



# The Effect of Career Development on Turnover Intention in the Construction Industry: Any Insights from Placement and Years of Experience to this Matter?

Ni Made Sasanti<sup>1</sup>, Shine Pintor Siolemba Patiro<sup>1</sup>, Anita Maharani<sup>2\*</sup>, Kabul Wahyu Utomo<sup>1</sup> and Endi Rekarti<sup>1</sup>

<sup>1</sup> Postgraduate Programme, Open University, Tangerang, Indonesia

<sup>2</sup> Master Programme, Bina Nusantara University, Jakarta, Indonesia

\*anita.maharani@binus.edu

**Abstract.** The main objective of this study is to analyze the effect of career development on turnover intention from employee's point of view in the construction industry. The construction industry faces a significant challenge: high employee turnover. Understanding the factors influencing this trend is crucial for improving employee retention. One key factor suspected to be linked to turnover intention is career development. While the relationship between career development and turnover intention is established, there's room for novelty in this research that might not consider factors that influence turnover intention in the construction industry. The source of information used in this research is primary data obtained directly through distributing questionnaires and questions to research subjects, namely employees of construction companies. This research uses systematic random sampling technique. The data processing technique uses a multivariate analysis method using Structural Equation Modelling (SEM). Career development has a negative and significant effect on turnover intention, The better the career development, the lower the turnover intention, and vice versa, the worse the career development, the higher the turnover intention. Based on the results of this study, construction companies can adopt a career development approach to reduce turnover intention.

**Keywords:** Career development, Turnover Intention, Construction.

## 1 INTRODUCTION

Human resources (HR) are important company assets because humans are dynamic resources. An organization will always try to make its employees survive for a long period. Therefore, organizations make various efforts to retain their employees (retention). The current era shows an increase in employees 'leaving' after getting another job. In this case, the employee decides to stop working, or the employee looks for another job. This phenomenon can be called turnover. A study explain that turnover is the voluntary departure of employees from their place of work (Pawesti & Wikansari, 2016). In research conducted researcher, it was found that a high employee turnover rate is one

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of the measures used to indicate fundamental problems in the organization (D.C., Paula, Apriliyani, & Ulfrida, 2021).

Based on statistical data regarding the percentage of turnover rate based on industry in Table 1, the construction industry is one of the industries that has high turnover rate, more than 50%.

Table 1. Employee Turnover Statistic by Industry 2017-2021

<b>Industry</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Total (%)</b>	43	44	45	57	47
<b>Total private</b>	47	49	49	63	52
<b>Mining and logging</b>	48	54	48	54	36
<b>Construction</b>	61	57	65	68	57
<b>Manufacturing</b>	30	32	31	44	40
<b>Durable goods</b>	27	28	28	41	35
<b>Nondurable goods</b>	36	38	36	48	47

(Source: US Bureau of Labor Statistics, 2024)

Turnover intention behavior certainly harms the company as follows: (1) permanent employees will feel doubly burdened due to vacancy of employees who have left their jobs, (2) the company will suffer losses due to having to incur recruitment and training costs for new employees (Refachlis, A, Puspa, Supia, & Hadi). Turnover intentions will disrupt the company's progress in achieving its goals. Studies show employee turnover can cost approximately twenty percent of wages in recruiting and training and lost productivity. However, some experts estimate it is even higher than that (Carter, Ong, Simons, Gibbons, & Beach, 2019).

The construction industry faces a severe labor shortage worldwide, leading to increased construction costs and project delays. The work-life imbalance was identified as a major detrimental factor in attracting young people to join the industry (K., Chan, & Ngan, 2019). Many countries need help recruiting young people for the construction industry. As in other countries, young people in Hong Kong have become better educated and offered a wider choice of training opportunities than previous generations, they can be selective when making their career choices. Companies must understand what they want besides money. Employability, personal traits, self-reported education, personal preferences, performance expectations, days worked, industry experience, and years of study are significant factors influencing career decisions (Kurnia & Hakim, 2023). Thus, companies must be able to retain their best employees by knowing more deeply about the factors that influence their turnover intention. Employees who work in an organization hope to work in peace, get satisfactory financial compensation, and develop their careers. A study conducted explains that a career is a level of position related to the job a person achieves (Mathis & Jackson, 2006). Thus, each employee will pursue a career to obtain satisfaction of individual needs. Employees pursuing a career must be assisted by the organization as the employer to meet their needs in pursuing a career. Organizations play an important role in employee career planning systems. Career planning by an organization is implemented by placing an employee in a job, which is the beginning of a series of jobs. A study conducted by previous researcher

stated that a career path is a series of development activities consisting of training, education, or work experience carried out formally or informally, which aims to help employees to be able to work or hold a better position (Byars & Rue, 1997). Formal activities in development can be in the form of training or career development, while informal activities include mentoring from superiors to subordinates. Career development carried out by the organization can influence employee retention. The latest study conducted explains that opportunities for self-development are one of the reasons employees can stay in the organization (Harvida & Wijaya, 2020), and one factor supporting career development is continuous training and formal career planning carried out by the organization.

