



Assessing the Impact of Competency and Career Growth on Employee Performance: Innovative Work Behavior as a Mediator in Public Sector

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Abstract

This study investigates the impact of competency and career development on employee performance, with innovative work behavior acting as an intervening variable at Bappedalitbang Surabaya. As the primary think tank for the city's development planning, Bappedalitbang requires highly competent human resources to execute its functions effectively. This research aims to analyze the relationships between competency, career development, innovative work behavior, and employee performance. Using a quantitative approach, data were collected through surveys distributed to employees at Bappedalitbang Surabaya. The results indicate that both competency and career development have significant positive effects on innovative work behavior and employee performance. Additionally, innovative work behavior mediates the relationship between competency, career development, and employee performance. These findings provide valuable insights for the Surabaya city government in formulating human resource management policies to enhance employee performance through targeted competency development and career growth initiatives.

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1. INTRODUCTION

In the era of rapid industrial advancement and globalization, the role of human resources remains a pivotal element in achieving efficient and effective public service delivery aligned with the principles of good governance. Surabaya, the second-largest metropolitan city in Indonesia, faces numerous challenges in its urban planning and development, necessitating a robust and dynamic approach to city management (Shih & Susanto, 2017). The increasing population, urbanization, and the strategic geographical position of Surabaya contribute to its continuous expansion towards surrounding hinterlands such as Gresik, Bangkalan, Mojokerto, Sidoarjo, and Lamongan. As the city grows, the need for well-planned development to sustain its progress becomes more critical, highlighting the importance of competent human resources in public sector organizations (Yan et al., n.d.) like Bappedalitbang.

Badan Perencanaan Pembangunan Daerah, Penelitian, dan Pengembangan (Bappedalitbang) or Regional Development Planning and Research Agency plays a crucial role in supporting Surabaya's development through strategic planning, policy formulation, and the evaluation and monitoring of development projects (Arora & Mittal, 2024). As an



essential think tank for the city's development, Bappedalitbang is responsible for aligning its objectives with the city's vision of becoming an advanced, humane, and sustainable global city. This alignment involves improving the quality of development planning, increasing accountability in governance, and fostering innovative development initiatives (Hoang Dang et al., 2025). The effectiveness of Bappedalitbang's operations hinges significantly on the competency and career development of its human resources (Fröhlich et al., n.d.).

Competency, defined as the combination of knowledge, skills, and attitudes necessary to perform a job effectively, is a key determinant of organizational success (Kolibáčová, 2014). In the context of Bappedalitbang, employees must possess high levels of competency to navigate the complexities of urban planning and development. The organization's need for knowledgeable and skilled personnel is critical for the formulation of effective policies and the successful implementation of development projects. Additionally, career development opportunities within the organization play a vital role in motivating employees, enhancing their skills, and preparing them for higher responsibilities. Ensuring that employees have clear career paths and opportunities for growth is essential for maintaining a competent and motivated workforce (Fosso Wamba & Guthrie, 2020).

Innovative work behavior, which refers to the generation, promotion (Atatsi et al., 2021), and implementation of new ideas (Vuong, 2023), is another crucial factor influencing employee performance. In an environment where rapid changes and complex challenges are the norm, fostering innovation among employees is essential for organizational adaptability and success (Mehralian et al., 2023). Employees who exhibit innovative behavior contribute significantly to organizational improvements and the achievement of strategic goals (Zain et al., 2025). Therefore, understanding the relationship between competency, career development, and innovative work behavior is vital for enhancing employee performance at Bappedalitbang.

Table 1. Innovation vs Bappedalitbang Total Performance per year

Year	Innovation Work	Total Performance in %
2020	3	92%
2021	4	92%
2022	10	97%
2023	7	96%

Source: Data Processed (2025)

This study aims to explore the impact of competency and career development on employee performance, with innovative work behavior serving as an intervening variable. By examining these relationships, the research seeks to provide insights that can inform human resource management practices at Bappedalitbang Surabaya. The findings are expected to offer valuable recommendations for policy makers in the Surabaya city government, enabling them to develop strategies that enhance employee performance through targeted competency development and career advancement initiatives. This, in turn, will contribute to the overall effectiveness and efficiency of the city's development planning and implementation efforts.

