

# Effect of Extrinsic Motivation and Training on Employee Performance through Career Development as Intervening Variables at PT. Bank Negara Indonesia (Persero) TBK, Medan Main Branch Office

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## ABSTRACT

The purpose of this research is to analyze effect of extrinsic motivation and training on employee performance through career development as intervening variables at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. This type of research is associative research. Population in this study are permanent employees at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office, as many as 159 employees. Sampling in this study with probability sampling technique. The criterion used is proportionate stratified random sampling. The number of samples is 114 respondents. The types of data used are primary and secondary data obtained from interview questionnaires and documentation studies. The data analysis method used is path analysis and partial test (t). The results of the study show that extrinsic motivation has a significant effect on career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Training has a significant effect on career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Extrinsic motivation has a significant effect on employee performance at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Training has a significant effect on employee performance at PT. Bank Negara Indonesia (Persero) Tbk,

Medan Main Branch Office. Career development has a significant effect on employee performance at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Extrinsic motivation has a significant effect on employee performance through career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Training has a significant effect on employee performance through career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office.

**Keywords:** Extrinsic Motivation, Training, Employee Performance, Career Development

## INTRODUCTION

The growth of Indonesian banking has accelerated, especially since the enactment of the Asean Free Trade Area (AFTA) in 2003. The banking conditions in Indonesia have undergone many changes. The existence of globalization makes technological developments and other external factors have an impact on the banking world. In addition to external factors, banking progress is also inseparable from the influence of the internal development of the bank itself, such as the development of facilities, services, and the

development of human resources in banking organizations.

PT. Bank Negara Indonesia (Persero) Tbk (BBNI) posted a net profit increase of 12.8 percent in the first semester of 2021 compared to the same period in the previous year. However, this growth is the lowest among other state-owned banks. The net profit of PT. Bank Tabungan Negara Tbk (BBTN) increased by 19.9 percent in the same period. That way, the company's profit will increase from Rp767.6 billion in the first semester of 2020 to Rp920 billion in the first semester of 2021.

According to Moehariono (2018) in achieving a goal a banking organization must be effective and able to compete, banks must pay attention to employee performance. Performance is a picture of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision and mission of the organization as outlined through the strategic planning of an organization.

According to Mondy and Martocchio (2016) performance appraisal is a formal system of reviewing and evaluating individual or team task performance. Performance is also assessed on the basis of overall organizational goals which may have been broken down into separate targets that together contribute to the overall goals of the organization.

Bank Negara Indonesia (BNI) is a government-owned banking institution, in this case a state-owned company in Indonesia. In its organizational management structure, BNI has many branch offices in Indonesia, one of which is Medan City, which is located at the Main Branch Office. However, in this case there are still major problems with employee performance which in turn have an impact on company performance.

This criterion is based on employee accuracy, speed of completing tasks, ability to communicate with customers and work together between teams. However, in conditions in the field, these demands are still not fully carried out by employees so

that employee performance is still not optimal. This is influenced by several factors, one of which is the career development of employees at BNI.

Employees also need career development because career development in an organization can drive organizational performance. According to Rivai and Sagala (2014), career is all work owned or performed by individuals during their lifetime. Based on the various definitions above, it can be concluded that a career is a sequence of job positions held by a person in his work history. Career development is urgently needed for every employee in their work life journey. Viewed from the management of human resources, a knowledgeable and forward-looking organization is required to have a clear career path. Considering that career development also affects employee performance, it is necessary to have clear career development carried out by organizations and individuals.

An employee who wants to develop his career needs to think about what performance appraisal he has. Career planning and development programs focus on helping employees to achieve important competencies, knowledge, skills and abilities needed to make effective career decisions, but in this case career development is still not felt by every employee at BNI.

According to Abdullah (2014:3) performance is an abbreviation of the kinetics of work energy whose equivalent in English is performance, performance is the output produced by the functions or indicators of a job or a profession within a certain time. According to Simanjuntak in Suparno (2015:131) performance is the level of achievement of results for certain tasks carried out. Individual performance as the level of achievement or work results of a person from the goals to be achieved or the tasks to be carried out within a certain period of time.

