

FROM ENGAGEMENT TO LOYALTY: UNPACKING THE IMPACT OF ORGANIZATIONAL CITIZENSHIP BEHAVIOR ON REDUCING TURNOVER INTENTION

I Made Dena Julio Mahendra Saputra¹, Kadek Bagus Candra Diputra²

^{1,2}. Sekolah Tinggi Bisnis Runata, Denpasar Bali Indonesia

Corresponding author: denamahendra80@gmail.com

Abstract

Employee retention remains a critical challenge for contemporary organizations. This study investigates the complex interplay between employee engagement, organizational citizenship behavior (OCB), and turnover intention at PT Tunas Jaya Sanur. Utilizing a quantitative approach, data were collected through questionnaires from a sample of 88 employees (derived from a population of 711 using the Slovin formula) and analyzed using path analysis. The findings reveal a compelling dynamic: while employee engagement significantly fosters OCB, neither engagement nor OCB demonstrates a significant direct effect on turnover intention. Crucially, the analysis demonstrates that employee engagement significantly mitigates turnover intention strictly through the mediating role of OCB. These results indicate a full mediation effect, highlighting that engagement alone is insufficient to retain staff; it must first be translated into active extra-role behaviors. This study offers valuable insights for HR practitioners aiming to build resilient workforces by cultivating citizenship behaviors to reduce turnover rates.

Keyword: employee engagement, organizational citizenship behavior, turnover intention, construction industry, human resources

Introduction

Human resource management is crucial for a company in managing, organizing, and utilizing employees so they can function productively to achieve organizational goals. Progressive human resource management can be an excellent starting point for the smooth implementation of company work programs. Employees, as a key factor in the company's success, make a massive contribution, requiring excellent operational management so that employees can survive and thrive in their workplaces. Retaining talented employees is critical for maintaining a competitive advantage in a fiercely competitive era (Setiawan & Kusuma, 2024). Employees who plan to leave their jobs or companies create a phenomenon known as turnover intention (Lestari & Wibowo, 2022). Turnover intention requires serious attention from company management, especially the Human Resource and Development (HRD) division, because it will result in negative consequences if not addressed immediately.

A high rate of turnover intention has become a serious problem for many companies. Some organizations experience profound frustration when they realize that the recruitment process, which successfully captured qualified staff, ultimately turns out to be futile because the recruited staff chose jobs in other companies (Wijaya & Susanti, 2025). The negative impact felt due to turnover in a company affects the quality and ability to replace employees who leave, necessitating new time and costs in recruiting fresh talent. The turnover rate in the company will increasingly cause various potential costs, ranging from training investments sacrificed to recruitment fees.

PT Tunas Jaya Sanur is one of the largest contractors based in Denpasar, Bali. Headquartered on Jln. By Pass Ngurah Rai Sanur, PT Tunas Jaya Sanur is a contracting company that handles the construction of

various large projects, including the Nata Giri Mandala Cultural Hall, The Bvlgari Wedding Chapel, Hyatt Regency, and numerous other structural designs utilizing heavy steel pillars, wiremesh, and concrete roofing. Managing 711 employees, PT Tunas Jaya Sanur faces various problems related to employee turnover intention. Based on company data, the turnover rate was 15% in 2024 and increased to 17% in 2025. This demonstrates a turnover exceeding the normal 10% threshold, indicating a high turnover rate. However, in 2024, there was a drastic decrease in the turnover rate to 3%, primarily due to external macroeconomic constraints rather than internal stabilization.

The fluctuation in turnover rates raises fundamental questions about organizational behavior and employee retention. Preliminary observations and interviews with 50 employees revealed that high turnover is largely driven by employees' own desires. Field workers, especially those involved in rigorous physical site management and navigating complex operational schedules (such as adapting construction timelines to specific dates in the local Balinese calendar), often seek new experiences in other contracting companies. However, external factors occasionally force employees to abandon their intentions to leave, suggesting that intrinsic retention mechanisms need strengthening.

