

# CHAPTER I

## INTRODUCTION

### 1.1 Background

In the current modern era, developments are increasingly rapid so that competition in this industrial era cannot be avoided. Seeing the intense competition, requires companies to continue to improve, improve and improve themselves through the maximum development of company resources. Companies are required to face challenges that come from within the company and from outside the company, so that the company is able to maintain its existence.

Human resources are one of the assets that determine the existence of a company. Companies that have good goals certainly provide sophisticated and complete facilities and infrastructure, but without good human resources the company will most likely find it difficult to achieve its goals. The role of this vital human resource requires professional planning, direction and management so that the available human resources can function optimally in accordance with the vision and mission that has been created.

Bank is a type of financial institution that performs various types of services, such as extending credit, circulating currency, supervising currency, acting as a repository for valuables, financing the business of companies (A. Abdurrachman, 2014: 6). The number of banking companies is currently triggering increasingly intense competition. Therefore, companies need to maintain their existence so that they do not experience defeat in competition. One

way is to organize good organizational behavior. Structuring good organizational behavior is needed in order to be able to create a low level of turnover intention.

By understanding organizational behavior, companies can understand human behavior tendencies within their organizations. Human behavior in the organization greatly affects the company's performance. Therefore, it is necessary to organize good organizational behavior in order to direct human behavior in the organization to achieve company goals. One of the company's goals is to get the maximum profit that can be realized through the existence of good organizational behavior which is characterized by a low level of turnover intention.

Turnover intention is a tendency where employees have the possibility to choose to leave the company either voluntarily or involuntarily due to the lack of attractiveness of the current job and the availability of alternative jobs (Robbins S, 2019: 22). Employees are an important asset in running the company's operations. In fact, the rate of employees deciding to leave and move to another company has increased recently (Kurniawaty et al., 2019). According to the factors that have an influence on the occurrence of turnover intention, namely employee demographics, employee job satisfaction, role conflict in the organization, and job stress levels. The job satisfaction factor is a response from employees to the work situation felt by employees and can be reflected in the way they view their work, if someone feels dissatisfied with their job then they have a tendency to leave the organization. The next factor causing turnover intention is job stress. Job stress arises when employees feel difficult and unable to fulfill their job duties. When

employees who feel they are no longer able to control their level of work stress will decide to resign from the company. In addition, the workload factor

Job satisfaction is a positive feeling towards work, resulting from the results of an assessment, the characteristics of a person with a high level of job satisfaction have positive feelings towards their work, while someone who has a low level of satisfaction has negative feelings (S. Robbins & Judge, 2015: 170). Job satisfaction has an important role to retain qualified employees. When employees have good job satisfaction, they will be able to increase employee loyalty and avoid turnover intention. In addition, job satisfaction can reduce work-related stress levels so that the employee's intention to leave his job will decrease. So it is important for companies to maintain the level of job satisfaction of their employees so that they are able to control and reduce turnover intention, considering that this greatly influences the effectiveness and efficiency of the organization. Job satisfaction can be measured by several indicators by the company including satisfaction with the compensation obtained from the company, satisfaction with the existence of promotion opportunities for promotion in the company (Widjanarko et al., 2022).

Transformational leadership style is a leadership style in which the leader inspires his followers to go beyond their own interests and is able to exert a profound and extraordinary influence on his followers (Robbins S, 2019:261). The transformational leadership style arises because there are deficiencies in the previous leadership style model. Through transformational leadership, employees will feel trust, admiration, loyalty, and respect for their leaders, so that employees

are motivated to work more enthusiastically in order to achieve organizational goals and satisfy needs at a higher level. This will affect the performance of his subordinates, so it can be said that there is a reciprocal relationship between transformational leadership style and performance (Adiwantari et al., 2019).

