

**ANALYSIS OF KEY PERFORMANCE INDICATORS
(KPIs) AND THEIR INFLUENCE ON EMPLOYEE
CAREER DEVELOPMENT AT PT. BANK SULUTGO**

THESIS

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CHAPTER I INTRODUCTION

1.1 Rationale And Statement Of Problem

In today's dynamic and competitive business environment, understanding all aspects that impact employee Career Development becomes essential to any organization's success. According to the Kamus Besar Bahasa Indonesia (KBBI), career refers to development and progress in life, work, position. Employee Career Development is specifically concerned with employees' progression and success in fulfilling their job responsibilities and progressing in their careers over time. Employees have to actively oversee their careers while establishing significant skills for accomplishment (Kamna & Ilkhanizadeh, 2022). This aspect of performance matters for organizations pursuing long-term success and sustainability.

One of the factors that supports employee career development is to use key performance indicators as a performance measurement tool. Key performance indicators (KPIs) are tools that organizations use to measure, monitor, and enhance the performance of individuals and groups. KPIs are implemented not only to measure performance but also to guide strategic decision-making. According to Sekáč (2023), ISO 9004 defines key performance indicators (KPIs) as factors that an organization manages to ensure long-term success. These indicators must be carefully measured and identified in order to effectively contribute to organizational goals.

Design the right KPIs that take into consideration of employees' tasks and professional development, so that performance levels are more likely to be fulfilled

while also aligning with the organization's objectives. As a result, employees experience a sense of accomplishment, which encourages motivation and commitment. This positive reinforcement encourages employees to contribute proactively, recommend the company to potential new hires, and boost overall productivity. Furthermore, well-aligned KPIs improve employee Career Development by setting precise standards for promotion and professional development. Employees who see a clear link between their performance and career advancement are more likely to be engaged, motivated, and dedicated to their work.

On the other hand, poorly defined KPIs or those that are considered impractical to achieve will lead to dissatisfaction, a lack of motivation, employee protests, harming the organization's reputation, and the organization's inability to meet its objectives. KPIs like these can make employees feel confused and lost in their careers, which leads to poor performance. This will result in decreased motivation, productivity, and attrition; employees will seek better opportunities elsewhere to advance their careers. In short, ineffective KPIs impact not only individual Career Development but also the performance and success of the business in question.

Bank SolutGo, is one of the financial institutions located in Manado, North Sulawesi, is committed to providing the best and most competitive banking services. To reach that goal, the bank is continuously improving workforce performance using successfully implemented KPIs. This research focuses on PT Bank SolutGo due to the fact there is an essential need to understand how KPIs influence employee Career Development, which in turn influences the achievement

of the organization's strategic objectives. This research will find optimal strategies for improving employee Career Development and, as a result, more efficiently achieving the company's goals through an in-depth analysis at PT Bank SulutGo.

Based on the background above, the authors are interested in conducting further research on the influence of Key Performance Indicators (KPIs) at PT. Bank SulutGo. Therefore, the author wants to conduct a research with the title “**Analysis of Key Performance Indicators (KPIs) and Their Influence on Employee Career Development at PT. Bank SulutGo**”.

1.2 Identification of The Problem

Concerning the background of the problem above, the author identifies the problem identification as follow:

1. There is no evidence that key performance indicators (KPIs) influence employee Career Development at PT Bank SulutGo, and this needs further analysis, particularly regarding how these indicators affect overall career and organizational effectiveness.
2. Several employees do not understand the direct impact of key performance indicators (KPIs) on employee Career Development at PT Bank SulutGo, which requires detailed analysis to ascertain their effectiveness and relevance in enhancing organizational outcomes.
3. More information is needed about the role of KPIs in increasing employee career development within the organization. This gap in our understanding needs to be addressed urgently.

1.3 Formulation of The Problem

According to the limitation of the problem above, the author formulates the research problems as follows:

1. How do key performance indicators (KPIs) imply to measure the employee's performance at the headquarters of Bank SulutGo?
2. How is the employee career established within the organization at the headquarters of Bank SulutGo?
3. Is there a relationship between key performance indicators (KPIs) and employee Career Development at the headquarters of PT Bank SulutGo?
4. What potential impact do key performance indicators (KPIs) have on employee Career Development at the headquarters of Bank SulutGo?

1.4 Limitation of The Problem

In this research, the author focuses on investigating the influence of key performance indicators (KPIs) towards employee Career Development only in headquarters of Bank SulutGo specifically all the employees whose current placement is in the Department of Special Asset Management.

1.5 Objectives of The Research

According to the formulation of the problem that has been described above, the purpose of this research is as follows:

1. To determine how key performance indicators (KPIs) are implemented in order to measure the performance of employees at the headquarters of PT Bank SulutGo.

2. To assess the effectiveness of the career development within the headquarters of PT Bank SulutGo.
3. To examine whether there is a relationship between key performance indicators (KPIs) and employee Career Development at the headquarters of PT Bank SulutGo.
4. To analyze the impact of Key Performance Indicators (KPIs) on employee career development at the headquarters of Bank SulutGo.

1.6 Significances of The Research

The result of this research is the author expected to provide benefits, such as:

- 1) For authors
 - a. This research will be beneficial for the authors by providing new insights into the influence of KPIs on Employee Career Development, particularly in the banking sector.
 - b. This research is to fulfil one of the graduation requirements for the author.
 - c. It serves as an application of the knowledge obtained by the author during lectures at Manado State Polytechnic.
- 2) For Management and Institution
 - a. The results of this research can be used as material for evaluating the impact of KPIs on Employee Career Development at the headquarters of PT Bank SulutGo.
 - b. It is expected to contribute to the institution by providing insights and recommendations for improving the implementation and management of

KPIs to enhance employee Career Development and organizational outcomes.

3) For Lecturer and Institution

- a. The results of this research can add to the existing knowledge on the impact of KPIs in the banking sector, particularly focusing on employee Career Development.
- b. It can serve as a reference for future research on similar topics, providing a basis for further exploration and study in the area of performance management and human resource development.

4) For Students

- a. It is expected to increase knowledge and information for students about the influence of KPIs on employee Career Development.
- b. It can be used as reference material for the literature as well as a reference for comparison in conducting further studies related to KPIs and their impact on employee Career Development in the banking sector.

