

## **Analysis Of Career Development And Compensation Of Employee Performance With Promotion As A Variable Intervening At PT Hki Toll Road Construction Pekanbaru – Padang, Siring Padang Section**

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### **Abstract**

This study aims to determine and analyze the effect of career development and compensation on employee performance with promotion as an intervening variable. The location of the research was conducted at PT HKI Pembangunan Toll Road Pekanbaru - Padang, Padang Sicincin. The number of respondents was 82 respondents who were contract employees. The research method is Structural Equation Model (SEM) Analysis with SmartPLS version 4 calculations. The results of direct influence show that there is a positive but not significant influence between development on employee performance. There is a positive but not significant influence between career development and promotion. There is a positive and significant influence between compensation and employee performance. There is a positive and significant influence between compensation and promotion. There is a positive but not significant influence between promotion and employee performance. While the results of indirect influence show that there is a positive but not significant influence between career development on employee performance through promotion. There was a positive but not significant effect between compensation on employee performance through promotion

### **Keywords:**

Career Development, Compensation, Employee Performance and Promotion

### **Introduction**

Employees in a company are partners or assets for every company where with good and outstanding employees, a company can grow rapidly. Employee performance plays a



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crucial role in organizational success, both in terms of productivity, customer satisfaction, to achieving long-term strategic goals. However, there are often various challenges and problems that affect employee performance. The process of achieving company goals not only involves human resources but other supporting resources such as product technology, machines, money, and methods. However, human resources will still be able to survive because they have the ability to formulate the company's vision and strategy and the ability to obtain and direct other resources in realizing the vision and implementing the company's strategy.

Human resources are also able to explore the potential of other resources owned by the company, able to streamline and streamline the production process within the company and be able to produce products that satisfy consumer needs and desires. Therefore, the effectiveness of human resources is needed, not only as a manifestation of company goals, but also as a determinant of what the company can achieve with its resources, because a successful company is a reflection of maximum employees in providing quality and quantity in their work and can produce maximum performance for the company.

Performance is the result of work that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals illegally, does not violate the law and does not conflict with morals and ethics (Afandi, 2018). On the other hand, there is an opinion that says that performance is an external element that can be observed in the form of behavior, while the essence or deep core is competence. The elements contained in competence consist of knowledge, expertise and attitudes (Edison, 2016).

Increasing employee performance is influenced by several factors, one of the factors increasing employee performance is career development and compensation. Career development is the process of improving the work ability of an employee that encourages increased performance in order to achieve the desired career. One of the factors that can improve employee performance is career development. Good career development can also increase employee motivation. The benefits of providing development to employees can directly motivate employees in completing their tasks so as to improve their performance. According to (Nawawi, 2015) career development is the drive (motivation) to advance in working in the environment of an enterprise. Employees' careers will develop when the company transparently provides fair opportunities to each employee to develop his career. Employees will benefit from career development programs by the company such as education and training, promotion, and skill improvement to help employees improve their performance (Syahputra, 2016).



Another factor that supports employee performance is compensation. Compensation is the provision of remuneration for employers and employees directly and indirectly in the form of money (Martoyo, 2015). Employee compensation refers to pay or rewards for employees derived from their work. Compensation is a direct payment in the form of wages, salaries, incentives, commissions, bonuses, financial benefits such as insurance and vacation paid by the company. Compensation has a very important role in the development and functioning of human resources because it has a very sensitive role in work (Sutrisno, 2016). According to (Hendro, 2018) the opinion, providing appropriate compensation is one way that can be done by companies to be able to increase job satisfaction which has an impact on improving performance, because if employee performance increases, company performance will also increase. Employee compensation affects employee performance and their tendency to stay together in the company. Employees' needs for income and their wants to be treated fairly by the company make compensation programs even more vital for human resources departments. Thus, every company must be able to determine the most appropriate compensation, so that it can support the achievement of company goals more effectively and more efficiently

In an effort to process and utilize human resources, good management is needed, because humans as social creatures have a character that is very different from other means of production. Humans as social beings have different thoughts and desires, while companies expect their employees to work well, and have high productivity and are able to describe the vision and mission that have been mutually agreed upon in order to achieve company goals. This can be achieved if every employee has high work skills and motivation as well. One way that can be taken by management is by promotion for those who are able to provide more performance on the one hand and provide disciplinary action in accordance with applicable provisions for those who are unable to carry out their obligations in accordance with their responsibilities. In making promotion decisions, various considerations are needed, if there is a wrong decision in carrying out a promotion, it will cause side effects that are not good for employees and the company, all of which will result in decreased work motivation so that the company's expectations to increase productivity will not be achieved.

