

CAREER DEVELOPMENT AND WORK MOTIVATION DRIVE EMPLOYEE TURNOVER INTENTION IN AN IT CONSULTING IN INDONESIA

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ABSTRACT

An IT consulting company in Indonesia has high employee turnover. This condition will provide negative impacts for the company. There are so many factors will influence employee turnover intention. The objective of this research is to examine the effect of career development and work motivation on turnover intention. The census technique used to collect the data from the employee that already pass the probation period. Total number 66 data are collected from respondents by distributing online questionnaire to the target population. The data analyzed by using multiple regression as an approach. The result show that career development and work motivation have negative significant impact on turnover intention. These mean that the better career development and work motivation in an IT consulting in Indonesia will reduce turnover intention. Therefore, an IT consulting should consider these two factors to minimize the turnover intention.

KEYWORDS: Career Development, Work Motivation, Turnover Intention, Multiple Regression

Indonesia entered the era of the ASEAN Economic Community (MEA) on 2016. In that era, markets between countries in Southeast Asia will be more open for goods and services, including labor. With such labor exchange agreement, companies in ASEAN countries including Indonesia will have increasingly tight competition to get the workforce. This will indirectly increase turnover intention and turnover rate globally because of the additional opportunities for an employee to get a job elsewhere. These opportunities will facilitate the transfer of an employee from one company to another, especially employees with limited special abilities. Examples of employees who have special skills and limited is the workforce in the field of information technology who master a particular programming language or application. One example of companies that require such workforce is an IT consulting company in Indonesia.

This company is engaged in the provision of consulting services and implementation in the field of information technology, and one of the companies in Indonesia who get more global opportunity in the era of MEA for employee recruitment. This means that the employees are subject to recruitment by companies throughout ASEAN. Prior to the MEA, the competition to gain employees with experience in implementing and System Application and Product in Data Processing (SAP) and International Business Machines Corporation (IBM) was very strict, due to its rare availability. After MEA it is more difficult for the company to recruit employees with the necessary experience and expertise.

According to management data in 2016 and 2017 shows that the current workforce is still unbalanced

with company's opportunity, so for handling a project the company often use sub-contractor services of other companies.

Culpepper (2011: 527) states Turnover intention is the best calculation standard to recognize the behavior of turnover that will occur in employees of a company. High turnover will make the company pay higher fees for recruiting and training new employees, in the end if it happens continuously and not addressed properly will disrupt the performance of the company.

Based on interviews conducted in 2017 with some former employees of this company who resigned in 2014-2016, conclude primary reason for resigning are due to found a better career paths or career development, compensation, salary, benefits and work facilities on other companies.

In a previous study conducted by Lana Garcia Martinez (2014) found a correlation that companies that do not support the career development process of their employees will increase the turnover intention for these employees.

Previous Study conducted by Abid Khan, Itbar Khan, Zakirullah Zakir (2016) concluded that there is significant and empirical correlation between motivation and turnover intention, where compensation, salary and benefits mentioned above are included into the motivation factors.

The purpose of this study was to find the relation between career development and work motivation with employee's turnover intention in the studied company as below details:

1. To determine the effect of career development on turnover intention.
2. To determine the effect of work motivation on turnover intention.
3. To determine the effect of career development and work motivation together on turnover intention.

LITERATURE REVIEW

Career Development

Mondy (2008: 243) states that, "Career development is a formal approach that organizations use to ensure that people with qualifications and the right experience is available if needed ". Based on the above definition can be concluded that career development is an activity to conduct career planning in order to improve the ability of work and individual qualifications within an organization.

Work Motivation

Motivation based on Robbins and Judge (2015: 127) is a process that explains one's strength, direction, and perseverance in an attempt to achieve a goal. It can be concluded that the motivation of work is an impulse in the employees who generate, direct and maintain behavior related to the work environment manifested in an effort to achieve goals, behaviors, values, and aspirations in the life span of a person.

Turnover Intention

Turnover according to Robbins and Judge (2009: 38) is the act of resigning permanently committed by employees either on a voluntary basis or not. Turnover may include resignation, transfer out of an organizational unit, dismissal or death of an organization member.

Turnover indicates employee dissatisfaction with their work or work environment, so employees prefer to stop or find new jobs in other companies. The higher the turnover means the more frequent displacement of employees within the company. This will bring harm to the company. When an employee leaves the company, it will incur costs for the company, such as the cost of hiring new recruits and the cost of facilities for interviews in the employee selection process.

