

The Effect of Communication, Promotion, Employee Loyalty and Career Development on Employee Performance at PT Manufacture

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Abstract

This study aims to determine the effect of communication, promotion, employee loyalty, and career development on the performance of PT Manufacture employees. The quantitative method was chosen as the research method because it is concrete and tangible. The population comprises PT Manufacture, Injection Molding Factory Department employees, production staff, and operators. Saturated samples are used in sampling. The multiple linear regression analysis method was chosen to solve existing problems and assist in data analysis. Furthermore, Software Statistical Product and Service Solution (SPSS) version 26 was chosen to process and help hide hypotheses. The results of this study state that communication, promotion, employee loyalty, and career development affect the performance of PT Manufacture employees partially and simultaneously.

Keywords: Communication, promotion, loyalty, career development, and employee performance

1. Introduction

The current era of globalization is characterized by rapid changes in the overall economic situation, creating demands that must be addressed by every economic and industrial actor. PT Manufacture is a manufacturing company with three departments: assembly, injection molding factory, and PCBA. Based on a pre-survey conducted, PT Manufacture conducts promotions once a year, specifically in June and July. The criteria for determining which employees receive promotions need to be communicated openly. Currently, promotions are only given to permanent employees, although both contract and permanent employees desire promotions as a form of appreciation.

In the past two years, there has been no promotion at PT Manufacture, according to the information obtained. This can result in a decrease in employee performance. The career development policy implemented by PT Manufacture involves providing training and development programs. In the era of globalization, companies need an information system to support policy-making and deliver information from management to practitioners. Companies with a large number of employees are faced with the challenge of career development, which is crucial for

improving employee performance through the latest innovations. The following is a table of PT Manufacture employees in the Injection Molding Factory department in the last three years.

TABLE 1
EMPLOYEE DATA OF PT MANUFACTURE
MOULDING FACTORY DEPARTMENT

No	Year	Education	Employee Remain	Employee Contract	Total
1	2020	SMA: 375 S1: 35	55	355	410
2	2021	SMA: 385 S1: 35	53	367	420
3	2022	SMA: 403 S1: 37	50	390	440

Source: PT Manufacture

From the data above, employee loyalty is very significant; feels comfortable, loyal, and has a big commitment to the company. The lack of promotional programs in recent years has significantly impacted employee performance at PT Manufacture. For example, metrics such as employee turnover rates and performance reviews indicate a decline in productivity and morale. Employee feedback also highlights dissatisfaction due to the lack of career progression opportunities.

2. Theoretical Review

2.1 Communication

Effective communication involves sending and receiving messages under conditions where individuals understand the same thing and encourage action (Badrudin, 2015). Companies ready to compete must have effective management to improve the performance of experts and competent employees.

2.2 Promotion

Promotion, as defined by Sungkono & Dewi (2017), involves giving new responsibilities and authority to employees, followed by higher wage increases.

2.3 Loyalty

Employee loyalty, according to Dareho et al (2017), is crucial for maintaining a committed workforce. Hasibuan (2013) explains that maintenance is a strategy to maintain employee loyalty.

2.4 Career Development

Career development is a process of implementing career planning provided by the company (Larasati, 2018). Career development, as described by Kasmir (2017), involves preparing employees to occupy better positions, which is essential for organizational growth.

2.5 Employee Performance

Employee performance is a set of tasks carried out by an employee to fulfill his obligations. Employee performance results from quantity and quality in fulfilling delegated tasks and responsibilities (Ilmiah et al., 2022).

According to Mangkunegara (2017) states that indicators of employee performance are as follows:

1. Quality of work
2. Working quantity
3. Implementation of tasks
4. Responsibility

3. Methods

This research uses quantitative methods. Because this method can help solve problems and is more objective. Primary data was obtained through respondents who filled out the research questionnaire. At the same time, obtaining secondary data from existing documents at PT Manufacture Injection Molding Factory. Respondents for this study were identified using non-probability sampling; as many as 120 respondents were employees of the PT Manufacture Department of Injection Molding Factory for staff and operators. The technique for determining informants in this study is saturated sampling or census.

Questionnaires and documentation helped obtain data to support this research; the questionnaire was distributed to PT Manufacture Injection Molding

Factory employees. The strategy for working on this research data applies SPSS version 26 computation because it can check research data quickly and precisely.

