The Role of Job Satisfaction in Minimizing Turnover Intention in Start-Up Companies

Tedi Supriadi, Suryanto

Postgraduate School Universitas Airlangga, Jl. Airlangga 4-6, Surabaya 60286, Indonesia

ARTICLE INFO

ABSTRACT

This study is a literature review study that aims to see the role of job satisfaction on turnover intention, especially in start-up companies. Start-up companies today have the opportunity to grow rapidly supported by technology and information. Many interesting things can be reviewed from start-up companies, one of which is that start-up companies are dominated by Gen Z and millennials. Where generation Z and millennials are known for their characteristics or attitudes that easily feel bored when they can't get the opportunity to develop and easily feel bored with monotonous types of work. So that this triggers the emergence of turnover intention, including start-up companies. For this reason, it is necessary to make efforts to minimize the emergence of turnover intention through increasing and understanding what factors can increase job satisfaction so as to minimize the emergence of turnover intention from each individual in the start-up organization.

SARI PATI

Penelitian ini merupakan studi tinjauan literatur yang bertujuan untuk melihat peran kepuasan kerja terhadap niat berpindah, khususnya di perusahaan start-up. Perusahaan start-up saat ini memiliki peluang untuk tumbuh dengan cepat didukung oleh teknologi dan informasi. Banyak hal menarik yang dapat ditinjau dari perusahaan start-up, salah satunya adalah bahwa perusahaan start-up didominasi oleh Generasi Z dan milenial. Dimana Generasi Z dan milenial dikenal dengan karakteristik atau sikap mereka yang mudah merasa bosan ketika tidak mendapatkan kesempatan untuk berkembang dan mudah merasa bosan dengan jenis pekerjaan yang monoton. Oleh karena itu, hal ini memicu munculnya niat berpindah, termasuk di perusahaan start-up. Untuk itu, perlu dilakukan upaya untuk meminimalkan munculnya niat berpindah melalui peningkatan dan pemahaman terhadap faktor-faktor apa yang dapat meningkatkan kepuasan kerja sehingga dapat meminimalkan munculnya niat berpindah dari setiap individu di organisasi start-up.

Corresponding author:
tedi.supriadi-2021@pasca.unair.ac.id

INTRODUCTION

Start-ups are growing in Indonesia, which is the country with the fifth largest number of startups in the world. The majority of startups can be grouped into three fields, namely e-commerce, financial technology, and gaming. Another interesting thing is that the founders of these startups are dominated by generation Z and millennials (Zaky, et al., 2018) as senior millennials (Budiati, et al., 2018). Therefore, many startups whose employees also belong to that generation. Based on the Indonesia Millennial report, almost all millennials will only stay in a company for 2-3 years, only 1 in 10 say they will stay more than 10 years in the company (Utomo, 2019). Millennials have a high desire to move to another company.

Turnover intention is the tendency or intention of employees to quit their jobs voluntarily or move from one workplace to another according to their own choice (Mobley, 1978). Turnover intention is a trigger for turnover (Asmara, 2017). Knapp et al., (2017) explained that non-profit organizations experience high employee turnover every year, this is due to a flat organizational hierarchy and limited financial resources (Knapp et al., 2017). Although turnover at a certain level is natural and sometimes even necessary to meet the demands of organizational dynamics that always need refreshment, stop requests need to always be wary of.

Saeed, et al. (2014) said that high job satisfaction is associated with low turnover intentions and low job satisfaction leads to high turnover intentions. According to Soleman et al. (2020), it is necessary to look at the assessment from the side of spirituality in measuring the level of job satisfaction in employees, in addition to external aspects such as: salary, benefits, career prospects, and supervisory support.

The rapid business competition today has caused many companies to realize the importance of human resources (HR) is an important resource. HR will determine success in achieving the goals of a company, where these goals will not be achieved if employees do not carry out their work properly. The task of a company is not only to recruit the right human resources for the company, but also to create and maintain human resources in the company is the task of the company, therefore companies must always make changes in a positive direction (Mokaya et al., 2013). The company must be able to manage human resources well in order to achieve the company's vision and mission. Therefore, it is important to minimize turnover intention and understand what factors can increase job satisfaction for better HR management for the organization.