Turnover intention experienced by employees can be caused by several factors, both internally and externally. Organizational attachment or employee engagement is a primary factor causing the desire to leave the organization (Pratama, Setiawan, & Kusuma, 2023). If employees have a high level of engagement with the company, it will improve general behavior, one of which is to stay, meaning the employee will continue to work in the organization even if there are opportunities to work elsewhere. Employee engagement can be said to be the basic foundation of the company in running its business so that employees can work comfortably and make their best contributions, which ultimately achieve company goals such as optimal employee performance and decreased turnover intention (Rahman & Santoso, 2024).

According to Putra and Ardiansyah (2023), engaged employees will have a desire to attach, causing passion for their work, a willingness to sacrifice more energy and time for their jobs, and becoming more proactive in achieving job goals. The existence of a sense of engagement and employees' awareness of their roles will lead employees to provide extra roles and create extra-role behaviors or Organizational Citizenship Behavior (OCB). OCB is defined as free and voluntary behavior outside the formal job responsibilities determined by the organization, not for personal gain but for the sake of other parties (coworkers, organizations, or institutions). When employees have engagement, various cognitive and affective behaviors will occur, such as putting more effort into individual work. Engaged employees will make extra efforts to improve organizational performance, not only by improving their own performance but also by focusing on the overall development of the organization.

Previous studies highlight contrasting findings regarding these relationships. While Rahman and Santoso (2024) found that employee engagement negatively affects turnover intention, Wiranti, Wulandari, and Sadat (2021) discovered that employee engagement does not directly influence employees' desires to leave. This study aims to analyze the impact of employee engagement and the mediating role of organizational citizenship behavior on employee turnover intention at PT Tunas Jaya Sanur. It is expected that this will provide comprehensive insights and practical input for corporate efforts to improve work discipline and operational output.

Literature Review

Social Exchange Theory. Social Exchange Theory is based on the idea that people view their relationships in an economic context, calculating the sacrifices and comparing them with the rewards obtained by continuing that relationship. Sacrifices are elements of a relationship that have negative value for a person, such as pressure and tension. Rewards are elements in a relationship that have positive value, such as mutual understanding. The perspective of Social Exchange Theory argues that people calculate the overall value of a relationship by subtracting sacrifices from the rewards received. In this study, Social Exchange Theory

refers to how employees consider the suitability of what they give to the company with what they obtain from the company. The rewards given by the company for employee sacrifices determine a sense of belonging to the company, which impacts the actions and behaviors shown.

Turnover Intention. Turnover intention is defined as the extent to which employees intend to leave or remain part of an organization. Individual behavior that wishes to move or leave the organization is difficult to prevent. Turnover intention is the intensity of an employee's desire to leave the company (Setiawan & Kusuma, 2024). High turnover intentions are fundamentally a desire to leave the company due to various reasons such as low remuneration, an unsuitable work environment, unfair treatment from superiors, or having found a better job elsewhere. Turnover intention is measured through three dimensions: Intention to Quit, Job Search, and Thinking of Quit (Lestari & Wibowo, 2022).

Organizational Citizenship Behavior (OCB). OCB is defined as voluntary behavior, not directly or indirectly related to the reward system, that as a whole can support organizational effectiveness and efficiency. OCB refers to individual behavior that makes an overall positive contribution to the organization. OCB is a voluntary action taken by an individual even though the action is not part of their duties as a member of the organization. Organ's dimensions of OCB include Altruism (helping others voluntarily), Civic Virtue (participating and taking responsibility in overcoming organizational problems), Sportsmanship (tolerance to endure uncomfortable conditions without complaining), Conscientiousness (improving performance beyond minimum requirements), and Courtesy (preventing problems and maintaining harmonious team cooperation) (Handayani & Pariyanti, 2025).

