

Employee Interest in Following Promotion Selection through Open Bidding

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ABSTRACT

Promotion is an achievement desired by employees. Open bidding method is one of the selection processes for promotion. The number of resigned employees is one of the challenges in the promotion process, which renders the implementation and results of open bidding ineffective. This research aims to identify and analyze influences on the interest of employee participation in job selection through open bidding in Indonesia using factor analysis. This study was conducted to analyze what influences employee's interest to participate in job selection through open bidding in Indonesia, using factor analysis. This research was conducted at the Tax Service Office (KPP) Pratama Teluk Betung, Bandar Lampung. Results show five groups of factors that influence the interest of employees in the following the selection of position through open bidding: Factor A (Dedication and Actualization); Factor B (Experience and Science); Factor C (Education and Position); Factor D (Mental factors and Responsibility); and Factor E (Revenue). Among these factors, Factor B is found to be the most dominant factor of influence.

Keywords: Factor Analysis, Interest of Employee, Open Bidding, Promotion Process

1. INTRODUCTION

A clear and definite career opportunity is essential for any employee who has the motivation to work. In practice, employees are less interested in following the process of promotion. The most important factors to consider for career advancement include the attitude of an employee on attendance and delay, dedication to work, and work performance (Carmeli et al., 2007).

The selection process for promotion is an important part of the company's lifecycle. Kamarudin and Sajilan (2013) explained that one obstacle to the success of technopreneurship is the lack of skilled talents. Therefore, the promotion process is necessary to obtain the talent desired by the company. An open bidding method is a form of promotion that can provide new talent beyond the circle of the company. Open bidding is a process of position appointment among the State Civil Apparatus, which is carried out to fill the position of top leader by opening opportunities to employees who are outside the agency. The purpose of open bidding is for organizations to expand the scope of their employees' resources. Therefore, the recruitment process in the open bidding determines the number of candidates that can be included in the selection stage.

A few cases in Indonesia describe the poor implementation of open bidding. Azhzhahiri *et al.* (2013) discuss the open bidding of Echelon II position holders at the Ministry of Administrative and Bureaucratic Reform in Indonesia (PAN & RB). Recruitment in open bidding cannot be regarded to run at a maximum. Apart from the absence of clear rules regarding the recruitment of open bidding positions, the personnel division of PAN & RB is also constrained by time. The time provided for recruitment preparation is still insufficient. The determined time span, from the beginning of open bidding socialization to the acceptance of candidate name of the open bidding participants, is extremely short. The preparation stage of socialization is also inadequate. The personnel section lists vacant positions, administrative requirements and information on the flow of open bidding activities. However, job descriptions of available vacant positions and the minimum qualification requirements are not yet listed. Furthermore, the media used in the socialization of open bidding position cannot provide additional information for employees who are outside the ministry of PAN & RB.

Rosmiati (2015) discusses open bidding on the government of West Java Province. Open bidding is experiencing many problems in its implementation, such as time-consuming and costly selection mechanism, due to numerous involved parties and stages. In addition, the selection mechanism does not guarantee good results because only a few people are trusted that are slightly responsible. An independent appraisal/selection team may also illegally provide subjective judgment based on its interests or that of other parties. The number of professional civil servants in the field of duty are limited due to the restricted number of civil servants with an educational background that is in accordance with the positions opened to the public, the inadequate implementation of technical training and leadership, and the lack of interest of civil servants to independently improve their abilities. Many local leaders are already comfortable with their existing method of recruiting public officials. This is certainly with all the reasons that seem very rational, so that not a few parties who oppose even shrink this open recruitment system. If such is the case, then the area whose officials have a negative view of this open recruitment system will certainly refuse to follow and will even organize recruitment of employees within the system.

In practice, a company can provide equal opportunities for employee career promotion through a job post system according to Fulmer and Fulmer (1974). Kim (2010) explains the existence of an open career system in Korea, which is similar to the open bidding system in Indonesia. A few previous studies show that the implementation of open bidding is not yet effective; therefore, studying the interest of employees in following the process of promotion through open bidding is necessary.

