Effects Of Career Development And Work-Life Balance On Employee Turnover Intention At PT XYZ Bandung

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Abstract: *This research examines the impact of career development and work-life balance on employee turnover intention at PT XYZ in Bandung. The study utilized a quantitative approach and gathered data from 129 employees through a questionnaire distributed using a probability sampling method employing simple random sampling. The collected data underwent analysis using descriptive analysis techniques and SEM-PLS analysis. The results revealed that career development and work-life balance significantly and negatively influence turnover intention. From that, PT XYZ must provide straightforward career development programs and ensure employees attain a work-life balance to minimize the turnover intention.*
Key Word*: Career Development, Work-Life Balance, Turnover Intention.*

I. Introduction

The increasingly massive business development creates various risks and opportunities for companies. Companies are required to adapt to the existing changes to sustain their business continuity. To ensure business continuity, companies must adapt to changes and focus on managing their human resources, specifically their employees. Proper employee management will foster loyalty and positive contributions to the company's progress. Companies that maintain relationships with their employees will increase loyalty and reduce employees' intention to leave the company [1]. Meanwhile, if a company fails to manage a good relationship with its employees, it will lead to laziness and make them move or leave the company [2]. Employees' wanting to leave or quit the company means turnover [3]. Research shows that turnover affects 10%-12% of employees in Indonesia annually [4]. This phenomenon is also happening at PT XYZ.

Table 1. Employee Turnover at PT XYZ

Year	The Initial Number Of Employees	Total Of Incoming Employees	Total Of Outgoing Employees	Total of Employees	Percentage of Turnover%
2019	232	6	18	220	7,75%
2020	220	5	23	202	10,45%
2021	202	10	22	190	10,89%

Employees who initially have a solid attachment to the company often experience a change in perspective, leading to an increase in the employee turnover rate in the company [5]. Recent research indicates that the availability of career development opportunities significantly impacts an employee's likelihood to remain with a company; the more available options, the less likely an employee is to consider leaving [6].

Table 2. The Assessment Criteria Of PT XYZ

No	Scale	Grade Description
1	91 >	Excellent
2	80 - 90	Good
3	72 - 79	Average
4	66 - 71	Deficient
5	50 - 65	Insufficient

The crucial factors that impact the assessment of Employee Engagement at PT XYZ can be categorized to a five grade. A score within the 50-65 range is considered Insufficient, while a score between 66-71 is categorized as Deficient. Scores ranging from 72-79 are deemed Average, while those between 80-90 are considered Good. Lastly, any score over 91 is regarded as Excellent.

Table 3. Employee Satisfaction Score - Career Development Sub-dimension

Year	Grade
2019	70,65
2020	76,68
2021	77,02

According to the Employee Engagement Survey findings from 2019 to 2021, career development has consistently fallen below the minimum benchmark of 80, which signifies the necessity for further analysis. Moreover, the organization has acknowledged that the absence of equilibrium between work and personal life is significant in employee attrition. By emphasizing the importance of balancing employees' professional and personal commitments, the company can reduce employees' inclination to resign [7].

Table 4. Employee Satisfaction Score – Work-Life Balance Sub-dimension

Year	Grade
2019	75,22
2020	65,25
2021	68,71

Following the findings of the Employee Engagement Survey carried out by PT XYZ in the year 2021, it has become evident that the organization must prioritize its efforts toward achieving an improved work-life balance for its employees. The survey results indicate that work-life balance has remained consistently average over the past two years. The highest score of 75,22 was recorded in 2019, followed by a decline in subsequent years. The PT XYZ Forum Group Discussion 2021 outcomes support this conclusion, as employees from various departments have expressed their desire for the organization to improve this sub-dimension.

From the explanation, regarding the background and data found related to the phenomenon occurring at PT XYZ Bandung, the researcher intends to investigate further the influence of career development and work-life balance on turnover intention. The aim is to identify and evaluate the extent of the influence of these two variables as driving factors affecting turnover intention in the company.

