How Job Satisfaction Mediating the Influence of Non-Physical Work Environment and Career Development on Employee Turnover Intention at PT XYZ

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Abstract

The purpose of this study was to determine the effect of the non-physical work environment as well as career development on job satisfaction and its impact on turnover intention at PT. XYZ. This research is quantitative, using path analysis research tools and survey research methods to collect primary data by distributing questionnaires to 171 employees of PT. XYZ as the respondent. The results of the study indicate that there is a significant influence of the non-physical work environment and career development on turnover intention, which is mediated by job satisfaction at PT. XYZ. A pleasant non-physical work environment and the implementation of career development programs can reduce the level of turnover intention of employees of PT. XYZ, which is supported by the feeling of getting job satisfaction in completing tasks and responsibilities within the company. The implication of the results of this study is that PT. XYZ needs to improve human relationships both vertically and horizontally, design career planning programs, and design attractive financial and non-financial benefits plans.

Keywords: Non-Physical Work Environment, Career Development, Job Satisfaction, Turnover Intention.

Abstrak

Tujuan dari penelitian ini adalah untuk mengetahui pengaruh lingkungan kerja non fisik, serta pengembangan karir terhadap kepuasan kerja dan dampaknya terhadap turnover intention di PT. XYZ. Penelitian ini merupakan penelitian kuantitatif dengan menggunakan alat penelitian analisis jalur dan metode penelitian survei dalam pengumpulan data primer yang dilakukan melalui penyebaran kuesioner kepada 171 karyawan PT. XYZ sebagai respondennya. Hasil dari penelitian menunjukkan bahwa terdapat pengaruh yang signifikan dari lingkungan kerja non fisik dan pengembangan karir terhadap turnover intention yang dimediasi oleh kepuasan kerja di PT. XYZ. Lingkungan kerja non fisik yang menyenangkan dan penerapan program pengembangan karir dapat mengurangi tingkat turnover intention karyawan PT. XYZ yang didukung dengan perasaan mendapatkan kepuasan kerja dalam penyelesaian tugas dan tanggung jawab dalam perusahaan. Implikasi dari hasil penelitian ini adalah bahwa PT. XYZ perlu memperbaiki hubungan baik secara vertical maupun horizontal, mendesign program perencanaan karir, serta merancang benefits plan baik secara financial dan non financial yang menarik.

Kata Kunci: Lingkungan Kerja Non Fisik, Pengembangan Karir, Kepuasan Kerja, Turnover Intention.

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1. Introduction

The world in general is entering a new industrial era marked by digitalization in various sectors of life, also known as the "industrial revolution 4.0" (Suwardana, 2017). The world is in the midst of a revolution that is fundamentally changing the way we live, work, and relate to one another. These changes are very dramatic and occur at an exponential pace compared to the previous era of industrial revolution (Schwab, 2016). Technological developments are currently influencing the industry map, which has an impact not only on the emergence of new technologybased business models, but also on changes in consumer behavior that rely on technology. This change will change the competency demands that must be met by the workforce in this era. In the banking sector, according to Deputy Director of Products, Activities, and APU PPT of OJK, Tris Yulianta, banks will be affected by technological disruptions if they do not respond appropriately and quickly. This is because consumer behavior has changed, and consumers now demand that banks be more adaptive to digital technology (IndoTelko, 2019). Some jobs will also be lost due to technology in banking. The types of jobs that will disappear include customer service, tellers, credit analysis, telemarketers, call centers, and back offices, their numbers will decrease by around onefifth to one-third (Sebayang, 2019).

Technological trends force banks to improve their preparation for changes in consumer behavior from face-to-face transactions to practical and safe application-based transactions. This has forced the bank to rearrange its business strategy, one of which will have an impact on the readiness of internal human resources to face challenges in the digital era. Banking must develop a strategy for planning and developing human resources (HR) so as to enable the industry to remain competitive in the digital era.

HR planning and development strategies must be able to attract, retain and engage potential employees so that the company does not lose the best talent. Based on internal data from PT. XYZ that there were fluctuations in the turnover rate from 2016 to 2018. In 2016 the turnover rate was 18.42%, in 2017 it was 10.94% and in 2018 it was 17.41% (Internal Data PT. XYZ, 2019). The final result of the percentage of turnover rate can be calculated from the number of employees who leave divided by the average number of employees in that year multiplied by 100%. The existence of turnover in the company must be addressed immediately because it can harm the company.

