Effect Of Career Path On Organizational Sustainability Through Innovative Work Behavior

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ABSTRACT

Purpose: This study aims to determine and analyze the effect of Career Path on organizational sustainability mediated by innovative work behavior in manufacturing industry in Indonesia.
Methodology/approach: The method used in this research is descriptive quantitative method. The population in this study are all employees who work in manufacturing industry in Indonesia. With the structural equation modeling (SEM) analysis model, 110 samples were taken. The analysis technique in this study is Partial Least Square (PLS) using the smartPLS 3.0 program to test the hypothesis.
Findings: The results showed that there was a positive and significant effect of Career Path on innovative work behavior and organizational sustainability. There is an effect of innovative work behavior on organizational sustainability. Innovative Work Behavior can mediate the effect between Career Path and organizational sustainability in manufacturing industry in Indonesia.

Keywords: Career Path, innovative work behavior, organizational sustainability.

INTRODUCTION

Competition that occurs in the manufacturing industry as technology and information develops, or what is better known as the digital era, becomes increasingly fierce. Companies compete with each other to win the existing competition by producing goods that have various new innovations or developments of existing products that suit the needs and desires of consumers. This is in accordance with media reports from SWA Magazine which stated that to win the competition, companies must master information from both external and internal sides. According to him, there is a need for tools that are proven to be able to analyze costs, competitors, communicate and deliver quickly (Anastasia, 2022).

This research was conducted in the manufacturing industry in Indonesia, namely a processing industrial company that processes raw materials into semi-finished or finished goods. Manufacturing companies are synonymous with factories that use machines, equipment, engineering techniques and labor (sahamok.net, 2011; Iskamto, 2022, 2023). Manufacturing companies that produce goods to meet consumer needs must pay attention to the surrounding environment in their production process. Environmental pollution caused by the manufacturing industry often occurs in various regions in Indonesia, such as water, air pollution, plastic waste and so on.

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This is in accordance with Kompasiana media reports which state that the manufacturing sector often does not process their waste properly, it is not uncommon for production waste from the manufacturing industry to be thrown away carelessly and result in polluting the surrounding environment. Due to the many environmental issues that have emerged recently, environmental issues have become a topic that is often raised in various fields. Solid waste, pollution, sanitary conditions, and water quality are some of them. One environmental issue is the industrial sector, which has direct and indirect effects on the environment. The industrial sector requires land and other resources to function, but many of these businesses often neglect their social obligations to the environment, leading to environmental problems (www.kompasiana.com, 2023). From the above phenomenon, efforts are needed to make companies care more about the surrounding environment by encouraging companies to implement sustainable organizations. A sustainable organization is an organization that ensures that all activities and production processes take into account their impact on social and the environment. In business terms, organizational sustainability is associated with the continuity of economic, social (including cultural), and environmental issues (Ribeiro et al., 2016; Bosco & Moses, 2023; Ghazali et al., 2023; Hidayat & Muh. Abdul Aziz, 2022; Iskamto, 2023).

In another scope, corporate sustainability is an approach that aims to create long-term stakeholder value through implementing business strategies that focus on ethical, social, environmental, cultural and economic dimensions in running a business. The strategy created is intended to encourage longevity, transparency and proper employee development in business organizations. In this way, the company has principles and also has the ability to implement sustainability. A sustainable organization can be realized with a corporate social responsibility (CSR) program. According to ISO 26000 CSR is the responsibility of an organization for the impacts of its decisions and activities on society and the environment which is manifested in the form of transparent and ethical behavior that is in line with sustainable development and community welfare; taking into account the expectations of stakeholders, in line with established laws and international norms of behavior, and integrated with the organization as a whole (Rachman, 2011).

