## DETERMINANTS OF BANKING EMPLOYEE TURNOVER INTENTION :A STUDY IN BIREUEN DISTRICT

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**ABSTRACT**
This study aims to identify the factors that significantly affect the turnover intention of banking employee. The object of this research is the banking employees in Bireuen District. Based on the literature and the gaps identified the factors are person-organization fit (PO-Fit) and person-job fit (PJ-Fit). The data analyzed using multiple linear regression method, with the number of respondents as many as 100 employees chosen by stratified proportional random sampling technique. The result shows that the variable of PO-Fit and PJ-Fit partially have a negative and significant effect on turnover intention of banking employee. This finding implies that the banks as the company should take the consideration in PO-Fit and PJ-Fit. The limitation of this study is in the number of variables that are only three, and only focuses on one object. The findings of this research are the new ones, by developing the previous theory, using a new place and time.

**Keyword:** Person-organization fit, person-job fit and turnover intention

## INTRODUCTION
Indonesia is a country with very high movement employment rates. Survey by Tower and Watson in 2013 (Kompas media, 2016) shows that the voluntary attrition rate in Indonesia is 20.35%. Compare with the fast growing countries in Asia Pacific which is only 12.39%, and globally which is only 8.24%. The main reasons are usually about salary and the various benefits that accompany it. Career opportunities to higher positions are also a consideration.

The phenomenon of job change in the banking sector in Bireuen Regency is still unknown, because the banks do not provide exact data with the company's secret reasons. However, researchers conducted a survey with colleagues who worked in some banking with human resource position in Bireuen District. They illustrate that the rate of employees who move to work in each of the banks where they work in Bireuen district is in the range of 3% -8%. The main reasons they moved to work according to Falconi (2006) were (1) promotion opportunities (2) Payment opportunities; the wage factor is one of the factors of turnover. This is illustrated by Gomez., At., Al (2001) about the turnover rate occurring in one healthcare company by 72%. After the survey, it is known that the cause of high turnover is due to low salary received by front-line employees. (3) dissatisfaction with employers or colleagues. (4) dissatisfaction with the work itself (repetition, autonomy, responsibility); this is written Gomez., at., al (2001) in his book *Managing Human Resources* employees will survive in a company longer if the company offers a high quality work related to job satisfaction. According to Lum et; al, (1998), Mathis and

Jackson (2006) suggest that turnover intention is the most relevant variable and more likely to explain turnover behavior, where the exit desire can be measured by the following five components: 1) intention to exit; 2) job search; 3) think to be out; 4) Ways of thought, pressure and challenges; 5) low attachment and sense of belonging.

According to Mobley, Horner and Hollingsworth (1978) job satisfaction affects a person's desire to get out of the organization. Model Mobley et al explain that the process of exit someone from a company starts with the increase employee dissatisfaction. This also increases their desire to get out of their job. This theory explains that an individual cognitive stages to get out from the job start with the thought of stopping. In this process the individual will take into consideration what will happen if he is out of work and what he expects from his new job. If then he sees that out as the most satisfying alternative, then he will start looking for a new job. At this stage, the individual will consider the existing alternatives and the jobs he currently occupies. Then if he has decided which alternative job he will take, then the cognitive stage turns into a desire to get out. Lastly, if the individual actually makes a decision, he / she will leave the company voluntarily (voluntary turnover). But if the individual has not seen any opportunity outside the organization where he sheltered at this time then the individual will choose to survive.

Employee turnover indicates that the employee is starting to disagree with the values, objectives, and culture that exist within his organization, which means he is starting to have no Person Organization Fit (PO-Fit) anymore. When the employee starts to disagree with his organization then he will work not maximally. Knowledge, skills, ability, and interest to work began to decrease and not aligned again. When this happens the employee starts not having a Person Job Fit (PJ-Fit) anymore. Reduced compatibility between the employee and the organization and his work encourages him to start looking for information about other job vacancies, indicating that the employee has the intention to move (Turnover Intention). This will not happen if employees feel fit within the company. Employees tend to stay organized if they feel that they are better equipped with their work and organization (Wheeler, Buckley, Halbesleben, Broue, & Ferris 2005).

Researchers claim that PO-fit is a key to maintaining the necessary labor commitments in a competitive business environment (Bowen, et al., 1991, Kristof 1996), Robbins and Judge (2009) illustrates that organizations face dynamics and change environment and require employees who are able to easily change tasks and move easily among teams, more important personality of employees in accordance with the overall culture than with certain job characteristics. Initially researchers did not distinguish between different types of fit, but over the past 25 years, studies have increasingly focused on various forms of suitability (Kristof-Brown, Zimmerman, & Johnson, 2005).

