

The Mediating Role of Job Satisfaction in Career Development and Employee Performance

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ABSTRACT

This study aims to analyze the mediating role of job satisfaction in influencing career development on employee performance at PT Bank Maluku Malut, Ambon Main Branch. The population in this study was all 55 employees of PT Bank Maluku Malut, Ambon Main Branch. The research sample consisted of 48 respondents selected using purposive sampling technique. Data analysis was conducted using SmartPLS 4 application through testing the measurement model (outer model) and structural model (inner model). The results of the study indicate that: (1) career development does not have a significant effect on the performance of employees of PT Bank Maluku Malut, Ambon Main Branch; (2) career development has a positive and significant effect on job satisfaction, which shows that opportunities and clarity of career development can increase employee job satisfaction; (3) job satisfaction has a significant effect on employee performance, so that the higher the job satisfaction, the better the performance produced; and (4) job satisfaction is proven to play a role as a mediating variable in the influence of career development on employee performance. This shows that career development does not directly improve performance, but through increasing job satisfaction which then encourages employees to produce more optimal performance.

Keywords: Career Development, Job Satisfaction, Employee Performance, PT Bank Maluku Malut, Ambon Main Branch

1. INTRODUCTION

Employee performance is a crucial aspect of organizational success because it serves as an indicator of the company's ability to achieve its stated goals. In the banking sector, employee performance plays a strategic role because it directly impacts service quality, operational target achievement, and customer trust. PT Bank Maluku Malut, Ambon Main Branch, as a regional banking institution, is required to have employees with optimal performance to withstand competition and increasing service demands.

However, on-the-ground conditions indicate that employee performance continues to fluctuate. This is evident in the company's operational targets, particularly for Third Party Funds (TPF), which have not consistently met targets in several periods. In the fourth quarter of 2025, for example, TPF realization only reached 76.24% of the set target. Furthermore, coordination issues between work units and customer complaints regarding service duration indicate that there are still obstacles to achieving maximum performance.

One factor suspected of contributing to improved employee performance is career development. Theoretically, career development is a company's effort to enhance employee skills and competencies through career advancement opportunities. However, at PT Bank Maluku Malut, Ambon Main Branch, a gap was found between the designed career development system and its implementation. Promotion and competency development pathways were not fully optimized, leading some employees to perceive an unclear career development path.

These issues demonstrate that the existence of career development programs does not necessarily directly improve employee performance. The effectiveness of career development can depend on how employees perceive the benefits and fairness of the program. Therefore, job

satisfaction is a crucial factor in explaining the relationship between career development and employee performance. Previous research has revealed inconsistencies in research findings regarding the influence of career development on employee performance. Research by [1] and [2] showed that career development had a positive and significant impact on employee performance. Conversely, research by [3] found that career development had no significant impact on employee performance. These discrepancies indicate a research gap that requires further study, particularly in the context of regional banking organizations.

To address this gap, this study incorporates job satisfaction as a mediating variable that explains the mechanism of the relationship between career development and employee performance. Job satisfaction is thought to be a connecting factor because well-managed career development can increase employees' sense of appreciation and future certainty, which then encourages increased motivation and work performance. Therefore, this study was conducted to analyze the mediating role of job satisfaction in the influence of career development on employee performance at PT Bank Maluku Malut, Ambon Main Branch.

2. LITERATURE REVIEW

2.1 Career Development

Career development is an organizational process that improves employees' abilities, competencies, and readiness to achieve their career goals. According to [4], career development is not only related to job promotions but also includes improving skills, experience, and opportunities for self-development. Good career development can increase employee motivation and job satisfaction and benefit organizational effectiveness. Career development indicators include career fairness, promotion opportunities, career information, superior attention, and career satisfaction [5].

2.2 Job Satisfaction

Job satisfaction is an employee's positive emotional state toward their job, obtained through evaluation of their work experiences and organizational environment. [4] explains that job satisfaction reflects feelings of pleasure or satisfaction when work is able to meet employee expectations and needs. Employees with high levels of job satisfaction tend to have better motivation, loyalty, and commitment. Indicators of job satisfaction include enjoyment of work, work morale, work performance, love for work, and discipline [6].

