The Effect of Career Path and Internal Communication on the Motivation and Performance of Employees

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Abstract: This result to determine the effect of career paths and internal communication on employee motivation and performance. The analysis method of this research is descriptive quantitative with path analysis. The population in this study was operator and set-up positions employees of the production department. This research uses 140 respondents obtained by a proportional stratified random sampling technique. The results of this study indicate that partially and simultaneously career path variables and internal communication have a positive and significant effect on motivation variables, career path variables. Internal communication and work motivation have a positive and significant effect on employee performance variables, variable career path, and employee performance variables through work motivation.

1 INTRODUCTION

1.1 Background

According to Pillai & Bagavathi (2003), apart from equipment, machines, and materials, the success and failure of an organization depend on its human resources. To achieve maximum results, the company should be able to manage the potential of each employee in every activity. One of the factors that must be monitored by organizational leaders to achieve maximum employee performance is career development (Caroline & Susan, 2014). As mentioned by Regina (2013), an organization can ensure the availability of employees with the appropriate qualifications, abilities, and experience through career development. Based on this, a leader should ensure a career path within the organization, including in the production unit. The sequence of career paths from the lowest in the production unit is operator, set-up man, leader, supervisor, and manager. In every level of position from the lowest to the highest, every employee needs good communication with fellow workers, superiors, and subordinates at work. This communication is often called internal communication. In internal communication, there will be communication vertically, horizontally, and diagonally which should be done periodically. This causes communication problems so that the organization has difficulty achieving its goals.

Career and communication factors have an impact on employee motivation. All employees are expected to have good motivation. So, maximum employee performance achieved. This is the following research conducted by Anita et al. (2015) which states that motivation has a significant effect on employee performance. Giving motivation to someone through a career ladder and internal communication starts with needs that can lead to desires and actions, and ultimately results in motivation that leads to organizational goals. Thus, employees are expected to maximize their performance. Employee performance is an output (quality and quantity) that is produced by the employee through the work as the company has been responsible for him. According to Handoko in Murty (2012), organizations/companies should improve employee performance to achieve organizational goals by implementing various policies.
2 REVIEW OF LITERATURE

2.1 Theoretical Review

2.1.1 Career Development

Handoko (2008) said that career development is a form of personal improvement. This is following Mondy's (2008) statement that organizations can take a formal approach to get employees who have the right skills and experience in terms of career development. The dimensions and indicators of career development according to Henry Simamora (2012) are grouped as follows: (1) Mutations, the transfer of positions/responsibilities of employees to provide good and deep job satisfaction, and maximum work performance. The mutation factors are: Promotion, the transfer of employees from one position to another with a job with higher responsibility and greater income. Rotation, periodic transfer of employee tasks to another task. And demotion in an agency; (2) Work placement, the process of assigning tasks with authority and responsibility within a predetermined scope. In carrying out work placements, company employees should pay attention to the education which can be a reference for companies in placing employees in their jobs; work knowledge before job placement which needed to be able to place employees properly; the ability to carry out work that is categorized into mental abilities (analyzing data and making decisions), physical skills (such as mechanics, repairing electricity, etc.) and social skills (such as being able to influence others, for example being able to offer a product and service); and the experience of an employee in carrying out a certain job can be taken into consideration for the company so that the company knows the placement for employees and the length of time they work.

2.1.2 Internal Communication

Internal communication plays a major role in every organization in doing business. Communication is like blood in the body which is the source that is the key to a person's success both in career and personal life. Thus, it can be interpreted that communication cannot be separated from organizational activities because the organization will not function if there is no communication.

Everyone has understood the importance of communication in life. But unfortunately, our awareness of the true meaning and meaning of communication is still in doubt. The delivery/exchange of information within a company is called internal communication. The delivery of communication within an organization/company will occur (1) Vertically, communication that occurs from the top-down or otherwise. Internal communication is classified into downward communication and upward communication; (2) Horizontally, for example, communication between staff, or communication between employees, etc; and (3) Diagonally, occurs between vertical and horizontal communication, so that diagonal communication can occur between leaders of a unit and employees of other units.

2.1.3 Communication Process

The communication process occurs in two stages, namely primary (using symbols/symbols) and secondary (using tools or means as media). The effectiveness of communication is influenced by various factors. To be able to understand what are the factors that can affect the effectiveness of communication, it is necessary to pay attention to what elements in the communication process, including source – encoder, message, channel (media), decoders, receiver.

