Career Development as a Mediating Factor in Employee Performance Factors

Verry Atmanegara, Yohny Anwar, Kholilul Kholik

Abstract

This study aims to analyze the effect of competence, training, and work discipline on employee performance with career development as an intervening variable at PT Adhi Karya (Persero) Tbk. The research method used is a quantitative approach with data analysis techniques using Partial Least Square (PLS). The sample in this study consisted of all employees totaling 50 respondents using a saturated sampling technique. The results show that competence and work discipline have a positive and significant effect on performance and career development. Meanwhile, training does not have a significant effect on performance, but has a significant effect on career development. Career development is proven to have a positive and significant effect on performance. In addition, indirect testing shows that competence and work discipline have a significant effect on performance through career development, while training does not have a significant effect on performance through career development. Thus, it can be concluded that career development is able to mediate the effect of competence and work discipline on performance, but has not been able to mediate the effect of training on performance. This study is expected to contribute to the company in improving employee performance through enhancing competence, work discipline, and more effective career development management.

Keywords: Competence, Training, Work Discipline, Career Development, Performance.

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Introduction

Human resources are the main asset in determining the success of an organization, because humans are the primary drivers of all company operational activities. Therefore, companies need to ensure that their employees are able to perform optimally so that organizational goals can be achieved effectively and efficiently. The complexity of the projects managed requires the company to have employees who not only possess high technical skills but also have discipline, commitment, and readiness to continuously develop following the increasingly advanced dynamics of the construction industry. Employee performance is one of the main indicators in assessing organizational success. High performance reflects the effectiveness of employees in completing tasks according to their responsibilities. Conversely, low performance will negatively impact productivity, work quality, and project completion delays. In an effort to improve employee performance, several factors influence it, including competence, training, and work discipline. Competence is a combination of knowledge, skills, and attitudes possessed by employees in carrying out their work. Employees who possess high competence will be better able to understand their tasks, complete work accurately, and face various problems that arise in the field. Therefore, competence is an important factor that every employee in the organization must possess. Training is a learning process aimed at improving employee abilities, both technical and non-technical. In the ever-evolving construction industry, training is very important so that employees can keep up with technological developments, work methods, and continuously updated work safety standards. Effective training will be able to improve work productivity, reduce errors in work, and improve the quality of employee work results. On the other hand, work discipline is also a factor that greatly influences employee performance. Work discipline reflects the level of employee compliance with applicable rules and procedures in the organization. Employees with high work discipline will show a sense of responsibility, punctuality, and consistency in completing work. Conversely, low work discipline can cause various problems such as work delays, rule violations, and decreased work productivity. However, in improving employee performance, not only factors of competence, training, and work discipline need to be considered, but also career development. Career development is a process carried out by organizations to improve abilities and provide opportunities for employees to achieve higher career levels. Career development also acts as an intervening variable that can strengthen the relationship between competence, training, and work discipline on employee performance. When employees see clear and transparent career development opportunities, they will be more motivated to improve their abilities and show their best performance. Conversely, if career development does not go well, employees tend to lose motivation, which has an impact on declining performance. One observed phenomenon is the persistent competency gap among employees. Not all employees have abilities that match job demands, especially in facing technological developments and the increasing complexity of construction projects. This leads to differences in work quality among employees, which ultimately affects overall performance. Additionally, the implementation of training programs conducted by the company has not fully yielded optimal results. Although training is carried out regularly, there are still employees who have not been able to apply the training results in their daily work. This can be caused by a lack of relevance of training materials to job needs, ineffective training methods, and a lack of evaluation of the training results that have been conducted. Another problem of concern relates to employee work discipline. In practice, there are still employees who lack discipline in carrying out their duties, such as delays in completing work, absences without a clear reason, and lack of compliance with work regulations. This condition can certainly hinder the achievement of company targets and reduce overall work productivity. This situation causes employees to be less motivated to improve their competence and performance because they do not see a clear relationship between the efforts made and the career development opportunities they will obtain. Based on these various phenomena, it can be concluded that competence, training, and work discipline have important roles in improving

employee performance but have not been fully effective without being supported by a good career development system.

