

## The Role of Organizational Commitments in Mediating the Effect of Job Insecurity on Turnover Intention on Non-Permanent Employees

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**ABSTRACT :** This research was conducted at Maxi Hotel Legian, the number of samples used were 86 employees, using a saturated sampling method. The analysis technique used was path analysis. The results show that job insecurity has a positive and significant effect on turnover intention, organizational commitment has a negative and significant effect on turnover intention, job insecurity has a negative and significant effect on organizational commitment, and organizational commitment is able to mediate job insecurity on turnover intention at Maxi Hotel Legian.

**KEYWORDS:** *Turnover intention, organizational commitment, job insecurity.*

### I. INTRODUCTION AND LITERATURE REVIEW

Intention to leave is a problem that often occurs in the hotel industry. High employee turnover rate is a result of the desire to leave the organization for employees who are already so strong (Huang & Su, 2016). One of them is the condition of the hotel industry which has been constantly busy with tourists lately, which often makes employees have to do more work than their own job descriptions (Asghar et al., 2018).

Turnover intention in a company is a major problem faced by all companies that have an impact on company activities and productivity. The company will be confused if it finds out that its employees have the desire to leave the company, moreover, these employees can be classified as employees who have high dedication to the company and have good quality work (Azeez et al., 2016). Many losses will be borne by the company if employees have the desire to leave the company. The main thing that will become a problem in the company is that the funds spent by the company to carry out the employee recruitment process until the various trainings provided to employees will be useless. Turnover is an interesting issue for the hotel industry today because turnover will disrupt hotel operations, both in terms of cost and time (Qiu et al., 2015).

Increased employee turnover also occurs in the hotel industry in Bali, one of which is the Maxi Hotel Legian. Maxi Hotel Legian directly provides a fast and strategic access to all the legendary places in the Kuta area, where the hotel is close to shopping centers, restaurants, cafes, night clubs, and other tourist destinations. The recruitment of employees at the hotel is through a contract system. Employees are contracted to work for two years, with a probation period of 3–6 months and after that, an evaluation is conducted to decide whether the employee concerned will be appointed as a permanent employee in a contract position as an employee or a termination of the employee's employment is held. This kind of system is one of the things that affects the relatively high turnover rate of the company. The number of employees owned by Maxi Hotel Legian in September 2019 were 86 non-permanent employees. Maxi Hotel Legian is inseparable from various problems, especially problems regarding the desire of employees to leave the company. There are many factors and reasons for the high level of turnover intention that affect employees in making decisions to quit or leave the company and the position they have been occupying.

The number of employees in 2016 in all departments was 108 people, in 2017 throughout the departments it was 98 people, and in 2018 in all departments 90 people so that in two years there were 18 employees who left. There are several complaints from employees where employees feel insecure in doing their job because of work status, and there is no rotation / transfer of the work department of the employee so that they tend to be boring, this will indirectly raise the employee's intention to leave the company.

The percentage of employee turnover rate at Maxi Hotel Legian has increased quite high, amounting to 16.84 percent. It can be seen that in 2016 the percentage of turnover was 22.85 percent, increasing to 39.69 percent in 2018. The results of interviews with human resource development Maxi Hotel Legian and interviews conducted with 6 employees found that there were problems with employee turnover. The percentage of

employee turnover from 2016-2018 experienced a fairly high level of fluctuation from 2016 which experienced an increase and exceeded the tolerated standard of 10 percent per year. If the annual employee discharge intention is greater than 10 percent, it is in the high category

Turnover refers to the final reality faced by an organization in the form of the number of employees who leave the organization in a certain period, while the intention of employees to move (turnover intention) refers to the results of individual evaluations regarding the continuation of relationships with the organization that have not been realized in the definite action of leaving the organization (Wibawa & Putra, 2018). Turnover intention is when an employee has a tendency to quit his job, turnover (changing jobs) is usually one of the last options for an employee if he finds that his working conditions are no longer what he expected. Based on the results of interviews with 6 employees at Maxi Hotel Legian, where the reason the employees decided to leave their jobs were because they felt bored working at this company because there was no career path, another reason was that the salary provided by other companies was considered by employees to be better than the salary given by Maxi Hotel Legian itself. Feeling that there is a threat because it is likely that it will affect the job and the company does not conduct an evaluation of careers which can lead to work conflicts where job insecurity can lead to the desire of employees to leave their jobs. Job insecurity is an employee's psychological condition that shows a feeling of confusion or insecurity due to changing environmental conditions. According to Azis et al. (2016), job insecurity is a level where workers feel their work is threatened and feel helpless to do anything about the situation.