Cotton and Turtle (1986) remark turnover intention as an individual's perceived probability of staying or leaving an employing organization. Hom and Griffeth (1991) also define turnover intention as

individual's intent toward voluntary permanent withdrawal from an organization. Based on the above explanation, it can be concluded that turnover intention is the desire of the individual who consciously and considerably to leave the company where he works today.

RESEARCH METHODOLOGY

Sampling Design

The target population of this study is the employee of an IT Consulting in Indonesia that already work in that company for more than two years and already passed the probation period. There are 78 employees match with the criteria. As it is clear that their number was less than 100 which could easily be approached and studied so we use census technique and selected all the employees and send the questionnaire online. The responses valid to be process are 66 data.

Variables of The Study

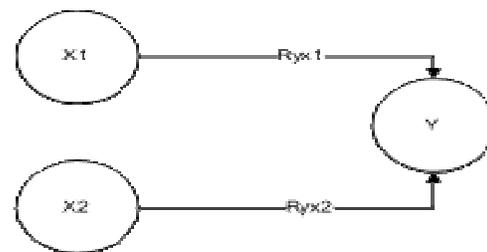
The research variable are Career Development (X1), Work Motivation (X2) as independent variable and Turnover Intention (Y) as dependent variable.

Research Model

The research Model of this study could be defined as below:

Explanation:

- X1 = Career Development
- X2 = Work Motivation
- Y = Turnover Intention
- R = Partial Determination Coefficient



Picture 1: Research Model

Source: Research Data 2017

Data Collection Method

Based on the purpose of study the hypothesis could be formulated as follows:

1. Hypothesis for the influence of career development on turnover intention.

H₀ = the career development variable has no significant negative effect on turnover intention.

H_a = career development variable has a significant negative effect on turnover intention.

2. Hypothesis for the influence of work motivation on turnover intention.

H₀ = Job motivation variable has no significant negative effect on turnover intention.

H_a = Job motivation variable has a significant negative effect on turnover intention.

3. Hypothesis for the influence of career development and work motivation together towards turnover intention.

H₀ = Variables of career development and work motivation together have no significant effect negatively on work motivation.

H_a = Variables of career development and work motivation together have a significant negative effect on work motivation.

Data Collection Method

Primary data were collected through pre-designed questionnaires, administered online by creating google form and send the link through email to each individual and employee group email. Likert five point scale was adopted for getting the respondents response and all the questionnaire questions were close ended. The questionnaire consisted of nine questions regarding career development, eleven questions were about work motivation and five questions were regarding turnover intention. Best efforts were made to get the true responses by follow up by phone or text message application to almost every individual personally.

Data Analysis and Measurement

SPSS 22.0 was used for analyzing the collected data. After collecting the data its reliability was measured by using Cronbach's Alpha. Correlation among the variables was tested by the use of Pearson correlation and validity test perform by comparing Pearson correlation with *r* table. Multiple regression analysis used for finding the causes and effects of independent variables upon dependent variable. T test and F test used to test the hypothesis formula.

RESULT AND DISCUSSION

Demographic Details

Respondents in this study are employees who work in IT Consulting Company for more than two years

and passed the probation period totaling 66 people. Based on the results of questionnaires distributed to respondents, the background profile of respondents consists as detailed below:

Gender

The majority gender of the employees are male with percentage number 74.2% and the rest is female with percentage 25.8%.

Age

The employees consist different range of age, detailed as below:

The range of age <25 years = 3%

The range of age 25-30 years = 37.9%

The range of age >30-35 years =19.7%

The range of age >35-45 years =37.9%

The range of age >45 years =1.5%

Education Background

Majority of the employees held bachelor degree on 87.9% and the rest held master degree on 12.1%

Working Period in the Company

The majority already working for >2-5 years on 66.7% and the rest already working for more than 5 years on 33.3%.

Reliability Coefficient

Table 2 shows the reliability co-efficient of different factors of motivation and turnover intention. Cronbach's Alpha (α) has been used for checking the reliability of the data. According to Cronbach's Alpha (α), data which result is 60% or more after being checked for the said reliability, the data can be called as reliable and one can surely trust upon this data and its validity. The following table shows the percentage values of different variables. All of the variables values are reliable (individually). The overall reliability value for the data is more than 60% which is a proof of the fact that the scale is reliable (Green, Lissitz and Mulaik, 1977). So we can trust upon the results obtained from the data collected.

