



Factors Effecting Intention to Leave at Fajar Surya

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ABSTRACT

Turnover is a level of employee exit in a company. This research aims to develop an impact strategy model of job insecurity, career development opportunity, work involvement and work engagement on turnover intention. Quantitative methods are used in this research. The sample consists of 150 employees with a managerial level. The sample criteria in this research are permanent employees and have worked for at least 3 years. Data collection techniques by distribution questionnaires directly to all samples. The data analysis used is SEM-PLS (Structural Equation Modeling - Partial Least Square). The results showed that job insecurity, career development opportunity and work engagement have significant influence on turnover intention. Career development opportunity and work engagement have negative and significant impact on turnover intention, while job insecurity has negative and significant impact on turnover intention. Job insecurity and career development opportunity mediated by work engagement have significant influence on turnover intention. Meanwhile, work engagement as mediating variable has no significant impact on turnover intention.

Keywords: Job Insecurity, Career Development Opportunity, Employee Involvement, Employee Engagement, Turnover Intention.

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INTRODUCTION

The existence of employees greatly affects the growth of the company. The rapid turnover of employees will cause financial losses; as well as moral problems in employees who are still working. Flippo (in Fahrizal, 2017) once said that the ideal employee turnover is below 2% in a year. However, the ideal percentage may vary from industry to other one; and from company to other one. It is not adequate for the company to simply judge the level of employee turnover on these standards alone, because employee turnover, which is still considered ideal based on these standards, has a significant effect on the company's bottom line.

Employee intention to leave is a serious problem for all companies, specifically for companies whose business is in the field of Hutan Tanaman Industri (HTI, Industrial Plantation Forest) whose physical nature of work still relies on the presence of employees, moreover the remote factor of the work location deep in the forest areas makes dependence on employees be even higher. Mathis, et al. (2011) describes employee intention to leave is the tendency or intention of employees to stop working or move from their own jobs voluntarily according to their own choices.

Based on the data that researcher have observed in the last 3 years (2018-2020), it shows that employee turnover rate is high (Flippo, in Fahrizal, 2017). This can be seen in Table 1. below.

Table 1
Employee Turnover Rate, 2018 – 2020.

Indicator	2018 (YTD Desember)	2019 (YTD Desember)	2020 (YTD Desember)
Turnover Rate (at good performer, %)	17.7	8.4	26.4
Turnover Rate (at managerial level, %)	n/a	10	12.6

Source : QPR Management Dashboard & SAP (2021).

Furthermore, the researcher recapitulated the exit interview conducted by Corporate HRD in 2020 and obtained data regarding the reasons for employees to resignation. This can be seen in Table 2. below.

Tabel 2
Reasons for Employees to Resignation, 2020

Reason	Total	%
Availability career development at another place.	15	25%
Lack of participation & involvement in the company's business processes.	13	22%
Anxiety & Uncertainty of company's operation sustainability.	11	18%
Family reasons.	4	7%
Pension.	3	5%
Continue education.	2	3%
Benefit reasons.	2	3%
Heavy workload	1	2%
Other reason	9	15%
TOTAL	60	100%

Source : *Exit Interview Recap 2020* (2021).

Based on the data in Table 2. it appears that availability career development opportunities in other companies, the lack of employee involvement in the company's business processes and the emergence of anxiety about the company's operational uncertainty are the three biggest reasons employees decide to leave the company.

Employees intention to leave occurs when employees are dissatisfied with the company they work for (Matland, 1995; Rusbult, Farrell, Rogers, & Mainous III, 1988; Rusbult, Zembrodt, & Gunn, 1982). Price and Mueller (Dong-Hwan, et al., 2012) state that the desire of employees to leave their jobs is influenced by several factors, including career development opportunities, promotion and general training opportunities, supervisor support, co-worker support and fair in distribution. Pasewark and Strawser (in Iskandar, et al., 2021) describe that the employee's desire to leave is influenced by a feeling of being threatened by the uncertainty of sustainability in working at the company as well as powerlessness in overcoming these problems, which can be seen in the four predictor variables, namely role conflict, role ambiguity, locus of control and organizational change. Meanwhile, Sumarto (2009); Faslah (2010); Simanjuntak & Rahardja (2013) and Arif (2018) describe that employee involvement in various company's business activities up to decision making has been proven to be able to discourage employees from leaving. Mobley (Halimah, et al, 2106) describes that employee engagement is one of the predictors of employees staying in their company. Those who have high loyalty, high commitment, and can interpret their work well are usually followed by high work engagement (Geldenhuy, 2014).

