



## **The Influence of Job Security and Organizational Commitment on Turnover Intention towards Outsourcing Employee Performance at PT. Perkebunan Nusantara IV**

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### **ABSTRACT**

This study aims to analyze the effect of job security and organizational commitment on turnover intention and its impact on the performance of outsourcing employees at PT. Perkebunan Nusantara IV Regional II. This study uses a quantitative approach with the Partial Least Square analysis method to test the relationship between variables. Secondary data used were obtained from questionnaires, with samples selected using the Structural Equation Modeling technique. The results of the study indicate that job security and organizational commitment have a positive effect on turnover intention and its impact on the performance of outsourcing employees.

**Keywords :** Job security, Orgnaizational commitment, Turnover Intention, Employee performance, Outsourcing.

### **INTRODUCTION**

Human resource issues that frequently arise and hinder company performance include turnover. The desire to move (Turnover Intention) is an early sign of employee turnover within an organization. Turnover Intention is an action taken by employees to resign from the company, either voluntarily or due to certain factors. Most outsourced employees feel dissatisfied and discouraged from being outsourced employees, only a small portion of them say they are satisfied with what they receive. Career advancement is unclear, salary issues are significantly different from those of permanent company employees, but the workload they receive is sometimes heavier than that of permanent employees. These outsourced workers also do not have the opportunity to improve their competence due to the biased attitude of company policies compared to their permanent workers/employees. These things can affect their productivity and loyalty to their work and the company, resulting in their suboptimal performance, which can



trigger delays in work completion and the company's goals not being achieved. Turnover intention can have an impact on declining employee performance, so it is necessary to understand the factors that influence turnover intention so that employee turnover intention can be reduced. Outsourced employees cannot be compared to permanent employees because they perform company activities delegated to them, bound by a work contract. Therefore, the organizational commitment of outsourced employees needs to be examined as it can impact their performance. Any gaps in the engagement of outsourced employees will undoubtedly impact their performance. It's important to understand that outsourced employees are the company's spearhead in achieving its goals and determining its results.

## **LITERATURE REVIEW**

Turnover intention is an employee's voluntary resignation from a company due to certain factors. (Astuti et al., 2020)

States that turnover intention can be defined as the likelihood of an employee leaving their current job and moving to another position. From a company perspective, high employee turnover can impact organizational instability, particularly when it comes to recruiting new employees to replace their previous positions. (Pramono, 2021)

According to (Yerni, 2022), an organization's success is heavily influenced by employee performance. According to (Gunawan et al., 2018), and (Mowday, Steers, & Porter, 1979), various approaches can be used to achieve effective and efficient employee performance. To achieve this, management requires employee commitment to the organization. This commitment reflects identification with the organization's goals, the ability to direct all resources toward the organization's interests, and a desire to remain a member of the organization.

Research conducted by Johnson et al. (1990) cited in Grant et al. (2001) showed that organizational commitment is negatively related to the desire to leave the workplace, the higher the organizational commitment, the lower the desire to leave the workplace and vice versa. In addition, job security factors (job insecurity) are one factor that can influence turnover instructions.

According to (Audina, 2018) Job Insecurity is communication that accompanies a job that causes fear or insecurity regarding the consequences of the job, including communication about placement or salary issues and opportunities for promotion or training.



**METHODS**

This research is an explanatory study using a causal approach, seeking explanations in the form of cause-and-effect relationships between several concepts or variables.

A sample is a portion of a population with relatively similar characteristics and is considered representative of the population. The sample size for Structural Equation Modeling analysis was determined using 160 respondents. The data required for this study were obtained from two sources: primary and secondary data. A questionnaire was chosen as the data collection method for this study. The analytical technique used in this study is quantitative, namely testing and analyzing data through numerical calculations and then drawing conclusions from these tests using product-moment correlation and multiple correlation testing tools. However, in practice, the data processing for this study was not done manually, but using statistical software **SPSS 29.00**.

**RESULT**

In this study, the author processed questionnaire data in the form of data consisting of 2 statements for the job security variable (X1), 2 statements for the organizational commitment variable (X2), 2 statements for the turnover variable (Y), 2 statements for the employee performance variable (Z). This questionnaire was given to 160 outsourcing employees of PTPN IV REGIONAL II Medan as a research sample using Googleform software and a Likert scale.

