Mitigating turnover intention among private school teachers

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ABSTRACT

This study explored the effect of compensation on teachers’ turnover intention mediated by organizational commitment. The research data was collected by a questionnaire through the survey methods toward 207 honorary teachers of a private school in Indonesia. Data analysis employed path analysis, supported by descriptive statistics and a correlational matrix. The result indicated that compensation significantly affects teachers’ turnover intention mediating by organizational commitment. This study also found a fit research model that can discuss among researchers and practitioners as references/discourse or a strategy for mitigating turnover intention in various contexts and research fields.

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1. INTRODUCTION

In several decades, the turnover intention has received extra attention from academics and practitioners, including education practitioners, because its existence is suspect of disrupting organizational conduciveness. At the individual level, the turnover intention is claiming to reduce productivity [1] and employee performance [2], so that it has implications for organizational effectiveness [3] and organizational performance [4]. Besides, turnover also influences the work flexibility’s flow, the relationships among the team members, and communication with top management [5]. More than that, when a team member leaves an organization, therefore the whole team will be affected, both the team’s quality and performance flow [6]. In the 21st century, turnover intention has become a key concept in managing employee career success and business continuity at all levels, especially in the service industry [7]. It means that the management of business organizations that can reduce the potential for turnover will tend to survive. Turnover intention can also occur in non-profit organizations, such as school organizations, especially Indonesian private school honorary teachers, which are teachers who work part-timely and paid based on monthly teaching hours, without additional facilities and other welfare guarantees. Their average accumulated monthly income is far below the regional (provincial) minimum wage standard. The low compensation that is not sufficient to meet daily life needs will make honorary teachers nervous, so they try to find work elsewhere.

Turnover is the employees’ quantity that leaves an organization and gets replaced with other new ones [8] or the behavior of withdrawing from an organization that is permanent, whether it is done voluntarily or not voluntarily [9]. While the turnover intention is a mental decision prevailing between an individual’s approach concerning a job to continue or leave the job [10]. Turnover intention also refers to
employees' intention to quit or desire to leave their organization [11], [12]. Robbins and Judge [13] state that employee layoffs are divided into two types, namely voluntary turnover initiated by employees and involuntary turnover initiated by the company. Voluntary turnover is related to how employees decided whether to stay or leave the organization. The most talented employees usually carried out voluntary turnover, so it harms the organization. When talented employees leave voluntarily, their knowledge, skills, and abilities that affect the efficiency and quality of work the organization provides to society are lost. Meanwhile, involuntary turnover refers to the organization's decision to control employees: whether to stay or leave [14]. Turnover intention can make by various things related to employee behavior, including increased absenteeism, laziness to work, increased courage to violate work rules, the emergence of courage to oppose or protest to superiors, or seriousness in accomplishing all the responsibilities of an employee who seemed very different from usual [15].

Compensation and teachers' turnover intention

Turnover intention can be affected by compensation. The research by scholars [16]-[23] concluded that compensation related to turnover intention. Compensation refers to all forms of financial results and tangible benefits received by workers as part of the working relationship [24] or all payments of money and all goods or commodities used based on the value of money to reward employees [25]. In organizational practice, compensation systems can influence organizational success in three ways. First, the number, how to package, and hand over wages to workers motivate, strengthen, and direct their behavior. Second, compensation essential for an organization's ability to attract and retain qualified, high-spirited workers. Third, compensation costs can affect organizations' success [24].