The high turnover rate makes companies pay more to recruit and conduct training for employees. In addition, turnover can disrupt company productivity which can have an impact on company finances. A high turnover rate in a company indicates that there are things that must be improved in several aspects such as working conditions, work environment, job satisfaction, career development and so on.

Companies must first analyze the causes of turnover so that companies take appropriate actions to reduce turnover rates (Pertiwi, 2018). According to Pambudi Haju Tri Soenarihanto as Country Director of Citibank's Human Resource Group, the banking industry has developed rapidly so that companies must be able to optimize their Human Resource Management System so as not to lose their best employees.

Factors that can affect turnover intention are salary, compensation and bonuses which are monetary in nature. In addition, employees must also get other non-monetary benefits such as career development (Prahadi, 2016).

Based on the results of the pre-questionnaire that has been distributed to 30 employees of PT. XYZ as respondent on the middle of April 2019, the factors that cause turnover in this company are the non-physical work environment, career development and job satisfaction. The work environment is one of the company's supporting facilities. According to Firdaus et al. (2017: 735), "The work environment is everything that is around workers who can influence themselves in carrying out the tasks assigned." The work environment is divided into a Physical Work Environment and a Non-Physical Work Environment.

The physical work environment in the scope of banking is currently no longer relevant because almost all banks, especially in Jakarta, have facilities that can support employee operational activities. This is also supported by research conducted by Rustiana (2014) which states that the physical work environment has less influence than the non-physical work environment.

The non-physical work environment has the most dominant influence on research conducted at one of state-owned banking company in Indonesia. The non-physical work environment is a condition related to work relationships with superiors, fellow co-workers and also subordinates. The company must provide a comfortable work environment and can support the company's operational activities. The result of the pre questionnaire about the non physical work environment show the lowest score, 2,48 on the 1 – 4 scale. This shows that the non-physical work environment is poor.

Career development is also one of the factors that can influence employees' desire to leave the company. Career development is an increase in individual work ability with the aim of achieving the desired career. This career development proves an increase in one's status in the career path set by the company (Saehu, 2018). Career development in PT. XYZ is not good, with the low score 2,34. The lowest score, 2,27 for the employee satisfaction.

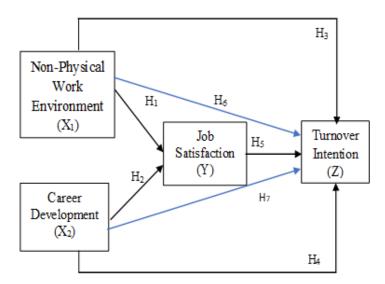


Figure 1. Theoretical Framework

Non-physical work environment and career development can affect employee job satisfaction. According to Saputro et al. (2016), "Job satisfaction is an employee's emotional state whether it is pleasant or unpleasant in their view of their work." This research is also supported by research conducted by Biswakarma (2016) showing that there is an effect of career development on turnover intention. This research was conducted at a private bank in Nepal in 2016 with a sample size of 290 employees using the Structural Equation Modeling (SEM) data analysis technique.

The influence of organizational culture and career development on employee job satisfaction is supported by research conducted by Nugraha & Rozak (2017). This research was conducted at PT Bank Bukopin Tasikmalaya Branch in 2017 with a total sample of 65 employees using a linear regression analysis technique.

The main purpose of this study was to find out how the role of employee satisfaction in bridging the influence of the non-physical work environment and career development on turnover intention. Therefore, researchers are interested in discussing "How Job Satisfaction Mediating the Influence of Non-Physical Work Environment and Career Development on Employee Turnover Intention at PT XYZ".

2. Theoretical Framework and Hypothesis Development

This study consists of two independent variables, non-physical work environment (X1) and career development (X2) that affects the dependent variable, namely job satisfaction (Y), and variable Z, turnover intention. Details about the relationship between independent variables, dependent variable and mediating variable depicted in the following theoretical framework on figure 1.

3. Research Method

The research design uses quantitative research methods using descriptive statistical analysis and associative analysis. According to Sugiyono (2017: 8) quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative or statistical with the aim of testing the hypotheses that have been set. Descriptive statistical analysis which is interpreted according to Sugiyono (2017: 147) is statistics used to analyze data by describing or describing the data that has been collected as it is without intending to make general conclusions or generalizations. The definition of this type of associative research according to Sujarweni (2015: 11) is research that aims to determine the relationship between two or more variables. To be able to research objects in research, the method to be used is the survey method by giving questionnaires on certain topics and discussions. According to Masri Singarimbun (2006: 3) in Sumarni (2019: 6) the survey research method is research that takes samples from one population and uses a questionnaire as the main data collection tool.

