

# The Role of Work Satisfaction as an Intervening Variable that Affects the Perceived Organizational Support and Work Environment to Increase the Employee Retention

Wahyu Romadhon<sup>1</sup>, Hasyim<sup>2</sup>, Ratna Indrawati<sup>3</sup>

<sup>1,2,3</sup>Magister Program of Hospital Administration, Universitas Esa Unggul, Jakarta, Indonesia

Corresponding Author: Wahyu Romadhon

## ABSTRACT

Human resources is source of life or sustainability of hospital management. It is find difficult for hospital management to compete in these competitive era without loyalness and competent from its human resources. This research has purposed to find out the impact of perceived organization support and work environment on employee retention rate through work satisfaction as an intervening variable. This research has used quantitative research approach and explanatory causality approachment. The population and sample in this research were all employees at XYZ Hospital who worked for at least one year with total numbered of 75 employees. The sampling technique used was purposive sampling. Data analysis method was using the multiple linear regression analysis to test if there was an impact between the research variables. The results showed if this work satisfaction did not play a perfect role as an intervening variable in affects of perceived organizational support and work environment on employee retention rate. Perceived organizational support has a positive and significant affects on work satisfaction. Work environment has a positive and significant affects on work satisfaction. Perceived organization support has a positive and significant affects on employee retention rate. So with the work environment it also has a positive and significant affects on employee retention. Work satisfaction has a positive and significant affects on employee retention. Based on these results, hospital management is advised to review promotion programs, concern about the physical work environment, improve

internal communication systems and training competencies which are adjusted to the employees' work field.

**Keywords:** Perceived organizational support, work environment, work satisfaction, employee retention.

## INTRODUCTION

Human resources are considered as the most important factor which affects the sustainably of hospital management. It is difficult for hospital management to compete in these competitive era without loyalness and Qualities from its human resources. A qualified human resource could determine the success of a company for both whose function is to maximize operational activities or hospital management. Thus, employee retention has been considered as one of the strategies to overcome these matters, because by the proper retention it could minimize the costs of recruiting new workers.

The employee turnover rate at XYZ Hospital shows that the number occurred still above the normal limit. Employee turnover is said to be normal if it's between 5-10 percent per year and it is said to be high if it's more than 10 percent per year like it was stated by Gillies in 1989 (Pratiwi & Sriathi, 2017). According to the interview results with the management of XYZ Hospital, it stated if the employee turnover in 2016 reached 10.34% with 58 employees,

9 people entered and 6 people left. The highest turnover occurred in 2017 and reached 11.47% with 61 employees, 10 people entered and 7 people left. In 2018, the employee turnover reached 10.93% with 64 employees, 10 people entered and 7 people left. In 2019, employee turnover reached 11.25% with 80 employees from that 19 people entered and 9 left. Based on these results, the average of employee turnover from 2016-2019 reached 10.99%. This condition was included in the high category, that it refers to Gillies in 1989 (Pratiwi & Sriathi, 2017) which said that employees turnover is said to be high if its more than 10 percent per year.

The number of employees leaving is a contemporary issue in human resource management throughout the organization, because employee retention plays a crucial component of organizational effectiveness. Mathis & Jackson (2008) stated if the employee retention should be seen as a strategic business to sort of the problem. Msengeti & Obwogi (2015) revealed that employee retention could be described as a business or an effort from organization to develop strategies and initiatives which encourage the staff to stay with organization. Low employee retention was resulting in high turnover rate which has negative impact on the company's effectiveness and performance. Therefore, it is the duty of management to retain those are valuable and talented employees or they would have no competent workforce (Iqbal & Hasmi, 2015). If the organization treats the employees well, it will create a desire in part of the employees to retaliate which will be proven by higher commitment to the organization and as the result the retention is getting higher (Eisenberger et al 1986).

One of the factors which has an effect on employee retention is perceived organization support. The lack of organizational support felt by employees has indicated a serious problem related to employee retention at XYZ Hospital. Abraham, et al. (2016) revealed that organizational support showed a temporal

effect on employees' intentions to stay. Particularly, it was found that organizational support plays a substantial role in influencing the employees' decisions to work there for long term.

Apart from perceived organization support, work environment also could find out whether the employees are comfortable staying in the organization. Workplace environment possibly related to work relations between colleagues or physical conditions of the workplace. At XYZ Hospital, there are several people who experienced a bad work environment due to an unharmonious relationship with their colleagues, especially while they're working. According to Armstrong & Taylor (2014), increasing organizational engagement through work environment means developing a culture which encourages a positive attitude at work, increases interest and excitement in the work that people do, reduces stress and recognizes the importance of social interactions. The company believes that staff who enjoy themselves, who are supported, developed and feel happy and respected in the workplace, will provide the best service to customers.