II. Research Methods

A study at PT XYZ in Bandung analyzed using a quantitative method [8]. The research used a sample size of 129 employees out of a total population of 190 individuals. It used descriptive analysis, validity tests, and reliability tests with the help of IBM SPSS 23 software. The inner and outer models test using SMART PLS 3.0 software.

III. Result

Characteristics Respondent

After conducting a questionnaire with 129 participants, the results show that the respondents were primarily male (61%) and female (39%). In terms of age, the majority fell between the ages of 25-30 (36%), followed by those under 25 years (26%), over 40 years (23%), and over 30-35 years (15%). Most respondents reported being unmarried (61%) and married (39%). Education-wise, 57% had a bachelor's degree, 29% had a master's degree, 9% had a diploma, and 5% had a doctoral degree. As for work experience, the majority had worked for 1-3 years (35%), followed by over 5 years (29%), over 3-5 years (20%), and under 1 year (16%).

Descriptive Analysis

Based on the descriptive analysis of the respondents' feedback on career development, the average score is 75%, indicating a good level of implementation by the company. Meanwhile, the work-life balance category received an average score of 60%, which falls under the reasonably good category, indicating that employees currently have a relatively good work-life balance. Then the turnover intention received an average score of 54%, which falls the reasonably high, indicating employee's have a high turnover intention.

Model Testing

Structural Equation Modeling (SEM) is a powerful analytical tool combining two approaches, simultaneous equations, and psychometrics [9]. While simultaneous equations focus on prediction, psychometrics explains latent variables that are measured directly based on various indicators. This approach provides a high degree of flexibility in linking theory to data, making it an ideal tool for research studies. Another essential tool is Partial Least Squares (PLS), which aims to help researchers obtain values for latent variables. The PLS model defines latent variables as the result of linear aggregating related indicators. Researchers use weight estimates to create scores for latent variables based on the specification of the inner model and outer models' specifications [9]. Developing research problems is essential in creating a research model for scholarly study.
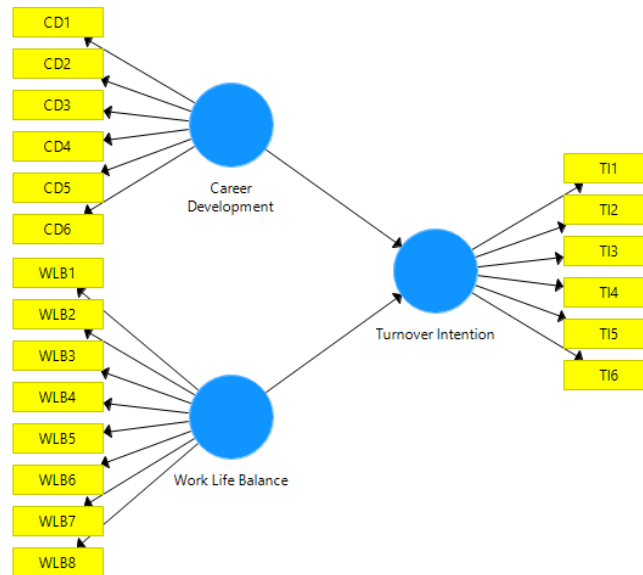

Figure 1. Research Model

Measurement Model Analysis

The measurement model establishes a connection between each group of indicators and related to hidden variables. It is judged based on three factors: convergent validity, discriminant validity, and composite reliability. These factors determine how effectively the indicators measure the underlying hidden variable.

Convergent Validity and Reliability

In PLS modeling, ensuring that the instruments used to measure constructs are valid and reliable is crucial. One way to check for convergent validity is by analyzing the correlation between indicators and their corresponding constructs must >0,70 [9]. An AVE >0,5 means good concurrent validity: to evaluate the reliability of indicators measuring a construct must >0,7 [9]. All indicators and constructs in this study meet these criteria.