Workload is a process in determining working hours and the use required by human resources to complete work within a certain time (Koesomowidjojo, 2017: 21). A workload that is considered burdensome to employees and triggers continuous fatigue will increase the chances of employees leaving the company. Workload is something that feels burdensome, goods or things that are carried, which are difficult to do as a responsibility. Workload can be in the form of physical workload and psychological workload. Physical workload can be in the form of heavy work such as lifting, pushing an item. while the psychological workload can be in the form of the extent to which the level of expertise possessed by a person with other people (Muttaqiyathun & Gayatri, 2020). When the workload of employees increases, this will affect the level of work stress which will increase and employee job satisfaction will decrease, because more and more work targets cannot be achieved (Nurhasanah et al., 2022). When the workload is considered burdensome for employees and triggers continuous fatigue, it will increase the chances of employees leaving the company.

Job stress is an imbalance between physical and psychological abilities in carrying out the work provided by business organizations so that it affects various aspects related to emotions, thinking, acting and other aspects of individual employees. This imbalance will have a variety of impacts on each individual

(Fahmi Irham, 2017). Job stress is a physiological and psychological feedback on employees against the wishes or demands of the organization. Job stress arises when the workload and assigned tasks must be completed immediately causing a feeling of pressure, which can reduce employee commitment to the company because the stress experienced by employees can affect their perception of alignment between individual goals and values and the organization. Excessive workload given by the company to its employees so that employees feel stressed and can decrease their performance, while job satisfaction is the main factor for employees to improve their performance (Steven & Prasetyo, 2020). When employees feel dissatisfied with their work because the workload that must be completed is too much, the employee will choose to look for another job.

PT BPR BKK Kudus (Perseroda) is a financial service provider in Kudus Regency. PT BPR BKK Kudus (Perseroda) tries to provide the best service for its customers so that they are satisfied with the services provided. In providing services to customers, employees are required to have high diligence and accuracy because their work is related to high-risk financial problems, employees are also required to have a high level of patience because each customer has various characteristics that can sometimes trigger emotions in employees. With a lot of workload and employee responsibilities that have a fairly high risk, this triggers the potential for high levels of employee job stress so that it can trigger a high level of turnover intention.

PT BPR BKK Kudus (Perseroda) is a financial institution in Kudus Regency which operates in the banking sector with business activities to collect

and distribute funds to and from the community in accordance with Law no. 10 of 1998 concerning banking. PT BPR BKK Kudus (Perseroda) has a vision of making a quality and sustainable bank. Employees are an asset that must be managed by the company, therefore human resource management must take a role.

Based on the results of interviews with the head of the personnel department, it was found that employees have a high workload. The source said that this high workload was influenced by several factors, including that employees had to be able to achieve the targets set by the company. This high workload causes high job stress and low job satisfaction. This creates a desire for employees to leave or resign from the organization. This can be seen from the employee turnover intention data for 2020-2022 as follows:

**Table 1.1 Turnover Intention data  
PT BPR BKK Kudus (Perseroda)**

Year	Number of Employees Beginning of the Year	Number of Employees Leaving	Number of Entered Employees	Number of Employees End of Year
2020	103	5	1	99
2021	99	6	2	95
2022	95	7	0	88

Source: PT BPR BKK Kudus (Perseroda)

Based on table 1.1 above, it can be seen that the number of employees leaving continues to increase, but this is not matched by the number of employees entering. This can prove that there are problems in the company which result in increased employee turnover intention. There are some employees who choose to leave the company because they get offers to work with higher salaries and

positions, there are also some employees who have to stay at home for reasons of having to look after their children and health reasons. In addition, several employees left the company with the reason that they had entered retirement age.

