

**THE IMPACT OF RECRUITMENT SYSTEM AND CAREER
DEVELOPMENT ON THE ENHANCING OF EFFECTIVENESS IN
WORKING THROUGH COMPENSATION
AS INTERVENING VARIABLE AT
NIAGARA HOTEL PARAPAT**

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Abstract

Lake Toba is the biggest and deepest volcanic lake in South-East Asia, located in Parapat, Simalungun Regency, North Sumatra Province, Indonesia. It is the tourism icon in Indonesia and recommended to be one of the Global Geopark Network (GGN) tourism icons established by UNESCO. The tourists visiting this destination are still as not many as other tourism destinations in Indonesia. Many factors cause such condition. Hotel's hospitality service, which is an important role for tourism convenience, is not at its maximum quality. Therefore, the domestic and foreign tourists have not been able to thoroughly enjoy the beauty of Lake Toba. The low quality of services may be caused by the less effective of the recruitment system, career development, and compensation systems which result in the diseffectiveness of employees work. The purpose of this research is to analyze the impact of how recruitment system and career development on the enhancing of effectiveness in working through compensation as the intervening variable. The research is carried out at Niagara Hotel Parapat. The population of this study is 174 Niagara Hotel Parapat's employees and 64 of them are selected as samples for this research. The method used in this research is Path Analysis.

The result shows that recruitment system and career development (test-F) have significant positive influence over compensation. There is a significant positive influence between recruitment over compensation, but there is no significant influence between the career developments toward compensation. It causes career development possibility at Niagara Hotel to be too short and the compensation system to still be under the province minimum wage. Recruitment system, career development, and compensation affect positively and significantly to the effectiveness in working. There are significant positive influences among recruitment system, career development, and compensation with respect to the effectiveness of the employees work at Niagara Hotel Parapat. Recruitment is a dominant variable which influences more to work effectiveness rather than to career development, directly or indirectly through compensation. The research also shows that compensation is an intervening variable for recruitment system but not for career development.

Abstrak

Danau toba merupakan danau vulkanik terbesar dan terdalam di Asia Tenggara yang terletak di Parapat, Kabupaten Simalungun, Provinsi Sumatera Utara, Indonesia. Danau toba adalah salah satu ikon pariwisata di Indonesia dan disarankan untuk menjadi satu ikon pariwisata *global geopark network* (GGN) yang didirikan oleh UNESCO. Namun demikian layanan perhotelan, yang berperan penting bagi kenyamanan wisatawan belum dilakukan secara maksimal. Karena itu, para wisatawan dalam dan luar negeri belum

sepenuhnya menikmati keindahan Danau Toba karena tidak didukung oleh akomodasi fasilitas yang disebabkan oleh keterbatasan sumber daya manusia. Ini disebabkan oleh kurang efektif sistem perekrutan, pengembangan karir, dan sistem kompensasi yang berdampak pada ketidakefektivan kerja para karyawan. Tujuan penelitian ini adalah untuk menganalisa dampak dari sistem perekrutan, pengembangan karir, terhadap efektivitas kerja dengan kompensasi sebagai variabel perantara. Penelitian dilakukan di Niagara Hotel Parapat. Populasi sebanyak 174 karyawan dan 64 orang karyawan sampel. Metode analisis data adalah analisis jalur. Hasilnya menunjukkan bahwa sistem perekrutan dan pengembangan karir secara bersama-sama (Uji-F) memiliki pengaruh positif signifikan terhadap kompensasi. Berdasarkan uji parsial (Uji-t) bahwa sistem perekrutan berpengaruh positif signifikan terhadap kompensasi, akan tetapi pengembangan karir tidak berpengaruh signifikan terhadap kompensasi. Hal ini disebabkan karena pengembangan karir di Niagara Hotel masih terlalu pendek dan sistem kompensasi masih di bawah standar upah minimum provinsi. Secara langsung sistem perekrutan, pengembangan karir, dan kompensasi berpengaruh positif signifikan terhadap efektivitas kerja. Perekrutan merupakan variabel yang dominan mempengaruhi efektivitas kerja dibandingkan jenjang karir, baik langsung maupun tidak langsung melalui kompensasi. Penelitian ini juga menunjukkan bahwa kompensasi merupakan variabel perantara antara perekrutan terhadap efektivitas kerja, sedangkan kompensasi tidak mampu menjadi variabel perantara antara pengembangan karir terhadap efektivitas kerja.

