

How is the Effect of Job Insecurity, Work Stress, and the Work Environment on Turnover Intention:

A Case Study at the Company of Supplier Security System in Indonesia

Agus Arijanto*

¹ Universitas Mercu Buana

² Universitas Jenderal Soedirman

¹ Jakarta, ² Purwokero, Indonesia

*agus.arijanto@mercubuana.ac.id

Devi Marlita

¹ Trisakti Institute of Transportation and Logistics

² Universitas Jenderal Soedirman

¹ Jakarta, ² Purwokero, Indonesia

wylsa_phyto@yahoo.com

Agus Suroso, Ratno Purnomo

Universitas Jenderal Soedirman

Purwokero, Indonesia

Abstract—This study aims to determine the effect of job insecurity, work stress and work environment on turnover intention. The object of this research is employees of the company of supplier security system in Indonesia. The sampling technique used in this study is the sample saturated with the total sample population of 82 respondents and the data analysis used is the statistical analysis of multiple linear regression tests. The results showed that the variable job insecurity had a positive and significant effect on turnover intention, work stress had a positive and significant effect on turnover intention, and the work environment had a positive and significant effect on turnover intention.

Keywords: *job insecurity, work stress, work environment, turnover intention*

I. INTRODUCTION

Human resources are important determinants of success or failure of the process of organizational change and as a consequence. Attention will be very much emphasized on the factors that influence individual attitudes toward change, one of which is emphasized in the most important factors for success or failure of the process of organizational change is their commitment to the organization. In an organization of human resource management must be very sensitive to the various changes which has been occur around the organization because the changes that occur will lead to various types of challenges that must be faced and addressed properly, various types of challenges that must be faced in human resource management can be external can be interpreted by various things whose growth and development are beyond the ability of the organization to control it but must be calculated because growth and development can influence both positively and negatively on the organization, challenges that are internal are not less important than various external challenges because the resources within the organization must be able to try to

improve its ability to carry out all organizational functions with a high level of efficiency, effectiveness and productivity and the challenges of the Professionals in an organization must be able to take into account the situation in the organization because the organization is a forum for individuals to achieve goals that are determined jointly by the people involved in achieving these goals, so that there is a need for continuous interaction of organizational elements.

The high level of turnover intentions has become a serious problem for many companies, even some companies are frustrated when they find out that the recruitment process that has managed to recruit quality staff ultimately turns out to be futile because the recruited staff have chosen jobs in other companies. The desire to move from one workplace to another, is influenced by aspects of job satisfaction which include satisfaction with received supervision, wage satisfaction and promotion, satisfaction with colleagues, and satisfaction with employment. If there is a feeling of dissatisfaction and insecurity that is owned by the employee will affect the condition of the employee and consequently tend to increase turnover intention in Hanafiah [1].

The Problems in the high turnover rate of the company will increasingly cause various kinds of costs that will be incurred by the company, such as training costs and recruitment costs that must be incurred by the company. Turnover intention has a negative impact on the organization because it creates instability in the condition of the workforce, decreases employee productivity, a non-conducive working atmosphere and also has an impact on the increasing cost of human resources. As with replacements that continue to run, both replacement (change) due to age factors and resignation. If the change is caused by an age factor, the company can anticipate by preparing cadres to replace the position of the employee. But if employee turnover is caused by resignation, it will be difficult for the company because it is related to the

implementation of work programs that have been set by the company in Fawzy [2].

Turnover is a classic problem that is always faced by entrepreneurs. As with replacements that continue to run, both replacement (change) due to age factors and resignation. If the change is caused by an age factor, the company can anticipate by preparing cadres to replace the position of the employee. But if employee turnover is caused by resignation, it will be difficult for the company because it is related to the implementation of work programs that have been set by the company in Fawzy [2].

An organization or company that experiences a high level of turnover intensity will have a negative impact on the organization if it leads to the decision of the employee to leave the organization (turnover) therefore it is necessary to know the factors that can affect turnover intention so that the tendency for turnover can be emphasized. Some existing research and literature show that turnover intention is related to job insecurity, work stress, and work environment. Conditions of uncertainty in the organization will cause a variety of serious problems, one of which is Job Insecurity which can have an impact on the job satisfaction of its employees. While Hanafiah states that job insecurity or can be called job insecurity can be defined as a condition related to fear someone will lose his job or the prospect of demotion or decline in position and various other threats to working conditions associated with decreased psychological well-being and decline job satisfaction [1]. The positive relationship of work stress to turnover intention, where with increasing work stress is also followed by an increase in the desire of employees to move work (turnover intention). Stress arises when employees are not able to fulfill what is demanded by work, unclear what is the responsibility of the job, lack of time to complete the task, lack of facility support for carrying out work, conflicting tasks, are examples of stressors. Stress can be said to be an adaptive response where if an individual experiences this, the formation of individual interactions in the environment can increase anxiety or frustration that will arise in the work environment.

