

The Role of Job Satisfaction in Mediating the Influence of Job Promotion on Employee Performance at the Regional Revenue Agency of North Sumatra Province

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Abstract

This study aims to analyze the effect of position promotion on employee performance both directly and through job satisfaction as a mediating variable at the Regional Revenue Agency of North Sumatra Province. Promotion is part of human resource management which is expected to be able to increase employee motivation and performance. This study uses a quantitative approach with a survey method. Data was collected through a questionnaire that was distributed to 90 respondents who were employees of the agency. Data analysis was carried out using the Structural Equation Modeling (SEM) method based on Partial Least Squares (PLS). The results of the study show that. Promotion of positions either directly or through job satisfaction has a positive and significant effect on employee performance. Promotion has a positive and significant effect on job satisfaction, as well as job satisfaction on employee performance also has a positive and significant effect.

Keywords: Job Promotion, Job Satisfaction, Employee Performance

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Introduction

Improving employee performance is one of the main goals in human resource management, especially in public sector organizations such as the Regional Revenue Agency of North Sumatra Province. As a government agency responsible for managing regional revenue, optimal employee performance is needed so that regional revenue targets can be achieved according to regional development plans.

One of the factors that can drive employee performance is job promotion. Promotion is a form of appreciation given by the organization for employee work achievements, which is expected to increase employee motivation, loyalty, and responsibility (Wibowo, 2020). Promotion also provides opportunities for employees to develop and occupy higher positions according to their competence and performance.

However, the effect of job promotion on employee performance does not always occur directly. Job promotions can increase job satisfaction, which in turn encourages employees to work better. According to Robbins and Judge (2022), job satisfaction is an employee's positive attitude towards their work, which is reflected in feelings of pleasure and pride in the work carried out. Employees who feel satisfied will tend to work more productively, disciplined, and motivated to make their best contribution.

Research in the last five years supports this relationship. Research by Sari and Pratama (2020) shows that promotion has a positive effect on employee performance through job satisfaction as a mediating variable in local government agencies. Research by Fitri and Ramadhan (2021) also found that job promotion increases employee job satisfaction, which has an impact on improving performance in the public sector. Similarly, research by Nasution and Siregar (2023) confirms that employees who get promotion opportunities tend to have higher job satisfaction, so their performance also increases.

However, at the Regional Revenue Agency of North Sumatra Province, problems related to employee performance are still found, such as the achievement of regional revenue targets is not optimal, low employee initiative in exploring new revenue potential, and the level of discipline that still needs to be improved. This phenomenon can indicate that even though job promotions are carried out, employee job satisfaction has not been fully formed optimally.

Based on this background, this study was conducted to analyze the role of job satisfaction in mediating the influence of job promotion on employee performance at the Regional Revenue Agency of North Sumatra Province. This research is expected to provide input for leaders in formulating more objective and strategic position promotion policies and building employee job satisfaction so that performance can be improved sustainably.

Literature Review

Theoretical Framework

Employee Performance

Definition of Employee Performance

Robbins and Coulter (2016) employee performance is the level of achievement of employee work results in an organization that is measured based on predetermined standards or targets. Performance is the result of a specific job function that can be measured based on a set standard or target.

Employee Performance Indicators

According to Robbins and Coulter (2016):

1) Quality of Work Results

Measure how good the results of employee work are, including thoroughness, neatness, and conformity with set standards.

- 2) Quantity of Work Results
Describes the volume of work completed in a given period of time.
- 3) Timeliness
Demonstrate the ability of employees to complete work according to schedules and deadlines.
- 4) Effectiveness
Refers to the optimal use of resources in achieving the desired work results.
- 5) Independence at Work
Assess the extent to which employees can complete tasks without having to rely constantly on the help of others.
- 6) Commitment to Work
Demonstrate loyalty, dedication, and responsibility to the task and organization.

Job Satisfaction

Definition of Job Satisfaction

Greenberg and Baron (2020) "*Job satisfaction is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs.*" Job satisfaction includes both positive and negative dimensions, depending on how a person feels about their job.

Job Satisfaction Indicators

According to Greenberg and Baron (2020), the following are indicators of job satisfaction:

- 1) The Work Itself
The extent to which the work done is considered interesting, challenging, and intrinsically satisfying.
- 2) Salary or reward (Pay)
Perception of fairness and adequacy of salaries or financial compensation received.
- 3) Promotion Opportunities
Possibility to move up or get career development in the future.
- 4) Supervision
Quality of relationships and support from superiors, including leadership style and open communication.
- 5) Co-workers
Harmonious interpersonal relationships and good cooperation between employees.
- 6) Working Conditions
The work environment is physical and psychological, such as comfort, safety, and available work facilities.

