

Conference Paper

The Influence of Reward on Turnover Intention with the Organizational Commitment as an Intervening Variable (A Study on Group I and II Employee at Djatiroto Sugar Factory)

Andi Arianto and Syihabudhin

Fakultas Ekonomi Universitas Negeri Malang

Abstract

Turnover Intention is an early signal of potential employee turnover within the company. Attempts to detect a turnover intention is important to do because qualified human resources need to be maintained for the sake of the company's progress. This study aims to determine the condition of reward variables, organizational commitment, and Turnover Intention, as well as the influence of reward variables and commitment to Turnover Intention on the employees of Djatiroto Sugar Factory in Lumajang. By using proportional random sampling method, respondents in this study were 217 people from 472 employees of Group I and II Djatiroto Sugar Factory, Lumajang. Using path analysis, the results showed that there was a significant direct effect of rewards on turnover intention, rewards to organizational commitment, and organizational commitment to turnover intention. In addition, there is an indirect influence of rewards on turnover intention, with organizational commitment as an intervening variable.

Keywords: Reward, Organizational Commitment, Turnover Intention.

Human resource management in a company or organization becomes quite crucial. This is in line with the demands of social, technological and regulatory. Leaders are increasingly required to be able to design and run a good management system. This is because the problems faced by companies/organizations today are increasingly complex and wide. In fact, many employees think that a saying that they are company assets is just a slogan. They still think it is still far from reality. This happens because of a gap between expectations with reality, or a mismatch between statements and company policy. On the other hand, the demand for the fulfillment of the needs of employees is increasing. Such conditions have great potential to generate a sense of

Corresponding Author:

Andi Arianto
andisbooy@gmail.com

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Turnover Intention, which then becomes the initial signal of employee turnover within the company.

Low (2001: 9) states that "turnover intention is the degree of propensity attitudes where employees want to find new jobs elsewhere, or a plan to leave the company within three months, six months, a year or two years to come". Other attitudes that appear directly in individuals when turnover intention occurs are the desire to seek other job vacancies or evaluate the possibility of finding a better job elsewhere. Based on this, the turnover intention will negatively affect the organization because it can create instability of labor conditions, employee productivity, decreased work atmosphere, and increased human resources cost.

Djatoroto Sugar Factory is one of the largest sugar factories located in Indonesia. Djatoroto Sugar Factory is one business unit of PT. Perkebunan Nusantara XI (*Persero*). In 2016, Djatoroto Sugar Factory has employees with a total of 2166 people. In this study, researchers chose permanent employees Group I and II as respondents. Selection of respondents is due to the employee status that remains as a consideration for them to think about the possibility to get out of the company. In addition, unlimited periods of employment, such as non-permanent employees, are also considered by researchers in determining these respondents.

The selection of themes, objects, and also subject of research is motivated by the low turnover rate that occurred in Djatoroto Sugar Factory Lumajang. This is because the average turnover rate in Djatoroto Sugar Factory is lower than the average turnover rate that occurs in companies with the same industrial sector, that is agribusiness. At PT. Perkebunan Nusantara II Unit Palm Oil Seberang, the average number of employee turnover is 2.2% per year. At PT. Perkebunan Nusantara VII Unit Pematang Kliwah, the average number of employee turnover is 1.8% per year. At PT. Perkebunan Nusantara V Pekanbaru, the average turnover rate of employees is 2.3% per year. While at PT. Nusantara XI Plantation Unit Djatoroto Sugar Factory, the average turnover rate for each year is 0.8%. (Source: Processed by researchers in 2017 from various sources)

In addition to the lower average turnover rate compared to the same industrial sector companies, based on a research that has been done Yudhistira, Emerald R (2015: 2) with the same research respondents who are sugar mill permanent employees, low turnover rate every year becomes an interesting thing to be studied. Murphy (2008: 6) concluded on his research that "the higher the level of employee salary satisfaction, then the higher possibility for them to stay in the company". This clearly shows that salary is a factor that can trigger a turnover intention.

