



## Determinant of Organizational Commitment and its Implication on Employee Performance at Business Unit PT Perkebunan Nusantara VI Jambi

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**Abstract:** The purpose of this research was to determine and analyze the effect of work discipline and job satisfaction partially or jointly to organizational commitment. To determine and analyze the effect of work discipline, job satisfaction and organizational commitment partially or jointly on employee performance. The population in this research amounted to 1558 employees of the Business Unit PT Perkebunan Nusantara VI Jambi.

The method used in this research was descriptive survey method and explanatory survey with minimum sample size using rule 1: 5 by 235 respondents, and the data analysis methods used are SEM (Structural Equation Modeling).

Based on the research results, the following findings obtained discipline of work and job satisfaction simultaneously positive and significant impact on organizational commitment with a contribution (R<sup>2</sup>) by 56% and 44% are influenced by other factors, but in partial job satisfaction positively and not significantly to organizational commitment. Work discipline, job satisfaction and organizational commitment partially or simultaneously positive and significant impact on the performance of employees with contribution (R<sup>2</sup>) by 89% and 11% are influenced by other factors, partially dominant influence organizational commitment to employee performance.

**Keywords:** Work Discipline, Job Satisfaction, Organizational Commitment,, Employee Performance

## INTRODUCTION

The Ministry of Agriculture in 2010-2014 has set some plantation commodities as national commodities. One of the leading commodity originating from the sub-sector is the tea plantation. Tea commodities is one of a few export commodities which also make a significant contribution in generating foreign exchange. In 2012, the commodity managed accounted for US \$ 124.8 million (BPS, 2013).

Indonesia is currently classified as the eighth largest producer with a total production of 142,400 metric tons with the first sequence is China's largest producer (FAOSTAT, 2013). If seen by the largest exporting country, according to The Tea Board of Kenya (2009), In 2006 Indonesia ranks 5th as tea exporting countries world after Sri Lanka (20%), Kenya (19%), China (18%), and India (14%), while Indonesia only contributes about 6% to world tea exports. However, in 2010, according to The *Tea Boar of India (2010)* Indonesia suffered a setback with only ranks No. 6 with a share (5.03%) ranked as the top exporting country by country Sri Lanka and Kenya.

Annual meeting of members in Indonesia Tea Board and the National Tea Dialogue in 2013 in Jakarta, it was revealed that in the last 10 years the land area of tea plantations in Indonesia was reduced to 30,000 hectares or currently remaining approximately 120,000 hectares. Dry tea production is estimated at 150,000 tons per year with exports of 80,000 tons. Ironically, however Indonesia also imported 20,000 tonnes per year with increasing tendency.

Increased imports of tea from tea importing countries are likely to continue to increase impact of tea companies, especially state-owned companies in this case is PT Perkebunan Nusantara (Persero) I through XIV. While the amount of human resources in the tea plantations compared to other plantation crops, tea absorb the labor force much larger. Even the Food and Agriculture Organization (FAO) has recommended to the tea producing countries to continue to increase domestic consumption. The level of tea consumption in Indonesia has decreased from 330 grams per capita per year in recent years now only be 180 gramper capita per year. The resulting tea plantations in Indonesia are generally in the form of commodities black tea, both orthodox and CTC with different grade; and sold in bulk by auction to traders or blender atauexporter. Only a small portion is processed into retail products or consumer's goods in the form of tea or tea celupyang branded packs.

PTPN VI (Persero) is one of the companies involved in the business of tea plantations in Jambi and West Sumatra that was founded in 1996, with a commitment to produce tea products in partnership with the local tea farmers to meet the needs of the domestic market and abroad , The history of the company begins by melting or consolidating several existing gardens and the former project development Nucleus Estate & Smallholders (NES) implemented by PTP III, PTP IV, PTP VI and PTP VIII in the area of Jambi and West Sumatra to PTPN VI (Persero) based on Government Regulation No. 11 1996 tanggal14 February 1996, which was confirmed as the Company Law Board under Deed Harun Kamil, SH. No. 39 On March 11, 1996 and published in Supplement No. State News 80 On October 4, 1996 in accordance with the Decree of the Minister of Justice No. C2-8334.HT.01.01. year of '96.

