

Review Article

Effect of Organizational Climate, Compensation and Satisfaction on Turnover Intention

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Abstract - The purpose of this study was to determine and analyze the influence of organizational climate, compensation, and job satisfaction on the turnover intention at the Lumajang Muhammadiyah Education Institute. The population of this study was all teachers and employees of SMA and SMK Muhammadiyah Lumajang who were sampled totaling 137 people. Validity and reliability tests were used to test the measuring instrument in the form of a questionnaire. The analytical tool used is SEM PLS. The results showed that organizational climate, compensation, and job satisfaction had a negative and significant effect on turnover intention.

Keywords - organizational climate, compensation, job satisfaction, turnover intention.

I. INTRODUCTION

A successful company usually cannot be separated from the role of its employees or employees. The leadership must pay attention to the welfare of its employees so that employees and employees feel happy working at the company. Employees whose welfare gets the attention of their leaders will not have the desire to move to another organization to get something more that has been received from the old company where they worked. Companies must have the perception that employees or employees are not subordinates who can be ordered, but the company must know that these employees are partners for the company.

The desire to change jobs that often occurs is usually caused by welfare problems that are not yet sufficient to meet the needs of life. An intention or desire that occurs in an employee is a sign of turnover in an organization. While other employees are important assets for the organization, if there are employees who have the desire to move out of the organization, the organization can find the root of the problem of the desire to make a turnover at the institution. Changing jobs is a function of a strong individual's interest in various other job alternatives outside the organization or as a withdrawal from an unsatisfactory current job [1]. Dissatisfaction from an individual can cause an employee to have the intention of moving to another company thus

causing a turnover. Many factors are thought to cause an employee to have the intention of moving to another company, including organizational climate, compensation, and job satisfaction.

Organizational climate is the employee's perception of the quality of the organization's internal environment which is relatively perceived by members of the organization which will then influence their subsequent behavior [2]. According to [3], organizational climate is the internal environment or organizational psychology. Organizational climate affects HR practices and policies accepted by members of the organization. It should be noted that every organization has a different organizational climate, individual characteristics, and a variety of jobs that can show these differences. Based on the above definition, there is a conclusion that organizational climate is a perception of teachers and employees regarding the quality of the organization's internal environment so that it affects the turnover intention behavior of teachers and employees. The atmosphere in a company environment that can provide comfort to employees can make employees happy to work at the company. Research [4], entitled "The Effect of Job Stress and Organizational Climate on Turnover Intention with Job Satisfaction as an Intervening Variable in Hospital Nurses. X in Surabaya" states that organizational climate has a significant negative effect on turnover intention. Other studies that also examine the relationship between organizational climate and turnover intention include [5], [6], [7], [8], [9], [10].

Compensation is a variable that can affect turnover intention. [11] states that good compensation is a compensation system that is responsive to situations and a system that can motivate employees. Compensation is important for individual teachers because the amount of compensation reflects the value of their work among teachers in the school, family, and community. Leaders must be competitive enough with several types of compensation to hire and maintain and reward organizational performance [12]. Compensation that is not in balance with the work done usually causes an employee to switch to another company. Research [13] with the title "The Effect of Compensation, Work Motivation, and Organizational Commitment on



Turnover Intention at PT. Unipower Food Indonesia ”with a sample of 95 people stated that the variables of compensation, work motivation, and organizational commitment had a significant negative effect on turnover intention. Research which also examines the relationship between compensation and turnover intention, includes: [14], [15], [16], [13].

