

## Career Development, Motivation and Promotion on Employee Performance

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### ABSTRACT

The performance itself is the result in quality and quantity achieved by employees in carrying out the duties and responsibilities authorized to them. If the performance of a company is not good, then the company will experience a setback in the existing competition. Humans are assets for companies that must be directed and guided to have the ability according to the desired expectations, integrity, loyalty and high morale need to be applied to employees to have a sense of responsibility for the work discipline, motivation and job satisfaction they do. Poor work discipline, motivation and job satisfaction can cause various problems in a company, such as employee performance. This study aims to determine whether career development, motivation, promotion affect employee performance. The method used is the PLS method. Based on the results of research and discussion, it can be concluded that: the latent variables of career development, motivation and promotion have  $t$ -statistic values of 2.012, 3.038, and 4.485 > 1.96 and have  $p$ -values of 0.045, 0.003, and 0.000 < 0.05. So it can be said that the latent variable of career development, motivation, and promotion have a significant effect on employee performance.

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## **INTRODUCTION**

Career development is an individual process in increasing their abilities in achieving the desired career according to (Veitzhal Rival, 2003: 290) in (Eko, 2015). The program can be carefully planned and structured using scientific methods that are able to support the company's activities and can be applied now and in the future. A good career development can have a huge effect on the company if it is managed properly. This career development is included as an investment for the company and the employees themselves. With a career development program, the company can improve the ability of its employees and increase the number of employees who have the ability. For the employees themselves, the existence of career development can motivate or encourage self-readiness to use the opportunity optimally.

Motivation is one of the superior's tools so that subordinates want to work together well and intelligently according to what is expected. Motivation can help superiors understand the work attitude of each employee (Setyawati, 2021). Bosses can motivate their employees in different ways according to the mindset of each that stands out. Therefore, subordinates need to be motivated because there are several subordinates who want to work after being motivated by their superiors.

Promotion is the transfer of one position to a higher position with a higher status and responsibility according to Samsuddin, 2005 in the book (Nurjaman, 2014). Promotion activities are an important role that is the dream and hope for employees to be able to get ahead of the previous position they have and to improve their standard of living for the better. With a promotion, it means that there is trust and recognition of the ability of the employee to be able to occupy a higher position. Promotion is the best motivation for employees, with this motivation they will compete in a healthy manner. This is an effective motivation apart from a salary increase. Through promotion, employees are motivated to improve their performance and create employment stability within the company.

While the performance itself is the result in quality and quantity achieved by employees in carrying out the duties and responsibilities authorized to them. If the performance of a company is not good, then the company will experience a setback in the existing competition (Narpati, 2017). To get good performance, the company must be extra in providing debriefing, training, salary according to responsibilities and a leader who is able to motivate employees. So that the company can produce employee performance that can assist the company in carrying out company goals and can compete in the midst of a very tight world competition (Setyawati, 2018).

The problem is that in career development opportunities are very limited, due to the disproportion between the number of employees and the number of positions available. This means that the number of top-level positions is very small compared to the number of ordinary employees (lower level), so it is difficult for lower-level employees to get career development. Therefore, for employees who do not get opportunities in career development, they just remain in their part of the job, until they have qualifications and enter into career development. While the promotion of positions, namely promotions are only

given to employees who have a high level of education (bachelor) to get the specified position. So that employees who have not reached the specified level of education must increase their level of education in order to achieve or enter the qualifications in the promotion program.

## THEORETICAL REVIEW

### *Employee Performance*

According to Hasibuan (2005) in (Lina, 2014) performance is a combination of three important factors, namely the ability and interest of a person to work, ability and acceptance of the explanation of task delegation and the role and level of motivation of a worker. The higher the three factors above, the greater the performance of the employee concerned. According to Dharma (2003) in (Lina, 2014) that performance is something that is done or products/services produced and provided by a person or group of people.

According to Mulyadi (2007 : 360) in (Mintje, 2013) the purpose of measuring performance is as follows :

1. Motivate personnel who fail to achieve organizational goals and fail to comply with predetermined standards of behavior, in order to produce actions and results desired by the organization.
2. To suppress inappropriate behavior and to stimulate and enforce desirable behavior, through timely feedback on performance results and rewards.

