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THE INFLUENCE OF COMPENSATION, JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT ON NURSES' TURNOVER INTENTION AT ACCREDITED HEALTH SERVICES OF EAST LOMBOK REGENCY, INDONESIA

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ABSTRACT

This study focused on a relationship between compensation, job satisfaction and organizational commitment on nurses' turnover intention at Accredited Health Services, East Lombok Regency. The study used census research as a quantitative research design. A sample of 154 non-civil servant service nurses was surveyed at Accredited Health services, East Lombok Regency, West Nusa Tenggara (Indonesia). The questionnaires were analyzed using path analysis by SPSS 16. The results revealed that compensation and job satisfaction had no significant effect on turnover intention. Moreover, compensation and job satisfaction had a significant influence on organizational commitment. Meanwhile, organizational commitment had a significant effect on nurses' turnover intention at Accredited Health Services.

KEY WORDS

Compensation, job satisfaction, organizational commitment, turnover intention, nurse.

Turnover intention often faced by many organizations. Thus, the employee expected to have a new job as soon as possible (Ramlall in Sudita, 2015). The mismatch between work environment and competence, lower work allowance and social security are the main causes. Turnover intention is a tendency to stop working, seek another selected job (Mobley, 1986), and resignation voluntarily or not voluntarily (Robbins & Judge, 2015). An indication is the excessive of absence. Several studies revealed that the causes of turnover intention were lack of compensation (Paulus & TJ, 2015), and job dissatisfaction (Maulana & Cholil, 2016). According to Hasibuan (2012), compensation refers to money and others, either direct or indirect wage as a commendable given by the company.

A survey conducted by American Organization of Nurse Executive showed that the turnover level of Registered Nurse (RN) in 2000 was 21.3%. Meanwhile, 13,9% (Bernard Hodes Group, 2005) on 138 recruiters at health sector, and the vacancy rate at the hospital was 16.1% (Elizabeth, 2012). Lack of nurses causes poor service and fatigue. Turnover is a serious problem to the efficiency and effectiveness of health service. Survey research showed that the average absence rate of nurses at Accredited Health Services, East Lombok Regency was 4.57%. According to Winaya (2011), the absence reporting was above 4-15%. Moreover, it showed that the compensation was IDR 813,168/ month. The phenomenon of the high level of absence of nurses and the low compensation received by nurses made researchers interested in conducting this research. Thus, the study aims to analyze the effect of compensation, job satisfaction and organizational commitment on turnover intention toward non-civil servant service nurses at Accredited Health Services, East Lombok Regency.

LITERATURE REVIEW

According to Mobley (1986), turnover intention is a tendency to resign voluntarily from the previous job and move from one job others based on someone's choices. Mathis &

Jackson (2001) have explained that turnover intention is the process of leaving and replacing the job. It means that when an employee has resigned to his job, the other will replace his position. Robbins (2001) has stated that the resignation of someone from the organization (turnover) can be classified into 2 causes: (1) voluntary turnover is the employee's decision to resign voluntarily; (2) involuntary turnover is an employer's decision to commit uncontrollable work termination for the employee. Mobley et al (1978) and Harnoto (2002) have stated that the indicators were job seeker, resignation and scofflaw.

Compensation refers to salary or gift for employees (Dessler, 2007), it can be financial rewards and allowance (Simamora, 2004). The indicators are wage, salary, and incentive (Simamora, 2004; Luna-Arocas & Camps, 2008). Research conducted by Liu (2012) and Long & Perumal (2014) in the public sector showed that compensation had a negative effect on turnover intention, and these findings contradicted with Irbayuni (2012) which showed that compensation had a positive and significant effect on turnover intention. Furthermore, a case study at PT. Multi Abadi Sejahtera showed that compensation had a significant and positive influence on turnover intention (Paulus & TJ, 2015).

Job satisfaction is employees' perceptions about the importance of working well for the organization (Luthans, 2006). Robbins & Judge (2015) defined it as a general attitude which indicates the difference between the number of rewards received and the amount that should be received. Job satisfaction is measured using four indicators namely job satisfaction, salary satisfaction, satisfaction with the boss's attitude and coworkers (Roelen, Koopmans & Groothoff, 2008).