If there is an opportunity for employees to be promoted based on the principles of fairness and effectiveness, employees will be encouraged to work hard, enthusiastic, disciplined, and work achievements so that office goals can be optimally achieved. Recognition of the ability and ability of the employee concerned to occupy a higher position. Thus, promotion will provide social status, authority, responsibility, and greater income for employees. The opportunity to be promoted will also encourage the withdrawal of applicants who are increasingly submitting applications, so large is the role of employee promotion,



managers should establish promotion programs and inform employees. According to (Hasibuan, 2017) Promotion means a transfer that enlarges authority and responsibility to a higher one in an organization followed by greater obligations, rights, status and income. PT Hutama Karya (Persero) the Pekanbaru-Padang toll road development division, Padang Siring Section is present to meet the special infrastructure needs of toll roads in Indonesia. For this reason, it is necessary to improve employee performance so that the projects carried out can be completed properly and according to the predetermined time.

## **Literature review**

### **Employee Performance**

According to (Sinambela, 2016) in ( Ahluwalia Et Al. , 2021) suggesting that the definition of employee performance is an employee's ability to do a certain skill, employee performance is good if it has the competencies needed by the company. Performance is a person's success in carrying out tasks, work results achieved by a person or group of people in an organization in accordance with their respective authorities and responsibilities or about how a person is expected to function and behave in accordance with the tasks that have been assigned to him and the quantity, quality and time used in carrying out tasks (Sutrisno, 2016).

According (Simamora, 2015) states that performance is a degree of achievement of tasks that make up an employee's job and reflects how well the employee meets a job requirement. Performance is an overall result formed in a job function or activity over a period of time. Employee performance is an important aspect that is individual. Because an employee has different levels of expertise and ability in the job. Such work is based on success indicators that have been set by the company.

### **Career Development**

Career development activities The starting point for career development starts from the employee. Each employee is responsible for his development or career advancement. Once a personal commitment has been made, several career development activities can be undertaken. According to (Bianca et al., 2014) career development includes activities to prepare an individual for the advancement of the planned career path. According to (Rivai & Sagala, 2013) in ( Priansa , 2018) Career Development is the process of increasing individual work abilities achieved in order to achieve the desired career. There are several principles of career development that can be explained, as follows; a) the job itself has a profound influence on career development, b) the form of skill development required is determined by specific job demands, c) development will occur only if an individual has not acquired skills that match the demands of the job and d) the time spent on development can be reduced by identifying a series of rational individual job placements.



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## **Compensation**

Compensation is very important for employees, because the amount of compensation given will reflect the value to them, their families, and society. According to (Widyaningrum, 2019) compensation can be defined as a form of reciprocal services provided to employees as a form of appreciation for their contribution and work to the organization. According to (Edison, 2016) Compensation, it is a form of compensation both in the form of money and in kind received by employees for the efforts produced for the company. The compensation can be direct or indirect financial, and the award can also be indirect. According to (Akbar Et Al. , 2021) compensation are all forms of financial returns and benefits obtained by employees as part of an employment relationship.

## **Promotion**

Promotion can be done with the aim of strengthening cooperation between employees. Promotion by an organization or agency is a form of appreciation given to employees as a form of trust and recognition of the ability and ability of employees to occupy a higher position. According to (Hasibuan, 2017) promotion means a move that enlarges authority and responsibility to a higher one in an organization followed by greater obligations, rights, status, and income. While (Manullang, 2014) said that promotion means promotion, which is to accept greater power and responsibility than the previous power and responsibility. According to (Wahyudi, 2015) promotion, a job title is a change in position or job title from a lower level to a higher level.

## **Method**

This research is a descriptive research with a qualitative approach. According to the qualitative descriptive method is a research method based on the philosophy of post positivism used to examine the natural condition of objects (as opposed to experiments) where the researcher is as a key (Sugiyono, 2016) instrument of data collection techniques carried out by triangulation (combined), data analysis is inductive / qualitative, and qualitative research results emphasize meaning rather than generalization. This study was conducted to provide an explanation of the effect of career development and compensation on employee performance through promotion as an intervening variable at PT HKI Pembangunan Jalan Tol Pekanbaru – Padang, Padang Sicincin.

Population is a generalized area consisting of objects / subjects that have certain quantities and characteristics that are determined by researchers to be studied and then drawn conclusions (Sugiyono, 2016). The population in this study was all contract employees of PT HKI Pembangunan Jalan Tol Pekanbaru – Padang, Padang Siring Section totaling 82 respondents.



The sample is part of the number and characteristics possessed by that population. If the population is large, and it is not possible to study everything in the population, for example limited funds, energy and time then the study can use samples taken from the population (Sugiyono, 2016). The total population in this study was 82 respondents, so the author used saturated sampling in this study, which is to take the entire population into a sample. Thus, the sample in this study amounted to 82 respondents.

