

Factors That Influence Employee Performance

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Abstract

In this study, researchers wanted to see the direct and indirect effects between the independent variable career development system variables and job promotion as a moderating variable and employee performance as the dependent variable. This type of research uses quantitative, this research was conducted at BPJS Employment Branch Office Se-Medan Raya. The population of this study were 132 employees and the sample used was the entire population using the saturated sample technique. The data source used is primary data source and data collection is done by distributing questionnaires. The research model used is path analysis with smart PLS version 3.3.3. as a research measurement tool. The results of this study are as follows: The Career Development System has a positive and insignificant effect on employee performance with an original sample value of 0.037 and P values of 0.706. Career Development System has a positive and significant effect on job promotion with an original sample value of 0.436 and p values of 0.000. Job promotion has a positive and significant effect on employee performance with an original sample value of 0.729 and p value of 0.000. Career Development System has a positive and significant effect on employee performance through indirect job promotion with original sample results of 0.318 and p values of 0.000.

Keywords: Career development system, Job promotion, Employee performance.

INTRODUCTION

To improve performance, employee performance is needed in carrying out their main functions. According to Mangkunegara (2018), employee performance is a determinant of the company's success in the long term. Therefore, the potential of human resources that perform well determines the success of the organization. The progress and decline of an agency can be seen from the development and quality of its human resources. The lower the performance of an agency's employees, the worse the performance of the agency. According to Putro (2018), career development greatly helps employees in analyzing their abilities and interests so that they can be adjusted to the needs of human resources in line with the growth and development of the agency or company. Employee needs and providing clear, open and objective career opportunities can increase employee job satisfaction. Career development is a sequence of attitudes and actions related to experience and tasks during an individual's life cycle, as well as a series of ongoing work tasks. The purpose of career development is to improve employee performance by improving work achievements to achieve the desired career position. This is supported by the company so that the company hopes to receive input from employees. According to Yunita (2021) Career development is an action to increase employee responsibilities to the company's superiors, so that responsibilities, rights and status increase. Career development is a process carried out by a company to improve the status, status or position of employees in the company. Promotion is the process of increasing a person's class, rank, or position to a better level and is part of the career planning process. Thus, it can be concluded that job promotion can provide social status, authority and responsibility as well as greater income for employees.

Formulation of the problem

1. Does the career development system have an effect? positive and significant regarding job promotions at BPJS Employment Branch Offices Throughout Medan Raya.
2. Does the career development system have an effect? positive and significant on employee performance at BPJS Employment Branch Offices throughout Medan Raya.
3. Does job promotion have an effect? positive and significant on employee performance at BPJS Employment Branch Offices throughout Medan Raya.
4. Does the career development system have an effect? positive and significant on employee performance through job promotions at BPJS Employment Branch Offices throughout Medan Raya.

Research purposes

1. To find out and analyze the influence of the career development system on job promotions at BPJS Employment Branch Offices Throughout Medan Raya.
2. To find out and analyze the influence of the career development system influence on employee performance at BPJS Employment Branch Offices throughout Medan Raya.
3. To find out and analyze the effect of job promotion influence on employee performance at BPJS Employment Branch Offices throughout Medan Raya.
4. To find out and analyze the influence of the career development system influence employee performance through job promotions at BPJS Employment Branch Offices throughout Medan Raya.

LITERATURE REVIEW

Employee Performance

According to Aswin et al. (2017), performance is the work results of a quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

According to Afandi (2018), performance is the work results that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals illegally, without violating the law and without conflicting with morals and ethics.

Employee performance indicators

According to Afandi (2018) employee performance indicators are as follows:

- a. Quantity of work results
- b. Quality of work results
- c. Efficiency in carrying out tasks
- d. Work discipline
- e. Initiative
- f. Accuracy
- g. Leadership
- h. Honesty

i. Creativity

Career Development System

According to Riva'i and Sagala (2018), career development is the process of improving an individual's work abilities in order to achieve the desired career.