In the middle of the business environment challenging Plantation, where PTPN VI (Persero) manages tea with its own garden as well as accommodate the production of the people, for the year 2013 clearly face a tough business environment. With the composition of the company's business portfolio of palm oil and tea, the company contributed to the acreage and production of these commodities in Indonesia. However,

based on the company's performance as measured by the level of profitability of PTPN VI (Persero) to 2013 showed a declining tendency. Until 2010 the company was able to increase profit reached 12.53% from previously 10.20%. However, in 2012 and even in 2013 decreased very large profit, which profit in 2011 amounted to Rp. 181 555 billion down to Rp. 146 786 billion or a decline which reached 19.15%. Then the profit earned in 2013 is much more decreased only able to reach Rp. 66 687 billion, or a decline drastically, which reached 54.57% compared with the previous year (Source: Annual Report PTPN VI (Persero), 2013). Then based on company financial statements in 2013 with comparison to the year 2012 health condition as a state plantation company measured by SOE Ministerial Decree N0. 100/2002. Company in 2013 in Healthy Condition AA with a score of 89.66 decreased from the previous year, which in 2012 in Healthy Condition AAA with a score of 95.5.

Many factors could cause the performance of PTPN VI (Persero), such as the government's economic policy, the policy of the world market, technology, capital, and human resources even more to have a very important role in running the company's business wheel. According to Awadh and Saad (2013: 64) in penelitiaannya states "The employee performance would be considered as backbone organization as it leads to its development effectively". Demikian juga Mahmood, Iqbal and Samsaa (2014:86) dalam penelitiaannya menyatakan bahwa "Employee Performance is most important factor in an organization success therefore, there is need to adopt effective human resources strategies that aim to improve employee performance and creates the culture of high performance in any organization based on human resource practices".

Based on some of the statements above, the low performance of the company PTPN VI (Persero) due to the relatively low performance of employees. The low performance of employees of PTPN VI (Persero) is seen from the composition of the portfolio company's business of oil palm and tea. As to 2013 acreage and production levels of oil palm and tea PTPN VI (Persero) to acreage and production levels Indonesian palm oil and tea.

Based on the Annual Report PTPN VI (Persero) In 2013, the area under oil palm plantation PT Nusantara VI (Persero) has increased with an average growth rate of 1,439% per year with 12 (twelve) business unit with an average growth rate area on palm oil commodity at PTPN VI (Persero) is able to provide an increase in palm oil production companies with an average growth rate of 3.482% per year. Meanwhile, the acreage of tea PTPN VI (Persero) has increased the average growth rate rata0,425% per year. But instead the average growth rate in the area of commodity tea at PTPN VI (Persero) which is supported by 2 (two) business unit is not able to provide an increase in tea production company, instead the opposite happens tea production levels decreased at a rate of mean average 2.867% per year. (Source: Annual Report PTPN VI (Persero), 2013)

The low performance of employees of PTPN VI (Persero), especially in the business unit terlihat of the results of the initial survey researcher (2013) on 60 employees at two tea business unit (Unit Kayuaro and Twin Lakes), where the majority of employees in both business units tea PTPN VI have not demonstrated the level of work (output) is still below the target set by the business units of the company (83.70%), as well as some other employee performance such as the level of quality of work (production) are generally still below minimum standards (95 , 40%), still lack in good cooperation with colleagues and with leaders / bosses (90.30%), and low employee in helping other employees or co-workers (91.20%). (Sourcer: Explorative research, 2013).

Many factors lead to low employee performance, Mguqulwa (2008: 72) named based on the results of research that organizational commitment is well aligned with employee performance, which is getting stronger commitment to the organization, the performance of employees is increasing. Likewise, the results of research Memari, Mahdiah and Barati (2013: 164), which stated that it “the results revealed a positive relationship between organizational commitment and employee’s job performance”. Based on these results the two statements, then the low performance of employee business unit of PTPN VI (Persero) tend to be caused by a still relatively low organizational commitment. Lack of organizational commitment in the tea business unit of PTPN VI (Persero) is indicated based on the data of Human Resources and Development PTPN VI (2013), which shows still have not achieved “Commit system” prevailing in the company PTPN VI which includes the competence the company’s commitment to have the ability to implement and develop the knowledge, skills and expertise (hard & soft) owned in the interest and progress of the company; integrity to carry out the work with an honest, responsible, and ethical, as well as any aksikorporat align with the interests and corporate values; spirit of enthusiasm and high spirits in the work; aware of the cost to run each plan and corporate action based on considerations of efficiency and effectiveness; and team work to carry out any activities of the organization with team spirit, synergy and solidarity to achieve the vision and achievements together.

