A Study on Influencing Factor on Employee's Turnover in Directorate General of Tax, Ministry of Finance, Republic of Indonesia.

인도네시아 재무부 국세청 공무원 이직에 영향을 미치는 요인에 관한 연구

August 2020

Graduate School of Public Administration
Seoul National University
Global Public Administration Major

Andita Pritasari

A Study on Influencing Factor on Employee's Turnover in Directorate General of Tax, Ministry of Finance, Republic of Indonesia.

Academic Advisor Lee, Soo Young

Submitting a master's thesis of Public Administration

April 2020

Graduate School of Public Administration
Seoul National University
Global Public Administration Major

Andita Pritasari

Confirming the master's thesis written by
Andita Pritasari

June 2020

Chair	Hong, Joon-Hyung	(Seal)
Vice Chair	Kwon, Illoong	(Seal)
Examiner	Lee, Soo Young	(Seal)

Abstract

A Study on Influencing Factor on Employee's Turnover in Directorate General of Tax, Ministry of Finance, Republic of Indonesia.

Andita Pritasari
Global Public Administration Major
The Graduate School of Public Administration
Seoul National University

The research served purpose to give further explanation and information about the factors which influencing employees' turnover in Directorate General of Taxes, Ministry of Finance Republic of Indonesia. It is expected that this research will uncover hidden causes and shed light on areas that can be improved within the organization. This will most likely help the organization as well to put in place better policies and practices to retain employees. by using the exit interview collected from 50 public officials from 2017 and 2018 who were already leaving the organization. The Unfolding Model of Employee Turnover based on Lee, et al (1996) & Jones, et.al (2010), which consists of shock, script, image

violation, low degree job satisfaction, search and evaluation, is used to test whether the turnover path within the organization follow accordingly. Emphasizing on qualitative content thematic analysis to analyze the existing data, the researcher was able to recognize issues covered in the theoretical part in order to obtain a better understanding of the data.

The finding later showed that reasons for turnover can be categorized into four main categories where relatively connected: random crucial happened, mismatch between employee' expectation and reality, circumstance of management organization, possibility of better opportunity outside. Interestingly monetary compensation, leadership of supervisor and work condition were not significant mentioned reasons behind the departures.

Keywords: Employee turnover, Employee retention, Exit Interview, The Unfolding Model of Employee Turnover.

Student ID: 2018-21074

TABLE OF CONTENTS

Lists of Tables

Lists of Figures

CHAPTER 1: INTRODUCTION

1.1 Background of the study

Human Resources has undeniably become one of the most important asset of an organization due to its dynamic nature and its significance in order to attain the organization goals in an effective and efficient manner. Therefore, in some of literatures or even in the context of best practices nowadays, the term of 'human resources' is gradually transformed into human capital due to its level up of weightiness. In addition of that, treating employees as a resources would be different with handling them as a valuable capital to achieve organization goal.

For any organization to be successful, it must constantly make sure retain its workers (Berry, 1997). The appointment of a good employee is thus critical, but of even greater significance is the organization's ability to retain the employee by providing a satisfying work environment. The organization's ability to create a committed workforce is undoubtedly crucial to its success. Hence the need for management to understand the concept of organizational commitment: what it is, how it operates, and most importantly, the behavior exhibited by committed employees (McElroy, 2001).

The relationship between an organization and its employees is dynamic and precarious. In some aspects, it comes as an exchange relationship in which both parties put forward something the other demands. Nevertheless, long-term organization-employee relationships can be affected by many factors which later on would be resulted whether an employee intends to voluntarily stay with or leave the organization. As a matter of fact, turnover is something that inevitable to occur within organization.

As most of the research discuss about employees turnover in private sector, it's quite intriguing to discover how it is going in public sector, such as within government institutions or public organization. According to some research, private-sector employees are more than twice as likely as their public-sector counterparts to think the grass is greener on the other side in respect of job security, training, holidays and equal opportunities. They are more likely also to think it less stressful, more flexible and better for promotion and progression. How about the public sector employees' thought on this, do they also think the other 'grass' is greener? Salary factor is commonly appear as ultimate consideration for people to work in private sector instead of serving the nation. Opportunity to grow wise, private sector is viewed to offer more rather than public one. In addition, with no strict rules guiding every move, the power to take any decision

relatively more flexible and timely effective if it is compared with public organization in which everything needs to be applied in accordance to the regulation or current law. In addition of that, the stereotypes about corruption behavior and complicated bureaucracy are still strongly attached with the government employees' until certain degree. All of these features often serve as huge attraction for public organization employee to switch 'the cloth'.

Particularly in Indonesia context, general opinion still popular today is that civil servants receive low salary. This signals and contributes to bad performances and productivity of civil servants, be it in individual or organizational level (Simanungkalit, 2012). Low-level civil service jobs paid well relative to comparable positions in the private sector, where most businesses were small informal organizations. But regulation-set base wages for higher-echelon management positions were low, and pay did not increase commensurate with responsibility. According to survey data from 2007, the average monthly salary of private sector senior managers was 80 million rupiahs (US$5,500) per month, whereas that of their public sector counterparts was only Rp5.5 million (US$380). Although the civil service law was amended in 1999 to stipulate that remuneration of public employees should be comparable to that of private employees, in 2004 no ministry or agency had enacted

substantial pay hikes. Besides, some parties think of low salary of civil servants as the root of all problems in civil servant management causing high social and economic costs. This condition even becomes an excuse for Civil Servants to do various undisciplined conducts and triggers Civil Servants to do various "deviation" acts resulting in inefficiency and ineffectiveness of bureaucracy, also "threatens" to break down actualization of bureaucracy reform as a whole (Simanungkalit, 2012). However, fully aware regarding this condition, Indonesia did not just doing nothing and has started to implement massive bureaucratic reform in these past decade.

By the mid-2000s, Indonesia had recovered from a devastating economic crisis and made significant progress in transitioning from a dictatorship to a democracy. However, the country's vast state bureaucracy continued to resist pressure to improve operations. In a 2001 national survey, households and businesses alike said that of 33 public institutions, the ministry's customs authority was the second most corrupt—only slightly less odious than the traffic police. The tax directorate general ranked fifth worst on the same list. In 2006, local daily newspaper the Jakarta Post said the tax directorate had "long been seen as the country's most corrupt institution. Later on in the same year, President Susilo Bambang Yudhoyono tapped a talented economist who had been an executive director at the IMF

and previously served as leader of Indonesian Ministry of National Development Planning (BAPPENAS), Sri Mulyani Indrawati to transform Indonesia's massive Ministry of Finance, which was responsible not only for economic policy making but also for taxes and customs. The ministry was large, responsible for treasury, taxation, customs and excise, capital market management, budget, state assets, macroeconomic policy, and debt management. Its reputation for service delivery was poor. For businesses and regular citizens alike, interactions with the ministry typically involved long waits and requests for extra payments.

During her years as minister, Mulyani introduced new standard operating procedures, raised civil servant salaries, created a new performance management system, and cracked down on malfeasance. Particularly regarding remuneration, Mulyani and her team knew that to deter corruption, they would have to reduce the vast disparity between public sector and private sector salaries. There were 27 pay grades at the Ministry of Finance, and Mulyani's reform team sought to at least double the compensation of all of them. For higher echelon positions, she sought raises of up to eightfold. The hope was that such raises would reduce the temptation for fraud, motivate better performance, and attract talent to ministry service. Higher pay would also raise the social cost of corruption. The

finance minister undertook a tireless campaign to educate parliament on the details of the plan and make her motives transparent. In numerous presentations and meetings, she hammered home a very practical point: that increased remuneration, which would increase the performance of tax collectors and thus tax compliance, could result in a net gain for the state budget. Her reforms turned what had once been a dysfunctional institution into a high performer.

Despite this massive movement and relatively positive image of the institutions as role model for other agencies, the employees' turnover within organization is still inevitable. Hence, it becomes interesting to discover on what are actually the particular factors which influence employees in Directorate General of Tax, Ministry of Finance Republic of Indonesia to voluntarily leaving such good developing organization, in which researcher tries to address through this research in order to improve for a better institution ahead.

1.2. Statement of Problem

Employee turnover and its retention tool are such broad research topic, the point of view differed from employee's motivation to engagement yet there is no commonly explanation of employee turnover or any retention tools that are universally accepted. However, several of varied factors have been identified to predict

and interpret employee turnover (Morrel et al. 2004). Furthermore, this research emphasizes more on categorizing motives behind voluntary turnover within the public organization. In response to solve the research question, this research investigates using exit interviews of previous employees which will be analyzed by breaking down interviewee's answers and by examining responses in relation to theory.

The review of literature of this thesis focusing on employee turnover, particularly voluntary turnover, different paths of turnover and reasons for turnover. Researcher mainly use the unfolding model of employee turnover by Lee et al. (1996) which will be further investigated in the findings section. In the empirical part of this study these mentioned theory is used to analyze thoroughly the exit interviews from the Directorate General of Taxes.

This study proposes to bridge the slit of recognizing what attributes to the occurred voluntary turnover and to provide feasible solution in regards of to retain employee or for the sake organization improvement. Therefore, the research question will be answered based on both empirical result and theoretical background.

1.3. The Purpose of Research

The purpose of this research is to give further explanation and information about the factors which influencing employees' turnover in Directorate General of Taxes, Ministry of Finance Republic of Indonesia. It is expected that this research will uncover hidden causes and shed light on areas that can be improved within the organization. This will most likely help the organization as well to put in place better policies and practices to retain employees. All in all, the ultimate goal of this thesis is to recognize reasons as the cause of voluntary turnover and what could have done better in order to avoid those as the inevitable phenomena later on.

1.4. Significance of the study

Firstly, this study contributed to employee's turnover theory. The findings of the study proved adopting the employee's turnover model and path theory in Indonesia context. Secondly, the researcher aspire that this study will be useful to make argument and foundation for future civil servant organization commitment studies. Thirdly, the practical application of this study supported to civil service reform and employee recruitment, selection, training and administering the Civil Service Personnel Law, Rules and Code of Conduct of Indonesia Civil Service. Next, the findings of this study contributed

to making human resource management and development policy for the Directorate General of Taxes, Ministry of Finance Republic of Indonesia with the purpose of increasing the employee's commitment to the organization.

CHAPTER 2: LITERATURE REVIEW

2.1. Theory on Employees' Turnover

Organization devotes abundance effort on their employees in regards of recruiting, developing capacity, preserving as well as retaining them within the organization. Accordingly, it is very common that one organization would prioritize any effort to minimize employee's turnover. Moreover if the employees have high performance to support the organization. Although, there is no standard framework for understanding the employees turnover process as whole, a wide range of factors have been found useful in interpreting employee turnover (Kevin et al., 2004). Hence, it becomes necessary to develop a whole understanding of the employee turnover, more particularly, the sources on what determines employee turnover, effects and strategies that organization can put in place minimize turnover.

There are at least three reasons on why employee turnover is such a big deal to be solved by an organization (Allen, 2008). First, it is surely spendy. Employee departures cost a organization time, money, and other resources. Research suggests that direct replacement costs can reach as high as 50%-60% of an employee's annual salary, with total costs associated with turnover ranging from 90% to 200% of

annual salary (Cascio, 2006). Furthermore, Heneman & Judge (2006) listed several possible loss that one organization may needs to endure due to turnover of its employee.

Table 1. Voluntary Turnover Costs

Separation cost		
Financial	HR staff time (exit interview, payroll administration, benefits)	
	Manager's time (retention attempts, exit interview)	
	Accrued paid time off (vacation, sick pay)	
	Temporary coverage (contingent employee, overtime for remaining employees)	
Replacement Costs	new hire's compensation	
	Hiring inducements (signing bonus, reimbursement of relocation expenses, perks)	
	Hiring manager and unit/department employee time	
	orientation program time and materials	
	HR staff induction costs (payroll, benefits enrollment)	
Training Costs	Formal training (trainee and instruction time, materials, equipment)	
	on-the-job training (supervisor and employee time)	
	Mentoring (mentor's time)	
	Socialization (other employees' time, travel)	
Other	Delays in production and customer service; decreases in product or service quality	
	lost clients	
	Clients not acquired that would have been acquired if employee had stayed	
	Stiffer competition as employee moves to a rival company or forms own business	
	Contagion (other employees decide to leave; for example, to join defector at his/her new organization)	
	Disruptions to team-based work	
	loss of workforce diversity	

Source: Staffing Organizations (5e), (Heneman & Judge, 2006)

Second, another reason of why employee turnover is such critical matter to organization would be its impact to organization performance. There has been conducted research which links high turnover rates to shortfalls in organizational performance. In addition of this, the relationships become even more pronounced if we take a look on who is departing. For instance, Shaw et.al (2005) shows that high turnover among employees with extensive social capital can dramatically erode firm performance. Hence, it would be beneficial if organization can define a pattern for categorizing turnover

management strategies in accordance to the types of departing employees from the organization.

Third, it may become gradually difficult to manage. Retaining employee can grow into particular challenge nowadays, as time goes by the skilled resources on labor market are extremely in high demand. Talent scarcity is looming, and that this shortage will make finding and keeping the right people with the right skills increasingly challenging for organizations. In a SHRM survey of HR professionals, 62% of the respondents reported already having difficulty hiring workers with the skills essential for a 21st century workforce (Collison, 2005). According to this, it is clearly important for the organization to include employee retention as one of organization priority to be taken care of.