In this study, researchers will use the reward variable as a variable that affects the turnover intention. Rewards variable have various types, one of which is salary. In general, rewards are the main thing that every employee looks for. Therefore, the researchers are interested to examine whether the low turnover that occurs in employees of group I and II is caused by the reward provided by Djatioroto Sugar Factory.

The intention is a desire that arises on the individual to do something. While turnover is the cessation of an employee from his place of work voluntarily. Sutanto & Gunawan (2013: 80) states that "Turnover Intention refers to the results of individual evaluations regarding the continuation of his or her relationship with a company that has not been realized in action to leave the company." Vázquez & Hernández (2013: 67) mentions "turnover intention is the subjective perception of members of the organization to quit current jobs for other opportunities". Based on the opinion of the experts above, it can be concluded that turnover intention is the desire of employees to get out of the organization that refers to the continuation of its relationship with the organization, and has not been realized in a definite action to leave the organization.

Turnover intention is measured by indicators developed by Chen and Francesco. Chen and Francesco (2000: 57) mentioned that there are 4 indicators for measuring turnover intention, ie the mind to exit, the desire to seek other jobs, the desire to leave the organization in the future, and the feeling that there is no future if it stays in this company.

The researchers stated that there are several factors that can influence turnovers, such as job attitude, personality, biodemographic, economic factors, personal factors, job characteristics, rewards system, supervisory, and group relations. In addition, a study conducted by Yaqin (2013: 102) also mentions that "organizational commitment has a significant effect on turnover intention".

Of the several variables that influence turnover intention, this study will focus on reward variables and organizational commitment. The reason for choosing this variable is because, in reward, there are some aspects that will determine whether someone will leave a company or not. Things that can be seen directly, namely the financial reward, is one of the main goals of someone to work. If employees do not get a financial reward, then the employee may leave the company. As the study by Olawale, R. & Olanrewaju, I (2016: 168) mentions that "there is a significant negative relationship between financial reward and turnover intention". This makes the high financial reward causing low turnover intention. In line with this, Yudhistira, Emerald R (2015: 10) explains that compensation has a significant negative effect on turnover intention.

In general, a reward is divided into 2 that is an extrinsic reward and intrinsic reward. Compensation is one form of extrinsic rewards provided by the company.

The reason for the selection of organizational commitment variables is because this variable has a significant influence on several studies that have been done. The organizational commitment will shape employees' perceptions of leaving the organization or staying in it.

"Organizational commitment is an attempt to define and engage in the organization, and there is no desire to abandon it" (Robbins, 2006: 78). Sutanto & Gunawan (2013: 77) in his research states that "Organizational commitment is related to the high desire of employees to share and sacrifice for the company". Based on this, it can be explained that organizational commitment is a sense of identification, involvement, and loyalty, whether expressed or not by an employee to his organization

Organizational commitment is measured by indicators developed by Mowday et al. Luthans (2006: 249). There are four indicators developed by Mowday et al to measure organizational commitment, namely a strong desire to remain a member, a desire to strive, acceptance of organizational value, and acceptance of organizational goals.

Previous research has shown that there is a positive relationship between organizational commitment and desired outcomes, such as high performance, low employee turnover, and low absenteeism (Luthans, 2006: 250). However, some studies do not show a strong relationship between the variables of commitment and the desired results as Luthans says. For example, a study found a stronger link between organizational commitment and performance for people with lower financial needs than people with high financial needs. Young et.al in Sopiah (2008: 154) suggests 8 factors that positively affect organizational commitment, namely: satisfaction to promotion, job characteristics, communication, leadership, extrinsic exchange, intrinsic exchange, intrinsic rewards, extrinsic rewards.

