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THE IMPACT OF WORKFORCE DIVERSITY AND CAREER DEVELOPMENT TOWARDS EMPLOYEES PERFORMANCE USING MULTIPLE LINEAR REGRESSION ANALYSIS (CASE IN MATAHARI DEPARTMENT STORE, MANADO)

DAMPAK DARI KERAGAMAN TENAGA KERJA DAN PENGEMBANGAN KARIR TERHADAP KINERJA KARYAWAN MENGGUNAKAN ANALISIS REGRESI BERGANDA (STUDI KASUS DI PUSAT PERBELANJAAN MATAHARI, MANADO)

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Abstract: The purpose of this research is the investigation of the impact of workforce diversity and career development towards employee performance. Workforce diversity has been identified as one of the strategic capabilities that will add value to the organizations over their competition and Career Development is personal improvements do to achieve a career plan. This research is a quantitative research, which the data is obtained through questionare, and the data is analysed using the Multiple Linear Regression. The population of this research is the employees of Matahari Department Store in Manado, with 100 respondents of as the sample. The result shows that independent variables have a significant effect on dependent variable simultaneously. It means workforce diversity and career development have a significant effect on employee performance simultaneously. In partially test workforce diversity do not have positive significant effect on employee performance, Career development are the variables that show a large positive significant effect on employee performance.

Keywords: workforce diversity, career development, employee performance.

Abstrak: *Tujuan dari penelitian ini adalah untuk mengetahui dampak keragaman tenaga kerja dan pengembangan karir terhadap kinerja karyawan. Keragaman tenaga kerja telah diidentifikasi sebagai salah satu kemampuan strategis yang akan memberi nilai tambah bagi organisasi mengenai persaingan mereka dan Pengembangan Karir adalah peningkatan pribadi yang dilakukan untuk mencapai jenjang karir. Penelitian ini merupakan penelitian kuantitatif, dimana data diperoleh melalui kuesioner, dan data dianalisis dengan menggunakan Regresi Linier Berganda. Populasi penelitian ini adalah karyawan PT.Matahari Department Store di Manado, dengan 100 responden sebagai sampel. Hasil penelitian menunjukkan bahwa variabel bebas berpengaruh signifikan terhadap variabel dependen secara simultan. Artinya keragaman tenaga kerja dan pengembangan karir berpengaruh signifikan terhadap kinerja karyawan secara simultan. Pada sebagian uji keragaman tenaga kerja tidak berpengaruh signifikan secara positif terhadap kinerja karyawan, pengembangan karir merupakan variabel yang menunjukkan pengaruh positif yang besar terhadap kinerja karyawan.*

Kata Kunci: keragaman tenaga kerja, pengembangan karir, kinerja karyawan

INTRODUCTION

Research Background

Diversity is a common thing that we can found in Indonesia. Workforce diversity is a major challenge that has easily turned into a losing situation for all involved, leading to demoralization of employees thus affecting employee performance in many organizations. The workforce culture diversity in terms of ethnicity and education aspects can lead to demoralization of employees thus affecting employee performance. The purpose of the study was establishing the workforce cultural diversity on employee performance in Manado with a case of Matahari Department Store as a study area.

Matahari Department Store in Manado has standardization in assessing employee performance, is the ability of employees to understand ethics in carrying out its duties, behave and behave accordingly with demands as an employee of Matahari Department Store. Employees' must have good communication skills, then look by using work clothes and attributes that have been agreed upon by employees and companies. Effective performance is every wish desired company. To create good performance employees strive for reach the target in order to get maximum results in implementing tasks in accordance with the responsibilities that have been given to achieve the goal company. High performance employees tend to be happy facing challenges, creative, innovative, responsible, not easily brokenness, and always need motivation and develop expertise in order to adjust in order to experience a better change in his career.

Especially in Manado, Matahari Department Store is located in three branches. All three branches are located in a favorite location for the citizens of Manado, which is located on the path boulevard on business.

No wonder the three locations that have Matahari Department Store is often crowded visited by many people remember Matahari Department Store famous for the price of goods that are quite affordable and often hold large discounts for goods sold on holidays or holidays. This is what attracts the customers in Manado to shop.

