

TURNOVER INTENTION IN THE CEMENT INDUSTRY: A mediating model evaluation for future mitigation

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Abstract

In the industrial sectors, retaining millennial employees by optimizing organizational support and suitability of workload is important to maintain the company existence through human resources management, especially in the cement industry which requires employee with high-level integrity due to heavy work intensities. Therefore, this study conducted to analyze and determine the effect of perceived organizational support and workload on turnover intention, by using the mediating contribution of job satisfaction to permanent millennial employees in one of the cement industries in Indonesia. Recorded, as many as 100 permanent millennial employees from various departments has been participated. In term of feedback data responses, it analyzed by the assistance of IBM SPSS software and Smart-PLS latest version. Results found that fifth-relationships are in line with the research expectations while not to the other two. A quantitative approach with explanatory design was used, in which the data were collected throughout online method distribution by the assistance of google-form questionnaires. In the techniques of analysis, this study use Smart-PLS software latest version to assist structural equation model (Average Variance Extracted > 0,5, Composite Reliability > 0,7, HTMT < 0,85, and R-square > 0,33), and second order path-analysis ($T > 1,96$ & $P \leq 0,05$) while IBM SPSS latest version used to descriptive analysis.

Keywords: Job satisfaction; Perceived Organizational Support; Turnover Intention; Workload

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INTRODUCTION

In the Industrial sector, the tight competition have encouraged practitioners or corporate management to be more efficient and measurable in managing their human resources (Saddam & Hermansyah, 2023). According to Kmiecik (2022), human resource is the most valuable asset to achieving competitive advantage, because qualified human resources will be quick adapting on technological developments and era advancement. In the scope of cement industrial, Iheukwumere-Esotu and Yunusa-Kaltungo (2022) stated that even the machines and tools used in the production process were sophisticated and versatile, employees' skills in operations might be more important to ensure the right decisions to avoiding processing errors.

In this context, most of company could see how important to retaining employees in the cement industry, especially for millennial generation which considered as future of the company (Saidu et al., 2020). Saddam and Hermansyah (2023) argue that the millennial generation is one of the communities with the largest number who entering the work phase

today, they born ranging in the years of 1981 to 2000 (Aldino & Franksiska, 2021). As many as 50% of all generation in Indonesia will be takeover by millennial generation, in which 70% of them will entering the golden ages in the coming years of 2020 to 2030 (Aldino & Franksiska, 2021).

According to Cook (2021), millennial employees will look for the best career in their golden ages, in which the companies with lack of supports to their welfare could leave voluntarily. In the cases of this study, a strange phenomenon occurred for the last fifth years, in which the turnover rate of millennial employees steadily increases due to the company consolidation in the years of 2017 which impact on company system changes to centralized for the efficiency reasons. As an impact, it was cut several benefit and compensation massively that result in reducing employee welfare and satisfaction. Ironically, it is in-line with heavy workload which delegated to millennial employees, so that it is feel no longer relevant for job quantities and deadlines.

Prihadi et al (2021) found that the millennial generation who had heavy workloads would be more likely to leave the company voluntarily to look for a new job with relevant workload. Further, Cook (2021) stated that employee will enjoying their job when the benefits and welfare are achieved, because it is related to their work orientation. Several studies found that perceived organizational support have significant impacts on job satisfaction and turnover intention (Jahya et al., 2020; Prihadi et al., 2021; Rivai et al., 2019), these results confirm that the commitment of employees will be increase when the well-being and job satisfaction are achieved.

This study aims to determine and analyze the effect of perceived organizational support and perceived workload on turnover intention through mediating role of job satisfaction in one of the cement industries of Indonesia. Job satisfaction used for mediating variable due to several studies has proven job satisfaction is the most appropriate mediator for measuring turnover intention in various organization including cement industry (Hidayat et al., 2021; Indah et al., 2023; Islamy et al., 2021; Memon et al., 2020), because it is considered as a factor that continues to stick with employees when their decide to stay or leave (Peachey et al., 2014).

