

Job Satisfaction & Individual Commitment As Mediating Variables In Relationship Between Work-Family Conflict With Turnover Intentions (An Empirical Study at Public Accounting Firms in Indonesia)

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Abstract- *The background of this research are phenomenon gap and research gap of work-family conflict which influences turnover intentions of auditors who works in public accounting firms Indonesia. The purpose of research is to build an extensive modeling by incorporating turnover intention through two variables, job satisfaction and individual commitment as mediating variable of relationship between work-family conflict (WFC) and turnover intentions (TI) which are predicted to reduce turnover intentions of auditors who work in public accounting firms in Indonesia to other companies or offices.*

This study used Structural Equation Model (SEM) approach in hypothesis testing and it was endorsed by Partial Least Square (PLS). Based on hypothesis testing with SmartPLS 2.0 M3, several conclusions were : 1) Work-family conflict did not influence significantly auditors turnover intentions. 2) Work-family conflict significantly influenced auditors individual commitment. 3) Work-family conflict did not significantly influence auditors job satisfaction. 4) Individual commitment significantly influenced auditors job satisfaction. 5) Individual commitment significantly influenced auditors turnover intentions. 6) Job satisfaction did not significantly influence auditors turnover intentions.

Keyword- *Work-Family Conflict, Individual Commitment, Job Satisfaction, and Turnover Intentions.*

1. INTRODUCTION

The company's performance is largely determined by condition and behavior of its employees. The phenomenon that often happens is that company's performance can be decreased directly or indirectly by the behavior of employees is difficult to prevent the occurrence of (Kelvin and Indriantoro, 1999). One form of employee's behavior is a desire to move to another company (turnover intentions) which resulted in employee's decision to leave his job. The high rate of turnover in the company will increasingly cause various costs, both cost of training that has been invested in employees, level of performance that must be sacrificed, as well as the cost of recruitment and retraining (Kelvin and Indriantoro, 1999). There were still less previous researches that investigated affecting factors of turnover intentions triggered by work-family conflict experienced by auditors who work in public accounting firm in Indonesia. The existing researches were focused on turnover intentions of company's internal audits and lecturers to other organizations while this research was conducted on auditors of public accounting firm. Pasewark and Viator (2006)[22] only tested the influence of work-family conflict mediated by job satisfaction on turnover intentions. This research was involving individual commitment as mediating variable of turnover intentions. The tendency of researches on turnover lead to conceptual model development of turnover process combined with

empirical testing. According to research conducted by Chandan, Neeraja, and Santosh (2010), there was existence of one of most important turnover intentions antecedent variables. It was individual commitment. Individual commitment is one of variables that directly or indirectly influences turnover intentions. High level individual commitment will increase job satisfaction (Chandan, Neeraja, and Santosh, 2010). Individual commitment is antecedent variable of job satisfaction with positive influence. Chandan, Neeraja, and Santosh, (2010) suggested that individual commitment was an antecedent variable of turnover intentions with negative direction. Thus, the higher individual commitment will increase auditors job satisfaction and it will reduce their turnover intentions.

2. THEORETICAL REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Attribution Theory

Attribution theory explains the process of how we determine cause or motive of the personal behavior (Gibson et al., 1994). This theory is directed to develop explanation how we judge people differently and it depends on meaning of what we associate or attribute to a specific behavior (Robbins, 2003). The cause of behavior in social perception is known as dispositional attributions and situational attributions (Luthans, et al., 1998) or

internal and external causes (Robbins, 2008). Dispositional attributions or internal causes refer to individual behavior aspects, something embedded in a person such as a personal nature, self-perception, ability and motivation. Situational attributions or external causes refer to influencing environment of behavior, such as social conditions, social values and perceptions.

2.2. Role Theory

Role theory as the mix of orientation theory and another disciplines of psychology was originated from sociology and anthropology (Suwarno, 2002). Role as defined by Siegel and Marconi (1989) was "parts that people play in their interactions with others." Role conflict occurs when "a person occupies several positions that are incompatible or when a single position has mutually incompatible behavioral expectation".

