

## The Influence of Career Development and Compensation to Stimulate Motivation and the Impact on Performance of Venture Capital Officers PT PNM Venture Capital Representative Office

Agus Hanafiah Darmadinata  
ABFII Perbanas

**Corresponding Author:** Agus Hanafiah Darmadinata [agushd@gmail.com](mailto:agushd@gmail.com)

---

### ARTICLE INFO

*Keywords:* Career Development, Compensation, Motivation, Work Performance

*Received :* 17 October

*Revised :* 21 November

*Accepted:* 23 December

©2024 Darmadinata: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

The purpose of this research is to determine the effect of career development on work motivation, compensation on work motivation, work motivation on performance, career development on performance, compensation on performance, career development on performance through motivation, compensation on performance through motivation. The research method used is the research method with a quantitative approach focussed on VCO position using the SmartPLS to process data. The results of this study are that career development has a positive and significant effect on work motivation, compensation has a positive and significant effect on work motivation, motivation has a positive and significant effect on performance, career development does not have a positive and significant effect on performance, compensation does not have a positive and significant effect on performance, career development has a positive and significant effect on performance through work motivation, and compensation has a positive and significant effect on performance through work motivation

---

## **INTRODUCTION**

The economic development that occurs in Indonesia in the era of globalization 4.0 as it is today has triggered a very tight business competition between companies. The increasingly tight and changing economic development requires companies to be able to maximize Human Resources by improving employee performance in order to be able to face competition. Based on a statement from (Robbins & Judge, 2024) that is a field of management that focuses on managing the workforce within the organization. HR includes multiple roles like as recruiting, hiring, instruction, growth, and compensation, and labor relations, with the aim of increasing organizational effectiveness through optimal management of employees.

If the company experiences a failure in managing the Human Resources owned in the company, it will have an impact on the emergence of a problem in achieving a mission of the company, in the form of performance and profits from the company or in the survival of the organization. If the organization has Human Resources that have good competencies and abilities, this will be good for the development and progress of the company. The company must be able to process and utilize existing Human Resources in order to optimize the opportunities it has in the company's competition with other competing companies. The company strives to improve performance in employees to achieve organizational goals. Employees are the most essential asset in the company's success, so companies should pay attention to the performance of each employee to increase company productivity. Career Development is an employee's personal effort to achieve a career plan (Umi Farida et al, 2024). Every individual employee has the same and equal opportunity to develop a career regardless of gender, ethnicity, religion, race and class and political affiliation or other diversity indicators.

The main consideration in developing careers is employee performance and the competence of each employee. Career development can reveal employee potential, encourage employees to advance and explore their potential abilities that have certain goals. Encourage employee growth in accordance with career plans and goals that can motivate employees to grow and develop (Umi Farida et al, 2024). Whether or not a person progresses in his career depends on the person concerned himself. An employee needs to be actively involved in determining the direction of his career. Then the career path of an employee can be described, namely: First, career goals to be achieved in the sense of what is the highest level of position or position that may be achieved if employees have the capacity to contribute successfully, are committed to the company, exhibit functioning conduct, and have the ability to grow and develop. Secondly, career planning refers to an individual's engagement in determining professional pathways and goals. Thirdly, a commitment to do what is required. in order to develop a parallel career while working.

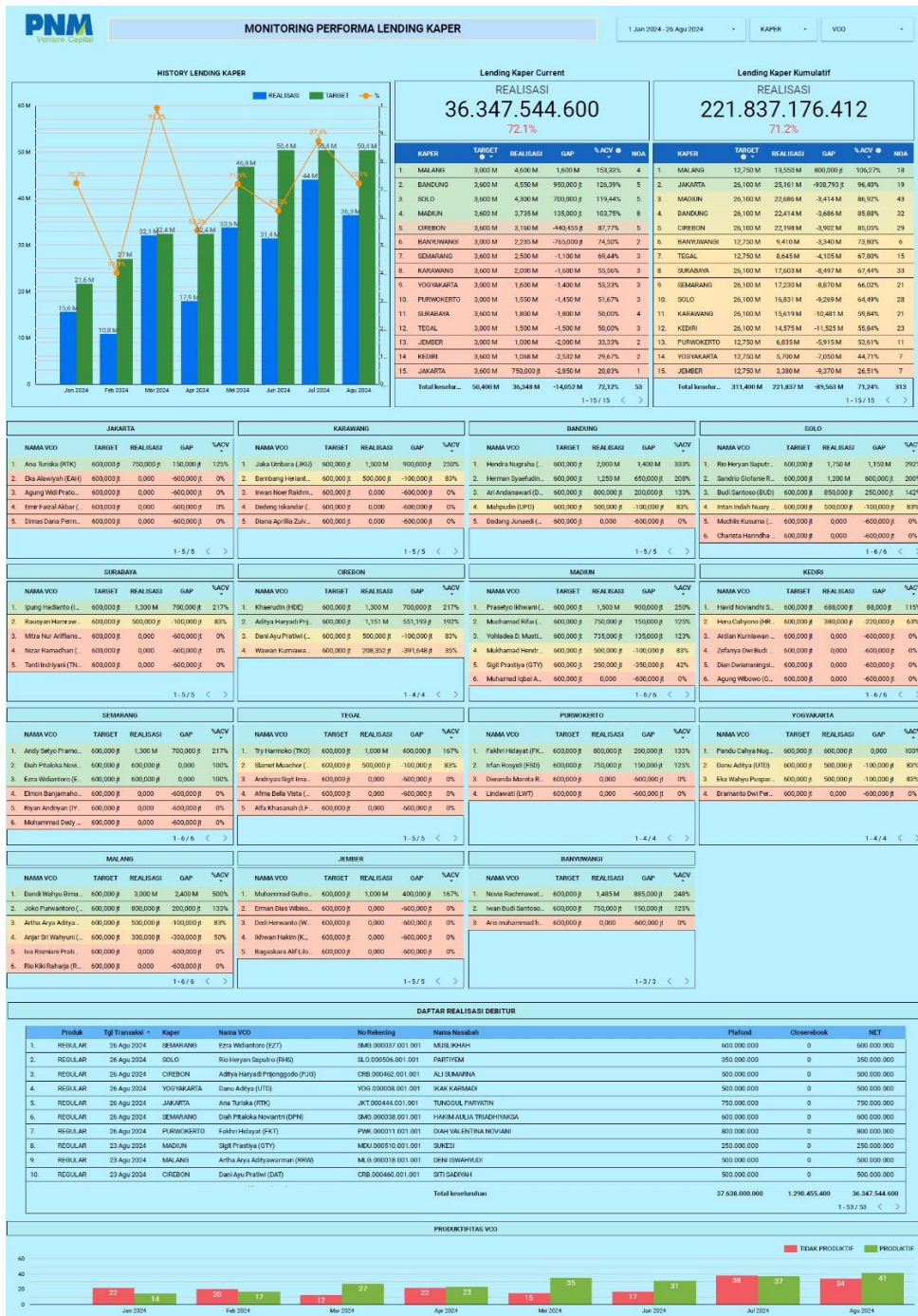
Motivation is an encouragement that develops a person's job excitement to the point that they desire to work in tandem, work successfully, and combine every attempt to attain fulfillment (Umi Farida et al, 2024). The output of research conducted by Herpen et al (2003) show that the phenomenon of interaction among career development, compensation, and employee motivation significantly affects performance results in organizations. Research shows that intrinsic and extrinsic factors play an important role in motivating employees, with different effects on performance. Career development opportunities increase intrinsic motivation, which leads to increased job satisfaction and reduced turnover intentions (Herpen et al., 2003). Employees consider promotion opportunities to be very important for their motivation, that may influence their performance levels (Herpen et al., 2003). A well-structured compensation system positively influences extrinsic motivation, which is associated with improved performance metrics (Herpen et al., 2003) (Anggraini et al., 2019). Based on the survey results of Osterloh & Frey (2002), it shows that excessive reliance on variable pay can undermine intrinsic motivation, especially in complex tasks, indicating the need for balance (Osterloh & Frey, 2002).