The purpose of this research is to investigate the impact of competency and career development on employee performance, with a particular focus on the mediating role of innovative work behavior within Bappedalitbang Surabaya. By examining these relationships, the study aims to provide a comprehensive understanding of how employee competency and career development initiatives influence their innovative behaviors and overall performance. This research will employ Structural Equation Modeling-Partial Least Squares (SEM-PLS) as the analytical method (Shafait & Huang, 2023), which is particularly suited for this study due to its ability to handle complex models with multiple variables and its robustness in analyzing small to medium sample sizes (León et al., 2024).

The hypotheses in this study are as follows:

H1: Competency is hypothesized to significantly influence innovative work behavior.
H2: Career growth is hypothesized to significantly influence innovative work behavior.
H3: Competency is hypothesized to significantly influence employee performance.
H4: Career growth is hypothesized to significantly influence employee performance.
H5: Innovative work behavior is hypothesized to significantly influence employee performance.
H6: Competency is hypothesized to significantly influence employee performance through innovative work behavior.
H7: Career growth is hypothesized to significantly influence employee performance through innovative work behavior.

2. METHODS

This study employs a quantitative research design to examine the impact of human resource competency and career development on employee performance, with innovative work behavior as an intervening variable. The research design is structured to collect and analyze numerical data, enabling the testing of hypotheses through statistical methods. Structural Equation Modeling Partial Least Squares (SEM-PLS) is utilized as the primary analytical technique, allowing for the assessment of complex relationships between the variables under investigation. SEM-PLS is chosen for its robustness in handling small sample sizes, its ability to model complex relationships, and its flexibility in working with formative and reflective constructs.

In this research, each variable is measured using multiple indicators to ensure comprehensive construct representation. Competence is assessed through indicators such as education level, work experience, technical skills, and soft skills including communication and teamwork. Career development includes indicators like training opportunities, promotion paths, mentoring, and clarity of career planning. Innovative work behavior is measured through idea generation, idea promotion, and idea implementation, reflecting the extent to which employees engage in creativity and innovation. Employee performance is evaluated using indicators such as task completion, quality of work, punctuality, and achievement of performance targets. The use of Structural Equation Modeling–Partial Least Squares (SEM-PLS) is deemed suitable for this research because it allows for the simultaneous analysis of complex relationships between multiple constructs and their indicators, even with a relatively small sample size. SEM-PLS is also ideal for exploratory research and models involving latent variables, making it an effective tool for testing both the measurement and structural models in this study.

3. RESULT AND DISCUSSION

The population targeted in this study consists of 100 employees from the Bappedalitbang Office in Surabaya City, including both civil servants and non-civil servants. To determine a representative sample size, the Slovin formula is applied, resulting in a sample of 80 employees. This sampling method ensures that the selected participants adequately represent the entire population, thereby enhancing the generalizability of the study's findings. Data collection is carried out through a structured questionnaire developed specifically for this research. The questionnaire comprises items designed to measure the constructs of human resource competency, career development, innovative work behavior, and employee performance. Each item is formulated based on established scales and adapted to the context of public sector employees. Prior to administration, the instrument undergoes a pilot test to ensure reliability and validity.