However, these two factors will have stronger impact if they intervened by work satisfaction. X Hospital tends to experience dissatisfaction related to the job itself, such as salary, promotion and poor supervisory advice. According to Hanaysha (2016), the work environment is an important factor which could affect work satisfaction. Based on Kuo et.al. (2015) Said if there has a significant relationship between perceived organizational support and work satisfaction on staff at the Taiwanese hotel industry. From these two research, it could be said that perceived organization support and the creation of work environment, the greater impact on employees' satisfaction and their work were fulfilled on the level of employees' willingness to stay or work there. Based on that description above, the authors were interested in conducting research with the title: "The Role of Work

Satisfaction as an Intervening Variable in Affects the Perceived Organization Support and Work Environment to Increase the Employee Retention Rate”.

## LITERATURE REVIEW

### Perceived Organizational Support

According to Eisenberger, et al. (1986) Perceived Organizational Support is employees' beliefs regarding how much the company supported their work itself and those employees welfare. The company treatments received by employees who considered as stimulus that organized and interpreted into perceptions of organization support. While Ring (2011) revealed that perceived organizational support is a developing perception related to the value which contributed by workers to the organization and cares for the happiness that was felt by workers. Robbins & Judge (2013) explained that perceived organizational support is the level where employees believe the organization is valuing their contribution and concern for their welfare. Employees perceived their organization was supportive when they were rewarded fairly, when employees had decided and when they saw their supervisors as support system. Based on the basic theory of organizational support, Eisenberger, et al. (1986) in Eisenberger & Rhoades (2002) were stated if there has 3 factors which received from organization were included the organization's acts towards employees' ideas; response to those employees who faced problems and responses to employees' welfare and health.

### Work Environment

According to Hanaysha (2016) Work environment is a key factor that affects employee satisfaction and their commitment to an organization. Work environment refers to the organization's atmosphere in where the employees do their jobs. According to Schultz & Schultz (2006) in Husnah, et al. (2020) Work environment is a condition which is related to characteristics of work place on behavior and attitudes. Based on

Danish, et al. (2013) Work environment is a condition that is related to certain organization climate in which employees perform their duties. According to Msengeti & Obwogi (2015) work environment includes not only the physical elements around the employee's work area but also all the things that form part of the employee's engagement with the work itself. Khuong & Le Vu (2014) found that employees who feel comfortable with the work environment tend to work more effectively and enjoy the work process compared to employees who feel uncomfortable. Therefore, managers should improve those aspects from the work environment to ensure employee welfare. According to Davis & Newstrom (1996), the work environment is broadly divided into two, such as the physical work environment and non-physical work environment. The physical work environment is all conditions that exist around the workplace which affect employees either directly or indirectly, while the non-physical work environment could be felt by workers through relationships among workers and with superiors.

### Work Satisfaction

Robbins & Judge (2013) defined that work satisfaction as a positive and negative feeling towards work itself which is the result from an evaluation of its characteristics. Meanwhile, George & Jones (2012) defined that work satisfaction as amounts of feelings and beliefs that people have about their current job. The level of work satisfaction of people could scale from extreme satisfaction to extreme dissatisfaction. Apart from having an attitude about their job as a whole, a person also tends to have an attitude about various aspects of their job such as the kind of work they do; co-workers, supervisors, or subordinates; and their salaries. George & Jones (2012) added that work satisfaction is one of the most important and well-researched work attitudes in organizational behavior. Work satisfaction has the potential

to influence those various behaviors in the organization and contribute to the level of employee welfare. Luthan (2011) stated that work satisfaction was measured by several indicators, such as salary satisfaction; satisfaction with promotions; supervisory satisfaction; satisfaction with colleagues; and satisfaction with the job itself.

### Employee Retention

According to Mathis & Jackson (2008), employee retention is a company effort to keep its employees in the organization which aims to help achieve the maximum organization's goals. Therefore, organizations need to make the right concept and implement it in the selection of prospective employees so that it is expected to reduce employee turnover (Wardana, et al., 2020). Meanwhile, according to Ragupathi (2013) employee retention is one of the techniques which was used by management to keep employees in an organization for quite a long time. Msengeti & Obwogi (2015) was stated that employee retention could be described as an attempt by any business or organization to develop strategies and initiatives that would support current staff to stay in the organization. Employee retention management is very important to do in each organization. If employees were unable to fully use their potential and were also not respected or heard in their place of work, they would resign due to stress and frustration. Mathis & Jackson (2008) stated if there has three indicators in employee retention, which is organization career opportunities, where the organization provides equal career opportunities for every employee that later it would be able to improve the future development of employees; awards given, where the company always rewards the employees' performance; and employee relations, where co-workers never act discriminatively (differentiate) between one employee and others.