Validity Test

Table 3, 4 and 5 shows all statements used to measure the three variable have a validity coefficient greater than the value of *r* table = 0.242, so the statement is declared as valid. The validity coefficient is based on Pearson correlation.

Table 2: Reliability Measure of Different Variables.

Variable	Cronbach's Alpha (%)	Remarks
Career Development (X ₁)	69.6	Reliable
Work Motivation (X ₂)	60.1	Reliable
Turnover Intention (Y)	78.5	Reliable

Source: SPSS 22.0 Processing Data 2017

Table 5: Validity Test Turnover Intention (Y)

Variable	No.	Item	Coefficient Validity	r _{table}	Remarks
Turnover Intention (Y)	21	p21Y	0,672	0,242	Valid
	22	p22Y	0,852	0,242	Valid
	23	p23Y	0,775	0,242	Valid
	24	p24Y	0,666	0,242	Valid
	25	p25Y	0,706	0,242	Valid

Source: SPSS 22.0 Processing Data 2017

Table 3: Validity Test Career Development (X1)

Variable	No.	Item	Coefficient Validity	r _{table}	Remarks
Career Development (X ₁)	1	p1X ₁	0,726	0,242	Valid
	2	p2X ₁	0,799	0,242	Valid
	3	p3X ₁	0,445	0,242	Valid
	4	p4X ₁	0,689	0,242	Valid
	5	p5X ₁	0,666	0,242	Valid
	6	p6X ₁	0,390	0,242	Valid
	7	p7X ₁	0,324	0,242	Valid
	8	p8X ₁	0,421	0,242	Valid
	9	p9X ₁	0,549	0,242	Valid

Source: SPSS 22.0 Processing Data 2017

Table 4: Validity Test Work Motivation(X2)

Variable	No.	Item	Coefficient Validity	r _{table}	Remarks
Work Motivation (X ₂)	10	p10X ₂	0,502	0,242	Valid
	11	p11X ₂	0,488	0,242	Valid
	12	p12X ₂	0,387	0,242	Valid
	13	p13X ₂	0,437	0,242	Valid
	14	p14X ₂	0,569	0,242	Valid
	15	p15X ₂	0,545	0,242	Valid
	16	p16X ₂	0,653	0,242	Valid
	17	p17X ₂	0,628	0,242	Valid
	18	p18X ₂	0,410	0,242	Valid
	19	p19X ₂	0,444	0,242	Valid
	20	p20X ₂	0,430	0,242	Valid

Source: SPSS 22.0 Processing Data 2017

Multiple Regression Analysis

From Table 6, the regression equation describing the effect of career development and work motivation on turnover intention is as follows:

$$Y = 26.898 - 0.396 X_1 - 0.032 X_2 \quad [1]$$

Based on the multiple regression equation above, it is known that career development and work motivation have negative regression coefficient which shows the better career development and the higher work motivation will impact on the lower turnover intention, otherwise bad career development and low work motivation will result High turnover intention.

Statistically, the values in the above equations can be explained as follows:

1. The constant of 26,898 shows the average prediction of percentage turnover intention score if career development and work motivation are simultaneously 0 (zero).
2. The regression coefficient for career development is -0.396 with negative coefficient indicating that each occurrence of the percentage of career development score and other independent variables is assumed to be constant, predicted will decrease the percentage score of intention turnover of 0.396.
3. The regression coefficient for motivation is -0.032 with negative signified coefficient indicating that every occurrence of increasing percentage of job motivation score and other independent variable is assumed constant, predicted will decrease percentage score from intention turnover equal to 0,032.

Table 6: ANOVA

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	26,898	2,503	
Career Development (X1)	-0,396	0,080	-0,562
Work Motivation (X2)	-0,032	0,072	-0,050

a. Dependent Variable: Turnover Intention (Y)

Source: SPSS Processing Data 2017

T Test

Table 7 shows t count of -4.948 smaller than -1,669 (t table) so that the hypothesis fall in Ha support area, then with 95% confidence level can be decided to support Ha which means career development has a significant influence on turnover intention on employees, where better career development will impact on the lower turnover intention, otherwise poor career development will result in high turnover intention.

