The Influence of Competence, Ranking, Career Development and Corporate Culture on Company Performance Mediated by Employee Performance at Indonesian Telecommunications. Inc

Edi Sugiono*, Gamya Rizki

Universitas Nasional, Jakarta, Indonesia

Email: edisugiono33@yahoo.com

Abstract. This study aims to determine the relationship or influence between competence, ranking, career development, and corporate culture on company performance, mediated by employee performance as a moderating variable. A total of 158 respondents (54% male and 46% female) from the Collection & Debt Management/Billing & Payment Collection Unit of Indonesian Telecommunications Enterprise Service Division filled out a questionnaire. Hypothesis testing uses the t-value or Critical Ratio (CR) in this case at the 5% level = 1.96 with a significance level of 0.05. The research results reveal that competence, ranking, career development, corporate culture, and employee performance positively and significantly affect company performance. Competence, hierarchy, career development, corporate culture also have a positive & significant impact on employee performance. In contrast, the relationship between competence, ranking, career development, and corporate culture on company performance mediated by company performance as moderation results in incompetency and ranking having a positive and insignificant effect. Career development variables and corporate culture have a positive and significant impact. Employee performance is not proven to be a moderator in the relationship between competence and rating on company performance. This research can be helpful for leaders such as senior managers or managers and companies to pay more attention from the initial planning of admission to the placement of employees according to the needs of the company and see the competencies possessed by each employee so that they can support what is the target or goal to improve company performance.

Keywords: competence, ranking, career development, corporate culture, employee performance, company performance

1. Introduction

An employee in an organization has a very vital position which is a central figure [1]. The quality of the resources primarily determines the success of an organization. Human resources are used to mobilize and synergize other resources to achieve organizational goals; without human help, other resources become less or not helpful in achieving goals [2]. An organization or company that is said to be good and can develop is an organization or company that is always trying to improve the capabilities of its human

resources and other resources; this is a critical factor in improving company performance [3]. In this regard, various efforts to improve the company's performance are significant because the company's success, progress, and sustainability depend on the quality of the company's version [4].

Competence is the most crucial thing in determining an employee's performance which is needed to help the organization create a high-performance culture [5]. Another thing that is also required besides competence in developing human resources is a rating system or grading that aims to regulate and consider the level of contribution of a position to the achievement of organizational performance [6]. Next is career development which requires managing a person's growth and progress in his career. HR career development becomes a significant influence on organizational performance when these aspects are an integral part of the production system and work system, especially in the production system [7]. The organizational culture reflects the values and norms that become the company's vision and mission in achieving its goals. Corporate culture has various definitions intended to enhance the meaning and workings of culture [8]. The interpretive view implies that culture is formed and continues through the organizational environment. Employee performance is also the main factor that determines the success of an organization and is also the most valuable corporate asset compared to other resources [9]. This demand aims for the organization to be able to carry out an accountable HR development system so that achieving maximum performance will provide benefits for the organization, team, and individuals to support the overall goals of the organization by linking the work and each employee and manager in the entire work unit [10].

Another thing that is also needed besides competence in developing human resources is a rating system or grading, which is intended to provide a clear picture to employees between high performers and lower performers [11]. The need for a rating aims to regulate and consider the level of contribution of a position to organizational performance [12]. HR career development becomes a significant influence on corporate performance when these aspects are an integral part of the production system and work system, especially in a production system that is "lean or flexible production" [13]. Organizational culture has a positive and real influence on organizational performance. Employee performance is also the main factor that determines the success of an organization and is also the most valuable corporate asset compared to other resources [14].

In addition to differences in research locations that may give different results, this study also tries to explain several variables that are predicted to affect company performance because of differences in other variables and indicators used in the study; this study attempts to define several variables that are expected to impact company performance [15]. Several studies and theories show that competence, ranking, career development, and corporate culture can affect employee performance and company performance [16]. Analysis of research variables only comes from respondents' perceptions of the variable indicators asked in the questionnaire [17]. The number of indicators of the independent variable (independent) and the dependent variable (dependent) is still limited. Therefore this study is used to explain the perception of employees in the Collection & Debt Management/Billing & Payment Collection Unit on indicators of independent variables and mediating variables and variables, which is the object of research and is not intended to explain general conditions outside the location of the research object as a whole [18].

2. Methodology

This study uses quantitative methods with non-experimental methods. This research is causal research between the variables of competence, ranking, career development, employee performance, and organizational performance. The measurement scale used is the Likert scale (attitude scale) or the so-called interval scale $(1-4)$, which measures the responses and attitudes of respondents to questions posed in the form of a questionnaire. The analytical method used in this research is the quantitative analysis method using Structural Equation Model (SEM) through AMOS software version 22.