Keywords: Recruitment System, Career Development, Compensation, Work Effectiveness

JEL Classification: M52

1. Research Background

Indonesia's tourism industry is advancing in line with the growing interest of the Indonesian population and foreign tourists to travel to Indonesia. Heavy workload, saturated work routines, a little time with the family, caring for the family, the progress of IT, increasing purchasing ability cause a lot of people desire a vacation with family. It is becoming an increasing number of travelers driving in the country and abroad every year. The increase of the number of tourists results in the increased demand for hospitality.

The number of tourists visiting North Sumatra each year is increasing. This is due to many factors, one of which is the existence of Lake Toba as the largest and deepest volcanic lake in Southeast Asia with the length of 100 kilometers, 30 kilometers wide and 529 meters located in Parapat, Simalungun District, North Sumatra Province, Indonesia. Lake Toba is the icon of tourism in Indonesia as proposed by Global Geopark Network (GGN), UNESCO. Lake Toba is one of the famous tourist spots in Sumatra, especially in North Sumatra.

The growth of tourist visiting Lake Toba is not as good as the other tourist areas in Indonesia, such as Bali and Lombok. A variety of factors may be the cause of this condition; including the quality of hospitality, which is one of the tourist facilities, that is not optimized. Therefore, the domestic and foreign tourists have not been able to thoroughly enjoy the beauty of Lake Toba because it is not supported by good hospitality due to low human resources services.

Niagara Hotel Parapat is a hotel located in Lake Toba region. The hotel becomes the focus of this research because it is a four-star hotel that has been established since 1990 and can still continue to survive and be competitive with other similar hotels.

Human resources plays a key role in delivering satisfaction to customers. Memorable service provided by the hotel employees is an experience that cannot be forgotten by the customers.

Problem raised at the Niagara Hotel Parapat is that the recruitment system is still not performed well. The implementation during the recruitment of new employees is still based on relative connection. Managers assign trusted employees to find new employees to fill vacant positions. The recruitment is based on acquaintance and family relationship which excludes selection criteria and competence requirements needed, so that other job seekers do not have opportunity to formally apply.

Filling the vacant jobs often does not conform to the competency of potential employee, so that there is a discrepancy between the tasks and positions occupied. The gap between the competencies of employees with office duties or performed by employees leads to less effective work of the employees.

Career development is a combination of training needed in the future and human resource planning. From the point of view of employees, it is to provide an overview of the career development career path in the future. Meanwhile, from the standpoint of the company, career development will be available to guarantee the employees who will fill the position which will be vacant in the future (Mathis and Jackson 2010).

Career development of Niagara Hotel Parapat is not applied on an ongoing basis and is not programmed properly, so that an employee will occupy and run the same task and position in a long time and will not get a promotion that will cause high saturation in the work. Assignment change occurs at Niagara Hotel Parapat is only about the displacement of House Keeping to be Cleaning Service.

Compensation is all income in the form of money or goods, directly or indirectly received by the employee in exchange for services provided by the company (Hasibuan 2005). The current condition occurs at Niagara Hotel Parapat is that employee who performs duties as Gardener, Linen Boy / Maid, Cook Helper, Bucher, Bush, Dish Washer, or Engineering is given salary that is not in accordance with the Province Minimum Wage (PMW).

Effectiveness demonstrates success in achieving the targets set. The closer activities to the target, the higher possibility the effectiveness can be achieved. Current facts indicate that employees of Niagara Hotel Parapat have not shown the maximum effectiveness of their work. It can be seen from the fact that the employees have not taken their job seriously, which cause unwell and less neat work, and less satisfied guests. However, there are still few employees who utilize their time to work with sincerity.

