

Organizational Commitment and Intension Turnover : Evidence from Star Hotel in Batam

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Abstract, This research aims to examine the direct and indirect effect of the Intension Turnover. The research approach used for this research is to analyze the research type explanations (explanatory/confirmatory research). In this study, the endogenous variable is organizational commitment and turnover intention, while being exogenous variables such as: Compensation, Motivation and Job Satisfaction. The population in this research is all employees that there are five-star hotel in the city of Batam from top level management - lower management. While samples taken in this study of 60 people with a random sampling technique. For secondary data collection is done by conducting a survey and study of literature from multiple sources that can be trusted and valid for primary data while data is collected using a questionnaire instruments. Data methods were analyzed with path analysis.

The results showed that there was the influence of compensation on organizational commitment, no influence of job satisfaction on organizational commitment, no influence of work motivation on organizational commitment, there is no influence of compensation on turnover intention, there was no effect of job satisfaction on turnover intention, no influence of work motivation on turnover intention, there is no influence between organizational commitment to turnover intention, there is the influence of compensation, job satisfaction and work motivation on organizational commitment, no influence compensation, job satisfaction, work motivation and organizational commitment on turnover intention and no effect of compensation, job satisfaction and work motivation on turnover intention through the organization's commitment to star Hotel in the city of Batam Riau Islands Province.

Keywords : *Compensation, Job Satisfaction, Motivation, Organizational Commitment and Turnover Intention*

INTRODUCTION

Batam City that is part of the Riau Islands Province, has an area of land covering an area of 1,040 km², or about 1.5 times the area of Singapore, while the total area reached 2,950 km². Kota Batam tropical climate with average temperatures of 26 to 34 degrees Celsius. The economic growth of Batam is higher than the national economic growth rate make this area a mainstay for the driver of national economic growth and for the Riau Islands Province.

Various sectors of the economic drivers include the communications, electricity, water and gas, banking sector, the industrial sector and over the ship, trade and services sector is an economic pulse city of Batam, which is not only the public consumption Batam and Indonesia but also an export commodity for another country, The existence of economic activity in the city is also in order to boost employment and social welfare. As a city industry is a rapidly growing sector of the tourism industry of Batam city is also experiencing rapid growth, supported by facilities of hotels and resorts of international standard and the various tourist activities that are arranged in a calendar of events tourism, City of Batam provide comfort and satisfaction of domestic and foreign tourists when visit this city.

A. Literatur Review

Transfer of employees (employee turnover) is a phenomenon that often occurs in the hospitality industry (hospitality industry). Turnover is defined as the voluntary withdrawal (voluntary) or involuntary (involuntary) of the organization (Robbins, 1996). Woods and Macaulay (1989) that the high turnover in the hospitality industry can interfere with surgery, childbirth moral problems on employees who live, and also drives up the cost for recruitment, interviews, tests, checking references, the administrative costs of processing new hire, benefits, orientation, and the cost of lost opportunities because employees had to learn new skills. On the other hand Rousseau (1984) adds that the costs or losses on their turnover includes the direct costs associated with recruitment activities (among others, advertising costs, agency costs) and the cost of the search; indirect costs eg costs associated with training new employees; and loss of productivity by learning new employees.

A strong commitment to make individuals more concerned with organizations rather than personal interests and seeks to make the organization better whereas low organizational commitment that will allow individuals to act for their own interests. Associated with commitment (Nouri and Parker, 1996; Mc.Clurg, 1999; Chong and Chong, 2002; Wentzel, 2002) states that organizational commitment can be psychological tools in running his organization to the achievement of expected performance. Cotton and Tuttle (1986) suggest individuals who have a high organizational commitment likely will not want to leave the organization even though there is a job offer elsewhere. This occurs because the individual who committed the organization to believe and accept the objectives and values of the organization, wants to always strive for the achievement of organizational goals and have a strong desire to remain a member of the organization (Porter et al. 1974; Mowday et al. 1979; Mowday et al. 1982). Mowday et al. (1982) describe the consequences of organizational commitment most predictable and most powerful is the level of behavior to move lower. Mathieu and Zajac (1990) states the organization's commitment relates to the presence, delays and switching behavior. Next, Porter et al. (1974) states that when an individual is not satisfied with his work, a high commitment to the organization will help to rule out such dissatisfaction in making the decision to continue participating in the organization. Low organizational commitment can also be triggered by dissatisfaction at work that impact the desire to move (turnover intention) which in turn is realized with the transfer of employees (employee turnover).

