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THE INFLUENCE OF CAREER GROWTH AND JOB INSECURITY ON TURNOVER INTENTION OF OUTSOURCING WORKERS IN PORT SERVICES FIELD COMPANIES

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ABSTRACT

The purpose of this study was to determine the effect of career growth and job insecurity on turnover intentions on X company outsourcing workers in port services and to compare the influence of both independent variables on turnover intentions. This research was conducted on outsourcing workers with a total subject of 80 people. The data collection instrument used in this study is a questionnaire consisting of a translation of career growth measurement tools belonging to Weng and Hu (2009 in Weng et al, 2010), the global job insecurity measure (Mauno et al, 2001), and turnover intentions from Mobley et al (1978). Data analysis was performed using statistical techniques of multiple regression analysis with the help of IBM SPSS Statistics 21 software. Based on the results of the analysis obtained the R square value of 0.425 with a significance level of 0.00. These results indicate that career growth and job insecurity variables have a significant influence on turnover intentions. The comparison of the results of the two independent variables shows that career growth has a contribution of 45% with a coefficient of -0.641 and a significance level of 0.00. On the other hand, job insecurity has a contribution of 7.5% with a coefficient of 0.20 and a significance level of 0.852. Based on these results it can be concluded that the effect of career growth on turnover intentions is stronger than job insecurity.

KEY WORDS

Career growth, job insecurity, turnover intention, outsourcing worker, port services.

In the current industrial development, the growth of exports and imports of goods is growing rapidly. Countries that are agents of export and import of trade commodities must be able to adapt well in order to have a positive impact on the country's economy. One of the most important parts of the export and import process is the availability of port services and infrastructure. Indonesia is one country that has a considerable role in the world of export and import of trade commodities. Therefore, national and international ports operating in Indonesia are vital objects of the state.

As one of the vital objects of the state, the port needs to be managed optimally. Through a service company that manages port activities it is expected to be able to support the export and import trade flows in Indonesia. Service companies in carrying out their business are very dependent on the human resources they have. Human resources who have high quality can make maximum contributions to the organization. Thus human resources are an important capital for the organization in carrying out a port service business optimally.

When looking at the importance of the role of human resources for the organization, the company must pay attention to this component. One problem that needs to be considered by organizations in managing human resources is turnover. Based on a survey conducted by HayGroup (2013), the turnover rate in Indonesia was 25.8%. This figure is greater than the average turnover that occurred in the Asia Pacific region which is estimated to reach 24%. The high turnover rate in Indonesia can have both positive and negative impacts. Positive consequences can be accepted by the organization if the party that does

the turnover is a less competent employee. Perez (2008) explains that companies will benefit when substitutes for less competent employees have better qualifications. However, Sverke et al (2002) explained that what often happens is that turnover is done by employees who have good competence so that the organization bears the loss of turnover. Three negative impacts of turnover are cost overruns, operational disruptions, and decreased employee motivation. Thus the organization should start thinking about ways to keep employees from being tempted to leave the organization.

The turnover phenomenon that occurs in outsourcing workers in company X which is engaged in port services has increased. Based on the data obtained shows an increase in turnover from the previous year which was 8% to 13%. This increase is quite significant because Helen (2014; Radjasa, 2012) states that the highest turnover rate in the banking services sector is around 10-15%. Outsourcing workers are operational employees who work for other companies within a certain period of time and can be extended according to employee performance or organizational needs. The outsourcing workers offered by company X are workers who have special skills in operating port heavy equipment. Therefore, this phenomenon is quite disturbing the performance of service user organizations in providing port services both export, import and domestic.

Based on interviews with resource persons from company X explained that there were three factors that influenced employee turnover, namely job security, career growth, and the amount of incentives they received. Sverke et al (2006) explain that job insecurity occurs more often with non-permanent employees. Further, Van Vuuren and Klandermans (in Sverke et al, 2002), anxiety about the continuity of work in the future is the definition of job insecurity. Then, career growth is the possibility of employees to obtain promotions or additional abilities for career advancement (Weer in Karavardar, 2014). Based on previous studies, it was shown that turnover intentions were influenced by job insecurity (Blau et al., 2006; Sverke et al. 2002) and career growth (Karavardar. 2014; Weng & McElroy, 2012). In this study, the author tried to develop the research by comparing the strength of the influence of the two factors on different subjects and contexts. Thus company X can focus on one factor to control labor turnover.