According to Bernardin and Russell in (Irawan & Venus, 2016) proposed six performance appraisal points, namely:

1. Quality (quality of work); is the degree to which the process or results of implementing activities are close to perfection or close to the expected goals.
2. Quantity (quantity of work); is the amount produced, for example the cycle of activities carried out.
3. Timeliness (timeliness); is the extent to which an activity is completed at the desired time, taking into account the coordination of other outputs and the time available for the activities of others.
4. Cost effectiveness (cost effectiveness); is the degree to which the use of organizational resources (human, financial, technological, and material) is maximized to achieve the highest results or reduction of losses from each unit of resource use.
5. Need for supervisor (need for supervision); is the degree to which a worker can carry out a job function without requiring the supervision of a supervisor to prevent unwanted actions.
6. Interpersonal impact; is the degree to which employees maintain self-esteem, good name, and cooperation among co-workers and subordinates.

According to Mangkunegara (2002) in (Arianty, 2014) the performance indicators are:

1. Quality of work, reflecting an increase in the quality and standard of work that has been determined previously, usually accompanied by an increase in capability and economic value.
2. The quantity of output, reflects the increase in the volume or number of a unit of activity that produces goods in terms of quantity.
3. The quantity of work can be measured through the addition of physical value and goods from the previous results.
4. Whether or not it is reliable, reflects how a person completes a job assigned to him with a high level of accuracy, willingness and enthusiasm.
5. Cooperative attitude, reflects an attitude that shows high cooperation among others and attitudes towards superiors, as well as employees from other companies.

### *Career Development*

According to (Mangkunegara, 2012) Career development is a personal improvement that is sought by a person to achieve a personal career plan. Based on some of the definitions above, it can be concluded that career development is a program created to improve a person's ability or status in the company for a long period of time.

The purpose of career development as a human resource activity basically aims to improve and increase the effectiveness of the implementation of work in order to be able to contribute optimally in realizing the company's/organization's business goals. According to (Handoko, 2010) the goals of career development are:

1. To develop employees so that they can be promoted. Career planning helps to develop internal employee supply.
2. To reveal the potential of employees. Career development can encourage employees individually or in groups to achieve the desired goals.
3. To encourage growth. Encouraging work enthusiasm and passion to grow and develop.
4. To reduce hoarding
5. To satisfy the needs of employees

According to (Kadarisman, 2013) suggests that the benefits of career development are as follows:

1. Encourage employees to develop themselves and their abilities.
2. Adding a high sense of concern for the organization.
3. Preventing the occurrence of unrest among employees who have not been paid attention to.
4. Reducing employees who leave the organization.
5. Fill available vacancies, due to employee mutations or promotions.
6. Optimizing the use of knowledge, abilities, and skills of employees, in accordance with the potential concerned.

Career development is an employee's personal efforts to achieve a career plan, these activities need to be supported by the company. The career indicators according to (Veithzal Rivai, 2003:209) in (Muhlis & Rachmatulaily, 2018) are as follows:

1. Career Needs
2. Corporate Support in the Form of Moral
3. Company Support in Material Form
4. Training
5. Promotion
6. Mutation
7. Placement of Employees in the Right Job
8. Workforce Development
9. Fair Treatment in Career
10. Career Information

### *Motivation*

Motivation is a set of attitudes and values that influence individuals to achieve specific things according to individual goals. Rivai in the journal (Rukhyati, 2018). Meanwhile, according to Samsudin in the journal (Sulila, 2019) motivation is the work done by managers in providing inspiration, enthusiasm, and encouragement to other people, in this case employees, to take certain actions.

According to the book (Siagian, 2017) says that motivation is a psychological state that encourages, activates, or moves as well as motivation to direct and channel a person's behavior, attitudes, and actions that are always associated with the achievement of goals, both organizational goals and personal goals of each member. Meanwhile, according to Indahingwati in the journal (Paais, Pattiruhu, 2020) motivation is the power that allows a person to act towards certain goals. Motivation theories :

#### 1. Hierarchy of Needs Theory

This theory was first put forward by Abraham Maslow, it can be said that this theory is the most popular when compared to other motivational theories. This theory explains that every human being has needs (needs) whose emergence is highly dependent on individual interests.

##### a. Physiological needs

Physiological needs are the most basic needs in human life. Humans in their lives prioritize physiological needs, because these needs are the most basic needs for human life

##### b. Safety Needs

The need for security is the second level need, namely the need for safety from physical and emotional harm, for example, the employees feel safe in carrying out their work activities such as health insurance, health benefits, and pension benefits.

c. Social Needs

The next need is social need, humans are actually social creatures in carrying out their lives, basically humans are creatures who need help from other people.

d. Self-Esteem Needs

Self-esteem needs include self-respect factors such as self-esteem, economy and achievement, external respect factors for example, status, recognition, and attention. At this level, humans have maintained their image, because they feel that their self-esteem has increased from before.

e. Self-Actualization Needs

The last need is the highest need of the other needs, the need for self-actualization. This need is an encouragement to become someone who is in accordance with his ambitions which includes growth, achievement of potential, and self-fulfillment of needs.