Literature Review
Start-up

The term startup is always synonymous with startups that use information technology in their products. If it does not use elements of information technology, the business can be said to be an SME (Small and Medium Enterprises) (Baskoro, 2013). Startup is a term that sounds foreign to the ear but is very familiar to businesses in today's digital era. Startups appeared around 1998 - 2000 at the beginning of the global economic crisis. Initially, a startup was just a business entity for services and products that at that time were sought after and needed by many people with a small market reach (Kiwe, 2018). Along with the rapid growth of the internet, the business also changed in a faster and strategic direction. This is one of the factors in the startup business increasingly popular and growing every year. Not only abroad, but also at home also feel this euphoria.

Eric Ries (2011) said a startup is a group of

individuals who create and sell new products or services on uncertain market dynamics in search of the right business model, so startups face changing market conditions with a very high level of uncertainty. This is what distinguishes startups from companies. Based on the understanding according to Yevgeniy Brikman (2015), digital startups are a group of individuals who form organizations as startups that produce products in the field of technology. By utilizing internet technology in an all-digital era, startups are required to be ready to enter the free market on the internet that is able to reach all consumers in expanding market share by massively expanding the market.

It is not uncommon for startups to disrupt large-scale technology from conventional models into digital forms that can be accessed without space and distance limits. This is the basis for startups to have a target for massive consumer growth at the beginning of its launch (Fisher, 2015). Another definition according to Blank and Dorf (2012) explains that a startup is a temporary organization that aims to find a business model in an uncertain situation. In this case, startups can be said to be the initial model of finding identity in a new business. Indonesia as a country that emerged in the midst of the increasingly rapid wave of globalization era and included very significant growth in Southeast Asia (Permadi, 2017). This triggers digital entrepreneurship for human resource development. The rise of startup growth in Indonesia is followed by internet growth from year to year. The use of technological aspects and digitalization also intervenes and changes the paradigm of conventional business models. The presence of startups that hold unicorn to decacorn status also enlivens the atmosphere of the digital ecosystem in Indonesia.

Job Satisfaction

Job satisfaction is a feeling of supporting or not supporting employees related to their work or their condition (Sinambela, 2012). The same thing is also said by Hasibuan (2000) that job satisfaction is an emotional attitude that is pleasant and loves his job. This attitude is reflected through work morale, discipline and work performance. Job satisfaction is divided into three types according to Hasibuan (2000):

1) Job satisfaction at work, is job satisfaction enjoyed at work by obtaining praise for work results, placement, treatment, and a good working environment. Employees who enjoy job satisfaction at work will prioritize their work over remuneration even though remuneration is important.

2) Job satisfaction outside of work, is job satisfaction enjoyed outside work with the amount of remuneration that will be received from the results of his work. Compensation or remuneration is used by the employee to meet his needs. Employees who enjoy job satisfaction outside of work pay more attention to remuneration than the performance of their duties. Employees will feel satisfied if they get large rewards.

3) Combined job satisfaction (inside and outside work), is job satisfaction that reflects a balanced emotional attitude between remuneration and the performance of work. Employees who enjoy more combined job satisfaction will feel satisfied if the results of work and remuneration are felt fair and decent.

Job satisfaction must be created as well as possible so that work morale, dedication, love and employee discipline increase. Here are some aspects in measuring job satisfaction according to Jewell and Siegall (1998):

1) Psychological aspects, namely aspects related to employee psychology include interests, work peace, attitudes towards work, talents and skills.
2) Physical aspects, namely aspects related to the physical condition of the work environment and the physical condition of the employee environment, including the type of work, work time arrangements, rest time arrangements, room conditions, air temperature, lighting, air exchange, employee health conditions and age.
3) Social aspect, related to social interaction, both between fellow employees with superiors and between employees with different types of work and relationships with family members.
4) Financial aspect, which is related to employee security and welfare which includes the system and amount of salary, social security, benefits, facilities and promotions.

There are five factors that can affect the incidence of job satisfaction according to Kreitner and Kinicki (2001):

1) Need fulfillment, meaning that job satisfaction is determined by the level of job characteristics providing opportunities for individuals to meet their needs. Discrepancies, meaning that satisfaction is a result of meeting expectations. The fulfillment of expectations reflects the difference between what is expected and what the individual gains from the job. When expectations are greater than what is received, people will be dissatisfied. Conversely, it is estimated that individuals will be satisfied if they receive benefits above expectations.
2) Value attainment, meaning that satisfaction is the result of job perception providing fulfillment of important individual work values.
3) Equity, meaning that satisfaction is a function of how fairly individuals are treated at work. Satisfaction is the result of people's perception that the comparison between work and input is relatively more favorable than the comparison between output and input of other work.
4) Dispositional/genetic components, meaning that satisfaction is based on the belief that job satisfaction is partly a function of personal traits and genetic factors. This implies that individual differences only have an important meaning to explain job satisfaction as well as the characteristics of the work environment.