In the above explanation, there are several factors that affect organizational commitment. This study focused on reward variables, in which intrinsic rewards and extrinsic rewards are 2 factors that have a significant influence on organizational commitment. This is demonstrated by some previous research that has been done. In addition, intrinsic rewards and extrinsic rewards are also included in the reward classification.

Alice Chepkorir Milgo et al (2014:123) mentioned in his research that "all aspects of reward and compensation show a significant relationship with commitment". Thus, it is quite clear that rewards in this regard will have an effect on organizational commitment. The higher the reward received by the employee, the higher the commitment of the employee. This is because by giving high rewards, employees feel appreciated

by the company. Thus, a direct commitment (which is an attitude) will increase in an employee.

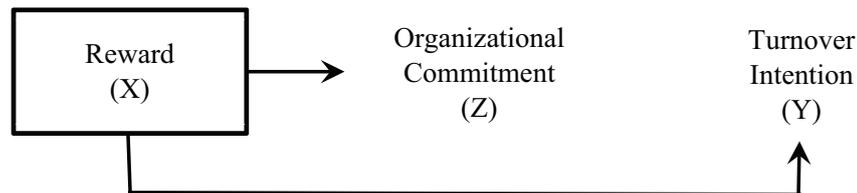


Figure 1: Conceptual Research Framework.

“Reward is all income in the form of money, goods directly or indirectly received by employees in return or services provided to the company” (Hasibuan, 2007: 132). Dessler (2005: 83) explains that rewards are all forms of payroll or reward to employees who arise because of their employment. Rewards can be in the form of direct payment of money (wages, salaries, incentives, or bonuses) and may also be in the form of indirect payments (insurance, or vacation at company expense), and can also be reward not money (flexible hours, prestigious offices, or more challenging jobs). The reward is measured by indicators developed by David A. DeCenzo and Stephen P. Robbins. This indicator is generally classified into 2 ie intrinsic and extrinsic. Seeing the influence of each variable to be investigated, the researchers proposed several hypotheses namely:

H_{a1} There is a significant negative direct impact of rewards on turnover intention.

H_{a2} There is a significant positive direct impact of rewards on organizational commitment.

H_{a3} There is a significant negative direct impact of organizational commitment to turnover intention.

H_{a4} There is a significant indirect effect of reward on the turnover intention with organizational commitment as an intervening variable.

1. RESEARCH METHOD

Respondents in this study are employees of Group I and II Djatioroto Sugar Factory with a population of 472 people. The sample used is 217 people. This result is obtained by proportional random sampling technique based on class and space.

The questionnaire used is a closed questionnaire, where the alternative answer has been provided so that respondents only choose the choice of answers that have

been provided. This research uses a Likert scale from 5 categories of answers that are modified into 4 categories of answers by omitting the middle answer category. This is based on the reason that the middle answer category has a double meaning which means that the respondents have not been able to decide or give an answer (according to the original concept). This answer can also be interpreted as neutral, rare, or even hesitant. Multiple interpretable answers category is certainly not expected in the instrument. The purpose of the answer category to 4 is to see the trend of respondents' opinion, to agree or disagree. The weighting of the data collected from the questionnaire is done by giving a range of values from 1 (for strongly disagree answers) to 4 (for strongly agree answers).

Testing the validity is to see the Corrected Item-Total Correlation value of each item measured by using software SPSS 22. If the resulting value ≥ 0.30 then the item is declared valid. While the reliability test is measured by statistical test Cronbach Alpha (a), with the limitation of a variable is said to be reliable if the value > 0.600 .

1.1. Hypothesis Testing Technique

In this research, the analysis technique used is path analysis. Path Analysis is a method of statistical analysis that provides a quantitative interpretation or interpretation of the relationship of a number of variables in the model. This path analysis was developed as a method to study the effect (effect) directly and indirectly from independent variable to dependent variable.

Path analysis is an extension of the regression analysis. This makes the classical assumption test also applicable to path analysis. The classical assumption test is intended to determine whether the regression model is appropriate for the variables used in the study. The classical assumption test used is the Normality Test and Heteroscedasticity Test.

