

# **The Influence of Job Embeddedness, Salary, and Organizational Commitment against the Turnover Intention of the Employees in the Marketing Division at Pharmaceutical Laboratories Industry in Jabodetabek**

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**Abstract:** *This study aims to examine and analyze the influence of Job Embeddedness, Salary and Organizational Commitment against the Turnover Intention of the employees in the marketing division at Pharmaceutical Laboratories Industry in Jabodetabek (an acronym of Jakarta–Bogor–Depok–Tangerang–Bekasi). This is quantitative research with a total population of marketing employees at Pharmaceutical Laboratories Industry in Jabodetabek is 447, the sample uses Slovin formulation with 82 employees. It is found that Job Embeddedness, Salary and Organizational Commitment simultaneously have a negative and significant effect on turnover intention. The Companies need to pay attention in recruiting new employees so that employees can work together with the company and have a sense of more responsibility so it is not easy to leave the company*

**Keywords:** *Job embeddedness, Financial Compensation, Organizational Commitment, Turnover Intention*

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## **I. Introduction**

Modern marketing demands more than just making good products, providing attractive prices, and delivering products to the intended consumers, but companies are also required to provide the best quality products. Along with the development of pharmaceutical companies this requires companies engaged in the field to improve human resources, especially the performance of the marketing team in order to get higher profits or profits to be able to win the competition and maintain the survival of the organization.

The level of turnover in the marketing department of Pharmaceutical Laboratories Industry in Jabodetabek can be categorized high although it decreases every year. In this case, the researcher finds the opposite phenomenon. On one hand, the management of Pharmaceutical Laboratories Industry has provided transparency on compensation, which is in the form of incentives. In terms of achieving the targets and career paths, it is given to the outstanding marketing employees. On the other hand, the turnover in the marketing division is still quite high.

The turnover rate of Pharmaceutical Laboratories Industry is categorized quite high, which is above 10% per year. After conducting a preliminary survey, it is found that there are 3 (three) factors of the employees' intention to leave, which are job embeddedness, financial compensation, and organizational commitment.

This illustrates the high level of employee turnover intention towards the company. There are indications of employee dissatisfaction with the company, for example in salary, leadership style, organizational culture, organizational commitment, etc. which results in a lack of employee awareness of the work and thinking of leaving the company.

**Tabel 1** Description Number of Resign Employees

Year	Number of Resign employees	Number of Marketing Resign Employees	Number of Resign (Jabodetabek)	Marketing employees	Turnover
2015	1233	634	272		22%
2016	1088	465	211		19%
2017	1374	539	193		14%

## **II. Theory Studies**

### **Job Embeddedness**

Job embeddedness is one of the new perspectives that encourages the employees to stay in the organization (Mithcell, 2011). Furthermore, according to Nostra (2011) in Garnita and Suana (2014), job embeddedness is defined as one of the networks that encourage the individuals to stay in the organization, where the network is divided into the organization itself and the community within. Flitrizky (2012) stated that job embeddedness describes individuals becoming immersed in their environment and connected to many networks in an organization so that it will be difficult to separate from the organization and become part of the organization. Based on the opinion of the research that has been concluded, Job Embeddedness seeks to establish the existence of employees to foster a sense of work engagement in an organization, job embeddedness is not an attempt to bind someone to be able to continue working in an organization.

### **Salary**

According to Sinamora (2014), financial compensation is financial rewards that is received by individuals through their employment relations with an organization. Moreover, Handoko (2010) said financial compensation is anything in the form of payments received by employees as compensation for their work. Financial compensation is all income in the form of money or direct goods received by employees is a form of the results of work done by employees and received from the company / organization as a form of compensation after what has been done by employees against the company / organization. Therefore, the author concludes that financial compensation is all income in the form of money, direct goods received by employees is a form of the result of work done by employees and received from the company/organization as a form of service after what has been done by employees of the company/organization.