## **Data Analysis Techniques**

According to that data collection methods are the ways used by researchers to collect data. In this study (Sugiyono, 2016) the techniques used to collect data, as follows:

### **1. Descriptive Statistical Analysis**

Descriptive statistics is a statistical analysis that provides a general overview of the characteristics of each research variable seen from the mean, minimum and maximum values. Descriptive analysis is a statistic used to analyze data by describing or describing the data that has been collected as it is without the intention of making generalized conclusions or generalizations. (Sugiyono, 2018)

### **2. Structural Equation Model (SEM) Analysis**

Sewal Wright developed this concept in 1934, at first this technique known as path analysis and later narrowed down in the form of Structural Equation Modeling analysis. Structural Equation Modeling (SEM) is a statistical technique that is able to analyze patterns of relationships between latent constructs and indicators, latent constructs with one another, and measurement errors directly. SEM allows analysis among several dependent and independent variables directly.

Data analysis techniques using Structural Equation Modeling (SEM), are carried out to explain thoroughly the relationship between variables in the study. SEM is used not to design a theory, but rather to examine and justify a model. Therefore, the main requirement for using SEM is to build a hypothetical model consisting of a structural model and a measurement model in the form of a path diagram based on theoretical justification. SEM is a set of statistical techniques that allow testing a series of relationships simultaneously. The relationship it is established between one or several independent variables. (Santoso, 2012)

Hypothesis testing of this study was carried out with a Structural Equation Model (SEM) approach based on Partial Least Square (PLS). PLS is a component- or variant-based structural equation (SEM) model. Structural Equation Model (SEM) is a field of statistical study that can test a series of relationships that are relatively difficult to measure simultaneously. According to (Santoso, 2012) SEM, it is a multivariate analysis technique which is a combination of factor analysis and regression analysis (correlation), which aims to



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examine the relationship between variables in a model, be it between indicators and constructs, or relationships between constructs.

### **3. Partial Least Square (PLS) Analysis**

Partial Least Square (PLS) analysis aims to obtain latent variable relationships and aims to predict structural indicators of constructs. According to (Ghazali, 2013) states that since PLS does not assume the existence of a specific distribution for parameter estimation, then parametric techniques to test the significance of parameters are not necessary. The PLS evaluation model is based on prediction measurements that have non-parametric properties. Here is the structural equation, as follows:

Equation:

$$Z = a_1 + b_1X + e_1$$

$$Y = a_2 + b_2X + b_3Z + e_2$$

Structural Equation:

$$Z = b_1X + e$$

$$Y = b_1X + b_3Z + e$$

### **4. Model Evaluation (SEM-PLS)**

There are 2 (two) models that must be analyzed in PLS, namely the evaluation of the measurement model (outer model) and structural model (inner model). The stages of data analysis are carried out using smart PLS software version 4.0, as follows; a) measurement model or outer model, b) structural model or inner model.

### **5. Hypothesis Testing**

Testing all hypotheses then used the Partial Least Square (PLS) method. Partial Least Square (PLS) is a powerful analysis method because it is not based on many assumptions (Ghazali, 2013). The PLS method makes the tested model use assumptions; The data do not have to be normally distributed, the measurement scale can be nominal, ordinal, interval or ratio, the number of samples does not have to be large, the indicator does not have to be in the form of reflection (it can be both reflective and formative indicators) and the model does not have to be based on theory. (Ghazali, 2013)

Testing (t test), which is to test the significance of the constants and independent variables contained in the equation individually and whether it affects the value of the dependent variable (Ghazali, 2013). This test is done by looking at the output with the help of PLS application program.



If the value of  $t$  is calculated  $< t_{table}$ , then the null hypothesis is rejected, (Regression coefficient is significant) and the alternative hypothesis stated in the study is accepted at a significant level of 5% (five percent). The measurement of the percentage of influence of all independent variables on the value of the dependent variable, is indicated by the magnitude of the R-square coefficient of determination between 1 and zero, where the value of R-square ( $R^2$ ) which is close to one gives a large percentage of influence. (Ghazali, 2013)

## Results And Discussion

### Research Results

#### 1. Research Respondents

##### a. Research Respondents by Gender

The description of sex is a biological factor that distinguishes humans into two groups of males and females. The characteristics of respondents by gender can be seen in the following table:

**Table 1. Characteristics of respondents by gender Jenis\_Kelamin**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Man	35	42.7	42.7	42.7
	Woman	47	57.3	57.3	100.0
	Total	82	100.0	100.0	

Source: SPSS output version 25 (Data Processed by Author, 2023)

Based on Table 1., it shows that 42.7% or as many as 35 respondents are men and the remaining 57.3% or as many as 47 people are women. This can be an indication that women can work effectively in the construction field, not only men who dominate in the field.

##### b. Research Respondents Based on Length of Work

The characteristics of respondents according to length of work can be seen in Table 2. The long period of work used is divided into 3 groups. The first group is respondents with a working period of 0-1 years, the second group with a working period of 2 years and I am a working period of more than 2 years.

