

THE EFFECT OF PERFORMANCE MANAGEMENT EFFECTIVENESS AND JOB PERFORMANCE WITH PERFORMANCE APPRAISAL AS AN INTERVENING VARIABLE ON EMPLOYEE PROMOTIONS AT PT. BANK SUMUT HEAD OFFICE MEDAN.

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ABSTRACT

The success of employee performance will be followed by recognition or appreciation from the company in the form of bonuses and incentives provided so that this can increase the employee's ability to provide even better work performance and get a promotion for achieving employee performance in the company. The assessment system using grades or ranks makes employees have to meet the specified criteria, in other words, if they get an assessment of numbers 3 to 5 in each year, employees will get a promotion, but if they get an assessment of criteria 1 to 2 each year in a row, they will be given a warning sanction (SP) while the 0 criteria is mostly the case for new employees who have not had a performance appraisal (PA) assessment. Good performance management is needed in the development of a productive and sustainable work system both in communication and building partnerships between an employee and his direct supervisor. In this study the authors used an associative approach to determine the relationship of each variable and the tendency of the data used was quantitative methods. The data analysis technique used in this research is descriptive analysis and path analysis. To test the feasibility of the model using analytical techniques in the Partial Least Square method. The results in this study obtained that the performance management effectiveness variable has a positive and significant effect on performance appraisal. Job performance has a positive and significant effect on performance appraisal. The effectiveness of performance management has a positive and significant effect on promotion. Job performance has a positive and significant effect on job promotion. Performance appraisal has a positive and significant effect on job promotion. The effectiveness of performance management has a positive and significant effect on promotion through performance appraisal. Job performance has a positive and significant effect on promotion through performance appraisal.

Keyword: Performance Management Effectiveness, Job Performance, Performance Appraisal, Position Promotion

1. INTRODUCTION

The development of human resources in the current digitalization era has an important role in creating a productive work ecosystem and being able to provide performance, in this case improving employee performance. Good performance management is needed in several banking companies today, apart from being applied in the concept of performance achievement, performance management can also be applied to the organizational structure in banking companies. The success of employee performance will be followed by recognition or appreciation from the company in the form of bonuses and incentives provided so that this can increase the employee's ability to provide even better work performance and get a promotion for achieving employee performance in the company.

PT Bank Sumut which is one of the tools / completeness of regional autonomy in the banking sector, PT Bank Sumut has a function as a driving force and driving the pace of development in the region, acting as a regional cash holder and or carrying out regional money storage and as a source of regional income and as a Commercial Bank as intended by Law No. 7 of 1992 which has been amended to Law No. 10 of 1998. The development of the management system has an impact on the progress of Bank Sumut to date. Employee performance and employee responsibility are required in the banking service management system to maintain data security and public funds. In addition, providing the best service to the community has become part of the company's culture. This proves that a good management system, security, integrity and corporate commitment make Bank Sumut able to contribute to improving the economy of the people in Medan City.

Promotion is a form of appreciation given by the company to employees for their contribution and

performance. The transfer of authority and responsibility of positions is one of the inseparable parts, employees get even greater trust to complete their work because they are considered capable and competent in providing solutions to problems that often occur in work. Job promotion carried out by company management plays an important role for every employee, that every employee makes promotion a goal that is always expected (Setiawan, 2013). High performance achievement is often a problem for employees to get promotions. The assessment system using grades or ranks makes employees have to meet the specified criteria, in other words, if they get an assessment of numbers 3 to 5 in each year, employees will get a promotion, but if they get an assessment of criteria 1 to 2 each year in a row, they will be given a warning sanction (SP) while the 0 criteria is mostly the case for new employees who have not had a performance appraisal (PA) assessment. Achievement of employee targets in the last 3 years has increased but only a few have received promotions due to consistency for each year in achieving the company's product sales target. In Table 1.1 below, the number of employees in the promotion assessment has increased and decreased from 2020-2022 for grades 3 to 5, while for grades 0 to 2 it has decreased from 2020-2022, this is thought to be a problem in providing criteria for promotion.

Table 1.1.