2. RESULTS

The validity test shows that the Corrected Item-Total Correlation value of each questionnaire item is ≥ 0.30 and in the reliability test is Cronbach Alpha (a) > 0.600 . These results prove that the questionnaire has been said to be valid and reliable to be given to the respondents.

In the classical assumption test performed, normality test has been fulfilled. This is indicated by the spreading of points on the Normal Probability Plot chart which is not

far from the diagonal line and follows the direction of the diagonal line. While on the heteroscedasticity test, the model has been fulfilled with the reason that the spatial distribution on the scatterplot chart does not form a clear pattern and the points spread above and below the number 0 on the Y-axis.

2.1. Path Analysis

The result of path analysis which has been done shows that:

2.1.1. Direct Influence of Reward on Turnover Intention

TABLE 1: Direct Influence of Reward on Turnover Intention.

No	Respondent	Constant	R Square	Standardized Coefficients	Sig
1	employee group I	30.679	.418	-.647	.000
2	employee group II	36.559	.390	-.624	.000
3	employee group I and II	31.749	.389	-.624	.000

Source: data processed by researchers in 2017

The researchers conducted 3 times analysis with the first respondents as employee group I, the second as employee group II, and third as a combination between employee group I and employee group II. In table 1 above it can be explained that the value of 31,749 in the respondents' employee group I and II means that if the value of variable reward = 0, then the value of turnover intention variable is 31.749.

The determinant coefficient or R Square for the employee group I and II respondents is 0.389, which means that the effect of reward on turnover intention on employee group I and II is 38.9% while the remaining 61.1% is influenced by other factors outside of this model. If the respondents are separated into employee group I and employee group II, then the bigger influence is shown by employee group I respondents with the R Square value of 0,418 (41,8%). As for the employee group II, they have the R Square value of 0.390 (39%). In the respondents for employee group I and II, the effect of reward on turnover intention based on standardized beta coefficient shows negative value (-) 0,624. Hence (H_{a1}) which states that reward negatively affects turnover intention is **accepted**.

2.1.2. Direct Influence of Organizational Commitment to Turnover Intention

TABLE 2: Direct Influence of Organizational Commitment to Turnover Intention.

No	Respondent	Constant	R Square	Standardized Coefficients	Sig
1	employee group I	27.839	.374	-.611	.000
2	employee group II	28.418	.353	-.594	.000
3	employee group I dan II	27.850	.358	-.599	.000

Source: data processed by researchers in 2017

In Table 2 above, it can be explained that the value of 27.850 in the respondents for employee group I and II is = 0, then the value of turnover intention variable is 27.850.

The determinant coefficient or R Square for the employee group I and II respondents is 0.358 which means that the influence of organizational commitment to turnover intention on employee group I and II is 35.8% while the remaining 64.2% is influenced by other factors outside of this model. If the respondents are separated into employee group I and employee group II, the greater influence is shown by employee group I respondents with the R Square of 0.374 (37.4%). As for the respondents for employee group II, R Square value of 0.353 (35.3%). In the respondents of employee group I and II, the effect of organizational commitment to turnover intention based on standardized beta coefficient shows a negative value (-) 0,599. Hence (H_{a3}) which states organizational commitment negatively affect the turnover intention is **accepted**.

2.1.3. Direct Influence of Reward to Organizational Commitment

In Table 3 above, it can be explained that the value of 5.855 in respondents for employee group I and II that means if the value of reward variable (X) = 0, then the value of organizational commitment variable (Z) is 5.855. The determinant coefficient or R Square (R^2) for the respondent's employee group I and II is 0.321, which means that the reward effect on organizational commitment in employee group I and II is 32.1% while the remaining 67.9% is influenced by other factors in outside of this model. If respondents are separated into employee group I and employee group II then the bigger influence is shown by respondents employee group I is R Square equal to 0,367 (36,7%). As for respondent's employee group II, R Square value of 0.214 (21.4%). In

TABLE 3: Direct Influence of Reward to Organizational Commitment.

