

Factors Determining Career Development of Financial Functional Employees at the Indonesian Ministry of Social Affairs

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ABSTRACT

Career development for financial functional employees at the Indonesian Ministry of Social Affairs is a strategic issue that supports bureaucratic reform and the implementation of a merit-based civil service. This study aims to identify the determinants of career development, determine the most dominant factor, and identify non-significant factors among these employees. The study contributes theoretically by validating the Leader-Member Exchange (LMX) and competency theories in Indonesian public-sector financial management. Practically, it offers evidence-based recommendations for redesigning merit-based career policies. A quantitative survey design was employed. The population comprised 102 financial functional employees across 39 working units. Due to the manageable population size, a saturated sampling (census) technique was applied, including all 102 employees as respondents. Five dimensions were examined: qualification, competence, performance, organizational needs, and proximity to leaders. Data were analyzed using Principal Component Analysis (PCA) with Varimax rotation and an eigenvalue >1 criterion. The findings revealed two principal factors explaining 69.353% of the total variance. The first factor included competence, performance, organizational needs, and proximity to leaders. The second factor comprised qualification alone. Among all variables, proximity to leaders emerged as the most dominant factor (loading = 0.914), while qualification functioned only as a supporting factor (loading = 0.948 on Factor 2). Practical implications highlight the need for the Ministry to strengthen mentoring programs, enhance competency development, align performance targets with organizational needs, improve data-based manpower planning, and establish structured leadership coaching mechanisms. These measures should mitigate favoritism risks while preserving merit-system principles.

Keywords: Career development; Financial functional officials; Factor analysis; Performance; Institutional needs

1. Introduction

The career development of financial functional officials at the Ministry of Social Affairs is a key to realizing a professional, accountable, and performance-oriented bureaucracy within the framework of bureaucratic reform and the ASN merit system. The positions of functional officials, including financial functional positions, have become increasingly strategic following regulations that encouraged the simplification of structural positions and the strengthening of functional roles. Thus, the career development aspect of employees in this cluster can no longer be viewed as a mere administrative issue but as

a talent management instrument and organizational performance enhancer (Maharani, 2021). At the Ministry of Social Affairs, which has a mandate to manage budgets for social rehabilitation, social security, social empowerment, and social protection, the presence of competent, motivated, financially sound officials with clear career paths is an essential prerequisite for achieving sound state financial governance.

Financial management at the Ministry of Social Affairs plays a strategic role in supporting national social welfare programs, including the

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Family Hope Program (PKH), Non-Cash Food Assistance (BPNT), Social Rehabilitation Assistance (ATENSI), and the Social Economic Empowerment Program (PPSE). As much as 94.78% (IDR 106 trillion) of the Ministry's budget is allocated to social assistance. However, reporting delays and budgeting inaccuracies have emerged as major issues due to competence gaps among financial functional officials (BPKP, 2023). These officials face complex challenges, including frequently changing applications such as SAKTI, OMSPAN, MYINTREST, MPN G3, SIMPONI, and Coretax

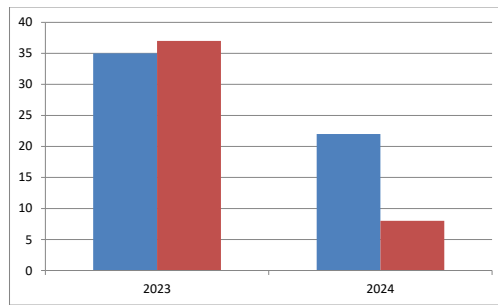


Figure 1. Graph of Employee Rank Increases at The Ministry of Social Affairs 2023-2024
(Source: BKN & Ministry of Social Affairs, Data processed 2025)

Figure 1 illustrates a notable deceleration in rank promotions from 2023 to 2024. Promotions based on working hours decreased from approximately 35 employees in 2023 to 22 in 2024, while non-conforming promotions decreased from 37 to 8 during the same period.

The Ministry of Social Affairs' 2024 internal survey found that only 62% of financial functional employees were competent with digital systems, leading to reporting delays (Ministry of Social Affairs, 2024). High-ranking employees experienced minimal promotion because the organization's focus was on recruiting junior staff to fill basic shortages, while low-ranking employees advanced quickly due to initial training and available promotion quotas (BKN, 2024). This reflects an imbalance in talent management amidst the ASN bureaucratic reform. Low-ranking employees continue to be promoted to fill operational positions and provide training support, although overall career development remains less structured (Ministry of Social Affairs & BKN, 2025).