First Matahari Department Store is located in Megamall. In this place is one of the famous Matahari Department Store at a cheap price so that the target of the buyers. No wonder, Matahari Department Store is located at Jl. Piere Tendean, Manado City is very busy visited. Megamall location are near the Manado hangout makes Matahari Department Store is a destination for many people to shop in this area.

The second Matahari Department Store is located not far from the Matahari department store in Megamall, just a few blocks away and still in one area. The second department store sun is located at Mega Trade Center or MTC which is also located on Jl. Piere Tendean, Wenang Sel., Wenang, Manado City has a rather quiet atmosphere compared with Matahari department store located in Megamall, due to lack of people who visit the mall then the customer Matahari Department Store also participate in less.

The third Matahari Department Store is located in Manado Town Square with an atmosphere that is no less crowded with Matahari Department Store located in Megamall or Mega Trade Center. Matahari Department Store in this mall also has a fairly comfortable atmosphere. Located in the more elite Mall area and the mother of all Matahari Department Store located in Manado make Matahari Department Store visited by middle to upper class so that the activity of organization mostly controlled at Matahari Department Store Manado Town Square.

Research Objective

To identify the impact of :
1. Workforce diversity and career development towards the Employee Performance at Matahari Department Store in Manado simultaneously.
2. Workforce diversity towards the Employee Performance at Matahari Department Store in Manado partially.
3. Career development towards the Employee Performance at Matahari Department Store in Manado partially.

THEORETICAL FRAMEWORK

Human Resource Management

Storey (1989: 1-15) believes that Human Resource Management can be regarded as a 'set of interrelated policies with an ideological and philosophical underpinning'. He suggests four aspects that constitute the meaningful version of Human Resource Management: particular constellation of beliefs and assumptions, strategic thrust informing decisions about people management, the central involvement of line managers, and reliance upon a set of 'levers' to shape the employment relationship.

Workforce Diversity

Workforce diversity refers to the ways that people differ that can affect a task or relationship within an organization such as age, gender, race, education, religion, and culture. It is the exploration of these differences in a safe, positive, and nurturing environment. It is about understanding each other and moving beyond simple tolerance to embracing and celebrating the rich dimensions of diversity contained within each individual within the organization (Carrell, 2006)

Career Development

Pietrofesa & Splete (1975:1-28) stated that "career development is an ongoing process that occurs over the lifespan and includes home, school and community experiences related to an individual's self-concept and its implementation in lifestyle as one lives life and makes a living."

Employees Performance

Workplace diversity suggests that diversity can be either detrimental or beneficial for employee performance (William and O'Reilly, 2004:77-140) for instance, employee diversity is positively associated with creativity and problem solving skills and negatively related with cohesiveness and cooperation (Pelled, 2006). Good workforce diversity practices in the area of human resources are believed to enhance both employee and organizational performance (Adler, 2005: 229-238)

Previous Research

The Effect of Workforce Diversity on Employee Performance on Singapore Organization by Darwin Joseph R & Palanisamy Chinnathambi Selvaraj. Workforce diversity has been identified as one of the strategic capabilities that will add value to the organizations over their competition. As Singapore is one of the most globally competitive countries, it attracts highly skilled and extremely innovative people to work here. Age, gender and ethnicity are the most commonly diversified demographic variables observed among the workforce of many organizations. Thus, the present study focuses on the effect of the workforce diversity in terms of age, gender and ethnicity. If the diversity of the workforce is properly managed, it will provide positive benefits. If not properly managed, however, it could lead to negative results. A self-administered questionnaire was used to collect the views of employees in both the manufacturing as well as the service industries in Singapore. The reliability of the survey was tested by estimating Cronbach's alpha. The empirical relationship of age, gender and ethnicity of the employees with the performance was computed using Software Package for Social Science (SPSS). The analysis reveals that the three variables do not have a statistically significant impact on the performance of employees. Human resource programmers suggested by the employees to improve the effectiveness of workforce diversity has been recommended.

RESEARCH METHOD

Type of Research

The type of this research is descriptive research with quantitative approach. Descriptive in this study means that the researcher tries to describe and explain the impact of workforce diversity towards employees' performance using multiple linear regression.

Place and Time of Research

The study was conducted in Manado and occurred at Matahari Department Store in Megamall Manado. This field is a perfect location to do this research and find if workforce diversity and career development influences the performance of the employee. This research regarding employee as respondents from September – November 2017.