Multiple linear regression analysis was chosen to assist in analyzing each existing data. There is a regression equation model which can be seen as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + \dots + b_nX_n$$

(1)

Source: Processed by Researchers in 2023

Information:

Y = Employee Performance

X1 = Communication

X2 = Promotion of Position

X3 = Employee Loyalty

X4 = Career Development

b1 – b4 = Regression Coefficient of Variable X1-X4

e = Standard error

The step taken is to test the validity of the bivariate Pearson correlation technique. This stage is the beginning of data analysis. Data can be declared valid if r table $< r$ count. In addition, it can be seen that if the significance value is > 0.05 for each question of each variable < 0.05 , the data is invalid. The next stage is the reliability test; this test is carried out to ensure that all variables are proven reliable. Cronbach's alpha method was chosen to test the reliability of the research instrument. With the condition that all variables must have > 0.60 , the variables of this study can be declared reliable.

The next stage is the normality, multicollinearity, and heteroscedasticity tests, part of the classical assumption test. The Kolmogorov-Smirnov test was applied to ensure the normality test through the normal distribution of the regression model requirements, with an Asymp Sig value of > 0.05 . In addition, the P-P Plot Graph also participates in ensuring that this research is usually distributed. As for how to determine it by looking at the points spread along the diagonal line, it shows that the data is usually distributed.

The Variance Inflation Factor (VIF) value is needed to ensure whether or not there is an element of multicollinearity in this study. To fulfill the multicollinearity test, it can be measured by comparing VIF and tolerance values. VIF value < 10 and tolerance > 0.01 is a requirement for determining the multicollinearity test.

Furthermore, heteroscedasticity was carried out to test whether this study found differences in variation and residuals in an observation. The way to find out this test is with the help of a Scatterplot test result chart or with the Glejser Test. If the Glejser test has a significance value of > 0.05 , then a variable is declared to have no heteroscedasticity. Meanwhile, in the scatterplot test, if the points are scattered randomly and irregularly, the variable is said not to have heteroscedasticity. Then there is the t-test, f-test, and determination test. These three tests are part of the hypothesis test, which will help prove the conjecture of this study's hypothesis.

The t-test determines which variable has a partial relationship with each independent variable to the independent variable. The f-test ensures that all independent and dependent variables have a joint effect. A comparison of the significance value evidences this. Furthermore, the last step is determination; determination is a test to determine the amount of variation arising from the dependent variable, which is explained by the independent variable. SPSS Version 26 software is used to carry out the data analysis process.

4. Result and Discussion

4.1 Descriptive Statistics

Descriptive statistics show that communication significantly affects employee performance. Variables X1.1 to X1.6, with an average > 3 , indicate good communication among employees and superiors. Promotion variables (X2.1 to X2.8) also show an average > 3 , indicating that the promotion program is well-implemented. The use of SPSS version 26 is suitable due to its comprehensive features for statistical analysis, which include tools for regression analysis and hypothesis testing, crucial for this study's data analysis.

4.2 Classical Assumption Test Results

TABLE 2
NORMALITY TEST RESULT
ONE-SAMPLE KOLMOGOROV-SMIRNOV TEST

		Unstandardized Residual
N		120
Normal Parameters ^b	Mean	.000000
	Std. Deviation	4.87776926
Most Extreme Differences	Absolute	.053
	Positive	.047
	Negative	-.053
Test Statistic		.053
Asymp. Sig. (2-tailed)		.200 ^c

Source: Processed Researchers 2023

In the findings that can be seen in Table 2, it is known

that the calculated value of the Kolmogorov-Smirnov Test (K-S) is 0.053 with an Asymp Sig level of $0.200 > 0.05$. Therefore, it is concluded that the normality test carried out has a normal distribution.



Figure 2: Normal P-P Plot

Source: Processed Researchers 2023

The following picture shows the dots spread following the diagonal line. The conclusion is that the data used has been tested to be normally distributed. So that research can proceed to the next stage.

TABLE 3
MULTICOLLINEARITY TEST RESULT

Variable	Tolerance Value	VIF Value	Result
Communication (X1)	0.959	1.043	Free
Promotion (X2)	0.974	1.027	Free
Employee Loyalty (X3)	0.988	1.012	Free
Career Development (X4)	0.937	1.068	Free

Source: Processed by Researchers in 2023

Based on the above findings shown in Table 3, it is stated that all of the independent variables used are detected to have a VIF value < 10 and a tolerance value > 0.1 . In conclusion, this study had no element of multicollinearity so you can proceed to the next stage.