Another factor that can affect turnover intention is job satisfaction. According to [17], job satisfaction is a happy emotional state or positive emotion that comes from appraising one's job or work experience. Job satisfaction is a form of emotional attitude that is fun and loves the job they are doing [18]. Jobs that provide job satisfaction for the perpetrators are jobs that are fun to do [19]. Conversely, work that is not fun to do is an indicator of a sense of dissatisfaction at work. From the theory above, it can be concluded that job satisfaction in work is job satisfaction which is an individual thing because each individual has a different level of job satisfaction which is determined by the value that applies to each individual. Research [20] entitled "Analysis of the Influence of Salary Satisfaction, Job Satisfaction, Organizational Commitment on Turnover Intention at Roemani Muhammadiyah Hospital Semarang" states that salary satisfaction harms turnover intention, job satisfaction has a positive effect on organizational commitment, job satisfaction affects. negative effect on turnover intention and organizational commitment harms turnover intention. Other studies that also discuss the relationship between job satisfaction and turnover intention, among others, were carried out by : [21], [22], [23], [24], [25], [26], [27].

SMA and SMK Muhammadiyah Lumajang are private educational institutions under the auspices of the Community Organization called Muhammadiyah. SMA and SMK

Muhamadiyah which are located in Lumajang Regency also contributed to educating the nation's life through education services. In the implementation of teaching and learning activities at SMA and SMK Muhammadiyah Lumajang, employees often have mutations, both teachers and employees. In Figure 1 and Figure 2, it can be seen that the progress of the exit and entry of employees in SMA and SMK Muhammadiyah Lumajang. In Figure 1 and Figure 2, it is seen that the employee mutation data at SMA and SMK Muhammadiyah Lumajang, it is known that it is seen that the employee turnover data at SMK Muhammadiyah Lumajang for 5 years from the academic period 2014 - 2019 can be seen that the turnover rate that occurs has increased significantly. Turnover in an agency/institution can be measured based on the turnover rate index quantitatively and expressed as a percentage based on a certain period (usually within 1 year. The result of the turnover rate index for the academic year July 2014 - June 2015 was 18%, in the academic year July 2015 - June 2016 was 9%, in the academic year July 2016 - June 2017 it was 4%, in the academic year July 2017 - June 2018 it was 20%, and in the academic year of July 2018 - June 2019, it was 7%. Broadly speaking, the teacher turnover rate index, and employees experienced by SMK Muhammadiyah Lumajang experienced an unstable trend. If you look at the percentage in the first year there is a fairly high percentage of 18%, but in the next two years it has decreased by 9% and 7% but in the fourth academic year it has increased significantly. is significant until it reaches 20% then in the fifth academic year it has decreased again by 7%, from this empirical fact there is an anomaly in ks Turnover rate which can hinder the learning and teaching process so that it has an impact on students.

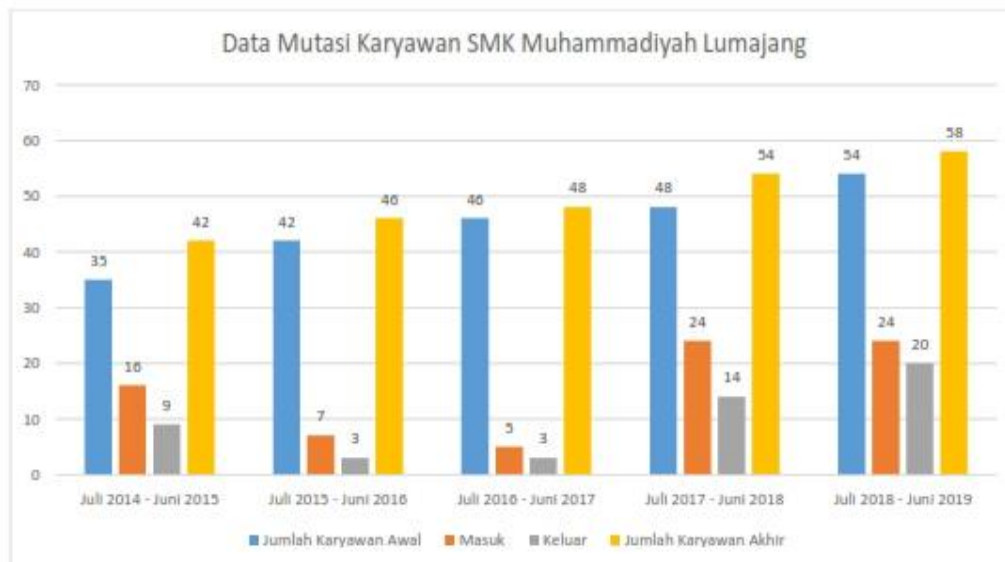


Fig. 1 Development of Employee Mutation Data of Muhammadiyah Lumajang Vocational School

