

The Role of Organizational Commitment Mediating Organizational Climate with Turnover Intention

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ABSTRACT

The present study attempts to determine the role of organizational commitment mediating organizational climate with turnover intention in Pizza Hut Denpasar, Bali. A company has to concern about turnover intention because it can create instability and uncertainty about employee conditions, as well as increased recruitment cost. Therefore a company is required to be able to retain employees by understanding things that are able to make employees loyal to the company. This study was conducted with a sample of 55 employees in Pizza Hut Denpasar Bali using the questionnaires with Likert Scale to conclude result that found. This study found that organizational climate has a positive and significant effect on organizational commitment, organizational climate has a negative and significant effect on turnover intention, organizational commitment has a negative and significant effect on turnover intention, and organizational commitment partially mediating organizational climate on turnover intention. Employees will have a high commitment to the company if a good organizational climate is created. A high commitment can reduce intention to leave. Future studies might be more do research about turnover intention from different antecedents. Managers need to develop strategic human resources practice to recruit some potential employees and keep spirit for decreasing turnover rate.

Keywords: organizational commitment, organizational climate, turnover intention

INTRODUCTION

Turnover is an act of permanent resignation carried out by employees either voluntarily or not voluntarily (Robbins & Judge, 2009). Turnover can be in the form of resignation, transfer out of the organizational unit, dismissal or death of an organization member. Turnover leads to the final reality faced by organizations in the form of the number of employees who leave the organization for a certain period. According to Rivai (2009) turnover is the desire of employees to stop working from the company voluntarily or move from one place to another according to their own choice. Whereas turnover intention refers to the results of individual evaluations regarding the continuation of relations with the organization and not yet manifested in action definitely leaving the organization. Employee turnover can create instability and uncertainty about employee conditions, as well as increased recruitment costs. Therefore a company is required to be able to retain employees by understanding things that are able to make employees loyal to the company. The empirical study aims to identify various antecedents of turnover intention. Many factors that could affect turnover intention are organizational climate and organizational commitment.

Swastadwiguna & Dewi (2012) state that organizational climate is the core circle of human environment within the boundaries of where the employees work in an organizational work. According to Saragih and Akib (2004), organizational climate is an objectively shared perception that characterizes life in an organization. Davis and

Newstrom (1996) also state that organizational climate is a human environment in which organizational employees do their work. A good work environment will increase the commitment of employees to the organization (Vanaki, 2009; Haggins, 2012).

Luthans (2006) states that organizational commitment is the loyalty of employees to companies. Understanding organizational commitment, its antecedents and outcomes, has been the focus of many research studies in the last five decades (Freund, 2005). Mowday (1992) explained that organizational commitment brings positive results such as high performance, low turnover rates and low absence rates. Based on research by Wan, et al. (2010) states that high organizational commitment will affect the decrease in the desire of employees to move, this means that the higher the commitment of employees to the company, the lower the employee's desire to move to another company.

Along with economic growth, increasing growth at Pizza Hut Denpasar, Bali currently causing intense competition in providing the best service. The employee will lack enthusiasm in work and eventually leave the company if the employee is not managed properly. Starting from January 2015 to December 2017, the employees who came out reached 62 people. Employee turnover rates for the past 3 (three) years at Pizza Hut have exceeded tolerable standards. Putra and Utama (2018) state that the standards of employee turnover that can be tolerated at each company vary, but if the turnover rate reaches more than 10% per year is too high according to many standards. The high turnover of employees at Pizza Hut is caused by various factors including employees choosing to resign from the company is because there is no rotation of the work department of the employee, so it tends to be tedious.

LITERATURE REVIEW

Organizational Climate

According to Mastaneh (2011), organizational climate is a set of attributes that can be accepted by organizations, business units or departments. Cheng (2010) defines that organizational climate is a consequence of the interaction between the organization and the outside environment of the organization. Organizational climate as the personality of an organization that distinguishes from other organizations that lead to the perception of each member in organizations (Davis & Newstrom, 2001)

The following are indicators of organizational climate (Wirawan, 2007), among others (1) Structures that reflect feelings in organizations well and have clear roles and responsibilities within the organization, (2) Standards are how to measure feelings of pressure to improve performance and degree (3) Responsibility reflects the feelings of employees to solve problems on the basis of their own decisions, (4) Awards reflect that members of the organization feel valued if they can complete the task properly, (5) Support reflects the feeling of trust and mutual support that continues between work groups

From the various opinions of experts, it can be concluded that the organizational climate is a set of characteristics that influence employee behavior in the organization.

Organizational Commitment

According to Luthans (2006: 224) organizational commitment is an attitude that reflects employee loyalty to the organization and ongoing processes where members of the organization express their concern for the organization and continuous success and progress. Allen & Meyer (1993) state that organizational commitment is a psychological construct relationship characteristics of organizational members with their organizations and have implications for individual decisions to continue their membership in organization.

