# **Employee Retention Improvement of Pulp and Paper Companies in Indonesia**

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Abstract: - Indonesia is the largest pulp and paper producer in Southeast Asia. One of the problems faced by the pulp and paper industry in Indonesia is high employee turnover. This study aims to analyze the factors that influence employee turnover and propose strategies to reduce turnover or increase employee retention in the pulp and paper industry. The endogenous variable in this study is turnover intention. Meanwhile, exogenous variables are work environment, compensation and benefits, training and development, performance appraisal, employee recognition, and job satisfaction. Research data was obtained through a survey of pulp and paper employees in Indonesia. The data was then analyzed using the partial least square structural equation model (PLS-SEM). The study results show that performance appraisal, training and development, work environment, and employee recognition affect employee turnover negatively and significantly. The strategies proposed to reduce turnover in the pulp and paper industry in Indonesia include the company providing free training according to the competencies needed, making bureaucratic rules simple and transparent, arranging gifts and awards programs for employee achievements, and creating measurable and transparent promotion programs.

Key-Word: - Employee retention, performance appraisal, recognition, environment, training, pulp and paper

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#### 1 Introduction

Indonesia ranks eighth as the country that produces the most pulp in the world and sixth as the country that produces the most paper in the world, [1]. According to information published by the Indonesian paper industry association (APKI) in 2022, there are 84 pulp and paper industries in Indonesia. In 2021 Indonesia can export 6.33 million tons of pulp with a value of USD 3.28 billion and export paper of 5.41 million tons with a value of USD 4.22 billion, [1].

One of the problems in the pulp and paper industry is the high employee turnover. The release of employees from their place of employment is known as turnover. High employee turnover indicates low employee retention, [2]. Indonesia's average industrial turnover is 7%, [3]. The high turnover has a negative impact on the company's performance. Losing the best employee will make productivity decrease due to the adjustments needed by replacement employees. In addition, companies will need additional investment to find and develop new employees, [4]. Reducing turnover can be done by developing an employee retention strategy at the company, [5].

The high turnover in the pulp and paper industry in Indonesia still has not found a solution and has not been a concern for researchers. This fact can be seen from the unavailability of international journals that discuss employee turnover in pulp and paper companies in Indonesia. Whereas, pulp and paper companies have a significant contribution to the Indonesian Economy.

The significant contribution of the pulp and paper industry to the Indonesian economy and the paucity of research on employee turnover in the pulp and paper industry in Indonesia is the impetus for this important research. This study aims to identify factors that affect employee turnover in the pulp and paper industry and propose strategies to reduce employee turnover or increase employee retention in the pulp and paper industry. In the end, this research can contribute to Indonesian pulp and paper companies and in general to the Indonesian economy.

### 2 Literature Review

#### 2.1 Employee Retention and Turnover

Employee retention is an organization's capacity to retain its employees, [6]. Employee retention is inversely related to employee turnover. Reducing turnover will improve employee retention within an organization. In contrast, turnover intention indicates an employee's intent to leave the organization. The turnover intention of an employee can be used to predict an organization's turnover rate. A high turnover expectation is a negative indicator of the company's health. However, this information can be used to develop organizational employee retention strategies, [4]. In this study, the turnover intention is used as an endogenous variable. The research framework diagram can be seen in Figure 1.

#### 2.2 Job Satisfaction

Job satisfaction is a worker's perception of whether it is pleasant to be in an organization and perform assigned duties, [7]. The compatibility between an organization's employees' expectations and their actual experiences correlates with job satisfaction. Worker satisfaction can be seen from the behavioral side as well as from the cognitive side of the workers. Employee job satisfaction in an organization can substantially and negatively affect turnover, [8]. Increasing employee job satisfaction can reduce employee turnover, [9]. Thus, the hypothesis can be defined as follows:

H1: Job satisfaction significantly impacts turnover intention

#### 2.3 Performance Appraisal

According to [4], performance appraisal identifies, evaluates, and develops employee performance. This procedure aims to enable employees within the organization to work efficiently toward achieving the organization's goals. As a token of appreciation for the performance provided, this performance appraisal is accompanied by employee feedback, recognition, or career development, [4].