Furthermore, back to the basic, concept of employee turnover has been broadly explained as the act of an employee leaving an organization (Griffeth & Hom, 2001). However, such act of forsaking an organization can be occurred by two fundamental types which are voluntarily and involuntarily leave. Another definition was introduced by Price (1977) which describe it as the movement of members across the boundary of an organization. As Mobley (1982) defined that turnover is the voluntary cessation of membership in an organization by an individual who receives monetary compensation

for participating in that organization. This definitions emphasize voluntary behavior because primary turnover model seek to explain what motivates employees to withdraw from the workplace.

Furthermore, this concept focuses on separation from an organization and not includes accession, transfer, or other internal movement through an organization. Moreover, there is also same perspective from another scholar as Van der Merwe and Miller (1996) stated that employee turnover is a permanent withdrawal and also function of the person-work relationship. As to sum up, voluntary turnover represents the employee's decision to leave the organization when the organization actually wants to keep the employee (Shaw, Delery, Jenkins, & Gupta, 1998).

On the other hand, involuntarily turnover occurs when the organization terminates its employees' membership by releasing them even though the employee did not intend to leave (Holtom, Mitchell, Lee, & Eberly, 2008). While voluntary turnover entails quitting or resigning, involuntary leave is decided by the organization, including dismissals, layoffs, deaths, and retirements. As to be concerned by organizations, involuntary turnover could be forecasted and maintained, in contradict voluntary turnover tends to be unforeseeable in prior. Furthermore, this research will mainly focusing on employees' turnover in voluntary leave context.

2.1.1. Involuntary Turnover

An involuntary termination means a severance from employment due to the independent exercise of the unilateral authority of the employer to terminate the employment, other than due to the employee's implicit or explicit request, where the employee was willing and able to continue performing services (Naveh and Erez 2004).

Involuntary terminations may occur for a variety of reasons including employee malfeasance or redundancy (Society for Human Resource Management 2013). From the literature of Bowen (1995), involuntary turnover refers to an employee's discharge by the organization. To him, involuntary turnover happens for a number of reasons, including a decline in corporate revenue, retirement, or career changes. In every case, an employee's departure is not a result of a negative relationship with the employer.

March (1991) adding their voice to involuntary turnover by limiting it to tertiary institutions indicated that an organization can take such action as a result of gross unethical or criminal behavior such as the use of organization funds or release of confidential information. This can also be extended to misrepresentation of facts and employees unwillingness to adhere to terms and

conditions of employment. Since involuntary turnover has its own effects, it is also necessary for organization to measure them and make decisions as to what extent they are benefiting from such practice.

Having a certain level of involuntary turnover can be a reasonable choice for public organizations. This comes from the fact that involuntary turnover is a rare event in the public sector due to civil service protection and public managers' tendency for being risk-averse. Given its rareness, involuntary turnover in a public agency might be a sign of significantly low performance, since risk-averse public managers generally tend to avoid wrongful termination lawsuits. In this situation, the dismissal of underperforming employees and replacing them with new, skilled workers can increase organizational performance (Meier and Hicklin, 2008).

In Indonesia context, as also commonly applied, the appointment and dismissal of public officials are influenced by governmental system in the country (Aritonang, 2013). The procedure of public official appointment and dismissal fully depends on the law and regulation method about public official position (Asshiddqie, 2005). According to the Law Number 5 Year 2014 Concerning of State Civil Apparatus, there are two types of public official

discharge process. First, when a public official can be honorably discharged in accordance to below situations:

- Passed away

- Resigning at his/her own request

- Reached retirement age

- Due to the streamlining the organization or government policies that lead to early retirement

- incapability of physical and / or spiritual that cannot perform tasks and duties

Among five situations above, the last three conditions can be categorized as the example of the cause of involuntary turnover in which the initiation comes from the organization, in accordance to the law. Apart from those aforementioned situations, there are another two conditions of public official can also be honorably discharge. Civil servants may honorably discharged because he/she is sentenced to prison by a court decision that has a legally enforceable for a crime with a sentence of imprisonment for a minimum of 2 (two) years and is not categorized as planned crime. Civil servants is also honorably discharged but not at his own request for committing disciplinary offenses on severe level.

Second, there are conditions in which a public official will be terminated dishonorably. All of those conditions lead to the cause

that can be categorized as involuntary turnover of employee. Those conditions are varied as below:

- If the public official commits fraud against the Pancasila and the Constitution of the Republic of Indonesia Year 1945;
- If the public official is sentenced to imprisonment or confinement under a court decision which has had permanent legal force for committing the crime of malfeasance or criminal act that has to do with the position and/or common criminal.
- If the public official becomes a member and / or the board of political parties; or
- If the public official is sentenced by a court decision that has had permanent legal force for committing a criminal offense with imprisonment for a minimum of 2 (two) years and had been committed to the plan.

Generally, there are two types of removal for public official, the permanent removal and temporary removal. Each type is treated differently according to the level of the cases which is related to the public official (Aritonang, 2013). All of types of removal that have been aforementioned are considered as permanent removal. Meanwhile for the temporary removal, according to the Law

Number 5 Year 2014 concerning of State Civil Apparatus there are three conditions of public official temporary removal:

- If the civil servant was appointed as state officials (Minister, Head of State Body, Supreme Court or Constitutional Court Judge, etc)
- If the civil servant was named as a commissioner or member of a nonstructural institution; or
- If the civil servant was detained as a suspect in a criminal act.

For the last condition, conceptually, the removal is intended to be one of the significant keys to ensure that the investigation for public official will be done fairly and independently. It can be viewed as a way and method to demand the public official to be more responsible when the public officials are assumed or charged for committing corruption. In the moral context, he is supposed to voluntarily resign from the office; but in Indonesia, resigning from office is not a popular option for public officials (Aritonang, 2013).

The removal process in terms of good governance has to be seen as a standard and procedure to enhance and ensure the public accountability and transparency of public official. In some corruption cases, the accountability and transparency should be seen from two perspectives, moral and legal. In moral reading, the

public official will feel responsible when the people or his constituent is no longer supporting him, either politically or socially. It is shown in mass media, public debates, or demonstration on the road. For this case, public official generally, will voluntarily resign from his office and he does not have to wait for a legal procedure to prove what crime or bad behavior he has been accused for (Aritonang, 2013).

On the contrary, public official, who highly considers his responsibility from legal perspective, will stick to the legal process. Bovens (2006) explained two considerations: the respect for due process of law and in another side, it will reduce his popularity as well as his legitimacy which will decrease people's trust to public official. However, regardless of all of these considerations, if the temporary removal does not lead into permanent one at the end, then it cannot be categorized as employee turnover yet.

2.1.2. Voluntary Turnover

Voluntary turnover can be categorized into two different types, functional and dysfunctional (Rossi, 2018). Functional turnover happens when employee who are relatively replaceable quits. Additionally, poor performing employees quitting based on their own desire are resulting functional turnover. In contrast,

dysfunctional turnover is dangerous for the organization since it may happen in various levels of the organization (Allen, 2008). As example, well performed employee resigns too early which has caused the recruitment investment is not getting any fruit.

Even though organization´s objective' are to keep their high talented and well performed employees in existing positions it is understandable to assess the situation whether the way to retain those employees is worth all the costs. As commonly understood that no matter how great employee retention tactics are enforced not all the employees could be retained.

Unavoidable turnover is triggered by the grounds of which organization could not restraint. To organizations, avoidable turnover is more necessary since it is something that organization are able to affect. If employees are leaving because of unfair pay or low job satisfaction, organization could introduce more compelling compensation or redesigned jobs where employees would have new responsibilities (Rossi, 2018).

Turnover and retention go hand in hand and organizations have to carefully asses the cost and benefits of retaining employees. Thus, it is important to reduce dysfunctional turnover to enable building of long-term relationships with stakeholders (Rossi, 2018). Today

talented employees have plenty of job opportunities and so, retaining them is important. Retaining talented employees might be difficult and, in order to understand how to retain them the drivers of departure in the first place has to be understood.

```
                    ┌──────────────┐
                    │   EMPLOYEE   │
                    │   TURNOVER   │
                    └──────────────┘
                     ╱            ╲
          ┌──────────────┐   ┌──────────────┐
          │  VOLUNTARY   │   │ INVOLUNTARY  │
          │   TURNOVER   │   │   TURNOVER   │
          └──────────────┘   └──────────────┘
            ╱        ╲
 ┌───────────────┐  ┌──────────────┐
 │ DYSFUNCTIONAL │  │  FUNCTIONAL  │
 │   TURNOVER    │  │   TURNOVER   │
 └───────────────┘  └──────────────┘
    ╱       ╲
┌───────────┐ ┌───────────┐
│UNAVOIDABLE│ │ AVOIDABLE │
│  REASON   │ │  REASON   │
└───────────┘ └───────────┘
```
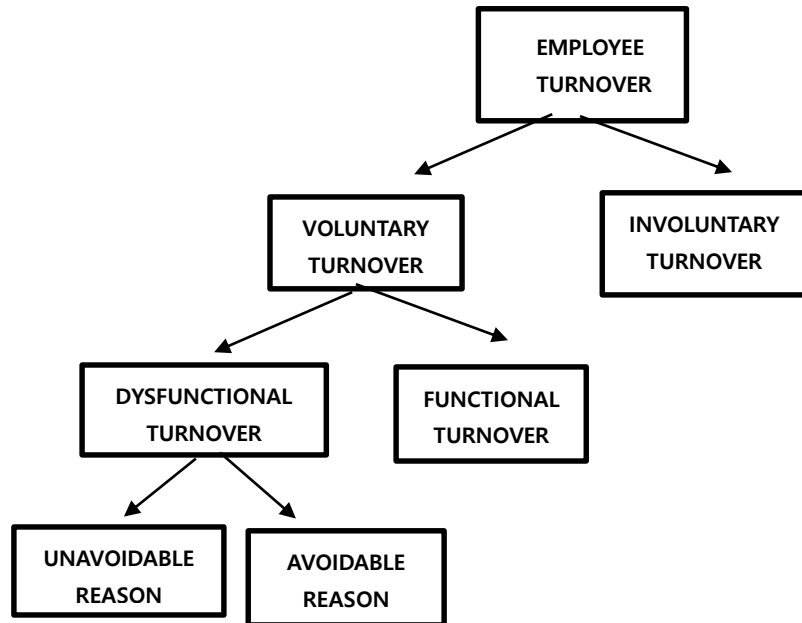
Figure 1. Employee Turnover Classification based on Allen (2008)

2.2. Influencing factor of Employee Turnover

The unfolding model of employee turnover (Lee, et.al, 1996) refers to identify the essential factor which mainly caused employee's departure. Basically, turnover driver can be categorized into four common categories. First, dissatisfaction towards the organization or the current job is likely to create turnover and thus, it is important

to monitor feelings and survey employees regarding their state of job satisfaction (Allen 2008). Secondly, quitting for better opportunities, whereas the first one included dissatisfaction towards the job itself, in this alternative dissatisfaction is may or may not occurred, hence if an organization encounters an high rate of turnover for competitor, the organization should ascertain the competitiveness level in order to keep employees under the roof. (Allen 2008).

Thirdly, leaving for following a plan or script. For some employees, there has been a script before they were recruited at the first place. A script that they would do this job for certain period of time and then maybe return to school. Some employees leave when they have saved enough money to do something else. This path is difficult for organization to prevent since it may or may not involve dissatisfaction and organization can rarely do anything to influence one´s scripts or plans (Allen 2008). By having signals or knowledge regarding individual`s pre-set scripts could help organization to be prepared for possibility of departure. Fourth, leaving without a plan. This turnover path is based on impulsive behavior which may be triggered by a shock in working life or in personal life. Organization can rarely prevent shocks from happening in personal life but what

organization could do is to offer help and support from recovering shocks in order to retain the employees (Allen, 2008).

Furthermore, the influencing factors which eventually leading the employees not to stay with the organization can also be categorized as those factor which come due to personal matter or those which arise within organization interaction. Following explanation can be referred in order to have more depth understanding.

2.2.1. Personal Factor

Personal own features mostly cover gender, education level, age, working tenure, marital status, responsibility, individual ability, and so on. Such factors as age, marriage, education levels and years of working in the organization are able to less or more influence individual turnover intention. Even some study found that the female employee turnover rate is higher than male employees. It may has association with women' duty to give birth and take care of the family. When employees exist in units or post for a long time, they will feel tired, which can lead to turnover intention (Ma, Chen, & Wang, 2003).

A person's ability in individual context is one of the factor that influencing turnover the most. When individuals feel like less capable and could not compete with their coworker, or even in contradict when individual actually possess high capacity and yet

23

cannot experience significant development within organization, these will likely leading to decision to quit. Some study found that for employees whose age are already more than 30 years old, it is most likely responsibility is one of the main factor for them to decide about leaving an organization, the more obligations they bear in the family, the little the likelihood of them to quit. Briefly, the personal factors can be straightly affecting the turnover.