## **2 LITERATURE REVIEW**

### **2.1 Turnover Intention Concepts**

Turnover Intention (TI) consists of two words: turnover and intention. Intention is an intention or an activity that arises in an individual before doing something (Pawesti & Wikansari, Pengaruh kepuasan kerja terhadap intensi turnover karyawan di Indonesia, 2016). The desire is obtained through internal and external stimuli from the individual so that a desire arises within oneself. According to (Wibisono, 2017), turnover behavior is carried out by employees who want to either move or leave their jobs on purpose. Turnover behavior is usually based on discomfort in a company, such as a lack of competence, poor relationships between co-workers, and the possibility of a woman following her husband to leave where he works. According to (Nurwahyuni, 2019), turnover intentions is the intention of one's desire to leave the company on purpose.

### **2.2 Career Development Concepts**

Based on the Big Indonesian Dictionary (KBBI), career means development and progress in life. According to Sinambela (2016), a career is a position in work that a person holds during the life cycle, starting from the lowest to reaching the top position. Moreover, career development is an effort made by an organization to plan the careers of its employees, or is called career management (planning, implementing, and managing careers). Meanwhile, according to (Muspawi, 2017), career development is a person's work journey in an organization. (Samsudin, 2019) defines career development as a condition that indicates an increase in a person's status in an organization along the career path designed by the organization concerned. Through career development, organizations assist employees in determining logically and realistically the abilities needed by someone to achieve a particular position.

### 2.3 Dynamics Between Turnover Intentions, Career Development, Placement and Years of Experience

According to Khan et al. (2015), employee involvement in effective career development can build trust between the organization and employees in achieving the desired goals. Recent research by (Kasdorf & Kayaalp, 2020) saw a negative relationship between career development and turnover intention, so career development can be a technique for reducing employee turnover intention, and this is in line with findings made by (Putra, Lie, & Alvani, 2020) on 130 employees at a company in Indonesia. The research results found that the lower the career development, the higher the turnover intention, and vice versa, the higher the career development, the lower the turnover intention. Research conducted by (Safian N. S., 2021) on generation Y employees in the construction industry in Malaysia shows that the pull factors for turnover intention are higher salary, better benefits, better career opportunities, family reasons, and personal reasons.

The placement of employees within organizations significantly influences turnover intentions. Research indicates that strategic placement, such as integrating "connectors" in teams, can enhance group dynamics and reduce turnover intentions, particularly among demographically distinct members (Autrey, Bauer, Jackson, & Klevsky, 2019)

Years of experience significantly influence turnover intentions across various professions, as evidenced by multiple studies. Generally, less experienced employees exhibit higher turnover intentions, while those with more experience tend to show greater stability in their roles (Griffin, Hogan, & Lambert, 2013). Therefore, the hypothesis statements as follow.

H1: Career development lowering turnover intentions

H2: Placement increases turnover intentions

H3: Years of experience increases turnover intentions

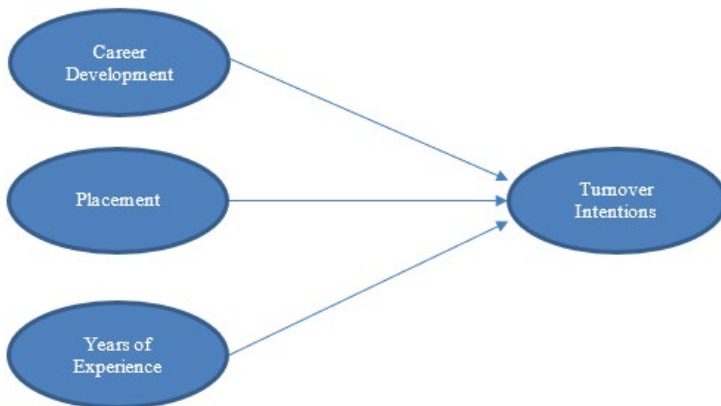


Figure 1. Research Model

### 3 RESEARCH METHODOLOGY

The research method used in this research is a quantitative method with regression testing. The source of information used in this research is primary data obtained directly through distributing questionnaires and questions to research subjects. These employees work in construction companies located in Indonesia. This research uses the Slovin formula to determine the sample size. The Slovin formula calculates the minimum sample size in a finite population survey to estimate the population proportion. The confidence level is 95%, with an error rate (margin of error) of 5%. The population size (N) is 941 employees; using  $e = 5\%$ , we get a sample size (n) of 281 employees.