According to data from the HRD PTPN VI (2013), Commit System for competence by 80%, for the Integrity of 85%, for the Spirit by 70%, to Sadar fee of 60%, and for Tam Work by 70%. These results indicate that organizational commitment at PTPN has not reached 100% in accordance with the standards of achievement achievement “Commit System, overall commit new system only reaches about 73%, with the highest commitment to the achievement of the integrity aspect which reached 85% while the lowest is the aspect of conscious commitment fee of 60%.

Wayan Gede Supartha (2006) through the result penenlitiannya states that “the discipline of employee health center and a significant positive effect on employee performance”. So based on these results, the low performance of employee business unit tea PTPN VI (Persero) is likely due to the relatively low work discipline. Low work discipline of employees in the tea business unit of PTPN VI (Persero) based on the data indicated that employee absenteeism still high and likely to increase, which reached an average of 11:39% per year. According to data from the HRD PTPN VI (2013), the number of employee absence in 2009 amounted to 8.75%, in 2010 amounted to 13:45%, in 2011 amounted to 11.75%, and in 2013 amounted to 12.5%.

The high level of absenteeism in the tea business units with the amount of power that many operations, will greatly influence the production process. So that if one of the employees do not enter without prior notice then it can interfere with work activity.

Other factors that can cause low employee performance, according to Hira Aftab and Waqas Idrees (2012: 174) concludes that the research results “there is a positive relationship between job satisfaction and job performance.” Likewise, the results of research conducted by Abdulrahman Ahmed Bako (2012: 48), with the results of the research findings is “There is significant impact of job satisfaction on performance of employees in organizations, High satisfaction of employees leads to less turnover of employees, High satisfied employees have tendency of high production than low satisfied workers, and The overall performance of employees depends on the nature of their satisfaction to the job.” Ulker Colakoglu, Osman Culha, and Hakan Atay (2010) states “that job satisfaction played a partial mediating role between perceived organisational support and dimensions of organisational commitment. Implications were presented for hotel managers who want to keep and encourage their employees to work.”

Based on some statements the results of the two studies above, the lack of organizational commitment and performance of employees at the tea business unit of PTPN VI (Persero) is likely due to the still relatively low job satisfaction. This is indicated by the results of direct observation of researchers (2013) to 60 employees in two Business unit of PTPN VI (Persero). The observation results showed the dissatisfaction of employees due to a lack of appreciation of 19.25%, due to horizontal conflict by 18.75%, due to the vertical conflict by 12.5%, as a result of promotional opportunities by 17%, and the result amounted to 14.5% working comfort. Thus, employee dissatisfaction on two Business unit of PTPN VI (Persero) reached an average of 16.40% with the highest dissatisfaction is the dissatisfaction on the award, which reached 19.25%.

## **PROBLEM FORMULATION**

Based on the background research and the identification of the above problems, the formulation of the problem of this research are as follows:

1. Is there any influence of work discipline against the organizational commitment on employee of Business unit of PTPN VI (Persero) Jambi?
2. Is there any influence of job satisfaction against the organizational commitment on employee of Business unit of PTPN VI (Persero) Jambi?
3. Is there any influence of work discipline and job satisfaction together against the organizational commitment on employee of Business unit of PTPN VI (Persero) Jambi?
4. Is there any influence of work discipline against employee performance on Business unit of PTPN VI (Persero) Jambi?
5. Is there any influence of job satisfaction against employee performance on Business unit of PTPN VI (Persero) Jambi?
6. Is there any influence of organizational commitment against employee performance on Business unit of PTPN VI (Persero) Jambi?
7. Is there any influence of work discipline, job satisfaction and organizational together against employee performance on Business unit of PTPN VI (Persero) Jambi?

## **OBJECTIVES**

Based on the identification and formulation of the problem above, the purpose of the study is to examine and analyze:

1. Effect of work discipline against the organizational commitment on employee of Business unit of PTPN VI (Persero) Jambi.
2. Effect of job satisfaction against the organizational commitment on employee of Business unit of PTPN VI (Persero) Jambi.
3. Effect of Work discipline and job satisfaction together against the organizational commitment on employee of Business unit of PTPN VI (Persero) Jambi.
4. Effect of work discipline against employee performance on Business unit of PTPN VI (Persero) Jambi.