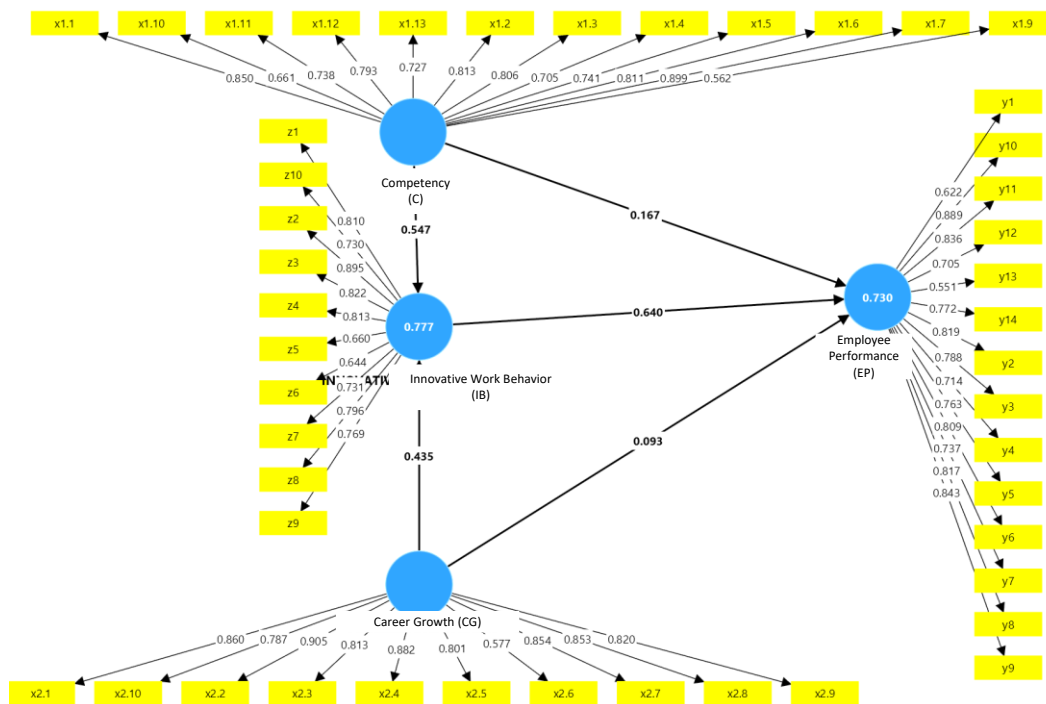


Figure 1. SEM-PLS study case structure model
Source: Data Processed (2025)

The study analyzed data from 80 respondents who are employees at the Regional Development Planning and Research Agency (Bappedalitbang) of Surabaya. The demographic data was categorized based on age, gender, education, years of service, and employment status. The gender distribution showed that 47.5% of respondents were male and 52.5% were female. In terms of age, 18.8% were between 21 and 30 years old, 47.5% were between 31 and 40 years old, 31.3% were between 41 and 50 years old, and 2.5% were over 50 years old. The majority (71.3%) held a bachelor's degree. Years of service varied, with 1.3% having less than 1 year, 15% having 1 to 5 years, 31.3% having 6 to 10 years, 32.5% having 11 to 15 years, 10% having 16 to 20 years, and 10% having more than 20 years. Regarding employment status, 50% were civil servants (PNS), 22.5% were PPPK, 20% were regional contract workers, and 7.5% were regional honorary workers.

To ensure a comprehensive analysis, the questionnaire employs a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). This scale allows for the quantification of respondents' perceptions and attitudes, facilitating the statistical analysis of the data. The collected data are then subjected to SEM-PLS analysis, which provides insights into the direct and indirect effects of human resource competency and career development on employee performance through innovative work behavior. The findings from this study are expected to provide valuable insights into how human resource practices and career development initiatives can enhance employee performance by fostering innovative work behavior. These insights can inform policy and practice in public sector organizations, particularly in the context of optimizing human resource management to achieve organizational goals.

This study utilizes a robust methodological approach to explore the relationships between human resource competency, transformational leadership, motivation, and employee performance in a public sector context. By employing SEM-PLS, the research is able to provide detailed insights into the direct and indirect effects of the studied variables, contributing valuable knowledge to the field of public administration and human resource management.

This study utilizes a quantitative approach, employing Structural Equation Modeling Partial Least Squares (SEM-PLS) to analyze the data and test the hypothesized relationships. The findings of this research are expected to contribute to the existing body of knowledge

by providing empirical evidence on the significance of competency and career development in enhancing employee performance, with innovative work behavior as a mediating variable. Moreover, the study aims to offer practical recommendations for policymakers and administrators in the public sector to develop strategies that enhance employee performance.

The competency of human resources was evaluated through 13 items, resulting in a high average score of 4.46, indicating strong agreement among respondents on their competency levels. Notably, areas such as responsibility, technical skills, and problem-solving received high scores, reflecting the respondents' positive perception of their competencies. The study concluded that human resource competency significantly impacts performance.

Career development was assessed through 10 items, with an average score of 4.12. Respondents agreed that career development efforts were generally good but noted areas for improvement, particularly in promotion opportunities and career development aligned with years of service. The results suggest that while career development practices are effective, there is room for further enhancement.

Innovative work behavior was measured by 10 items, with an average score of 4.33, indicating a high level of innovative behavior among employees. However, scores for encouraging new ideas and convincing leaders of their merit were slightly lower, highlighting areas where additional support and incentives could foster greater innovation.

Performance was assessed based on 14 items, with an average score of 4.51, indicating strong performance levels among respondents. The study suggested that maintaining high competency levels and improving career development opportunities could further enhance performance. The structural model indicated that competencies, career development, and innovative work behavior positively influence performance.