Job satisfaction or job satisfaction is an emotional state that is pleasant or unpleasant by which employees view their work (Handoko, 1992; 193). Job satisfaction is a bias on the feelings of employees towards work he is performing. Related to this is the job satisfaction will be seen in the attitude of workers to the job. Employees who feel satisfied with the work seen in employees who have a positive attitude towards the job at hand and the environment. Conversely, a disgruntled employee will act negatively toward work. In daily operations - the dissatisfaction of employees should be able to

be detected by the company. According Muchinsky (1997), declare variables that can be used as an indication of declining job satisfaction is absenteeism, turnover, and job performance. In line with these opinions As'ad (1995; 103) explains that the variables that can be used as an indication of declining job satisfaction is the high rate of absenteeism (absenteeism), the high exit-entry of employees (turnover), and decreased work productivity or employee performance (performance),

Compensation is everything received by employees as remuneration for their work, (Hani Handoko: 1993). Fringe benefits provided to employees' can take the form of money (financial) or other forms of non-monetary (non-financial), such as in-service awards, promotions, and other activities. Every employee who works basically is to earn income or remuneration to meet their needs. All financial rewards received by the people through their employment relationship with the organization, (Bejo Siswanto: 2003), any form of payment or benefits granted to employees and arising from the employment of the employee (Dessler: 1997). According to Dessler (1997) Award Compensation can be classified into 3 types: 1) Payment of money directly (direct financial payment) in the form of salary, and intensive or bonus / commission. 2) Payment indirectly (indirect payment) in the form of benefits and insurance. 3) non-financial rewards (non-financial rewards), such as flexible work hours and prestigious office. Therefore, an employee will strive hard work and continued to show loyalty to the company if the company is to know and understand and be able to pay tribute to the work performance of employees in the form of compensation. With the provision of a satisfactory compensation it will be a good motivation for employees to improve performance and performance.

Motivation means a series of businesses to provide certain conditions, so that a person is willing and wanting to do something. (Mathis and Jakson, 2002: 13) Motivation is a desire in a person that causes the person to act. Individuals who have a positive motivation that will carry out the task in hand well. Another statement, Gibson et. al (1993: 94) motivation is a concept that we use when we describe the forces that work against or within

the individual to initiate and direct behavior. Motivation is the process of trying to influence someone to do something to be desired, (Heidjachman and Husnan 2003: 197). A person who knowingly engaged in the activities of the organization usually has a specific background or motivation, (As'ad: 2003: 45), and thus the motivation that is in someone will realize a goal-directed behavior achieving satisfaction targets.

The previous research that tested about organizational commitment and turnover intention as the dependent variable with different independent variables, among others; Demicco and Reid, (1988) The desire to move someone closely associated with job satisfaction and organizational commitment, Gregson (1992), Poznanski & Dennis (1997) to conduct additional testing through the summation relationship dependent variable, the causal relationship of organizational commitment and job satisfaction clearer than the causal relationship of job satisfaction and organizational commitment. Lum et al, (1998), Harif (2001) showed that job satisfaction has a direct impact on the desire to berpindak but indirect impact through organizational commitment. Pasewark & Strawser (1996), Kelvin & Indriantoro (1999) showed that the job satisfaction and organizational commitment and significant negative related to the desire to move. Concerned Lumbaraja (2007) research states that the individual characteristics of job satisfaction and organizational culture influence on organizational commitment with job satisfaction. Chun-Chang Lee et al (2012) research states that: 1) the relationship of co-workers and the working environment positive and significant impact on job satisfaction, 2) job satisfaction and salary level can indirectly affect the turnover intention through organizational commitment and salary levels high, 3) high job satisfaction and organizational commitment are high can affect the decrease in turnover intention.