Based on the description of the problem background, researchers are interested in choosing the title of the impact of recruitment system and career development on improving the effectiveness of work with compensation as an intervening variable.

1.1. Research Problems

Problems studied in this paper are:

1. Do the recruitment system and career development positively and significantly affect the compensation?
2. Does compensation significantly influence the effectiveness of the employees work?
3. Do the recruitment system, career development, and compensation significantly affect directly on the effectiveness of the employees work?
4. Is compensation is an intervening variable between recruitment system and career development on the effectiveness of the employees work?
5. Do the recruitment system and career development significantly influence the effectiveness of employees work through compensation as an intervening variable?

1.2. Research Objectives

The purposes of this study are:

1. To analyze whether the recruitment system and career development significantly and positively affect the compensation.
2. To analyze whether compensation significantly influences the effectiveness of employees work.
3. To analyze whether the recruitment system, career development, and compensation significantly affect on the effectiveness of employees work directly.
4. To analyze whether compensation is an intervening variable between recruitment system and career development of the effectiveness of employees work.
5. To analyze whether the recruitment system, career development significantly influence the effectiveness of employees work through compensation as an intervening variable.

1.3. Benefits of Research

1. For the Company

To provide information and advice that may be used to develop Niagara Hotel Parapat especially in determining policy on the recruitment system, career development and compensation that influence the improvement of employee's effectiveness and sustainability of the company.

2. For other Researchers

To be a reference to develop further research in the future.

3. For authors

To provide additional insight in the field of human resources, especially in understanding the recruitment system, career development and compensation related to employees effectiveness.

2. Research Methods

The concepts of organizational career commitment are interchangeably (Meyer *et al* 2002). Some studies state that there is a unique relationship exists between career commitment and job outcomes such as performance (Meyer *et al* 2002; Leal-Muniz 2005). A few studies link career commitment to job performance (Fort and Voltero 2004; Leal-Muniz 2005; Mc-Closkey and McChain 1988; Somers 2000; Wright and Bonett 2002).

The higher the employee's commitment in developing a career, the more he/she will work earnestly, behave in a positive and fun attitude toward your boss, co-workers, as well as his/her work with discipline and high motivation in grabbing career which will result in his/her desired great performance.

Relationship between variables (recruitment system, career development, compensation, and work effectiveness) is given in the following figure:

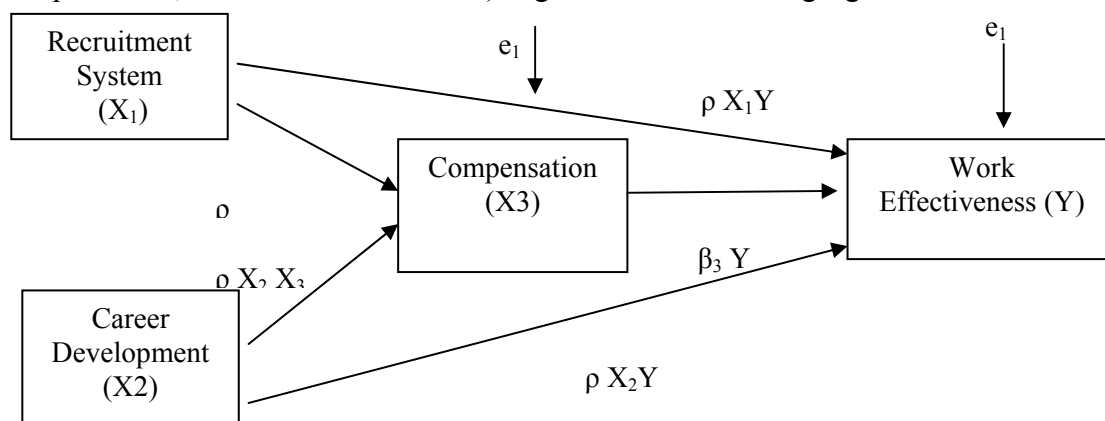


Figure 1. Conceptual Model

Substructure 1:

$$X_3 = \rho_{x_1 x_3} X_1 + \rho_{x_2 x_3} X_2 + e_1$$

Substructure 2:

$$Y = \rho_{x_1 Y} X_1 + \rho_{x_2 Y} X_2 + \rho_{x_3 Y} X_3 + e_2$$

Where : X_1 : recruitment

X_2 : career development

X_3 : compensation

Y : work effectiveness

3. Results and Discussion

3.1. Descriptive Analysis

The population in this study is all of the employees of Niagara Hotel Parapat, which are 174 persons and a sample of 64 people are randomly selected from each department. Characteristics of the respondents are given in Table 3.1.

Table 3.1 Respondent's Characteristics

No	Characteristics	Total (person)		%
1	Age			
	21-30	2		40.62
	31-40	24		39.06
	41-50	10		15.63
	>50	4		6.25
	Total	64		100
2	Sex			
	Male	37		57.81
	Female	27		42.18
	Total	64		100
3	Education			
	Secondary Level	5		7.81
	Senior High Level	51		79.69
	Diploma	6		9.37
	Undergraduate	2		3.13
	Total	64		100
4	Department			
	Human Resource	4		6.25
	Front Office	5		7.81
	House Keeping	21		32.81
	Duty Manager	2		3.12
	Asst.Duty Manager	-		-
	General Secretary	-		-
	Food and Beverage	24		37.5
	Maintenance	3		4.69
	Renovasi	3		4.69
	Accounting	2		3.12
	Total	64		100

source: Research Results (processed), 2012

Based on Table 3.1, it can be seen that: Total respondents are 64 people. Based on age, 26 people or 40.62% of them are 21-30 years old. Among the 64 respondents, 37 or 57.81% are males and 27 or 42.18% are females. The majority of the respondents' education level is high school, which is 51 people or 79.69%. Most respondents are from the Department of Food and Beverage who are 24 people or 37.5% of the total number of respondents.

3.2. Descriptive Statistics

a. Recruitment (X_1)

The results of research concerning employee recruitment process at the Niagara Hotel Parapat is given in Table 3.2

Ques- tion	SA (5)		A (4)		LA (3)		DA (2)		SDA (1)		Total	
	f	%	f	%	f	%	f	%	F	%	f	%
1	2	2.1	58	90.6	4	6.2	0	0	0	0	64	100
2	1	1.6	36	56.2	27	42.2	0	0	0	0	64	100
3	19	29.7	39	60.9	6	9.4	0	0	0	0	64	100
4	14	21.9	42	65.6	8	12.5	0	0	0	0	64	100
5	14	21.9	42	65.6	8	12.5	0	0	0	0	64	100
6	11	17.2	49	76.6	4	6.2	0	0	0	0	64	100

Source: Research Results (processed), 2012

The majority of respondents (90.6 %) state that the recruitment process is in accordance with human resource planning. Only 6.2 % of the respondents disagree with that statement. The majority of respondents (56.2 %) say the recruitment process runs smoothly. A total of 42.2 % of respondents state that they disagree with that statement. The majority of respondents (60.9 %) declare candidates are selected according to the needs of the company. There are approximately 9.4 % of the respondents who disagree with this opinion. The majority of respondents (65.6 %) state that the selection of applicants go through a series of stages that has already been set. There are approximately 12.5 % of the respondents who disagree with that statement. The majority of respondents (65.6 %) state that the employees have been placed in the position related to the predetermined qualifications. There are 12.5 % of the respondents who disagree with the opinion. The majority of respondents (76.6 %) state that the placement of employees is in accordance with the capabilities of employees. There are approximately 6.2 % of the respondents who disagree with the statement.

b. Career Development (X_2)

The results of the study regarding career employees at the Hotel Niagara Parapat are stated in Table 3.3. The majority of respondents (60.9 %) state that the company has a clear career development. There are approximately 9.4 % of the respondents who disagree with that statement. The majority of respondents (90.6 %) state that all employees know about the career development programs provided by the company. There are approximately 6.2 % of the respondents who disagree with that statement.

