



## The Impact of Career Development on Employee's Commitment at Oil Palm Plantation Company in Indonesia

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### ABSTRACT

This study aims to determine whether career development has an effect on employee commitment. This research is important for the sustainability of a company. This study adopted a quantitative analysis using simple regression analysis. The population of this study was 43 employees that are working at one of Oil Palm Plantation Company in Riau, Indonesia. Sampling frame was the list of employees working in all levels of management. Quota sampling was applied in carrying out to conduct the study. Collecting data in this study using questionnaires conducted by distributing questionnaires to the respondents. The data analysis tool (Statistical Package for Social Sciences (SPSS Version. 21.0) was used to analyze quantitative data and results. Finding indicated that there was the influence of career development on employee commitment. It also indicated that career development contributed to the increase in employee commitment. The better the career development program in one organization occur, the better the commitment of employee for that organization.

**Keywords:** career development, employee commitment

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### INTRODUCTION

The success and sustainability of an organization in the era of globalization and increasingly fierce competition is determined by the quality, abilities and talents of employees. The quality, ability and talent of employees can be seen from the ability of top management in managing and planning resources within the organization. Resources play an important role in improving or harming the organization. Good resource placement will have an impact on the progress of the organization and vice versa the wrong placement of human resources will have a bad impact on the organization (Iskamto 2020; Iskamto, Srimulatsih, and Ansori 2021). Pujiwati (2016) viewed that the most crucial aspect in an organization is human resources which are basically closely related to organizational progress, therefore it is important for every organization to plan and manage employee performance well. This management and planning can be carried out by conducting performance appraisals and providing opportunities for employees to be able to develop themselves by having a clear career advancement within the organization (Agusra, Lussianda, and Susanti 2021; Iskamto 2021; Iskamto et al. 2020). The regulation of performance appraisal and career advancement in an organization will have an impact on the better commitment to the organization that is owned by each individual in the organization. In addition, today's workers also want more than just jobs, today's workers want jobs that recognize interests, abilities, not only salary but also benefits and the need for other rewards as

well as skill improvement and career and position advancement (Adam et al. 2020; Morgan and Hunt 1994).

According to Greenhaus, et al in M.Kauni (2016) stated that career development is a continuous work process that is given to individuals who usually work in organizations. Career development is not only beneficial for employees or individuals, but also organizations. In other words, development planning, career development in an organization is very important for the progress of the organization. In addition, an employee who joins the organization certainly wants something he wants, needs in his career improvement in addition to the need for adequate salaries, wages and other awards. The development of good career planning within an organization will certainly improve the ability of employees to work and this will have an impact on the employee's commitment to the organization (Burton, Sørensen, and Dobrev 2016; Yadewani and Wijaya 2021).

Basically, employee commitment relates to individual goals in the organization and this has alignment with organizational goals where the better employee commitment to the organization will have an impact on achieving organizational goals. Employee commitment is one of the important factors in improving employee performance which is also related to the work of an organization (Management Department, Faculty of Business, Widya Mandala Catholic University, Surabaya, Indonesia et al. 2021). This company engaged in oil palm plantations is also inseparable from factors related to the discussion where the effects of career development and employee commitment also have a relationship with optimal work results or not in accordance with organizational goals. Therefore, this study aims to see whether there is an effect of career development on employee commitment in this organization (Agyeiwaah and Dayour 2021; Kerr 2017)

## **LITERATURE REVIEW**

### **Career Development**

Career development is an approach taken by organizations to ensure that people with the right qualifications and experience are available when needed, as it can benefit both the individual and the organization. Human resource development needs to be done, because it reduces the company's dependence on hiring new employees. Furthermore, Werther and Davis in Nasution, Fauziah Nami et al (2018) viewed that career development is an improvement for individuals who work in organizations to achieve the desired career. Dubrin (2002) also stated that career development is an activity that helps employees plan their future careers, their future in a particular organization so that both the employee and the organization can develop optimally. For employees who have worked for a long time, work is considered not only as a source of income but also something that makes an individual satisfied with other demands such as respect from others, competition with authority and higher positions, and so on (Ivancevich in Nasution, Fauziah Nami et al: 2018). According to Simamora (2007), effective career development will result in an environment of mutual trust, effective empowerment and commitment to the vision, mission and strategic goals (Rivai, 2006). In addition, career development is one of the efforts that must be made so that existing plans can produce satisfactory work performance (Abdullahi et al. 2015; Hameed and Waheed 2011)