From previous studies, relatively few topics have developed a strategy model with a focus on the influence of the variables that the researcher observed. Moreover, this research more interesting considering that the HTI industry still relies on the presence of a high number of employees, moreover, the remoteness of work locations in deep-in forest areas makes dependence on employees even higher.

Given the importance of the problem in this study, the researcher limits it to factors of job insecurity, career development opportunities, employee involvement and employee engagement which are suspected to affect turnover intention. This study aims to create a strategy model the effect of the observed variables on turnover intention.

RESEARCH METHOD

Quantitative methods are used in this study. The population is 165 employees with superintendent and department head levels, hereinafter referred to as managers. The sample criteria in this study are manager level employees who are permanent employees and have worked at least 3 years in the company. Of the population who meet these criteria amounted to 150 people. Data collection technique by distributing questionnaires directly to all samples located in operational locations, regional office and head office. The research was conducted from June 2021 to December 2021 starting from research permits, testing instruments, perfecting research instruments to the stages of data collection, analysis and writing of research results. Analysis of the data used is SEM-PLS (Structural Equation Modeling - Partial Least Square).

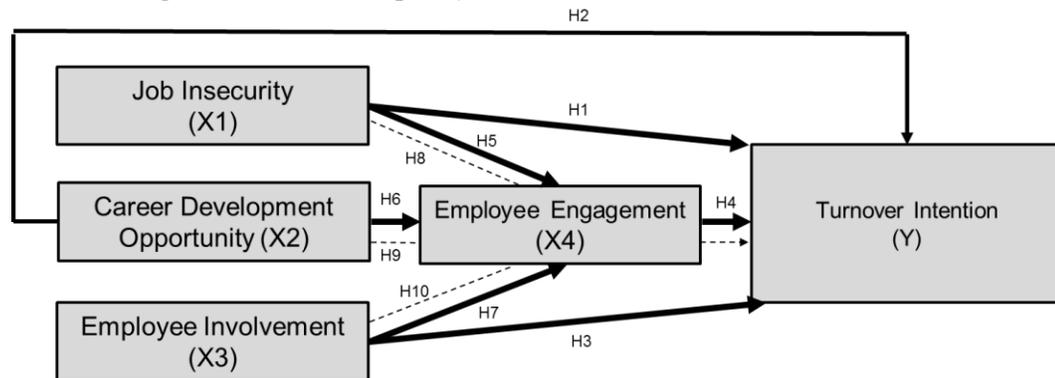


Figure 1. Research Model

Respondent's Profiles.

Based on gender, there are 92.6% male managers. Ninety-nine managers are 40 years of age or older. most of the managers, 96 of them, had more than 6 years of service. All managers have a bachelor's degree. Based on this data, they are highly educated and have sufficient knowledge to become managers. In addition, their work experience supports their performance. Prior to working as managers, most of them worked in similar businesses, so they understand the state of the industry's business.

RESULTS AND DISCUSSION

The Results of Outer and Inner Models.

Based on the results of the loading factor, not all indicators meet the value > 0.6 so that the model is recalculated so as to produce a new outer loading value that meets the requirements to be designated as a loading factor (Ghozali, 2014). The minimum AVE (Average Variance Extracted) value is 0.5. The AVE value in this study is above 0.5. Therefore, this value is valid. The value of Composite reliability is above 0.6. Consequently, it can be concluded that this value is reliable. The value of R-Squares Adjusted, which is a result of overall or combined data, is above 0.67. According to Ghozali view (2014), this R-Squares Adjusted value indicates that the research model is strong. In other words, the influence of exogenous latent variables (job insecurity, career development opportunity, employee involvement, employee engagement) has a substantial influence on endogenous latent variables.

Table 3
Results of Outer and Inner Models Of Turnover Intention

Variables	AVE	Composite Reliable	R ² Adjusted
Turnover Intention	0.846	0.943	0.966
Job Insecurity	0.917	0.957	
Career Development Opportunity	0.844	0.942	
Employee Involvement	0.629	0.765	
Employee Engagement	0.557	0.683	0.698

Source : primary data, processed SmartPLS (2021).