Population and Sample

Population is a generalization region consisting of objects or subjects that have certain qualities and characteristics set by the researchers to be studied and then drawn conclusions, Sugiyono (2013). The population of this research is employee of Matahari Department store. The sample size of the research is 100 of Matahari Department Store employees in Megamall, Manado Town Square, and Mega Trade Center.

Data Collection Method

Primary data is the data obtained directly from the original source, specifically the primary collected by researchers to answer the research questions and consist of information collected for the specific purpose at hand (Kotler, 2012). The researcher collected the primary data from the result of questionnaire. Online questionnaire were shared to respondents so they can respond directly on the questionnaire.

Data Analysis Method
Validity and Reliability

Validity test used to measure the validity of the questionnaire. To analyze that, Pearson Product Moment was used. If probability of correlation is less than 0.05 (5%) then the research instrument is considered valid. This reliability test in this research used Alpha Cronbach. If Alpha is less than 0.6 then it is unreliable.

Multiple Regression Analysis

Multiple Linear Regression is a descriptive tool used to develop a self-weighting estimating equation by which to predict values for a dependent variable from the values of independent variables. Control-confounding variables to better evaluate the contribution of the other variables, and test and explain a casual theory. The equation model of Multiple Regression Analysis use in this research can be formulate as: $Y = b_0 + b_1x_1 + b_2x_2$
Where:
Y	: Employee Performance
X1	: Workforce Diversity
X2	: Career Development
b1, b2	: The regression coefficient of each variable

Normality Test

In multiple linear regression models, the residual is assumed to be normally distributed. A residual is the difference between the observed and model-predicted values of the dependent variable. The residual for a given product is the observed value of the error term for that product. A histogram or P-P plot of the residuals can help researchers to check the assumption of normality of the error item.

RESULT AND DISCUSSION

Validity and Reliability Result

Validity Test
Table 1. Validity Test Result

		Workforce Diversity	Career Development	Employee Performance
Workforce Diversity	Pearson Correlation	1	.381[**]	.724[**]
	Sig. (2-tailed)		.000	.000
	N	100	100	100
Career Development	Pearson Correlation	.381[**]	1	.914[**]
	Sig. (2-tailed)	.000		.000
	N	100	100	100
Employee Performance	Pearson Correlation	.724[**]	.914[**]	1
	Sig. (2-tailed)	.000	.000	
	N	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output, 2017

Table 1. Shows that the correlation index is higher than 0.3 and below the significance level of 5%. Therefore, the data is considered valid.

Reliability Test
Table 2. Reliability Test Result

Cronbach's Alpha	N of Items
.800	4

Source: SPSS Output, 2017

Table 2. Shows that Alpha Cronbach is 0.800 which is above the acceptance limit of 0.6; therefore, the research instrument is reliable.

Classical Assumptions Analysis

Several assumptions including normality, no multicollinearity, correlation, homoscedasticity, and no autocorrelation, were checked to make the multiple linear regression. Generally, all of these assumptions were fulfilled to run the multiple linear regression. The plot of residual values on a histogram with a fitted normal curve is presented. As can be seen from this histogram, the plot approximately followed the normal curve indicating that the data was normally distributed. Multicollinearity was tested by the Variance Inflation Factor (VIF) and Tolerance statistics. Results of analysis indicated that all VIF values were below than 10 and Tolerance values were above 2, indicating that the research model is free from multicollinearity. Statistics plot of the regression standardized residuals verses regression standardized predicted values indicated that all points scattered around zero, above or below zero. This explained that the model has no heteroscedasticity. DurbinWatson Test was employed to check the presence of autocorrelation in the multiple linear regression

