
**THE EFFECT OF WORK ENVIRONMENT AND JOB INSECURITY ON
THE TURNOVER INTENTION OF THE INTERNS OF PT BANK
CENTRAL ASIA TBK REGIONAL OFFICE 1 OF BANDUNG CITY**

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Abstract

Turnover intention is the employee's desire to quit their jobs for another one. This study aims to determine the effect of the work environment and job insecurity on the turnover intention of the interns at PT Bank Central Asia Tbk Bandung Regional Office 1 along with its branch offices across the city in Bandung with the sample of 130 people selected with a purposive-sampling method. The data collection was carried out by distributing questionnaires using a Likert scale, and the data were then processed using the IBM SPSS Statistics 26 tool. The results of the partial hypothesis test (t-test) show that the work environment variable (X1) does not directly influence turnover intention (Y), but for the job insecurity variable (X2) significantly influences the turnover intention (Y). The results of the simultaneous hypothesis test (F-test) show that F is greater than F table, which indicates a significant effect. Thus, we can draw a conclusion that the work environment and job insecurity significantly influence the turnover intention of PT Bank Central Asia Tbk Region Office 1 in Bandung.

Keywords: Work Environment, Job Insecurity, Turnover Intention

1. Introduction

The development of the business world, followed by an improvement in the economic situation in Indonesia, also contributed to the emergence of increasingly intense competition in it. Companies become a business line with the main target to gain as much profit as possible. This situation suggests that there is a need for good human resource management techniques within an organization or company in order to achieve the desired objectives. (Anggraito & Amboningtyas, 2017)

The rapid development of the banks in Indonesia cannot be separated from the human resource factors that influence it. The survey results of Price Waterhouse Coopers (PWC) from January to February 2014 regarding employee turnover of the Indonesian banking industry showed that employee turnover in this sector reached 15%. PWC claims the results of this survey represent 80% of the assets of the banking industry in Indonesia. The survey respondents included the top management of 30 major banks in Indonesia, one of which was PT Bank Central Asia Tbk.

PT Bank Central Asia Tbk. Regional Office 1 in Bandung City experiencing turnover intentions for interns almost every year, although not on a high scale. Even though the company image is quite good and it has always been able to create trust in its consumers, the company should also be able to create a conducive work environment that makes employees not think about quitting or resigning.

According to Yudith *et al.* (2015), turnover intention is a process of having the desire till deciding to quit the company for several reasons. One form of employee behaviors when they

feel uncomfortable with their work or work environment is the emergence of turnover intentions that lead to the decision to leave the job.

There are many driving factors of individual desire for turnover intention. According to Mobley (Prawitasari (2016), they include the work environment, organizational commitment of employees, trust in the organization, and job insecurity. The problem of turnover intention has a very broad cause. The researcher is interested in knowing the effect of work environment and job insecurity on the turnover intention of the interns at PT Bank Central Asia Tbk Regional Office 1 in Bandung City simultaneously.

2. Literature Review

Work Environment

The work environment is anything around the workers who can influence in carrying out their tasks. The following is the definition of the work environment put forward by experts:

Sunyoto (2012: 43) states that the work environment is anything around the workers and that can affect themselves in carrying out their tasks e.g. cleanliness, music, lighting and others.

According to Sutrisno (2009), the work environment is defined as the entire work facilities and infrastructure around the employees who are doing their works that can affect the work implementation including the place of work, facilities, cleanliness, lighting, tranquility, and work relationships between people in that place.

Job Insecurity

According to Greenhalgh and Rosenblatt in Suciati *et al.* (2014), job insecurity is the powerlessness to maintain the desired sustainability in threatened work conditions. With a variety of changes that occur in the organization, it is very possible for employees to feel threatened, anxious and insecure because of the potential changes to affect working conditions and the continuation of the relationship and remuneration received from the organization.

According to Smithson and Lewis in Mamiharisoa, *et al.* (2015), job insecurity is defined as psychological conditions of employees who exhibit confusion or feeling of insecurity due to changing environmental conditions (perceived impermanence).

Sverke *et al.* (2013) said that job insecurity is related to a great variety of negative consequences for individuals as well as their organizations and is frequently conceptualized as the overall concern about the future existence of one's employment or job insecurity.

