

# Retention Management as an Effort to Overcome the Intention of Account Officers to Stop the Company

*Riza Bahtiar Sulistyan, STIE Widya Gama Lumajang.*

*Emmy Ermawati, STIE Widya Gama Lumajang.*

*Zainul Hidayat, STIE Widya Gama Lumajang.*

*Ninik Lukiana, STIE Widya Gama Lumajang.*

*Kasno, STIE Widya Gama Lumajang.*

**Abstract**--- The effort to overcome the employee's intention to quit the company is a serious concern for companies in Lumajang Regency. The purpose of the research is to test the concept empirically, namely how retention management can provide satisfaction and commitment to company employees so that they do not have the intention to quit the company. The sample used as many as 37 people, namely all account officers in Lumajang district. The research method is the partial least square approach. The results show that the implementation of retention management is very effective in overcoming employees' intentions to quit the company. The unique thing is that retention management does not have a significant effect on employee intentions to stop if through employee satisfaction and commitment. Employee satisfaction does not play an important role in overcoming employee intentions to quit, both directly and indirectly, through employee commitment. So the company to prevent the employee's intention to quit from the company is the right step to implement retention management in accordance with the expectations of employees.

**Keywords**--- Retention Management, Intention to Stop, Employee Satisfaction, Employee Commitment.

## I. Introduction

An important statement that must be considered is that someone prefers to stop the company or continue to work (Holtom, Mitchell, Lee, & Eberly, 2008). Like most companies in Indonesia, some problems must be resolved concerning employee account officers (AO) in Lumajang Regency, East Java Province, where the employee turnover is quite high (Sulistyan, Ermawati, & Ariyono, 2019). One of the high employee turnover rates in the Lumajang Regency is the high level of conflict caused between AO and the community, which consists of different ethnic and cultural backgrounds in each region (Sulistyan, 2018; Sulistyan et al., 2019). High employee turnover rate if not immediately followed up, there will be some negative impacts including very disturbing companies (Hom, Mitchell, Lee, & Griffeth, 2012), a bad work environment (Zimmerman, Swider, & Boswell, 2019), and work imbalances occur (Waldkirch, Nordqvist, & Melin, 2018). In this case, it is very important to overcome the high turnover rate as happened to AO employees in Lumajang Regency.

Several efforts can be made by companies to minimize the company's employee turnover by implementing a good retention management system. Retention management remains one of the relevant and significant topics in international human resource management (Vaiman, 2008). Retention management has become an excellent competitive advantage in the modern business world (Sulistyan et al., 2019; Vaiman, 2008). Companies are forced to use new methods and special encouragement, in addition to incentives that are genuinely proven. This is very important as an effort to evaluate the level of employee commitment (Huhtala & Feldt, 2016; Kozák & Krajcsák, 2018). Efforts to maintain the quality of employees, one of the company's programs related to retention management is to develop so that employees feel satisfied with the work done. If employees are satisfied with what they have done, then they will tend to remain in the company (Chiang, Back, & Canter, 2005; Wirawan, 2015; Zito et al., 2018). Employee satisfaction is considered capable of reducing employee turnover at the company (Choi & Dickson, 2010). Retention management and employee intention to stop the company have been proven by several researchers to show a very close relationship (Chau, Dahling, Levy, & Diefendorff, 2009; Shaw, 2011; Waldkirch et al., 2018). There is a positive relationship between employee satisfaction and commitment, but satisfaction itself is negatively related to employee intentions to leave the company. In addition, employee commitment is also negatively related to employee intentions to leave the company (Kim, Leong, & Lee, 2005).

In other studies that have been carried out, satisfaction is appropriate as a mediator between service and employee intentions to leave the organization (Sulistyan, Pradesa, & Kasim, 2017; Taylor & Baker, 1994). Satisfaction has a positive and significant relationship with employee commitment to the company (Martin, Kolomito, & Lam, 2013).

Related to the research that has been presented, the purpose of the research is to test the concept empirically, namely how retention management can provide satisfaction and commitment to company employees so that they do not have the intention to quit the company.

