The Influence of Work-Life Balance on Job Satisfaction, Organizational Commitment, and Turnover Intention

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Abstract

This research aims to examine the influence of work-life balance on the employees’ job satisfaction, organizational commitment, and turnover intention in the banking industry. There’s a total of 142 questionnaires collected from branch offices and 13 BRI unit offices in Malang. The demographic features were briefly discussed in terms of frequency and percentage. For the analysis of data, descriptive and inferential statistics have been used. Structural equation modeling (SEM) has been used for inferential statistics to measure the degree between independent variables and the dependent variables. The results of this study clearly demonstrate that work-life balance, job satisfaction, and organizational commitment have a negative impact on the turnover intention. Work-life balance, job satisfaction, and organizational commitment have important relationships in minimizing the turnover intention among the employees in the organization.

Keywords: work-life balance, job satisfaction, organizational commitment, turnover intention

INTRODUCTION

Turnover intention is an antecedent of the final or actual behavior [1] [2]. Turnover is negatively related to the organization, e.g. increased employee severance costs, recruitment costs for employees, temporary labor costs, training costs, loss of potential and skilled employees [3] [4]. According to a survey conducted in 2015, the turnover level of talent in all industries in Indonesia continues to rise 8.4% and the highest in the banking sector 16% [5]. This was in line with the survey conducted in 2014 entitled "Indonesian Banking Survey" which discovered that there was a scarcity of quality talent in the labor market, as voluntary turnover rates exceed 10%, with relatively high labor mobility, increase in the turnover rates of each field, 82% transfer of employees to other banks, and the transfer to other financial service institutions by 16% [6].

The notion of WLB relates to individual actions that balance three dimensions of life; organization, personal life, and social life. According to [6] WLB is the achievement of satisfaction in every sphere of life. This requires personal resources like energy, time, and commitment to be distributed well throughout the domain. [7] It showed that the inability of employees to balance work and life responsibilities can contribute to the organization's performance by increasing absenteeism and turnover and reducing productivity and job satisfaction.

According to [8] job satisfaction is an assessment of what a person does in his or her work environment. Job satisfaction is an attitude variable that is often used to predict organizational commitment, and turnover intention, and then organizational commitment is also an attitude variable that is influential in determining the turnover intention, thus these three variables have a strong connection with each other [1] [9] [10]. The affect of WLB on JS, OC, and TI was clearly demonstrated by empirical studies in different sectors [11] [12] [13] [14] [15] [16] [17] [18] [19] [20] [21] [22] [23] [24].

This research has been carried out at PT Bank Rakyat Indonesia (Persero) Tbk, one of the state-owned banks. The annual report published by BRI in 2016 showed that the turnover rate of BRI employees was 1.11 percent. This research has been carried out on employees of the BRI branch office "Kawi", which has 13 service units in Malang. There are roughly 6 research objectives and hypotheses used in this study to guide our work. Further, the aims were to investigate the effects of the WLB on job satisfaction, organizational commitment, and turnover intention. Thus, the aims of this study are as follows:

1. Does the WLB of employees affect the JS of employees?
2. Does the WLB of employees affect the OC of employees?
3. Does the WLB of employees affect the TI of employees?
4. Does the JS of employees have an effect on the OC of employees?
5. Does the JS of employees affect the TI of employees?
6. Does the OC of employees affect the intention of employees’ turnover?

HYPOTHESES DEVELOPMENT
Research hypotheses are specific predictions expected in this study, so we used alternative hypotheses to identify significant influences between independent variables and the dependent variables mentioned above. The following assumptions are formulated:

**WLB and Job Satisfaction**
The relationship between WLB and JS has been examined by previous studies and has shown results. Research by [11] shows that it is important to consider the WLB of employees to improve JS, and has identified that individuals who have a good balance between job and personal life roles tend to be more satisfied with work and personal life. [12] shows that experience from positive work-home interaction (balance) can be associated with higher levels of JS, and experience from negative work-home interaction (imbalance) can be associated with lower levels of JS. [13] shows that job autonomy and support initiatives from supervisors improve the WLB of employees, hence the increased WLB of the employee will also increase the employee’s JS. Therefore the first hypothesis is as follows:

H1: WLB has a positive effect on JS

**WLB and Organizational Commitment**
[14] states that there is a significant relationship between WLB and OC. [15] shows that WLB perceptions are found to be positively related to OC and JS. [16] point out that WLB and JS are mediator variables that encourage increased affective and normative commitment. The second hypothesis is therefore as continues to follow:

H2: WLB has a positive effect on OC

**WLB and Turnover Intention**
[17] suggests that social work opportunities and WLB are levers for the organization to reduce stress and desire to leave the organization. [12] showed that the high level of negative work-home interaction (imbalance) of employees tend to produce a higher TI level, meaning that the imbalance between the role of work and personal life have impacts on increasing TI. [18] notes that employees with a higher WLB tend to report intentions to keep working. The third hypothesis is thus as follows:

H3: WLB has a negative effect on TI

**Job Satisfaction, Organizational Commitment, and Turnover Intention**
Some previous researchers have found that there is a relationship between JS and OC, as well as the relationship between JS and TI. [19] suggests that affective commitment is more strongly related to intrinsic and extrinsic JS compared to normative commitment. [20] shows that JS is positively related to OC. Satisfied workers are expected to commit themselves to the organization and have strong confidence in achieving its goals. [19] also analysed the relationship between JS (intrinsic and extrinsic) with TI which showed the result that a significant negative relationship was only between OC and extrinsic JS, while intrinsic JS did not have a negative or positive relationship. [20] states that OC is negatively associated with the intention to move. [12] shows that high JS is linked to low TI, which means that employees who are fully satisfied with their work tend to have a low intention to leave the organization. The fourth and fifth hypothesis is therefore as follows:

H4: JS has a positive effect on OC
H5: JS has a negative effect on TI

**Organizational Commitment and Turnover Intention**
Three components of OC, namely affective, continuance, and normative commitment, are most often used by previous researchers to measure OC [26]. [21] Shows that affective commitment and normative commitment have been found to be negatively linked to employee turnover. [22] [23] [24] indicate that TI is negatively correlated with OC. The findings of this study also show that affective commitment is the most significant predictor of determining TI. [30] show different results from other studies that OC has an insignificant relationship on TI. As well as [31] research shows that the weak relationship between the dimensions of OC (affective, continuance, and normative) on employee TI. The sixth hypothesis is as follows:

H6: OC has a negative effect on TI
MATERIAL AND METHOD
This investigation has taken a quantitative approach. In analyzing the data, descriptive statistics were used by utilizing the SPSS version 17 and Smart-PLS version 3 for inferential statistics. Descriptive statistics have been used to analyze the demographic data of the respondent, such as gender, age, level of education, and years of service in the organization. The information was submitted by frequency and percentage. In addition, inferential statistics have been used to determine the effects of independent variables on dependent variables.

Data Collection
In this study, a survey questionnaire was developed according to the study objective and used to collect accurate data and minimize bias. In designing the questions, we adapted and modified the questions from previous researchers in accordance with current research. Table 1 shows the complete sources used to create a complete questionnaire for this study. In this study, the measurement scale uses a 5-point Likert scale, from (1) strongly disagree to (5) strongly agree. On the other hand, the variable for JS uses the scale from (1) very dissatisfied to (5) very satisfied.

Table 1. Sources used for Questionnaire

<table>
<thead>
<tr>
<th>No</th>
<th>Variables</th>
<th>N of Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WLB</td>
<td>15</td>
<td>[25]</td>
</tr>
<tr>
<td>2</td>
<td>JS</td>
<td>20</td>
<td>[8]</td>
</tr>
<tr>
<td>3</td>
<td>OC</td>
<td>18</td>
<td>[26]</td>
</tr>
<tr>
<td>4</td>
<td>OC</td>
<td>3</td>
<td>[21]</td>
</tr>
</tbody>
</table>

The population of employees from branch offices of Bank BRI Kawi Malang is 287 employees. Determination of the number of samples utilizing the Slovin Formula, with an error tolerance cutoff of 6%, in this way got a sample of 142 employees. The technique used for sampling is proportional sampling. A total of 142 questionnaires were distributed among the employees, and 142 were obtained successfully from the organization.

RESULT AND DISCUSSION
Table 2 shows the descriptive statistics of the respondents’ demographic characteristic. Of the 142 respondents in total, 60 (42.25%) are male and 82 (57.75%) are female, implying that most respondents are female. The frequency and percentage of the age of the respondents, most respondents fall into the 27 to 31-year-old category, consisting of 71 (50%) respondents, moreover, most of the respondents hold a bachelor degree with the total of 135 (95%) respondents. In addition, table 2 displays the length of service with a total of 105 (73.94%) respondents have served the organization for 1 to 4 years.