2.2.2. Organization Factor

Organization future and benefit, organization environment and value, individual work attitude, monetary compensation and career enhancement, relationship, capacity development, employee involvement, and organizational justice are important features in regards of turnover influencing factors. When the new hires start to set the foot into the organization, their personal view and orientation need space to mingle with organizational value and culture. If there's consistency build between individual value and institution culture, it's expected that employee retention could be established.

In addition, the better organization prospect that employees can observe, the lower the probability of employee turnover (Ling, Fang & Fu, 2005). The larger of the organization, the more solid employee security is, employees are content and feel honored to

take part in such enormous organization, speaking of which they are reluctant to leave.

Every employee has desire to play a particular character that suits him within the organization, the larger organization size, the more internal opportunities, and more role can be acted, good internal dynamic can improve employee's job satisfaction and reduce turnover behavior. Pursuit of higher income level is the most primitive impulse of employee career. Some survey results showed that the industry with low income has higher turnover rate, the personal income level is one of the most important factors. Personal development opportunities provided by organization is inversely proportion to the employee turnover rate. Whether the organization can provide training and learning opportunities for staff will also have significant effects on whether employees staying in the group. Employees always have ideal and ambition, if the organization cannot give them the opportunity to learn, they cannot improve their abilities, cannot continue to grow, so that employees cannot even get self-realization in the organization, they are likely to turnover. Job satisfaction and organizational commitment can be influenced by factors such as institutional constraints and the superior behavior, then affect employee turnover.

Organizational instability has been shown to have a high degree of high turnover. Indications are that employees are more likely to stay when there is a predictable work environment and vice versa (Zuber, 2001). In organizations where there was a high level of inefficiency there was also a high level of staff turnover (Alexander et al., 1994). Therefore, in situations where organizations are not stable employees tend to quit and look for stable organizations because with stable organizations they would be able to predict their career advancement.

Griffeth et al. (2000) noted that pay and pay-related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa. There are also other factors which make employees to quit from organizations and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organization and toxic workplace environment Abassi et al. (2000).

2.3. Model of Employee Turnover

The unfolding model of voluntary employee turnover (Lee et al.1996) aims to identify decision paths more thoroughly. Employee turnover follows several paths however, they all have different characteristics and therefore they need to be understood in order to comprehend which decision path is prevailing and what to do in order to prevent desired people from leaving. The characteristics as has been briefly mentioned before will be as following:

a) Shock

Shock to the system, later referred as shock (Lee & Mitchell 1994 & Lee et al. 1996) is a random event which affects the employee´s mindset about their current job or employer. Shock is an event which has some meaning for an employee, for instance if their close colleague suddenly leaves the current job this may trigger contemplation of leaving the organization (Jones, Ross & Sertyesilisik, 2010 & Lee & Mitchell, 1994). Not all the shocks are negative they can also be positive or neutral. For instance, job offers from competitor can be seen as a positive shock, nevertheless this kind of shock may not result in an employee resigning. In addition, shock can be either expected or unexpected.

b) Scripts

Script refer to an individual´s pre-existing plan of action. According to the unfolding employee turnover model (Lee & Mitchell 1994) if pre-existing script, or relevant experience merge with the right shock the reaction of leaving or staying occurs (Lee & Maurer, 1997)

c) Image Violation

Image violation refers to an individual's differing vision of personal career goals and organizational values and usually derives from shock which may occur if; for instance, an individual is highly career-oriented but being bypassed for promotion. One could feel that career desires are seriously damaged or hindered and thus, the employee decides to leave because of altering visions of organizational values and individual goals (Lee, Mitchell, Wise & Fireman, 1996).

d) Lower levels of job satisfaction

This means that an individual is feeling a decreased level of job satisfaction due to a lack of intellectual, emotional or financial benefits (Jones, Ross & Sertyesilisik, 2010). The cause lower levels of job satisfaction could have numerous of reasons, which is not what researcher trying to focus on. However, some of those will be discussed thoroughly in response with this

research topic, particularly its correlation with employee's turnover and retention.

Increase of wage relation to job satisfaction is widely debated. Lee, Mitchell, Wise and Fireman (1996) argue that dissatisfaction is mostly related to money. Furthermore, Christian Grund and Dirk Sliwka (2001) argue that there is a positive correlation in one´s job satisfaction and wage, especially regarding wage increases. Nevertheless, other studies come with argument that money is not a great retention tool in the long-run (Sandhya &Pradeep Kumar, 2011). It is argued that increasing monetary incentives may increase the job satisfaction temporarily nonetheless, in the longrun previous increase of wage will be forgotten and the raise will lose its meaning.

Thereunto, apart from the issue regarding of pay, organizational management is also being listed as one essential cause of either employees' satisfaction or dissatisfaction. From the organizational literature it's known that employees' job satisfaction is positively influenced by overall appreciation of their managers (Stringer, 2006). Furthermore, specific leadership behaviors such as coordinating and structuring but also how supervisors communicate have been found to

influence employee job satisfaction (Gilbreath & Benson, 2004).

There are several ways poor management affects turnover rates. Managers who operate like dictators, refusing to take other people's opinions into consideration, most likely will run off good employees. Organization which does not have 360-degree feedback tools, or performance reviews that allow subordinates to rate their managers, also are at risk of high turnover. The bottom line is that when employees do not feel appreciated, or even feel as if they are taken advantage of, they do not want to continue working for their managers.

Management in the western context refers to the technical dimension of leading a private management (Tobin, 2017). It focuses on the attainment of organization goals in an effective and efficient manner through planning, organizing, leading and controlling organizational resources. While, in administration context, it refers to activities that public officials pursue in the name of public interest (Tobin, 2017).

As in Indonesia context, management of public official as a whole is regulated in Law Number 5 Year 2014 regarding State Civil Apparatus. In accordance to that, management of public official covers all fundamental manners that public organization

wish to enact. The bottom line of many activities, from recruitment to dismissal of the employee, it also includes promotion and rotation system, reward and punishment mechanism, as well as capacity development matter and many more. All of these go hand in hand with supervisor leadership as has been described above as a big picture of management of organization which can affect employee's satisfaction towards their job or even their willingness to stay within the organization.

Another factor that could affect one' satisfaction level towards their job is their working environment. As crucial as it is, this also could be a driven factor of employee to decide whether they want to stay or leave the organization. Kundu & Lata (2017), stated that 80 per cent of employees look for better work environment, thus it is essential that these employee´s current work environment is best possible in order to quit the hunt of better environments. Supportive work environment is a great way to improve retention among employees. Supportive climate can be seen as a positive stimulator job satisfaction in which lead to employee's commitment towards the organization.

e) Search and evaluation

Search and evaluation correlates to lower levels of job satisfaction. An individual is undergoing a process of searching for job alternatives mostly because of dissatisfaction and then evaluating options compared to the current job. Based on this evaluation an individual makes a decision of departing or remaining (Jones et al., 2010)

f) Job offers

Job offers are closely related to search and evaluation. However, the separation is that job offers refer to the individual was offered a job instead of searching for a novel one, and then compares its benefits to the current job. If one has more than one option, all the alternatives should be assessed by their benefits compared to benefits and downsides (Jones et al. 2010, 273). The decision path model leaves out the possibility of leaving for non-working alternative.

Lee & Mitchell (1994) concluded four distinguish categories of different decision paths of voluntary leaving. Based on the theory of the unfolding model of voluntary employee turnover, all the decisions are, to certain degree, being impacted by the shock to the system, which may be differently perceived by individual employees and not all the people feel the same shock in a similar way.

2.3.1. Voluntary Turnover Path

The decision paths of voluntary turnover are traversed based on model of the unfolding model of employee turnover. These paths represent the aforementioned features of the unfolding model. In this part, these attributes denoted as turnover paths. Those following paths can be further discussed here below:

a) Decision path 1

Is a match between a shock and script. For instance, female employee has a pre-existing plan of staying home for few years to raise children if she becomes pregnant. When the actual pregnancy takes place a match of shock and script occurs without other decision affecting characteristics (Lee & Mitchell, 1994 & Lee, et al, 1996 & Jones et al., 2010).

b) Decision path 2

A shock has occurred without pre-existing plan but which causes an estimation of organization´s values and personal goals. For instance, organization promotes the career development possibilities or good possibilities of promotion and eventually there might not be next steps to be taken anytime soon. Employees then may feel that their careers are hindered due to lack of advancement possibilities. Image

violation has occurred, since employees has been expecting new challenges and individual desires do not meet the expectations (Lee & Mitchell, 1994, Jones et al. 2010)

c) Decision path 3

A shock and image violation has occurred but there is no script for the event, however one may feel decrease in job satisfaction and question one´s attachment to organization, and consequently begins to search for job alternatives. Thus, if the benefits of alternative job are better than the current job will the employee make the decision of leaving based on decreased job satisfaction and better alternative (Lee & Mitchell, 1994 & Jones et al. 2010).

d) Decision path 4

Even without a shock, employees may feel that their personal goals are not met, neither are they having enough of intellectual challenge. At this point, decision path 4 separates into two sub paths which are path 4a and path 4b. In path 4a, some people experience so much job dissatisfaction that they simply quit, regardless of the presence or absence of alternatives. Its essential characteristics include image violation and disaffection. Meanwhile in path 4b, people engage in the better specified quitting process described by the traditional turnover models. Thus, in this path is theorized

to begin with some level of job dissatisfaction. In sequence, dissatisfaction leads to lower organizational commitment, job search activity, perception of the feasibility of mobility, an intention to leave, and a higher likelihood of quitting. Its essential characteristics include image violation, some disaffection, job search, evaluation of alternatives and offers in hand. (Jones et al. 2010 & Lee, et al, 1996).

Table 2. Decision Path Prototypes for Leavers

Decision Path	Shock	Matching Script	Image Violation	Disaffection	Job Search	Evaluation of Alternatives	Offers in Hand
1	Yes	Yes	not available	not available	No	No	No
2	Yes	No	Yes	not available	No	No	No
3	Yes	No	Yes	Yes	Yes	Yes	Yes
4a	No	No	Yes	Yes	No	No	No
4b	No	No	Yes	Yes	Yes	Yes	Yes

Source: An Unfolding Model of Voluntary Employee Turnover *(*Lee, et.al., 1996)

However, there is no determined decision path of voluntary turnover for occasion where one has no thoughts of leaving current employer but having a better offer from somewhere else compared to the current. As already discussed before, today´s availability of alternatives and fierce competition of skilled employees is creating voluntary turnover without theoretical classification to explain the event. In such occasion, personal and organizational engagement and commitment play crucial role.

As Lee and Mitchell (1994) have described that there are several different paths by which employee turnover can be classified based on the characteristics of departure. However, it is not easy to understand individual´s underlying reasons for leaving. Shocks to the systems seems to the most commonly faced trigger point causing voluntary turnover, however shocks do not propel leaving alone. Maslow´s hierarchy of needs also supports this idea that self-actualization and cognitive needs are important once the lower levels of the pyramid are met (Sandhya & Pradeep Kumar 2011, 1780).

From employers' perspective, it is important to understand these variables in the workplace in order to act accordingly. Monitoring workplace attitudes is a useful tool to know the arising issues within the workplace and to terminate them proactively. In addition, prevention of negative on work shocks is necessary in order to lower potential voluntary turnover to be even considered at the first place among employees. Even though, since many of the shocks are not purely job related that would not be an easy job.

2.4. Organization Background

Ministry of Finance is an Indonesian government ministry responsible for the nation's finance and state assets. The organization motto is Nagara

Dana Rakça, which has literal meaning "guardian of state finance". The vision and mission of Ministry of Finance is regulated in Minister of Finance's Decree Number 36/KMK.01/2014 concerning Ministry of Finance's Institutional Transformation Blueprint 2014-2025 (Cetak Biru Program Transformasi Kelembagaan Kementerian Keuangan Tahun 2014-2025). The organization aspire to be the driver of Indonesia's inclusive economic growth in the 21st Century. In order to achieve such vision, five missions are explained as follow:

- Achieving high compliance in tax and customs and excise through excellent services and tight law enforcement;

- Implementing prudent fiscal policy;

- Managing central balance sheet with minimum risks;

- Assuring revenues to be distributed efficiently and effectively;

- Recruiting and retaining the best talents in its class by offering competitive employee's value proposition.

Ministry of Finance Republic of Indonesia serves several functions as below:

- Formulating, stipulating, and implementing policies in terms of budgeting, taxes, customs and excise, treasury, state assets management, fiscal balance, and budget financing and risk management;

- Formulating, stipulating and providing recommendations in fiscal and financial sector policies;

- Coordinating tasks implementation, developing, and providing administration support to entire elements of organization in the Ministry of Finance;

- Managing State properties/assets that are under the responsibility of the Ministry of Finance;

- Supervising tasks implementation within the Ministry of Finance;

- Holding technical guidance and supervision for the Minister of Finance's affairs in regions;

- Implementing technical activities from central to regions;

- Holding education, training, and competence certification in terms of State finance; and

- Providing substantial support to entire elements of organization in the Ministry of Finance.

Apart from that, the organization hold important task as to run governance in terms of state finance in order to assist the President in running state governance as The Minister of Finance is responsible directly to the President.