LITERATURE REVIEW

In an effort to prevent turnover, organizations need to know the possibility of employees wanting to turnover through measuring turnover intentions. Ajzen and Fishbein 1980 (in Jeswani and Dave, 2012) intentions are important concepts to be studied because they are related to individual perceptions and drivers of behavior that will occur. Turnover intention is the desire of individuals to leave the organization or the work currently undertaken voluntarily (Jeswani and Dave, 2012). Several factors can influence one's turnover intentions including:

- Job Satisfaction. Job satisfaction is job satisfaction as an emotion arising from a positive assessment of the results of work obtained (Locke, 1969 in Perez, 2008). Yucel (2012) explains from the results of his research that satisfaction with turnover intentions.
- Organizational Commitment. A sense of trust from individuals towards organizational values and goals followed by individual efforts to do the best for the organization (Mowday et al, 1979 in Perez, 2008). The results of the study from Cooper-Hakim and Viswesvaran (2005 in Chughtai & Zafar, 2006) state that commitment has a negative correlation with turnover.
- Job Insecurity. Greenhalgh and Rosenblatt (1984 in Sverke et al., 2006) explain that job insecurity is a feeling of a person's inability to maintain his job in a threatening situation. Furthermore, the results of research conducted by Silla et al (2010) state that job insecurity correlates with job dissatisfaction, low commitment, and turnover intention.
- Career Growth. Jans (in Kim et al., 2015) explains career growth as an individual's awareness of opportunities to develop in an organization. Based on the results of a

study conducted by Jawahar (2012 in Kim et al., 2015) stated that career growth has a negative correlation with turnover intention. In other words, when an organization is able to provide good career opportunities for the employees it will make the employee stay in the organization.

- **Personality.** Personality is an individual factor that influences one's turnover intentions. In general, the personality type commonly used as a factor of turnover intention is big five personality. Big five personality consists of 5 personality types namely agreeableness, extraversion, conscientiousness, neuroticism, and openness to experience. Jeswani and Dave (2012) explain that agreeableness and extraversion have an influence on turnover intentions.

Career Growth is a person's perception of the opportunity to develop in an organization (Jans, 1989 in Weng & McElroy, 2012). This definition is supported by Weng (2010 in Weng & McElroy) by stating 4 dimensions possessed by career growth, namely the achievement of career goals, improvement in professional abilities, speed of promotion, salary increases. Career growth is a concept based on social exchange theory (Karavardar, 2014). In the career growth concept, social exchange theory is in the reciprocal relationship between work providers and workers. The relationship will be maintained even stronger if each of the needs can be met with each other.

Weng et al (2010 in Weng & McElroy, 2012) explain that there are 4 factors in career growth, namely:

- Achievement of career goals is the consideration of individuals regarding the opportunity to increase in accordance with the career goals set at the work done now.
- Professional proficiency enhancement is an opportunity that can be obtained by individuals to get new knowledge and skills from the current job.
- Promotion speed is the duration of the possibility of individuals to get a promotion or position in accordance with the hierarchy of organizational structures.
- An increase in wages is an individual's perception of the opportunity to obtain an increase in compensation. Increased compensation is not only in terms of quantity, but also how quickly the compensation increases.

Job insecurity is a feeling of someone's inability to maintain their existence at work in threatening situations (Greenhalgh and Rosenblatt, 1984, in Sverke et al, 2006). The concept of job insecurity is subjective because it is based on the perceptions and interpretations of each individual. At first, job insecurity was considered a motivator for employees at work. However, at this time job insecurity is more seen as a stressor because in the long term it can generate bad reactions to mental and physical health in individuals (Greenhalgh & Rosenblatt in Sverke et al, 2006).

There are several factors that are the background of the emergence of job insecurity that is suggested by Sverke et al (2006). These factors include:

- **Age.** Based on several studies showing that older employees have higher job insecurity levels (Hartley et al, 1991; Mohr 2000; Naswall & De Witte, 2003; in Sverke et al, 2006). Hartley et al (in Sverke et al, 2006) explain that this is because older employees will find it difficult to get a new job so the level of fear of losing a job becomes high.
- **Gender.** Based on the results of the study, male employees tended to be more worried about losing their jobs than female employees (Kinnunen, 1998; Rosenblatt et al., 199; in Sverke et al., 2006). This is because there is an assumption that the role of a man is a provider for his family. On the other hand, there are results that show that women who have a role as family providers also have a high level of job security (De Witte in Sverke, 2006).
- **Personality.** Individuals with external locus of control have a tendency to worry about losing their jobs. In addition, individuals who have high self esteem tend to have low job insecurity levels (Ashford et al, 1989; Hartley et al, 1991; Kinnunen et al 1999; Sverke et al, 2004; in Sverke et al, 2006).

- Socio-Economics. Employees who have low social status are also likely to have low salaries. Low status correlates with the low level of education. With the low level of education resulting in not many skills and knowledge obtained so that alternative jobs become fewer and fewer. This results in high fears of losing jobs to employees who have low status with low salaries (Frese, 1985; Kinnunen et al, 1999; in Sverke et al, 2006).
- Type of Contract. Employees with permanent or full-time contracts have lower job insecurity levels compared to contract employees. This is because employees with permanent contracts have legal agreements that if violated by the company can harm the company itself. Permanent employees will also feel an important part of the company compared to contract employees (Barling & Gallagher, 1969; Sverke et al, 2000; in Sverke et al, 2006).

Social Support. Lazarus and Folkman (1984 in Sverke et al, 2006) social support is one of the factors that can reduce stress. Job insecurity can be one of the stressor factors. Social support can be obtained from family, work colleagues, and labor organizations. Therefore, individuals who get social support will have lower job insecurity levels (Arnsperger-Cronin in Sverke et al, 2006).