Promotion of Positions

Definition of Position Promotion

Robbins and Judge (2019) "*Promotion is the assignment of an employee to a position that is higher in rank and responsibility. This often comes with increased pay, benefits, and other rewards.*" A promotion is the assignment of an employee to a higher position, which is usually accompanied by an increase in salary and facilities.

Job Promotion Indicators

According to Robbins and Judge (2019), the indicators of job promotion:

- 1) Individual Performance
Excellent employee performance is the main indicator in job promotion. Employees who show outstanding work results and achievements that exceed expectations will be prioritized for promotion.

- 2) **Abilities and Competencies**
Another important indicator is the ability and competence of employees to carry out more complex tasks related to higher positions. Promotions are often given to employees who have the relevant skills and knowledge and leadership skills needed in higher positions.
- 3) **Readiness for Greater Responsibility**
An indicator of position promotion is the readiness of employees to accept greater responsibility. This includes the ability to lead a team, make strategic decisions, and manage resources effectively.
- 4) **Achievement of Organizational Goals**
Promotion often relates to the extent to which employees contribute to the achievement of organizational goals. Employees who support and actively contribute to the achievement of the organization's vision and mission have a greater chance of being promoted.
- 5) **Performance Evaluation and Assessment**
Performance evaluation carried out by superiors and management is the basis for determining position promotion. This assessment includes factors such as the quality of work, speed of completing tasks, and ability to work in a team.
- 6) **Potential for Career Development**
Another indicator is the potential of employees to develop their careers further. Organizations tend to select employees who have the ability to grow and develop in the future, as well as show interest in taking on more senior positions.
- 7) **Work Experience and Loyalty**
Sufficient work experience and loyalty to the organization are also important indicators. Employees who have worked long enough in the organization and show high dedication are usually considered ideal candidates to be promoted.
- 8) **Alignment with Organizational Values**
The success of a promotion often depends on the employee's suitability with the values and culture of the organization. Employees who hold the organization's core values and behave in accordance with the existing work culture have a greater chance of being promoted.

Conceptual Framework

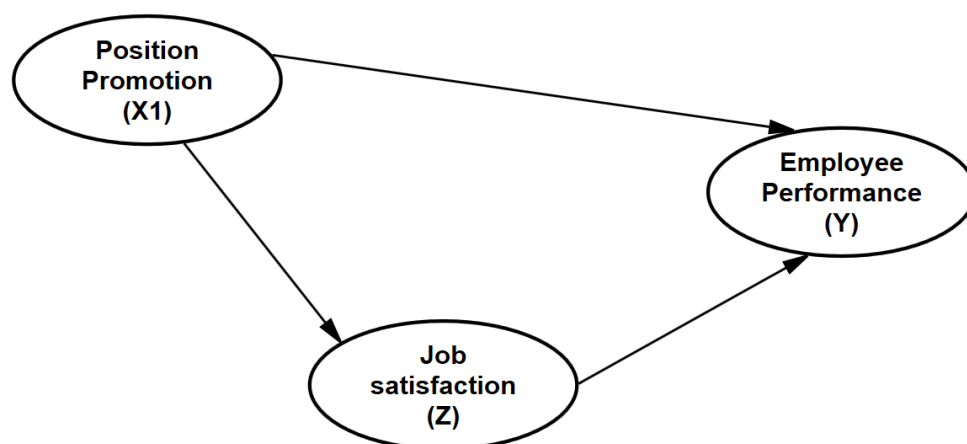


Figure 1. Conceptual Framework

Research Hypothesis

- H1: Promotion of positions has a positive and significant effect on the performance of employees at the Regional Revenue Agency of North Sumatra Province.
- H2: Promotion of positions has a positive and significant effect on job satisfaction at the Regional Revenue Agency of North Sumatra Province.
- H3: Job satisfaction has a positive and significant effect on employee performance at the Regional Revenue Agency of North Sumatra Province.
- H4: Promotion of positions has a positive and significant effect on employee performance through job satisfaction at the Regional Revenue Agency of North Sumatra Province.

Methods

Types of Research

The type of research that the researcher uses is quantitative research. This type of quantitative research is carried out to make a study that aims to adjust a research and to analyze the promotion of positions to employee performance mediated by job satisfaction at the Regional Revenue Agency of North Sumatra Province.

Research Location and Research Time

The location of the research was conducted at the Office of the Regional Revenue Agency of North Sumatra Province, which is located on Jl. Sisingamangaraja Km 5.5, Sitirejo II, Medan Amplas District, Medan City, North Sumatra. The research period was carried out for 3 months, from April to June 2025.