Ministry of Finance consists of 11 units of echelon 1, as follow: Inspectorate General of Finance, Secretariat General, Directorate General of the State Budget, Directorate General of Taxes, Directorate General of

Customs and Excise, Directorate General of the Treasury, Directorate General of State Assets Management, Directorate General of Fiscal Balance, Directorate General of Debt and Risk Management, Fiscal Policy Agency, Education & Financial Training Agency. Each body leads by Director General, or Secretary General or Head of Agency. The particular body which researcher choose to do conduct research in is Directorate General of Taxes, under the Ministry of Finance.

Directorate General of Taxes carried the task to formulate and implement policies in terms of taxes according to legislation. The organization serves several functions as follow:

✓ Formulating policies in terms of taxation;

✓ Implementing policies in terms of taxation;

✓ Formulating norms, standards, procedures, and criteria in terms of taxation;

✓ Providing technical guidance and supervision in terms of taxation;

✓ Performing monitoring, evaluation, and reporting in terms of taxation;

✓ Implementing administration of Directorate General of Taxes;

✓ Implementing other functions assigned by the Minister of Finance.

Figure 2. Organization Chart
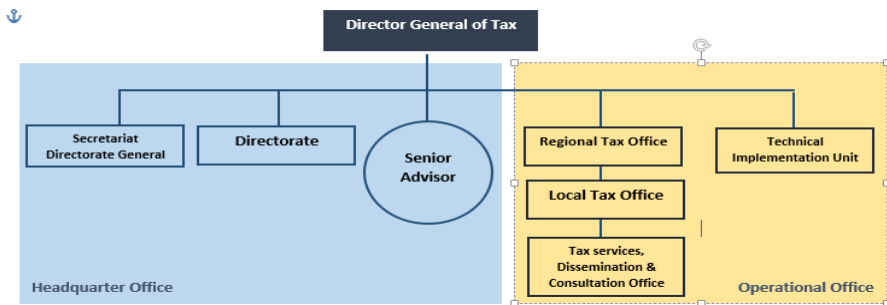
As it can be seen from the figure 2. above, the headquarter office consists of Secretariat, Directorates & Advisors. Meanwhile, it has vertical units as operational offices spreading across the nation. Apart from that there are also regional office, local office & even more particular unit handling services, dissemination, and consultation for taxpayer.

CHAPTER 3: RESEARCH METHODOLOGY

3.1. Conceptual Framework of Study

Based on what has been described above, it's quite critical for organization to pay fair attention regarding employees' matter. Sometimes employee turnover benefits organizations positively. This might happen when a poor performer is replaced by a more skilled employee and when a retired employee replaced by a younger one. Therefore, in other words, the creativity, flexibility and adaptability of organization can be improved. However, organizations needs to be concerned with voluntary turnover because of financial investments and knowledge loss with their employees. If an employee leaves the organization, new candidates must be recruited, selected, trained and amalgamated into the organization's culture (Holt, Reng, Lin, & Miller, 2007). Each of these steps to replace the employee costs money. Even the estimation of this financial expenditure to range from a few thousand to more than double the employee's annual salary (Holtom et al, 2008). In addition of that, organization also has to consider the scale of productivity loss due to this turnover which less or more may get affected to certain point.

Turnover occurs for many different reasons. Based on the theoretical

review which has been previously addressed, the framework of

thinking could be at least draw as below:

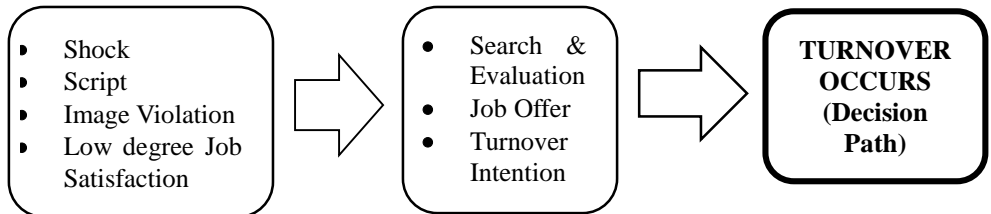Figure 3. The Unfolding Model of Employee Turnover based on Lee, et al
(1996) & Jones, et.al (2010)

Based on the figure above, the researcher comes to such framework
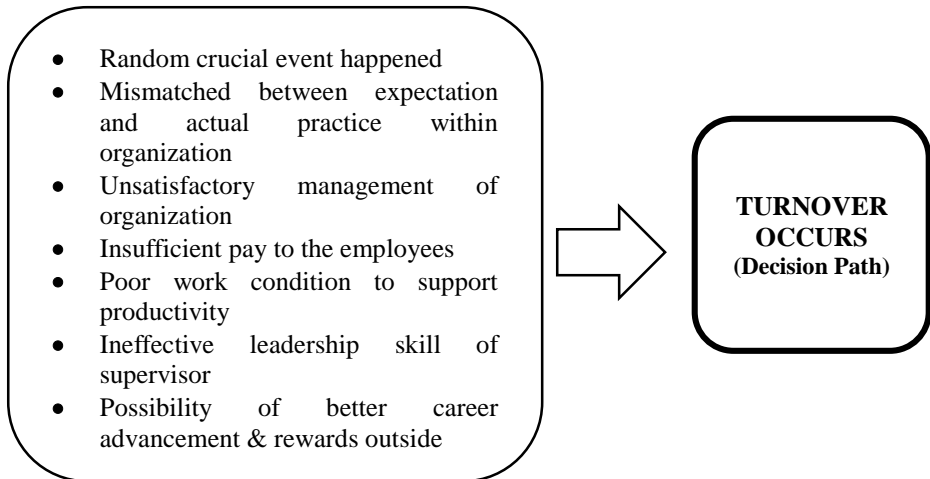
below to be be further investigated:

Figure 4. Research framework based on The Unfolding Model of Employee Turnover

Therefore, depends on each organization, it is crucial to identify and

understand these concept and to uncover hidden causes which lead to

employees' departure decision   and also shed light on areas that can be improved within the organization.

3.2. Precedent Study

There are some previous studies which also particularly have discussed regarding several kind of variables which can affect employee's turnover. Branham (2005) come up with his finding on seven hidden reasons employees leave, which are: the job or workplace was not as expected, the mismatch between job and person, there is too little coaching and feedback which worsen with few availability to growth and advancement opportunities, there are workers who feel devalued and unrecognized, as well as who suffer from stress due to overwork and work-life imbalance, and the last one is the loss of trust and confidence in senior leaders.

On the other hand, Bonds (2017) in her research tried to figure out the relationship between three forms of organizational commitment and turnover intentions. The findings were consistent with other studies that assessed the relationship between employees' affective, continuance, and normative commitment and turnover intentions. Bonds showed a positive relationship between affective commitment and continuance commitment with turnover intentions, and yet an inverse relationship between normative commitment and turnover intentions.

Kim, Tam, Kim, & Rhee (2017) in their study tried to figure out the relationship between organizational justice, supervisory justice, authoritarian organizational justice with organization-employee relationship quality, in which later on determine the relationship between those four as affecting factors with employees turnover. The research found that organizational justice and supervisory justice are positively associated with organization-employee relationship quality, while authoritarian organizational culture is negatively associated with it. In addition, there is a positive association between authoritarian organizational culture and turnover intention. Organizational justice and organization-employee relationship quality are negatively associated with turnover intention.

Apart from several mentioned researches above, there are also some of researchers who conducted their research regarding employees' turnover particularly in public sector field. Miller (1996) concluded that even though the previous researches by Mobley (1979), Price (1977), Herzberg (1974), and March & Simons (1958) have produced important work showing or inferring that work conditions determine turnover, they neglected the effect of the interaction between personality and employees' evaluations of work conditions. Miller (1996) then presented the evidence which shows that this interaction effect is a significant determinant of quitting. Later, Miley

(1996) specified following measurements: which work conditions are important to workers in general, which work conditions are only important for particular groups of workers, and how work conditions and personality interact to determine quitting.

Groeneveld (2010), in her study regarding employees' turnover in Dutch Public Sector found result that women's turnover is most commonly associated with intrinsic factors. Women and ethnic minorities more often decide to leave the public sector than native Dutch men. Women in the 25-44 age range are however more likely to stay than their male counterparts. This is attributed to the importance attached to life course stability in the career decisions of women in this age band. This reduces turnover intention in general and, further, the work-family policies offered by public sector organizations are generally more generous than those found in the private sector which could be an incentive not to leave the public sector (Moynihan and Landuyt, 2008). On the other hand, men's decisions to leave the public sector are most commonly motivated by extrinsic factors. For native Dutch men, satisfaction with career development opportunities is the most important factor in determining turnover intention. In addition to this factor, for ethnic minority men, the management of the organization and the leadership

style of the supervisor are important motives behind an intention to leave the public sector.

Grissom, et.al (2012) on their research try to examine public personnel turnover and the role of gender in public management. In particular, they investigate whether manager gender influences satisfaction and turnover per se versus the competing claim that gender congruence between managers and employees, regardless of gender, is the relevant construct. The result provides evidence that supervisor gender matters for satisfaction and turnover. They also find important effects of gender congruence, which appear to be driven by lower satisfaction and greater turnover among male subordinates with female supervisors.

3.3. Research Questions

This research will determine the influence factors of employees' voluntary turnover in Directorate General of Taxes, Ministry of Finance Republic of Indonesia. In other words, what do employee view as the most important factors when deciding to leave the organization?

3.4. Research Hypothesis and Research Method

3.4.1. Research Hypothesis

To perform an   analysis of the influencing factors , the research hypothesis further will be as described:

a. Shock factors variation were identified as a leading cause to employees' departure.

b. The occurrence of image violation often leads to employees leaving the organization.

c. Lower levels of satisfaction experience greater quitting decision.

d. Possibility of better career advancement & rewards outside organization fairly impacted employees' resignation.

3.4.2. Research Methods

This research will be conducted by Qualitative approach. Qualitative research is important in the behavioral sciences field where the goal is to discover the underlying motives of human behavior. Through such study we aim to discover the various variables which motivate people to behave in a particular manner (Kothari, 2004).

The main characteristic of qualitative research is that, it is mostly appropriate for small samples, while its outcomes are not measurable and quantifiable. Qualitative study is characterized by its aims, which relate to understanding some aspect of social life, and its methods

which (in general) generate words, rather than numbers, as data for analysis.

For the purposes of this research, secondary data will be used. Common sources of secondary data for social science include information collected by government departments, organizational records and data that was originally collected for other research purposes. As for this research, such data will be used is data regarding employee turnover from Human Resources Department, Directorate General of Taxes, Ministry of Finance Republic of Indonesia.

By doing this research, researcher's purpose is to study root causes resulting voluntary turnover within the organization, Directorate General of Taxes, Ministry of Finance Republic of Indonesia. In order of that, existing exit interviews are analyzed in order to gather research data. Since exit interviews are already existing data, thus the researcher will conduct documentary analysis. Exit interviews are chosen to be instrument for data generation since it contains critical and important information regarding employee´s feelings, thoughts and insights of improving work environment.

Exit interviews are conducted with employees who decide to leave the organization. Exit interviews aim to observe information to answer question why do people leave. Purpose of exit interviews is to

find patterns and real causes resulting turnover, by gathering and analyzing this data, the organization could tackle issues deriving from the interviews, especially if similar reasons rise often. Exit interviews as data collection method could provide us important information for future improvements for the case organization.

3.5. Data Collection

Data is obtained from available exit interviews which are obligatory to be conducted with those who were leaving the organization right before departure. The procedure of employees' resignation is regulated in Ministry of Finance Regulation Number SE-29/MK.01/2013 concerning Procedures for Application of Voluntary Resignation as Civil Servants/Civil Employee Candidates in The Ministry of Finance. The regulation stated that one of the procedures which need to be completed along the application process is to conduct exit interview.

Exit Interview is an interview conducted by Authorized Officers to Prospective Civil Servants / Civil Servants who propose a request to quit from organization, unless the applicant quits due to following reasons:

a) Seriously ill that is more than 60 (sixty) calendar days based on a government doctor's certificate but has not been declared 'incapable' by the officially authorized health check team;

b) After completing leave without dependents of the state (Cuti di Luar Tanggungan Negara);

c) Currently with status as seconded employee and choose to work in a place that is being seconded.

Exit interview is conducted by 2 (two) Authorized Officers, namely 1 (one) official with a position and rank that is no lower than the civil servants interviewed and 1 (one) official from human resources department. Exit interview is carried out by face to face interview in confidential manner. Documentation using a voice recorder or with photos/videos can be added, if needed. In accordance, conducting exit interview by such delivery, the interviewers are able to know more through asking in-depth question and later on obtain a better understanding of departing employee´s point of views.

Structure of exit interviews emphasizes on portraying condition of demography of the data about the departure employees by working tenure, grading and position one has held during their service, ages, and marital status. Therewithal, exit interviews serves salient details for future organizational improvement. Gathered data consist of interview guidance containing set of open questions which contain

the most important information regarding this study. Altogether exit interview has 18 questions which covering employees' assessment to quality of supervisor leadership, work condition, performance orientation and management of the organization, career and capacity development opportunity, level of job satisfaction, financial incentive and organizational improvement. All obtained exit interviews were hold during the year 2017 and 2018. Original exit interview is in Indonesian language (Bahasa) and in regard of this research, the answers and questions are translated into English. Nevertheless, the translations are delivered in a way that original message can still be relayed.