This study took the case at the Directorate General of Taxation (DGT), an institution under the Ministry of Finance of the Republic of Indonesia which carries out the mandate of Article 23A of the 1945 Constitution. DGT organizes the functions of policy formulation, implements policies in the field of taxation, compiles norms, procedures, and criteria, thereby providing technical guidance and evaluation in the field of taxation as well as the administrative implementation of the DGT and other functions provided by the Minister of Finance. Open bidding is conducted to fill echelons I, II, III, and IV positions at the DGT.

The current composition of employees based on position is as follows: 4,675 employees with positions in echelons I, II, III, IV, and 29,845 non-echelon employees accounting for 13.543% of positions contested by other employees. In the process of

filling the positions, the open bidding method has been implemented for the last two years within the Directorate General of Taxes. The implementation of open bidding in government agencies began in the enactment of Law No. 5 of 2014 regarding State Civil Apparatus. Guidelines for the implementation of the auction of office include the regulation of the Minister of Administrative and Bureaucratic Reform No. 13 of 2014 on the procedures of openly filling high position in government agencies, the Ministerial Circular Letter of PAN & RB No. 16 of 2012 on procedures for openly filling available structural positions within the government institutions, and Presidential Instruction No. 3 of 2015 on the acceleration of filling the high leader position within government institutions.

A few facts on the selection process are as follows.

1. From nine eligible employees in the regional office of DJP Bengkulu dan Lampung, six resigned from the selection process.
2. From six eligible employees in KPP Pratama Teluk Betung, three employees withdrew from the selection process.
3. From 6 eligible employees in KPP Pratama Tanjung Karang, five employees resigned from the selection process.
4. From 4 eligible employees in KPP Pratama Kedaton, two employees resigned from the selection process.

Lack of employee interest in following the open bidding process makes the open bidding implementation ineffective. In accordance with the background, identifying factors that affect the interest of employees in following the selection of positions through open bidding is necessary.

2. LITERATURE REVIEW

McClelland (1961) suggests three kinds of needs as follows:

1. Need for Achievement is a reflection of the drive to be responsible for problem solving. An employee who has a need for high participation tends to take risks, wants to do a good job, and always desires to obtain significant achievements.
2. Need for Affiliation is the need for social contact. This need pertains to the impulse to interact with others or be with others and do no harm.
3. Need for Power is a reflection of the drive to attain authority and have influence on others.

McClelland's achievement motivational theory explains that employees have potential energy reserves. The release and use of energy depend on the strength of one's motivational drive and available situations and opportunities. Energy will be utilized by employees because they are driven by their motives, expectations, and incentives. The three concepts are clearly described as follows:

1. Motive is a desire incentive (want) and the driving force of one's willingness to work. Each motive has a specific goal to be achieved.
2. Expectation is an opportunity provided due to one's behavior to achieve the goal.
3. Incentive is the motivation provided to subordinates by giving rewards to those who excel above the standard achievement.

Based on McClelland's theory, three factors or dimensions of motivation include (1) motives, (2) expectations, and (3) incentives. McNeese-Smith (1999) stated that according to McClelland's theory, power and achievement motivation of the manager influenced staff and patient outcomes in health care in the 1990s. According to Penn (2002), each intrinsic motivation is the accomplishment of the highest motivation, where achievement obtains the highest rating, followed by affiliation, power, and financial motivation. Webb (2000) found no existing correlations between the need for affiliation and motivation to volunteer in a non-profit, hospice setting.

The process of promotion through open bidding, which is often referred to as open competitive position system (OPS), has also been applied in several countries. Kim (2010) indicated that the Korean civil service in the 1990s was more criticized for having a lower level of competitiveness and productivity than the management of civil service systems. The Korean government introduced the OPS in 1999 to overcome the prevailing problems. The OPS achieved popularity in public and private sectors. Under the new system, approximately 20% of senior positions were opened to outside candidates. In 2005, a total of 156 OPS positions in 43 government organizations were available. OPS has contributed to enhancing the productivity and competitiveness of the Korean government. Moreover, OPS has shown that the government must open additional jobs to outside candidates if it wants to increase its level of competitiveness.