In an effort to increase the implementation of CSR by companies to promote sustainable companies, Indonesia and the world community have expressed their commitment to support and contribute to achieving global scale sustainable development goals in the Sustainable Development Goals (SDGs). The commitment to support the achievement of the SDGs was strengthened by the issuance of Presidential Regulation (Perpres) no. 59 of 2017 concerning Implementation of the Achievement of Sustainable Development Goals. This formulation is also called Global Goals, covering 3 (three) basic aspects in the principles of sustainability, namely Planet, People and Profit (3P), which are then translated into 17 goal formulations, as follows: 1) No poverty; 2) No hunger; 3) Healthy and prosperous life; 4) Quality education; 5) Gender equality; 6) Clean water and proper sanitation; 7) Clean and affordable energy; 8) Decent work and economic growth; 9) Industry, innovation and infrastructure; 10) Reducing inequality; 11) Sustainable cities and settlements; 12) Responsible consumption and production; 13) Handling climate change; 14) Ocean ecosystem; 15) Land ecosystem; 16) Peace, justice and strong institutions; and 17) Partnership to achieve goals (Sustainability Report, 2021). Sustainable organizations in this study can be influenced by innovative monkey behavior. Innovative work behavior refers to the ability to create an original idea, use work results as a potential idea and apply new ideas into work practices (Birdi, Leach, & Magadley, 2016). Innovative work behavior refers to an individual's ability to create new ideas and points of view, which are transformed into innovation (Dysvik, Kuvaas & Buch, 2014). Innovative work behavior possessed by employees can make employees recognize problems and overcome them by providing new solutions to be implemented in a company such as creating various innovations through discovering new ideas, creating new ideas that lead to environmentally friendly products, so that this can improve organizational sustainability.

This is in accordance with research conducted by Najib & Nawangsari (2021), Khodakarami & Zakaria (2015), which states that innovative work behavior has a significant effect on sustainable organizations.
Innovative work behavior and sustainable organization in this research can be influenced by career level. Career path is a process of increasing individual work abilities that is achieved in order to achieve the desired career. The aim of all career development programs is to match employee needs and goals with the career opportunities available in the company now and in the future (Rivai, 2015: 274). The career path that employees have during their career journey makes employees understand jobs better with different tasks and responsibilities. The career path you have can shape employee work behavior to be better for the benefit of the company, can provide input with new, innovative ideas and prioritize environmentally friendly products, so that this can influence employee innovative performance behavior to increase and at the same time can improve organizational sustainability. This is in accordance with research conducted by Bandar et al. (2019), Muchtar et al. (2021), Sulich et al. (2021) which states that career path has a significant effect on innovative work behavior and sustainable organizations. However, this is different from research conducted by Almagharbeh & Alalean (2023) which states that career path has no effect on organizational sustainability.

**LITERATURE REVIEW**

**Organizational Sustainability**

Sustainability is an important driver for decision making in management and business development in the future. A sustainable organization is an organization that ensures that all activities and production processes take into account their impact on social and the environment. In business terms, organizational sustainability is associated with the continuity of economic, social (including cultural), and environmental issues (Ribeiro et al., 2016). Another opinion states that organizational sustainability is the extent to which companies survive and thrive in the future, along with mitigation plans for possible harm to their business and the people around them. For example, a company may need to manage how to cultivate and maintain a diversity of revenue sources; This activity is related to capital management (Srisathan et al., 2020). Organizational sustainability is the ability of an organization to continuously learn, adapt and innovate to create value for stakeholders while minimizing negative impacts on society and the environment further according to (Freeman et al., 2010). Another opinion states that organizational sustainability is the organization's ability to build and maintain long-term relationships with all its stakeholders, including employees, customers, shareholders and society (Zen et al., 2023). Organizational sustainability can be a major factor in a company's ability to maintain competitive advantage (Gimenez, Sierra, & Rodon, 2012). By reaching out toward sustainability, organizations seek premarket legitimacy, increase their scope, and gain greater financial returns. In the context of organizational sustainability, the Triple Bottom Line (Elkington, 1999) was revealed, which advocates that the traditional business model, which only considers economic factors in company assessment, should be extended to a new model by also considering the environmental and social performance of the organization, as well as financial. The Triple Bottom Line offers guidelines for organizations to approach sustainability.

**Innovative Work Behavior**

Innovative work behavior is the application of something unique and new to be applied in one's work, innovative behavior not only includes innovation behavior in the personal work definition, but also includes the creation and implementation of innovation in the employee's department or at the organizational level (Feirong & Richard, 2016). McGruiirk (2015) states that innovative work behavior is the creation of business models, management techniques, strategies and organizational structures outside of existing ones. Innovative behavior refers to the ability to create an original idea, use work results as a potential idea and apply new ideas into work practices (Birdi, Leach, & Magadley, 2016).
According to De Jong & Kemp (2003), innovative behavior is an individual's action aimed at the interests of the company, in which employees introduce and apply their new ideas to benefit the company. Employee innovative behavior refers to an individual's ability to create new ideas and points of view, which are transformed into innovation (Dysvik, Kuvaas & Buch, 2014). The fundamental quality of innovation carried out by employees is how a person can find out problems in the learning process, generate ideas with creativity, then seek legal support and recognition, then apply them into work practice (Zhao & Shao, 2011).