The data collection will be carried out in a cross-sectional manner where observation and data collection are only carried out once (Cooper, 2014). The unit of analysis that will be used as the object of research is addressed to individual employee units at PT. XYZ. In this study the type of data needed is quantitative data or numerical data or data in the form of numbers. These data were taken by giving questionnaires to respondents. According to Sugiyono (2017: 81) the sampling technique is a sampling technique. In determining the sampling, the researcher used simple random sampling and proportionate stratified random sampling technique technique.

Table 1. Stratified Sampling Proportion

No	Division	Population	% Population	Sample
1	HRD	34	11%	20
2	SKAI	52	17%	30
3	Legal	33	11%	19
4	IT Development Operation	106	36%	61
5	IT Strategic Planning	20	7%	11
6	MMU	53	18%	30
Total		298	100%	171

Source: PT XYZ (2019)

niques as a determinant of the number of samples studied. Simple random sampling is a way of taking samples from a member of the population randomly without regard to strata or level. The meaning of proportionate stratified random sampling is a way of taking samples from a random population member who has strata proportionally and is only done if the population members are heterogeneous (Riduwan & Kuncoro, 2017).

The population in this study were employees of the HRD, SKAI, Legal, IT divisions Development Operations, IT Strategic Planning, and MMU totaling 298 people. From the number of populations obtained, several samples will be taken using the Slovin formula to get a total sample of 171 people, by implementing stratified sampling proportion as follows on table 1.

4. Result and Discussion

Description of respondent profile that obtain from this research can be summarized in table 2 below.

The statistic descriptive of the all variables showed in the table 3.

In this study, the analysis of non-physical work environment and career development on job satisfaction and its impact on turnover intention is classified into two sub-structures. Sub-structure 1 to analyze the influence of the Non-Physical Work Environment and Career Development on Job Satisfaction at PT. XYZ. Then, sub-structure 2 is to analyze the effect of the Non-Physical Work Environment, Career Development, Job Satisfaction on Turnover Intention at PT. XYZ. The purpose of the analysis of sub-structure 1 and sub-structure 2 is to

Table 2. Respondent Profile Summary

Respondent Profile	Description	Percentage
Age	21-30 years	59%
Gender	Male	54%
Marital status	Single	63%
Education level	Undergraduate	84%
Long working	1-2 years	33%
Position	Staff	73%

Source: Data process (2019)

Table 3. Respondent Profile Summary

Variable	N	Minimum	Maximum	Mean	Standard Deviation
Work Environden	171	1.20	4.00	2.38	0.78
Career Development	171	1.00	4.00	2.22	0.83
Job Satisfaction	171	1.20	4.00	2.39	0.71
Turnover Intention	171	1.20	4.00	3.78	0.75

Source: Data process (2019)

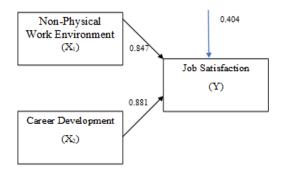


Figure 2. Sub-structure Path Coefficient Value Model 1

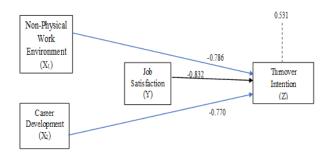


Figure 3. Sub-structure Path Coefficient Value Model 2

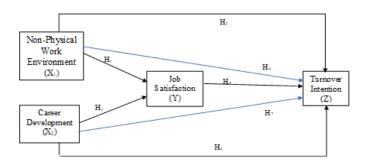


Figure 4. Path Analysis with Path Coefficient Values

find out how the total effect of the independent variables on the dependent variable. Below is the sub-structural model 1 with path coefficients obtained through data analysis:

Structural Equation of Sub-Structure 1:

 $Y = \rho yx1 X1 + \rho yx2 X2 + \rho y\epsilon1$

 $Y = 0.847 X1 + 0.881 X2 + 0.404\epsilon 1$, with the value of R2 = 0.837

Below on figure 3 is the sub-structural model 2 with path coefficients value obtained through data analysis.

Sub-Structure 2 Structural Equation: $Z = \rho zx1 X1 + \rho zx2 X2 + \rho zy + \rho z\epsilon 2$ $Z = -0.786 X1 - 0.770 X2 - 0.832Y + 0.531\epsilon 2$, whereas R2 = 0.718 Moreover, the following figure showed a combination of previous sub-structures of the path model from this study with the path coefficients that have been obtained from the results of data analysis.

