

## PROMOTION ON THE EMPLOYEES PERFORMANCE OF NUSANTARA CARD UNIVERSE BRANCH MAKASSAR

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### Abstract

Competition in the business world is increasingly competitive, companies are required to have a strong identity in maintaining survival. Discussing performance, especially employees, is an important issue to be researched both in the organization. This is inseparable from the company's goals which expect continuous employee performance improvement to achieve superior company performance. What is the relationship between promotion to employee's performance? There are still few researchers who explore this question. This study aims to analyze the level of influence of promotion on employee performance at the Nusantara Card Universe Makassar Branch. This type of research is a quantitative study using questionnaires as primary data collection. The population and sample in this study were all permanent employees of the Nusantara Card Universe Makassar Branch. Thus, the sample in this study is a census sampling or saturated sample. The results of the study show that promotion has a significant effect on employee performance. Promotion will motivate hard work and increase employee morale as well as support higher employee performance. By understanding the factors that influence post-promotion performance, organizations can take better actions in employee development and improve overall efficiency and productivity.

**Keywords:** *Promotion, Performance, Employees, and Organization.*

### A. INTRODUCTION

Competition in the business world is increasingly competitive, companies are required to have a strong identity in maintaining survival. Discussing performance, especially employees, is an important issue to be researched both in the organization. This is inseparable from the company's goals which expect continuous employee performance improvement to achieve superior company performance. Improved performance will benefit both financially and non-financially for the company and employees. Management principles relate to organizational achievements such as performance, social or environmental performance, innovation, or the ability to adapt. Applying these principles requires involvement at the organizational, individual or team level. Managers need to understand the compatibility of individual and group performance, usually in terms of goals. The implementation of the functions of the management system indicates the need for management in the scope of activities. (Gebler, M., Juraschek, M., Thiede, S., Cerdas, F., & Herrmann, C., 2022). Conformity

between individual and group goals becomes very important in achieving the vision and mission of the organization. So that individual performance contributes to the achievement of organizational goals.

Performance is the result of work obtained by employees based on the duties and responsibilities entrusted by the company within a certain time and is used as a reference or measure of the value of employee work achievements. To achieve high performance yield productivity is a challenge for the company. Implementation of work is not easy because employees have different personality and job preferences, which makes the company must understand deeply the internal and external factors of employees at work. Thus, employees will get job satisfaction and it is hoped that employees can give their best contribution. One of the factors that influence work results is the opportunity for achievement. The opportunity for achievement in question is the opportunity for employees to show their potential through an objective and fair employee development program, namely promotion.

The effect of promotion is also related to the leader's humble attitude, so that work demands become more effective and well done (Luu, T. T., 2021). Job promotions have a relationship with performance results because promotions provide an important role for employees and even become an ideal and goal that is always expected. Each company usually has its own promotion program. With a promotion, employees will feel cared for, valued, acknowledged and needed for their ability to work so as to produce high performance results. Position is the position of employee status obtained from the company. Promotion is a process of transferring the level or status of an employee from one position to another, which is higher, followed by higher duties and responsibilities as well.

Promotional issues usually involve the attention of company leaders. Usually, promotions given by the leadership or superiors of the company are related to the success of employees who have contributed to the success of the company. Every employee has the same right to get promotion opportunities in occupying certain positions, for example becoming a division manager, head of a unit or head of a certain field which basically can trigger performance results. Making corporate promotion decisions requires complex considerations. Companies must be able to select and place the right employees for the right positions. The application of the concept of the right man in the right place is one of the company's goals in realizing professional Human Resources (HR).

The implementation of the promotion process and decision making for promotion must be carried out with the characteristics of trust, fairness and formation. If in making a promotion decision there is an inappropriate decision or there is distrust and injustice, it can have an adverse impact on employees and the company. Then it can result in decreased work motivation so that the company's expectations to increase the productivity of performance results will not be achieved. One of the major issues is the absence of transparent and well-defined criteria for promotions. When employees are uncertain about what it takes to move up in the organization, it can lead to confusion, demotivation, and perceptions of favoritism. If promotion decisions are based on subjective assessments or personal preferences rather than objective performance metrics, it can create a perception of bias and unfairness among employees. This can lead to resentment and a decline in overall morale.