Career development indicators according to Riva'i and Sagala (2018):

a. Career Planning

Employees must plan their careers for the future.

b. HR Department Support

Employee career development depends not only on the employee but also on the role and guidance of the manager and HR department.

c. The role of feedback on performance

Without feedback regarding career development efforts it is relatively difficult for employees to put in the years of preparation sometimes needed to achieve career development goals.

Job Promotion

According to Afandi (2016), promotion is when a leader raises the position of an employee or employees one level higher than their original position and receives greater power and responsibility than their previous responsibilities, after the employee or employee is assessed and declared worthy of promotion to a higher level.

Job promotion indicators according to Afandi (2016):

a. Leadership

Leadership is someone who must be able to foster and motivate subordinates to work together and work effectively in achieving goals.

b. Performance

Performance is the willingness of a person or group of people to carry out activities or perfect them according to their responsibilities with the expected results.

c. Loyalty

The loyalty of the workforce to the company is often one of the criteria for promotional activities. This means that with a high level of loyalty, a greater impact of responsibility can be obtained.

Conceptual Framework

The conceptual framework in this study is as follows:

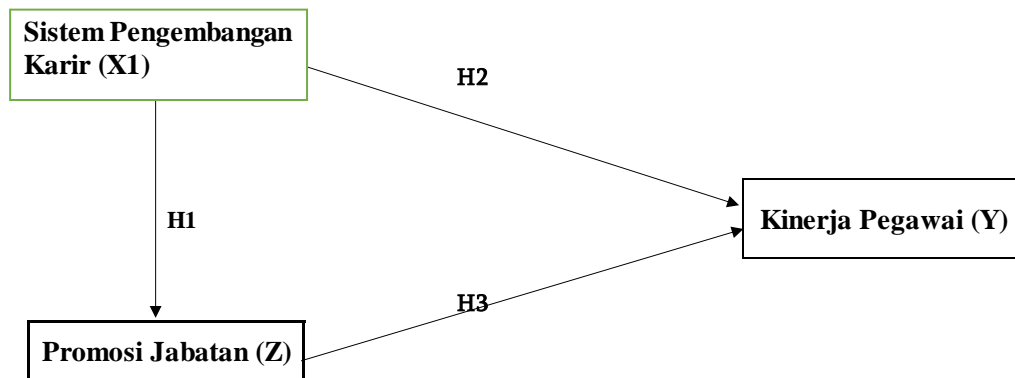


Figure 1. Conceptual Framework of Research

Research Hypothesis

The hypothesis proposed in this study is as follows:

1. The career development system has a positive and significant influence on job promotions at BPJS Ketenagakerjaan Branch Offices Throughout Medan Raya.
2. The career development system has a positive and significant influence on Employee performance at BPJS Employment Branch Offices Throughout Medan Raya.
3. Job promotions have a positive and significant impact on employee performance at BPJS Ketenagakerjaan Branch Offices Throughout Medan Raya.
4. The career development system has a positive and significant effect on employee performance through job promotion as a mediating variable in BPJS Employment Branch Offices Throughout Medan Raya.

METHOD

Types of research

According to (2017) Quantitative research can be interpreted as a method based on the philosophy of positivism, used to research a particular population or sample, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative/statistical with the aim of testing the established hypothesis.

Research Location and Research Time

The research location was conducted at the BPJS Ketenagakerjaan Branch Offices in Medan Raya, which consists of 4 branch offices with a total correspondence of 132 people, with the following details:

- BPJS Employment Medan City Branch, located at Jl. Kapten Patimura No.334, Darat, Medan Baru District, Medan City, North Sumatra.
- BPJS Employment North Medan Branch, located at Jl. Marelan Raya No.108, Tanah Enam Ratus, Medan City, North Sumatra.

- BPJS Employment Tanjung Morawa Branch is located on Jl. Raya Medan - Tanjung Morawa Km.14.5, Bangun Sari Baru Village, Tanjung Morawa District, Deli Serdang Regency, North Sumatra.
- BPJS Employment Binjai Branch is located at Jl. Soekarno-Hatta No. 262, Km No.19.5, Tunggurono, East Binjai District, Binjai City, North Sumatra.