Performance appraisal has a significant impact on the likelihood of employee turnover, [10]. Compared to training and development, performance appraisal has a greater impact on employee turnover, [11]. Accordingly, the hypothesis can be defined as follows:

H2: Performance appraisal significantly impacts turnover intention

### 2.4 Training & Development

According to [12], training & development enhance employees' knowledge and abilities to perform their organizational functions and responsibilities. Training and development are crucial for employees to adapt to changes in science, technology, and industry competition, [12].

Training and development are significant turnover factors. Companies can increase employee retention through effective training and learning scholarship programs, [13]. Increasing employee satisfaction with company training programs will have a negative effect on turnover intention, [14]. The hypothesis can therefore be defined as follows:

H3: Training & development significantly impact turnover intention

### 2.5 Compensation and Benefits

Compensation and benefits are the sum of all rewards employees receive for their contributions to the organization. This compensation is designed to motivate employees to give their best effort and performance to the company. Financial and nonfinancial compensation can be distinguished based on the form of compensation, [7]. Compensation and benefits have a significant and negative impact on turnover intention. This compensation may include salaries, allowances, and bonuses, [15]. In addition, compensation and benefits impact employee turnover more significantly than other HRM strategies. The hypothesis can therefore be defined as follows:

H4: Compensation and benefits significantly impact turnover intention

#### 2.6 Work Environment

The Work Environment is everything that surrounds and interacts with workers as they perform their duties and responsibilities. This work environment comprises regulations, policies, culture, work relations, work locations, and all external factors that impact employees as they perform their duties for the organization, [16].

The work environment significantly impacts the intention to leave among Bank Mandiri employees in Indonesia. This work environment includes the availability of supporting facilities, company administration, the physical environment, and the implementation of occupational health and safety (K3) management, [17]. A comfortable and secure workplace will encourage employee retention, [18]. Increasing employee comfort at work will have a negative and significantly affect turnover, [19]. The hypothesis can therefore be defined as follows:

H5: Work environment significantly impacts turnover intention

#### 2.7 Employee Recognition

Employee recognition is the recognition of the behavior, efforts, and achievements of individuals or teams that support the goals and values of the organization. Employee recognition can increase employees' sense of belonging to the organization, satisfaction and self-esteem, and participation in the business's success. This condition will strengthen employee loyalty to the organization. Effective employee recognition, motivation, and talent management are some factors that business leaders must address to increase employee retention, [20]. The hypothesis can therefore be defined as follows:

H6: Employee recognition significantly impacts turnover intention

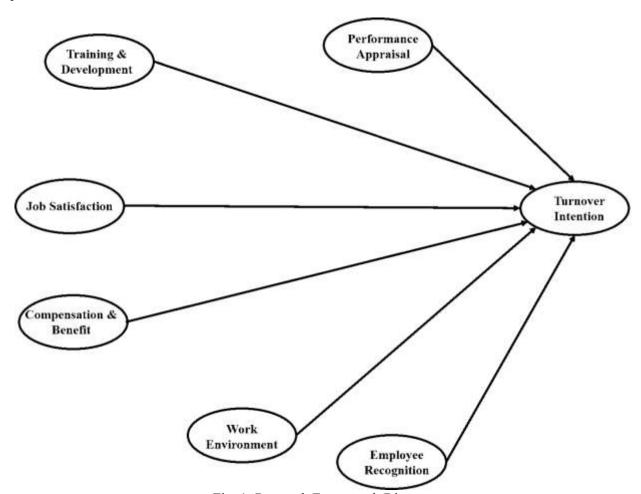


Fig. 1: Research Framework Diagram

### 2.8 Structural Equation Models

A structural equation model (SEM) is a type of multivariate analysis. Multivariate analysis refers to the use of several variables then analyzed simultaneously. SEM is also commonly used in the social sciences when the variables under study are latent. SEM analysis is included in the category of analysis with a confirmatory type. A confirmatory analysis is a type of analysis whose purpose is to confirm a hypothesis supported by a robust theory. Latent variables, on the other hand, are variables that cannot be directly observed but can be measured using particular indicators.