### Research Model

Employee retention is an efforts made by a company to retain and manage employees in an organization. Every organization should try to retain its employees, especially those who have important values for the organization. Maintenance the best professional talent is very important practice for organizations as it eliminates recruitment, selection and reduces the cost of their turnover and maintains their continuity within their area of expertise. High employee retention will have an impact on organization performance in achieving organizational goals and missions. Kwenin (2013) stated that a well-designed work environment, a friendly and safe work space, good equipment, and effective communication could be increased during employee retention. Besides the Perceived organizational support factors will also influence employee retention. The high level of perceived organizational support in companies leads to the high work satisfaction (Robbin & Judge, 2013). Work satisfaction reflects someone's feelings about their work, which could be seen from the attitude of employees towards work and everything in the environment. From these explanations in the theoretical research above and those influence between one variable to others as previously stated, the theoretical framework could be described as its follows:



Figure 1: Theoretical Framework

### Research Hypothesis

Based on this theoretical framework above, the hypothesis which could written forward based on this research are:

H1: The role of perceived organizational support and work environment which affects employee retention through work satisfaction as an intervening variable.

H2: Perceived organization support affects work satisfaction.

H3: The work environment affects work satisfaction.

H4: Perceived organizational support affects employee retention.

H5: The work environment affects employee retention.

H6: The work satisfaction affects employee retention.

## RESEARCH METHODS

The design of this research was quantitative study with an explanatory causality approach to explain the influence from the research variables through hypothesis test using statistical methods. This research based on two independent variables, namely perceived organizational support (X1), work environment (X2), while the dependent variable was employee retention (Y) and the intervening variable was work satisfaction (Z). The population and sample in this research were all the employees from the XYZ Hospital who worked for at least one year which amounted of 75 employees. Data collection techniques used Likert scale (4 scales) questionnaires. The data analysis method used multiple linear regression analysis through path analysis to examine those influences between the research variables.

## RESULT & DISCUSSION

### Characteristics of Respondent

According to the characteristics from 75 respondents who are employees at XYZ Hospital, it could be seen that the majority of respondents were women (56.00%) aged between 31-35 years (60.00%) with length

of working period of 4-6 years (66.67%) and had the latest education of S1 (33.33%). So it could be said if the employees at XYZ Hospital were women who have worked at XYZ Hospital for quite a long time and are still at productive ages and have high mobility.

Table 1: Characteristics of Respondent

No.	Description	Frequency	Percentage (%)
<b>Gender</b>			
1	Male	33	44,00
	Female	42	56,00
<b>Ages</b>			
2	18 – 25 years old	3	4,00
	26 - 30 years old	18	24,00
	31 - 35 years old	45	60,00
	> 35 years old	9	12,00
<b>Length of Working Period</b>			
3	1 - 3 years	12	16,00
	4 - 6 years	50	66,67
	7 - 9 years	9	12,00
	9 years	4	5,33
<b>Latest Education</b>			
4	Senior High School	20	26,66
	Diploma	21	28,00
	Bachelor Degree	25	33,33
	Master Degree	4	5,33
	Profession/Specialist	5	6,66

### Validity and Reliability Test

Based on the results from validity test, it could be seen that all indicator statement items on th perceived organizational support variable, work environment variables, work satisfaction variables and employee retention variables has a calculated r value greater than r table (0.227), so it could be said if all the items statement of indicators from these research variables were declared valid. Based on the results of reliability test, it could be seen that all research variables have a Cronbach's Alpha value that is greater than 0.6, so it is stated that all the questions in the perceived organizational support variable, work environment variables, work satisfaction variables and employee retention variables were stated to be reliable.

Table 2: Validity and Reliability Test Results

Variable	Indicator	r count	r table	Info	Cronbach's Alpha	Terms	Info
Perceived Organizational Support	X1.1-X1.9	0.620-0.710	> 0.227	Valid	0.765	> 0.6	Reliable
Work Environment	X2.1-X2.8	0.544-0.833	> 0.227	Valid	0.767	> 0.6	Reliable
Job Satisfaction	Z1-Z14	0.296-0.783	> 0.227	Valid	0.763	> 0.6	Reliable
Employee Retention	Y1-Y15	0.328-0.672	> 0.227	Valid	0.724	> 0.6	Reliable

### The Descriptive Analysis of Data

Descriptive analysis in this research used the Three Box Method index analysis. To get the tendency of respondents' answers to each variable, it will be categorized into range of scores based on calculation from the three box method. The resulting index number was 75, while the range for each criterion was 18.75.

Based on the three box method analysis, it shows that for the questionnaire statements the employee retention indicator variable (Y) has an average index value of 67.70 and is included in the "High" category. This means that respondents have a high perception of Employee Retention from the XYZ Hospital. The highest index was found in Y.2 indicator with an index value of 72.00 with an assessment point that "I clearly know the vision of this hospital" most answered strongly agree with the respondents. While the lowest index was found on the Y.7 indicator with an index of 63.50 with an assessment point that "High performing employees get an award." Most respondents answered agree.

