

The Effect of career development and compensation toward the employee's performance

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ABSTRACT

The aim of this research is to describe the influence of career development and compensation towards employee performance at Bandung Barat Regency. Research method is quantitative method and collect data by questionnaire, observation, interview and documentation. The variables was career development and compensation as the independent variables, the dependent variable was employee performance. Data have been analyzed through multiple regression, and partial correlation techniques. The result of this research showed that career development and compensation influence the employee performance. The influence of career development and compensation toward employee performance is positive it means that the more higher career development and compensation the more higher the employee performance and it has mean in real rank $p < 0.01$. By this

research, the hypothesis, which has been proposed, has been tested for its truth. The factors concerning career development and compensation will influence employee performance. The result has showed that the mean of employee performance is 0.540 or the grade variation of employee performance is 54,0 percent depending on career development and compensation variation.

Keywords: career development, compensation, employee performance.

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INTRODUCTION

The presence of the Government in a country is something that is important to the process of people's life. The existence of the Government community prosper is in order in accordance with the goal or goals that have been set that is just and prosperous society, material and spiritual. In order to achieve that goal, then much needed quality human resources because of the success of the Government as an organization in the passed the goal depends on the quality of human beings. The implementation of decentralization in Indonesia through the autonomous region, brought a lot of changes in the system of Government. In the framework of the implementation of this system of Government, the area was given the authority to oversee and regulate its territory of its own. The reality of development planning in the region indicate that (1) the planning set less rational because the proposal is not worth the development priorities launched indicative so many programs that have not been realized; (2) lack of quality human resources and employee career development and minimum still low financial compensation obtained by employees. The organization intended to encourage the creation of business granting an optimal service and better to the community, improve local governance in community service and community empowerment. But in fact the formation of the Organization after a shift in the format the local Government thus shifted from the objectives of the formation of the organization. Based on the statements of the low performance of the local Government of West bandung Regency tend to be caused by the still relatively low level of performance of employees. Low employee performance apparatus of West bandung Regency is indicated based on the results of the assessment officers who exercised regularly.

Based on the above description will do research on the influence of career development and compensation on employee performance at secretariat of West bandung Regency region

Problem Identification

Based on the background of the above research problems, then it is a problem that affects the performance of the officials of the Secretariat of West bandung Regency region can be identified as follows:

1. Less ideally career development secretariat of West bandung Regency region.
2. Not yet optimum realized the skills and ability for officers who allegedly influenced the performance of the officials of the secretariat of the regional West bandung Regency.
3. Still the low compensation on a regional secretariat of West bandung Regency.
4. Still low level of effort optimizing the potentialities of the human resources to improve the performance of the officials of the secretariat of the regional West bandung Regency

B. Formulation of The Problem

Based on the background, the identification of problems and limitations, then the outline of the problem in this research are:

1. What is the effect on the performance of a career development officer at the Secretariat of West bandung Regency region?
2. is financial compensation effect to performance clerk at the Secretariat of the West bandung Regency region?
3. What is the career development and compensation together have an effect on the performance of employees on the Secretariat of West bandung Regency region?

REVIEW OF THE THEORY

Career development

Career development is the process of improving the ability of individual work accomplished in order to achieve the desired career. The objective of the career development programme is to adjust between the needs and goals of employees with career opportunities available in the company today and in the future. Therefore, the establishment of a system of career development efforts designed in good will can assist employees in determining

their own career needs and resolve between the needs of employees with company goals. The commitment in the programme for career development can delay the wear and tear of damning human resources company. Although career planning is important in this phase of a career, but there are three points in the course of a career that was also quite crucial, namely:

1. At the time the employee begins to be signed. Work experience in the early work has an important influence in shaping their careers.
2. Mid-career (mid career), that the conditions under which employees have already begun to face the pressure and the responsibility of different jobs at a time when the question began to be signed. However, by the middle of this career, employees are at a turning point, that is the position where the career become unstuck serious attention.
3. Retirement, jobs face uncertainty due to economic conditions, social and personal relations.

