Effect of Career Development and Compensation on Work Commitment and Its Impact on Employee Performance

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Abstract
The nature of the survey and the type of analysis are quantitative, with causality (cause and effect) used in this report. The place of the study at PT. Tiran Makassar, South Sulawesi Province, with four work units, namely the Parangloe MT Unit, the Bontolanra GT Unit, and the Tamalanrea Kima Unit of which are in the Parangloe Warehousing Complex. In contrast, the Head Office Unit is in the AAS Building, Urip Sumoharjo street. The study was performed between the end of July and September 2020. This study's sampling technique was non-probability sampling, with a total census or sampling form with a full sample of 87 respondents. The researchers used the Partial Least Square (PLS) technique in this analysis using SEM AMOS statistical methods. The results showed: 1) Career advancement is determined by the work commitment of employees at PT Tiran Makassar, acceptable (H1 accepted). Compensation affects the work commitment of employees at PT. Tiran Makassar, acceptable (H2 taken). Career development affects the performance of employees at PT. Tiran Makassar, appropriate (H3 accepted); 4) Pay affects the efficiency of PT employees. Tiran Makassar cannot be approved (H4 rejected), and 5) job dedication affects PT employees' efficiency. Tiran Macassar, acceptable (H5 accepted).

Keywords: Career Development, Compensation, Work Commitment, Performance

1. Introduction
Employees are a very significant part of their position in businesses and organizations. Employees that are well treated would affect improving the company's overall performance. Employees' performance is linked to the roles and functions of employees employed in a business so that the management of employees as human resources in a
company must be appropriately handled. Companies that can boost their workers' performance have hopes that the company's performance can also be improved so that the company's objectives can be accomplished.

Competition is getting tighter so that any business or organization wants to develop for the better. Strong defence capabilities are required to win a competitor in the business world. Improving the efficiency and quality of human resources is one of the strategies put in place by the organization to improve the quality, performance, and expertise of human resources according to the times' needs.

The study was carried out at PT. As one of the business units of the Tiran Group, Tiran Makassar engaged in the official distribution of the goods of Unilever Indonesia to all supermarkets in and around Makassar. Oh, Pt. Tiran Makassar is on Ir Lane. Sutami Indah Parangloe Warehousing Complex, Block H1/7, South Sulawesi Province.

With the revenue success of PT in 2020, the tyrants of Makassar begin to undergo decline. This knowledge is derived based on the sales value data as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Sales Value (Rp.)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>13,537,876,000</td>
<td>-</td>
</tr>
<tr>
<td>February</td>
<td>12,975,244,000</td>
<td>-4.2%</td>
</tr>
<tr>
<td>March</td>
<td>11,876,254,000</td>
<td>-8.5%</td>
</tr>
<tr>
<td>April</td>
<td>9,657,876,000</td>
<td>-18.7%</td>
</tr>
<tr>
<td>May</td>
<td>8,876,253,000</td>
<td>-8.1%</td>
</tr>
<tr>
<td>June</td>
<td>8,875,653,000</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Sales success at PT during the last six months, the tyrants of Makassar begin to undergo decline. The highest drop occurred in March 2020, with a percentage decline of 18.7%. The decline in sales performance was due to the quarantine restrictions imposed in the wake of the outbreak of the Covid-19 pandemic, especially in Makassar City. However, the fall in sales performance was also attributed to a drop in employee performance. Indications of decreased performance are mostly due to reduced job productivity. Large-scale limitations mean that many facets of work must be adapted to online and digital, and this is still not wholly functioning and always takes staff adaptation time. Work productivity should be quicker and more accurate with the aid of digital information systems and much slower because of the knowledge transfer process that is still ongoing.

Decreased employee performance could be due to changes to the company's compensation scheme. Since the use of digital applications in company business processes has reduced workers' participation in the work process since the system has displaced many, the salary received by employees has also been reduced. This is because of PT. Tiran Makassar adheres to the Total Incentive Approach in its compensation scheme, which means that the compensation benefit is focused on the degree of employee engagement, individual achievement, and team achievement (A'yun et al., 2019). Of course, a reduction in workers' wages would weaken the dedication to work, which in turn decreases efficiency. PT. Tiran Makassar has a service called a conversation to stay. Used to detect early indicators that there is discontent on an employee that causes a poor or even low level of service to their morale and commitment. However, with this initiative, the organization can still not address the issue because the performance metrics for workers are still not rising, which is demonstrated by a stagnating sales rate, a less rapid response to consumer demands and concerns from consumers.