B. Methodology

Relationships between variables that predicted in the study are described in the conceptual framework as follows:

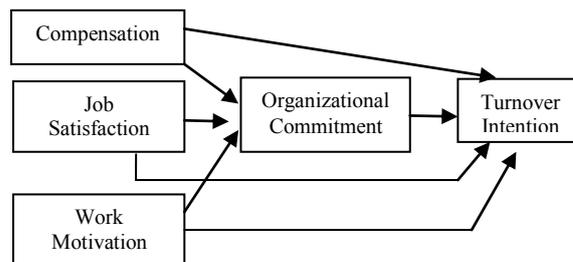


Figure 3.1. Antecedents of Organizational Commitment Model and its influence the intension Turnover

To test the effect of direct compensation, job satisfaction and motivation on organizational commitment, use equation modeling :

$$X4 = PX4X_1 + PX4X_2 + PX4X_3 + e \quad (1)$$

$$Y = PYX_1 + PYX_2 + PYX_3 + PYX_4 + e \quad (2)$$

- Y = Intention turnover
- X1 = Compensation
- X2 = Job Satisfaction
- X3 = Work Motivation
- X4 = Organization Commitment
- e = Error

FINDINGS AND DISCUSSION

The magnitude of the effect of variable compensation, job satisfaction and motivation on organizational commitment singly t test was used. using numbers or Standardized Beta coefficients below:

Table 1. Coficients

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.319	3.440		.093	.926
Compensation	.269	.128	.232	2.098	.040
Job Satisf.	.193	.088	.241	2.200	.032
Motivation	.373	.106	.424	3.520	.001

^a. Dependent Variable: Komitmen Commitment

A. The Influences of Compensation, Job Satisfaction and Work Motivation Against Organizational Commitment.

- The Influence of Compensation Against Organizational Commitment

Based on the above table, the figure t research or thitung 2.098 > 2.002 ttable so that H0 rejected and Ha accepted. That is, there is significant influence between the

compensation to organizational commitment.

- **The Influence of Job Satisfaction Against Organizational Commitment**
Based on the above table, the figure t research or thitung $2,200 > 2,002$ ttable so that H0 rejected and Ha accepted. That is, there is a significant effect between job satisfaction and organizational commitment.
- **Influence of Work Motivation Against Organizational Commitment**
Based on the above table, the figure t research or thitung $3,520 > 2,002$ so ttable H0 rejected and Ha accepted. That is, there is significant influence between motivation to work on organizational commitment.

From the coefficient table above shows the values of the regression coefficient is:

- Coefficient X1 is $P_1 = 0.232$
- Coefficient X2 is $P_2 = 0.241$
- X3 coefficient is $P_3 = 0.424$

As for seeing the effect of variable compensation, job satisfaction and motivation on organizational commitment is combined with the use of the calculations in the model summari, particularly the number of R-Square below:

Table 2. Correlation Coefficient

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.771 ^a	.594	.572	1.49808

a. Predictors: (C Motivation, Job Satisfaction, Compensation

Source: Research Results (Processed)

R-square value above is amounting to 0.594, indicating the contribution of variation of X1, X2 and X3 in influencing the variation of the X4 is equal to 59.40% of the figure are intentions that influence compensation, job satisfaction and work motivation on organisasisecara commitment together is 59.40%, while the remaining 40.60% influenced by other factors. In other words, the variability of organizational commitment can be explained by using a variable compensation, job satisfaction and motivation by 59.40% amounting to 40.60% while the

effect is caused by other variables outside the model. To determine the value of the residual path coefficients, namely:

$$P_{\epsilon_1} = \sqrt{1 - r^2} = \sqrt{1 - 0,594} = 0,637$$

Based on the above analysis, it can be seen equation Y values in the path analysis diagram below:

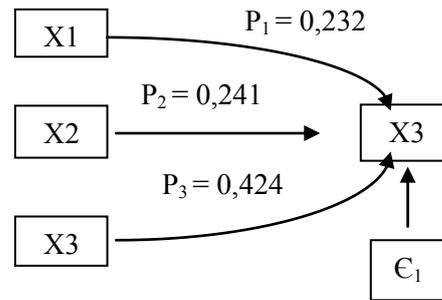


Figure 2. Diagram of Path Analysis Equation I

A. The Influences of Compensation, Job Satisfaction, Work Motivation and Organizational Commitment Against Turnover Intention.