Such similar data could have been obtained through current employee being asked to fill particular surveys questions, however researcher decided to look into the employees´ take who have already decide to leave the organization. In addition, using current employee satisfaction surveys could have served misunderstanding information instead in response to the research topic. There is practical reason of studying exit interviews instead of having surveys or interviews with existing employees. Existing officials could be wobbling to answer personal questions regarding their working motivation or engagement due to fear that it could influence their future with the institution. Therefore, already left answers would be more fruitful to study.

3.6. Data Analysis

Empirical part of this study was done in two phases. First, I went through the exit interviews in one document where I had all the answers listed in one collective sheet where the answers were assembled during year 2017 and 2018. After receiving the exit interview document, I started making demographic separations based on gender, working tenure, background education then dividing information and trying to find links in the data.

This study is conducted by using qualitative analysis, especially qualitative content analysis. Content analysis was chosen to be the most suitable form of analyzing the existing data and it enables the researcher to test issues covered in the theoretical section in order to understand better the data (Elo & Kyngäs 2008, 108). The purpose of content analysis is to describe the characteristics of the document's content by examining who says what, to whom, and with what effect (Bloor & Wood, 2006). In addition of that, thematic content analysis is used in analyzing interviews in order to organize data and then categorizing interview responses. Thematic analysis as an independent qualitative descriptive approach is mainly described as "a method for identifying, analyzing and reporting patterns (themes) within data" (Braun & Clarke, 2006: 79). Selected unit of analysis was provided by the Directorate General of Tax, Ministry of Finance

Republic of Indonesia, as case organization, in form of 50 exit interviews held throughout the year of 2017 and 2018.

Secondly, after identifying the demographic background and creating figures as charts or graphs, researcher start to analyze answers to the exit interview questions. By firstly went through all the answers regarding a question before hopping on the next question and at the same time general topic for base categorization are started to be formed. By going through all the responses related to the question instead of analyzing all the responses from the same person researcher was able to start finding similarities and differences as well.

However, not all of assumption researcher made based on the theoretical framework is proven in the finding. Some of interesting finding are discovered. Through examining the exit interview answers based on categorization of question, some factors which were assumed to appear as reason for the turnover do not present after the investigation conducted which will be explained further on the next chapter.

CHAPTER 4 : DATA ANALYSIS & RESEARCH FINDING

4.1. Identifying Reasons for Voluntary Turnover within Case Organization

Given the research purpose of this study which is to identify root causes resulting voluntary turnover among personel within organization it is important to understand this reason behind departure in individual level. Hence, it is possible to answer research question, what attributes are causing voluntary turnover. The research question is examined in the light of theoretical framework.

By going deep into research materials two main categories were found which are negatively associated with voluntary turnover. These categories will be discussed and direct quotations will be processed. This section will follow natural path in relation to theoretical framework by starting from mentioned reason and then addressing the turnover paths.

4.1.1. Demographic Background

Based on all of those exit interview questions, the first thing researcher try to define is demographic condition on the turnover in accordance to several category. Demography encompasses the study

of the size, structure, and distribution of population, and spatial or temporal changes in them in response to selected category. Demographic analysis can cover whole societies or groups defined by criteria such as education, nationality, religion, and ethnicity. As for this study, researcher decide to map the demography structure of respondent to show the distribution of sample based on working tenure, education background and gender. The following figure will show each demography of sample distribution with respective explanation.

Figure 5. Demographic Based on Working Tenure

(in respective years)
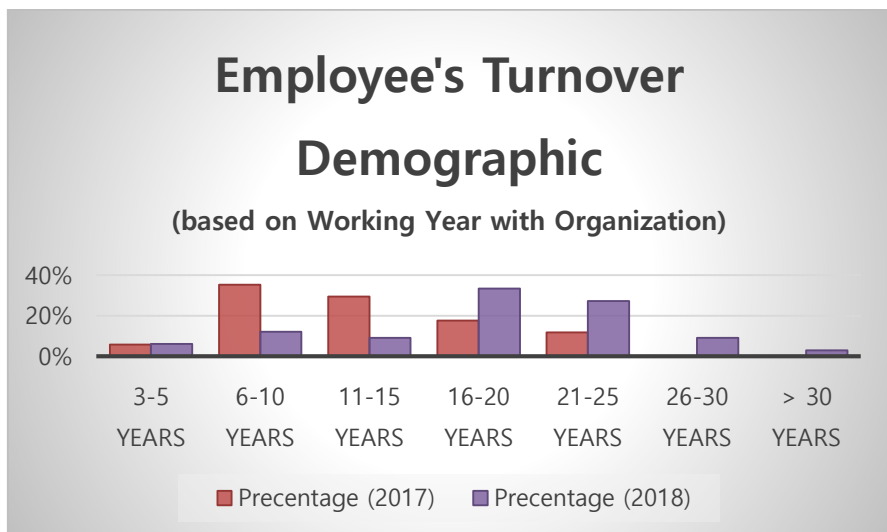
According to the figure 5. It can be seen that employees who quit the organization throughout the 2017 are those mostly who have been

serving for 6 years to 15 years. Based on the exit interview data, it accounts up to almost 70% of employees who decide to quit that year. In contrast, during 2018 the employees with working tenure relatively longer are those who dominate the turnover. Personnel who have been working for 16 years to 25 years were those who decide to leave office for good the most in 2018. It alone contributes half of total amount of employees' turnover during that year.

Figure 6. Demographic Based on Working Tenure (2017-2018)
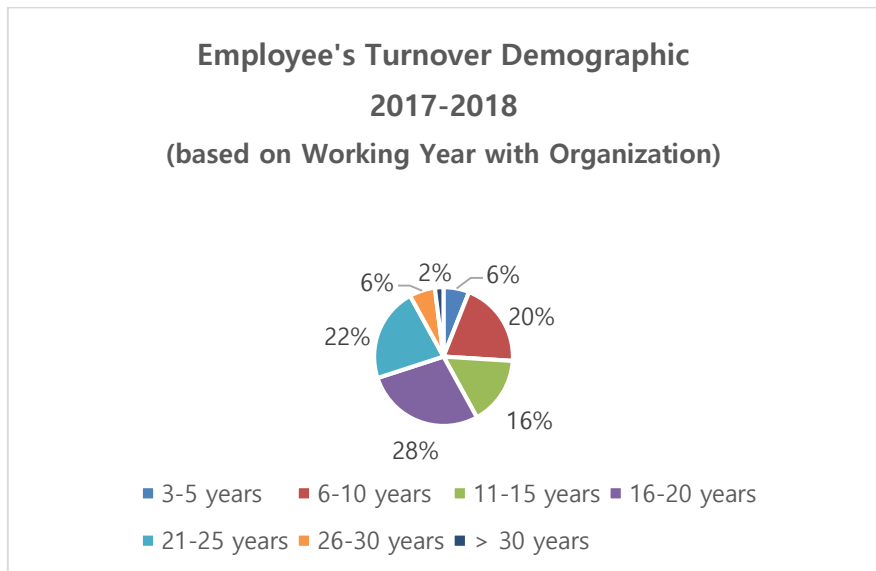

As for demographic as a whole, it shows that overall the turnover within the organization is dominated by employees who have been working for around 16 years to 20 years throughout those two years. Only with slightly difference, personnel with working tenure around 21-25 years and 6-10 years come as the next two major contributor in turnover throughout both of years.

Figure 7. Demographic Based on Education Background

(in respective years)
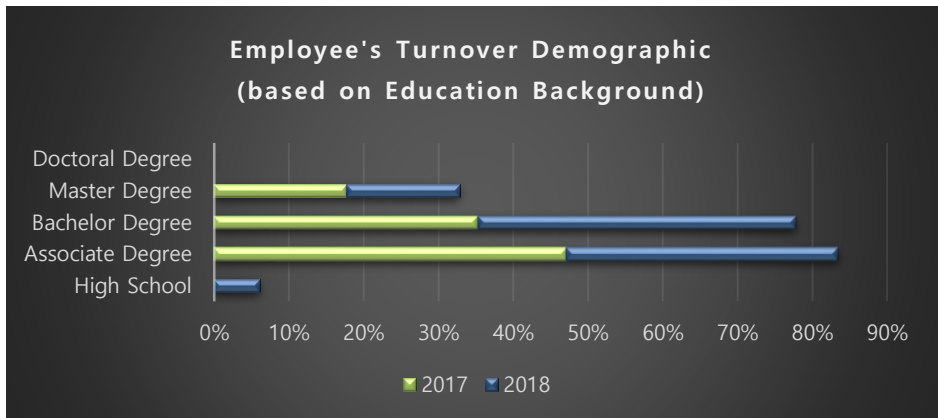
The next demographic figure emphasizes the distribution of sample based on employees' background in education. As can be seen in figure 6 hereabove, that employees who leave the office for good throughout the 2017 are those mostly with bachelor and associate degree. Based on the exit interview data, it accounts up to more than 80% of employees who decide to hand resignation that year. Align with data from previous year, during 2018 the employees with education background bachelor and associate degree are still those who dominate the turnover. It contributes more than 70% of the total amount of employees' turnover during that year. Apart from that there's slight variation with adding employees with master degree and even high school graduate who quit the organization throughout the year.

Figure 8. Demographic Based on Education Background

(2017-2018)

Employee's Turnover Demographic
2017-2018
(based on education background)

0% 4%
16%
40%
40%

■ High School   ■ Associate Degree ■ Bachelor Degree
■ Master Degree   ■ Doctoral Degree
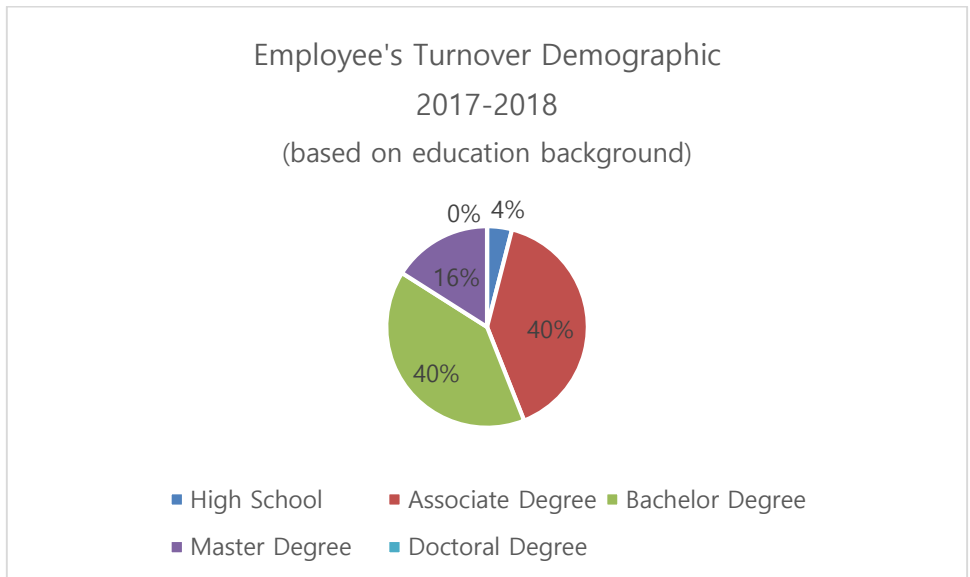
In response with explanation of previous figure, as expected it shows that overall the turnover within the organization is dominated by employees with education background associate and bachelor degree for both years. About 80% of total sample are owning up the mentioned education background with equal amount of share. The rest of distribution are filled by employees with master degree and a small part of it with high school graduate.

