THE EFFECTS OF JOB SATISFACTION TO INTENTION TO LEAVE

Yahya Tri Romadhoni
Master Program in Management, Faculty of Economics and Business, Universitas Brawijaya
Noermijati Noermijati
Faculty of Economics and Business, Universitas Brawijaya
Wahdiyat Moko
Faculty of Economics and Business, Universitas Brawijaya
Ayman Nazzal
Faculty of Economics and Business, Palestine Technical University, Kadoorie Palestine

Abstract: This research aimed to test and analyze the effects of job satisfaction to intention to leave through the mediation of organizational commitment and moderation of alternative job opportunities. The researchers exerted a quantitative method in this research. The research data was collected through a questionnaire, while the data sampling was the technique of saturated sampling. The sample in this research was taken from all employees in PT. Supraharmonia Consultindo with a minimum of a work period of a year and a total of 106 respondents. The data analysis in this research was the method of Partial Least Square (PLS) and the 3.0 SmartPLS program. The result showed that job satisfaction did not affect significantly to the intention to leave. Meanwhile, the job satisfaction affected significantly to the organizational commitment and the organizational commitment affected significantly to the intention to leave. Moreover, the organizational commitment was able to mediate the effects of job satisfaction and intention to leave. Whilst, the alternative job opportunities did not moderate the effect of job satisfaction and intention to leave. Next research in diverse places can give complexity results and add new variables like job stress and leadership.

Keywords: Job Satisfaction, Organizational Commitment, Alternative Job Opportunities, Intention to Leave.


The business in planning service and construction supervision field is nowadays developed, therefore, the employee opportunity to move from one organization of planning service and construction supervision to another one is very huge, especially the employee who have certain skills. The competition in the sphere of construction business encourages the businessman or entrepreneur to create innovation and idea which can build the product and service to deliver plus value to the customers. The accuracy of businessman becomes a determinant factor of business success (Coff & Raffiee, 2015). Thus, quality organiza-
tions can compete and dominate the market. The attempt to improve the quality of an organization can be employed through investment within the managerial practice of Human Resource. Human Resource means a significant factor within the organization. Next, recruitment, training, development, maintenance, and defense on employees are adjusted into the organization’s needs (Jenter & Kanaan, 2015). Therefore, the organization must maintain and defend the best employee to be able to overcome all kinds of challenges within the dynamic growth of the economy (Yang and Wittenberg, 2016).

Job satisfaction on the employee is closely related to the intention to leave (Yücel, 2012). The job satisfaction on the employee is influenced by several demographic variables (as gender, age, and educational degree), variables relating to the work (level of skill, experience, and mastery), organizational variables (organization size, industry, work contract, and work environment), and personality variables (wage scale, work safety, payment, and work engagement). When the employee is satisfied with the work, they will not have the intention to leave the organization (Peterson, 2009). On the other hand, when the level of dissatisfaction of employees is high, their intention to leave the organization will raise as well, which will finally impact employee turnover. The job satisfaction of employees is very crucial for the organization because it functions to value positive responses from the employee towards the work (Lu & Gursoy, 2016), which is then referred as a guideline to develop organizational commitment on the employee (Wagner, 2007). Yulianto et al (2016) has also found that the stronger level of job satisfaction would affect to the increase of organizational commitment on employees. Prabowo et al (2016) has also found that positive significant effect between nurse and midwife job satisfaction on organizational commitment. This research also proves that job satisfaction had a strong influence on organizational commitment. Positive significance has a mean when the nurse and midwife have satisfied on the job, it will impact their commitment better to the hospital.

Organizational commitment means a form of commitment or obligation which restricts employee’s freedom of action. This refers to how strong the individual emotional bond can cling into the place where the individual works (Zeinabadi, 2010). The significant impact of organizational commitment on employee turnover is quite significant to investigate the cause of intention to leave from an organization. If the organization is failed to offer development and opportunity, the active employee will start looking for alternative jobs based on the possible opportunities in the external market (Dhar, 2015). Hwang & Kuo (2006) have demonstrated the significant positive relation between alternative job opportunities on employee and employee turnover in the organization of the public sector. Similarly, it has been proven by Lambert, et al (2011) that the availability of alternative jobs has a positive correlation to the intention to leave of employees. The employee turnover in the organization of information results in a strong positive relationship between perception of alternative job opportunities and intention to leave.

