

## **Determinant of Career Development through Intervening of Performance and Promotion on Employees: Evidence from Indonesia**

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**ABSTRACT** :This study aims to know influence and analysis of: (1) commitment, training and development through performance to promotion, (2) commitment, training and development through performance to career development, (3) commitment, training and development and performance through promotion to career development. Sample in this study is 56 respondents of PT Bank Tabungan Negara (Persero) Tbk. Kantor Cabang Jember. Method of analysis in this study is path analysis. The result of this analysis shows that variable commitment, training and development through performance influences significantly to promotion on employees. The results of path analysis show that the largest direct influence to career development is variable promotion. While the smallest direct influence on career development is variable training and development. Commitment can be improved by providing better facilities, such as physical building and addition facilities related to operational activities of the company. Thus, it can improve employees' performance in working. Then, training and development method and material, and training time which is appropriate with purposes also need to be improved to give employees promotion opportunity and career development.

**KEYWORDS**: career development, performance, promotion, employee's commitment, training and development

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### **I. INTRODUCTION**

The business competition requires the company to make innovation not only on product produced but also on services quality provided. On the other hand, the company also must be able to defend human resources who owned by the company because they are a component of main resources in the company operational activities. One of ways to maintain the human resources is giving a chance to the fairly career development.

Activities in career development can be sponsored by human resources development, the manager and been made individually without depending on company (Ivancevich and Glueck, 1989). Career development looks at the long-term career effectiveness and success of organizational personnel (Decenzo & Robbins, 2010:211). Career development need the involvements of organization and individual efforts. Human resources department and manager efforts related to the organization efforts like held training and development programs and give promotion opportunity.

According to Leibowitz *et al.*, (1986), training is used for technical skill taught, while development usually refer to programs that try to improve human relations and conceptual of manager. Human resources department often hold training and development programs for the employees because they are very beneficial of the organization and employee. While, Simamora (2003) said that, "promotion is transferring employee from one job to another job that has higher level in terms of payment, responsibility and the level of organization." So, when an employee has a good promotion chance, he has done the development of his career.

Career development indeed not only depend on efforts of the organization itself, but also in accordance with the desire of individuals. Pfeifer *et al.* (2011) said that some ways of career development that can be done individually are commitment to the organization and improve job performance because the assumption of good performance is basis for developing career. According to Decenzo & Robbins (2010:238) performance is one of total collection of work within worker. So, when performance under standard, attention to career development efforts will be reduced and being difficult to achieve career purpose (Agba *et al.*, 2010). Some ways that done by the company to obtain commitments from their employees are giving high payments and benefits, signing of contracts, usually for one year or more that forbid them to move to other companies and running the implementation of human resources effectively, included planning and career development (Shahid, 2013; Newman & Sheikh, 2012).

The research aims to understanding and analyzing the influence of: (1) commitment and training and development through performance on the promotion; (2) commitment and training and development through performance on the development of a career; (3) commitment, training and development and performance through promotion on the career development.

This research has theoretical and practical benefits. Theoretical benefit of this research is to develop theoretical knowledge, particularly theoretical study on entrepreneurial orientation, management skills, knowledge sharing, innovation and business performance. Practical benefit of this research is to provide advice to the government as a model for the development of entrepreneurial empowerment for SMEs.

## **II. REVIEW OF THEORY AND HYPOTHESES**

Osibanjo, Oyewunmi and Ojo (2014) argue that career development can help reduce cost expended on recruiting and training new employees in organizations. Benefits of career development for employees is to develop the potential abilities and skills possessed, knowing career development paths within the organization and to receive training in accordance with the direction of the development of his career. While the benefits of career development for the organization is to control the level of turnover, helping implement the regeneration program, knowing the desire and talent workforce

Career development is a system that is regulated, formalized and is a planning effort in achieving a balance between the needs of individual career and conditions of employment of an organization (Leibowitz *et al.*, 1986). Effective career development program also important for the individual (Robbins, 2010:212). Performance is the result of employee achievement in accordance with the capacity, capability and expertise. Performance is the result of efforts by the ability of a person's personal characteristics and perceptions of its role in such work.

