



The Effect of Mutation, Promotion, and Remuneration Systems on Job Satisfaction and Loyalty of Makassar City Government Employees

Muhammad Ikram Idrus¹; Muhammad Ishlah Idrus²

¹ Faculty of Economics and Business Muhammadiyah University Makassar, Indonesia

² Department of Accounting, Faculty of Economics, State Polytechnic of Ujung Pandang, Makassar, Indonesia

E-mail: muh.ikram@unismuh.ac.id; mishlah@poliupg.ac.id

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Abstract

Makassar City Government, as a local government entity that has great responsibility in providing public services, faces growing challenges in human resource management. One of the critical aspects of human resource management is the system of employee mutation, promotion and remuneration. In recent years, attention to the effectiveness and fairness of these systems has increased due to their potential impact on job satisfaction and employee loyalty. The main objective of the research was to improve employee welfare, both through financial aspects and sustainable career development. The results of the study are expected to provide both practical and theoretical benefits, namely providing additional information and consideration for interested parties in the organization to determine policies, as well as an understanding of the effect of mutations, promotions, and remuneration on job satisfaction and loyalty of Makassar city government employees. The impact of problems in the mutation, promotion and remuneration system can be felt in the form of decreased job satisfaction and employee loyalty. Employees who feel unappreciated or do not have clear career development opportunities tend to feel less motivated and not emotionally attached to the organization. Through this effort, it is expected to create high job satisfaction and employee loyalty, supporting the realization of an effective and quality public service-oriented government.

Keywords: *Mutation; Promotion; Remuneration; Job Satisfaction and Loyalty*

Introduction

Makassar City Government, as a government entity with primary responsibility for public service delivery, plays a central role in shaping a conducive work environment and empowering dedicated employees. In the complex dynamics of local governance, the city faces various challenges in ensuring

that the human resource management system runs efficiently to support the achievement of development goals and optimal public services. In this context, optimal government regulation of education will contribute not only to economic growth and the acquisition of intellectual capital of the country, which will ensure its competitiveness and innovations, but also to balanced sustainable development, which is important on a planetary scale (Vorontsova et al., 2020). To achieve sustainable development, the governments around the world have initiated various efforts to reduce digital divides, maintain citizens' trustworthiness as well as increase transparency and openness in governance services (Othman et al., 2020).

The human resource management system, which includes aspects of mutation, promotion, and remuneration, is the main pillar in shaping the characteristics of the work environment. Through this system, Makassar City Government seeks to ensure that every employee is given the opportunity to develop, reach their full potential, and feel recognized for the contributions they make. The pressures associated with the speed of competition, including the digitalization of workspaces, are increasing the need for modern organizations to drive employee satisfaction and engagement. Integrating gamification into the workplace has been identified as a possible strategy to promote employee participation, engagement and loyalty (Silic et al., 2020). Different institutional settings tend to generate their own organisational arrangements to manage their employees, and it is important to understand how this interplay works (Haak-Saheem & Festing, 2020).

Mutation as one of the elements of the human resource management system in Makassar City aims not only to meet organizational needs but also to provide opportunities for employees to diversify their experience and knowledge. Meanwhile, the promotion system is geared towards providing incentives that match merit and competence, encouraging employees to continuously improve their performance. Practices that are based on low formalization of performance assessment, great versatility of payment arrangements, and high flexibility of working and contractual arrangements enabled companies to adapt to the recession conditions without massive layoffs (Gurkov et al., 2012).

In terms of remuneration, Makassar City Government understands that pay equity is key to creating sustainable job satisfaction. Aligning salaries with the level of responsibility and individual performance is a key principle in ensuring employee welfare. In line with that, transparency and effective communication in delivering mutation, promotion and remuneration policies are key elements in building employee trust and loyalty. Goring (2008) explains that by acknowledging the power of these indexes, companies have the unique capability to build integrated communications solutions that address the expectations of both employees and customers, the two most contributory groups in building brand strength.

With a commitment to improving the human resource management system, Makassar City Government strives to create a work environment that is not only productive but also provides high job satisfaction. Through this effort, it is expected that employees will feel encouraged to give their best contribution, supporting the realization of the city government's vision to provide quality public services and be responsive to the needs of the community. The content and effectiveness of a human resource management system needs to be understood in a certain management context. In response, this paper provides a comprehensive understanding of the management context in Makassar city government in creating an 'ideal type' of HRM model that is effective for the conditions in the city government context. This study links HRM practices to the contextual setting of government closely, and contributes to understanding not only local realities that are very different to those of other countries, but also new theoretical insights to the literature.