3. Result and Discussion

Instrument Validity and Reliability Test

To ensure that the questions in the questionnaire have correctly measured what will be measured (valid) and consistent or reliable, a validity and reliability test was carried out on each questionnaire (research instrument) to 30 employees of the Collection & Debt Management / Billing & Collection Unit—payment Collection with SPSS 26 statistical media. The validity test uses the total score correlation (Pearson's Product Moment) from Karl Pearson (1939), while the reliability test is based on the value of the Cronbach's Alpha parameter [19]. The results of the validity and reliability of the instruments in this study are presented in the following table:

Table 1. Research Instrument Reliability Test

No	Construct Variable	Cronbach's Alpha (r alpha)	Description
1	Competence	0.721	Reliable
2	Rating	0.800	Reliable
3	Career development	0.798	Reliable
4	Corporate Culture	0.751	Reliable
5	Employee Performance	0.820	Reliable
6	Company performance	0.867	Reliable

Source: Processed with SPSS

From the data above, it can be seen that the entire value of Cronbach's Alpha in the variable is worth 0.700; this means that all variables are reliable because high reliability is indicated by the rxx value close to 1. The validity test in this study is shown in table 2 below:

Table 2. Research Instrument Validity Test

No	Construct Variable	R-count Total Score (TS)
1	Competence	0.451
2	Rating	0.498
3	Career development	0.464
4	Corporate Culture	0.436
5	Employee Performance	0.543
6	Company performance	0.537

Source: Processed with SPSS

A test can have high validity if the test carries out its measuring function or provides precise and accurate measurement results following the purpose of the test. A test that produces data that is not relevant to the purpose of the measurement is said to be a test with low validity. From the data above, it can be seen that all variables have a total score above 0.05; this means that all variable values are considered valid.

Direct Influence Analysis

The direct effect of each variable can be seen from the estimation results of the parameter values of the direct influence between exogenous and endogenous variables [20]. The estimated value of the path coefficient is known in the Standardized Regression Weights. The significance value of the effect is known from the C.R value or probability value (p). The results of the overall direct influence analysis are presented in the following table:

Table 3. Parameter Estimation Result of Direct Effect between Variables Based on SEM Model

No	Influential Variables	Variable Affected	Estimated Value	C.R	P	Description
1	Competence (X1)	Employee performance (Z)	0.219	2.007	0.045	Significant
		Company performance (Y)	0.202	2.662	0.008	Significant
2	Rating (X2)	Employee performance (Z)	0.237	2.051	0.040	Significant
		Company performance (Y)	0.181	2.306	0.021	Significant
3	Career development (X3)	Employee performance (Z)	0.315	2.458	0.014	Significant
		Company performance (Y)	0.189	2.100	0.036	Significant
4	Corporate culture (X4)	Employee performance (Z)	0.281	2.429	0.015	Significant
		Company performance (Y)	0.171	2.109	0.035	Significant
5	Employee performance(Z)	Company performance (Y)	0.468	3.337	0.000	Significant

Source: primary data processed

From the data in table 3, it can be seen that the P-value of all variables is less than 0.05, so it can be said that all variables in this study have a direct and significant effect.

Indirect Influence Analysis

The indirect effect is the effect of an exogenous variable on the endogenous dependent variable through an intervening variable or mediator, namely employee performance. To test the indirect effect, the Sobel test was carried out. Based on the results of the Sobel Test, the magnitude of the indirect effect can be presented in the following table:

Table 4. Results of Indirect Influence Analysis Through Employee Performance

Exogenous Variable		Endogenous variables	Intervening variable	Indirect Effect	C.R	P	Description
Competence	→	Company performance	Employee performance	0.103	1.719	0.085	Not significant
Rating	→	Company performance	Employee performance	0.111	1.747	0.080	Not significant
Career development	→	Company performance	Employee performance	0.148	1.979	0.047	Significant
Corporate culture	→	Company performance	Employee performance	0.132	1.963	0.049	Significant

Source: Primary data processed

Based on the data in table 4, it can be seen that: a) The indirect effect test between the competency variables and company performance through employee performance shows a P value of 0.085> 0.05, this means that the indirect effect between these variables is not significant; b) Furthermore, the test of the indirect effect between the Rating Variables and company performance through employee performance shows a P value of 0.080> 0.05, this means that the indirect effect between these variables is not

significant; c) Furthermore, the indirect effect test between Career Development Variables and company performance through employee performance shows a P value of 0.047 <0.05, this means that the indirect effect between these variables is significant; and d) Furthermore, the indirect effect test between the Corporate Culture Variable and company performance through employee performance shows a P value of 0.049 <0.05, this means that the indirect effect between these variables is significant.

4. Conclusion

From the data and research analysis, it can be concluded that: a) There is a positive and significant relationship between competence and company performance; b) There is a positive and significant relationship between ratings and company performance; c) There is a positive and significant relationship between career development and company performance; d) There is a positive and significant relationship between corporate culture and company performance; e) There is a positive and significant relationship between employee performance and company performance; f) There is a positive and significant relationship between competence and employee performance; g) a positive and significant relationship between career development and employee performance, and h) There is a positive and insignificant relationship between competence and company performance mediated by employee performance.

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