2.3. Turnover Intentions

Turnover Intentions is indicated as an individual attitude that refers to evaluation results of continuity of his relationship with organization where he works and have not been materialized in definite actions (Kelvin and Indriantoro, 1999). Turnover is defined as voluntary or involuntarily withdrawal from an organization (Robbins, 2003). Voluntary turnover or quit is decision to leave organization which is caused by two factors, how attractive existing jobs of today and availability of other alternative jobs (Shaw et al., 1998). Conversely, involuntary turnover or dismissal illustrates employer's decision to terminate work relationship and it is something uncontrollable for employees who experience it.

2.4. Work-Family Conflict

Conflict of work is defined as a level in which a person experiences an imbalance of job pressure (Kopelmen et al, 1983). This conflict occurs when a person gets stress or pressure from daily work. Family conflict is defined as a level in which a person experiences a pressure of imbalance in the family (Kopelmen et al. 1983).

2.5. Job satisfaction

According to the Judge and Locke (1993), job satisfaction was a reflection of gladness or positive emotional attitude of a person's work experience. Judge and Locke (1993)[17] in Nurcholiq (2005) argued that if an employee felt satisfaction of his work, he would feel happy and free from distress so that there would be a sense of security to keep working on his present environment.

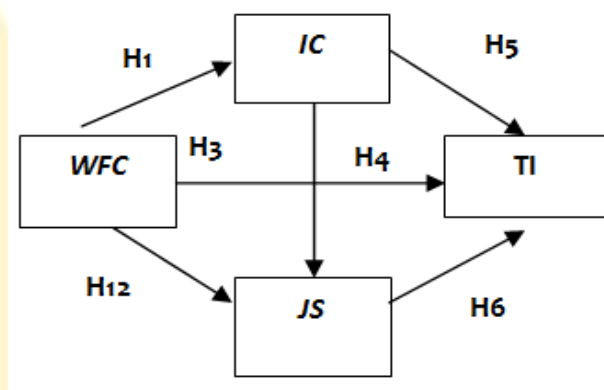
2.6 Individual Commitment

Individual commitment of employees is shown by attributes that affect people directly and it is defined as individual psychological and emotional bond for their jobs, careers, work group or team, and colleagues (Cohen, 2003). Individual commitment is an identifying power of employees with the values of individual and colleagues within organization or team work commitment, and career commitment. Team commitment is an identification of

individuals and sense of cohesiveness with other members of social group which increases involvement and strengthens individual affiliation level with their organization (Randal & Cote, 1991).

2.7. Empirical Research Model

This study applied research model developed by Pasewark and Viator (2006)[22] which stated that work-family conflict positively influenced turnover intentions. In their study, Viator and Pasewark involved job satisfaction as an intervening or mediating variable. The involvement of job satisfaction is aimed to reduce turnover intentions.



Source: Developed in the study.

2.8. Hipotesis

H₁: Work-family conflict positively influences auditors turnover intentions.

H₂: Work-family conflict negatively influences auditors individual commitment.

H₃: Work-family conflict negatively influences auditors job satisfaction.

H₄: Individual commitment positively influences auditors job satisfaction.

H₅: Individual commitment negatively influences auditors turnover intentions.

H₆: Job satisfaction negatively influences auditors turnover Intentions.

3. RESEARCH METHOD

This research was a quantitative research with primary data using collected from auditors in public accounting firms in Indonesia who had married as respondents. Data processing was done through structural equation modeling (SEM) with Smart Partial Least Square (PLS) software. (Ghozali, 2012).

4. RESULT OF RESEARCH

4.1. Structural Model Test

Main analytical method in the study was conducted by Structural Equation Model (SEM). Hypothesis testing was done through SmartPLS program. From hypothesis testing, SEM image 1 of full model of SmartPLS 3 program was presented.

Figure 1. Full Model of SEM (Sources: Primary data processed from PLS 3 output.)