The research period was carried out for 3 months starting from July 2024 to September 2024.

Population and Sample

According to Sugiyono (2017) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then conclusions drawn. The population and sample in this study were all permanent employees at BPJS Ketenagakerjaan Branch Offices Throughout Medan Rayatotaling 132 employees (saturated sample).

Research Data Sources

The data sources used in this study are primary data.

Operational Definition of Variables

Table 1. Operational Definition of Variables

Variable Types	Definition	Indicator
Employee Performance (Z)	According to Afandi (2018), performance is the work results that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals illegally, without violating the law and without conflicting with morals and ethics.	According to Afandi (2018) employee performance indicators are as follows: <ul style="list-style-type: none"> • Quantity of work results • Quality of work results • Efficiency in carrying out tasks • Work discipline • Initiative • Accuracy • Leadership • Honesty • Creativity
Career Development System (X)	According to Riva'i and Sagala (2018), career development is the process of improving an individual's work abilities in order to achieve the desired career.	<ul style="list-style-type: none"> • Indicators in career development according to Riva'i and Sagala (2018) are: • Career Planning • HR Department Support

		<ul style="list-style-type: none"> • The role of feedback on performance
Job Promotion (Z)	According to Afandi (2016), promotion is when a leader raises the position of an employee or employees one level higher than their original position and receives greater power and responsibility than their previous responsibilities, after the employee or employee is assessed and declared worthy of promotion to a higher level.	<p>The general indicators taken into account in the job promotion process according to Afandi (2016) are as follows:</p> <ul style="list-style-type: none"> • Leadership • Performance • Loyalty

Data Analysis Techniques

Data analysis in this study used Structural Equation Modeling (SEM) based on Partial Least Square (PLS) using SmartPLS 3.3.3 software.

Measurement Model (Outer Model)

The procedure in testing the measurement model consists of validity testing and reliability testing.

1. Validity Test

- a. Convergent Validity
- b. Discriminant Validity

2. Reliability Test

The Cronbach's alpha value is recommended to be greater than 0.7 and the composite reliability is also recommended to be greater than 0.7 (Sekaran, 2014).

Structural Model (Inner Model)

This test is conducted to determine the relationship between exogenous and endogenous constructs that have become hypotheses in this study (Hair et al., 2017). To produce inner model test values, the steps in SmartPLS are carried out using the bootstrapping method. The structural model is evaluated using R-square for the dependent variable, the Stone-Geisser Q-square test for predictive elevation and the t-test and significance of the structural path parameter coefficients with the following explanation:

1. Coefficient of Determination / R Square (R²)

In assessing the model with PLS, it begins by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation in regression. Changes in the R-square value can be used to assess the influence of certain independent latent variables on the dependent latent variable whether it has a substantive influence (Ghozali, 2016). The R² value is generally between 0 and 1.

2. Predictive Relevance (Q2)

This test is used to measure how well the observation value is generated by the model and also its parameter estimates. If the Q2 value is greater than 0, it indicates that the model has predictive relevance, which means it has good observation value, while if the value is less than 0, it indicates that the model does not have predictive relevance (Ghozali, 2016).

3. t-Statistic

In the full model Structural Equation Modeling in addition to confirming the theory, it also explains whether or not there is a relationship between latent variables (Ghozali, 2016). The hypothesis is said to be accepted if the t statistic value is greater than the t table. According to (Latan and Ghozali, 2016) the criteria for the t table value with a value of 1.96 with a significance level of 5%.

4. Path Coefficient

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between variables is stated as positive. While if the value is 0 to -1, then the direction of the relationship between variables is stated as negative.

RESULTS AND DISCUSSION

Outer Model Analysis

Measurement model testing (outer model) is used to determine the specifications of the relationship between latent variables and their manifest variables. This testing includes convergent validity, discriminant validity and reliability.

