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COMPETENCY ANALYSIS, ORGANIZATIONAL CULTURE, CAREER DEVELOPMENT ON JOB SATISFACTION AND ITS IMPLICATIONS ON THE PERFORMANCE OF BUMN EMPLOYEES IN THE CIREBON AREA

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ABSTRAK

This study aims to analyze the influence of competence, organizational culture, and career development on job satisfaction and their implications for employee performance at Badan Usaha Milik Negara (BUMN) in the Cirebon region. The research method employed is descriptive and verificative, using a Structural Equation Modeling (SEM) approach. The results indicate that competence, organizational culture, and career development simultaneously have a significant effect on job satisfaction and employee performance. However, organizational culture, when considered partially, does not have a significant effect on performance. Job satisfaction is found to be the strongest factor influencing the improvement of employee performance.

Keywords: Competence, Organizational Culture, Career Development, Job Satisfaction, Employee Performance

INTRODUCTION

The advancement of technology and the flow of globalization have compelled organizations, particularly at Badan Usaha Milik Negara (BUMN), to enhance their competitiveness through the strengthening of human resources (HR). In this context, competence, organizational culture, and career development are key factors influencing job satisfaction and employee performance. This study aims to analyze the effects of these three factors on job satisfaction and their implications for the performance of at Badan Usaha Milik Negara (BUMN) employees in the Cirebon region.

The massive technological transformation and accelerated globalization have brought fundamental changes to almost all aspects of life, including business and industry. Modern organizations are required to adapt quickly to external environmental dynamics in order to survive and compete at both local and global levels. In this regard, BUMN, as one of the pillars of the national economy, are no exception to these demands. They are not only expected to provide optimal public services but are also required to achieve highly competitive business performance.

One of the key elements determining an organization's success in facing competition is effective human resource management. Human resources are not merely organizational assets but the main driving force determining productivity, innovation, and competitive advantage. In line with this, three strategic factors often emphasized in modern HR management are employee competence, organizational

culture, and sustainable career development programs. These factors are believed to influence employees' job satisfaction, which in turn directly impacts organizational performance.

Previous studies have shown that enhancing employees' technical and non-technical competencies positively contributes to work effectiveness, while a supportive organizational culture fosters a sense of belonging and loyalty to the company. Meanwhile, well-directed career development provides intrinsic motivation for employees to continuously improve their work quality. Nevertheless, the relationship among these three variables, job satisfaction, and their implications for employee performance within BUMN—particularly at the regional level, such as in Cirebon—still requires comprehensive empirical investigation.

Based on this background, this study aims to examine the extent to which competence, organizational culture, and career development influence job satisfaction and their impact on the performance of BUMN employees in the Cirebon region. The findings are expected to provide practical contributions for BUMN management in formulating HR development strategies aligned with the demands of globalization, as well as to add value to the organization. Despite extensive research on HR management, few studies have tested a comprehensive model linking competency, culture, and career development to performance through job satisfaction in state-owned organizations. Most prior works focus on private or multinational corporations, leaving a gap in the understanding of public sector dynamics.

This study introduces a new structural model (SEM) that simultaneously examines causal relationships among the key HR dimensions—competency, organizational culture, and career development—toward job satisfaction and employee performance. The novelty lies in the integration of career development as the most dominant factor influencing satisfaction, with job satisfaction serving as a mediator connecting internal HR factors and organizational outcomes in the BUMN setting.

THEORY & LITERATURE REVIEW

2.1 Competence

Every human being is essentially endowed by God Almighty with abilities that are inherent within themselves since birth. These abilities, known as *competence*, consist of both *soft competence* and *hard competence*, in accordance with their nature as His creation. For the success of an organization, the role of employees as one of the organization's vital resources is clearly indispensable alongside other resources. The role of competent human resources in supporting organizational success is in line with the opinion of Zweel (2000), who stated: "*The three competencies supporting organizational success are: (1) the competences of its leadership, (2) the competences of its employees, and (3) the degree to which the corporate culture fosters and maximizes competence.*" According to Spencer and Spencer (1993), competency is the underlying characteristic of an individual that leads to superior performance in a job, including knowledge, skills, and

behavioral traits. Employees with high competency are more likely to adapt, innovate, and perform effectively.

Regardless of one's strengths and weaknesses, in carrying out life's activities, a person is always accompanied by the ability to act. These abilities become a distinctive characteristic that differentiates one individual from another and, in turn, have an impact on their life. In this regard, when a person's abilities are connected to their work activities, it is evident that competence becomes a requirement for achieving higher performance.

