

THE ROLE OF ORGANIZATIONAL COMMITMENT AS MEDIATING THE RELATIONSHIP OF JOB SATISFACTION TO TURNOVER INTENTION IN BESAKIH BEACH HOTEL DENPASAR

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Abstract: This study aims to determine the influence of job satisfaction and organizational commitment on turnover intention and to know the role of organizational commitment in mediating the effects of job satisfaction to turnover intention. The samples are 89 Besakih Beach Hotel Denpasar employees, using saturated sampling method. This study used the PLS (Partial Least Square) analysis. The result is that job satisfaction had positive and significant impact on organizational commitment. Job satisfaction had a negative and significant impact on turnover intention. Organizational commitment also found to have a negative and significant impact on turnover intention. Furthermore, organizational commitment proved to partially mediate the influence of job satisfaction to turnover intention.. The implications of these findings are management should taking into account the level of job satisfaction by taking into account a comfortable working atmosphere, giving fair salary, and always improve organizational commitment.

Keywords: job satisfaction, organizational commitment, turnover intention

I. Introduction

Hotel an important role in service tourism as it provided facilities and lodging service , food , and drink and other services to the public living a while and managed commercially (Sihite , 2000). The increasing number of three star hotels in bali give rise to an intense competition in provide the best services , many ways were done by first grew the integrated as hotel facility and by improving the quality of human resources. But nowadays, the problem that is often faced by companies related to human resources is to maintain the potential resources they have in order not to leave the organization so as to reduce the cost of recruitment (Handoko, 2001).

Interview beginning with Human Resources Manager showed the phenomenon of turnover at Besakih Beach Hotel Denpasar in the last three years that is in 2014 there are 11 employees who came out, in this condition also repeats in 2015, there are 13 employees who come out, then in 2016, there are 19 employees out. This resulted in a disproportionate number of outgoing and incoming employees which will have an impact on hotel service activities. The employee turnover rate of Besakih Beach Hotel Denpasar has increased from 2014 to 2016. In 2014 the number of outgoing employees is 10.67%, by 2015 the number of outgoing employees increases to 13.00%, and

in 2016 also increased to become 20.87%. According to Mobley (1986) employee turnover rate is calculated from the number of outgoing employees in a period of one year divided by the number of employees at the end of the year then multiplied by 100%. If the annual employee turnover is greater than 10%, then it is included in the high category.

Job satisfaction as one of the variables cause high level of employee turnover intention. Chen (2007) says that job satisfaction is the first aspect an employee achieves before having organizational commitment. Suhanto (2009), pointed out that in connection with the emergence of turnover intention, employees who have job satisfaction will be more productive, contribute to the goals and objectives of the organization, and generally have a low desire to get out of the company. Organizational commitment is also one of the causes of high levels of employee turnover intention. Robbins (2008: 142) defines organizational commitment as a condition in which an employee sides with a particular organization and has the desire and purpose to defend itself as a member of the organization. Gibson (2003: 114) says that there are three attitudes of employee commitment to the organization, that is loyal to the organization, often involve themselves in every task in the organization and in line with organizational goals.

Based on the above description with turnover intention becomes a serious problem because it can cause instability of labor conditions and will provide a direct burden for the organization because it must incur additional costs to hire and provide employee training. This study would like to examine the role of organizational commitment as mediating the relationship of job satisfaction to turnover intention.

II. Theoretical background and hypotheses

Job Satisfaction

Munandar (2008: 323) defines job satisfaction as a feeling of pleasure or a positive emotional state of work derived from a person's assessment of the work or experience of his worker. According to Gibson (2003), the theory of job satisfaction is divided into 3 theories consist of: *Equity Theory*, *Discrepancy Theory*, and *Two Factor Theory*.

Organizational commitment

Organizational commitment according to William and Hazer (1986) defined the degree of frequency of identification and individual attachment to the organization it enters, where the characteristics of organizational commitment are, among others, the loyalty of a person to the organization, the willingness to use the business on behalf of the organization, the compatibility between one's goals and organizational goals. There are three component indicators of organizational commitment according to Mayer and Allen (1990), which are as follows: *affective commitment, continuance commitment, and normative commitment*.

