

CHAPTER 1

INTRODUCTION

1.1 Research Object Overview

1.1.1 Organization Overview

The School of Economics and Business or School of Economic and Business (SEB) is one of seven faculties under Telkom University. Currently SEB has 3 courses, S1 Business Management of Telecommunications and Information Technology (accredited "A"), S1 Accounting (accreditation "B"), and S2 Master of Management (accredited "A"). Especially for S1 Management also open international class introductory language is English.

Glance illustrates the historical development of this faculty, FEB journey began in 1990 with the name of MBA-Bandung, which is the organizer of the Master in Business Administration program first in West Java, predating later similar programs organized by public universities in Bandung. In its early years, the MBA-Bandung adopt as a whole, schooling system of the Asian Institute of Management (AIM) Philippines, which was then known as the Harvard Business School Asia.

The second phase: MBA Bandung in 1994 changed its name to the School of Management Bandung (STMB), and change its MBA program into a program Master of Management (MM) for adjusting government regulations. In addition, STMB also increasingly diversifying its variants MM program, became program Regular MM, MM Executive, and MM Cooperative Development (Cordev). On the occasion of the first accreditations held by the government, MM STMB accredited program A (Superior).

The third phase: As the demands of government regulations that not only held a high school graduate program, coupled with the desire of Directors PT.Telkom (at that time occupied by AA Nasution) in order to take part in a world increasingly STMB higher education, in 1997 STMB organize program Strata-1 (S-

1/ scholars). Courses that opened in STMB at the time was S-1 Business Management Telecommunication and Information (MBTI). Public interest in these courses increased steadily along with the absorption of the industry on the alumni STMB high enough. On the occasion of accreditation by the government in 2002, the S-1 MBTI STMB accreditation A. And even this achievement can be sustained in 2007 (A), and 2013 (A).

Fourth phase: To provide a stronger identity in the scientific field of business management of telecommunications, in 2004 STMB renamed the College of Business Management Telkom (Telkom STMB). The name change followed by increased capacity of the new admissions program S-1 MBTI, in order to meet market demand. In addition, the post-graduate program also adds a variant program with program Telecommunications Business MM (MM Biztel).

Phase Five: STMB Telkom transformed into Telkom Institute of Management (IM Telkom) in 2008, and increase the choice of study programs Communication Studies S-1, S-1 Visual Communication Design, Accounting S-1, S-1 Administration, D-3 Marketing. This transformation followed by improvement of the campus, which was originally located in the complex just Telkom Learning Center Gegerkalong Jalan Hilir, now expanded with two new campuses are: Campus Jalan Setiabudi, and Campus Dayeuh Kolot.

Phase six: In 2013 Telkom University was formed on the basis of the merger of four institutions under the Education Foundation of Telkom / Telkom Foundation (Institut Teknologi Telkom, Telkom Institute of Management, the Polytechnic Telkom, and Telkom STISI), and formed the The School of Economics and Business (FEB) as it is today.

In 2014 FEB set a work program with the name FEB - Acceleration for World Class Standards Achievement (FEB-AWCSA) 2014-2017 which focused on accelerating programs world-class standards and maintain a sustainable competitive advantage by becoming a world reference source for economics, management, and accounting in particular with regard to telecommunications and convergence.

1.1.2 Company's Vision and Mission

1.1.2.1 Vision

1. Develop faculty, staff, and students are recognized internationally that have the analytical ability to be leaders, managers, and researchers in the fields of management, accounting, and economics based on science and application of information and communication technology.
2. Develop, exploit and disseminate leading-edge science based on the study and research in the fields of management, accounting and economy based on knowledge and application of information and communication technology.
3. Developing a convenient place for the meeting of practitioners and academics openly to collaborate in innovation for the development of management science, accounting, and economics based on knowledge and application of information and communication technology.

1.1.2.2 Mission

1. Produce graduates in the fields of management, accounting, and the quality of economic and global perspective in accordance with the needs of the telecommunications industry, media, and creative.
2. Produce leading-edge science in management, accounting, and economics for the needs of the telecommunications industry, media, and creative
3. Become a point of reference for management sciences, accounting, and economics, especially in the telecommunications industry, media, and creative for both academic and national and international.
4. Being a well-established business school in Asia with the support of the telecommunications industry, media, and creative in Indonesia, Asia, and the world.