2.1.4 Work Motivation

Every person's attitude/behaviour in responding to his job so that it can create a sense of satisfaction with his performance is called work motivation. The existence of motivation in humans will give rise to the urge and desire to give the best in their work (Umar, 2003). Thus, it is concluded that with the motivation of the employees which raises the desire to do their job well, it is called work motivation.

As mentioned by Siagian in the Novita (2011) book, the characteristics of each affect work motivation. The characteristics include (1) Biographical Characteristics consisting of (a) Age, age has a strong relationship in organizational life which can affect task skills; (b) Gender, by paying attention to the gender factor, it is expected that each employee will get treatment in such a way that is by their level so that they can become responsible employees; (c) Marital status, marital status provides instructions and indirect motivation techniques for employees who are married. (d) The number of dependents, the more dependents a person has, the more motivated he is to do work; (e) Years of service, productivity, and attendance are affected by years of service. This may be due to a feeling of boredom in a person when doing a job for a long time.; (2) Personality, work motivation can influence a person's personality to be able to interact with others; (3)
Perception, a person's opinion about the environment that affects their behavior towards their surroundings. Ability to learn, the learning process will occur throughout life and does not only include formal education which can be obtained in various educational institutions.

The dimensions and indicators of motivation according to Wibowo (2011, p. 162) are as follows:
(1) The need for achievement by doing hit the target, have good quality and responsible for work; (2) Needs to get along by doing communicate well with colleagues and friendly with colleagues; (3) The need to be able to master the job well.

2.1.5 Employee Performance

Mangkunegara (2002) states that employee performance is an output achieved both in quality and quantity. Besides, performance can be explained as the relationship between efforts, abilities, and perceptions of tasks because of the ability of employees to complete their work. How big the contribution that employees make to the organization in terms of quantity, quality, attendance, and cooperative attitude is influenced by employee performance.

There are four dimensions of employee performance that have been suggested by Mangkunegara (2001): (1) Quality of work (accuracy, thoroughness, and neatness); (2) Work quantity (amount of work); (3) Responsibilities (work accepted and performed); (4) Attitude (self-placement)

2.2 Research Accomplished

(1) Research from (Davardoost dan Javadi, 2019) under the title “The Impact of Internal Communications on Employee Engagement in Iran’s Petrochemical Industry” and the results of its research is there Frequency, direction, quality, and content have the greatest impression on employee involvement. Meanwhile, the dimensions of content and fashion have less impact on employee involvement. The frequency of communication (formal or informal) has a high impact on internal organizational communication in case studies; (2) Research from (Gautama et al, 2018) under the title “Effect of organisational communication and culture on employee motivation and its impact on employee performance” and the results of its research is organizational communication significantly influences employee motivation and employee performance; organizational culture have not significantly influences on employee motivation and performance and; employee motivation significantly influences employee performance variables; (3) Research from (Katidjan et al, 2017) under the title “The effects of Compensation, Career Development and Communication on Employee Performance” and the results of its research is compensation and career development partially affect but not significantly to employee performance; partial communication has a significant influence on employee performance; compensation, career development and communication significantly influences of simultaneous on employee productivity; (4) Research from (Dewi & Utama, 2016) under the title “The effect of Career Development Against Employee Performance Mediation of Work Motivation at the Mas Art Gallery” and the results of its research is Career development positive and significantly influences employee performance variables. Work motivation does not mediate career development significantly to performance; (5) Research from (Anita, 2015) under the title “The Effect of Motivation and Career Development on Performance Through Job Satisfaction of Employees of AJB Bumiputera 1912 Semarang Metro Area” and the results of its research is motivation significantly influences employee performance and employee satisfaction; career development significantly influences on job satisfaction; job satisfaction significantly influences on performance; motivation and career development simultaneously significantly influence on job satisfaction.

Motivation and career development have a greater effect on employee performance, through employee job satisfaction; (6) Research from (Sari, 2014) under the title “The Effect of Internal Communication, Reward and Punishment On Work Motivation Employees at BPR Nur Semesta Indah Kencong, Jember Regency” and the results of its research is there is a positive influence of internal communication, reward and punishment on employee work motivation; and there is a positive influence of internal communication, reward and punishment on employee work motivation; and there is a positive influence of internal communication, reward and punishment on employee work motivation; (7) Research from (Paripurna, 2013) under the title “The Effect of Leadership, Work Environment, and Communication on Employee Satisfaction at Surwiwathi Beach Hotel Legian-Kuta Bali” and the results of its research is there is a significant influence simultaneously on leadership, work environment and communication on job satisfaction; leadership, work environment and communication have a significant and partially positive effect on employee job satisfaction.
2.3 Conceptual Framework

