

The Role of Job Insecurity and Organizational Commitment to Turnover Intention on Startup Employee

Ranisya Fitta^{1*}, Fransisca I.R Dewi², Rita Markus Idulfilastris³

¹ Master of Psychology Science Study Program, Tarumanagara University, Jakarta

² Master of Psychology Science Study Program, Tarumanagara University, Jakarta

³ Master of Psychology Science Study Program, Tarumanagara University, Jakarta

*Corresponding author. Email: ranisya.707172001@stu.untar.ac.id

ABSTRACT

X Company is a startup company engaged in financial technology, experiencing an increased in the number of turnover. Turnover has a negative impact on the company. When the number of turnover at the company increases, the company must pay more for the process of recruiting and training new employees (Kim, 2008). Al Battat, Som, and Helahat, (2013) in their research claim turnover intention is an accurate predictor of the number of turnover. An organization can't eliminate the intention of employee turnover, but can reduce the level of intention. Factors that cause frequent employee desires to leave the company are employee insecurities at job and commitment to the organization (Kim, 2008). Design of this study is correlational quantitative, non-experimental and sampling techniques by convenience sampling. Participants in this study is 60 participants with the characteristics worked for at least 6 months in startup company. Participants in this study were not limited by gender and age. Hypothesis testing, research conducted to examine the role of job insecurity and organizational commitment to turnover intention. Data analysis techniques using multiple linear regression with SPSS Statistics 25 application. Hypothesis testing produces a standard value of job insecurity coefficient is 0.189 and a standard value of organizational commitment coefficient is -0.689 with a significance level of 0.000. Based on the results can be concluded that job insecurity has a significant and positive effect to turnover intention. In addition, organizational commitment has a significant and negative effect to turnover intention.

Keywords: Startup Company, Turnover Intention, Job Insecurity, Organizational Commitment

1. INTRODUCTION

The development of the internet indicates that globalization has proceeded. Globalization connects the entire information community and telecommunications (digital), that impacts all sectors of the economy. Business sector is the most affected sector by the development of information technology and telecommunications and growing fast by Ersafitri [1]. Growth of digital industry is marked by appearance of digital startups which were pioneered by the younger generation by Arjanti and Mosal [2]. Indonesia is listed as the 4th country in the world with the highest number of startup company in the amount of 1.559 companies by Startupranking.com [3].

One of the attractions to work in a startup is to deal directly with the digital world and allow employees to be casual. Casual style gives employees freedom while working. Some of these casual styles include: freedom of dress, flexibility of working hours and location of work (work from home or work from office). This factor is one of the attractions for new graduates and young workers

working in startup. Another factor demanded is endurance, intelligence and adaptability. On the other hand, challenges that will be faced by employees in startup company, include: inadequate salary and work benefits, organizational structure not yet been formed so employee do some work (multitasking), instability in company earnings and work culture that continues to grow by Rahayu [4]. Another thing that makes the difference between startup and conventional company is work dynamics. Startup are very dynamic and full of uncertainty by Bussgang [5].

X company is a startup company engaged in financial technology, increase in the number of turnover since the last 3 years. Turnover has a negative impact on the company. When the number of turnover at the company increases, the company must pay more for the process of recruiting and training new employees by Kim [6]. Al Battat, Som, and Helahat [7] in their research claim turnover intention is an accurate predictor of the number of turnover.

An organization can't eliminate the intention of employee turnover, but can reduce the level of intention by Kim [8]. Turnover intention can be in the form of a plan and desire

to leave the organization by Jennings [9]. Turnover intention to a high job in an organization is not a coincidence, but is caused by several supporting factors. Factors that cause frequent employee desires to leave the company are employee insecurities at job and commitment to the organization by Kim [10].

1.1. Related Work

There are 2 supporting factors that cause turnover intention is job insecurity and organizational commitment.

1.1.1. The Role of Job Insecurity to Turnover Intention

Job insecurity is a subjective concern about the possibility of losing career in the future by Alghamdi [11]. Job insecurity as a subjective experience that results from perception and interpretation someone of the actual work environment. This means that similar environmental situations can produce different responses on each employee by Elst, De Witte and De Cuyper [12].

Employees who feel insecure in their work, will experience obstacles in completing work, decreased morale, lack of motivation to complete work according to a deadline, more often breaking the rules by Mauno, De Cuyper, Tolvanen, Kinnunen, and Maikangas [13]. In addition, employees will experience increased insecurity due to instability in employment status and income levels that cannot be predicted, resulting in the turnover intention will tend to increase by Lee & Jeong [14]. Employees who feel insecure about their work are very vulnerable to leaving the organization by Kim [15]. Lee and Joeng [16], in their research stated that job insecurity contributed to turnover intention. This is consistent with research conducted by Adesubomi [17] as well as research conducted by Alghamdi [18].

1.1.2. The Role of Organizational Commitment to Turnover Intention

In addition to job insecurity, organizational commitment also influences turnover intention by Raina and Roebuck [19]. Organizational commitment can be interpreted as the desire of employees to maintain their participation in organization. Employees feel agree on the goals, ideals and results to be achieved by the organization by Bae and Yang [20]. Raina and Roebuck [21], in their research stated that organizational commitment contributed to turnover intention. This is consistent with research conducted by Aydogdu and Asikgil [22] as well as research conducted by Yucel [23].

Employees who are highly committed to the organization tend to stay longer, have better performance, and tend to be very involved in the workplace by Yucel [24]. In addition, committed employees demonstrate loyalty and

become productive in organizations by Dey, Kumar and Kumar [25]. Organizational commitment reflects an employee's loyalty to organization by Azeem [26]. Robbins [27], suggests the characteristics of individuals with high organizational commitment shown by the high level of employee loyalty and dedication to the organization. Employees will do everything they can to make the organization achieve success. However, when employees have a low commitment to the organization, it tends to increase the intention to move employees.