2.3 Employee Performance

Employee performance is the work results achieved by individuals based on the tasks and responsibilities assigned by the organization. According to [4], performance encompasses the quality and quantity of work output, demonstrating an employee's ability to achieve organizational goals. Good performance plays a role in increasing productivity and company sustainability. Performance indicators include discipline, responsibility, cooperation, honesty, competence, creativity, leadership, and initiative [5].

2.4 Relationship Between Variables

2.4.1 The Influence of Career Development on Employee Performance

Career development can improve employee performance by enhancing skills, competencies, and work motivation. Employees who have development opportunities

are encouraged to make greater contributions to the organization. Research by [1] and [2] shows that career development has a positive and significant impact on employee performance.

H1: Career Development Has a Positive Influence on Employee Performance.

2.4.2 The Influence of Career Development on Job Satisfaction

Clear career development provides a sense of appreciation and certainty about employees' professional futures, thereby increasing job satisfaction. Research by [7] and [8] demonstrates that career development has a positive and significant impact on job satisfaction.

H2: Career Development Has a Positive Influence on Job Satisfaction.

2.4.3 The Influence of Job Satisfaction on Performance

Employees who are satisfied with their jobs tend to have higher motivation and work engagement, resulting in better performance. [9] and [10] show that job satisfaction has a positive and significant effect on employee performance.

H3: Job Satisfaction Has a Positive Influence on Performance

2.4.4 The Influence of Career Development on Performance Through Job Satisfaction

Career development can improve performance not only directly, but also through increased job satisfaction. When employees perceive development opportunities and a clear career path, job satisfaction increases, which in turn improves performance. Research by [2] and [11] shows that job satisfaction mediates the relationship between career development and employee performance.

H4: Career Development Has a Positive Influence on Employee Performance Through Job Satisfaction.

3. METHODS

The study population consisted of all 55 employees of PT Bank Maluku Malut, Ambon Main Branch. The sample was determined using a non-probability sampling technique with a purposive sampling method based on the criteria of permanent employees involved in operational or service activities, resulting in 48 respondents.

Data collection was conducted using a questionnaire with a Likert scale of 1–5. Career development variables were measured using indicators of career fairness, promotion opportunities, and career information. Job satisfaction variables were measured using indicators of work enjoyment, work morale, and work performance. Employee performance variables were measured using indicators of discipline, responsibility, and cooperation.

Data analysis was conducted using the Structural Equation Modeling (SEM) method based on Partial Least Squares (PLS) with the help of SmartPLS 4. Model testing was conducted through evaluation of the outer model to test the validity and reliability of the instrument and the inner model to test the relationship between variables. Hypothesis testing was conducted using a bootstrapping procedure with the criteria of T-statistic value > 1.67 and P-value < 0.05 . Analysis of the mediation effect was conducted through the Specific Indirect Effects test to determine the role of Job Satisfaction in mediating the influence of Career Development on Employee Performance.

4. RESULTS AND DISCUSSION

4.1 Evaluation of Measurement Model (Outer Model)

Outer model evaluation is carried out to test the validity and reliability of the construct through convergent validity, discriminant validity, and construct reliability.

4.1.1 Convergent Validity (Outer Loading)

Table 1. Outer Loading Stage 1

	Job Satisfaction (Z)	Employee Performance (Y)	Career Development (X)	Note
PK1			0.730	Valid
PK2			0.854	Valid
PK3			0.686	Invalid
PK4			0.845	Valid
PK5			0.825	Valid
PK6			0.753	Valid
KK1		0.627		Invalid
KK2		0.828		Valid
KK3		0.798		Valid
KK4		0.919		Valid
KK5		0.898		Valid
KK6		0.856		Valid
KK7		0.847		Valid
KK8		0.402		Invalid
K1	0.716			Valid
K2	0.806			Valid
K3	0.609			Invalid
K4	0.678			Invalid
K5	0.772			Valid
K6	0.842			Valid
K7	0.577			Valid

Source: Processed Data, 2026

The results showed that several indicators had loading values <0.70 , such as PK3, KK1, KK8, K3, K4, and K7. KK8 was removed because it was <0.50 , while the other indicators were retained because they were in the acceptable range of $0.50\text{--}0.70$ [12].

