

Research Article

The Influence of Employee Loyalty on Job Promotion at Ogan Ilir Regency's Civil Service Agency

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Abstract.

This study aimed to determine and analyze the effect of employee loyalty on job promotion at the Civil Service and Human Resource Development Agency of Ogan Ilir Regency. This research used quantitative methods. The population in this study were all Civil Servants at the Civil Service and Human Resource Development Agency of Ogan Ilir Regency. The sample used in this study was taken using saturated sampling technique which amounted to 32 respondents. This study used primary data obtained through questionnaires and simple linear regression analysis methods were data analysis techniques. Based on the results of the analysis, it can be concluded that employee loyalty had a positive and significant effect on job promotion at the Civil Service and Human Resource Development Agency of Ogan Ilir Regency.

Keywords: employee loyalty, job promotion

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1. Introduction

Human Resources (HR) is a necessary element in an organization because it helps in achieving the organization's goals. HR is closely related to the success of an organization because, fundamentally, humans have the energy and cognitive abilities to do things that can help the organization progress. This makes HR an asset that needs to enhance its productivity [1]. Achieving organizational goals is a crucial role of human resources in an organization, so organizations seek employees who have high loyalty to the company.

Employee loyalty [2] is an emotional attitude of enjoying and loving one's job. An employee's willingness to uphold and defend the company wherever they are reflects their loyalty to the organization. Loyalty has several indicators, including obedience or compliance, responsibility, dedication, and honesty [3].

One of the elements in employee evaluation according to [4] related to loyalty to their job, position, and company is employee loyalty. The quality of loyalty should exist in every employee to create a sense of togetherness and maintain commitment to the workplace. Employee loyalty is one of the requirements for promotion within a company.

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Job promotion involves transferring an employee from one position or rank to a higher one with increased responsibilities and authority [5]. According to [4], job promotion is a transfer that expands an employee's authority and responsibilities to a higher position within the company, resulting in greater tasks, rights, status, and income. Job promotion can serve as motivation because it reflects an employee's hard work to gain recognition for their loyalty, allowing them to hold higher positions.

The desired job promotion opportunities for employees are not easy to attain, so employees must work very hard. Job promotion has various requirements that must be met. According to [4], the requirements for job promotion include high honesty, good work discipline, teamwork skills, excellent skills, leadership qualities, communication skills, education relevant to the position, good performance, and loyalty to the organization.

Every organization desires loyal employees. The same goes for the Civil Service and Human Resource Development Agency of Ogan Ilir Regency, which wants employees loyal to the organization because high loyalty leads to optimal employee performance and the achievement of organizational goals.

In the Civil Service and Human Resource Development Agency of Ogan Ilir Regency, there are several phenomena, including the increase in civil servants who arrived late or were absent in 2022. In the same year, five people left for various reasons such as long commutes, inability to adapt to the work environment, mismatched skills and responsibilities, or retirement. In the same year, job promotions in Civil Service and Human Resource Development Agency of Ogan Ilir Regency decreased by only 16%. This was due to various reasons, including low employee loyalty, inadequate education qualifications, and skills that did not match the positions to be held.

Previous research conducted by [6] and [7] found a positive and significant impact of employee loyalty on job promotions, contrary to the research by [8], which found that loyalty had no influence on job promotions.

Based on the above background, the author is interested in conducting research with the title "The Influence of Employee Loyalty on Job Promotions at Civil Service and Human Resource Development Agency of Ogan Ilir Regency."

2. Theory, Literature Review, and Hypothesis

2.1. Theory

Social Exchange Theory

Social Exchange Theory, as explained by [9], describes how individuals make decisions based on the outcomes they want to achieve. It is related to how much effort one needs to exert to obtain those outcomes. This theory suggests that employees will do their best and commit to an organization if they receive rewards when they perform well. It's not just about good results; employees will also strive for excellence if they face immediate consequences when their work produces poor results. Employees need to feel that there is a tangible exchange of benefits as a return for the commitment or loyalty they demonstrate.

Employee Performance

Loyalty, according to [5], is an employee's inclination not to switch to another company. When an employee has a sense of loyalty ingrained in them, they tend to feel comfortable working for a particular company. According to [3], there are indicators of employee loyalty, including: 1) Obedience or compliance, 2) Responsibility, 3) Dedication, and 4) Honesty.

Job Promotion

According to [4], job promotion involves the transfer of an employee to a higher position within the company, expanding their authority and responsibilities, resulting in greater tasks, rights, status, and income. Job promotion plays a significant role for every employee. According to Bambang Wahyudi in [7], indicators of job promotion consist of: 1) Honesty, 2) Loyalty, 3) Level of Education, 4) Work Experience, and 5) Initiative.

2.2. Literature Review

The research titled "The Influence of Employee Loyalty on Job Promotion in the Public Works and Housing Office of Bima Regency," conducted by [7], yielded significant positive effects of loyalty on job promotion.