Robbins (2006) in Putra & Wibawa (2015) has stated that job satisfaction is negatively related to employee turnover. However, other factors such as the labor market, work opportunities, years of service are the obstacles in resignation. A study conducted at higher education (Alniacik et al., 2013) showed that job satisfaction was significantly negatively related to turnover intention. A study by Ozbag & Ceyhun (2013) on Turkish Marine Pilots showed that job satisfaction had a negative effect on turnover intention. Weeks & Sen (2016) indicated that job satisfaction increased, while turnover intention decreased. On the contrary, Paulus & TJ (2015) indicated that job satisfaction had a significant and positive influence on turnover intention. Maulana & Cholid (2016) also indicated that the higher level of job satisfaction not necessarily reducing the intention to move to other job. Meanwhile, a study from Risma (2018) showed that job satisfaction had a negative and no significant effect on turnover intention.

According to Mathis and Jackson (2001), organizational commitment is a trust level, an acceptance labor, and a desire to remain in organization. Choong et al. (2012) have stated that employee will have a strong desire to remain a certain member; he will also put a great effort into his work on behalf of the organization. Meyer and Allen (1991) explained three dimensions of organizational commitment; (1) affective commitment refers to emotional attachment, identification as well as the involvement of an employee in an organization, (2) continuance commitment deals with side-bets orientation concept emphasizes on a person's contribution that can be lost when the person leaves the organization, and (3) normative commitment indicates how far a person psychologically bound to be an employee based on loyalty, affection, warmth, ownership, pride, happiness, and soon.

Mowday et al. (1982) in Putra & Wibawa (2015) have stated that employees with high organizational commitment will be more motivated and strive to achieve organizational goals. Meanwhile, high organizational commitment has a negative relationship with turnover level. Jehanzeb et al. (2013) and Yamazakia & Petchdee (2015) found that organizational commitment had a negative and significant influence toward turnover intention in private sector and fisheries industry, Thailand. In addition, Saraih et al. (2017) found that organizational commitment had a negative and significant relationship toward it in a higher education, Malaysia. On the other hand, the finding showed that organizational commitment had a weak positive significant relationship on turnover intention in Nigerian Paramilitary (Falove, 2014). Moreover, Gamble & Tian (2015) showed that affective and normative commitments were negatively affected turnover intention, and affective commitment had a

positive influence on it. Then, normative and ongoing commitments did not have a significant effect on it, while affective commitment had a significant relationship on it (Sow, 2015).

Thus, the hypotheses are formulated as follows:

- H1: Compensation has a significant negative effect on turnover intention;
- H2: Job satisfaction has a significant negative effect on turnover intention;
- H3: Compensation has a significant positive effect on organizational commitment;
- H4: Job satisfaction has a significant positive effect on organizational commitment;
- H5: Organizational commitment has a significant negative effect on turnover intention.

Figure 1 – Model Hypotheses

METHODS OF RESEARCH

This study used quantitative research design with a casual associative approach and it aims to determine the effect of independent variable on the dependent variable. It was conducted at Accredited Health Services, East Lombok Regency. The sample was 154 non-civil servant service nurses. The variables were turnover intention by Paulus & TJ (2015) indicator, compensation by Paulus & TJ (2015) and Luna-Arocas & Camps (2008). Moreover, job satisfaction using indicator from Roelen et al. (2008) as well as organizational commitment using Allen & Meyer (1997) in Risma (2018).

Each variable used a Likert scale, such as strongly agree, agree, partially disagree, disagree, and strongly disagree. The reliability test showed that Cronbach's Alpha was above 0,6. It means that each item was reliable. Meanwhile, the validity used Pearson Product Moment correlation technique indicated that only job satisfaction variable was invalid, due to r-value is less than 0,3. Meanwhile, path analysis technique was used in this study.

RESULTS AND DISCUSSION

In accordance with the formulated hypothesis, in this study inferential statistical data analysis was measured using SPSS 16, starting from the normality test (Kolmogorov-Smirnov), calculating path coefficients and hypothesis testing (Riduwan and Kuncoro, 2013). Based on the Normality test data shows that all variables are normally distributed (Asymp value. Sig> 0.05).

