

The Mediating Role of Turnover Intention on The Relationship Between Job Satisfaction and Employee Performance: Evidence From KSU Sinar Dana Mandiri Employees

Anak Agung Dwi Widyani¹, Ni Putu Ayu Sintya Saraswati², I Negah Basma Wijaya³

Universitas Mahasaraswati Denpasar^{1,2,3}

Correspondence Email: dwiwidyani@yahoo.com

ABSTRACT

This study explores the links between job satisfaction, turnover intention, and employee performance. In particular, we investigate the mediating effect of turnover intention on the relationship between job satisfaction and employee performance in KSU Sinar Dana Mandiri. The research was based on primary data, and this research was conducted on the employee's working in cooperative institution. The sample consisted employee of 32 respondents on KSU Sinar Dana Mandiri. Data were analyzed using Partial Least Square (PLS) analysis techniques to answer the problem formulation with the help of SmartPLS 3 program. Research finding are job satisfaction has a negative and significant effect on turnover intention, job satisfaction has a positive and significant effect on employee performance, turnover intention has a negative and significant effect on employee performance, and turnover intention variable is able to be a mediating variable between job satisfaction and employee performance.

Keywords: Job Satisfaction, Turnover Intention, Employee Performance

I. INTRODUCTION

Cooperatives in the economy have a very strategic position and role in the growth and development of Indonesia's economic potential. Cooperatives are not only business entities that are managed in a family and professional manner, but cooperatives must be managed properly so they can run businesses in the people's economy. (Widyani, 2015). According to Kataren (2007), the role of cooperatives in the macro economy is to increase social and economic benefits for society and the environment, increase production, income, welfare, and increase employment opportunities.

One of the many cooperatives that is developing now is KSU Sinar Dana Mandiri. Moving in the KSU savings and loan business unit Sinar Dana Mandiri is one form of financial intermediary.

Established on July 9, 2008, KSU Sinar Dana Mandiri has been able to show good performance, a good cooperative is a healthy performing cooperative, KSU Sinar Dana Mandiri has assessed its performance by the government through cooperative health assessment.

The results of the calculation of cooperative health assessments in KSU Sinar Dana Mandiri for the past three years show a healthy category, although the results of the assessment still show a healthy category but the results of the score calculation continue to decline. Scores decreased shown in Table 1 below:

Table 1 Results of Cooperative Health Assessment Score Calculation KSU Sinar Dana Mandiri

No	Year	Score	Category
1	2015	86,25	Healthy
2	2016	84,75	Healthy

3	2017	81,35	Healthy
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Health level assessment on cooperatives is very useful to provide an overview of the actual conditions of the cooperative itself to interested parties, especially for members, non-cooperative members and managers. Knowing the health level of the cooperative will help certain parties to make decisions to be able to continue their efforts to be more advanced and developing and the objectives of the cooperative can be achieved properly.

The success of a company is largely determined by how the company manages its resources, this is what makes entrepreneurs aware of the value of employee investment as one of the company's important assets (Putra & Wibawa, 2015). According to Noviolanda (2017), companies need to pay attention to their employees to be able to contribute well to the company, employees who do not get attention from the company and their needs are not satisfied will usually choose to leave their jobs (turnover).

KSU's employee turnover problem is also experienced by Mandiri Funds. In 2017, the turnover phenomenon alone reached 12.5% of a total of 32 employees, as many as 4 employees who left were permanent employees who had worked for more than 2 years. According to Mobley (2000) If annual employee turnover is greater than 10% then it is included in the high category. High turnover will be dangerous for the sustainability of the organization and can reduce organizational productivity (Joarder, et al., 2011).

One of the high employee turnovers is influenced by job satisfaction factors. Handoko (2009: 193) states, job satisfaction is a pleasant emotional state or unpleasant from employees looking at their work. There are negative effect Job satisfaction to turnover intention (Purba et al., 2018).

According to Andini (2006) Job satisfaction that is felt to influence someone's thinking to get out, evaluate various work alternatives, will ultimately lead to turnover because individuals who opt out of organizations will expect more satisfying results elsewhere.

The job satisfaction problem that occurred in KSU Sinar Dana Mandiri was like the excerpt from the interview with one of the following employees: "I have worked long enough at this Cooperative, but until now I have not had the opportunity to learn new things in my work, in addition I also often feel tired of the work that I have to do, so I often think of other alternative jobs outside my current job ". In addition, the KSU manager Sinar Dana Mandiri explained that the reasons for employees resigning from the company in 2017, because employees want to work elsewhere, and choose to become entrepreneurs.