The conceptual method is designed to explain how the relationship between the theory and the identified factors is called a frame of mind. In this study, there is a framework that explains the relationship of variables which is described as follows:

![Figure 1 Conceptual Framework](image)

The hypothesis in this study is as follows:

**H1**: Career path has a positive and significant effect on the work motivation of PT.NFB employees.

**H2**: Internal communication has a positive and significant effect on the work motivation of PT.NFB employees.

**H3**: Career path has a positive and significant effect on the performance of PT.NFB employees.

**H4**: Internal communication has a positive and significant effect on the performance of PT.NFB employees.

**H5**: Work motivation has a positive and significant effect on the performance of PT.NFB employees.

**H6**: Career path and internal communication have a positive and significant effect on the performance of PT.NFB employees through work motivation.

**H7**: Career path and internal communication simultaneously have a positive and significant effect on the performance of PT.NFB employees.

**H8**: Career path, internal communication, and work motivation simultaneously have a positive and significant effect on the performance of PT.NFB employees.

3 METHOD OF RESEARCH

3.1 Research Design

This research is classified into a descriptive study with a quantitative approach, so this research is conducted by testing the theory to measure the research variables expressed in numbers and processed and analyzed using statistical procedures. This study will use primary data using a questionnaire. The questionnaire is a data collection technique by providing a set of questions or written statements to respondents to answer (Sujarwani, 2015: 94). Researchers will obtain data through distributing questionnaires or questionnaires which will then be analyzed based on the theory that has been studied so that conclusions can be drawn about the problem under study.

It takes enough respondents to obtain data through a questionnaire to meet good validity and reliability. A profit is expected to be more able to provide a good picture if the number of respondents in a study is sufficient. The research variables are as follows career path (X1), internal communication (X2), work motivation (X3), and employee performance (Y).

3.2 Population and Sample

In this study, employees of the production division of a manufacturing company in Batam were assigned to be the operator and setup man with 213 employees as the study population. The population of this study consisted of 181 operators and 32 setup employees. Researchers used the Slovin formula to determine the number of samples used with an error tolerance of 5% so that the sample to be used was 140 respondents. In taking the sample, the researcher used the proportional stratified random sampling method, namely by taking a sample that was not homogeneous but stratified in a proportional manner (Hanief and Himawanto, 2017). From these explanations, this study compiles a sample of respondents based on population comparisons with the criteria of Set Up Man as many as 21 respondents and operators as many as 119 respondents.

3.3 Data Collection Techniques

Researchers need to collect data to obtain the required data (Sugiyono, 2013). In this study, researchers collected data through a survey by distributing questionnaires containing several written statements that would be answered by respondents in accordance
with existing conditions. The questionnaire used is closed, which has given a choice of answers to be chosen by respondents. As for each choice of answers given a score as a benchmark point in this study.

4 RESULT AND DISCUSSION

4.1 Path Analysis

4.1.1 Model I Linear Regression Test

The first linear regression model is structured to obtain a new beta value from the variable career path (X1) and internal communication (X2) which are significant to work motivation (X3). The results of the linear regression analysis for the first model are as follows:

In the table above, the value of F model I count (213.396) > F table (3.060) with a significance of 0.00 (0.00 < 0.05), it is concluded that the variable career path (X1) and internal communication (X2) simultaneously have a positive and significant effect on motivation work (X3). The results of the coefficient of determination in the first model be follows:

**Table 3: Model I Determination Coefficient.**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.870*</td>
<td>0.757</td>
<td>0.753</td>
<td>2.025</td>
</tr>
</tbody>
</table>

Based on the Adjusted R Square value in the table, the R value of model I is 0.757, which means that the variance of work motivation variables can be explained by career path and internal communication variables by 75.7%, while the remaining 24.3% is explained by other variables outside of this study. Based on this value, the error value in the work motivation variable is obtained as follows:

Based on the data from the results of the regression test for the first model above, the path equation for model I is obtained as follows:

**Figure 2: Model I Path Diagram**

4.1.2 Model II Linear Regression Test

The second linear regression test model was prepared to obtain new beta values from the variable career path (X1), internal communication (X2), and work motivation (X3) which were significant to employee performance (Y). The results of the linear regression analysis for the second model are as follows:
In the table above, it can be seen that the significance value of the career path variable (X1) on employee performance (Y) is 0.00 < 0.05 with a t-value of 7.361 > t-table, it is concluded that H3 is accepted, where career path has a positive and significant effect on employee performance. The results of this study support the research of Dewi and Utama (2016) and research by Anita, et al (2015).