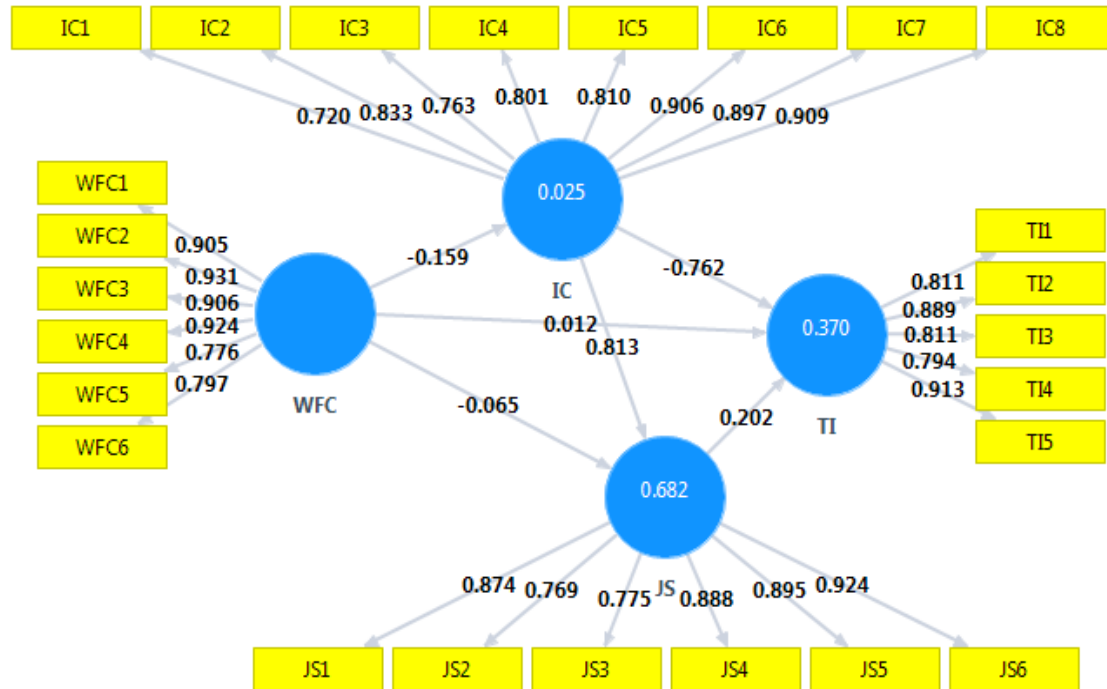


Table1. Result For Inner Model (Sources: Primary data processed from PLS 3 output.)

Hypothesis	Variable	Original Sample Estimate	Standard Deviation	T-Statistic	Conclusion
H ₁	WFC -> TI	0.012	0.089	0.178	Rejected
H ₂	WFC -> IC	-0.159	-0.210	1.810	Accepted
H ₃	WFC -> JS	-0.065	-0.081	1.131	Rejected
H ₄	IC -> JS	0.813	0.814	19.740	Accepted
H ₅	IC -> TI	-0.762	-0.784	6.833	Accepted
H ₆	JS -> TI	0.202	0.234	1.451	Rejected

Table 1 above suggested that influence of WFC on IT was positive (0,012) and not significant at $\alpha = 0.05$ with statistical value of 0.178 ($0.178 < 1.65$). WFC negatively influenced IC (-0.159) and significant at $\alpha = 0.05$ ($1.810 > 1.65$). WFC negatively influenced JS (-0.065) but not significant at $\alpha = 0.05$ ($1.131 < 1.65$). IC positively influenced JS (0.813) and significant at $\alpha = 0.05$ with statistical value of 19.740 ($19.740 > 1.65$). IC negatively influenced IT (-0.762) and significant at $\alpha = 0.05$ ($6.833 > 1.65$). JS positively influenced IT (0.202) and not significant at $\alpha = 0.05$ ($1.451 < 1.65$)

4.2. Discussions of Hypothesis 1,2,3,4,5, and 6 Testing

a) Hypothesis 1 (H₁)

Hypothesis 1 was “Work-family conflict positively influences auditors turnover intentions”. The rejection of hypothesis 1 indicated that work-family conflict did not

directly influence auditors turnover intentions. This finding was not inline with research conclusion of Pasewark and Viator (2006)[22], Good et al., (1988)[9] and Netemeyer et al., (1996)[20] which stated that work-family conflict directly influenced turnover intentions.

b) Hypothesis 2 (H₂)

Acceptance of hypothesis 2 indicated that an auditor with work-family conflict tended to reduce his individual commitment in the work. This conclusion supported previous study of Chandan, Neeraja, and Santosh (2010) which stated that individual commitments would decrease caused by presence of work-family conflict. When an auditor who works in public accounting firms perceives simultaneous pressures of opposite each other work and family

problems, They will trigger work-family conflict. Thus, his individual commitments will decline.