Compensation has a motivational function, which are consists of extrinsic and intrinsic [26]. Extrinsic compensation comes from outside (external) the individual, while intrinsic compensation comes from within (internal) the individual. Extrinsic compensation includes salary, benefits, promotions, and additional income, while intrinsic compensation consists of feelings of competence, achievement, responsibility, and personal growth. Intrinsic compensation reflects the psychological mindset of employees that results from doing their job. Extrinsic compensation includes monetary and non-monetary compensation. Monetary compensation is the core compensation, which includes: base salary, seniority pay, service fee, incentives, wages for knowledge plans and skills-based wages, and employee benefits. Meanwhile, non-monetary compensation includes coverage programs (e.g., health insurance), paid rest time (e.g., vacations), and services (e.g., child care assistance) [27]. When multiple kinds of compensations, such as salary, benefits, incentives, protection programs, feelings to competence, achievement, responsibility, and personal growth [26], [27] in good condition and according to teacher expectations, can reduce teachers’ turnover intention, manifested in increased absenteeism, laziness to work, increased courage to violate work rules, the emergence of courage to oppose or protest to superiors, or seriousness in accomplishing all the responsibilities of an employee who seemed very different from usual [15]. Based on the studies and argument above, can formulate the hypothesis: H1: Compensation has a direct effect on teachers’ turnover intention.

Organizational commitment and teachers’ turnover intention

Organizational commitment is also influences turnover intention. The research result conducted by researchers in various contexts and organizations [28]-[37] proved that organizational commitment affects teachers’ turnover intention. Organizational commitment is a strong desire to remain the organizations' members, high-level effort on behalf of the organization, and a strong belief in accepting the organization's values and goals [38]. Besides, organizational commitment is also the extent to which an individual identifies with an organization and its goal, reflected in day-to-day work activity [9], [39]. Organizational commitment consists of three components: affective commitment, the emotional attachment of employees in identifying and involving themselves in various organizational activities; continuance commitment, a commitment based on costs associated with leaving the organization; and normative commitment, the employee's feeling of obligation to stay in the organization [40]. If the three-components in high levels can reduce teachers' turnover intention, manifested in increased absenteeism, laziness to work, increased courage to violate work rules, the emergence of courage to oppose or protest to superiors, or seriousness in accomplishing all the responsibilities of an employee who seemed very different from usual [15]. In line with the studies and argument above, can formulate the hypothesis: H2: Organizational commitment has a direct effect on teachers’ turnover intention.

Compensation and organizational commitment

Organizational commitment, besides influencing teachers’ turnover intention, is also affected by compensation. When school organizations give compensation such as pay, fringe benefits, incentive,
Compensation and teachers’ turnover intention mediated by organizational commitment

The various studies above indicated that organizational commitment mediates the effect of compensation on teachers’ turnover intention. When the teachers received pay, fringe benefits, incentive, protection programs, the feeling of competence, accomplishment, responsibility, and personal growth [26], [27] as adequate compensation for their work can stimulate teachers’ organizational commitment, particularly affective and continuance [40]. That it then implicates reducing teachers’ turnover intention, manifested in increased absenteeism, laziness to work, increased courage to violate work rules, the emergence of courage to oppose or protest to superiors, or seriousness in accomplishing all the responsibilities of an employee who seemed very different from usual [15]. The recent studies by scholars [41]-[47] also proved that compensation influences organizational commitment; meanwhile, the new investigation by researchers [28]-[37] shows that organizational commitment affects teachers’ turnover intention. In line with the studies and argument above, can formulate the hypothesis: H3: Compensation has a direct effect on organizational commitment.

2. RESEARCH METHOD

This study employed a quantitative approach with a survey method conducted through distributing questionnaires in the form of a Likert scale with five answer options: strongly disagree, disagree, neutral, agree, and strongly agree. The researcher themself made the questionnaire based on the theoretical dimensions of the experts. The compensations’ dimensions: pay, fringe benefits, incentive, protection programs, the feeling of competence, accomplishment, responsibility, and personal growth [26], [27]. Organizational commitment: affective, normative, and continuance commitment [40]. Turnover intention: increased absenteeism, laziness to work, increased courage to violate work rules, the emergence of courage to oppose or protest to superiors, or seriousness in accomplishing all the responsibilities of an employee who seemed very different from usual [15]. The compensation questionnaire consists of 10 items, organizational commitment: 10 items, and turnover intention: 10 items with an alpha coefficient of each variable: .893, .912, and .891. The alpha coefficient of all variables >.7 is reliable as a research instrument [48].