Furthermore, Maslow divides the five needs into high order needs and low order needs. Low-order needs include physiological and safety needs, while high-order needs include social, esteem, and self-actualization needs. The difference between the two orders is that high-order needs are met internally, that is, they come from within the person, while low-order needs are met externally or come from outside the person, such as wages, labor union contracts, and years of service.

According to Ridwan in the journal (Yunimas & Putro, 2016) that motivation can be measured through the following indicators:

1. Decent wage or salary
2. Incentives given by leadership
3. Maintain self-respect
4. Spiritual needs
5. Active passivation
6. Placing employees in the right place
7. Creating a sense of security in the future
8. Pay attention to the work environment
9. Motivated to move forward

*Promotion*

Promotion means an increase in position, which is accepting greater power and responsibility than previous powers and responsibilities (Manullang, 2010). According to (Siagian, 2015) Promotion is when an employee is transferred from one job to another with greater responsibility, higher level in the job hierarchy and higher income.

According to (Hasibuan, 2012) explains that promotions are carried out by companies with the following objectives:

1. To provide greater recognition, position, and remuneration for employees with high performance.
2. Can lead to personal satisfaction and pride, higher social status, and greater income.

3. To stimulate employees to be more passionate about work, have high discipline, and increase their work productivity.
4. To ensure the stability of staffing with the realization of promotions to employees on a basic and timely basis as well as honest assessments.
5. Promotional opportunities can lead to a multiplier effect in the company due to chain vacancies.
6. Provide opportunities for employees to develop their creativity and innovation which is better than the optimal profit of the company.
7. To add/expand knowledge and work experience to employees and this is a driving force for other employees.
8. To fill the vacant position because the official quits, so that the position is not vacant, other employees are promoted.
9. Employees are promoted to the right position, enthusiasm, fun, and calm at work are increasing so that their work productivity also increases.

According to (Mangkunegara, 2012) mentioned several indicators that are taken into account in the promotion process as follows:

1. Honesty means that employees must be honest, especially with themselves, their subordinates, agreements in carrying out or managing the position, must be in accordance with their words and actions. He did not abuse his position for his personal gain.
2. Discipline means that employees must be disciplined in themselves, their duties, and obey the applicable regulations, both written and customary.
3. Work Performance means employees are able to achieve work results that can be accounted for in terms of quality and quantity and work effectively and efficiently.
4. Cooperation means that employees can work together harmoniously with fellow employees both horizontally and vertically in achieving company goals.
5. Skills are employees must be capable, creative and innovative in completing the tasks in the position well, he can work independently in completing his work properly without receiving continuous guidance from his superiors.
6. Loyalty means that employees must be loyal in defending the company that harms the company or its corps. This shows that he is actively participating in the company.
7. Leadership is that he must foster and motivate his subordinates to work together and work effectively in achieving company goals.
8. Education means that employees must have a diploma from formal education in accordance with the job specifications.
9. Communicative means that the employee can communicate effectively and is able to receive or perceive information from superiors and subordinates properly so that there is no miscommunication.

## METHODOLOGY

This study uses data analysis Partial Least Square (PLS). Partial Least Square (PLS) analysis is a multivariate statistical technique that compares multiple dependent variables with multiple independent variables (Abdillah, 2015, p. 161). PLS is a variant-based SEM method that is designed to solve multiple regression when specific problems are found in the data, for example, such as a small research sample size, missing data (missing values), and multicollinearity.

The purpose of PLS is to predict the effect of variable X on Y and to explain the theoretical relationship between the two variables. According to Talbolt in (Abdillah, 2015, p. 162) PLS is a regression method that can be used to identify factors which are a combination of X as an explanatory variable and Y as a response variable.

According to Abdillah (2015, p. 180) there are three categories in the parameter estimation carried out on the measurement model and the structural model in PLS. First, the weight estimate used to generate the latent variable score. Second, the path estimate which describes the weight of the contribution of variations in changes in the independent variable to the dependent variable. Third, is the mean score and regression constant for the latent variable.

There are three iteration processes in conducting PLS (Abdillah, 2015)). The first iteration produces a weight estimate which is carried out in the algorithm iteration. The weight estimate is used as a parameter of the validity and reliability of the instrument. The second iteration produces the values of the inner and outer models. Inner the model is used as a significance parameter in hypothesis testing, while the outer model is used as a parameter of construct validity (reflective and formative). The third iteration produces mean scores and latent variable constants that are used as parameters, the nature of the causal relationship and the average value of the resulting sample.

