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# Carrier Development Effect on Work Satisfaction and Employee Performance

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This study aims to analyse career development influencing turnover on reward over career development affecting on job satisfaction. The correspondent survey was used in this study over contract employees in the Indonesian Conventional Bank, which is have 25 million employees. The number of correspondent survey was used to analyse using SEM method with LISREL 8.0 program over 255 employees. The analytical model was used in this research to descriptive the analysis result. The results of this study are expected to be able to prove the relationship between career development and reward for the turnover intention in Indonesian contract employees in the Conventional Bank with job satisfaction by intervening variable. The result shows the basis of company policy to reduce the level of turnover intention in contract employees through by improving career development, giving fair rewards, and creating satisfactory working conditions.

**Keywords:** Career development, Job satisfaction, Turnover intention, Conventional Bank.

## 1. INTRODUCTION

Banking as a company engaged in business also Financial Services business and gives priority services to the public and employees [1]. This business sector is very influential on employee performance in serving customers. The level of employee is turnover is still an interesting discussion, the most intense and important at this time even in the future because the company will not develop without employees especially employees who have a good performance record. The expert employees in company products can be produce a product over company. The substitution system its one of the causes of moral decline and decreased productivity. This is an important issue for employees, and most professional employees [2]. The turnover impacts over surviving employees is the large number of coworkers who leave the company voluntarily (voluntary turnover), makes surviving employees re-evaluate their work and then decides whether to follow in the footsteps of their coworkers or remain in the company.

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However, if what happens a lot is involuntary turnover while the employee still wants to stay afloat, then he will try to improve his performance so as not to be laid off by the company [3].

Research on employee turnover intentions in Indonesia is often linked to work stress and organizational commitment. However, in this study a different approach by linking turnover intention with career development and job satisfaction [4, 5]. This study examines further from the initial research which found that in the dimensions of organizational career growth was negatively related to employee turnover intentions [5]. Research on job satisfaction with return intention included the work satisfaction has a significant and positive relationship with three dimensions of organizational commitment and a significant negative effect on turnover intention and job satisfaction with relationship to organizational commitment [6]. This result is supported by other research that found that job satisfaction and organizational commitment significantly influence the intention to move through leadership

behavior [7]. Other studies found that the Big-Five personality traits (Openness to experience, Conscience, Extraversion, Agreeableness, and Neuroticism) have effects on turnover intentions and satisfaction proven to mediate relationships [8, 9]. In addition, job satisfaction is also proven to mediate the relationship between procedural and distributive justice and the intention to move research. Based on the background that has been disclosed above, this study aims to find out how the influence is formed from the relationship of career development and appreciation for turnover intention with job satisfaction as an intervening variable.

## 2. METHODOLOGY

### A. Relationship between Career Development with Work Satisfaction

The results of previous studies found consistently that career development has a positive effect on employee job satisfaction [10]. Here, career development is the process of increasing the ability of individual jobs achieved to achieve the desired career [10]. From this explanation, it can be understood that career development is a continuous process that is passed through an individual through personal efforts to realize career planning goals that are tailored to organizational conditions. the conditions that occur to employees when a career in the company is achieved as expected, then employees will get satisfaction at work.

### B. Relationship between Work Satisfaction over Turnover Intention

Job satisfaction is one of the most important and significant variables in organizational behavior and work organization. This is the general attitude of an employee towards his job. The higher job satisfaction, the more likely the workers will have a positive attitude towards their work, and the more likely it is to commit to the organization [11]. In addition, job satisfaction is proven to negatively affect turnover intentions. The greater the satisfaction felt by employees, the less likely they are to make a move intention [11, 12, 13].

### C. Relationship between Career Development and Turnover Intention

The results of previous studies indicate that there is a negative relationship or inverse relationship between career development and employee turnover intentions. Career growth on the dimension of the speed of Promotion and Remuneration is the most important factor that has a high direct impact on the intention to leave Employees [14]. The results of other studies found that career development has a significant negative effect on the turnover intention with job satisfaction as a mediating variable [15]. The better career growth felt by employees, the greater the perceived satisfaction will reduce the desire to leave the organization. Based on this understanding, the hypothesis can be assessed as follows :

*H<sub>1</sub>: Career Development has a positive effect on Employee Work Satisfaction.*

*H<sub>2</sub>: Work Satisfaction has a negative effect on Employee turnover intention.*

*H<sub>3</sub>: Career Development has a positive effect on Employee turnover intention.*

*H<sub>4</sub>: Work satisfaction has a negative effect in mediating the relationship between career development and Employee turnover intention*

Figure 1 shows the conceptual framework model over four hypotheses in this study.