5. Effect of job satisfaction against employee performance on Business unit of PTPN VI (Persero) Jambi.
6. Effect of organizational commitment against employee performance on Business unit of PTPN VI (Persero) Jambi.
7. Effect of work discipline, job satisfaction and organizational commitment together against employee performance on Business unit of PTPN VI (Persero) Jambi.

## **LITERATURE**

### **Work Discipline**

According Singodimedjo in Sutrisno (2010: 86) discipline is an attitude of readiness and willingness of a person to adhere to and comply with regulatory norms prevailing around it. Discipline of employees who either will accelerate the company's goals, while discipline will degenerate into a barrier and slow the achievement of corporate goals.

Meanwhile, according to Keith Davis in Mangkunagara (2005: 129) says that "Discipline is management action to enforce standards organization". It is stated that the discipline of work as the implementation of management guidelines to strengthen the organization". While Rival (2004: 825) argues that the discipline is the management activities that encourage adherence to labor standards.

### **Job Satisfaction**

Robbins and Judge (2013: 109) defines job satisfaction as positive feelings about one's work resulting from the evaluation characteristics. While Brooke *et al.* (1988) in Bellou (2010: 5) states that job satisfaction reflects an individual's general attitude towards work, comes from satisfying needs and desires, while Hirschfeld (2000) in Bellou (2010: 5) says job satisfaction is an expression of one's feelings about his job.

While Gibson *et al.* (2012: 102) suggests that job satisfaction is the attitude of people towards their work. This result is their perception of their work, based on the factors of the work environment, such as the style of supervisors, policies, and procedures, the working group affiliation, working conditions, and benefits. Schleicher, Watt and Greguras (2004) in Gibson *et al.* (2012: 102) describe the dimensions associated with job satisfaction, there are five in particular have important characteristics, namely; (1) The salary is the amount received and perceived equity to salaries, (2) the work is the extent to which work tasks are considered attractive and provides the opportunity to learn and to accept responsibility, (3) promotion opportunities, namely the availability of opportunities for advancement, (4) supervisor (supervisor) is the ability of the supervisor to show interest and concern for employees and (5) work colleagues, namely the extent to which colleagues are friendly, competent, and support.

### **Organizational Commitment**

According Lennick, Dough and Fred (2008: 176) that have the right people, namely the people who own and run the organization's values are key levers in building a morally competent organizations. According to Robbins and Judge (2013: 108) states that organizational commitment is the level of an employee

identifies with a particular organization and objectives as well as the desire to maintain membership in the organization. While Hellriegel and Slocum, Jr. (2011: 91) adds that the employees are very committed to seeing themselves as members dedicated to the organization, referring to the organization in terms of personal, such as “we create high quality products”.

Allen and Meyer (1996) in George and Jones (2012: 88) identifies two different types of individual commitments that affective commitment and continuous commitment. Because of the multidimensional nature of commitment of this organization, there is a growing support for the three components of the model proposed by Meyer and Allen (1991) in Luthans (2011: 148), two dimensions previously discussed, one more dimension is the normative commitment that involves feelings of employees will be liability to stay with the organization because they have to, it is the right thing to do.

### Employee Performance

While Gomes (2003: 39) states as the employee’s performance record production results in a specific job function or activity during a specific time period. So performance is the level of success achieved by the employee in performing a work activity with reference to the tasks to be performed. According to Gomes (2003: 45) suggests that some types of employee performance are Quantity of work, Quality of work, Job knowledge, Creativeness, Cooperative, Dependability, Initiative, dan Personal qualities.

Mangkunagara (2007: 9) states that the employee’s performance is the result of the quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities given to the employee. Individual performance is the relationship of the three factors, among others, ability, effort, and support. Mangkunagara (2007: 75) states of the four factors of employee performance as a standard of performance assessment, ie quality of work, quantity of work, Reliability, and attitude.

