

# Effect of Job Satisfaction and Compensation on Turnover Intention with Organizational Commitment as Mediation Variables on Puri Santrian Hotel

Ni Wayan Sitiari<sup>1</sup>, Ida Ayu Oka Widya Widari<sup>2</sup>  
Magister of Management, Universitas Warmadewa, Denpasar, Indonesia<sup>1,2</sup>

{setia\_dari@yahoo.co.id<sup>1</sup>, dayuokawidya88@yahoo.com<sup>2</sup>}

**Abstract.** This study aims at determining the influence of Job Satisfaction and Compensation on Turnover Intention with Organizational Commitment as a Mediation Variable at Hotel Puri Santrian. The samples in this study were permanent employees of Hotel Puri Santrian. The method of the sample used is simple random sampling method. The number of samples were 61 people. Testing the research hypothesis used Partial Least Square (PLS) applications. The results showed that job satisfaction has a positive and significant influence on turnover intention, compensation has a positive and insignificant effect on turnover intention, job satisfaction has a positive and significant effect on organizational commitment, compensation has a positive and significant effect on the organization. Organizational commitment has a positive and insignificant effect on turnover intention, organizational commitment cannot mediate the effect of job satisfaction on turnover intention, organizational commitment cannot mediate the effect of compensation on turnover intention.

**Keywords:** Compensation; Job Satisfaction; Organizational Commitment; Turnover Intention

## 1 Introduction

Human resources (HR) are one of the important assets of an organization that can mobilize other resources. Human resources can affect the efficiency and effectiveness of an organization's performance. This makes hoteliers realize that the investment value of employees is in human resources. Currently gathering a skilled and well-performing workforce is increasingly difficult, let alone maintaining existing ones. An important role in human resource management (HRM) is needed in the hotel business. Employee turnover is a phenomenon that often happens in the hotel industry. Turnover can be defined as the movement of employees out of the organization. The high level of employee turnover in hospitality industry can be seen from how much the employee wants to move to an organization or company. Some research and literature show that intention to leave or turnover refers to the desire or employees' intention to leave the company and try to find other jobs that are better than before (Waspodu, Aws, Handayani, & Widya, 2013).

The desire to change employees tightly links to job satisfaction, compensation and organizational commitment. Because, the work situation faced by employees today is not in

accordance with the desired expectations (the emergence of dissatisfaction in work) or influenced by the views of employees to get alternative jobs and better satisfaction. Thus, a company is required to be able to retain its employees, such as being able to provide high rewards and understand things that are able to make employees feel at home to keep working without reducing the company's overall performance (Ahn, Lee, Kim, & Jeong, 2015).

Puri Santrian Hotel is a company engaged in the service sector. The phenomenon of the high turnover rate also occurs in Puri Santrian Sanur, judging from the number of employees still leaving. Based on the results of preliminary observations with the Puri Santrian Hotel HRD, it was obtained an illustration that the employee turnover at Puri Santrian Hotel occurred because of the desire to add experience and work in a new place. Other reasons are because of dissatisfaction in work, such as giving a salary that is not in accordance with workload, rarely there are promotions, colleagues who lack behavior that is not appropriate, decreasing the level of employee job satisfaction is often indicated by employees with visible characteristics, namely decreasing employee performance, low employee initiative, and lack of collaboration between employees. Turnover intention at Puri Santrian Hotel which led to the discharge of employees had a negative influence on the company as it can create fluidity and uncertainty about the labors' condition.

## 2 Concept and Hypotheses

It is believed that employees who have job satisfaction and high organizational commitment will not easily leave their positions in the company (Zhao & Liu, 2010). The employees' turnover intention tightly links to compensation, organizational commitment, and job satisfaction. Commitment is needed by organizations so that competent human resources in the organization can be maintained and maintained properly (Suparman, 2007). Therefore, with high organizational commitment of employees, employee turnover intention is low. The relationship between variables is presented in the following figure:

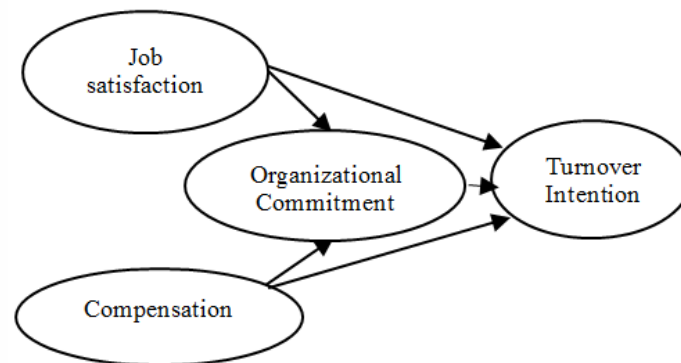


Fig. 1. The relationship between variables

- H1: Job satisfaction negatively and significantly affects turnover intention.
- H2: Compensation negatively and significantly affects turnover intention.
- H3: Job satisfaction positively and significantly affects organizational commitment.
- H4: Compensation positively and significantly affects organizational commitment.
- H5: Organizational Commitment negatively and significantly affects turnover intention.
- H6: Organizational Commitment mediates the effect of job satisfaction on intention to move.

H7: Organizational commitment mediates the effect of compensation on the intention to move.

### **3 Method**

This research was conducted by testing the hypothesis regarding the effect of job satisfaction and compensation on organizational commitment in reducing turnover intention at Puri Santrian Hotel. Puri Santrian Hotel is a company engaged in the service sector. Puri Santrian Hotel which is a 4 star hotel located on Jalan Cemara No. 35 Sanur, South Denpasar, Bali. Sampling techniques used sample random sampling. This research is designed in quantitative method. The data was collected from both primary and secondary sources. This research is explanatory research, which explains the causal relationship between the variables observed in this research.

In analyzing the effect of exogenous variables with endogenous variables in this study, the statistical method of Partial Least Square (PLS) was used. The population in this research were 156 permanent employees at Puri Santrian Hotel. The independent variable in this study is the job satisfaction variable (X1) and compensation (X2), organizational commitment (Y1) as a mediating variable, while the dependent variable is turnover intention (Y2). Sample calculation is done using the Slovin formula (Umar, 2003).

### **4 Discussion**

#### **4.1 Effect of Job Satisfaction on Turnover Intention at Puri Santrian Hotel**

Based on the analysis of the effect of job satisfaction on turnover intention, it shows that job satisfaction has a positive and significant effect on turnover intention. That is, the high job satisfaction of Puri Santrian Hotel employees significantly increases employee turnover intention significantly. Puri Santrian Hotel employees already feel quite satisfied with the workload, and the salary received. Nevertheless, Puri Santrian Hotel employees still intend to move to work. The results of this study are not in line with the results of research conducted by PT Unitex in Bogor which stated that job satisfaction had a negative and significant effect on turnover intention (Waspodo et al., 2013).

#### **4.2 Compensation Effect on Turnover Intention at Puri Santrian Hotel**

Based on the analysis of the compensation effect on turnover intention, it indicates that compensation has a positive and insignificant effect on turnover intention. This result implies that even though the compensation received by employees is perceived to be fair enough, the desire to change employment still exists. But the effect does not significantly affect the turnover intention of Puri Santrian Hotel employees. The fulfillment of compensation provided does not mean that it can directly reduce the intention of Puri Santrian Hotel employees to leave the company. Seeing many job offers from five-star hotels with high salary, good salary and position.

It was allegedly able to change the perceptions and desires of Puri Santrian Hotel employees who indeed already felt fair enough to receive compensation, would still choose to intend to resign. But the effect does not significantly affect the intention of employees to move

to work. This research is not in line with research which analyzing employees in mining companies in South Kalimantan. The findings find evidence that compensation has a negative and significant effect on turnover intention (Candra, Hana, & Wulandari, 2018) and research from (Kee, Ahmad, & Abdullah, 2016) which conducted research in the Ready-Made Garment industry in Bangladesh. The results of the study showed evidence that compensation has a negative and significant effect on turnover intention.