In Table 4, it can be shown that in this study, all independent variables were declared free from heteroscedasticity because they had a significance value of > 0.05 .

TABLE 4
HETEROSCEDASTICITY TEST RESULT

Variable	Sig.
Communication (X1)	1.000
Promotion (X2)	1.000
Employee Loyalty (X3)	1.000
Career Development (X4)	1.000

Source: Processed by Researchers in 2023

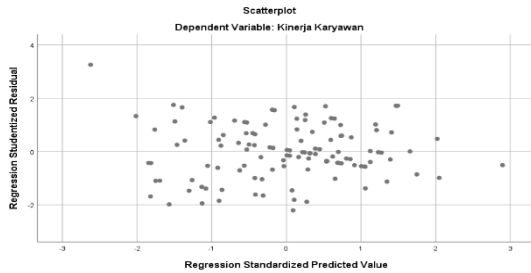


Figure 3: the Scatterplot

Source: Processed Researchers 2023

Based on the graphic image above, with the help of the scatterplot test, it can be seen that the points in the image are scattered randomly, and the points are spread freely. From the explanation above, it can be stated that there are no symptoms of heteroscedasticity; this is reinforced by the scatterplot test, which was carried out to ensure that there is no element of heteroscedasticity in this regression model so that it can continue the research to the next stage.

4.3 Hypothesis Testing Result

TABLE 5
TEST RESULT T

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.737	5.901		-0.633	0.528
	Communication	0.267	0.122	0.193	2.187	0.031
	Promotion	0.28	0.137	0.178	2.039	0.044
	Employee Loyalty	0.207	0.103	0.176	2.02	0.046
	Career Development	0.267	0.132	0.181	2.024	0.045

Source: Processed by Researchers in 2023

The following can be seen in the table above. At the same time, the t-test results are communication, promotion, employee loyalty, and career development, which positively and significantly affect employee performance. The

results of the t-test of all independent variables reinforce this statement. The t-test results obtained for each independent variable have fulfilled the significance requirements of the t-test, namely the significance value of each variable $t < t_{table}$ and through a comparison of t-count values $t > t_{table}$. The t-count obtained in this study was 1,658.

Therefore, all the hypotheses put forward in this study can be accepted. The following is the regression equation that has been generated:

$$Y = -3.737 + 0,267 X_1 + 0,280 X_2 + 0,207 X_3 +$$

(2)

Source: Processed by Researchers in 2023

- The magnitude of the constant (a) is -3.737. That is, if the variables of communication, promotion, employee loyalty, and career development are 0, then the value of the employee's performance will remain the same, namely -3,737.
- The magnitude of the regression coefficient of variable X_1 is 0.267. That is, if the communication variable increases, then the value of employee performance will increase by 0.267.
- The magnitude of the regression coefficient of variable X_2 is 0.280. If the promotion variable increases, the employee performance variable will increase by 0.280.
- The magnitude of the regression coefficient of variable X_3 is 0.207. If the employee loyalty variable increases, the employee performance variable will increase by 0.207.
- The magnitude of the regression coefficient of variable X_4 is 0.267. If the career development variable increases, the employee performance variable will increase by 0.267.

TABLE 6

STATISTICAL F TEST RESULTS

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	468.268	4	117.067	4.755	.001 ^b
	Residual	2831.323	115	24.62		
	Total	3299.592	119			

a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Career Development, Employee Loyalty, Promotion, and Communication

Source: Processed Researchers 2023

Based on the table above, the f test result is as follows

value of 4,755 with a significance value of 0.001. The comparison suggests that in this study, there is a mutual influence between all variables through a comparison of $t > |t_{table}|$. 4,755 > 2.45 and a significant value ratio of 0.001 < 0.05. Thus, it can be concluded that communication, promotion, employee loyalty, and career development affect employee performance. This also supports the acceptance of hypothesis 5.

TABLE 7

COEFFICIENT OF DETERMINATION TEST RESULTS

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.377 ^a	0.142	0.112	4.962
a. Predictors: (Constant), Pengembangan Karir, Loyalitas Karyawan, Promosi Jabatan, Komunikasi				
b. Dependent Variable: Kinerja Karyawan				

Source: Processed Researchers 2023

The table shows that the R Square coefficient of determination is 0.142. Therefore, the factors of communication, promotion, employee loyalty, and career development have a 14.2% influence on employee performance at PT Giken Precision Indonesia Injection Molding Factory Department. In contrast, the other 85.8% is impacted by factors that were not analyzed. It can be said that the correlation between all variables remains relatively low, with other variables having a stronger influence on the factors.