1.2. Our Contribution

The author examines the role of job insecurity and organizational commitment to turnover intention with participants in startup company. As far as the author has knowledge, in Indonesia there has not been much research on startup employee. In some previous studies, participants were conventional company employee. Authors will conduct a study entitled "The Role of Job Insecurity and Organizational Commitment to Turnover Intention on Startup Employee".

1.3. Paper Structure

Design of this study is correlational quantitative, non-experimental and sampling techniques by convenience sampling.

Research participants came from startup company with staff level to manager level. The criteria that must be met by the participant is worked for at least 6 months in startup company. Participants were not limited by gender and age. Data collection techniques using a questionnaire. The number of participants in this study is 60 participants.

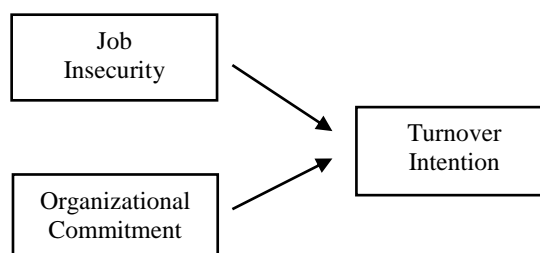
2. BACKGROUND

The independent variable of this research is job insecurity and organizational commitment. The dependent variable is turnover intention.

2.1. Hypothesis

H1: Job insecurity have a role to turnover intention on startup employee

H2: Organizational commitment have a role to turnover intention on startup employee



2.2. Measurement Instrument

This study use a Turnover Intention Scale (TIS) measurement instrument developed by Mobley, W. H., Horner, S. O., and Hollingsworth, A. T. in 1987. TIS measurement instrument consists of 3 questions and all items are positive items. In this study, using a 1-6 Likert scale. After testing the reliability of turnover intention, no items were deleted. Cronbach's alpha value generated is 0.975, so this measurement instrument is reliable. In addition, the mean value is 13.18, the variance is 20.186, and the std.deviation is 4.493.

This study use a Job Insecurity Questionnaire (JIQ) measurement instrument developed by De Witte in 2000. JIQ measurement instrument consists of 11 questions with positive items on items 5,6,7,8,9,10,11 and negative items on items 1,2,3,4. In this study, using a 1-5 Likert scale. After testing the reliability of job insecurity, no items were deleted. Cronbach's alpha value generated is 0.967, so this measurement instrument is reliable. In addition, the mean value is 46.47, the variance is 96,762, and the std.deviation is 9,837.

This study use a Organizational Commitment Questionnaire (OCQ) measurement instrument developed by Meyyer and Allen in 1997.

In OCQ measurement instrument there are three dimensions, these dimensions are affective commitment, continuance commitment and normative commitment. In dimensions of affective commitment, consists of 6 questions with positive items on items 1,2,6 and negative items on items 3,4,5. In dimensions of continuance commitment, consists of 6 questions and all items are positive items. In dimensions of normative commitment, consists of 6 questions with positive items on items 2,3,4,5,6 and negative items on items 1. In this study, using a 1-6 Likert scale.

After testing the reliability dimensions of affective commitment, no items were deleted. Cronbach's alpha value generated is 0.960, so this measurement instrument is reliable. In addition, the mean value is 16.00, the variance is 57.458, and the std.deviation is 7.580.

After testing the reliability dimensions of continuance commitment, no items were deleted. Cronbach's alpha value generated is 0.910, so this measurement instrument is reliable. In addition, the mean value is 17.82, the variance is 55.271, and the std.deviation is 7.434.

After testing the reliability dimensions of normative commitment, no items were deleted. Cronbach's alpha value generated is 0.919, so this measurement instrument is reliable. In addition, the mean value is 16.85, the variance is 48.096, and the std.deviation is 6.935.

2.3 Hypothesis Testing

In the hypothesis testing, the study was conducted to examine the role of the independent variables is job insecurity and organizational commitment and the dependent variable is turnover intention. The author tests the hypothesis by performing multiple linear regression with SPSS Statistics 25 application.

Table 1 Regression Test Results of Job Insecurity and Organizational Commitment to Turnover Intention

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.793	0.629	0.616	0.9283

In the calculation of regression value obtained R Square value is 0.629, while adjusted R Square is 0.616 obtained from the square of R Square (0.629²). This shows the existence of job insecurity and organizational commitment is 62.9% to turnover intention 37.1% (100% - 62.9%) carried out by other factors.

Table 2 T Test Results of Job Insecurity and Organizational Commitment to Turnover Intention

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.751	0.873		6.584	0.000
	Job Insecurity	0.316	0.152	0.189	2.077	0.042
	Organizational Commitment	-0.956	0.126	-0.689	-7.582	0.000

The standard value of the coefficient obtained at job insecurity is 0.189 and the standard value of the coefficient obtained at organizational commitment is -0,689 with a significance level of 0,000. Based on these results it can be

concluded that job insecurity has a significant and positive effect to turnover intention. In addition, organizational commitment has a significant and negative effect to turnover intention.

3. CONCLUSION

In this study, job insecurity and organizational commitment have a role is 62.9% to turnover intention. Based on the results of research conducted by the author, it can be concluded that there is a role of job insecurity and organizational commitment to turnover intention among startup employee. This is suitable with previous studies. Based on the description above, it can be concluded that hypothesis is accepted.

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