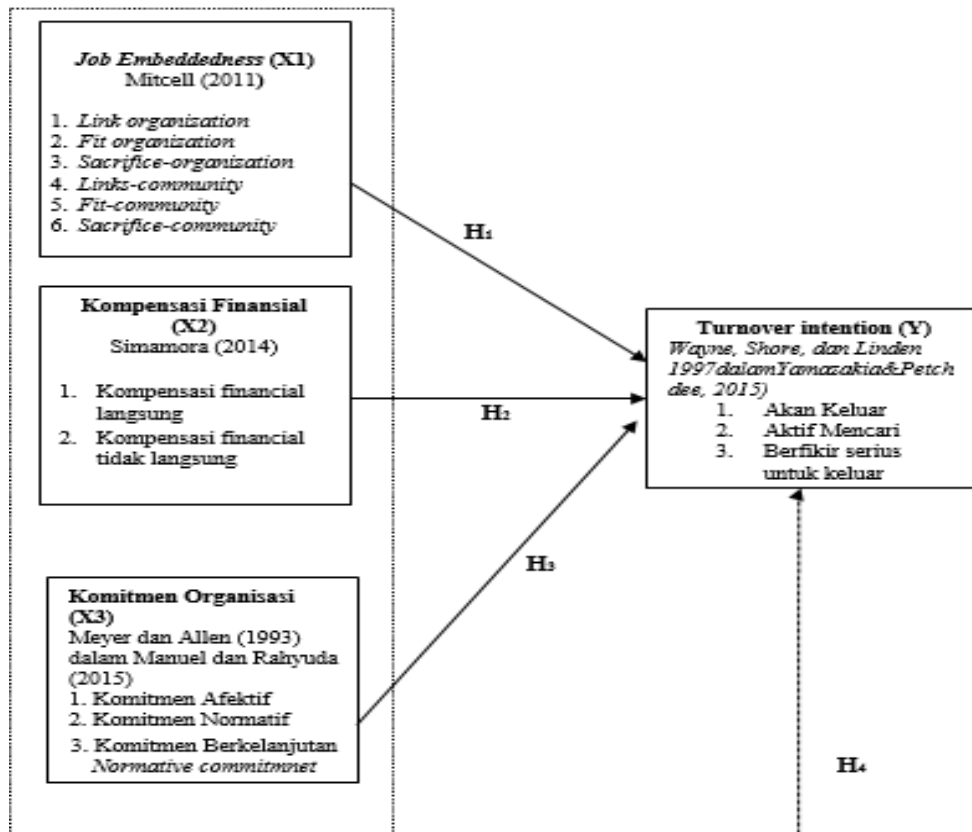
### **Organizational Commitment**

According Luthans (2006) in Pramudika et al (2017:2), organizational commitment is a strong desire to survive as a. In other words, organizational commitment is related to employee's strong desire to share and sacrifice for the company (Robbins and Judges in Susanto and Gunawan, 2013). Mathis and Jackson (2011:159) suggested that organizational commitment is the degree to which the employees believe and accept the goals of the organization, and desire to stay with the organization. According to Luthans (2006) in Pramudika et al. (2017:2), organizational commitment is an attitude that reflects employee loyalty to the organization and is an ongoing process whereby members of the organization express their attention to the organization, to the success of the organization and sustainable progress. It can be concluded that organizational commitment is a situation where employees take a side on the organization and its goals and reflect loyalty to the organization.

### **Turnover Intention**

Turnover intention can be defined as the desire of employees to deliberately make choices to leave the organization in the near future. As stated by Mahdi (2012), turnover intention is the desire of an employee to move from one organization to another organization. According to Naumann (1992) in Nantung et.al (2015:853), turnover intention is a deliberate and planned desire to leave the organization. Turnover intention must be addressed as an important phenomenon and human behavior in organizational life from an individual and social point of view, considering that the level of the employees' desire to move will have a significant impact on the company and the individual concerned as stated by Suartana (2000) in Hafiz et. al (2016: 105). Therefore, if the employees accept and are satisfied with the results of the evaluation of their work, the desire to leave the organization will be smaller. Otherwise, if the employees cannot accept and like their work, the desire to make a turnover will be even greater. Turnover intention is one of the main determinants of individuals leaving the company related to employee satisfaction factors to what is received in the company.

Mind frame can be seen in the following chart:



### III. Research Methods

This is a descriptive analysis research using quantitative research method. The population in this study is 447 respondents and a total sample of 82 employees using the Slovin formula. The data analysis technique used is multiple linear regression. The test consists of Validity, Reliability and Classical Assumptions in the form of Normality, Multicollinearity and Heteroscedasticity. Hypothesis testing is done by F-Test, T-Test and Determination Coefficient Test and Correlation between dimensions. The data is processed using SPSS Version 25.0 software.