1. Convergent Validity

This test is seen from the loading factor, the value limit is 0.7, and the value limit Average Variance Extracted (AVE) is 0.5, if it is above that value it is said to be valid. This means that the value for the indicator is said to be valid, if the indicator explains the construct variable with a value > 0.7 . The structural model in this study is shown in the following figure:

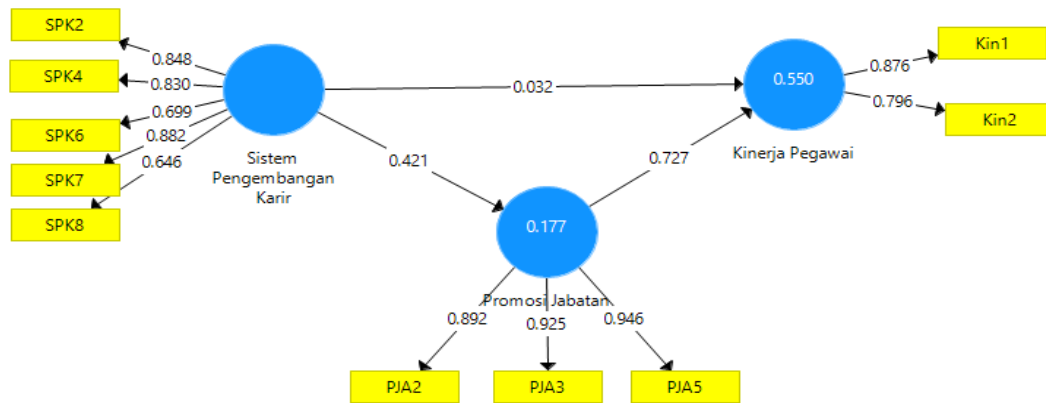


Figure 2. Outer Model
Source: Smart PLS 3.3.3

Smart PLS output for loading factor gives the results in the following table: Outer Loadings In this study there is an equation and the equation consists of two substructures for substructure 1.

$$Z = b1X + e1$$

$$Z = 0.421X + e1$$

For substructure 2

$$Y = b1X + b1Z + e2$$

$$Y = 0.072X + 0.727Z + e2$$

Table 2. Outer Loadings

	Employee Performance	Job Promotion	Career Development System
Kin1	0.876		
Kin2	0.796		
PJA2		0.892	
PJA3		0.925	
PJA5		0.946	
SPK2			0.848
SPK4			0.830
SPK6			0.699
SPK7			0.882
SPK8			0.646

Source: Smart PLS 3.3.3

In the table above, the value of each variable is stated that the indicator in each variable is higher than 0.7, which means that each indicator item has a value higher than 0.7 so that the data is declared valid and can continue to further research.

2. Discriminant Validity

Further research to find out valid data in terms of Discriminate Validity, aims to find out whether the cross loading value is greater than other latent variables so as to determine the results of indicators that are highly correlated with their constructs. The following table shows the cross loading results from the validity test as follows:

Table 3. Discriminant Validity

	Employee Performance	Job Promotion	Career Development System
Employee Performance	0.837		
Job Promotion	0.741	0.921	
Career Development System	0.338	0.421	0.786

Source: Smart PLS 3.3.3

The results of table 3 above show a value that is greater than the other variables in each indicator and variable, so it can be concluded that the results of the discriminant validity study are validly distributed.

3. Composite reliability

In composite reliability research to see each variable with its reliability value and if the variable value is greater than 0.60 then the research is considered reliable and if below 0.60 and 0.7 then it is not reliable there are several blocks to determine whether the research is reliable or not and valid or not including the Coranbach alpha value, composite reliability and AVE value can be seen in the table below:

Table 4. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance	0.578	0.597	0.824	0.701
Job Promotion	0.910	0.912	0.944	0.849
Career Development System	0.843	0.895	0.889	0.618

Source: Smart PLS 3.3.3

In table 4 above, it can be seen in the cronbach alpha column that each variable has a value greater than 0.7, which means that the reliability data for each variable. The composite reliability column has a value greater than 0.6, so it can be explained that each variable is considered reliable because the data is greater than 0.6. It can be seen from the AVE column that each variable gets a value greater than 0.7, which means that the data is valid according to AVE. All variables from the cronbach alpha column, reliability column and AVE column have values greater than 0.7 and 0.6, so they are considered reliable and valid.