In the study by [6] titled "The Influence of Job Performance and Loyalty on Job Promotion at PT. Agung Automall Pekanbaru Branch," the results indicated that both loyalty and job performance had a significant positive influence on job promotion.

However, in the research conducted by [8] titled "The Influence of Job Performance and Job Loyalty on Job Promotion at PT. PLN Area Binjai," the results were contradictory to the findings mentioned above, as loyalty was found to have no influence on job promotion.

2.3. Hypothesis

Hypothesis is a temporary answer in research that needs to be proven true. The hypothesis underlying this research, developed from the framework above, is as follows:

H0: Employee Loyalty Affects Job Promotion

Ha: Employee Loyalty Does Not Affect Job Promotion

3. Research Methods

In this research, the object of study is the Civil Service and Human Resource Development Agency of Ogan Ilir Regency. The research adopts a quantitative approach and utilizes both primary and secondary data. Primary data is collected by distributing questionnaires to all Civil Servants at the Civil Service and Human Resource Development Agency of Ogan Ilir Regency using a Likert scale. The population for this research consists of all Civil Servants at the Civil Service and Human Resource Development Agency of Ogan Ilir Regency, totaling 32 individuals. Since the population is relatively small, this research employs a saturated sampling method.

The data analysis technique involves instrument validation, reliability testing, and the successive interval method. Subsequently, it employs simple linear regression analysis, correlation coefficient testing, and determinant coefficient analysis. Hypothesis testing is conducted using the t-test.

4. Results and Discussion

4.1. Research Result

4.1.1. Respondent Profile

In general, the research respondents' profile is predominantly male. The respondents are mostly employees aged 31-35 years old. The highest level of education attained by most respondents is at the master's level (S2). Many respondents have been in their current employment for more than 6 years.

TABLE 1: Result of Validity Test.

Variable	Statement Items	r values	r table	Description
Loyalty (X)	Statement 1	0,395	0,349	Vallid
	Statement 2	0,351	0,349	Vallid
	Statement 3	0,440	0,349	Vallid
	Statement 4	0,796	0,349	Vallid
	Statement 5	0,570	0,349	Vallid
	Statement 6	0,723	0,349	Vallid
	Statement 7	0,669	0,349	Vallid
	Statement 8	0,717	0,349	Vallid
Job Promotion (Y)	Statement 1	0,389	0,349	Valid
	Statement 2	0,737	0,349	Valid
	Statement 3	0,583	0,349	Valid
	Statement 4	0,608	0,349	Valid
	Statement 5	0,406	0,349	Valid
	Statement 6	0,482	0,349	Valid
	Statement 7	0,495	0,349	Valid
	Statement 8	0,588	0,349	Valid
	Statement 9	0,470	0,349	Valid
	Statement 10	0,482	0,349	Valid

Source: Primary data processed using SPSS version 24 in 2023.

4.1.2. Result of Validity Test

Based on the results of the validity test on the loyalty (X) and job promotion (Y) variables as shown in Table 1 above, it is known that the results of all statement items above are considered valid or acceptable because all the calculated r values are greater than the table r. The table r value is obtained from the formula $df = n - 2 = 32 - 2 = 30$, so the table r value is known to be 0,349.

4.1.3. Result of Reliability Test

TABLE 2: Results of Reliability Test.

Variable	Cronbach's Alpha	Alpha Coefficient	Description
Loyalty (X)	0,711	0,60	Relialbel
Job Promotion (Y)	0,696	0,60	Relialbel

Source: Primary data processed using SPSS version 24 in 2023.

Based on the results of the reliability test of the loyalty (X) and job promotion (Y) variables as shown in Table 2 above, it is known that the research instrument is considered reliable or trustworthy because the Cronbach's Alpha values for variables X and Y are greater than 0,60.

4.2. Statistical Test

4.2.1. Simple Linear Regression Analysis

TABLE 3: Results of Simple Linear Regression Analysis.

Model	Unstandarized Coefficients		Standarized Coefficients
	B	Std. error	Betal
Constalntal	16,042	5,430	0,404
Loyalty	0,524	0,217	

a. Dependent Valrialbel: Job Promotion

Source: Primary data processed using SPSS version 24 in 2023.

Based on the results of simple linear regression analysis as shown in Table 3 above, it is known that the constant value (a) is 16,042, and the regression coefficient for loyalty (b) is 0,524. Therefore, the simple linear regression equation is as follows:

$$Y = 16,042 + 0,524X + e$$

The simple linear regression equation can be explained as follows:

1. The constant (a) = 16,042 means that when the employee loyalty variable (X) is 0, indicating no change, the job promotion variable (Y) is 16,042.
2. The coefficient of loyalty regression (b) = 0,524 means that if the employee loyalty variable (X) increases by 1 unit, the job promotion variable (Y) will increase by 0,524 units. This indicates a positive relationship between variable X and variable Y.