SEM analysis can be carried out with the following stages:

- 1. Create a specification of the line model
- 2. Create specifications for the measurement model
- 3. Perform data collection and screening
- 4. Perform model estimation
- 5. Evaluate the results of measurement model testing
- 6. Evaluate the results of structural model testing
- 7. Interpret the results and draw conclusions

Measurement model tests and structural model tests comprise SEM testing. Tests for measurement models include loading factor tests, extracted average variance, Fornell-Lacker criteria, and composite reliability tests. Tests for structural models include the Variance inflation factor test, the R-square test, and the Hypothesis test. In SEM, model fit tests such as the chi-square test, normed fit index (NFI), comparative fit index (CFI), root mean square error of approximation (RMSEA), and standardized root mean residual (SRMR) can also be conducted.

There are two methods for testing the Structural Equation Model: covariance-based structural equation modeling (CB-SEM) and partial least square structural equation modeling (PLS-SEM). CB-SEM estimates using the maximum likelihood (ML) procedure, whereas PLS-SEM uses the ordinary least squares (OLS) method. There is no global goodness-of-fit criterion, and PLS-SEM can be utilized even with a small sample size. Tests of the measurement model and structural model are sufficient for PLS-SEM.

The fit statistic for CB-SEM is derived by subtracting the empirical covariance matrix from the theoretical model. PLS-SEM, on the other hand, focuses on the difference between the observed value of the dependent variable and the value predicted by the model in question or seeks to develop a predictive model. In other words, CB-SEM is used to validate the model, while PLS-SEM is used to predict future outcomes. Thus, the goodness of fit cannot be used in SEM-PLS to measure model fit. The predictive capability model (R-Square) is preferable as an alternative, [21].

### 3 Methodology

This study's population consists of PT. XYZ workers. PT. XYZ is an Indonesian company that produces 17 million tonnes of pulp and paper in 2021, it is equivalent to 54 percent of Indonesia's

total pulp & paper output. This study's data were collected through a survey of company employees. Statements in the survey are measured on a Likert scale ranging from 1 to 5. A value of 1 indicates strong disagreement with the statement, while a value of 5 indicates strong agreement. The survey results were then analyzed using the Structural Equation Model method and SMART-PLS 4.0 software. The analysis's outcomes will determine which hypotheses are accepted or rejected. Based on the indicators in each accepted hypothesis, a strategy to increase employee retention will be developed. In addition, the suitability implementing the strategy in the company will be evaluated by requesting an assessment from the company's manager, also known as the Expert Judgment method, [22]. The survey results will then be analyzed and ranked by the expert's evaluation of the proposed strategy. The higher the value of a strategy, the higher its application priority within the company.

#### 3.1 Research Variables

Work environment, training and development, compensation and benefits, performance appraisal, work engagement, and job satisfaction are the exogenous variables in this study. The endogenous variable used is turnover intention.

#### 3.2 Method of Analysis

Two stages of analysis were performed using SMART-PLS 4.0 software for data analysis. The first stage of analysis is measurement model analysis. Analysis of measurement models seeks to evaluate the validity and reliability of research. Measurement model analysis consists of the following:

- 1. The average variance extracted (AVE). An indicator is valid if AVE > 0.5, [21].
- 2. Composite reliability (CR). An indicator is declared reliable if CR > 0.7, [21].
- 3. Fornell-Lacker Criterion. An indicator is stated to meet the discriminant validity criteria if the square root of the AVE of a construct is higher than its correlation with other constructs, [21].

The second analysis stage is the structural model analysis. Structural analysis of the model aims to determine the level of accuracy of the model and to test the hypothesis. The structural model analysis consists of the following:

1. Variance inflation factor (VIF). If the variance inflation factor (VIF) has a value of < 5, it indicates that there is no collinearity problem, [21].

