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## IMPROVING PERFORMANCE THROUGH JOB PROMOTION

Agus Naini Siregar<sup>1</sup>, Kiki Farida Ferine<sup>2</sup>, Muhammad Isa Indrawan<sup>3</sup>, Sri Rahayu<sup>4</sup>

<sup>1</sup>Master of Management Student, Panca Budi Development University <sup>2,3,4</sup>Master of Management, Panca Budi Development University

Email: Agusnainisiregar08@gmail.com

Correspondence Author:kikifaridaferine@dosen.pancabudi.ac.id

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#### **Abstract**

This study aims to analyze the effect of competence and education on employee performance with job promotion as an intervening variable at PT PLN (Persero) UP3 Medan Utara. The research is motivated by the importance of improving employee performance, which is not only influenced by individual abilities but also by job promotion opportunities as a form of recognition and career development. The research method employed is a quantitative approach using a questionnaire for data collection. The number of respondents in this study was 69 employees, selected through purposive sampling. The data were analyzed using Partial Least Square (PLS-SEM) to examine both direct and indirect relationships among variables. The results indicate that: (1) competence has a positive and significant effect on employee performance, (2) competence has a positive and significant effect on job promotion, (3) education does not have a significant effect on employee performance, (4) education has a positive and significant effect on job promotion, (5) job promotion has a positive and significant effect on employee performance, (6) job promotion mediates the relationship between competence and employee performance, and (7) job promotion also mediates the relationship between education and employee performance. Therefore, it can be concluded that competence and education are important factors in supporting job promotion, while job promotion serves as a key variable in enhancing employee performance at PT PLN (Persero) UP3 Medan Utara.

# Keywords: Competence, Education, Job Promotion, Employee Performance, PLS-SEM

## **Background**

Companies must be able to effectively manage employee competency and education to achieve optimal performance. In an increasingly competitive work environment, the role of employee competency in supporting performance is vital. Good competency will enable employees to complete tasks more efficiently, thereby increasing productivity and organizational performance. According to research by Robinson & Judge (2018), employee competency, which includes knowledge, skills, and attitudes, directly influences individual performance in the workplace. One way to improve employee performance in a company is through job promotions. Job promotions not only serve as a reward for employee achievements but also as a tool to encourage employees to be more motivated to work harder and be more productive. Berg et al. (2015) stated that job promotions received by employees can increase work motivation, which in turn can improve their work performance. Employees certainly want to improve their performance well, where they will always work hard to complete every job given to them or the job they are assigned, where the job can be completed if they are able to do the job well. (Trillo-Cabello, Antonio F., Carrillo-Castrillo, Jesús A. and Rubio-Romero, 2021). Many studies have been conducted on the relationship between competence, education, job promotion, and employee performance. However, most studies discuss the influence of competence and education on employee performance separately, without considering the role of job promotion as an intervening variable that can strengthen the relationship between the two. Therefore, this study is important to conduct, focusing on how job promotion can act as a mediating factor in the relationship between competence and education on employee performance at PT PLN (Persero) UP3 North

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Medan. Therefore, to ensure that employees work efficiently and productively, a deeper understanding of the factors that influence employee performance, such as competence, education, and job promotion, is essential. This research is expected to contribute to companies in designing more effective human resource development policies, which can ultimately improve overall organizational performance.

#### Formulation of the problem

- Competence has a positive and significant influence on employee performance at PT PLN (Persero) UP3 North Medan
- 2. Education has a positive and significant influence on employee performance at PT PLN (Persero) UP3 North Medan
- 3. Competence has a positive and significant influence on job promotion at PT PLN (Persero) UP3 North Medan
- 4. Education has a positive and significant influence on job promotion at PT PLN (Persero) UP3 North Medan
- 5. Job promotions have a positive and significant impact on employee performance at PT PLN (Persero) UP3 North Medan
- 6. Competence has a positive and significant influence on employee performance through job promotion at PT PLN (Persero) UP3 North Medan
- 7. Education has a positive and significant influence on employee performance through job promotion at PT PLN (Persero) UP3 North Medan