According to Bangun (2012) that

Career development is a series of activities that lead to exploratory work in strengthening one's career in the future While according to Fajar dan Heru (2010) said, Career development is the process of identifying employee career potential, and material and applying appropriate ways to develop those potentials While Moekijat (2010) said, career development are actions performed by an individual to carry out a career plan. Career development is outcomes or results that come from the interaction between individual career with career management process of the organization. Career development programs according to Monday in Lindawati (2003:273-274) is done through three (3) phases, namely:

1. Assessment Phase. career development program Activities in this phase was conducted to identify strengths and weaknesses of workers. The classification is done among other things:
 - a. choosing a career that might be achieved and appropriate.
 - b. determine the effort to overcome weaknesses in order to achieve career goals. Instruments used on this stage can be: Work Books and Work Shops
2. The Second Phase. Determination of the types of careers that are desirable and what steps can be taken to achieve the aim of real career based on the position of the sekanrang.
3. Information service,
 - a. Job Posting. Organizations collect the existence of opportunities for career development programs through bulletin boards, news or corporate computer systems for companies who have advanced information technology.
 - b. Skill Inventory. Form of notes about the workers that contains information about the skill, knowledge and education of employees.
 - c. Carir Gave an overview of the Path. career opportunities available in the industry and determine the steps now to achieve career goals.
 - d. Career Resources Center (CRC). Contains a collection of a wide range of career development material. CRC will also protect workers where workers can perform a self assessment, receive guidance and strategy thinking about careers.
4. Development phase,

In this phase of development activity undertaken to create and improve the skill in utilizing the opportunities and face the demands of the work in the future. The programs are often offered as download. According to the Editor of the Usmara (2007:278-279) the choice of direction/career development paths include:

1. IE's development and progress through the granting of duty or assignment in particular, this is a common form of career development.
2. Lateral i.e. development towards the other side of any work that might be more in tune with his skills and give a broader experience, a new challenge as well as giving greater confidence and satisfaction.
3. Vertical i.e. development towards the top at the position who has responsibility and authority in the field of special skills or expertise.
4. Relocation i.e. physical displacement to another organizational unit or to the place which can complement the opportunity of growth and increased desire and ability of employees to remain in the same job.
5. Exploration i.e. venturing towards a more broadly to career options inside and outside the organizational unit the organizational unit to search and gather information so that it can answer questions and make an informed decision about the potential a career that will be selected.
6. towards the bottom of the movement i.e. Realignment that may reflect something inbetween or Exchange priority jobs for employees to reduce risk, responsibility and stress, putting the employee position towards a more appropriate and as opportunities or new opportunities.

Definition of compensation

Every individual who enters an organization or company has various hopes, objectives, and needs to be met. On the contrary, in order for the organization to meet the expectations and needs of employees, it is required to donate all potential skills and expertise to achieve organizational objectives. In response to employee contributions to the achievement of organizational objectives, employees will be compensated by the company to fulfill their expectations, objectives and needs.

According to Wibowo (2016:271), Compensation is the number of packages offered by the organization to workers in return for the use of labor. While Hasibuan (2017:119), said that Compensation is all income in the form of money, goods directly or indirectly received by employees as imbalan for services provided to companies

According to Handoko (2014:155) said that the Compensation is everything received by employees as remuneration for their work.

Factors That Influence Compensation

According to Prof. DR. H. Edy Sutrisno, M.Sc in his book entitled Human Resource Management (2016: 199) argues that the size of compensation is influenced by several factors. Factors that affect the amount of compensation which are as follows:

- Cost of living.
- Compensation rates prevailing at other companies.
- Company capability level.

- The type of work and the size of the responsibilities.
- Applicable laws and regulations.
- Role of Trade Unions.