Alternative job opportunities are strongly related to the intention to leave in either directly or other possible factors (Hundley, 2001). The intention to leave is based on the perception of movement availability which can turn an individual to leave from the organization, since the condition of the labor market which affects the low alternative job opportunities (Brand, 2015). Morley et al. (2007) have also found that the perception of alternative job opportunities affected negatively the intention to leave on 2015 full-time employees in the United States of America. Peltokorpi et al. (2015) has researched 643 full-time employees in Japan, which exerted demographic factor of age and gender as the control variable. This research found that 45% of the variance of employee turnover was related to the intention to leave from the organization. Moreover, the intention to leave reflects and indicates the employee’s intention to leave the organization, and refers to a response of employees towards the surrounding condition concerning the job and organization. Those are the reasons beyond the fact that
employee satisfaction on their work becomes antecedent from the intention to leave which is affected by the perception of alternative job opportunities.

On the organization of construction consultant service, the phenomenon of a high level of intention to leave, and lack of employee commitment have existed within the organization. Several things cause this condition since the employee has not depicted a great intention to perform a personal sacrifice on behalf of organization goals and lack of management concern to maintain the employee. As it was stated by the head of HRD that the employee’s intention to leave from the organization is quite high. Some reasons and backgrounds of this employee intention to leave, that is an intention to start an independent business in the expectation of more income gain, look for another job in other workspaces, and priority of family affairs. The problem of intention to leave delivers a bad impact to the organization, for instance, loss in case of new employee recruitment fee, new employee training fee, and error level of new employee which usually tends to be high in the beginning period of work.

In this research, based on several previous research findings that have been discussed, it is known that job satisfaction affects the intention to leave from the organization and organizational commitment mediates this effect. The job satisfaction is considered as an independent variable since this variable is practiced on the research object. Next, the organizational commitment is used as a mediation, while alternative job opportunities are used as a moderation variable, as it is in line with the previous researches and according to the characteristics and practice on the research object. Whilst, the variable of intention to leave is considered as a dependent variable, as it is adjusted to the problem of research.

This research aims to test and analyze the effects of job satisfaction to the intention to leave, test and analyze the role of organizational commitment as a mediation of the effect of job satisfaction to the intention to leave, test and analyze the role of alternative job opportunities as a moderation of the effect of job satisfaction to the intention to leave.

LITERATURE REVIEWS

Robbins & Judge (2012) have defined job satisfaction as a psychological condition or employee feeling which relates to the work or particular factors within the job. Job satisfaction is measured through five indicators, as job satisfaction, wage or salary satisfaction, career satisfaction and promotion, satisfaction on supervisor or manager, and satisfaction on co-workers.

Meyer & Allen (1990) have defined organizational commitment as an identification sense (belief towards organizational values), engagement, and loyalty, which are stated by an individual to the organization. The organizational commitment is illustrated as a psychological connector between the fellow and organization, therefore, they have a little commitment to leave the organization voluntarily. Further, the organizational commitment is measured through three indicators, affective commitment, continuance commitment, and normative commitment.

Tzafrir (2015) has defined intention to leave as an individual intention to leave the organization voluntarily. Moreover, the intention to leave is measured through two indicators, as the intention to work in other workspaces and intention to leave from the organization as soon.

The research was done by Celik & Oz (2011), Swider et al. (2011), Arshadi & Damiri (2013), Galletta, et al (2016), and Mathieu, et al (2015) has shown that the job satisfaction affects negatively and significantly to the intention to leave. Next, it was found that job satisfaction affects significantly to the organizational commitment ((Rizwan, et al (2014), Qureshi, et al (2016), Chordiya, et al (2017), and Tosun & Ulosoy (2017)). Besides, the organizational commitment is also able to affect the intention to leave on an individual (Zhang et al., 2015; Gatling et al., 2016; Lau et al., 2016). Based on the research findings, the researchers have formulated these following research hypothesis:

H1: Job satisfaction affected negatively and significantly to intention to leave
H2: Job satisfaction affected positively and significantly to organizational commitment
H3: Organizational commitment affected negatively and significantly to intention to leave
According to Galletta, et al (2016), he has stated that the job satisfaction affects positively and significantly to the affective organizational commitment, affective organizational commitment affects negatively and significantly to the turnover intention, job satisfaction affects negatively and significantly to the intention to leave, and affective organizational commitment mediates the effect of job satisfaction to the intention to leave. Next, the research done by Mathieu et al. (2015) has defined that the organizational commitment can mediate the effect from job satisfaction to the intention to leave. Based on this research finding, the researchers formulated this following research hypothesis:

H4: Organizational commitment mediated the effect of job satisfaction to intention to leave.