Theories related to job satisfaction:

1. Equity Theory

As reviewed by Walster, Berscheid & Walster (1973), equity theory shows how individuals perceive fairness in terms of social relationships. Based on Adam's theory (1965), Huseman, Hatfield & Miles (1987) shows that if an employee thinks there is an injustice between two social groups or individuals, employees tend to be depressed or dissatisfied because the inputs and outputs are not the same. Inputs include the quality and quantity of an employee's contribution to his work. Examples of inputs include time, effort, hard work, commitment, ability, adaptability, flexibility, tolerance, determination, enthusiasm, personal sacrifice, trust in superiors, support from colleagues and colleagues and skills. Output represents both positive and negative consequences that the individual

(employee) perceives as a consequence of his relationship with others. Examples of outputs include job security, self-esteem, salary, employee benefits, expenses, recognition, reputation, responsibility, and sense of accomplishment, praise, gratitude and so on.

Equity theory explains that when employees are satisfied with the perceived balance/fairness, employees will remain loyal to the organization. This is reinforced by Puspitawati and Riana (2014) that when employees are satisfied in various things such as workload, salary, promotion, supervision, and colleagues, employees will have a high commitment to the organization. The main focus in equity theory is about payments which are a cause of equity concern or unfairness in many cases in organizations. In any position in the organization, an employee wants to feel that their contribution and work performance are rewarded with their salary.

2. Two Factor Theory

(2003) explains that the factors that lead to satisfaction or dissatisfaction are different. Thus, he states that the opposite of job satisfaction is not job satisfaction but, rather no satisfaction and the opposite of job dissatisfaction is not job satisfaction but no satisfaction. This theory states that job satisfaction and dissatisfaction are the product of each different factor, namely motivation factor and hygiene factor. Motivation factors are seen as the inner forces that drive individuals to achieve personal and organizational goals. Motivation factors are aspects of work that make people want to perform and give people satisfaction. Hygiene factors include aspects of the work environment such as working conditions, interpersonal

matters, organizational policies and so on. Strong motivation factors of job satisfaction include self-achievement, recognition (referring to honor), the job itself, responsibility, opportunities for growth or promotion.

3. Affective Event Theory

Affective event theory was developed by psychologists Howard M. Weiss and Russell Cropanzano to explain how emotions and mood affect job satisfaction (2001). Affective event theory emphasizes that emotional incidents that induce positively and negatively in the workplace are distinguishable and have a significant psychological impact on employee job satisfaction. Based on Rolland and De Fruyt's (2003) research on personality that supports affective event theory shows that there are a number of factors that influence affective event theory. These include awareness, understanding, neuroticism, openness to experience, and extraversion. In addition, performance feedback has an important influence on employees. Regular reviews should be carried out regularly in both medium and large organizations. Fisher and Ashkanasy, (2000) say that the type of feedback on performance provided by managers can affect employee performance and job satisfaction.

Turnover Intention

AlBattat, Som, & Helalat (2013), explained that turnover intention is the dominant determinant factor that is positive for turnover, meaning that the higher the intention of employees to move, the greater the turnover will be carried out by employees. According to Mobley (1978), turnover intention is the tendency or intention of employees to quit their jobs voluntarily or move from one

workplace to another according to their own choice. Mahdi et al., (2012), turnover intention is the tendency of an employee's intention to quit a job voluntarily according to his own choice. Hancock et al., (2013), say that more accurate predictors of individual turnover decisions are job satisfaction, organizational commitment, work model, and relationships with coworkers compared to salary.

Turnover intention is an employee's plan to leave the company or to fire an employee. Turnover intention can be voluntary or involuntary (Saeed, Waseem, &; Rizwan., 2014). According to Ozdevecioglu, Kurt, & Tugba (2015), turnover intention is caused by factors such as work environment, leadership style, salary system and dissatisfaction with work, as well as organization. The results of research by Tirelli & Goh (2015) state that an organization must be able to reduce turnover intentions and increase employee affective commitment so that the organization can run well.