Literature Review Employee Performance

Employee performance is the result of work achieved by employees in carrying out their duties in accordance with the responsibilities given. According to Kasmir (2019), performance is the result of work and work behavior that has been achieved in completing tasks and responsibilities given in a certain period. Meanwhile, according to Mangkunegara (2019), employee performance is the result of quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given. From this definition, it can be concluded that employee performance is the result of work achieved based on the standards that have been set.

Employee Performance Indicators

According to Mangkunegara (2019) as follows:

1. The quality of work is the level of accuracy and neatness of the work results.
2. The quantity of work is the amount of work that can be completed in a given period.
3. Responsibility is the employee's awareness in completing the assigned task.
4. Cooperation is the ability of employees to work with colleagues or teams.
5. Initiative is the ability of employees to take action without having to wait for orders.

Competencies

Competency is one of the important factors in improving employee performance because it is related to the individual's ability to carry out their work. According to Sutrisno (2019), competence is the work ability of each individual which includes aspects of knowledge, skills, and work attitudes in accordance with the set standards. Meanwhile, according to Wibowo (2018), competence is the ability to carry out or perform a job or task based on skills and knowledge and supported by the work attitude demanded by the job. Based on this opinion, it can be concluded that competence is a combination of knowledge, skills, and attitudes that employees have to carry out their work effectively.

Training

Training is an effort made by organizations to improve the abilities and skills of employees so that they can work more effectively. According to Kasmir (2019), training is a process to form and equip employees by adding skills, abilities, knowledge, and behavior. Meanwhile, according to Dessler (2020), training is the process of teaching new or existing employees the basic skills they need to carry out their jobs. Thus, training can be interpreted as a learning process to improve employees' work abilities to suit the demands of the job.

Training Indicators

According to Kasmir (2019):

1. Training instructors are the ability and competence of trainers in delivering training materials.
2. Training materials are the suitability of the content of the training with the work needs of employees.
3. Training methods are methods or techniques used in the training process.
4. The purpose of training is the goal to be achieved from the training activity.
5. Training participants are the readiness and participation of employees in participating in training.

Work Discipline

Work discipline is the attitude and behavior of employees in obeying the rules and norms that apply in the organization. According to Hasibuan (2019), work discipline is a person's awareness and willingness to obey all applicable company regulations and social norms. Meanwhile, according to Sinambela (2019), work discipline is a person's ability to work regularly, diligently, and continuously in accordance with the applicable rules without violating these rules.

Indicators of Work Discipline According to Hasibuan (2019):

1. Attendance: The level of employee presence at work according to the set working hours.
2. Adherence to Work Regulations: Employee compliance with applicable rules within the company.
3. Adherence to Work Standards: Conformity of work implementation with established procedures.
4. High Level of Vigilance: Employee caution in working to avoid mistakes.
5. Work Ethic: Polite and professional attitude and behavior in working.

Career Development

Career development is the process of improving employee abilities and opportunities to achieve higher career levels. According to Kasmir (2019), career development is an effort made to improve an individual's work ability to achieve a desired career. Meanwhile, according to Sutrisno (2019), career development is the process of improving an individual's work ability achieved to reach a desired career. Thus, career development can be interpreted as an effort made by the organization to improve the quality and career levels of employees.

Indicators of Career Development

According to Sutrisno (2019):

1. Work Achievement Employee work results that serve as a basis for consideration in career development.
2. Exposure The opportunity for employees to be known by management through specific tasks or projects.
3. Opportunity to Develop Opportunities provided to improve abilities through training or education.
4. Organizational Support The company's role in assisting employee career development.
5. Career Planning Clarity of the direction and career goals the employee wants to achieve

Research Methodology

According to Sugiyono (2019), quantitative research methods are used to research on certain populations or samples with the aim of testing predetermined hypotheses. The type of associative research in this study was used to determine the influence between independent variables, namely Competence, Training, and Work Discipline on dependent variables, namely performance, as well as indirect influences through intervening variables, namely Career Development

According to Sugiyono (2019), population is a generalized area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions. In this study, the population used was all employees at PT Adhi Karya (Persero) Tbk which amounted to 50 people. This population was chosen because all employees have a direct relationship with the variables being studied.