Silva (2006) argues that job satisfaction has a significant effect on organizational commitment. Pareke and Popo (2009), Gunlu et al. (2009), and Hasan (2012) in his research found a positive relationship between job satisfaction with organizational commitment. Based on previous research can be formulated hypothesis as follows:

H₁: Job satisfaction has a positive and significant impact on organizational commitment

Turnover Intention

Turnover Intention can be interpreted as the movement of labor out of the organization. Turnover according to Robbins and Judge (2008: 38) is the act of permanent resignation made by employees either voluntarily or not voluntarily. According to Singh and Loncar (2010) indicators of turnover intention measurements consist of: *thinking of quitting, intention to search for alternatives, and intention to quit*.

Saeed et al. (2014) in his research suggests that there is a negative and significant influence between job satisfaction with turnover intention. . Khan (2014) and Issa *et al.* (2013) suggests that there is a negative and significant influence between job satisfaction on employee turnover intention. Based on previous research can be formulated hypothesis as follows:

H₂: Job satisfaction has a negative and significant effect on turnover intention

In a study conducted by Kumar et al. (2012), Foon et al. (2010) and Sulu et al. (2010) that the influence of organizational commitment to turnover intention is negative and significant. Emdy and Artha (2015) found that organizational commitment had a significant negative effect on employee intent turnover, which means that the higher level of organizational commitment perceived by employees, the lower the turnover intention rate that will occur. Based on previous research can be formulated hypothesis as follows:

H₃: Organizational Commitment has a negative and significant effect on turnover intention

III. Methodology

The design of this study using explanatory research which explains a relationship between variables through hypothesis testing (Ghozali, 2002). This research is conducted in one place that is engaged in the business of hospitality services that is Besakih Beach Hotel Denpasar,

located at Jalan Danau Tamblingan No 45, Sanur. The subjects in this study are general managers, administrators, supervisors, and all employees at Besakih Beach Hotel. Objects studied in this study are job satisfaction, organizational commitment and turnover intention. The population in this study is the total employee who works at Besakih Beach Hotel which amounts to 89 employees. The sample in this study is the overall employee who works at Besakih Beach Hotel by not distinguishing permanent employees and contracts. According Sugiyono (2014) saturated sampling (sampling) is a technique of determining the sample when all members of the population used as a sample. The analysis technique used in this research is structural equation modeling (SEM) based on variance or component based SEM, known as Partial Least Square (PLS).

IV. Results

The result of empirical research model analysis using Partial Least Square (PLS) analysis tool can be seen in Figure 4.1 below. Based on Table 4.1, it can be concluded that job satisfaction has a direct effect on organizational commitment with correlation coefficient of 0.748 and t-statistics of 8.767 (t statistics > t critical 1.96), job satisfaction has a direct effect on turnover intention with correlation coefficient of - 0,371 and t-statistic value 2,825 (t statistic > t critical 1,96), and organizational commitment have direct effect to turnover intention with correlation coefficient equal to -0,597 and t-statistic value equal to 4,527 (statistic t value > t critical 1, 96).

Based on the criteria of mediation test that has been described above, then the results of hypothesis testing using Partial Least Square (PLS). The effect of job satisfaction on organizational commitment is positive and significant (t-statistics 8,767 > 1,96), the influence of organizational commitment to turnover intention is negative and significant (t-statistics 4,527 > 1,96) and the direct effect of job satisfaction on turnover intention is negative and significant (t-statistics 2,825 > 1,96), it can be concluded that organizational commitment acts as a partial mediation between the effect of job satisfaction on turnover intention. It has the meaning that mediation can be in two ways: through job satisfaction and through organizational commitment.