**Table 1.2 Percentage of Target and Realization of Credit Disbursement  
PT BPR BKK Kudus (Perseroda)  
Period January - December 2022**

No	Month	Loan Disbursement Target (Rp)	Realization of Credit Disbursement (Rp)	Achievement Percentage (%)
1	January	14,452,000,000	12,021,000,000	83%
2	February	12,678,890,000	9,192,500,000	72.5%
3	March	13,984,560,000	10,193,500,000	72.8%
4	April	10,932,678,000	8,699,500,000	79.5%
5	May	9,587,120,000	6,119,600,000	63.8%
6	June	13,953,200,000	10,545,600,000	75.5%
7	July	11,843,270,000	8,581,500,000	72.4%
8	August	14,041,896,000	10,760,100,000	76.6%
9	September	8,906,530,000	7,193,082,200	80.7%
10	October	7,838,000,000	7,868,000,000	100.4%
11	November	8,595,000,000	8,603,500,000	100.1%
12	December	9,062,438,000	7,271,000,000	80.2%
<b>Total</b>		<b>135,875,582,000</b>	<b>107,048,882,200</b>	<b>78.7%</b>

Source: PT BPR BKK Kudus (Perseroda)

**Table 1.3 Percentage of Target Achievement of Deposit Savings  
PT BPR BKK Kudus (Perseroda)  
Period January - December 2022**

No	Month	Target	Realization	Achievement percentage
1	January	IDR 6,804,481,083	IDR 5,579,674,488	82%
2	February	IDR 6,804,481,083	IDR 5,103,360,813	75%
3	March	IDR 6,804,481,083	IDR 6,280,536,040	92.3%
4	April	IDR 6,804,481,083	IDR 6,069,597,126	89.2%
5	May	IDR 6,804,481,083	IDR 6,178,468,824	90.80%
6	June	IDR 6,804,481,083	IDR 5,300,690,764	77.90%
7	July	IDR 6,804,481,083	IDR 5,171,405,623	76%
8	August	IDR 6,804,481,083	IDR 5,987,943,353	88%
9	September	IDR 6,804,481,083	IDR 6,396,212,218	94%
10	October	IDR 6,804,481,083	IDR 5,715,764,110	84%
11	November	IDR 6,804,481,083	IDR 5,375,540,056	79%
12	December	IDR 6,804,481,083	IDR 6,328,167,408	93%
<b>Total</b>		<b>IDR 81,653,773,000</b>	<b>IDR 69,487,360,823</b>	<b>85%</b>

Source: PT BPR BKK Kudus (Perseroda)

Based on tables 1.2 and 1.3 it can be seen that the target for lending and the target for achieving savings deposits is quite high and employees must be able to meet these targets. This causes employees to experience job stress.



**Table 1.4 Percentage of Overtime Employees  
PT BPR BKK Kudus (Perseroda)  
Period January - December 2022**

Month	Overtime	Number of overtime employees	Percentage of Overtime Employees
January	16.00-20.00	65 people	73 %
February	16.00-20.00	61 people	69%
March	16.00-20.00	73 people	82%
April	16.00-20.00	69 people	78%
May	16.00-20.00	55 people	62.5%
June	16.00-20.00	53 people	60%
July	16.00-20.00	70 Orang	79%
August	16.00-20.00	75 people	85%
September	16.00-20.00	68 people	77%
October	16.00-20.00	59 people	67%
November	16.00-20.00	76 people	86%
December	16.00-20.00	80 people	90%

Source: PT BPR BKK Kudus (Perseroda)

Based on data in table 1.4, the percentage of overtime employees for the January-December 2022 period shows that the percentage value for overtime employees is high. Employees who do overtime, meaning that the work they are responsible for has a shortage of time to complete it. At the end of each month, employees must work overtime within four hours after the end of working hours. Employees who work overtime at the end of the month usually have to bill debtors who have bad credit, make credit disbursements, or complete pending work. Even employees in the information technology department sometimes have to work overtime until midnight. This shows that PT BPR BKK Kudus (Perseroda) employees have a high level of workload.