Indicators for measuring organizational commitment (Allen & Meyer, 1993) include:

- a. Affective commitment is an emotional approach of the individual in involvement with the organization, so that individuals will feel connected with the organization. Affective components related to emotional, employee identification and involvement in an organization.

- b. Continuous commitment is the desire that is owned by individuals to survive in the organization, so that individuals feel the need to be associated with the organization. This commitment is based on employees' perceptions of the losses they will face if they leave the organization. Employees with strong sustainable commitments will continue their membership with the organization, because they need it.
- c. Normative commitment is a compulsory feeling of an individual to stay within the organization. Normative is the employee's feelings about the obligations he must give to the organization, and these actions are the right thing to do. Employees with strong normative commitments will continue to join the organization because they feel they have enough for their lives.

From the various opinions of experts, it can be concluded that organizational commitment is a feeling of the attachment of employees to the organization so that they strive to achieve organizational goals.

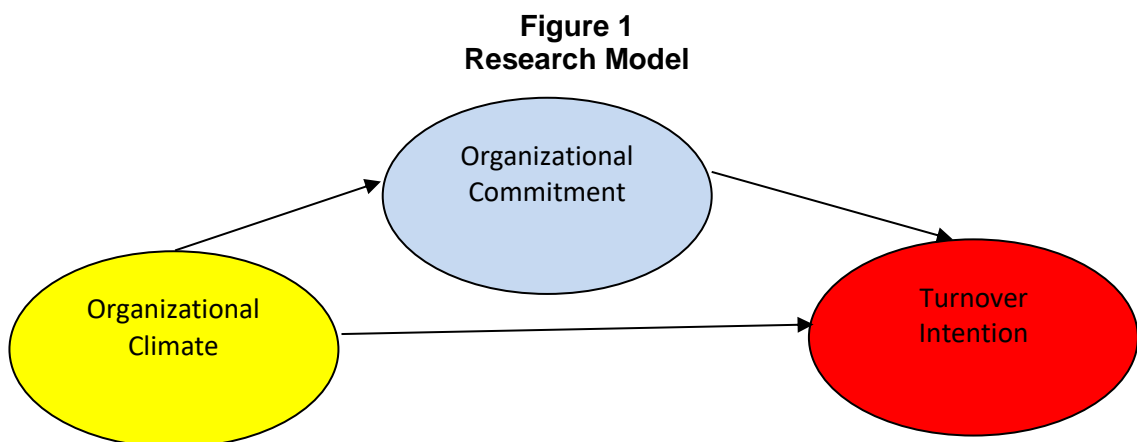
Turnover Intention

Mathis & Jackson (2003) suggest the definition of turnover as a process where employees leave the company and the position of the job must be replaced by someone else. According to Jewell & Siegall (1998) stated turnover as a function of strong individual interest in various other alternative jobs outside the company or as "withdrawal" from current work which is unsatisfactory and stressful. According to Lambert (2006), turnover intention has been emphasized as an important factor for triggering a decline in organizational performance which is influenced by other diverse variables in the organization.

According to Mobley, et al (1978) the indicator of turnover intention measurement consists of:

- a. Thinking of quitting reflects individuals thinking of leaving work or staying in a work environment. Beginning with job dissatisfaction felt by employees, then employees think of leaving their current place of work.
- b. Intention to search for alternatives reflects individuals wishing to find work for other organizations. If the employee has started to think often of leaving his job, the employee will try to find work outside the company that he feels is better.
- c. Intention to quit reflects the individual who intends to leave. Employees intend to leave if they have got a better job and later will end with the employee's decision to stay or leave his job.

In accordance with the theories above, it can be concluded that turnover intention is the intention of the employee to leave the company or find alternative employment. Following this, Figure 1 shows the model in this study.



Source : Bahrami, et al (2015); Jyoti (2013); Joo (2010)

HYPOTHESIS

- 1) The effect of organizational climate on organizational commitment

Brown & Leigh (1996) states that organizational climate plays an important role as the creator of a friendly environment so that it can achieve optimal potential to see the key to competitive competition. According to Bahrami, et al. (2015), organizational climate has a positive and significant effect on organizational commitment in the hospital. Several studies have found that organizational climate variables such as motivation, decision mapping, communication, leadership and goal setting were significant predictors of organizational commitment (Warsi, et al., 2009; Lok, et al., 2005)

H1: Organizational climate has a positive and significant effect on organizational commitment.