**Table 2. Characteristics of respondents based on length of work Lama\_Bekerja**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-1 Year	11	13.4	13.4	13.4
	2 Years	33	40.2	40.2	53.7
	> 2 Years	38	46.3	46.3	100.0
	Total	82	100.0	100.0	





Source: SPSS output version 25 (Data Processed by Author, 2023)

Based on Table 2., shows the results of the characteristics of working time 0-1 years 13% or as many as 11 respondents, working length of 2 years 40.2% or as many as 33 respondents and working length > 2 years 38% or as many as 46.3. The length of work in this study is dominated by more than 2 years, so it can be concluded that respondents are familiar with the company's situation.

### c. Research Respondents by Age

The characteristics of respondents according to age can be seen in Table 3. The age range used is divided into 3 groups. The first group is respondents with the age of ≤ 20 years, the second group with an age range of 21-30 years and the rest are passengers aged ≥ 31 years.

**Table 3. Characteristics of respondents by age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30 Years	22	26.8	26.8	26.8
	21-40 Years	38	46.3	46.3	73.2
	> 40 Years	22	26.8	26.8	100.0
	Total	82	100.0	100.0	

Source: SPSS output version 25 (Data Processed by Author, 2023)

Based on Table 3., the age of research respondents, 20-30 years old 26% or as many as 22 respondents, aged 31-40 years 46.3% or as many as 38 respondents and > 40 years old 26.8% or as many as 22 respondents. This distribution shows that the study respondents were relatively young, with the majority age between 31-40 years. This can be because technological developments in the field of construction have made toll road construction work more efficient and require less labor. This has led to construction companies preferring to hire a younger workforce.

## 2. Descriptive Statistical Analysis

The results of descriptive statistical analysis on research for each variable can be seen in the following table:

**Table 4. Results of Descriptive Statistical Analysis**

Descriptive Statistics				
N	Minimum	Maximum	Mean	Std. Deviation



Career Development	82	19.00	25.00	20.6585	1.48423
Compensation	82	19.00	30.00	24.2317	1.77290
Employee Performance	82	22.00	30.00	24.6098	1.67595
Promotion	82	23.00	30.00	24.8415	1.69582
Valid N (listwise)	82				

Source: SPSS output version 25 (Data Processed by Author, 2023)

Based on Table 4, the minimum value of career development variables is 19.00, the maximum value is 25.00, the mean value is 20.6585 and the std value. deviation of 1.48423. The minimum value of the compensation variable is 19.00, the maximum value is 30.00, the mean value is 24.2317 and the std value. deviation of 1.77290. The minimum value of employee performance variables is 22.00, the maximum value is 30.00, the mean value is 24.6098 and the std value. deviation of 1.67595. The minimum value of the promotion variable is 23.00, the maximum value is 30.00, the mean value is 24.8415 and the std value. deviation of 1.69582.

### 3. Analysis of Partial Least Square Structural Equation Modeling

In this study there are eight latent variables consisting of 2 (two) exogenous variables, namely career development (X1), safety compensation (X2) and 2 (two) endogenous variables, namely Employee Performance (Y), promotion (Z). The process of data analysis using PLS-SEM will be explained as follows.

#### a. Outer Model Analysis

##### Outer Model Evaluation

According to , measurement model testing shows how manifest variables or observed variables present latent variables to be measured (Ghozali & Latan, 2014). Evaluation of the measurement model is carried out to test the validity and reliability of the model.(Ghozali & Latan , 2015)

##### Validity Test

This validity test needs to be done to find out whether the measuring instrument prepared really measures what needs to be measured. This measurement was carried out because the preparation of this research questionnaire was carried out based on the theoretical construction of each research variable. Then from these variables, the indicators are sought, then described in each item in the questionnaire. There are two criteria for assessing validity