No	Respondent	Constant	R Square	Standardized Coefficients	Sig
1	employee group I	6.495	.367	.605	.000
2	employee group II	5.073	.214	.463	.000
3	employee group I dan II	5.855	.321	.566	.000

Source: data processed by researchers in 2017

the respondents employee group I and II, the influence of reward on organizational commitment based on beta coefficient that is standardized shows a positive value (+) 0,566. So (H_{a2}) that states reward positive effect on organizational commitment is acceptable.

2.1.4. The Indirect Influence of Reward on Turnover Intention with Organizational Commitment as Intervening Variable

The indirect effect of reward on the turnover intention with organizational commitment as an intervening variable is obtained through multiplication of direct influence value (coefficient of standardized or beta) in each equation.

TABLE 4: Indirect Influence.

No	Respondent	Calculation	Indirect Influence
1	employee group I	$PTL = 0,605 \times (-0,611)$	-0,369
2	employee group II	$PTL = 0,463 \times (-0,594)$	-0,275
3	employee group I dan II	$PTL = 0,566 \times (-0,599)$	-0,339

Source: data processed by researchers in 2017

Based on the calculation in Table 4 above, the indirect effect of reward on the turnover intention with organizational commitment as an intervening variable in employee group I is negative (-) 0.369 whereas in employee group II is negative (-) 0.275. The result of indirect influence on employee group II is smaller than respondents for employee group I.

If the respondents are aggregated between employee group I and employee group II then the indirect effect is negative (-) 0.339. Hence (Ha4) which states reward negatively affect turnover intention with organizational commitment as an intervening variable can be accepted.

2.1.5. Total of Coefficient Determination

TABLE 5: Total of Coefficient Determination.

No	Respondent	Total of Coefficient Determination
1	employee group I	0,770
2	employee group II	0,690
3	employee group I dan II	0,734

Source: data processed by researchers in 2017

The result of calculating the total coefficient of determination above shows that the diversity of data shown by the model in respondents for employee group I is 0.770, which can be interpreted that the 77% information can be explained in this model and the remaining 23% is explained by other variables. In the respondents for employee group II, the value of the coefficient of determination is 0.690 (69%). This result is smaller than the respondents for employee group I. Whereas the combination of employee group I and employee group II have the value of the coefficient of determination of 0.734, which means that 73.4% of this model can explain the information contained in the data and the 26.3% is explained by other variables.

3. DISCUSSION

In the results described above, it can be proven that the rewards provided by Djatioroto Sugar Factory to employee groups I and II have a positive effect. While in the intent turnover variable, employee groups I and II give negative ratings almost on all items of statements that exist in the questionnaire. This result proves that employee group I and II who are working at Djatioroto Sugar Factory have relatively low turnover intention rate.

In the organizational commitment variable, respondents' answers to the questionnaire have the highest value compared to the other two variables. The majority of

respondents responded 'agree' on almost all statement items that exist in organizational commitment variables. This result shows that the organizational commitment owned by employee group I and II Djatioroto Sugar Factory is quite high. This is because employee group I and II feel appreciated, one of them through the provision of rewards by Djatioroto Sugar Factory.

One example of a reward provided by Djatioroto Sugar Factory is health benefits. This healthcare benefit differs from the health benefits provided by other companies. This is because Djatioroto Sugar Factory has direct access to Djatiroto Hospital where Djatiroto Hospital is a hospital owned by PT. Nusantara Eleven Media (a subsidiary of PTPN XI). Thus, employee group I and II can get health services directly from this hospital. This privilege does not only apply only to them, but also to their children and their spouses. While in other companies, health benefits provided through the program BPJS Employment.