2.2 Organizational Culture

From the diversity of backgrounds and cultures, conscious or unconscious, values are formed that serve as guidelines for carrying out activities within the organization. These values ultimately develop into what is known as organizational culture. As stated by Ivancevich (2010: 96–97): "*Most human resource professionals no longer question that there are important cultural differences between nations that might influence the effectiveness of human resource management policies and practices.*"

From the various perspectives above, it can be said that organizational culture represents a set of assumptions shared by a particular group with the aim of finding solutions to adapt to various internal and external challenges faced by the organization. Thus, organizational culture becomes a consideration in decision-making. Moreover, from the employees' point of view, organizational

culture provides guidance on what is essential and necessary to do.

2.3 Career Development

In carrying out work activities, an employee is naturally accompanied by skills that align with their field of work. This alignment is intended to facilitate the performance of tasks and responsibilities assigned to them. Providing employees with opportunities to develop their abilities has a significant impact on their job satisfaction, which in turn contributes positively to the organization in achieving its predetermined goals. One of the programs designed to enhance employee competence and provide satisfaction through achievement is career development. A career refers to the sequence of job positions held by an employee throughout their employment.

Furthermore, regarding careers, Ivancevich and Konopaske (2013:149) state: "*A career is an ongoing sequence of work-related activities; it is work-related, not something that occurs in isolation.*" In other words, a career is a continuous series of jobs carried out by an individual within the same position. Thus, a career may also be defined as a sequence of jobs undertaken by an employee over a certain period within similar types of work, or as a chain of work-related activities performed by an employee from their initial role until reaching a specific position.

2.4 Job Satisfaction

Several factors within an organization can influence an employee in attaining job satisfaction. Psychologically, this has an impact on individual behavior in

carrying out entrusted tasks. However, the satisfaction achieved is relative and has various dimensions, as each individual perceives it differently. This implies that the level of sustainability in managing and maintaining human resources is considered good, enabling organizational objectives to be achieved objectively, albeit gradually.

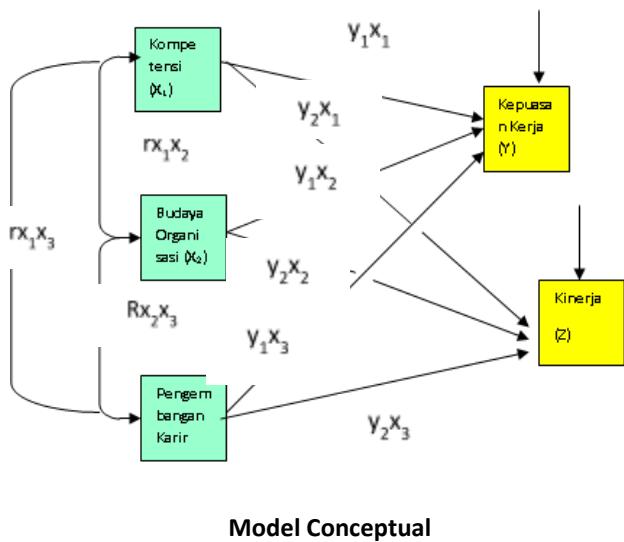
The relationship between job satisfaction and organizational culture, according to Robbins and Judge (2013), is explained as follows: "*Although job satisfaction appears relevant across cultures, that doesn't mean there are no cultural differences in job satisfaction.*" Furthermore, Robbins and Judge (2013) also emphasized that: "*Interesting jobs that provide training, variety, independence, and control satisfy most employees.*"

From these various studies, it can be concluded that many factors affect employees' experience of job satisfaction. This can be observed from the overall condition of the organization where they work. In other words, everything within the organization—its culture, human resources, systems and procedures, as well as its leadership—will exert its own influence on employees, enabling them to achieve job satisfaction, including psychological satisfaction.

2.5 Employee Performance

The term *kinerja* in Indonesian is translated into English as *performance*. In Indonesian, however, the term carries several connotations, including work appearance, work achievement, work productivity, or work execution.

This aligns with the opinion expressed by Ivancevich and Konopaske (2011:73), who stated: “*Abilities and skills play a major role in individual behavior and performance. Ability is a person’s talent to perform a mental or physical task. Skill is a learned talent that a person has acquired to perform.*” This suggests that abilities and skills play a central role in shaping individual behavior and performance. Mangkunegara (2016) states that performance is the result of work achieved by employees based on job responsibilities, quality, and productivity levels. Employee performance reflects how effectively organizational goals are achieved.



Based on the research paradigm described above, the hypotheses of this study can be formulated as follows:

Hypothesis 1: There is an effect of competency on job satisfaction of employees in State-Owned Enterprises (BUMN) in the Cirebon area.

Hypothesis 2: There is an effect of organizational culture on job satisfaction of employees in State-Owned Enterprises (BUMN) in the Cirebon area.

Hypothesis 3: There is an effect of career development on job satisfaction of employees in State-Owned Enterprises (BUMN) in the Cirebon area.