## RESULTS AND DISCUSSIONS

PLS is an alternative approach based on variance which is more predictive in nature. Testing the PLS structural model in this study was carried out with using SmartPLS software version 3 for window, with the following steps:

1. Designing structural model (inner model)
2. Designing measurement model (outer model)
3. Estimate of path coefficient, loading, and weight
4. Evaluation (goodness of fit)

### *Structural Model (Inner Model)*

Structural model is a model that shows the relationship between latent variables (constructs). Structural model is formed from the problem formulation.



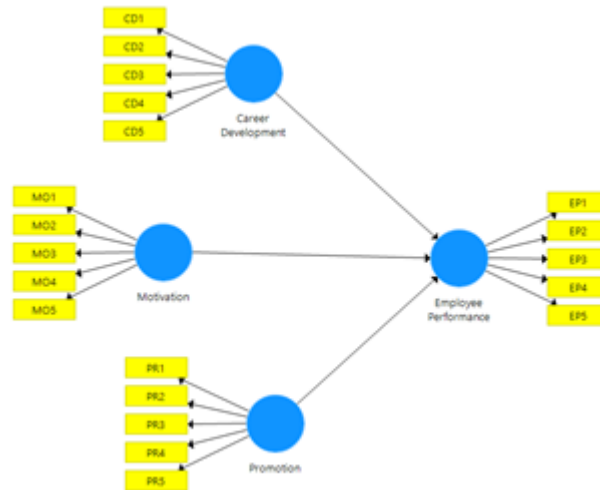


Figure 1. Inner Model

*Measurement Model (Outer Model)*

Measurement model is a model that shows the latent variables complete with operational variables. The following measurement model (outer model) :

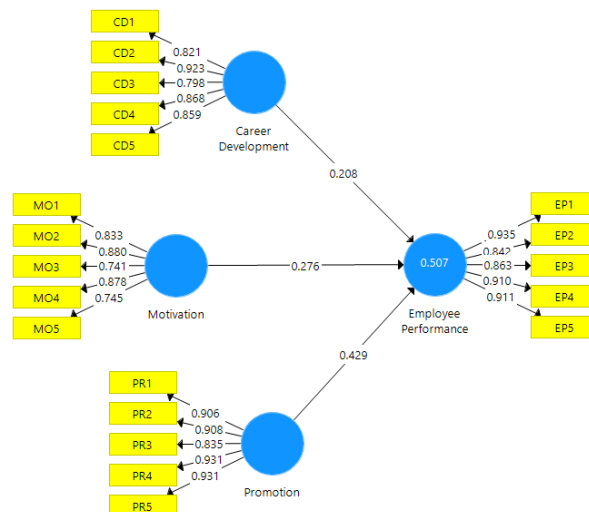


Figure 2. Outer Model

*Validitas Convergent*

Based on the structural model in Figure 2 above, it can be seen that the loading factor value of each latent variable indicator is greater than 0.7. So it can be concluded that these indicators have a good convergent validity value. Meanwhile, the path coefficient value for the latent career development variable is 0.208, for the latent motivation variable it is 0.276. Furthermore, the latent variable promotion has a value of 0.429 in assessing employee performance. So it can be concluded that promotion contributes the greatest value in assessing employee performance compared to career development and motivation.

*Composite Reliability and Convergent Validity*

Table 1. Composite Reliability

	<b>Cronbach's Alpha</b>	<b>Rho_A</b>	<b>Composite Reliability</b>	<b>Average Variance Extracted (AVE)</b>
Career Development	0.908	0.921	0.931	0.731
Employee Performance	0.936	0.939	0.951	0.797
Motivation	0.875	0.890	0.909	0.668
Promotion	0.943	0.948	0.957	0,815

Based on the composite reliability value presented in table 1, it shows that the four latent variables (construct) have a composite reliability value above 0.6. This means that the indicators that have been set in the study are able to measure each latent variable (construct) well or it can be said that the five measurement models are reliable

Table 2. Convergent Validity

	<b>Career Development</b>	<b>Employee Performance</b>	<b>Motivation</b>	<b>Promotion</b>
Career Development	0.855			
Employee Performance	0.513	0.893		
<b>Motivation</b>	0.446	0.508	0.818	
<b>Promotion</b>	0.424	0.607	0.324	0,903

Meanwhile, a good convergent validity value is indicated by the higher correlation between the indicators that make up a construct. In table 2 it can be seen that the AVE value has a value above the minimum criterion of 0.5. So it can be concluded that the convergent validity measure is good or has met the convergent validity criteria.

