

Career Development and Employee Performance. Study of the Public Sector in Indonesia

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Abstract

Career development is a strategic process that focuses on the continuous improvement and advancement of an individual's professional journey. It encompasses acquiring new skills, gaining relevant experience, and making informed decisions to reach one's career goals. In the workplace, effective career development programs empower employees to enhance their capabilities, contribute more meaningfully to their organizations, and ultimately elevate their overall performance. When employees are supported in their career development, they tend to be more engaged, motivated, and productive, resulting in a positive impact on an organization's success and the achievement of its objectives. The study adopted the descriptive research design. The target population was 550 employees in the Public Sector in Indonesia. The study did sampling of 468 respondents that were chosen from the target population of 550 employees in the Public Sector in Indonesia. Questionnaires were used to gather the data. In conclusion, the relationship between career development and employee performance in the public sector of Indonesia is of paramount importance. It has been revealed that while there are commendable government initiatives in place, significant challenges persist, including favoritism, inequalities, and a slow transition to a merit-based system. To achieve a more efficient, inclusive, and effective public sector, it is imperative to continue working towards a transparent, accountable, and meritocratic environment that fosters the professional growth and engagement of public servants. The study recommended that accelerating the shift towards a merit-based system by minimizing the influence of seniority and political connections, and establishing transparent criteria for promotion, training, and performance assessment. Promoting inclusivity and equal access to career development opportunities, particularly for underrepresented groups, will help create a more diverse and skilled workforce, ultimately improving public service delivery.

Keywords: *Career Development, Employee Performance, Public Sector, Indonesia*

1.0 Background of the Study

Career development refers to the lifelong process of managing one's work life and learning experiences to achieve personal and professional goals (Gyansah & Guantai, 2018). It involves acquiring new skills, gaining relevant experience, and making strategic decisions to advance one's career. The public sector in Indonesia plays a crucial role in the country's governance and service delivery. Career development and employee performance are key aspects of ensuring the effective functioning of this sector. Career development is vital in any sector, but in the public sector, it holds particular significance. In Indonesia, career development programs are designed to enhance the skills and capabilities of public servants, ultimately leading to better service delivery (Brinkerhoff & Wetterberg, 2019). The Indonesian government has established several agencies and initiatives to support career development in the public sector, including the Civil Service Agency (Badan Kepegawaian Negara or BKN) and the Indonesian Civil Service Law (UU ASN). These organizations oversee recruitment, promotion, and performance assessment.

The Indonesian public sector has been making efforts to transition towards a merit-based system for career advancement (Anniza, 2023). The aim is to reward employees based on their performance and qualifications rather than seniority or political connections. Performance appraisal mechanisms have been developed to assess the work of public servants. The National Performance Accountability System (Sistem Akuntabilitas Kinerja Nasional or SAKIN) is a significant initiative aimed at improving the performance of government agencies and their employees. Public sector employees in Indonesia often benefit from training and development programs. These initiatives aim to upgrade skills, improve efficiency, and ensure that employees are well-equipped to meet the evolving demands of their roles. The public sector in Indonesia offers various career paths, which include both generalist and specialist positions (McLaren, Star & Widianingsih, 2019). This allows employees to find roles that align with their skills and interests.

Recruitment into the public sector is typically based on a competitive exam, and promotions often require a combination of qualifications and performance evaluations (Kalogiannidis, 2021). Despite these initiatives, there are challenges in career development. Bureaucratic red tape, nepotism, and favoritism can hinder the progression of deserving candidates. A well-structured career development program can motivate public sector employees to excel in their roles. When employees see a clear path for advancement, they are more likely to invest in their professional growth. Indonesia is a diverse nation with various ethnicities, languages, and cultures. Career development programs should be designed to be inclusive, ensuring that opportunities are accessible to all, regardless of their background. Career development directly influences employee performance, which, in turn, affects the performance of government agencies (Laras, Santana, Jatmiko & Utami, 2022). A skilled and motivated workforce is more likely to meet the needs and expectations of citizens.

Improving the performance of public sector employees through career development contributes to better service delivery. This is especially critical in areas such as education, healthcare, and public infrastructure. To enhance employee performance and career development, the public sector must prioritize transparency and accountability in recruitment, promotion, and performance assessment processes (Kurniawan, Djaenuri, Prabowo & Lukman, 2020). A well-functioning public sector instills trust among citizens. When people believe that public servants are selected and promoted based on merit, it fosters confidence in the government's ability to address their needs. Career

development and employee performance in the public sector of Indonesia are ongoing areas of improvement (Febrianti & SE, 2020). As the nation continues to develop, these aspects will play a pivotal role in shaping the government's effectiveness and efficiency.