Based on the results of a pre-survey conducted regarding employee career

development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office, from 30 respondents who are given a questionnaire, there are 15 employees who answered no to the position statement according to their expertise, 20 respondents answered no with open information regarding vacant positions and finally there are 5 respondents who answered no to the position statement given in accordance with education.

The purpose of this research is to analyze effect of extrinsic motivation and training on employee performance through career development as intervening variables at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office.

## **RESEARCH METHODS**

This type of research is associative research. Associative research namely research that is based more on data that can be calculated to produce an assessment (Sugiyono, 2014). Associative research is research to examine the effect of independent variables on the dependent variable (Augustine and Kristaung, 2013).

Population in this study are permanent employees at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office, as many as 159 employees. Sampling in this study with probability sampling technique. The criterion used is proportionate stratified random sampling. Proportionate stratified random sampling is a sampling technique in heterogeneous and stratified populations by taking samples from each sub-population whose number is adjusted to the number of members of each sub-population randomly (Rusiadi, 2015). The calculation uses the slovin formula. The reason for using the slovin technique is because the calculation method is the most representative by giving equal opportunities to every member of the population. The number of samples is 114 respondents.

The types of data used are primary and secondary data obtained from interview questionnaires and documentation studies. Primary data, namely research data obtained

directly from original sources and data collected specifically to answer research questions according to the wishes of researchers (Indriantoro and Supomo, 2014). Secondary data is data that is a source of research data obtained by researchers indirectly through intermediaries (Indriantoro and Supomo, 2014).

The data analysis method used is path analysis and partial test (t). The t test is conducted to test the partial effect of the independent variables on the dependent variable with the assumption that other variables are considered constant. The t test basically shows how far the influence of one independent variable individually explains the variation in the variable associated with a significant level of 5 percent (Ghozali, 2018).

## **RESULT**

### **General Description**

PT. Bank Negara Indonesia (Persero) Tbk (hereinafter referred to as "BNI" or "Bank BNI") was founded by Margono Djojohadikusumo, who was a member of the Indonesian Independence Preparatory Investigation Agency (BPUPKI), then established a circulation or central bank which is responsible for issuing and managing the currency of the Republic of Indonesia. Margono made great contributions to the development of business or banking business in Indonesia. Margono was a pioneer, he succeeded in instilling values and perspectives on banking business in Indonesia, replacing the role of De Javasche Bank during the colonial era. BNI was originally established in Indonesia as a central bank under the name "Bank Negara Indonesia" based on Government Regulation in Lieu of Law Number 2 of 1946 dated July 5, 1946. Subsequently, based on Law Number 17 of 1968, BNI was designated as "Bank Negara Indonesia 1946", and its status as a state-owned commercial bank. Furthermore, BNI's role as a bank mandated to improve the people's economy and participate in

national development was confirmed by Law Number 17 of 1968 concerning Bank Negara Indonesia 1946.

Based on Government Regulation Number 19 of 1992, April 29, 1992, BNI's legal form was adjusted to become a limited liability company (Persero). Adjustment of the legal form to become a Persero, stated in Deed Number 131, dated 31 July 1992, made before Muhani Salim, S.H., which was announced in the State Gazette of the Republic of Indonesia Number 73 dated 11 September 1992 Supplement Number 1A.

BNI is a government-owned banking institution, in this case a state-owned company. In its organizational management structure, BNI is led by a main director who is currently held by Royke Tumilaar from 2020 until now assisted by one deputy main director and several sector directors. BNI is the oldest commercial bank in the history of the Republic of Indonesia. BNI was established on July 5, 1946. Currently, the BNI office network has 2,047 outlets, consisting of 17 regional offices, 195 branch offices, 1,094 sub-branch offices, 527 cash offices, 66 payment points, the remaining 71 outlets are functional offices consisting of from 62 business centers and 9 money

changer outlets and there are 6 overseas branches.