Furthermore, to measure the outer model in addition to convergent validity and composite reliability, it is discriminant validity can also be used, which can be seen from the uppermost value in each variable, the root value of the AVE, while the lower value is the correlation value between variables, with a criterion value of the root of AVE is bigger than the correlation value between latent variables. In table 2 above, it can be seen that the root value of the topmost AVE is greater than the correlation value between latent variables, so it can be said that employee performance, career development, motivation, and promotion have good discriminant validity.

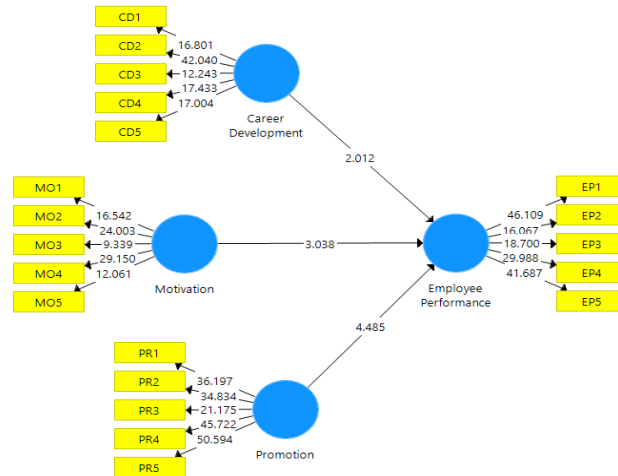


Figure 3. Outer Model after Bootstrapping

*Estimation Path Coefficient, Loading and Weight*

Structural model (inner model) is a model that describes the relationship between latent variables evaluated using path coefficients. The results of the path coefficients and t-statistic values are obtained through the bootstrapping process.

Table 3. T-Statistics

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (IO/STDEV)	P Values
Career Development → Employee Performance	0.208	0.207	0.104	2.012	0.045
Motivation → Employee Performance	0.276	0.271	0.091	3.038	0.003
Promotion → Employee Performance	0.429	0.442	0.096	4.485	0.000

The value of t-statistics is used to see the value between the latent variables is significant or not significant by using the criteria, if the value of the t-statistic is greater than 1.96 and by looking at the exogenous latent variables that affect employee performance with criteria, if the p value is smaller than 0.05. it can be concluded that the relationship between latent variables is significant.

Table 3 above shows that the latent variables of career development, motivation and promotion have t-statistic values of 2.012, 3.038, and 4.485 > 1.96 and have p-values of 0.045, 0.003, and 0.000 < 0.05. So it can be said that the latent variable of career development, motivation, and promotion have a significant

effect on employee performance. The feasibility test of the model is obtained by using the value of  $R^2$  (R-Square)

Table 4. R-Square Value

	<b>R Square</b>	<b>R Square Adjusted</b>
<b>Employee Performance</b>	0.507	0.484

In table 4 above, it can be seen that the  $R_{\text{Square}}$  of employee performance in this study is 0.507. This figure explains that the variability of endogenous variables that can be explained by the variability of exogenous variables is 50.7%. In SEM PLS, if the  $R_{\text{Square}}$  value is above 0.26, it can be said that the model is good.

*Model Fit*

Table 5. Goodness of Fit Model

	<b>Saturated Model</b>	<b>Estimated Model</b>
<b>SRMR</b>	0.077	0.077
<b>D_ULS</b>	1.243	1.243
<b>D_G</b>	1.214	1.214
<b>Chi-Square</b>	367.015	367.015
<b>NFI</b>	0.735	0.735

To see whether the research model is fit or not, it can be seen from the SRMR value or using the NFI value, with the criteria that the SRMR value is 0.05 and the NFI value is 0.9. In table 5 above, it is found that the SRMR value is 0.077 > 0.05. So it can be concluded that overall it can be said that the model formed is fit, meaning that the model has a high ability to explain empirical data.

**CONCLUSIONS AND RECOMMENDATIONS**

Based on the results of research and discussion, it can be concluded that: the latent variables of career development, motivation and promotion have t-statistic values of 2.012, 3.038, and 4.485 > 1.96 and have p-values of 0.045, 0.003, and 0.000 < 0.05. So it can be said that the latent variable of career development, motivation, and promotion have a significant effect on employee performance.

**FURTHER STUDY**

Suggestions for this research is the company should be able to improve employee performance, by evaluating the performance. so that the performance evaluation can make one solution to see the existing problems. In addition, companies must also pay attention to aspects of Career Development, motivation and Job Promotion so that in the future the company's performance can be achieved even better.

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