NitiseMITO (2000) states promotion is the process of moving employees from a higher position, which is always followed by duties, responsibilities and authority of the higher also from the post previously occupied. Based on the previous statement, it can be concluded that the sale is the transfer positions to a position higher than the previous position, followed with increasing responsibilities, powers and salary received. Mangkuprawira (2003) also suggested that training is a process of teaching attitudes, knowledge and specific expertise so that more skilled employees so that they can carry out their responsibilities in accordance with company standards. Beneficial development to improve knowledge that will be useful in carrying out its responsibilities.

Several previous studies provide results that organizational commitment have a positive influence on employee performance (Cha *et al.*, 2009; Kashefi *et al.*, 2013; Imran *et al.*, 2014). Research Pfeifer *et al.* (2011) and Khan *et al.* (2011) was to prove the influence of education and training to the improved performance. The above literature has been used as the platform to develop a conceptual framework for this study as shown in Figure 1. Based on the framework, it can be hypothesized that:

H<sub>1</sub> : Commitment and training and development through performance have significantly influence to promotion of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember.

H<sub>2</sub> : Commitment and training and development through performance have significantly influence to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember.

H<sub>3</sub> : Commitment, training and development and performance through promotion have significantly influence to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember.

## **III. RESEARCH METHODS**

### **Data Collection**

Types of data in this study are primary data and secondary data. Primary data is obtained from interviews and spread of questionnaire associated with the variables researched. Secondary data includes data obtained from annual report of PT Bank Tabungan Negara (Persero) Tbk., books and the data obtained from internet.

### **Population dan Sampel**

Population in this study are all employees of PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember as amount of 56. Because of this research uses a census research, so the population also acting as samples.

### **Data Analyze Method**

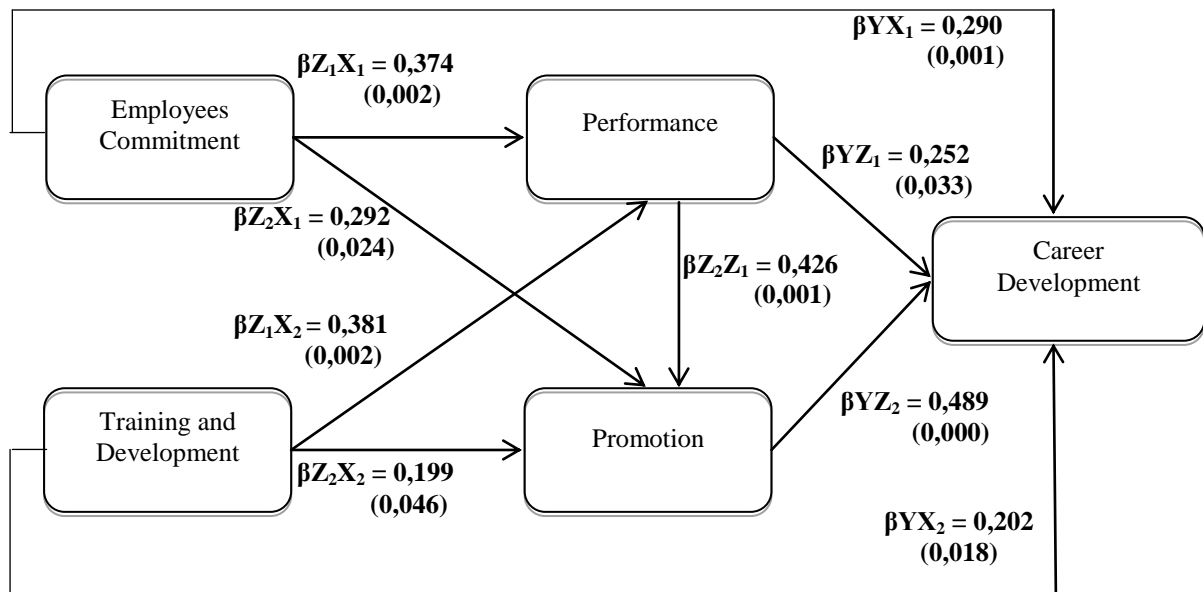
A quantitative questionnaire, combining five Likert scales measuring employees' commitment, training and development, job performance, promotion and career development, was given to 56 employees of PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember. Path analysis and hypothesis test is used to analyze data.