Career development for financial functional officials is a crucial element in realizing a professional bureaucracy based on the ASN merit system. This process depends not only on seniority or length of service but must be supported by four main dimensions: qualifications, competence, performance, and institutional needs. These dimensions, as emphasized by Nupin (2021), play a central role in shaping the career trajectory of ASN, especially in functional positions that have become increasingly strategic following structural simplification.

In the context of ASN in Indonesia, career development is regulated by Law Number 20 of

2023 concerning ASN and Government Regulation Number 11 of 2017 concerning PNS Management, which mandates that career development is based on qualifications, competence, performance, and institutional needs. However, research by Ramlan et al. (2023) found that career development has a positive effect on employee performance, but this is not yet optimal in financial functional positions at the Ministry of Social Affairs.

The research gap underlying this study is threefold. First, while existing studies have examined career development factors in general organizational contexts (Nupin, 2021; Marthalina, 2021), limited research specifically addresses financial functional employees in Indonesian ministries. Second, previous factor-analytic studies have not systematically compared the relative contributions of qualifications, competence, performance, organizational needs, and leadership proximity within a single framework. Third, the role of leadership proximity in career development within Indonesia's merit-based civil service system remains under-theorized and empirically underexplored.

The novelty of this study compared with previous research lies in three aspects. First, this study applies Principal Component Analysis specifically to financial functional employees—a previously under-researched population. Second, it directly compares the explanatory power of five career development dimensions simultaneously. Third, it provides empirical evidence of the dominance of leadership proximity in the Indonesian public sector, extending LMX theory to merit-system environments.

In addition to qualifications, competence, performance, and institutional needs, proximity to leadership remains a significant variable influencing the acceleration of employee career development. This proximity is not merely an informal personal relationship but rather a quality of interaction and the accessibility of employees to leaders in the context of performance and professional development. Research by Soro (2023) found that employees who are close to leadership or management tend to receive grade increases, promotions, and raises more quickly. This shows that visibility and intensive interaction with superiors open up greater opportunities for employees to be trusted to fill strategic positions.

Based on the description above, several important reasons underlie the need for research entitled "Factors Determining Career Development of Financial Functional Employees at the Indonesian Ministry of Social Affairs". This study aims to: (1) identify the factors determining career development; (2) determine the most dominant factor; and (3) identify factors that are not determinants but have potential for development.

2. Method

2.1 Research Design and Setting

This research uses a quantitative, survey-based approach. The research was conducted at the Ministry of Social Affairs of the Republic of Indonesia, located at Jl. Salemba Raya No. 28,

Central Jakarta, from January 10, 2026, to May 30, 2026.

2.2 Population and Sample

The rationale for selecting Principal Component Analysis (PCA) is as follows: PCA was chosen because this study aims to identify underlying dimensions (factors) that explain the correlational structure among observed career development variables, rather than testing a priori causal relationships. PCA is appropriate for data reduction and exploratory factor identification when the goal is to determine the minimum number of factors needed to explain maximum variance (Hair et al., 2019).

The population consisted of all financial functional employees within the Ministry of Social Affairs of the Republic of Indonesia, totaling 102 people spread across 39 work units. Because the population size of 102 was relatively small and fully accessible, a saturated sampling technique (census) was employed, whereby all 102 employees were included as respondents. This approach is consistent with recommendations that saturated sampling is feasible when the population is limited and manageable (Sugiyono, 2019).

2.3 Instrument Development and Validation

The research instrument used a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The questionnaire measured five dimensions: Qualification (8 items), Competence (12 items), Performance (10 items), Organizational Needs (10 items), and Proximity to Leadership (6 items). The questionnaire was developed in accordance with relevant regulations and previous studies.

Table 1. Questionnaire Indicators

Variable	Number of Items	Example Indicator	Source
Qualification	8	Educational background, work experience, training participation, professional certification	PP No. 11/2017
Competence	12	Integrity, adaptability, communication skills, teamwork, technical mastery (SAKTI, MYINTREST, etc.)	Spencer & Spencer (1993)
Performance	10	Achievement of SKP targets, output quality, efficiency, service orientation, and integrity	PP No. 30/2019
Organizational Needs	10	Workload analysis, competency standards, career mapping, succession planning	BKN (2020)
Proximity to Leadership	6	Accessibility to supervisors, consultation opportunities, delegation of strategic tasks, and trust	LMX Theory (Graen & Uhl-Bien, 1995)

Content validity was established through expert judgment by three HRM scholars and two senior practitioners from the Ministry of Social Affairs. Construct validity was assessed using a Pearson correlation with a p-value of 0.195 (df = 102, $\alpha = 0.05$). Reliability testing used Cronbach's

Alpha with a minimum acceptable value of 0.70 (Nunnally & Bernstein, 1994). Homogeneity was tested using Levene's test, with a p-value > 0.05, indicating homogeneous data.