According to Swider et al. (2011), the job satisfaction affects negatively and significantly to the turnover intention, job satisfaction affects negatively and significantly to the turnover intention, turnover intention affects positively and significantly to the alternative job opportunities, and alternative job opportunities moderates the relation between job satisfaction and intention to leave. Furthermore, according to Huang, et al (2017), they have defined that the alternative job opportunities moderates the relation between job satisfaction and intention to leave. Based on those research findings, the researchers formulated this following research hypothesis:

H5: Alternative job opportunities mediated the effect of job satisfaction to intention to leave.

METHOD

This research is explanatory research in which the population was taken from the employees of PT. Supraharmonia Consultindo in a total of 106 respondents. The technique of data sampling in this research was saturated sampling. Thus, the determination of data sampling involved all research population. Whilst, the method of data collection was through a questionnaire and measurement of the Likert scale under five choices. The collected data was then analyzed using Partial Least Square (PLS) and software of the SmartPLS 3.0 version.

RESULTS

Respondent Description

Based on the result of the questionnaire that was shared directly with the research respondents, it showed some descriptions from the respondents which were beneficial for this research. From the description of the respondent which based on gender, it referred that the total of male respondent were 73 respondents (68.9%) and female 33 respondents (31.1%). Next, the majority of respondents were in
The Effects Of Job Satisfaction To Intention To Leave

The age between 26-35 years old in approximately 57 respondents (53.8%), while the age between 15-25 years old in approximately 31 respondents (29.2%), and the age between 36-45 years old in approximately 18 respondents (17.0%). Further, the majority of respondents had a background of bachelor education in approximately 79 respondents (74.5%) and senior high school education in approximately 27 respondents (25.5%). Then, the majority of respondents had work periods < 5 years in approximately 79 respondents (74.5%) and respondents who had work period 5-10 years in approximately 27 respondents (25.5%).

Instrument Testing

On the stage of instrument testing, the researchers exerted validity tests through convergent validity and discriminant validity as well as reliability test through composite reliability. On the application of SmartPLS 3.0 version, it was obtained the result of convergent validity test where the value of loading factor was greater than 0.6 on the whole research variables, while on the discriminant validity test, it was obtained that the value of each item which was appropriate to the latent variable has the highest value rather than the item value on other variables. Therefore, it was summed up that the whole instrument items in this research were valid. Next, on the composite reliability test, it was obtained that each value of Cronbach’s alpha and value of composite reliability was greater than 0.7, it indicated that the whole instrument of this research was reliable. In short, the instruments employed in this research were all valid and reliable.

Hypothesis Testing

The statistic testing on each relation of hypothesis in this research was executed through bootstrap. This strategy aimed to avoid and minimize abnormality problem on the research data. The result of direct effect testing by an instrument of bootstrap on PLS would be presented in this following Table 1.

<table>
<thead>
<tr>
<th>Hip.</th>
<th>Relation</th>
<th>Path Coefficient</th>
<th>t-Statistik</th>
<th>p-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>X → Y</td>
<td>0.172</td>
<td>1.109</td>
<td>0.268</td>
</tr>
<tr>
<td>2</td>
<td>X → Z</td>
<td>0.910</td>
<td>60.712</td>
<td>0.000</td>
</tr>
<tr>
<td>3</td>
<td>Z → Y</td>
<td>-0.789</td>
<td>4.822</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Data analysis, 2019.

From the Table above, it was indicated that the t-statistic value of the direct effect of job satisfaction (X) to the intention to leave (Y) 1,109 which was lower than the t-table value (1.96) and path coefficient value 0.172. It was concluded that the variable of job satisfaction (X) did not affect the intention to leave (Y), thus, H1 was disapproved. Next, the t-statistic value of the direct effect of job satisfaction (X) to the organizational commitment (Z) 60,712 which was higher than the t-table value (1.96) and path coefficient value -0.789. It was concluded that the variable of organizational commitment (Z) affected significantly to the intention to leave (Y), thus, H3 was approved. The structural model for the direct effect path was illustrated in this following Figure 1.

To test the effect of mediation, the researchers employed a causal step approach that has been popularized by Baron & Kenny (1986). According to Baron & Kenny (1986), a variable is regarded as mediation if the variable is involved affecting the relationship between the independent variable and
From the Table 2 and 3, it was indicated that the effect of job satisfaction (X) to the intention to leave (Y) through organizational commitment (Z) resulted in significant value 0,000 which was lower than 0,05 and t-statistic value 3,779 (>1,976) and t-statistic from the Sobel test -4,526 (>1,96). It referred that the organizational commitment (Z) was able to mediate the effect of job satisfaction (X) to the intention to leave (Y), thus H4 was approved.