Turnover Intention

S.P Robbins & Judge (2015) mentioned that turnover intention is the tendency or level at which an employee has the possibility to leave the company either voluntarily or involuntarily due to lack of current employment and the availability of other alternative jobs.

Sukwandi & Meriana (2014) states that turnover intention is one's tendency or intensity to quit the organization with various reasons, one of which is to get a better job.

Chruden (1992) in Tony Susilo Wibowo & I Made Bagus Dwiarta (2015) defines turnover as an amount of employee mobility entering and leaving an organization, which is usually indicated by a turnover rate. The desire to change jobs is also interpreted as the desire of individuals to leave the organization and find other alternatives.

2.1 Relationship between Work Environment and Turnover Intention

According to Munandar (2012), things such as lighting, air temperature, and noise are some factors that can influence the mood of the employees when working. These factors will cause a psychological impact on employees that can lead to the feelings of suspicion and irritability. The psychological impact can also affect the non-conductive non-physical environment in the company. Non-physical environments of the company are everything related to the relationships between employees and between the employees and their superiors. A good working relationship will bring comfort for employees. On the contrary, a bad work relationship will trigger disputes that make the employees uncomfortable at work.

2.2 Relationship between Job Insecurity and Turnover Intention

Greenhalgh and Rosenbaltt (1984) in Windu Wicaksono (2016) mentions that employees who experience the job insecurity pressure have a rationale to look for other alternative jobs that can support continuation and provide a sense of security for their careers. Therefore, employees who feel threatened or insecure in the work environment will easily think of quitting the company and looking for another better job.

3. Hypothesis

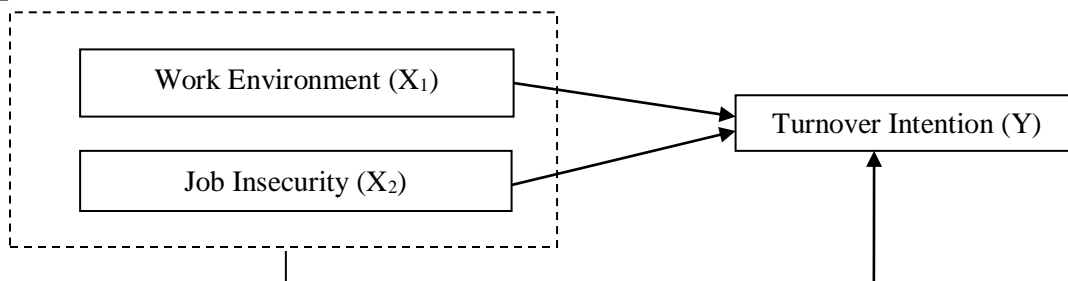


Figure 1 Conceptual Framework

Based on the results of previous studies and theories, the hypotheses in this study are formulated as follows:

H₁ = Work Environment has a significant effect on Turnover Intention.

H₂ = Job Insecurity has a significant effect on Turnover Intention.

H₃ = Work Environment and Job Insecurity have a significant effect on Turnover Intention, simultaneously.

4. Research Method

The research method used in this study is a descriptive analysis with a quantitative approach. This is as stated by Sugiyono (2015: 53) that a descriptive research is a research conducted to determine the existence of an independent variable, either only one or more variables, without making comparisons or connecting with other variables.

This descriptive research with the quantitative approach is aimed at explaining a situation to be examined with the support of literature studies to further strengthen the analysis of the researcher

in making a conclusion. The results of this study were obtained from the calculation and processing of the variable indicators using IBM-SPSS Statistics 26, and then the data were presented in writing by the researcher. The variables used by the researcher are Work Environment as X_1 , Job Insecurity X_2 , and Turnover Intention as Y .

5. Sample and Sampling Technique

According to Sugiyono (2016: 118), a sample is part of the number and characteristics of the population. The sampling technique used was purposive sampling. According to Sugiyono (2016: 122), purposive sampling is a technique for determining the sample with certain considerations. This technique was chosen as not all samples have the criteria in accordance with what the researcher set. It is known that the number of samples selected in this study was 130 people. The data were collected through the questionnaires that distributed to the interns of PT Bank Central Asia Tbk Regional Office 1 in Bandung City and its branches.