The research participant was 207 honorary teachers of a private school in Indonesia spread across seven Provinces (East Nusa Tenggara, East Kalimantan, Riau Islands, Central Java, West Java, Banten, Jakarta) were determined by accidental sampling according to the participants’ willingness to fill out the questionnaire at the time the study was conducted [49] through google form formatted in the smartphone. As present in Table 1, the majority of gender is female (62.80%), ages 26-35 years (46.86%), bachelor education (85.51%), marital status (63.77%), and length of teaching ≤ five years (54.59%).

| Profile | Amount | Percentage |
|---------|--------|------------|
| Gender  |        |            |
| Male    | 77     | 37.20      |
| Female  | 130    | 62.80      |
| ≤25 years | 46   | 22.22      |
| 26–35 years | 97   | 46.86      |
| Age     |        |            |
| 36–45 years | 43  | 20.77      |
| 46–55 years | 17  | 8.21       |
| ≥56 years | 4   | 1.93       |
| Education|       |            |
| Bachelor| 177    | 85.51      |
| Postgraduate | 20  | 9.66       |
| Status  |        |            |
| Married | 132    | 63.77      |
| Unmarried | 75   | 36.23      |
| ≤ 5 years | 113  | 54.59      |
| Length of teaching |    |            |
| 6 – 10 years | 55  | 26.57      |
| 11 – 15 years | 24  | 11.59      |
| ≥ 16 years | 15  | 7.25       |
Data analysis is conducted by path analysis. The test of the path coefficient significance uses a t-test. Descriptive statistics and correlational matrices also support data analysis. Path analysis was performed by LISREL 8.80, while descriptive statistics and correlational matrices by SPSS version 26.

3. RESULTS AND DISCUSSION

3.1. Results

The descriptive statistical analysis and correlational matrices result of the research variable are performed in Table 2. The mean values from the lowest to the highest in succession are turnover intention (15.45), compensation (37.20), and organizational commitment (40.29). The correlation matrix analysis shows that all variables significantly correlate with other variables at level \( p < .01 \). It indicates that all of the variables have a mutual relationship with each other. The correlation coefficient from the lowest to the highest in succession is organizational commitment and turnover intention (-.467), compensation and turnover intention (-.452), and compensation and organizational commitment (.639).

Table 2. Descriptive statistics and correlation matrix

| Variables            | Mean  | Std. Deviation | 1   | 2   | 3   |
|----------------------|-------|----------------|-----|-----|-----|
| Compensation         | 37.20 | 7.455          | 1.00|     |     |
| Organizational       | 40.29 | 5.025          |     | .639**| 1.00|
| commitment           |       |                |     |     | .639**| 1.00|
| Turnover intention   | 15.45 | 4.713          |     | -.452**| - .467**| 1.00|

** \( p < .01 \)**

Hypothesis testing results of the effect of compensation on turnover intention mediated by organizational commitment are summarized in Table 3. All of the hypotheses were supported with indication \( t \) value > \( t \) table at \( \alpha = .01 \). Therefore, this study revealed that compensation has a significant direct effect on teachers’ turnover intention (-.26, \( p < .01 \)), organizational commitment has a significant direct effect on teachers’ turnover intention (-.30, \( p < .01 \)), compensation has a significant direct effect on organizational commitment (.64, \( p < .01 \)), and compensation has a significant indirect effect on teachers’ turnover intention mediated by organizational commitment (-.19, \( p < .01 \)). In addition, compensation has a positive effect on organizational commitment and has a negative effect on turnover intention, either directly or indirectly. The positive effect shows that the improvement in compensation can increase teachers' organizational commitment, while the negative effect indicates that the improvement in compensation can mitigate/reduce teachers' turnover intentions even though it is mediated by organizational commitment.