### IV. Result and Discussions

**Validity Test** – Pearson’s Product Moment correlation was used to test the validity, if  $r_{count} > r_{table}$ , then it is regarded as valid. If  $r_{count} > r_{table} = 0,217$  with  $\alpha = 0,05$ , then the correlation coefficient is statistically significant. Test result of this study shows that all the indicator is valid.

**Reliability Test** – Reliability was assessed by comparing between Cronbach’s Alpha numbers in which the benchmark value of Cronbach’s Alpha is minimal 0,6 or  $\geq 0,6$ . If the value which is resulted by SPSS calculation is greater than 0,6, then the questionnaire is reliable. However, if it is in contrast, then the questionnaire was unreliable. Test result of this study shows that all the variable is valid.

**Data Normality Test** is said if the data points scatter and fall along a diagonal line (Sugiyono, 2014:295). Shows that data on histogram follow along a normal distribution line and the data in P-Plot normal graph is fall tightly close on diagonal line. In this case, it could be concluded that the tested data is normally distributed.

**Multicollinearity Test** – one of many multicollinearity tests that generally used is Variance Inflation Factor (VIF). If VIF value of variable is  $X < 10$ , then there is no multicollinearity. VIF value of each variable is less than 10. This confirms that the tested data has no multicollinearity.

**Heteroscedasticity Test** – From the test result, there is no clear pattern as dots expand above and below 0 on Y axis, instead the dots are spreading randomly and not shaping into certain pattern. It can, therefore, be concluded that the tested data is free of heteroscedasticity assumption.

**Multiple Linear Regression Analysis** – Data analysis technique for this study is multiple linear regression analysis, which is used to find out the correlation between independent and dependent variable.

**Table 2** Multiple Linear Regression Analysis Result

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.825	0.081		59.530	0.000
Job Embeddedness	-0.114	0.026	-0.303	-4.384	0.000
Financial Compensation	-0.174	0.041	-0.343	-4.221	0.000
Organizational Commitment	-0.154	0.032	-0.374	-4.770	0.000

Source: Analysis result using SPSS 25.0

$$Y = 4,825 - 0,114 X_1 - 0,174 X_2 - 0,154 X_3$$

From table 2, it shows that Job Embeddedness, Salary, and Organizational Commitment have negative effect on Turnover Intention.

- 1) If Financial Compensation ( $X_2$ ), and Organizational Commitment ( $X_3$ ) is considered zero (blank or not done), then variable Job Embeddedness ( $X_1$ ) will affect or decrease the Turnover Intention (Y) variable as much as 11,4 %.
- 2) If Job Embeddedness ( $X_1$ ), and Organizational Commitment ( $X_3$ ) is considered zero (blank or not done), then variable Financial Compensation ( $X_2$ ) will affect or decrease the Turnover Intention (Y) variable as much as 17,4 %.
- 3) If Job Embeddedness ( $X_1$ ), and Financial Compensation ( $X_2$ ) is considered zero (blank or not done), then variable Organizational Commitment ( $X_3$ ) will affect or decrease the Turnover Intention (Y) variable as much as 15,4 %.

**F-Test** – Test is assessed at a significance level of 0,05. Simultaneous regression test (F-test) can be formulated as follows:

- (1) If Sig. < 0,05 so  $H_0$  is rejected, and  $H_a$  accepted (significant)
- (2) If Sig. > 0,05 so  $H_0$  is accepted, and  $H_a$  rejected (not significant)

Based on the data from the table, it is known that F value = 77,758, and Sig. value = 0,000. Therefore,  $H_0$  is rejected and  $H_a$  is accepted.

**t-Test** – Methods for decision making are:

- If probability/significance > 0,05 or t count < t table or -t count > -t table,  $H_0$  is accepted.
- If probability/significance < 0,05 or t count > t table or -t count < -t table,  $H_0$  is rejected.

t-Test conclusion;

- 1) Table 1 above indicates that the correlation between Job Embeddedness ( $X_1$ ) and Turnover Intention (Y) is **significant** where t-count is -4,384 (-t-count < -t table (df=79) = -1,99) and Sig. value = 0.000. Coefficient value is **negative** which is at -0,114.
- 2) Table 1 above indicates that the correlation between Financial Compensation ( $X_2$ ) and Turnover Intention (Y) is **significant** where t-count is -4,221 (-t-count < -t table (df=79) = -1,99) and Sig. value = 0.000. Coefficient value is **negative** which is at -0,174.
- 3) Table 1 above indicates that the correlation between Organizational Commitment ( $X_3$ ) and Turnover Intention (Y) is **significant** where t-count is -4,770 (-t-count < -t table (df=79) = -1,99) and Sig. value = 0.000. Coefficient value is **negative** which is at -0,154.

