

The Leadership Style as Moderating, Influence of Compensation, Organizational Citizenship Behaviour (OCB), and Stress towards Intention to Quit

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Abstract: The purpose of this research is to find the influence of compensation, OCB and stress towards intention to quit. Also this research is to find whether the leadership style could moderate the relationship among the influence of compensation, OCB and stress towards intention to quit. The population is the whole employees who are working at PT. Hasta Karya Perdana, 58 people. The sample technique is using a census method where all population of 58 people are the respondents. The first data processing is using multiple regression in order to find out the partial compensation, OCB, and Stress towards Intention to Quit. While the second data processing is using residual test as a way to find out whether leadership style could moderate the relationship among the influence of compensation, OCB and stress towards intention to quit. The results of the partial test with multiple regression are showing that the compensation has no significant effect towards intention to quit, OCB shows that has no significant effect towards Intention to Quit. Whereas the result of residual test shows that leadership style is not moderating the relationship among compensation, OCB and stress towards intention to quit.

Key Words: Compensation, OCB, Stress, Intention to quit, Leadership style

INTRODUCTION

Background

The employees' behaviour is the key to achieve effectiveness. The organization will not have success and will not be capable to survive without the members as "good citizens". The function of effectiveness is depending on employee efforts that are beyond the requirements of the role of formal job, called Organizational Citizenship Behavior (OCB). Newstrom (2007) stated that higher levels of OCB will produce higher degree of effectiveness for the organization and it will help to bring new resource into the organization. Mobley (1977) stated that Organizational Citizenship Behavior (OCB) is able to increase the effectiveness and efficiency of the organization in giving contribution to the source transformation, innovation, and adaptability. OCB is one of the factors which are able to increase the performance of the company. Mathis and Jackson (2001) defined that job satisfaction is situation of a positive emotion from the evaluation of someone's work experience. Job dissatisfaction comes when the expectation is not realized. Job satisfaction has negative influence on the intention to quit (Elangovan, 2001). One of the ways to show job dissatisfaction is through an act which is a response to the actions of employees that are destructively active. Those action is exit (turnover/quit), which is a behavior of the employees to quit from the organization. This behavior includes finding a new position outside of the organization or quit. This research is conducted by Firth, Mellor, Moore and Loquet, (2004). in Australia stating that stress feeling does not only influence the lack of job satisfaction, but the main factor to the intention to quit from the organization. There are many factors which influence the intention to quit from the organization, and are related. The leadership style has significant influence on the company (Mathis & Jackson, 2001). The company is able to changes based on the leadership style used by the company.

When the leadership of both companies as well as owner and managers was changed, there are many possibilities of work procedure being totally changed. It will strengthen or reduce the employees

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intention to quit from the organization. Other factor that has influence on the intention to quit from the organization is compensation. Mondy, Noe and Premeaux (2002) defines that compensation as the total reward is given to the employees as the return of their works. For the company, compensation has important role because compensation reflects the organization efforts in maintaining and increasing the prosperity of the employees. Inappropriate compensation will decrease the jobs achievement, work motivation, and job satisfaction of the employees; moreover it caused the potential employees have an intention to quit from the company.

The research gap between Compensation (Comp), OCB, Stress, Leadership Style (LS) and Intention to Quit (ITQ) is shown in table 1.

Table 1: Research gap

No.	Author (Year)	Comp	OCB	Stress	LS	ITQ	Result
1	Tsai & Wu (2010)		v			v	Significant (+)
2	Tsai & Wu (2010)	v				v	Significant (-)
3	Paille, Bourdeau & Galois, (2010)			v		v	Significant (+)
4	Paille, Bourdeau & Galois, (2010)		v	v			Not Significant
5	Tampi (2013)	v			v		Significant (+)
6	Jiao, Richards & Zhang, (2011)		v		v		Significant (+)
7	Paile (2011)		v			v	Significant (-)

Research questions are:

- Does the compensation have significant influence on the Intention to Quit?
- Does the OCB have significant influence on the Intention to Quit?
- Does the stress have significant influence on the Intention to Quit?
- Does the leadership style moderate the correlation between Compensation, OCB and Stress due to the Intention to Quit?

