

CHAPTER I

INTRODUCTION

1.1 Background

In the age of digital technology, the competition in business become more intense. It can cause the fluctuation of business. The ownership of business entity is the key to be understood. Is the business owned by person, family, public, or else. It effects on how the management of the business entity works. Recently it can be seen there are abundant turnover intention happening in business. There are so many reasons behind it such as job stress, work-family conflict, and job satisfaction. If a business wants to exist in the current era, then these challenges require good management to prevent the employee turnoer intention.

As expressed by the Minister of National Development Planning, Bambang Brodjonegoro said that it was for Indonesia to formulate a strategy to welcome an increasingly competitive global labor market. And this was done to encourage more rapid economic growth. Bambang also said that according to the Human Development Index, Indonesia had increased from 0.82 percent to 71.39 last year. However, the increase is still lower compared to countries in one region such as Singapore, Malaysia and Brunei Darussalam. So when compared to neighboring countries, the quality of Indonesian human resources according to HDI data is still in the middle rank (Kompas 2019).

The effort to strengthen competitive advantage of organizations in the global age can aside from organization's capacity to maintain human resources. Length of stay employees in organization can play role to develop organization competency. Therefore attention of leaders in organization to the issue of employee turnover intention become more crucial. Factors might influence employee turnover intention can be viewed from individual perspectives which

include attitudes and perceptions of employees toward workplace. Variables attitude and perception can be demonstrated by job stress due to excess work load and job satisfaction. Meanwhile, work-family conflict can be regarded as external factor which might contribute to intention to leave due to interruption toward the job.

Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski 2007).

Stress is a real part of most managers' experience. It can be said to occur when significant demands exceed perceived management responsibilities and routines. Stress can be the essence of working life, and certainly need not always be damaging to us. But when it becomes excessive it is something unwanted. For the most part it is those unpleasant and undesirable behaviors, emotions or physical complaints that interfere with personal and organizational performance. In those circumstances it interferes with our mental, emotional, physical and spiritual health. Stress damages us and our performance. Job stress Job stress occurs as a result of significant and excessive demands arising in our daily occupation and our personal lives (Bailey 1988).

Conflicts in family businesses are viewed as detrimental to the life cycle of the firm. Indeed, family firms tend to suffer from issues relating to nepotism, co-opting family members with inadequate experience and skill into the management team; infighting, triggered by a wide variety of causes, including the personal relationship conflicts within the family; overriding ambition to stay in control by the family members; and conflicts arising between family and non-family managers/employees (Corbetta and Salvato, 2012).

Based on Greenhaus and Beutel (1985), work-family conflict (WFC) is where pressure exist from work and family, which is contradictory in some terms, in that participation in work role (family) is made more complicated based on participation in the family role (work). Furthermore, Greenhaus and Beutel considered three forms of WFC: 1) time-based conflict, 2) strain-based conflict, and 3) behavior-based conflict.

It has been exposed tha there is a correlation between the ability to manage stress and motivation as well as morale. An individual who does not able to manage stress will experience decreased motivation and morale. Therefore, his performance including work performance and contribution to the corporation will be declining. An uncomfortable work atmosphere will lead to rapid employee turnover. In such situations an employee is likely to move to another company that provides a better working environment. Hight turnover, employee leaving and entering will be burdening of HRD cost because of the necessity for recruiting and training new employee (Kompas, 2020).

According to Zahra *et al* (2018), the stress exists in any ailing or unpleasing situation. Moreover, the study suggest that multiple dimensions of stress (known as stressors) identified by the researchers and some of these dimensions are work demands, job factors, role ambiguity, job insecurity, career deelopment, time pressure, work overload, role conflict, lack of recognition, unclear reuirements, biological or demographic variables can also become the cause of stress, leadership, personality, environment of the organization and relationship with others at work and many other dimensions as well. Their study is a first attempt to represent the impact of job stress on employees' turnover intention in Pesticide Sector. From this study, it is concluded that job stress has an impact on employees' turnover intentions.

According to a mental health practitioner, Jiemi Ardian, the awareness on the stress symptoms is important to be understood as a signal to pause. At this circumstance, one should turn to fun activities in order to get out of stressful situations that can harm one's mental health. One should turn to fun activities in order to get out of stressful situations that can harm one's mental health. The activities referred to, for example, are sports, yoga and meditation which relax the body and mind (Kompas 2020).