Table 2. Characteristics of respondents

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>60</td>
<td>42.25</td>
</tr>
<tr>
<td>Female</td>
<td>82</td>
<td>57.75</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22 to 26-years-old</td>
<td>37</td>
<td>26.05</td>
</tr>
<tr>
<td>27 to 31-years-old</td>
<td>71</td>
<td>50.00</td>
</tr>
<tr>
<td>32 to 36-years-old</td>
<td>24</td>
<td>16.90</td>
</tr>
<tr>
<td>37 to 41-years-old</td>
<td>9</td>
<td>6.33</td>
</tr>
<tr>
<td>42 to 46-years-old</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>47 to 51-years-old</td>
<td>1</td>
<td>0.70</td>
</tr>
<tr>
<td>Educational Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td>7</td>
<td>5.0</td>
</tr>
<tr>
<td>Bachelor Degree</td>
<td>135</td>
<td>95.0</td>
</tr>
<tr>
<td>Master Degree</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tenure of Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-4 years</td>
<td>105</td>
<td>73.94</td>
</tr>
<tr>
<td>5-8 years</td>
<td>26</td>
<td>18.30</td>
</tr>
<tr>
<td>9-12 years</td>
<td>8</td>
<td>5.63</td>
</tr>
<tr>
<td>13-16 years</td>
<td>2</td>
<td>1.40</td>
</tr>
<tr>
<td>17-20 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>21-24 years</td>
<td>1</td>
<td>0.70</td>
</tr>
</tbody>
</table>

Sources: processed primary data (2018)

Inferential statistics in this study uses SEM-PLS. There are 3 stages in the SEM analysis, namely; the evaluation of the measurement model (outer model), evaluation of the structural model (inner model), and hypothesis test. Ideally, the AVE value must be greater than 0.50 [27]. Table 3 shows that the AVE value in each of these variables shows more than 0.50, therefore it is considered to be ideal. Composite reliability is a measure of internal consistency, the value of high composite reliability shows the consistency value of each indicator in measuring its construct [27]. If the composite reliability value is more than 0.70, it has a high reliability. Table 3 shows that the overall composite reliability value of each variable shows more than 0.70, thus it is considered reliable.

Table 3. Construct reliability and validity

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>WLB</td>
<td>0.933</td>
<td>0.941</td>
<td>0.516</td>
</tr>
<tr>
<td>JS</td>
<td>0.949</td>
<td>0.953</td>
<td>0.506</td>
</tr>
<tr>
<td>OC</td>
<td>0.954</td>
<td>0.958</td>
<td>0.562</td>
</tr>
<tr>
<td>TI</td>
<td>0.706</td>
<td>0.836</td>
<td>0.629</td>
</tr>
</tbody>
</table>

Sources: processed primary data (2018)
The structural model test is done by looking at the R-square value. The overall assessment of goodness of fit is gathered from the value of Q2 (predictive relevance). If the Q-square value is greater than zero, it indicates that the exogenous latent variable has predictive relevance to endogenous latent variables [28]. From Table 4 we can calculate the Q2 value as follows:

\[ Q^2 = 1 - (1 - R^2)(1 - R^2) \]

Based on calculation results, it is known that the Q2 value is 0.75, meaning that the magnitude of the diversity of the research data described by the structural model is 75%, whereas 25% is explained by other factors outside the research model. Based on these results, the structural model in this finding can be stated to have the goodness of fit. After evaluating the inner and outer models, the next step is the hypothesis test. The SEM-PLS hypothesis test is done using the bootstrapping method. By looking at the probability and t-statistic values, it can be considered to be significant if the p-value is less than 0.05 and the t-value is greater than the t-table value of 1.960. The research hypothesis can be accepted if this assumption is fulfilled [29].