Based on the three box method analysis, it shows that for the questionnaire statement from the perceived organizational support indicator variable (X1) has an average index value of 58.22 and were included in the "High" category. This means that respondents have a high perception of perceived organizational support at XYZ Hospital. The highest index was found in indicators X1.7 and X1.8 with an index value of 60.00 with the question of "Employees receive training" and "employees are given authority or authority to do their jobs". Most respondents answered strongly agree. The lowest index was found on the X1.4 indicator with an index value of 56.25 with the question "Bosses provide directions at work" with the most number of answers being agreed by the respondents.

Based on the three box method analysis, it shows that the questionnaire statement from work environment indicator variable (X2) has an average index value of

58.72 and was included in the "High" category. This means that respondents have a high perception of the work environment from the XYZ Hospital. The highest index was found in the X2.7 indicator with an index value of 60.75 with an assessment point that "The relationship between employees in this hospital is well maintained" most answered agree with the respondent. The lowest index was found in the X2.3 indicator with an index value of 56.50 by assessment point that "The color of the room is comfortable for work" most answered agree with the respondent.

Based on the three box method analysis, it shows that for the questionnaire statement of the job satisfaction (Y) indicator variable has an average index value of 61.45 and was included in the "High" category. This means that respondents have a high perception of work Satisfaction at XYZ Hospital. The highest index was found in indicators Z.7, Z.14 and Z.15 with an index value of 62.50 by an assessment point that "Bosses know the work done by employees clearly. "," Could express the creativity at work "and" The work done is interesting "the most answered agree with the respondents. Meanwhile, the lowest index was found in the Z.12 indicator with an assessment point that "Colleagues who are in charge were very competent" with the most agreed answers by respondents.

### Multiple Linear Regression Analysis

The data analysis technique used in this research was multiple linear regression analysis, which is used to determine the impact of the independent variable and the dependent variable.

### Regression Analysis Model 1

According to the regression analysis result for model 1, it could explained such as:

- 1) There is a positive and significant influence between perceived organizational support and work satisfaction. This indicated by the

coefficient value = 0.393 which indicates a positive relationship, so the regression equation was  $Z = 1.048 + 0.393X$  and has a significant impact because of the t value (4.092) was greater than t table = 1.99 with the Sig.=  $0.000 < \alpha = 0.05$ .

2) There is a positive and significant influence between work environment on work satisfaction. This indicated by the coefficient value = 0.322 which indicated a positive relationship, so the regression equation was  $Z = 1.048 +$

0.322X and has a significant effect because of the t value (3.341) was greater than t table = 1.99 with the Sig.=  $0.001 < \alpha = 0.05$ .

3) There has a simultaneous influence between perceived organizational support and work environment on work satisfaction. This indicated by the F value of  $29.403 > F$  table = 2.71 and a significant probability of  $0.000 < 0.05$ . The amount of simultaneous influence was 43.4% (Adjusted  $R^2 = 0.434$ ).

Table 3: Multiple Linear Regression Analysis (Model 1)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Information
	B	Std Error	Beta			
(Constant)	1.048	0.293		3.574	0.001	Positive & Significant
Perceived organizational support	0.393	0.096	0.422	4.092	0.000	Positive & Significant
Work Environment	0.322	0.097	0.344	3.341	0.001	Positive & Significant
F = 29.403 with Sig = .000						Simultaneously & Significant
Adjusted R = 0.434						

Meanwhile, the value of e1 was 0.566. Thus, the path diagram for the structure model 1 was obtained, as it follows:

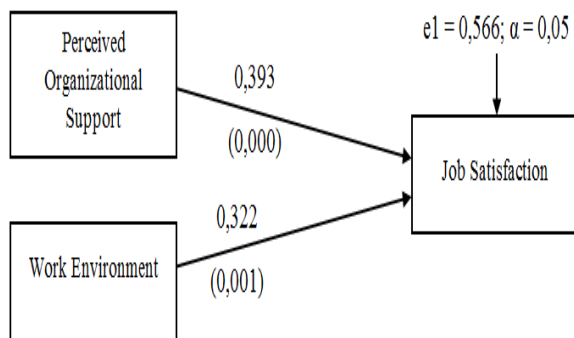


Figure 2: Path Diagram Model 1

### Regression Analysis Model 2

According to the regression analysis result for model 2, it could be explain that:

1) There is a positive and significant influences between perceived organizational support and employee retention. This indicated by the coefficient value = 0.166 which indicated a positive relationship and has a significant impact because of the t

value (4.823) was greater than t table = 1.99 with the Sig =  $0.000 < \alpha = 0.05$ .

2) There is a positive and significant influence between work environment on employee retention. This indicated by the coefficient value = 0.141 which indicated a positive relationship and has a significant effect because the t value (4.222) was greater than t table = 1.99 with the Sig.=  $0.000 < \alpha = 0.05$ .