## **II. Literature Review**

### ***Theory of Social Exchange***

Social exchange theory is used as the basis of this research because it is one of the most influential theories in understanding organizational behavior (Cropanzano & Mitchell, 2005; Miles, 2012). Social exchange theory is the most influential conceptual paradigm for understanding employee behavior in the workplace (Blau, 1964; Cropanzano & Mitchell, 2005; Homans, 1961). It was revealed from several experts that this theory showed that there were parties who entered and maintained an exchange relationship with others in the hope that this would be beneficial. Each party has something of high value (Blau, 1964; Gouldner, 1960; Homans, 1961; Miles, 2012). The most valuable outcome in social exchange is having no material value that can be determined (Blau, 1964; Miles, 2012). Social exchange theory has developed in the last two years of research in the field of organizational behavior in determining whether employees will remain in an organization or stop the company (Buttner & Lowe, 2017; Gyensare, Kumedzro, Sanda, & Boso, 2017; Memon, Sallaeh, Baharom, Nordin, & Ting, 2017; Richard, Boncoeur, Chen, & Jr., 2018; Sok, Blomme, Ruiter, Tromp, & Lub, 2018; Waldkirch et al., 2018; Wong & Wong, 2017).

### ***Management retention of intention to quit work***

Retention management is a systematic effort made by a company or organization to create and improve a work environment that encourages employees who are working to keep working and do not want to move to another company or organization. Retention management focuses on policies and programs to make employees satisfied with their work, feel comfortable working at the company, and have no intention of leaving the company or organization to move to another place (Wirawan, 2015).

Retention management is not a new thing, given the importance of an organization or company in retaining employees so as not to move to another organization or company. In this case it can be defined that retention management is the effort of an organization or company in making employees feel welcome to work in an organization or company and does not intend to change jobs (Chau et al., 2009; Doğan, 2008; Shaw, 2011; Sulistyan et al., 2017; Waldkirch et al., 2018). From this, it can be concluded that retention management is part of human resource management that manages employees to feel comfortable working in a company and has no intention to move to another workplace.

H1: Management of retention of intention to quit work.

### ***Retention management of intention to quit work through employee satisfaction***

Retention management has a significant effect on satisfaction (Sulistyan et al., 2017), retention management also has a significant effect on commitment (Huhtala & Feldt, 2016; Kozák & Krajcsák, 2018; Yamao & Sekiguchi, 2015). Indicators used in retention management (Wirawan, 2015), namely (1) knowing employees, (2) developing a conducive organizational climate, (3) giving rewards and recognition to employees who excel, (4) providing opportunities for career development and self-development, (5) developing job satisfaction, (6) developing QWL (Quality of Work Life), and (7) developing effective leadership and supervision.

H2: Retention management influences the intention to quit from work through employee satisfaction

### ***Retention management of intention to quit work through employee commitment***

Job satisfaction is defined as a complex emotional reaction that is an impetus, a desire, and the demands and expectations of employees from work associated with perceived reality, and going forward will emerge an emotional reaction in the form of feelings of pleasure, satisfaction or dissatisfaction (Sutrisno, 2011). There are two different perceptions about job satisfaction, namely, overall satisfaction refers to overall work, and specific satisfaction refers to the individual aspects of the job (Millán, Hessels, Thurik, & Aguado, 2013). Studies show that job satisfaction plays an important role in the intention of employees to leave the company (Chiang et al., 2005; Wirawan, 2015; Zhou, Long, & Wang, 2009; Zito et al., 2018).

In addition, job satisfaction also plays an important role. On employee work commitments (Kim et al., 2005). Indicators of employee satisfaction are satisfied with work, payment, promotion, supervision, and cooperation (Chow, Haddad, & Singh, 2007).

H3: Retention management influences the intention to quit work through employee commitment

***Employee satisfaction with the intention to quit work***

Mahis & Jackson (2000) suggested that work commitment is a psychological bond of employees in an organization or company that is characterized by trust and acceptance of organizational goals (Sopiah, 2008). A study shows that commitment plays an important role in predicting employee intention to quit the company (Zhou et al., 2009). Indicators of adaptation results from Meyer, Allen & Smith, (2000) used in this study are summarized as follows (Jaros, 2007; Sopiah, 2008), namely (1) affective commitment, occurs when employees want to be part of an organization because of ties emotional, (2) continuance commitment, arises when employees persist in an organization because it requires salary and other benefits or because they do not find another job, and (3) normative commitment, arises from the values in employees. Employees remain members of the organization because of the awareness that commitment to the organization is what should be done.