Figure 9. Demographic Based on Gender (in respective year)

EMPLOYEE'S TURNOVER DEMOGRAPHIC
(BASED ON GENDER)

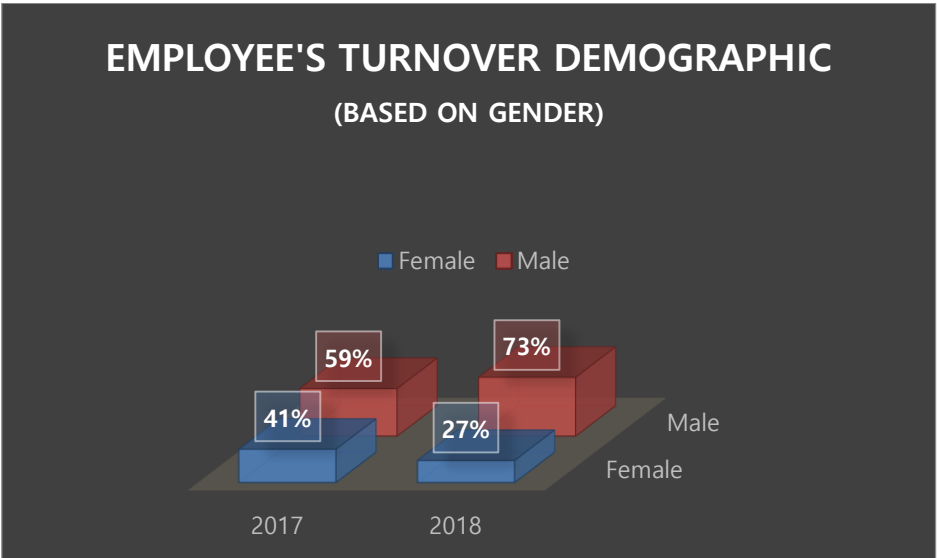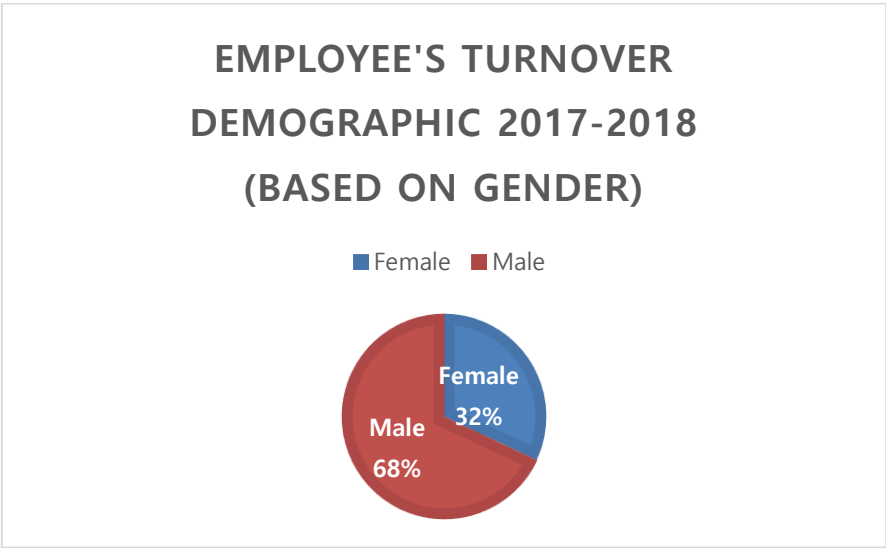Figure 10. Demographic Based on Gender (2017-2018)

EMPLOYEE'S TURNOVER DEMOGRAPHIC 2017-2018 (BASED ON GENDER)

For this study, the researcher also wants to map the distribution of respondent based on gender. According to the figure 9, it clearly shows that in both years the turnover is being dominated by male

employees rather than female which obviously account to the fact that can be seen through the figure 10 as a summary. Though in 2017, the distribution between two genders was only with slight difference. However, the 2018 chart tells different fact in which there was huge gap in the distribution among of two genders.

4.1.2. Random crucial event happened

As has been described in previous chapter, a shock factor can attribute to one decision of leaving or staying their current employment. It is defined as a random event which affects the employees' mindset about their existing occupation, organization, or employer. The occurring event has left impact for an employee to come up with such fundamental decision. Study found, this kind of factor attributes about 34% of total presentation as one of major reason of occurring voluntary turnover within case organization. According to study material, 17 out of 50 respondents indicated directly or indirectly that they experienced this event which further triggered quit decision. In most cases, the phenomena can be inferred right from the respondent answer to direct question on exit interview: *"What's the purpose behind your resignation?"* Most shock factors occurred have relation more with personal matter of employees. Below is direct quotation from former employee.

" The reason I consider to hand resignation is due to my current health condition (coronary heart illness) which requires me not to have lots of activites. On top of that, I realized I wanted more time to learn about my religion and have more flexibility to get closer and spend more time with my family." -EF

Such factors as marriage, family duty and bonding are able to less or more influence individual turnover. Moreover in Indonesia, family relationship still hold important role above everything, thus some people do not even hesitate to prioritize their family wellbeing on top anything else once they feel it is at its stake. This research found, that 82% of employees, whose resignation reason was this factor, are those with relatively have long working years' experience from 6 years to 25 years. Some research discovered that the employee turnover rate for male employee is lower than female employees, in this case it's found to be contradicted. Result shows that male still dominate the occurred overall turnover. However, for those female employees who indicate this factor as their reason, mostly stated that they don't have any intention to work in another place anymore and solemnly quit for the sake of dedicating their whole time more to take care of their family which they can't do simultaneously while working in the ministry which required them to dynamically move

from one branch unit to another and with working hours which actually longer than usual public servant in Indonesia.

> *"My reason of quit is solemnly because now I have 3 toddlers with little age gap in between, it's hard to find babysitter here so I need to focus in providing them organization." – YM*

> *"I Just want to focus on being housewife and not to divide my attention towards work and housekeeping. I felt unfair these days that I could not properly concentrate both in home or in the office. As for now I have no intention of having any other occupation apart from taking care of my family." -EN*

Any other mentioned reason as well regarding the random event happened that leads employee to quit is some employees suddenly wants to change their career path to become political party member in the period of general election. This gave them no other option except handing resignation, otherwise they will be terminated dishonorably.

> *"The duty that I carried over these past times has taught me many things to serve my new upcoming call to serve citizen as legislative candidate"-DF*

Such a drastic switch of career path from civil servant which prioritize neutrality principle to serve certain party interest can also

be categorized as shock factor. Furthermore, for the next shock factor variation, researcher also found interesting phenomena in which some employees stated their reason to quit was because they felt their current job contradicts with the value of their belief or religion.

> *"I have learnt these days that according to my belief/religion, collecting tax actually contradicts with what my belief taught. And after consider several things I came up with this decision to quit with fully understanding from my family." –DA*

An unexpected change of thought that is quite impactful for one to take action to leave their current employment definitely a kind of shock factor which discovered through take a closer look on the exit interview.

According to Lee & Mitchell 1994 & Lee et al. 1996, a shock can be either expected or unexpected. This has something to do later on with the next trigger of turnover factor which is script. Script refer to an individual´s pre-existing plan of action. According to the unfolding employee turnover model (Lee & Mitchell 1994) if pre-existing script, or relevant experience merge with the right shock the reaction of leaving or staying occurs (Lee & Maurer, 1997). Study found this kind of phenomena happened in case organization. Some of

employees stated that they actually already have plan to quit after several of conditions full filed.

> *"I have finished my required commitment of work, ever since because I graduated from school of government official. As it has already full filled now, I aspire to find another job replacement for the next chapter of my career." –AS*

This kind of answer indicated that the employee already prepare this plan to leave the organization once their pre-required event has occurred. They just wait for the right timing or the proper moment to execute the plan.

> *"Since the very beginning, it's only my parent's wish for me to serve as public servant and went to the school of official. Now I have already accomplished the duty along with its obligation, I feel like the right time to find new opportunity outside." –MH*

In response with shock factor, according to unfolding turnover model, there's this decision path which happen due to interaction between these two factor which actually confirmed happen as well in case organization.

> *"I have always been wanting to have children and taking care of family. I've been through several medication process in order to make it happen. Now, I got blessed by getting pregnant and want to solemnly devote my time to take care of them." – KS*

Another example of answer demonstrated the same underline meaning regarding matching of pre-existing script and the occurrence of event.

> *"I'm fully aware that this organization requires its employee to dynamically mobile from one office to another. I have always had a plan that if someday I am being assigned not according to my home base, I will just search another opportunity outside and unfortunately leave the institution. So, as this is what happened now I have decided to humbly hand my resignation." –RM*

Based on aforementioned finding, it seems that unfolding model of voluntary turnover and its paths and root causes are confirmed with the case organization. As for this particular reason, decision path 1, in which there is match between shock and script and at the end triggered their decision to leave the organization.

4.1.3. Mismatched between expectation and actual practice within organization

As discussed in theoretical section reasons for employee departure are complex and individuals have different motives for choosing whether to stay with their existing workplace or to seek another opportunity somewhere else, be it in both field private or public.

By becoming employer by choice enables organizations to acquire the best talent for the institution. Therefore, importance in recruitment process needs to be emphasized more in being honest about the job and matching employer branding activities with true nature of the organization and with the job (Rossi, 2018). If the mismatch between expectations and reality occurred voluntary turnover could emerge. Occurring mismatch follows path to potential image violation (Lee et al. 1996, 7). Below is direct quotation from former employee.

> *"I have always believed that the institution will assigned those who graduated from school of government official with proper job description, as well as with career advancement. As that is how reality supposed to serve from having employees who are already prepared at the first place to work in this particular business core. However, at the practice, it's most likely those employees who are recruited from general civil servant examination that being assigned in more related job." -NJ*

However, in this study the finding of mismatched between conception and reality that was experienced by the former employee not solemnly limited to about recruitment stuff. Some employees mentioned as well regarding the fairness issue of enforcement of reward and punishment system.

> *"Reward and punishment system for civil servant basically has been regulated by government law. But at the practice, sometimes its fairness of enforcement is still questionable. Some get treated accordingly, some not." -SK*

Based on finding, context image violation was found to be partially contributing which lead to lower levels of job satisfaction and in the end triggering the initial detachment from the workplace. Below is quotation from previous employee.

> *"The policy regarding reward & punishment for employees need to be particularly taken care of. The institution tends to emphasize more on punishing instead of build up employees' awareness of code of conduct. The reward system also need to be improved to motivate the employees. With clear and fair play principle of course. Otherwise, what happen now is the employees feel to work extremely over careful, instead of being innovative and creative thus creating lack of sense to contribute to organization and even worst detachment to the organization itself." –SN*

Apart from the fairness issue in enforcement of reward and punishment which can lead into image violation or even so job satisfaction, it was also mentioned there's issue regarding the placement of employees in work unit.

"I participated in the selection of XX position which was conducted by examination system. I bear the hope, with the better grade I got then I will get better work placement as well. The result turned out to be not according to what I imagine. I got good grade but still being assigned to the place I imagined to be." –AS

This kind of issue regarding how the organization handle the application of the principle the right man on the right place hold crucial role in shaping organization image in employees perspective.

4.1.4. Management of organization

Several issues related to organization management are mentioned in the exit interview. The rotation and promotion system receive the highlight in response with this.

"The rotation is always come unpredictable. I'm fully aware that our employees' needs to follow the duty given by the organization but the way in fulfilling it I need to sacrifice lot of things is not a good thing. The unclear pattern of when someone could be promoted or rotated to which area in what kind of time and how long do they need to serve and under what criteria is it possible to come back to their home base is the homework for organization." – AH

At least 20 out of 50 mentioned regarding this problem in their exit interview even though it was not appear as their solemn reason for leaving the organization. Apart from similar comment mentioning regarding rotation and promotion, the needs of capacity development also feel like contributing the turnover.

> *"The distribution of skilled employees in all area of the country has not been properly done. There are still huge gap in skill between employees in the region and those in the central area. With the equal demand and dynamic regulation, organization needs to educate all of its employees at the equal level. Otherwise, it will just remain as a hinder to carry the duty and underdeveloped skill means late career enhancement as well." – BH*

This still in line with the next finding regarding work distribution. Some employees feel that due to the limited skilled employees, they got to work extra in covering their fellow employees which they feel unfair.

> *"There are limited amount of skilled employees who can handle certain kind of work. So as quite skilled employee I feel like I need to work double to handle another work which is supposed to be done by my peer." – LS*

Overall the mentioned factors related to managerial activity can lead to decrease of level satisfaction from the employee. Those who feel underappreciated or in contrast overused relatively decide to leave organization, and considering better opportunity outside the current employment.

4.1.5. Possibility of better career advancement and rewards outside

In term of public organization, the government is a group of people that deals with people. They work for public policy and exercises, political and sovereign power in a state. The public sector is usually composed of organization that are owned and operated by the government. In this case government needs powerful human resources in order to deliver goods services to the people.

More challenging occupations and opportunities, as well as career enhancement are considered to be essential features to retain employee and thus lead to work engagement (Rossi, 2018). Career advancement possibilities are seen to have major part when it comes to retaining desired employees with the case organization as well. The importance of possibility for employee to be exposed to more diverse job and personal career advancement, according to Herzberg´s theory of motivation and hygiene, hold crucial role for each individual as personal motivators to keep on going. The opportunity for employees to keep on   learning could keep

employees´ satisfied since there would be be less saturation of duty. By having people learning new things throughout their working career´s builds engagement since availability of new challenges are found within the organization and hence, intensifies the employee embeddedness from links and sacrifice point of view (Allen, 2008). Possibility of career advancement and availability of new challenges with the organization´s from the fit perspective is difficult to determine since it is highly dependent on individual desires since not everybody wants changing jobs. However, this research finding indicated that new opportunities were found play major role as motive driver of voluntary turnover with the case organization.

According to study material 24 out of 50 respondents indicated directly or indirectly that they discover better career opportunity outside which offer better condition as the cause their initial decision to leave the organization. They presume their new options could provide them the things they long from the current organization. Time flexibility wise, opportunity of career enhancement and capacity development wise, even for financial wise even though it has never been mentioned as their ultimate reason of considering another. Among these respondents, better opportunities they mean are either switching the career path by becoming entrepreneur or academician, change the sector to work on private sector with more

71

flexibility in several area, or even continuing study to acquire the next level of degree in particular major which cannot be accommodated by the organization due to its rigidness according to regulation.

Above mentioned response resonates well with theory of Jones et al. (2010) and Lee & Mitchell (1994) about the voluntary turnover paths and especially path 3 and 2 leaving for something better and already feeling that one´s career development is hindered.