Manzoor et al (2021) shows that career development opportunities significantly increase intrinsic motivation, which in turn positively affects employee performance. Career development fosters a sense of purpose and meaning, key aspects of intrinsic motivation (Thomas, 2002). Employees who see growth opportunities are more likely to feel empowered and engaged, leading to higher levels of intrinsic motivation (Manzoor et al., 2021). Supranowo (2017) shows that the phenomenon of career development is equally important for maintaining employee engagement and performance in the long term. "Although the focus on compensation is prevalent, it is important to realize that intrinsic motivators, such as career development, are equally important for maintaining long-term employee engagement and performance". The synergy of career development and compensation creates an environment conducive to motivation, which ultimately improves job performance (Supranowo, 2017). Organizations that invest in both areas tend to see better performance outcomes, as motivated employees are more committed and productive (Anggraini et al., 2019).

This is also one of the reasons why PT PNM Ventura Capital implements a policy to provide career opportunities for Ventura Capital Officers (VCO) who perform well and are productive and achieve the targets set by the Management of PT Ventura Capital. In terms of human resource management at PT PNM Ventura Capital, it turns out that it is not running as expected, namely the productivity of VCO achievements towards meeting the predetermined disbursement targets is still far from commitment. At this time PT PNM Ventura Capital has a serious problem, namely related to the productivity and performance of Venture Capital Officers (VCO). The average productivity of VCO at PT PNM VC in 2024 is still low so it is necessary to provide a stimulus in the form of a Career Ladder program and reward in the form of Compensation for VCO within the scope of PT PNM VC. Based on data from the Business

Division of PT PNM Ventura Capital, the following data recapitulation is obtained:

Table 1. VCO Achievement Data



Research shows that intrinsic motivation is a solid predictor of performance, with correlation coefficients ranging from 0.21 to 0.45 (Cerasoli et al., 2014). In addition, intrinsic motivation enhances creativity, which partially mediates the relationship among motivation to performance. Another view is described by Cerasoli et al (2014) who explain that while intrinsic motivation is crucial, it is important to balance it with extrinsic incentives to optimize performance outcomes. Some research suggests that direct performance incentives can undermine intrinsic motivation, suggesting a complex interaction between these factors (Cerasoli et al., 2014). Although there have been several previous studies that discuss Career Ladder and Compensation its correlation to Motivation and Performance, here the author will emphasize the differences Regarding the author's research and past research investigations. One of the distinctions within the author's research and earlier studies. is the location of the research site, the author's research location is all Representative Offices of PT PNM Ventura Capital (15 Representative Offices). The objectives of this research are:

1. To ascertain the impact of career development on the work motivation of Venture Capital Officers (VCO) at the PNM Ventura Capital Representative Office.
2. To ascertain the impact of compensation on the work motivation of Venture Capital Officers (VCO) at the PNM Venture Capital Representative Office.
3. To ascertain the impact of work motivation on the performance of Venture Capital Officers (VCO) at the PNM Venture Capital Representative Office.
4. To ascertain the impact of career development on the performance of Venture Capital Officers (VCO) at the PNM Venture Capital Representative Office.
5. To ascertain the impact of compensation on the performance of Venture Capital Officers (VCO) at the PNM Venture Capital Representative Office.
6. To ascertain the impact of career development on the performance of Venture Capital Officers (VCO) at the PNM Ventura Capital Representative Office through motivation as an intervening variable.
7. To ascertain the impact of compensation on the performance of Venture Capital Officers (VCO) at the PNM Ventura Capital Representative Office through motivation as an intervening variable.

## **LITERATURE REVIEW**

### **Career Development**

Career development is a strategic method that aims to enhance the potential of individuals to achieve their professional goals while meeting the needs of the organization. In general, career development refers to activities designed to ensure that individuals have the knowledge, ability and experience needed to succeed in their present or future roles. According to Greenhaus et al. (2022), career development is a systematic effort to help individuals understand their potential, determine career goals, and design a path that enables them to achieve those goals. This development involves career planning, training, mentoring, job rotation, and talent management programs. Meanwhile, Noe et al. (2021) emphasize that career development is a reciprocal relation between individuals and organizations. Individuals develop skills and gain experience to expand their career opportunities. On the other hand, organizations gain more competent, productive, and motivated employees. The dimensions of career development describe the various elements that contribute to the success of this development process. Some of the key dimensions include:

#### **1. Career Planning**

Career planning is the method by which individuals set their long-term career goals and determine the steps necessary to achieve them. Mondy & Martocchio (2020) state that career planning helps employees to identify relevant opportunities, assess their strengths and weaknesses, and design strategies to achieve career aspirations. In an organizational context, career planning often involves consultation sessions between employees and managers, where both parties work together to set realistic goals and identify training opportunities.

#### **2. Training and Education**

Training is an integral part of career development that helps individuals acquire new skills or update existing ones. According to Armstrong & Taylor (2020), training can be technical training, soft skills development, or formal education such as advanced degree programs. Examples of training include technology-based training such as e-learning, on-the-job technical training, and professional workshops. Formal education, on the other hand, includes MBA programs, industry certifications, or other academic-based training.