### **Employee Commitment**

Meyer and Allen in Bhatti, K.K & Qureshi, T.M (2007) explain that employee commitment is a psychological state that shows an employee's relationship with the organization and this relationship has implications for the decision to continue wanting to stay or not in the organization. Furthermore, Pujiwati (2016) explained that employee commitment is the loyalty given by employees to the organization where they work. This form of commitment can have an impact on both parties by realizing their goals simultaneously. Employee commitment is considered as the relative strength of employees in identifying their involvement in the organization (Gordon, 2008). Employee commitment is a form of identification, loyalty and involvement expressed by employees towards the



organization or unit (Gibson, 2007). Organizational commitment is the level of trust and acceptance of employees towards organizational goals and has a desire to remain in the organization (Mathis and Jackson, 2008). Moreover, According to Reichers & Steer in Bhatti, K.K & Qureshi, T.M (2007) stated that employee commitment is related to individual goals in the organization and this has alignment with organizational goals where the better employee commitment to the organization will have an impact on achieving organizational goals.

## METHODS

This study adopted a descriptive analysis research and quantitative analysis using simple regression analysis. The population of this study was 43 employees that are working at one of Oil Palm Plantation Company in Riau, Indonesia. Sampling frame was the list of employees working in all levels of management. Quota sampling was applied in carrying out to conduct the study. Collecting data in this study using questionnaires conducted by distributing questionnaires to the respondents. The questionnaire method is a technique of data collection is done by giving a set of questions or a written statement to the respondent replied (Sugiyono, 2010: 199). The division is done by distributing questionnaires for data entry form to the employees. For career development (X), the researcher used 16 statements and for the employee commitment (Y), it used 11 statements to find the results in this study. The study used primary data for statistical analysis. The data analysis tool (Statistical Package for Social Sciences (SPSS Version. 21.0) was used to analyze quantitative data and results (Garson 2012).

## RESULTS AND DISCUSSION

The chapter presents the descriptive analysis, validity test, reliability test analysis, background information of the respondents, findings of the analysis based on the objectives of the study. Descriptive and inferential statistics were used to discuss the research findings. The study found that the respondent in this research were male for 77% and female for 23 % from total sample. The study also found and indicated that most of the respondent for 39,5% they were aged between 30 – 39, and the minority of respondents indicated that they were aged between 40 – 49 for 27,9%. The study found that majority of the respondents 53% had been working with their current employer for a period of less than 3 years and the minority of the respondents that had been working for 8 – 10 years only 9%. The mean for the career development was 65,63 and 43,09 for the employee commitment.

### Validity test

Validity test is used to measure the validity or validity of a distributed questionnaire. A questionnaire is said to be valid if the questions / statements in the questionnaire are able to reveal something that will be measured by the questionnaire. The statement is considered valid if the value of  $r_{count} > r_{table}$ . The calculated  $r$  value is obtained by looking at the corrected item-total correlation that can be obtained using the SPSS program. The value of  $r_{table}$  can be obtained from table  $r$  provided that  $df = (n-2)$  with the value of  $n$  is 43, so the value of  $r_{table}$  is 0.301. This study uses a significant level of 5% or 0.05. The following are the results of testing the validity of the work stress variable:

For the validity test, the study found out that the variables were valid. It can be seen in the table below:

Tabel 1: Career Development Validity Test

No	r-count	r-table	
1	0,335	0,301	Valid

2	0,547	0,301	Valid
3	0,632	0,301	Valid
4	0,369	0,301	Valid
5	0,598	0,301	Valid
6	0,723	0,301	Valid
7	0,705	0,301	Valid
8	0,713	0,301	Valid
9	0,665	0,301	Valid
10	0,670	0,301	Valid
11	0,501	0,301	Valid
12	0,679	0,301	Valid
13	0,586	0,301	Valid
14	0,628	0,301	Valid
15	0,559	0,301	Valid
16	0,513	0,301	Valid

From table 1, it is evident that all items of the career development variable have a greater r value than the r table. So it can be concluded that the items from the statement are valid and feasible to be used in research.

**Table 2: Employee Commitment Validity Test**

	<b>rcount</b>	<b>rtable</b>	
1	0,735	0,3008	Valid
2	0,599	0,3008	Valid
3	0,625	0,3008	Valid
4	0,741	0,3008	Valid
5	0,646	0,3008	Valid
6	0,850	0,3008	Valid
7	0,854	0,3008	Valid
8	0,567	0,3008	Valid
9	0,713	0,3008	Valid
10	0,711	0,3008	Valid
11	0,740	0,3008	Valid

From table 2 it is evident that all items of the employee commitment variable have a value of r greater than the r table. So it can be concluded that the items from the statement are valid and feasible to be used in research.