The normality test is used to test whether the regression model has a normal distribution or not (Ghozali, 2013). In this study, the normality test uses Kolmogorov-Smirnov (one sample K-S) with decision-making that is when p-value> 0.05, then the data is normally distributed. Based on the normality test using Kolmogorov-Smirnov the following results are obtained:

Table 1 – One-Sampel Kolmogorov-Smirnov Test

n/n	Compensation	Job Satisfaction	Organizational Commitment	Turnover intention
N	154	154	154	154
Kolmogorov-Smirnov Z	1.154	1.123	1.210	.914
Asymp. Sig. (2- tailed)	.139	.113	.140	.374

Source: Path Analysis.

From the results in the Kolmogorov-Smirnov One-Sample table, the Asymp column. Sig. shows that the significance value for compensation, job satisfaction, organizational commitment and turnover intention is greater than 0.05, it can be concluded that all variables are normally distributed. Kolmogorov-smirnov Z column indicated that the smaller the distribution of the data, the more normal they would be. Path analysis technique was used to analyze the causal relationship among variables in order to find both direct and indirect effects simultaneously or independently of some exogenous for endogenous variables (Riduwan & Kuncoro, 2013).

Table 2 – Result of Path analysis

	Hypothesis	R-Square	Standardized Coefficient Beta	t-statistic	Conclusion
H1	Compensation → Turnover intention	.008	.089	1.101	Not significant
H2	Job Satisfaction → Turnover intention	.000	-.010	-.122	Not significant
H3	Compensation → Organizational Commitment	.086	.293	3.771	Significant
H4	Job Satisfaction → Organizational Commitment	.182	.427	5.825	Significant
H5	Organizational Commitment → Turnover intention	.046	-.213	2.693	Significant

Source: Path analysis. * All significant at $p > 0.000$.

The results showed that compensation had a positive value and did not significantly influence on turnover intention, which meant hypothesis 1 was rejected. The compensation size received by nurses did not affect their desires to move. Thus, it supported the finding from Irbayuni (2012) which indicated that compensation did not contribute to the desire to change the jobs. For instance, employees' expected incentives. Maulana & Cholil (2016) found that salary was not the reason to move. Lum et al. (1998) explained that salary satisfaction was a feeling about how much salary should be received.

The result indicated that job satisfaction had no significant effect on turnover intention, it could be said that hypothesis 2 was rejected. The higher the level of job satisfaction, it was not necessarily reducing the desire to resign. This happened because of salary satisfaction. Unlike the study, Alniacik et al. (2013) and Ozbag & Ceyhun (2013) found that job satisfaction had a significant negative effect on turnover intention. However, this study agreed with Maulana & Cholil (2016) and Risma (2018) shows that job satisfaction had no significant effect on turnover intention.

The third hypothesis showed a positive and significant effect, which meant hypothesis 3 was accepted. The significant correlation between compensation and organizational commitment caused nurses to commit continually to organization. Commitment increased, when a nurse had responsibility and commitment to have self development. Thus, this study supported the finding from Nawab & Bhatti (2011) and Budiningsih et al. (2017), which indicated that there was positive significant correlation between compensation and organizational commitment.

The hypothesis test between job satisfaction and organizational commitment showed positive and significant effect. Thus, hypothesis 4 was accepted. Working indicated how satisfied an employee and it affected organizational commitment. Responsibility made work easier. Moreover, a nurse would have more opportunity to learn new things, responsibility, and challenge to the field of work. When a nurse worked sincerity and responsibility, it would increase organizational commitment. This hypothesis supported the findings from Mohammad & Eleswed (2013), Thabane et al. (2017) and Cherian et al. (2018).

The hypothesis test result between organizational and turnover intention had a negative and significant effect. Thus, hypothesis 5 was accepted. An employee would work continually, due to he agreed, felt useful, and competent to remain in organization. He also felt comfortable, safe, and got benefits. Thus, nurses had homey feel so that turnover intention became low. The findings from Jehanzeb et al. (2013), Yamazakia & Petchdee (2015) and Saraih et al. (2017) showed that organizational commitment had a negative and significant effect on turnover intention.

CONCLUSION

To conclude, compensation had no significant positive effect on turnover intention, and compensation had a significant positive effect on organizational commitment. Then, job satisfaction had a significant positive effect on organizational commitment, while organizational commitment had a significant negative effect on turnover intention. The research limitations focused on three variables namely compensation, job satisfaction, and organizational commitment. Moreover, the sample was taken from non-civil service nurses at Accredited Health Services, East Lombok Regency. Thus, the result of the study may not be applicable to other group other than the ones initially tested.

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