In organizations where there are limited opportunities for career advancement, employees may feel stuck in their current positions with no clear path for growth. This

can result in decreased job satisfaction and a higher likelihood of seeking opportunities elsewhere. When performance evaluations are not conducted effectively or are based on incomplete information, it can lead to incorrect promotion decisions. Promoting employees who do not possess the necessary skills and qualifications can harm both the individual and the organization. If the organization does not invest in training and development programs to prepare employees for higher-level roles, even talented individuals may not be ready to take on additional responsibilities when promoted, leading to potential performance issues. Promotion opportunities can create competition among employees, which may lead to internal conflicts and strained working relationships if not managed properly. There is a need for customer feedback on business products. This also relates to discounts and gifts to customers to attract buyers (Radzi, Harun, Ramayah, Kassim, & Lily, 2018).

Sometimes, organizations may overlook the potential and skills of certain employees, leading to the loss of valuable talent and demotivating high-potential individuals. If employees feel that promotions are not based on merit or that the organization does not value their contributions, they may become disengaged and consider leaving the company for better opportunities. If the promotion process does not consider diversity and inclusion, it can lead to a lack of representation at higher levels in the organization and perpetuate inequality. Balancing internal promotions with external hires can be challenging. While internal promotions motivate existing employees, sometimes bringing in fresh talent from outside can bring new perspectives and skills. Striking the right balance is crucial. Promotional decisions are generally made by taking into account information and normative decision-making techniques, but there is a gap between theory and reality, especially when subjective judgments are more dominant than objective judgments. (Chawla, Y., & Chodak, G., 2021)

Vroom's Expectancy Theory explains the insights for implementation and goals regarding the implementation of actions, especially in the industrial world (Chen & Klyver, 2021). One of the leading theories in human resource management that helps explain job promotion is the Expectancy Theory which provides insight into how individuals make decisions about their behavior at work, including their motivation for seeking promotions. The first component of the Expectancy Theory is "expectancy," which refers to an employee's belief that their efforts and actions will lead to successful job performance. In the context of job promotion, this means that employees must perceive a clear link between their dedication, hard work, and the achievement of performance goals necessary for promotion. Employees' confidence in their ability to perform tasks and meet the requirements for promotion significantly impacts their expectancy beliefs. Building employees' self-efficacy through training, skill development, and support can enhance their motivation to seek promotion. When employees have a clear understanding of what is expected of them to qualify for a promotion, they are more likely to be motivated to put in the effort required. Transparent communication of promotion criteria is crucial in this regard. The availability of necessary resources, such as training programs, tools, and support, can bolster employees' belief in their ability to perform well and increase their chances of promotion.

The second component of the Expectancy Theory is "instrumentality," which relates to an employee's perception that successful job performance will lead to desirable rewards, such as job promotion. In other words, employees must believe that

their efforts and achievements will be recognized and rewarded appropriately. When promotion decisions are transparent and based on objective criteria, employees are more likely to perceive a strong link between their performance and the potential reward of promotion. Conversely, if promotions seem arbitrary or influenced by favoritism, employees may lose faith in the system, leading to reduced motivation. Organizations must consistently reward high performers with promotions to reinforce the link between performance and promotion. Inconsistency in this regard may lead to doubts about the relationship between effort and rewards. Managers play a vital role in reinforcing the link between performance and rewards. Providing timely feedback, recognition, and constructive coaching can positively impact employees' belief that performance will be rewarded with a promotion. The third component of the Expectancy Theory is "valence," which represents the value or importance an employee places on the rewards associated with job promotion. The valence of promotion is influenced by the perceived desirability of the rewards that come with the new position.