The explanation above shows the alleged effect of career growth and job insecurity on turnover behavior that occurs in the outsourcing company X. Therefore, the author feels the need to prove these allegations by examining the factors that have been mentioned for turnover intentions in outsourcing workers who are still working in company X.

Hypothesis:

H1: There is an effect of career growth on turnover intentions in outsourcing workers in company X.

H2: There is an effect of job insecurity on turnover intentions in outsourcing workers in company X.

H3: Career growth has a stronger influence on turnover intentions in outsourcing workers in company X.

METHODS OF RESEARCH

Based on the data collection technique, this study included quantitative research with survey methods. This can be seen from the data collection process using the questionnaire. Based on the objectives of his research, this research is included in the type of explanatory research. The sample used as the subject of this study is outsourcing workers from company X. The subjects taken are outsourcing workers who have worked for at least 2 years. The qualification was taken because in accordance with article 59 paragraph 6 of labor law number 13 of 2003 that the renewal of a certain time work agreement can only be held after exceeding the 30 (thirty) day grace period for the expiration of a long time work agreement, renewal of the work agreement this particular time can only be done once and for a maximum of 2 years. Based on these qualifications, the total population in this study amounted to 80 people.

The sampling technique used in this study was the snowball sampling technique. Data collection in this study used 3 questionnaires. The first questionnaire was to measure career growth which is the result of the translation process of career growth instruments developed by Weng and Hu (in Kim et al, 2015). In this questionnaire there are 15 items with 4 dimensions of career growth. Reliability using stratified alpha obtained in this study was 0.93. The second questionnaire is the job insecurity questionnaire used in this study is the result of the process of transition from the global job security measure obtained from the article Mauno et al (2001). This instrument obtained Cronbach Alpha reliability value of 0.698. The third questionnaire is the turnover intention questionnaire used in this research which is the result of the translation process of turnover intention instruments compiled by Mobley et al (1978). This questionnaire has a reliability value of 0.871. The three questionnaires are in the Likert scale with ranges of 1 to 5. The data analysis technique used in this study is multiple

linear regression analysis techniques. This technique is used because the purpose of this study is to determine the effect of independent variables on the dependent variable.

RESULTS AND DISCUSSION

This study aims to determine the effect of career growth and job insecurity on turnover intentions on outsourcing workers in company X and compare the contribution of the influence of each independent variable. Based on the data analysis that has been done in this study, it is known that the variables of career growth and job insecurity have an effect on turnover intentions in outsourcing workers in company X. It can be seen from the significance value in ANOVA multiple linear regression modeling of 0.00 or smaller than 0.05. In addition, the influence of the independent variables on the dependent variable shows a value of 42.5%.

Based on the data analysis of each independent variable, the influence of career growth on turnover intentions was 0.641 with a significance of 0.00. This shows a significant effect of career growth on turnover intentions. The beta coefficient value of career growth variable towards turnover intention is negative so that the higher career growth given by the organization will reduce the turnover intention level. These results are in line with the results of research from Karavadar (2014), Shahzad et al (2011), and Weng and McElroy (2012) so that if the career growth is of low value, then turnover intention will be higher.

In the job insecurity variable, the influence on turnover intention is 0.20 with a significance of 0.85. This shows that the effect of job insecurity on turnover intentions is not significant. Based on the results of research conducted by Chirumbolo and Hellgren (2003), the effect of job insecurity on long-term consequences, one of which is turnover intention, is mediated by short-term consequences, such as unproductive behavior and absenteeism.

Based on the two results, it shows that career growth has a stronger influence on turnover intention than the effect of job insecurity. So far there have been no studies that support the results of this study, so the authors suspect that this result occurs because the variable career growth can directly influence turnover intention (Karavadar, 2014). On the other hand, the effect of job insecurity on long-term consequences, one of which is the intention to turn over, must be mediated by short-term consequences, such as unproductive behavior and absenteeism (Chirumbolo and Hellgren, 2003).

This research can not be separated from several weaknesses. These weaknesses are likely to influence the results of this study. One drawback of the study is the possibility of the existence of social desirability. Social desirability is the tendency of subjects to respond according to things that are socially acceptable. The absence of researchers when the subject filled out the questionnaire also became a weakness in this study. This is due to the possibility that the subject does not understand the intent of the statement stated in the questionnaire so that the answer is not in accordance with the actual conditions.

CONCLUSION AND RECOMENDATIONS

Based on the results of the research conducted, it can be concluded that a significant effect was found in the career growth variable towards turnover intentions but was not significant in the job insecurity variable. For this reason, the authors give suggestions to researchers who want to test the effect of job insecurity on turnover intentions in order to use mediation of unproductive behavior or absenteeism. In addition, this study can be enriched with additional social support for outsourcing workers by adding marital status to the demographic characteristics of the subject.

Another suggestion that can be given to company X is to add responsibility and duties to outsourcing workers. It aims to develop knowledge and skills for the workforce. In addition, with the addition of responsibilities and tasks, outsourced workers can get reward or incentive money. Especially for outsourced workers who operate specialized port equipment, companies can make changes to labor status and promotion systems (career paths) so that

there is clarity regarding employee status and career goals that can be achieved by outsourcing workers.

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