4.4 Discussion

If hypothesis 1 (H1) is supported, it indicates that communication greatly impacts employee performance. This means that communication positively impacts employee performance in a significant way. The findings from the test indicate a significant impact of communication on employee performance at PT Manufacture Department of Injection Molding Factory, with a significance level of 0.031 < $\alpha = 0.05$ and $t_{count} > |t_{table}|$ of 2.187 > 1.658. If employees communicate effectively, their performance will improve, and conversely, it will decline if communication is poor. If proper communication is not established in a company, the performance of employees will suffer. Employees will face difficulty in completing tasks if there is a lack of effective communication. The results of this study align with prior investigations conducted by Kawilarang, J. E. et al. (2017).

According to the findings of the second hypothesis (H2), promotion is detected to have a significant effect on the performance of employees of PT Manufacture. This is indicated by a significance

value of 0.044 < significance $\alpha = 0.05$ and a comparison of $t_{count} > |t_{table}|$ 2.039 > 1.658, stating a positive and significant influence between the promotion variables on employee performance. Promotion is a form of appreciation superiors give to employees who have met specific company promotion criteria. The research findings show that promotions impact PT Manufacture employees' productivity. With a promotion employees who have high achievements get a promotion according to their abilities. It can be said that if the promotion is realized correctly for the employees of PT Manufacture in the Injection Molding Factory department, it will be a driving force for other employees to improve their performance further. This study's results align with previous research by Kawilarang, J. E. et al. (2017).

The third hypothesis (H3) was tested, and the Findings show a relationship between the independent variables, namely employee loyalty, and performance. This is indicated by a significance value of 0.046 < significance $\alpha = 0.05$ and a comparison of $t_{count} > |t_{table}|$ 2.020 > 1.658, indicating that employee loyalty has a positive and significant effect on the performance of PT Manufacture Injection Molding Factory employees. The indicators of employee loyalty include dedication and obedience found in this study. According to the results of distributing the questionnaires, most employees show dedication and obedience to PT Manufacture Injection Molding Factory. Retaining all committed employees will make it easier for companies to adjust to new and prospective employees. In addition, increasing employee loyalty will affect the performance improvement of each of these employees. The findings of this study are consistent with previous research by Dareho, M. P (2017).

The fourth research result (H4) hypothesis is accepted, indicating that career development significantly affects employee performance. This is evidenced by a significance value of 0.045 < significance $\alpha = 0.05$ and a comparison of the value of $t_{count} > |t_{table}|$ 2.024 > 1.658. This study's findings align with Katidjan's research (2017), which found that career development positively and significantly affects employee performance. The higher the career development carried out by the company for each employee, the higher the employee's performance will be. So that employees can create innovations for the progress of the company.

Furthermore, the results of the fifth research (H5) hypothesis are accepted; the f test shows that communication, promotion, employee loyalty, and career development simultaneously significantly affect the performance of the PT Manufacture Injection Molding Factory employees. To support the conclusion of the fifth hypothesis. There is a

comparison of the calculated F value of $4.755 > f$ Table 2.45. In addition, the significance value is $0.001 < 0.05$. This states that communication, promotion, employee loyalty, and career development jointly affect the performance of PT Manufacture Injection Molding Factory employees, thus supporting the fifth hypothesis. The findings of this study update the research of Kawilarang, J. E (2017) by adding the employee loyalty variable. In the previous research conducted by Kawilarang, J. E, Communication, promotion, and career development simultaneously influence employee performance.

5. Conclusion and Suggestion

4.5 Conclusion

The study concludes that effective communication, regular promotions, and robust career development programs are essential for improving employee performance at PT Manufacture. Future research should address the limitations of non-probability sampling and explore additional factors influencing employee performance.

4.6 Suggestion

First, in future research, it is suggested to expand the scope of research by adding variables that have not been studied before. This is done to find out whether other factors also influence employee performance.

Second, the management of the Injection Molding Factory Department, to realize all promotion and career development programs so that later it can motivate all employees to compete to improve performance. Finally, the company should pay more attention to implementing communication at the company.

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