The Conditions of uncertainty in the organization will cause a variety of serious problems, one of which is Job Insecurity which can have an impact on the job satisfaction of its employees. While Hanafiah states that job insecurity or can be called job insecurity can be defined as a condition related to fear someone will lose his job or the prospect of demotion or decline in position and various other threats to working conditions associated with decreased psychological well-being and decline job satisfaction [1]. And the positive relationship of work stress to turnover intention, where with increasing work stress is also followed by an increase in the desire of employees to move work (turnover intention). Stress arises when employees are not able to fulfill what is demanded by work, unclear what is the responsibility of the job, lack of time to complete the task, lack of facility support for carrying out work, conflicting tasks, are examples of stressors.

Every employee will certainly crave comfort and security in work, in that context that it can be said that the work environment is one aspect that is no less important because the

work environment can be said to be around the workers and that can affect themselves in carrying out tasks that become its responsibility because employees and companies are two things that cannot be separated where employees as the main role holders in running the wheels of company life and the success of a company can be seen from the achievement of organizational goals.

II. THEORY AND HYPOTHESIS

A. Human Resource Management

According to Cashmere, management of human resources which can be said as a process of human management, through planning, recruitment, selection, training, development, compensation, career, safety and health and maintaining industrial relations until termination of employment to achieve goals company and increasing stakeholder welfare [3].

B. The Desire to Change Work

Desire (intention) is an intention that arises in an individual to do something. While turnover is the cessation of an employee from where he works voluntarily or moves from one workplace to another. Thus, Turnover intention (intention to leave) is the tendency or intention of employees to stop working from their jobs according to Zeffane [4].

C. Job Insecurity

Putra and Suana describes job insecurity as a sense of overall concern about the future existence of work. Job insecurity is not just about trying to keep someone's job [5]. But it also maintains aspects and features of work that are important to employees. From several definitions presented by some experts regarding job insecurity, it can be concluded that job insecurity is an individual psychological state in the form of anxiety, fear, and insecurity in the future of work that is caused by unclear status, changes in the organizational environment and threatening work situations.

D. Work Stress

Work stress according to Fahmi that stress is a condition that suppresses a person's self and soul beyond his capacity, so that if he continues to be left without a solution, this will have an impact on his health, stress is not just arise but the causes of stress arise generally followed by factors that affect a person's psyche and events that occur outside of his ability so that the condition has suppressed his soul [6]. Work stress is now regarded by many commentators as one of the most important issues facing management in this decade. Work stress has the potential to affect the performance of all levels of staff, ranging from senior management to the young and newly employed [7].

According to Masydzulhak Djamil Mz and Dadan Zaenudin, that work environment is an environment where employees do their daily work, the conducive work environment provides a sense of security and enables employees to work optimally [8].

E. Work Environment

According to Supandi, the organizational environment is the environment around work that influences the work spirit of an individual in doing his work [9]. Every organization in this case the leader must be able to create an atmosphere that supports the implementation of the duties of each individual in the organization. And according to Purwanti and Nurhayati, that every individual in an organization can experience stress, especially individuals who are less able to adjust to differences and changes [10]. Citizenship behavior between individuals is needed to be able to create a good organizational climate through working not only what is their own responsibility but can help other coworkers and provide something more for the organization. Harmonization of organizational goals with individuals involved in the organization is important because it can equate perceptions between organizational goals with individual goals. The equality of vision and mission between organizations and employees will accelerate the target or goals set by the company.

F. Relationship between Variables and Thinking Framework

1) *Effect of job insecurity on turnover intention:* It can be seen from the powerlessness to maintain the desired continuity in work conditions that are threatened by various things that occur in the organization that will disrupt the morale so that effectiveness and efficiency in carrying out tasks cannot be expected and result in decreased work productivity and will have an impact on turnover intention. This is supported by the results of the study Andrinirina et al which concluded that there was an effect of positive and significant work insecurity on turnover intention [11].

H1: Job insecurity has a positive and significant effect on the desire to move (turnover intention).