### FRAMEWORK

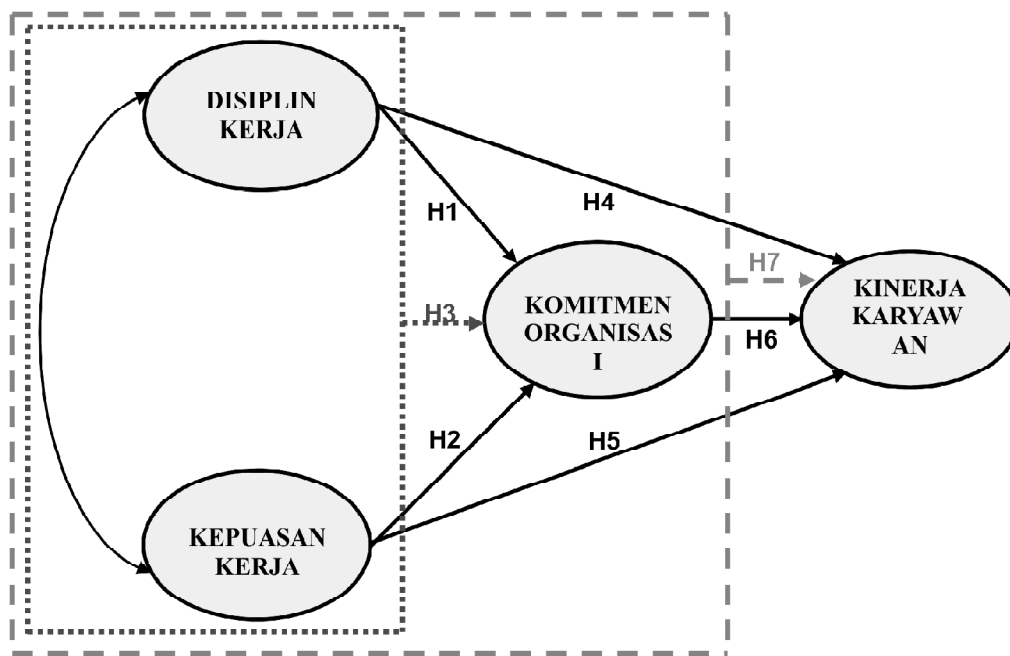


Figure 1: Model Research Research Hypothesis

Based on the description refers to the framework and research model at the top of the research hypothesis is as follows:

- H1: There is an influence of work discipline against the organizational commitment on employee of Business unit of PTPN VI (Persero) Jambi.
- H2: There is an influence of job satisfaction against the organizational commitment on employee of Business unit of PTPN VI (Persero) Jambi.
- H3: There is an influence of work discipline and job satisfaction together against the organizational commitment on employee of Business unit of PTPN VI (Persero) Jambi.
- H4: There is an influence of work discipline against employee performance on Business unit of PTPN VI (Persero) Jambi.
- H5: There is an influence of job satisfaction against employee performance on Business unit of PTPN VI (Persero) Jambi.
- H6: There is an influence of organizational commitment against employee performance on Business unit of PTPN VI (Persero) Jambi.
- H7: There is an influence of work discipline, job satisfaction and organizational commitment together against employee performance on Business unit of PTPN VI (Persero) Jambi.

### **METHODS USED**

The object of research into the independent variable in this study is the discipline of work and job satisfaction. While the dependent variable is organizational commitment, and employee performance. The nature of this research is descriptive and verification. Given the nature of this research is descriptive and verification conducted through data collection in the field, the research method used is descriptive method survey and explanatory survey method. The unit of analysis in this study were employees of the Business unit of PTPN VI (Persero) Jambi. Time horizon in this study is cross-sectional, where research is done in one time simultaneously.

1. Work Discipline ( $\xi_1$ ) as independent variables
2. Job Satisfaction ( $\xi_2$ ) as independent variables
3. Organizational Commitment ( $\eta_1$ ) as an intermediate variable
4. Employee Performance ( $\eta_2$ ) as the dependent variable.

Population is an object that is located in a region and meet certain conditions related to the research problem. Type populations used in this study was limited population is a population that has a clear data sources so that the quantitative limits can be counted. In this study, as object of analysis is the Tea Business Unit of PT Perkebunan Nusantara VI (Persero) Jambi, while the population (the unit of analysis) is the permanent employees at the staff level Tea Business Unit in Kayu Aro and Danau Kembar which number is 1558 employees.