Since the direct effect was not influential and the indirect effect was significantly influential, it was concluded that the variable of organizational commitment delivered a full mediation effect.

To test the effect of moderation, the researchers exerted a moderation regression approach (Solimun, et al 2017). According to Baron & Kenny (1986), a variable is regarded as moderation if the variable can strengthen or weaken the relationship between the independent variable and the dependent variable. The result of indirect effect testing on moderation variable would be presented in this following Table 4.

From Table 4, it was indicated that the moderation effect of alternative job opportunities (M) to job satisfaction (X) and intention to leave (Y) resulted in a significant value of 0,130 which was higher than 0,05 and t-statistic value 1,158 (<1,96). It referred that the alternative job opportunities (M) did not moderate the effect of job satisfaction (X) to the intention to leave (Y), thus, H5 was disapproved. Since the direct effect was not significant and the indirect effect was not significant, the variable of alternative job opportunities was regarded as a homologizer moderation (potential moderation).

---

**Table 2 Result of Indirect Effect Testing**

<table>
<thead>
<tr>
<th>Hip.</th>
<th>Relation</th>
<th>Path Coefficient</th>
<th>t-Statistik</th>
<th>p-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>X → Z → Y</td>
<td>-0,718</td>
<td>3,779</td>
<td>0,000</td>
</tr>
</tbody>
</table>

Source: Data analysis, 2019.

**Table 3 Result of Sobel Test**

<table>
<thead>
<tr>
<th>Hip.</th>
<th>Relation</th>
<th>t-Statistik</th>
<th>p-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>X → Z → Y</td>
<td>-4,526</td>
<td>0,000</td>
</tr>
</tbody>
</table>

Source: Data analysis, 2019.

---

From the Table 2 and 3, it was indicated that the effect of job satisfaction (X) to the intention to leave (Y) through organizational commitment (Z) resulted in significant value 0,000 which was lower than 0,05 and t-statistic value 3,779 (>1,976) and t-statistic from the Sobel test -4,526 (>1,96). It referred that the organizational commitment (Z) was able to mediate the effect of job satisfaction (X) to the intention to leave (Y), thus H4 was approved.
DISCUSSION

The Job Satisfaction Affected to the Intention to Leave

Based on the result of first hypothesis testing, it was identified that the job satisfaction did not affect directly to the intention to leave, which referred that the change of value on the variable of job satisfaction through five indicators as wage satisfaction, career or job satisfaction and promotion, satisfaction on manager or supervisor, satisfaction on co-workers, and job satisfaction did not affect to the intention to leave on the employees of PT. Supraharmonia Consultindo. Therefore, it was concluded that stronger job satisfaction would not affect the decrease of intention to leave on employees. This research finding supported the research findings done by Tarigan & Wahyu (2015), Ramooet al. (2013), Hann et al. (2010), and Witasari (2009). Job satisfaction does not affect intention to leave at PT. Supraharmonia Consultindo, this can be seen from the data that some of the employees admit that their job satisfaction has been fulfilled, some other of the employee feel comfortable enough and get sufficient result to work with the company, however, there is also some employee have a desire to leave with a various reason like get out of the comfort zone to find a new challenge, or to gain the income and those matter impacting to the level of employee’s intention to leave.

The Organizational Commitment Affected to the Intention to Leave

From the result of a test on the third hypothesis, it was identified that the organizational commitment affected directly to the intention to leave, which referred that the change of value on the variable of organizational commitment through three indicators as affective commitment, continuance commitment, and normative commitment, affected to the intention to leave on employees of PT. Supraharmonia Consultindo. Therefore, it was concluded that the higher level of commitment on employees would affect the decrease of intention to leave. This research finding supported previous research findings done by Gatling et al. (2016), Lau et al. (2016), and Zhang et al. (2015). The continuance commitment became an indicator of organizational commitment with the highest value. This finding showed that the employee would decide more to survive because he needed this job and had no alternatives.

<table>
<thead>
<tr>
<th>Relation</th>
<th>Path Coefficient</th>
<th>t-Statistik</th>
<th>p-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>M Moderated X → Y</td>
<td>-0,082</td>
<td>1,158</td>
<td>0,130</td>
</tr>
<tr>
<td>X → Y</td>
<td>0,172</td>
<td>1,109</td>
<td>0,268</td>
</tr>
</tbody>
</table>

Source: Data analysis, 2019.
The Mediating Role of Organizational Commitment on the Effect of Job Satisfaction to Intention to Leave

Based on the result of testing on the fourth hypothesis, it was proven that the variable of organizational commitment was able to mediate the effect of job satisfaction to the intention to leave. This finding indicated that the effect of job satisfaction on the employee to the intention to leave was affected by the variable of organizational commitment. When the variable of job satisfaction was improved as well as the organizational commitment on an employee was improved, the intention to leave from the organization would be decreased. Furthermore, the organizational commitment played a role of full mediation, since the direct effect was not significantly influential and the indirect effect was significantly influential or effective.