Halimah at all (2016) said that turnover intention is the tendency or intention of employees to stop working from their jobs. According to Handoko (2001) a stop request can occur if an employee sees a greater career opportunity elsewhere. The following are signs of turnover intention that concern employees, namely increased absenteeism, employees who want to change jobs, usually characterized by increasing absenteeism (the level of employee responsibility in this phase is very less than before), starting to be lazy to work (employees who want to change jobs will be more lazy to work, because the orientation of these employees is to work in other places that are considered more able to meet all the desire of the employee concerned), an increase in violations of work rules (employees leave the workplace more often during working hours, as well as various other forms of violations) and various

violations of rules in the work environment are often committed by employees who will make turnovers, increased protests against superiors (employees who want to change jobs, more often protest against policies company to superiors), protest materials that are emphasized are usually related to remuneration or other rules that disagree with the wishes of employees, positive behavior that is very different from usual, this applies to employees who have positive characteristics. This employee has a high responsibility for the task at hand, and if this employee's positive behavior increases far and differently than usual, it indicates that this employee will make a turnover.

METHODS

This research method uses literature review which is a systematic, explicit and reproducible method to identify, evaluate and synthesize research works and thoughts that have been produced by researchers and practitioners (Rahayu et al. 2019). The design of this research is a Literature Review or literature review. Literature research or literature review (literature review, literature research) is research that examines or critically reviews the knowledge, ideas, or findings contained in the body of academic-oriented literature, and formulates theoretical and methodological contributions to certain topics, Cooper (2010). The nature of this research is descriptive analysis, which is an orderly description of the data that has been obtained, then given understanding and explanation so that it can be understood well by readers.

CONCLUSION AND SUGGESTION

Basically, a start-up is an organization or can be said to be a startup company. Therefore, one of the challenges for start-ups is to get loyal customers and choose products and services

from these start-ups. Thus, making start-ups have a state that is not stable enough in the face of job market dynamics. In addition, most of the start-up employees are Gen Z and millennials. The characteristics of Gen Z and millennials who like challenges and easily get bored with what they do are the triggers for many turnover intentions that occur.

To overcome this, of course, good efforts are needed related to human resource management (HR), especially start-up companies. As explained earlier that every individual and employee has goals that they aim for personally, one of which is job satisfaction. This can also be a trigger for the emergence of turnover intention. According to Equity Theory, that individuals feel or consider fairness in terms of social relationships. Based on Adam's theory (1965), Huseman, Hatfield & Miles (1987) shows that if an employee thinks there is an injustice between two social groups or individuals, employees tend to be depressed or dissatisfied because the inputs and outputs are not the same. Inputs include the quality and quantity of an employee's contribution to his work. Examples of inputs include time, effort, hard work, commitment, ability, adaptability, flexibility, tolerance, determination, enthusiasm, personal sacrifice, trust in superiors, support from colleagues and colleagues and skills. Therefore, it is important that there is a balance between the input that has been given by employees to the output obtained by these employees.

Output represents both positive and negative consequences that the individual (employee) perceives as a consequence of his relationship with others. Examples of outputs include job security, self-esteem, salary, employee benefits, expenses, recognition, reputation, responsibility, and sense of accomplishment, praise, gratitude and so on. Equity theory explains that when employees are satisfied with the perceived balance/fairness, employees will remain loyal to the organization. This is reinforced by Puspitawati and Riana (2014) that when employees are satisfied in various things such as workload, salary, promotion, supervision, and colleagues, employees will have a high commitment to the organization. The main focus in equity theory is about payments which are a cause of equity concern or unfairness in many cases in organizations. In any position in the organization, an employee wants to feel that their contribution and work performance are rewarded with their salary.

The emergence of turnover intention in startups occurs one of them because of payment. Most startup employees receive salaries according to UMR standards and not many even receive salaries below the UMR that has been set. The company considers that due to more unbound working hours, the payment given cannot be given in large quantities. Herzberg (2003) explains that the factors that lead to satisfaction or dissatisfaction are different. Thus, he states that the opposite of job satisfaction is not job satisfaction but, rather no satisfaction and the opposite of job dissatisfaction is not job satisfaction but no satisfaction. This can happen because Gen Z and millennials are known for a generation that is not easily satisfied and easily bored. If they cannot do self-development in a startup organization, of course, employees/individuals will choose and think about changing workplaces with better benefits.

Affective event theory was developed by psychologists Howard M. Weiss and Russell Cropanzano to explain how emotions and mood affect job satisfaction (2001). Affective event theory emphasizes that emotional incidents that induce positively and negatively in the workplace are distinguishable and have a significant psychological impact on

employee job satisfaction. This is true because the condition or work environment is very influential on the condition of employees. If the work environment is not supportive, employees will very easily feel uncomfortable and think about leaving the company looking for a better working atmosphere.