LITERATURE REVIEW

Compensation

According to Mondy et al. (2002), the form of compensation consists of financial and non-financial compensation. The effective compensation has fulfilled the needs of employees and their family. Components of those compensations are:

Financial compensation

Financial compensation means that compensation formed in amount of quartal money to the employees. Financial compensation is differentiated into 2 (two) types i.e.:

- Direct financial compensation, a payment which is accepted by the employee in the form of salary, wages, bonus and commission. Salary is the remuneration paid periodically to permanent employees as well as having a definite assurance, while wages are the remuneration paid to workers based on the agreed payment agreement. The bonus is a kind of gift given which is not included in the employee's base salary.
- Indirect financial compensation, that is all rewards not included in compensation directly. This form of compensation indirectly includes all kinds of rewards received by employees indirectly. For example from the indirect financial compensation is social guarantee, assurance, family health assurance, vacation, etc.

Non-financial compensation

Non-financial Compensation is the remuneration paid to employees not in the form of money. The form of Non-financial Compensation is including social environment or the psychology where someone works. Someone feels satisfied in terms of compensation that if employees feel comfortable working in their workplace. Non-financial Compensation is divided into 2 (two), i.e.:

- The job (related with job). This compensation is the form of interested jobs and gives the employees challenge, also provides opportunity of developing, training, authorities and responsibility as well as rewards for their performance.
- Employees feel their work means if the job provides the diversity of skills and introduction to tasks clearly. Jobs that give authority will make employees feel responsible for the results of their work and jobs that provide feedback will make the employees know how well they work.
- Job environment (related with the job environment) this compensation is the form of human resource policy, competent supervision, a good colleague, and supported job condition.

Organizational Citizenship Behavior (OCB)

In accordance with Organ (1988), OCB consists of five dimensions:

- **Altruism:** is a behavior to help alleviate work shown to other individuals in an organization, such as helping unhealthy colleague.
- **Courtesy:** helping friend from work in discouraging problems in connection with his work through giving consultation and information and appreciating their needs, or understanding and empathizing even when criticized.
- **Sportsmanship:** tolerance in circumstances less ideal at work without complaining and taking part to bear failure of project team that may be successful by following advice of the members.
- **Civic virtue:** Involved in activities of organizations and care about survival of the organization, for example to represent company to a shared program.
- **Conscientiousness:** conducted thing that is profitable for the company, for example obeying the organization rules and willing to do overtime to complete project.

Aprovehich shows that those organizations have employees with high OCB and high performance more than other organizations who do not have those employees. As a result, the organization behaves related to OCB as the dependent variable (Robbins & Judge, 2010). Therefore, recent manager is very wise not only in trying to improve job satisfaction and organization comitment, but also OCB of their employees (Luthans, 2006).

Stress

Newstrom (2007) stress is caused by 9 factors i.e.:

- There are too many tasks.
- The supervisor is less smart.
- Limited time for doing their jobs.
- Lack of appropriate responsibility.
- Ambiguity in role.
- Differences with company value.
- Frustrations.
- Change of job's type, particularly if these are not common things.
- Conflict role.

Leadership style

Leadership Style can be defined as the performance or characteristics especially in the form of leadership (Gillies, 1996). It was mentioned that the leadership style is influenced by the nature and behavior owned by leader. Because the characteristic and behavior of a person with other people are not exactly the same, then the leadership style which is shown is also different. Opposite to the opinion that there is a correlation between leadership style and these behaviors so the discussion of leadership style is often related with the areas of pattern of management and often associated with discussion of behavior.

The foundations to determine the leadership style i.e.:

- Task to be performed by the leader.
- Leader Obligation.
- Philosophy adopted by leader

Depends on the characteristic and behavior which is faced by the organization and owned by the leader, so that leadership style shown by a leader is different one with another.