Carrying out the work of employees requires job security because in every job there are risks that will be experienced and borne by employees in a company, which if not taken seriously can cause employee insecurity at work. This condition arises because of the large number of jobs with contract status that are widely applied by companies. More and more jobs with a temporary or non-permanent duration, cause more employees to experience turnover intention (Azis et al., 2016). For employees who hold contract status is considered less than ideal, because near the end of the contract period, contract employees are always overshadowed by a feeling of uncertainty whether they will still be employed at Maxi Hotel Legian or not. Determining an employee's contract renewal or not is the performance of the employee itself, in other words the contract system does not guarantee employees to continue working at Maxi Hotel Legian. If the employee has a good work performance during the contract period, then the employee has the opportunity to be able to extend the contract, on the other hand, if the employee does not show good work performance during the contract period, the company may terminate the contract from the employee at any time. Akhmar (2017), Setiawan & Surya (2016), Septiari & Ardana (2016), Prabawa & Suwandana (2017) state that job insecurity has a positive and significant effect on turnover intention. The research results reveal that the higher job insecurity will lead to the high desire to change jobs.

In addition to job insecurity, organizational commitment plays an important role in supporting employee sustainability and reducing turnover intention in a company, where organizational commitment decreases (Puangyoykeaw & Nishide, 2015). According to Mulia & Supartha (2019), it shows that increased commitment is related to increased productivity and lower turnover. Organizational commitment is an important behavioral dimension that can be used to assess an employee's propensity to remain a member of the company. Commitment is an attitude that reflects employee loyalty to the company and a continuous process in which employees express their concern for the company and its continuous success and progress. Every employee will want to give their best and even be willing to be loyal to the organization, if the employee is satisfied with what is received in the company concerned. The relationship between organizational commitment and intention to leave is where individuals who have high organizational commitment tend not to want to leave the organization even though there are job offers elsewhere. who have an organizational commitment to believe in and accept the goals and values of the organization, and want to always strive for the achievement of organizational goals.

Various studies have been conducted on the relationship between organizational commitment and turnover intention. Kalidass & Bahron (2015) states that organizational commitment is negatively related to turnover intention. The same statement was also made by Nilesh (2015), Kartika & Riana (2017), Putra & Surya (2016) Pranata & Netra (2019) also found that organizational commitment and turnover intention were negatively related, where there were indications of turnover. high intention indicates low commitment. In his study, the results show that there is a strong negative relationship between organizational commitment and employee turnover intention. The higher the organizational commitment, the lower the employee's intention to change jobs. There is an effect of job insecurity on organizational commitment where many researchers have conducted research on the relationship of these variables, namely research conducted by previous research by Alghamdi (2018) stated that there is a negative relationship between organizational commitment and job insecurity. This study also found that organizational commitment can mediate the relationship between job insecurity and turnover intention. One of the studies conducted by Lee & Jeong (2017) found that organizational commitment mediates the relationship between job insecurity and turnover intention with research results that show job insecurity has a negative effect on organizational commitment, job insecurity has a positive effect. turnover intention and organizational commitment have a negative effect on turnover intention. Hariyonyoto et al.

(2019) in their research found that job insecurity affects the desire to change jobs indirectly through organizational commitment.

## II. HYPOTHESIS DEVELOPMENT

Traditional turnover theory is used in this research because in this theory, it explains that an employee can feel less satisfied with his job, causing a problem or conflict in the company. Where job satisfaction plays an important role in this traditional turnover theory, because when employees feel satisfied with their work, are satisfied with a salary that is in accordance with the workload given, and have good social relationships between employees or superiors and there is no conflict between jobs with family, the employee will not have the intention to leave his job (turnover intention). Job insecurity is a reflection of the degree to which employees feel that their jobs are threatened and feel powerless to do anything about it. Prabawa & Suwandana (2017), Setiawan & Surya (2016), Rajandran et al. (2019), Brahmanna & Dewi (2020), found that job insecurity has an influence on turnover intention. The results of these studies indicate that there is a positive correlation of job insecurity on turnover intention. This is supported by research which states that job insecurity has a positive effect on turnover intention. The research results reveal that the higher job insecurity will lead to the high desire to change jobs.