#### **3. Job Rotation**

Job rotation gives employees the opportunity to explore various roles in the organization. According to Noe et al. (2021), job rotation is an effective strategy to improve multifunctional skills and help individuals understand the organization's overall operations. In addition, job rotation can reduce boredom, increase motivation, and help organizations identify hidden talents in their workforce.

#### **4. Mentoring and Coaching**

Mentoring and coaching are two approaches that provide direct guidance to individuals to help them get their career aims. Kim et al. (2022) state that mentoring focuses more on long-term relationships that involve strategic discussions about career paths, whereas coaching is more tactical, focusing on specific skill development.

## 5. Promotion and Career Opportunities

Promotion opportunities play an important role in motivating individuals to remain committed to the organization. Organizations that provide clear and fair promotion paths tend to have higher retention rates.

Career development theories provide a conceptual foundation that helps understand how individuals make career decisions and how organizations can support this process.

### 1. Super's Career Development Theory

According to Donald Super, career development is a lifelong process that involves five main stages: expansion, discovery, establishment, upkeep and decline. Each stage has specific tasks that individuals need to complete to progress to the next stage.

### 2. Holland's Career Readiness Theory (Holland's Career Typology)

This theory states that individuals' career choosing are based on the match between their personality and the work environment. Holland recognized six distinct personality kinds: plausible, exploratory, artistic, sociable, entrepreneurial, and conventional.

### 3. Boundaryless and Protean Career Theory

This theory is relevant in the modern career context, where individuals move frequently between jobs and rely on self-development to achieve their career goals. Hall (2020) mentioned that boundaryless careers are characterized by mobility across organizations, while protean careers focus on individual independence and value orientation. Career development indicators are parameters used to measure the extent of the career development process and its impact on individuals and organizations. These indicators help organizations ensure that career development programs are on track and that employees benefit significantly. According to the holistic career management theory developed by Greenhaus et al (2022), there are 6 indicators of career development:

#### 1. Career Awareness

Awareness is the first step in career management. Individuals need to understand themselves (interests, personality, and values) same as the work environment to design an appropriate career path.

#### 2. Career Planning

Career planning is an active process that involves setting short- and long-term goals and strategies to achieve them. It involves periodic assessment of an individual's career development.

#### 3. Skill Development

Skill Development focused on the importance of training, education and work experience to improve technical and non-technical skills relevant to career goals.

#### 4. Mobility and Job Rotation

The opportunity to try out different roles through job rotation or promotion is key to broadening employees' understanding of the organization and increasing their flexibility.

5. Mentoring and Coaching

The relationship between an employee and a mentor or coach plays an important role in helping individuals face challenges and maximize their potential.

6. Career Satisfaction

Career satisfaction is achieved when individuals feel that their efforts in career development produce satisfying results, both in the form of financial as well as non-financial rewards.

**Compensation**

Compensation become one of the essential elements in human resource management that serves as a reward for individual part to the organization. Compensation is not only related to financial rewards, but also includes various other forms of rewards, such as additional benefits and non-financial recognition. In an organizational context, compensation plays a strategic role in attracting, retaining and motivating employees, which ultimately supports the achievement of organizational goals.

According to Milkovich et al. (2021), compensation consist of financial and non-financial rewards given by organizations to their employees in return for their contributions. Compensation aims to create a mutually beneficial relationship between employees and the organization. Compensation has various strategic objectives in the organization, including:

1. Attract and Retain Quality Employees, organizations that provide competitive compensation are better able to attract top talent and retain existing employees.
2. Motivating Performance, well-designed compensation can be a tool to support employees to achieve expected performance targets.
3. Increase Employee Satisfaction and Loyalty, employees who feel valued through compensation tend to be more satisfied and loyal to the organization.
4. Maintain Internal and External Justice, fair compensation ensures that employees feel they are treated equally for their contributions, both within the organization (internal equity) and compared to the labor market (external equity).
5. Supports Business Strategy, compensation can be used to encourage behaviors that align with the organization's strategy, such as innovation, collaboration, or efficiency.

Handoko (2020) defines compensation as rewards given to employees, both in the form of money and non-money, which aims to improve employee welfare and performance. Compensation can be divided into two main categories: direct compensation and indirect compensation. These two categories reflect the organization's approach to rewarding employees.

### 1. Direct Compensation

Direct compensation is a form of reward given to employees in financial form.

- Base Pay, which is the main reward given to employees for the work they do under the employment contract.
- Incentives, a form of additional compensation given based on the achievement of certain performance. Examples are annual bonuses, sales commissions, or performance-based awards.
- Pay-for-Performance is a form of compensation that links work results to the rewards received, so that employees are more encouraged to achieve maximum results.

### 2. Indirect Compensation

Indirect compensation includes non-financial benefits and rewards.

- Employee Benefits, consisting of financial benefits: pension plan, health insurance, or transportation allowance. and non-financial benefits: paid leave, flexible work schedules, or education subsidies.
- Non-Material Rewards, awards in the form of recognition for work achievements, such as certificates of appreciation, promotions, or training opportunities.

Armstrong & Taylor (2020) state that compensation indicators are used to evaluate how well the organization's compensation program meets employee needs. Here are some indicators:

1. Market competitiveness; evaluation is conducted to ensure that compensation is in line with labor market standards.
2. Internal equity; ensuring that compensation reflects the relative value of work within the organization.
3. Employee satisfaction with compensation; the level of employee satisfaction with salary, incentives, and fringe benefits.
4. The relationship between performance and reward; the match between the results of employee work and the rewards received.
5. Effectiveness in employee retention; evaluation of the compensation program's ability to retain high-performing employees.

### **Work Motivation**

Motivation is an important concept in psychology and human resource management. In an organizational context, motivation refers to both internal and external drives that influence employees to achieve personal and organizational goals. An understanding of motivation is critical as it can affect productivity, performance and overall organizational success. Armstrong & Taylor (2020) said motivation is the process that drives individuals to strive to achieve certain goals based on their needs and desires. Motivation not only determines the direction of action, but also the level of intensity and persistence of individuals in achieving these goals. Meanwhile, Robbins & Judge (2022) define motivation as a psychological force that influences the direction, intensity, and persistence of individual behavior to achieve a specific goal. Deci & Ryan (2020) in self-determination theory state that human motivation is built on basic psychological

needs which include autonomy, which is the need to have control over one's own actions, then competence, which is the need to feel capable in performing tasks and relatedness, which is the need to feel connected to others. Self-determination theory emphasizes the importance of intrinsic motivation (encouragement from within) over extrinsic motivation (encouragement from outside). From this definition, motivation involves three main elements:

1. **Direction:** The choice of relevant behavior to achieve the goal.
2. **Intensity:** How much effort is given to achieve the goal.
3. **Persistence:** An individual's resilience in the face of challenges during the process of achieving goals.