Career growth is carried out efficiently and proportionately. Employee career development is accomplished by up to 70 percent through daily work, 20 percent by mentoring (coaching) senior leaders by providing support and career guidance in the future, and 10 percent through (training) training. However, execution in the sector is always different. The employee's career advancement is more affected by the employee's closeness to the chief. The company's solution is to incorporate an overall incentive plan as a method of compensation specifically structured to ensure a high degree of job satisfaction, work engagement, and employee performance—ensuring that staff and teams who succeed are compensated accordingly. The reality in the field is that the implementation of the
overall incentive strategy based on compensation is still not successful, which is demonstrated by the lack of understanding among employees about the current compensation scheme since the company does not have consistent socialization of the compensation scheme applies within the company. Workers are often forced to work actively without a consistent reward scheme, making employee satisfaction at work low, which would lower the level of results.

Many previous studies have shown that success can be influenced by dedication to work. Yunus et al. (2018) reported in their research that the commitment to work is linked to employees’ performance; the more significant the commitment to work of employees, the better the quality of performance. This argument is also endorsed by Teneh (2015), Palupiningdyah, Susanti (2016), Mekta, Siswanto, Pratama, Dihan (2017), and Kurniawati and Mistar (2019), both of whom demonstrate the effect of job engagement on employee performance in their study.

2. Literature Review

Career development followed by compensation, which is one of the factors affecting job satisfaction of an employee. Every organization should strive to improve employee job satisfaction by providing fair and reasonable compensation. Compensation plays an important role in increasing employee job satisfaction, because one of the main reasons a person works is to meet their daily needs (Utama & Edy, 2013; Umanailo et al., 2021).

Referring to previous research conducted by Nugroho and Kunartinah (2012) by discussing the analysis of the effect of compensation and career development on job satisfaction by mediating work motivation at the Regional Secretariat of Pekalongan Regency, it shows that compensation, career development and work motivation have a positive and significant effect on satisfaction. work at the Regional Secretariat of Pekalongan Regency. This is in line with research conducted by Kurniawan (2015) which states that career development and compensation have an effect on employee job satisfaction. The results of this analysis indicate that career development has an effect on employee job satisfaction and compensation has an effect on employee job satisfaction and career development and compensation has a simultaneous effect on employee job satisfaction. This research is also supported by research conducted by Siswadhi (2017) which shows that compensation and career development have a partial and simultaneous effect on employee job satisfaction. Simultaneously compensation and career development affect employee performance.

Career development has the greatest influence on employee job satisfaction. The company is expected to be able to adjust the amount of bonuses and incentives with the performance of each employee, be able to inform and carry out career development to employees properly and pay more attention to education levels. Job satisfaction is an emotional state in which workers view their work as pleasant or unpleasant. Sari & Susilo (2018) argue that job satisfaction is an emotional response to various aspects of work. Hasibuan (2006) also states that job satisfaction is a pleasant emotional attitude and loves his job. This attitude is reflected in work morale, level of discipline, and performance at work.

Job satisfaction is very important and relative to each employee, where the level of job satisfaction varies from one employee to another. The factor that influences job satisfaction is career development. Damayanti, Hanafi, & Cahyadi (2018) state that a leader who expects maximum job satisfaction in his organization must refer to factors that can affect employee performance, one of which is career development. Career development is an activity that helps employees plan their future career paths in the company so that the company and employees can develop themselves optimally. Massie, Tewal, & Sendow (2015) state that career development is a formal approach taken by organizations to ensure that people in the organization have the appropriate qualifications, abilities and experience when needed. Career development aims to help the company's achievement, help realize the potential capabilities of employees, and improve employee welfare. Career development when accompanied by clear company feedback can lead to employee job satisfaction. Career development programs are well executed, so the level of job satisfaction will be even higher.

Career development can be a dominant factor affecting employee job satisfaction. Muchlis (2017) in his research states that career development is an organized planning factor that is used to adjust employee goals to the business environment.
needs of an organization (Bin tahir & Rinantanti, 2016). The career development program is of course followed by another factor, namely compensation.