data. Based on d or W-D value of around 2, or in this research was measured at 2.178, indicating that the multiple linear regression data were free from autocorrelation.
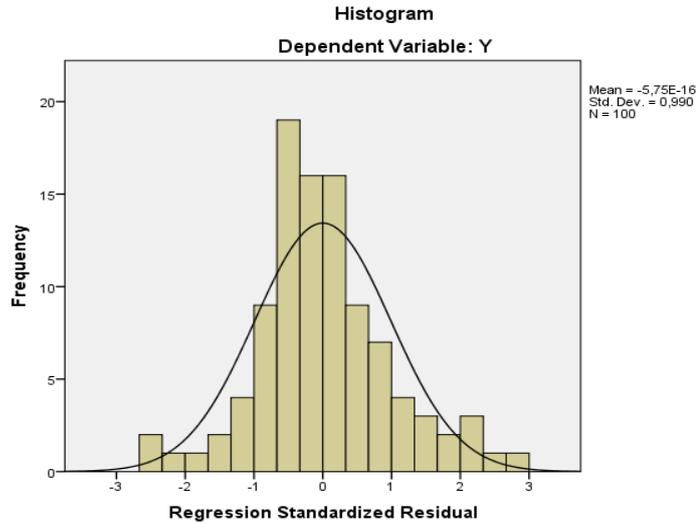
Normality

Histogram
Dependent Variable: Y

Mean = -5,75E-16
Std. Dev. = 0,990
N = 100

Figure 1. Histogram Output
Source: SPSS output, 2017

As can be seen from this histogram, the plot approximately followed the normal curve indicating that the data was normally distributed.
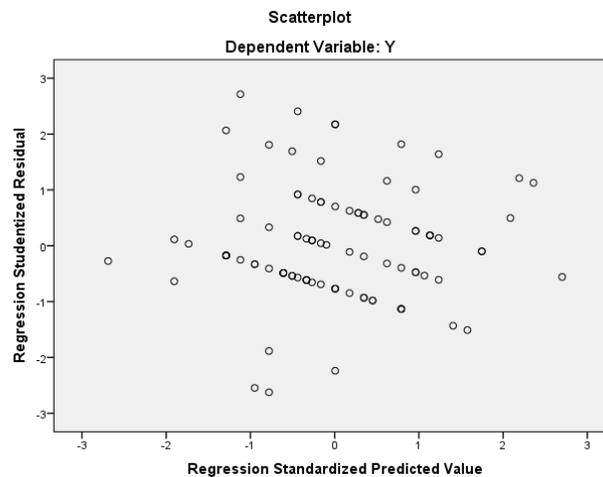
Heteroscedasticity

Scatterplot
Dependent Variable: Y

Figure 2. Heteroscedasticity Test Output
Source: SPSS output, 2017

As can be seen from figure 2, statistics plot of the regression standardized residuals verses regression standardized predicted values indicated that all points scattered around zero, above or below zero. This explained that the model has no heteroscedasticity.

Multicollinearity
Table 3. Multicollinearity Test Output

Variables	Tolerance	Variance Inflation Factor (VIF)	Result
Workforce Diversity	0.982	1.019	No Multicollinearity
Career Development	0.982	1.019	No Multicollinearity

Results of analysis are presented in Table 3. As can be seen from this table, all VIF values were below than 10 and Tolerance values were above 2, indicating that the research model is free from multicollinearity.

Auto Correlation

Table 4. Auto Correlation Test Output

Model Summary[b]

Model	Durbin-Watson
1	1.513

a. Predictors: (Constant), WORKFROCE DIVERSITY

b. Dependent Variable: EMPLOYEE PERFORMANCE

Source: SPSS output, 2017

Autocerrelation result is if the Durbin-Watson probability value is above 0.05. As can be seen, Table 4 shows the probability value of Durbin Watson is above 0.05 which is 1.513. So the result of this calculation, there is no autocorrelation in this regression.

Multiple Linear Regression Analysis
Table 5. Multiple Linear Analysis Output

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	8.251	1.813	-
Workforce Diversity	-.032	0.066	-.043
Career Development	.548	0.097	0.501

Source: SPSS Output, 2017

The following interpretations can be made from the model of multiple linear regression:

1. a = 8.251 means that in a condition of ceteris paribus, if all independent variables equal to zero, then employee performance (Y) as dependent variable will be 8.251.

2. B_1 = -.032 means that in condition of ceteris paribus, if X_1 (Workforce Diversity) increase by one scale or one unit, it will decrease Y (Employee Performance) by -.032

3. B_2 = 0.548 means that in condition of ceteris paribus, if X_2 (Career Development) increase by one scale or one unit, it will improve or increase Y (Employee Performance) by 0548.

