

Employee Retention Model with Variables of a Supportive Work Environment Mediated By Organizational Involvement (Study at PT. Carana Bunga Persada)

Candry Prayoga, Shinta Rahmani*

Universitas Mercu Buana

Correspondent Email: shinta.rahamani@mercubuana.ac.id

ABSTRACT

This study aimed to examine the effect of a supportive work environment and organizational Involvement on employee retention, as well as the mediation effect of organizational Involvement on the relationship between supportive work environment and employee retention at PT. Carana Bunga Persada. The study was conducted on 119 people consisting of 78 men and 41 women who were working at PT. Carana Bunga Persada. The data was then processed using the path analysis technique using the SPSS version 23 program. The results showed that a supportive work environment positively affects employee retention. Organizational Involvement also has a positive effect on employee retention. Organizational Involvement significantly mediated the relationship between a supportive work environment and employee retention. Based on the results of the study, the researchers made implications and suggestions for further research.

Keywords: Work Environment, Organizational engagement, Employee Retention, Human resources

INTRODUCTION

One of the keys to managing a company's human resources is successful in managing the people under the control of the HR department. Together with the human resources division, the organization's management must complete this crucial responsibility. The most crucial element for a business to succeed is its human resources. Therefore, the future prosperity of the business will depend on its people resources. The business makes an effort to hire the proper people, and enough of them. Employees leaving a firm to work for another one can result in a turnover of staff, which will be problematic for the business, especially if the departing employee had high-performance standards and was hard to replace because of their existing credentials in the employment sector.

In his research on job satisfaction, Rajagukguk (Rajagukguk, 2017) found that the work environment consists of tools and facilities, employee behavior, job challenges, fair reward systems, workplace support, and the attitudes of coworkers—is a key factor in determining employee job satisfaction. Work. According to Sidik (Sidik, 2016), two factors

influence employee job satisfaction: the physical and non-physical environments. Both of these factors significantly influence job satisfaction.

According to Guchait (Guchait & Cho, 2010), 80% of workers in organizations are constantly seeking a better working environment. As a result, it is critical to establish a supportive work atmosphere to maintain professional staff (Sulistyan et al., 2019)

Employee turnover is when a worker leaves their current position, either voluntarily or involuntarily, and retires permanently from the company. Tim Judge and Stephen P. Robbin, 2017. Contrarily, forced turnover or termination signifies an employer's decision to terminate employment and cannot be controlled by the individual who experiences it. Voluntary turnover or termination refers to an employee's decision to leave the business freely. (Noe, 2010)

Significant employee turnover in a corporation is a sign of high institutional unhappiness. Companies must develop various methods to lower staff turnover rates because it will impact organizational performance, particularly if those leaving are professionals. The HR department needs to pay attention to this issue because the higher turnover % shows that employees are unable to commit to the organization. Maintaining a good working environment is one of the keys to employee retention. As said by Kundu (Kundu & Lata, 2017). An organization needs a friendly working environment to maintain positive growth and performance.

Compared to work engagement, organizational Engagement is one of the best predictors of employee turnover (Saks, 2006). Working in an environment where the values are consistent with their values and do not conflict with the values of the community will make employees happy and at ease.

The physical and non-physical environments have a sizable impact on job satisfaction, claims Sidik (2016). Making employees happy at their jobs and giving them organizational support are two actions businesses may do to obtain a reaction in the shape of high employee engagement. The findings of the study by Arianti (Arianti et al., 2020) indicating job satisfaction and organizational support have a considerable positive effect on employee engagement are in favor of both of these.

This study was carried out in organizations with significant staff turnover rates—more than 10% annually. It is important to research the primary elements that can promote employee retention in order to improve these circumstances. In order to partially or concurrently mediate organizational Engagement on employee retention, this study intends to investigate the impact of supportive work environment characteristics.

METHOD

The authors of this study employed a causal research methodology. The sample comprised 119 respondents from the company, including 78 males and 41 women. The distribution of questionnaires to participants in the study was used to gather data. The data is then analyzed with SPSS 23 software utilizing path analysis methods.