Performance Achievement of Employee Promotion Assessment

Grade	Performance appraisal (PA)	YEARS		
		2020	2021	2022
5	Special	4	16	1
4	Very good	135	137	174
3	Good	291	283	284
2	Fair	18	18	4
1	Poor	6	2	1
0	No PA	16	14	6
Grand Total		470	470	470

Source: PT Bank Sumut Medan Head Office, 2022

Good performance management is essential in developing a productive and sustainable work system in terms of communication and building partnerships between an employee and his or her immediate supervisor. This is what must be applied in the company to ensure employees understand what work is most important and especially done first until it reaches the completion stage. Achieving performance requires full responsibility for the process so that there needs to be an evaluation from the company leadership for each employee's performance achievement. In the performance management cycle, there are several stages, one of which is performance appraisal. According to Hayat (2014), that at the performance appraisal stage there is a career system that can improve the quality of human resources of the apparatus and have a positive impact on improving the quality of human resources for the better. Good quality human resources will affect performance results and can increase employee performance productivity. The problem that often occurs in the implementation and application of performance management is that it has not been effectively carried out by employees so that it has a negative impact on not achieving employee sales targets. Every employee's target achievement is input into the BEST application performance management module. The work unit leader (PUK) will conduct an employee performance review process in the middle of the year through a communication process and review the performance achievement plan until the end of the year. The arrangement of employee performance achievement plans has followed the employee performance assessment indicators in accordance with the KPIs set by the company. According to Moeheriono (2012: 113), performance can be measured based on performance indicator measures which are grouped into the following six categories, namely (a) Effective, (b) Efficient, (c) Quality, (d) Timeliness, (e) Productivity, and (f) Safety.

Job performance is an organizational performance based on the ability to acquire and process different organizational resources (e.g. human, financial, and physical) to achieve corporate goals and objectives (Ramezan et al., 2013). Job performance is not only taking action but also taking full responsibility for the results of the work so that employee work performance provides an assessment of employee work performance both in daily, weekly, monthly and annual assessments. Job performance appraisal provides a comprehensive evaluation of the work results needed to achieve the goals and work targets set by the company. The problem that often occurs in employee job performance is their inability to set production targets used in the overall assessment system using the BEST performance management module application.

This application is very helpful for companies in providing objective assessments and transparency to employee work performance and ensuring the achievement of production targets in accordance with the

provisions of the KPI standard assessment at PT Bank Sumut Medan Head Office. In addition, performance in carrying out its functions also does not stand alone, but is related to the factors that influence it, performance can be influenced by internal and external factors. Performance in carrying out its functions does not stand alone, but is related to the factors that influence it, performance can be influenced by internal and external factors. These factors can come from the organizational structure as an internal relationship related to the functions that explain organizational activities, management policies can be in the form of the vision and mission of the organization, human resources related to the quality of employees to work and work optimally, management information systems related to database management to be used in enhancing organizational performance, facilities and infrastructure owned which relate to the use of technology for the organization in every organizational activity. Performance appraisal is a model of human resource assessment (HR) carried out every 2 quarters and annually by the head of the work unit (PUK) and employees.

Performance appraisal is an important key to maintaining the quality of employee performance at Bank Sumut. Performance appraisal is also a process by which organizations evaluate or assess employee performance. This activity can improve personnel department decisions and provide feedback to employees about their work performance. The purpose of performance appraisal is to evaluate and provide feedback to employees who will develop their careers and the success of the organization. Performance evaluation helps decision makers to determine wage increases, bonuses and other forms of compensation. According to Dessler (2015), performance appraisals always involve a three-step research process: (1) setting a work standard; (2) assessing the employee's actual performance relative to the standard (this usually involves some form of assessment); and (3) providing feedback to the employee with the aim of helping him to eliminate performance deficiencies or to continue to perform above the standard.

Performance appraisal has an assessment range from 1 to 5 with the provision of a percentage increase from 0% to 6% in addition to the basic salary received by the employee as shown in Table 1.2 regarding the composition of salary increases based on performance appraisal assessments below:

Table 1.2.
Composition of Salary Increase Based on PA Assessment

Criteria	PA	Range Base	Salary Value
Is	5	4,51 – 5,00	6%
SB	4	4,01 – 4,50	5,5%
B	3	3,01 – 4,00	5%
CB	2	2,01 – 3,00	2,5%
K	1	0,00 – 2,00	0 %