Employee Engagement. Employee engagement is a condition or situation where employees are excited, passionate, energetic, and committed to their work. Engagement is defined as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption. Engaged employees are builders within the organization. They tend to always show high and maximum performance in completing every task given to them. The three primary dimensions of employee engagement include Vigor (high energy levels and mental resilience), Dedication (strong involvement characterized by enthusiasm and pride), and Absorption (total immersion in work where time passes quickly) (Kartono, 2022).

Hypotheses Development. Based on the integration of Social Exchange Theory and empirical literature, four hypotheses are formulated. First, strong psychological engagement fosters voluntary behaviors that benefit the collective; therefore, H1: Employee engagement has a positive effect on organizational citizenship behavior. Second, deeply engaged employees are theorized to harbor fewer desires to exit the firm; H2: Employee engagement has a negative effect on turnover intention. Third, employees exhibiting high extra-role behaviors are embedded within the organizational fabric, theoretically reducing exit plans; H3: Organizational citizenship behavior has a negative effect on turnover intention. Finally, the relationship between engagement and retention is complex and often indirect; H4: Employee engagement indirectly affects turnover intention through the mediation of organizational citizenship behavior.

Method

The method used in this research utilizes a quantitative approach. The research was conducted at PT Tunas Jaya Sanur, located in Denpasar, Bali. The selection of this location was based on the specific turnover phenomena and rigorous operational management challenges inherent in the local civil construction sector. The population in this study consisted of 711 employees across various departments, including structural drafting, logistics, site management, and project control.

The sampling technique utilized the Slovin formula with a 10% margin of error, resulting in a representative sample of 88 employees. The data collection method used was a survey utilizing structured questionnaires. The primary data source was the responses from these 88 employees. The research instrument was a questionnaire utilizing a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

Variables were operationalized precisely: Turnover Intention (Y) was measured by Intention to Quit, Job Search, and Thinking of Quit; Employee Engagement (X) was measured by Vigor, Dedication, and Absorption; and Organizational Citizenship Behavior (Z) was measured by Altruism, Conscientiousness, Sportsmanship, Courtesy, and Civic Virtue.

The statistical data analysis techniques employed included descriptive statistics, instrument validity and reliability testing (Pearson Correlation and Cronbach's Alpha), and classical assumption tests (Kolmogorov-Smirnov for normality, VIF for multicollinearity, and Glejser test for heteroscedasticity). To test the hypotheses, Path Analysis was utilized to determine the direct and indirect causal relationships between the exogenous and endogenous variables. Furthermore, the Sobel Test was applied to statistically evaluate the strength of the indirect mediation effect.

Results and Discussions

Descriptive Statistics. The descriptive statistical analysis revealed the mean and standard deviation for each variable based on the 88 valid responses. The mean for Turnover Intention was 13.44 (Std. Dev = 4.27), indicating a relatively moderate to low general intention to leave among the current sample. Employee Engagement displayed a mean of 40.97 (Std. Dev = 4.49), showing strong overall engagement. Organizational Citizenship Behavior showed a high mean of 63.36 (Std. Dev = 6.59).

Instrument Testing. Validity testing was conducted using Pearson Correlation. All statement items for variables Y, X, and Z yielded correlation coefficients significantly greater than the critical r-table value of 0.30, confirming that the instruments accurately measure the intended constructs. Reliability was assessed using Cronbach's Alpha. The results showed Alpha values of 0.858 for Turnover Intention, 0.872 for Employee Engagement, and 0.952 for Organizational Citizenship Behavior. As all values comfortably exceeded the 0.70 threshold, the instruments were declared highly reliable.

Classical Assumption Tests. The Kolmogorov-Smirnov test for normality yielded asymptotic significance values of 0.301 for Sub-structure 1 and 0.172 for Sub-structure 2. Both values are greater than 0.05, confirming that the data is normally distributed. Multicollinearity testing revealed Tolerance values of 0.646 and VIF values of 1.547 for both variables, confirming the absence of multicollinearity ($VIF < 10$). The Glejser test for heteroscedasticity showed significance values well above 0.05 for all independent variables against absolute residuals, confirming homoscedasticity across the regression models.