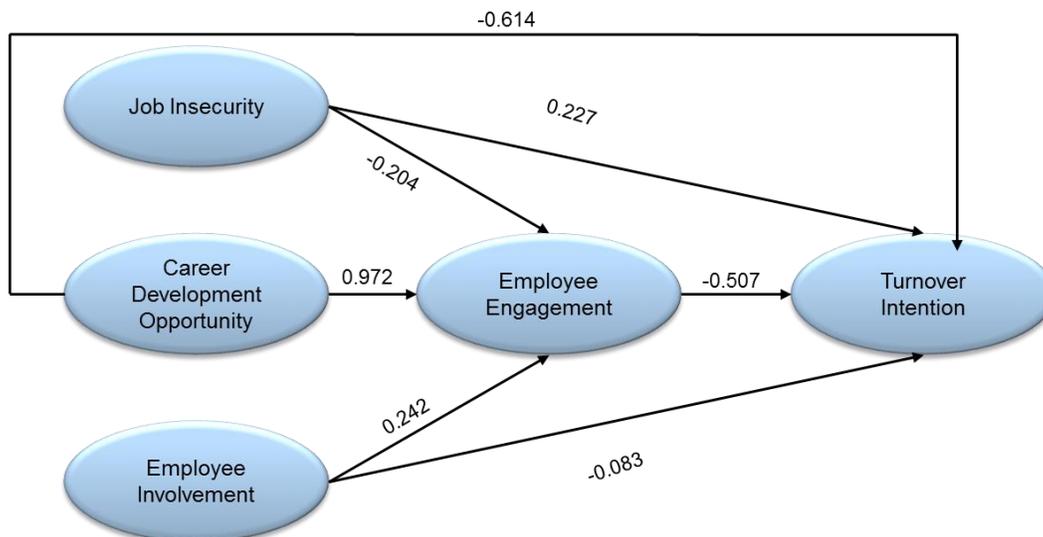
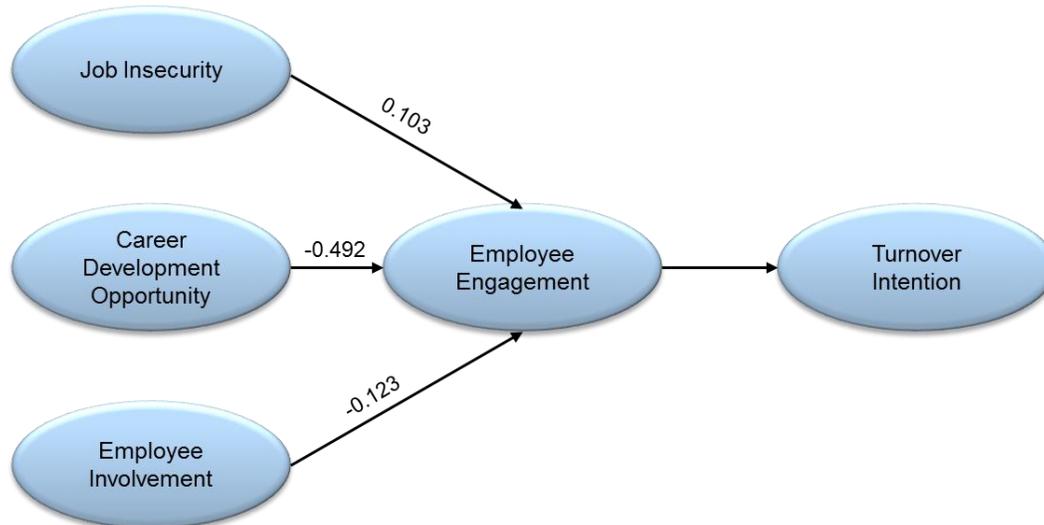


Figure 2. Path Coefficient Result for Direct Effect**Figure 3. Path Coefficient Result for Indirect Effect**

Interesting findings in this study reveal that employee work engagement plays an important role in reducing the desire of employees to leave their jobs. Job insecurity and career development opportunities also require the mediation of employee engagement to reduce employee turnover intention.

This finding clarifies the role of employee's job engagement as a mediation of employee's turnover intention. When companies detect high turnover of employees, the role of employee engagement becomes important because it negotiates job insecurity and career development opportunities. As long as managers are concerned about losing their jobs and are powerless to deal with the problem, their emotional and intellectual attachment to the company will mediate their desire to leave their jobs. As long as managers have the opportunity to improve their work results thereby creating career opportunities, job attachment to the company will mediate their desire to leave work.

What is interesting is that the job involvement factors are not relevant here. It can be interpreted that the practices of involving employees in various programs such as continuous improvement programs and business problem solving initiatives, application of work management systems, sharing information, and involvement in decision making, do not have a significant effect on mediating work engagement and ultimately on employees turnover intention. There is no guarantee that employee involvement will result in employee loyalty to the company.

Job Insecurity is positively significant to Turnover Intention.