Intention to quit

Lum, Kervin, Clark, Reid and Sirola (1998) stated that intention to quit is a variable which has close correlation and explains more about turnover behavior. Desire to quit can be measured by 3 components i.e.:

- Desire to seek a new job in the same field in other companies. Seeing any other companies are able to turn a profit more than where he worked at the moment, becomes the main reason for individuals to trigger their intention to quit from the company. But it would be limited when he will only receive it on his current skill.
- Desire to seek a new job in a different field. An individual who has felt a lack of development on their job will have intention to move to other field. Without learning a new skill, those individuals will only seek for a job in different field with a same skill that is owned at the moment.
- Desire to seek a new job. By having many skills, therefore, it will be easy for someone to arise desire of searching for a new job that he never did before.

Conceptual framework

Conceptual framework of this research is shown in figure 1.

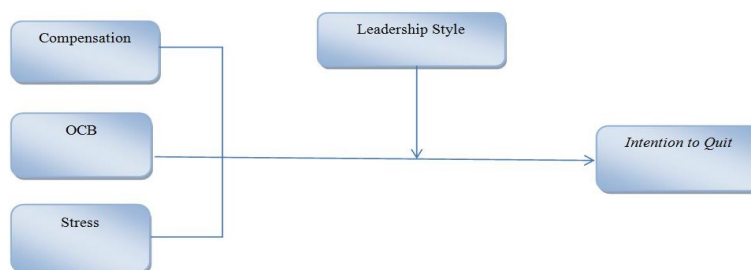


Figure 1. Conceptual framework

Hypothesis

Based on the research problems and conceptual framework above therefore the hypotheses of this research are as follows:

- Compensation has significant influence on the Intention to Quit
- OCB has significant influence on the Intention to Quit
- Stress has significant influence on the Intention to Quit
- Leadership style moderates the correlation between Compensation, OCB and Stress due to the Intention to Quit

RESEARCH METHOD

Population is overall analysis unit from which the characteristic will be expected (Sekaran, 2003). The population of this research are 58 people, all of them are the employees who work in PT. Hasta KaryaPerdana, Jl. Ketintang Selatan No. 115 Surabaya. The sample collection technique has been carried out by using census method, where all of the population becomes the research respondents. The statistic technique has been carried out by using multiple regressions and residual test (Imam, 2009).

RESEARCH RESULT

The result of the first regressions i.e. Intention to Quit as function than compensation, OCB and Stress which are to answer the first hypothesis, second and third. First hypothesis, second and third stated that partially the compensation, OCB and Stress have significant influence on the Intention to Quit; it shows with the result of t test in table 2.

Table 2: Output SPSS for t test for regressions

Model	Coefficients ^a				T	Sig.
	Unstandardized Coefficients		Standardized	Coefficients		
	B	Std. Error	Beta			
(Constant)	-.300	3.396			-.088	.930
Komp	.091	.187	.061		.490	.626
OCB	.006	.128	.005		.044	.965
Stress	.454	.076	.644		5.971	.000

a. Dependent variable: ITQ

The equation regression for first regression is as follows:

$$ITQ = -0,300 + 0,091 \text{ Compensation} + 0,006 \text{ OCB} + 0,454 \text{ Stress}$$

From Table 2, it can be seen that the significance of the t test for compensation is 0.626 or greater than 0.05 so it can be concluded that partially the compensation does not have any significant influence on the Intention to Quit. While the t test for OCB is 0.965 or greater than 0.05 so it can be concluded that partially OCB does not have any significant influence on the Intention to Quit; meanwhile the t test for Stress is 0.000 or less than 0.05 so it can be concluded that partially the Stress has significant influence on the Intention to Quit. The result of Residual test shows in table 3.

Table 3: Output SPSS for t test for regressions

Model	Coefficients ^a				T	Sig.
	Unstandardized Coefficients		Standardized	Coefficients		
	B	Std. Error	Beta			
(Constant)	2.001	1.406			1.423	.160
ITQ	.153	.135	.150		1.137	.260

a. Dependent variable: mutl_res

From table 3, it obtains equation regressions as follows:

$$\text{Mutl_res} = 2,001 + 0.153 \text{ ITQ}$$

Indicators which show that leadership style is moderating variable when the price parameter is negative and the t test is significant. From table 3, it shows that the value of the price parameter is positive and the value of t test is not significant. Therefore, leadership style variable does not moderate the correlation between compensation, OCB and Stress due to the Intention to Quit (Silahtaroglu & Vardarlier, 2016).