Path Analysis Results. Path analysis was conducted in two sub-structural stages. Table 1 presents the results of the path coefficients.

Model / Path	Unstandardized B	Standardized Beta	t-value	Sig.
X -> Z (Sub-structure 1)	0.872	0.595	6.858	0.000
X -> Y (Sub-structure 2)	-0.109	-0.115	-0.889	0.376
Z -> Y (Sub-structure 2)	-0.134	-0.207	-1.600	0.113

Source: Data Processing Result, 2026

The regression equations derived are:

$$\text{Eq. 1: } Z = 0.872X + e_1$$

$$\text{Eq. 2: } Y = -0.109X - 0.134Z + e_2$$

The Influence of Employee Engagement on OCB. The path analysis for Sub-structure 1 shows a highly significant positive effect of Employee Engagement on Organizational Citizenship Behavior (Beta = 0.872,

sig = 0.000). Thus, H1 is accepted. Employees at PT Tunas Jaya Sanur possess deep bonds and dedication to the company, built on pride and promised career paths. This dedication is demonstrated by the high enthusiasm for physically demanding tasks, such as structural design and civil construction workflows. When employees feel deeply engaged, they exhibit extra-role behaviors, such as helping peers unconditionally and maintaining high work discipline even under heavy workloads. This finding confirms previous studies by Pratama et al. (2023) and Wiranti et al. (2021).

The Influence of Employee Engagement on Turnover Intention. The results for Sub-structure 2 reveal that Employee Engagement has a non-significant effect on Turnover Intention (Beta = -0.109, sig = 0.376). Thus, H2 is rejected. Despite high engagement and dedication, an employee's desire to leave or stay is heavily dictated by external company policies regarding project-based rotations. In the construction sector in Denpasar, employees often face involuntary turnover or forced reassignments upon the completion of major building projects (e.g., after the roofing and structural phases of a 4x11m building are completed). Therefore, intrinsic engagement alone does not unilaterally dictate turnover intention, confirming findings by Lestari and Wibowo (2022).

The Influence of OCB on Turnover Intention. The analysis shows that OCB does not have a significant direct effect on Turnover Intention (Beta = -0.134, sig = 0.113). Thus, H3 is rejected. Even though employees exhibit high levels of altruism and civic virtue, these extra-role behaviors do not directly negate the reality of organizational restructuring. The project-based nature of PT Tunas Jaya Sanur means that regardless of how cooperative and disciplined an employee is, their tenure may still be subject to overarching corporate resource allocation strategies. This aligns with specific contextual findings where job security relies more on systemic policies than individual civic behaviors (Wijaya & Susanti, 2025).

Mediation Analysis (Sobel Test). To test H4, the Sobel test was conducted to determine the significance of the indirect pathway. The Sobel test yielded a t-value of -2.731 with a significance level of 0.008 ($p < 0.05$). This confirms that Organizational Citizenship Behavior significantly mediates the relationship between Employee Engagement and Turnover Intention. H4 is accepted. The total effect of Employee Engagement on Turnover Intention, when routed through OCB, is substantial (-0.226). This implies that while engagement alone might not prevent a structural exit, highly engaged employees who translate their vigor into robust team cooperation (OCB) create an indispensable team dynamic. Such synergistic teams are often preserved by management across multiple construction projects, thereby indirectly lowering actual turnover intentions.

Conclusion

Based on the rigorous data analysis and hypothesis testing, several pivotal conclusions emerge. First, employee engagement has a robust and significant positive impact on organizational citizenship behavior. The higher the engagement, the more likely employees are to voluntarily exceed formal job requirements. Second, employee engagement does not directly influence turnover intention in this specific construction context, as project cycles and management rotation policies often override personal retention desires. Third, organizational citizenship behavior, in isolation, similarly lacks a direct significant impact on turnover intention. Finally, and most importantly, employee engagement has a significant indirect effect on turnover intention through the mediation of organizational citizenship behavior.