**Description of Research Variabel**

**Table 1. Description of Research Variabel Job Security (X1)**

No	SS		S		N		T S		STS		Noun	
	F	%	F	%	F	%	F	%	F	%	F	%
1	100	52,0	52	43,0	6	3,0	2	2,0	0	0	160	100%
2	20	42,0	136	53,0	4	4,0	0	0	0	0	160	100%

**Table 2. Organizational Commitment (X2)**

No	SS		S		N		T S		STS		Noun	
	F	%	F	%	F	%	F	%	F	%	F	%
1	138	85,0	22	15,0	0	0	0	0	0	0	160	100%
2	80	50,0	40	25,0	40	25,0	0	0	0	0	160	100%



**Table 3. Turnover Intention (Y)**

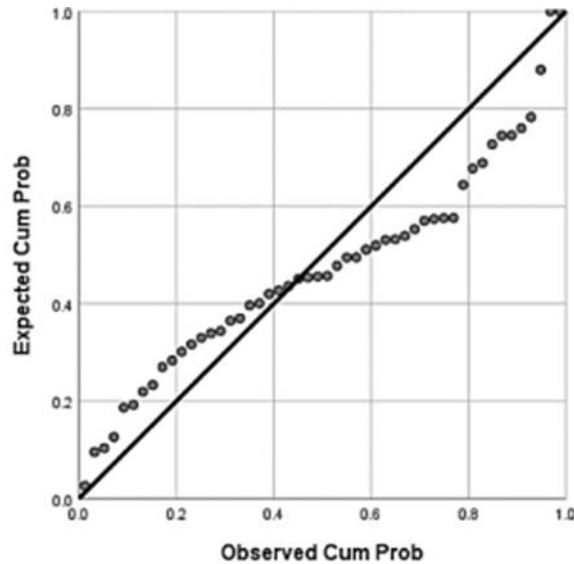
No	SS		S		N		T S		STS		Noun	
	F	%	F	%	F	%	F	%	F	%	F	%
1	0	0	0	0	0	0	22	15,0	138	85,0	160	100%
2	0	0	0	0	40	25,0	40	25,0	80	50,0	160	100%

**Table 4. Employee Performance (Z)**

No	SS		S		N		T S		STS		Noun	
	F	%	F	%	F	%	F	%	F	%	F	%
1	100	52,0	52	43,0	6	3,0	2	2,0	0	0	160	100%
2	20	42,0	136	53,0	4	4,0	0	0	0	0	160	100%

**Classical Assumption Test**

**Normality Test :**



**Figure 1. Normality Test Normal P.P Plot of Regression Standardized Residual  
Dependent Variable : Kinerja Karyawan**



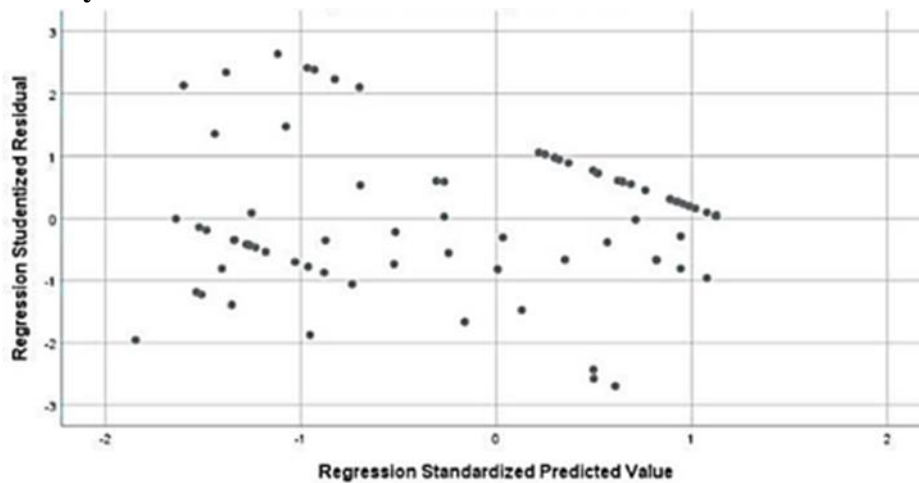
**Multicollinearity test :**

**Table 5. Multicollinearity test**

Model		Collinearity Statistics	
		Tolerance	VIF
<b>1</b>	<b>(Constant)</b>		
	Job Security	.744	1.344
	Organizational Commitment	.404	2.476
	Turnover Intention	.508	1.967

a, Dependent Variable : Employee Performance

**Heteroscedasticity Test :**



**Figure 2. Heteroscedasticity Test Scatterplot**

**Dependent Variable : Employee Performance**

**Multiple Linear Regression :**

**Table 6. Multiple Linear Regression Coefficients\***

Model	Unstandardized Coefficients	Standardized Coefficients	t	sig		
					B	Std.Error
<b>1</b>	<b>(Constant)</b>	.845	1.158		.729	.531



Job Security	.354	.020	.657	17.297	.000
Organizational Commitment	.175	.064	.140	2.716	.008
Turnover Intention	.426	.059	.330	7.191	.000
a, Dependent Variable : Employee Performance					

**Hypothesis Testing**

**t Test or Partial Test :**

**Table 7. t Test or Partial Test Coefficients\***

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig.
	B	Std.Error	Beta		
<b>1</b>					
(Constant)	.845	1.158		.729	.531
Job Security	.354	.020	.657	11.609	.000
Organizational Commitment	.175	.064	.140	2.249	.000
Turnover Intention	.426	.059	.330	3.962	.000
a, Dependent Variable : Employee Performance					