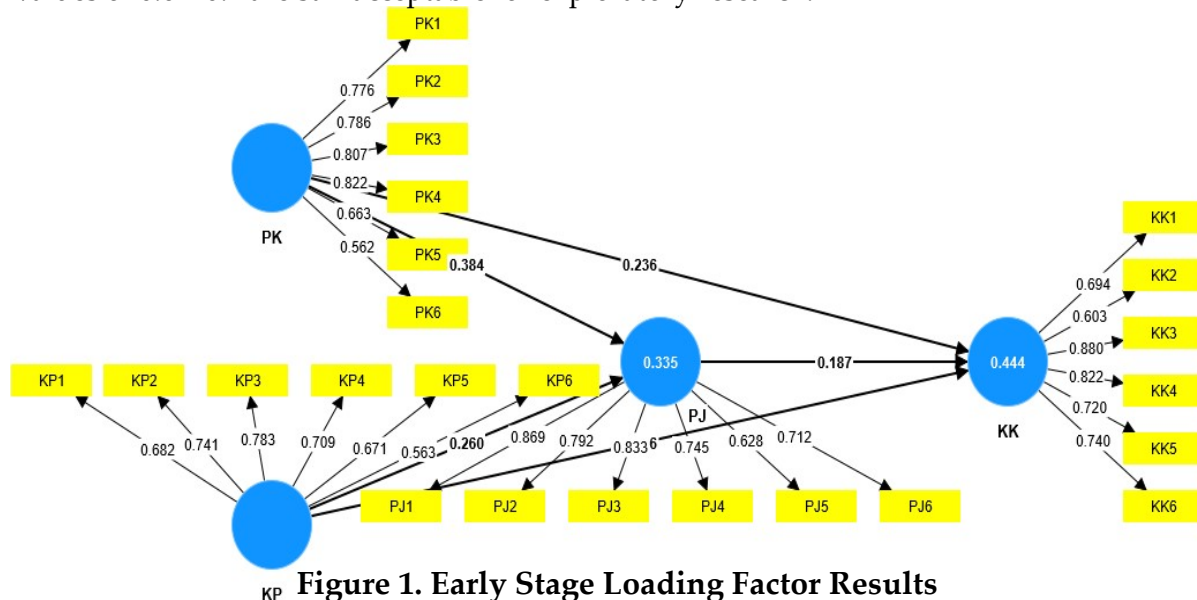


tests in the outer model, namely convergent validity and discriminant validity. According to the validity test, it is used to measure the validity or validity of the questionnaire.(Ghozali & Latan , 2015)

The discriminant validity of the measurement model with reflexive indicators assessed based on cross loading for each variable must be greater than 0.07. If the correlation of the construct with the measurement item is greater than the size of other constructs, then it shows that the latent construct predicts the size of their block better than that of other blocks. Another way to measure and test discriminant validity is to compare the square root of the Average Variance Extracted (AVE) for each construct with the correlation value between the construct and the other constructs in the model.

### Reliability Test

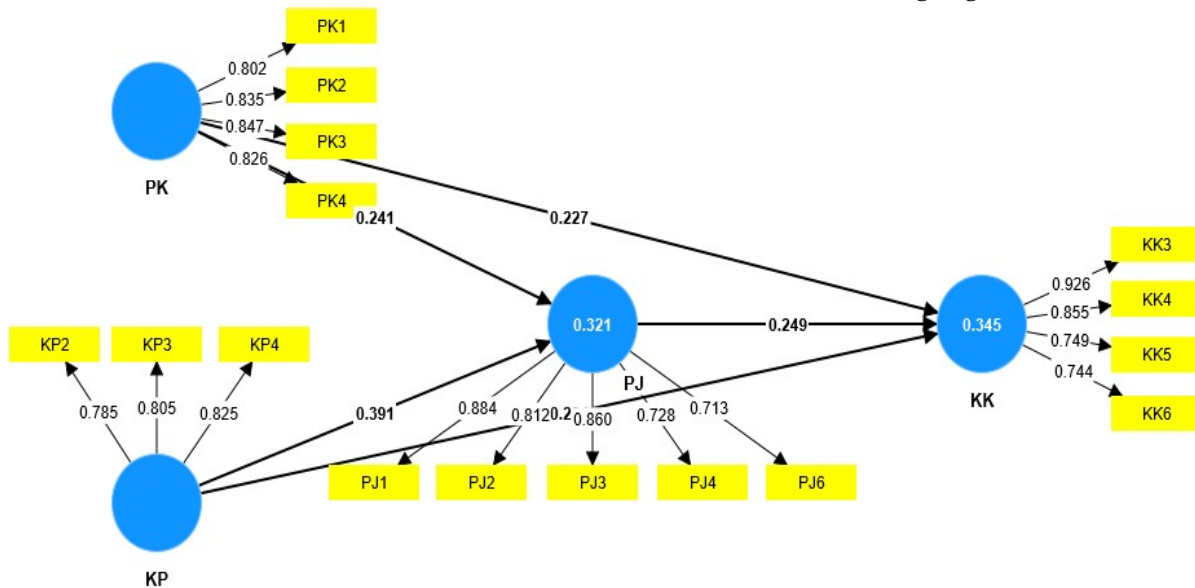
According to stated (Ghozali & Latan , 2015)reliability is actually a measuring tool to measure a questionnaire which is an indicator of a variable or construct. Measurement of reliability tests of a construct with reflective indicators can be done in two ways, namely Cronbach Alpha and Composite Reliability. The construct is said to be reliable if the Cronbach Alpha and Composite Reliability values are more than 0.7 for confirmatory research and values of 0.6 – 0.7 are still acceptable for exploratory research.



