

The impact of job characteristics and organizational climate on turnover intention through employee satisfaction: An insight from Indonesia's plantation company

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Abstract

High turnover also results in the organization being ineffective as the company loses experienced employees and needs to retrain new employees. The present study aimed to analyze the influence of job characteristics and organizational climate through employee satisfaction on the turnover intention at a plantation company in North Sumatra, Indonesia. A total of 78 participants and analyzed using multiple regression with a significance level of 0.05. The empirical findings suggest that job characteristics and organizational climate are significantly related to job satisfaction, either partial or simultaneous. The findings indicate those job characteristics, and organizational climate is not significantly related to turnover intention, and that is not in line with the authors' predictions. Partial job satisfaction is significantly related to turnover intention. Job characteristics, organizational climate, and simultaneous job satisfaction are significantly related to turnover intention. Job characteristics were significantly associated with turnover intention by job satisfaction and the organizational climate was significantly related to the turnover intention by job satisfaction at a plantation company in North Sumatra, Indonesia.

Keywords: *Job Characteristics, Organizational Climate, Job Satisfaction, Turnover Intention*

Introduction

The survival and growth of a company are not only determined by success in managing finance and marketing but also by success in managing human resources (Astina, 2016). Turnover, according to Spector as in Fitria (2015), is practically defined as the turnover of employees of a company. High turnover will result in ineffective organization because the company loses experienced employees and needs to retrain new employees (Hayati, 2012). In addition, the characteristics of the job may trigger the formation of the behavior and affect the behavior and performance of the individual. Some individual behaviors that are influenced by job characteristics include job satisfaction and organizational climate variables (Batista et al in Fitria 2015), and with high levels of satisfaction, will be positive in their work.

According to a pre-survey interview conducted at a division of a plantation company in North Sumatra, Indonesia, employees do not have the space to grow and learn new things at work because companies have tight rules, job characteristics tend to be boring and employees are tired of working. leading to dissatisfaction, and to an organizational climate in which employees feel uncomfortable working because of a lack of harmonious relationships between co-workers and leaders.

Literature Review and Hypotheses development

The relationship of job characteristics to job satisfaction.

Job characteristics are the characteristics of a job that an individual engages in (Irawan, 2012). Job characteristics also determine a person's suitability to a particular field of work and influence a person to be more successful in their field of work. Employee's understanding of job characteristics will make employees more oriented in their field of work and will approach their work with a concentration of responsibility. Given the characteristics of the employee's job satisfaction are related to the employee's job satisfaction. Accordingly, we propose the following hypothesis.

H1: Job characteristics are significantly related to job satisfaction

The relationship of organizational climate to job satisfaction

Organizational climate is invisible but sensible, it is the perception of organizational members about the internal environment of their organization. Perceptions of organizational members either individually or in groups, which may influence organizational behavior, include employee job satisfaction (Agha, 2012). Organizational climate is the working environment of an organization that is viewed as the perception of members of the organization either individually or in groups and who is constantly in touch with what is, and or occurs in, the internal environment of the organization that regularly influences the attitude and behavior of the organization in which there is employee satisfaction According to the postulate, we hypothesize the following.

H2: Organizational climate is significantly related to job satisfaction.

The relationship of job characteristics to turnover intention.

Job satisfaction is a positive feeling in one's job that results from evaluating his or her characteristics (Hernaus, 2013), and the need for companies to make improvements in their roles and leaders in providing job feedback to their employees (Tamalero, 2012). In terms of feedback, it plays a role in influencing turnover intention. Having a senior role in employee feedback can help employees see how well they have been doing so far. The importance of role and leader in providing job feedback will greatly help in resolving the differences in perceptions between leaders and employees, enabling the company to continue to retain its employees. Therefore, we formulate the following hypothesis

H3: Job characteristics are significantly related to turnover intention

The relationship of organizational climate to turnover intention

The favorable organizational climate has been a key driver for employees to lower the turnover intention of the company. The conducive working climate will give employees the incentive to stay in the organization. On the contrary, the organizational climate is unpleasant and inconvenient, they will think of leaving the organization, and they will want to find another job opportunity and will think they have no good future if they stay in the organization. In short, employee turnover intention means that the employee intends to quit the job where he or she has been working for a while (Hoonakker, 2013). Accordingly, we propose the following hypothesis.