Career Path

According to Simamora (2016: 505) career is a sequence of activities related to work and a person's behaviors, values and aspirations over the span of that person's life. According to Handoko (2016: 121) the definition of career is all the jobs (positions) that are held (held) during a person's working life. According to Rivai (2015: 274), career development is the process of increasing individual work abilities which is achieved in order to achieve the desired career. The goal of all career development programs is to match employee needs and goals with the career opportunities available at the company now and in the future. According to Irawan (2015: 159) career development is one of the functions of career management. The definition of career development is the process of identifying employee career potential and seeking and implementing appropriate ways to develop that potential. According to Siagian (2016: 164) the meaning of career development is increasing personal ability to realize one's career plans. In general, the career development process begins with evaluating employee performance. This process is commonly referred to as performance appraisal. From the results of this performance or work performance assessment, the company receives input that describes the employee's ability profile. From this input the company identifies various methods to develop the potential in question.

Research Hypothesis

A hypothesis is a temporary assumption that still requires further research to prove it. The proposed research hypothesis is:
H1 There is a positive and significant influence of Career Path on innovative work behavior in manufacturing companies in Indonesia
H2 There is an influence of Career Path on organizational sustainability in manufacturing companies in Indonesia.
H3 There is an influence of innovative work behavior on organizational sustainability in manufacturing companies in Indonesia.
H4 Innovative Work Behavior can mediate the influence between Career Path and organizational sustainability in manufacturing companies in Indonesia.
METHODS
The research method used is a quantitative descriptive method. Descriptive methods are used to study the who, what, when and how aspects of a topic. Simple descriptives involve a question or univariate hypothesis regarding, or stating something about, the size, shape, distribution, or existence of a variable. Cooper and Schindler (2015) explained that quantitative research tries to make accurate measurements of something. The population in this study were all employees who worked at manufacturing companies in Bekasi Regency. With the structural equation modeling (SEM) analysis model, then a sample of 50 people was taken. The data collection technique was carried out by means of a questionnaire. Questionnaires were distributed to employees of heavy equipment companies in Indonesia. The analysis technique in this research is Partial Least Square (PLS) using the smartPLS 3.0 program to carry out hypothesis testing.

RESULTS AND DISCUSSION (Results and Discussion)
Outer Model Evaluation
Evaluation of outer model includes construct validity testing (convergent validity and discriminant validity) and construct reliability testing. Validity tests are carried out to measure what should be measured and determine the capabilities of the instrument. Meanwhile, reliability testing is used to measure the consistency of measuring instruments in measuring a concept.

The following table shows the outer loading value for each variable indicator, AVE value, Composite Reliable value and Cronbach Alpha value:

<table>
<thead>
<tr>
<th>Variabel</th>
<th>Dimensi</th>
<th>Outer Loading &gt;0.7</th>
<th>AVE &gt;0.5</th>
<th>Composite Reliability &gt;0.6</th>
<th>Cronbach Alpha &gt;0.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Path (X)</td>
<td>Fairness</td>
<td>0.874</td>
<td>0.765</td>
<td>0.942</td>
<td>0.923</td>
</tr>
<tr>
<td></td>
<td>Attention</td>
<td>0.831</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Awareness</td>
<td>0.892</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interest</td>
<td>0.885</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Satisfaction</td>
<td>0.889</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovative Work Behavior (M)</td>
<td>Creating</td>
<td>0.880</td>
<td>0.783</td>
<td>0.916</td>
<td>0.862</td>
</tr>
<tr>
<td></td>
<td>Share</td>
<td>0.876</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Realization</td>
<td>0.899</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Sustainability (Y)</td>
<td>Economic</td>
<td>0.957</td>
<td>0.887</td>
<td>0.959</td>
<td>0.936</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
<td>0.937</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social</td>
<td>0.932</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sumber: Hasil Program SmartPLS 3.0, 2023