Multiple Regression Coefficient of Correlation (R) and Multiple Regression Coefficient of Determination (R^2)

The coefficient of correlation (R) measures if the correlation between the two independent variables with dependent variable.

Table 6. Table of R and R Square

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.522[a]	.273	.208	.1.243

a. Predictors: (Constant),WORKFORCE DIVERSITY, CAREER DEVELOPMENT

b. Dependent Variable: EMPLOYEE PERFORMANCE

Source: SPSS Output, 2017

Table 6 shows the coefficient correlation (R) is 0.237; it means there is a significant relationship between independent variables with dependent variable. In the other words, Workforce Diversity and Career Development have strong relationship with Employee Performance. The coefficient of determination (R^2) measures the ability of a model in explaining variation of dependent variable. The value of coefficient of determination is between 0 and 1. The coefficient of determination (R^2) according to the table 6 is 0.273 which shows that the linear relationship in this model is able to explain 27.3% consumer purchase decision (Y) while the remaining 72.7% is explained by the factors.

Discussion

From the data that has been calculated above and the results that already exist then will be discussed one by one about the influence of independent variables on dependent variables, that we know the independent variables is workforce diversity, career development and the dependent variables is employee performance:

Workforce Diversity and Career Development on Employee Performance

Aims of this research was to identify the impact of Workforce Diversity and Career Development on Employee Performance at the Matahari Department Store in Manado. The total respondents is 100. In general, descriptive analysis of the respondents' background indicated that most of respondents were those of woman (62%). More than half (51%) of the respondents were in the age 16-25. Unmarried Respondents seemed to be dominant at level (58%).

Statistically, the questionnaire used in this research were valid and reliable. All collected data were of reasonable to be used for further analysis that was designed to answer the research objectives. This research using Multiple Linear Regression Method. The early check confirmed that data were distributed normally without no multicollinearity, and free from heterocedasticity and autocorrelation.

The result of Multiple Linear Regression Method on F-tests by using significant value of 0.05, the calculated value of Fcount is greater than Ftable ($15895 \geq 3.090$). Since the Fcount is greater than Ftable, the H0 rejected and H1 is accepted. It means that the independent variables significantly affect the dependent variable simultaneously, it means there is a relation between workforce diversity and career development on employee performance. Thus, this research tell that Workforce diversity and Career Development have a significant impact on Employee Performance.

Workforce Diversity and Employee Performance

Based on the result of the questionnaire, employee of Matahari Department Store shows a tendency that is not pay attention on workforce diversity when they are in the workplace, based on the score given or in other words workforce diversity does not significantly affect the performance of the employee. Employee do not think that workforce diversity will make their performance decreased. Based on the answer at the questionnaire that given to the employee, employees accept when there is difference between them and does not affect their performance. The result of the multiple regression analysis shows that there is negative effect of Workforce Diversity on employee performance.

Career Development and Employee Performance

In fact, career development is also one of the important things in the workplace. Employees of Matahari Department Store also think about their career path, thinking about career turns out to affect the performance of employees of Matahari Department Store in Manado.

Based on the results of that study has been done then obtained career development significant effect on performance at Matahari Department Store. The findings supported by facts gained inside the process of distributing the questionnaire, where inside assess the variables career development, high value response towards a career development that can improve performance like giving chances the same for each employee to improve his career and evaluate performance employees on a regular basis.

CONCLUSION AND RECOMMENDATION

Conclusion

After examining the findings and discussing the result, the conclusions based on this research can be formulated as follows:
1. The independent variable which are Workforce Diversity and Career Development simultaneously affect employee performance as the dependent variable.
2. Workforce Diversity as one of independent variables does not have a significant effect on employee performance. Most of the respondents are not pay attention about the diversity in the workplace.
3. Career Development as one of independent variables partially affects employee performance significantly.

Recommendation

Based on the analysis and conclusions from overall result in this research regarding effect of Workforce Diversity and Career Development on Employee Performance. The researcher makes the following recommendations for Matahari Department Store.
1. Matahari Department Store management needs to make a direct communication to employee to get closer with the employees.
2. Matahari Department Store management need to assess or evaluate employees who stand out among others to be promoted each month or year.
3. Matahari Department Store management have to make a training for their employees to improve their individual skills because it is important for their career.

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