H4: Employee satisfaction influences the intention to quit work

***Employee satisfaction with the intention to quit work through employee commitment***

The intention to quit the job is the intention of the employee to quit the company because of quitting or moving from the old workplace to a new workplace for a certain reason (Chew & Chan, 2008; Chiang et al., 2005; Choi & Dickson, 2010; Chow et al., 2007; Kim et al., 2005; Lopa, Kavanaugh, & Giselli, 2000; Shaw, 2011; Sulistyan et al., 2017). The intention of employees to leave the company is a serious and urgent problem that is seen in most organizations or companies (Singh, Singh, & Singh, 2014). Indicators measuring the intention to quit the company were developed by Lahey (1984) and adjusted to the circumstances of the respondents (Kim et al., 2005), namely (1) other job opportunities, (2) not enjoying work, and (3) finding other similar jobs.

H5: Employee satisfaction influences the intention to quit work through employee commitment

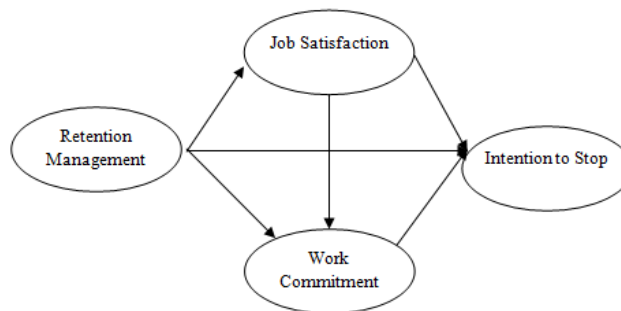


Figure 1: Conceptual Model

***Method***

This type of research is quantitative research by looking for causality. Research methods using the PLS (Partial Least Square) approach. The sample used was 37 account officers in Lumajang district. 7 indicators measure retention management, 5 indicators measure employee satisfaction, 3 indicators measure employee commitment, and intention to stop is measured by 3 indicators. All indicators use a Likert scale (1 = strongly disagree to 5 = strongly agree). In the analysis model, there are two elements, namely the outer model and the inner model. Outer models are used to test the relationship between latent variables and their indicators. In the outer model tests the validity and reliability. Inner models are used to connect between latent variables or test hypotheses (Ghozali, 2014; Widarjono, 2015).

**III. Results and Discussion**

Respondents in this study are account officer employees in Lumajang Regency. There are eight Rural Credit Banks, including PT. BPR Dharma Indra, PT. BPR Sentral Artha Jaya, PT. BPR Sentral Arta Asia, PT. BPR Yuka Jaya, PT. BPR Wahan Dana Batu, PT. BPR Semeru Swasti, PT. BPR Purwosari Anugerah, and PT. BPR Cinde Wilis Lumajang Branch. The average number of account officers at each banking institution is four people.

The division of account officer work in Lumajang is carried out in five regions. East, north, west, south, and city areas. The work area does not only cover Lumajang Regency. However, also the Regency around Lumajang Regency, which had been determined by the company. The target set for each BPR is different, but there is still an equal distribution of targets for each accounting officer. Work is done five working days. Every day starts at 07.00 until 16.00 WIB, with one hour of rest starting at 12.00 until 13.00 WIB.

From the overall target, 41 respondents came from account officers in Lumajang Regency, who were willing to fill 37 respondents. There are several reasons that not all respondents can be studied, including two people who are not willing to fill out the questionnaire and do not provide information. In addition, two more people stated that there were busy days, so they could not complete the questionnaire.

The results of the data collection show a mixed general picture. Respondents viewed from the overall age are quite varied, 16 respondents or 43.2% have aged 20 to 30 years, 15 respondents or 40.5% have aged 31 to 40 years, 4 respondents or 10.8% have aged 41 to 50 years, and each respondent or 2.7% have aged 18 to 20 years and 50 to 64 years. General description of marital status shows that as many as 29 respondents or 78.4% have unmarried status. The remaining eight respondents or 21.6% with marital status. It can be concluded that the majority of respondents are single. The description of the level of education of respondents is dominated by the level of education of high school/equivalent, which is 22 respondents or 59.5% — followed by the S1 education level of 13 respondents or 35.1%. Each as much as one respondent or 2.7% with a diploma and master's level of education. There were no respondents who had elementary/equivalent, junior high/equivalent, and S3 education.