To measure turnover intention, researchers adopted a measurement developed by Rizwan et al. (2014), which consists of three dimensions: 1) thinking about leaving, 2) searching for alternatives, and 3) intention to leave. Then, for career development, researchers adopted the measurement developed by (Busro M., 2017) which has three dimensions, namely: 1) career clarity, 2) self-development, and 3) improvement in performance quality. The scale used to see the quality of answers is an ordinal scale with a range of 1-7 where one represents strongly disagree, and seven represents strongly agree.

This data analysis technique refers to linear regression, and we use SmartPLS to analyze the data. However, before conducting linear regression for hypothesis testing purposes, we follow prior hypotheses testing procedures as follows: heteroskedasticity, then validity (Pearson product-moment) and reliability testing (Cronbach alpha), then P-Values.

### 4 RESULT/FINDINGS

Data collection lasted for three months, requesting assistance from Human Capital from the construction company, which permitted research data collection. The data collection itself took place from November 2023 to March 2024. From the data collection results, 161 forms were filled out, and then, from the survey contents, researchers could illustrate the respondents' profiles as follows:

Table 2. Respondents Profile

<b>Placement (Unit)</b>	
Site	56
Head office	46
Operational	34
Subsidiary	25
<b>Length of Service (Years)</b>	
< 5	28
5 - 10	62
> 10	71
<b>Total</b>	<b>161</b>

Table 2 above shows that the work placements of respondents who participated in this research were almost even across the four placements. Then, for the service period in construction companies, most respondents had worked more than 10 years.

Table 3. Respondents Response of Turnover Intention Based on Placement

<b>Placement (Unit)</b>	<b>Turnover Intention Average Score</b>
Subsidiary	3,56
Head Office	3,41
Site	3,24
Operational	3,19

Table 3 above shows that the highest turnover score is found in respondents who are placed in subsidiaries. The lowest turnover intention score is found in respondents who are placed in operational unit.

Table 4. Respondents Response of Turnover Intention Based on Length of Service

<b>Length of Service (Years)</b>	<b>Turnover Intention Average Score</b>
< 5	3,93
5 - 10	3,69
> 10	2,76

Table 4 above shows that the highest turnover score is found in respondents who had worked less than 5 years. The lowest turnover intention score is found in respondents who had worked more than 10 years.

After getting the respondent's profile and responses, the next step is ensuring all incoming data is normal. The normality of the data is determined by processing all incoming data, referring to the method guide mentioned in the previous section of this paper.

Table 5. R-Square

	<b>TI_Total</b>
<b>R-square</b>	0,225
<b>R-square adjusted</b>	0,174
<b>Durbin-Watson test</b>	1,567

Based on the results in the R-Square table, it is known that the proposed research model has a predictive value of 21.2%, or in other words, there are more than 50% unexplored factors that have the potential to influence turnover intention among employees working in construction companies.

Table 6. Collinearity

	VIF
CD3	7,148
CD4	3,981
CD8	6,335
Placement	1,073
CD2	5,038
CD6	6,835
CD5	8,670
CD7	6,801
Years_Of_Experience	1,099
CD1	3,499

Based on table 6 above, several items have a collinearity value of  $> 5$  (VIF parameters between 1-5); in other words, one item has a relationship with another. However, research continues using existing data.

Table 7. ANOVA

	Sum square	df	Mean square	F	P value
<b>Total</b>	5284,174	160	0,000	0,000	0,000
<b>Error</b>	4092,881	150	27,286	0,000	0,000
<b>Regression</b>	1119,293	10	119,129	4,366	0,000

Based on table 7 above, it is known that the regression shows that all hypothesis is proven. Visual regression modeling is shown in Figure 2., below.