## Research purposes

- 1. To test and analyze the positive and significant influence of Competence on Employee Performance at PT PLN (Persero) UP3 North Medan
- 2. To test and analyze whether education has a positive and significant effect on employee performance at PT PLN (Persero) UP3 North Medan
- 3. To test and analyze the positive and significant influence of competency on job promotion at PT PLN (Persero) UP3 North Medan
- 4. To test and analyze whether education has a positive and significant influence on job promotion at PT PLN (Persero) UP3 North Medan
- 5. To test and analyze job promotions have a positive and significant effect on employee performance at PT PLN (Persero) UP3 North Medan
- 6. To test and analyze the positive and significant influence of competency on employee performance through job promotion at PT PLN (Persero) UP3 North Medan
- 7. To test and analyze whether education has a positive and significant effect on employee performance through job promotion at PT PLN (Persero) UP3 North Medan

### Literature review

### **Performance**

According to Aulia et al. (2021), performance is a collection of a series of work results in terms of quantity, quality, efficiency and effectiveness of work in achieving goals.

### **Performance indicators**

According to Aulia et al. (2021) is:

- 1. Quality of work
- 2. Quantity of work
- 3. Responsibility
- 4. Cooperation
- 5. Initiative.

## **Factors that influence performance**

According to Kasmir (2018), the factors that influence employee performance are:

- 1. Ability, basic employee competency in carrying out work.
- 2. Skills, technical and non-technical skills possessed by employees.
- 3. Knowledge, level of education and understanding related to work.
- 4. Attitude/Personality, individual character that influences work behavior.
- 5. Motivation, internal and external encouragement that drives employees to work better.
- 6. Leadership, style, role model, and direction from superiors.
- 7. Job Satisfaction, a feeling of satisfaction with tasks, environment, and rewards.
- 8. Work Environment, physical conditions (work space, facilities) and non-physical (work relationships).
- 9. Loyalty, loyalty to the organization and work commitment.
- 10. Discipline, obedience to rules, regulations and procedures.
- 11. Awards/Rewards (Rewards), financial and non-financial compensation received.
- 12. Job Design, clarity of tasks, responsibilities, and division of labor.
- 13. Communication, smooth flow of information between employees and between superiors and subordinates.

### Competence

According to Spencer L. M & Spencer S. M (2021), competency encompasses the knowledge, skills, and attitudes necessary to perform a job effectively. Competence is a combination of technical and non-technical abilities that support individuals in achieving their desired work goals.

## **Factors that influence competence**

Factors and indicators that influence competence according to Spencer L. M & Spencer S. M (2021):

- 1. Knowledge
- 2. Skills
- 3. Attitudes and Behaviors
- 4. Lifelong Experience and Learning
- 5. Work environment

#### **Competency Indicators**

According to Spencer L. M & Spencer S. M (2021) the competency indicators are as follows:

- 1. Technical Skills
- 2. Interpersonal Skills
- 3. Problem Solving and.

#### **Education**

According to Mulyasa (2017), education is a conscious effort made by educators to guide, foster, and direct students in developing their potential optimally. According to Sani (2019), education is a systematic process to help students develop their potential, competencies, and character so they are able to face the challenges of the times.

#### **Education Indicators**

According to Mulyasa (2017), education indicators are:

- 1. Cognitive Domain, related to aspects of knowledge, understanding, and students' thinking abilities.
- 2. Affective domain, related to attitudes, values, interests, motivations, and behavior demonstrated by students.
- 3. Psychomotor domain, related to skills, practical abilities, and students' ability to apply knowledge in real life.

## **Job Promotion**

According to Hasibuan (2017), job promotion is a transfer that increases an employee's authority and responsibility to a higher position within an organization, usually accompanied by an increase in salary, facilities and better status.

According to Siagan (in Khaeruman et al., 2021), promotion is the transfer of an individual from one job to another with greater responsibility, a higher hierarchical level, and a higher salary. According to Sedarmayanti (in Wati et al., 2020), promotion is the movement of an employee from one position to another with higher status and responsibility.