The results of this study indicate that job insecurity has a positive and significant effect on employees's turnover intention. An employee who experiences the threat of losing his job, career uncertainty, potential for being laid off and feeling helpless due to changes in certain practices in the workplace and uncertainty about their role at work, can cause moral problems as well as undermine employee motivation. These problems have an effect on low trust in the company and eventually create a great desire to find a new job.

The results of this study support the results of previous research conducted by Ieva Urbanaviciute, et.all (2018), Hyo Sun Jung, et.all (2018) dan Neng Siti Solihat, et.all (2021).

Career Development is negatively significant to Turnover Intention.

The results of this study indicate that career development opportunities have a negative and significant effect on employees turnover intention. An employee who gets the opportunity to develop a career at the company will try to increase work productivity as well as high performance so that it can reduce his desire to move.

The results of this study support the results of previous research conducted by Tong Wen, et.all (2017), Lucia, et.all (2017) dan Adnan, et.all (2019).

Employee Involvement is negatively insignificant to Turnover Intention.

The results of this study indicate that employee work involvement has no significant effect on employees' turnover intention. The practices of involving employees in various programs in the company, such as continuous improvement programs and business problem solving initiatives, application of work management systems, sharing information, and involvement in decision making, do not have a significant effect on the willingness of employees to leave their jobs. There is no guarantee that employee engagement will result in a turnover rate.

The results of this study did not support the results of previous research conducted by Mi Yu, et.all (2018), Soojin Kim, et.all (2017) dan Emeka Smart Oruh, et.all (2020). The results of this study support the results of previous research conducted by Sumant (2001) which states that the management by objective program and participative decision making process does not provide guarantees to employee turnover rates.

Employee Engagement is negatively significant to Turnover Intention.

The results of this study indicate that employee work engagement has a negative and significant effect on the employee's turnover intention. Employees who have an attachment to the company will be emotionally and intellectually committed to the company and will give their best effort beyond what is targeted at the job. Job engagement provides positive benefits not only for employees but also for the company. These positive benefits will be seen in better performance, preventing physical and mental fatigue (burnout), and reducing employee turnover.

The results of this study support the results of previous research conducted by Nivethitha Santhanam, et.all (2020), Santhanam, N, et.all (2019) dan Park, Kathleen A, et.all (2019).

Job Insecurity is negatively significant to Employee Engagement. However, it is significant to Turnover Intention.

The results of this study indicate that job insecurity has a negative and significant effect on employee work engagement. The perception of job insecurity experienced by employees has a negative effect on the emotional and intellectual commitment of employees to the company. The perception of job loss, career uncertainty, overshadowed by termination of employment and feeling helpless due to changes in certain practices in the workplace can cause moral problems and employee motivation. These problems

ultimately reduce the emotional and intellectual commitment of employees as well as their loyalty to the company.

The results of this study support the results of previous research conducted by Nivethitha Han Chena, et.all (2021), Hyo Sun Jung, et.all (2019) dan Ebtsam Aly Abou Hashish, et.all (2018), Putra F. Tindige, et.all (2018), Tzvetana Stoyanova, et.all (2017) dan Alima Aktar, et.all (2018).

Career Development Opportunity is positively significant to Employee Engagement. However, it is significant to Turnover Intention.

The results of this study indicate that career development opportunities have a positive and significant effect on employee engagement. An employee who gets the opportunity to develop a career in the company will try to increase work productivity, high performance, contribute more, and also have greater loyalty, emotional commitment and intellectual commitment so that it appears in his higher loyalty to the company.

The results of this study support the results of previous research conducted by Manisha Semwal, et.all (2021), Kasimu Sendawula, et.all (2019) dan Naveed Iqbal Chaudhry, et.all (2018), Anggraini Delina Putri, et.all (2018), Khin Thet Htar Swe, et.all (2019) dan Manish Kumar, et.all (2018).

Employee Involvement is positively insignificant to Employee Engagement. However, it is insignificant to the Turnover Intention.

The results of this study state that employee involvement has no significant effect on employee engagement. The practices of involving employees in various programs such as continuous improvement, business problem solving initiatives and involvement in decision making, do not have a significant influence on the desire of employees to be part of the company, find meaning in their work and contribute to the interests of both parties.

The results of this study did not support the results of previous research conducted oleh Suzanne Benn, et.all (2015), Tzvetana Stoyanova, et.all (2017) dan Alima Aktar, et.all (2018).