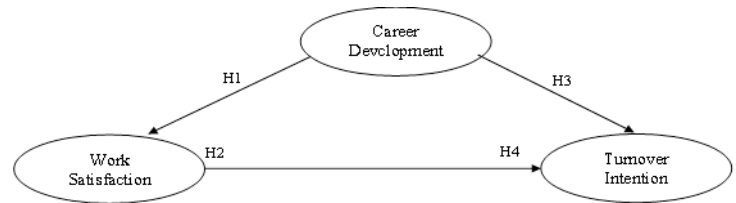


Figure 1. Conceptual Framework Model

## 3. RESULT AND DISCUSSION

### A. Descriptive Analysis

From the 255 questionnaire responses filled by the employees over Indonesian Conventional Bank Pamanukan Branch shows that the majority 58.4% of men, aged between 21-30 years by 69.4%, with the latest education degree (S1) of 71.8%, having a sufficient working period of between 1-5 years at 61.2% and having the status of a permanent employee at 49%. Here, all of the employees on productive age with fairly high education and have a long working period, so they have experience in handling banking business problems. The result of the descriptive analysis shows that the average rating of respondents towards the highest-rated variable occurs in the career development variable that is equal to 3,80 (high). The next sequence is job satisfaction assessment with an average of 3,62 (satisfied), reward with an average of 3,61 (good) and turnover intention with an average of 2.73 (low). The results of correlation analysis show that all variables correlate strongly with the dependent variable with a significance level of  $p < 0,01$ .

### B. Validity and Reliability test

The results of the calculation of the validity of all variables are known that the value of the loading factor is more than 0,5 and accumulates in each construct. This result is also supported by the KMO value of  $0.871 > 0,5$ . Thus it can be concluded that all items in this research instrument can be declared valid based on Construct Validity as for reliability testing using Cronbach's Alpha. If a construct that has an Alpha Cronbach's value is above 0,70 then the construct is declared reliable. The reliability results test questions shows variables of work motivation, job satisfaction and employee performance, can be summarized as a methods presented in table I.

Table I. Reliability Test

Variable	Alpha Cronbach's	Critical Value	Information
Career development	0.889	0.7	Good reliability
Job satisfaction	0.948	0.7	Good reliability
Turnover Intention	0.913	0.7	Good reliability

Source : data processed, 2019

Based on calculation result in Table I, that the Cronbach's Alpha coefficient value for the three variables of job satisfaction, career development, reward and turnover intention is greater than 0,7. With reference to the theory above, all items in the research variable are reliable. So that the items in the research variables can be used for further research.

### C. Goodness of Fit

Test the merit of this model using LISREL software version 8.8. The following goodness of fit index is showed in Table II.

Table II. GOF Result

Goodness of Fit Index	Results	Cut Off Value	Criteria
Likelihood Chi Square	237.07	122.1	
Probability	0.00000	$\geq 0.05$	Not good
GFI	0.90	0.9	Well
AGFI	0.85	0.9	Marginal
RMSEA	0.075	0.08	Well
ECVI Model	1.37	1.50	Well
AIC	302.85	306.00	Well
NFI	0.97	0.9	Well
CFI	0.98	0.9	Well
NNFI	0.98	0.9	Well

Source : data processed, 2019

From the results of the Goodness of Fit Index measurement above, it can be concluded that most parameters have met the expected requirements, and only one parameter is Chi Square which has a probability value  $< 0,05$ .

### D. Structural Test or Hypothesis Test

The quantitative analysis used in this study is Path Analysis. This path analysis model is used SEM LISREL 8.8 analysis showed in Table III.

Table III. Hypothesis Test Results

Hypothesis	Path coefficient	T Count	T Table	Remark
Career Development -> Work Satisfaction	0,50	8,48	$\pm 2.0$	Supported
Career Development -> Turnover Intention	-0,28	-3,28	$\pm 2.0$	Supported
Work Satisfaction -> Turnover Intention	-0,28	-2,79	$\pm 2.0$	Supported
Career Development -> Work Satisfaction -> Turnover Intention	-0,14	-2,69	$\pm 2.0$	Supported

Source : data processed, 2019

This analysis was chosen to determine the effect of gradual career development and reward on turnover intention through job satisfaction. As explained in chapter II, the hypotheses formulated in this study consisted of 4