### **Factors that influence job promotion**

The factors and indicators that influence job promotion according to Hasibuan in (Wardhani et al., 2023) are as follows:

- 1. Honesty,
- 2. Work discipline,
- 3. Work performance,
- 4. Cooperation,
- 5. Skills.
- 6. Loyalty,
- 7. Leadership,

#### **Job Promotion Indicators**

According to, namely:

- 1. Work performance, performance results achieved by employees.
- 2. Loyalty, loyalty to the organization.
- 3. Honesty and discipline, moral attitude at work.
- 4. Education and work experience, relevant competency provisions.
- 5. Leadership, the ability to manage and lead a team.

### **Conceptual Framework**

The existing conceptual framework that can be seen in this research is:

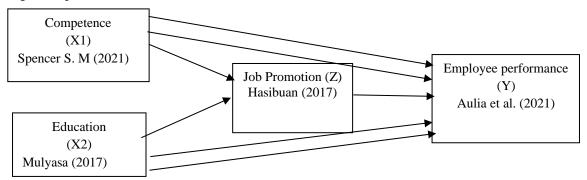


Figure 1. Conceptual Framework of the Research

### **Hypothesis**

- H1 :Competence has a positive and significant influence on employee performance at PT PLN (Persero) UP3 North Medan
- H2: Education has a positive and significant influence on employee performance at PT PLN (Persero) UP3 North Medan
- H3: Competence has a positive and significant influence on job promotions at PT PLN. (Persero) UP3 North Medan
- H4 :Education has a positive and significant influence on job promotion at PT PLN (Persero) UP3 North Medan
- H5: Job promotion has a positive and significant effect on employee performance at PT PLN. (Persero) UP3 North Medan
- H6: Competence has a positive and significant effect on employee performance through job promotion at PT PLN (Persero) UP3 North Medan
- H7: Education has a positive and significant effect on employee performance through

job promotion at PT PLN (Persero) UP3 North Medan

#### RESEARCH METHODS

# Types of research

This research uses quantitative methods with descriptive and causal approaches. Descriptive research aims to provide an overview of the variables studied, while causal research is used to analyze the causal relationship between the independent variables (career management and organizational commitment), the moderating variable (competence), and the dependent variable (work effectiveness). According to Sugiyono (2017), quantitative methods are used to test hypotheses using statistical analysis tools.

## **Population and Sample**

According to Sugiyono (2017), quantitative methods are used to test hypotheses using statistical analysis tools. The population in this study were employees at PT PLN (Persero) UP3 North Medan, with the sampling method using the saturated sampling method, This research uses quantitative methods with a descriptive and causal approach.

The number of samples that emerged was 69 employees at PT PLN (Persero) UP3 North Medan with data collection techniques using observation studies, as well as distributing questionnaires to respondents, namely employees in the work area of PT PLN (Persero) UP3 North Medan.

#### **Research Location and Research Time**

The research location was conducted at PT PLN (Persero) UP3 North Medan, located at Jalan KL. Yos Sudarso No. 115 Medan. The research period was carried out for 3 months, from May to July 2025.

#### **Data collection technique**

According to Sugiyono (2017), a questionnaire is a data collection technique that involves providing respondents with a set of written questions or statements to answer. Data collection is conducted through a structured questionnaire distributed to all respondents. Questions are structured based on research variable indicators.

# **Data Analysis Techniques**

Data analysis was carried out using Smart PLS software with the following stages:

## **Test Measurement Model (Outer Model)**

This test was conducted to evaluate the validity and reliability of the research instrument. The steps taken included:

- 1. Convergent Validity Test: Using the loading factor value (> 0.7) and Average Variance Extracted (AVE > 0.5) (Hair et al., 2015).
- 2. Discriminant Validity Test: Ensures that the AVE root value is greater than the correlation between variables.
- 3. Reliability Test: Using Composite Reliability (> 0.7) and Cronbach's Alpha (> 0.7) (Hair et al., 2015).

## **Structural Model Test (Inner Model)**

This test aims to examine the relationship between variables. The steps include:

- 1. Model Suitability Test: Using the R<sup>2</sup> (Coefficient of Determination) value
- 2. Predictive Relevance ( $Q^2$ ) Test: Using a  $Q^2$  value > 0 indicates the model has predictive relevance.