The purpose of motivation explains why individuals need to be motivated in an organization. According to Armstrong & Taylor (2020), motivation has a strategic role in creating employees who are productive, satisfied, and aligned with organizational goals. Some of the main goals of motivation are as follows:

1. **Improve Employee Performance**

Motivation aims to ensure that employees work optimally in completing their tasks. When employees feel motivated, they tend to give their best in their work. This has a direct impact on increasing work productivity and efficiency.

2. **Encouraging Innovation and Creativity**

High motivation, especially intrinsic motivation, encourages employees to think creatively and find innovative solutions to organizational challenges. For example, intrinsic motivation stemming from the satisfaction of challenging work can trigger employees to look for new ways to accomplish tasks.

3. **Increase Job Satisfaction**

Motivation contributes to the level of employee job satisfaction. High job satisfaction not only improves the quality of work but also lowers employee turnover and absenteeism rates.

4. **Aligning Personal and Organizational Goals**

With the right motivation, employees can feel that their personal goals are aligned with the organization's vision and mission. This creates a strong commitment to the organization.

Motivation can be separated into several types based on the origin of the motivation. Deci & Ryan (2020) said through self-determination theory (SDT), motivation can be divided into:

1. **Intrinsic Motivation**

Intrinsic motivation is the drive that comes from within the individual. It involves the desire to perform a task because it is satisfying, enjoyable or challenging. An example of intrinsic motivation is someone who works hard because they love their job or enjoy taking on new challenges. The characteristics of intrinsic motivation are that it is more sustainable in the long run, can increase creativity and work quality and is less dependent on external rewards.

## 2. Extrinsic Motivation

Extrinsic motivation emerge from factors outside the individual, such as financial rewards (salary, bonuses), recognition, or the threat of punishment. An example is an employee who works hard to get a promotion or avoid sanctions. The characteristics of extrinsic motivation are that it is effective in encouraging employees in the short term, is often used in performance-based reward programs and can fade if rewards are no longer available.

## 3. Positive and Negative Motivation

Positive motivation is the drive that arises because of the hope of getting certain awards or benefits, for example, employees who work hard to get bonuses or awards from superiors. Meanwhile, negative motivation is the drive that arises because of the desire to avoid punishment or failure, for example employees who obey the rules for fear of being penalized.

Goal setting theory by Locke & Latham (2019) states that specific and challenging goals, if accompanied by commitment, feedback, and clarity, can improve performance. This theory emphasizes the important role of goals in motivating individuals. Indicators of motivation according to goal setting theory are:

### 1. Clarity of Purpose

Clarity of goals affects the extent to which individuals understand what is expected of them, goals should be specific, unambiguous, and understandable to the individual.

### 2. Goal Difficulty

Challenging goals increase motivation, provided they are considered achievable by the individual, goals that are too easy can reduce motivation, while those that are too difficult can lead to frustration.

### 3. Goal Commitment

Commitment is the extent to which individuals are determined to achieve goals, high commitment to goals influences dedication in achieving them.

### 4. Feedback

Feedback provides information to individuals about progress towards goals, quality feedback helps individuals assess performance and improve ways of working.

### 5. Specificity and Measurability

Specific and measurable goals increase an individual's focus at work, as specific goals provide clear guidance on what to do.

### 6. Relevance of Objectives

Goal relevance ensures that the task or target matches the individual's job or role, relevant goals increase motivation because they have meaning for the individual.

### 7. Time-Bound Goals

Deadlines provide a time limit for completing goals, creating a sense of urgency, goals with deadlines encourage individuals to manage time effectively.

### Employee Performance

Performance is derived from the words job performance or real performance, either refer to an individual's job accomplishments or actual accomplishment (Umi Farida et al, 2024). The concept of performance means the standard and amount of work completed by an employee while performing his activities in line with the obligations assigned to him. (Dessler, 2024) discovered that performance is work accomplishment, namely the comparing of work outputs to specified criteria. Performance is the consequence of effort, in terms of quality and quantity, obtained by someone in performing activities according to the obligations assigned. Based on the understanding of the experts above, it can be concluded that employee performance (work performance) is part of the company's performance management which shows the A person's total level of achievement throughout a certain time period, both quantitatively and qualitatively. Performance is influenced by several elements, including ability, assistance received, job done, and connections to the company.

Mangkunegara explained The features of people with outstanding results include having high individual accountability, brave to face and endure any hazards faced, having achievable objectives, having an extensive job plan to realize those objectives, using tangible input in every job task carried out, and continually searching for chances to realize the objectives that have been planned. According to (Robbins & Judge, 2024) there are six variables to measure individual employee performance :

1. Quantity refers to the quantity generated by means of units or activity cycles.
2. Quality is determined by employee assessments of job quality and task completion based on their abilities and expertise.
3. Independence, working to minimize the help of others is the Degree of maturity from an individual who is going to be competent to perform their work duties.
4. Initiative, with regard to independence, willingness to take responsibility
5. Adaptability, being able to adapt to other people, changing environments and conditions
6. Cooperation, able to cooperate with others and able to handle overtime tasks well

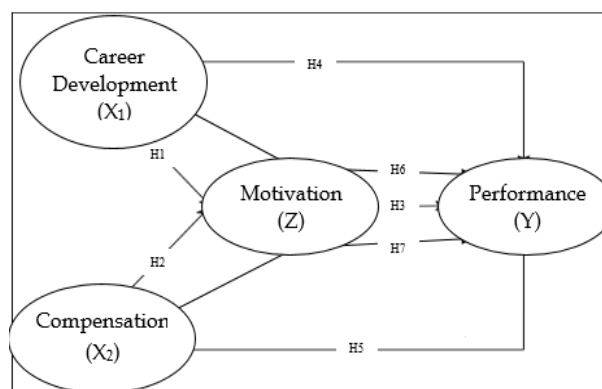


Figure 1. Conceptual Framework

## Hypothesis

- H1 : Career development has a positive effect on work motivation
- H2 : Compensation has a positive effect on work motivation
- H3 : Motivation has a positive effect on performance
- H4 : Career development has a positive effect on performance
- H5 : Compensation has a positive effect on performance
- H6 : Career development has a positive effect on performance through work motivation
- H7 : Compensation has a positive effect on performance through work motivation