2) *Effect of job stress on turnover intention:* There are influences that indicate that problems that occur in the organization such as workload and time received, conflicts or disputes within the company and conflicts or disputes within themselves create a high workload and have an impact on the desire to leave the organization. Job stress will have an impact on the desire of employees to move. Waspodo et al in his research found that there is a positive and significant influence between work stress and turnover intentions, explained that when employees feel uncomfortable the employee will experience stress and then affect the desire to move [12]. Other researchers who also strengthen the statement that there is a relationship between work stress and turnover intentions are Nazenin et al research that was previously conducted on permanent employees in the production section has found that work stress has a positive and significant effect on turnover intention [13].

III. METHODOLOGY

A. Sample and Data Collection

The population of this study was employees of PT. Axindo Humaperdana which currently has 82 employees. The amount of sampling used is the same as the population or called saturation sampling is a sampling technique if all members of the population are used as samples. This is often done if the population is relatively small.

B. Measures

1) *Test of multiple linear regression analysis:* Multiple linear regression analysis is used as a statistical analysis because this research is designed to examine the variables that influence the independent variables (Job Insecurity, Job Stress, and Work Environment) on the dependent variable (turnover intention). In the regression analysis, besides measuring the strength of the relationship between two or more variables also shows the direction of the relationship between the dependent variable and the independent variable according to Ghazali [14]. Then the formulation of the analysis model used in this study is:

a) *Multiple linear regression test:* The multiple linear regression equation can be arranged as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

$$Y = -0,012 + 1,010X_1 + 0,222X_2 + 0,114X_3$$

Where:

Y	=	Turnover Intention
a	=	Constant
b ₁	=	Variable Regression Coefficient X ₁
b ₂	=	Variable Regression Coefficient X ₂
b ₃	=	Variable Regression Coefficient X ₃
X ₁	=	Variable Job Insecurity

2) *Validity test:* To measure the validity of the questionnaire is done by calculating the correlation between factors between scores on the construct so that it is called item analysis. Significance test is used by comparing the value of the correlatiocoefficient (r count) with r value Table for degree of freedom (df = degree of freedom) n-k where n is the number of samples and k is the number of variables at a significant level of 5% ($\alpha = 0.05$). If the value of r count (in the SPSS output denoted as corrected item total correlation) the result is positive and r count > r table, it can be stated that the item statement is valid. Likewise with the opposite, if r count < r table then it can be said that the item question is invalid. The value of r table with the number of respondents 82 in this study is 0.2864.

3) *Reliability test result:* Reliability is a term used to indicate the extent to which a measurement result is relatively consistent if the measuring instrument is used repeatedly. In conducting reliability testing can be seen with the provision of the value of cronbach's alpha ≥ 0.60 .

4) Kolmogorov-Smirnov test:

TABLE I. ONE-SAMPLE KOLMOGOROV-SMIRNOV TEST

		Unstandardized Residual
N		82
Normal Parameters ^{a,b}	Mean	.0E-7
	Std. Deviation	.05269231
Most Extreme Differences	Absolute	.084
	Positive	.060
	Negative	.084
Kolmogorov-Smirnov Z		.758
Asymp. Sig. (2-tailed)		.613

^a. Test distribution is Normal.

^b. Calculated from data.

According to the table above, the results of the Kolmogorov-Smirnov Asymp test are obtained. Sig. (2-tailed) = 0.613 > 0.05. This shows, that the data taken from the population is normally distributed.

5) Determination coefficient test (R2):

TABLE II. MODEL SUMMARY ^a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.993 ^a	.986	.985	.0536961

^a. Predictor(Constant): Work Environment, Work Insecurity, Work Stress

^b. Dependent Variable : Turnover Intention

Based on table above from the summary model, it can be seen that the Determination Coefficient / Adjusted R Square shows 0.985; the meaning is 98.5% of the value of Turnover Intention determined by Job Insecurity, Job Stress, and the Work Environment.

6) *Simultaneous significance test results (Test F):* Testing F is a testing model that is used to determine whether the results of the regression analysis are significant or not, in other words the model that is supposed to be right or not. The standard value of significance used is 0.05. The following are the test results:

a) Test F (Simultaneous):

TABLE III. TEST F ^a

Model	Sum of Square	df	Mean of Square	F	Sig.
1 Regression	15.548	3	5.183	1797.525	.000 ^b
Residual	.225	78	.003		
Total	15.773	81			

^a. Defendant Variable: Turnover Intention

^b. Predictor (Constant): Work Environment, Work Insecurity, Work Stress

Based on table above, information is obtained as follows:

- F count is 1797,525 > F table (df1, 4-1 = 3, df2, 82-4 = 78, 5%) of 2.73.