#### **4.3 Effect of Job Satisfaction on Organizational Commitment at Puri Santrian Hotel**

The results of the effect of job satisfaction on organizational commitment analysis reveal that job satisfaction provides a positive and significant effect on organizational commitment. This result means that the higher the employee's job satisfaction, the employee's organizational commitment will increase significantly. With employee satisfaction, employees will have a significant effect on the strength of employee organizational commitment at Hotel Puri Santrian. It can be interpreted that employees who already feel quite satisfied with the workload and salary received, significantly affect the strong commitment to employees that makes employees feel guilty if they leave this company and employees will feel the company deserves its loyalty. The results of this study are in accordance with research from (Zandi & et al, 2018) who conducted research at the Malaysian call center stated that employee satisfaction is the most prominent factor to get their commitment to their organization.

#### **4.4 Effect of Compensation on Organizational Commitment at Puri Santrian Hotel**

Based on the results of the effect of compensation on organizational commitment analysis, it shows that compensation has a positive and significant effect on organizational commitment. This result means that the fairer the employees' perceptions of the compensation provided by the company, the more significant the employee's organizational commitment. Puri Santrian employees have felt fair enough to receive Indirect Financial Payment. With fair compensation it will have a significant effect on the strong organizational commitment of Puri Santrian Hotel employees. The results of this study are in accordance with research from (Hung, Lee, & Lee, 2018) who have successfully proven to life insurance business personnel in Taiwan salary satisfaction directly affects organizational commitment. Thus, salary satisfaction has a positive and significant effect on organizational commitment. And, research from (Puspitawati & Riana, 2014) proved that compensation has a positive and significant effect on organizational commitment.

#### **4.5 Effect of Organizational Commitment on Turnover Intention at Puri Santrian Hotel Employees**

Based on the analysis of the effect of organizational commitment on turnover intention, it shows that organizational commitment has a positive and insignificant effect on turnover intention. This result implies that although the employees' organizational commitment is good enough, the desire to change jobs remains high. But the effect does not significantly affect the turnover intention of Puri Santrian Hotel employees. Sufficiently strong organizational commitment of employees to the company does not make the employee's intention to move to work decreases. Puri Santrian Hotel employees really feel happy working at Puri Santrian Hotel. But sometimes they think that if there is indeed a job opportunity with better feedback, then it is possible for them to leave the hotel although the influence does not influence the

intention of employees to move because employees have a normative commitment that is strong enough to make employees feel guilty about leaving this organization now.

This research results are not in accordance with a previous study which successfully proved that organizational commitment has a negative and significant effect on turnover intention on forty-four employees of medical representative of PT. Gracia Pharmindo Pharmaceutical Industry North Sumatra Branch. Organizational commitment can reduce the desire of employees walking out of the organization (Nasution, 2017). And a study from (Santoso, Sitompul, & Budiarmanto, 2018) also states a negative and significant effect on turnover intention results from organizational commitment.

#### **4.6 Effect of the Role of Organizational Commitment as a Mediation Relationship between Job Satisfaction and Turnover Intention**

Organizational commitment cannot mediate the effect of job satisfaction on employee turnover intention at Puri Santrian Hotel. Organizational commitment has not been able to explain the relationship between job satisfaction and turnover intention. It means that the job satisfaction effect on turnover intention cannot be conveyed properly by organizational commitment. This is not in accordance with the study carried out at Bali Dynasty Resort as many as 382 people, which proves that job satisfaction and employee turnover rates can be mediated by organizational commitment (Rismawan, Supartha, Gede, & Kerti Yasa, 2014). And research from (Ahn et al., 2015), (Sudita, 2015), (Soekiyono, 2017), and (Anjani, Sapta, & Sujana, 2018) states that job satisfaction affects turnover intention with the role of organizational commitment as a mediator.

#### **4.7 Effect of the Role of Organizational Commitment as a Mediation of the Relationship between Compensation to Turnover Intention**

Organizational commitment is unable to mediate the effect of compensation on employee turnover intention at Hotel Puri Santrian. Organizational Commitment has not been able to explain compensation relations with turnover intention. It means that the effect of compensation on turnover intention cannot be conveyed properly by organizational commitment. This is not in accordance with the research from (Arianto & Syihabudhin, 2018) to Djatioroto Sugar Factory employees in Lumajang who stated the commitment of the organization to be able to mediate compensation and turnover rates of employee intention.