**f Test or Simultan Test :**

**Table 8. f Test or Simultan Test**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	640.871	4	160.218	113.149	.000 <sup>b</sup>
	Residual	134.519	95	1.416		
	Total	775.390	99			
a. Dependent Variable: Turnover Intention						
b. Predictors: (Constant), Job Security, Organizational Commitment						



**Coefficient Of Determination (R2) :**

**Table 9. Coefficient Of Determination (R2)**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.909 <sup>a</sup>	.827	.819	1.190
a. Predictors: (Constant), Job Security, Organizational Commitment, Turnover Intention				
b. Dependent Variable: Employee Performance				

**DISCUSSION**

**The Effect of Job Security on Turnover Intention**

Based on the results of the F-test or Simultaneous Test above, the calculated F for the job security and organizational commitment variables was 131.363 with a 5% error rate for a two-tailed test and  $dk = n-k-1$  ( $55-3-1 = 51$ ). The F-table value was 3.18. If the calculated F value > F-table, then the variables of job security and organizational commitment have an influence on turnover. Furthermore,  $F_{\text{calculated}} = 131.363 > F_{\text{table}} = 3.18$ . This indicates that there is an influence between job security and organizational commitment on turnover. Furthermore, the F probability value is also seen, with a sig. 0.000, while the previously determined significance level  $\alpha$  is 0.05. Therefore, a sig. 0.000 < 0.05, so  $H_0$  is rejected. This means there is a significant influence between the variables of job security and organizational commitment on turnover.

**The Effect of Organizational Commitment on Turnover Intention**

Based on the results of the F-test or Simultaneous Test above, the calculated F for the variables of job security and organizational commitment was 131.363 with a 5% error rate for a two-tailed test and  $dk = n-k-1$  ( $55-3-1 = 51$ ). The F-table value was 3.18. If the calculated F value > the F-table value, then there is an influence between the variables of job security and organizational commitment on turnover intention. Furthermore, the calculated F value =  $131.363 > F_{\text{table}} = 3.18$ . This indicates that there is an influence between job security and organizational commitment on turnover intention. Furthermore, the F probability value is also seen, with a sig. 0.000, while the previously determined significance level  $\alpha$  is 0.05. Therefore, a sig. 0.000 < 0.05, so  $H_0$  is rejected. This means there is a significant influence between the variables of job security and organizational commitment on turnover intention.



### **The Effect of Job Security on Employee Performance**

Based on the results of the t-test or partial test above, the calculated t-value for the job security variable was 11.609 with a significance level of 0.000. At the 5% level with a df of 95, the t-table value was 1.985, indicating that the calculated t-value = 11.609 > the t-table value = 1.985. This indicates a significant effect between job security and employee performance (Z). The conclusion is that  $H_0$  is rejected and  $H_a$  is accepted. This means that there is an effect between job security and employee performance, thus the hypothesis stating that there is a significant effect between job security and employee performance (Z) can be accepted.

### **The Effect of Organizational Commitment on Employee Performance**

Based on the results of the t-test or partial test above, the calculated t-value for organizational commitment is 2.249 with a significance level of 0.027. At a significance level of 0.025 with a df of 95, the t-value is 1.985, indicating a significant effect of 2.249 > 1.985. This indicates a significant effect between organizational commitment and employee performance (Z). The conclusion is that  $H_0$  is rejected and  $H_a$  is accepted. This means that there is an effect between organizational commitment and employee performance, thus the hypothesis that there is no significant effect between organizational commitment and employee performance (Z) is accepted.

### **CONCLUSION**

Job security has an insignificant effect on employee performance. This is because employees experience a high level of job insecurity, but this does not reduce performance. There is an influence between job security and turnover intention, as persistent job insecurity will affect employees' psychological well-being. If job insecurity increases in a company, turnover intention will also increase. This means that if employees continually experience job insecurity, it will lead to a desire to change jobs, or turnover intention. Employees with high organizational commitment prioritize the interests of the organization over their own, leading to optimal performance and high productivity. Research conducted by Tolentino (2013) shows that organizational commitment significantly impacts the performance of members of an organization or company.

According to (Aini, 2018), the relationship between employee turnover intention and employee performance is that the perceived level of employee turnover intention will affect employee performance. This is in line with research results from (Faidal, 2017) that turnover intention has a positive and significant effect on employee performance. Conversely, according to



(Romadhoni, 2019), turnover intention has a significant negative effect on employee performance. Thus, it is clear that turnover intention will negatively impact the company because it creates workforce instability and decreases employee productivity.

### **LIMITATION**

In this study, the author limits the discussion to the influence of job security and organizational commitment on employee turnover and its impact on employee performance. In this study, a case study was conducted on outsourcing employees at PT. Perkebunan Nusantara IV Regional II Medan.

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