Of course, indications of turnover intention can be observed by the company and HR at the company. If employees begin to experience a decline in work performance and are often absent, then the company's HR can approach and discuss with the individual to find solutions to problems that result in the emergence of turnover intention / desire to change workplaces. Not only a personal approach through HR, of course, the company must continue to improve the quality of human resources through facilities that can be in the form of training and training for employees, can provide opportunities for individuals to grow, involve each individual in discussions so that a sense of «interrelated and belonging» arises and on the other hand the company can give simple attention to its employees such as incentives and rewards for outstanding employees. Because these things are true, it can hold individuals from changing jobs because they get a comfortable atmosphere and environment at work.

REFERENCES

Akbar, F. H., Hamid, D., & Djudi, M. (2016). Pengaruh Kepuasan Kerja Terhadap Komitmen Organisasional Dan Kinerja Karyawan (Studi pada Karyawan Tetap PG Kebon Agung Malang). *Jurnal Administrasi Bisnis*, *38*(2), 79-88.

AlBattat, A. R., Som, A. P. M., & Helalat, A. S. (2013). Overcoming Staff Turnover *in the Hospitality Industry using Mobley's Model. International Journal of Learning &Development*, 3(6), 64–71.

Alfatania Pandu Asmara. (2017). Pengaruh Turnover Intention terhadap Kinerja *Karyawan diRumah Sakit Bedah Surabaya. JAKI Volume 5 No2, 123-129.*

Ardana, Komang dkk. (2008). *Perilaku Keorganisasian*. Denpasar: Graha Ilmu.

Arikunto, Suharsimi. (1996). *Prosedur Penelitian Suatu Pendekatan Praktik.* Edisi Revisi. Jakarta: Rineka Cipta.

As'ad, M. (2004). *Psikologi industry*. Yogyakarta: Liberty.

Ayu, D. P. (2016). *Pengaruh Person-Environment Fit, Kepuasan Kerja dan Komitmen Organisasional Terhadap Intention to Leave Pegawai (Studi di RS Orthopedi dan Traumatologi Surabaya)*. Master Thesis. Airlangga University. Baharom Mohamad, Halimatus Saadiah Mat Saad, & Sharifah.

Aziri B., (2011). *Job Satisfaction : A Literature Review. Faculty of Business and Economics*. South East European University, Iiindenska 1200, Tetovo, Makedonia.

Bhutto, Niaz Ahmed., Minhoon Khan Laghari, and Falah ud Din Butt. (2012). A *ComparativeStudy of Organizational Climate and Job Satisfaction in Public, Private and Foreign Banks. Canadian center of Science and Education*, 8 (4), pp: 259-267.

Edison, E, Anwar, Y., & Komariyah, I. (2017). Manajemen Sumber Daya Manusia. Alfabeta,Bandung.

Firdaus, A. (2017). *Faktor-Faktor Yang Mempengaruhi Turnover Intention (Studi Pada Karyawan Perusahaan Jasa Multi Finance di Kota Jambi) Ahmad Firdaus 1.* Ekonomis: Jurnal of Economics and Business, 1(1), 1–9

Fisher, C.D. and Ashkanasy, N.M. (2000), *The emerging role of emotions in work life: anIntroduction. Journal of Organizational Behavior*, Vol. 21 No. 1, pp. 123-129.

Hancock, J. I., Allen, D. G., Bosco, F. A., McDaniel, K. R., & Pierce, C. A. (2013). *Meta-Analytic Review of Employee Turnover as a Predictor of Firm Performance. Journalof Management*, 39(3), 573–603.

Hasibuan, Malayu S.P. (2000). Manajemen Sumber Daya Manusia. PT. Bumi Aksara. Jakarta.

Herzberg, F. (2003). *One More Time : How Do You Motivate Employees ? Harvard Business Review*, 1–11

Hoppock, R. (1935). Job Satisfication. Harper and Brothers, New York Iqbal, S., Ehsan, S.

Indrayanti, D. P., & Riana, I. G. (2016). Pengaruh Kepuasan Kerja terhadap Turnover Intentionmelalui Mediasi Komitmen Organisasional pada PT. Ciomas Adisatwa di Denpasar. *E- Jurnal Manajemen Universitas Udayana, 5*(5).

Rizwan, M., & Noreen, M. (2014). *The impact of organizational commitment, job satisfaction,job stress and leadership support on turnover intention in educational institutes. International Journal of Human Resource Studies*, 4(2), 181.