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THE INFLUENCE OF COMPETENCE AND EDUCATION ON EMPLOYEE PERFORMANCE WITH JOB PROMOTION AS AN INTERVENING VARIABLE AT PT PLN (PERSERO) UP3 NORTH MEDAN

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Abstract

This study aims to analyze the influence of competence and education on employee performance with job promotion as an intervening variable at PT PLN (Persero) UP3 North Medan. This study is motivated by the importance of improving employee performance which is not only influenced by individual abilities, but also by job promotion opportunities as a form of appreciation and career development. The research method used is a quantitative approach with data collection techniques through questionnaires. The number of respondents in this study was 69 employees selected through a purposive sampling method. Data analysis was carried out using Partial Least Square (PLS-SEM) to test direct and indirect relationships between variables. The results of the study indicate that: (1) competence has a positive and significant effect on employee performance, (2) competence has a positive and significant effect on job promotion, (3) education does not have a significant effect on employee performance, (4) education has a positive and significant effect on job promotion, (5) job promotion has a positive and significant effect on employee performance, (6) job promotion mediates the effect of competence on employee performance, and (7) job promotion also mediates the effect of education on employee performance. Thus, it can be concluded that competence and education are important factors in supporting job promotion, while job promotion is proven to be a key variable that improves employee performance at PT PLN (Persero) UP3 North Medan.

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

Background

The rapid development of the business and industrial world in this era of globalization forces companies to constantly adapt to changes in the external and internal environment. One important aspect that companies must pay attention to is the quality of human resources (HR). In this context, companies must be able to manage employee competencies and education well to achieve optimal performance. PT PLN (Persero) UP3 North Medan as part of a State-Owned Enterprise (BUMN) engaged in the provision of electrical energy in Indonesia, is faced with the challenge of improving employee performance in order to support the company's vision and mission to provide quality and affordable electricity to all levels of society. In an increasingly competitive work environment, employee competency plays a vital role in supporting performance. Strong competency enables employees to complete tasks more efficiently, thereby increasing productivity and organizational performance. According to research by Robinson & Judge (2018), employee competency, encompassing knowledge, skills, and attitudes, directly impacts individual performance in the workplace. However, competency alone is not enough to maximize performance. Education also plays a crucial role in equipping employees with the knowledge and skills needed to face increasingly complex work challenges. One way to improve employee performance in a company is through job promotions. Job promotions not only serve as a reward for employee achievement but also as a tool to motivate employees to work harder and be more productive. Berg et al. (2015) stated

that job promotions can increase employee motivation, which in turn can improve their work performance. Employees certainly want to improve their performance well, where they will always work hard to complete every job given to them or the job they are assigned, where the job can be completed if they are able to do the job well.(Trillo-Cabello, Antonio F., Carrillo-Castrillo, Jesús A. and Rubio-Romero, 2021). Improving performance will create self-development for employees, where the more developed an employee's abilities are, the more capable they will be of doing things outside their existing competencies and fields of work, where existing fields of work can easily be adjusted to their abilities, in accordance with the fields of work and also the work procedures created in each work unit and department.(Subhan, Aris, Joesah & and Kusuma, 2023). Many studies have examined the relationship between competence, education, job promotion, and employee performance. However, most studies have focused on the influence of competence and education on employee performance separately, without considering the role of job promotion as an intervening variable that can strengthen the relationship between the two. Therefore, this study is important to conduct, focusing on how job promotion can act as a mediating factor in the relationship between competence and education on employee performance at PT PLN (Persero) UP3 North Medan.

Several relevant previous studies can be used to support the importance of this research. For example, research by Arifin (2018) found that high employee competency is positively related to increased individual performance. Furthermore, Rahardjo et al. (2015) also showed that higher formal education can improve employee performance because they are better prepared to face technological changes and work challenges. In the context of job promotions, Suryana (2017) revealed that job promotions have a significant impact on work motivation, which in turn influences employee performance. However, no research has explicitly examined the role of job promotions as an intervening variable in the relationship between competency and education on employee performance. This research is crucial for PT PLN (Persero) UP3 North Medan to conduct, considering that the company plays a strategic role in providing electricity to the community. Therefore, to ensure that employees work efficiently and productively, a deeper understanding of the factors that influence employee performance, such as competence, education, and job promotion, is essential. This research is expected to contribute to the company's design of more effective human resource development policies, which can ultimately improve overall organizational performance.