## **B. METHOD**

This research is a quantitative study that explains the influence of promotion variables on employee performance. Data collection was carried out using a survey method by selecting samples by census sampling. The unit of analysis in this study is permanent employees. Primary is empirical data obtained directly from the object of research, where this data comes from all selected respondents who are the object of research. Secondary data is data that is used as a theoretical reference in solving or answering research problems based on literature and internet sites that can support this research.

The population and sample in this study were all 43 permanent employees. Thus, the sample in this study is a census sampling or saturated sample. The model used in this study is the relationship or influence model, and to test the hypotheses proposed in this study, the analytical technique used is multiple regression analysis. The selection of this analysis technique is based on the number of research samples.

## **C. RESULT AND DISCUSSION**

### ***Respondent's profile***

The characteristics of the respondents as a result of the research using a questionnaire based on age showed that most of the respondents were aged between 41 and 55 years, totaling 29 people, followed by only 14 people aged  $\leq 40$  years. Furthermore, the characteristics of respondents based on gender showed that men were more dominant as many as 25 people compared to women who were only 18 people. Respondents with undergraduate education level were 31 people, then respondents with master education level were 12 people.

### ***Research Instrument Test***

The validity test aims to check whether the contents of the questionnaire are appropriate for measuring what you want to measure and are sufficiently understood by all respondents as indicated by the small percentage of respondents' answers which do not deviate too much from the answers of other respondents.

Table 1. Validity test

No	Variables	Indicators	<i>Cronbach's Alpha if Item Deleted</i>	Decision
1	Promotion– Honesty	PH11	0,612	Valid
		PH12	0,576	
	Promotion– Discipline	PD21	0,545	
		PD22	0,641	
	Promotions– Work Achievements	PW31	0,597	
		PW32	0,574	
	Promotion– Cooperation	PC41	0,591	
		PC42	0,609	
	Promotion– Proficiency	PP51	0,654	
		PP52	0,656	
2	E-perf.	E-perf11	0,661	Valid
		E-perf12	0,647	
		E-perf21	0,664	
		E-perf22	0,621	
		E-perf31	0,633	
		E-perf32	0,625	
		E-perf41	0,647	
		E-perf42	0,675	
		E-perf51	0,665	
		E-perf52	0,644	
E-perf61	0,631			
E-perf 62	0,644			

Table 1 can be seen that this research instrument has a Cronbach's Alpha if Item Deleted value of more than 0.50 so that all items in the instrument are said to be valid.

### *Examination of regression analysis*

The results of the regression analysis using the SPSS program application are in the following table.

Table 2. Output regression analysis

Variable	$\beta$	S.E	t	Prob.	Decision
Constant	0,37	0,41	0,904	0,368	
Promotion–Honesty	5	5	3,466	0,001	Sig.
Promotion–Discipline	0,31	0,09	3,134	0,002	Sig.
Promotions–Work Achievements	5	1	3,342	0,001	Sig.
Promotion–Cooperation	0,30	0,09	3,743	0,001	Sig.
Promotion–Proficiency	5	1	2,807	0,010	Sig.
	0,54	0,14			
	8	6			
	0,40	0,14			
	8	5			
F Count = 68,614    Sig = 0,000    R <sup>2</sup> = 0,769					
F Table = (2) (98) 0,05 = 3,938    t <sub>table</sub> = 1,660    R = 0,877					

To prove the hypothesis that there is an effect of promotion on employee performance, a probability test (p-value) is used. This is done by comparing the p-value with an alpha value of 0.050 or 5% with the one-tailed test. Based on the results of multiple linear regression calculations in Table 2, then Ho is rejected Ha is accepted, meaning that promotion–honesty, promotion–discipline, promotions–work achievements, promotion–cooperation, and promotion–proficiency has a significant effect on employee performance, thus the research hypothesis can be accepted.