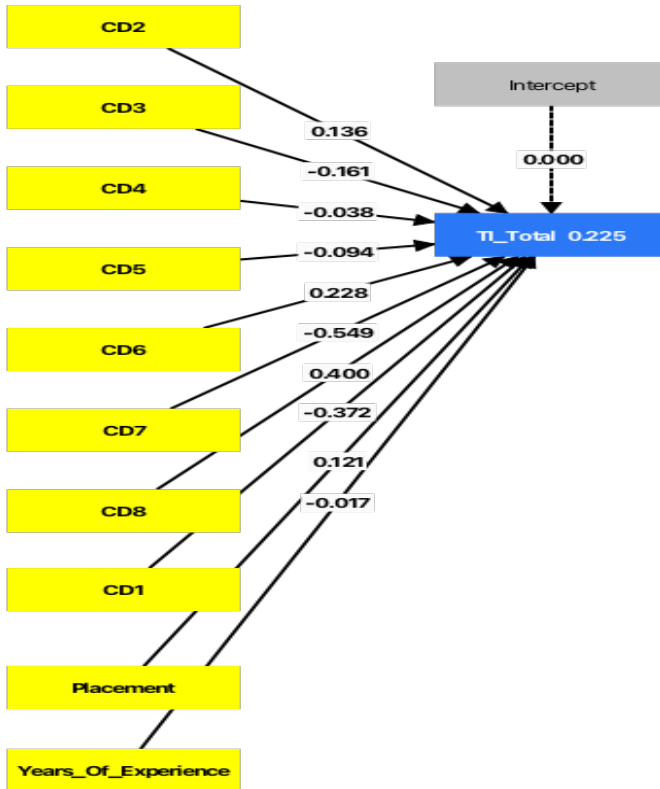


Figure 2. Regression.

## 5 DISCUSSION

Career development may be considered as one of the efforts made by each employee to encourage persons to perform effectively in service and to motivate themselves to enhance their abilities or skills (Busro M. , 2017). Meanwhile, turnover intention is made up of two words: turnover and intention; in Indonesian, it is called turnover intention. While intention or action may occurs in an individual prior to executing anything (Pawesti & Wikansari, 2016). Individuals gain desires from internal and external stimuli, causing a desire to emerge inside themselves.

Turnover behaviour is driven by employees who desire to transfer or quit their positions on purpose. Turnover behaviour is typically motivated by job dissatisfaction, such as a lack of competence, poor relationships among co-workers, and the potential of a woman accompanying her spouse to work elsewhere. Factors influencing turnover intention include work satisfaction, work stress, age, education level, work culture, work pressure, workload, marital status, and job insecurity (Apriani & Siregar, 2023).



Research found a negative association between professional advancement and turnover intention (Kasdorf & Kayaalp, 2020). This shows that career development might be an effective method for minimising employee turnover intentions. This conclusion is backed by investigation on 130 employees at an Indonesian firm (Putra, Lie, & Alvani, 2020). Their research discovered that when career development grows, turnover intention reduces, offering confidence about the efficacy of career development in lowering turnover intention.

Effective integration of career needs and development programs can reduce turnover. Career success in the boundaryless era is predicted by 'knowing why,' 'knowing whom,' and 'knowing how,' as suggested by previous theoretical work. Relocating for a lateral or downward job change leads to lower perceived organizational support and higher turnover intentions compared to those who relocate for a promotion or voluntary move. Having internal mobility expectations met leads to more favorable work-related attitudes, while being denied a job change for fair reasons also improves attitudes. Employees perceive intra-organizational mobility channels based on reliable role performance, exceptional role performance, and non-performance factors, which impact employee satisfaction and turnover intentions. Career growth can be done by skill training or an employee's willingness to learn new things. This differs from career advancement, which refers to a person's overall professional progress. An employee's career growth may be achieved by the many tasks and responsibilities he has taken on over his career, as well as the possibilities and opportunities he has successfully pursued.

Previous study found effective integration of career needs and development programs can reduce turnover intentions and job dissatisfaction (Chen, Chang, & Yeh, 2004). Organizational career management (OCM) positively influences individuals' attitudes and work behavior, but its impact on organizational outcomes is less addressed (Zhao, Cai, Zhiu, Zang, & Zang, 2022).

This study demonstrates that professional advancement can lower a person's desire to leave; in other words, responders were nearly evenly distributed throughout the four locations. Then, for the service duration in construction businesses, the majority of respondents who have worked for 5-10 years expect professional advancement in the construction company where they work to reduce their desire to leave.

## **6 CONCLUSION AND RECOMMENDATION**

This research aims to explore whether career development influences turnover intention among employees who work in construction companies. This research proves that career development influences. This research, while providing valuable insights, also highlights the need for continuous improvement. The statistical test results have identified areas that can be strengthened in future research, emphasizing the importance of ongoing exploration in this field.

However, the implications of this study can also be expressed, namely if the factors studied such as career development, placement and years of experience are truly considered by the company, then the company has the opportunity to reduce turnover costs, improve employee morale and satisfaction, and improve organizational performance.

Future research recommendations that can be conveyed are, 1) the need to conduct similar studies with a longitudinal data collection period, 2) conducting research on specific industries.

Some limitations of this study can be stated as follows: 1) the number of samples and the ability of this study to generalize the results; 2) focusing on one company, 3) data collection was done once, 4) filling out the survey based on the employee's perspective has not explored the management side

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