METHODs

This study directed to permanent employees in one of the cement industries in Indonesia, and as many as 100 participants recorded fill in questionnaires properly to help the research success. A quantitative approach with explanatory design was used, in which the data were collected throughout online method distribution by the assistance of google-form questionnaires (Masta & Riyanto, 2020). Stratified proportionate random sampling technique choose to find out ideal number of participants on each department (Hidayat et al., 2021), in which eight departments are included in this study.

Regarding to measurement scale, perceived organizational support was measure through eleven indicators which adopted from several related studies (Suárez-Albanchez et al., 2022), its including three dimensions such as management support, co-worker support, and supervisor support. Further, perceived workload was measured through thirteen indicators (Allen et al., 2008; Zahra et al., 2018), and job satisfaction indicators referring to (Dassanayake, 2022) with twelve items. Furthermore, turnover intention was measured by ten items from several references (Jawahar & Hemmasi, 2006; Kmiecik, 2022; Lakshani & Weerasinghe, 2020). All item indicators are packaged in the form of *Likert* scale ranging 1 to 5 (Sekaran & Bougie, 2016).

In the techniques of analysis, this study use Smart-PLS software latest version to assist structural equation model (Average Variance Extracted > 0,5, Composite Reliability > 0,7, HTMT < 0,85, and R-square > 0,33)(Zahra et al., 2018), and second order path-analysis ($T > 1,96$ & $P \leq 0,05$) (Hair et al., 2014), while IBM SPSS latest version used to descriptive analysis. Regarding to mediating contribution, Sobel Method have chosen as calculation references (Hu et al., 2022), in which the VAF score lower than 20% indicates low mediating contribution, and the VAF score ranging 20 to 80% indicates partial mediation effect, then over than 80% indicates full mediation effect (Hair et al., 2010).

RESULTS AND DISCUSSION

In the result sections, there are fifth point of view that begin from participants characteristic. The characteristics of participants were 58% female and 42% male. Dominantly, participants having ages in the range of 30 to 35 years old (81%), 11% ages ranging 35 to 40 years, and 8% ages ranging 25 to 30 years. Most of them have married (94%), 3% single, and 3% widow or widower, in which 46% of them having more than two dependents, 45% having less than two, and only 9% not yet having dependent.

The majority of participants well-educated at bachelor degree (74%), 15% master, 7% diploma III, and only 4% well-educated until VHS/SHS. The millennial employees who participated in this study can be categorized established employees, in which most of them have working experiences over than 7 years, with the corporate grading of BAND 4 (62%), 30% grading BAND 5, 6% BAND 3, and 2% BAND 2, the highest grading is BAND 1, but no participant from BAND 1 involved. Regarding to the monthly income, recorded 62% participants earned in the range of IDR 7,5 million to IDR 10 million, 30% less than IDR 7,5 million, and 8% earned over than IDR 10 million, in which 82% stated deal with their work-placement, while not yet to the other 18%.

Further, the second part that have to explain is participant responses regarding to the indicator proposed on each variable, and it shown in the figure 1 below. Turnover intention

has mean accumulative of 2,347 and it is classified low responses. As analyze, the value of responses to the turnover intention seems like gives the signal to the company about the potential for a turnover surge in the following years, because mean accumulative of turnover intention is almost in line with the mean accumulative for workload (2.430).