Review of Existing Literature

Organizations in the competitive economy prioritize employee loyalty, valuing their commitment to work. In a dynamically changing reality, organizations increasingly use flexible employment forms that cater to both organizational and employee needs (Kot-Radojewska & Timenko, 2018). Loyalty is one of the elements used in employee assessment which includes loyalty to his job, position and organization. This loyalty is reflected by the willingness of employees to maintain and defend the organization inside and outside of work from irresponsible people. Loyalty to work is demonstrated by employees who dedicate their skills, perform tasks responsibly, maintain discipline, and maintain honesty, contributing to a positive work environment, maintaining the company's image, and extending employment.

Job satisfaction as a positive feeling about one's job that is the result of an evaluation of its characteristics. Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job and job experiences. The happier the individual, the higher is level of job satisfaction. It is assumed that positive attitude towards work and greater organizational commitment increases job satisfaction which in return enhances performance of the individual (Susanty & Miradipta, 2013). Job satisfaction is an emotional attitude that enjoys and values their job, influencing work morale, discipline, and performance, and can be experienced both on and off the job.

Mutation is the process of mutationring employees from one job to another, aiming to improve efficiency and effectiveness in a company or government. This horizontal and vertical change in position aims to mutation functions, responsibilities, and employment status to achieve deep job satisfaction and maximum work performance. Mutation is a crucial employment activity in organizations. Work rotation or rotation is done to avoid the saturation of employees or employees on work routines that are sometimes boring and have other objective functions so that someone can master and explore other jobs in different fields in an organization (Aprilzoni & Trimurni, 2022).

Promotion in an organization is a form of recognition of an individual's performance and potential. This involves significant movement, expanding authority and responsibility to higher positions (Finkelstein et al., 2018). When someone is promoted, there is not only a shift in the organizational hierarchy, but also an opportunity to contribute at a more strategic level. In this context, promoted individuals can take a more proactive role in organizational decision making, shape strategic direction, and collaborate with leaders to achieve shared goals (Aragón-Correa et al., 2013).

Promotion also carries consequences related to obligations, rights, status and income. With increased responsibility, promoted individuals are expected to be able to carry out their duties and responsibilities more effectively. At the same time, their rights and status have also increased, reflecting the level of trust and respect given by the organization (Usikalu et al., 2015). Greater income becomes an incentive that encourages individuals to continue making significant contributions. Therefore, promotion is not just a move in the organizational structure, but rather a strategic move that not only benefits the individual concerned but also strengthens the organization by inserting qualified leaders into more influential roles.

Remuneration has a broader meaning than salary. Because it includes all forms of rewards, whether in the form of money or goods, given directly or indirectly, and which are routine or non-routine. Remuneration as a concept has a broader meaning than just salary, because it includes all forms of rewards given to a worker. Salary is only one aspect of financial remuneration. Remuneration involves all forms of rewards, whether in the form of money or goods, which can be given directly or indirectly to employees. This includes all forms of allowances, bonuses, incentives and welfare facilities provided by the company to employees as a form of appreciation for their contribution and performance (Calvin, 2017).

Not only routine, remuneration also includes non-routine rewards, such as annual performance bonuses or special awards for certain achievements. This reflects the company's efforts to provide proportional recognition for the extraordinary contributions and achievements of employees. With an inclusive approach to rewards, remuneration provides a comprehensive view of efforts to motivate, retain and improve employee well-being, which in turn can have a positive impact on their productivity and loyalty to the organization (Kayode et al., 2019). As a human resource management strategy, holistic remuneration reflects the company's awareness of the complexity of employee needs and motivation in achieving common goals.

Methodology

This research methodology is based on a conceptual framework that integrates several concepts that have been proposed by previous researchers. To fully understand the agency's organizational resource factors, mutation, promotion and remuneration variables were identified as key elements to be investigated. This concept refers to the thoughts of a number of researchers who have underlined the significant role of these three variables in the context of human resource management in the government sector. In previous literature, research has shown that mutation policies have a significant impact on career development and play a role in providing variety of tasks to employees. This concept is strengthened by the argument that mutations can affect employee job satisfaction and loyalty depending on the extent to which this policy is implemented fairly and transparently.

Meanwhile, this conceptual framework also includes promotion variables as factors that influence job satisfaction and employee loyalty. Previous research highlights the importance of clear promotion criteria and objective processes in creating motivation and trust among government employees. It is also important to include remuneration variables in the conceptual framework, considering their impact on employee motivation and well-being. Previous research shows that a fair and transparent remuneration system can increase job satisfaction and employee loyalty. By combining these concepts, this research will use quantitative and qualitative methods. A survey will be conducted to measure employee perceptions of mutations, promotions and remuneration and their impact on job satisfaction and loyalty.