- 2. R<sup>2</sup> Values. The R<sup>2</sup> value between 0.25-0.5 indicates that the model's prediction has low accuracy. The R<sup>2</sup> value between 0.5-0.75 indicates that the model's prediction has moderate accuracy. The R<sup>2</sup> value is higher than 0.75, indicating that the prediction from the model has high accuracy, [21].
- 3. Hypothesis testing. A p-value <0.05 indicates a significant relationship between the two variables and vice versa, [21]

#### 4 Result and Discussion

### 4.1 Respondent Characteristic

In this study, 79 employees participated by completing the survey. There are 61% male respondents and 39% female. 70% of respondents

have completed their undergraduate education. Then, only 43% of employees have been with the organization for five years or longer. Regarding age, 35% of employees are 30-40 years old, 33% are 25-30 years old, and the remainder is under 25 years old.

# **4.2** Results of Measurement Model Analysis

- 1. Average Variance Extracted value > 0.5 (Table 1). For the model to be declared valid
- 2. Composite Reliability value > 0.7 (Table 2). (see Table 2). For the model to be deemed reliable
- 3. The value of the Fornell-Lacker criterion (Table 3) shows that the model has good discriminant validity.

Table 1. Average Variance Extracted (AVE) Value

Variable	AVE
Compensation and Benefit	0.766
Employee Recognition	0.698
Job satisfaction	0.596
Performance Appraisal	0.638
Training and Development	0.621
Turnover Intention	0.858
Work Environment	0.708

Table 2. Composite reliability value

Variable	Composite Reliability
Compensation and Benefit	0.868
Employee Recognition	0.902
Job satisfaction	0.899
Performance Appraisal	0.875
Training and Development	0.891
Turnover Intention	0.924
Work Environment	0.906

Table 3. Fornell-Larcker Criterion value

Variable	СВ	ER	JS	PA	TD	TI	WE
СВ	0.875						
ER	0.335	0.836					
JS	0.511	0.753	0.772				
PA	0.401	0.785	0.771	0.799			
TD	0.436	0.460	0.617	0.498	0.788		
TI	-0.360	-0.621	-0.704	-0.535	-0.748	0.927	
WE	0.163	0.573	0.623	0.539	0.336	-0.586	0.842

Table 4. Variance inflation factor value

Indicator	VIF	Indicator	VIF
CB1	1.395	PA5	1.837
CB3	1.395	PA6	1.863
ER1	2.120	TD1	2.748
ER2	1.521	TD2	2.494
ER3	2.528	TD4	1.972
ER4	2.368	TD6	1.603
JS13	1.766	TD7	2.198
JS15	2.036	TI3	2.065
JS5	1.993	TI4	2.065
JS6	1.899	WE4	1.939
JS7	1.931	WE5	2.997
JS9	1.796	WE6	2.851
PA1	1.356	WE7	1.674
PA4	2.018		•

Table 5. Hypothesis Test

No	Hypothesis	P- values	Decision
1	Job satisfaction significantly impacts turnover intention	0,0660	Reject
2	Performance appraisal significantly impacts turnover intention	0,0310	Accept
3	Training & development significantly impacts turnover intention	0,0000	Accept
4	Compensation and benefits significantly impact turnover intention	0,4220	Reject
5	Work environment significantly impacts turnover intention	0,0040	Accept
6	Employee recognition significantly impacts turnover intention	0,0120	Accept

### 4.3 Structural Model Analysis Results

- 1. VIF value < 5 (Table 4). This value shows there is no collinearity problem in the research variables, [21].
- 2. The R<sup>2</sup> value is 0.704. This value explains that Compensation & benefits, training & development, work environment, employee recognition, performance appraisal, and job satisfaction can explain approximately 70.4% of turnover intention. At the same time, the remainder is influenced by others. From these results, the exogenous variables in this study have a moderate predictive level of turnover intention, [21].
- 3. Hypothesis Testing. The error rate used in this study is 5%, so the hypothesis will be accepted if the P-Values < 0.05. If the P-Values < 0.05 indicates the effect of exogenous variables on endogenous variables is significant. If the P-Values > 0.05 indicates the effect of exogenous variables on endogenous variables is not significant, [21]. The hypothesis test result is shown in Table 5.