**Coefficient of Determination ( $R^2$ )** – Determination analysis in multiple linear regression is used to measure the amount of contribution of some variable X ( $X_1, X_2, X_3$ ) to fluctuation (changes variation) of variable Y. It is known Adjusted R Square = 0, 740. This explains that 74,0 % Turnover Intention (Y) is affected by Job Embeddedness ( $X_1$ ), Financial Compensation ( $X_2$ ), and Organizational Commitment ( $X_3$ ) variable, meanwhile the rest of (100 % - 74,0 %) is 26,0%. Turnover Intention (Y) is affected by other factors outside of this study.

**Correlation Between Dimension Analysis** – Correlation analysis is a statistic analysis that measure relationship level involving more than one independent variable ( $X_1, X_2, X_3$ ) and one dependent variable (Y).

The Matrix Test Results as given in Table 3 of Correlation Between Dimension, are interpreted as below:

- 1) Table 3 below shows the biggest correlation value between dimensions in Job Embeddedness ( $X_1$ ) variable and Turnover Intention (Y) variable is between X1.1 On-the-Job dimension with Y.1 Will Quit dimension which is -0,579, also falls under “medium” level relationship category.
- 2) Table 3 below shows the biggest correlation value between dimensions in Financial Compensation ( $X_2$ ) variable and Turnover Intention (Y) variable is between X2.1 Immediate Financial Compensation dimension with Y.2 Actively Looking dimension which is -0,542, also falls under “medium” level relationship category.
- 3) Table 3 below shows the biggest correlation value between dimensions in Organizational Commitment ( $X_3$ ) variable and Turnover Intention (Y) variable is between X3.2 Normative Commitment dimension with Y.3

Seriously Considering to Quit dimension which is -0,564, also falls under “medium” level relationship category.

**Table 3** Correlation between Dimension Results

		Correlations		
Variable	Dimension	Y. Turnover Intention		
		Y.1 Will Quit	Y.2 Actively Looking	Y.3 Seriously Considering to Quit
Job Embeddedness (X <sub>1</sub> )	X1.1 On the Job	<b>-0.579**</b>	-0.277*	-0.452**
	X1.2 Off the Job	-0.433**	-0.378**	-0.443**
Financial Compensation (X <sub>2</sub> )	X2.1 Immediate Financial Compensation	-0.373**	<b>-0.542**</b>	-0.384**
	X2.2 Indirect Financial Compensation	-0.514**	-0.003	-0.514**
Organization Commitment (X <sub>3</sub> )	X3.1 Affective Commitment	-0.560**	-0.353**	-0.381**
	X3.2 Normative Commitment	-0.463**	-0.228*	<b>-0.564**</b>
	X3.3 Continuous Commitment	-0.501**	-0.327**	-0.451**
N		82	82	82

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

Source: Analysis result using SPSS 25.

## V. Discussion

### 1. The Analysis of Job Embeddedness to the Turnover Intention

Based on the result of the hypothesis test (t-Test) that has conducted by using the SPSS 25.0 analysis tool, it is obtained that Job embeddedness has a negative and significant effect on the turnover intention of the employees in the Marketing Division at Pharmaceutical Laboratories Industry in Jabodetabek. It can be seen from Table 4.20, where t-Test -4.384 (-t-Test < -t table (df=112) = -1,98) and sig value. = 0,000. In the correlation data among dimensions, it shows that the dimension of link organization, which is conducted by the employees to work environment, gives effect on the dimensions for the employees to have the intensity to find a new job with a correlation number of -0.579 and it shows a negative correlation. It can be said that the lower the value of link organization then the higher the value of intensity to find a new job. On the other hand, if the value of the link organization is higher, then the intensity of the employees to find a new job will be lower. It is in line with the study that was conducted by Shafique *et al.* (2011), which is job embeddedness has a negative effect on turnover intention. The previous study was done by Garnita and Suana (2014) in the sales division at PT. Bali Petshop& Grooming. They found that job embeddedness has a negative and significant effect on turnover intention.