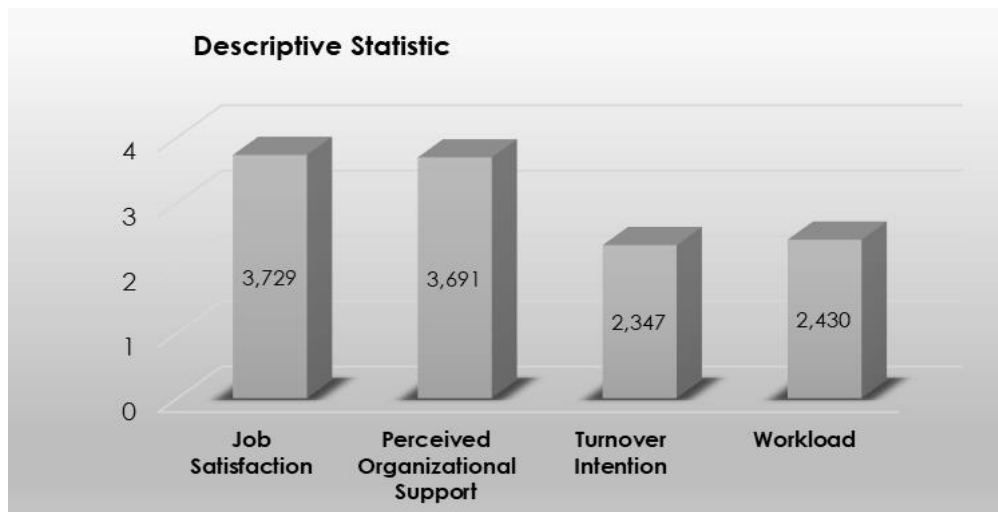


Figure 1. Descriptive Chart

On the other hand, participants responses to the perceived organizational support are included in the high category with an accumulative mean value of 3.691, it was confirmed that the company support to the millennial employees are classified adequate level and sufficient to help employees achieve their prosperity. Furthermore, participant responses to the job satisfaction stand in the highest accumulative mean value of 3.729, it can be concluded that overall expectations and reality of the benefits given are balances and stand in ideal category for the current workload.

In the third part, the measurement scale explains as to the only crucial point that became prerequisite of the model assessment, and it can be seen in the table 1 below, in which the references for convergent validity is Average Variance Extracted (AVE) scores (Yan et al., 2021), while discriminant validity refers to Heterotrait-Monotrait Ratio (Agustine & Nawangsari, 2020). Further, the reliability on each variable refers to composite reliability (Aggarwal et al., 2022).

Table 1. Measurement Model

	Average Variance Extracted	Composite Reliability	R-Square
Job Satisfaction	0.591	0.932	0.448
Perceived Organizational Support	0.531	0.916	
Turnover intention	0.700	0.910	0.600
Workload	0.558	0.843	

Source: Smart-PLS version 4.0.9

According to the table 1, all the variables can be stated pass the convergent validity and

reliability test, in which each variable had scores of Average Variance Extracted (AVE) > 0,5, and composite reliability > 0,9. Means that the items indicator on each variable classified peachy internal consistency and high accuracy. Further, to ensure the items indicator haven't double meaning, the discriminant validity by Heterotrait Monotrait Ratio (HTMT) shown in the table 2 below:

Table 2. Discriminant Validity (HTMT)

	Job Satisfaction	Perceived Organizational Support	Turnover Intention	Workload
Job Satisfaction				
Perceived Organizational Support	0.475			
Turnover Intention	0.749	0.617		
Workload	0.737	0.626	0.766	

Source: Smart-PLS version 4.0.9

According to the table 2 above, each variable can be stated pass the discriminant validity through Heterotrait-Monotrait Ratio (HTMT), it was proven by the constructs on each variable less than perquisite of 0,85. Further, the impact value of the model is 0,600 or equalize for 60% to turnover intention and 0,448 or equalize 44,8% to job satisfaction (Tabel 1), means that the model in this study classified strong impact. Furthermore, the path-analysis shown in the table 3, there are seventh relationships was measured by two-tail test, viz:

Table 3. Path-Analysis

	Original Sample	T Statistics	P Values	Significance
POS -> TI	-0.240	2.763	0.006	Yes
WL -> TI	0.263	2.021	0.043	Yes
POS -> JS	0.142	1.372	0.170	No
WL -> JS	-0.580	9.400	0.000	Yes
JS -> TI	-0.411	4.536	0.000	Yes
POS -> JS -> TI	-0.058	1.395	0.163	No
WL -> JS -> TI	0.238	3.919	0.000	Yes

Note: POS = Perceived Organizational Support, TI = Turnover Intention, WL = Workload, JS = Job Satisfaction

Source: Smart-PLS version 4.0.9

Path analysis that was conducted informs that POS and job satisfaction have significant impacts on turnover intention. As analysis, the company supports can be stated still rational with the workload given on each millennial employees to stabilizing turnover intention. High optimization of employee skills became a reason why the majority of employees felt they had been placed in the right divisions each, and it was impact on workload and company expectation felt lighter by the millennials. Further, this study also indicates that co-worker support has strengthen millennial employees to stay, it is due to cultural mutual-support that have been created in the company environment. On the other

side, millennial employees who are mostly married and have dependents might be thinking more to leave when the company can detect their proportional needs.