It can be seen in Table 2 that each research variable indicator has a value outer loading > 0.6. These results prove that the outer loading value meets the convergent validity requirements, where the outer loading value is between 0.5 - 0.6, as stated by Chin in Imam Ghozali (2015:39). It can be concluded that each dimension is declared feasible or valid for research use and for further analysis. Variable AVE value Career Path, innovative work behavior And organizational sustainability > 0.5. So it can be stated that each variable has met the requirements for good discriminant validity. Mark composite reliability research variables are >0.7. This means that all variables are reliable at a high level because they meet composite reliability. The Cronbach alpha value of each research variable is ≥0.7. In other words, each research variable has met the Cronbach alpha value requirements, meaning that all variables have a high level of reliability.
Inner Model Evaluation

Inner Model testing (structural model) which includes $r$-square output, parameter coefficients and t-statistics are used to test the hypothesis. Whether a hypothesis is accepted or rejected can be seen from the significance values between constructs, t-statistics and p-values. The value of this proof can be seen in the bootstrapping results. The T-statistic > 1.96 with a significance level of p-value of 0.05 (5%) and a positive beta coefficient are the rules of thumb used in this research. The results of the bootstrapping research model are depicted through the inner model below:

![Inner Model Diagram](image)

**Figure 2. Inner Model**

Path Coefficient Test

Testing path coefficient used to show how strong the effect or influence of the independent variable is on the dependent variable. Meanwhile, the determination coefficient (R-Square) is used to measure how much endogenous variables are influenced by other variables Figure 2. above shows the schematic inner model which explains that the largest t-statistic value is shown in the career path towards innovative work behavior of 23.094. Furthermore, the second largest influence is career path on organizational sustainability, amounting to 5.981. Meanwhile, the smallest influence is found in the variable innovative work behavior on organizational sustainability, amounting to 5.394. The results of the description above show that the independent variables in this research model have value path coefficient with positive numbers on innovative work behavior. This means that if the greater the path coefficient value is a positive number, the greater the path coefficient value for one of the independent variables on the innovative work behavior variable, the stronger the influence between the independent variables will be on the innovative work behavior variable. Independent variable against organizational sustainability In this model, the path coefficient value is also a positive number. This means that the greater the path coefficient value for one of the independent variables on the organizational sustainability variable, the stronger the influence between the independent variables will be on the organizational sustainability variable.

Model Goodness Test (Goodness of Fit)

**Table 3. R-Square Value**

<table>
<thead>
<tr>
<th>Variable</th>
<th>R Square Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

https://doi.org/10.54099/aijms.v3i1.849
Table 3 above shows that the value $R^2$ for the innovative work behavior variable it is 0.769. This value explains that innovative work behavior can be explained by the career path variable of 76.9%, while the remaining 23.1% can be influenced by other variables that were not studied. Then the organizational sustainability variable has an $R^2$ value of 0.890. This value explains that organizational sustainability can be explained by career path and innovative work behavior variables amounting to 89% while the remaining 11% can be influenced by other variables that were not studied, such as employee engagement, leadership style, work motivation, discipline, organizational culture and others.

Hypothesis testing

Table 4. Direct Influence

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Influence</th>
<th>Original Sample</th>
<th>T-Statistics</th>
<th>P-Values</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Career Path $\Rightarrow$ Innovative Work Behavior</td>
<td>0.877</td>
<td>23.094</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>Career Path $\Rightarrow$ Organizational Sustainability</td>
<td>0.518</td>
<td>5.981</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>Innovative Work Behavior $\Rightarrow$ Organizational Sustainability</td>
<td>0.455</td>
<td>5.394</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Source: SmartPLS 3.0 Program Results, 2023

Table 4 above shows that variable career path has a positive and significant effect on innovative work behavior with a value of 23.094 $> 1.96$. The career path variable has a positive and significant effect on organizational sustainability with a value of 5.981 $> 1.96$. The innovative work behavior variable has a positive and significant effect on organizational sustainability with a value of 5.394 $> 1.96$. Positive and negative influences can be seen in the original sample values.