Performance

Performance Sense

Performance is a term in management that is defined through a different perspective or an angle of view by experts. The understanding of the performance is very dependent on the implementation of the institution where the understanding is placed, the implementation of work, achievement, work, performance or work appearance. Performance is the result or success of a person as a whole during a certain period of carrying out a task compared to various possibilities, such as the standard of work, target or target, or criteria that have been specified First and has been agreed together. Human resource management experts and organizational attitudes explain the understanding of performance using language phrases and reviews from different angles; But the meaning contained in the essence is the same. Kasmir (2016) said that Performance is the result of one's work and work behavior in a period, usually one year. Marwansyah (2014) said that Performance is the achievement or achievement of a person with regard to the tasks assigned to him. According to Mangkunegara (2013:9). That employee performance (work performance) is the result of quality and work the quantity achieved by an employee in carrying out their duties according to their field. The sense is in line by Wilson Bangun, (2012) said that Employee performance is the result of work achieved by

someone based on job requirements. From this definition, the researcher put forward the notion of performance as a job that has certain requirements to obtain company goals for the progress of the company.

Association of employee Compensation and performance According to Hasibuan (2017:119), Compensation is all income in the form of money, goods directly or indirectly received by employees as imbalan for services provided to companies. Compensation earned by employees fairly and deserving of the ability he contributed to the company will be satisfied in the works. Adequate compensation of employees can form positive attitudes and behaviors. Handoko (2014:155) said that Compensation is everything received by employees as remuneration for their work, In line it says Jusuf Irianto (2001:67) that the purpose of providing compensation to help create mutual awareness among individuals to be willing to cooperate with the organization and work on everything that the organization needs Good. This means that when the compensation is received by the employee and can fulfill the needs of life and family, employees will be able to demonstrate their attitude and behavior in shaping the competencies. Reaffirmed by Hadari Nawawi (2001:63) that satisfactory direct and indirect compensation will spur to be in good order by spur competence to the fullest. With the starting point of the overall theoretical framework above, it can be formulated with the paradigm of career development and compensation affecting employees' performance as seen in Figure 2.