In addition, this study uses the Sobel test to determine whether job satisfaction (Y) can truly mediate between non-physical work environment (X1) and turnover intention (Z) as well as between career development (X2) and turnover intention (Z). Based on the Sobel formula, the calculated t value is |-4.150| with a t table value of 1.65. Because the calculated t value is greater than the t table value, it proves that job satisfaction (Y) is able to mediate the non-physical work environment (X1) and turnover intention (Z) and the obtained t value is equal to |-4,514| with a t table value of 1.65. Because the calculated t value is greater than the t table value, it proves that job satisfaction (Y) is able to mediate

Table 4. Summary of Hypothesis and Variables Analysis Results

No	Hypothesis	Analysis Results
1	There is a significant influence of non- physical work environment on employee job satisfaction at PT. XYZ.	- Ho Rejected - R2 = 71.7% (Coefficient of Determination) - β = 0.847 (Path Coefficient)
2	There is a significant influence of non- physical work environment on employee turnover intention at PT. XYZ.	 - Ho Rejected - R2 = 61.8% (Coefficient of Determination) - β = -0.786 (Path Coefficient)
3	There is a significant influence of non- physical work environment on employee turnover intention which is mediated by job satisfaction at PT. XYZ.	 Ho Rejected β = -1.491 (Path Coefficient) T Count = -4.1540 (Sobel test)
4	There is a significant influence of career development on employee job satisfaction at PT. XYZ.	 - Ho Rejected - R2 = 77.6% (Coefficient of Determination) - β = 0.881 (Path Coefficient)
5	There is a significant influence of career development on employee turnover intention at PT. XYZ.	 Ho Rejected R2 = 59.3% (Coefficient of Determination) β = -0.770 (Path Coefficient)
6	There is a significant influence of career development on employee turnover intention which is mediated by job satisfaction at PT. XYZ.	 - Ho Rejected - β = -1.503 (Path Coefficient) - T Count = -4.1540 (Sobel test)
7	There is a significant influence of employee job satisfaction on turnover intention at PT. XYZ.	 - Ho Rejected - R2 = 69.1% (Coefficient of Determination) - β = -0.832 (Path Coefficient)
8	There is a significant influence of non-physical work environment and career development simultaneously on employee job satisfaction at PT. XYZ.	- Ho Rejected - R2 = 87.3% (Coefficient of Determination)
9	There is a significant influence of non- physical work environment and career devel- opment on turnover intention which is medi- ated by job satisfaction at PT. XYZ	- Ho Rejected - R2 = 71.8% (Coefficient of Determination)

Source: Data process (2019)

career development (X2) and turnover intention (Z). Based on path analysis and regression analysis in this study, it can be summarized in the table 4.

5. Conclusion, Suggestion, and Limitation Conclusion

Based on the results of this study, some of the conclusions drawn by the authors are that there is a significant influence of the Non-Physical Work Environment on Employee Job Satisfaction at PT. XYZ, There is a significant effect of the Non-Physical Work Environment on Employee Turnover Intention at PT. XYZ, There is a significant influence of the Non-Physical Work Environment on Employee Turnover Intention which is mediated by Job Satisfaction at PT. XYZ, There is a significant

influence of Career Development on Employee Job Satisfaction at PT. XYZ, There is a significant effect of Career Development on Employee Turnover Intention at PT. XYZ, There is a significant effect of Career Development on Employee Turnover Intention which is mediated by Job Satisfaction at PT. XYZ, There is a significant effect of Job Satisfaction on Employee Turnover Intention at PT. XYZ, There is a significant effect of the Work Environment and Career Development on Employee Job Satisfaction at PT. XYZ, There is a significant influence of Non-Physical Work Environment and Career Development on Employee Turnover Intention which is mediated by Job Satisfaction at PT. XYZ.

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Implication

PT. XYZ should make group chats on social media for each division such as group chats on Whatsapp to make it easier to inform important information, hold weekly meetings or monthly meetings as a forum for expressing opinions, work progress, obstacles experienced and evaluations, holding morning briefings every day to improve relations with superiors, subordinates and co-workers while increasing employee morale, providing rewards for employee performance such as positive praise or employee of the year to increase employee loyalty, holding career planning programs so that employees are given the opportunity to rise to a higher position than his current position and as an effort to improve his career, provide information on job vacancies within the company so that employees feel given the opportunity for rotation, transfer and even promotion, considering employee welfare in the form of financial benefits such as bonuses for achieving employee performance and non-financial benefits such as career development

Limitation

Based on the results of the analysis and discussion at PT. XYZ, there are other factors that can cause turnover so that future researchers can add other factors or conduct research in different industries so that more varied findings are obtained

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