3) There is a positive and significant influence between work satisfaction on employee retention. This indicated by the coefficient value = 0.288 which indicated a positive relationship and has a significant effect because of the t value (7.574) was greater than t table = 1.99 and the Sig.=  $0.000 < \alpha = 0.05$ .

4) There has a simultaneous influence between perceived organizational support, work environment, and work satisfaction on employee retention. This indicated by the F value of  $115.976 > F$  table = 2.71 and with a significant probability of  $0.000 < 0.05$ . The amount of simultaneous influence was 82.3% (Adjusted  $R^2 = 0.823$ ).

Table 4: Multiple Linear Regression Analysis (Model 2)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Information
	B	Std Error	Beta			
(Constant)	1.712	0.103		16.686	0.000	Positive & Significant
Perceived organizational support	0.166	0.034	0.308	4.823	0.000	Positive & Significant
Work Environment	0.141	0.033	0.261	4.222	0.000	Positive & Significant
Job Satisfaction	0.288	0.038	0.499	7.574	0.000	Positive & Significant
F= 115.976 with Sig = .000						Simultaneously & Significant
Adjusted R = 0.823						

Meanwhile, the value of e1 was 0.169. Thus the path diagram for the structure model 2 was obtained as it follows:

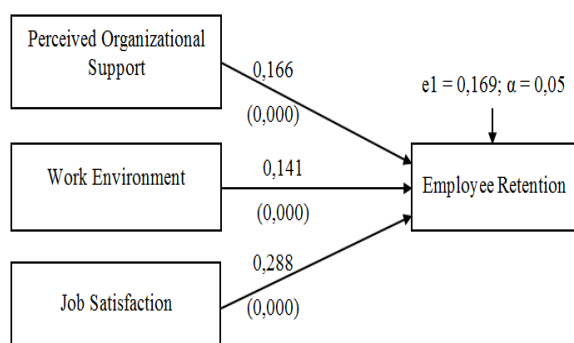


Figure 3: Path Diagram Model 2

### Intervening Analysis

To reveal the role of work satisfaction as an intervening variable which need to use the sobel test estimation. And according to the test results by Sobel Test, it could be concluded that work satisfaction play a good role as an intervening variable in influencing the relations between perceived organizational support and work environment on employee retention. It was cause of the t-value of perceived organizational support > t-table (3.602 > 1.99), and the t-value of the work environment > t-table (3.041 > 1.99).

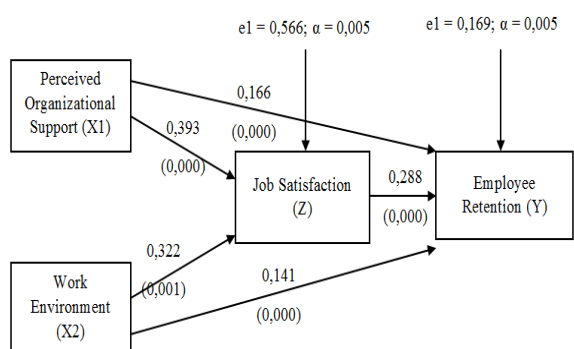


Figure 4: Total Model's Path Diagram

Based on the Figure above, the perceived organizational support has a positive and significant impact on employee retention, it was positive because the coefficient value = 0.166 and significant because the t value is greater than t table = 1.99 and has a Sig value. = 0.000 <math>\alpha = 0.05</math>. Work environment variables has a positive and significant effect on the employee retention variables , it was positive because the coefficient value = 0.141 and significant because from the t value was greater than t table = 1.99 and has a Sig value. = 0.000 <math>\alpha = 0.05</math>. Work satisfaction variable has a positive and significant impact on employee retention variables, it was positive because of the coefficient value = 0.288 and significant because the t value was greater than t table = 1.99 and has a Sig value = 0.000 <math>\alpha = 0.05</math>. Partially, the influence of work satisfaction variables towards employee retention variables was greater than the influence of perceived organizational support and work environment variables towards employee retention variables, because the work satisfaction coefficient value of 0.288 was greater than the coefficient value of perceived organizational support, which is 0.166 and work environment coefficient value of 0.141.

Perceived organizational support variable has a positive and significant influence on work satisfaction variable, it was positive because the coefficient value = 0.393 and it was significant because the t value was greater than t table = 1.99 and has a Sig value. = 0.000 <math>\alpha = 0.05</math>. Work environment variables has a positive and significant influence on work satisfaction variables, it was positive because of the coefficient value = 0.322 and it was



significant because the t value was greater than t table = 1.99 and has a Sig value. = 0.001 <math>\alpha = 0.05</math>. Those impact from the perceived organizational support variable towards work satisfaction variable was greater than the effect of work environment variable on work satisfaction variable, because the coefficient value of perceived organizational support was 0.393 greater than the work environment coefficient value of 0.322.