The influences of compensation, job satisfaction, work motivation and organizational commitment to turnover intention partially, t test was used, whereas to see the magnitude of the effect, use numbers or Standardized Beta Coefficient below:

Table 3. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	19,311	5,873		3,288	,002
	Compensation	-.204	,227	-.151	-.899	,372
	Job Satisf.	,032	,156	,035	,206	,838
	Motivation	,111	,200	,108	,555	,581
	Commitment	,410	,228	,352	1,797	,078

a. Dependent Variable: Inten Motivation, Job Satisfaction, Compensation

Source: Research Results (Processed)

a. **The Influence of Compensation Against Turnover Intention**

Based on results of SPSS program calculations, research or figures obtained t $t_{\text{account}} -0.899 > t_{\text{table}} -2.002$ so that Ha is rejected and H0. That is, there is no significant effect between compensation for turnover intention.

b. **The Influence of Job Satisfaction Against Turnover Intention**

Based on results of SPSS program calculations, research or figures obtained t

$t_{\text{account}} 0.206 > 2.002 t_{\text{table}}$ that H0 rejected and Ha accepted. That is, there is no significant effect between job satisfaction on turnover intention.

c. The Influence of Work Motivation Against Turnover Intention

Based on results of SPSS program calculations, research or figures obtained $t_{\text{account}} 0.555 < 2.002 t_{\text{table}}$ that H0 rejected and Ha accepted. That is, there was no significant effect of work motivation on turnover intention.

d. The Influence of Organizational Commitment Against Turnover Intention

Based on results of SPSS program calculations, research or figures obtained $t_{\text{account}} 1.797 < 2.002 t_{\text{table}}$ that H0 rejected and Ha accepted. That is, there is no significant effect between organizational commitment to turnover intention.

From the coefficient table above shows the values of the regression coefficient is:

- a. Coefficient X1 is P3 = -0.151
- b. Coefficient X2 is P4 = 0.035
- c. Coefficient X3 is p5 = 0.108
- d. Coefficient X4 is p5 = 0.352

As for seeing the effect of variable compensation, work motivation, job satisfaction and turnover intention on organizational commitment of employees in combination with the use of the calculations in the model summari, particularly R- Square numbers below:

Table 4 Correlation Coefficient Source: Research Results (Processed)

Model Summary ^a				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.378 ^b	.143	.081	2.55737

a. Predictors: (Constant), Komitmen, Commitment, Compensation, Job Satisfaction Motivation
 b. Dependent Variable: Intention

Source: Research Results (Processed)

The magnitude of the numerical value of R-Square (r²) is 0.143. The figure is used to see the effect of compensation, work motivation, job satisfaction and turnover intention on organizational commitment of employees by calculating the coefficient of

determination (KD) using the following formula:

$$\begin{aligned} \text{KD} &= r^2 \times 100\% \\ &= 0,143 \times 100\% \\ &= 14,30\% \end{aligned}$$

These figures are intentions that influence compensation, job motivation, job satisfaction and organizational commitment to turnover intention together was 14.30%, while the remaining 85.70% influenced by other factors. In other words, turnover intention variability that can be explained by using a variable compensation, work motivation, job satisfaction and organizational commitment amounted to 14.30% at 85.70% while the effect is caused by other variables outside the model.