2.4 Data Analysis

Data analysis employed factor analysis with Principal Component Analysis (PCA) extraction and Varimax rotation. The assumptions underlying factor analysis were tested before extraction. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy was required to exceed 0.50, and Bartlett's Test of Sphericity was required to be significant ($p < 0.05$). Factor extraction used the eigenvalue > 1 criterion. Data processing used SPSS version 25.0.

3. Results and Discussion

3.1 Characteristics of Respondents

This study involved 102 financial functional employees of the Ministry of Social Affairs of the Republic of Indonesia distributed across 39 work units. A saturated sampling technique was employed.

Gender: Female respondents accounted for 65 employees (63.73%), while male respondents numbered 37 (36.27%). This gender distribution has important implications: gender-responsive career development policies are necessary to ensure equal opportunities, and the dominance of female employees suggests that financial positions are increasingly supported by competent women professionals.

Age: Employees aged 30–39 years constituted the largest group (49 respondents, 48.04%), followed by 40–49 years (32, 31.37%), ≥50 years (14, 13.73%), and <30 years (7, 6.86%). Approximately 79.41% of respondents were in the productive age range of 30–49 years, indicating sufficient work experience. However, the low proportion of employees under 30 highlights the need for regeneration and succession planning.

Education: Bachelor's degree (S1) holders comprised 63 employees (61.76%), master's degrees (S2) 23 (22.55%), and diploma degrees (D3) 16 (15.69%). Nearly 85% of respondents possessed at least a bachelor's degree, demonstrating a strong academic foundation.

Length of Service: Employees with >10 years of service represented 57 respondents (55.88%), followed by 6–10 years (40, 39.22%). More than 95% had over six years of financial work experience, indicating high expertise but also weak regeneration.

Overall, the respondents in this study were predominantly female, belonged to productive age groups, possessed relatively high educational qualifications, and had extensive work experience. These characteristics indicate that the financial functional workforce in the Ministry of Social Affairs comprises mature, experienced employees with adequate academic backgrounds. Such conditions provide a

favorable foundation for implementing merit-based career development policies and strengthening organizational performance. However, the relatively low proportion of younger employees highlights the importance of regeneration and succession management to sustain institutional capabilities in the long term.

3.2 Descriptive Analysis

The descriptive analysis showed that respondents generally perceived all career development variables positively. The qualification variable obtained the highest average score, indicating that respondents considered educational background, work experience, training participation, and professional certification to be important factors supporting career advancement. The competency variable also demonstrated a high mean score, reflecting employees' ability to adapt to regulatory changes, work collaboratively, communicate effectively, and master the technical aspects of financial management.

The performance variable recorded an average score of 4.26, categorized as "strongly agree". This result indicates that financial functional employees in the Ministry of Social Affairs perceived their performance as very good, particularly in terms of achieving performance targets, maintaining service orientation, and upholding integrity in financial management. The highest mean score was found for the statement on the timely achievement of work targets, whereas the lowest mean score was for the statement on the alignment between e-Kinerja assessments and organizational performance indicators.

The organizational needs variable achieved an average score of 4.10, categorized as "agree". This finding suggests that respondents viewed organizational planning, workload analysis, competency standards, and career mapping positively, although long-term workforce projections and succession planning still require improvement. The lowest score was associated with future vacancy projections that account for retirement and employee mobility, suggesting that strategic manpower planning has not yet been fully optimized.

Meanwhile, the leadership proximity variable had an average score of 4.24, indicating "strongly agree". Employees perceived that leaders provided adequate opportunities for consultation, support, and delegation of strategic tasks. Accessibility of supervisors received the highest score, whereas trust in assigning highly visible and risky tasks received a relatively lower score.

3.3 Instrument Validity and Reliability

The validity test results demonstrated that all questionnaire items had correlation coefficients exceeding the critical value of 0.195, indicating that every indicator used in this study was valid and capable of measuring the intended constructs. Consequently, the research instrument was considered appropriate for further analysis.