The results of outer model testing using SmartPLS software are known for the validity and reliability results. This test is carried out through four models, namely convergent validity, discriminant validity, and composite reliability. The results of the test are presented in the following table:

Table 1: Results of Outer Model Testing

Variables and Indicators	Outer Loading	AVE	$\sqrt{AVE}$				CR	CA
			MR	KP	KK	NB		
Retention Management		0,773	0,879				0,960	0,951
MR1	0,79							
MR2	0,87							
MR3	0,85							
MR4	0,91							
MR5	0,93							
MR6	0,89							
MR7	0,89							
Employee Satisfaction		0,746	0,853	0,864			0,936	0,915
KP1	0,88							
KP2	0,85							
KP3	0,91							
KP4	0,89							
KP5	0,77							
Work Commitment		0,806	0,649	0,649	0,898		0,926	0,880
KK1	0,88							
KK2	0,93							
KK3	0,88							
Intention to Stop		0,798	0,675	-0,632	-0,629	0,893	0,922	0,874
NB1	0,88							
NB2	0,89							
NB3	0,90							

Source: Data processed 2019

Based on table 1, the convergent validity results are obtained; namely, the outer loading value for each indicator of the latent variable is more than 0.70. So it can be concluded that all indicators are valid. The discriminant validity test shows that the overall AVE value is greater than 0.50. The root value of the AVE retention management variable is 0.879, satisfaction is 0.864, work commitment is 0.898, and the intention to stop from the company is 0.893. The overall root value of AVE is greater than the correlation between other variables. So it can be concluded that the construct has a good discriminant validity value. The composite reliability value of all variables is greater than 0.80. Judging from the Cronbachs alpha value of all variables showed greater than 0.60. So it can be concluded that the entire construct has a good composite reliability value.

The results of testing the inner model that is testing the hypothesis in this study are presented in the following table:

Table 2: Hypothesis Testing Results

Relationship Between Variables	Direct Influence	Indirect Effects	Information
Retention management → intention to stop	-0,675*	-	Accepted
Retention management → employee satisfaction → intention to stop	-	-0,178	Rejected
Retention management → work commitment → intention to stop	-	-0,203	Rejected
Employee satisfaction → intention to stop	-0,209	-	Rejected
Employee satisfaction → work commitment → intention to stop	-	-0,110	Rejected

Information: \*p<0,05

Source: Data processed 2019

Based on the tests shown in table 1, it shows that hypothesis 1 is accepted ( $\beta = -0.675$  and  $p < 0.05$ ), which states that retention management has a negative and significant effect on the intention to stop work. This implies that more retention management is applied, the lower the employee's intention to stop the company, while the second hypothesis to the fourth hypothesis is rejected because of the value of  $p < 0.05$ .

**Management of retention of intention to quit work**

Retention management has a significant effect on the intention to stop a company. The influence is negative, which means that if retention management is increased, the intention to stop the company will decrease. The results of this study support the statement that retention management is a business or organization effort aimed at preventing employees from leaving the company (Chau et al., 2009; Doğan, 2008; Shaw, 2011; Sulistyana et al., 2017; Waldkirch et al., 2018).

There are priorities in the effect of retention management on employee intention to quit the company. The main priority is that the company provides rewards to employees who excel. Employees positively assessed the achievement rewards provided. Account officers in Lumajang Regency need recognition in the form of rewards for their achievements. They have worked hard to pursue the target set by the company. The rewards for the achievements that have been achieved were able to reduce their intention to quit the company. The second priority is that the company understands the situation of employees. The situation of employees needs attention from the company because they are the main asset, without employees or the company's human resources will not be able to develop. Account officers in Lumajang Regency need attention, especially personal attention from the company. This is because they do heavy work, if not balanced by giving more attention, they will tend to intend to leave the company.