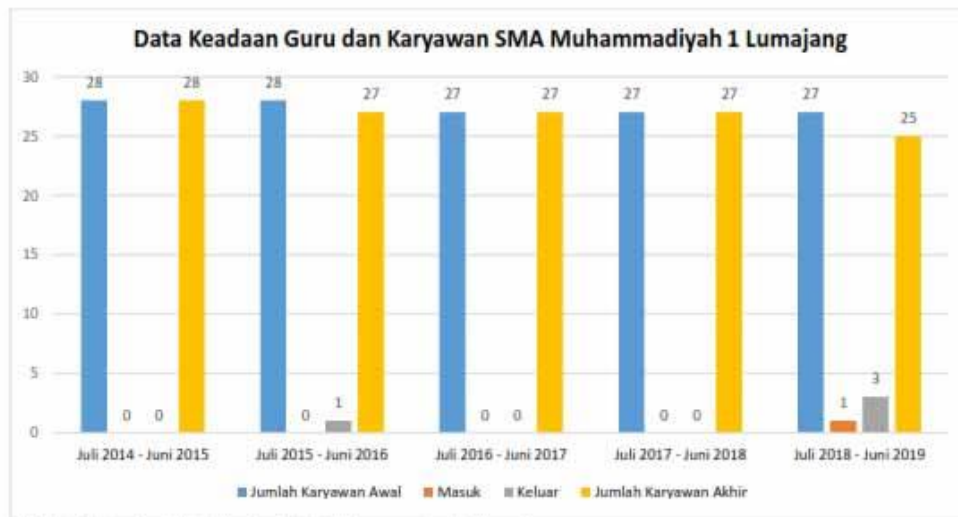


Fig. 2 Development of Employee Mutation Data at SMA Muhammadiyah Lumajang

In contrast to SMA Muhammadiyah 1 Lumajang, the data we get shows a small turnover rate, the data for teachers and employees of SMA Muhammadiyah 1 Lumajang. In Figure 2, it can be seen that the mutation data at SMA Muhammadiyah Lumajang has not changed significantly or the figure is relatively small in the last five years with the turnover rate index only 4 leaving and 1 entering SMA Muhammadiyah 1 Lumajang. From the phenomena that occur at SAM and SMK Muhammadiyah Lumajang, the purpose of this study is to determine and analyze the influence of organizational climate, compensation, and job satisfaction on turnover intention in SMA and SMK Muhammadiyah Lumajang.

II. RESEARCH METHODS

The research approach used in this research is quantitative. Quantitative research is a process of finding knowledge using data in the form of numbers as a tool to analyze information about what you want to know. The population in this study were 137 teachers and employees of SMA / SMK Muhammadiyah in Lumajang Regency as well as being the research sample. This study, using partial least square (PLS) data analysis techniques. PLS is a powerful analysis method because it does not assume that the data must use a certain scale measurement, the data can be in the form of nominal, category, ordinal, intervals and ratios, the number of samples are small (Ghozali, 2011). The analysis on PLS is carried out in three stages: 1) Analysis of the outer model, 2) Analysis of the inner model, 3) Testing the hypothesis. The outer model analysis defines the relationship of each indicator to its latent variables, so it can be said that the outer model analysis specifies the relationship between indicators and their latent variables by testing as follows:

1. Convergent Validity, is the value of loading factors on latent variables with their indicators.
2. Discriminant Validity, is a cross-loading factor value that is useful for knowing whether a construct has sufficient discriminant by means of a comparison of the loading value of the intended construct must be greater than the loading value of other constructs.
3. Composite reliability, high data reliability is indicated by having composite reliability > 0.7

The analysis is used to determine the relationship between latent variables. Inner model analysis can be done with path analysis and R Square. Path analysis / Structural path coefficient (Path Analysis) is used to determine how much influence exogenous variables have on endogenous variables. R Square is the coefficient of determination used to see the ability of exogenous variables to explain endogenous variables. In general, an explanatory research method is a methodical approach that uses PLS. This is because in this method there is hypothesis testing. Testing the hypothesis can be seen from the t-statistic value and the probability value. To test the hypothesis using statistical values, for alpha 5% the t-statistic value used is 1.96. So that the criteria for acceptance/rejection of the hypothesis is that H_a is accepted and H_0 is rejected when the t-statistic is > 1.96. To reject/accept the hypothesis using probability, H_a is accepted if the p-value is < 0.05.

III. RESULTS AND DISCUSSION

Results of Descriptive Analysis of Respondents

Respondents in this study were all teachers and employees of SMA / and SMK Muhammadiyah in Lumajang Regency, totaling 137 people. Of the 137 the number of

female teachers and employees is more than the male gender, namely 54.74% female teachers and employees and 45.74% male teachers and employees. Based on the characteristics of respondents based on age, teachers and employees with an age range of 25 - 35 years are 33 people or 24.08%, the age range of 36 - 45 years is 52 people or 37.96%, the range 46 - 55 years is 37 people or 27 people. , 02%, and 15 people over 55 years of age or 10.94%. This shows that the majority of teachers and employees of SMA / SMK Muhammadiyah Lumajang are dominated by the productive age group. Based on the characteristics of the working tenure of teachers and employees, it is known that respondents who are classified as new working periods, respondents with a moderate working period are 85 people or 62.05%, while respondents with long service periods are 52 people or 37.95%.

Validity Test Results

This validity test shows the suitability of each indicator with the theories used to define a construct [28]. There are two criteria to assess whether the outer model meets the convergent requirements for a reflective construct, namely that the loading must be above 0.70 and the p-value is significant (<0.05) [28]. The discriminant validity test uses the square roots average variance extracted (AVE) criteria, which is a diagonal column and is enclosed in parentheses; must be higher than the correlation between latent variables

in the same column [29]. The results of the calculation of WarpPLS 5.0 that have been carried out show that each value on the cross-loading factor has reached a value above 0.7 with a p-value below 0.001, thus the convergent validity criteria have been met. In the AVE calculation, it can be seen that the root AVE value in the same variable is higher than the AVE root value for different variables. This shows that the criteria for discriminant validity have been met. Thus the validity test on the instrument has met the criteria.

Reliability Test Results

The reliability test was carried out to measure the consistency of the instrument using WarpPLS 5.0 indicated by the value of composite reliability and Cronbach's alpha in Table 1. Based on table 1, a significant composite reliability value is obtained from each variable, namely organizational climate (0.892), compensation (0.889), job satisfaction (0.879), turnover intention (0.852). The value of Cronbach 'alpha also shows significant results, namely organizational climate (0.855), compensation (0.843), job satisfaction (0.835), turnover intention (0.767). From these results, it is known that all composite reliability values show several more than 0.70, and Cronbach's alpha shows several more than 0.60 so that it can be stated that each construct has high reliability.

Table 1. Reliability Test Results

Value	Variable				Standart	Information
	X1	X2	X3	Y		
Composite Reliability coefficients	0.892	0.889	0.879	0.852	0.700	Reliable
Cronbach's alpha coefficients	0.855	0.843	0.835	0.767	0.600	Reliable

Table 2. Hypothesis Test Results

	Hypothesis	Path Coefficients	P-value	Conclusion
H1	Organizational climate is thought to affect turnover intention	0.290	0.001	H1 Accepted
H2	Compensation is thought to affect turnover intention	0.320	0.001	H2 Accepted
H3	Job satisfaction is thought to affect turnover intention	0.302	0.001	H3 Accepted

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more than 0.70, and Cronbach's alpha shows several more than 0.60 so that it can be stated that each construct has high reliability.