The primary advantage of the open bidding OPS is its "fairness" to employees. This system allows employees to keep themselves informed with regard to promotion opportunities and assures them of consideration. A closely related advantage is that young employees, as well as minorities, appear to prefer this system. Additionally, a posting system may be good for morale because employees are kept informed of job developments. Posting is also believed to prevent management from inadvertently overlooking an employee with the most seniority. Moreover, the posting system serves as an aid to supervisors because they only have to consider those applicants who have expressed a specific interest in the job (Fulmer and Fulmer, 1974).

The disadvantages of the open bidding OPS include the delay created in filling jobs and the existence of administrative difficulties, such as unions who constantly seek to expand the areas and levels of posting. The tendency toward a "seniority only" selection criterion also exists due to the large volume of bids, which is likely to cause management to seek a selection criterion that is easy to evaluate, that is, seniority. With OPS, a number of grievances are stimulated because people are aware of their consideration and are therefore likely to be unhappy if not selected. OPS also hinders minority advancement because many bids from white employees are likely to dilute the number of minority bids, thereby resulting in an increase in training costs and encourages spur-of-the-moment decisions concerning the employee's career (Fulmer and Fulmer, 1974).

According to Carmeli *et al.* (2007), career mobility is significantly associated with withdrawal behaviors (lateness and absenteeism), overtime dedication, and job performance. Interestingly, results did not show a significant relationship between organizational career advancement and the two dimensions of contextual performance, namely altruism and compliance. They also found that job performance is the only major predictor of promotion prospects. Moreover, Wallace (1996) stated

that organizational commitment is highly dependent on perceived opportunities for career advancements and is the criterion used in the distribution of rewards.

3. RESEARCH METHOD

Factor analysis was used in this research. Cureton and D'Agustino (1983) described factor analysis as a set of procedures for analyzing the relationship between a set of random variables observed, calculated, or measured for each individual of the group. The goal of this analysis is to explain the intercorrelation between n variables by postulating a set of general factors far less in number than the n numbers of these variables. Factor analysis is used to identify a relatively small number of factors that can be used to describe a large number of interrelated variables. Therefore, the variables in the identified factors have a high correlation, whereas the correlation with the variables in other factors is relatively low. Each group of variables is a basic construct called a factor.

This study took the case at the Tax Service Office (KPP) Pratama Teluk Betung, Bandar Lampung and was conducted in June 2016. This study has a total population of 86 employees who work in the Tax Service Office Pratama Teluk Betung. In this study the number of members of the population of 86 employees including researchers. Referring to the opinion above then the determination of the number of samples determined by researchers as many as 85 (eighty five) respondents.

4. RESULT AND DISCUSSION

A total of five factors influence the interest of employees in following the process of promotion with open bidding:

1. The first factor, which comprises devotional and actualization variables, can be referred to as Factor A. This factor indicates that an employee who is interested in following the promotion process through open bidding feels his current position is insufficient for him to serve and actualize. The employee feels the need to better devote and actualize himself in his work by obtaining a position higher than his previous one.
2. The second factor, which comprises experience and science, can be referred to as Factor B. This factor consists of experience and knowledge, which indicates that an employee who is interested in following the promotion process through open bidding feel that he lacks experience in his job. By obtaining an opportunity for promotion, the employee can gain additional experience and apply his knowledge.
3. The third factor, which comprises education and position, can be referred to as factor C. This factor indicates that an employee who is interested in joining the promotional selection process through open bidding feels that he can obtain a chance to improve his position and obtain additional education and training with new positions by participating in such selection process.
4. The fourth factor, which comprises mentality and responsibility, can be referred to as factor D. This factor indicates that an employee who is interested in following the promotion process through open bidding feels that he must possess a high sense of responsibility and strong mentality to assume the position. Hence, for employees who do not feel ready are usually not interested in following the promotion process.

5. The fifth factor, which comprises revenue, can be referred to as Factor E. This factor indicates that an employee who is interested in following the promotion process through open bidding feels motivated in obtaining a higher income than his previous one.

In this study, the most dominant factor group influencing employee interest in following position selection was Factor B, which comprises knowledge and experiential variables. Evidently, the diagonal Factor B exceeded the score of 0.5 (0.904, which is the highest compared to Factors A, C, D, and E).