BNI was the first state-owned bank to become a public company after listing its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange in 1996. To strengthen its financial structure and competitiveness in the national banking industry, BNI undertook a number of corporate actions, including the recapitalization process by the Government in 1999, divestment of Government shares in 2007, and a limited public offering in 2010. Currently 60 percent of BNI shares are owned by the Government of the Republic of Indonesia, while the remaining 40 percent are owned by the public, both individuals and institutions, domestic, and foreign. BNI is now listed as the 4th largest national bank in Indonesia, in terms of total assets, total loans, and total third party funds.

BNI is increasing its business to grow and to explore every international trading business opportunity, BNI has opened branch offices or overseas representatives, including Singapore, Hong Kong, Tokyo-Japan, Seoul-Korea, New York-USA, and London-England.

## Hypothesis Test Results

**Table 1. Summary of Direct and Indirect Effect Results**

Variable	Effect		Significance (<0.05)	Information
	Direct	Indirect		
Extrinsic Motivation to Career Development	0.473	-	0.000	Accepted
Training to Career Development	0.327	-	0.000	Accepted
Extrinsic Motivation to Employee Performance	0.389	-	0.000	Accepted
Training to Employee Performance	0.358	-	0.000	Accepted
Career Development to Employee Performance	0.189	-	0.017	Accepted
Extrinsic Motivation to Employee Performance Through Career Development	-	0.089	0.026	Accepted
Training to Employee Performance Through Career Development	-	0.061	0.041	Accepted

Source: Processed by Researchers (2023)

The results of the study show that extrinsic motivation has a significant effect on career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Training has a significant effect on career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Extrinsic motivation has a significant effect on employee performance at PT. Bank Negara Indonesia (Persero) Tbk, Medan

Main Branch Office. Training has a significant effect on employee performance at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Career development has a significant effect on employee performance at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Extrinsic motivation has a significant effect on employee performance through career development at PT. Bank



Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Training has a significant effect on employee performance through career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office.

## **CONCLUSION AND SUGGESTION**

The results of the study show that extrinsic motivation has a significant effect on career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Training has a significant effect on career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Extrinsic motivation has a significant effect on employee performance at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Training has a significant effect on employee performance at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Career development has a significant effect on employee performance at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Extrinsic motivation has a significant effect on employee performance through career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office. Training has a significant effect on employee performance through career development at PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office.

Based on the results of the study, the researchers provide the following suggestions:

1. In this study it is proven that extrinsic motivation has the most dominant significant effect on employee performance. However, there are still respondents who disagree with the statement "company policy in providing rewards according to employee expectations". Therefore the company should review the existing compensation policy and if necessary it can be increased again to meet all employee needs so that each employee has a strong enthusiasm and drive to work to achieve the targets set by the company so that performance results can increase.
2. Based on the results of the responses of respondents who still gave a "disagree" response to the statement "employees have good relations with co-workers", it is expected that PT. Bank Negara Indonesia (Persero) Tbk, Medan Main Branch Office to improve teamwork and to increase a sense of togetherness and create a sense of kinship in an office environment such as eating together, family gathering, and others in the team so that a conducive relationship is established in carrying out work.
3. To increase employee capability and mastery of "product knowledge" it is important to conduct training by inviting speakers from external parties who are professional and competent in their fields, if possible invite practitioners from both the banking world and from non-banking to provide knowledge transfer to employees. Place the training to be made as comfortable as possible.
4. In the current era, management should provide opportunities for employees to take turns taking part in various seminars outside of PT. Bank Negara Indonesia (Persero) Tbk to add insight into self-development so that when there is an opportunity for career advancement, employees already have sufficient capital to be promoted.
5. For employee work time management, PT. Bank Negara Indonesia (Persero) Tbk should provide sanctions and strict action for employees who are found to be negligent and stalling for time at work, then given a briefing or counseling.
6. Due to the limitations of this study, it is hoped that future researchers will be able to refine this research by adding other factors not examined in this study empowering leadership, self-efficacy, work environment, and organizational culture or researching other objects as a comparison to research this, in order to be able to add theoretical insight and

intellectual understanding in research related to career development and employee performance.

#### **Declaration by Authors**

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**Conflict of Interest:** The authors declare no conflict of interest.

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