The third priority is that the company creates a balance of employees in carrying out their duties. The balance is in the form of tasks that are charged, rewards are given, as well as the task area. It is important to create a balance of duties from the account officers in Lumajang Regency so that they do not intend to leave the company. The tasks assigned to them are balanced in the form of targets, rewards, and territory. They already feel the balance between fellow account officers, so they do not intend to quit the company. The fourth priority is in the form of a company developing a professional organizational climate. The organizational climate developed by the company was felt by the account officer in Lumajang Regency to be quite good. They tend to survive in companies with an organizational climate. Development by the company in the form of creating good relations with superiors and fellow employees, enforcing good ethics in the community, always creating good conditions or circumstances. The company provides career opportunities in the fifth priority.

Several account officers highly expect this opportunity in Lumajang Regency. They do not want to work forever as they feel now. The career opportunities provided by the company, they become more eager to work and do not intend to leave the company.

#### ***Retention management of intention to quit work through employee satisfaction***

The results of hypothesis testing state that retention management has no direct and negative effect on the intention to stop working through employee satisfaction. This shows that retention management has an impact on the intention to quit from work negatively affecting employee satisfaction, so the company must be able to think so that employees can be more comfortable working and can develop employee resources.

The intention of employees to stop is not affected by satisfaction, but retention management directly has a significant effect on the intention to quit. Retention management is, indeed, able to make employees satisfied. But satisfied employees do not demand the possibility of quitting the company. So employee satisfaction can not be used as a measure of an account officer in the Lumajang Regency from their intention to quit the company. Employee job satisfaction is very important to be developed in order to maintain employees, so they do not intend to quit their jobs. Account officers in Lumajang Regency are quite satisfied with what is obtained from their companies, therefore the company also needs to develop more satisfaction now. The last priority is for leaders to develop a leadership model that fits the company. This was perceived as low by the account officer in Lumajang Regency. They feel there is a mismatch with the current model of leadership. This will have an impact on their intention to quit their job or company.

#### ***Retention management of intention to quit work through employee commitment***

The results of hypothesis testing state that retention management has no direct and negative effect on the intention to stop working through employee commitment. However, directly, retention management has a significant effect on the intention to quit, without going through work commitments. Retention management can make employees committed to their work. However, employees who are committed remain intent to quit the company. So the commitment of account officers in the Lumajang Regency to their work cannot be used as a measure to assess the intention to quit the company.

Employee satisfaction at the company has not been able to reduce the intention of employees to quit the company. Three items value the intention of an employee to quit a company. The item that becomes the top priority is if you have a good chance, there is a desire to find another job. This item was perceived well by the account officer in Lumajang Regency. Other job opportunities cannot be predicted by the company but can be minimized through a retention management system that is applied rather than looking at the satisfaction of its employees towards the company. Opportunities for employees in the form of opportunities to get jobs with higher salaries, opportunities for entrepreneurship, and opportunities to occupy higher positions in other companies. The second priority is not enjoying this job and finding another job. The account officer in Lumajang Regency thinks that it is quite good. They feel there is a disagreement with this work. Even though they were seen satisfied, they were unable to resist their intention to quit the company, mainly because they did not enjoy the work. There is an inconvenience with the current job and find another job. They are looking for other jobs that are more comfortable even though the rewards given are better now. The last priority is in the hope of finding another job in common. This is considered low by account officers in Lumajang because they do not expect to find the same job as they do now. These expectations are finding better than what is now, such as working in the government sector with a higher salary, and hopes of getting a higher position.

#### ***Employee satisfaction with the intention to quit work***

The results of hypothesis testing state that employee satisfaction has a significant and negative direct effect on the intention to stop working. This is not separated from the three priority variables of intention to stop. The main priority of the intention to quit the company is if you have a good opportunity, then there is a desire to find another job. Account officers in Lumajang Regency have the desire to move from their current jobs. However, because the opportunity still does not exist, they are still holding on to what they are getting now. Retention management applied by the company is now able to block outside employment opportunities. The second priority is not enjoying this job and wants to find another job. Account officers in Lumajang Regency do not feel that they are enjoying their current job, and indeed they want to find another job. However, they are still unsure of other jobs that will be found. There are doubts if the new work later, the implementation of retention management is far worse than what they now accept as account officers. The last priority is the hope of finding another job in common. The majority of account officers do not expect to find the same job as they do now. They hope to find a better job. This expectation is still far from being influenced by the company's retention management implementation system.