H1: There is a positive and significant influence between job insecurity on turnover intention

Organizational commitment to intention to move from work has a negative and significant relationship. Putra & Surya (2016), Kalidass & Bahron (2015), Nilesh (2015) state that there is a negative relationship between organizational commitment to employee turnover (turnover intention), where there is an indication of high turnover intention which indicates low commitment. Yildirim et al. (2015) found that organizational commitment to the desire to leave employees, which means that the higher the level of organizational commitment has a significant negative effect on employees, the lower the turnover intention that will occur.

H2: Organizational commitment has a negative and significant effect on turnover intention.

Desire to maintain self-existence among employees is an outcome of an important predictor of organizational commitment, including continuing commitment. Feelings of job insecurity will threaten commitment to the organization. Perceptions of job insecurity may reflect an individual's perception that the organization has canceled the psychological contract. Psychological contracts are related to the long-term contracts between workers and companies. Alghamdi (2018), Moshoeu & Geldenhuys (2019) state that there is a negative relationship between organizational commitment and job insecurity.

H3: There is a negative and significant influence between job insecurity on organizational commitment.

Lee & Jeong (2017) found that job insecurity has a negative effect on organizational commitment and turnover intention. The emergence of insecurity in individuals will result in a person's low commitment to the environment or the company where he works. Individuals who are highly committed to the company are less likely to leave the organization and look for other jobs. Obeng et al. (2020) found that organizational commitment was able to mediate the effect of job insecurity on turnover intention.

H4: The role of organizational commitment in mediating the effect of job insecurity on turnover intention.

## III. METHODS

This study uses an associative approach. The variables studied in this study are job insecurity (X) as the independent variable, turnover intention (Y) as the dependent variable and organizational commitment (M) as the mediating variable. The qualitative data collected were data about the research location, an overview of the institution, and several statements attached to the questionnaire. The quantitative data collected is the history of the hotel, the number of employees and the amount of data, the turnover of the Maxi Hotel Legian employees and the scores of the respondents' answers to the quantitative questionnaire results. Primary sources in this study include respondents' answers from the interview process and questionnaires by researchers related to statements about the problems in the study. Secondary sources in this study were obtained from HRD Maxi Hotel Legian in the form of the number of employees and an overview of the company. The population of this study were all non-permanent (contracted) employees of Maxi Hotel Legian, amounting to 86 people. The sample used in this study was 86 people. The method of determining the sample in this study using saturated sampling. To obtain the data needed in this study, interview and questionnaire techniques were used. In this study, data analysis techniques were used in the form of path analysis techniques

## IV. RESULTS AND DISCUSSION

Most of the respondents were female (54 people, 62.8%) while the rest were male (32 people, 37.2%). This shows that most of the employees needed are female workers, because women are more capable of playing a role in carrying out company duties related to accuracy. In terms of age, it shows that most of the respondents were aged 26-30 years with a total of 31 people or 36.0%, while the least respondents were 35 years old with a total of 13 people or 15.1%. This is because the age of 26-30 years is the productive age for work. In terms of marriage, it shows that most of the respondents with married status were more dominant with 51 people or

59.3%. Meanwhile, respondents with unmarried marital status were 35 people or 40.7%. In terms of the number of children, it shows that most of the respondents were dominated by respondents who had not had children (45 people or 52.3%), while the least respondents were those with more than 2 (24 people or 27.9%) and respondents with more than 3 children (17 people or 19.8%). Most of the respondents were high school graduates (47 people or 54.7%) while the least respondents were bachelor graduates (13 people or 15.1%). This shows that someone who has graduated from high school is assumed to have a good enough understanding and ability to work at Maxi Hotel Legian. In terms of tenure, it shows that most respondents have worked for less than 5 years with a total of 49 people or 57.0%. Meanwhile, the lowest respondents were respondents with a length of work of 10-14 years, namely 7 people or 8.1%. The owner of Maxi Hotel Legian stated that in choosing employees, he prioritizes the experience of the employees compared to the final education of the employees.

Respondents' answers to the job insecurity variable, overall disagree, with a value of 4.01. Highest score on the statement "I feel this job has an important meaning in career development". The lowest score is on the statement "I feel a threat is likely to affect my job". Overall, the respondent's answer to the organizational commitment variable has a value of 3.62. The statement "I feel part of the family at this Hotel" scores the highest. The lowest score is on the statement "Moving from one hotel to another is unethical for me". Overall, the respondents' answers to the turnover intention variable have a value of 4.00. The results of distributing questionnaires indicate that the company's turnover intention does not agree. The highest average score is found on the statement "I often think about leaving this workplace". The lowest average score was found on the statement "I will be leaving this workplace in the near future".