Hypothesis Test Results

At this stage, calculate each path in the model section using path analysis. Each pathway tested shows the direct influence of organizational climate (X1), compensation (X2), and satisfaction on turnover intention (Y) of teachers and employees of SMA and SMK Muhammadiyah in Lumajang Regency. By knowing the effect on each pathway will answer whether the proposed hypothesis can be accepted or rejected. Each path represents the hypothesis tested in this study.

Discussion

The Effect of Organizational Climate on Turnover Intention

Based on the results of testing the organizational climate variable on turnover intention variable, a coefficient value of -0.290 was obtained with a p-value of 0.001, because the p-value is smaller than a (0.001 <0.05), then H0 is rejected so that there is a negative and significant effect of organizational climate on turnover intention. This shows that the organizational climate has a negative and significant effect on the turnover intention of teachers and employees of SMA and SMK Muhammadiyah in Lumajang Regency, which is proven to be true or H1 is accepted. Research [4], entitled "The Effect of Job Stress and Organizational Climate on Turnover Intention with Job Satisfaction as an Intervening Variable in Hospital Nurses. X in Surabaya" states that organizational climate has a significant negative effect on turnover intention. Other studies that also examine the relationship between organizational climate and turnover intention include [5], [6], [7], [8], [9], [10].

The Effect of Compensation on Turnover Intention

Based on the results of testing the compensation variable on turnover intention, the coefficient value is -0.320 with a p-value of 0.001. Because the p-value is smaller than a (0.001 <0.05), H0 is rejected, so there is a negative and significant effect of compensation on turnover intention. This shows that compensation has a negative and significant effect on the turnover intention of teachers and employees of SMA and SMK Muhammadiyah in Lumajang Regency, is proven true or H2 is accepted. The results of this study are similar to previous research conducted by: [13] entitled "The Effect of Compensation, Work Motivation, and Organizational Commitment on Turnover Intention at PT. Unipower Food Indonesia" with a sample of 95 people stated that the variables of compensation, work motivation, and organizational commitment had a significant negative effect on turnover intention. Research that also examines the relationship between compensation and turnover intention, includes: [14], [15], [16], [13].

The Effect of Job Satisfaction on Turnover Intention

Based on the results of testing the job satisfaction variable on turnover intention, the coefficient value is -0.302 with a p-value of 0.001, because the p-value is smaller than a (0.001 <0.05) so H0 is rejected so that there is a negative and significant effect on job satisfaction on turnover intention. This shows that job satisfaction has a negative and significant effect on the turnover intention of teachers and employees of SMA and SMK Muhammadiyah in Lumajang Regency, the truth is, or H3 is accepted. Other studies that also discuss the relationship between job satisfaction and turnover intention, among others, were carried out by: [21], [22], [23], [24], [25], [26], [27].

IV. CONCLUSION AND SUGGESTIONS

Based on the research findings that have been analyzed using SMRT-PLS, the conclusions of this study are: organizational climate has a significant negative effect on the turnover intention of teachers and employees of SMA / SMK Muhammadiyah in Lumajang Regency. Compensation has a significant negative effect on the turnover intention of teachers and employees of SMA / SMK Muhammadiyah in Lumajang Regency. Job satisfaction has a significant negative effect on the turnover intention of teachers and employees of SMA / SMK Muhammadiyah in Lumajang Regency.

The suggestions that can be given based on the results of this study are: it is hoped that SMA / SMK Muhammadiyah in Lumajang Regency should pay more attention to these factors. For other researchers, it is suggested to test compensation not only financial but also non-financial.

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