### **PLS-SEM Inner Model Assumptions**

The PLS-SEM model is based on the following assumptions:

- 1. The relationship between latent variables is non-parametric.
- 2. Data does not have to be normally distributed.
- 3. PLS-SEM is suitable for models with high complexity and small sample sizes (Hair et al., 2015).

## **Hypothesis Testing**

Hypothesis testing was carried out using bootstrapping on Smart PLS by looking at the t-statistic value (t > 1.96 for significance at  $\alpha = 0.05$ ) and p-value (p < 0.05) (Hair et al., 2015).

#### RESULTS AND DISCUSSION

#### **Outer Model Analysis**

The outer model measurement model test is carried out to determine the specification of the relationship between the latent variable and the manifest variable. This test is to find out whether the distributed values are valid and reliable. To conduct research, all indicator values must be valid and reliable. After obtaining valid and reliable values, this includes convergent validity, discriminant validity and reliability.

### 1. Convergent Validity

The convergent validity of the measurement model with reflective indicators can be seen from the correlation between item/indicator scores and the construct scores. Indicators with individual correlation values greater than 0.7 are considered valid, but in the development stage of research, indicator values of 0.5 and 0.6 are still acceptable. Based on the results for outer loading, it shows that there are indicators with loadings below 0.60 and are not significant. The structural model in this study is shown in the following figure.

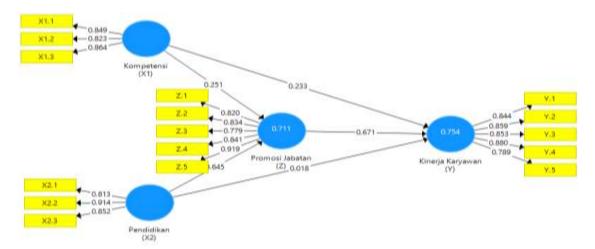


Figure 2. Outer Model

Smart PLS output for loading factor gives the results in the following table: Outer Loadings In this study there is an equation and the equation consists of two substructures for substructure 1

Z = b1X1 + b2X2 + e1

Z = 0.251 + 0.645 + e1

For substructure 2

Y = b3X1 + b4X2 + b5Z + e2

Y = 0.233 + 0.018 + 0.671 + e2

**Table 1. Outer Loadings** 

|            | Employee<br>Performance_(Y) | Competence_(X1) | Education_(X2) | Job<br>Promotion<br>(Z) |
|------------|-----------------------------|-----------------|----------------|-------------------------|
| X1.1       |                             | 0.849           |                |                         |
| X1.2       |                             | 0.823           |                |                         |
| X1.3       |                             | 0.864           |                |                         |
| X2.1       |                             |                 | 0.813          |                         |
| X2.2       |                             |                 | 0.914          |                         |
| X2.3       |                             |                 | 0.852          |                         |
| Y.1        | 0.844                       |                 |                |                         |
| Y.2        | 0.859                       |                 |                |                         |
| Y.3        | 0.853                       |                 |                |                         |
| Y.4        | 0.880                       |                 |                |                         |
| Y.5        | 0.789                       |                 |                |                         |
| <b>Z.1</b> |                             |                 |                | 0.820                   |
| <b>Z.2</b> |                             |                 |                | 0.834                   |
| <b>Z.3</b> |                             |                 |                | 0.779                   |
| <b>Z.4</b> |                             |                 |                | 0.841                   |
| <b>Z.5</b> |                             |                 |                | 0.919                   |

Source: Smart PLS 3.3.3

Based on table 1 above, there is a loading factor value for each variable with a value greater than 0.7. It can be seen that if the loading factor value is greater than 0.7, then each indicator item is considered valid and the loading factor value above is greater than 0.7 so that it can be interpreted that the indicator is in a valid state according to Convergent Validity.