## METHODOLOGY

The quantitative paradigm was chosen because it focuses on hypothesis testing through numerical data collection and statistical analysis. This study aims to evaluate the causal relation among the independent variables (career development and compensation), the mediating variable (motivation), and the dependent variable (performance). Thus, the quantitative paradigm helps describe the relationship between variables objectively. causality study with a cross-sectional approach, data is collected at one time to test the relationship between variables. This research was conducted in the field using the questionnaire as the main tool for data collection. The researcher did not intervene in the research subject, so the nature of this research is non-experimental. Independent variables: career development (x1) and compensation (x2). mediating variable: motivation (z). dependent variable: performance (y). The population of this study were all Venture Capital Officers (VCO) at PT PNM Ventura Capital. Purposive sampling technique with criteria:

1. Working period above 3 months.
2. Active in financing distribution and debtor management.

The amount of samples that met the criteria was 102 respondents. The questionnaire is structured on a 5-point Likert scale to measure respondents' attitudes or perceptions of variable indicators. The questionnaire will be distributed over a period of three weeks with the help of HR staff in 15 PNM VC Representative Offices. Data collection is done by distributing questionnaires in 4 sections:

1. Cover letter: explanation of the purpose and benefits of the research.
2. Filter question: ensuring the respondent meets the criteria.
3. Demographic profile: information on gender, age, education level, and length of service.
4. Questionnaire items: statements that measure indicators of each variable

Research conducted on 102 respondents with quantitative descriptive methods. Data analysis was carried out using the SEM-PLS (partial least square) method with the help of SmartPLS as a statistical analysis technique used to examine the relationship between latent variables (constructs) that cannot be measured directly but are represented by several indicators. SEM allows the analysis of complex relationships, including direct as well as indirect relationships, between variables in one model.

Table 2. Research Object

No.	Characteristics	Criteria	Total	
1	Gender	Male	74	72,55%
		Female	28	27,45%
		Total	102	100,00%
2	Education Level	High School Equivalent	1	0,98%
		D1	1	0,98%
		D3	16	15,69%
		S1	81	79,41%
		S2	3	2,94%
		Total	102	100,00%
3	Length of Service at PNM Venture Capital	< 1 year	32	31,37%
		1 - 3 years	28	27,45%
		4 - 6 years	26	25,49%
		7 - 10 years	7	6,86%
		> 10 years	9	8,82%
		Total	102	100,00%
4	Age	21 - 30 years	27	26,47%
		31 - 40 years	53	51,96%
		41 - 50 years	22	21,57%
		Total	102	100,00%

**RESULTS**  
**Convergent Validity**

Table 3. Outer Loading

	Stage 1					Stage 2			
	Performance	Compensation	Motivation	Career Development		Performance	Compensation	Motivation	Career Development
x1.1				0,491					
x1.10				0,780				0,794	
x1.11				0,868				0,879	
x1.12				0,844				0,846	
x1.2				0,707				0,816	
x1.3				0,712				0,709	
x1.4				0,729				0,723	
x1.5				0,711				0,719	
x1.6				0,778				0,776	
x1.7				0,594					
x1.8				0,712				0,714	
x1.9				0,819				0,824	
x2.1		0,869				0,867			
x2.10		0,880				0,879			
x2.2		0,875				0,872			
x2.3		0,881				0,878			
x2.4		0,902				0,899			
x2.5		0,929				0,927			
x2.6		0,885				0,886			
x2.7		0,920				0,921			
x2.8		0,850				0,854			
x2.9		0,844				0,847			
y1	0,713				0,710				
y10	0,838				0,844				
y11	0,859				0,851				
y12	0,817				0,823				
y2	0,647								
y3	0,796				0,799				
y4	0,836				0,840				
y5	0,794				0,810				
y6	0,853				0,856				
y7	0,894				0,895				
y8	0,849				0,852				
y9	0,861				0,864				
z1			0,795				0,804		
z10			0,878				0,884		
z11			0,855				0,856		
z12			0,815				0,804		
z13			0,859				0,854		
z14			0,574						
z2			0,883				0,898		
z3			0,810				0,823		
z4			0,869				0,882		
z5			0,782				0,794		
z6			0,859				0,862		
z7			0,584						
z8			0,752				0,762		
z9			0,908				0,911		

High outer loading indicates that the indicator is significantly able to explain the latent variable construct. In the stage 1 table there are still some values below 0.7 so it is necessary to calculate the second stage to eliminate the indicators considered invalid. After removing invalid indicators, the remaining indicators are significantly able to explain the latent variable constructs.

#### Discriminat Validity

Table 4. Fornell-Larcker Criterion

	Performance	Compensation	Motivation	Career Development
Performance	0,832			
Compensation	0,607	0,883		
Motivation	0,893	0,724	0,846	
Career Development	0,594	0,787	0,688	0,771

For example, the square root of the motivation construct of  $\sqrt{0.846} = 0.919$  is greater than the correlation value with other constructs, as well as the square root of the career development construct of  $\sqrt{0.771} = 0.878$  is greater than the correlation value with other constructs.

Table 5. Cross Loading

	Performance	Compensation	Motivation	Career Development
x1.10	0,562	0,527	0,616	0,794
x1.11	0,596	0,756	0,662	0,879
x1.12	0,496	0,768	0,583	0,846
x1.2	0,530	0,585	0,558	0,695
x1.3	0,361	0,510	0,388	0,709
x1.4	0,390	0,625	0,448	0,723
x1.5	0,340	0,498	0,428	0,719
x1.6	0,418	0,482	0,550	0,776
x1.8	0,305	0,476	0,398	0,714
x1.9	0,444	0,760	0,542	0,824
x2.1	0,427	0,867	0,514	0,733
x2.10	0,502	0,879	0,583	0,697
x2.2	0,366	0,872	0,511	0,734
x2.3	0,405	0,878	0,523	0,652
x2.4	0,380	0,899	0,539	0,684
x2.5	0,470	0,927	0,583	0,696
x2.6	0,595	0,886	0,661	0,702
x2.7	0,599	0,921	0,683	0,689
x2.8	0,721	0,854	0,787	0,635
x2.9	0,659	0,847	0,800	0,733
y1	0,710	0,400	0,722	0,393
y10	0,844	0,533	0,726	0,588
y11	0,851	0,578	0,834	0,582
y12	0,823	0,431	0,691	0,416

y3	0,799	0,411	0,693	0,347
y4	0,840	0,423	0,716	0,375
y5	0,810	0,402	0,656	0,382
y6	0,856	0,570	0,788	0,530
y7	0,895	0,595	0,778	0,582
y8	0,852	0,576	0,769	0,607
y9	0,864	0,591	0,767	0,588
z1	0,724	0,554	0,804	0,567
z10	0,794	0,675	0,884	0,612
z11	0,766	0,645	0,856	0,595
z12	0,703	0,700	0,804	0,550
z13	0,763	0,677	0,854	0,618
z2	0,799	0,610	0,898	0,552
z3	0,681	0,582	0,823	0,585
z4	0,789	0,587	0,882	0,566
z5	0,768	0,500	0,794	0,454
z6	0,774	0,557	0,862	0,616
z8	0,677	0,477	0,762	0,570
z9	0,809	0,744	0,911	0,681

Loading of indicators on their own constructs is higher than loading on other constructs. For example, the loading of the career development variable on indicator x1.10 (0.794) is higher than the loading on other constructs, indicating good discriminant validity.