Table 3. Summary of path coefficient and t values

| Hypothesis                                      | Path coefficients | \( T \) Value | Hypothesis testing |
|-------------------------------------------------|-------------------|---------------|--------------------|
| \( H_1 \): Compensation (\( X \)) on turnover intention (\( Y_2 \)) | -.26**            | -3.33         | Supported          |
| \( H_2 \): Organizational commitment (\( Y_1 \)) on turnover intention (\( Y_2 \)) | -.30**            | -3.83         | Supported          |
| \( H_3 \): Compensation (\( X \)) on organizational commitment (\( Y_1 \)) | .64**             | 11.93         | Supported          |
| \( H_4 \): Compensation (\( X \)) on turnover intention (\( Y_2 \)) mediated by organizational commitment (\( Y_1 \)) | -.19**            | -3.65         | Supported          |

** \( p < .01 \)**

Figure 1 and Figure 2 present the model test with the goodness of fit statistics: Chi-Square = .00, \( df = 0 \), \( p \)-value = 1.00 > .05, and RMSEA = 0.00 < .08. It means the model tested is fit. This evidence indicates that the theoretical model being test is supported by empirical data from honorary teachers of private schools in Indonesia spread across seven provinces (East Nusa Tenggara, East Kalimantan, Riau Islands, Central Java, West Java, Banten, Jakarta).
3.2. Discussion

This research result found that compensation significantly affects teachers’ turnover intention, either directly or indirectly, mediated by organizational commitment. The study is also created a fit model that the theoretical model was in accordance (fit) with empirical data from honorary teachers of private schools in Indonesia, especially East Nusa Tenggara, East Kalimantan, Riau Islands, Central Java, West Java, Banten, and Jakarta province. This finding confirms that compensation and organizational commitment are essential determinants for the teachers’ turnover intention. Besides, organizational commitment plays a significant role as a mediator of the compensation effect on teachers’ turnover intention. These findings were in line, consistent, and confirmed previous studies used as a reference to develop this research hypothesis. For example, several studies in multiple contexts and fields concluded that turnover intention is influenced by compensation [16]-[23] and organizational commitment [28]-[37].

As a consequence of this evidence, the private school foundation management urgently manages the compensation system and organizational commitment better through various policies, approaches, and strategies that are relied on to mitigate or reduce teachers’ turnover intention. In compensations’ case, the private school foundation management should improve the compensation system, which provides excellent teacher compensation opportunities, including pay, fringe benefits, incentive, protection programs, the feeling of competence, accomplishment, responsibility, and personal growth [26], [27]. For organizational commitment context, the private school foundation management and school principals should be driving the school to become learning organizations that can stimulate the growth of affective, normative, and continuance commitment among teachers [40].

Besides, this study also found that organizational commitment plays an important role as mediators in the effect of compensation on teachers’ turnover intention. This evidence, in line with previous studies, concluded that compensation influences organizational commitment [41]-[47], organizational commitment affects teachers’ turnover intention [28]-[37], and compensation affects teachers’ turnover intention [16]-[23]. This finding reveals empirical facts that compensation is crucial and urgent to consider in reducing teachers’ turnover intention through organizational commitment. Therefore, any efforts to reduce teachers’ turnover intention will be better if done by improving organizational commitment. This has the consequence that the private school foundation management and school principals urgently develop teachers’ organizational commitment through various possible approaches, methods, and strategies.

4. CONCLUSION

This research proves that compensation has a significant effect on teachers’ turnover intention, either directly or indirectly, mediated by organizational commitment. This study also was found a fit research model about the compensation affects teachers’ turnover intention mediated by organizational commitment with the research field of the honorary teachers of private schools in Indonesia, especially East Nusa Tenggara, East Kalimantan, Riau Islands, Central Java, West Java, Banten, and Jakarta province. This model can discuss among researchers and practitioners as references/discourse or a strategy for mitigating turnover intention in various contexts and research fields. Furthermore, for the researcher, the model can be further expanded into new research with more participants, adding variables, other dimensions or indicators, and another statistical approach, mainly structural equation modeling (SEM). For educational practitioners, the model can reduce teachers’ turnover intention among private school teachers by improving compensation and organizational commitment, implicating enhancing teachers’ productivity and performance in individual levels and school effectiveness and performance in organizational levels.
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