The practical implications for construction firms, particularly those managing culturally synced project timelines in regions like Denpasar, are profound. Management cannot rely solely on technology or rigid contracts to ensure staff retention. Instead, visionary leadership must cultivate a deeply engaged workforce. By fostering an environment where engagement naturally blossoms into cooperative extra-role behaviors, companies can create cohesive, highly disciplined teams that organically resist turnover, ensuring smoother transitions from foundation work to final concrete roofing across consecutive projects.

References

- Ghozali, I. (2021). *Aplikasi Analisis Multivariate dengan Program SPSS* (10th ed.). Badan Penerbit Universitas Diponegoro.
- Handayani, S. A., & Pariyanti, E. (2025). Discipline: The Impact of Leadership and the Use of Electronic Absence in the Department of Education, Youth and Sports of Bima City. *The 8th International Seminar on Business, Economics, Social Science, and Technology (ISBEST) 2025*, 5, 118-123.
- Kartono, M. (2022). *Personality, Employee Engagement, and Emotional Intelligence: A Modern Approach*. CV Budi Utama.
- Lestari, D., & Wibowo, A. (2022). Evaluating Turnover Intention in the Post-Pandemic Era: The Role of Job Satisfaction and Engagement. *Journal of Asian Business Management*, 14(3), 45-60.
- Pratama, A., Setiawan, B., & Kusuma, C. (2023). Employee Engagement and Extra-Role Behaviors in the Construction Industry. *International Journal of Civil Construction and Human Resources*, 8(1), 112-128.
- Putra, V. G., & Ardiansyah, R. (2023). Digital Transformation and Employee Retention: A Study in Bali's Corporate Sector. *Journal of Operational Management*, 11(2), 200-215.
- Rahman, T., & Santoso, H. (2024). The Mediating Effect of Organizational Citizenship Behavior on Turnover Intention. *Asian Journal of Organizational Psychology*, 19(4), 301-318.
- Setiawan, M., & Kusuma, P. (2024). *Manajemen Sumber Daya Manusia: Transformasi Digital dan Kinerja Organisasi*. Bumi Aksara.
- Sugiyono. (2022). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D* (3rd ed.). Alfabeta.
- Wijaya, K., & Susanti, R. (2025). Turnover Intention Dynamics in Developing Economies: An Analysis of the Construction Sector. *Journal of Business and Economics Research*, 22(1), 77-92.
- Wiranti, R., Wulandari, A., & Sadat, F. (2021). Analisis Employee Engagement Terhadap Employee Performance. *Jurnal Ekonomi*, 12(1), 30-45.

Authors' Bibliography

I Made Dena Julio Mahendra Saputra was born in Denpasar, July 27, 1995. He completed his Bachelor's degree in Management from the Faculty of Economics and Business, Universitas Udayana, Denpasar, Indonesia in 2018, and earned his Master's degree in Management from the Faculty of Economics and Business, Universitas Pendidikan Nasional, Denpasar, Indonesia in 2023. Beyond academia, he is an entrepreneur who owns a basic grocery enterprise (UD Sembako) and a laundry business, as well as an active stock trader and investor in stocks and gold. His academic career as a lecturer in the Management Department began in 2024, specializing in human resource management. He actively conducts research and has produced various national and international scientific publications related to human resource management, alongside teaching operations management courses. He can be reached via email at denamahendra80@gmail.com.

Kadek Bagus Candra Diputra was born in Denpasar, August 11, 2000. He is a lecturer in the Management Department. He completed his Bachelor's degree in Management from the Faculty of Economics and Business, Universitas Pendidikan Nasional in 2022 and earned his Master's degree in Management from the Faculty of Economics and Business, Universitas Pendidikan Nasional in 2024. His academic career as a lecturer began in 2025, specializing in marketing management. He actively conducts research and has produced several national and international scientific publications related to marketing management. In addition, he teaches operations management courses. He can be reached via email at