Table 2. Average variance extracted per variable

Variable	AVE
HR Competency	0.583
Career Growth	0.672
Innovative Work Behavior	0.594
Employee Performance	0.588

Source: Data Processed (2025)

The analysis of the model using Partial Least Square (PLS) begins with evaluating the measurement model (outer model). This evaluation aims to assess the relationship between latent variables and their indicators, focusing on validity and reliability tests. Validity tests check whether the indicators effectively measure the latent variables, with hypotheses suggesting either the indicators do not measure the same aspect of the theory (H0) or they do (H1). Convergent validity is assessed through the outer loading values of each indicator item, where a loading factor below 0.5 signifies invalidity. Following the elimination of non-significant indicators, the remaining indicators showed valid outer loading values, confirmed by an Average Variance Extracted (AVE) value above 0.5 for all variables, indicating convergent validity.

Table 3. Cross-Loading Factor Validity Test

Cross loading factor (fornell-lacker)	HR Competency	Career Growth	Innovative Work Behavior	Employee Performance
HR Competency	0.764			
Career Growth	0.608	0.820		
Innovative Work Behavior	0.712	0.766	0.771	
Employee Performance	0.744	0.685	0.747	0.767
Result	Valid	Valid	Valid	Valid

Source: Data Processed (2025)

Discriminant validity is evaluated using cross loading values, which must be greater than 0.7 and exceed the cross loading of other variables' indicators. The Fornell-Larcker Criterion further supports discriminant validity, showing that each variable's AVE is greater than 0.5. The hypothesis for discriminant validity is similar to that for convergent validity, suggesting that indicators either do (H1) or do not (H0) measure the same aspect of the latent variable. The results from the cross loading factor table confirmed that all variables' indicators are valid in reflecting their respective constructs, thus accepting H1.

Table 4. Cronbach's Alpha Reliability Test

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	AVE	Conc.
HR Competency	0.933	0.938	0.934	0.583	Reliable
Career Growth	0.944	0.951	0.947	0.672	Reliable
Innovative Work Behavior	0.923	0.930	0.924	0.594	Reliable
Employee Performance	0.945	0.950	0.942	0.588	Reliable

Source: Data Processed (2025)

Reliability tests were conducted to verify the accuracy, consistency, and precision of the instruments in measuring constructs. This involved examining the composite reliability and Cronbach's alpha values, with hypotheses suggesting either inconsistency (H0) or consistency (H1) in the indicators measuring the constructs.

Table 5. Direct Relationship Significance Test

	Coefficient	T statistics	P values	RESULT
HR Competency to Innovative Work Behavior	0.547	8.718	0.000	Significant
Career Growth to Innovative Work Behavior	0.435	6.490	0.000	Significant
HR Competency to Employee Performance	0.167	1.281	0.200	Non-Significant
Career Growth to Employee Performance	0.093	0.913	0.361	Non-Significant
Innovative Work Behavior to Employee Performance	0.640	4.087	0.000	Significant

Source: Data Processed (2025)

The structural model (inner model) evaluation follows, provided the measurement model indicates valid and reliable indicators. The structural model is assessed using the coefficient of determination (R^2). An R^2 value is classified as low (< 0.30), moderate ($0.30 < R^2 < 0.60$), or high (> 0.60). The results showed that the employee performance variable had an R^2 of 0.719, indicating that innovative work behavior explains 71.9% of employee performance, which is high. Similarly, the innovative work behavior variable had an R^2 of 0.771, suggesting that employee competence and career growth explain 77.1% of motivation, also considered high.

The evaluation of both the measurement and structural models indicates that the indicators are valid and reliable in measuring the constructs. The structural model's R^2 values show that the constructs can highly explain the variations in employee performance and innovative work behavior. These findings highlight the importance of competence and career growth in influencing innovative work behavior and performance, with a significant portion of the variance explained by other variables not included in this model. This result is aligned with a research by Groselj et al. (2019), which emphasized the moderating role of psychological empowerment in the relationship between transformational leadership and innovative work behavior, suggesting that individual and organizational factors beyond

competence and career growth also significantly shape innovation and performance outcomes. Here is the direct and indirect result for significance.

Table 6. Indirect Relationship Significance Test

	Coefficient	t statistics	P values	Result
HR Competency to Innovative Work Behavior to Employee Performance	0.350	3.818	0.000	Significant
Career Growth to Innovative Work Behavior to Employee Performance	0.279	3.297	0.000	Significant

Source: Data Processed (2025)

The results indicate that while several variable relationships are significant, two are not: competence to employee performance and career development to employee performance. Additionally, career development is not an effective direct intervening variable between competence and employee performance due to its insignificance. In the structural model testing, relationships between variables are considered significant if the t-statistic > 1.96 at $\alpha = 0.05$.