Table 2. Outer Loading Stage 2

	Job Satisfaction (Z)	Employee Performance (Y)	Career Development (X)	Note
PK1			0.732	Valid
PK2			0.853	Valid
PK3			0.681	Valid
PK4			0.845	Valid
PK5			0.828	Valid
PK6			0.757	Valid
KK1		0.638		Valid
KK2		0.813		Valid
KK3		0.811		Valid
KK4		0.917		Valid
KK5		0.899		Valid
KK6		0.851		Valid
KK7		0.858		Valid
K1	0.712			Valid

K2	0.807			Valid
K3	0.603			Valid
K4	0.677			Valid
K5	0.772			Valid
K6	0.844			Valid
K7	0.582			Valid

Source: Processed Primary Data, 2026

After removing indicator KK8, all indicators in the second stage were declared valid with loading values >0.50. Thus, the measurement model met the convergent validity criteria [13].

4.1.2 Average Variance Extracted (AVE)

Table 3. AVE

	Average Variance Extracted (AVE)	Information
Job satisfaction	0.518	Valid
Employee performance	0.691	Valid
Career Development	0.616	Valid

Source: Processed Primary Data, 2026

All variables had an AVE value > 0.50, thus meeting convergent validity. This indicates that the construct is able to explain more than 50% of the variance in its indicators.

4.1.3 Discriminant Validity (HTMT)

Table 3. HTMT

	Job satisfaction	Employee performance	Career Development
Job satisfaction			
Employee performance	0.777		
Career Development	0.777	0.598	

Source: Processed Data, 2026

All HTMT values are <0.85, so each construct has good discriminant validity and there is no overlap between variables [14].

4.1.4 Construct Reliability

Table 4. Cronbach's Alpha & Composite Reliability

	Job satisfaction	Employee performance	Career Development
Job satisfaction			
Employee performance	0.777		
Career Development	0.777	0.598	

Source: Processed Data, 2026

All constructs have Cronbach's Alpha and Composite Reliability values > 0.70, so they are declared reliable.

4.2 Structural Model Evaluation (Inner Model)

4.2.1 R-Square

Table 5. R-Square

	R-Square
Job Satisfaction	0.508
Employee Performance	0.506

Source: Processed Data, 2026

The R^2 value indicates that the model has moderate ability to explain endogenous variables.

4.2.2 Effect Size (F^2)

Table 6. Effect Size (F^2)

	Job Satisfaction	Employee Performance	Career Development
Job Satisfaction		0.374	
Employee Performance			
Career Development	1,032	0.017	

Source: Processed Data, 2026

The results show that career development has a large influence on job satisfaction, but the direct influence on performance is very small.