Population and Sample

The population in this study is all permanent employees at the North Sumatra Provincial Regional Revenue Agency Office as many as 750 people, but in the sampling only 2 units were taken, namely the income management unit as many as 60 people and the general section unit as many as 30 people so that the total sample was 90 people and all of them had the status of ASN.

Research Data Sources

The data source used in this study is primary data.

Result and Discussion

Outer Model *Analysis*

The *Outer Model* analysis using the *PLS Algorithm* yielded:

Validity Test

Table 1. Value of Outer Loadings

	Employee Performance	Job satisfaction	Position Promotion
X1.1			0,912
X1.2			0,898
X1.3			0,921
X1.4			0,916

X1.5			0,871
X1.6			0,901
X1.7			0,921
X1.8			0,914
Y.1	0,883		
Y.2	0,932		
Y.3	0,921		
Y.4	0,913		
Y.5	0,858		
Y.6	0,905		
Z.1		0,851	
Z.2		0,804	
Z.3		0,864	
Z.4		0,897	
Z.5		0,898	
Z.6		0,914	

Source: PLS Smart Output, 2025

Based on the values in Table 1 above, showing the results of the outer model test through the loading factor / outer loadings value, all indicators in each variable have a loading value ≥ 0.70 . This shows that each indicator is able to represent a measured construct validly and robustly. Therefore, it can be concluded that all items in the questionnaire have met the criteria of convergent validity and can be used in subsequent analysis. For more details on the above value, you can also see the following figure.

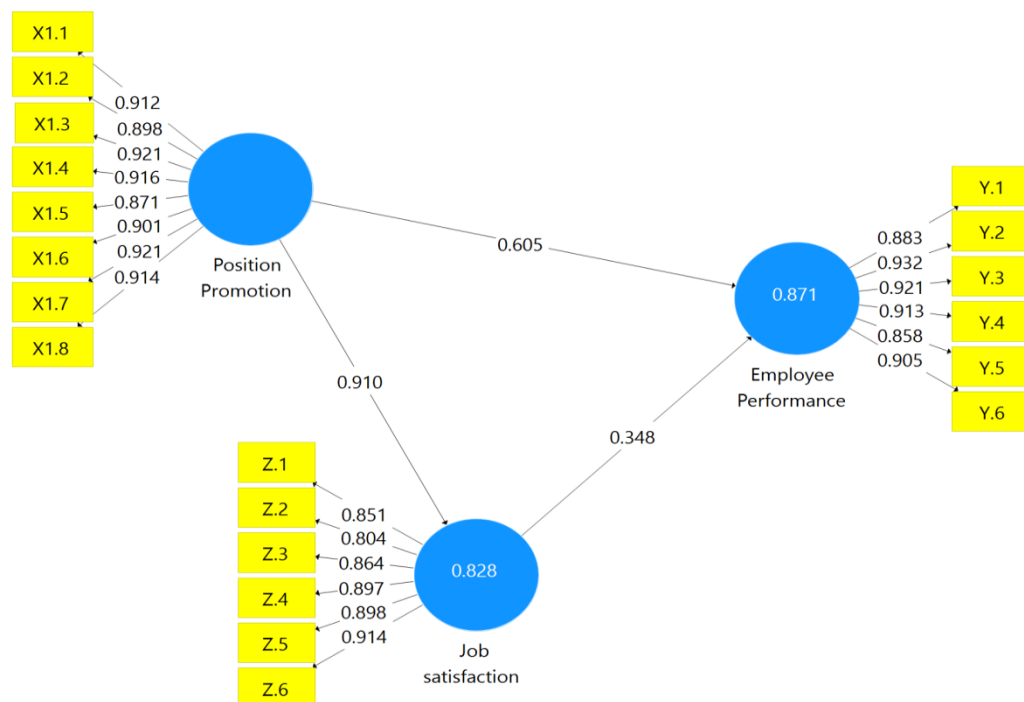


Figure 1. Outer Loudings

Reliability Test

Table 2. Construct Reliability and Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance	0,954	0,955	0,963	0,814
Job satisfaction	0,937	0,940	0,950	0,761
Position Promotion	0,969	0,969	0,974	0,823

Source: PLS Smart Output, 2025

From Table 2 above, the reliability test results show that Cronbach's Alpha and Composite Reliability values on all constructs have values above 0.70. This shows that all indicators have high internal consistency and are reliable in measuring their respective constructs. Thus, the research instrument is declared reliable and feasible for use in structural model testing.

Coefficient of Determination (R²)

In assessing a model with PLS it starts by looking at the R-square for each dependent latent variable. The table below is the result of Rsquare estimation using SmartPLS.