Table 3.3 Distribution of Respondents' answer on Career Development

Q	SA (5)		A (4)		LA (3)		DA (2)		SDA (1)		Total	
	F	%	f	%	f	%	f	%	f	%	f	%
7	19	29.7	39	60.9	6	9.4	0	0	0	0	64	100
8	2	3.1	58	90.6	4	6.2	0	0	0	0	64	100
9	19	29.7	39	60.9	6	9.4	0	0	0	0	64	100
10	2	3.1	58	90.6	4	6.2	0	0	0	0	64	100
11	2	3.1	58	90.6	4	6.2	0	0	0	0	64	100
12	1	1.6	36	56.2	27	42.2	0	0	0	0	64	100

Source: Research Results (processed), 2012

The majority of respondents (60.9 %) state that companies provide clear information about the career development .There are approximately 9.4 % of the respondents who disagree with this opinion. The majority of respondents (90.6 %) state that the company's career development program can improve employee's effectiveness. There are approximately 6.2 % of the respondents who disagree with this opinion. The majority of respondents (90.6 %) state that career development can help to achieve company's goals. There are approximately 6.2 % of the respondents who disagree with this opinion. The majority of respondents (56.2 %) state that career development program must be in accordance with the employee's skills . There are approximately 42.2 % of the respondents who disagreed with that statement.

c. Compensation (X₃)

The results of research concerning the compensation of employees at the company Niagara Hotel Parapat are stated in Table 3.4.

Table 3.4 Distribution of Respondents' Answer on Compensation

Q	SA (5)		A (4)		LA (3)		DA (2)		SDA (1)		Total	
	f	%	f	%	F	%	f	%	f	%	f	%
13	1	1.6	36	56.2	27	42.2	0	0	0	0	64	100
14	0	0	31	48.4	33	51.6	0	0	0	0	64	100
15	1	1.6	36	56.2	27	42.2	0	0	0	0	64	100
16	0	0	31	48.4	33	51.6	0	0	0	0	64	100
17	0	0	54	84.4	10	15.6	0	0	0	0	64	100
18	11	17.2	49	76.6	4	6.2	0	0	0	0	64	100

Source: Research Results (processed), 2012

The majority of respondents (56.2 %) state that the determination of basic salary is based on years of service and has been done fairly. There are approximately 42.2 % of the respondents who disagree with that statement. The majority of respondents (51.6 %) express that they less agree with the statement that the basic salary received is in accordance with the City Minimum Wages. There are 48.4 % of respondents who disagree with that statement. The majority of respondents (56.2 %) state that the bonus given is in accordance with the work performance of employees. There are approximately 42.2 % of the respondents who disagree with that statement. The majority of respondents (51.6 %) state that bonuses have not been adjusted with years of service. There are 48.4 % of the respondents stating that the bonuses are in accordance with tenure. The majority of respondents (84.4 %) state that the benefits given are in accordance with employee performance. There are approximately 15.6 % of the respondents who agree with that statement. The majority of respondents (76.6 %) state that the allowances are not eligible

to meet the needs of employees. There are approximately 6.2 % of the respondents who disagree with that statement.

d. Work Effectiveness (Y)

The results of the study concerning the effectiveness of employees are stated in Table 3.5

Table 3.5 Distribution of Respondents' answers On Work Effectiveness

Q	SA		A		LA		DA		SDA		Total	
	(5)		(4)		(3)		(2)		(1)			
	f	%	f	%	f	%	f	%	f	%	f	%
19	0	0	54	84.4	10	15.6	0	0	0	0	64	100
20	1	1.6	36	56.2	27	42.2	0	0	0	0	64	100
21	1	1.6	57	89.1	6	9.4	0	0	0	0	64	100
22	2	3.1	58	90.6	4	6.2	0	0	0	0	64	100
23	1	1.6	36	56.2	27	42.2	0	0	0	0	64	100
24	19	29.7	39	60.9	6	9.4	0	0	0	0	64	100
25	14	21.9	42	65.6	8	12.5	0	0	0	0	64	100
26	14	21.9	42	65.6	8	12.5	0	0	0	0	64	100