## **Discriminant Validity**

Further research to determine valid data using Discriminant Validity, aims to find out whether the cross loading value is greater than other latent variables so as to determine the results of indicators that are highly correlated with the construct. The following table shows the cross loading results from the validity test as follows:

**Table 2. Discriminant Validity** 

|             | Employee<br>Performance_(Y) | Competence_(X1) | Education_(X2) | Job<br>Promotion<br>(Z) |
|-------------|-----------------------------|-----------------|----------------|-------------------------|
| X1.1        | 0.609                       | 0.849           | 0.648          | 0.585                   |
| X1.2        | 0.581                       | 0.823           | 0.604          | 0.537                   |
| X1.3        | 0.644                       | 0.864           | 0.567          | 0.675                   |
| <b>X2.1</b> | 0.574                       | 0.474           | 0.813          | 0.651                   |
| X2.2        | 0.662                       | 0.633           | 0.914          | 0.738                   |
| X2.3        | 0.663                       | 0.722           | 0.852          | 0.735                   |
| Y.1         | 0.844                       | 0.520           | 0.585          | 0.732                   |
| Y.2         | 0.859                       | 0.691           | 0.613          | 0.734                   |
| Y.3         | 0.853                       | 0.653           | 0.643          | 0.701                   |
| Y.4         | 0.880                       | 0.624           | 0.717          | 0.810                   |
| Y.5         | 0.789                       | 0.568           | 0.550          | 0.610                   |
| <b>Z.1</b>  | 0.819                       | 0.689           | 0.729          | 0.820                   |
| <b>Z.2</b>  | 0.675                       | 0.539           | 0.596          | 0.834                   |
| <b>Z.3</b>  | 0.625                       | 0.487           | 0.646          | 0.779                   |
| <b>Z.4</b>  | 0.621                       | 0.591           | 0.757          | 0.841                   |
| <b>Z.5</b>  | 0.806                       | 0.655           | 0.722          | 0.919                   |

Source: Smart PLS 3.3.3

Based on the research, it can be seen that the loading factor on the Employee Performance variable shows that the value of the loading factor construct is greater than other latent variables, for the Competence variable loading factor, the construct value is greater than the value of the loading factor construct on other latent variables, for the education variable loading factor, the construct value is greater than the value of the loading factor construct on other latent variables, while for the job promotion variable loading factor, the construct value is greater than the value of the loading factor of other latent variables, meaning that in this study all constructs of each variable have valid values in discriminant validity research.

### Composite reliability

In composite reliability research, to see each variable with its reliability value and if the value is greater than 0.60, the research is considered reliable and if it is below 0.60 and 0.7, it is not reliable. There are several blocks to determine whether the research is reliable or not and valid or not, including the Coranbach alpha value, composite reliability and AVE value can be seen in the table below:

Table 3. Construct Reliability and Validity

|                             | Cronbach's<br>Alpha | Composite<br>Reliability | Average Variance<br>Extracted (AVE) |
|-----------------------------|---------------------|--------------------------|-------------------------------------|
| Employee<br>Performance_(Y) | 0.900               | 0.926                    | 0.715                               |
| Competence_(X1)             | 0.801               | 0.883                    | 0.715                               |
| Education_(X2)              | 0.824               | 0.895                    | 0.740                               |
| Job Promotion (Z)           | 0.895               | 0.923                    | 0.705                               |

Source: Smart PLS 3.3.3

Based on table 3 above, it can be seen that the value in the Cronbach alpha column for each variable has a value greater than 0.7, which means that in terms of Cronbach alpha, the research is considered reliable. For the composite reliability column, there is a value for each variable greater than 0.6, so the research is considered reliable in terms of composite, while in the AVE column, there is a value greater than 0.7 in each variable, so the research is valid in terms of AVE, meaning that the research is reliable and valid for all variables.

## **Inner Model Analysis**

Structural model evaluation (inner model) is conducted to ensure the structural model is robust and accurate. The analysis stages involved in structural model evaluation are assessed using several indicators, including:

## **Coefficient of Determination (R2)**

Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as follows:

**Table 4. R Square Results** 

|                             | R Square | Adjusted R Square |  |
|-----------------------------|----------|-------------------|--|
| Employee<br>Performance_(Y) | 0.754    | 0.743             |  |
| Job Promotion (Z)           | 0.711    | 0.703             |  |