6. Data Analysis Technique

Validity Test

According to Sugiyono (2012: 172), *valid* means that the instrument can measure what is being measured. *Valid* means that the instrument can be used to measure what should be measured. The criteria or conditions for an item to be declared valid is if the correlation of each factor is positive of 0.3 and above. Based on the results of the validity test, the questionnaire is declared valid.

Reliability Test

According to Ghozali (2011: 133), if Cronbach's Alpha value is > 0.6 , the research instrument is reliable. If Cronbach's Alpha value is < 0.6 , the instrument is not reliable. The researcher has tested the reliability of the questionnaire distributed to respondents using the IBM-SPSS Statistics 26 program. The results of the reliability test on all items in this study showed that all the items can be said to be reliable because the value of the reliability coefficient of Cronbach's Alpha is > 0.60 .

Multiple Regression Analysis

According to Riduwan *et al.* (2012), a multiple regression analysis is a means of forecasting the effect of two or more variables on the dependent variable. This analysis is a dependency technique. Thus, the variables are divided into the dependent (Y) and independent variables (X). This analysis shows that the dependent variable will be affected by more than one independent variable. The multiple regression equation according to Santoso (2012) is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

Remark:

Y = Turnover intention

X_1 = Work environment

β_0 = Constant

X_2 = Job insecurity

β_1, β_2 = Regression coefficient for the independent variable

e = Error

Hypothesis Testing with F Test (simultaneously)

Priyatno (2011) suggests that the F test is used to test the effect of independent variables (Work Environment and Job Insecurity) simultaneously on the dependent variable (Turnover Intention) by comparing the F value with F table by looking at the level of significance of ≤ 0.05 .

Hypothesis Testing with t Test (partially)

According to Ghozali (2014), the t test is used to test to what extent the influence of the independent variables used in this study individually in explaining the dependent variable partially. The basis for decision making used in the t test is as follows:

- If the significant probability value is > 0.05 , then the hypothesis is rejected. It means that the independent variable does not have a significant effect on the dependent variable.
- If the significant probability value is < 0.05 , then the hypothesis is accepted. It means that the independent variable has a significant effect on the dependent variable.

Coefficient of Determination (R^2)

The coefficient of determination explains how much change or variation in a variable can be explained by changes or variations in other variables (Santosa and Ashari, 2005: 125).

$$CD = R^2 \times 100\%$$

Remark:

CD = Coefficient of Determination

R = Coefficient of Correlation

7. Results of Multiple Regression Analysis

a. Regression Model Test

The multiple linear regression analysis is used to measure the strength of the relationship between two or more variables. It also shows the direction of the relationship between the dependent and independent variables as follows.

Table 1.
Results of Multiple Correlation Test

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	R Square Change	F Change	df1	Sig. F Change
1	.302 ^a	.091	.077	1,520		.091	6,351	2	.002
a. Predictors: (Constant), JOB INSECURITY, WORK ENVIRONMENT									

Source: SPSS 26 Data (Data processed in 2020)

Based on Table 1 above, the R value of 0.302 is obtained. This shows the close relationship between work environment and job insecurity variables with turnover intention is of the low criteria with the intervals of 0.20 - 0.399

Coefficient of Determination

Based on Table 2, the value of R Square is 0.091. This means that 9.1% of the turnover intention variable can be explained from both the work environment and job insecurity variables, while the rest (100% - 9.1% = 90.9%) can be caused by the influence of other factors.

Simultaneous Testing (F Test)

This F test is used to determine whether all independent variables used together have an influence on the dependent variable. The following are the results of the F test of the work environment and job insecurity on turnover intention:

Table 2.
Results of Simultaneous Test (F Test)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29,363	2	14,682	6,351	.002 ^b
	Residual	293,568	127	2,312		
	Total	322,931	129			
a. Dependent Variable: TURNOVER INTENTION						
b. Predictors: (Constant), JOB INSECURITY, WORK ENVIRONMENT						

Source: SPSS 26 Data (Data processed in 2020)

Determining the F table = $f(k; n - k) = f(2; 128)$

F Table = 3.07.