hypotheses. The results of testing with LISREL 8.8 analysis can be seen the direct effect of career development on job satisfaction has a path coefficient of 0,50 and t arithmetic of 8,48 and t table ( $\pm 2.0$ ) so that t count  $>$  t table, so the relationship is significant. Thus career development has a significant positive effect on employee job satisfaction. This means that the better the career development effort at the Conventional Bank in Indonesia, the job satisfaction will increase so that it supports the first hypothesis of this study. The results of testing with LISREL 8.8 analysis can be seen the direct effect of career development on employee desires have a path coefficient of -0,28 and t arithmetic of -3,28 and t table ( $\pm 2,0$ ) so that t count  $>$  t table (negative sign is only the direction of the relationship ), so the relationship is significant. Thus career development has a significant negative effect on employee desires. It means that the better the career development in the Conventional Bank of Indonesia, the desire to leave employees will decrease. Thus the second hypothesis of this study is supported. The results of testing with LISREL 8.8 analysis can be seen the direct effect of job satisfaction on employee desires having a path coefficient of -0,28 t count of -2,79 and t table ( $\pm 2.0$ ) so that t count  $>$  t table (negative sign is only the direction of the relationship), so the relationship is significant. Thus job satisfaction has a significant negative effect on the desirability of employees. This means that the higher the level of satisfaction felt by employees of the Conventional Bank of Indonesia, the turnover intention will decrease. Thus the fifth hypothesis of this study is supported. The results of testing with LISREL analysis 8.8 can be known the indirect effect of career development on employee turnover intention through job satisfaction has a path coefficient of -0,14 t count of -2,69 and t table ( $\pm 2.0$ ) so that t count  $>$  t table (negative sign is only direction of the relationship) so that the relationship is significant. Thus job satisfaction is a variable that mediates the relationship between career development and employee desirability, with an indirect effect of -0,14. This means that the better career development in the Conventional Bank of Indonesia, the employee job satisfaction will increase so that the desire to leave employees from this organization will decrease. Thus the four hypothesis of this study is supported.

### E. Effect of career development on work satisfaction

Career development is not only very beneficial for an employee in carrying out his duties, but also for the company as a whole. The benefits of career development are developing employees who can be promoted, reducing employee turnover, uncovering employee potential, driving growth, satisfying employee needs and helping to implement agreed upon activity plans. The understanding of career development is a continuous process that is passed through an individual through personal efforts in order to realize the goals of career

planning tailored to organizational conditions when the employee career over company is achieved as expected, employees will get satisfaction at work.

#### *F. Effect of career development on turnover intention*

A career development has a negative influence on employee turnover intentions of Indonesian Conventional Banks. It means that the career development at company is not good then the desire to leave the employee will increase. The high level of turnover in the company will increasingly lead to various potential costs both the training costs that have been invested in employees, the level of performance that must be sacrificed, as well as the cost of recruitment and retraining. Employees in particular, the younger generation tend to put more emphasis on the growth of their careers. They tend to leave the organization more often to get breakthroughs for career advancement and growth. Employees who are lacking in their career development in an organization tend to leave the organization and look for better options.

#### *G. Effect of Work Satisfaction on Turnover Intention*

Work satisfaction is a feeling of work results that has been achieved. The results of research that have been done by several researchers previously stated that there is a strong relationship between job satisfaction and turnover intention. Job satisfaction tends to be increased if the salaries increase. Thus, the Equity Theory which states that job satisfaction depends on fairness felt by employees so that it will reduce his desire to leave the organization. Here, Job satisfaction is one of the most important and significant variables in organizational behaviour and work organization. The general attitude of employees towards work. The results of previous studies found that career development had a significant negative effect on turnover intentions with job satisfaction as a mediating variable. This can be interpreted that the better career growth felt by employees, the greater the satisfaction felt by employees so that it will reduce the desire to leave the organization.

## 4. CONCLUSIONS

The results of the study that career development has a significant positive effect on employee job satisfaction, career development has a significant negative effect on employee turnover intention, Reward has a significant positive effect on employee job satisfaction, Reward has a significant negative effect on employee desire to leave, Job satisfaction has a significant negative effect on employee desire to leave. Career development has a negative effect on employee desires that are mediated by job satisfaction. The implications of the results of this study are expected to be beneficial for the Conventional Bank of Indonesia in order to improve employee career development program especially on indicators of professional ability development and speed of promotion which are rated according to the lowest employee answers. Professional skills can be done by providing training and

professional development of employees both with a clear schedule and standard sizes, so that the employee competence continues to increase from time to time. In addition, the promotion should be done in a fast period of time, according to the conditions and needs of employees, so that the bank's employees have a clear career path. Likewise, in case of increased the reward given primarily to indicators of work-life balance, because employee priorities are not only work priorities but also family needs. This is important because the working hours of the employees of the Conventional Bank of Indonesia, it takes quite a lot of time so that the time for his family is reduced quite a lot. For this reason, future programs need a balance between the work completed by employees and what the company provides employees for their families. Besides increasing employee job satisfaction is quite important for the company because it is proven capable of mediating the relationship between career development and reward with turnover intention. In terms of employee assessments, it shows that extrinsic satisfaction is the lowest satisfaction, so there needs to be an increase in extrinsic job satisfaction, for example, top management support for employee performance, technical assistance, and work guidance as well as recognition of work results achieved by employees.

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