The perceived organizational support variable has a positive indirect effect towards the employee retention variable with work satisfaction as an intervening variable, because the coefficient value was 0.113. Work environment variables has a positive indirect effect on employee retention variables through work satisfaction as an intervening variable, because the standardize coefficients beta was 0.093.

### Research Hypothesis Test

Table 5: Research Hypothesis Test

Hypothesis	Hypothesis Statement	t-Test & F-T est (Sig)
H1	Perceived organizational support and work environment has positive and significant affects on the employee retention through work satisfaction as an intervening variable.	0,113 (3,602 > 1,99) & 0,093 (3,041 > 1,99)
H2	Perceived organizational support has positive and significant affects to work satisfaction.	0,393 (0,000)
H3	Work environment has positive and significant affects job satisfaction.	0,322 (0,001)
H4	Perceived organizational support has positive and significant impacts on employee retention.	0,166 (0,000)
H5	Work environment has positive and significant affects the employee retention.	0,141 (0,000)
H6	Work satisfaction has positive and significant impacts on employee retention.	0,288 (0,000)

In this research, there are six hypothesis that were tested and based on the test results it could be concluded that all the

hypothesis in this research could be accepted.

### DISCUSSION

#### Perceived organizational support and work environment has affects to Employee retention through work satisfaction as an intervening variable

The results from this research indicated that work satisfaction could be used partially as an intervening variable in a positive direction on the impact of perceived organizational support on employee retention. Meaning if work satisfaction is not perfectly influential as an intervening variable in this research, in other words, there is no need for the role of work satisfaction in influencing the relationship between perceived organizational support and employee retention at XYZ Hospital. These results were confirmed that previous research conducted by Aprillia & Mukti (2018) who found that work satisfaction did not perfectly act as an intervening variable in the affects of perceived organizational support on employee retention. These results also support Godfrey, at al. theory (2010) which stated that employees will be more committed and decide to be part of the organization for a long time if the organization values their efforts and cares about their comfort and well-being.

This results were also indicated that work satisfaction could will provide comfort and arouse employee morale so they will completed the tasks properly. In the end, the physical work environment would increase work satisfaction. High work satisfaction will make employees more loyal to the company or organization and finally they try to provide the best for the organization.

By the results of this research, the hospital should be more concerned to the perceived organizational support factor, with the presence of organizational support, in this case of XYZ hospital, employees felt more comfortable and increased their work satisfaction at the hospital, which in turn will increase employee retention. Likewise with work environment factors, the

existence of a conducive work environment, cooperation between departments and good communication will increase work satisfaction which indirectly has result in employee retention rates at XYZ Hospital.

### **Perceived organizational support affects work satisfaction**

The research conducted showed that perceived organizational support had a positive and significant affect on work satisfaction. Meaning if perceived organizational support increases, it will increase work satisfaction and vice versa if perceived organizational support is low, then work satisfaction will also decreased.

According to Eisenberg, et al. (1986) Perceived Organizational Support is employees' beliefs about how much company support for employee jobs and their welfare. The company treatments received by employees were considered as stimulus which organized and interpreted into perceptions of organization support. With the huge of organization support that received by employees, employees will achieve the work satisfaction and provide maximum performance, because employees think that the organization appreciates the work and efforts they do.

This research were confirmed if the previous research conducted by Kuo et al. (2015) and Christian (2015) who found that perceived organizational support has a significant positive affect on work satisfaction. Meaning if the company must strive to provide the optimal support to employees at work, so the employees were able to feel the positive side from this support and would create work satisfaction. Basically, the highest support provided by the company, the more employee received this support which has potential to create the positive attitudes.

The results from this research were support the theory from Rosyiana (2019) which stated that perceived organizational support "is an important concept in management literature because organizational support provides an

explanation of the relationship between organizational treatments, employee attitudes and their reaction towards their job and organization. One of the most emphasized antecedents of employee empowerment is organizational support. Organizational support is an effort to give appreciation, attention, and hope to employees, where organizational support could be used to see the employee expectations that provide by organization is simply sympathetic understanding and material assistance to deal with stressful situations at work or home, and could lift emotional needed so it will increase their work satisfaction to XYZ hospital.

### **The work environment affects work satisfaction**

The results shows that work environment has a positive and significant affect on work satisfaction. This could be means if work environment increases, it will impact to the increase of work satisfaction aswell or it does conversely.

According to Nitisemito (2006) in Putra & Rahyuda (2016), work environment is a situation or something surrounds the employee and will have an impact to the employee while carrying out a given task. As a profit-oriented organization, creating a conducive environment to satisfied the employees is a basic guideline needed by the organization in retaining the employee performance levels.