Source: Smart PLS 3.3.3

Based on the analysis results, the R Square ( $R^2$ ) value for the Employee Performance (Y) variable was 0.754 and the Adjusted R Square was 0.743. This indicates that the independent variables used in the study were able to explain 75.4% of the variation in employee performance, while the remaining 24.6% was influenced by other factors outside the research model. The Adjusted R Square value, which was only slightly lower than the R Square, also indicated that the model had good predictive ability and did not experience overfitting. Meanwhile, the R Square value for the Job Promotion (Z) variable was 0.711 with an Adjusted R Square of 0.703. This means that the independent variables in this study could explain 71.1% of the variation in job promotions, while the remaining 28.9% was explained by other factors not included in the model. Similarly to the performance variable, the small difference between the R Square and Adjusted R Square values indicates that the model used was quite stable and relevant in predicting job promotions. Overall, both models showed strong predictive ability ( $R^2 > 0.70$ ), with the employee performance model having a slightly higher level of explanation compared to the job promotion model.

### **Hypothesis Testing**

After assessing the inner model, the next step is to evaluate the relationships between the latent constructs as hypothesized in this study. Hypothesis testing in this study was conducted by examining T-statistics and P-values. The hypothesis is accepted if the T-statistic is >1.96 and P-values are <0.05. The following are the results of the direct influence path coefficients

**Table 5. Path Coefficients (Direct Effect)** 

|  | Original Sample (O) | T Statistics ( <br>O/STDEV  ) | P Values | Results  |
|--|---------------------|-------------------------------|----------|----------|
| Competence_(X1)> Employee<br>Performance_(Y)     | 0.233               | 2,838                         | 0.002    | Accepted |
| Competence_(X1)> Job Promotion (Z)               | 0.251               | 2,657                         | 0.004    | Accepted |
| Education_(X2)> Employee<br>Performance_(Y)      | 0.018               | 0.126                         | 0.450    | Rejected |
| Education_(X2)> Position Promotion (Z)           | 0.645               | 6,558                         | 0,000    | Accepted |
| Job Promotion (Z) -> Employee<br>Performance_(Y) | 0.671               | 5,833                         | 0,000    | Accepted |

Source: Smart PLS 3.3.3

Based on the results of the direct influence hypothesis above and the explanation is as follows:

- 1. The Influence of Competence (X1) on Employee Performance (Y)The test results show a path coefficient of 0.233 with a T-statistic value of 2.838 > 1.96 and a P-value of 0.002 < 0.05, thus the hypothesis is accepted. This means that competence has a positive and significant influence on employee performance. Thus, the higher the competence an employee possesses, the higher their performance will be.
- 2. The Influence of Competence (X1) on Job Promotion (Z)The path coefficient is 0.251, the T-statistic value is 2.657 > 1.96, and the P-value is 0.004 < 0.05, thus the hypothesis is accepted. This means that competence has a positive and significant effect on job promotion. Employees with high competence are more likely to get a job promotion than employees with low competence.
- 3. The Influence of Education (X2) on Employee Performance (Y)The path coefficient is only 0.018, with a T-statistic of 0.126 < 1.96 and a P-value of 0.450 > 0.05, thus rejecting the hypothesis. These results indicate that education does not significantly influence employee performance. This may be because formal education levels do not always reflect practical abilities or actual performance in the workplace.
- 4. Effect of Education (X2) on Position Promotion (Z)The path coefficient is 0.645, with a T-statistic of 6.558 > 1.96 and a P-value of 0.000 < 0.05, thus the hypothesis is accepted. This indicates that education has a positive and significant influence on job promotion. The higher an employee's education level, the greater their chances of getting a job promotion.
- 5. The Effect of Job Promotion (Z) on Employee Performance (Y)The path coefficient is 0.671, with T-Statistic = 5.833 > 1.96 and P-Value = 0.000 < 0.05, so the hypothesis is accepted. These results prove that job promotions have a positive and significant effect on employee performance. With job promotions, employee work motivation increases, thus having a direct impact on improved performance.