Source: Research Results (processed), 2012

The majority of respondents (84.4 %) state that the amount of work has been accepted in accordance with the capabilities of employees. There are approximately 15.6 % of the respondents who disagree with that statement. The majority of respondents (56.2 %) state that employees are able to complete the work on time despite the amount of work. There are approximately 42.2 % of the respondents who disagree with that statement. The majority of respondents (89.1 %) state that employees are always careful in carrying out the work received. There are approximately 9.4 % of the respondents who disagree with that statement. The majority of respondents (90.6 %) state that the results are always considered a good employee by his colleagues. There are approximately 6.2 % of the respondents who disagree with that statement. The majority of respondents (52.7 %) state that timing is an important factor in completing the work. There are approximately 42.2 % of the respondents who disagree with that statement. The majority of respondents (60.9 %) state that employees can complete the job well before the stipulated time. There are approximately 9.4 % of the respondents who disagree with that statement. The majority of respondents (64.6 %) state that employees can do a good job in accordance with the target given by the company. There are approximately 12.5 % of the respondents who disagree with that statement. The majority of respondents (65.6 %) state that employees are able to carry out the work in accordance with the work plan. There is a 12.5 % stating that they less agree with that statement.

3.3. Linear Regression

3.3.1. Structure of the First Sub-structure:

Sub-structure 1 is stated by the equation:

$$X_3 = \rho_{x1 \times 3} X_1 + \rho_{x2 \times 3} X_2 + e_1$$

The results of data processing to obtain relationships between variables and their effect are shown in Table 3.6 and 3.7.

Table 3.6. Anova^b

Model	Sum of Squares	Df	Mean square	F	Sig.
1 Regression	187.305	2	93.652	47.241	.000 ^a
Residual	120.930	61	1.982		
total	308.234	63			

a. Predictor: (constant), X2,X1

b. Dependent Variable: X3

Tabel 3.7. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.381	2.041		.509	2.147
X1	.443	.180		.285	2.466
X2	.296	.215		1.379	.173

a. Dependent Variable: Compensation

3.3.2. Second Sub-Structure

Sub-structure 2 is stated by equation:

$$Y = \rho_{X1Y} X_1 + \rho_{X2Y} X_2 + \rho_{X3Y} X_3 + e_2$$

The results of data processing to obtain relationships between variables and their effect are shown in Table 3.7.

3.4. Discussion

3.4.1. Discussion of Substructure I

a. The determinant coefficient (R^2)

Determinant (R^2) is used to see how much the independent variables are able to explain the dependent variable. In other words, the determinant coefficient is used to measure the ability of the recruitment system and career development of Niagara Prapat on employee compensation.

Tabel 3.8 Anova^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	516.078	3	172.026	584.054	.000 ^a
Residual	17.672	60	.295		
Total	533.750	63			

a. Predictors: (Constant), X3, X2, X1

b. Dependent Variable: Y

The result of data processing about the significance model can seen at Table 3.8.

Tabel 3.9. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.888	.816		2.314	.024
X1	.777	.073		.680	10.714
X2	.276	.084		.202	3.289
X3	.186	.049		.141	3.770

a. Dependent Variable: Y

Based on the results of Table 3.9, can be explained that each variable have significant values of beta that sees on standardized coefficient.

The results of data processing are given in Table 3.10.