Hypothesis 4: Competency, organizational culture, and career development simultaneously have a significant effect on job satisfaction of employees in State-Owned Enterprises (BUMN) in the Cirebon area.

Hypothesis 5: There is an effect of competency on employee performance in State-Owned Enterprises (BUMN) in the Cirebon area.

Hypothesis 6: There is an effect of organizational culture on employee performance in State-Owned Enterprises (BUMN) in the Cirebon area.

Hypothesis 7: There is an effect of career development on employee performance in State-Owned Enterprises (BUMN) in the Cirebon area.

Hypothesis 8: There is an effect of job satisfaction on employee performance in State-Owned Enterprises (BUMN) in the Cirebon area.

Hypothesis 9: Competency, organizational culture, career development, and job satisfaction simultaneously have a significant effect on employee performance in State-Owned Enterprises (BUMN) in the Cirebon area.

RESEARCH METHOD

This study adopts a quantitative approach, employing both descriptive and verificative research types. The descriptive approach is used to provide a comprehensive overview of the characteristics of the variables under study, while the verificative approach aims to test the hypotheses formulated

based on the research conceptual framework. Thus, this research not only captures the phenomena occurring but also empirically examines the causal relationships among the variables.

The population of this study includes all employees of Badan Usaha Milik Negara (BUMN) operating in the Cirebon region, namely PT Telkom, PT Sucofindo, and PT Jamsostek. According to employment data, the total population consists of 605 individuals. Using Slovin's formula with a 5% margin of error, a sample size of 240 respondents was determined and selected through simple random sampling. This technique was chosen to ensure that every member of the population has an equal chance of being included in the sample, thereby allowing the research results to be generalized with minimal error.

The research instrument consisted of a structured questionnaire using a five-point Likert scale, ranging from "strongly disagree" to "strongly agree," designed to measure competence, organizational culture, career development, job satisfaction, and employee performance. Prior to distribution, the instrument was tested for validity and reliability. Validity was assessed using Confirmatory Factor Analysis (CFA), while reliability was measured using Cronbach's Alpha coefficient, with values above 0.70 considered adequate for social research.

Data analysis was conducted using Structural Equation Modeling (SEM) with the assistance of LISREL software. SEM was chosen because it can analyze complex relationships among latent variables simultaneously while accounting for measurement errors. The

analysis stages included testing the model's Goodness of Fit, estimating parameters, and performing significance tests to determine the direct and indirect effects among variables within the research model.

The study employed a quantitative explanatory design using SEM analysis.

Population: Employees of BUMN in the Cirebon region.

Sample: 125 respondents selected using purposive sampling.

Data collection: Structured questionnaires with Likert scales (1 = strongly disagree, 5 = strongly agree).

Analysis tools: SPSS and AMOS.

Descriptive Statistics

| Variable | Mean | Interpretation |
|------------------------|------|--|
| Competency | 4.12 | High – employees show strong job understanding and initiative |
| Organizational Culture | 3.85 | Moderate – culture supports teamwork but lacks innovation |
| Career Development | 4.05 | High – training and promotion programs are perceived as fair |
| Job Satisfaction | 4.10 | High – employees are satisfied with work environment and recognition |
| Performance | 4.20 | Very High – employees show |

| Variable | Mean | Interpretation |
|----------|------|---------------------------------|
| | | commitment and quality outcomes |

The results indicate that employees generally perceive positive HR practices, although cultural transformation remains an area for improvement.

Operationalization of Variables

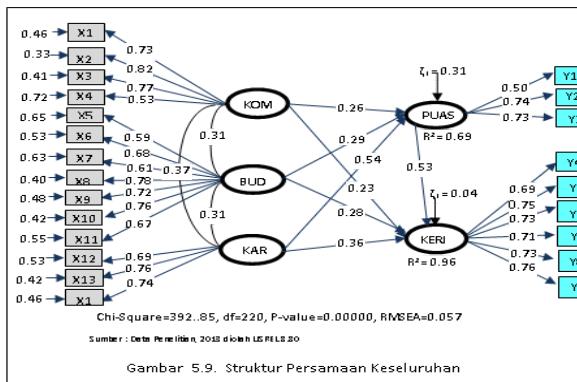
| Variable | Dimensions | Indicators |
|---|---|---|
| Competency (X₁) | Knowledge, Skill, Attitude | Task understanding, problem-solving, responsibility, adaptability |
| Organizational Culture (X₂) | Innovation, Result Orientation, Teamwork, Stability | Risk-taking, collaboration, rule adherence |
| Career Development (X₃) | Planning, Skill Development, Promotion | Career clarity, training opportunities, fair evaluation |
| Job Satisfaction (M) | Pay, Relations, Work Itself, Development | Pay fairness, communication, pride in work, recognition |
| Performance (Y) | Quality, Quantity, Discipline, Responsibility, Initiative | Accuracy, timeliness, attendance, accountability, creativity |

RESULTS AND DISCUSSION

The data analysis using Structural Equation Modeling (SEM) revealed that the three main variables of this study—competence, organizational culture, and career development—simultaneously have a significant effect on the job satisfaction of BUMN employees in the Cirebon region. The combined contribution of these three variables to job satisfaction reaches 69%, indicating that nearly two-thirds of the variation in employee job satisfaction can be explained by these factors. Among the three variables, career development emerged as the most dominant factor, suggesting that the availability of promotion opportunities, training, and clear career paths is a crucial aspect in shaping employee job satisfaction.