FINDING AND DISCUSSION

1. Respondent Characteristic

Table 1. Characteristics of Respondent

Characteristics of Respondents	Employee Status		Total
	Permanen	Contract	
	t		
Gender	Men	53	78
	Women	28	41
	Total	81	119

Source: Processed research data

The bulk of the respondents in this study were men who worked as permanent workers. According to the gender breakdown of 119 responders, 78 (66%) of them were men, and the remaining 41 (34%) were women. According to the 119 respondents' job status, 81 (68%) were permanent employees, and the remaining 38 (32%) were contract workers.

2. Sub-Structure Summary Test 1

The goal of model 1 (one) Coefficient of Determination (R2) is to assess how well the supporting work environment variable (X) explains the organizational involvement variable (Z). Following are the findings of the analysis of the coefficient of determination:

Table 2. Sub-Structure Summary Test 1

Model Summary

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	0.824	0.679	0.676	0.29094

- a. Test distribution as Normal
- b. Source: Processed data

The SPSS model summary analysis results showed that the magnitude of R Square is 0.679 or 67.9%. Supportive work environment variables contribute to Organizational Engagement by 67.9%, and the remaining 32.1% are explained by variables and outside the model. Error in the path means that the influence of variables outside the model is large. Each endogenous variable has an error coefficient whose value can be obtained from the root of the difference 1 minus the endogenous coefficient of determination. And the value of e1 can be found using the formula $e1 = \sqrt{1-R^2} = \sqrt{1-0.679} = 0.5666$.

3. Test Coefficients (t) Sub-Structure 1

A partial test is used to examine the partial impact that the work environment (x) has on organizational Involvement (z). The t-test's findings are as follows:

Table 3. Test Coefficients (t) Sub-Structure 1
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig
	B	Std. Error	Beta	t	
(Constants)	0.450	0.266		1,690	0.094
Lingkungan kerja	0.904	0.057	0.824	15,739	0.000

- a. Predictor (Constant), Lingkungan kerja
- b. Dependent Variabel: Keterlibatan organisasi

Source: Data processed

Based on the aforementioned SPSS test outcomes, the following regression equation summarizes the variables in this study: $Y = 0,904 X + 0,5666$

Organizational Engagement will rise by 0.904 for every unit increase in the value of the workplace. Conversely, Organizational Engagement will drop by 0.904 for every unit that the value of the workplace decreases.

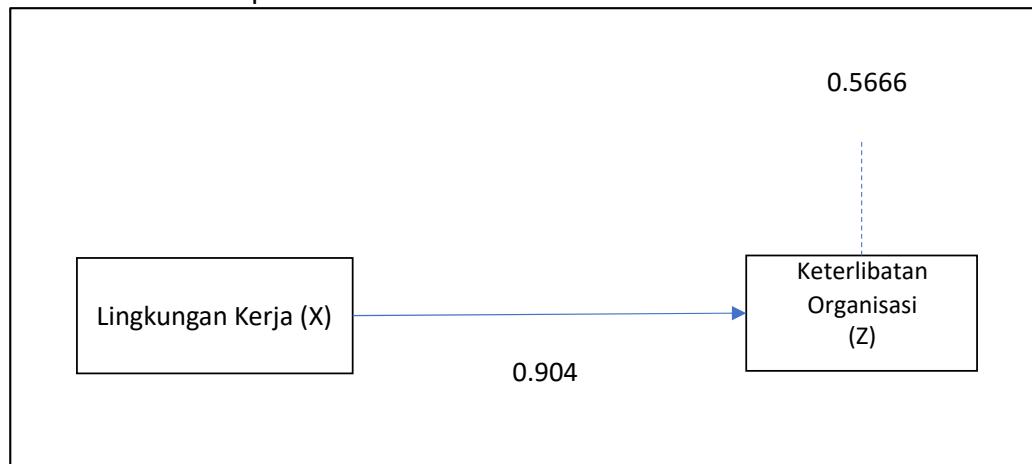


Figure 1. Result of Test Sub Structure 1
Source: Processing of Data

4. Sub-Structure Summary Test

The Coefficient of Determination (R) of Model 2 (two) measures how well employee retention variables are explained by organizational Involvement (Z), work environment variables (X), and employee retention (Y) taken together (Y). Following are the findings of the analysis of the coefficient of determination:

Table 4. Sub-Structure Summary Test 2
Model Summary

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	0.868	0.753	0.748	0.22932

a. Predictor (Constant), Keterlibatan Organisasi, Lingkungan kerja

b. Dependent Variabel: Retensi Karyawan

Source: Processed Data

The magnitude of R Square is 0.753 or 75.3%, according to the SPSS model summary analysis findings. Employee retention is influenced by supportive work environment factors and organizational Involvement to the extent of 75.3%; factors outside the model explain the remaining 24.7%. Error in the course indicates a strong effect from external factors. The value of each endogenous variable's error coefficient is equal to the difference between the endogenous coefficient of determination and the root of that difference. Additionally, the formula $e2 = (1-R^2) = (1-0.753) = 0.4970$ can be used to determine the value of $e2$.

5. Test Coefficients (t) Sub-structure 2

A partial test is utilized to look at the impact of organizational Involvement (Z) and a supportive work environment (x) on employee retention (Y). The purpose of the partial test in this study was to ascertain the partial impact of organizational Engagement and each work environment component on employee retention. The t-test analysis's findings can be shown as follows:

Table 5. T-Test (t) Sub Structure 2

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig
(Constants)	0.696	0.213		3,277	0.001
Lingkungan kerja	0.592	0.080	0.604	7,412	0.000
Keterlibatan Organisasi	0.268	0.073	0.299	3,671	0.000

a. Dependent Variable: Retensi Karyawan

Source: Data processed

Based on the aforementioned SPSS test outcomes, the following regression equation summarizes the variables in this study: **$Y = 0.592 X1 + 0.268 X2 + 0.4970$**

1) Employee retention will rise by 0.592 for every unit that the value of the workplace is raised. Conversely, the buying decision will fall by 0.592 for every unit that the value of the workplace decreases.

2) Employee retention will rise by 0.268 for every unit increase in organizational engagement value. Conversely, for every unit fall in organizational Engagement, there will be a 0.268 unit decrease in staff retention.

6. Simultaneous Significance Test (ANOVA/Test F) Sub-structure 2

The impact of both the work environment and organizational Involvement on employee retention is examined using an ANOVA. The following outcomes of the ANOVA test were discovered with the assistance of the SPSS software

Table 6. (ANOVA/Test F) Sub-structure 2

ANOVA ^a					
Model	Sum of Square	df	Mean Square	F	Sig
Regression	18,566	2	9,283	176,527	,000 ^b
Residual	6,100	116	.053		
Total	24,667	118			

a. Dependent Variable: Retensi Karyawan
b. Predictors: (Constant), Keterlibatan Organisasi, Lingkungan Kerja

Source: Processed Data

The results of path analysis testing for sub-structure 2 can be described as follows:

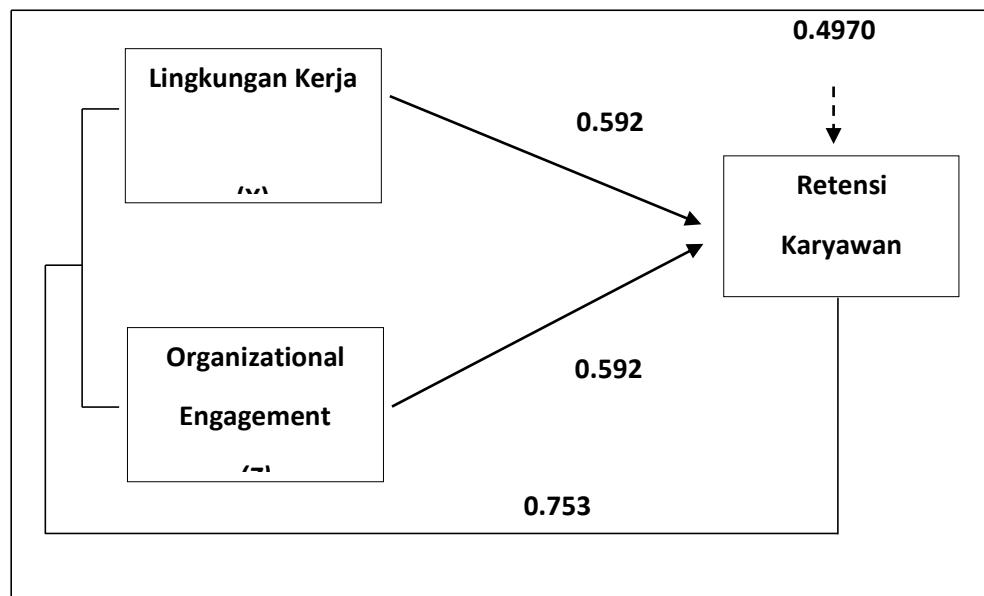


Figure 1. Result of Test Sub Structure 1

Source: Processed Data

Through the significance test above, it can be concluded that a supportive work environment and organizational Involvement have an influence on employee retention. As a result, the total path analysis testing outcomes of this study can be summarized as follows:

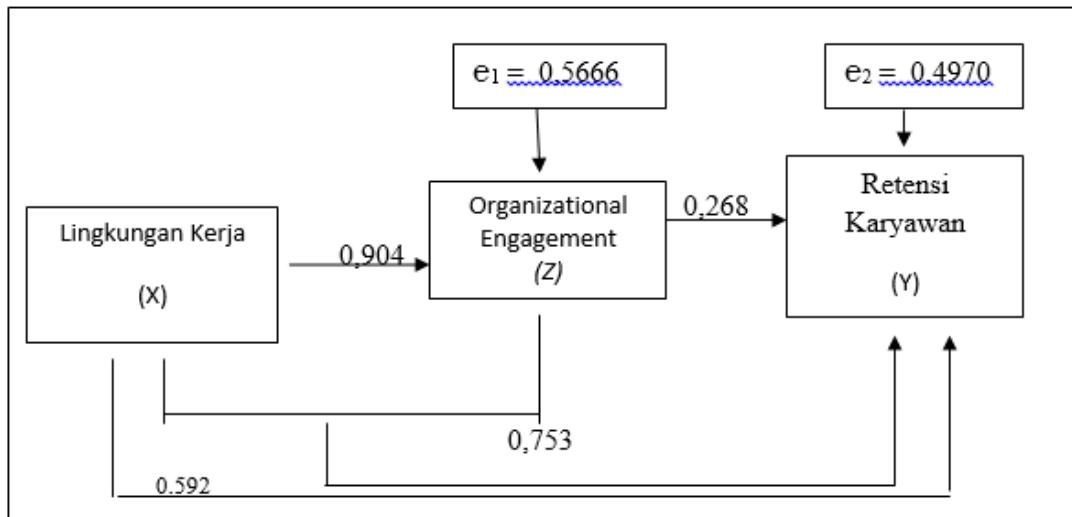


Figure 1. Overall Path Analysis
Source: Data processed

A supportive work environment positively influences the Employee Retention variable, where the resulting effect is 0.592. This is illustrated by a fair kinship working atmosphere and also a system that is sophisticated and easy to monitor. This is in line with the research of Sungsanit et al. (Sungsanit, 2018). The work environment can encourage the desired work behavior among employees.

A supportive work environment can be explained through the Organizational Involvement variable, which is equal to 0.904. This means that Organizational Involvement has a work environment factor in it of 0.796, while the remaining 0.204 is explained by other factors. This is in line with (Naz et al., 2020), where organizations can create a supportive learning environment through the influence of organizational culture.