Based on Table 5 there are 4 accepted hypotheses, namely:

- 1. H2: performance appraisal significantly impacts turnover intention
- 2. H3: training & development significantly impacts turnover intention
- 3. H5: work environment significantly impacts turnover intention
- 4. H6: employee recognition significantly impacts turnover intention

All these results will discuss in section 4.4

#### 4.4 Discussion

# 4.4.1 H1: Job Satisfaction Significantly Impacts Turnover Intention

The P-value for job satisfaction's effect on turnover intention is>0.05, as shown in Table 5. Therefore, job satisfaction has no significant impact on turnover intention, and this hypothesis is rejected.

In contrast to the findings of, [8], "Conceptual framework on the relationship between human resource management practices, job satisfaction, and turnover,". The results of this study indicate that job satisfaction has a significant and negative effect on turnover intention. However, job satisfaction is not the only factor that impacts employee turnover intention.

According to the findings of this study, job satisfaction is not a significant factor in employee turnover intentions. Therefore, decreasing or

increasing job satisfaction will not significantly impact employee turnover. In other words, the fact that employees are pleased with their work does not eliminate their desire to leave the company. Various factors, including an unsuitable corporate culture, can cause this condition. Even though employees are satisfied with their jobs, the incompatibility of corporate culture with their personalities prompts them to leave the organization, [23]. In addition, job security can also contribute to this condition. Even though employees are satisfied with their work, there is concern that they will be laid off due to organizational changes. So that employees will decide to leave the company, [24]. Also contributing to this condition is the availability of alternative employment opportunities. Even if employees are satisfied with their current jobs, the availability of better-paying employment opportunities elsewhere will cause them to leave the company, [25]. There is a close relationship between the availability of job opportunities at other companies and the desire of employees to improve their careers, [26].

# **4.4.2 H2:** Performance Appraisal Significantly Impacts Turnover Intention

Table 5 shows that the effect of performance appraisal on turnover intention has a P-value of 0.031 which is less than 0.05. Thus, it is concluded that performance appraisal significantly influences turnover intention, and this hypothesis is accepted.

This statement is supported by research conducted by, [11], where research conducted in Malaysia shows that performance appraisal significantly impacts employee turnover intention. Compared to training and development, performance appraisal has a greater impact on employee turnover. Performance appraisal is also a strong predictor of turnover intention, [10]. Therefore, conducting a fair, balanced, and without political manipulation performance appraisal will reduce employee intentions to leave organization, [27]. Fair performance appraisal, objectives, and clear evaluation criteria will give employees the impression that they can advance within the organization and foster a positive work environment. Consequently, turnover intention can be reduced, [28].

# **4.4.3 H3:** Training and Development Have a Significant Impact on Turnover Intention

The effect of training and development on turnover intention has a P-value of 0.000, which is less than 0.05, as shown in Table 5. As a result, it can be concluded that training and development

significantly impact turnover intention, and this hypothesis is accepted.

According to, [8], training and development are factors that significantly impact employee turnover. Companies can increase employee retention through effective training and learning scholarship programs, [13]. Diverse training methods, including on-the-job, off-the-job, and distance training, can enhance employee satisfaction with training programs, [29]. Increased employee satisfaction with training programs offered by the company will have a negative impact on turnover intention, [14]. However, the presence of other human resource management strategies, such as promotions, career paths, and scholarships, will increase this reduction in turnover intention, [13].

# **4.4.4 H4:** Compensation & Benefits Significantly Affect Turnover Intention

The effect of compensation and benefits on turnover intention has a P-value greater than 0.05, as shown in Table 5. Thus, it can be concluded that compensation and benefits have no discernible impact on turnover intention, and this hypothesis is rejected.