The results of this study indicate that a small proportion of respondents (36%) have a working period of 1 to 6 years. Hinzmann et al. (2019) in his research found that seniority has an influence on employee engagement levels where employees who have just worked have a 27% higher level of engagement compared to employees who have a higher number of years of service. Brim (2002) revealed that employees with less than five years of service are employees who are in the most optimal position in their work and are focusing on strengthening their careers through participation in decision making, sharing information and being actively involved in problem-solving initiatives in business matters, which will give them a sense of recognition and respect as a highly skilled professional. Employees with relatively new tenures tend to view the company well because of the novelty effect (Chaudhary & Rangnekar, 2017). This causes the level of attachment to employees who have a tenure of less than five years tends to be high.

Based on the results of data analysis and discussion, there are several novelties in this study, including :

1. Job Insecurity, Career Development Opportunities and Employee Engagement have a significant effect on employee's turnover intention, with the greatest influence from career development opportunity variables of 61.4% on the employee's intention.

2. Job Insecurity and Career Development Opportunities have a significant effect on Employee Engagement, with the greatest influence from career development opportunities variable at 97.2%.
3. Job Insecurity and Career Development Opportunities through Employee Engagement have a significant effect on Employee's turnover intention, with the greatest influence from career development opportunity variables of 49.2%. Meanwhile, Employee Engagement as a mediating variable does not effect on the Employee Involvement variable on the Employee's turnover intention.

Based on the results of the analysis and findings in this study, the strategy model for this research is shown in Figure 4. below.

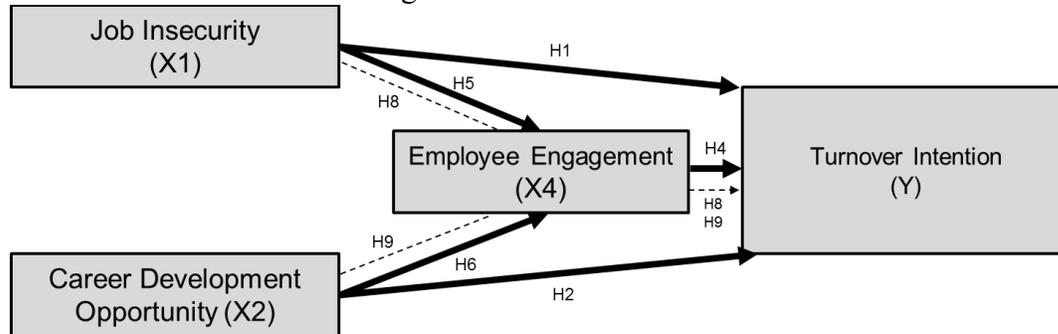


Figure 4. Strategy Model

CONCLUSION

The research obtained three hypotheses that are not significant to turnover intention namely: employee involvement does have a substantial impact to turnover intention, also employee involvement to employee engagement. We found out employee engagement did not mediate employee involvement to turnover intention. On the other side, employee engagement has a significant effect on turnover intention.

Managerial Implication

This study produces practical contributions to the company to be more open and sensitive to employee management. Now the turnover of employees is a common phenomenon that creates a lot of tension within the company which ultimately affects the performance and competitiveness of the company. One of the efforts that companies can do today is to understand the causes and reasons used by employees to leave their jobs.

This study shows that the practice of employee turnover is divided into two categories. First, the group that feels dissatisfied because its capacity is not optimally utilized by the company. This group wants jobs that are more challenging, demanding for creativity and innovation and provide opportunities for career development. This group opens up, interacts with various skills and abilities and deepens new knowledge, comprehension and skills. This kind of spirit of course makes employees have a high commitment to the company, willing to give more effort than job requirements (discretionary effort). Second, the group of people who feel uncomfortable working in the company because they are constrained by their expertise and skills. His expertise and skills are not in accordance with the type of work he/she is engaged in. Discomfort also arises

due to changes in certain practices in the workplace as well as uncertainty about their role in the workplace.

The role of a manager in a company is very important. They become important to inform matters related to the company's interests and ensure that work processes run effectively and efficiently. Based on the results of an in-depth analysis conducted in this study, it was found three important factors that need to get the company's attention so that employee loyalty is maintained, namely from guaranteeing employee job security, career development opportunities and employee work engagement. Companies need to create tactics and strategies in the face of changing work environments that are full of targets and competition, which are prone to creating employee dissatisfaction. Companies need to consider organizational, individual, internal and external factors because these are predictors of employees to stay in their company. Those who have high trust in the company, high achievement spirit, high loyalty and commitment, and can interpret work well are usually followed by loyalty to large companies as well.

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