Table 1. Result of Path Analysis 1

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	25.263	1.591			15.882	.000
Job insecurity	-.897	.098	-.706		-9.127	.000
R Square			0,706			
F count			83,300			
Sig			0,000			

Source: Primary data processed, 2020

Based on the results of the substructure path analysis 1 as presented in Table 1, the following structural equations can be made:

$$M = \beta_3 X + e_1$$

$$M = 0,706X + 0,098$$

The regression coefficient value of the job insecurity variable is negative with a t-test significance value of less than 0.05. This shows that the job insecurity variable has a significant negative effect on the organizational commitment variable. The total determination value (R Square) of 0.498 means that 49.8% of the variation in organizational commitment is influenced by variations in job insecurity, while the remaining 50.2% is explained by other factors not included in the model.

Table 2. Result of Path Analysis 2

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	12.499	1.621			7.712	.000
Job insecurity	.276	.071	.301		3.902	.000
organizational commitment	-.453	.056	-.628		-8.147	.000
R Square	0,752					
F count	125,107					
Sig	0,000					

Source: Primary data processed, 2020

Based on the results of the path analysis for substructure 2 as presented in Table 2, the following structural equations can be made:

$$Y = \beta_1 X + \beta_2 M + e_2$$

$$Y = 0,301X - 0,628M + 0,056$$

Based on the results of the analysis of the effect of job insecurity on turnover intention, a significance value of 0.000 was obtained with a beta coefficient of 0.301 which was positive. The significance value of 0.000 < 0.05 indicates that H0 is rejected and H1 is accepted. This result means that job insecurity has a positive effect on turnover intention. This indicates that the higher the job insecurity value, the turnover intention will increase, and vice versa. Job insecurity is a reflection of the degree to which employees feel that their jobs are threatened



and feel powerless to do anything about it. Job insecurity has a positive relationship with turnover intention, the instability of employment status and unpredictable income levels, which results in the desire of employees to move jobs (turnover intention).

Based on the results of the analysis of the effect of organizational commitment on turnover intention, a significance value of 0.000 is obtained with a negative beta coefficient value of -0.628. The significance value of 0.000 < 0.05 indicates that H<sub>0</sub> is rejected and H<sub>2</sub> is accepted. This result means that organizational commitment has a negative effect on turnover intention. This indicates that the higher the value of organizational commitment, the lower turnover intention will be, and vice versa. Effect of job insecurity on organizational commitment, a significance value of 0.000 is obtained with a beta coefficient value of -0.706 is negative. The significance value of 0.000 < 0.05 indicates that H<sub>0</sub> is rejected and H<sub>3</sub> is accepted. This result means that job insecurity has a negative effect on organizational commitment. This indicates that the higher the job insecurity value, the organizational commitment will decrease, and vice versa. The desire to maintain self-existence in employees is an outcome of an important predictor in the form of organizational commitment, including continuing commitment. Feelings of job insecurity will threaten commitment to the organization. Perceptions of job insecurity may reflect an individual's perception that the organization has canceled the psychological contract. Psychological contracts are related to the long-term contracts between workers and companies.

Based on the results of data analysis, the calculated Z value is 6,044 > 1.96. This means that organizational commitment mediates the relationship between job insecurity and turnover intention. In addition, the VAF value is 59.5%, which is more than 20%, so it can be explained that there is a mediating effect, or in other words, organizational commitment as a partial mediation. The emergence of insecurity in individuals will result in a person's low commitment to the environment or the company where he works. Individuals who are highly committed to the company are less likely to leave the organization and look for other jobs.

## V. CONCLUSION

Job insecurity has a significant positive effect on turnover intention. These results imply that in order for turnover intention to decrease, company management should reduce job insecurity according to the needs in the performance process. In addition, management should provide appropriate incentives so that turnover intention will decrease. Job insecurity with organizational commitment has a significant positive effect on turnover intention. This implies that to reduce turnover intention, company management should reduce job insecurity with organizational commitment in order to improve employee performance. In addition, company management should not assign responsibilities that are inconsistent with the position and job description of the employee. Hotel management continues to create work situations that are comfortable, safe and conducive, to minimize threats to work, which in turn can reduce employee turnover intention. Provide rewards to employees who excel such as promotions and salaries according to the line of work performed at Maxi Hotel Legian so that employees feel obliged to stay at Maxi Hotel Legian.

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