Table 3.10 Model Summary of Sub-structure 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.780 ^a	.608	.595	1.40800

a. Predictors: (Constant) X1 dan X2

Source: Data Processing Result

Based on the results in Table 3.10, it is concluded that (1) $R = 0.780$ means that the relationship among the recruitment system, career development and compensation is 78 % (strong), (2) R Square of 0.608 which means that 60.8 % of employee's compensation can be explained by the recruitment system and career development, while the remaining 39.2 % can be explained by other factors which are not examined in this study.

b. Effect of Inter-Variable Analysis

The results of the study shown on the first substructure: recruitment system and career development (F-test) have significant positive influence on compensation. It means, proper recruitment system, continuous career development and a clear career development of employees have a positive effect on the amount of compensation received by the employee.

Partial test results (t-test) show that the recruitment system has significant positive effect on compensation. It means, if the company implements a transparent system of internal and external recruitment then the company should establish adequate compensation and in accordance with government regulations.

Partial test results (t-test) show that career development has no significant effect on compensation. It means, a system of compensation that occurs in Niagara Hotel Parapat is not too good because career development at Niagara Hotel Parapat is still too short. Its very limited career opportunities and compensation system are also still under standard of city minimum wage.

3.4.2. Second Substructur Analysis

a. Determinant Coefficient (R^2)

Data processing result is stated in Table 3.11.

Table 3.11 Model Summary Sub-structure 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.983 ^a	.967	.965	.54271

a. Predictors: (Constant), X3, X2, X1

Coefficient of Determination test indicates that the recruitment system, career development and compensation of employees are able to explain the effectiveness of Parapat Hotel Niagara at 96.7 % with the value of R Square of 0.967. It means that the effectiveness of employees will increase if companies pay attention to the recruitment system of employees, career development, and the type and amount of compensation given to the employee.

F-test results also show that if the system and the implementation of the recruitment have been done as planned, are appropriate and have a clear career development and

equitable fair compensation and above the Province Minimum Wage, the effectiveness of employees Niagara Hotel Parapat will increase. Employees will work earnestly, serve customers with satisfactory, be capable of making customers happy because every employee is satisfied and happy with the systems and policies created by the Niagara Hotel Parapat.

Partially (t-test) shows that there is a significant positive effect among recruitment system, career development, and compensation to the effectiveness of employees at Niagara Hotel Parapat. If employees feel that the compensation is fair, viable and competitive, then the company will be easier to attract potential employees, maintain and motivate them to improve their performance, thus it will increase productivity and effectiveness of the work. Recruitment is the dominant variable affecting the effectiveness of the work compared to the career development either directly or indirectly through compensation.

The result of this research supported by research is conducted by hameed et al 2014 and yuli 2013 state that fair compensation, according to what is expected and in accordance with the burden of the task of employees, will create work effectiveness so that employees performance increases.

Based on the test results of the path coefficients, the influence of compensation as an intervening variable is still very small. Influence on the effectiveness of the recruitment system through compensation has only a very small effect compared to the direct effect on the effectiveness of the recruitment system. The relationship between variables is shown in Figure 3.1.