Table 5. Indirect Influence

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Influence</th>
<th>Original Sample</th>
<th>T-Statistics</th>
<th>P-Values</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H4</td>
<td>Career Path $\Rightarrow$ Organizational Sustainability through Innovative Work Behavior</td>
<td>0.399</td>
<td>5.086</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Table 5 above shows that innovative work behavior can mediate the influence between career path and organizational sustainability of 5.086 $> 1.96$. This shows that career paths can improve organizational sustainability by involving innovative work behavior.
Discussion

Influence Career Path towards Innovative Work Behavior

The results of the research analysis show a t-value of 23.094 > 1.96. In other words, career path positive and significant effect on innovative work behavior. This means if career path has increased then innovative work behavior more increasing. The path coefficient obtained is 0.877, meaning career path contributed 87.7% to innovative work behavior, and the remaining 12.3% are other factors not studied. The career path that employees have during their career journey makes employees understand jobs better with different duties and responsibilities. Your career path can shape employee work behavior to be better for the benefit of the company, can provide input with new, innovative ideas and prioritize environmentally friendly products, so that this can influence employee innovative performance behavior to increase. The results of this study support research conducted by Bandar et al. (2019), Muchtar et al. (2021) which states that career path significant influence on innovative work behavior.

Influence Career Path towards Organizational Sustainability

The results of the research analysis show a t-value of 5.981 > 1.96. In other words, career path positive and significant effect on organizational sustainability. This means if career path has increased then organizational sustainability more increasing. The path coefficient obtained is 0.518, meaning career path contributed 51.8% to organizational sustainability, and the remaining 48.2% are other factors not studied. The career path that employees have during their career journey makes employees understand jobs better with different duties and responsibilities. The career path you have can shape employee work behavior to be better for the benefit of the company, can provide input with new, innovative ideas and prioritize environmentally friendly products, so that this can influence the organization's sustainability to increase. The results of this study support research conducted by Sulich et al. (2021) which states that career path significant effect on organizational sustainability. However, the results of this research do not support the research of Almagharbeh & Alalean (2023) which states that career path has no effect on organizational sustainability.

Influence Innovative work behavior towards Organizational Sustainability

The results of the research analysis show a t-value of 5.394 > 1.96. In other words, innovative work behavior positive and significant effect on organizational sustainability. This means if innovative work behavior has increased then organizational sustainability more increasing. The path coefficient obtained is 0.455, meaning innovative work behavior contributed 45.5% to organizational sustainability, and the remaining 54.5% are other factors not studied.

Innovative work behavior owned by employees can make employees recognize problems and overcome them by providing new solutions to be implemented in a company such as creating various innovations through discovering new ideas, creating new ideas that lead to environmentally friendly products, so that this can improve organizational sustainability. The results of this research support research conducted by Najib & Nawangari (2021), Khodakarami & Zakaria (2015), who state that innovative work behavior has a significant effect on organizational sustainability.

CONCLUSIONS

Based on the research results and explanations in the previous chapters, it can be stated that this research found that career paths have a positive effect on innovative work behavior in manufacturing companies in Indonesia. Likewise, this research found that career paths have an influence on organizational sustainability in manufacturing companies in Indonesia. Innovative work behavior influences organizational sustainability in manufacturing companies in Indonesia and innovative work behavior can mediate the influence between career path and organizational sustainability in manufacturing companies in Indonesia.

Suggestion

Academic

It is hoped that other researchers who will conduct research with similar themes and models can add other factors that can become variables that influence innovative work behavior and organizational
To enrich the research results, this research can be further developed by using other research objects that are not only limited to manufacturing companies in Indonesia.

**Practical**

Career path has been proven to have a significant positive effect on innovative work behavior. For this reason, it is recommended that career paths be further improved by providing equal career opportunities, increasing the role of supervisors to be more active, career paths are more transparent, so that employees have more innovative work behavior.

Career path has been proven to have a significant positive effect on organizational sustainability. For this reason, it is recommended that career paths be further improved by making efforts to be more open about information relating to career development in the company, so that organizational sustainability is further increased.

Innovative work behavior has been proven to have a positive and significant influence on organizational sustainability. For this reason, it is recommended that company management improve innovative work behavior by encouraging the creation of new ideas, modifying ideas, providing support, helping to implement and implement ideas, so that organizational sustainability is further increased.

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