The process of turnover or employee discharge that occurs is usually characterized by the emergence of conditions where employees have the intention to leave the company or what is called turnover intention (Widjaja, et al., 2006). Job dissatisfaction is often identified as an important reason that causes individuals to leave their jobs. Price & Muller (in Andini, 2006) concludes empirically that job dissatisfaction has a direct influence on the formation of desires.

In addition to the turnover intention, job satisfaction is also often associated with influencing employee performance. Ostroff (1992) argues that job satisfaction has a significant relationship with performance, then employees who feel satisfied with the work usually work harder and better compared to employees who experience stress and are not satisfied with their work. The results of previous research on the effect of job satisfaction on employee performance, there are inconsistent results. Some researchers show the results of a positive influence between job satisfaction and employee performance, namely: Mahesa (2010); Tobing (2009); Koesmono (2006); Syafrizal (2011); Atmojo (2012), Susanti & Palupiningdyah (2016); Bakotic (2016). However, in the research of Hestyana (2017) and Martin (2016) there was no effect between job satisfaction and employee performance.

In addition to job satisfaction, employee performance can also be influenced by turnover intention. Widodo (2010) suggests that turnover intention will have a negative impact on the organization because it creates instability in the condition of the workforce, decreases employee productivity, a non-conducive working atmosphere and also has an impact on the cost of human resources. The attitude that appears in individuals when turnover

intention arises is the desire of employees to look for new jobs in other places or plans to leave the company in the next three months, six months to come, one year to come and two years to come (Low et al, 2001)

Turnover intention can have an impact on decreasing employee performance, it is necessary to know the factors that influence turnover intention so that employee turnover intention can be suppressed. Previously explained that job satisfaction has an effect on turnover intention. Syafrizal (2011) found that job satisfaction directly or indirectly influences performance through turnover intention as a mediating / intervening variable. the lower the employee turnover intention rate which is influenced by job satisfaction, it will be able to improve employee performance in the company

Based on the background description of the problem above, the formulation of the problem in the study is as follows:

- a) What is the effect of Job Satisfaction on Turnover Intention of employees at KSU Sinar Dana Mandiri?
- b) What is the effect of Job Satisfaction on the performance of employees at KSU Sinar Dana Mandiri?
- c) What is the effect of employee Turnover Intention on the performance of employees in KSU Sinar Dana Mandiri?
- d) Is the effect of Job Satisfaction on Employee Performance with Turnover Intention as a mediating variable in KSU Sinar Dana Mandiri?

II. THEORETICAL BASIS

A. Job Satisfaction

Job satisfaction is a pleasant emotional condition or unpleasant from employees looking at their work (Handoko, 2008: 193). The statement is almost similar to what was conveyed by Hasibuan (2007: 202), job satisfaction is an emotional attitude that is fun and loves work

B. Turnover Intention

Abelson (1987) states that turnover intention is the desire of individuals to leave the organization and seek alternative employment. The act of withdrawal consists of several components which simultaneously appear in the individual in the form of thoughts of going out, the desire to look for other job openings, evaluating the possibility of finding decent work in other places, and the desire to leave the organization.

C. Employee Performance

According to Mangkunegara (2006: 67), the term performance comes from the word job performance or actual performance (work achievement or actual achievement achieved by someone), namely the work (output) in quality and quantity achieved by an employee in carrying out his duties in accordance with responsibility given to him

III. HYPOTHESIS

H1: Job satisfaction has a negative effect on employee turnover intention at KSU Sinar Dana Mandiri

H2: Job satisfaction has a positive effect on employee performance at KSU Sinar Dana Mandiri.

H3: Turnover intention negatively affects employee performance at KSU Sinar Dana Mandiri

H4: The role of turnover intention is mediating the effect of job satisfaction on employee performance at KSU Sinar Dana Mandiri.

IV. RESEARCH METHODS

A. Location and Object of Research

This research was conducted at KSU Sinar Dana Mandiri, having its address at Banjar Langkan, Landih Village, Bangli District, Bangli Regency. The object of the research is the effect of employee job satisfaction on turnover intention and its impact on employee performance.