- Sig value 0,000 < 0,05. Therefore, the simultaneously the independent variables have a significant effect on the dependent variable.

IV. RESEARCH RESULTS AND DISCUSSION

A. The Effect of Job Insecurity on Turnover Intention

According to Green states job insecurity as job anxiety that is as a condition of uncertainty of continuous and unpleasant work [10]. Employees who experience job insecurity can interfere with work morale so that effectiveness and efficiency in carrying out tasks cannot be expected and result in a decrease in work productivity. As a result of the decline in work productivity can affect the sustainability of the company.

The results of the calculation of the T test for the effect of the Work Inability variable on the Turnover Intention variable are 0,000 < 0,05. That is, the variable Inability to Work has a positive and significant effect on Turnover Intention. The results of this study, in line with the results of research found by Putra and Suana which states that Job Inactivity has an effect on Turnover Intention [5].

B. Effect of Work Stress on Turnover Intention

Work stress is a stress arising from excessive workload and various time pressures from the workplace such as work that is pursued (deadline) [10]. The results of the T test calculation for the effect of the Job Stress variable on Turnover Intention are 0,000 < 0,05. That is, Job Stress has a positive and significant effect on Turnover Intention. The results of this study, in line with the results of the study found by Halimah et al which states that Job Stress affects Turnover Intention [15].

C. The Effect of the Work Environment on Turnover Intention

According to Saydam, the work environment is as a whole the infrastructure of work that exists around employees who are carrying out work that can affect the work itself, even though the work environment is an important factor and can affect employee performance, but there are still many companies that pay less attention to the conditions of the work environment around the company [16].

The results of the T test calculation for the effect of the Work Environment variable on Turnover Intention are 0,000 < 0,05. That is, the Work Environment has a positive and significant effect on Turnover Intention. The results of this study, in line with the results of research found by Halimah et al which states that the Work Environment has an effect on Turnover Intention [15].

V. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

From the results of the research discussed in the previous chapter, conclusions can be drawn as follows:

- Influential Job Insecurity on Turnover Intention of PT Axindo Humaperdana in Jakarta. That is, if employees feel insecure at work, then their turnover intention

becomes high. Conversely, if employees feel safe at work, they tend to feel at home to work in the company.

- Work Stress has an effect on Turnover Intention of PT Axindo Humaperdana in Jakarta. That is, if employees are kept pressed with overlapping jobs and doing work that is not their part, they prefer to leave the company. However, if employees don't feel pressured and their superiors can support them at work, they will prefer to stay in the company rather than looking for another place to work.
- Work Environment has an effect on Turnover Intention of PT Axindo Humaperdana in Jakarta. That is, if the physical environment of a hot room, poor lighting, dirty floors, etc.) and a non-physical environment (bad relations with work colleagues and superiors) in the company makes them uncomfortable in working, then they will think to leave the company. However, if they feel refreshed, comfortable in the work room so that they do not mind overtime work and they can share stories, complain with colleagues, or even joke with superiors, of course their turnover intention is very small.

B. Recommendations

Based on the results of research, discussion, and conclusions obtained, some suggestions can be given as follows:

1) Recommendation for companies:

a) *Job insecurity*: In the variable work insecurity, there are three indicators that have the lowest average, namely:

- I am pessimistic about my future if I continue to work in this company (KK3).
- It is very difficult for me to leave my current organization (KK8). The two indicators means that some employees have high pessimism about their future if they continue to work at PT. Axindo Humaperdana Jakarta. However, their lives will be disrupted if they leave the company. That, it becomes a dilemma and a sense of heaviness to leave the company for some employees. Therefore, advice that can be taken into consideration is that the company must be sensitive to the feelings of employees at work, whether they feel safe or not. If this is not immediately followed up, the employee turnover intention will never change.

b) *Work stress*: In the work stress variable, there are two indicators that have the lowest average, namely:

- The roles / positions I receive in this company often conflict with each other, which makes me confused (SK3).
- If I see the success of others, I find many shortcomings in myself (SK10).

The two indicators mean that employees always feel that they are not directed at their work conditions and are discouraged if they see employees who are more successful than they are. Therefore, the advice that can be taken into

consideration is the organization development company must review the job descriptions of each position. So that everything is updated and becomes clear. Then, hold a sharing moment to be able to motivate each other.

c) *Work environment*: In the work environment variable, the lowest average is the seventeenth indicator, namely "absence of seniority in the scope of the company", which means that some employees feel there is a seniority atmosphere in the company. Therefore, advice that can be taken into consideration is that the company must create a culture or atmosphere that can make everyone work comfortably, but still respect and respect each other.

