

Human resources department (HRD) is a department that which is owned by every company and have important role. HRD also helps the company to win business competition and achieve the goals of company itself. This department is closely related to human resources (HR) and one of important assets for any company besides another, such as: technology, equipment and capital. The human resource is always dynamic and needed in every process of goods or services (Novliadi, 2007:1). A good company would strive to maintain all aspects for employees, among other things such as job satisfaction, cooperation between employees and a good two-ways communication at any level employees. These three aspects would give a positive impact on the role of employees to the company because the employees more responsible in their duties and the most important is the purpose of the company itself would be achieved with maximum results and also to win the global competition (Javed et al, 2014: 121). Therefore, to improve the quality and the role of human resources the company should

maintain and increase the related matters such as job satisfaction, commitment organizational and performance.

The telecommunications industry is one of the service industry that has fierce competition and increased, in Indonesia there are various companies of telecommunication, one of them is PT. XYZ. As one of the state company in Indonesia, which operate the field of telecommunications and best known through contact center services PT. XYZ require qualified human resources to meet the need of information. However, in the last five years, the employee satisfaction index (ESI) of PT. XYZ had fluctuated and tended towards to decline, as in the following table:

Table 1.3 Employee Satisfaction Index (ESI) PT. XYZ

Years	2010	2011	2012	2013	2014
ESI	3	2	4	4	3

Source: PT. XYZ

Table 1.3 explains that the level of employee satisfaction index (ESI) PT. XYZ fluctuated and tended to decline, although the company set a minimum ESI should be at the level of four (4). The impact of declining employee satisfaction index PT. XYZ itself is reinforced by the turnover rate in the PT. XYZ, as shown in table 1.4 below:

Table 1.4 Employee Turnover of PT.XYZ

Years	2010	2011	2012	2013	2014
Employee Turnover (People)	14	21	23	17	26
Percentage	9,61%	14%	15,22%	11,39%	17,11%

Source: PT. XYZ

Table 1.4 shows that the turnover of employees of PT. XYZ had fluctuated and tended toward to not good. It was against company policy PT. XYZ which set policy employee turnover is 5% of a total of 150 employees per year, while table 1.4 showed the average level of employees PT. XYZ more than 5%.

METHODOLOGY

This research, data collection was done by questionnaire. Questionnaire is the primary data collection method using a number of questions or queries with a particular format (Abdillah and Jogiyanto, 2015: 52). The independent variables used were job satisfaction and organizational commitment, while the dependent variables were turnover intention and performance. For the next process would be conducted to test of validity and reliability, while the technique of data analysis using Partial Least Square (PLS) software. Partial Least Square (PLS) is a powerful analytical method because it is not based on many assumptions. In addition, PLS had the advantage of being able to estimate the large and complex model with hundreds of latent variables and thousands of indicators. For the purposes of prediction, PLS approach is more suitable. If a study was in a situation of high complexity and had a sample size of less than 200, then SEM analysis using PLS is better for applications (Ghozali, 2014: 9).

RESULTS AND DISCUSSION

The discussion was based on an overview of research subjects, which include age, recent education, gender, length of work and salary (take home pay) per month of PT. XYZ employee at Surabaya. From 150 questionnaires were distributed, retrieved 150 and the results of the questionnaire recapitulation are:

Table 4.1 Characteristics of Respondents by Age

No	Age (Year)	Total	Percentage
1	17-30	88	59%
2	>30-40	61	41%
3	>40-50	1	1%
4	>50-55	0	0%
	Total	150	100%

Table 4.2 Characteristics of Respondents by Recent Education

No	Recent Education	Total	Percentage
1	Senior High School	0	0%
2	Diploma 3	97	65%
3	Bachelor Degree	51	34%
4	Master Degree	2	1%
	Total	150	100%

Table 4.3 Characteristics of Respondents by Gender

No	Gender	Total	Percentage
1	Male	67	45%
2	Female	83	55%
	Total	150	100%

Table 4.4 Characteristics of Respondents by Length of Work

No	Length of Work (Year)	Total	Percentage
1	0-5	116	77%
2	>5-10	33	22%
3	>10-15	1	1%
4	>15-20	0	0%
	Total	150	100%