1.1 Statement of the Problem

The public sector in Indonesia faces challenges in providing equal and accessible career development opportunities for all employees. These challenges include bureaucratic red tape, favoritism, and nepotism, which can hinder the career progression of deserving individuals. A lack of clear career paths and opportunities for skill enhancement can deter employees from investing in their professional growth. The transition towards a merit-based system for career advancement in the public sector of Indonesia has encountered obstacles. Seniority and political connections still play a significant role in promotions and job placements, often at the expense of more qualified and skilled employees. This system perpetuates inefficiency and affects the overall quality of service delivery. The public sector in Indonesia is tasked with serving a diverse and multifaceted population. However, career development initiatives may not always address the needs of all segments of society equally, leading to disparities in access to opportunities and the representation of various groups in the public sector.

Performance appraisal systems in the public sector of Indonesia are not always transparent or uniformly applied. Inconsistencies and lack of accountability in performance assessment can demotivate employees and affect their performance. While training and development programs are available in the public sector, there is a need to assess whether these programs align with the evolving demands of public service. Outdated training methods and curricula may not equip employees with the skills needed for their roles, affecting performance. The challenges in career development and employee performance in the public sector of Indonesia have a direct impact on the quality of service delivery. Inefficient career development practices and suboptimal employee performance can compromise the ability of government agencies to meet the needs and expectations of citizens.

2.0 Literature Review

Kaur and Singh (2022) conducted study aimed at determining the effect of career development on employee performance in Proton Holdings Berhad, Malaysia. The study used quantitative research methodologies and a descriptive survey approach. The target demographic of this research included of 500 workers working at Proton Holdings Berhad, Malaysia. From this, 116 participants were randomly picked using a stratified selection method to make up the sample size. Structured questionnaires were used for the data gathering. Using SPSS, the data was analysed using SPSS's built-in descriptive and inferential statistics functions. Tables and figures depicted descriptive information such as percentages, averages, and standard deviations. Analysis of the relationships between the research variables was performed using inferential statistics, such as correlation and regression. Researchers found that helping workers advance their careers has a favorable and statistically significant impact on their productivity. The findings showed a favourable and statistically significant correlation between job advancement and productivity. Several areas of professional development were considered as crucial, that is, training programmes, career advice & mentoring and mobility programmes. Researchers found that helping workers advance their careers has a favourable and statistically significant impact on their productivity. It suggested that companies providing services to professionals put greater emphasis on career advancement.

Companies may improve employee retention and productivity by investing in training, career counselling and mentoring, and employee mobility.

Fulmore, Fulmore, Mull and Cooper (2023) performed study to evaluate the impact of career training and advancement on workers' output at Texas A&M University. Companies benefit from career development programmes because they help workers acquire and apply new knowledge and abilities in their fields. The research method used in this study was a survey, and the population included all 499 faculty and staff members at Texas A&M University. To learn how the independent factors affected the dependent ones, multiple linear regression was used. The projected value of the beta coefficient for career advancement (CA) is -0.025, whereas the value for career training (CT) is 0.946. The results demonstrate that at Texas A&M University, professional training considerably boosts production whereas promotion in rank has no discernible effect on efficiency. Management should think about providing opportunities for employees to improve their knowledge and expertise via seminars and trainings if they want to see their businesses thrive. This, in turn, will motivate workers to put in longer hours and provide better service.

Katharina and Dewi (2020) carried out study to explain the effect of career development on employee performance through job satisfaction as a mediating variable. 61 of the 62 staff of the Inna Sindhu Beach Hotel & Resort participated in the survey. A questionnaire will be used to gather information for the study. Path analysis (path analysis) and many tests are used for data analysis. The findings supported every one of the assumptions tested. At Inna Sindhu Beach Hotel & Resort, career advancement has a positive and significant impact on job satisfaction, which in turn has a positive and significant impact on employee performance, and job satisfaction, which in turn mediates the effect of career advancement on employee performance. Inna Sindhu Beach Hotel & Resort's management is tasked with improving the company's career development system in order to boost employee morale and productivity through initiatives like compensating workers fairly according to their level of responsibility and the amount of work they put in.