1.1.2.3 Aim

In the coming decade, The School of Economics and Business is higher education institutions internationally known in the field of management,

accounting, and economics that serve the needs of the creative industries, telecommunications, and media with a focus on the knowledge and application of information and communication technology (ICT).

1.1.3 Organization's Logo

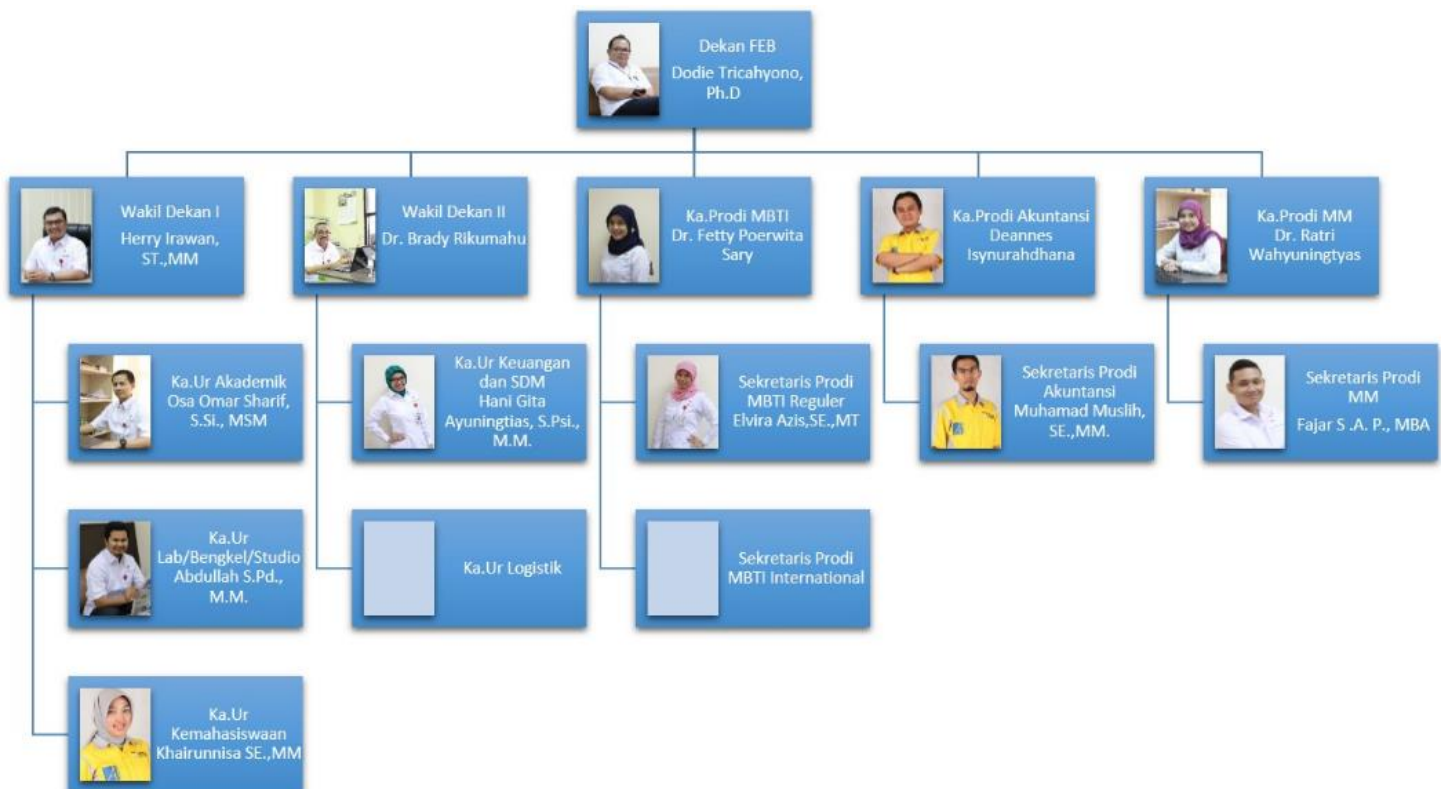
Figure 1.1 SEB Logo



Source: <http://seb.telkomuniversity.ac.id>

1.1.4 Organizational Structure

Figure 1.2 Organizational Structure



Source: <http://seb.telkomuniversity.ac.id> retrieved on 23 February 2017.