The sampling technique in this study uses the saturated sample technique (census), which is a sample determination technique by making all members of the population as research samples. This technique is used because the population is relatively small and allows to be

studied as a whole, as many as 50 respondents, all of whom are employees of PT Adhi Karya (Persero) Tbk.

The data analysis technique used in this study is Structural Equation Modeling (SEM) based on Partial Least Square (PLS) with the help of SmartPLS software. According to Ghozali (2018), data analysis is carried out through several stages, namely: a. Measurement Model Analysis (Outer Model)

The outer model is used to test the validity and reliability of research instruments. This testing includes:

1. Convergent Validity, to see the extent to which the indicator is able to measure its variables
2. Discriminant Validity, to ensure that each variable has a clear distinction
3. Composite Reliability, to measure the internal consistency of the indicator
4. Cronbach's Alpha, to measure the level of reliability

b. Structural Model Analysis (Inner Model)

Inner models are used to test the relationships between variables in the research model. This testing includes:

1. R-Square (R^2), to determine the ability of independent variables to explain dependent variables
2. Path Coefficient, to determine the direction and strength of influence between variables
3. Bootstrapping, to test the significance of relationships between variables

Hypothesis Test

Hypothesis testing is carried out to find out whether the research hypothesis is accepted or rejected. The testing criteria are as follows:

1. If the t-statistic value > 1.96 and the p-value < 0.05, then the hypothesis is accepted 2. If the t-statistic value < 1.96 and the p-value > 0.05, then the hypothesis is rejected

Results Outer Model Review

Measurement model testing, or external model testing, can be used to determine the specifics of the relationship between latent variables and manifest variables.

Convergent Validity

The measurement model with the convergent validity of the reflective indicator is shown by the relationship between the item/indicator score and the construct score. As long as the research is still in the development stage, it is permissible to use indicators whose individual correlation values are higher than 0.7. The structural model of the research is shown in the following figure:

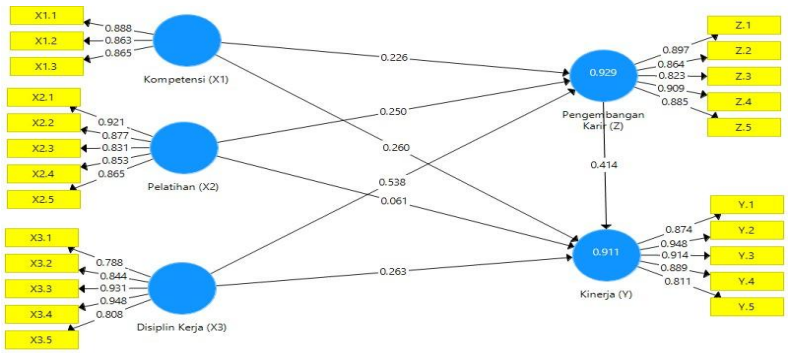

Figure 1. Outer Model

Source : Smart PLS 3.3.3

Table 1. Outer Loadings

	Work Discipline (X3)	Performance (Y)	Competence (X1)	Training (X2)	Career Development (Z)
X1.1			0,888		
X1.2			0,863		
X1.3			0,865		
X2.1				0,921	
X2.2				0,877	
X2.3				0,831	
X2.4				0,853	
X2.5				0,865	
X3.1	0,788				
X3.2	0,844				
X3.3	0,931				
X3.4	0,948				
X3.5	0,808				
Y.1		0,874			
Y.2		0,948			
Y.3		0,914			
Y.4		0,889			
Y.5		0,811			
Z.1					0,897
Z.2					0,864
Z.3					0,823
Z.4					0,909
Z.5					0,885

Source : Smart PLS 3.3.3

Based on the outer loading test results, all indicators of the variables Competence (X1), Training (X2), Work Discipline (X3), Performance (Y), and Career Development (Z) have loading factor values above 0.70. The values of each indicator range from 0.788 to 0.948. This indicates that all indicators have met the criteria for convergent validity and are able to adequately reflect their respective variable constructs. Therefore, these indicators are appropriate for use in the subsequent analysis.