Employee promotion is the process of assigning the authority and responsibility of an employee to a higher and better position than the previous position followed by a higher wage increase due to a promotion. Employee promotions are believed to increase work productivity or employee performance. This is in line with the theory previously described that one of the ways to promote employees is to increase work productivity or employee performance. The indicators used to measure employee promotions are work performance, seniority (experience), education and level of loyalty.

Every organization seeks to increase the productivity of employee performance through employee promotion programs. Employee performance has two types, namely high and low. Employee performance with high status will try to make a positive contribution to the company. Meanwhile, on the contrary the performance of employees with low status will be minimal to make a positive contribution to the

company. Employee performance is the result of an employee's level of success in carrying out the tasks assigned to him during a certain period of time. There are two variables that affect employee performance, namely internal and situational. Measurement of employee performance can be measured by indicators of work quality, work quantity, time utilization and cooperation. In the process of implementing employee performance it is also important to evaluate employee performance to find out how successful the employee is in completing the tasks assigned to him.

Promotions have a significant effect on employee performance in organizations. They serve as powerful motivators, driving employees to excel and contribute to organizational success. Promotions increase employee engagement, job satisfaction, and commitment to the organization. Moreover, promotions offer opportunities for skill development, enhancing employees' capabilities and benefiting the organization as a whole. To optimize the effect of promotions on employee performance, organizations must ensure fairness and transparency in the promotion process. They should support promoted employees with training and resources to succeed in their new roles and consider the impact on team dynamics and succession planning. By effectively managing promotions, organizations can create a motivated, engaged, and high-performing workforce that contributes to overall organizational excellence.

Promotions serve as powerful motivators for employees. The prospect of career advancement and recognition for their hard work encourages employees to put in extra effort and perform at their best. When employees see a clear path for growth within the organization, they are more likely to be driven by a sense of purpose and direction. Promotions signal that the organization values and rewards high performance, which increases employees' motivation to excel in their roles. This enhanced motivation leads to improved job performance and increased productivity, benefiting both the employees and the organization.

Promotions offer opportunities for skill development and learning. As employees take on higher-level roles, they are exposed to new challenges and responsibilities that require them to acquire new skills and competencies. Skill development through promotions benefits both the promoted employees and the organization. The employees gain valuable experience and expertise, making them more valuable assets to the organization. Moreover, the organization benefits from a more skilled and capable workforce that can drive innovation and address complex challenges.

Promotion decisions must be fair, transparent, and based on objective criteria. Lack of transparency or perceptions of favoritism can lead to demotivation and reduced trust among employees. Promoting employees to higher positions without adequate preparation can lead to skill gaps and potential performance issues. Organizations should ensure that promoted employees have the necessary skills and support to succeed in their new roles. Promotions can affect team dynamics, especially if a promoted employee becomes a team leader. Team members may experience changes in power dynamics and may require adjustment and support during the transition. Effective succession planning is crucial to fill vacancies left by promoted employees. Organizations must identify and develop potential candidates to ensure a smooth transition and continuity in operations.

## D. CONCLUSION

Promotion has a significant influence on employee performance. Promotion will motivate hard work and increase employee morale as well as support higher employee performance. The indicator with the lowest contribution to the promotion variable is being open to new experiences, so that company management can provide appropriate job descriptions for all positions within the company, which must be done very carefully and accompanied by attention to work experience.

Promotion refers to moving an employee's position from one level to a higher one, with higher salary and benefits, higher status and prestige, having more authority, power and responsibility, challenges and career opportunities. Promotion causes changes in environment, privileges, facilities, place and working hours, etc. Promotion places an employee or executive on an ascending career path. Generally, employees at lower levels have to wait years to get a promotion, while executives get promotions more quickly.

Giving promotions to employees is an important issue in the company, so management must provide certain qualifications to get better prospects through promotions, so that employees will work hard to get them. Employees will try their best to qualify through training and graduation exams required by the company. Promotion will motivate hard work and increase employee morale and support higher employee performance, so that the responsibility of human resource management is important to assist top management in formulating promotion policies and providing enlightenment to all employees, in order to assist employees in understanding organizational policies.

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