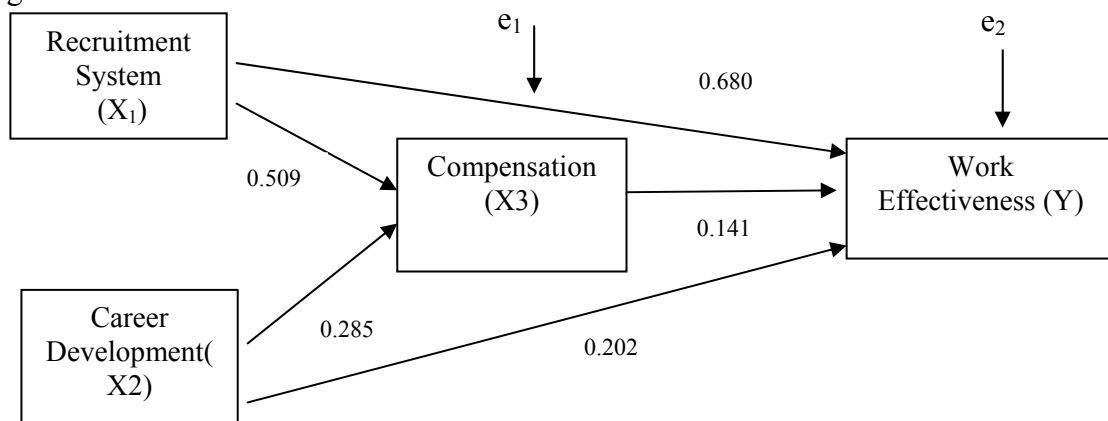


Figure 2. Relationships between Variables

Based on the testing of path coefficients in the second equation, it is shown that the total influence is the sum of the influence of recruitment system variables on the effectiveness through compensation, which is 0.752 ($= 0.680 + 0.509 * 0.141$). These results indicate that the total effect of the recruitment system of employees through variable compensation is 0.752 or 75.2%, and the remaining 24.8% is influenced by factors outside the model.

Employee who works in Niagara Hotel Parapat will work effectively when recruitment system is done with proper qualifications, the company has drafted a qualification of employees to be hired, made the human resource planning, placed employees in accordance with competence owned by the candidates and supported by a system of proper compensation, in conformity with expectation of the employees that will create work effectiveness.

On the other hand, the total effect of the career development and influence on the work effectiveness through a compensation are 0.242 ($= 0.202 + 0.285 * 0.141$). These results

indicate that the total effect on the effectiveness of the recruitment system of employees through variable compensation is 0.242 or 24.2%, and the remaining 75.8% is influenced by factors outside the model.

This means that compensation cannot act as an intervening variable that indirectly influences career development towards the effectiveness of employees work. However, career development is directly able to affect the work effectiveness. The work effectiveness will increase when Niagara Hotel Parapat conducts career development for its employees.

4. Conclusions

Based on the data analysis and evaluation of research conducted, it is concluded: (1) recruitment system has significant positive effect on compensation, but career development has no significant effect on compensation. Recruitment is the dominant variable affecting the compensation rather than career development; (2) Compensation significantly influences the effectiveness of employees work; (3) the recruitment system, career development, and compensation have significant positive effect on work effectiveness, (4) Compensation is an intervening variable on recruitment system against work effectiveness. Compensation is not an intervening variable to influence career development system against the effectiveness of employees work; (5) The recruitment system significantly influences the effectiveness of employees work through compensation as an intervening variable. Recruitment is the dominant variable affecting the work effectiveness rather than career development, either directly or indirectly through compensation.

Recruitment is the most dominant influence for employee effectiveness. In order to increase the effectiveness of employees, Niagara Hotel Parapat needs to improve and review its recruitment system. It is recommended that the recruitment system is conducted externally, openly, objectively and not based on nepotism or deposit. The recruitment process should be based on the needs and requirements specified in HR planning (job specification).

Niagara Hotel Parapat should need to consider and review the the career development system. It is recommended to have not too short career in order to motivate employees to perform well due to the desire for promotion and career at Niagara Hotel Parapat. It is also recommended to make the program of career development clearer and to plan for its employees and provide career information requirements that must be carried out by employees to achieve career advancement in a transparent manner so that the effectiveness of employees can be achieved.

Companies need to pay attention to compensation because the compensation system will motivate employees to work effectively. It is recommended that the company conducts a comparative study of the major, and form of compensation is provided by the hotels around Parapat to obtain the amount of compensation adjusted to the performance and seniority. The amount of compensation should be adjusted to the standard of town minimum wages, the amount corresponds to that is expected by employees and compensation should be based on fairness and feasibility.

In order to increase the effectiveness of employees, it is recommended to make the management and promotion of corporate culture and work ethic that make every employee has the same steps in achieving the goals that distinguish and identify the Niagara Hotel Parapat employees from other hotel's employees. The management also needs to give an award in the form of announcing the names of employees and provide incentives for employees who work efficiently.

For further research, it is expected to continue developing this research by comparing our model with the object of study in addition to the hotel , for example by banking and hospitals or adding another variable.

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