Wang et al (2020) stated that by knowing the millennials well-being expectation will gives easiness to the company management to retain their millennial employees through relevant and optimum organizational support. Masta and Riyanto (2020), also argue that millennial orientation to seeking new job is due to rationality of workload given and company expectation overall. As rational of workload given to the millennials, as result in low turnover intention, vice versa (Masta and Riyanto, 2020). These findings are in-line with several previous studies related to relationship between POS, workload and turnover intention (Gayatri, 2020; Manurung & Sihombing, 2023; Suárez-Albanchez et al., 2022; Takaya et al., 2020), where the majority of them states that workload and POS are the two crucial factor which inter-connected in affects employees decision to stay or leave.

In the context of turnover intention, there are several expert also found that job satisfaction has a strong impact on it (French et al., 2020; Hidayat et al., 2021), as similar with this finding. It is due to job satisfaction has considered as references point to millennials orientation. Job satisfaction also found affected by workload but not to the POS. As thing stand, it is due to millennial employees in this study are categorized established employees with an average level of working experiences more than seventh years, have married, and well-studied at bachelor degrees. So that, they had strong awareness and understanding about the company strategy and ongoing efficiency program which impact on centralized system since 2017. Reducing in company support with existing workload capacities in this study does not affects millennials job satisfaction. In this case, millennials engagement is detected quite strong.

In this part, the supporting literacy about relationship and POS and job satisfaction is not found, but the opinions of Mokhtar et al (2019); Oktavio et al (2020) and Yuliani et al (2021) have strengthen this finding, in which they states that un-optimum POS will not affects job satisfaction strongly when the majority of employees having strong engagement due to cultural and personal orientation. Meanwhile, in the relationship between workload and job satisfaction, this finding is in-line with several previous literatures which confirms that workload is a references point to the millennials orientation on their job satisfaction, vice versa (Anasi, 2020; Bazazan et al., 2019).

Furthermore, job satisfaction also measured to knowing how strong it is role to the relationship between POS, workload and turnover intention in cement industrial for the millennials. This study confirms that mediating role of job satisfaction has strengthen the relationship between workload and turnover intention but not to the relationship between POS and turnover intention. These findings can't be underestimated due to it potentially gives bad surprise for turnover boosting in the future caused by expectation and millennials needs

growth.

Therefore, important to the company to considering recruitment or enhancing company support in the coming years, because the current workload was very balance to the millennials perceived support, even the company support has decrease for the las fifth years. There are several supporting literacies support the role of job satisfaction in the relationship between workload and turnover intention (Hidayat et al., 2021; Lin et al., 2022). Meanwhile, the role of job satisfaction in the relationship between POS and turnover intention, was strengthen by the study of Takaya et al (2020), which stated that perceived job satisfaction from organizational support is not able to changes employee intention to seek new job due to personal orientation have changed (Takaya et al., 2020).

CONCLUSION

In the cement industry, global competitive interactions are rapidly growth, and it was giving an urgency signal to multi-national companies to retain their millennial employees in effective manner to avoiding employee unprofessional behavior, absenteeism, unproductive performance, irresponsible and even leave the company. Therefore, the ideal level of workload and organizational support must be a serious concern for cement companies in Indonesia, because several findings in this research provide a warning signal to the expectations growth and changing patterns of needs from the millennial employees. The cement companies of Indonesia suggested to take serious attention facing this challenge amidst the ongoing efficiency program to retain their millennial employees.

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