The results of this study are inversely proportional to the findings of a study, [15], on telecommunications companies in Indonesia where compensation and benefits significantly impact turnover intention. Compensation and benefits are also the most influential factors in employee turnover at a clinic in Bekasi, [30].

However, research conducted by [31], shows that the company's salary only significantly affects employee commitment to the organization, job satisfaction, and turnover intention. The components of the benefits provided by the company have more influence on employee turnover. Distributive justice or salary equality between employees will have a more significant effect on employee turnover than an employee's salary. So that a standard salary structure in each position will give employees job satisfaction and reduce company turnover, [32]. In addition, providing benefits such as the preparation of share ownership plans and retirement programs will be more effective in reducing company turnover than increasing the salaries of departing employees, [33].

## **4.4.5 H5:** Work Environment Significantly Affects Turnover Intention

Table 5 shows that the P-value for the effect of the work environment on turnover intention is less than 0.05. Thus, the work environment significantly impacts turnover intention, accept this hypothesis.

According to, [17], the work environment significantly impacts the turnover intention of Bank Mandiri employees in Indonesia, which lends support to the findings of this study. This work environment includes the availability of supporting facilities, company management, the physical setting, and the implementation of occupational health and safety (K3) management. A comfortable and safe work environment will make employees stay with the company. Providing safety equipment, such as safety shoes and fire extinguishers, can enhance the safety and comfort of the workplace, allowing employees to feel secure and remain with the company, [18]. If employees feel that the organization is not their home, then the tendency to leave the company will increase. Employees' freedom in designing their workplace while remaining within safe limits and regulations will increase the comfort of employees working in the company, [17]. By increasing employee comfort at work, it will have a significant and negative impact on turnover, [19].

# **4.4.6 H6:** Employee Recognition Significantly Impacts Turnover Intention

Table 5 shows the effect of employee recognition on turnover intention has a P-value greater than 0.05. As a result, it can be concluded that employee recognition significantly impacts turnover intention, and this hypothesis is supported.

The findings of this study are supported by research conducted by, [20], in multiple Durbanarea organizations. The research shows that employee recognition can increase employees' sense of ownership of the organization, satisfaction, and higher self-esteem and involvement in making the business successful. As a result, employee recognition significantly influences turnover intention. Employee recognition is a highly vital Human Resource Management practice. Employee because it can make employees feel valuable to the organization and important to the organization, [34].

### 4.5 Strategy to Increase Employee Retention in Indonesian Pulp and Paper Companies

According to the research conducted, four factors have a significant impact on the turnover intention in the pulp and paper industry. These elements are Performance Appraisal, Training & Development, Work Environment, and Employee Recognition. The value of each variable's Beta / Path Coefficient reveals the magnitude of influence exerted by each of these variables (Table 6).

With a path coefficient of -0.538, training & development has the greatest impact on turnover intention. Thus, increasing training & development will reduce employee turnover. From the survey, there are indicators of training & development considered not optimal in the company. The response value of 2.95 (Moderate) indicates that "my employer pays for the external training that I participate in". Based on these findings, the strategic policy for companies to reduce turnover intention through training and development is to provide external training facilities for employees.

With a path coefficient of -0.257, the work environment has a negative impact on turnover intention. Therefore, improving the workplace will reduce employee turnover. According to the survey, one indicator of the company's work environment was deemed subpar. With a response value of 2.99 (Moderate), the indicator indicates that "my efforts to do a good job are rarely impeded by strict bureaucracy". Based on this data, the strategy suggested to companies to reduce turnover intention through the work environment is to streamline bureaucratic organizational processes.