H4: Organizational climate is significantly related to turnover intention

The relationship of job satisfaction to turnover Intention.

Job satisfaction has an impact on employees' decision about whether to stay or leave the organization (Ahsan, 2014). If employees are dissatisfied with their work, then they will leave the organization. Employees who are committed to the organization and believe that they will find it difficult to find a better job will prefer staying in the organization. At the individual level, satisfaction is the psychological variable most frequently studied in a turnover intention model. The aspects of satisfaction found in relation to an individual's desire to leave the organization include satisfaction with salary and promotion, satisfaction with the supervision received, satisfaction with co-workers, and job satisfaction (Hernaus, 2013). According to the postulate, we hypothesize the following.

H5: Job satisfaction is significantly related to turnover intention

The relationship between job characteristics and turnover intention is mediated by job satisfaction

The success of an organization depends not only on the quality of the human resources it possesses because the quality of human resources is the most capable resource. The suitability of the employee to his job is one of

the determinants of the success of the employee in carrying out the task assigned to him, knowing that the work's fullness can be seen from the variety of tasks, responsibilities, and satisfaction that come with the job and that is a characteristic of the job. The characteristics of a job that an individual engages in (Irawan, 2012), and determines the suitability of a person to a particular field of work, and influences a person to be more successful in his or her field of work. Employee's understanding of job characteristics will make employees more oriented in their field of work and will approach their work with a concentration of responsibility. Thus, the characteristics of the job that are appropriate to the employee will affect the employee's job satisfaction and turnover intention. This turnover is an indicator of employee stability. The higher the turnover, the more frequent the turnover of employees, and the disadvantage of the company, because if the employee leaves the company its immediate consequences on organizational performance. Therefore, we develop the following hypothesis.

H6: Job characteristics are significantly related to the turnover intention which is mediated by job satisfaction as an intervening variable

The relationship between organizational climate and turnover intention is mediated by job satisfaction

The favorable organizational climate can be a key driver for employees' work satisfaction, this statement means that if the work situation is sufficiently conducive to the employee's motivation. Agha (2012) states that the organizational climate is invisible but may be perceived and will affect organizational behavior which is one of employee's job satisfaction. Organizational climate is the working environment of an organization, viewed as the perception of members of the organization either individually or in groups, and those who are constantly in touch with what is, and or occurs in, the internal environment of the organization that regularly influences the attitude and behavior of the organization, and which there is employee satisfaction in it. The high turnover of a field within an organization indicates that the field concerned needs to improve its working conditions or how to build it. We draw conclusions by constructing the following hypothesis.

H7: Organizational climate is significantly related to turnover intention, which mediates job satisfaction as an intervening variable

Research Method

Research design

Design of research using quantitative research, a method that studies the order of causality between some variables in a research model called a path analysis. The reasoning of the consequences of the important role or rules by which path analysis is applied, thus showing the elements of the path analysis applying correlation analysis among the variables based on the order of their influence, will give an idea of how important this path analysis is to researchers. The purpose of path analysis is to describe the direct and indirect effects of a set of variables, as causal variables, on other variables that are causal variables (Sudaryono, 2011).

A research population of 78 employees in a department that is willing and able to meet the eligibility requirements. A sample is a subset of a population consisting of a select number of members. sample extraction in this study using a saturated sample, the whole population was sampled with 78 employees.

Analysis

The path analysis method is a method that examines the direct or indirect effects of variables that are hypothesized as a consequence of the treatment effect on those variables. This path analysis is not a method of discovery for causation, but rather a method applied to a causal model formulated by researchers on the basic and theoretical knowledge developed (Sudaryono, 2011). In the path diagram, it can be seen that there are direct and indirect consequences of one variable to another. If between two variables there is a causal relationship then the direction of the relationship must be determined first. The determinants of causal relationships are made on the basis of existing theories and knowledge (Sudaryono, 2011). The path chart illustrates the pattern of relationships between variables in this study to test and understand how the job characteristics and organizational climate affect turnover intention and job satisfaction as intervening variables.

Results and Discussion

Result

The relationship of job characteristics to job satisfaction and turnover intention

The empirical findings show that job characteristics have a significant effect on job satisfaction, with a direct effect of 0.390. The results of this study support the work of Chandra (2014) which shows that job characteristics have a significant impact on job satisfaction. However, job characteristics did not have a significant effect on turnover intention, with a direct effect of 0.183. The results of this study are in accordance with the study of Tamalero (2012), which showed that job characteristics were not significantly related to turnover intention.