1.2 Research Background

Nowadays development and competition are things that important in this era of globalization especially in industry or education sectors. Moreover people should have known about the competitor of themselves. Besides that in this globalization era, people should have the best performance to compete with the others. Today organization can easily change their material, needs, goods and services to other organization, or to other countries. But the only one resource, which is not easily exchangeable, is human resources. So we can say that human resources is the very important or most competitive assets of any organization that cannot be exchangeable. Human resources or human assets mean the workers or the employee of any organization (Zameer et al, 2014:293).

Ruth Mayhew in (www.smallbusiness.chron.com) said the objective of business owners is profitability. Your organization's success depends on your employees' performance; poor performance is detrimental to your company's success.

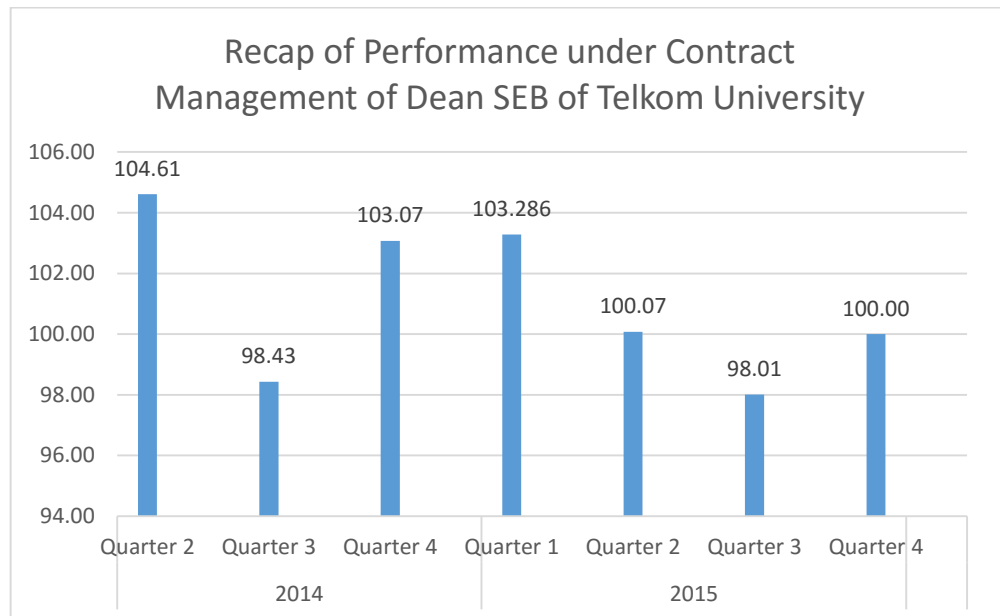
Based on the Decree of the Director General of Higher Education Kemendikbud No. 309 / E / 0/2013 Telkom University inaugurated on 14 August 2013. Telkom University is a Private Higher Education organized by the Education Foundation of Telkom, the merging of four Colleges, consist of Institute of Technology Telkom (IT Telkom), Telkom Institute of Management (IM Telkom), Polytechnic Telkom, and Telkom Art and Design College (Telkom STISI).

With the new transformation of Telkom University, it expected that as a private University, School of Economic and Business is ready to compete with other Faculties of Economic and Business in other educational institutions both public and private. In order to become a top and favourite faculty/major, it needs a good development and management of the human resources.

There are still fluctuate results for performance data at SEB of Telkom University from quarter 2 in 2014 till quarter 4 in 2015. To determine result of performance in The School of Economic and Business, Telkom University entered Contract Management (or we can called it Kontrak Manajemen (KM) in Bahasa) of Dean toward Human Resource in The School of Economic and Business, here is

the recap of the achievement of performance under contract management of Dean SEB 2014 and 2015:

Figure 1.3 Recap of Performance under Contract Management of Dean SEB of Telkom University



Source: Service Unit of Human Resource Telkom University 2016

From the data above, the researcher got this data from Human Resource Development of Telkom University at L building just from quarter 2 in 2014 until quarter 4 in 2015 because they have not make the data yet before quarter 2 in 2014 (in case of recap the achievement of performance under contract management of dean) as they told the researcher that in the transition period from IM Telkom to Telkom University they just started make a data from the time that the researcher already mentioned. For the score details from the column chart above, in the second quarter 2014 the score is 104.61. In the third quarter 2014 the score is 98.43. In the fourth quarter 2014 the score is 103.07. In the first quarter 2015 the score is 103.28. In the second quarter 2015 the score is 100.07. In the third quarter 2015 the score is 98.01. In the fourth quarter 2015 the score is 100. Those scores were obtained from an assessment of the Tri Dharma (Research, Development, and Dedication) is

required for all permanent employees and that assessment refers to some of the many parts of indicator of assessment.