Literature review

Performance

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

Performance indicators

According to Aulia et al. (2021) is:

1. Quality of work
   Demonstrate neatness, precision, and a consistent approach to work results, while maintaining a consistent level of work volume. Good work quality can reduce errors in completing a project, which can benefit the company's progress.
2. Quantity of work
   Shows the number of types of work carried out at one time so that efficiency and effectiveness can be implemented in accordance with the Company's objectives.
3. Responsibility
   Shows how much employees accept and carry out their work, are responsible for the results of their work and the facilities and infrastructure used and their work behavior every day.
4. Cooperation
   The willingness of employees to participate with other employees vertically and horizontally both inside and outside the work so that the work results will be increasingly Good.
5. Initiative.
   Initiative from within the company members to do work and solve problems at work without waiting for orders from superiors or showing responsibility in work which is an employee's obligation.

Factors that influence performance

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

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

Competence

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

Factors that influence competence

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

1. Knowledge
   A person's knowledge influences their ability to understand the tasks and duties associated with their job. This knowledge can be technical information, practical experience, or specific theories applied to the job.
2. Skills
   Skills encompass the technical and practical abilities needed to perform a job effectively. These can include skills such as programming, resource management, or analytical skills in dealing with complex problems.
3. Attitudes and Behaviors
   An individual's attitude and behavior in facing work challenges are also important factors in determining competence. These include motivation, perseverance, the ability to work in a team, and a professional attitude toward assigned tasks.
4. Lifelong Experience and Learning
   Work experience, formal education, and lifelong training also play a significant role in shaping a person's competencies. Continuous learning enables individuals to adapt to changes in their work or industry.
5. Work environment
   Work environment factors also influence competency. A supportive environment, with adequate facilities and a positive organizational culture, allows individuals to better develop their competencies.

Competency Indicators

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

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

Education

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

Education Indicators

According to Mulyasa (2017), education indicators are:

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

Job Promotion

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

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

Factors that influence job promotion

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

1. Honesty: Employees who want to gain promotion opportunities must be honest, especially with themselves and their subordinates, and in carrying out their duties and responsibilities.
2. Work discipline, employees who want to get the opportunity for job promotion must be able to discipline themselves, their duties, and obey the applicable regulations, both written and unwritten.
3. Work performance, employees who want to get the opportunity for job promotion should be able to achieve optimal work results, be accountable for the quality and quantity and work together effectively and efficiently.
4. Cooperation, employees who want to get the opportunity for job promotion should be able to work together with fellow employees both horizontally and vertically in achieving company goals.
5. Skills, employees who want to get the opportunity for job promotion must be capable, creative, innovative in completing the tasks in their position well.
6. Loyalty, employees who want to get the opportunity for job promotion must be loyal and defend the company from detrimental actions.
7. Leadership, employees who want to get the opportunity for job promotion must be able to guide and motivate their subordinates to work together effectively to achieve company goals.

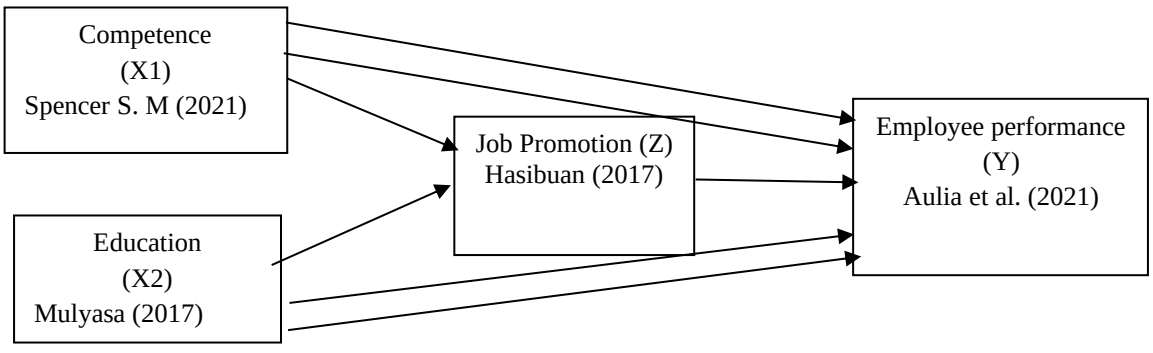
Job Promotion Indicators

According to, namely:

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

Conceptual Framework

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



Hypothesis

H1 :Competence has a positive and significant influence on employee performance at PT PLN (Persero) UP3 North Medan

H2 : Education has a positive and significant effect on employee performance at PT PLN (Persero) UP3 North Medan

H3: Competence has a positive and significant influence on job promotions at PT PLN. (Persero) UP3 North Medan

H4 : Education has a positive and significant influence on job promotions at PT PLN (Persero) UP3 North Medan

H5: Job promotion has a positive and significant effect on employee performance at PT PLN. (Persero) UP3 North Medan

H6: Competence has a positive and significant effect on employee performance through job promotion at PT PLN (Persero) UP3 North Medan

H7: Education has a positive and significant effect on employee performance through job promotion at PT PLN (Persero) UP3 North Medan

RESEARCH METHODS

Types of research

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

Population and Sample

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

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

Research Location and Research Time

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

Research Data Sources

The data sources used are primary and secondary data sources. Primary data according to Sugiyono (2017) is data directly collected by researchers from primary sources through data collection tools, such as questionnaires, interviews, or observations. In this study, primary data was obtained directly from respondents through questionnaires. Secondary data according to Sugiyono (2017) is data obtained from existing sources, such as company documents, annual reports, and relevant literature. In this study, secondary data was obtained from company documents, annual reports, and relevant literature.

Data collection technique

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

Data Analysis Techniques

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

Test Measurement Model (Outer Model)

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

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

Structural Model Test (Inner Model)

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

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

PLS-SEM Inner Model Assumptions

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

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

Hypothesis Testing

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

RESULTS AND DISCUSSION

Outer Model Analysis

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

1. Convergent Validity

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

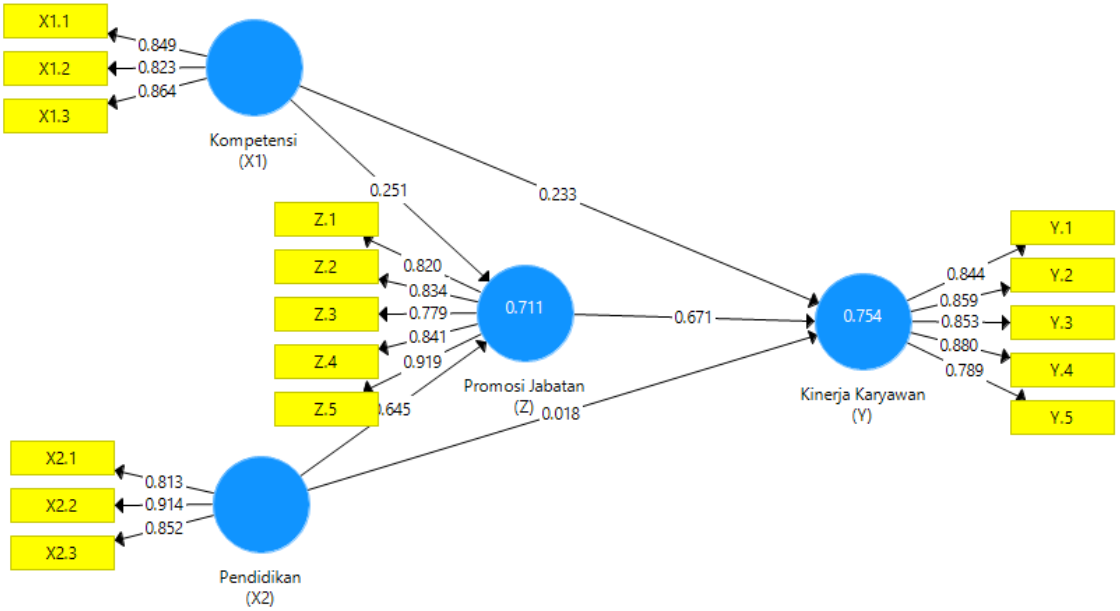


Figure 2. Outer Model

Source: Smart PLS 3.3.3

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

Z = b1X1 + b2X2 + e1

Z = 0.251 + 0.645 + e1

For substructure 2

Y = b3X1 + b4X2 + b5Z + e2

Y = 0.233 + 0.018 + 0.671 + e2

Table 1. Outer Loadings

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

Source: Smart PLS 3.3.3

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

Discriminant Validity

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

Table 2. Discriminant Validity

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

Source: Smart PLS 3.3.3

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

Composite reliability

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

Table 3. Construct Reliability and Validity

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

Source: Smart PLS 3.3.3

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

Inner Model Analysis

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

Coefficient of Determination (R2)