There are two general categories of factors that are believed to influence employee job satisfaction: demographic characteristics and work environment factors. In turn, job satisfaction negatively effects turnover intent, and turnover intent directly impacts voluntary turnover. Based upon past theoretical and empirical work, salient measures for both demographic characteristics and work environment factors were selected for inclusion in a study from Lambert *et al* (2001). Demographic measures included in that study are age, gender, education, and tenure of employment. Measures of work environment utilized in that study are conflict, task variety, financial rewards, relations with co-workers, and autonomy/participation (see measures section for a more complete description of the variables). Therefore, based on past research findings in this study, availability of measures, and theoretical reasons, the following model presented in Picture 1.



Figure 1. General overview of proposed turnover process (Lamber *et al* 2001)

The result of a study conducted by Kartika and Purba (2018) also suggested that if organizations wants to retain employees, they need to pay greater attention to the aspects of the job most associated with turnover intention; the

work itself, pay, work group behaviors, supervision, and promotion, as employee satisfaction with these aspects tend to increase organizational identification, which decreases turnover intention.

Employee have their own perspective which different from one another about the value of their job satisfaction. The level of job satisfaction depends on how big their hope, desire, and needs with the reality of their life. If the reality was lower than what they hope, then there is a job dissatisfaction. In work life, job dissatisfaction will decrease the productivity and will caused a bad situation for the company and for the employee. Dissatisfaction will caused an aggressive behaviour and will caused turnover intention (Helsya 2019).

Based on preliminary data obtained by researchers, there are cases of job stress, work family conflicts, and knowledge sharing among employees at Bank Nagari. PT Bank Pembangunan Daerah Sumatera Barat was established and started a commercial business on March 12, 1962 with Deed No. 9 dated 12 March 1962 made before Hasan Qalby, notary representative in Padang under the name PT. PT Bank Pembangunan Daerah Sumatera Barat. With the enactment of Law No. 13 of 1962 concerning the Basic Provisions of Regional Development Bank which require the Regional Development Bank to be established by Regional Regulation, the West Sumatra Regional Government issued a Regional Regulation (Perda) No. 4 of 1973 dated November 8, 1973 (Bank Nagari 2018). Even so, the company was able to make its employees survive and not experience high employee turnover. This happens because there is good management from the HRD team at the company by doing vacation activities at certain times that aim to refresh.

**Table 1. Data of Turnover Employee at The Center of Bank Nagari
in Padang City Year 2016-2019**

NO	Details	Year			
		2016	2017	2018	2019
1	Passed Away	3	5	3	3
2	Resign	22	30	48	45
3	Dismissal	0	4	3	6
4	Early Retirement	0	0	1	3
5.	Retired	19	21	35	33
	TOTAL	44	60	90	90

Source: Bank Nagari, 2019 (Amelia 2020)

Based on the data above, it can see from 2016 to 2019 the amount of employee who resign decreased in 2017 but then increased from year to year. The peak of turnover employee happened in 2018 and 2019 with 180 employee resigned. The reason behind it, the employee said they want to resign by their decision to be a normal pensioner. But there are some reasons why the employee decided to resign, such as; another opportunity to work at other places which more interesting, move to another city, follow their husband for employee who married (Amelia 2020).

This study is intended to examine the variables that contribute more to turnover intention. There are several variables which contribute to this turnover intention, such as job stress, work-family conflict, and job satisfaction. This study also conducted on employees of PT Bank Nagari in West Sumatra, to find out more how is the current condition of their turnover intention.

1.2 Research Questions

Based on the explanation above, the questions in this research are:

1. How does job stress impact on turnover intention?
2. How does work family conflict impact on turnover intention?
3. How does job satisfaction impact on turnover intention?

1.3 Research Objectives

Relating to the problem formulation in above research question, the research objectives are formulated as follow:

1. To investigate the impact of job stress on turnover intention.
2. To investigate the impact of work family conflict on turnover intention.
3. To investigate the impact of job satisfaction on turnover intention.

1.4 Contributions of the research

This research provides benefits such as:

1. As reference of future research related to factor influencing turnover intention.
2. As reference for decision maker regarding to overcome turnover intention.
3. For understanding factors influencing turnover in turnover intention.