And research from (Noviolanda, Suprayitno, & Sutarno, 2017) on the employees of the Artha Mustika Wonosegoro Savings and Loan Cooperative in Boyolali Regency who stated the commitment of the organization to be able to mediate compensation and turnover rates of employee intention. High compensation or satisfied employees on the payment system given by the company then by directly increasing commitment to employees and with high commitment will certainly reduce employee turnover intention (Putra & Surya, 2016) and (Vandenberghe & Tremblay, 2008).

## **5 Conclusions**

Regarding the results and discussion of the study, some conclusions can be expressed as follows:

- a. The effect of Job Satisfaction on Turnover Intention has a positive and significant effect on employee turnover intention at Hotel Puri Santrian, meaning that although job satisfaction for employees is sufficient, it cannot reduce their intention to change jobs.
- b. Effect of Compensation on Turnover Intention has a positive and insignificant effect on turnover intention on Puri Santrian Hotel employees, meaning that compensation received by employees is considered fair enough so that it does not significantly affect employees' intention to move to work.
- c. Effect of Job Satisfaction on Organizational Commitments has a positive and significant effect on organizational commitment, meaning that the work satisfaction of Puri Santrian Hotel employees can significantly influence employee commitment at Puri Santrian Hotel.
- d. Effect of Compensation on Organizational Commitments has a positive and significant effect on organizational commitment, meaning that the satisfaction of Puri Santrian Hotel employees towards fair compensation can significantly affect employee commitment to Puri Santrian Hotel
- e. Effect of Organizational Commitment on Turnover Intention has a positive and not significant effect on turnover intention, meaning that the level of commitment of Puri Santrian Hotel employee organizations is strong enough and cannot significantly influence employees' intention to move to work.
- f. Effect of the Role of Organizational Commitment as a Mediation Relationship between Job Satisfaction and Turnover Intention Organizational commitment is not able to mediate the effect of job satisfaction on turnover intention of Puri Santrian Hotel employees. Organizational Commitment has not been able to explain the relationship of job satisfaction with turnover intention. This means that the effect of job satisfaction on turnover intention is not able to be delivered properly by organizational commitment.
- g. The effect of the Role of Organizational Commitment as Mediation of Compensation Relationship and Turnover Intention Organizational commitment is unable to mediate the effect of compensation on turnover intention.
- h. Santrian Hotel employees. Organizational Commitment has not been able to explain compensation relations with turnover intention. This means that the effect of compensation on turnover intention is not able to be conveyed properly by organizational commitment.

## References

- [1] Ahn, M. K., Lee, M. H., Kim, H. K., & Jeong, S. H. (2015). Job Satisfaction, Organizational Commitment and Turnover Intention among Male Nurses. *Journal of Korean Academy of Nursing Administration*, 21(2), 203. <https://doi.org/10.11111/jkana.2015.21.2.203>
- [2] Anjani, D. A., Sapta, I. K. S., & Sujana, I. W. (2018). The Role of Organizational Commitment As Mediating the Relationship of Job Satisfaction To Turnover Intention in Besakih Beach Hotel Denpasar, *VI(Ii)*, 73–77.
- [3] Arianto, A., & Syihabudhin. (2018). The Influence of Reward on Turnover Intention with the Organizational Commitment as an Intervening Variable (A Study on Group I and II Employee at Djatiroto Sugar Factory). *KnE Social Sciences*, 3(3), 308. <https://doi.org/10.18502/kss.v3i3.1891>
- [4] Candra, D. M., Hana, S. W. L., & Wulandari, D. (2018). Compensation and turnover