Based on the results of Figure 1., it shows that some indicators have not reached a loading factor above 0.7. The value of the loading factor is less than 0.7, namely; KK1, KK2, KP1, KP5,



PK6, PJ5, PK5 and PK6 will be eliminated from the model and recalculated. The calculation results after the indicator is eliminated, can be seen in the following Figure:



**Figure 2. Second Stage Loading Factor Results**

Source: SmartPLS Output version 4 (Data Processed by Author, 2023)

Based on the results of Figure 2., shows the results of the loading factor calculation and the results obtained show that the loading factor value is above 0.70, so that the indicator has met the convergent validity requirements. For more details can be seen in the following table:

**Table 5. Second Stage Loading Factor Results**

	PK	KP	KK	PJ
PK1	0.802			
PK2	0.835			
PK3	0.847			
PK4	0.826			
KP2		0.785		
KP3		0.805		
KP4		0.825		
KK3			0.926	
KK4			0.855	
KK5			0.749	
KK6			0.744	
PJ1				0.884
PJ2				0.812
PJ3				0.860



PJ4	0.728
PJ6	0.713

Source: SmartPLS Output version 4 (Data Processed by Author, 2023)

Based on the processing results shown in Table 5., that all indicators in each variable in this study have a loading factor value greater than 0.70 and are said to be reliable. The outer model analysis is continued by looking at the internal consistency reliability of each construct. Internal consistency reliability assessment is carried out on each construct. The composite reliability value of each construct is expected to be at least 0.7. SmartPLS algorithm results on the composite reliability of each construct.

**Table 6. Cronbach's Alpha Value**

	Cronbach's alpha
PK	0.847
KP	0.732
KK	0.838
PJ	0.859

Source: SmartPLS Output version 4 (Data Processed by Author, 2023)

Based on the results of Table 6., shows that each construct has met the outer model reliability assessment criteria. Construct reliability is measured by Cronbach's alpha. Cronbach's alpha score in this study was more than 0.6 and was considered to have met the criteria.

**Table 7. Composite Reliability Value**

	Composite reliability
PK	0.897
KP	0.847
KK	0.892
PJ	0.900

Source: SmartPLS Output version 4 (Data Processed by Author, 2023)

Based on the results of Table 7., shows that each construct has met the outer model reliability assessment criteria. Construct reliability is measured by the composite reliability criterion. The value of composite reliability in this study is more than 0.7 and is considered to have met the criteria.

**Table 8. Value and Average Variance Extracted (AVE)**

	Composite reliability
PK	0.897
KP	0.847
KK	0.892
PJ	0.900



Source: SmartPLS Output version 4 (Data Processed by Author, 2023)

Based on the results of Table 8., shows that each construct has met the outer model reliability assessment criteria. Construct reliability is measured by the average variance extracted (AVE) criterion. The average variance extracted (AVE) value in this study was more than 0.5 and was considered to have met the criteria.

The validity of the discriminant is to test that the measuring instrument, precisely measures the construct being measured, not any other construct. The validity of the instrument in addition to being determined on the basis of convergent validity is also determined by the validity of the discriminant. For testing the validity of the discriminant can be seen from the value of cross loading and the root of the AVE construct (Ghozali, 2013). Another method that can be used to assess the validity of discriminants is based on the value of loading and cross loading indicators. The cross loading values can be seen in the Table, below:

**Table 9. Cross Loading Value Results**

	PK	KP	KK	PJ	
PK1		0.802	0.453	0.413	0.335
PK2		0.835	0.544	0.415	0.401
PK3		0.847	0.445	0.389	0.472
PK4		0.826	0.473	0.367	0.323
KP2		0.604	0.785	0.411	0.495
KP3		0.299	0.805	0.368	0.299
KP4		0.448	0.825	0.415	0.455
KK3		0.541	0.520	0.926	0.535
KK4		0.334	0.502	0.855	0.337
KK5		0.338	0.172	0.749	0.407
KK6		.303	0.371	0.744	0.244
PJ1		0.358	0.356	0.372	0.884
PJ2		0.369	0.401	0.454	0.812
PJ3		0.384	0.415	0.311	0.860
PJ4		0.386	0.524	0.401	0.728
PJ6		0.362	0.402	0.359	0.713

Source: SmartPLS Output version 4 (Data Processed by Author, 2023)