This results was confirmed based on prior research which conducted by Agbozo et al. (2017) and Dewi, et al. (2018) they stated if the environment has a positive and significant affects on employee satisfaction, the more comfortable of work environment it will increase the employee work satisfaction. Thereby, a supportive work environment would helps workers to perform normal tasks even more effectively, accordance with knowledge, skills also their competencies as the available source to provide high quality services.

This point results were also encourage the theory from Putra & Rahyuda

(2016) which stated if the work environment is a state or place that provides a sense of comfort and safety for employees in carrying out their work activities properly, which could later could determine as the success of a company. An attractive and supportive work environment is very important for work satisfaction. The work environment has many characteristics which affect the physical and mental well-being. A quality workplace is essential for keeping workers in variety of tasks and effective work.

### **Perceived organizational support affects employee retention**

The results from this research showed that perceived organizational support has a positive and significant effect on employee retention. Meaning if perceived organizational support increases, it will increase the employee retention and so it does conversely.

According to Robbins & Judge (2013) perceived organizational support is the level of employees believe if the organization appreciates their contribution and concern of their welfare. Employees perceived their organization to be supportive when they are rewarded fairly, when employees have decisions and when they see their supervisors as support systems. Employees with perceived organizational support are known to be more likely to have higher organizational citizenship behavior, lower levels of tardiness and better customer service, so they would have desire to work there last longer.

This results were in line with Iqbal & Hashmi research (2015) which showing if the perceived organizational support has a positive and significant effect on employee retention. In other words, perceived organizational support increased the employee retention. It is believed that the growth of perceived organizational support was driven by the trend of employees to provide the characteristics that the company wants. Employees will seek committed and

decide to be part of the organization for a long time and start to think if the organization appreciated their efforts and do cares about their comforts and welfares. Perceived organizational support related to the emotional comfort of workers, encouraging coordination of employees regarding work and the company also behaviors which would benefits the organization. Organizational support perceived could be considered as resources of the organization to achieved emotional desires on workers such as self-confidence, support and association. Organizational support leads the employees to experienced a sense of belonging, trust and commitment to the company.

This research were in line with the theory from Chandra (2017) which stated that perceived organizational support is an important aspect that must be owned by an organization. Through this the organization will run productively. There are two antecedents of perceived organizational support which employees perceived such as employee trust in an organization that would affect their perception of the quality from exchange relationship with the organization, such as perceived organizational support. Employee trust in an organization which affect their perception of the quality from the exchange relationship with the organization. When the leader believes on it, employees will certainly feel the same way about it. This will indirectly affects the increasing of employee organizational commitment.

### **Work environment affects employee retention**

This research shows that the work environment has a positive and significant effect on employee retention. Meaning if the work environment increases, it will increase employee retention and so it does conversely.

According to Hanaysha (2016), the work environment is a key factor that impacts employee satisfaction and commitment to an organization. The work

environment related to the specific organizational climate in where employees perform their duties. Undoubtedly, a facilitative and safe work environment could attract employees because they assure needs should be fulfilled. In gaining successful, organizations should design work environments in such a way similar that employees could increase their level of commitment and motivation which ultimately lead to beneficial in results.

The results were in line with previous research by Msengeti & Obwogi (2015) that found if the work environment has a positive and significant effect on employee retention. The Work environment refers to the organization atmosphere in where these employees do their jobs. The work environment includes not only the physical elements around the employee's work area but also everything that forms surrounds with the job itself. A positive work environment is believed to make employees feel good about coming to work and provide the motivation needed to sustain them throughout the day.

This research were in line with theory from Khuong & Le Vu (2014) in Hanaysha (2016) It shows that employees who feel comfortable with work environment tends to work more effectively and enjoy the work process compared to employees who did not feel that. Therefore, manager needs to improve the aspects of work environment to ensure employee welfare, thus employees will not think about leaving the company.

### **Work satisfaction affects employee retention**

This result shows if work satisfaction has a positive and significant effect on employee retention. Meaning if work satisfaction increases, it will also increase the employee retention and it does conversely.

George & Jones (2012) defined work satisfaction as a collection of feelings and beliefs that people have towards their current jobs. The level of work satisfaction

of people could range from extreme satisfaction to extreme dissatisfaction. Apart from having an attitude regarding their job as a whole, a person will also have an attitude about various aspects of their job such as the type of work they do; co-workers, supervisors, or subordinates; and their salaries. George & Jones (2012) added that work satisfaction is one of the most important and well-researched work attitudes in organization behavior. Work satisfaction has the potential to influence those various behaviors in organization and contribute to the level of employee welfare.

These research results were confirmed based on previous research conducted by Jugurnath, et al. (2016) which found if work satisfaction has a positive and significant effect on employee retention. Employee who feel happy and satisfied with their work will be more devoted to the job and always eager to keep the customer happy. There are three criteria which affects how hard employees work namely employees have the job pride, when employees find their work interesting and meaningful and when employees being recognized of their work and get benefits from that. Provide opportunities for achievement; recognizing workers' contributions; creating work that is useful in accordance with the skills and abilities they have; assign as much responsibility as possible to each team member; give opportunities for advancement in the organization through internal promotion; offering training and development opportunities is an element that would increase employee retention.