From the data results, can be seen that the achievement of employee performance under contract management from second quarter 2014 until fourth quarter 2015 it's fluctuates. It means that there are some several factors to the employee performance in the School of Economic and Business of Telkom University that have not reach the standard target.

By look at the data also it can be caused by its permanent lecturer. When the author asked The Manager of Internal Audit Unit of Telkom University she's told me that permanent lecturer divided into two parts, professional (full time and part time) and permanent employee. The difference between both of them is about principal and supplementary insurance. But both of them still have to follow working hours when they are works (from 08:00 A.M until 16:30 P.M) and also have minimum 12 university credit unit (SKS) every semesters with their records were not followed further study or do not hold a structural position. Permanent lecturer is the most important asset in institution to fulfil TriDharma of University. In this research the author would like to focus on permanent lecturer as permanent employee because in this research talk about career development of course just permanent employee could be continue the career path in Telkom University.

Research on the performance of work has been done, one by Tomislav Hernaus and Josip Mikulic (2013) showed a positive and significant relationship between job characteristics with performance with a correlation coefficient showed 0.269 with a significance value of less than 0.001. Work in aspect of satisfaction is related to the employee's performance is also explained by Cahyani and Yuniawan (2010: 20) which says that there is a direct effect between job satisfaction and employee performance.

In the previous research the topic is "The Influence Of Career Development for Employee Performance in Education and Training Agency of West Java Province" by Dewi Nur (2015) assumed that this research shows that career development significantly influence satisfaction of employee performance. Research results obtained support research Musa Djamaludin (2009) states that the

career development and significant positive effect on employee performance. The statement is also supported by Regina (2013) and M. Harlie (2010).

Armstrong in (Moeheriono, 2012: 6) stated that competence is the dimension of the action of tasks, where such measures are used by employees to complete their job duties satisfactorily and what is given employee in different forms and levels of performance. These limits are implicitly mean that there is a relationship between the competences of the performance. Research results Zaim *et al* (2013: 71) shows the competency have a relationship with performance.

The author also asked the data of Performance Assessment from The Manager of Internal Audit Unit of Telkom University, she gave me the data about report the results of employee surveys and from the data there are have twelve indicators for assessment. From twelve indicators, the author wants to find the connection between three factors because based on the phenomenon above these factors could affect to the employee performance. The factors which are works, career development and competence development influences to the problem that The School of Economic and Business has. Here are the dimensions of affecting performance in the School of Economic and Business of Telkom University 2015:

Table 1.1 Employee Assessment Results at the SEB of Telkom University

| Dimensions | Target (%) | Realization (%) | GAP (100%) |
|----------------------------------|------------|-----------------|------------|
| Work | 79 | 76 | 24 |
| Career Development Opportunities | 79 | 69.2 | 30.8 |
| Competence Development | 79 | 69.8 | 30.2 |

Source: Employee Survey Results Reports 2015

As can be seen that there are three dimensions of performance factors that impact to the performance in the School of Economic and Business. When the author asked people in charge on the Internal Audit Unit in Telkom University at L building, she said that when they did the assessment in Telkom University they just started from 2015, in 2014 they have not started yet. Also in 2016 they said that they changed the assessment to the different method and made conclusions in all

spheres of Telkom University so the author just would like to analyse in 2015. First is Work dimension (in the indicator of assessment stated that, “Jobs or tasks performed in your unit”) that have 76 for realization that lower than the target. Second is Career Development Opportunities dimension (in the indicator of assessment stated that, “Career development opportunities / promotions in your unit”) that have 69.2 for realization that lower than the target. Last is Competence Development dimension (in the indicator of assessment stated that, “The opportunity to develop competence in your unit”) that have 69.8 that also lower than the target. All of them are lower than the target means that the achievement of assessment results have not reach the level of realization. Dimension of work, career development opportunities and competence development are some of the factors that could influences to the permanent lecturer performance in Telkom University especially in The School of Economic and Business. High indicators desired by the company because it can be associated with the positive results they expects. High indicators are a sign of a well-run organization and is basically the result of effective management.