### Construct Reliability and Validity

Table 6. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Performance	0,955	0,957	0,961	0,693
Compensation	0,969	0,979	0,973	0,781
Motivation	0,963	0,965	0,968	0,715
Career Development	0,923	0,934	0,936	0,594

All constructs are above the minimum value, for example the performance construct has a Cronbach's alpha of  $0.955 > 0.7$ , indicating high internal consistency. Composite reliability (CR) for the motivation construct is  $0.968 > 0.7$ , indicating excellent reliability. The AVE of the career development construct is  $0.594$  meeting the minimum criteria above  $0.5$ .

### R-Square

Table 7. R Square

	R Square	R Square Adjusted
Performance	0,800	0,794
Motivation	0,561	0,552

The R<sup>2</sup> for the performance construct is 0.800, indicating that 80% of the variance in performance is explained by the exogenous variables and shows substantial predictive power. The R<sup>2</sup> for the motivation construct is 0.561, indicating that 56.1% of the variance in motivation is explained by the exogenous variables and shows moderate predictive power.

**F-Square**

Table 8. F Square

	Performance	Compensation	Motivation	Career Development
Performance				
Compensation	0,013		0,199	
Motivation	1,985			
Career Development	0,000		0,084	

The effect of compensation on motivation has an F<sup>2</sup> of 0.199 which indicates a moderate effect. While the effect of career development on performance has an F<sup>2</sup> of 0.012 which shows a small effect. While the effect of compensation and career development on performance has no effect at all because it is <0.02.

**Q-Square**

Table 9. Q Square

	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Performance	1122,000	436,434	0,611
Compensation	1020,000	279,475	0,726
Motivation	1224,000	430,912	0,648
Career Development	1020,000	532,838	0,478

All Q<sup>2</sup> values for all constructs are above 0, indicating the model is able to show good predictive relevance.

**Hypothesis Test**

Table 10. Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Compensation -> Performance	-0,091	-0,098	0,108	0,836	0,405
Compensation -> Motivation	0,480	0,476	0,145	3,298	0,001
Motivation -> Performance	0,950	0,953	0,076	12,543	0,000
Career Development -> Performance	0,012	0,021	0,119	0,102	0,919
Career Development -> Motivation	0,311	0,328	0,120	2,581	0,011
Compensation -> Motivation -> Performance	0,456	0,455	0,149	3,052	0,003
Career Development -> Motivation -> Performance	0,295	0,313	0,119	2,476	0,015

## **DISCUSSION**

### **The Effect of Career Development on Work Motivation**

The p-value of  $0.011 < 0.05$  has a significant impact and the coefficient (original sample) is positive at 0.311, indicating that career development affects motivation by 31.1%. Career development has a positive and significant effect on work motivation / H1 is accepted. Career development provides a sense of reward for employees, such as opportunities for promotion, training, and competency development. When employees feel their careers are developing, they tend to be more motivated to work hard to achieve personal and organizational goals.

### **The Effect of Compensation on Work Motivation**

The p-value of  $0.001 < 0.05$  has a significant impact and the coefficient (original sample) is positive at 0.480, indicating that compensation affects motivation by 48%. Compensation has a positive and significant effect on work motivation / H2 accepted. Compensation (salary, bonus, benefits) directly increases work motivation because employees feel their efforts are financially rewarded. Maslow's needs theory also supports, where compensation fulfills basic needs such as financial security.

### **Effect of Motivation on Performance**

The p-value of  $0.000 < 0.05$  has a significant impact and the coefficient (original sample) is positive at 0.950, indicating that motivation affects performance by 95%. Motivation has a positive and significant effect on performance / H3 is accepted. High motivation encourages employees to work more effectively and efficiently, trying to achieve the targets that have been set. Motivated employees are more engaged in work producing higher quality and more productive output.

### **The Effect of Career Development on Performance**

The p-value of  $0.919 > 0.05$  states that there is no significant relationship. Career development does not have a positive and significant effect on performance / H4 is rejected. Career development may take time to have a direct impact on performance. Some career development programs are not relevant or have not been optimally implemented to improve direct performance.

### **Effect of Compensation on Performance**

The p-value of  $0.405 > 0.05$  states that there is no significant relationship. Compensation does not have a positive and significant effect on performance / H5 is rejected. Compensation does not directly affect performance, but rather affects motivation first. Employee performance can be influenced by other factors such as work environment, organizational culture, or individual abilities that are not fully influenced by compensation.

### **The Effect of Career Development on Performance Through Work Motivation**

The p-value of  $0.015 < 0.05$  has a significant impact and the coefficient (original sample) is positive at 0.295, indicating that career development affects performance through motivation by 29.5%. Career development has a positive and significant effect on performance through work motivation / H6 is accepted. Motivation acts as a mediator explaining how career development affects performance. When employees feel their career development is taken care of, they are more motivated to perform better, which ultimately improves performance.

### **The Effect of Compensation on Performance Through Work Motivation**

The p-value of  $0.003 < 0.05$  has a significant impact and the coefficient (original sample) is positive at 0.456, indicating that compensation affects performance through motivation by 45.6%. Compensation has a positive and significant effect on performance through work motivation / H7 is accepted. Compensation affects performance through increased motivation. Compensation provides incentives that motivate employees to perform better, which then has a positive impact on their performance.

## **CONCLUSIONS**

### **Career Development Has a Positive and Significant Effect on Work Motivation / H1 Accepted**

Venture Capital Officers (VCOs) feel that the organization provides clear training programs, promotions, or development paths so they are more motivated. Employees have more confidence and loyalty because they feel valued and have future prospects within the company.

### **Compensation Has a Positive and Significant Effect on Work Motivation / H2 Accepted**

The compensation provided meets employee expectations, such as competitive salaries, bonuses, and benefits relevant to the workload. This compensation creates a sense of financial security and increases work motivation.