Table 3. R Square Results

	R Square	R Square Adjusted
Job satisfaction	0,828	0,828
Employee Performance	0,871	0,870

Source: Smart PLS, 2025

In table 3, there is an R square value in both dependent variables for the job satisfaction variable, there is an R square value of 0.859, meaning that the effect of position promotion is 0.828 or 82.8%, the rest is in other variables outside the model. The R square value of employee performance is 0.871, meaning that the effect of job promotion and job satisfaction is 0.871 or 87.1%, the rest is on other variables outside the model.

Structural Model Testing (Inner Model)

Internal testing of the model or structural model is carried out to see the relationship between the construct, significance value and R-square of the research model. The structural model is evaluated by using R-square for dependent constructs.

Hypothesis Testing

Direct Influence Between Variables

The direct influence between variables can be seen in the value of *path coefficients*. The results of the data processing show the value of direct influence can be seen in the following table.

Table 4. Path Coefficients (Direct Influence)

	Original Sample	T Statistics	P Values	Conclusion
Position Promotion -> Employee Performance	0,605	8,450	0,000	Accepted
Position Promotion -> Job satisfaction	0,910	47,777	0,000	Accepted
Job satisfaction -> Employee Performance	0,348	5,111	0,000	Accepted

Source: PLS Smart Output, 2025

In the results of Table 4, there are the following direct influence values:

1. Promotion has a positive and significant effect on job satisfaction with a t-statistical value of 8.450 above 1.96 and a significance of 0.000 below 0.05, meaning that promotion has a positive and significant effect on job satisfaction because the significance value is below 0.05. The results of this study are in accordance with research conducted by Fadli (2020) which states that position promotion has a positive and significant effect on job satisfaction at PT Modern Plasindo Mutiara.
2. Promotion has a positive and significant effect on employee performance with a t-statistical value of 47.777 above 1.96 and a significance of 0.000 below 0.05, meaning that promotion has a positive and significant effect on employee performance because the significance value is below 0.05. The results of this study are also in accordance with research conducted by Kurniawan & Fitriyani (2021) which states that job promotion has a positive and significant effect on employee performance.
3. Job satisfaction has a positive and significant effect on employee performance with a t-statistical value of 5.111 above 1.96 and a significance of 0.000 below 0.05, meaning that job satisfaction has a positive and significant effect on employee performance because the significance value is below 0.05. Research by Basri & Rauf (2021) also states that job satisfaction has a positive and significant effect on employee performance.

Indirect Influence Between Variables

The indirect influence between variables can be seen in the value of *specific indirect effects*, which can be seen in Table 5 below.

Table 5. Specific Indirect Effects

	Original Sample	T Statistics	P Values	Conclusion
Position Promotion -> Job satisfaction -> Employee Performance	0,317	5,053	0,000	Accepted

Source: Smart PLS, 2025

In table 5, there is an indirect influence between variables which will be explained as follows:

Job promotion has a positive and significant effect on employee performance through job satisfaction with a t-statistical value of 5.053 and a significance value of 0.000, meaning that

job satisfaction plays a role as an intervening variable between job promotion and employee performance. Ulfiza & Bahri (2022) also stated in their research that position promotion has a positive and significant effect on the performance of employees through the job satisfaction of PT Asuransi Bangun Askrida Medan Branch.

Conclusion

1. Promotion of positions has a positive and significant effect on the performance of employees at the Regional Revenue Agency of North Sumatra Province.
2. Promotion of positions has a positive and significant effect on job satisfaction at the Regional Revenue Agency of North Sumatra Province.
3. Job satisfaction has a positive and significant effect on employee performance at the Regional Revenue Agency of North Sumatra Province.
4. Promotion of positions has a positive and significant effect on employee performance through job satisfaction at the Regional Revenue Agency of North Sumatra Province.

Suggestion

1. Promotion of position with the statement "My performance assessment is carried out objectively and fairly". Agencies should maintain and continue to improve an objective and fair performance appraisal system, with reference to measurable indicators and involve evaluation from direct supervisors and feedback from colleagues, in order to create a transparent work climate and encourage employee performance improvement.
2. For job satisfaction with the statement "I feel that the compensation or salary I receive is appropriate". Agencies should maintain compensation policies that are in accordance with the workload and responsibilities of employees, and periodically evaluate and adjust to remain competitive and able to increase employee motivation and loyalty.
3. employee performance with the statement "I am able to work independently without direct supervision". Agencies should give greater trust to employees who demonstrate the ability to work independently, while still providing a clear performance monitoring system to encourage productivity and accountability.

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