Based on the SEM PLS analysis, it was found that the bootstrap results were inconclusive as they did not directly support the hypothesized relationship between career development as an intervening variable and employee performance. Specifically, the direct effects testing showed that career development does not significantly influence employee performance, indicating that it may not be suitable as an intervening variable for competence on employee performance. Both results yielded T-statistics below the critical T-value (<1.96) and P-values above 0.05, suggesting these relationships are indirect and insignificant, possibly due to organizational characteristics within government institutions alike that prioritize collective achievements over individual performance.

Table 7. Indirect Relationship Significance Test

Hypotheses	From	Path To	Result
H1	HR Competency	Innovative Work Behavior	Accepted
H2	Career Growth	Innovative Work Behavior	Accepted
H3	HR Competency	Employee Performance	Rejected
H4	Career Growth	Employee Performance	Rejected
H5	Innovative Work Behavior	Employee Performance	Accepted
H6	HR Competency	Employee Performance with Innovative Work Behavior as mediator	Accepted
H7	Career Growth	Employee Performance with Innovative Work Behavior as mediator	Accepted

Source: Data Processed (2025)

The research confirms a significant positive impact of competence on innovative work behavior, evidenced by a t-statistic of 8.718 and a p-value of 0.000. This statistically significant finding supports the rejection of the null hypothesis (H0) in favor of the alternative hypothesis (H1), indicating that competence is crucial in enhancing innovative work behavior among employees. Competence, as measured in this study, includes education levels, work experience, technical skills, and soft skills such as communication and teamwork abilities. Employees with higher educational attainment possess a robust knowledge foundation, enabling them to generate innovative ideas and solutions effectively. Additionally, work experience provides practical insights, helping employees navigate various work challenges. Adequate technical skills ensure precise task execution, while soft skills facilitate effective communication and collaborative teamwork, both essential for fostering innovation. This result is aligned with a research by Messmann and Mulder (2012), which found that professional competence significantly contributes to innovative

work behavior through the development of domain-specific knowledge and problem-solving capacity in organizational settings.

The study also highlights a significant positive influence of career development on innovative work behavior, as evidenced by a t-statistic of 6.490 and a p-value of 0.000. This finding emphasizes the importance of effective career development programs in motivating employees to engage in innovative practices. Programs that enhance skills and provide opportunities for advancement can empower employees, enabling them to take risks and pursue creative solutions. This result is aligned with a research by Janssen (2000), who found that career growth opportunities positively correlate with employees' intrinsic motivation and their willingness to innovate in the workplace. However, the research indicates that competence does not significantly impact employee performance, with a t-statistic of 1.281 and a p-value of 0.200. This lack of significance may be attributed to factors within the organization, such as misalignment between employee competencies and job requirements, which could hinder the potential influence of competence on performance. The study reveals that innovative work behavior has a significant positive impact on employee performance, supported by a t-statistic of 4.087 and a p-value of 0.000. This finding indicates that employees who exhibit higher levels of innovative work behavior contribute positively to their overall performance. Engaging in innovative practices allows employees to improve efficiency and productivity, enhancing their overall contributions to organizational goals. This result is aligned with a research by De Jong and Den Hartog (2010), who demonstrated that innovative work behavior significantly enhances job performance by fostering proactive problem-solving and continuous improvement. Innovative behavior mediates the relationship between both competence and career development on employee performance, indicating that enhancing employee competencies and providing career development opportunities can lead to improved performance through fostering innovative work behavior.

4. CONCLUSION

The conclusion of this study addresses the research problem regarding the influence of competence and career development on innovative work behavior and employee performance within a government institution. The findings reveal that while competence and career development significantly impact innovative work behavior, they do not directly influence employee performance. Instead, innovative work behavior serves as a significant mediating variable, indicating that competence and career development can enhance performance only when they foster innovation among employees. This highlights the importance of cultivating an environment that supports innovation alongside efforts to develop employee capabilities. The limitation of this study lies in its exclusion of other potential influencing factors such as organizational support, job-role alignment, and leadership style, which may play a critical role in translating competence and development into actual performance. Therefore, future research is recommended to investigate these additional variables and employ longitudinal methods to capture the dynamic nature of these relationships over time, ultimately providing more comprehensive insights and practical strategies for improving organizational performance.

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