2) The effect of organizational climate on turnover intention

Russel, et al. (2010) stated that organizational climate can affect employee turnover. Organizational climate is a condition of the work environment, both physical and non-physical which can affect employee performance within an organization (Herman, et al., 2014). In line with the statement of Jyoti, et al. (2013); Mamewe (2015); Shanker (2014) that organizational climate has a negative effect on turnover intention.

H2: organizational climate has a negative and significant effect on turnover intention.

3) The effect of organizational commitment on turnover intention

Employees who have high organizational commitment have a desire to move lower (Wan, et al., 2010). Research conducted by Jehanzeb, et al. (2013); Joo (2010); Ahmed, et al. (2013) found that organizational commitment had a negative and significant effect on turnover intention. Handaru & Muna (2012) where employees will leave the organization if they feel less bound to the organization.

H3: organizational commitment has a negative and significant effect on turnover intention

4) The role of mediating organizational commitment on the effect of organizational climate

on turnover intention

Brown & Leigh (1996) states that organizational climate is very important because organizations can create an environment where employees feel comfortable at work. This will encourage employees to be more tied to their work. In accordance with the statement of Greenberg & Baron (1993), employees who have high commitment are more productive and more stable employees to stay in place so that they can benefit the company.

H4: organizational commitment mediates the influence of organizational climate on turnover intention.

RESEARCH METHODS

The sample in this study amounted to 55 people. This study used data collection techniques with cross sectional surveys where information collection was carried out at certain times by using a Likert scale. Test the validity of using correlation product moment so that the items in the statement can describe a variable in the study (Sugiyono, 2015). In this study, all instruments were declared valid because they had a pearson correlation value of more than 0.30. Furthermore reliability was tested in order to measure the consistency of respondents in answering matters relating to the statement on the questionnaire. In this study, the cronbach's coefficient alpha was greater than 0,70 which means that the measurement instrument used in this study is declared reliable. Furthermore, this study uses path analysis with the help of SPSS for Windows 19.0

DISCUSSION

Characteristics of Respondents

The number of respondents in this study were 55 people where the majority of respondents were 54.5% men and 45.5% women. The largest respondents aged 20 to 30 years were 94.54%, only 3.64% of respondents were less than 20 years old and 1.82% were over 30 years old. Based on education, respondents with high school

education were 94.5% and only 5.5% had undergraduate education. The largest respondents have a working period of more than 3 years were 43.63%, while it's about 41.82% have a working period of 1 to 3 years and it's about 14.55% have a one-year working period.

Model Validation

Before analyzing the relationship between variables and hypothesis testing, model validation is done first to find out how much diversity can be explained by the model used by considering R-Square in the summary model of the first and second structural equations as in Table 2 and Table 3.

Table 2
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.653 ^a	.427	.416	1.95892

a. Predictors: (Constant), organizational Climate

Table 3
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845 ^a	.715	.704	1.63321

a. Predictors: (Constant), Organizational Commitment, organizational Climate

Source: Results of research processing (2019)

Based on Table 2 and Table 3, model validation in this study was obtained through the following calculations:

$$\begin{aligned}
 \varepsilon_1 \text{ Struktur 1} &= \sqrt{1-R^2} \\
 &= \sqrt{1-0,427} = 0,818 \\
 \varepsilon_2 \text{ Struktur 2} &= \sqrt{1-R^2} \\
 &= \sqrt{1-0,715} = 0,488
 \end{aligned}$$

Based on the results of the above calculations, the coefficient of determination (R^2) can be calculated as follows:

$$\begin{aligned}
 R^2 &= 1 - (\varepsilon_1)^2 (\varepsilon_2)^2 \\
 &= 1 - (0,818)^2 (0,488)^2 \\
 &= 1 - 0,159 \\
 &= 0,840
 \end{aligned}$$

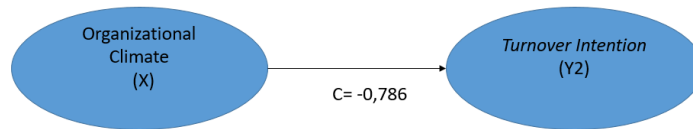
These results indicate that the diversity of data that can be explained by the model is 84%, which means that turnover intention is explained by the implementation of 84% organizational commitment and organizational and the remaining 16% is explained by other factors beyond the research model.

Hypothesis testing

Direct effect

The direct effect is the direct influence of organizational climate on turnover intention.