B. Definition of Operational Variables

1) Job Satisfaction (X)

Job satisfaction is an emotional state that is pleasant or unpleasant to employees at KSU Sinar Dana Mandiri views their work. Variables Operational job satisfaction can be measured by 4 indicators, namely:

- a) The Work Himself
 - b) Salary
 - c) Opportunity to Advance (Promotion)
 - d) Coworkers
- ### **2) Turnover intention (Y)**

Turnover intention variable is the tendency or level at which an employee at KSU Sinar Dana Mandiri has the desire to leave the company and look for other alternative jobs. Operational turnover intention variable can be measured by 3 indicators including:

- a) Thinking of Quitting
 - b) Intention to search for alternatives
 - c) Intention to Quit
- ### **3) Employee Performance (Z)**

Employee performance is the result of quality and quantity work and the time achieved by employees at KSU Sinar Dana Mandiri in carrying out their duties in accordance with the responsibilities given to them. Operational performance variables can be measured by 5 indicators, namely:

- a) Job Quantity
- b) Quality of Work
- c) Work Time
- d) Effectiveness
- e) how to do work

C. Population and sample

The population in this study was 32 employe at KSU Sinar Dana Mandiri. Determination of the number of samples by saturated census / sample method. Sugiyono (2012) states saturated sampling is a technique sampling if all members of the population are used as samples. Therefore, the number of samples in this study were 32 employees at KSU Mandiri Dana Sinar

D. Data Analysis Techniques

Data collection in this study was carried out through distributing questionnaires to 32 employees at KSU Sinar Dana Mandiri, using a Likert scale with a range of 1-5. Data analysis techniques use variance-based structural equation models, known as Partial Least Square (PLS), with Smart PLS Software version 3.0 Analyzing data through three stages: measurement model/outer model, structural model/ inner model and hypothesis testing. The measurement model consists of convergent validity, discriminant validity and reliability. Structural model consists of evaluation of structural models through r-square (R²), q-square predictive relevance (Q²) and goodness of fit (GoF).

V. RESULTS AND DISCUSSION

A. Characteristics of Respondents

Characteristics of respondents indicated in this study, in the form of grouping according to gender, age, level of education and the length of employees working at KSU Sinar Dana Mandiri. Based on the data obtained, it is known that the respondents were dominated by male employees as many as 18 people or 56.25%, the majority of employees aged 26-35 years as many as 16 people or 50%, most of the employee's educational background was SMK / SMK as many as 19 people or 59.37%, and the length of work of employees has worked for 4-5 years as many as 10 people or 31.26%.

B. Research Result

In terms of testing hypotheses, the results of SmartPLS 3.0 data processing are displayed in table form as shown in table 2 and table 3 as follows:

Table 2 Results of Testing Direct Statistics

Inter-Variable Relationships	Path Coefficient	P Values	Information
Job Satisfaction (X) → Turnover Intention (Y)	-0,794	0,000	Significance
Job Satisfaction (X) → Employee Performance (Z)	0,414	0,043	Significance
Job Satisfaction (X) → Employee Performance (Z)	-0,483	0,017	Significance

Based on Table 2, it can be described the testing of relationships between variables as follows:

1) Testing the Effect of Job Satisfaction on Turnover Intention. Based on the results of the analysis show that job satisfaction has a negative and significant effect on turnover intention. This is shown from the path coefficient between job satisfaction and turnover intention of -0.794 with a t-statistics coefficient of 10.627 > t-table 1.96, and a significant value of 0.00 < 0.05. The results of this test prove hypothesis 1 (H1), which states that job satisfaction has a negative and significant effect on job satisfaction is acceptable.

2) Testing the Effect of Job Satisfaction on Employee Performance. Job satisfaction variables show a positive and significant effect on employee performance. This is indicated by the path coefficient of the job satisfaction variable to employee performance of 0.414, with a significance level of t-statistics 2.033 > t-table 1.96, and a significant value of 0.043 < 0.05. The results of this test indicate that hypothesis 2 (H2), which states that job satisfaction has a positive and significant effect on employee performance can be proven.

3) Testing the Effect of Turnover Intention on Employee Performance. Variable turnover intention has a negative and significant effect on employee performance. This is shown by the path coefficient of turnover intention to employee performance of -0.483, with a statistical t coefficient of 2.405 > t-table 1.96, and a significant value of 0.017 < 0.05. The results of this test prove that hypothesis 3 (H3), which states that turnover intention has a negative and significant effect on employee performance can be accepted.

4) Testing the Effect of Job Satisfaction on Employee Performance Through Turnover Intention as a Mediating Variable. Testing the ability of employee job satisfaction on employee performance through turnover intention as a mediating variable, as shown in the results of the total indirect effect in table 3.

Table 3 Results of calculation of Total Indirect Effect

Table 3 shows that job satisfaction has an influence on employee performance through turnover intention as a mediating variable.