One example of intrinsic rewards is the provision of activities that vary outside of their work. One example of this activity is a Thanksgiving event that is done after each process of milling (production). This Thanksgiving event (*ruwatan*) is made as lively as possible through a party which is held together with all employees of Djatioroto Sugar Factory and all its stakeholders. This is one example of activities not found in other companies.

If these results are linked to the macroeconomic side, then it can be seen that the number of unemployed also strengthens this outcome. In 2016 the Open Unemployment Rate of East Java Province shows the figure of 4.21% with the number of 19.95 million people (*source:*<http://www.bps.go.id/linkTableStatis/view/id/981> accessed on 26 Mei 2017). This figure shows that the open unemployment rate of East Java Province is quite high. This is in accordance with the results of research, where unemployment is high enough to make low turnover intention employees at companies in East Java. Employees will rethink to leave the company because the competition in getting a job is more difficult with the number of unemployment available.

Research conducted by Yudhistira, Emerald R (2015: 10) states that "compensation has a significant negative effect on turnover intention". Research conducted by Yudhishtira has the same object, which is the employee of the sugar factory. Respondents are also the same, ie permanent employees at the sugar factory. Compensation is one form of extrinsic rewards provided by the company. After doing this research, it turns out that if the intrinsic reward is also used as an indicator, the results obtained still show that the reward has a significant negative effect on turnover intention.

Researchers argue that respondents' answers about the rewards provided by Djatioroto Sugar Factory have been in accordance with the expectations of respondents (seen in the data exposure). This has an impact on the low level of turnover intention owned by employee groups I and II. When viewed from the comparison of the value of influence between employee group I and employee group II, it turns out the results showed that the greatest influence is owned by employee group I with a percentage of 41.8% while employee group II of 39%.

According to the researchers, the reason for the high value of influence on employee group I is because employee group I assume that the reward provided by Djatioroto Sugar Factory has more than enough. As for employee group II, they are more motivated to raise their positions. Consequently, the role of reward (especially extrinsic rewards) is less influential on employee group II. Employee group II assumes that the reward given by the company is no longer their motivation because they are more interested in raising their level, so they become part of the Board of Directors of PT. Perkebunan Nusantara XI (Persero).

In the above analysis results, it can be proved that organizational commitment variable has a significant negative effect on turnover intention. This influence shows that organizational commitment is able to impact the low turnover intention level of employee group I and II Djatioroto Sugar Factory so that employees will be more loyal with no desire or action to get out of Djatioroto Sugar Factory.

In this study, an organizational commitment of employee group I and II Djatioroto Sugar Factory into the high category. This result is evidenced by high mean value on respondents' answers to the questionnaire given. In addition, from the responses of respondents in item 26 on the questionnaire, it can be seen that the majority of respondents responded 'disagree' with the statement that respondents are interested in the job openings they find. This clearly shows that respondents have high organizational commitment and low turnover intention.

Researchers believe that the level of organizational commitment shown from the results of this study shows that employee groups I and II feel that they have a high commitment. In addition, they also feel that they are part of the company and this can affect (turnover intention of employees. This result proves that Djatioroto Sugar Factory has been able to meet the indicators used by researchers to measure the level of organizational commitment owned by the employee.

Overall, based on research results, the magnitude of the determinant coefficient or R Square for employee groups I and II is 0.358. If the analysis is done by a group, then the greater influence is still owned by employee group I. The amount of influence on

employee group I is 37.4% while the employee group II is 35.3%. The same reason can also explain that the high level of organizational commitment is because employee group I still focuses on matters relating to job operations, while employee group II focuses on improving their career path.

The positive effect of reward on organizational commitment can be interpreted that the higher the reward value given by the company, the organizational commitment owned by employees is also higher. Vice versa, if the reward value provided by the company is low, then the organizational commitment of the employee will also be low in value.

According to this research, the organizational commitment of employee group I and II Djatioroto Sugar Factory is influenced by reward variable. The results showed that rewards have a significant influence on organizational commitment with a value of 32%.