- intention in coal mining support companies in South Kalimantan. *International Journal of Scientific and Technology Research*, 7(4), 202–205.
- [5] Hung, L. M., Lee, Y. S., & Lee, D. C. (2018). The moderating effects of salary satisfaction and working pressure on the organizational climate, organizational commitment to turnover intention. *International Journal of Business and Society*, 19(1), 103–116.
- [6] Kee, L. B., Ahmad, R. bin, & Abdullah, S. M. (2016). Relationship between Financial Compensation and Organizational Commitment among Malaysian Bank Workers. *Asian Business Research*, 1(1).
- [7] Nasution, M. I. (2017). Pengaruh Stres Kerja, Kepuasan Kerja Dan Komitmen Organisasi Terhadap Turnover Intention Medical Representative. *Jurnal Ilmiah Manajemen*, vii(3).
- [8] Noviolanda, S., Suprayitno, & Sutarno. (2017). Pengaruh Kepuasan Gaji Terhadap Turnover Intention Dengan Komitmen Organisasional Sebagai Pemeditasi Pada Karyawan Koperasi Simpan Pinjam Artha Mustika Wonosegoro Kabupaten Boyolali. *Jurnal Ekonomi Dan Kewirausahaan*, 17(1).
- [9] Puspitawati, N. M. D., & Riana, I. G. (2014). Pengaruh Kepuasan Kerja Terhadap Komitmen Organisasional Dan Kualitas Layanan. *Jurnal Manajemen, Strategi Bisnis Dan Kewirausahaan*, 8(1), 68–80.
- [10] Putra, D. G. E. K., & Surya, I. B. K. (2016). Pengaruh Kepuasan Gaji Terhadap Turnover Intention Dengan Komitmen Organisasional Sebagai Mediasi Pada Rumah Sakit Umum Premagana. *Jurnal Manajemen Umud*, 5(7).
- [11] Rismawan, Supartha, P. A. E., Gede, W., & Kerti Yasa, N. N. (2014). No Title. *Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 3(8).
- [12] Santoso, A. L., Sitompul, S. A., & Budiarmanto, A. (2018). Burnout, organizational commitment and turnover intention. *Journal of Business and Retail Management Research*, 13(1), 62–69. <https://doi.org/10.24052/JBRMR/V13IS01/ART-6>
- [13] Soekiyono. (2017). Pengaruh Kepuasan Kerja Dan Motivasi Terhadap Turnover Intentions Dengan Komitmen Sebagai Variabel Mediasi (Survey Karyawan Pada Sektor Retail “Alfa Mart.” *Jurnal Ilmiah FE-UMM Economic Sciences*, 11.
- [14] Sudita, I. N. (2015). Pengaruh Kepuasan Gaji, Kepuasan Kerja, Dan Komitmen Organisasional Terhadap Turnover Intention (Studi Kasus Pada Bidang Praktek Swasta Di Kabupaten Sleman). *Efektif Jurnal Bisnis Dan Ekonomi*, 6(1).
- [15] Suparman. (2007). Analisis Pengaruh Peran Kepemimpinan, Motivasi dan Komitmen Organisasi terhadap Kepuasan Kerja dalam Meningkatkan Kinerja Pegawai. *Undip Tesis*.
- [16] Umar. (2003). *Riset Pemasaran dan Perilaku Konsumen*. Jakarta: Gramedia Pustaka Utama.
- [17] Vandenberghe, C., & Tremblay, M. (2008). The role of pay satisfaction and organizational commitment in turnover intentions: A two-sample study. *Journal of Business and Psychology*, 22(3), 275–286. <https://doi.org/10.1007/s10869-008-9063-3>
- [18] Wasposito, A., Handayani, N. C., & Widya, P. (2013). Pengaruh Kepuasan Kerja Dan Stres Kerja Terhadap Turnover Intention Pada Karyawan Pt. Unitex Di Bogor. *Jurnal Riset Manajemen Sains Indonesia (Jrmsi)*, 4(1).
- [19] Zandi, G. R., & et al. (2018). The Effect of Job Satisfaction on Organizational Commitment: a Research of Employee’s Performance in Malaysian Call Centers. *International Journal of Engineering & Technology*, 7.
- [20] Zhao, E., & Liu, L. (2010). Comments on Development of Job Embeddedness about

Research on Turnover and Exploration into Application in Enterprises. *Asian Social Science*, 6(6).