Discriminat Validity

Furthermore, a discriminant validity test was conducted. The purpose of this test is to determine whether the reflective indicators serve as good measurements for a particular construct, based on the assumption that an indicator has a strong relationship with its corresponding construct. The results of the cross-loading discriminant validity test are presented in the following table :

Table 2. Discriminant Validity

	Work Discipline (X3)	Performance (Y)	Competence (X1)	Training (X2)	Career Development (Z)
X1.1	0,687	0,804	0,888	0,805	0,803
X1.2	0,567	0,678	0,863	0,816	0,706
X1.3	0,735	0,808	0,865	0,840	0,765
X2.1	0,853	0,885	0,810	0,921	0,882
X2.2	0,841	0,875	0,817	0,877	0,849
X2.3	0,626	0,670	0,825	0,831	0,707
X2.4	0,695	0,744	0,841	0,853	0,778
X2.5	0,749	0,802	0,807	0,865	0,817
X3.1	0,788	0,663	0,570	0,650	0,687
X3.2	0,844	0,726	0,572	0,688	0,726
X3.3	0,931	0,876	0,738	0,824	0,866
X3.4	0,948	0,915	0,803	0,894	0,924
X3.5	0,808	0,678	0,590	0,689	0,791
Y.1	0,695	0,874	0,794	0,770	0,782
Y.2	0,926	0,948	0,821	0,914	0,926
Y.3	0,860	0,914	0,796	0,888	0,880
Y.4	0,848	0,889	0,728	0,776	0,822
Y.5	0,636	0,811	0,770	0,722	0,760
Z.1	0,863	0,817	0,731	0,807	0,897
Z.2	0,808	0,774	0,739	0,777	0,864
Z.3	0,734	0,770	0,678	0,727	0,823
Z.4	0,856	0,905	0,837	0,876	0,909
Z.5	0,800	0,851	0,823	0,881	0,885

Source : Smart PLS 3.3.3

Based on the results of cross loading, each indicator has the highest loading value on its respective variables compared to other variables. This can be seen in the indicators of Competence (X1), Training (X2), Work Discipline (X3), Performance (Y), and Career Development (Z) which show the dominant value in the construct. Thus, it can be concluded that all indicators have met the discriminant validity criteria, so that each variable is able to distinguish itself well from the others.

Composite reliability

To determine the reliability value in subsequent tests, an indicator block is used that evaluates the dependency of the composite construct. The construct value is considered reliable if the reliability value of the composite is more than 0.60. The variable construct value of the indicator block that measures the construct can be utilized to calculate reliability values using Cronbach's alpha in addition to testing the reliability value of composites. An item is considered credible if its Cronbach's alpha value is greater than 0.7. The following table shows the loading value of the construction of the research variables obtained through the use of the Smart PLS program:

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliabillity	Average Variance Extracted (AVE)
Work Discipline (X3)	**0,915**	**0,937**	**0,750**
Performance (Y)	**0,932**	**0,949**	**0,789**
Competence (X1)	**0,843**	**0,905**	**0,761**
Training (X2)	**0,919**	**0,939**	**0,756**
Career Development (Z)	**0,924**	**0,943**	**0,767**

Source : Smart PLS 3.3.3

Based on the reliability and validity test results, all variables have Cronbach's Alpha and Composite Reliability values above 0.70 and AVE values above 0.50. This shows that the variables Work Discipline (X3), Performance (Y), Competence (X1), Training (X2), and Career Development (Z) have met the reliable and valid criteria. Thus, all constructs in this study are declared consistent and able to explain the variables well.

Inner Model Analysis

Structural models, also known as inner models, are assessed to ensure their accuracy and reliability. Some of the following indicators can be used to visualize the stages of structural model evaluation analysis:

a. Coefficient of Determination (R2)

Based on data processing carried out using the SmartPLS 3.0 program, the R Square value was obtained as follows:

Table 4. R Square Results

	R Square	Adjusted R Square
Performance (Y)	0,911	0,904
Career Development (Z)	0,929	0,924

Source : Smart PLS 3.3.3

Based on the R Square values, the Performance (Y) variable has a value of 0.911, indicating that 91.1% of the variation in performance can be explained by the independent variables in the model. Meanwhile, Career Development (Z) has an R Square value of 0.929, meaning that 92.9% of its variation can be explained by the variables in the study. The equally high Adjusted R Square values indicate that the research model has excellent explanatory power.