Table 2. Instrument Validity Test

Variable	Range of r Calculated	Validity Status
Qualification	0,509 – 0,719	Valid
Competence	0,323 – 0,714	Valid
Performance	0,369 – 0,710	Valid
Institutional Needs	0,537 – 0,748	Valid
Proximity to Leadership	0,584 – 0,775	Valid

Source: Processed Data, 2026

Reliability testing also indicated that the variables possessed satisfactory internal consistency. Therefore, the questionnaire items consistently represented the dimensions of qualification, competence, performance, organizational needs, and leadership proximity.

All 46 questionnaire items had Pearson correlation coefficients exceeding the critical value of 0.195, confirming validity. The reliability test results show that all variables possess Cronbach's Alpha values greater than 0.70, confirming that the instrument is reliable and appropriate for data analysis. The Organizational Needs variable demonstrated the highest reliability (0.859), whereas the Leadership Proximity variable exhibited the lowest (0.761); nevertheless, both fall within the acceptable range.

3.4 Factor Analysis Results

Prior to conducting Principal Component Analysis (PCA), the suitability of the data for factor analysis was assessed using the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity.

The KMO value indicates the proportion of variance among variables that might be common variance. A value greater than 0.50 is considered acceptable for factor analysis, with values closer to 1.00 indicating more adequate sampling.

The Bartlett's Test of Sphericity tests the null hypothesis that the correlation matrix is the identity matrix (i.e., no correlations among variables). A significant result ($p < 0.05$) confirms that the variables are sufficiently correlated for factor extraction.

Table 3. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.649
Bartlett's Test of Sphericity	Approx. Chi-Square	179.401
	Df	10
	Sig.	.000

Source: Processed Data, 2026

KMO value (0.649) exceeds the recommended threshold of 0.50 and falls into the "middling" to "meritorious" category (according to Kaiser's criteria: 0.80+ = meritorious, 0.70+ = middling, 0.60+ = mediocre). This indicates that the sample size (N=102) is adequate, and the variables share sufficient common variance for factor analysis to be appropriate.

Bartlett's Test is significant ($p < 0.001$), indicating that the correlation matrix is not an identity matrix. This confirms that there are significant correlations among the five variables (Qualification, Competence, Performance, Organizational Needs, and Leadership Proximity), justifying the use of factor reduction techniques.

Thus, both assumptions for factor analysis were fully satisfied, and the analysis proceeded with Principal Component Analysis (PCA) using Varimax rotation.

Principal Component Analysis (PCA) with Varimax rotation was employed to identify the underlying factors influencing career development among financial functional employees in the Ministry of Social Affairs. The analysis successfully extracted two principal components that cumulatively explained 69.353% of the total variance.

The first component represented the primary determinant factor and consisted of competence, performance, organizational needs, and leadership proximity. This component had an eigenvalue of 2.540 and explained 50.807% of the variance. The second component comprised the qualification variable and explained 18.545% of the variance.

Table 4. Initial Eigenvalues

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	2.540	50.807	50.807
2	.927	18.545	69.353
3	.815	16.306	85.659
4	.569	11.380	97.038
5	.148	2.962	100.000

Source: Processed Data, 2026

These findings indicate that career development among financial functional employees is multidimensional and cannot be explained solely by formal qualifications.

Table 5. Component Matrix of Career Development Determining Factors

	Component Matrix ^a	
	1	2
Qualification	.370	.877
Competence	.731	.031
Performance	.849	-.287
Institutional Needs	.600	.158
Proximity to Leadership	.888	-.223

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

Source: Research Data, 2026

Based on the Principal Component Analysis (PCA) factor analysis results without rotation (Table 5), two principal components were extracted, each exhibiting a distinct pattern of factor loadings across the five variables under study. The interpretation of the component matrix is as follows:

1. Component 1 (Primary Factor)

This component demonstrated high loadings on the variables Proximity to Leadership (0.888), Performance (0.849), Competence (0.731), and Institutional Needs (0.600). Meanwhile, the Qualification variable had a relatively low loading on this component (0.370). This indicates that Component 1 represents a combination of proximity to leaders, performance, competence, and organizational needs as the primary drivers of career development. In other words, career advancement among financial functional employees is determined more by these four factors collectively than by formal qualifications alone.