**Table 1.5 Employee Assessment Criteria for PT BPR BKK Kudus (Perseroda) Transformational Leadership Style**

No	Criteria	Average Score given
1	Leaders set a good example	4
2	Leaders act decisively and impartially	4
3	Leaders are able to develop cooperation and encourage the progress of subordinates	2
4	Leaders are able to arouse enthusiasm and move subordinates in carrying out their duties	3
5	Leaders are willing to consider suggestions or opinions of subordinates	3

Source: PT BPR BKK Kudus (Perseroda)

Based on information from the head of the personnel section of PT BPR BKK Kudus (Perseroda), the employee assessment standards for leaders consist of a score of 4 meaning very good, a score of 3 meaning good, a score of 2 meaning quite good and a score of 1 meaning not good. The results of the employee's assessment of the leadership show that the leader is able to develop cooperation and encourage the progress of the subordinates on average giving a score of 2 which is quite good. This shows that the transformational leadership style is not optimal.

Based on information from the head of the personnel section of PT BPR BKK Kudus (Perseroda) on the employee's assessment of the leadership, it shows that supervision from the leadership is considered not optimal. This causes the job satisfaction of PT BPR BKK Kudus (Perseroda) employees to be low.

The research gap in this study is shown in research Masta & Riyanto, (2020) which states that there is a significant influence of transformational leadership on turnover intention in one of the Islamic banks in Jakarta. Meanwhile in research Samuel & Tanoto, (2022) conducted at a company in Canada resulted

in the conclusion that transformational leadership style has a significant negative relationship with employee turnover intention.

In research Suputra et al., (2022) states that workload has a positive and significant effect on turnover intention. While in research Aristawati (2019) workload does not affect the occurrence of turnover intention.

Study Azzahra et al., (2021) entitled *The Effect of Role Ambiguity, Job Stress and Leadership on Job Satisfaction and Employee Turnover at PT. Bank BRI Syariah*, showing the effect of work stress on turnover has a significant level of 0.010. Where the significant value is less than 0.05 ( $0.010 < 0.05$ ) and the regression coefficient is in the negative direction. Therefore, it can be concluded that work stress has a significant negative effect on turnover. But on research (Yuda & Ardana, 2017) shows different results that work stress has a positive effect on turnover intention.

In research (Yudistira & Putra, 2021) entitled *Job Satisfaction Reflecting on the Influence of Transformational Leadership on Organizational Commitment (Case Study at a State Owned Bank in Bali, Indonesia)*, states that Transformational Leadership has a positive and significant effect on Job Satisfaction. But research Lan et al., (2019) shows that transformational leadership has a negative effect on job satisfaction.

In research Sudarsih & Supriyadi, (2019) with the title *The Role of Workload and Work Discipline in Improving Job Satisfaction and Performance of Outsourcing Employees*, the results of the study show that workload has a negative and significant effect on job satisfaction of PT BRI outsourcing

employees. Whereas in Parimita's, et al, (2017) also found a negative and significant effect of workload on job satisfaction at PT. Askrindo employees in Jakarta.

In research from Kurniawaty et al, (2019) entitled External Alternatives, Job Stress on Job Satisfaction and Employee Turnover Intention, which shows that job stress has a negative and insignificant effect on job satisfaction. While in research Pontoh et al, (2022) states that work stress does not have a significant positive effect on job satisfaction, this means that work stress felt by employees towards their work makes employees not quite satisfied with their work.

In research Hariyonyoto et al. (2019) entitled The Effect of Organizational Commitment, Job Satisfaction and Job Insecurity on Turnover Intention and Their Impact on Organizational Performance of Bank Aceh Syariah, shows the result that job satisfaction has a negative and significant effect on turnover intention. Meanwhile Ardianti et al (2019) states that job satisfaction has a positive and significant effect on turnover intention at PT Bank Rakyat Indonesia Gianyar Branch Office.

## **1.2 Scope**

This research was conducted at PT BPR BKK Kudus (Perseroda). While the subjects of this study were employees at PT BPR BKK Kudus (Perseroda). This research was conducted to determine the effect of transformational leadership style, workload, job stress on turnover intention through job satisfaction as an intervening variable. To avoid deviations in topic research, the researcher limits the problems which include the following:

- a. Exogenous variables are Transformational Leadership Style (X1), Workload (X2) and Job Stress (X3).
- b. The intervening variable is Job Satisfaction (Y1)
- c. Endogenous variable is Turnover Intention (Y2)
- d. Respondents in this study were employees of PT BPR BKK Kudus (Perseroda).
- e. This research was conducted for one month after the research proposal was approved by the supervisor in June 2023.