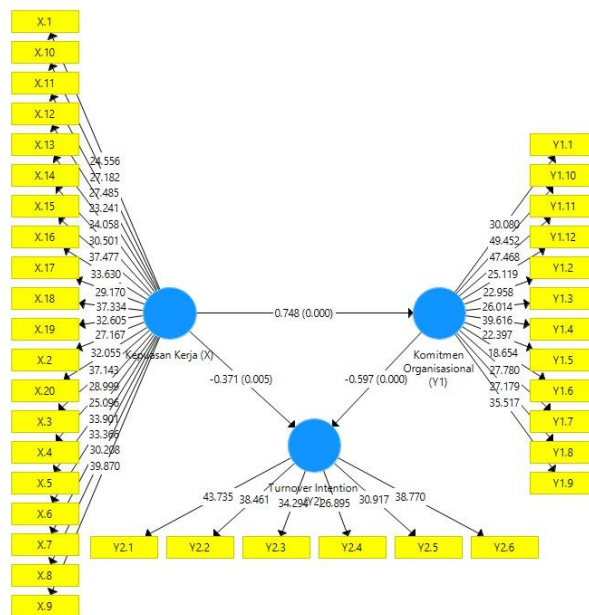


Figure 4.1
Output Results PLS

| Inter variable Correlation | Coefficient Correlation | <i>t</i> Statistic | <i>p</i> Value | Description |
|--|-------------------------|--------------------|----------------|-------------|
| Job Satisfaction (X) → Organizational Commitment (Y1) | 0,748 | 8,767 | 0,000 | Significant |
| Job Satisfaction (X) → Turnover Intention (Y2) | -0,371 | 2,825 | 0,005 | Significant |
| Organizational Commitment (Y1) → Turnover Intention (Y2) | -0,597 | 4,527 | 0,000 | Significant |

Table 4.1 Path Coefficients

V. Research implications

The results of research that has been done can be seen that the level of turnover intention on the company or organization is influenced by the variable of job satisfaction and organizational commitment. Through the results of this research analysis can be used as a guide to decision making in controlling employee intent turnover through job satisfaction and organizational commitment of employees they have and experience. In this research, job

satisfaction is dominated by promotion opportunity, where promotion opportunity is a very significant factor for Besakih Beach Hotel Denpasar employees who can cause satisfaction in work. Hotel leaders have been able to provide promotional opportunities for employees based on employee performance and able to provide an opportunity to advance for their employees. This study also shows that the dimension that has the lowest value that affects job satisfaction is the salary, in which the salary and benefits given to the employee is not sufficient enough. The company should pay attention to this matter so that the increasing of job satisfaction which is felt by the employees of course will make the desire of the company to come out of the decline.

In this study organizational commitment is dominated by normative commitment. It can be interpreted that employees of Besakih Beach Hotel Denpasar have a full sense of responsibility towards the company that hired it. Employees feel the company inspires to deliver the best performance so it is unethical to move from one company to another. This study also shows that the dimension that has the lowest value that affects organizational commitment is an ongoing commitment, where employees find it easy to leave the company and not much benefit from the company. The company should give rewards that relate to the employees 'contribution in providing the best performance and improve the employees' sense of care towards the company's sustainability by instilling a sense that the company has a very big meaning and the company should give and convince employees to remain loyal to the company in order to reduce the employee's desire to get out.

Limitations and directions for future study

This study has several limitations, namely:

- 1) This study uses Besakih Beach Hotel Denpasar employees as respondents, so it is important for future research to complement and enrich empirical studies related to this topic by using industry categories other than hotels, such as banking and manufacturing.
- 2) This study only examines job satisfaction variable and organizational commitment as determinant of turnover intention, so future research direction need to develop this topic by using other predictor variable.
- 3) This research is conducted on a small scope that is only in Besakih Beach Hotel Denpasar, so it would be better if taking a larger scope.
- 4) This study is only done in a certain time point (cross section), while the environment at any time change (dynamic), so this research is important to be done back in the future.

VI. Conclusion

Based on the results of research and discussion in the previous chapter it can be concluded several things as follows:

- 1) Job satisfaction has a positive and significant effect on organizational commitment which means that the increasing of job satisfaction perceived by Besakih Beach Hotel Denpasar employees hence increasing organizational commitment of employees thus

employees will feel to have and remain to stay in company.

- 2) Job satisfaction has a negative and significant effect on turnover intention which means that the increasing of job satisfaction perceived by Besakih Beach Hotel Denpasar staff, the lower the employee intention to leave the company.
- 3) Organizational commitment has a negative and significant effect on turnover intention which means that the feeling of having high employees of Besakih Beach Hotel Denpasar towards the company will reduce the employee's desire to leave the company if they get better job.
- 4) Organizational commitment is proven to mediate the relationship between job satisfaction and partial turnover intention.

Suggestion

Based on the results of research and conclusion, can be given some suggestions as follows:

- 1) To improve job satisfaction the company should give justice to all employees in terms of salary and allowances for employee satisfaction increased employee satisfaction, of course, will make the desire of the company to get out of the decline.
- 2) To increase organizational commitment, the company should give rewards related to employees 'contribution in giving the best performance and improve the employees' sense of the company's sustainability by instilling a sense that the company has a big meaning and the company should give and assure the employees must remain loyal to the company in order to reduce employee desire to get out.
- 3) To reduce turnover intention should the company be able to approach to employees by providing adequate salaries and allowances, and increase employee loyalty through organizational commitment.

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