Source: PT Bank Sumut Medan Head Office, 2022

In Table 1.2 above, it can be seen that the percentage of basic salary increase only slightly differs from the special assessment criteria by 6%, very good by 5.5% and good by 5%. This is the problem of employees that the percentage difference of only 0.5% from good to excellent criteria makes employees only choose good criteria to maintain employee work performance assessment. Another problem with the performance appraisal assessment is the increase and decrease in the percentage of achievement of the grand total of employees at Bank Sumut as shown in Table 1.1. Excellent criteria the percentage of achievement is only 2.06% in 2022, a decrease of 5.26% from 2021, very good criteria the percentage of achievement is only 22.32% in 2022, a slight increase of 37.17% from 2021, good criteria the percentage of achievement is 65.72% in 2022, a slight increase of 3.31% from 2021, the percentage of achievement is only 2.1% in 2022, a decrease of 64.51% from 2021, the percentage of achievement is only 0.153% in 2022, a decrease of 50% from 2021, while the criterion 0 in the assessment of employees who have not had a performance appraisal assessment has decreased by 7.62% from 2021. In this achievement, it can be concluded that the good criteria have the highest percentage of achievement of 65.72% in 2022, 63.61% in 2021 and 66.67% in 2020 from a total of 2611 employees. This proves that employees at Bank Sumut choose good criteria for work performance performance compared to excellent and very good criteria because it is very difficult to maintain assessment consistency until the following year.

The assessment of the composition of production services based on the performance appraisal assessment is also a problem for employees due to the high assessment for the achievement numbers at the lower limit and at the upper limit on the excellent and special criteria, while in the good criteria the lower limit and upper limit are not too high in the range of numbers 5.90 for the lower limit and 7.74 for the upper limit as shown in Table 1.3 below:

Table 1.3.
Composition of Production Services Based on Performance Appraisal

			Criteria	Difference
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Criteria	PA	Range Base	Lower Limit	Upper Limit	between Upper and Lower Limits
Special	5	4.51 – 5.00	8.25	9	0.75
Very good	4	4.01 – 4.50	7.75	8.24	0.49
Good	3	3.01 – 4.00	5.9	7.74	1.84
Fair	2	2.01 – 3.00	4	5	1
Poor	1	0.00 – 2.00	0.01	3	2.99

Source: PT Bank Sumut Medan Head Office, 2022

This phenomenon is a very interesting thing to do research on, especially the performance appraisal assessment criteria set by the company which are very high but are not followed by a percentage increase in basic salary which only experiences a slight difference from good, very good and special criteria. Based on the above phenomenon, the researcher is interested in conducting research with the title "The Effect of Performance Management Effectiveness and Job performance with Performance appraisal as an Intervening Variable on Employee Promotion at PT. Bank Sumut Medan Head Office".

2. MATERIALS & METHODS:

Path Analysis Model

The path analysis model consists of two structural equations with two substructures, namely: X1, X2, as exogenous variables and Z and Y as endogenous variables (variable Z as a mediating variable). Pengaruh X1 dan X2 terhadap Y Pengaruh X1, X2, Y terhadap Z Pengaruh X1 dan X2 melalui Y terhadap Z

Keterangan :

- X1 = Performance Management Effectiveness
- X2 = Job Performance
- Z = Performance Appraisal
- Y = Position Promotion

3. RESULT:

R2 Testing Results

The output results for the R2 value using the smartPLS computer program are obtained:

Table 1.4 R-Square Table

	R-Square	R-Square Adjusted
Performance Appraisal (Z)	0.674	0.671
Position Promotion (Y)	0.496	0.489

Source: Data processed with SmartPLS, 2023

Based on Table 1.4 above, it can be described as follows:

Performance Appraisal

The R-Square value of the Performance Appraisal variable is 0.674, this shows that the Effectiveness of Performance Management (X1), Job Performance (X2), can explain Position Promotion (Y) through Performance Appraisal (Z) by 67.4% the rest or 32.6% is explained by other independent variables not included in this study.

Position Promotion

The R-Square value of the Position Promotion variable is 0.496, this shows that the Effectiveness of Performance Management (X1), Job Performance (X2), and Performance Appraisal (Z) can explain Position Promotion (Y) by 49.6% while the rest or 50.4% is explained by other independent variables not included in this study.