4.3 Hypothesis Testing

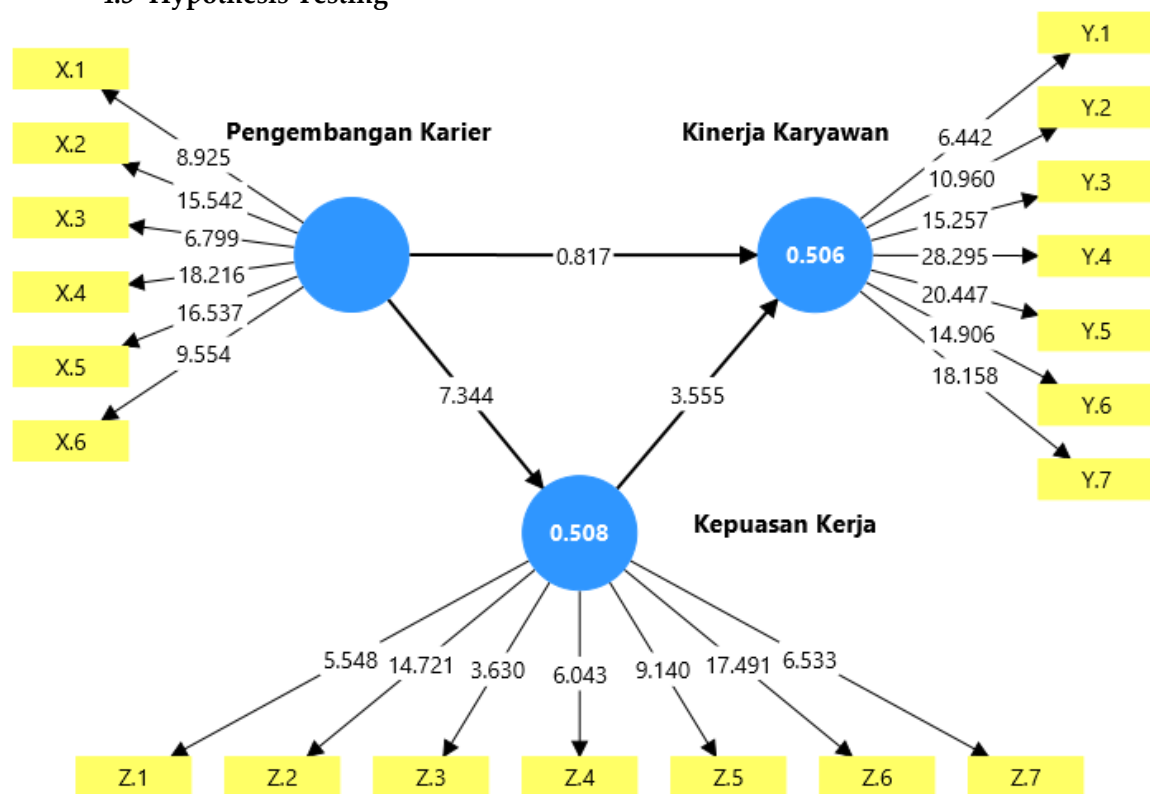


Figure 1. Final Structural Model

Source: Processed Data, 2026

4.3.1 Direct Effect

Table 7. Path Coefficient

	Original sample (O)	Sample Mean (M)	Standard deviation (STDEV)	T statistic s (O/STDEV)	P values	Note
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Job satisfaction→Employee performance	0.613	0.608	0.172	3,555	0.000	Proven
Career Development→Job satisfaction	0.713	0.731	0.097	7,344	0.000	Proven
Career Development→Employee performance	0.130	0.142	0.159	0.817	0.207	Not Proven

Source: Processed Data, 2026

Based on the results of the hypothesis testing, job satisfaction has a positive and significant effect on employee performance ($\beta = 0.613$; $t = 3.555$; $p = 0.000$), so the hypothesis is accepted. Career development also has a positive and significant effect on job satisfaction ($\beta = 0.713$; $t = 7.344$; $p = 0.000$), so the hypothesis is accepted. Conversely, career development does not have a significant effect on employee performance ($\beta = 0.130$; $t = 0.817$; $p = 0.207$), so the hypothesis is rejected. Thus, career development plays a greater role in increasing job satisfaction than directly increasing employee performance.

4.3.2 Indirect Effect

Table 8. Indirect Effect

	Original sample (O)	Sample Mean (M)	Standard deviation (STDEV)	T statistic s (O/STDEV)	P values	Note
Career Development→Job satisfaction→Employee performance	0.437	0.440	0.135	3,245	0.001	Proven

Source: Processed Data, 2026

Based on the results of the indirect effect test, career development has a positive and significant effect on employee performance through job satisfaction with a path coefficient value of 0.437, a t-statistic value of 3.245, and a p-value of 0.001 (<0.05). These results indicate that job satisfaction is able to mediate the effect of career development on employee performance, thus the mediation hypothesis is proven.

4.3.3 Total Effect

Table 9. Total Effect

	Original sample (O)	Sample Mean (M)	Standard deviation (STDEV)	T statistic s (O/STDEV)	P values
Job satisfaction→Employee performance	0.613	0.608	0.172	3,555	0.000
Career Development→Job satisfaction	0.713	0.731	0.097	7,344	0.000
Career Development→Employee performance	0.567	0.582	0.100	5,657	0.000

Source: Processed Data, 2026

Based on the results of the total effect test, job satisfaction has a positive and significant effect on employee performance ($\beta = 0.613$; $t = 3.555$; $p = 0.000$). Career development also has a positive and significant effect on job satisfaction ($\beta = 0.713$; $t = 7.344$; $p = 0.000$). In addition, career development

has a positive and significant total effect on employee performance ($\beta = 0.567$; $t = 5.657$; $p = 0.000$). These results indicate that overall career development is able to improve employee performance, especially through the role of job satisfaction as a mediating variable.