The relationship of organizational climate to job satisfaction and turnover intention

The results of this study show that organizational climate has a significant effect on job satisfaction, with a direct effect of 0.371. The results of this study are in line with Astina's (2016) study, which shows that the organizational climate has a significant impact on job satisfaction. In contrast, the results show that the organizational climate had no significant effect on turnover intention, with a direct effect of 0.161. The results of this study are in line with the work of Fitria (2015) which shows that organizational climate has no significant impact on turnover intention.

The relationship of job satisfaction to turnover Intention

The results of this study show that job satisfaction has a significant effect on turnover intention, with a direct effect of 0.519. The results of this study support the work of Ahsan (2014), which shows that job satisfaction has a significant impact on turnover intention.

The role of job satisfaction as an intervening variable

The results show that job satisfaction functions as an intervening variable between job characteristics and turnover intention, with an indirect effect of 0.202. These findings are in line with and support the work of Marya (2014) which shows that job satisfaction serves as an intervening variable between job characteristics and turnover intention. Further, the results indicate that job satisfaction serves as an intervening variable between the organizational climate of turnover intention, with an indirect effect of 0.192. The results of this study are in accordance with the study of Johannes (2014), which shows that job satisfaction serves as an intervening variable between organizational climate towards turnover intention.

Discussion

Job characteristics are the characteristics of a job that the individual engages in. Job characteristics also determine a person's suitability to a particular field of work and influence a person to be more successful in their field of work. Employee's understanding of job characteristics will make employees more oriented in their field of work and will approach their work with a concentration of responsibility. Employee-appropriate job characteristics will be related to employee job satisfaction and turnover intention. This turnover is an indicator of employee stability. Higher turnover means more frequent employee turnover. Organizational climate is invisible but tangible and can affect organizational behavior, one of which is employee satisfaction. Organizational climate is viewed as the perception of the members of the organization individually or in groups, and those who are constantly in touch with what is and is happening in the internal environment of the organization regularly influence the attitude and behavior of the organization, which there is employee satisfaction. The high turnover of a field within an organization indicates that the field concerned needs to improve its working conditions

Conclusions and Suggestions

Conclusion

Most of the hypotheses were proposed as we predicted, but some did not support the hypothesis. We conclude that job characteristics have a significant effect on job satisfaction, with a direct effect of 0.390. However, job characteristics did not have a significant effect on turnover intention, with a direct effect of 0.183. The results of this study show that organizational climate has a significant effect on job satisfaction, with a direct effect of 0.371. In contrast, the results show that the organizational climate had no significant effect on turnover intention, with a direct effect of 0.161. The results of this study show that job satisfaction has a significant effect on turnover intention, with a direct effect of 0.519. Also, the results show that job satisfaction functions as an intervening variable between job characteristics and turnover intention, with an indirect effect of 0.202. Further, the results indicate that job satisfaction serves as an intervening variable between the organizational climate of turnover intention, with an indirect effect of 0.192.

Suggestions

For job characteristics, paying attention to employee feedback by influencing the psychological characteristics of employees will be able to increase satisfaction and lower the level of turnover intention in which employees

must understand the written and unwritten intrusions of the company leader, and employees must be able to communicate directly with the leader. For organizational climate, corporate management can give employees the freedom to perform their work so that employees are more aware of the work they are doing and reduce turnover intention; work. For job satisfaction, it is advisable to continue to evaluate the job assigned to the employee and when the employee satisfaction level is found to be lower, then it is recommended to evaluate. It increases employee satisfaction and lowers turnover intention, which means that employees receive pay according to their workload and responsibilities and that employees should have a promotion opportunity for anyone who performs well. Employees should have the space to grow and learn new things at work as companies have strict rules. This may be due to the unpleasant nature of the job and the employee is not tired of the job. Employees should feel comfortable working from a harmonious relationship between co-workers and leaders.

Limitations of study

We acknowledge that this study has some limitations. The study sample represents only one plantation company, which may not be representative of the general population. Accordingly, we encourage future researchers to investigate in other fields of business, by increasing the number of samples and other analytical models.

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