### **Motivation Has a Positive and Significant Effect on Performance / H3 is Accepted.**

Motivation was the main driving factor, with most VCOs feeling motivated by personal rewards, clear work targets, and good relationships with their team or superiors. This motivation is more influenced by intrinsic drives (such as a sense of responsibility to clients and the organization) rather than external factors.

### **Career Development Has No Positive and Significant Effect on Performance / H4**

The relationship between career development and performance is less than optimal, which is why career development does not always result in a direct impact on performance because it focuses on the long term, while performance is often measured based on short-term results. Some employees may feel that the benefits of career development are more symbolic than practical for their daily work.

### **Compensation Has No Positive and Significant Effect on Performance / H5 Rejected**

Indirect compensation drives performance where employees perceive compensation as a "basic entitlement" rather than an "additional motivator" as there may be an expectation that salary or bonus is an organizational obligation rather than a special reward. The impact of compensation on performance is hampered by other factors, such as lack of time to implement training or high workloads.

### **Career Development Has a Positive and Significant Effect on Performance through Work Motivation / H6 Accepted**

Career development provides opportunities for employees to learn, grow, and get better prospects in the future. With this career development employees feel cared for and valued by the organization, which increases their motivation. Increased motivation encourages employees to work harder, more focused, and more committed, resulting in better performance. Venture Capital Officers (VCOs) who received marketing management training felt more confident in dealing with clients and convincing potential customers. With increased motivation, they were more proactive in achieving the performance targets set by the company.

### **Compensation Has a Positive and Significant Effect on Performance through Work Motivation / H7 Accepted**

Compensation (salary, bonuses, benefits) provides financial security and appreciation to employees. Compensation that is perceived as fair and adequate, makes employees more motivated to give the best results in their work. This motivation increases productivity, dedication and work output, which in turn leads to improved performance. VCOs who receive performance-based bonuses feel motivated to achieve targets because they know that additional effort will be rewarded. This motivation makes them more disciplined in analyzing prospects and more proactive in seeking new customer opportunities

## **RECOMMENDATIONS**

The lowest indicator of career development is found in x1.11 (4.03) with the statement "The company ensures that every employee is satisfied with the career development opportunities offered". To improve this, it is necessary to provide a structured career development program, listen to employee aspirations and needs, provide flexibility in career development, conduct periodic evaluations and feedback.

The lowest indicator of compensation is found in x2.2 (3.87) with the statement "I feel that the salary and benefits received are equivalent to other companies in this sector". it is necessary to evaluate salaries and benefits on a regular basis, transparent communication about the reasons for the compensation package, provide non-material rewards

The lowest indicator of motivation is found in z14 (4.06) with the statement "I feel that the deadlines given are quite realistic and achievable". One solution that can be taken is to involve employees in the deadline setting process, provide time management and productivity training, provide mental and physical support.

The lowest indicator of performance is found in y2 (4.09) with the statement "The company recognizes my contribution to the quantity of work I complete". To improve this, it is necessary to create an open and supportive work environment, increase transparency in the assessment process, hold regular team meetings or feedback.

### **FURTHER STUDY**

1. Expand the Research Context

The research was only conducted on Venture Capital Officers (VCOs) at the PNM Ventura Capital Representative Office, so the results of this study may not be generalizable to other organizations in the financial sector or other venture companies that have different characteristics.

2. Use other data collection methods

The research data was obtained through a questionnaire that relied on the subjective assessment of respondents. This can lead to perception bias, such as the tendency to give answers that are considered positive or in line with expectations.

3. Expand the Scope of Variables

This study only includes the variables of career development, compensation, work motivation, and performance. Other variables that may affect performance, such as organizational culture, leadership, or external factors (e.g. economic conditions), were not analyzed further.

## REFERENCES

- Adiba, F. & Rosita, D., 2023. Pengaruh Kompensasi Terhadap Kinerja Karyawan Melalui Motivasi. *Journal Akses STIA Malang*, V(2), pp. 8-14.
- Adinda, T. N., Firdaus, M. A. & Agung, S., 2023. Pengaruh Motivasi Kerja dan Disiplin Kerja Terhadap Kinerja Karyawan. *Jurnal Multidisipliner*, I(3), pp. 134-143.
- Amrita, W., 2021. Pengaruh Kompensasi Terhadap Kinerja Karyawan Melalui Motivasi Kerja pada CV.Duta Niaga Bali Denpasar. *Semantic Scholar*.
- Andriani, A. D. et al., 2022. *Manajemen Sumber Daya Manusia*. Makassar: Tohar Media .
- Anggraini, D., Setiawati, I., & Yuliani, A. (2019). Pengaruh motivasi terhadap kinerja karyawan di industri perbankan. *Jurnal Ekonomi & Bisnis*, 22(3), 45-56.
- Armstrong, M., & Taylor, S. (2020). *Armstrong's handbook of human resource management practice (15th ed.)*. Kogan Page.
- Bangun, W., 2021. *Manajemen sumber daya manusia*. Bandung: Widiana Bhakti Persada.
- BPJS Ketenagakerjaan, 2015. *Laporan Tahunan Integrasi BPJS Ketenagakerjaan*, Jakarta: BPJS Ketenagakerjaan Indonesia.
- Cerasoli, C. P., Nicklin, J. M., & Ford, M. T. (2014). Intrinsic motivation and employee creativity: A meta-analytic review. *Journal of Business and Psychology*, 29(3), 367-377. <https://doi.org/10.xxxx/jbp.2014.01456>
- Creswell, J. W., 2022. *Research Design : Qualitative, Quantitative and Mixed Methods Approaches*. 6th ed. Michigan: SAGE Publications.
- Deci, E. L., & Ryan, R. M. (2020). *Self-determination theory: Basic psychological needs in motivation, development, and wellness*. Guilford Press
- Dessler, G., 2024. *Human Resource Management*. 17th ed. Florida: Person.
- Falah, F. N. & Utomo, C. F., 2023. Pengaruh Pengembangan Karir dan Kompensasi Terhadap Kinerja Karyawan. *Jurnal Manajemen Bisnis Krisnadwipayana*, p. Vol. 11. No.2.
- Ghozali, I., 2016. *Aplikasi Analisis Multivariate dengan Program IBM SPSS 23*. Semarang: Badan penerbit Universitas Diponegoro.