Furthermore, the results indicate that job satisfaction has a significant influence on employee performance, with a contribution of 53%. This finding reinforces human resource management theories, which posit that job satisfaction is a key predictor of individual productivity and work effectiveness. Employees who feel satisfied tend to exhibit higher loyalty, stronger work motivation, and greater commitment to achieving organizational goals.

For a clearer illustration, the research results obtained through the SEM analysis using LISREL can be seen in the figure below



More specifically, the variables of competence and career development were found to have a positive effect on employee performance, whereas organizational culture did not show a significant impact when tested individually. This can be interpreted to mean that, although organizational culture provides a framework of values and norms for employees, its effect on performance may only become apparent when integrated with other factors such as leadership, reward systems, and a supportive work environment.

These findings are consistent with previous studies, which indicate that well-directed career development and adequate individual competence can significantly enhance employee work quality. On the other hand, the weak influence of organizational culture on performance suggests that BUMN management should evaluate the implementation of organizational values to ensure they function more effectively in driving employee performance in the future.

The SEM results confirm that all independent variables significantly affect job satisfaction, which in turn positively influences performance. Among the predictors, **career development shows the strongest direct effect on satisfaction ($\beta = 0.47$)**,

while **organizational culture's effect on performance is partially mediated by satisfaction ($\beta = 0.31$)**.

This supports the theoretical assumption that satisfaction serves as a psychological mechanism linking HR practices and performance outcomes.

Theoretical Contributions:

1. Reinforces competency and performance theory (Spencer & Spencer, 1993; Mangkunegara, 2016).
2. Extends organizational culture theory by emphasizing its indirect role via satisfaction.
3. Enhances career development theory with empirical evidence from public sector settings.
4. Validates job satisfaction as a strong mediator in the HR-performance linkage.
5. Introduces an integrative SEM model applicable to BUMN and other public institutions.

Practical Implications is Develop competency-based HR programs and continuous training, Foster adaptive and innovative organizational culture, Implement transparent, merit-based promotion systems and the last Improve welfare and recognition to boost employee morale and satisfaction.

The Limitations on Research is The sample is limited to BUMN employees in Cirebon, restricting generalization, Self-reported Likert-scale data may involve perception bias, The study includes only three main independent variables, The cross-sectional design prevents dynamic analysis over time.

Future Research Directions

1. Expand to other regions or sectors for comparative analysis.
2. Apply mixed methods (quantitative + qualitative) for richer insights.
3. Add moderating variables such as leadership, motivation, or commitment.
4. Conduct longitudinal studies to track changes in satisfaction and performance.
5. Compare results between public and private sectors to identify behavioral differences.

CONCLUSION

Based on the data analysis and discussion, this study offers several key conclusions. First, competence, organizational culture, and career development were found to have a significant simultaneous effect on the job satisfaction of BUMN employees in the Cirebon region. This indicates that enhancing individual capabilities, instilling positive organizational values, and providing clear career development pathways are crucial factors in fostering employee job satisfaction.

Second, job satisfaction was identified as the most dominant factor influencing employee performance. Employees who are satisfied with their work tend to exhibit higher motivation, loyalty to the organization, and commitment to achieving company objectives. Therefore, job satisfaction can be considered a mediating variable linking managerial factors to overall organizational performance.

Third, although organizational culture does not have a significant partial effect

on performance, its role should not be overlooked. Organizational culture remains important as a framework of values and norms that shape employee behavior, even if its impact on performance is indirect and requires integration with other factors such as leadership, reward systems, and a supportive work climate.

Based on these findings, it is recommended that BUMN management prioritize comprehensive career development programs, strengthen employee competence through continuous training and development, and create a work environment conducive to increased job satisfaction. Such efforts are expected to enhance organizational performance, strengthen BUMN competitiveness, and support the achievement of strategic company objectives in the era of globalization.

This study confirms that competency, organizational culture, and career development significantly influence job satisfaction, which in turn enhances employee performance. Job satisfaction plays a vital mediating role, making it a central construct in the HR-performance relationship.

The findings underscore the importance of competency-based HR management, transparent career systems, and a supportive organizational culture for achieving sustainable performance within Indonesia's BUMN sector.

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