Figure 2
Direct Effects of Organizational Climate Influence on Turnover Intention



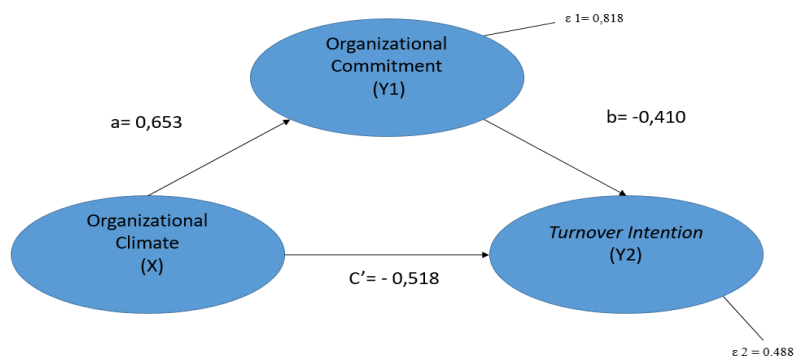
Source: Results of research processing (2019)

Based on Figure 2, the direct effect of organizational climate on turnover intention shows a coefficient of -0.786. This means that climate organization has a negative effect on turnover intention of 78.6%, and 21.4% is influenced by other variables not examined in this study. In accordance with Russel, et al (2010); Subramaniam & Shin (2013) found that organizational climate to be associated with turnover intention, it means a positive organizational climate contribution will decrease in intention to leave.

Indirect effects

To find out the effect of organizational climate on turnover intention through organizational commitment, it was analyzed based on the two equations as follows: (Show Figure 3)

Figure 3
PathSum Analysis Model Diagram



Source: Results of research processing (2019)

The results of the path model are described as follows.

$$\begin{aligned}
 Y_1 &= \beta_1 X \\
 &= 0,653 X \\
 Y_2 &= \beta_2 X + \beta_3 Y_1 \\
 &= - 0,410 X - 0,518 Y_1
 \end{aligned}$$

The following is a summary of the results of the path analysis coefficients shown in Table 4.

Table 4
Summary of Results of Path Analysis Coefficients

Model	Standardized Coefficients			Summary
	Path Coefficients (Beta)	t value	Significant value	
The effect of organizational climate on commitment organizational (a)	0,653	6,282	0,000	Positive and Significant
The effect of commitment organizational on <i>turnover intention</i> (b)	-0,410	-4,192	0,000	Negative and Significant
The effect of organizational climate on <i>turnover intention</i> (c')	-0,518	-5,298	0,000	Negative and Significant
The effect of organizational climate on <i>turnover Intention</i> through organizational commitment (c)	-0,786	-9,285	0,000	Negative and Significant

Source: Results of research processing (2019)

By paying attention to Table 4, the results of hypothesis testing in this study are as follows:

- 1) The effect of climate organization on organizational commitment
Based on Figure 3, it can be seen that the path coefficient of the influence of organizational climate on organizational commitment (p1) is 0.653 with a significance value of 0.000 smaller than $\alpha = 0.05$. From these results it can be concluded that organizational climate has a positive and significant effect on organizational commitment. These results indicate that the better organizational climate, the greater the organizational commitment felt by these employees.
- 2) The effect of organizational commitment on turnover intention.
The effect of organizational commitment on turnover intention. Based on Figure 3, it can be seen that the path coefficient of organizational commitment influence on turnover intention (p2) is -0.410 with a significance value of 0.000 smaller than $\alpha = 0.05$. From these results it can be concluded that organizational commitment has a negative and significant effect on Turnover Intention. These results indicate that the better the organizational commitment, the lower the turnover intention.
- 3) The effect of organizational climate on attention turnover
Based on Figure 3, it can be seen that the path coefficient of the influence of organizational climate on turnover intention (p3) is -0.518 with a significance value of 0.000 smaller than $\alpha = 0.05$. From these results it can be concluded that organizational climate has a negative and significant effect on turnover intention. These results indicate that the better the organizational climate, the lower the intention turnover.
- 4) The effect of organizational climate on turnover intention with organizational commitment as mediating variable
Based on Figure 3, the multiplication of beta X value to Y2 with beta value Y1 to Y2: $0.653 \times (-0.410) = -0.268$, then the total effect given X to Y2 is: $-0.518 - 0.268 = -0.786$. From these result, it can be concluded that employees turnover will

decrease when they feel good at organizational climate and commit with their organization.

CONCLUSION AND IMPLICATION

The results of the study state that organizational climate has a positive and significant effect on organizational commitment, organizational climate has a negative and significant effect on turnover intention, organizational commitment has a significant negative effect on turnover intention. The statement from the results of this study supports previous research that employees' intention to leave the organization will decrease if they feel the climate of the organization that supports their work so that it increases their commitment to the organization. Employees will have a high commitment to the company if a good organizational climate is created. The results of this study are expected to be empirical evidence for future research and can be used as a reference in human resource management science related to organizational climate, organizational commitment and turnover intention. Future studies might be more do research about turnover intention from different antecedents. Managers need to develop strategic human resources practice to recruit some potential employees and keep spirit for decreasing turnover rate.

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