Table 1.5
Results of Bootstrapping Calculation of Research Data Path Coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Job Performance (X2) -> Performance Appraisal (Z)	0.534	0.540	0.069	7.763	0.000

Management Effectiveness Performance (X1) -> Promotion of Position (Y)	0.546	0.548	0.094	5.794	0.000
Management Effectiveness Kinerja (X1) -> Performance Appraisal (Z)	0.342	0.340	0.072	4.758	0.000
Performance Appraisal (Z) -> Promotion of Position (Y)	0.113	0.110	0.085	2.326	0.005
Job Performance (X2) -> Promotion of Position (Y)	0.187	0.181	0.095	1.988	0.024

Source: Data processed with SmartPLS, 2023

Tabel 1.6.
Tabel Indirect Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	P values
Management Effectiveness Kinerja (X1) -> Performance Appraisal (Z) -> Promotion of Position (Y)	0.139	0.138	0.030	2.269	0.005
Job Performance (X2) -> Performance Appraisal (Z) -> Promotion of Position (Y)	0.160	0.159	0.047	2.286	0.029

Source: Data processed with SmartPLS, 2023

In testing the significance, it is necessary to calculate *ttabel* and *thitung* with a significance level of 0.05, with $ttabel = TINV(0.05, \text{number of samples} - 3)$, namely $ttabel = TINV(0.05, 209)$, so that *ttabel* is 1.971 so that the exogenous latent variables on the endogenous latent variables can be described as follows:

1. The Job Performance (X2) variable on Performance Appraisal (Z), has a positive value of 0.534 or 53.4% with a T-Statistic value of 7.763, which shows that the T-Statistic (7.763) > *ttabel* (1.971), it can be concluded that Job Performance has a positive and significant effect on Performance Appraisal with an influence of 53.4%.
2. The Job Performance (X2) variable on Position Promotion (Y), has a positive value of 0.187 or 18.7% with a T-Statistic value of 1.988, which shows that the T-Statistic (1.988) > *ttabel* (1.971), it can be concluded that Job Performance has a positive and significant effect on Position Promotion with an influence of 18.7%.
3. The Performance Appraisal (Z) variable on Position Promotion (Y), has a positive value of 0.113 or 11.3% with a T-Statistic value of 2.326, which shows that the T-Statistic (2.326) > *ttabel* (1.971), it can be concluded that Performance Appraisal has a positive and significant effect on Position Promotion with an influence of 11.3%.
4. The variable Performance Management Effectiveness (X1) on Position Promotion (Y), has a positive value of 0.546 or 54.6% with a T-Statistic value of 5.794, which shows that the T-Statistic (5.794) > *ttabel* (1.971), it can be concluded that Performance Management Effectiveness has a positive and significant effect on Position Promotion with an influence of 54.8%.
5. The variable Performance Management Effectiveness (X1) on Performance Appraisal (Z), has a positive value of 0.342 or 34.2% with a T-Statistic value of 4.758, which shows that the T-Statistic (4.758) > *ttabel* (1.971), it can be concluded that Performance Management Effectiveness has a positive and significant effect on Performance Appraisal with an influence of 34.2%.
6. Job Performance (X2) variable on Position Promotion (Y) through Performance Appraisal (Z), has a

positive value of 0.16 or 16% with a T-Statistic value of 2.286, which shows that T-Statistic (2.286) > *t*table (1.971), it can be concluded that Job Performance has a positive and significant effect on Position Promotion through Performance Appraisal with an influence of 16%.

7. The variable Performance Management Effectiveness (X1) on Position Promotion (Y) through Performance Appraisal (Z), has a positive value of 0.139 or 13.9% with a T-Statistic value of 2.269, which shows that T-Statistic (2.269) > *t*table (1.971), it can be concluded that Performance Management Effectiveness has a positive and significant effect on Student Loyalty through Student Satisfaction with an influence of 13.9%.

Discussion of Research Results

Effect of Performance Management Effectiveness on Performance Appraisal

The effectiveness of performance management can run well if the implementation of work has followed the provisions set by the company. Good performance management will produce good quantity and quality of work as well if supported by adequate work tools and facilities. Performance appraisal assessment criteria based on work results will provide a maximum assessment with the use of systems and applications making the assessment of work results more effective. Based on the results of the analysis regarding the results of the path coefficient test between Performance Management Effectiveness and Performance Appraisal has a parameter coefficient of 0.342 or 34.2% with a T-Statistic value of 4.758 which shows that the T-Statistic (4.758) > *t*table (1.971) and the P-Value is 0.000 < 0.05. This shows that Performance Management Effectiveness has a positive and significant effect on Performance Appraisal.