Relating to the rule of thumb in the SEM, Hatcher (1994) states that in determining the sample size, there is a minimum ratio is 5 respondents for each parameter in the study, or 10 respondents for each one



parameter, or 15 respondents for each one parameter. Likewise, Hair et al (2003: 605) states there is no single criterion for determining the size of the sample (sample size) in SEM, but keep in mind the ratio of the sample to the parameter (indicator) in order to achieve a ratio of 1: 5. Under the rule of thumb in SEM, then in this study used a ratio of 1: 5 or 1 questionnaire (indicators) by 5 respondents. This study has 47 parameters (indicators), then the minimum sample size are:

$$n = \text{number of parameters} \times 5$$

$$= 47 \times 5 = 235 \text{ respondents}$$

Thus, the minimum size of the samples taken in this study was 235 respondents. While the selection of the sample population used proportionate stratified random sampling technique. According Sugiyono (2010: 64) is a proportionate stratified random sampling is a sampling technique when the population has members / elements that are not homogeneous and stratified proportionately.

## DISCUSSION

**Table 1**  
**Hybrid (Full SEM) Suitability Size Model**

<i>GOF Indicators</i>	<i>Expected size</i>	<i>Estimation results</i>	<i>Conclusion</i>
<b>Absolute Size Fit</b>			
GFI	GFI > 0,90	0,95	Good Fit
RMSEA	RMSEA < 0,08	0,076	Good Fit
<b>Incremental Fit Size</b>			
NNFI	NNFI > 0,90	0,90	Good Fit
NFI	NFI > 0,90	0,90	Good Fit
AGFI	AGFI > 0,90	0,84	Marginal Fit
RFI	RFI > 0,90	0,88	Marginal Fit
IFI	IFI > 0,90	0,91	Good Fit
CFI	CFI > 0,90	0,91	Good Fit

*Note:* Marginal Fit is the condition of the suitability of the measurement model under the criteria of absolute size fit, as well as incremental fit, but still can be passed on further analysis, because it is close to the criteria of good size fit (Hair *et al*, 2006: 623).

*Source:* Results of Treatment with LISREL 8.70

Based on Table 1 above, six sizes suitability obtained has an index measuring the suitability of the model is a good fit GFI, RMSEA, NNFI, NFI, IFI and CFI. While the other two have the size suitability suitability index measurement model that marginal fit is AGFI and RFI. Thus it can be continued on subsequent measurement analysis.

Based on Figure 2 and Figure 3 above, which is followed by the analysis of hybrid measurement model (full model) of each variable, which for all indicators in the formation of the latent exogenous variables Discipline Work and Job Satisfaction and endogenous latent variables Organizational Commitment and Employee Performance has validity well, this is indicated by all indicators have Standardized Loading