Organizational Involvement positively influences the employee retention variable, where the effect is 0.268. Even though it has influence, the effect of organizational Involvement has the smallest value. So in other words, there is little possibility of retention caused by reasons of Organizational Engagement. This is in line with research by (Kyndt et al., 2009) which has examined that personal factors (leadership skills and self-learning attitudes) have a positive influence on employee retention.

Organizational Engagement can mediate the relationship between a Supportive Work Environment and Employee Retention. The two variables together have a higher value

than the direct relationship between variables and employee retention. This finding is similar to research (Kundu & Lata, 2017).

CONCLUSION

This study looked at the impact of organizational Involvement and a supportive work environment on employee retention. Additionally, a positive work environment has a moderating effect on organizational engagement and staff retention at PT. Persada Carana Bunga. According to research findings, both a supportive workplace and organizational support have an impact on employee retention. It has been demonstrated that organizational support can mediate the relationship between a positive work environment and employee retention. The two have a stronger impact on employee retention than either factor acting alone. We recommend that the company implement both variables in order to gain more staff retention.

REFERENCES

Alakoç Burma, Z. (2014). Human Resource Management and Its Importance for Today's Organizations. In *International Journal of Education and Social Science* www.ijessnet.com (Vol. 1, Issue 2). www.ripknet.org

Arianti, W. P., Hubeis, M., & Puspitawati, H. (2020). Pengaruh Faktor Kepuasan Kerja terhadap Employee Engagement di Perwiratama Group. *Jurnal Manajemen Teori Dan Terapan / Journal of Theory and Applied Management*, 13(1), 31. <https://doi.org/10.20473/jmtt.v13i1.14889>

Guchait, P., & Cho, S. (2010). The impact of human resource management practices on intention to leave of employees in the service industry in India: The mediating role of organizational commitment. *International Journal of Human Resource Management*, 21(8), 1228–1247. <https://doi.org/10.1080/09585192.2010.483845>

Kundu, S. C., & Lata, K. (2017). Effects of supportive work environment on employee retention: Mediating role of organizational engagement. *International Journal of Organizational Analysis*, 25(4), 703–722. <https://doi.org/10.1108/IJOA-12-2016-1100>

Kyndt, E., Dochy, F., Michielsen, M., & Moeyaert, B. (2009). Employee retention: Organisational and personal perspectives. *Vocations and Learning*, 2(3), 195–215. <https://doi.org/10.1007/s12186-009-9024-7>

Naz, S., Li, C., Nisar, Q. A., Khan, M. A. S., Ahmad, N., & Anwar, F. (2020). A Study in the Relationship Between Supportive Work Environment and Employee Retention: Role of Organizational Commitment and Person–Organization Fit as Mediators. *SAGE Open*, 10(2). <https://doi.org/10.1177/2158244020924694>

Noe, R. A. , Hollenbeck, J. R. , Gerhart B., & Wright P.M. (2010). *Human Resource Management*.

Rajagukguk, T. (2017). 13. Tiur.13. In *Jurnal Ilmiah Methonomi* (Vol. 3, Issue 2).

Sidik, M. R. I. A. W. W. (2016). Pengaruh Lingkungan kerja Terhadap Kepuasan KERja Pegawai pada Kantor Dinas Kelautan dan Perikanan Provinsi Sulawesi Tengah. *Jurnal Ilmu Manajemen Universitas Tadulako*, 2(1), 87–096.

Stephen P. Robbin, & Timothy Judge. (2017). *Consumer Behavior*. Pearson.

SULISTYAN, R. B., Ermawati, E., & Yunus Ariyono, K. (2019). Manajemen Retensi dalam Upaya Mempertahankan Karyawan melalui Dorongan Kepuasan dan Komitmen. *Wiga : Jurnal Penelitian Ilmu Ekonomi*, 9(2), 87–98. <https://doi.org/10.30741/wiga.v9i2.464>

Sungsanit, M. (2018). *Human Resource Practices and Innovative Work Behavior The Influence of Multilevel Factors of Human Resource Practices on Innovative Work Behavior*. <https://doi.org/10.13140/RG.2.2.31220.45441>