The results of this study are also supported by respondents' explanations of the statement "Achieving the quantity of work results is determined by the effectiveness of performance management that has been carried out", where 65 people (30.7%) strongly agreed; 140 people (66%) agreed; 6 people (2.8%) disagreed; 1 person (0.5%) disagreed, this shows that 205 employees of PT Bank Sumut Medan Head Office (96.7%) are committed to always contributing to achieving the quantity of work results determined by the effectiveness of performance management that has been carried out.

According to Mathis and Jackson (2011), performance evaluation is the process of determining how well employees are doing their jobs relative to standards and communicating that information to them. Performance appraisals are used to assess employee performance and provide a platform for feedback on past, current, and future performance expectations. Performance appraisal is variously called employee appraisal, employee evaluation, performance review, performance evaluation, or results assessment.

The results of this study are in line with Herman Latif's research, (2016) which states that given the importance of employee work effectiveness for progress towards achieving organizational goals, the implementation of performance appraisal can be an organizational step to correct the shortcomings and weaknesses of employee performance, so that they can carry out their duties properly. Because the results of this study indicate that the implementation of performance appraisal has a positive and significant effect on employee work effectiveness. Based on the explanation above, it can be concluded that the effectiveness of performance management will have an impact on the performance appraisal assessment, both on the results of employee performance achievement and on the assessment system needed to provide results that support the company's vision and mission to get employees who have good achievement and performance.

Effect of Job Performance on Performance Appraisal

Job performance in this case job performance is the achievement of the quantity and quality of employee work in accordance with the responsibilities that have been given and this can be seen from the performance that employees have given with high productivity which will create a competitive advantage that distinguishes them from other employees. This is the basis for assessing employee performance appraisal by providing high work performance and productivity from employees.

Based on the analysis of the results of the path coefficient test between Job Performance and Performance Appraisal, the parameter coefficient is 0.534 or 53.4% with a T-Statistic value of 7.763, which shows that the T-Statistic (7.763) > *t*table (1.971) and the P-Value is 0.000 < 0.05. This shows that Job Performance has a positive and significant effect on Performance Appraisal.

The results of this study are also supported by the respondents' explanation of the statement "Timeliness of completing work is a determinant of the results of the assessment of employee performance", where 64 people (30.2%) strongly agreed; 132 people (62.3%) agreed; 15 people (7.1%) disagreed; 1 person (0.5%) disagreed, this shows that employees of PT Bank Sumut Medan Head Office as many as 196 people (92.5%) are committed to having timeliness completing work is a determinant of the results of the assessment of employee performance.

According to Gorda (2006: 190), performance appraisal is a method used to assess an employee's work performance whether it reaches the work targets assigned to him. The implementation of the assessment of work

results or organizational performance and individual performance is carried out by the management system in charge of assessing employee work results called performance management. Performance refers to employee work performance measured against standards or criteria set by the organization. Management to achieve very high employee performance is primarily to improve overall organizational performance.

The results of this study are in line with the research of Ifitakhul Baroroh, et al (2016) which states that work appraisal is a process or activity carried out on various activities in the value that exists in the company. From the assessment results, it was found that work appraisal with employee performance had a significant effect with a T-Statistic value of <1.96 and P Values of 0.000. Based on these results it can be concluded that work appraisal has a significant effect on employee performance. This also means that if the work appraisal is getting better, it will significantly increase the productivity of employee performance at PT Surya Arta Sentosa Mojokerto. Based on these results, the first hypothesis of the study which suspects that job appraisals have a significant effect on the performance of employees of PT Surya Arta Sentosa is proven to be true.

Based on the explanation above, it can be concluded that work performance is an integral part of the company's assessment because employee work performance results in a work assessment that has an impact on employee career development. Good work performance will provide a good assessment as well, even the company will also give awards in the form of bonuses or allowances to its employees who excel.

Effect of Performance Management Effectiveness on Position Promotion

The effectiveness of performance management is the key to an employee's success in getting the attention of company leaders. The ability of employees to utilize time and work opportunities reflects that employees have consistency and willingness to improve their career path while working for the company. Assessment of the effectiveness of employee performance management can be done by giving appreciation for employee work achievements with promotions to employee facilities and benefits.