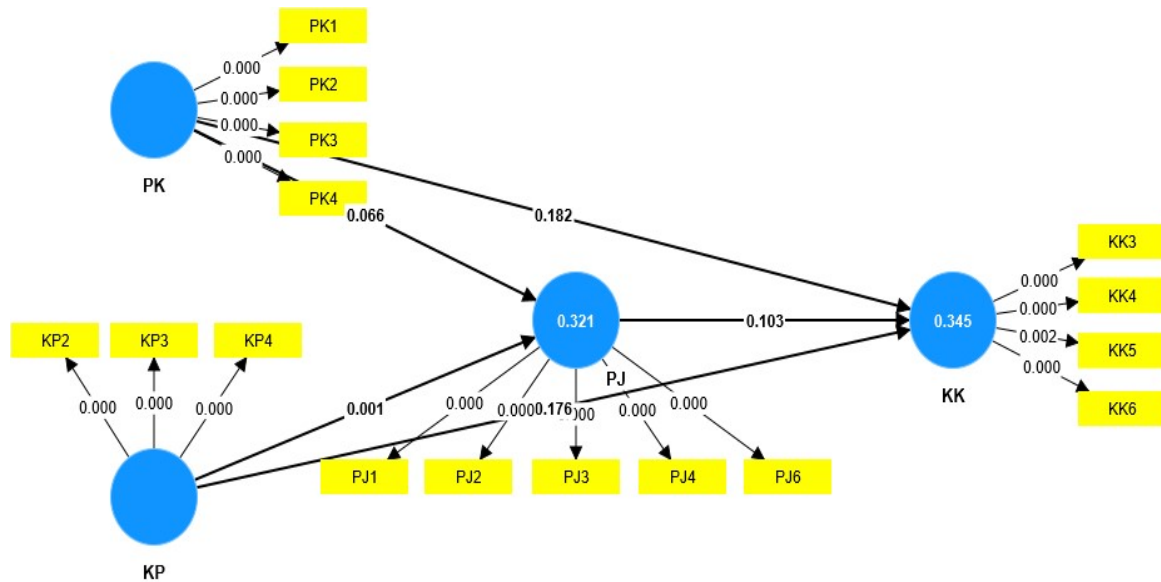
Successfully produce the results in Table 4., showing that the value of each loading factor in the variable is greater than the value of cross loading. Therefore, this shows that all indicators of all variables used in this study are valid.

#### 4. Inner Model Analysis





The structural model (inner model) and measurement model (outer model) are then depicted in a path diagram to show the causality relationship to be tested. The path diagram in this study can be seen in the following figure:



**Figure 3. Results of the Bootstapping Process**

Source: SmartPLS Output version 4 (Data Processed by Author, 2023)

#### a. Test the R-Square Model

The R-Square value ( $R^2$ ) is used to determine the predictive strength of the structural model in SEM-PLS analysis. Criteria for R Square values close to 0.67 are rated strong, 0.33 as moderate, and 0.19 as weak (Chin & Wynne, 1999). The R-Square values can be seen in the following table:

**Table 10. Results of R-Square Value**

	R-square	R-square adjusted
KK	0.345	0.320
PJ	0.321	0.304

Source: SmartPLS Output version 4 (Data Processed by Author, 2023)



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Based on the table, it can be seen that the R-square value of the employee performance variable is 0.345%, this value explains that the strength of career development and compensation variables in predicting employee performance is 34.5%. It is known that the R-square value of the promotion variable is 0.321%, this value explains that the strength of the career development and compensation variables in predicting promotion is 32.1%.

### **b. Test the hypothesis**

Hypothesis testing is carried out by paying attention to the original sample estimates (O) values to determine the direction of the relationship between variables, as well as t-statistics (T), and p-values (P) to determine the level of significance of the relationship. An original sample value close to +1 indicates a positive relationship, while a value close to -1 indicates a negative relationship. The value of t-statistics is greater than 1.96 or a p-value that is smaller than the level of significance (between variables is significant. The results of testing the research hypothesis can be seen in the following table:( Sarstedt Et al., 2017)

**Table 11. The Value of Direct Influence**

	O	T	P	Information
PK -> KK	0.287	1.592	0.111	Insignificant positives
PK -> PJ	0.241	1.838	0.066	Insignificant positives
KP -> KK	0.332	2.011	0.044	Significant positives
KP -> PJ	0.391	3.262	0.001	Significant positives
PJ -> KK	0.249	1.631	0.103	Insignificant positives

Source: SmartPLS Output version 4 (Data Processed by Author, 2023)

Based on the results of Table 11., the results of the direct influence of career development on employee performance were obtained with a path coefficient value of 0.287 and a value (P-Values = 0.111 > 0.05), then H0 received H1 was rejected, meaning that there was a positive but not significant influence between development on employee performance at PT HKI Pembangunan Tol Pekanbaru - Padang, Padang Sicincin.

The result of the direct influence of career development on promotion with a path coefficient value of 0.241 and value (P-Values = 0.066 > 0.05) then H0 received H2 is rejected, meaning that there is a positive but not significant influence between career development on promotion at PT HKI Pembangunan Jalan Tol Pekanbaru – Padang, Padang Sicincin.

As a result of the direct effect of compensation on employee performance with a path coefficient value of 0.332 and value (P-Values = 0.044 < 0.05), H0 rejected H3 is accepted,



meaning that there is a positive and significant influence between compensation on employee performance at PT HKI Pembangunan Jalan Tol Pekanbaru - Padang, Padang Sicincin.

As a result of the direct effect of compensation on promotion with a path coefficient value of 0.391 and value (P-Values = 0.001 < 0.05), H0 rejected H4 is accepted, meaning that there is a positive and significant influence between compensation for promotion at PT HKI Pembangunan Jalan Tol Pekanbaru - Padang, Padang Sicincin.