The significance value of the internal communication variable (X2) on employee performance (Y) is 0.00 < 0.05 with a t-value of 3.681 > t-table, it is concluded that H4 is accepted, where internal communication has a positive and significant effect on employee performance. The results of this study support the research of Gautama So, et al (2018) and the research of Katidjan, et al (2017).

The significance value of the work motivation variable (X3) on employee performance (Y) is 0.00 < 0.05 with a t-value of 5.082 > t-table, it is concluded that H5 is accepted, where internal communication has a positive and significant effect on employee performance. The results of this study support the research of Gautama So, et al (2018) and the research of Dewi and Utama (2017).

Based on the Adjusted R Square value in the table, the R model II value is 0.866, which means that the variance of employee performance variables can be explained by career path and internal communication variables of 86.6% while the remaining 13.4% is explained by other variables outside of this study. Based on this value, the error value in the employee performance variable is obtained as follows:

\[ e^2 = 1 - R^2 = 1 - 0.866 = 0.370 \]

Based on the results of the regression test for the second model above, the path equation model II is obtained as follows:

\[ Y = 0.479X_1 + 0.189X_2 + 0.323X_3 + 0.366e_2 \]

Figure 3: Model II Path Diagram.

4.1.3 Path Analysis

Variables that mediate the relationship between the independent variable and the dependent variable are called intervening variables. The research model provides an indirect effect of career paths and internal communication on employee performance through work motivation. The intervening test is carried out using path analysis as follows:

\[ \epsilon_2 = 0.370 \]

\[ \epsilon_1 = 0.479 \]

\[ 0.671 \]

\[ 0.241 \]

\[ 0.189 \]

Figure 4: Path Analysis Results.

From Figure 4 it can be seen the magnitude of the error value and the path coefficient value of each independent variable to the dependent variable in the sub-structures of models I and II. From the picture
above, we can find the indirect effect in this study as follows:

Table 7: Direct effect, indirect effect, and total effect.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Path Coefficient</th>
<th>Direct Effect</th>
<th>Indirect Effect (Through X3)</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 on X3</td>
<td>0.671</td>
<td>0.671</td>
<td>-</td>
<td>0.671</td>
</tr>
<tr>
<td>X2 on X3</td>
<td>0.241</td>
<td>0.241</td>
<td>-</td>
<td>0.241</td>
</tr>
<tr>
<td>X1 on Y</td>
<td>0.479</td>
<td>0.479</td>
<td>0.217</td>
<td>0.696</td>
</tr>
<tr>
<td>X2 on Y</td>
<td>0.189</td>
<td>0.189</td>
<td>0.078</td>
<td>0.267</td>
</tr>
<tr>
<td>X3 on Y</td>
<td>0.323</td>
<td>0.323</td>
<td>-</td>
<td>0.323</td>
</tr>
</tbody>
</table>

From table 5 it can be concluded that in this study career path variables have the greatest influence both directly and indirectly on work motivation (model I) and on employee performance (model II), while the lowest influence in this study both directly and indirect is the influence given by internal communication variables.

4.2 Sobel Test

To test whether there is an indirect effect in this study, the Sobel test is used to first find the standard error of the indirect influence:

\[ S_{ab} = \sqrt{b^2Sa^2 + a^2Sb^2 + Sa^2Sb^2} \]

Then, find the t value with the formula:

\[ t = \frac{ab}{S_{ab}} \]

The sobel test results in this research are as follows:

Table 8: Sobel Test.

<table>
<thead>
<tr>
<th>Variable Relationship</th>
<th>A</th>
<th>B</th>
<th>Sa</th>
<th>Sb</th>
<th>S_{ab}</th>
<th>t_{count}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career path on employee performance through work motivation</td>
<td>0.675</td>
<td>0.261</td>
<td>0.066</td>
<td>0.051</td>
<td>0.039</td>
<td>4.559</td>
</tr>
<tr>
<td>Internal communication on employee performance through work motivation</td>
<td>0.208</td>
<td>0.261</td>
<td>0.057</td>
<td>0.051</td>
<td>0.186</td>
<td>2.934</td>
</tr>
</tbody>
</table>

4.2.1 Conclusions

Based on the t analysis above, it can be concluded that H6 in this study is accepted, which means that career path and internal communication have a positive and significant effect on employee performance through work motivation.