c) Hypothesis 3 (H_3)

Hypothesis 3 was “Work-family conflict negatively influences auditors job satisfaction”. Acceptance of hypothesis 3 indicated that an auditor who experienced work-family conflict tended to have less satisfaction in the work. The findings of this study not supported research conclusions of Pasewark and Viator (2006)[22], Good et al., (1988)[9], Rice et al., (1992), Boles and Babin (1996), Good et al., (1996), Boles et al., (1997), Martins et al., (2002)[18], Greenhaus et al., (2003), Bacharach et al., (1991), Thomas and Ganster (1995)[27], Kossek and Ozeki (1998), Boles et al., (2001), and Anderson et al. (2002) which stated that level of job satisfaction will be reduced by presence of work-family conflict.

d) Hypothesis 4 (H_4)

Hypothesis 4 (H_4) who stated that individual commitment positively influenced auditors job satisfaction was supported. Significantly, H_4 was accepted. Therefore, it could be concluded that there was statistically significant positive influence of auditors individual commitment on job satisfaction. The higher level of auditors individual commitment, the higher their job satisfaction and conversely the lower level of auditors individual commitment, the lower their job satisfaction.

e) Hypothesis 5 (H_5)

Hypothesis 5 was “Individual commitment negatively influences auditors turnover intentions”. Based on hypothesis testing, it was accepted significantly. Therefore, it could be inferred statistically that auditors individual commitment negatively influenced turnover intentions. The higher level of auditors individual commitment, the lower their turnover intentions. Conversely, the lower level of auditors individual commitment, the higher their turn over intentions or their desire to move to other public accounting firms.

f) Hypothesis 6 (H_6)

Hypothesis 6 was “Job Satisfaction negatively influences auditors turnover intentions”. From hypothesis testing, it was insignificantly rejected and surely hypothesis 6 was not accepted. Thus, it could be inferred statistically that there was no significant influence of auditors job satisfaction on turnover intentions. The higher level of job satisfaction, the higher level turnover intentions or desire to leave present work. It was due to several factors. The first, there was reality that the work outside public accounting firm they were working was perceived to be able to provide higher level of remuneration and comfort. The

second, auditors no longer felt to have a high prestige to work in public accounting firms.

g) **Role of Auditors Individual Commitment as Mediating Variable in Relationship Between Work-Family Conflict with Turnover Intention**

Based on value of variance accounted For (VAF), it was suggested that auditors individual commitment could play role as full mediating variable in relationship between work-family conflict with turnover intentions.

h) **Role of Job Satisfaction as Mediating Variable in Relationship Between Work-Family Conflict with Turnover Intention**

From value of variance accounted For (VAF) too, it was concluded that job satisfaction could not be a full mediating variable in relationship between work-family conflict with turn over intentions in this research.

5. CONCLUSIONS & SUGGESTIONS

5.1 Conclusions

1. Work-family conflict did not influence significantly turnover intentions. It indicated that work conflict which interfered family problem did not influence auditors turnover intentions.
2. Work-family conflict significantly influenced auditors individual commitment. It indicated that work conflict which interfered family problems influenced auditors individual commitment.
3. Work-family conflict did not significantly influence auditors job satisfaction. It meant that the higher level of work conflict which interfered family problems, it did not reduce their job satisfaction.
4. Auditors individual commitment significantly influenced auditors job satisfaction. It suggested that the higher level of auditors individual commitment, the higher level job satisfaction felt by them.
5. Auditors individual commitment significantly influenced turnover intentions to another public accounting firms. It indicated that the higher level of auditors individual commitment, the lower their turnover intentions.
6. Auditors job satisfaction did not significantly influence turnover intentions. It suggested that the higher level of job satisfaction they felt, it did not lower turnover intentions more.

5.2. Suggestions

1. For the future researchers, they need to develop research instruments based on real object and environment. They also need to conduct pilot study to ensure that all items of questionnaire can be understood well by respondents.
2. There were three indicators only for every construct of the research. It will make certain difficulty when confirmatory analysis is being conducted. It is caused by limited number of indicators. This background of

condition may cause identification problem when data is being processed through Partial Least Square. Thus, it is suggested to use more indicator for every construct in the future.

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