Firmandari (2014) states that compensation is a form of remuneration for the company for sacrificing time, energy, and thoughts that employees have given to the company. Compensation can be said as a reciprocity received by employees in lieu of contributing services that have been given to the company. Providing compensation from companies is one of the important and influential factors in choosing to work in an organization (Fauzi, 2014). Compensation plays an important role in increasing job satisfaction, because the main reason a person works is to make ends meet. The issue of compensation is very important because it can affect morale, work enthusiasm and become the main motivation for someone who becomes an employee. That way every company must have the right compensation strategy in order to achieve the success of company goals. Sophisticated and reliable equipment owned by the company cannot work properly without an active role of HR (Suwanto & Priansa, 2011).

3. Research Method
This study uses the research design of the survey, which is used in quantitive research, to analyse a person's actions or a group, in this case, employees at PT. This is the tyrant of Makassar. In general, the quantitative analysis uses a questionnaire to gather and collect data, where survey research is a study by taking a sample of one group (employees/employees) and circulating questionnaires. The approach method used is a quantitative (quantitative) approach to the analysis used to solve problems by careful calculation methods for certain variables, resulting in generalizable results, regardless of the time and circumstance and the type of data obtained. Subsequently, this analysis, equipped with a causality research approach, was used to examine the impact of career growth and compensation on employee performance at PT. Tiran Makassar with a determination to act as a vector mediator (intervening).

3. Results and Discussion
The results of data processing of respondents' responses regarding the statements on the questionnaire are as follows:

<table>
<thead>
<tr>
<th>Relations between Variables</th>
<th>Coefficient</th>
<th>P Values</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of career development on work commitment</td>
<td>0.788</td>
<td>0.000</td>
<td>accepted</td>
</tr>
<tr>
<td>The effect of compensation on work commitment</td>
<td>0.418</td>
<td>0.001</td>
<td>accepted</td>
</tr>
<tr>
<td>The effect of career development on employee performance</td>
<td>-0.098</td>
<td>0.330</td>
<td>accepted</td>
</tr>
<tr>
<td>The effect of compensation on employee performance</td>
<td>0.381</td>
<td>0.001</td>
<td>accepted</td>
</tr>
<tr>
<td></td>
<td>0.300</td>
<td>0.003</td>
<td>accepted</td>
</tr>
</tbody>
</table>

Source: Primary data processed, 2020

Based on the results of hypothesis testing in the table above, then the results of observation of conditions in the field, supporting theories, previous related research, and interview results can be described as follows:

3.1 Effect of career development on work commitment
The data analysis results using the PLS methodology to measure the influence of career development on work commitment have a positive coefficient value and a value of less than 5%. That career development has a positive and vital impact on work commitment, which means that the better the career development, the greater the job commitment. It's solid based on these findings, the first hypothesis that career advancement influences employees' job engagement at PT. It is appropriate to Tiran Makassar.

The findings of this study are consistent with the results of Silen's (2016) research, which shows that companies with profitable career growth can strengthen the commitment of employees to work because employees feel a specific career direction in the organization where they work. In their study, Piri et al. (2017) and Yunus et al. (2018) also reported that a good career development would improve employees' commitment to work. Febriansah
(2019) and Kurniawati and Mistar (2019) also affirm this statement, both of which show in their research that career growth has a significant impact on the commitment to work, Kanto et al., (2020).

Based on what the researchers got in the field, where they got PT. Tiran still offers all its workers the opportunity to attend training courses such as Sales Leadership Training and Persuasive Marketing and pursue their studies at a higher level. Workers are also given the ability to prepare for their future careers as employees. So that workers can decide for themselves how to pursue their career at PT, this is the tyrant of Makassar. PT Tiran Makassar employees' career growth has a meaningful and vital impact on the dedication to work. PT. Tiran Makassar always offers guidance on how senior employees have embraced occupations, and the company still provides employees with the right options so that employees can make their own choices.

3.2 Discussion of the effect of compensation on work commitment

The data analysis results using the PLS methodology in measuring the impact of compensation on work obligations also yield a positive coefficient value and a p-value lower than 5-007 = 5 percent. That payment also has a positive and vital effect on work obligations, which means that better compensation is provided to workers. Then the employee's dedication to work will be even more incredible. Based on these findings, there is a second hypothesis that the salary impacts the employee's job commitment at PT. Tiran Makassar is appropriate as well.

The findings of this study are consistent with the results of Minarsih et al. research's (2016) that companies offering compensation in line with the performance given by employees to the organization would strengthen the commitment of employees to work because employees feel positive feedback in the form of payment that is commensurate with the performance provided. Prabowo et al. (2016); Nuraini et al., (2019) also claimed that adequate pay would improve the commitment of workers to work in their research. Arta and Surya (2017) and Pitri et al. (2017) affirm this statement, which is both their research shows a substantial impact of compensation on job obligations.