The level of individual fit with the organization (PO-Fit) depends heavily on how the organization is able to meet the needs of its employees. If an individual feels that he or she does not have a suitability or compatibility with his or her organization and if the company is unable to meet the needs of its employees then the employee's intention to move will arise. Therefore Person Organization Fit (PO-Fit) is very influential on the level of turnover intention in the organization (Cable & Judge, 1996; Turban & Keon, 1993). According to Kristof (1996: 24), Brown, et; al (2005) PO-Fit can be interpreted in 5 indicators, namely: 1) conformity of value; 2)

conformity of purpose; 3) meeting the needs of employees; 4) suitability of characteristics of cultures; 5) consistency between employee values and organizational culture.

The employees that fit the organizations are committed and want to stay being a part of the organization but would prefer to change their job positions if not equipped with their work (Saks & Ashforth 1997). Hollenbeck (1989) conducted an empirical study and concluded that poor-work-match people would produce work turnover. As, PJ-Fit is about the fit of the knowledge, skills and abilities (KSA) of employees with the work level demand. High turnover rate and more absenteeism will be resulted if a good suitability does not exist (Mathis & Jackson, 2003). Individuals who experience miss-fit between their own abilities and the complexity of the work will have the intention to leave them jobs for other jobs that they think are more appropriate (Wilk & Sackett 1996). Increasing productivity, job satisfaction, organizational commitment and reducing turnover intentions becoming apparent as the increase of suitability between individuals or organizations with the job (Iplik, Kilic, & Yalcin, 2011). According to Bowen, et. al. (1997) PJ-Fit can be measured through indicators consisting of: 1) knowledge; 2) skill; 3) abilities; 4) social skills; 5) person needs; 6) values; 7) interest; 8) personality traits.
Based on the above discussion, the hypothesis formulation as follows:
H1: PO-Fit negatively affects Turnover Intention
H2: PJ- Fit negatively affects Turnover Intention

**METHOD**
In this research, there are three variables to be measured with its indicators that has been constructed by researcher, are : 1) turnover intention : a1) intention to exit; a2) job search; a3) think to be out; a4) Ways of thought, pressure and challenges; a5) low attachment and sense of belonging.; 2) PO-Fit : b1) conformity of value; b2) conformity of purpose; b3) meeting the needs of employees; b4) suitability of characteristics of cultures; b5) consistency between employee values and organizational culture.; 3) PJ-Fit : c1) knowledge; c2) skill; c3) abilities; c4) social skills; c5) person needs; c6) values; c7) interest; c8) personality traits.
The type of research is verification research, which is a research that evaluate the causality model using quantitative method. It is often said a type quantitative research as well. According to Babbie (2010), can be described by quantitative research involving the collection of numerical data and a display presenting the relationship between theory and research as deductive and objectivist conception of social reality, with a preference for joint scientific approaches. The advantages of using quantitative methods are the examination of variables, and the ability to generalize the sample results to a larger sample or population (Chintaman, 2014).
The study was conducted on banking employees operating in Bireuen District, namely Bank Aceh Syariah (BPD Syariah Aceh) Bireuen Branch, Bank Rakyat Indonesia (BRI) Bireuen Branch, Bank Negara Indonesia (BNI) Bireuen Branch, Bank Mandiri Bireuen Branch Office, Bank Central Asia (BCA) Bireuen Helper Branch Office, Bank Syariah Mandiri (BSM) Bireuen Branch. The respondents are their bank employees that expected to answer the questions related. In this study the researchers set a sample amount 100 employees. This number is considered to represent the results of the study because it has been qualified as a large sample. Large samples are samples larger than 30 and less than 500 (Roscoe, 1975).

The sampling technique used is stratified proportional random sampling because it can represent heterogeneous and level subpopulations. In stratified proportional random sampling this sample is taken with regard to the extent that is in the population. The random technique used is to use the lottery. Sweepstakes are named after each bank's employees, then randomly sorted and selected according to the desired sample. In this heterogeneous population the sample was taken proportionately to obtain the number of samples capable of representing each subpopulation (Sekaran and Bougie, 2009).