Employee satisfaction at the company has not been able to reduce the intention of employees to quit the company. Three items value the intention of an employee to quit a company. The item that becomes the top priority is if you have a good chance, there is a desire to find another job. This item was perceived well by the account officer in Lumajang Regency. Other job opportunities cannot be predicted by the company but can be minimized through a retention management system that is applied rather than looking at the satisfaction of its employees towards the company. Opportunities for employees in the form of opportunities to get jobs with higher salaries, opportunities for entrepreneurship, and opportunities to occupy higher positions in other companies. The second priority is not enjoying this job and finding another job. The account officer in Lumajang Regency thinks that it is quite good. They feel there is a disagreement with this work. Even though they were seen satisfied, they were unable to resist their intention to quit the company, mainly because they did not enjoy the work. There is an inconvenience with the current job and find another job. They are looking for other jobs that are more comfortable even though the rewards given are better now. The last priority is in the hope of finding another job in common. This is considered low by account officers in Lumajang because they do not expect to find the same job as they do now. These expectations are finding better than what is now, such as working in the government sector with a higher salary, and hopes of getting a higher position.

#### ***Employee satisfaction to quit work through employee commitment***

Hypothesis testing results state that employee satisfaction has no direct and negative effect on the intention to quit work through employee commitment. In this case, both directly and indirectly, employee satisfaction does not significantly influence the intention to quit the company. The intention of the account officer in Lumajang Regency to quit the company has indeed arisen from himself, without the satisfaction and commitment of his work. The results reject previous research (Chiang et al., 2005; Wirawan, 2015; Zhou et al., 2009; Zito et al., 2018). The higher employee satisfaction has not been able to withstand the intention of employees to quit the company. Judged from the five items of job satisfaction statements are quite high, and there is a top priority of the five items that are satisfied with this job. Account officers in Lumajang Regency are quite satisfied with the work they do, enjoy the work, and there seems to be a sense of satisfaction with the results obtained.

The second priority is being satisfied with good cooperation. Collaboration with colleagues and with the above has been considered quite satisfied. The third priority is being satisfied with the payment provided by the company. The company provides payment in accordance with its work. They are quite satisfied because their work is not in vain. The fourth priority is satisfied with the promotion given by the company to be the fourth priority. Job promotion is considered quite satisfied and makes the spirit of the account officer in Lumajang Regency to get the promoted position. The promotion given is to occupy a level above or even higher. The last priority is being satisfied with the leadership. The assessment is quite satisfied with the leadership of the motivations in carrying out the task, evaluation, and follow-up.

## **IV. Conclusion**

Based on the results of the analysis and discussion, several conclusions can be drawn; namely, retention management plays an important role in reducing employee intention to stop the company. Retention management does not play an important role in reducing employees' intention to stop the company through employee satisfaction. Retention management does not play an essential role in reducing employees' intention to stop the company through work commitments. Employee satisfaction does not play an important role in reducing employee intention to stop the company. Employee satisfaction does not play an important role in reducing employee intention to stop the company through work commitments.

The recommendation that can be taken from this research is that maintaining account officers in Lumajang Regency is not easy. However, it will be minimized by applying appropriate retention management, such as companies understanding the situation of employees, developing a professional organizational climate, rewarding employees who excel, providing opportunities for career, develop job satisfaction of employees, create a balance of employees in carrying out tasks, and leaders must develop a leadership model that is suitable for the company. Employee satisfaction and work commitments are not able to reduce employee intention to stop the company. However, there needs to be an approach to increase satisfaction with other methods in order to be able to reduce the intention of employees to stop the company. Work commitments also need another approach to be able to reduce the intention of employees to stop the company. For further researchers, the object of research should be expanded to obtain a broader generalization area with the development of this research. The development of other variables also needs to be expanded to respond to the intention of employees stopping from the company, such as the

compensation system implemented, employee work behavior, perceived community culture of employees, and perceived work disruption.