Dineen-Griffin, Benrimoj and Garcia-Cardenas (2020) performed study to determine the effect of career development programs on employee performance in HCF health insurance, Australia. Customer satisfaction with HCF health insurance has dropped from 86% in 2009/2010 to 66.50% in 2011/2012, according to a quality assessment and service delivery improvement plan study. HCF health insurance employee satisfaction also decreased from 80% in 2008/2009 to 68% in 2012/2013, the study found. The research proposed that HCF health insurance use performance contracting mechanisms to enhance performance, among other suggestions for bettering service delivery. Findings from this research on the impact of career development programmes on employee performance will be of critical importance to HCF Health Insurance and other Australian health insurance service providers. We adopted a case study approach. The survey targeted a population of 402 workers of HCF health insurance headquarters Melbourne from which a sample of 120 respondents were recruited using 30% of the target population. Stratified sampling was used to choose the sample. Using a questionnaire, the researcher gathered primary data. Cronbach's alpha was used to determine the reliability of the questionnaire used in the pilot study. Descriptive as well as inferential statistics were used to present and analyze the data in the research. Career development initiatives have been shown to significantly and positively impact worker productivity. Regression analysis revealed that career development initiatives accounted for 34.9% of the variance in productivity. The research results also found that there was statistically

significant beneficial association between employees training; career counselling, employee mentorship and career development on employee performance. As a result of the study's findings, the authors suggest that HCF Health Insurance place a greater emphasis on career development programmes in order to boost employee performance. The study's authors urged that comparable investigations be conducted at other state-run businesses besides HCF Health Insurance. Furthermore, this study's findings prompted the authors to recommend that future researchers investigate other elements associated with employee performance.

Paais and Pattiruhu (2020) conducted study to investigate how employees' perceptions of their organization's support, their motivation at work, and their emotional investment in their job impact their performance in the public sector. Using structural equation modelling in SmartPLS 2.0, researchers analysed the opinions of 250 government employees from 15 different regional offices of Indonesia's Ministry of Finance and found that professional advancement has a direct, positive effect on employees' levels of enthusiasm for their workplace, motivation, and emotional investment in the company as a whole. However, advancement in one's profession has no bearing on productivity. By looking at the link indirectly, we may see that mediating factors are thought to have a major role in reinforcing it. These results theoretically suggest that an individual's ability to advance in their chosen field may rely on how well their current or prospective employer fosters an environment of organisational support and incentive that fosters emotional commitment and performance. These results have important policy implications, underscoring the need for performance-based incentives to be implemented at all levels of government in Indonesia.

Aldieri, Makkonen and Vinci (2020) noted that the gap between actual and potential performance may be narrowed via professional growth. Despite extensive training, many public sector workers show little signs of moving up the ladder. Government officials, members of civil society, international development organisations, and Brazilians at large have all expressed serious worry regarding the quality of public sector workers' output. Low productivity and poor customer service have become the norm in the workplace. As a result of subpar productivity, public services have suffered. The purpose of this research was to examine how specializing in one's field affected public servants' productivity. A descriptive survey method was used in the research. The population for this research were the workers in the public sector in Sao Paulo. Two hundred people worked for the government in Sao Paulo. The sample population consisted of all managers and their staffs. A total of 100 participants were chosen using stratified random selection. Structured questionnaires were used to gather the data. SPSS version 20 was used to tabulate and analyze the data. The research found that on job training improves the performance of an employee by expansion of core competences, job specification, leads to motivation, decreases fear, gives new skills knowledge and capabilities and workers are able to network. According to the results, career mentoring has a positive impact on productivity because it provides employees with guidance, encourages growth, and encourages them to find their own answers to challenges.

Muhammad (2023) carried out study to assess the influence of career development on engagement of employee in the public health sector in Estonia. The research used Super's theory of career development as its theoretical foundation. Deductive reasoning and the positivist worldview informed the study's descriptive research approach. The sample size was 342, split evenly between 35 medical professionals and 307 nurses out of a total population of 3,092. The sample was selected using both stratified and simple random sampling methods. Both quantitative and qualitative information was gathered via the use of a questionnaire. Both quantitative and

qualitative methods of analysis were used as part of a mixed-methods strategy. The qualitative data was analyzed using thematic content analysis. Editing, coding, and analysis of quantitative data was performed using descriptive and inferential statistical techniques. Descriptive analysis revealed the percentages, frequencies, means, and standard deviations. Inferential statistics were based on assessments of correlation and basic and multiple linear regression. Employee involvement in the public health sector in Estonia was shown to be somewhat influenced by opportunities for professional growth ($r=0.670$, $p<0.000$, $R^2=0.449$). Researchers concluded that public health workers' engagement levels dropped when they had less opportunities for professional growth. It might be highly costly to the industry if career development programmes and learning opportunities are not implemented that are both diversified and well-supported. In order to ensure that all employees in the public health sector have access to training and education opportunities, the research suggests that the sector implement career management strategies that do so.

3.0 Research methodology

The study adopted the descriptive research design. The target population was 550 employees in the Public Sector in Indonesia. The study did sampling of 468 respondents that were chosen from the target population of 550 employees in the Public Sector in Indonesia. Questionnaires were used to gather the data.