#### IV. RESULTS

Result of this study is known by result of path analysis and hypothesis test. Aims of path analysis is to find out direct influence and indirect influence of independent variables to dependent variable. Hypothesis test is used to know that presented hypothesis is rejected or accepted.

##### Path Analysis

Based on the path calculation diagram, structural for the model are:



$$Z_1 = 0,374 X_1 + 0,381 X_2 + \varepsilon_1$$

$$Z_2 = 0,292 X_1 + 0,199 X_2 + 0,426 Z_1 + \varepsilon_2$$

$$Y = 0,290 X_1 + 0,202 X_2 + 0,252 Z_1 + 0,489 Z_2 + \varepsilon_3$$

From all structurals are known that all of the coefficient of independent variables are positive (+). It means that independent variables have directly proportional to dependent variables. The largest direct influence of independent variables to dependent variables is showed by the higher value of coefficient of independent variables. While, fit model is known by the higher value of  $R^2$ .

Structural 1 shows that the increase of employees' commitment and training and development will be increasing employees' performance, vice versa. Variable training and development has bigger influence to performance than employees' commitment. Value of  $R^2$  of structural 1 is 0,355. It means that 35,5% of performance is influenced by employess's commitment and training and development. While, 64,5% of performance is influenced by other variables outside of model.

Structural 2 shows that the increase of employees' commitment, training and development and performance will be increasing promotion opportunity, vice versa. The biggest influence from independent variables is variable performance. Value of  $R^2$  of structural 2 is 0,549. It means that 54,9% of performance is influenced by employess's commitment, training and development and performance. While, 45,1% of promotion is influenced by other variables outside of model.

Structural 3 shows that the increase of employees' commitment, training and development, performance and promotion will be increasing career development, vice versa. The biggest influence from independent variables is variable promotion. Value of  $R^2$  of structural 3 is 0,659. It means that 65,9% of career development is influenced by employess's commitment, training and development, performance and promotion. While, 34,1% of career development is influenced by other variables outside of model. From the explanation, can be conclude that structural 3 is the best model to develop career of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember.

**Hypothesis Test**

a. First Hypothesis

H<sub>1</sub> : Commitment and training and development through performance have significantly influence to promotion of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember.

Table 1. Path Coefficient Value and First Hypothesis Test

Independent Variables	Dependent Variables	Beta	P-value	Explanation
Employees Commitment	Performance	0,374	0,002	significant
Training and Development	Performance	0,381	0,002	significant
Performance	Promotion	0,426	0,001	significant

Source: primary data, 2015

From path analysis result, on level of significant 95% is known that the coefficient of direct path (Beta Standardize) is 0,374 and p-value is 0,002. Because of  $p\text{-value} < \alpha$  or  $0,002 < 0,05$ , Ho is rejected and Ha is accepted. It means that employees commitment has significantly influence to performance. The result of path analysis on level of significant 95% shows that the coefficient of direct path (Beta Standardize) is 0,381 and p-value is 0,002. Ho is rejected and Ha is accepted because of  $p\text{-value} < \alpha$  or  $0,002 < 0,05$ . It means that training and development has significantly influence to performance.

Path analysis result shows that on level of significant 95% is known that the coefficient of direct path (Beta Standardize) is 0,426 and p-value is 0,001. Because of  $p\text{-value} < \alpha$  or  $0,001 < 0,05$ , Ho is rejected and Ha is accepted. It means that performance has significantly influence to promotion.

b. Second Hypothesis (H<sub>2</sub>)

H<sub>2</sub> : Commitment and training and development through performance have significantly influence to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember.

Table 2. Path Coefficient Value and Second Hypothesis Test

Independent Variables	Dependent Variables	Beta	P-value	Explanation
Employees Commitment	Performance	0,374	0,002	significant
Training and Development	Performance	0,381	0,002	significant
Performance	Career Development	0,489	0,033	significant

Source: primary data, 2015

From path analysis result, on level of significant 95% is known that the coefficient of direct path (Beta Standardize) is 0,374 and p-value is 0,002. Because of  $p\text{-value} < \alpha$  or  $0,002 < 0,05$ , Ho is rejected and Ha is accepted. It means that employees commitment has a significantly influence to performance. Path analysis result shows that on level of significant 95% is known that the coefficient of direct path (Beta Standardize) is 0,381 and p-value is 0,002. Ho is rejected and Ha is accepted because of  $p\text{-value} < \alpha$  or  $0,002 < 0,05$ . It means that training and development has significantly influence to performance.