### 2. The Analysis of Salary to the Turnover Intention

The result of the hypothesis test (Test t), which has conducted by using the SPSS 25.0 analysis tool, shows that compensation has a negative and significant effect on the turnover intention of the employees in the Marketing Division at Pharmaceutical Laboratories in Jabodetabek. It is shown in Table 4.20, where t-Test -4.221 (-t-Test < -t table (df=112) = -1,98) and sig value. = 0,000. By referring to the correlation data among dimensions, the dimension of compensation affects the dimension for the employees to have the intensity to actively looking for a new job, in which the correlation value is -0, 542, and it shows the negative direction of correlation. In other words, the lower the value of financial compensation such as numeration, bonus, and health insurance, the higher the value of intensity to find a job. It is in line with Devi &Sudibia (2015), they found that financial compensation has a negative effect on the turnover intention of the employees. It means that the higher the compensation received, the lower the intention of the employee to leave the company. Moreover, Andini (2006) found that salary satisfaction has a negative effect on the turnover. It indicates that employees who are satisfied with their salary will have lower intentions to make a turnover.

### 3. The Analysis of Organization Commitment Effect on Turnover Intention

Based on the result of the hypothesis test (Test t) that has conducted by using the SPSS 25.0 analysis tool, it is gotten that organizational commitment has a negative and significant effect on the turnover intention of the employees in the Marketing Division at Pharmaceutical Laboratories Industry in Jabodetabek. It can be seen in table 4.20, where the value of t-Test is -4.770 (-t-Test < -t table (df=112) = -1,98) and the sig value. =

0,000. Based on the value obtained from the correlation data among dimensions, it can be seen that the dimension of the normative commitment affects the dimension of the employee that has intensity to seriously leave the organization or company, in which the correlation value is -0,564, and it shows a negative direction of correlation. In other words, the higher the value of normative commitment of the employees, then the lower the intensity of the employee to leave the organization or company. Contrarily, if the normative commitment value of the employee is lower, then the intensity value to leave the company or organization will be higher. Furthermore, Then Organizational Commitment relates to employee's high desire to share and sacrifice for the company (Robins and Judges in Susanto and Gunawan, 2013) with the definition of Turnover Intention is a deliberate and planned desire to leave the organization according to Naumann in Nantung et.al (2015)

#### **4. The Influence of Job Embeddedness, Salary and Organizational Commitment against the Turnover Intention**

Based on the F test table, it is known that the value of Sig is  $0,000 < 0,05$  Thus,  $H_0$  is rejected while  $H_a$  is accepted, it can be concluded that Job Embeddedness has a negative and significant effect on the turnover intention of marketing division employees at Pharmaceutical Laboratories Industry in Jabodetabek. Then Salary has a negative and significant effect on the turnover intention of marketing division employees at Pharmaceutical Laboratories Industry. Furthermore, it was found in this study that organizational commitment had a negative and significant effect on marketing division employee turnover intentions at Pharmaceutical Laboratories industry and thus the results of hypothesis testing can be concluded that job embeddedness, salary and organizational commitment simultaneously have a significant effect on turnover intention.

### **VI. Conclusion and suggestion**

#### **Conclusion**

1. Job Embeddedness has a negative and significant effect on the turnover of employees in the marketing division at PT Novell Pharmaceutical Laboratories. It shows that the stronger the attachment of the employees to the company, then the lower their intention to leave.
2. Compensation has a negative and significant effect on the turnover intention of employees in the marketing division at PT Novell Pharmaceutical Laboratories. It indicates that the better the compensation that is given by the company, then the lower the intention of the employees to leave.
3. Organizational commitment has a negative and significant effect on the turnover intention of employees in the marketing division at PT Novell Pharmaceutical Laboratories. It means a better commitment to PT. Novell Pharmaceutical Laboratories causes a lower number of employees to leave.
4. Job Embeddedness, Financial Compensation, and Organization Commitment simultaneously have a negative and significant effect on turnover intention.

#### **Suggestion**

1. The company has to try to establish the presence of employees to foster a sense of work engagement rather than an effort to bind someone to be able to continue working in an organization.
2. The company is expected to increase the salary, incentive, and other allowance to decrease the turnover intention of the employee.
3. The company needs to show the achievement plan of the employees with certain improvements and implement appropriate ways to achieve each improvement. Therefore, they can determine the position that they will be achieved by improving their skills.
4. The company also needs to be more stringent in recruiting new employees in the marketing division so that employees who want to work with the company have a sense of being more responsible. Thus, it is not easy for them to leave the company. Moreover, it is needed to maintain the stability of the spirit and productivity of the employee.

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