**RESULT**

**Table 1. Validity Test Result**

| Questionnaire Item | Variable | Correlation Coefficient | Critial Value (N=100) | Remark |
|---|---|---|---|---|
| a1 | Y = Turnover Intention | 0.905 | 0.195 | |
| a2 | | 0.832 | 0.195 | |
| a3 | | 0.912 | 0.195 | |
| a4 | | 0.810 | 0.195 | |
| a5 | | 0.892 | 0.195 | |
| b1 | X1 = PO-Fit | 0.811 | 0.195 | |
| b2 | | 0.901 | 0.195 | |
| b3 | | 0.827 | 0.195 | |
| b4 | | 0.921 | 0.195 | Valid |
| b5 | | 0.808 | 0.195 | |
| c1 | X2 = PJ-Fit | 0.906 | 0.195 | |
| c2 | | 0.867 | 0.195 | |
| c3 | | 0.800 | 0.195 | |
| c4 | | 0.925 | 0.195 | |
| c5 | | 0.917 | 0.195 | |
| c6 | | 0.854 | 0.195 | |
| c7 | | 0.819 | 0.195 | |
| c8 | | 0.876 | 0.195 | |

Source : primary data, 2018 (processed)

Based on the table 1 it is found that all variables, measuring instruments used in the study have a value of correlation coefficient greater than the critical value r, α = 5% of 0.195. This means that all research instruments have significant internal consistency validity in measuring the measured aspects. This means that all data obtained is valid and can be used for research.

**Table 2. Reliability Test Result**

| No. | Variable | Number of Indicator | Cronbach Alpha | Remark |
|---|---|---|---|---|
| 1. | Turnover Intention (Y) | 5 | 0.929 | Reliable |

| 2. | PO-Fit (X1) | 5 | 0.905 | |
| 3. | PJ - Fit (X2) | 8 | 0.911 | |

Source : primary data, 2018 (processed).

Based on the table 2 above, it can be explained about the reliability of each variable used in this study. For turnover intention variable (Y), 92.9% of alpha value was obtained, variable PO-Fit (X1) obtained alpha value equal to 90.5%, and variable of PJ-Fit (X2) got alpha value equal to 9.11%.
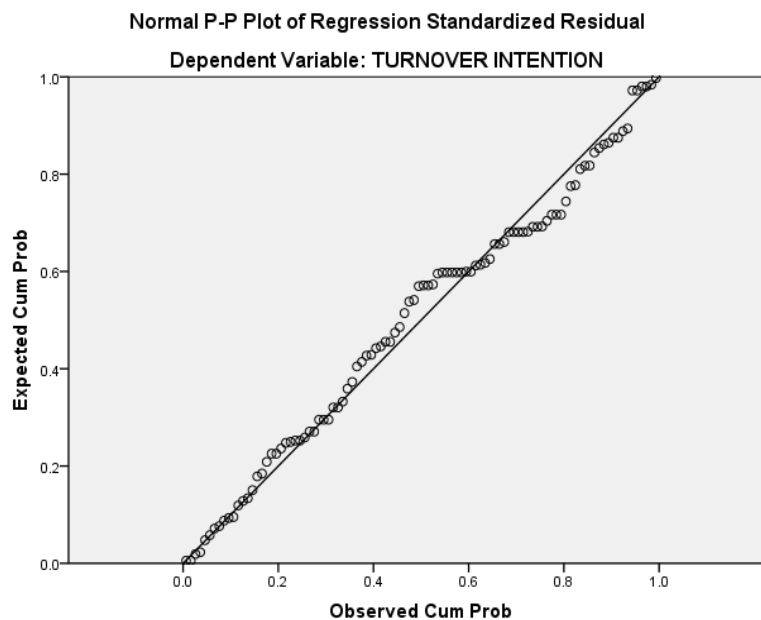


**Figure 1. Normality Test**

Based on the normal picture of P-P plot in the figure 1 above shows the standardized residual distribution in the range of the diagonal line. Can be seen also based on the picture that the existing data spread to all parts of the curve, so it can be concluded the data has a normal distribution.

**Table 3. Multicollinearity Test**

| Independent Variabel | Collinearity Statistics | | Remark |
| --- | --- | --- | --- |
| | Tolerance | VIF | |
| *Person Organization Fit* | 0.673 | 1.846 | No multicollinearity |
| *Person Job Fit* | 0.673 | 1.846 | No multicollinearity |

Sumber: Data Primer, 2018 (processed).

The result of multicollinearity test in table 3 shows that all independent variables the VIF < 10 and the tolerance > 0,10 so it can be concluded that independent variables consisting of person organization fit and person job fit have free from multicollinearity problem.

**Table 4. Regression Result**

| Variable | Unstandardized Coefficient B | Unstandardized Coefficient B | Standard Error | $T_{count}$ | $t_{table}$ | Sig. |
|---|---|---|---|---|---|---|
| Constant | 0,343 | - | 0.160 | 8.997 | 1.984 | 0.000 |
| *Person Organization Fit* | -0.340 | -0.473 | 0.154 | -2.212 | 1.984 | 0.029 |
| *Person Job Fit* | -0.673 | -0.703 | 0.236 | -2.855 | 1.984 | 0.005 |
| Correlation Coefficient (R) = 0,826 (a) Determination Coefficient ($R^2$) = 0,777 Adjusted ($R^2$) = 0,662 | | | Predictor Variable : PO-Fit & PJ-Fit a. Dependent Variable : Turnover Intenstion | | | |

Source : primary data, 2018 (processed).