Result of path analysis on level of significant 95% shows that the coefficient of direct path (Beta Standardize) is 0,489 and p-value is 0,033. Because of  $p\text{-value} < \alpha$  or  $0,033 < 0,05$ , Ho is rejected and Ha is accepted. It means that performance has significantly influence to career development.

c. Third Hypothesis (H<sub>3</sub>)

H<sub>3</sub> : Commitment, training and development and performance through promotion have significantly influence to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember.

Table 3. Path Coefficient Value and Third Hypothesis Test

Independent Variables	Dependent Variables	Beta	P-value	Explanation
Employees Commitment	Promotion	0,292	0,024	significant
Training and Development	Promotion	0,199	0,046	significant
Performance	Promotion	0,426	0,001	significant
Promotion	Career Development	0,489	0,000	significant

Source: primary data, 2015.

From path analysis result, on level of significant 95% is known that the coefficient of direct path (Beta Standardize) is 0,292 and p-value is 0,024.  $H_0$  is rejected and  $H_a$  is accepted because of  $p\text{-value} < \alpha$  or  $0,024 < 0,05$ . It means that employees commitment has significantly influence to promotion. Result of path analysis shows that on level of significant 95%, the coefficient of direct path (Beta Standardize) is 0,199 and p-value is 0,046. Because of  $p\text{-value} < \alpha$  or  $0,046 < 0,05$ ,  $H_0$  is rejected and  $H_a$  is accepted. It means that training and development has significantly influence to promotion.

From result of path analysis on level of significant 95% is known that the coefficient of direct path (Beta Standardize) is 0,426 and p-value is 0,001.  $H_0$  is rejected and  $H_a$  is accepted because of  $p\text{-value} < \alpha$  or  $0,001 < 0,05$ . It means that performance has significantly influence to promotion. Path analysis result shows that on level of significant 95% is known that the coefficient of direct path (Beta Standardize) is 0,489 and p-value is 0,000. Because of  $p\text{-value} < \alpha$  or  $0,000 < 0,05$ ,  $H_0$  is rejected and  $H_a$  is accepted. It means that promotion has significantly influence to career development.

## V. DISCUSSION

Generally, this study shows that all proposed hypotheses are acceptable. The research have done to 56 respondents of employees at PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember, the primary data was acquired as the analysis. The result of path analysis shows that commitment, training and development variable through performance have significantly influence to promotion of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember. The result of analysis also shows that commitment variable, training and development through performance have influential significantly to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember. Other result is the influence of commitment, training and development and performance variable through promotion to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember indicated by an analysis.

### **Influence of Commitment, Training and Development through Performance to Promotion**

Influence of commitment through performance to promotion is significantly proven. The results of descriptive analysis show that the employees have self of belonging and willingness to engage in working to advance the company. The employees who have self of belonging can give a good contribution to the company by doing tasks which given by company well, thus it can help them to be promoted by the company. Beside, their willingness to involve in working can help them on duty perfectly. This condition can help them to be promoted by the company. Interviewed result shows that one of activities to prove employees' commitment to the organization is their willingness to involve in activity of PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember, such as "*PameranPerumahan Rakyat*" held by Bank Tabungan Negara Jember in November 2014. Thus, a sense of employees' commitment can increase their performance and opportunities to be promoted by the company.

Influence of training and development through performance to promotion are showed by the results that training and development can influence significantly through performance to promotion of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember. The result of descriptive analysis shows that an applying training and development method based on material is good because most respondents agree with the statement. It can increase their performance on duty more than targeted by the company. Thus, it can increase employees' opportunities to be promoted by the company. The result is also appropriate with PT Bank Tabungan Negara (Persero) Tbk' conditions which encourages employees to develop their potency and competency in order to work better and ready to occupy a higher position. The examples of training and development program held by PT. Bank Tabungan Negara (Persero) Tbk are training and education program, special occasion program, and *pola prima* workshop and job motivation. Thus, training and development program which is held by human resources department can improve employees' performance and giving them better promotion opportunity.