4.2.2. Correlation Coefficient (r) and Determination Coefficient (R²)

Based on the results of the correlation coefficient (r) analysis shown in Table 4 above, the r value is 0,404, which means that employee loyalty has a moderately significant relationship with job promotion.

Based on the results of the determination coefficient (R²) analysis shown in Table 4 above, the R² value is 0,163. This means that the employee loyalty variable can explain

TABLE 4: Results of Correlation Coefficient (r) and Determination Coefficient (R²).

Model	r	R ²	Adjusted Square	R	Std. Error of the Estimate
1	0,404 ^a	0,163	0,135		4,202

a. Predictors: (Constant), Loyalty Promotion

Source: Primary data processed using SPSS version 24 in 2023.

the job promotion variable by 16,3%, while the remaining 83,7% is explained by other variables not examined in this study.

4.2.3. Hypothesis Testing (t-test)

TABLE 5: Results of Hypothesis Testing (t-test).

Independent Variable	t value	t table	Sig		Result
Loyalty	2,417	1,697	0,022		t hitung > t tabel

Source: Primary data processed using SPSS version 24 in 2023.

Based on the results of the t-test analysis shown in Table 5 above, the t value is 2,417, and the t-table value is 1,697 (df = n-2 = 32-2 = 30) with a significance level of 0,022. This means that the employee loyalty variable has a positive and significant influence on job promotion.

4.3. Discussion

This research aims to analyze and provide an overview of the influence of Employee Loyalty and Job Promotion at the Civil Service and Human Resource Development Agency of Ogan Ilir Regency. Based on the descriptive analysis conducted, it was found that the sample proportions consist of gender, age, highest education level, and length of employee tenure. The sample is dominated by male respondents, with 19 individuals or 59,4%, and female respondents, with 13 individuals or 40,6%. Respondents aged between 36 and 40 years old are the most dominant, accounting for 28,1%, or 9 out of 32 PNS. Many respondents have completed their highest education level at the master's level (S2), representing 50%, or 16 employees. Furthermore, respondents with the longest tenure at the Civil Service and Human Resource Development Agency of Ogan Ilir Regency have been there for more than 6 years, accounting for 46,9%, or 15 individuals out of 32 civil servants. The results of the simple linear regression analysis show that the coefficient is positively valued at 0,524, indicating that the employee

loyalty variable (X) has a positive relationship with the job promotion variable (Y). The correlation coefficient (r) analysis indicates an r value of 0,404, falling within the range of 0,40-0,59, suggesting a moderate or moderate relationship between the employee loyalty variable (X) and the job promotion variable (Y). The determination coefficient (R²) analysis reveals an R² value of 0,163, signifying that the employee loyalty variable (X) can explain 16,3% of the job promotion variable (Y), while the remaining 83,7% is explained by other variables, such as experience and job performance [10].

The t-test results show that the t-value is 2,417, and the t-table value is 1,697 with a significance level of 0,022. This indicates that the employee loyalty variable (X) has a positive and significant influence on the job promotion variable (Y).

The findings of this analysis support the hypothesis H₀, which states that employee loyalty has an impact on job promotion, confirming its validity. Furthermore, this research aligns with the Social Exchange Theory proposed by [9], which explains that individuals make decisions based on the outcomes they wish to achieve. In this context, it relates to the effort employees put into demonstrating their loyalty to the organization in return for positive feedback such as salary, bonuses, or job promotions.

The results of this research are consistent with previous studies conducted by [10] and [11], which found a positive and significant impact of loyalty on job promotion. However, it is not in line with the findings of [8], which suggested that loyalty has no influence on job promotion. This suggests that higher employee loyalty increases the likelihood of job promotion.

5. Finding and Conclusion

Based on the above results, it can be concluded that employees already have a sense of loyalty to their workplace, prompting the organization to reward them with job promotions. It is important to note that this research only focuses on the variables of employee loyalty and job promotion at the Badan Kepegawaian dan Pengembangan Sumber Daya Manusia (BKPSDM) Kabupaten Ogan Ilir. The R² value of 0,163, representing only 16,3%, indicates that there are other variables, accounting for 83,7%, capable of explaining job promotions. These variables may include education, training, performance, experience, seniority, and others, as suggested in previous research studies ([12]; [10]; and [13]).

6. Implications, Limitations, and Suggestions

This research is certainly not exempt from research limitations, so constructive suggestions are needed for further research development. The suggestions in this research are as follows:

1. In this study, the author only used one independent variable, namely employee loyalty. It is hoped that future research can add other independent variables, such as education, training, performance, experience, seniority, and others, as suggested in previous research studies ([12]; [10]; and [13]).
2. For future researchers, it is recommended to expand the research scope by using a study population of more than 50 respondents.
3. This research only used one source of research data, which is the questionnaire method. Therefore, future research can expand the sources of research data, such as interviews.

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