5 CONCLUSIONS & SUGGESTION

5.1 Conclusions

Based on the results of the research hypothesis test the following conclusions are obtained: (1) Variable career path effect directly on work motivation variables of 0.671 or 67.1%, where the t count was 10.171 > t-table with a significance of 0.00 <0.05. This shows that the H1 hypothesis is accepted. The clearer the application of career path, the more employee motivation will be. These results support the research of Anita et al. (2015) which states that career development has a positive and significant effect on work motivation; (2) Internal communication variables directly influence work motivation variables of 0.241 or 24.1%, where the t count was 3.662 > t table with a significance of 0.00 <0.05. This shows that H2 was accepted. The clearer the career path that is applied, the more employee performance will be. And if the career path is not clear, the employee's performance will decrease. The better the communication between superiors and subordinates as well as to colleagues, it will increase employee motivation. Conversely, if internal communication does not go well, work motivation will decrease. The results of this study support the research of Gautama So, et al (2018) which states that organizational communication significantly affects employee motivation; and research from Sari (2014) which states that internal communication has a positive effect on employee motivation; (3) Career path variables have a direct significant effect on employee performance through work motivation. The results of this study are different from the results of research by Dewi and Utama (2016).
effect on employee performance variables. The direct effect of 0.479 or 47.9%, where the t count was 7.361> t table with a significance of 0.00 <0.05. This shows that H3 was accepted. The clearer the career path that is applied, the more employee performance will be. And if the career path is not clear, the employee's performance will decrease.

This support the research of Dewi and Utama (2016) and research by Anita et al. (2015) which states that career development has a positive and significant effect on employee performance. However, the results of this study are different from the results of research from Katidjan et al. (2017) which states that career development has a partial but insignificant effect on employee performance; (4) Internal communication variables directly influence employee performance variables. The direct effect of 0.189 or 18.9%, where the t count was 3.681> t table with a significance of 0.00<0.05 This shows that H4 is accepted. The better the internal communication that is established, the better the employee's performance will be. Conversely, if internal communication does not go well, employee performance will decline. This support the research of Gautama So, et al (2018) which states that organizational communication significantly affects employee performance; and research from Katidjan, et al (2017) which states that communication partially has a significant effect on employee performance; (5) Work motivation variables directly influence employee performance variables of 0.323 or 32.3%, where the t count was 5.082> t table with a significance of 0.00 <0.05. This shows that H5 hypothesis was accepted. The better the employee's work motivation, the better the employee's performance will be.

Conversely, if the employee's work motivation decreases, the employee's performance will also decrease. These results support the research of Gautama So et al (2018) which states that employee motivation significantly affects employee performance; and research from Dewi and Utama (2017) which states that work motivation has a positive and significant effect on employee performance; (6) Career path and internal communication variables influence employee performance variables through work motivation variables. The indirect effect of career path is 0.217 or 21.7% and internal communication with employee performance is 0.078 or 7.8%. The indirect t value of career path on employee performance and the indirect t value of internal communication on employee performance using the sobel test respectively were 4.559> t table (1,656) and 2.934 > t table (1,656). This shows that H6 was accepted. The clearer the career path and the better the internal communication that is established, the employee work motivation will increase. With the increase in work motivation, the employee's performance will also increase. The results of this study are different from the results of research by Dewi and Utama (2016) which state that work motivation has no effect as a variable that mediates the relationship between career development and employee performance; (7) Variable career path and internal communication simultaneously affect the work motivation variable of 0.753 or 75.3%, where the f count of 213,396> t table (3,060) with a significance of 0.000 <0.05. This shows that H7 was accepted; (8) Variable career path, internal communication and work motivation simultaneously influence the employee performance variable of 0.863 or 86.3%, where the f value of 293,792> t table (2,670) with a significance of 0.000 <0.05. This shows that H8 was accepted.

5.2 Suggestion
5.2.1 Practical Advice
To improve employee performance and motivation, the management needs to pay attention to career path factors and internal communication in depth, especially on career path factors because career paths have the greatest influence on both employee motivation and performance. Thus, it is hoped that the management will evaluate and adjust the career path factors through the dimensions of transfer and job placement so that it will increase work motivation and employee performance to achieve company goals.

5.2.2 Theoretical Suggestions
For further research it is suggested to add the number of other independent variables to further explain the other variable factors that affect employee motivation and performance.

5.3 Research Limitations
The limitations and shortcomings of this study are that the data collection process using questionnaires given to respondents takes a long time because the respondents in this study are divided into two work shifts so that researchers have limited time in collecting data on respondents with different shifts from the researcher.
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