Influence of performance to promotion is proven by test result and data analysis, shows that performance influences promotion of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember. Result of descriptive analysis shows that employees finish their jobs well and more than targeted by the company because most respondents agree with each statements. It can help employees to get promotion opportunity from the company. From the explanation, it can be conclude that the first hypothesis said that variable commitment, training and development through performance have significantly influence promotion of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember is not rejected.

#### **Influence of Commitment, Training and Development through Performance to Career Development**

Variable commitment through performance to career development has significantly influenced. The results of descriptive analysis show that employees have self of belonging and willingness to engage in working to advance the company. Employees who have self of belonging can give a good contribution to the company by finishing jobs well. Thus, the employees' commitment will increase their performance and career development.

Influence of training and performance development is showed by test results and data analysis. It can be concluded that training and development variable significantly influence performance and career development. The results of descriptive analysis show that implementation of training and development method which is appropriate with material will be good because most respondents agree with each statement. This method can increase their performance on duty more than targeted by the company. Thus, it will create employees' enthusiastic to join career development program held by the company.

The result and data analysis show that performance significantly influences the employees' career development of PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember. The results of descriptive analysis show that employees finish their jobs well, more than targeted by the company because most respondents agree with each statement item. Thus, employees' performance can support them to develop their career. From the discussion above, it can be conclude that the second hypothesis said that variable commitment, training and development through performance have significantly influence to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember is not rejected.

#### **Influence of Commitment, Training and Development and Performance through Promotion to Career Development**

Commitment variable to promotion has influence significantly. The results of descriptive analysis show that employees who have self of belonging and willingness to engage in working to advance the company. This attitude can help employee in finishing their jobs due to company's standards and target. Thus, it can support their career development in the company.

Training and development has influence significantly to promotion and career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember. From results of descriptive analysis, it can be seen that implementation of training and development method appropriately will be good because most respondents agree with statement item. This method will make them understand that they have an appropriate educational background to join in position promotion program. Thus, they will have enthusiastic to join career development program held by the company. Influence of performance to promotion is proven by test result and data analysis, show that performance has influence to promotion of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember. The results of descriptive analysis show that employees finish their jobs well and more than targeted by company because most respondents agree with each statement item. Thus, performance can support employees to get promotion opportunity and help them to develop their career in the company.

Influence of promotion to career development is significantly proven. It is appropriate with the result and data analysis in which shows that promotion will give influence to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember. Descriptive analysis shows that employees will be able to finish jobs appropriately to the company's standard and target. Thus, it can support them to develop their career. Employees' promotion of PT Bank Tabungan Negara (Persero) Tbk. does not face difficulties because most employees have an appropriate educational background. Whereas, career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember is relatively good because data show that 76% of their employees' work period is less than 10 years. From the explanation, it can be conclude that the third hypothesis said that variable commitment, training and development and performance through promotion have significantly influence to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember is not rejected.

## VI. CONCLUSION

Based on the results and data analysis on employees of PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember, it can be conclude that on the 95% level of significant are: (1) there is a significant influence of commitment, training and development through performance to promotion of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember; (2) there is a significant influence of commitment, training and development through performance to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember; (3) there is a significant influence of commitment, training and development and performance through promotion to career development of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember.

## VII. LIMITATION AND FUTURE RESEARCH

This study uses 2 research variables (commitment and performance) as a description of individuals efforts to develop their career and 2 research variables (training and development and promotion) as a description of organization efforts to develop their employees' career. Yet, the four variables have not used yet to evaluate real description of individual and organization efforts. Thus they need additional information of other variables.

Based on the explanation and conclusions which have been explained before, a suggestion need to be suggested is: Commitment of employees on PT Bank Tabungan Negara (Persero) Tbk. Kantor CabangJember is good, but they still have lack of pleasure working in the company. It can be improved by providing better facilities, such as physical building and addition facilities related to operational activities of the company. Thus, it can improve employees' performance in working. Then, training and development which is appropriate with method and material, and training time which is appropriate with purposes also need to be improved to give employees promotion opportunity and career development.

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