**Table 6. Path Coefficients (Indirect Effect)** 

| Table 6. I am Coemelents (man eet Eneet)                             |                     |                               |          |          |
|--|---------------------|-------------------------------|----------|----------|
|  | Original Sample (O) | T Statistics ( <br>O/STDEV  ) | P Values | Results  |
| Competence_(X1)> Job<br>Promotion (Z) -> Employee<br>Performance_(Y) | 0.169               | 2,804                         | 0.003    | Accepted |
| Education_(X2)> Job<br>Promotion (Z) -> Employee<br>Performance_(Y)  | 0.433               | 3,565                         | 0,000    | Accepted |

Source: Smart PLS 3.3.3

In the table above there are indirect hypothesis results, the explanation is as follows:

- 6. The Influence of Competence (X1) on Employee Performance (Y) through Job Promotion (Z) The results show a path coefficient of 0.169 with a T-statistic value of 2.804 > 1.96 and a P-value of 0.003 < 0.05. Thus, the hypothesis is accepted. This means that competence has a positive and significant effect on employee performance through job promotion. This indicates that employees with high competence tend to get job promotions, and these promotions ultimately have an impact on increased performance. In other words, job promotion is a significant mediating variable in the relationship between competence and employee performance.
- 7. The Influence of Education (X2) on Employee Performance (Y) through Job Promotion (Z) The test results show a path coefficient of 0.433 with a T-statistic value of 3.565 > 1.96 and a P-value of 0.000 < 0.05. The hypothesis is accepted, meaning that education has a positive and significant effect on employee performance through job promotion. Thus, the higher the employee's education level, the greater the opportunity to obtain a job promotion, and ultimately impacts on improved performance. This proves that job promotion plays an important mediator that bridges the influence of education on employee performance.

#### Conclusion

1. Competence has a positive and significant effect on employee performance. The test results show a path coefficient of 0.233 with a T-statistic value of 2.838 > 1.96 and a P-value of 0.002 < 0.05. This means that the higher the employee's competence, the better their performance.

- 2. Competence has a positive and significant effect on job promotion. The path coefficient is 0.251, the T-statistic value is 2.657 > 1.96, and the P-value is 0.004 < 0.05, thus the hypothesis is accepted. This means that competence has a positive and significant effect on job promotion. Employees with high competence have a greater chance of obtaining a job promotion.
- 3. Education does not significantly influence employee performance. The path coefficient is only 0.018, with T Statistic = 0.126 < 1.96 and P Value = 0.450 > 0.05, so the hypothesis is rejected. These results indicate that education does not significantly influence employee performance. This indicates that the level of formal education does not directly determine employee performance.
- 4. Education has a positive and significant effect on job promotion. The path coefficient is 0.645, with a T-statistic of 6.558 > 1.96 and a P-value of 0.000 < 0.05, thus the hypothesis is accepted. This indicates that education has a positive and significant effect on job promotion. Employees with higher levels of education have a greater chance of being promoted.
- 5. Job promotions have a positive and significant effect on employee performance. The path coefficient is 0.671, with a T-statistic of 5.833 > 1.96 and a P-value of 0.000 < 0.05, thus the hypothesis is accepted. These results prove that job promotions have a positive and significant effect on employee performance. This means that job promotions can increase motivation and work responsibility, which ultimately improves performance.
- 6. Competence has a positive and significant effect on employee performance through job promotion as a mediating variable. The results show a path coefficient of 0.169 with a T-statistic value of 2.804 > 1.96 and a P-value of 0.003 < 0.05. This indicates that job promotion strengthens the influence of competence on performance.
- 7. Education has a positive and significant effect on employee performance through job promotion as a mediating variable. The test results show a path coefficient of 0.433 with a T-statistic value of 3.565 > 1.96 and a P-value of 0.000 < 0.05. In other words, job promotion is a crucial link between education and improved performance.

## **Suggestion**

After drawing conclusions, the researcher provides suggestions to the organization and to further researchers as follows:

- 1. Employee Competency Development: Organizations need to improve employee competency through training, workshops, and on-the-job training. With higher competency, employees can work more effectively and have a greater chance of promotion.
- 2. Increasing the Relevance of Education to Jobs While formal education doesn't directly impact performance, it remains crucial as a prerequisite for promotions. Therefore, companies need to encourage employees to pursue formal education that aligns with job requirements.
- 3. A Transparent Promotion System: Promotion has been proven to be a crucial factor in improving performance. Therefore, organizations must ensure that the promotion process is transparent, objective, and based on competency and educational qualifications.
- 4. Performance Through Promotion requires designing a clear career path. With a structured career path, employees will be more motivated to improve their competencies and education, thus positively impacting their performance.

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