It seems that unfolding model of voluntary turnover and its paths and root causes are confirmed with the case organization. Shock, image violation seems to attribute triggering employee´s dissatisfaction and thus, leading to lower levels of job satisfaction. Moreover with already considering better options out there. Theory deals with desirability of movement and ease of movement which both appear to in line with employees´ motive leaving from case organization.

4.1.6. Role of Monetary Compensation

Pay is commonly known to play a role in improving employee satisfaction or deteriorating employee satisfaction. Given the purpose of the study is to find causes resulting voluntary turnover, until what certain degree that monetary compensation plays its role cannot be ignored. Monetary compensation primarily can be defined to be receiving money in return to one´s time invested in the job (Rossi,

2018). Importance of pay according the literature had differing views whether it really matters and how long-term effects derive from it.

According to Herzberg´s hygiene theory money or pay from work plays a role as a hygiene factor instead of being a motivator. It is important to understand the basics of psychology behind the monetary rewards. People do mainly work because of need for money to pay all the necessities in life such as food, housing warmth. In addition, by having at least some amount of money it will provide individuals feel of economic safety and possibility to actualize oneself. These basic needs which pay can equate are also known as Maslow´s basic needs. Thus, relative sufficiency of pay is seen as an important enabler for job satisfaction and as retention tool.

Interestingly, this has not proven within this study. Financial incentive, be it employees payment, bonus or rewards, has become the ultimate reason for employees to leave the organization. Only 3 out of 50 respondents who mentioned about dissatisfaction regarding their financial incentive from the organization. The rest are commonly very satisfied with the money they earn during their serving period. However, this matter also prove that sufficient of pay is not everything as retention tool as how the theory said.

4.1.7. The Importance of Supervisor Leadership

There's this obvious question on exit interview to analyze how employees' take on their satisfaction regarding supervisor leadership. Firstly, more thorough attention is paid into the aspect of managerial activities whether it contributes its effect on turnover and what is the actual condition of employees' satisfaction towards managerial activity.

Boss or supervisor work is important in enabling subordinates to succeed and to flourish. Supervisor´s role in engaging employees is crucial. Kundu & Lata (2017) concluded that employee who feels and has support from peers and supervisors are more likely to feel indebted to their current organizations. Therefore, organizational support does matter as sizing to keep desired and supported employees with their current institution. Organizational support is essential element in maintaining employee engagement. Importance of possessing well engaged employees is definitely crucial for the long-term success of one organization. Engaged employees are more driven, have higher levels of self-efficacy, more likely to stay with current employer and they tend to perform better (Rossi, 2018).

Exit interviews reflected that overall, 48 out of 50 respondents were satisfied with managerial work that they were experienced. In addition, only two respondent was unhappy with the managerial

work in which he or she feel burdened by the unfairness of work distribution.

Quite compelling, in accordance to this research finding, that the notorious statement; "people don't quit their jobs they quit their bosses", does not reflected in the context of the case organization. In giving answer of exit interview question related to this, the role of supervisor is found no problem moreover constantly has been well acknowledged by leaver employees.

In accordance to findings there is no issues in the managerial work, at least not that severe issues that it solely would result to turnover. Rather, decision to quit may have merits connected to managerial activities instead.

4.1.8. Supportive Work Condition

In the case of feedback regarding working environment was generally concluded to be already in the good state by the departure employees, only 1 out 50 voiced out disappointment towards work culture. According to the data which obtained from the exit interviews, it is reflected that 49 out of 50 respondents uttered satisfaction with the environment.

Kundu & Lata (2017), made an observation that 80% of employees are looking for better environment to work in. It is really important

that working environment and working community are considered to be good. In supportive working environment availability of peer support is evident, in addition, leader´s support is near. Within great working community, job resources are prioritized which could upgrade the ability to cope with high job demands in which later on increasing sense of connection within the job. Supportive working environment plays important role in regard of employees retention because feeling involved and appreciated by the work community will strengthens links within the organization and quitting the organization would be in line with sacrifice part of theory of embeddedness.

It was found in the study materials that working community/environment had no effect on departure decision. However, linear with what Rossi (2018) found, main reasons for leaving the organization had more deeper background in which exhibited that such conducive working community was not enough to stop people from hand in resignation. All in all, it can be concluded that working community has minor role in regards of voluntary turnover within the case organization.

4.2. Summary of Result

Along with this section, research finding will be summarized and the main results will be presented as a whole. It was found in this study

that reasons for turnover can be categorized into four main categories where closely linked. First category is random crucial event happened which happen to some of it in line with the employees view on image violation or job dissatisfaction.

Second category is more related to mismatch between expectation and actual reality. It was found that people are partially leaving because there are not satisfied with lack of fairness in some of enforcement system.

Third category is organization management. Opportunity to develop capacity and career enhancement were experienced not sufficient enough. Along with rotation and promotion. This factor go hand in hand with another factor that has been mentioned and turn out to be found to have effect on decision making.

The last one of course, as the cherry on top of the link between those factors is the employees already found better opportunity outside organization. Either it's switching the career path sector, or grab another opportunity to fully develop more on capacity like continue to study which cannot be accommodated by the organization. The last reason play the biggest part of reason of voluntary turnover within the organization.

Surprisingly financial incentive, leadership of supervisor and work condition were not mentioned as solely standing reason for

departure. When it comes to financial incentives, majority the leaver already feel satisfied with what they earn. This goes as well with the leadership of supervisor which seems that case organization has a solid mark. Furthermore, working condition was complimented by the previous employees.

CHAPTER 5: CONCLUSION & RECOMMENDATION

5.1 Conclusion

As exhibited in the first part of this research, themes which will be studied is quite topical. By having better understanding of several reasons, the influencing factor which cause voluntary turnover could be answered. Moreover, since there were already many resources invested in the people of the organization, it's expected that employees would have a long working tenure with the organization, and since this is public sector, the better public service is highly required as an outcome.

It was understood that there should be clear concept of the reasons behind employee' resignation. It has always been rule within the case organization to conduct exit interviews with employee leaving the organization before their departure. By investigating the existing exit interviews thoroughly, resemblance can be found and thus, generalization of the things can be applied.

Research questions were answered to some extent with current research methods. The researcher was be able to recognize influencing factors and place those into greater point of view. Furthermore, researcher was also able to recommend some policy to organization where to focus more on and what could possibly be taken as the action in order to minimize

voluntary turnover within its body. Qualitative approach was selected to answer research question. Any other options to conduct the research were possible such as conducting survey to collect questionnaires as a way of quantitative study in response to the theoretical framework, yet this method would not have properly answered the actual questions on why people hand in resignation.

It was discovered that people are departing based on the relatively same reasons which were highlighted in the theoretical part of this study. Majority of the people left because they experienced sudden change of their life, while the rest feel like having better options in hand.

As have already discussed in the Chapter 4 of the thesis, employees left mainly because of the image violation and job satisfaction, shock and possibility of better opportunity outside. It was found that variation of shock factors and better opportunities outside were the main reasons for employee´s departure. Many respondents indicated that they had possibility of better options in terms of career development, flexibility time, or even financial incentive even though it was not major consideration. Additionally, job dissatisfaction and image violation mainly was caused by the feeling of not content of the management of organization.

5.2 Recommendation

In regards of answering research question based on theoretical framework and empirical finding, the organization could elevate employees' organizational engagement by carefully assessing their applicant during recruitment process in the first place. By selecting employees who possess clear vision of their career path, moreover with the value of providing great public service, letting such person entering to the service of organization surely will produces great talent in the bucket. However, first and foremost along the recruitment process, consensus view of what to anticipate both from applicant and organization needs to be established.

The importance of organization to conduct a very effective induction program for a new employees to fully plant the value of serving public with the greater picture is much needed. Equally important as well is to maintain those value to keep alive within the existing employees. Simultaneously with organization which always aim for endless improvement, the awareness of the employees to live according to the greater value of honorable duty is also necessary. As public organization which its management and existence is being regulated by government law, it would never be easy to satisfy all party. Moreover, an institution as enormous as Directorate General of Taxes which responsible to the central of nation's revenue.

Secondly, as has been aforementioned, it's impossible for such big public organization with plentiful of employees to satisfy everyone within. Moreover a public organization purpose is to serve the citizen and not to aim for certain profit, so the priority has always been the stakeholder. However, as the government is a group of people that deals with people, they needs powerful human resources in order to deliver goods services to the people. So to retain the employees is equally important as to achieve institution goal. In order to do this, even though it will be hard to make everyone inside happy, organization can provide better facility to its employee in response of enforcing the regulation.

For example, most of employees are whining regarding the unclearness of rotation system which force them to put many condition at its stake. Rotation is inevitable, moreover for the institution with offices spread throughout the country from the very east to the very west part of the nation like Directorate General of Taxes. This inevitable condition can be accompanied with the provision of sufficient and proper facility in every area such as, decent official residence, sufficient rotation incentive, welfare facility, etc. With improvement in this sector, it's hoped can minimize employees' dissatisfaction which could lead to turnover decision.

Thirdly, the transparency concerning the career or capability development ought to turn in mind. The role of supervisor, which is found already in good condition, must be more optimized to enlighten its subordinates.

Additionally, reciprocally open discussion regarding career advancement potentialities, or capability development ought to be command. Either it's coaching chance, or job promotion. This might be solved by having proper discussion with supervisor periodically, so supervisor would be ready to set up for doable advancement.

The improvement of management organization has to be endlessly evolved. With its limitation due to regulation shall not be a hinder for the employees to keep on developing and giving their best to the organization. The improvement of reward and punishment enforcement, rotation and promotion policy, recruitment, and the rest of related mentioned issues need to be always advanced. The role of supervisor has to be optimized as well in order to create such encouraging environment. This in line to provide new opportunities to employees in order to reinforce personal growth at the same time to maintain its motivation to keep on contributing to organization towards organization goal.

5.3 Limitation and Suggestion for Future Research

As this research focusing more on identifying the influencing factor of employee' resignation from organization, the utilization of exit interviews for this certain aspect was appropriate with the study purpose. However, to really validate the results, there is still possibility to conduct further post-exit-interviews. This would be useful since there might be possibility

that respondents were not pouring the real motives for their departure (Allen 2008).

Along with the exit interview process conducted, there was a likelihood that previous employee might still be attached to the organization in terms of needing any letter of approval, recommendation, or whatsoever and thus, answering the questions in diplomatic way (Rossi, 2018). Or even so, to contradict that, there is a possibility that leaving employee may just state any of their reason of leaving to against the organization since they thought they were in the state of quitting anyway. Additionally, this research could have conducted better with broader views by adding more sample. Now 50 exit interviews which were collected during year 2017 and 2018 were investigated. Even though, exit interviews are the main source of gathered data in terms of influencing factors of turnover there is still a likelihood that not all the respondents are fully answering with honesty regarding their real reasons for leaving. Therefore, the validity of exit interview used needs to be paid attention of.

In addition, since this study mainly utilized exit interviews only, thus there is no firm proof concerning willingness of to stay of existing employees. Exit interviews provide important information regarding the reasons which caused departure decision but it does not reflect straight discussion on turnover prevention. It is understandable to conclude that by taking actions based on the departure motives, organization could do more in

order to prevent employee leaving in the future. Therefore, for possible future research it can be complimented as well to conduct job satisfaction surveys and emphasize important factors which increase organizational engagement.

Bibliography

Allen, David G. (2008) *Retaining Talent: A Guide to Analyzing and Managing Employee Turnover.* Society For Human Resource Management (SHRM) Foundation

Aritonang, Dinoroy Marganda. (2013) *The Model of Public Official Dismissal to Eradicate Corruption in Indonesia.* International Journal of Administrative Science & Organization, 20, Number 1.

Bonds, Andrea Annette (2017). *Employees' Organizational Commitment and Turnover Intentions*. Published as dissertation in Walden University.

Branham, Leigh. (2005). *The Seven Hidden Reasons Employees Leave*, Center of Association Leadership.

Campion, S.M.A. (1991). *Meaning and Measurement in Turnover: Comparison of Alternative Measures and Recommendations for Research*. Journal of Applied Psychology, 76, p. 199-212.

Carsten, J.M., & Spector, P.E. (1987). *Unemployment, job satisfaction, and employee turnover: A meta-analysis test of the Muchinsky model*. Journal of Applied Psychology, 72, p. 374-381.

Chambers, E.G. (1998). *Win the war for top talent*. Workforce, 77, p. 50-56.

Cui, X. (2003) *The Empirical Analysis on the Relationship between Individual's Characteristics, Organizational Commitment and Employee Turnover Intention*. Nankai Management Review, 4, p.4-11.

Griffeth, R. W., & Hom, P. W. (2001). *Retaining Valued Employees*. Thousand Oaks, CA: Sage Publications, Inc.

Grissom, Jason. A., Nicholson-Crotty, Jill., Keiser, Lael. (2012). *Does My Boss's Gender Matter? Explaining Job Satisfaction and Employee Turnover in the Public Sector.* Journal of Public Administration Research and Theory : Oxford University Press, p.649-673.

Groeneveld, Sandra. (2011). *Diversity and employee turnover in the Dutch public sector: Does diversity management make a difference?*. International Journal of Public Sector Management, 24, Number 6, p.594-612.