Additionally, interviews and focus groups will be used to gain an in-depth understanding of employees' experiences and views regarding these variables. By detailing this conceptual framework, it is hoped that the research can provide a valuable contribution to the understanding of agency organizational resource factors, especially within the Makassar City Government. It is hoped that the implications of this research finding will provide useful input for improving human resource management policies in local government agencies. The survey participants came from the ranks of government officials, non-governmental organizations, academics, business leaders, and investors (Alnamrouti et al., 2022). Based on the problem, hypothesis and research plan, the data collected in this research was analyzed using quantitative methods, namely a structural model using the Partial Least Square (PLS) method.

Result and Discussions

The results of this research provide an in-depth overview of the mutation, promotion and remuneration systems and their impact on job satisfaction and loyalty of Makassar City Government employees. Analysis of the mutation system shows that so far, mutation procedures in Makassar City tend to be transparent and objective. However, there is still a need to further improve communication regarding mutation policies so that employees feel more involved in the process. Employees express varying degrees of satisfaction depending on the clarity and fairness of the mutation process.

In the promotion context, the research results highlight the importance of clear promotion criteria and implementing a fair selection process. Although the majority of respondents felt that promotion procedures in Makassar City were relatively good, there was still a need to clarify the criteria used and increase transparency in promotion decision making. This is closely related to the level of job satisfaction, where respondents who feel fair in the promotion process tend to have a higher level of satisfaction.

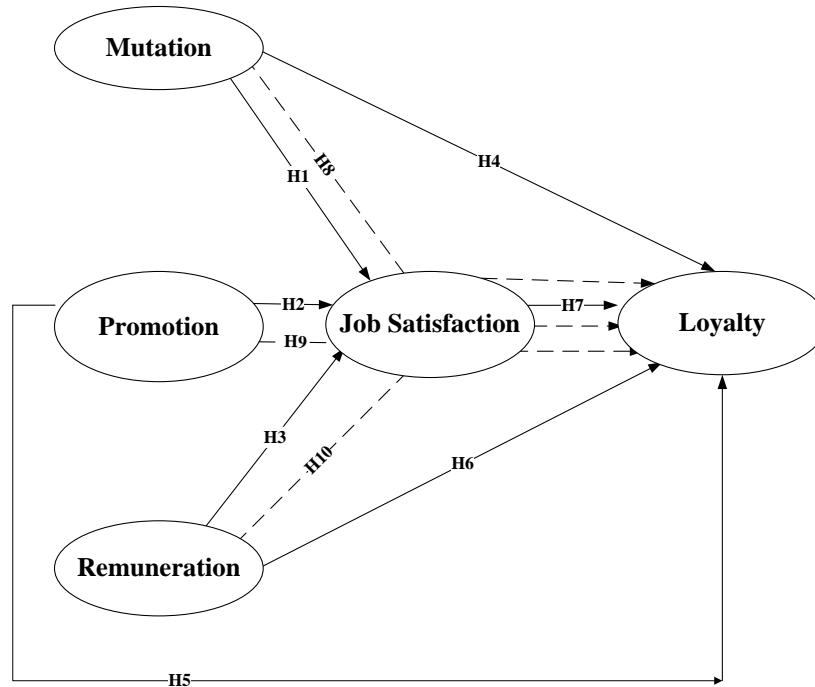


Figure 1. Research Concept Development
Source: Analysis Data (2023)

In terms of remuneration, research findings show that salary fairness and openness regarding the salary structure have a significant effect on job satisfaction. This factor proves that employees' financial well-being plays a crucial role in shaping their job satisfaction. However, there are still several notes related to salary gaps and a perceived lack of transparency regarding the remuneration system which can affect employee loyalty.

The impact of mutation, promotion and remuneration systems on employee loyalty shows that mutation policies that are considered fair and clear promotion opportunities can increase loyalty levels. However, keep in mind that inadequate remuneration can be a risk factor affecting loyalty. Therefore, it is important for the Makassar City Government to improve the remuneration system to ensure employee welfare and minimize the risk of unwanted employee turnover.

Overall, the results of this research provide valuable insights for improving the human resource management system in the Makassar City Government. Recommendations can be provided, including improving communication regarding mutation policies, improving promotion criteria, and re-evaluating the remuneration structure. With these improvement steps, it is hoped that it can increase job satisfaction and employee loyalty, create a more productive work environment, and support the achievement of overall organizational goals.