The Moderating Role of Alternative Job Opportunities on the Effect of Job Satisfaction to Intention to Leave

Based on the result of testing on the fifth hypothesis, it was demonstrated that the variable of alternative job opportunities was not able to moderate the effect of job satisfaction to intention to leave. This finding referred that the effect of job satisfaction to the intention to leave on an employee was not either strengthened or weakened by alternative job opportunities. This condition was said as homologizer moderation (potential moderation), since the direct effect was not significant and indirect effect was not significant as well, on the other word, the variable of alternative job opportunities did not strengthen or weaken (did not moderate) the effect of job satisfaction to intention to leave on employees. This is because the different knowledge about the availability of alternative job, besides that the under bachelor degree employees have lower bargaining position and have a narrow perspective that they can hardly find another alternative job, so they tendencies to accept the company’s terms and policies.

IMPLICATION

This research has contributed on the conceptual development concerning to the effect of job satisfaction to the organizational commitment and intention to leave, this finding supported the previous research findings by Tarigan & Wahyu (2015), Ramoo et al. (2013), Hann et al. (2010), Witasari (2009), Rizwan et al. (2017), Qureshi et al. (2016), Tosun & Ulusoy (2017), and Chordiya et al. (2017) that job satisfaction affected to the organizational commitment. Moreover, the effect of organizational commitment to the intention to leave confirmed the previous research findings by Gatling et al. (2016), Lau et al. (2016), and Zhang et al. (2015) that organizational commitment affected to the intention to leave.

This research finding was expected to give implications in the form of concept and comprehension for PT. Supraharmonia Consultindo to manage the human resource, especially as an attempt to reduce the intention to leave on the employee. First, to identify the significance of job satisfaction and organizational commitment to minimize intention to leave on the employee, so it will prevent to disruption of the work process which is left by the irresponsible employee over a project and did not increase to any employee recruitment fees. Besides, this research suggested to the organization to consider alternative job opportunities as a threat for the organization to lose employees beyond the effects of wage satisfaction, promotion, co-worker, and commitment.

LIMITATION

This research had several limitations, as this research was only restricted to the job satisfaction of employees in PT. Supraharmonia Consultindo. The next researches should be more expanded. Furthermore, this research was only referred to as the construction organization which was categorized into a profit institution, the result might be different if the research was applied to non-profit institutions.
CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Based on the research discussion, the researchers concluded that job satisfaction on the employee of PT. Supraharmonia Consultindo affected positively and significantly to the organizational commitment, thus, as an attempt of organization to maintain the employee, it required to consider and concern the aspects of job satisfaction and organizational commitment of employees. Next, it was proven that the employee of the construction organization tended to survive to work in the organization since they needed most to the job. This situation was indicated by the greater mean value, continuance commitment. Moreover, job satisfaction did not affect directly to the intention to leave, but the job satisfaction affected indirectly to the intention to leave.

The organizational commitment was successful to mediate the job satisfaction on employees and intention to leave in PT. Supraharmonia Consultindo. The job satisfaction affected to the intention to leave through organizational commitment. The higher level of job satisfaction and organizational commitment of employees in PT. Supraharmonia Consultindo would determine to the lower level of intention to leave. Next, it was indicated that the alternative job opportunities did not either strengthen or weaken the effect of job satisfaction on the intention to leave in PT. Supraharmonia Consultindo. In other words, the alternative job opportunities did not moderate the effect of job satisfaction on the intention to leave in PT. Supraharmonia Consultindo.

Recommendations

After knowing the result about job satisfaction to Intention to leave di PT. Supraharmonia consultindo, the researcher has a suggestion to other next researcher and company, as below:

1. The company recommended to improve the quality of employee’s retention by increasing the level of satisfaction of the salary, it has been known in this research that the satisfaction of salary is still deficient.

2. The company recommended increasing the organizational commitment of the employee by improving employee’s skills and offer appreciation through financial or non-financial matters, referred to the performance of the employee.

3. The research with variable Alternative job opportunities as moderation could be done by comparing the place of the research, so it gets valid and varieties results and Alternative job opportunities did not affect to intention to leave, thus the upcoming research can adopt additional variables like leadership or job stress.

REFERENCES


The Effects Of Job Satisfaction To Intention To Leave