Table 7: T test of Career Development Effect on Turnover Intention

Model	T _{count}	T _{table}	Sig. t	α	Result	Remarks
X ₁ → Y	-4,948	-1,669	0,000	0,05	Support Ha	Significant

Source: SPSS 22.0 Processing Data 2017

Table 8: T test of Work Motivation Effect on Turnover Intention

Model	T _{count}	T _{table}	Sig. t	α	Result	Remarks
X ₂ → Y	-0,441	-1,669	0,661	0,05	Support Ho	Not Significant

Source: SPSS Processing Data 2017

Table 8 shows t count value of -0,441 greater than -1,669 (t table) to fall in the area of support Ho, then with the level of confidence of 95% can be decided to support Ho which means that the motivation of work has no significant negative to turnover intention on employees, where the higher work motivation of an employee will not necessarily affect the lower turnover intention.

F Test

Table 9 shows F count of 16.456 is greater than 3.143 (F table) so that the value of F count fall in Ha support area, then with 95% confidence level can be decided to support Ha which means career development and motivation Work simultaneously has a significant effect on turnover intention on employees, where better career development and higher work motivation will impact on lower turnover intention, otherwise poor career development and low employee motivation will result in high turnover intention.

Table 9: F test of Career Development and Work Motivation to Turnover Intention

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	251,448	2	125,724	16,456	0,000 ^b
Residual	481,332	63	7,640		
Total	732,781	65			

a. Dependent Variable: Turnover Intention (Y)

b. Predictors: (Constant), Work Motivation (X2), Career Development(X1)

Source: SPSS 22.0 Processing Data 2017

Coefficient Determination

In table 10, it can be seen that the value of R Square obtained is 0.343. These results indicate that career development and work motivation together contribute influence of 34.3% to turnover intention, while (1-R²) 65.7% the rest is the amount of contribution of influence given by other factors not examined.

Table 10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,586 ^a	0,343	0,322	2,76409

a. Predictors: (Constant), Work Motivation (X2), Career Development(X1)

Source: SPSS 22.0 Processing Data 2017

DISCUSSION

From the results of data analysis, it can be seen that career development variables (X1) have a significant negative effect on turnover intention (Y). With a t count of -4.948 smaller than -1.669 (t table) falling in Ha

support area, this indicates that the higher career development will be the lower turnover intention of the employees. Therefore the company should maintain and improve the career development level to minimize the turnover intention.

Work Motivation (X2) has no significant negative effect on turnover intention (Y). With a t count of $-0.441 > -1.669$ (t table) fall in the support area of H_0 , which means that the higher work motivation of an employee will not necessarily lowering the turnover intention. This is because in this study has not considered external factors such as the labor market and others. So if the labor market demand for employees who have the same skills also increased then the influence of motivation on turnover intention can be not significant.

Simultaneously Career development (X1) and work motivation (X2) have significant negative influence on turnover intention (Y). With the F count of 16.456 greater than 3.143 (F table) so that the F count value falls in H_a support area, it means the better the career development and the higher the work motivation simultaneously will have impact on lowering turnover intention, otherwise poor career development and low employee motivation will Resulting in high turnover intention.

The coefficient of determination indicates that career development and work motivation together contribute influence of 34.3% to turnover intention, while the remaining 65.7% is the amount of contribution of influence given by other factors not examined. As Zeffane (2003: 27-31) points out, there are several factors that influence turnover intention: "external factors, such as the labor market, institutional factors such as work space, wages, job skills, and supervision, personal characteristics of employees such as intelligence, Attitude, past, gender, interest, age, and length of work as well as individual reactions to their work". Factors that have not been studied can be explored more in depth and used as material in subsequent research.

SUMMARY AND RECOMMENDATIONS

Summary

Career development has a significant negative effect on turnover intention on employees, where better career development will impact on the lower turnover intention, otherwise poor career development will result in high turnover intention.

Work motivation has no significant influence on

turnover intention on employees, where the higher work motivation of an employee will not necessarily affect the lower turnover intention.

Simultaneously career development and work motivation have a significant influence on turnover intention on employees, with contribution of influence given equal to 34,3%, while as much as 65,7% the rest is amount of contribution influence given by other factor which not examined.

Recommendation

1. It is recommended for the IT consulting company to maintain the career development level and improve to a better level.
2. It is recommended for the management of IT consulting company, to upgrade annual employee assessment and evaluation activities twice a year, as the employee's performance and skill level in six months has improved.
3. It is recommended for the management to give more consideration regarding educational background and employee loyalty in the promotion process of an employee's career.

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