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Inter-Variable Relationships	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Values
Job Satisfaction (X) → Turnover Intention (Y) → Employee Performance (Z)	0.384	0.363	0.152	2.516	0.012

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is indicated by the statistical coefficient of 2.516 > t-table 1.96, and the significant value is 0.01 < 0.05. The results of this test prove hypothesis 4 (H4), which states that satisfaction affects employee performance through turnover intention as acceptable intervening variable.

C. Discussion of Research Results

1) Effect of Job Satisfaction on Turnover Intention.

Based on the results of testing on the effect of job satisfaction on turnover intention, it shows that job satisfaction has a negative and significant effect on turnover intention. The results of this study indicate that increasing job satisfaction has an impact on the decline of KSU Sinar Dana Mandiri employee turnover intention. The results of this study are in accordance with the opinions expressed by Umam (2012: 192) Employees with high job satisfaction will feel happy and happy in doing their jobs. This work situation that can make employees feel happy and satisfied will make them feel comfortable in the workplace and have no desire to look for other alternative jobs or decide to leave work. Some results of the study also found that job satisfaction has a negative and significant effect on turnover intention, including the results of research conducted by Habib et al.,

(2014) and Saraswati & Ribek (2018), finding that job satisfaction has a negative and significant effect on turnover intention.

2) Effect of Job Satisfaction on Employee Performance

The results of testing regarding the effect of job satisfaction on employee performance indicate that job satisfaction has a positive and significant effect on employee performance. This means that increasing job satisfaction will improve the performance of KSU Sinar Dana Mandiri employees. The results of this study are in line with the opinion expressed by Wibowo (2013: 501) which states that employee job satisfaction is believed to have a positive influence on employee performance. The same thing was stated by Kreitner and Kinichi (2014: 172). Some results of research that support the results of this study, including the results of research conducted by Atmojo (2012) and Bacotic (2016) found that job satisfaction has an effect on the employee performance.

3) The Effect of Turnover Intention on Employee Performance

The results of testing on the effect of turnover intention on employee performance, showed that turnover intention had a negative and significant effect on employee performance. This gives the meaning of increasing turnover intention will have an impact on decreasing employee performance at KSU Sinar Dana Mandiri. The results of previous studies that support the results of this study, including the results of research conducted by Jones et al., (2007) and Widodo (2010), where turnover intention negatively affects the performance of employees at PT. PLN Persero APJ Yogyakarta.

4) Effect of Job Satisfaction on Employee Performance Through Turnover Intention as a Mediating Variable.

The results of testing the research on the effect of job satisfaction on employee performance through turnover intention as a mediating variable, found that turnover intention is able to mediate job satisfaction on employee performance. This gives the meaning that the lower the employee's turnover intention rate which is influenced by job satisfaction it will be able to improve employee performance in the company. This shows that job satisfaction must be a concern in creating a low turnover intention level to improve employee performance at KSU Sinar Dana Mandiri. The results of this study support previous research conducted by Syafrizal (2011), in his research entitled Analysis of the Effect of Job Satisfaction on Turnover Intention and Its Impact on Employee Performance (Study on Horison Hotel Semarang), concluded that the turnover intention variable was able to be a mediating variable between job satisfaction on employee performance at Horison Hotel Semarang.

VI. CONCLUSIONS AND FUTURE RESEARCH

A. Conclusion

- 1) Job satisfaction has a negative and significant effect on turnover intention in KSU Sinar Dana Mandiri
- 2) Job satisfaction has a positive and significant effect on employee performance at KSU KSU Sinar Dana Mandiri.
- 3) Turnover intention has a negative and significant effect on employee performance at KSU Sinar Dana Mandiri.
- 4) Turnover Intention is able to mediate job satisfaction on employee performance at KSU Sinar Dana Mandiri.

B. FUTURE RESEARCH

- 1) For the management of the KSU Sinar Dana Mandiri company. That in an effort to improve employee performance, companies are advised to create a low turnover intention rate. The results of respondents' answers to turnover intention variables get alternative job search items at high scores by respondents, the way to create a low turnover intention rate is to pay attention to employee job satisfaction. Respondents' answers to the job satisfaction variable get the work item itself to be a matter that is

considered low by the respondent; therefore, the leader should provide attractive work in accordance with the skills of each employee.

2) Further research can expand the scope of research by researching similar companies on a large scale or can conduct research on other types of companies such as manufacturing and service companies to find out the effect of job satisfaction on performance with turnover intention as a mediating variable. Further research can add several variables that are believed to have an influence on employee performance.

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