Table 4. R-square

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>R Square (R²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JS</td>
<td>0.136</td>
</tr>
<tr>
<td>OC</td>
<td>0.432</td>
</tr>
<tr>
<td>TI</td>
<td>0.492</td>
</tr>
</tbody>
</table>

Sources: processed primary data (2018)

The influence of WLB (X) on OC (Y2) has a coefficient of 0.360, t-count 5.173 with a probability of 0.000. The probability value on the analysis result is less than 0.05 (p<α), it can very well be assumed that H0 is rejected. The second hypothesis is therefore well accepted, as this research shows that WLB (X) has a positive and significant affect on OC (Y2) (H2). Based on the research results, this can be indicated that the OC of employees will be stronger if the employee is able to balance his roles appropriately in both work and personal life. The current findings support statement [32] that a professional who can identify his personal roles and needs with organizational values and objectives is strongly committed to the company. These results comply with previous studies [14] [15] [16].

The influence of WLB (X) on TI (Y3) has a coefficient of -0.403, t-count 4.386 with a probability of 0.000. The probability value on the analysis result is less than 0.05 (p < α), it can thus be confirmed that H0 is rejected. The third hypothesis in this study is accepted, WLB (X) has a negative and significant affect on TI (Y3) (H3). Based on the results, can be stated that the intention of the employees to leave will decrease if the employee can properly balance his role in the workplace and in personal life. This finding is consistent with statement [7] that employees’ inability to balance work and personal life responsibilities can contribute to organizational performance in terms of increased absenteeism and turnover, reduced productivity and JS. These results are consistent with previous studies [11] [12] [13].
consistent with [33] statement that employees’ inability to balancing work and non-work effects on job dissatisfaction, turnover, and absenteeism at work. These discoveries comply with previous studies [12] [17] [18].

The influence of JS (Y1) on OC (Y2) has a coefficient of 0.433, t-count 5.149 with a probability of 0.000. The probability value for the analysis result is smaller than 0.05 (p<α), thus it may well be presumed that H0 is rejected. The fourth hypothesis in this research is supported, JS (Y1) has a positive and significant effect on OC (Y2) (H4). On the basis of the results, it can be concluded that employee’s OC in the organization will be stronger if employees are satisfied with their work. In addition, [36] stated that if employees are satisfied with their duties/jobs, the best quality of engagement will be provided to the organization by employees. These results are consistent with previous research [19] [20].

The influence of JS (Y1) on TI (Y3) has a coefficient of 0.216, t-count 2.444 and a probability of 0.015. The probability value on the results of the analysis was less than 0.05 (p<α). It can, therefore, be stated that H0 is rejected. Therefore the fifth hypothesis in this research is accepted as JS (Y1) has a negative and significant affect on TI (Y3) (H5). Based on the research results, can be noted that the intention of employees to leave is reduced if they are satisfied with their work. [37] revealed that to avoid this situation, if a person feels dissatisfied with his job, then what the employee does is physical withdrawal, such as turnover and absenteeism. These results are consistent with previous studies [12] [19] [20].

The influence of OC (Y2) on TI (Y3) has a coefficient of -0.242, t-count 2.598 with a probability of 0.010. The probability value of the analytical results is less than 0.05 (p < α) and therefore H0 can be assumed to be rejected. Therefore, the sixth hypothesis in this research is accepted, OC (Y2) has a negative and significant influence on TI (Y3) (H6). Based on the results, it can be indicated that the employees’ intention to leave will decrease if the employee has a strong OC, especially on affective, and normative commitment. The results of this study reinforce several statements [1] [9] that OC is a variable attitude and a suitable antecedent to predict OC of employees. In addition, the level of commitment determines employees’ decision to stay with the company [34] and employees who are committed tend not to leave the organization voluntarily [35]. These discoveries are in accordance with past studies [21] [22] [23] [24].

CONCLUSION

The results of this research clearly demonstrate that a person’s ability to balance his role in work and personal life well contribute positively to his work, this includes; an increase in JS, a strong commitment to the organization, and a low intention to leave. Other results indicate that sources of JS such as intrinsic and extrinsic factors are important factors in determining the employees’ OC. Affective and normative commitment is an important component of OC that influences the employees’ intention to leave. When employees feel emotionally bound to the company, they will have the intention to stay, besides the moral values that they receive from the family or recruitment is also determined.

These study suggestions are employees need to improve their ability to balance their work and personal life, as WLB is an important variable in predicting and determining JS, OC and TI of the employee. For future research are expected to conduct studies on private-owned banking companies, so they can find out the difference in results between WLB of state-owned bank employees and private-owned banks.

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