### Reliability Test

Reliability test is carried out to measure the degree of accuracy, precision, or accuracy shown by the measurement instrument. The questionnaire is said to be reliable if the respondent's answer to the statement is consistent or stable from time to time. A reliable questionnaire if the value of Cronbach's Alpha  $> .060$ . Reliability test using Cronbach's Alpha method is presented in table 3

**Table 3: Reliability Test**

Variabel	Nilai Cronbach Alpha	N of Item
Career Development	0,876	16
Employee Comitment	0,901	11

Based on the results of the reliability test in the table, it is known that the Cronbach's Alpha value of each research variable is  $> 0.60$ . Thus the data from the questionnaire answered by the respondent to the statement items submitted is reliable or trustworthy.

### Partial Test (t)

To prove the hypothesis, the t-test was used to determine the effect of the independent variable in explaining the dependent variable. The t-test can be known based on the data in the following table:

Table 4: t-Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-10,362	5,142		-2,015	,050
Career Development	,815	,078	,853	10,448	,000

a. Dependent Variable: SUMY

T test is used to test the effect of independent variables on the dependent variable individually. Hypothesis testing is done by comparing the significance value at alpha 5%. Significance value  $> 0.05\%$  then  $H_0$  is accepted, this means that there is no significant or significant effect of the career development variable on employee commitment. On the other hand, if the significance value is  $< 0.05\%$ , then  $H_0$  is rejected, this means that there is a significant or significant effect on the career development variable on work performance. From the results of the t test, the results obtained significance below 0.05%, which means that career development has a significant effect on employee commitment.

### Coefficient of Determination (R<sup>2</sup>)

To find out career development has an effect on employee commitment, it can be seen from the correlation value of the two variables.

**Table 5: uji R square**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,853 <sup>a</sup>	,727	,720	3,341

a. Predictors: (Constant), Career Development

From table 5, the coefficient of determination (R<sup>2</sup>) is 0.727 or 72.7%. Based on the results of the study, the coefficient of determination of the percentage variation of the influence given by career development on the employee commitment variable was 89.2%. While the remaining 72.7% is influenced by other variables not examined

Table 4 showed indicated that the significance value was 0.000 (sig. < 0.05) and regression coefficient value was positive so that Ho was rejected and Ha was accepted which indicated that there was the influence of career development on employee commitment. It also indicated that career development contributed to the increase in employee commitment. The result of this research was in accordance with the result of the research done by Ogaboh, Adkk (2010) which stated that career development had positive impact and influence the employee commitment. It indicated that the stronger the organization's plan to develop the career management, the better the employee commitment. On the other hand, the weaker the career development in an organization, the worse the employee commitment. It is also stated that In this era employees are no longer satisfied with just having a job. They want a career that expresses their interests, personality, abilities and harmony with the work situation. Employee loyalty to the organization depends on the extent to which employees satisfy their desires. Employee commitment is the extent to which management can effectively design and implement a good career development program within the organization.

In accordance with the explanation above, According to Pujiwati (2016) showed that the results of the research showed that employee's commitment is positively influenced by the career development. Employees were mostly unhappy with the present career development and find absence of clarity and transparency in its implementation. This study related with the study's Khan, Rajasekar, and Al-Asfour in Pujiwati (2016) revealed that the employees get demotivated when they are assigned to programs, which they do not find relevant and useful. Moreover, K. S.Li, Tong, C & Wong, A (2014) stated that Career Development has an impact or has an effect on Employee Commitment. The better an organization plans the development of human resources within the organization, the stronger the commitment given by the entity or individual within the organization.

From the table 5, the research also showed that the Rsquare on employee commitment was 0.727 which mean that 72,7% of employee commitment influenced by the career development in this organization.

## CONCLUSION

From the above results it can be concluded that career development is able to maintain the level of employee's commitment. The results showed that the significance value was 0.000 (sig. < 0.05) and regression coefficient value was positive so that Ho was rejected and Ha was



accepted which indicated that there was the influence of career development on employee commitment. It also indicated that career development contributed to the increase in employee commitment. The better the career development program in one organization occur, the better the commitment of employee for that organization.

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