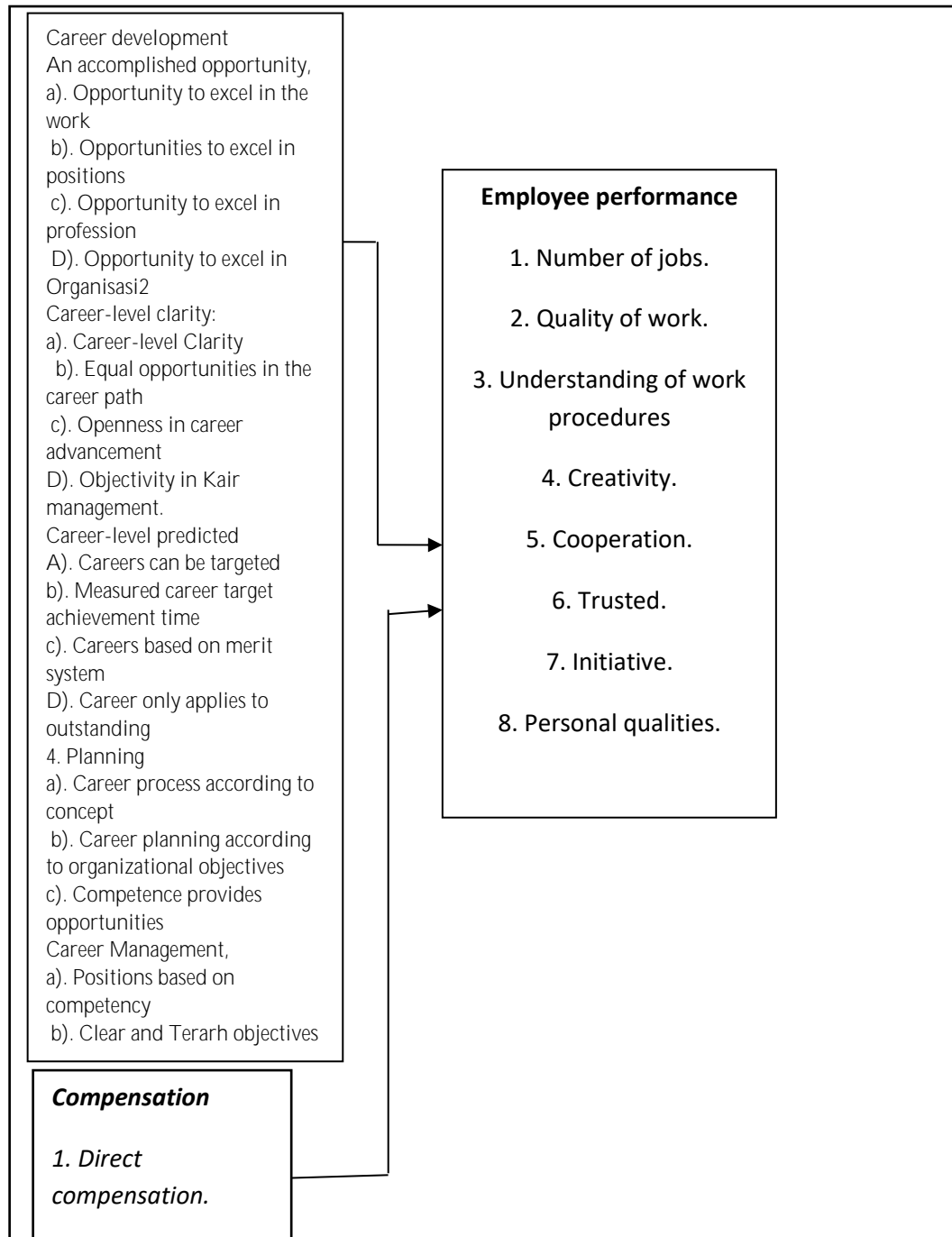


Figure 2.9: Research Paradigm influences career development and compensation for the employees performance

Hypotheses

Based on the formulation of problems and the framework of the research hypothesis thinking which is a temporary suspicion of the problem being studied, then will be tested truthfulness based on the results of data processing. As for the hypothesis to be tested among the research variables are as follows.

- (1) Career development affected the performance of the Secretariat officer of West Bandung District government.
- (2) Compensation on the performance of the Secretariat officials West Bandung District government.
- (3) The development of career and competence is influential both simultaneously and partially to the performance of

officials of the Secretariat of West Bandung District government.

RESULTS AND DISCUSSION

A. Respondent's condition

As explained in the Research Methodology section (CHAPTER III), Which is the subject of research and research responders that are employees (officers) of the District Secretariat of West Bandung. The regional secretariat of West Bandung Regency in 2015 has a staff of 91 people, Samples were taken as respondents of 35 people. The state of research respondents according to the level of education can be seen in table 1:

TABLE 1. FREQUENCY DISTRIBUTION OF EDUCATION OF 20 RESPONDENTS

Education level	Frecuency	Percentage
low	16	45,71
Mid	11	31,42
High	8	22,85
Total	35	100,00

Source: Data of research results

Based on the table above as many as 16 people or 45.71% consisting of low educated research respondents, as much as 11 people or 31.42% are educated and as much as 8 people or 22.85% are highly educated.

3.7.1. Multiple linear regression analyses

The analysis of multiple linear regression is a functional relationship between one dependent variable and several independent variables in a model of mathematical equations formulated as follows:

$$Y = B_0 + b_1X_1 + b_2X_2 + E$$

Description:

Y = Employee performance

B₀ = number of constants

B₁, b₂ = regression coefficient

X₁ = Career Development

X₂ = compensate

E = Epsilon (influence of other factors)

Next to know how strong the relationship of both independent variables with employee performance is calculated double correlation. A double correlation analysis is used to determine the degree of relationship or the strength of a variable relationship X₁ and X₂ with Y. The correlation used is a double correlation with the formula:

(Sugiyono, 2009:286)

Description:

R = double correlation coefficient

b_i = coefficient of Regrsi

X₁ = Career Development

X₂ = compensate

Y = Employee performance

In its use, this coefficient of determination is expressed in percentages (%) With the formula as follows:

$$K_d = R^2 \times 100\%$$

Description:

K_d = Coefficient of determination

R = multiple correlation coefficient

(Source: Sugiyono, 2009:231)

1.7.2 Simultaneous testing (test F)

The F test is a simultaneous test of regression relationships aimed at knowing whether all independent variables together have a significant effect on the dependent variables. The test steps using Test F are the following:

1. Formulating statistical hypotheses

H₀: all $\beta_i = 0$ career development and simultaneous administration has no effect on employee performance.