2. Component 2 (Supporting Factor)

Component 2 was dominated by the Qualification variable, with a very high loading of 0.877. Conversely, other variables such as Performance (-0.287), Proximity to Leadership (-0.223), and Competence (0.031) exhibited low or negative loadings. This suggests that Component 2 stands alone as a distinct factor of formal qualifications (education, training, certification), separate from the primary factor. Although qualifications are important, their contribution to career development is relatively independent and less strong than the factors within Component 1.

Based on Table 5, it can be concluded that career development among financial functional employees of the Ministry of Social Affairs is not determined solely by qualifications, but rather by a multidimensional set of factors comprising competence, performance, organizational needs, and, particularly, proximity to leaders. Qualifications serve as a complementary, standalone factor. This finding reinforces the recommendation that career development policies should be more focused on enhancing actual capacity and fostering professional working relationships with superiors.

Table 6. Rotated Component Matrix

	Component	
	1	2
Qualification	.084	.948
Competence	.686	.253
Performance	.896	-.014
Institutional Needs	.523	.334
Proximity to Leadership	.914	.059

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Source: Processed Data, 2026

Examination of the Component Matrix and Varimax Rotated Component Matrix reveals that Factor 1 includes four variables: Competence (loading = 0.686), Performance (0.896), Organizational Needs (0.523), and Proximity to Leadership (0.914). All loadings exceed the 0.50

criterion. Factor 2 consists exclusively of Qualification, with a loading of 0.948, indicating that it forms a separate dimension.

3.5 Competence as a Determinant of Career Development

Competence loaded positively on the first factor with a loading coefficient of 0.686 (consistent between Table 6 and the discussion). This result implies that competencies such as integrity, adaptability, communication skills, teamwork, and technical mastery significantly contribute to career development.

The findings support the competency theory proposed by Spencer and Spencer (1993), which holds that competencies are underlying characteristics that enable individuals to achieve superior performance. Furthermore, the results are consistent with Khaer and Hidayati (2023) and Distyawaty (2017), who concluded that competency significantly influences employee career advancement. However, unlike prior studies that treated competency as the primary factor, this study found that leadership proximity and performance exerted stronger effects in the specific context of Indonesian financial functional employees.

In the context of the Ministry of Social Affairs, technical competencies in utilizing integrated financial applications such as SAKTI, MYINTREST, MPN G3, SIMPONI, and Coretax become increasingly important. Continuous competency development programs are therefore essential to maintain employee competitiveness and professionalism.

3.6 Performance as a Determinant of Career Development

Performance exhibited a loading factor of 0.896, making it the second strongest variable within the primary component (after leadership proximity). This finding demonstrates that employees with higher performance levels tend to experience better career opportunities.

These findings align with Mangkunegara (2015), who emphasized that employee performance constitutes the basis for promotion and organizational recognition. The results are also consistent with Ramlan et al. (2023) and Arifhan & Wahdaniah (2022), who found that career development and employee performance are closely interconnected.

Employees who consistently demonstrate superior performance are more likely to gain organizational trust and advancement opportunities.

3.7 Organizational Needs as a Determinant of Career Development

The organizational needs variable obtained a loading factor of 0.523, indicating that career development is influenced by institutional demands, workload distribution, competency standards, and workforce planning. This finding supports the merit system approach promoted by the National Civil Service Agency (BKN), which

emphasizes alignment between employee capabilities and organizational requirements.

However, respondents perceived that long-term workforce projections and succession planning remain relatively weak. This perception gap suggests that while organizational needs are recognized as important, their operationalization in strategic HR planning requires improvement.

3.8 Leadership Proximity as the Most Dominant Factor

Among all variables, leadership proximity emerged as the most dominant factor, with a loading coefficient of 0.914. This finding suggests that professional relationships between employees and supervisors play a critical role in determining career advancement.

This finding requires careful interpretation within Indonesia's merit-based civil service system. Leadership proximity in this study does not refer to favoritism, nepotism, or collusion (KKN). Instead, based on the questionnaire items, it reflects open communication, trust, mentoring, support, and opportunities to participate in strategic assignments—all legitimate elements of professional leader-member relationships.

However, the dominance of leadership proximity (0.914) over competence (0.686) and performance (0.896) raises important concerns from a merit-system perspective. While high-quality LMX relationships can facilitate employee development through coaching and mentoring (Graen & Uhl-Bien, 1995), excessive reliance on leadership proximity may create risks of:

1. Perception of favoritism among employees with less access to leaders
2. Bias in promotion decisions if informal proximity substitutes for documented performance.
3. Inconsistent application of merit principles across different work units.