Based on the results of the analysis regarding the results of the path coefficient test between Performance Management Effectiveness and Position Promotion, the parameter coefficient is 0.546 or 54.6% with a T-Statistic value of 5.794, which shows that the T-Statistic ($5.794 > t_{tabel}$ (1.971) and the P-Value is 0.000 < 0.05 . This shows that Performance Management Effectiveness has a positive and significant effect on Position Promotion.

The results of this study are also supported by respondents' explanations for the statement "Employees who have high creativity will achieve high achievement success too", where 80 people (37.7%) strongly agreed; 115 people (54.2%) agreed; 15 people (7.1%) disagreed; 2 people (0.9%) disagreed, this shows that 195 people (91.9%) committed employees of PT Bank Sumut Medan Head Office have high creativity will achieve high achievement success too.

According to Siti Maysita (2016: 236), work effectiveness is the completion of work exactly at the specified time, meaning that the implementation of a task is marked good or not, it really depends on the completion of the task, how to carry it out, and how much money is spent on it. According to Fathoni (2006), promotion is a positive development of a worker or employee because his duties are considered good by the authorized official. Therefore, the provision of higher responsibility and authority should be given to those who excel.

The results of this study are also in line with the research of Nuzleha (2020), based on hypothesis testing using t student $n - 2 = (10 - 2) = 8$ t table, while the results of t count 19.85, then $t \text{ count } 19.85 > t \text{ table } 2.828$, meaning H_0 is rejected H_a is accepted. Thus it is proven that there is an effect of promotion on the effectiveness of employee work at PT Karya Niaga in Bandar Lampung.

Based on the explanation above, it can be concluded that the effectiveness of performance management is very influential on employee work appraisal to what extent employees have the ability and responsibility in completing their work. Promotion is a measure of employee success in their performance as evidenced by work achievements and results provided. This is what underlies the promotion of positions to be the main goal of employees to get a better career path after the work assessment given by the company based on the results of their work and achievements.

Effect of Job Performance on Position Promotion

Employee job performance is one part of employee responsibility in their work which is measured based on their abilities, skills and expertise. Achievement of work results provides an opportunity for employees to get a positive assessment of their work performance produced as long as employees complete their duties and responsibilities by providing the abilities possessed by employees until the final assessment is given by company leaders regarding the eligibility of employees to get promotions.

Based on the analysis of the results of the path coefficient test between Job Performance and Job Promotion, the parameter coefficient is 0.187 or 18.7% with a T-Statistic value of 1.988, which shows that the T-Statistic ($1.988 < t_{tabel}$ (1.971) and the P-Value is 0.024 < 0.05 . This shows that Job Performance has a positive and significant effect on Position Promotion.

The results of this study are supported by the respondents' explanation of the statement "Transparency of work assessment will help employees to be consistent in achieving work results", where 108 people (50.9%) strongly agreed; 101 people (47.6%) agreed; 2 people (0.9%) disagreed; 1 person (0.5%) disagreed, this shows that 209 employees of PT Bank Sumut Medan Head Office (98.5%) are consistent in achieving work results due to the transparency of work results assessment.

According to Priansa (2016: 166-167), there are several factors that influence job promotion, namely performance and work performance. This promotion uses the results of the work performance assessment as the basis for decision making. Thus it can be said that promotion is an award given by the organization to its employees for their work performance so far. Usually promotions based on work performance are carried out by established organizations whose employees' work performance systems are already in order.

The results of this study are also in line with Suharni Rahayu's research (2017), which states the effect of job promotion on employee performance from the calculation of the coefficient of determination (KD) obtained a value of 11.22%, this shows the contribution of job promotion to employee performance of 11.22% while the rest (100% - 11.22%) = 88.80% is influenced by other factors. Based on the significant test results with the formula above $t_{count} > t_{table}$, namely $2.204 > 1.900$ which means that H_0 is rejected and H_a is accepted, meaning that there is a significant influence between job promotion and employee performance.

Based on the explanation above, it can be concluded that job performance is a form of work given by employees to the company by achieving good results and becoming an assessment of employee performance which can be given as a company award for the work of these employees. Awards for employee work performance can be in the form of compensation, allowances and even promotions given by company leaders.