### **1.3 Problem Formulation**

Based on data sourced from PT BPR BKK Kudus (Perseroda) there are the following problems:

1. Based on table 1.1 it shows that the number of employees who leave continues to increase, but is not matched by the number of employees who enter.
2. Based on tables 1.2 and 1.3 it can be seen that the target for lending and the target for achieving savings deposits is quite high and employees must be able to meet these targets. This causes employees to experience job stress.
3. Based on table 1.4, it shows that the percentage of overtime employees in 2022 is high. This causes the workload of PT BPR BKK Kudus (Perseroda) employees to be borne is high.
4. Based on information from the head of the personnel section of PT BPR BKK Kudus (Perseroda), the employee assessment standards for leaders

consist of a score of 4 meaning very good, a score of 3 meaning good, a score of 2 meaning quite good and a score of 1 meaning not good. The results of the employee's assessment of the leadership show that the leader is able to develop cooperation and encourage the progress of the subordinates on average giving a score of 2 which is quite good. This shows that the transformational leadership style is not optimal.

5. Based on information from the head of the personnel section of PT BPR BKK Kudus (Perseroda) on the employee's assessment of the leadership, it shows that supervision from the leadership is considered not optimal. This causes the job satisfaction of PT BPR BKK Kudus (Perseroda) employees to be low.

Based on the description of the problem above, the problem can be formulated as follows:

1. How does transformational leadership style affect on job satisfaction of PT BPR BKK Kudus (Perseroda) employees?
2. How does workload affect on job satisfaction of PT BPR BKK Kudus (Perseroda) employees?
3. How does job stress affect on job satisfaction of PT BPR BKK Kudus (Perseroda) employees?
4. How does the transformational leadership style affect on turnover intention of PT BPR BKK Kudus (Perseroda) employees?
5. How does workload affect on turnover intention affect employees of PT BPR BKK Kudus (Perseroda) employees?

6. How does job stress affect on turnover intention of PT BPR BKK Kudus (Perseroda) employees?
7. How does job satisfaction affect on turnover intention of PT BPR BKK Kudus (Perseroda) employees?

#### **1.4 Research Objectives**

Based on the formulation of the problem above, the objectives of this study are as follows:

1. To analyze the effect of transformational leadership style on job satisfaction of PT BPR BKK Kudus (Perseroda) employees.
2. To analyze the effect of workload on job satisfaction of PT BPR BKK Kudus (Perseroda) employees.
3. To analyze the effect of job stress on job satisfaction of PT BPR BKK Kudus (Perseroda) employees.
4. To analyze the effect of transformational leadership style on turnover intention of PT BPR BKK Kudus (Perseroda) employees.
5. To analyze the effect of workload on turnover intention of PT BPR BKK Kudus (Perseroda) employees.
6. To analyze the effect of job stress on turnover intention of PT BPR BKK Kudus (Perseroda) employees.
7. To analyze the effect of job satisfaction on turnover intention of PT BPR BKK Kudus (Perseroda) employees.

### **1.5 Research Benefits**

The results of this study are expected to have benefits for companies, employees, researchers and academics. The benefits of this research are as follows:

#### **1. Theoretical Benefits**

It is hoped that the research results of this study can add information, knowledge and insight in understanding the effect of transformational leadership style, workload, job stress on turnover intention with job satisfaction as an intervening variable.

#### **2. Practical Benefits**

The results of this study are expected to be a source of information or additional input for the company. As a material consideration for companies to be able to improve aspects of human resources with low employee turnover rates, and can increase employees' sense of comfort at work. Therefore, it can increase employee job satisfaction so as to achieve company goals.