With a path coefficient of -0.257, Employee Recognition has a negative impact on turnover intention. Increasing employee recognition will therefore decrease employee turnover. According to the survey results, one indicator of employee recognition in the organization is deemed suboptimal. "I receive an award for my work", with a response value of 3.42 (Moderate), which is the indicator. Based on this data, the strategy suggested to companies to reduce turnover intention through employee recognition is to reward employee accomplishments such as presenting certificates, formally congratulating employees, and thanking them for achieving employee work targets.

With a path coefficient of -0.214, Performance Appraisal has the smallest negative influence on turnover intention. Increasing performance appraisal will therefore reduce employee turnover. According to the survey, one performance appraisal indicator was deemed suboptimal for the company. With a response value of 2.91(Moderate), the indicator was "I am satisfied with the promotion opportunities where I work." The strategy proposed to the

company, based on this data, to reduce turnover intention through performance appraisal is to promote employees periodically.

The suggested strategy is then submitted to the Manager to solicit company experts' opinions. Eight Managers within the organization responded to the proposed strategy. The survey respondents included talent development managers, technical training managers, soft skills training managers, training support managers, excellent operations managers, organizational development, culture, and industrial relations managers. As shown in Table 7, a survey of managers (expert judgment) resulted in several concrete steps from the proposed strategy for increasing company employee retention. The higher the strategy's value, the greater the priority placed on its implementation.

Table 6. Factors affecting turnover in pulp and paper companies

Hypothesis	Beta Coefficient	P-values
PA -> TI	-0,214	0,031
TD -> TI	-0,538	0,000
WE -> TI	-0,257	0,004
ER -> TI	-0,245	0,012

Table 7. Manager's Assessment of Strategies to Increase Employee Retention

Strategy	Activities performed		
Provide facilities for external employee training	Provide external training in accordance with each position's competency standards.	3,8	
	Fully fund external training	4,4	
Make bureaucratic rules simple and transparent	Streamline administrative processes	4,4	
simple and transparent	Using information technology for administrative tasks	4,0	
Create an award program for achieving employee	Awarded for the accomplishment of employee work objectives.	4,5	
achievement employee	Adopt the practice of saying "thank you" directly or indirectly to employees who achieve their targets.	4,1	
creating measurable and transparent promotion	Create promotion criteria and conditions for employees	4,1	
transparent promotion programs	One-on-one feedback on performance appraisal (directly)	4,4	
	Avoid sending feedback on a performance appraisal via email or in writing.	3,5	
	Promotion tests are a combination of competency tests, supervisor assessments, and panelist assessments.	4,0	

### **5 Conclusion and Suggestion**

#### 5.1 Conclusion

The research that has been conducted has led to the following findings:

- 1. Work environment, employee recognition, performance appraisal, and training and development have a significant and negative impact on turnover intention.
- 2. Providing facilities for external employee training, making bureaucratic rules simple and clear, compiling reward programs for achieving employee work goals, and compiling measurable and clear promotion programs are strategies that can increase employee retention at the company.
- 3. Several priority-based implementation steps for the proposed strategy are as follows:
  - a. Giving awards to employees in the form of gratitude for achieving goals and gifts or other material for improvements and innovations.
  - b. Deliver annual performance appraisal feedback in person and avoid submission via email or in writing.
  - Preparing criteria and conditions for employee promotion and providing promotions based on a combination of competency tests, supervisor assessments, and panelist assessments.
  - d. Giving awards to employees in the form of gratitude for achieving goals and gifts

- or other material for improvements and innovations. d. Provision of external training by the competencies required and financed by the company
- e. Utilization of information technology to simplify company administrative procedures

#### 5.2 Suggestion

This study has limitations such as limited use of variables. Future research suggests conducting by including variables such as work engagement and job stress to achieve an R<sup>2</sup> close to 1.

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# Contribution of Individual Authors to the Creation of a Scientific Article (Ghostwriting Policy)

- Ramlan has organized survey, processed and analyzed data of Section 3 and 4.
- Bachtiar H. Simamora as mentor has gave guidance and advice to organized survey, processed data and analyzed data in Section 3 and 4

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#### **Conflict of Interest**

The authors have no conflict of interest to declare.

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