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

Table 4. R Square Results

	R Square	Adjusted R Square
Employee Performance_(Y)	0.754	0.743
Job Promotion (Z)	0.711	0.703

Source: Smart PLS 3.3.3

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

Hypothesis Testing

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

Table 5. Path Coefficients (Direct Effect)

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

Source: Smart PLS 3.3.3

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

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

Table 6. Path Coefficients (Indirect Effect)

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Competence_(X1)_ -> Job Promotion (Z) -> Employee Performance_(Y)	0.169	2,804	**0.003**	**Accepted**
Education_(X2)_ -> Job Promotion (Z) -> Employee Performance_(Y)	0.433	3,565	**0,000**	**Accepted**

Source: Smart PLS 3.3.3

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

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

Conclusion

After obtaining the results of the hypothesis and explaining them, the researcher drew the following conclusions:

1. Competence has a positive and significant effect on employee performance. The test results show a path coefficient of 0.233 with a T-statistic value of 2.838 > 1.96 and a P-value of 0.002 < 0.05. This means that the higher the employee's competence, the better their performance.
2. Competence has a positive and significant effect on job promotion. The path coefficient is 0.251, the T-statistic value is 2.657 > 1.96, and the P-value is 0.004 < 0.05, thus the hypothesis is accepted. This means that competence has a positive and significant effect on job promotion. Employees with high competence have a greater chance of obtaining a job promotion.
3. Education does not significantly influence employee performance. The path coefficient is only 0.018, with T Statistic = 0.126 < 1.96 and P Value = 0.450 > 0.05, so the hypothesis is rejected. These results indicate that education does not significantly influence employee performance. This indicates that the level of formal education does not directly determine employee performance.
4. Education has a positive and significant effect on job promotion. The path coefficient is 0.645, with a T-statistic of 6.558 > 1.96 and a P-value of 0.000 < 0.05, thus the hypothesis is accepted. This indicates that education has a positive and significant effect on job promotion. Employees with higher levels of education have a greater chance of being promoted.
5. Job promotions have a positive and significant effect on employee performance. The path coefficient is 0.671, with a T-statistic of 5.833 > 1.96 and a P-value of 0.000 < 0.05, thus the hypothesis is accepted. These results prove that job promotions have a positive and significant effect on employee performance. This means that job promotions can increase motivation and work responsibility, which ultimately improves performance.
6. Competence has a positive and significant effect on employee performance through job promotion as a mediating variable. The results show a path coefficient of 0.169 with a T-statistic value of 2.804 > 1.96 and a P-value of 0.003 < 0.05. This indicates that job promotion strengthens the influence of competence on performance.
7. Education has a positive and significant effect on employee performance through job promotion as a mediating variable. The test results show a path coefficient of 0.433 with a T-statistic value of 3.565 > 1.96 and a P-value of 0.000 < 0.05. In other words, job promotion is a crucial link between education and improved performance.

Suggestion

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

1. Employee Competency Development: Organizations need to improve employee competency through training, workshops, and on-the-job training. With higher competency, employees can work more effectively and have a greater chance of promotion.
2. Increasing the Relevance of Education to Jobs While formal education doesn't directly impact performance, it remains crucial as a prerequisite for promotions. Therefore, companies need to encourage employees to pursue formal education that aligns with job requirements.

3. A Transparent Promotion System: Promotion has been proven to be a crucial factor in improving performance. Therefore, organizations must ensure that the promotion process is transparent, objective, and based on competency and educational qualifications.
4. Performance Through Promotion requires designing a clear career path. With a structured career path, employees will be more motivated to improve their competencies and education, thus positively impacting their performance.

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