The regression result in the table 4 shows that for the variable person organization fit, tcount = -2.212 and ttable = 1.994 so it can be seen that tcount > ttable while significant value 0.029 smaller than the level of confidence 0.05. Thus, the t test results state that $H_0$ is rejected and $H_a$ is accepted. This means that the variable of PO-Fit partially have a negative and significant effect on turnover intention.

The results are in line with (Bretz & Judge, 1994; Harris & Mossholder 1996) who found that PO-Fit had a negative relationship with turnover intention. Moynihan & Pandey's (2007) study studied the nine organizations in the United States and their findings also support the above conclusion that PO-Fit has a negative relationship with turnover intention. Results are also in line with Hassan (2012) finding that PO-Fit negatively affects the turnover intention of banking sector in Pakistan.

For PJ-Fit variable, tcount = -2.855 and ttable = 1.994 so it can be seen that $t_{count} > t_{table}$ while significant value 0.005 smaller than level of confidence 0.05. Thus, the t test result states the $H_0$ is rejected and $H_a$ is accepted. This means the variable PJ-Fit partially has a negative and significant effect on turnover intention.

The result is in line with Hassan (2012) who found that the PJ-Fit negatively affects the turnover intention of banking sector in Pakistan. According to Wilk & Sackett, (1996) individuals who experience a discrepancy between the ability and complexity of their own work will have the intention of leaving their job and choosing another job more suited to it. Hollenbeck (1989) conducted an empirical study and concluded that the incompatibility of individuals with their work would result in turnover intention. According to Saks & Ashforth, (1997) well-treated employees within the organization commit to remain part of the organization, but they will change their job position if they are uncomfortable with their work. PJ-Fit is about matching the knowledge, skills and abilities (compliance requirements) of employees with the demands of their work. Low performance, high levels of absentee impact on turnover intention will occur in

the absence of a match between individuals and their work (Mathis & Jackson, 2003).

Based on the results of multiple regression statistical tests obtained by data processing using SPSS software as shown in the table above, then obtained the following multiple regression equation:

$$Y = -0{,}473X_1 - 703X_2 + e$$

From the equation can be explained several things, as follows:

1. The regression coefficient of influence of PO-Fit (X1) is - 0.473, it means that every increase the 1 unit of PO-Fit (X1), it will decrease turnover intention (Y) of banking employee 0.473 or 47.3 % assuming all other independent variables are constant. This indicates a negative or opposite direction relationship between the variable PO-Fit with turnover intention.
2. The regression coefficient of influence of PJ-Fit (X2) is -0.703, it means that every increase 1 unit of PJ-Fit, it will decrease the turnover intention (Y) of banking employee equal to 0.703 or 70.3%. Thus there is a negative or opposite direction relationship between the variables of PJ-Fit with turnover intention.

From the table above we can see also the correlation coefficient (R) was obtained based on correlation coefficient test of Product Moment 0.826 R square value (R2) obtained by 0.777 The Adjusted R square value is 0.662 with the standard error of estimate is 0.823.

### Table 5. ANOVA

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 14.437 | 2 | 7.219 | 18.598 | .000[a] |
| | Residual | 37.650 | 97 | .388 | | |
| | Total | 52.088 | 99 | | | |

a. Predictors: (Constant), PERSON ORGANIZATION FIT, PERSON JOB FIT
b. Dependent Variable: TURNOVER INTENTION

From the ANOVA in the table 5 obtained $F_{count}$ = 18.598 is greater than the value $F_{table}$ = 3.23 while the significant value obtained 0.000 smaller than the level of confidence 0.05. So it can be concluded that $F_{count}$ = 18.598 > $F_{table}$ 3.23 = then Ha accepted and H0 rejected. With a significance of 0.000 < 0.05 then Ha is accepted and H0 is rejected. This means that the variable it means that every increase the 1 unit of PO-Fit and PJ-Fit simultaneously affect the turnover intention.

## CONCLUSION

PO-Fit and PJ-Fit partially have a negative and significant effect on turnover intention of banking employees. This result supports the theories and provides two implications for both theory and practice. For academic, it supports the previous theories, to be an upgrade one as a new premise. The limitation of this research is it uses only one object and 3 variables and focuses in one object. As because this research is conducted in Bireuen District, so, this will be a base for

further research to develop, to be extended to other bank areas or other companies, or even add other variables to build a new research models. And for the practice, it can be as a reference for banking managers. This means that every banking manager is obliged to pay attention to PO-Fit and PJ-Fit to employees to reduce turnover intention of employees.

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