Coefficient values in the above table can be used to determine the value of the residual path coefficients, namely:

$$P_{\epsilon_1} = \sqrt{1 - r^2} = \sqrt{1 - 0,143} = 0,926$$

Based on the above analysis, we can see the values of the equation II in the path analysis diagram below:

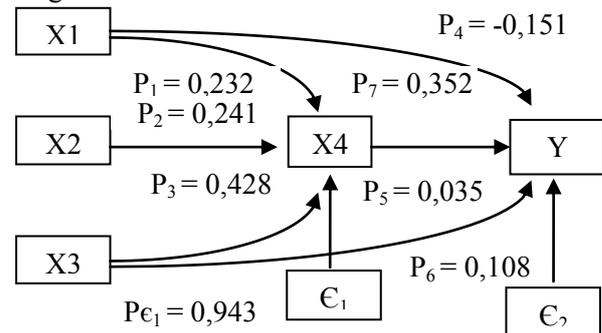


Figure 5-2. Path Analysis Diagram Equation II

1. Direct Impact (Direct Effect)

To calculate the direct effect is used the following formula:

- a. Compensation variable effect on Organizational Commitment
 $X1 \rightarrow X4 = 0.232$
- b. Job satisfaction variable effect on Organizational Commitment
 $X2 \rightarrow X4 = 0.241$
- c. Work motivation variable influence on Organizational Commitment
 $X3 \rightarrow X4 = 0.428$
- d. Influence of Organizational Commitment variable to the Turnover Intention
 $X4 \rightarrow Y = 0.352$
- e. Compensation variable effect on Turnover Intention
 $X1 \rightarrow Y = -0.151$

- f. Effect of Job Satisfaction on Intention variable Turnover

$$X_2 \rightarrow Y = 0,035$$

- g. Work motivation variable influence on Turnover Intention

$$X_3 \rightarrow Y = 0,108$$

2. The indirect effect (Effect Inderect)

To calculate the indirect effect, use the following formula:

- a. Compensation variable effect on Turnover Intention through Organizational Commitment

$$X_1 \rightarrow X_4 \rightarrow Y = (0,232 \times 0,352) = 0,081664$$

- b. Job satisfaction variable effect on Turnover Intention through Organizational Commitment

$$X_2 \rightarrow X_4 \rightarrow Y = (0,241 \times 0,352) = 0,084832$$

- c. Work motivation variable influence on Organizational Commitment with Turnover Intention

$$X_3 \rightarrow X_4 \rightarrow Y = (0,428 \times 0,352) = 0,150656$$

Judging from the effects of direct and indirect influence over and structural similarities to known pathways analysis in this study, namely:

Equation 1.

$$X_4 = 0,232 X_1 + 0,241 X_2 + 0,428 X_3 + \epsilon_1$$

Equation 2.

$$Y = -0,151 X_1 + 0,035 X_2 + 0,108 X_3 + 0,352 X_4 + \epsilon_1$$

CONCLUSIONS AND SUGGESTION

A. Conclusion

1. There is the influence of the compensation to the organization's commitment to star hotel in the city of Batam Riau Islands Province.
2. There is influence between job satisfaction and organizational commitment to the star hotel in the city of Batam Riau Islands Province.
3. There is the influence of work motivation on the organization's commitment to star hotel in the city of Batam Riau Islands Province.
4. Simultaneously there is influence between compensation, job satisfaction and motivation are significant to the organization's commitment to star hotel in the city of Batam Riau Islands Province.
5. In a direct effect between compensation, job satisfaction and motivation no significant

effect on turnover intention on a star hotel in the city of Batam Riau Islands Province.

6. Simultaneously the influence of compensation, job satisfaction, motivation and organizational commitment turnover intention is not significant to the star hotel in the city of Batam Riau Islands Province.
7. Indirectly significant difference between the compensation, job satisfaction and work motivation on turnover intention through the organization's commitment to the star hotel in the city of Batam Riau Islands Province.

B. Suggestion

1. For the star hotel in the city of Batam Riau Islands Province results of this study should be taken into consideration to improve the organizational commitment of employees. The results of this study indicate a positive value, which means that if the compensation, job satisfaction and motivation improved the organizational commitment of employees also increased. So we need some decisions to increase organizational commitment of employees better so that later the expected performance can be achieved.
2. In order to increase motivation and commitment of employees organisasin then the star hotel in the city of Batam Riau Islands Province is expected to increase the compensation given.
3. Compensation, job satisfaction and motivation is an important part in improving organizational commitment of employees. Therefore, to increase employees' organizational commitment star hotel in the city of Batam Riau Islands province should pay attention to three aspects.

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