Discussion

The Influence of Career Development on Employee Performance at PT Bank Maluku Malut, Ambon Main Branch

The results of the study indicate that career development does not significantly influence employee performance. This is evidenced by the path coefficient value of 0.130, the t-statistic value of 0.817 (<1.96), and the p-value of 0.207 (>0.05), thus rejecting the first hypothesis. This finding indicates that the implemented career development program has not been able to directly improve employee performance. This condition can be explained by the fact that employee performance in the banking environment is generally regulated through standard operating procedures (SOPs), work targets, and a strict supervisory system. As a result, performance achievement is more influenced by compliance with work procedures than by perceptions of career development opportunities. Thus, although the organization provides career development opportunities, this is not enough to directly drive performance improvements. The results of this study are in line with the research of [3] and [15], but differ from the findings of [1] who stated that career development has a significant effect on employee performance. These differences are thought to be influenced by different organizational characteristics, work systems, and work cultures.

The Influence of Career Development on Job Satisfaction at PT Bank Maluku Malut, Ambon Main Branch

The results of the study indicate that career development has a positive and significant effect on job satisfaction with a path coefficient of 0.713, a t-statistic of 7.344 (>1.96), and a p-value of 0.000 (<0.05). These findings indicate that the better the implementation of career development, the higher the level of employee job satisfaction. Career development programs that provide opportunities for promotion, competency development, and a clear career path can increase employee positive perceptions of the organization. Clarity in career direction provides a sense of security, appreciation, and motivation so that employees feel more satisfied at work. These results support the research of [8] and [7] which states that career development is an important factor in increasing job satisfaction. The relatively high coefficient value indicates that career development is a dominant factor in shaping employee job satisfaction at PT Bank Maluku Malut, Ambon Main Branch.

The Influence of Job Satisfaction on Employee Performance at PT Bank Maluku Malut, Ambon Main Branch

The results of the study indicate that job satisfaction has a positive and significant effect on employee performance, with a path coefficient of 0.613, a t-statistic of 3.555 (>1.96), and a p-value of 0.000 (<0.05). These results indicate that the higher the level of job satisfaction experienced by employees, the better their performance. Employees who are satisfied with their jobs tend to have higher motivation, commitment, and responsibility in completing tasks. Job satisfaction also encourages employees to work more effectively, improve service quality, and achieve organizational targets. This finding aligns with research by [10] which states that job satisfaction is one of the main determinants in improving employee performance. Therefore, organizations need to create a work environment that can increase satisfaction so that employee performance can continue to develop.

The Role of Job Satisfaction in Mediating the Effect of Career Development on Employee Performance

The results of the indirect effect test indicate that career development has a positive and significant effect on employee performance through job satisfaction with a coefficient of 0.437, a t-statistic of 3.245 (>1.96), and a p-value of 0.001 (<0.05). In addition, the direct effect of career development on employee performance proved insignificant, while the indirect effect was

significant. These results indicate that job satisfaction acts as a full mediator in the relationship between career development and employee performance. These findings indicate that career development does not directly improve performance but first increases job satisfaction, which then impacts employee performance. In other words, the effectiveness of a career development program depends on the extent to which the program is able to create job satisfaction for employees. The results of this study support the research of [11] and [2], which emphasized the importance of job satisfaction as a mechanism bridging the relationship between career development and employee performance. In the context of PT Bank Maluku Malut, Ambon Main Branch, job satisfaction is a key factor determining the successful implementation of a career development program in improving employee performance.

CONCLUSION

Based on the research results, it can be concluded that career development does not significantly influence employee performance at PT Bank Maluku Malut, Ambon Main Branch. Conversely, career development has a positive and significant effect on job satisfaction, and job satisfaction has a positive and significant effect on employee performance. Furthermore, job satisfaction has been shown to fully mediate the effect of career development on employee performance. These findings indicate that career development will improve performance if it can first create employee job satisfaction.

SUGGESTION

PT Bank Maluku Malut, Ambon Main Branch, needs to improve transparency and objectivity in its career development system, particularly regarding promotions and competency development opportunities, to improve employee job satisfaction. Furthermore, the company needs to strengthen a culture of appreciation and recognition for employee performance to increase job satisfaction, which ultimately leads to improved employee performance.

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