To mitigate these risks while leveraging the positive aspects of leadership proximity, the Ministry of Social Affairs should:

- Formalize mentoring and coaching programs so that all employees receive structured leadership interaction.
- Document all developmental opportunities (training, strategic assignments, consultations) transparently
- Implement 360-degree feedback to ensure that proximity does not become a substitute for competence and performance.
- Establish clear, published criteria for promotions that weight competence and performance at least as heavily as leadership relationships.

This result is consistent with the Leader-Member Exchange (LMX) theory proposed by Graen and Uhl-Bien (1995), which explains that high-quality relationships between leaders and subordinates contribute positively to employee development. The findings are also supported by Scandura and Schriesheim (1994) and Liden & Maslyn (1998), who argued that career mentoring

and leader-member relationships complement each other in facilitating career success.

3.9 Qualification as a Supporting Factor

Qualification formed the second component, with a loading factor of 0.948 and accounting for 18.545% of the variance. Although educational background, training participation, and professional certification are important, they do not constitute the primary drivers of career development.

This finding indicates that formal qualifications function more as entry requirements (hygiene factors) rather than as direct determinants of promotion. Employees with higher academic qualifications or certifications do not automatically achieve faster career advancement unless they are accompanied by competence, performance, organizational relevance, and strong professional relationships with supervisors.

These findings are consistent with Simatupang (2021) and Gutteridge (1986), who argued that qualifications provide the foundation for career development but are insufficient without demonstrated competence and organizational contribution. This result diverges from Super's (1957) career development theory, which emphasized formal credentials as the primary determinants, suggesting that, in contemporary Indonesian public-sector contexts, performance and relationships have become relatively more important.

4. Conclusion

4.1 Summary of Findings

Based on the results of Principal Component Analysis (PCA), this study concludes that career development among financial functional employees in the Ministry of Social Affairs is determined by two principal factors, which explain 69.353% of the total variance.

First, the primary factors are competence (0.686), performance (0.896), organizational needs (0.523), and leadership proximity (0.914). Among these, leadership proximity emerged as the most dominant variable, followed by performance, competence, and organizational needs. Second, qualification constitutes a separate factor (0.948) explaining 18.545% of variance, functioning primarily as a supporting condition.

4.2 Theoretical Contribution

This study makes three theoretical contributions. First, it validates the application of LMX theory in the Indonesian public-sector financial management context, demonstrating that leadership proximity significantly affects career development, even in formal merit-based systems. Second, it extends competency theory (Spencer & Spencer, 1993) by showing that competence, while important, is superseded by leadership proximity and performance in predicting career advancement among financial

functional employees. Third, the finding that qualification is an independent, secondary factor challenges the assumption that formal credentials are primary career drivers, suggesting a contextualized model of career development for public sector financial positions.

4.3 Practical and Managerial Implications

For the Ministry of Social Affairs:

1. Strengthen structured mentoring programs to ensure that all employees, regardless of informal proximity to leaders, receive comparable career guidance and developmental opportunities.
2. Implement transparent performance management systems that directly link performance targets (SKP) to promotion criteria, reducing reliance on subjective leadership judgments.
3. Develop data-based manpower planning, including succession planning, retirement projections, and competency gap analyses, to address the weak regeneration identified in respondent characteristics.
4. Establish formal leadership coaching mechanisms that document all leader-employee interactions relevant to career development, creating an audit trail that supports merit-system compliance.
5. Continue encouraging qualification improvement (education, certification) while ensuring that qualification functions as a complement to, rather than a substitute for, demonstrated competence and performance.

For policy makers at BKN and KemenPANRB: Consider revising career development regulations to explicitly balance leadership mentorship (positive proximity) with objective performance and competency metrics, thereby mitigating the risk of favoritism.

4.4 Limitations and Future Research

This study has several limitations. First, the sample comprised only 102 employees from a single ministry, limiting generalizability. Second, the cross-sectional design cannot establish causal relationships. Third, self-reported data may be subject to social desirability bias. Fourth, the study did not examine moderating variables such as organizational culture or leadership style. Future research should: (1) replicate this study across multiple ministries to test generalizability; (2) employ longitudinal designs to examine causal directions; (3) include qualitative interviews to understand how leadership proximity operates in practice; (4) investigate whether the dominance of leadership proximity varies by leadership style (transformational vs. transactional); (5) examine employee perceptions of fairness regarding leadership proximity's role in promotions; and (6) develop and test interventions that formalize positive aspects of LMX while reducing favoritism risks.

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