H_a: Ada $\beta_i \neq 0$ career development and simultaneous administration affects employees' performance.

2. Determine the significance of $\alpha = 5\%$

Significance rate of 0.05% or 5% means the likelihood of the result of withdrawal of conclusions has a profitability of 95% or 5% error tolerance.

3. Calculating the value F-Test

Fcount

Description:

R²: Coefficient of joint determinations

K: Number of Independent variables

N: Number of samples

4. Decision Making criteria

A. H₀ is rejected if F statistic is < 0.05 or Fcount $>$ ftable

B. H₀ is not rejected if F stats $>$ 0.05 or Fcount $<$ ftable

Ftable value obtained from:

DF1 (Pemator) = number of independent variables

DF2 (denominator) = n-K-1

Description:

N: Number of observations

K: Independent variables

1.7.3 Partial testing (Test T)

The T test is used to test hypotheses partially to prove the influence of each partial independent variable to the dependent variable. The t test is a regression coefficient test of each of the variables independent of the dependent variable to know the significance of the influence of variables independent of the dependent variable. The test steps using Test T are as follows:

1. Formulating statistical hypotheses

• H₀: $\beta_1 = 0$: There is no influence on career development in employee performance.

H_a: $\beta_1 \neq 0$: There is a career development influence for employee performance.

• H₀: $\beta_2 = 0$: There is no influence on the performance of employees.

H_a: $\beta_2 \neq 0$: There is an influence on the performance of employees.

2. Determine the significance of $\alpha = 5\%$

Significance rate of 0.05% or 5% means the likelihood of the result of withdrawal of conclusions has a profitability of 95% or 5% error tolerance.

3. Calculating the test statistics T

Description:

B_i: variable regression coefficient X_i

SBI: standard error variable regression

coefficient X_i

4. Decision Making criteria

A. H₀ is rejected if the significance value is $<$ 0.05 or $>$ this

B. H0 acceptable if value significance > 0.05 or Thitung < this

This value obtained from table T for free degree = n-K-1

Description:

N: Number of observations

K: Independent variables

When Ho is accepted, it is interpreted that the effect of partial independent variables on dependent variables is insignificant. While Ho's refusal showed a significant influence of partially independent variables against dependent variables

B. Data Analysis Results

This research was conducted in the Secretariat of West Bandung Regency region which aims to test the influence of career development and Compensation against the performance of employees. Respondents who became the sample of this research is on the employee, with the number of questionnaires collected there are as many as 35 copies.

Testing hypothesis testing

Furthermore in accordance with the research objectives, i.e., to test the influence of career development and compensation against the performance of the employees, then the author will do a series of quantitative analysis that is relevant to the purpose of the research analysis multiple linear regression. Mathematically model the functional relationship between career development and

compensation on performance clerk in West Bandung Regency region Secretariat can be difomulasikan as follows.

$$Y = b1X1 + b2X2 + bo +$$

Description:

X 1 = career development

X 2 = Financial Compensation

Y = Performance

Bo = constant

BI = regression coefficient (slope)

Based on the results of the data processing can be outlined the results of the regression for career development and compensation on performance clerk in West Bandung Regency region Secretariat as follows.

• Correlation Analysis

The correlation analysis was used to measure how strong the relationship between career development and compensation with employee performance. This type of correlation is used to measure the strength of a relationship between career development with the performance of an employee is correlation Pearson product moment. Based on the results of processing the obtained coefficient of correlation between career development and employee compensation to the performance of employees in the Secretariat of the Government of West Bandung Regency as follows.