Based on the description of the background above, the author interested in conducting research on influences of work, career development opportunities and competence development which allegedly is a factor that can influence permanent lecturer performance, the authors take the topic with the title **“The Influence of Work, Career Development Opportunities, and Competence Development towards Permanent Lecturer Performance in The School of Economic and Business of Telkom University”**

1.3 Problem statement

The School of Economic and Business is one of the faculty that focus on the knowledge and application of information and communication technology (ICT). To achieve this goal, SEB needs the best human resource that support all of activity especially on the lecturer in their faculty. When the author take a look at the data of performance and also employee assessment, SEB needs to reach the standard target of realization or more than the target. From performance data, every quarter from

2014 until 2015 still fluctuated which mean that every quarter the performance of employees were not constantly same or increasing. In fact these data show a decline in performance especially in quarter 3 on 2014 and 2015. From employee assessment data in 2015, from all of the results that contained 12 indicators, the average score of the result is 69.9% which mean that the score still lower than the target (79%). Based on the indicator of the employee assessment, Telkom University set high targets (79%) as the foundation in order to fulfil criteria of the standardization of employee itself.

Based on the dimensions of employee assessment result indicators in Telkom University, the author of the study focuses on variable work, career development opportunities and competence development. Three of them are suspected to be the determinant factors which most influence on performance in The School of Economic and Business Telkom University.

Refer the matter, problem of permanent lecturer performance in this research will be examined and researched from influences of work, career development opportunities and competence development. Thus, permanent lecturer who have met expectations would work well for the sake of the institution.

1.4 Research Questions

This study was guided by the following research questions:

1. How is the influence of work towards permanent lecturer performance in the School of Economic and Business of Telkom University?
2. How is the influence of career development opportunities towards permanent lecturer performance in the School of Economic and Business of Telkom University?
3. How is the influence of competence development towards permanent lecturer performance in the School of Economic and Business of Telkom University?
4. How much is the influences of work, career development opportunities and competence development towards permanent lecturer performance in the School of Economic and Business of Telkom University?

1.5 Research Purposes

In this research, the author aimed to enhance our ability to understand and enlighten about the influences of work, career development opportunities and competence development towards employee performance in the School of Economic and Business of Telkom University. Thus, the objectives of this research are:

1. To identify the influence of work towards permanent lecturer performance
2. To identify the influence of career development opportunities towards permanent lecturer performance
3. To identify the influence of competence development towards permanent lecturer performance
4. To determine how much the influences of work, career development opportunities and competence development towards permanent lecturer performance

1.6 Benefit of Research

1.6.1 Theoretical Aspect

1. This research can be useful for enhancing the knowledge and reference materials that will provide comparative information in the same field.
2. Provide an overview of agreement between theory and implementation that happens in real life.
3. Can enrich the concept or theory that supports the development of knowledge of human resource management, particularly related to employee performance.

1.6.2 Practical Aspect

1. Organization/Institution

The result of this study is expected as the input and in order to develop the quality of human resource and improve the performance reference for School of Economic and Business of Telkom University

2. Author

The research also expected to increase the author's the way of thinking and applying the theory that had been gained during the study in order to analyse the facts, symptoms and events scientifically and objectively.

1.7 Scope of Research

The location of this research in the area of Telkom University especially The School of Economic and Business and the object of this research is a permanent employee that includes jobholder and permanent lecturer. Variables that used in this research is independent variables which are work, career development opportunities and competence development. While the dependent variable is employee performance in The School of Economic and Business Telkom University.

1.8 Writing System of Research

To facilitate the discussion of the results of research and understanding of the contents of this material, the writing of this paper will be organized into five chapters with systematic writing as follows:

a. CHAPTER I INTRODUCTION

In this chapter I of the review of the object of study, the background of the problem, formulation of the problem, research questions, research objectives, usability research, the scope of the research and systematic thesis.

b. CHAPTER 2 THEORETICAL STUDY

For the chapter II contains theories that support research and previous research, framework, and hypothesis research.

c. CHAPTER 3 METHODOLOGY

In chapter III contains the characteristics of the study, data collection equipment, stages of research, population and sampling, data collection and data sources, validity and reliability, and engineering data analysis and hypothesis testing.

d. **CHAPTER 4 ANALYSIS AND DISCUSSION**

In chapter IV contains the results and discussion of the dimensions of work, career development opportunities and competence development in the The School of Economic and Business Telkom University, which consists of the characteristics of the respondent, research results, discussion of results of research.

e. **CHAPTER 5 CONCLUSION AND SUGGESTION**

In chapter V contains the conclusions of the analysis, advice for The School of Economic and Business Telkom University, and suggestions for further research.