Inner Model Analysis

Structural model evaluation (inner model) is conducted to ensure that the basic model created is strong and accurate. The stages of examination conducted in the primary model assessment are seen from several markers, namely:

1. Coefficient of Determination (R²)

In the next stage, namely the evaluation of the measurement model or inner model by looking at the R-Square value criteria. The R-Square results from the smartPLS 3.0 software output are as follows:

Table 5. R Square Results

	R Square	R Square Adjusted
Employee Performance	0.750	0.738
Job Promotion	0.777	0.766

Source: Smart PLS 3.3.3

There is a variable R square value Organizational Citizenship with an R square value of 0.9304 and if the percentage is 93.0%, this means that the influence of work discipline and teamwork on employee performance is through Organizational Citizenship and the rest is on other variables. The R square value of the employee performance variable is 0.604 and if expressed as a percentage is 60.4%, meaning that the influence of the work discipline variable, teamwork on employee performance through Organizational Citizenship by 60.4% and the remainder on other variables.

3. Hypothesis Testing

After assessing the inner model, the next thing is to assess the connection between idle builds as suspected in this review. Speculation testing in this review is done by looking at T-Statistics and P-Values. Speculation is announced to acknowledge whether the T-Insights value is > 1.96 and P-Values < 0.05. The following are the consequences of the direct impact Path Coefficient:

Table 6. Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Job Promotion -> Employee Performance	0.727	0.729	0.068	10,756	0.000
Career Development System -> Employee Performance	0.032	0.037	0.085	0.377	0.706
Career Development System -> Job Promotion	0.421	0.436	0.082	5.124	0.000

Source: Smart PLS 3.3.3

The results of the research directly above will be explained as follows:

1. Career Development System positive and insignificant effect on kmployee performance with the original sample value of 0.037 and P values of 0.706. This means that there is scareer development system able to create or improve kmployee performance because scareer development system a person where he is placed not because of kEmployee Performance which is made by the organization.
2. Career Development System has a positive and significant effect on job promotion with an original sample value of 0.436 and p values of 0.000. This means that Career Development System which is formed by the organization and employees can increase job promotions for each employee, because proper job promotions for the company are the result of treating employees well.
3. Job promotion positive and significant influence on kmployee performance with the original sample value of 0.729 and p values of 0.000. This means that if job promotion can runs well then Employee Performance will increase but if the promotion is not good then kmployee performance also decreased.

Table 7. Path Coefficients (Indirect Effect)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Career Development System -> Job Promotion -> Employee Performance	0.306	0.318	0.070	4.396	0.000

Source: Smart PLS 3.3.3

The results of the indirect influence above can be explained as follows:

Career Development System positive and significant influence on kempLOYEE performancethrough job promotion indirectly with the original sample results of 0.318 and p values of 0.000. This means that job promotion as a moderating variable because it is able to influence Career Development System against kempLOYEE performance indirectly.

CLOSING

Conclusion

Based on the research results above, the following conclusions are drawn:

1. Career Development System positive and insignificant effect on kempLOYEE performance at BPJS Employment Branch Offices throughout Medan Raya.
2. Career Development System has a positive and significant influence on job promotions at BPJS Employment Branch Offices throughout Medan Raya.
3. Job promotion positive and significant influence on kempLOYEE performance at BPJS Employment Branch Offices throughout Medan Raya.
4. Career Development System positive and significant influence on kempLOYEE performancethrough job promotions at BPJS Employment Branch Offices throughout Medan Raya.

Suggestion

1. The company must maintain scareer development system in the company by making a business scareer development system directed at employees who work and provide increasing company performance with the existence of scareer development system.
2. Companies must maintain scareer development system in working well and safely. With scareer development system maximum employees will improve the company's performance in general.
3. The company must maintain job promotions in working well and safely. With maximum employee job promotions will improve the company's performance in general.

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