Table 4.7. Correlation between career development and Compensation with employee performance Correlations

		Performance	Career development	Compensation
Pearson Correlation	Performance	1,000	,621	,550
	Career development	,621	1,000	,088
	Compensation	,550	,088	1,000
Sig. (1-tailed)	Performance	.	,000	,000
	Career development	,000	.	,307
	Compensation	,000	,307	.
N	Performance	35	35	35
	Career development	35	35	35
	Compensation	35	35	35

In table 4.7 above it can be seen that the value of the coefficient of correlation between career development with the performance of an employee is of 0.621. It means career development has strong relationships with employees in the performance of the Secretariat of the Government of West Bandung Regency. Then the coefficient of correlation between the financial compensation with employee performance is of 0.550. This means that financial compensation has a fairly strong relationship with employees in the performance of the Secretariat of the regional Government of West Bandung Regency.

• Multiple Linear Regression Analysis

In order to test the influence of career development (X 1) and financial compensation (X 2) against the performance of employees (Y) used multiple linear regression analysis. Based on the results of processing the data using SPSS software 20 for windows, the regression results are obtained for career development and compensation on performance clerk as follows.

Table 4.8. The Results of the Regression Analysis Coefficient.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

(Constant)	1,462	,298		4,913	,000
Career development	,273	,051	,577	5,372	,000
Compensation	,378	,081	,499	4,646	,000

a. Dependent Variable: Performance

in the table 4.8 , can be seen that the regression coefficient marked positive career development variables which means the better the career development officer then the performance of employees in the Secretariat of the Government of West Bandung Regency will increase. The regression coefficient is likewise variable compensation marked a positive which means the higher the employee then received financial compensation performance of employees in the Secretariat of the Government of West Bandung Regency will increase.

• Test The Significance

In order to prove whether the career development and financial compensation to the performance of the employees either simultaneously or partially then performed a test signfikansi. Testing begins with a simultaneous test using the test F and then resumed partial test using the test t.

a) Simultaneous Testing

Hypothesized that career development and simultaneous effect on compensation on performance pegawai, to prove the truth of the hypothesis then performed a statistical hypothesis testing with the following:

HO: all $\beta_i = 0$ for career development and financial compensation to simultaneously have no effect on performance clerk in the Secretariat of the Government of West Bandung Regency.

HA: there is a $\beta_i \neq 0$ career development and financial compensation to simultaneously affect the performance of the employees in the Secretariat of the Government of West Bandung Regency.

To test the hypothesis test used the simultaneous F obtained through Anova table as presented in the following table:

Table 4.9. Anova Table For Simultaneous Testing

ANOVAa

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	3,283	2	1,641	27,646	,000 ^b
Residual	1,900	32	,059		
Total	5,182	34			

a. Dependent Variable: Kinerja

b. Predictors: (Constant), Kompensasi, Pengembangan Karir

a. Dependent Variable: Performance

b. Predictors: (Constant), compensation, career development

This shows that financial compensation is needed at this time.

Suggestions

To improve the achievement of the goals through the implementation of duties by employees at the Secretariat of West bandung Regency region then it is recommended that career development and financial compensation are constantly improved.

CONCLUSIONS AND SUGGESTIONS

CONCLUSION

From the explanation presented earlier in the chapter the discussion then the conclusion to be drawn as follows:

In carrying out and completing tasks, it is evident that career development and financial compensation are a significant factor to realize the performance of employees. Career development is an important factor in the Organization of the regional secretariat of West bandung Regency by the existence of career development will make employees can bekerja in the regional secretariat of West bandung Regency in place are working effectively. Maximal work achieved as an influence career development officer in the Secretariat of the area of West bandung Regency.

The existence of career development will have an impact to the performance of the employees more effectively.

Financial compensation showed positive and significant effect against the performance of employees.

Financial compensation is very giving meaning to employees of the regional secretariat of West bandung Regency in improving performance.

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