Effect of Performance Appraisal on Position Promotion

Performance appraisal is a form of company assessment of employee performance. Assessment can be given through work results or work targets obtained by employees based on their abilities. The company's assessment can be a benchmark for employee success in completing their duties and responsibilities in accordance with the assessment criteria provided by the company. Promotion is an employee's choice to show his success in meeting the assessment criteria given by the company.

Based on the analysis of the results of the path coefficient test between Performance Appraisal and Job Promotion, the parameter coefficient is 0.113 or 11.3% with a T-Statistic value of 2.326, which shows that the T-Statistic ($2.326 > t_{table}$ (1.971) and the P-Value is 0.005 < 0.05 . This shows that Performance Appraisal has a positive and significant effect on Position Promotion.

The results of this study are supported by the respondents' explanation of the statement "The success of employee performance can be seen from their ability to take advantage of the time to achieve the targets determined and set by the company", where 73 people (34.4%) strongly agreed; 132 people (62.3%) agreed; 7 people (3.3%) disagreed, this shows that 205 employees of PT Bank Sumut Medan Head Office (96.7%) have the ability to take advantage of the time to achieve the targets determined and set by the company.

According to Siagian (2014: 169), promotion is the movement of employees to higher hierarchical levels accompanied by greater responsibility. One of the basic information that the company can use to determine whether the employee deserves to be promoted is an assessment of employee performance and competence. According to Mangkunegara (2016, p. 69), work performance appraisal is an evaluation or assessment process carried out by leaders on the work assigned to their employees. Through employee performance appraisals, managers can find out how much contribution the employee makes to the achievement of company goals.

The results of this study are also in line with the research of Efvi Noyita (2017) in her research on the impact of work performance appraisals on job promotions obtained results at the real level α (0.05) $>$ Significance (0.000) then H_0 is rejected, meaning that there is a significant and simultaneous influence between work performance appraisals and job promotions.

Based on the explanation above, it can be concluded that performance appraisal can be carried out not only by looking at the results of the assessment but also to the employee's work performance obtained from the achievement of work results and employee productivity. The successful use of appraisal system tools can be used as an alternative for companies to get employees with the best achievements and have the opportunity to get promotions in the company.

The Effect of Performance Management Effectiveness on Position Promotion through Performance Appraisal as an Intervening variable.

The effectiveness of performance management is one of the success factors for employees in making the best possible contribution by utilizing working time as effectively as possible. Good performance management is also a benchmark for employees to get an assessment of their work success and achievements. This assessment has a direct influence on the promotion that will be given by the company to employees who have good and brilliant

achievements.

Based on the results of the analysis regarding the results of the path coefficient test between the Effectiveness of Performance Management with Position Promotion through Performance Appraisal has a parameter coefficient of 0.139 or 13.9% with a T-Statistic value of 2.269, which shows that the T-Statistic (2.269) > *t*table (1.971) and the P-Value is 0.005 < 0.05. This shows that Performance Management Effectiveness has a positive and significant effect on Position Promotion through Performance Appraisal as an intervening variable.

The results of this study are supported by the respondents' explanation of the statement "The performance appraisal assessment criteria greatly assist employees in determining the annual work plan", where 42 people (19.8%) strongly agreed; 163 people (76.9%) agreed; 6 people (2.8%) disagreed; 1 person (0.5%) disagreed, this shows that 205 employees of PT Bank Sumut Medan Head Office (96.7%) have the ability to effectively determine the annual work plan by looking at the performance appraisal assessment criteria determined by the company within a certain period of time which has an impact on the success of employees to get promoted. position.

According to Purnama (2011), an employee who has good work enthusiasm or work performance can be promoted by the company. Macdonald & Lorne (2009), suggest that in various objectives including personnel decisions in conducting promotions, performance appraisals can be carried out to determine them. Employee performance appraisal is generally very important, because with the assessment of employee performance, it allows the company to know the extent of the company's effectiveness in improving, placing and motivating employees and is also useful for companies to determine promotions (Ardianto, 2010).

The results of this study are also in line with Wahyu Maulana's research (2019), from the results of testing between the variables of job promotion and compensation with employee performance it can be concluded that there is a positive and significant influence on employee performance. The greater the opportunity for promotion and the more compensation provided, the better employee performance, while according to Welinus Halawa (2019), based on the results of the partial test (t test) conducted in this study, it can be seen that the Work Effectiveness Variable (X2) partially has a positive and significant effect on the employee performance variable (Y) with a significant value of 0.000 < 0.05 and *t*count (4,493) > *t*table (1,670). These results explain that the Work Effectiveness factor has an important influence in improving employee performance.