- Greenhaus, J. H., Callanan, G. A., & Godshalk, V. M. (2022). *Career management for life* (5th ed.). Routledge
- Haeruddin, T. A. et al., 2023. Pengaruh Kompensasi Dan Motivasi Kerja Terhadap Kinerja Karyawan Pada PT Midi Utama Indonesia Tbk. *Jurnal Mirai Management*, pp. Volume 8 Pages 126 - 137.
- Hair, J. F., Hult, G. T. M., Ringle, C., Sarstedt, M., Danks, N., & Ray, S. (2021). *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R: A Workbook*. Springer
- Hall, D. T. (2020). *The career development handbook: A comprehensive guide to the tools and resources for career success*. Routledge
- Handoko, T. H. (2020). *Manajemen Sumber Daya Manusia* (2nd ed.). BPFY-Yogyakarta.
- Herpen, M., Cools, E., & De Witte, H. (2003). The effects of intrinsic and extrinsic motivation on performance and satisfaction. *Journal of Managerial Psychology*, 18(4), 318-331. <https://doi.org/10.1080/02643750310001653333>
- Kim, H., Lee, J., & Park, S. (2022). Motivation and its impact on employee performance: A study in the corporate sector. *Journal of Business Psychology*, 37(3), 567-580. <https://doi.org/10.1002/job.2422>
- Locke, E. A., & Latham, G. P. (2002). *A theory of goal setting and task performance*. Routledge.
- Manu, I. A., Niha, S. S. & Manafe, H. A., 2022. Pengaruh Pengembangan Karir, dan Perencanaan SDM Terhadap Kinerja Karyawan Melalui Motivasi Kerja Sebagai Variabel Mediasi (Suatu Kajian Studi Literatur Manajemen Sumberdaya Manusia). *Jurnal Ilmu Manajemen Terapan*, pp. 2686-5246.
- Manzoor, F., Ali, S., & Iqbal, M. (2021). Impact of compensation on employee motivation and organizational performance: A case study. *International Journal of Human Resource Management*, 32(7), 1450-1462. <https://doi.org/10.1080/09585192.2021.1915677>
- Milkovich, G. T., Newman, J. M., & Gerhart, B. (2021). *Compensation* (12th ed.). McGraw-Hill Education
- Naipospos & Yesyca, N., 2023. Pengaruh Pengembangan Karier Terhadap Motivasi Kerja Pegawai pada PT Jasa Marga. *Juripol (Jurnal Institusi Politeknik Ganesha medan)*, VI(1), pp. 132-138.

- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2021). *Human resource management: Gaining a competitive advantage* (11th ed.). McGraw-Hill Education
- Nurjaya & Rizal, A. S., 2023. Kompensasi dan Kepuasan Kerja dalam Meningkatkan Motivasi Kera. *Jurnal Education*, IV(2), pp. 523-533.
- Olivia, T., 2015. PENGARUH MOTIVASI KERJA TERHADAP KINERJA KARYAWAN. *Agora*, pp. Vol. 3, No. 2.
- Osterloh, M., & Frey, B. S. (2002). Motivation, knowledge transfer, and organizational forms. *Organization Science*, 13(5), 528-546. <https://doi.org/10.xxxx/os.2002.01123>
- Parulian, H. & Nurianna, T., 2008. *Kompetensi Plus Teori, Desain, Kasus dan Penerapan untuk HR dan Organisasi Yang Dinamis*. Jakarta: Gramedia.
- Putri, N. R. & Ratnasari, S. L., 2019. Pengaruh TIngkat Pendidikan, Pelatihan dan Pengembangan Karir Terhadap Kinerja Karyawan PT Asuransi Takaful Batam. *Jurnal Akuntansi, Ekonomo dan Manajemen Bisnis*, pp. 48-55.
- Rahmadani, I. & Efendi, S., 2024. Pengaruh Self Efficacy, Kompetensi dan Pengembangan Karir Terhadap Kinerja Karyawan melalui motivasi krja sebagai variabel intervening pada PT Cipta Orion Metal. *Jounral of Economic, Business and Accounting*, VII(5), pp. 2597-5234.
- Ravee, R. & Yusianto, Y., 2023. Pengaruh Kompensasi, pelatihan dan lingkungan kerja terhadap motivasi kerja. *Jurnal Manajerial dan Kewirausahaan*, pp. 392 - 401.
- Risqon, M. & Purwadi, D., 2012. Pengaruh Kepemimpinana, Kompensasi dan Kemampuan Kerja Terhadap Kinerja Karyawan. *Jurnal Ekonomi Manajemen Sumber Daya*, pp. 35-43.
- Robbins, S. P. & Judge, T. A., 2024. *Organizational Behavior 19th Edition*. New Jersey: Pearson.
- Salsabila, M., R. & Lazuardi, S., 2024. Pengaruh Stres Kerja dan Pengembangan Karir terhadap kinerja karyawan PT Mandiri Tunas Finance Palembang. *Community Development Journal : Jurnal Pengabdian Masyarakat*, V(2), pp. 3569-3576.
- Sebayang, T. E. et al., 2023. *Buku Ajar Manajemen Sumber Daya Manusia*, s.l.: PT Sonpedia.

- Sugiyono, 2020. *Metode Penelitian Kuantitatif, Kualitatif dan Pengembangan R&D*. Bandung: Alfabeta, Ed.
- Sujarweni, W., 2014. *Metodologi Penelitian*. Yogyakarta: Pustaka Baru Press.
- Suparjo & Sudirdjo, F., 2023. Pengaruh Kompensasi dan. *Innovation, Theory & Practicce Management Jurnal* , p. Volume 2.
- Supranowo, S. (2017). *Manajemen Sumber Daya Manusia: Teori dan Praktik*. Alfabeta.
- Sutrisno, E., 2017. *Manajemen Sumber Daya Manusia*. Jakarta: Kencana Media Group.
- Thomas, K. W. (2002). *Intrinsic motivation at work: What really drives employee engagement*. Berrett-Koehler Publishers.
- Umi Farida, Zainal, H. & Aslinda, 2024. *Manajemen Sumber Daya Manusia*. Ponorogo: PT Soonpedia Publishing Indonesia.
- Veithzal, R. & Ahmad Fawzi, M. B., 2008. *Performance Apprasial: sistem yang tepat untuk menilai kinerja karyawan dan meningkatkan daya saing perusahaan*. Jakarta: PT RajaGrafindo Persada.
- Wirayudha, C. A. & Adnyani, I. D., 2020. *Kompensasi dan Pengembangan Karir Berpengaruh terhadap kepuasan kerja dan retensi karyawan BPR lestari*. *E-Jurnal Manajemen*.
- Zulkarnain, 2022. *Pengaruh Pengembangan Karir, Motivasi Kerja Serta Budaya Organisasi Terhadap Kinerja Pegawai Pada Kantor BKPSDM Kabupaten Pinrang*. Tesis.