They are also supported by researchers' field conditions, where workers often earn bonuses in Jasper for employees who have work results. Also, workers are usually paid for jobs from awards in the form of stars to employees’ way as PT. Tiran Makassar has a dedication to work.

3.3 Discussion of the effect of career development on employee performance

Data analysis results using the PLS technique in testing the effect of career development on employee performance resulted in a positive coefficient value and p-value less than α = 5%. That career development has a positive and significant effect on employee performance, meaning that the better career development, the implementation the employee will be higher and higher. Based on these results, the third hypothesis states that career development affects employee performance at PT. Tiran Makassar, acceptable.

This study's results are consistent with the results of research by Kurniawati and Mistar (2019) that companies that have good career development will increase employee job satisfaction. Their performance will also increase because employees will feel joy at the job they are carrying and will give their best effort at the job so that its implementation will increase. Sholikhah et al. (2018), in their research, also stated that good career development would improve employee performance. Marbun and Kasmirudin (2017) and Rahman et al. (2017) also strengthen this statement, which in their research both proves that there is a significant effect of career development on employee performance.

If viewed from conditions in the field, this is consistent with the results of research which show that career development has a positive and significant effect on employee performance-the employees of PT. Tiran Makassar always prioritizes employee careers so that it can affect his performance. Each employee has received counselling and career path choices, which impacts their performance because employees feel the company is always noticing them. PT. Tiran Makassar also always gives his employees freedom to make their own choice of career paths so that employees do not feel pressured if they choose the career. That is why PT. Tiran Makassar always gives its
employees their own choices and still provides counselling not to choose the wrong career path and according to their expertise.

3.4 Discussion of the effect of compensation on employee performance

The data analysis results using the PLS methodology in the estimation of the effect of compensation on the performance of employees yield a positive coefficient value. Still, the p-value is smaller than 5-007 = 5 percent, which indicates that payment does not substantially impact the performance of employees, which means that compensation is better for employees, not yet. Based on these findings, the fourth hypothesis that settlement affects employees' output at PT Tiran Makassar is dismissed.

Based on the results of this report, it is inconsistent with the research findings of Supiyanto (2015), Prabowo (2016), and Retnoningsih (2016) that better pay for workers will increase the satisfaction of employees such that their performance will also improve. However, the findings of this study are consistent and endorsed by Seidi et al. (2018) in their report, which states that compensation does not influence employees' performance. Damayanti et al. (2019) support this report's findings, which found no substantial reward for workers' success in their research.

PT. Tiran Makassar thought that the reward he was awarded was not enough to improve their success. Employees believe that compensation in jasper and incentive is perceived to be of inadequate importance to affect their results. At the same time, this compensation may have a direct effect on PT's job dedication. Tiran Makassar, but this is not generally a way to boost their results. Employees expect that the bonuses they earn will make them even more involved at work. Also, their workload is very high, so they need better pay.

4. Conclusion

The data analysis results using the PLS methodology to measure the influence of work commitment on the performance of employees yield a positive coefficient value and a p-value of less than 5 percent. That work commitment has a positive and vital impact on employees' performance, which means that the greater the employee's work commitment, the higher the performance. Based on these findings, the fifth hypothesis is that the dedication to work affects employees' output at PT. Tiran Macassar, appropriate.

The findings of this study are consistent with the research results carried out by Cahyani et al. (2020) that businesses with workers with substantial work obligations will be more willing to work so that their performance will also improve. As employees feel a part of the company and have a duty to complete any job, their account will increase. Ahmad et al. (2019) also reported in their research that an extraordinary commitment to work would boost employee efficiency. Other studies, namely Supiyanto (2015), Teneh (2015), Palupiningdyah and Susanti (2016), Mekta and Siswanto (2017), Dihan and Pratama (2017), and Yunus (2018), also reinforce this statement, both of which show that there is a significant impact on job engagement and employee efficiency in their study. Consistent with data in the sector where PT employees are working. Tiran Makassar was pleased to work for the company, thrilled to talk about good things about the company, and he already feels part of the company. The employee's success at PT. Tiran Makassar can complete all the work assigned to him and complete all the jobs well.

References


Bibliography

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