b. Hypothesis Testing

After assessing the inner model, the next stage is to examine the proposed relationships between latent constructs in this study. This research uses T-Statistics and P-Values for hypothesis testing. A hypothesis is considered accepted if the T-Statistic value is greater than

1.96 and the P-Value is less than 0.05. The following are the results of the direct effect path coefficients:

Table 5. Path Coefficients (Direct Effects)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Innovation_(X1) -> Job Satisfaction _(Z)	0,322	4,084	**0,000**	**Accepted**
Innovation_(X1) -> Employee Performance _(Y)	0,356	3,757	**0,000**	**Accepted**
Job Satisfaction _(Z) -> Employee Performance _(Y)	0,379	2,938	**0,002**	**Accepted**
Implementation of the SILAW MAS Application _(X2) -> Job Satisfaction _(Z)	0,640	8,710	**0,000**	**Accepted**
Implementation of the SILAW MAS Application _(X2) -> Employee Performance _(Y)	0,180	1,435	**0,076**	**Rejected**

Sumber :Output Smart PLS 3.3.3

Based on the tests conducted, the results for direct hypothesis testing are as follows:

1. Work discipline has a positive and significant effect on performance at PT Adhi Karya (Persero) Tbk, thus the hypothesis is accepted.
2. Work discipline has a positive and significant effect on career development at PT Adhi Karya (Persero) Tbk, thus the hypothesis is accepted.
3. Competence has a positive and significant effect on performance at PT Adhi Karya (Persero) Tbk, thus the hypothesis is accepted.
4. Competence has a positive and significant effect on career development at PT Adhi Karya (Persero) Tbk, thus the hypothesis is accepted.
5. Training does not have a significant effect on performance at PT Adhi Karya (Persero) Tbk, thus the hypothesis is rejected.
6. Training has a positive and significant effect on career development at PT Adhi Karya (Persero) Tbk, thus the hypothesis is accepted.
7. Career development has a positive and significant effect on performance at PT Adhi Karya (Persero) Tbk, thus the hypothesis is accepted.

Table 6. Path Coefficients (Indirect Effects)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Work Discipline (X3) -> Career Development (Z) -> Performance (Y)	0,223	2,560	**0,005**	**Accepted**

Competence (X1) -> Career Development (Z) -> Performance (Y)	0,093	1,677	**0,047**	**Accepted**
Training (X2) -> Career Development (Z) -> Performance (Y)	0,104	1,275	**0,101**	**Rejected**

Source : Smart PLS 3.3.3

Based on the test results that have been carried out, the results of hypothesis testing are indirectly obtained as follows:

1. Work Discipline has a positive and significant effect on Performance through Career Development at PT Adhi Karya (Persero) Tbk, so that the hypothesis is accepted.
2. Competence has a positive and significant effect on Performance through Career Development at PT Adhi Karya (Persero) Tbk, so that the hypothesis is accepted.
3. Training has no significant effect on Performance through Career Development at PT Adhi Karya (Persero) Tbk, so the hypothesis is rejected.

Conclusion

1. Work discipline has a positive and significant effect on performance at PT Adhi Karya (Persero) Tbk.
2. Work discipline has a positive and significant effect on career development at PT Adhi Karya (Persero) Tbk.
3. Competence has a positive and significant effect on performance at PT Adhi Karya (Persero) Tbk.
4. Competence has a positive and significant effect on career development at PT Adhi Karya (Persero) Tbk.
5. Training does not have a significant effect on performance at PT Adhi Karya (Persero) Tbk.
6. Training has a positive and significant effect on career development at PT Adhi Karya (Persero) Tbk.
7. Career development has a positive and significant effect on performance at PT Adhi Karya (Persero) Tbk.
8. Work discipline has a positive and significant effect on performance through career development at PT Adhi Karya (Persero) Tbk.
9. Competence has a positive and significant effect on performance through career development at PT Adhi Karya (Persero) Tbk.
10. Training does not have a significant effect on performance through career development at PT Adhi Karya (Persero) Tbk.

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