From the table above, it is known that the significance value for the effect of X_1 and X_2 on Y is $0.002 < 0.05$ simultaneously, and the F value is $6.351 > F \text{ table } 3.07$, so H_0 is rejected and H_a is accepted, meaning that the work environment (X_1) and job insecurity (X_2) have a significant effect on the turnover intention (Y) at PT Bank Central Asia Tbk Regional Office 1 in Bandung City.

b. Regression Coefficient Test

Partial Test (t Test)

T test aims to determine whether the independent variable (X) partially influences the dependent variable (Y).

Table 3.
Results of Partial Test (t Test)

Coefficients ^a					
Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	
1	(Constant)	13,046	1,614		
				Beta	t
					Sig.

WORK ENVIRONMENT	-.010	.041	-.020	-.239	.811
JOB INSECURITY	.221	.062	.300	3,546	.001
a. Dependent Variable: TURNOVER INTENTION					

Source: SPSS 26 Data (Data processed in 2020)

Confidence Level (α) 95% = 5% (0.05)

Determining t table with a significance level of 5% = $t(\alpha / 2; n - k - 1) = t(0.025; 127)$

t table = 1.97882

Based on the results of the t test in Table 2, the analysis can be performed as follows:

1. First Hypothesis (H1) Testing

It is known that the value of Sig. for the effect of X_1 on Y is $-0.239 > 0.05$ and the value of t is $-0.239 < t$ table 1.97882, so it can be concluded that H_1 is rejected meaning that X_1 influences Y.

2. Second Hypothesis (H2) Testing

It is known that the value of Sig. for the effect of X_2 on Y is $0.001 < 0.05$ and the value of t is $3.546 > t$ table 1.97882, so it can be concluded that H_2 is accepted, which means that X_2 influences Y.

8. Discussion

Based on the results of the analysis above, the multiple-correlation results are obtained showing the close relationship between the work environment (X_1), job insecurity (X_2) and turnover intention (Y) is of the low criteria with the intervals of 0.20 - 0.399 From the results of the coefficient of determination of 9.1%, the turnover intention variable can be explained from both the work environment and job insecurity variables, while the rest ($100\% - 9.1\% = 90.9\%$) can be influenced by other factors.

The work environment variable (X_1) has no significant effect on turnover intention (Y) with the value of Sig. for the effect of X_1 on Y is equal to $-0.239 > 0.05$ and the value of t is $-0.239 < t$ table of 1.97882. Thus, we can draw a conclusion that H_1 is rejected. There is a negative relationship between the work environment and turnover intention, meaning that if the employees feel more uncomfortable with the work environment, the turnover intention also increases, and vice versa.

The job insecurity variable (X_2) has a significant effect on turnover intention (Y) where there is a positive relationship between the two variables, meaning that if the job insecurity of the employees is higher, then the turnover intention also increases, and vice versa.

9. Conclusion

Although the overall responses of the respondents to the work environment of PT Bank Central Asia Tbk Regional Office 1 in Bandung City are good, there are some aspects to be considered, such as the work process to be carried out with existing procedures, buildings and workplaces that are easily reached, and comfortable relations between employees so that they can work well.

The responses of the respondents to the job insecurity experienced by the intents of PT Bank Central Asia Tbk Regional Office 1 in Bandung in terms of career development that is quite difficult have resulted in the growth of employee thinking to leave the company and look for a better alternative company.

Work environment partially has no effect on turnover intention, while job insecurity has an effect on turnover intention. However, both work environment and job insecurity influence the turnover intention of the interns of PT Bank Central Asia Tbk Regional Office 1 in Bandung City simultaneously.

10. Suggestion

Improving the atmosphere of a good and conducive working environment, including air temperature in the workplace, security and lighting, important to help improve employee productivity. It needs to be supervised so that every employee feels safe and comfortable without feeling disturbed and worried about using equipment. It is expected that the company can maintain and improve services to the non-physical work environment because this variable has a dominant effect on the employee turnover. The company must be able to suppress job insecurity, which can provide security to its employees so as to reduce the emergence of employee and company turnover intentions and improve the status of contract employees who have good performance into permanent employees. This will motivate other employees to work in accordance with the company's targets.

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