DISCUSSION

The findings of this research show that the variable of Leadership Style does not moderate the correlation between Compensation, OCB and Stress on Intention to Quit. Another finding shows that partially the correlation between compensation to the ITQ is not significant, OCB to the Intention to quit is not significant, meanwhile Stress has significant influence on the Intention to Quit (Rijal, 2016).

Compared with the research which has been done by Singh and Loncar (2010) similarity is in the dependent variable of Intention to Quit. The differences in the independent variable are the salary satisfaction and job satisfaction. By using a multidimensional approach to the salary satisfaction, where the amount of samples are 200 nurses, the results of regression showed that even though salary satisfaction influences their intention to quit, but job satisfaction is the most significant influence on the intention to quit.

Compared with the research of Firth et al. (2004) similarity is in the dependent variable of Intention to Quit. The difference is in the independent variables which are job satisfaction, commitment and stress. The result stated that the intention to quit is mostly influenced by job dissatisfaction, lack of commitment to the organization, and feelings of stress. Support of the supervisor is an influential medi-

ator to reduce the impact of stressors and intention to quit. Monitoring the work burden and correlation between supervisor and employees not only reduce stress levels, but also can improve job satisfaction and organizational commitment. By monitoring these things, intention to quit of the employees also, the next turnover can be reduced, and is able to save the cost and effort in conducting recruitment, inauguration and training of new employees.

Compared with the research of Elangovan (2001) similarity is in the dependent variable of Intention to Quit. The difference is in the independent variable which is job satisfaction and commitment. The results suggest that there is a strong correlation between job satisfaction and commitment (a low job satisfaction will cause a lower commitment). Moreover, there is an inverse correlation between commitment and turnover intention (a low level of commitment will cause a high intention to quit). In general, in common with previous research is in the dependent variable, while the difference is in the independent variable and the location of research.

CONCLUSION AND RECOMMENDATIONS

Based on the hypotheses and the result of the research, the conclusion of this research is as follows:

- First hypothesis states that Compensation has significant influence on the Intention to Quit that is rejected. There are 3 justifications; First, Employees are already quite satisfied with the compensation received, Second, in general, a couple of employees also work so that families have sufficient income and Third, the existence of non-material compensation for employees who complete a good job.
- Second hypothesis stated that OCB has significant influence on the Intention to Quit that is accepted. There are 4 justifications; First, in general, employees are self-motivated to work well. Second, the existence of a good working relationship between employees and companies. Third, the existence of a comfortable and dynamic working environment and Fourth, in each project site are always different challenges, for employees it is a way to develop themselves.
- Third hypothesis states that Stress has significant influence on the Intention to Quit that is accepted. There are 3 justifications; First, characteristics of the construction work are full of the target, so that if employees are not able to manage the completion of a job well then it will have an impact on stress. Second, the ability to manage stress is very dependent on each individual and Third, workers who are stressed will decrease their performance and the desire to change jobs is very high.
- Fourth hypothesis states that leadership style moderates the correlation between Compensation, OCB and Stress due to the Intention to Quit that is rejected. There are 3 justifications; First, implementation of management in the field of construction is already suitable operating standard. Second, in general, the independence of the employees has been formed to carry out the appropriate pekerjaan the default operating standards and Third, leaders give clear guidance to employees to carry out work in accordance with standard operating standards, to be able to work independently in a dynamic team.

Based on those conclusions, therefore recommendations of this research i.e.:

- Stress has significant influence on the Intention to quit means that the company should increase the stress management of the employees so that stress remains as positive influence on the employees.
- Leadership style does not moderate the correlation between Compensation, OCB and Stress due to the Intention to Quit means that employees have been oriented to the system, therefore the system of this company has been running well and needs to be improved.

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