Grund, Christian, and Dirk Sliwka. (2001). *The Impact of Wage Increases on Job Satisfaction – Empirical Evidence and Theoretical Implications*. IZA Discussion Paper no.387, p. 1- 14.

Holt, D. T., Rehg, M. T., Lin, J. H. S., & Miller, J. (2007). *An application of the unfolding turnover model to explain turnover in a sample of military officers*. Human Resource Management. 46, p. 35-49.

Holtom, B. C., Mitchell, T. R., Lee, T. W., & Eberly, M. B. (2008). *Chapter 5: Turnover and retention research: A glance at the past, a closer review of the present, and a venture into the future*. The Academy of Management Annals, 2(1), p. 231-274.

Huselid, M.A. (1995) *The Impact of Human Resources Management Practises On Turnover, Productivity and Corporate Financial Performance*. Academy of Management Journal, 38, p. 635-672

Jones, Stephen Mark, Andrew Ross, and Begum Sertyesilisik. (2010). *Testing the Unfolding Model of Voluntary Turnover on Construction Professionals.* Construction Management and Economics 28, Number 3, p. 271-85.

Lee, Thomas W., and Terence R. Mitchell. (1994) *An Alternative Approach: The Unfolding Model Of Voluntary Employee Turnover*. Academy of Management Review 19, Number 1, p. 51-89.

Lee, Thomas W., Terence R. Mitchell, Lowell Wise, and Steven Fireman. (1996) *An Unfolding Model of Voluntary Employee*

Turnover. Academy of Management Journal 39., Number 1, p. 5-36.

Lesabe, Rankgoang Andrew-Face., Nkosi, James. (2007) *A Qualitative Exploration of Employees' Views on Organizational Commitment.* South Africa Journal of Human Resource Management.

Liu, Y.A. and Wang, F. (2006) *A Study on the Influence Factors of Employee Turnover Intention.* Enterprise Economy, 6, p.42-44.

Ma, S.J., Chen, J.Q. and Wang, L. (2003) *A Study on the Causes of Employee Turnover.* China Human Resources Development, 9, p.18-20.

McElroy, J.C. (2001). *Managing workplace commitment by putting people first.* Human Resources management Review, 11, p.327-335.

Miller JR, Oscar. (1996). *Employee Turnover in The Public Sector.* New York & London : Garland Publishing, Inc.

Mobley, W. H. (1982). *Employee Turnover: Causes, Consequences, and Control. Reading*, MA: Addison-Wesley

Ongori, Henry. (2007) *A Review of the Literature On Employee Turnover.* African Journal of Business Management, p. 49-54

Philips, J.D. (1990) *The Price Tag On Turnover*. Personnel Journal, 69, p. 58-61.

Price, J.L. (1977) *The Study of Turnover*. Iowa State University Press, Ames.

Price, J.L. (2001) *Reflection on The Determinants of Voluntary Turnover*. International Journal of Manpower, 22 (7), p. 660-624.

Rossi, Mikko (2018). *Characteristic of Employees' Retention: Case Study of Industrial Product and Service Provider*. Published as Master Thesis in University of Tampere

Saratoga, Institute and Association American Management. (1997) *Retention Management: Strategies, Practices, Trends: A Report*. AMACOM, p.19.

Sandhya, K., and D. Pradeep Kumar. (2011) *Employee Retention by Motivation*. Indian Journal of Science and Technology, vol. 4, Number 12, p. 1778–1782.

Shaw, J. D., Delery, J. E., Jenkins, G. D., & Gupta, N. (1998). *An Organization-Level Analysis Of Voluntary And Involuntary Turnover*. Academy of Management Journal, 41, p. 511-525.

Simanungkalit, Janry Haposan U.P. (2012). *Civil Servant Compensation System Reform in Indonesia*. International Journal of Administrative Science & Organization, 19.

Soojin, Kim., Lisa, Tam., Jeong-Nam, Kim., & Yunna, Rhee. (2017) *Determinants of Employee Turnover Intention: Understanding the Roles of Organizational Justice, Supervisory Justice, Authoritarian Organizational Culture and Organization-Employee Relationship Quality*. Corporate Communications: An International Journal.

Ye, R.S., Wang, Y.Q. and Lin, Z.Y. (2005) *An Empirical Study of Job Satisfaction and Organizational Commitment Affect Turnover among Employee in State-Owned Enterprises*. Management World, 3, p. 122-125.

Zhang, Yanjuan. (2016) *A Review of Employee Turnover Influence Factor and Countermeasure*. Journal of Human Resources and Sustainability Studies.

LaForge, George. (2016) *Changing A Civil Service Culture: Reforming Indonesia's Ministry Of Finance, 2006–2010*, Innovations for Successful Societies, Princeton University, http://successfulsocieties.princeton.edu/

Ministry of Finance Republic of Indonesia, https://www.kemenkeu.go.id

Ramage, David. (2010) *Public vs Private Sector: Is the Grass Greener?*,https://www.theguardian.com/

A National Survey of Corruption in Indonesia: Final Report December 2001, Partnership for Governance Reform in Indonesia, http://www.kemitraan.or.id/

Survey conducted by the Hay Group in 2007, data republished in Russ H. McLeod *Institutionalized public sector corruption: A legacy of the Suharto franchise*, The State and Illegality in Indonesia, (2011), ed. Edward Aspinall and Gerry van Klinken. Leiden, Netherlands: KITLV Press.

APPENDIX

EXIT INTERVIEW GUIDANCE

Nama (Name)	:	
NIP (Employee ID Number)	:	
Pangkat/Gol. (Grade)	:	
Jabatan (Position)	:	
Unit	:	
Usia (Age)	:	
Pendidikan (Education)	:	
Status Pernikahan (Marital Status)	:	Menikah (Married) /Lajang (Single) /Duda/Janda* (Widower/Widow)
Jumlah Anak (Number of Children)	:	
Tanggal Interview (Interview date)	:	
Tanda Tangan (Signature)	:	

1. Apa alasan Saudara mengajukan pengunduran diri?

   (What's the purpose behind your resignation?)

2. Perubahan apa yang diharapkan setelah Saudara keluar dari Kementerian Keuangan?

   (What's the improvement you expected after resigning from organization?)

3. Apakah Saudara merasa lingkungan kantor tidak kondusif yang menyebabkan Saudara mengajukan pengunduran diri? Jelaskan!

(Did you feel like work environment was not conducive enough so that you wish to choose not to stay with organization?)

4. Apakah Saudara merasa didiskriminasikan, tidak dihargai atau menyebabkan kondisi kerja tidak menyenangkan di Kementerian Keuangan? Jelaskan!

(Did you feel being discriminated, unappreciated, which caused uncomfortable situation during working in Ministry of Finance? Please explain.)

5. Apa tujuan Saudara bekerja di Kementerian Keuangan? Apakah sudah tercapai? Apakah Saudara merasa bahwa tujuan awal anda bekerja di Kementerian Keuangan tidak tercapai?

(What's your purpose on working in Ministry of Finance? Has it accomplished? Did you feel you were not served your ultimate purpose working in Ministry of Finance?)

6. Apakah kebijakan/peraturan-peraturan yang ada sekarang ini membuat pekerjaan Saudara lebih sulit/menyebabkan anda tidak nyaman?Jelaskan!

(Are all of existing regulations or policies make your job become more difficult or place you in such uncomfortable situation?)

7. Hal-hal apakah yang Saudara anggap tidak memuaskan selama Saudara mengabdi di Kementerian Keuangan, sehingga menyebabkan Saudara mengajukan pengunduran diri?

(What is the problem that dissatisfied you during you served the institution which makes you want to quit?)

8. Apakah Saudara merasa ilmu yang Saudara miliki tidak secara maksimal digunakan Kementerian Keuangan merasa tidak dapat mengoptimalkan/mengembangkan kemampuan Saudara di Kementerian Keuangan? Jelaskan!

(Did you feel your educational background is not utilized enough so you could not develop your capability in Ministry of Finance?)

9. Apakah ada hal-hal yang bertentangan dalam diri/jiwa Saudara selama mengabdi di Kementerian Keuangan?Jelaskan!

(Is there anything within the organization which contradict with your value during your work in Ministry of Finance?)

10. Bagaimana pendapat Saudara dengan semangat reformasi birokrasi yang mengantarkan organisasi kita ini ke arah tata kelola kepemerintahan yang baik, apakah sudah sesuai dengan hati nurani Saudara?

(How's your take on the current bureaucracy reform spirit within our organization which aim to implement the principle of good government, does it correspond with your conscience?)

11. Apakah Saudara merasa tidak mendapat dukungan, pendidikan ataupun pelatihan dalam mengembangkan diri Saudara selama di Kementerian Keuangan? Jelaskan!

(Do you feel like organization did not support you to grow by providing education, training, etc. during your work in Ministry of Finance?)

12. Apakah Saudara merasa penghasilan yang Saudara terima di Kementerian Keuangan tidak sesuai dengan kemampuan dan kinerja Saudara sehingga hal ini menjadi salah satu alasan pengunduran diri Saudara?

(Do you feel like your income now does not reflect your capability and performance which makes you want to quit the organization?)

13. Apakah Saudara merasa ketidakadilan penghasilan dalam system grading yang diterapkan di Kementerian Keuangan?

(Did you sense unfairness regarding current grading system for employees in Ministry of Finance?)

14. Apakah Saudara merasa akan mendapatkan penghasilan yang lebih dari kantor baru Saudara?

    (Did you receive more income from your new office?)

15. Apakah Saudara merasa nyaman dengan manajemen/kepemimpinan atasan langsung Saudara? Jelaskan!

    (Do you feel comfortable with the leadership style of your direct supervisor?)

16. Bagaimana pendapat Saudara dengan sistem mutasi di lingkungan Kementerian Keuangan?

    (What's your opinion on current rotation system in the Ministry of Finance?)

17. Bagaimana pendapat Saudara tentang *reward and punishment* yang diterapkan di lingkungan Kementerian Keuangan?

    (What's your thought regarding current reward and punishment system which being applied in the Ministry of Finance?)

18. Mohon masukan anda, langkah yang harus dilakukan Kementerian Keuangan untuk meningkatkan kualitas dan kenyamanan para pegawai Kementerian Keuangan.

    (Please suggest, what organization needs to do to increase quality and convenience for employees in Ministry of Finance!)

                                        (place), (dd/mm/yyyy)

Pewawancara (Interviewer):

Nama (Name)   :   Nama (Name)   :
NIP   :   NIP   :
(Employee   ID   (Employee ID
Number)   Number)
Tanda Tangan :   Tanda Tangan   :
(Sign)   (Sign)

국문초록

인도네시아 재무부 국세청 공무원 이직에 영향을 미치는 요인에 관한 연구

Andita Pritasari

서울대학교 행정대학원

글로벌행정전공

본 연구는 인도네시아 재무부 국세청 공무원 이직률에 영향을 미치는 요인에 대한 설명과 정보를 제공하는 데 목적을 두고 있다. 본 연구를 통해 국세청 공무원의 이직 원인을 찾아냄과 동시에 조직 내에서 개선할 수 있는 분야를 밝혀낼 것으로 기대된다. 2017년, 2018년에 50명의 공무원들이 이직하면서 작성한 이직 조사 결과를 활용함으로써, 국세청이 직원 유지에 더 나은 정

책과 관행을 수립하는 데 도움이 될 것으로 보인다. 본 연구는 충격, 스크립트, 이미지 위반, 낮은 수준의 직업 만족도, 탐색 및 평가로 구성된 Lee, et al.(1996) & Jones, et al. (2010)의 직원이직 전개모형을 활용하여 조직 내 이직 경로가 모형에 따라 수행되는지 여부를 테스트한다.

연구 결과에 따르면, 이직 사유는 무작위적인 중대한 사건, 직원의 기대와 현실 사이의 불일치, 조직의 상황, 외부의 더 나은 기회 가능성 등 네 가지 범주로 분류될 수 있다. 금전적 보상, 감독관의 리더십 그리고 근무조건은 주요 이직 사유로 언급되지 않았다.

Acknowledgement

First and foremost, in the name of Allah, The Most Gracious and The Most Merciful. All praises are to Allah SWT for the strength and courage He has given for me to complete this thesis. Secondly, I would like to express my gratitude to the Graduate School of Public Administration, Seoul National University and Korea International Cooperation Agency (KOICA) for letting me to afford the opportunity to receive this scholarship. I would like to convey gratefulness as well to my institution (Directorate General of Tax, Ministry of Finance Republic of Indonesia) for allowing me to pursue further study as part of the duty.

Furthermore, I would like to extend my deepest thankfulness to my thesis advisor, Professor Lee Soo Young for his kind support, great lessons and valuable guidance throughout my research. I would like to convey my heartfelt gratitude as well to my senior and colleagues from Directorate General of Tax, Ministry of Finance Republic of Indonesia who are sparing me their precious time and for being such a great help on my data collection process. My profound thanks goes to my classmates and dear friends for their insights and encouragement during a whole time I spent in Korea. Finally and most importantly, I would like to express my indescribable gratefulness to my family for their pray and endless support throughout each phase of my life.