Based on the explanation above, it can be concluded that employee performance appraisal is generally very important, because the existence of employee performance appraisal in performance appraisal allows the company to know the extent of the company's effectiveness in improving employee performance management, placing and motivating employees and is also useful for companies to determine job promotions. The greater the opportunity for promotion and the higher the compensation provided, the better the employee performance.

The effect of Job Performance on Position Promotion through Performance Appraisal as an Intervening variable.

Job performance is part of job implementation, the higher the employee's job performance, the higher the company's expectations of the work results and employee work achievements. Job promotion assessment is not only from work performance, it can also be from employee work performance obtained from achieving targets and employee productivity while working at the company.

Based on the results of the analysis regarding the results of the path coefficient test between Job Performance and Job Promotion through Performance Appraisal has a parameter coefficient of 0.16 or 16% with a T-Statistic value of 2.286, which shows that the T-Statistic (2.286) > *t*table (1.971) and the P-Value is 0.029 < 0.05. This shows that Job Performance has a positive and significant effect on Position Promotion through Performance Appraisal as an intervening variable.

The results of this study are supported by the respondents' explanation of the statement "The existence of job completion time provides an optimal assessment of employee work results", where 62 people (29.2%) strongly agreed; 143 people (67.5%) agreed; 7 people (3.3%) disagreed, this shows that 205 employees of PT Bank Sumut Medan Head Office (96.7%) utilize job completion time as an optimal assessment of employee work results. This assessment is based on work performance and work achievements that have the opportunity for employees to get promotions in the company.

According to Nurmalasari (2015), states that job performance plays a role in the process of assessing or evaluating the work performance of an employee or employee carried out by an organization. Assessing or evaluating employee job performance has a role and has an impact on job satisfaction. The better the employee's job performance, the greater the employee's job satisfaction. Company leaders are able to understand employee job satisfaction by implementing employee job performance appraisals.

The results of this study are also in line with the research of Tanti, Dudung Abdurrahman, that the *F*count value is 55.774 and the *F*table value at 5% alpha is 8.5789, so the *F*count value is 55.774 > 8.5789 with a significance level of 0.000 < 0.05. Thus together or simultaneously the work performance appraisal variable (X1), and the competency variable (X2) have a significant effect on the promotion variable (Y). Then *H*0 is rejected and *H*a is

accepted. According to Diamantidis & Chatzoglou (2019), job performance is the level at which the productivity level of an individual employee meets company performance standards. In addition, job performance can also be defined as a person's effort in carrying out their duties and work (Berghe, 2011).

Based on the explanation above, it can be concluded that job performance is part of the implementation of the job, the higher the employee's work performance, the higher the company's expectations of the work results and employee work achievements. Job promotion assessment is not only from job performance, it can also be from employee work performance obtained from achieving targets and employee productivity while working at the company.

4. CONCLUSION:

Based on the results of hypothesis testing conducted with the SmartPLS tool, the following conclusions are obtained: The effectiveness of performance management has a positive and significant effect on Performance Appraisal. This means that if the effectiveness of performance management is done well, the performance appraisal will be better and have an impact on performance appraisal. Job performance has a positive and significant effect on Performance Appraisal. This means that if job performance is getting better, the performance appraisal will be better and have an impact on performance appraisal. The effectiveness of performance management has a positive and significant effect on Job Promotion. This means that if the effectiveness of performance management is done well, it will be followed by an increase in position in the company. Job performance has a positive and significant effect on position promotion. This means that if the job performance is getting better, it will be followed by an increase in position in the company. Performance appraisal has a positive and significant effect on position promotion. This means that if the performance appraisal assessment is getting better, it will be followed by an increase in position in the company. Performance Management Effectiveness has a positive and significant effect on Position Promotion through Performance Appraisal. This means that if the effectiveness of performance management is carried out properly, it will be followed by an increase in position in the company and followed by an increase in performance appraisal of work results. Job Performance has a positive and significant effect on Position Promotion through Performance Appraisal. This means that if job performance is getting better, it will be followed by an increase in position in the company and followed by an increase in performance appraisal of work results.

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