Table 4.5 Characteristics of Respondents by Salary (Take Home Pay) per Month

No	Salary (Take Home Pay) per Month	Total	Percentage
1	Rp 3.000.000 – Rp 5.000.000	134	89%
2	>Rp 5.000.000 – Rp 8.000.000	15	10%
3	>Rp 8.000.000 – Rp 11.000.000	1	1%
4	>Rp 11.000.000	0	0%
	Total	150	100%

After that, next process is using the PLS and obtained the following results:

Table 5.1 First Convergent Validity

Relation	Loading Score
X11 → KK	0,847
X12 → KK	0,821
X13 → KK	0,835
X14 → KK	0,813
X15 → KK	0,815
X16 → KK	0,789
X21 → KO	0,836
X22 → KO	**-0,768**
X23 → KO	0,882
X24 → KO	0,835
X25 → KO	0,850
X31 → TI	0,813
X32 → TI	0,792
X33 → TI	0,734
X34 → TI	0,802
X41 → K	0,853
X42 → K	0,750
X43 → K	0,848

Based on Table 5.1 it could be seen that there is one indicator that does not qualify as a reflector of the latent variable for loading value of the indicator below 0,7. The indicator is X22 with a value of -0.768 so that these indicators should be excluded from the research model and then re-estimate. Here is the results of the re-estimation:

Table 5.2 Last Convergent Validity

Relation	Loading Score
X11 → KK	0,847
X12 → KK	0,821
X13 → KK	0,835
X14 → KK	0,813
X15 → KK	0,815
X16 → KK	0,789
X21 → KO	0,856
X23 → KO	0,903
X24 → KO	0,827
X25 → KO	0,878

Relation	Loading Score
X31 → TI	0,812
X32 → TI	0,795
X33 → TI	0,732
X34 → TI	0,803
X41 → K	0,853
X42 → K	0,750
X43 → K	0,848

Based on Table 5.2 after the indicator X22 was omitted from the research model, the overall indicator has a valid statement because the loading indicator score above 0,7 (Ghozali, 2014: 43). It is clear that the requirements of convergent validity had been fulfilled.

Table 5.5 Composite Reliabilty

Indicator	Composite Reliability
Work Satisfaction	0,925
Performance	0,858
Organizational Commitment	0,923
Turnover Intention	0,866

From Table 5.5 above could be seen that all the latent variable have a value of composite reliability above 0,6. It indicates that the reliability requirements were fulfilled.

Table 5.6 R Square Adjusted Score

Indicator	R Square Adjusted
Performance	0,585
Turnover Intention	0,644

Table 5.6 shows that performance variable is only able to be explained 0.585 or 58.5% by the variable of job satisfaction, organizational commitment and turnover intention, while 41.5% is explained by other variables outside the structural model.

Table 5.7 Hypothesis Testing

Hypthesis	Relation	T-Statistics	Conclusion
H$_1$	KK → TI	4,958	Accepted
H$_2$	KO → TI	2,217	Accepted
H$_3$	TI → K	27,255	Accepted

Table 5.7 shows that all hypothesis could be accepted because the t-statistic value is > 1.96, then the relationship between latent variables can be said to be significant at α = 5%.

CONCLUSIONS AND RECOMMENDATIONS
The conclusion of this study were taken from the results of hypothesis testing that had been done, are as follows: (1) Job satisfaction significant influenced on turnover intention of

4.958 (T-Statistics). (2) Organizational commitment significant influenced on turnover intention of 2.217 (T-Statistics). (3) Turnover intention significant influenced on the performance of 27.255 (T-Statistics). Based on the analysis of research that had been concluded, low levels of employee satisfaction and organizational commitment, majority is caused by aspects of salary and career path does not match the expectations of employees. Therefore, the researcher could give advices for those problems, such as: the company could apply some things, not only calculating the salary according to the hours and workload but also provide awards to best employees such as promotion. Meanwhile, for further research: First, it is advisable to get another references studies especially of telecommunication industry and investigate the relationship between job satisfaction and organizational commitment. Second, there can be add indicators that are suitable to the circumstances of the object, for example: competence, job stress, working environment and others.

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