Construct	Indicator	Factor Loading	AVE	Cronbach's Alpha	Conclusion
Career Development (X1)	CD1	0,870	0,741	0,930	Reliable
	CD2	0,852			
	CD3	0,873			
	CD4	0,837			
	CD5	0,864			
	CD6	0,868			
Work-Life Balance (X2)	WB1	0,855	0,828	0,958	Reliable
	WB2	0,850			
	WB3	0,795			
	WB4	0,844			
	WB5	0,863			
	WB6	0,893			
	WB7	0,858			
	WB8	0,798			
Turnover Intention (Y)	TI1	0,903	0,714	0,943	Reliable
	TI2	0,891			
	TI3	0,929			
	TI4	0,915			
	TI5	0,882			
	TI6	0,938			

Figure 2. Factor Loading, AVE, and Cronbach's Alpha Recapitulation Table

Discriminant Validity

Fornell-Larcker is one method to know discriminant validity. If the AVE values exceed the correlation, it demonstrates good discriminant validity [9]. Following the calculations, the model in this study meets the criteria.

Variable	Career Development	Turnover Intention	Work-Life Balance
Career Development	0,861		
Turnover Intention	-0,706	0,910	
Work-Life Balance	0,582	-0,700	0,845

Figure 3. Fornell Lacker Criteria

Structural Model Analysis

The inner model shows connections between variables and is tested with statistical analysis. It's used for academic research. These tests include testing R Square and Q Square.

R Square Test

	R Square	R Square Adjusted
Turnover Intention	0,625	0,619

Figure 4. R Square Results

The career development and work-life balance variables account for 62,5% of the turnover intention variable's variation. Other factors contribute to the remaining 37,5%. Overall, the values suggest that X1 and X2 moderately impact Y.

Q Square Test

	SSO	SSE	Q² (=1-SSE/SSO)
Career Development	774,000	774,000	
Turnover Intention	774,000	380,268	0,509
Work-Life Balance	1032,000	1032,000	

Figure 5. Q Square Results

The Q-square value analysis shows that a value >0 indicates a predictive model, while a value <0 indicates otherwise [9]. The Q-square value in the table is 0,509, indicating a good predictive model, so it means that the constructed model has a good observation values.

Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Career Development -> Turnover Intention	-0,452	-0,458	0,068	6,695	0,000
Work-Life Balance -> Turnover Intention	-0,436	-0,432	0,073	6,007	0,000

Figure 6. Hypothesis Results

Results show that Career Development and Work-Life Balance significantly and negatively impact turnover intention, with p-values less than 0,05 and sample coefficients of -0,452 and -0,436, respectively. Therefore, H1 and H2 are accepted.

IV. Discussion

The Impact of Career Development on Turnover Intention

Data shows that career development has a negative impact on turnover intention. The p-value coefficient is 0,000, below the critical value of 0,05, and the original sample coefficient is -0,452, confirming the hypothesis. The R-Square value of 62,5% indicates a moderate contribution. Higher career development levels lead to lower turnover intention, consistent with prior research [10]. Better career development offered by the company reduces turnover intention [11]

The Impact of Work-Life Balance on Turnover Intention

Data shows that work-life balance has a negative impact on turnover intention. The p-value coefficient is 0,000, below the critical value of 0,05, and the original sample coefficient is -0,436, confirming the hypothesis. The R-Square value of 62,5% indicates a moderate contribution. The better the work-life balance of employees, levels lead to lower turnover intention. These findings agree with the research that work-life balance influences employees' turnover intention [12]. That higher work-life balance among employees results in lower turnover intention [5].

V. Conclusion

After analyzing the data in the previous chapter, there exists a significant and moderate negative association between career development and turnover intention among the employees of PT XYZ Bandung. This suggests that an improved career development path translates into lower levels of turnover intention. Furthermore, the study reveals that work-life balance significantly and moderately influences turnover intention among the employees of PT XYZ Bandung, indicating that an improved work-life balance results in reduced levels of turnover intention. To tackle this issue, the company should offer clear and consistent career development initiatives while promoting work-life balance by implementing flexible policies, welfare programs, and open communication. Recognizing employee achievements is essential, which can boost engagement levels. By prioritizing these crucial factors, PT XYZ Bandung can cultivate a supportive and motivating work environment that encourages employee loyalty and dedication.

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