In comparison to a few studies, the factor that affects employee motivation in job promotion income (Factor E). For example, Chelsea FC manager Mourinho (2004) says motivation is arguably more important than ability in terms of creating a winning team. This observation is a hypothesis to which employers in any UK business can relate when faced with the dilemma of maintaining staff motivation without spending considerable amounts of money on incentive schemes. Schemes with cash prizes are often the least effective at generating long-term motivation, whereas even tangible rewards such as vouchers or bottles of wine can fail to obtain the desired effect. In Taiwan, Tien (2008) said that those who publish rewards tend to be rewarded by external and internal rewards. Among all rewards, the most important to many faculties is an increase in personal income.

Apart from income, dedication, and actualization (Factor A), as well as knowledge and experience (Factor B), affect employee motivation in job promotion. Beehr *et al.* (2004) deduced an existing tendency for people to conclude that promotions based on exceptional or reliable performance can be defined as dedication (Factor A). Meanwhile, Cho (1983) found that the level of learning opportunities in the current job strongly determines promotion prospects. Learning objectives can be defined as experience and knowledge (Factor B).

A link was established between the results of this research and McClelland's achievement theory:

1. Factor A and Factor D are associated with the need for affiliation (need for affiliation). Variables in Internal Factors and the Characteristic Factors of Service, Actualization, Mental and Responsibility is the right driving force for employees to follow the selection of office through open bidding is mainly associated with the need for affiliation (need for affiliation).
2. Factors B and C are associated with the need for power. The variables in Factors B and C include experience, science, education, and position. The position variable is the right driving force for employees to follow the selection of office through open bidding and is especially related to the need for power.
3. Factor E is associated with the need for achievement. The variable in this factor is revenue, which is the right driving force for employees to follow the selection of positions through open bidding and is especially related to the need for achievement.

According to McNeese-Smith (1999), the motivation for strength (need for power) and achievement (need for achievement) of a manager or leader affects the results of staff performance. The need for power is associated with Factors B and C, which comprise experience, science, education, and position.

The need for achievement is associated with Factor E (income). Thus, performance is the only variable that affects the prospect of an employee's promotion (Carmeli *et al.*, 2007). A clear career prospect or opportunity can build employees' commitment to their organization (Wallace, 1996).

The selection process for a career can be performed through open bidding OPS because this method can produce employees who are competitive and have high productivity (Kim, 2010). The advantages of open bidding OPS include fairness to employees, additional job opportunities especially to capable young and minority employees, and job promotion regardless of seniority. However, a few things should still be improved and considered in the implementation, including the length of the selection process, the relatively long administration process, and rebudgeting to ensure low cost (Fulmer and Fulmer, 1974).

5. CONCLUSION AND IMPLICATION

Several conclusions from the results obtained in this study are as follows.

1. Of the five groups of factors formed consisting a total of nine variables, the most dominant factor group that influences employee interest in following the job selection is Factor B, which comprises the science and experiential variables. Evidently, diagonal factor B exceeds 0.5 (0.904, which is the highest factor compared to the factor groups A, C, D, and E). This finding proves that Factor B being the main influence on employee interest is correct because it has the highest correlation.
2. A relationship between McClelland's Achievement Theory and the result of factor analysis through either open survey method or in-depth interview is known to exist. The five groups of factors are influenced by three needs, namely the need for achievement, the need for affiliation, and the need for power.
3. Results of the open survey method and in-depth interviews show three reduction variables that demotivate employee interest: variable age, variable mutation, and employee variable. Based on McClelland's Achievement Theory, these variables are factors that demotivate employee interest in following the selection of positions through open bidding, thereby drawing focus on the need for affiliation.

6. IMPLICATION

Based on descriptive data analysis with qualitative tools and factor analysis with SPSS on factors that influence the interest of employees, the following can be performed by the DGT in the selection of positions:

1. The executing party of open bidding should develop a policy that focuses on the five factor groups in the selection process.
2. Further research should be conducted using quantitative methods to test the hypotheses generated in this study.

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