These results were confirmed the theory from Robbins & Judge (2013) which defined if work satisfaction as a positive and negative feeling about people's work which has the result of an evaluation of its characteristics. A person with a high level of work satisfaction would tend to have positive feelings towards the job, while someone who is dissatisfied has negative feelings about it. Thus, the company needs to increase the work satisfaction to make

them more committed to the organization.

### Research findings

The direct effect of perceived organizational support and work environment towards employee retention is higher than the indirect effect one. These results indicated that to increase employee retention in XYZ hospital it is not necessary for the role of work satisfaction as an intervening variable. However, this research has also found that work decisions have the greatest direct effect on employee retention. These results were indicated although work satisfaction is not needed as an intervening variable, but its role is needed to directly increase employee retention at XYZ Hospital.

### Research limitations

The direct influence from perceived organizational support and work environment towards employee retention is higher than the indirect ones. These results was proven that to improve the employee retention at XYZ Hospital, the role of work satisfaction is unnecessary as an intervening variable. However, this research were also found if the work satisfaction has the greatest direct influence on employee retention.

## CONCLUSION

### Conclusion

Based on these research outcomes which have been previously submitted, the conclusions that authors could written are as follows:

- 1) The results showed if work satisfaction did not play a perfect role as an intervening variable which affects the perceived organizational support and work environment on employee retention.
- 2) The results showed if the perceived organizational support had a positive and significant affect on work satisfaction.

- 3) The results showed if the work environment had a positive and significant affect on work satisfaction.
- 4) The results showed if the perceived organizational support had a positive and significant affect on employee retention.
- 5) The results showed if the work environment had a positive and significant affect on employee retention.
- 6) The results showed if the work satisfaction has a positive and significant affect on employee retention.

### Suggestion

As for several suggestions that authors conveyed in this research are:

- 1) Hospital leaders and management were advised to provide training to all employees based on their respective competencies. The training should provided both outside and inside the hospital environment so as in addition to increasing employee competence through the training held, cooperation / relations term between employees will also increase, thus employee retention will also increase.
- 2) Hospital leaders and management were advised to concern regarding authority of employees while carrying out their work. This authority should be more flexible but still adjusted to the regulations and norms that exist in the hospital, so the employees will carry out their duties and jobs more responsibly though they would have greater freedom than before, thereby it will increasing the employee work satisfaction.
- 3) Hospital leaders and management were advised to improve an conducive term with employees through internal and external communication, so as to provide positive feedback from both the management and the employees themselves. Through this effective communication, The employees feel more valued and it would have an

impact to increase the employee work satisfaction.

- 4) Hospital leaders and management were advised to take note of the work targets and its pressure given, it should be adjusted to the responsibilities and abilities of employees, so it won't reduce the authority of employees in doing their work, thereby it will increase the employee retention.
- 5) Hospital leaders and management were advised to assigned the responsibilities in accordance with their portions, so the employees will ease the burdens and create an happy atmosphere. Through this harmonious atmosphere, the cooperation between employees and superiors will be more established, Hence it would increase the employee retention.
- 6) Hospital leaders and management were advised to review the promotion programs applied. As for near future, The employee promotion programs should be draws to the abilities of each employee, so it will minimize employee job placement errors and will have an affect on optimizing the employees' abilities, thereby it will increasing employee retention.
- 7) The authors' expectations for further research is if they could search more deeper into other variables that relate to employee retention. The high effects from this direct work satisfaction on employee retention that found in this research were open for any possibility to other effecting variables, such as compensation, work motivation, and work discipline.

### **Implications**

The implications that authors' written on behalf of this research which could be seen as follows:

- 1) Assesing the career development system in terms of competence, length of work and experience.
- 2) As for high-performing employees, they might be could given any training and

educational opportunities that adjusted to the available budget and funds Thus the employees could seen the company as a career place and think if the company are suits to the employees.

- 3) Enhancing the internal communication which need directly given by the leaders through listening to the employees' advised or ideas and highly appreciating their contributions.
- 4) Management needs to fixing up its facilities and infrastructure through changing the colors on the walls in both the patient room and the employees' office every five years and so if needed to be repaired, then it would create a new atmosphere and new enthusiasm for employees.
- 5) Hospital management would paid off those training for the employees according to the competence and the needs of the hospital, thereby it would increase the cooperation between colleagues and so with the quality of hospital services.

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How to cite this article: Romadhon W, Hasyim, Indrawati R. The role of work satisfaction as an intervening variable that affects the perceived organizational support and work environment to increase the employee retention. *International Journal of Research and Review*. 2021; 8(3): 340-355.

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