The result of the direct influence of promotion on employee performance with a path coefficient value of 0.249 and value (P-Values = 0.103 > 0.05) then H0 received H5 is rejected, meaning that there is a positive but not significant influence between promotion on employee performance at PT HKI Pembangunan Jalan Tol Pekanbaru - Padang, Padang Sicincin.

**Table 12. The Value of Indirect Influence**

	O	T	P	Information
PK -> PJ -> KK	0.060	1.081	0.280	Insigificant positives
KP -> PJ -> KK	0.098	1.443	0.149	Insigificant positives

Source: SmartPLS Output version 4 (Data Processed by Author, 2023)

Based on the results of Table 12., the results of the indirect influence of career development on employee performance through promotion with a path coefficient value of 0.060 and value (P-Values = 0.280 > 0.05) then H0 received H6 is rejected, meaning that there is a positive but not significant influence between career development on employee performance through promotion at PT HKI Pembangunan Toll Road Pekanbaru - Padang, Ring Meadow Section.

The result of the indirect effect of compensation on employee performance through promotion with a path coefficient value of 0.098 and value (P-Values = 0.149 > 0.05) then H0 received H7 is rejected, meaning that there is a positive but not significant influence between compensation on employee performance through promotion to PT HKI Pembangunan Toll Road Pekanbaru - Padang, Padang Sicincin.

## Discussion

### 1. The Effect of Career Development on Employee Performance

Development is a process of increasing employee knowledge, skills, and competencies. Development can be done through various means, such as training, seminars, and workshops. The results showed that development has a positive influence on employee performance. This means that employees who get the opportunity to participate in development will perform better than employees who do not get the opportunity.



However, the effect of development on employee performance at PT HKI Pembangunan Toll Road Pekanbaru – Padang, Padang Siring Section is not significant. This means that the effect of development on employee performance in the company is relatively small.

## **2. The Effect of Career Development on Promotion**

Career development is the process of increasing opportunities and opportunities for employees to develop in their careers. Career development can be done through various means, such as training, mentoring, and position rotation. The results showed that career development has a positive influence on job promotion. This means that employees who get the opportunity to develop their careers will have a greater chance of being promoted.

However, the influence of career development on promotion at PT HKI Pembangunan Jalan Tol Pekanbaru – Padang, Padang Siring Section is not significant. This means that the influence of career development on promotion in the company is relatively small.

## **3. The Effect of Compensation on Employee Performance**

Compensation is a reward given to employees for the work they have done. Compensation can be in the form of salary, benefits, and facilities. The results showed that compensation has a positive and significant influence on employee performance. This means that employees who are adequately compensated will perform better than employees who are not adequately compensated.

## **4. Effects of Compensation on Promotion**

Compensation is a reward given to employees for the work they have done. Compensation can be in the form of salary, benefits, and facilities. The results showed that compensation had a positive and significant influence on promotion. This means that employees who get adequate compensation will have a greater chance of being promoted. Employees whose performance is valued by the company will have a greater chance of being promoted. Employees who are satisfied with their jobs will be more motivated to work better and have a greater chance of being promoted.

## **5. The Effect of Promotion on Employee Performance**

Promotion is a promotion given to employees in recognition of their good performance. The results showed that promotion had a positive but not significant influence on employee performance. This means that promotion can improve employee performance, but it has relatively little effect.

Quality promotion will have a greater impact on employee performance. However, if the promotion given is not qualified, then the effect on employee performance will be small.



Employees who have the motivation to develop will better take advantage of opportunities to develop themselves and improve their performance. However, if employees do not have the motivation to develop, then the effect of promotion on employee performance will be small.

#### **6. The Effect of Work Motivation on Employee Performance Through the Work Environment**

The results showed that career development has a positive influence on employee performance. This means that employees who get the opportunity to develop their careers will perform better than employees who do not get the opportunity. However, the influence of career development on employee performance through promotion at PT HKI Pembangunan Tol Pekanbaru – Padang, Padang Siring Section is not significant. This means that the effect of career development on employee performance in the company is relatively small.

#### **7. The Effect of Work Stress on Employee Performance Through the Work Environment**

The results showed that compensation has a positive influence on employee performance. This means that employees who are adequately compensated will perform better than employees who are not adequately compensated. However, the effect of compensation on employee performance through promotion to PT HKI Pembangunan Toll Road Pekanbaru – Padang, Padang Siring Section is not significant. This means that the effect of compensation on employee performance in the company is relatively small.

### **CONCLUSION**

Based on the above, it can be concluded that career development and compensation are factors that can affect employee performance. However, the effect is relatively small. To increase the effect of career development and compensation on employee performance, companies can make several efforts, including:

1. Improve the quality of career development and compensation  
Companies can improve the quality of career development and compensation by providing career development and compensation that suits the needs of employees.
2. Creating a work environment that supports employee motivation  
Companies can create a work environment that supports employee motivation by providing opportunities for employees to develop and rewarding employee achievements.

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