Overall, based on research results, the magnitude of the determinant coefficient or R Square for employee groups I and II is 0.321. If the analysis is done by the group, then according to the previous discussion, the greater influence is owned by respondents for employee group I. The effect of employee group I is 36.6% while the employee group II is 21.4%. The reason for the high value of this influence is because employee group I is more concentrated on their work. In addition, reward that affects organizational commitment also explains this reason. Employee group I feel that the reward given is more than enough. This makes organizational commitment owned by employee group I will tend to be higher than employee group II.

In the above explanation, it can be seen some direct influences of the three variables studied. By using path analysis, it can be known the indirect influence of reward variable to the turnover intention with organizational commitment as the intervening variable.

The result of path analysis shows that reward indirectly has a significant negative effect on the turnover intention with organizational commitment as the intervening variable. Just as in the direct influence, the negative effect can be interpreted that if the reward variable shows the higher value, then the intention turnover variable will show the lower value. Similarly, vice versa, if the reward variable shows the lower value, then the intention turnover variable will show the higher value.

The value of indirect effect of reward on the turnover intention with organizational commitment as the intervening variable in this study is lower than the value of direct reward effect on turnover intention. The standardized beta value on the direct influence of reward on the turnover intention for employee group I and II is

(negative) -0.624, while for indirect influence of reward on turnover intention with organizational commitment as intervening variable at employee group I and II, the beta value is only of (negative) -0.339. These results indicate that rewards are more directly influential because rewards are the dominant variables that affect turnover intention of the employees.

Research conducted by Yudhistira, Emerald R (2015) shows that compensation directly affects turnover intention, but this influence cannot be mediated by job satisfaction variables. This is because job satisfaction has no effect on turnover intention with a significance value of $0,790 < 0,05$ (error rate 5%). While in this study, organizational commitment can mediate the influence of rewards on turnover intention. Organizational commitment has an effect on turnover intention with significance value of $0,000 < 0,05$ (error rate 5%). As mentioned earlier, the indirect effects mediated by these organizational commitments show lower results than the direct impact of rewards on turnover intention without mediation by organizational commitment variables.

Researchers believe that reward-related results that have a lower effect on turnover intention are due to organizational commitment variables. The organizational commitment that is an attitude, cannot add a sense of appreciation of employees to the rewards provided by the company. However, since organizational commitment has a significant effect on turnover intention, as an intervening variable, organizational commitment also supports the indirect effect of independent variables on dependent variables.

4. CONCLUSION AND RECOMMENDATION

4.1. Conclusion

Reward provided by Djatioroto Sugar Factory to employee group I and II as a whole is good and in accordance with the expectations of employees. Organizational commitment owned by employee group I and II are high, this is because employees feel appreciated by one of them reward by Djatioroto Sugar Factory. While turnover intention on employee group I and II is low. This is a good signal for Djatioroto Sugar Factory because it means that Djatioroto Sugar Factory has been successful in managing the things that affect the turnover intention variables. Rewards directly have a significant negative effect on turnover intention, organizational commitment directly has a significant negative effect on turnover intention, and rewards directly have a significant positive

effect on organizational commitment. Rewards indirectly have a significant negative effect on the turnover intention with organizational commitment as an intervening variable. The indirect effect of reward on turnover intention with organizational commitment as the intervening variable employee group I and II Djatioroto Sugar Factory is lower than the direct influence of reward on turnover intention without mediated by organizational commitment.

4.2. Suggestion

For Djatioroto Sugar Factory, it is expected to maintain and increase the rewards given to employee groups I and II, especially on intrinsic rewards by, among others, increasing employees' opportunities to participate in decision-making operational decisions. In addition, Djatioroto Sugar Factory is also expected to always maintain the organizational commitment owned by employee group I and II because for now, organizational commitment owned by employees is high enough. Maintaining this organizational commitment can be done by improving the things that affect organizational commitment such as, one of them, an increase in rewards.

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