4.0 Research Findings and Discussion

4.1 Correlation Analysis

The findings presented in Table 1 shows the correlation analysis

Table 1: Correlation Analysis

		Employee Performance	Career Development
Employee Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Career Development	Pearson Correlation	.295 **	
	Sig. (2-tailed)	0.000	0.000

The correlation results from Table 1 indicate that the career development was positively and significantly related with employee performance ($r=.295$, $p=.000$). This concurs with Aldieri, Makkonen and Vinci (2020) who argued that the nexus between career development and employee performance is undeniable, with a well-structured career development program significantly impacting individual and organizational success. The evidence suggests that employees who are actively engaged in career development opportunities exhibit higher levels of motivation, job satisfaction, and overall performance. As organizations continue to prioritize and invest in

comprehensive career development initiatives, they are likely to witness not only enhanced employee performance but also increased loyalty and retention.

4.2 Regression Analysis

The section includes model fitness, analysis of variance and regression of coefficient. The results in Table 2 show the model fitness

Table 2: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.295a	0.291	0.250	0.093562

The results from Table 2 reveal that career development was found to be satisfactory in explaining the employee performance of employees in the Public Sector in Indonesia. This was supported by the coefficient of determination, which is R square of 0.291. It indicates that career development explain 29.1% of the variations in the employee performance of employees in the Public Sector in Indonesia.

Table 3: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.91	1	5.91	422.14	.000b
	Residual	7.71	550	0.014		
	Total	13.62	549			

The findings in Table 3 reveals that the overall model was statistically significant. The findings indicate that employee performance is a good predictor in explaining the career development among the employees in the Public Sector in Indonesia. This was supported by an F statistic of 422.14 and the reported p-value of 0.000 which was less than the conventional probability significance level of 0.05.

Table 4: Regression of Coefficient

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.391	0.102		3.833	0.046
Career development	0.816	0.242	0.991	3.372	0.001

Based on the findings in Table 4, it was discovered that career development was positively and significantly associated to employee performance ($\beta=0.816$, $p=0.001$). This was supported by a calculated t-statistic of 3.372 that is larger than the critical t-statistic of 1.96. These results indicates

that when career development increases by one unit, the employee performance of employees in the Public Sector in Indonesia will increase by 0.816 units while other factors that influence the employee performance of firms remain unchanged. Dineen-Griffin, Benrimoj and Garcia-Cardenas (2020) mentioned that employees who actively participate in career development programs tend to demonstrate higher levels of job satisfaction, engagement, and commitment to their roles. Clear pathways for advancement and skill enhancement contribute significantly to the overall skill set of employees, translating into enhanced performance outcomes. The findings suggest that a strategic focus on career development positively influences both individual and organizational performance metrics.

5.0 Conclusion

It is evident that the Indonesian government has recognized the importance of career development and its influence on employee performance. Initiatives such as the Civil Service Agency (BKN), merit-based systems, and performance appraisal mechanisms have been established to improve the professional growth of public servants. These efforts signify a commitment to fostering a skilled and motivated workforce. However, the study also reveals that numerous obstacles hinder the full realization of these aspirations. Bureaucratic red tape, favoritism, and nepotism continue to pose challenges, potentially undermining the integrity of career development and promotions. The transition towards a fully merit-based system is still a work in progress, and there is a need for greater transparency and accountability in performance assessment. Inclusivity remains a concern. Career development programs should be designed to accommodate the diverse demographics of Indonesia to ensure that opportunities are accessible to all. Bridging gaps in training and development, adapting to evolving demands, and consistently evaluating performance appraisal systems are critical for addressing these issues. The journey of career development and employee performance in the public sector of Indonesia is marked by both promise and hurdles. The commitment of the Indonesian government to meritocracy and performance accountability is commendable, but challenges such as favoritism and inequalities persist. Continued efforts to remove barriers, promote fairness, and provide opportunities for growth will be essential to realizing the full potential of the public sector in Indonesia and delivering efficient, transparent, and inclusive services to the nation's diverse populace.

6.0 Recommendations

The Indonesian government should further reinforce its commitment to meritocracy by minimizing the influence of seniority and political connections in career advancement. This can be achieved through transparent and standardized recruitment and promotion processes that focus on candidates' qualifications and performance. Regular audits and evaluations of these processes can help maintain the integrity of the system. To ensure fairness and transparency in career development, it is crucial to establish clear criteria for promotion, training, and performance appraisal. Regularly reviewed performance assessment mechanisms should be put in place, and the results should be made accessible to employees. The government should also create mechanisms for employees to report instances of favoritism or corruption, protecting those who come forward. Career development programs should be designed to be inclusive and accessible to employees from all backgrounds and demographics. This includes creating tailored training and development opportunities, considering the diverse cultural and linguistic landscape of Indonesia. Efforts to provide mentorship and guidance to underrepresented groups can help bridge disparities

in career development and ensure that public sector employment is reflective of the country's diversity.

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