2) *Recommendation for further research*: In the next study the authors hope that this research can be useful to increase knowledge related to Job Insecurity, Work Stress, and the Work Environment for Employee Turnover Intention. In addition, to conduct research related to other variables which are 1.5% based on the test coefficient of determination. And for example, researching about Compensation, Promotion, Motivation, Career, and so on. Then it can be used as an attractive reference material and as a consideration in conducting thesis writing and other scientific works, it should be done by using a number of variables and indicators that are better and more numerous and can be adapted to the research object used.

REFERENCES

- [1] M. Hanafiah, "The Influence of Job Satisfaction and Job Insecurity with Work Move Intention (Turnover) at PT. Buma, Suaran Village, Sambaliung District, West Sumatra Regency," *E-Journal of Psychology*, vol. 1, no. (3), pp. 303-312, 2014.
- [2] A.G. Fawzy, "Effect of Job Stress, Job Satisfaction and Employee Commitment on Intention to Leave Organizations at PT. Marubeni Raya," *eJournal Management Gunadarma University*, 2012.
- [3] Cashmere, *Human Resource Management (Theory and Practice)*. Jakarta: PT Raja Grafindo Persada, 2016.
- [4] M.S. Ajiputra and A. Yuniawan, "Analysis of the Effect of Job Insecurity and Compensation Satisfaction on Turnover Intention and Its Impact on Employee Performance Study in Semarang Regency PDAM," *E-Journal of Management*, vol. 5, no. (1), p. 2, 2016.
- [5] K.A.R. Putra and I.W. Suana, "Effect of Organizational Commitment and Job Insecurity on Turnover Intention at Employees of Arma Museum & Resort Ubud," *E-journal of Unud Management, Faculty of Economics and Business, Udayana University, Bali*, vol. 5, no. (12), pp. 7697-7723, 2016.
- [6] I. Fahmi, *Introduction to Human Resource Management Jakarta*: Mitra Wacana Media, 2016.
- [7] G.F. Ross and G.F. Ross, "Work stress and personality measures among hospitality industry employees," *International Journal of Contemporary Hospitality Management*, vol. 7, no. (6), pp. 9-13, 2007.
- [8] M.D. Mz and D. Zaenudin, "The Effect Of Compensation, Motivation And Work Environment On Employee Performance," *Journal of Management & Business Scientific Journal of Mercur Buana University*, vol. 2, no. (1), 2018.
- [9] I. Djuwanto and S. Hartono, "The Effect of Incentives, Competencies, and Work Environment on Employee Performance of the Public Works Office of Sukoharjo Regency," *Journal of Accounting and Tax Management Faculty of Economics, Surakarta Islamic Islamic University*, vol. 18, no. (01), p. 83, 2017.

- [10] D. Purwanti and M. Nurhayati, "The Effect Of Organizational Climate And Type of Personality On Work Stress And Authority Behaviour," *Journal of Management, Universitas Taruma Negara*, vol. XX, no. (02), pp. 293-309, 2016.
- [11] M.A. Avotriniaina, S. Sudarsih, and I.K.M. Dwipayana, "Influence of the Work Environment, and Job Insecurity on Performance and Turnover Intention Employees at Royal Hotel n 'Lounge Jember," *Management Journal of the Faculty of Economics, University of Jember*, 2015.
- [12] A.A.W.S. Waspodo, N.C. Handayani, and W. Paramita, "Effect of job satisfaction and work stress on turnover intention on employees of PT. Unitex Bogor," *Research Journal of Indonesian Science Management (JRMSI)*, vol. 4, no. (1), pp. 97-115, 2013.
- [13] Nazenin, Syarifah, and Palupiningdyah, "Role of Job Stress and Job Satisfaction to Reduce Turnover Intention," *Journal of Management Dynamics*, vol. 5, no. (2), pp. 220-227, 2014.
- [14] I. Ghozali, *Multivariate Analysis Application with IBM SPSS 21 PLS Regression Update Program*. Semarang: Diponegoro University Publishing Agency, 2013.
- [15] T.N. Halimah, A. Fathoni, and M.M Minarsih, "Effect of Job Insecurity, Job Satisfaction on Salesperson Turnover Intention in Gelael Supermarket (Case Study in Gelael Superindo, Semarang City)," *Journal of Management*, vol. 2, no. (2), 2016.
- [16] R.N. Pima, B. Swasto, and A. Prasetya, *Effect of Work Environment on Employee Performance*. Faculty of Administrative Sciences, 2014.