Table 1. Results of Direct Influence Testing in the Inner Model

Direct Influence	<i>Inner Weight</i>	T-statistik	<i>P-value</i>	Information
Job Satisfaction → Loyalty	0.298	2.111	0.035	Hypothesis accepted
Mutation → Job Satisfaction	0.219	8.643	0.000	Hypothesis accepted
Mutation → Loyalty	0.473	5.993	0.000	Hypothesis accepted
Promotion → Job Satisfaction	0.376	3.058	0.002	Hypothesis accepted
Promotion → Loyalty	-0.160	3.460	0.001	Hypothesis accepted
Remuneration → Job Satisfaction	0.374	3.091	0.002	Hypothesis accepted
Remuneration → Loyalty	0.261	1.968	0.049	Hypothesis accepted

Source: Analysis Data (2023)

The research results show that the majority of Makassar City Government employees have a good understanding of mutation procedures. However, a number of respondents highlighted the need for increased transparency in mutation decision making. Some employees stated that a lack of information could create uncertainty and anxiety regarding their future.

Analysis of the promotion system found that the majority of respondents considered the promotion criteria to be clear enough. However, there are some concerns regarding the objectivity of the selection process. A thorough evaluation needs to be carried out to ensure that promotion decisions are based on actual performance and competency, so as to reduce dissatisfaction and increase employee confidence.

In terms of remuneration, the research results highlight that salary fairness and openness regarding the salary structure have a significant impact on job satisfaction. There is a need to review salary schemes and ensure that every employee feels rewarded fairly according to their contribution. Incentive and bonus systems should also be considered to provide additional motivation.

The level of job satisfaction apparently varied among respondents. Those who feel that mutation and promotion policies are applied fairly tend to have higher levels of satisfaction. However, complaints related to remuneration and financial well-being remain a factor influencing job satisfaction at several levels.

The role of mutations in influencing job satisfaction can be seen in the finding that employees who receive mutations with clear and well-communicated criteria feel more satisfied with their jobs. On the other hand, uncertainty and lack of clarity in the mutation process can create a feeling of insecurity among employees.

It was found that openness and better communication regarding promotional opportunities can increase job satisfaction. Employees who feel they have visibility regarding promotion criteria and career opportunities tend to have higher motivation to improve their performance.

A significant relationship is seen between job satisfaction and financial well-being through fair remuneration. Employees who feel their pay reflects their contributions and responsibilities tend to have higher levels of job satisfaction.

The research results show that the mutation, promotion and remuneration systems have a direct impact on the level of employee loyalty. Dissatisfaction in one or more of these aspects can trigger feelings of lack of loyalty and increase the risk of employee turnover.

To increase job satisfaction and loyalty, it is necessary to expand employee development programs. This involves increasing training and learning opportunities for employees to improve their skills and prepare for future promotions.

Based on the findings, recommendations for improvement include increasing transparency in mutation and promotion policies, revising remuneration schemes by paying attention to salary fairness, as well as implementing broader employee development programs. This improvement is expected to have a positive impact on job satisfaction and employee loyalty in the Makassar City Government.

Conclusion

Based on the research results of the Analysis of Mutation, Promotion and Remuneration Systems and their Impact on Job Satisfaction and Loyalty of Makassar City Government Employees, it can be concluded that the human resource management system has a crucial role in shaping the experience and perceptions of employees in the local government environment. The mutation, promotion and remuneration processes play an important role in influencing job satisfaction and employee loyalty. Employees who believe that mutation and promotion policies are implemented fairly and transparently tend to have higher levels of job satisfaction. This positive impact contributes to increasing employee loyalty. However, there are several aspects that require more attention, such as openness in promotion policies, financial prosperity through remuneration, and better information management regarding mutations.

Suggestions that can be conveyed based on the research results are that a thorough evaluation regarding promotion criteria is necessary. Increased openness in the selection process and better communication regarding career opportunities can increase job satisfaction and motivate employees to perform better. In-depth evaluation of the remuneration system, including reviewing salary schemes and providing incentives. Updates in terms of financial well-being can be a major factor in increasing job satisfaction and employee loyalty. Corrective measures need to be implemented to improve communication regarding transfer policies. This could involve providing clearer information and regular meetings with employees to explain transfer procedures and criteria. The provision of employee development opportunities needs to be expanded. Training and development programs that focus on improving employee skills and competencies can have a positive impact on job satisfaction and employee loyalty. Implementation of changes and improvements needs to be accompanied by a continuous monitoring and evaluation system. Continuous evaluation can help assess the effectiveness of change and respond to changing employee and organizational needs.

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