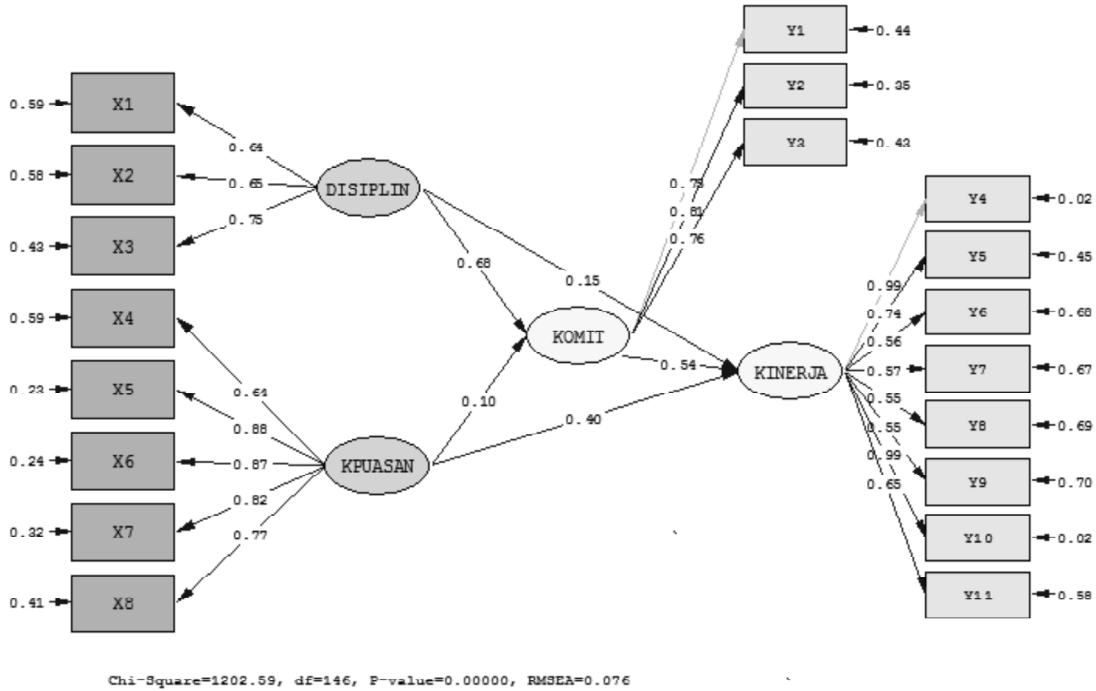


Figure 2: Model Hybrid (Full SEM) Standardized

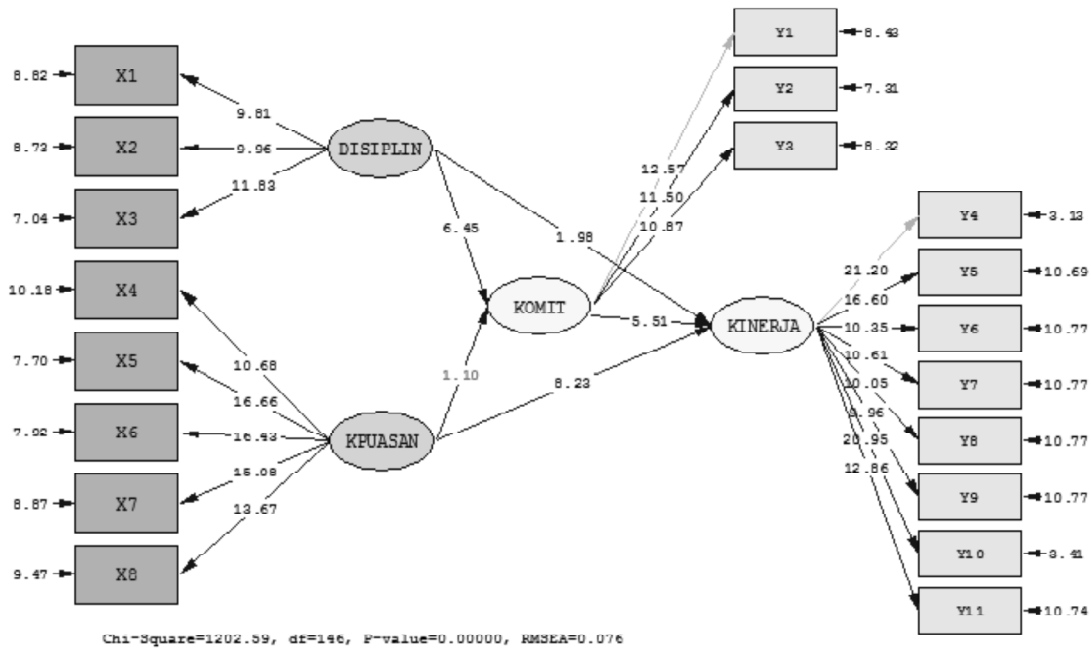


Figure 3: Model Hybrid (Full SEM) t-value

Factor (SLF)  $\geq 0.5$  and  $t_{count} \geq 1,96$  (at  $\alpha = 0.05$ ) (Hair, et. al., 2006). Likewise, both exogenous and endogenous latent variables have a good model of reliability, it is shown with all variables construct reliability value greater than 0.70 (CR > 0.70) and extract variance values greater than 0.50 (VE > 0.50).

**Table 2**  
**Structural Equation Model**

KOMIT = 0.68*DISIPLIN + 0.100*KPUASAN, Errorvar.= 0.44 , R <sup>2</sup> = 0.56...					(1)
	(0.11)	(0.091)	(0.093)	(0.004)	
	6.45	1.10	4.72	144.89	
KINERJA = 0.54*KOMIT + 0.15*DISIPLIN + 0.40*KPUASAN, Errorvar.= 0.11 , R <sup>2</sup> = 0.89.....					(2)
	(0.098)	(0.076)	(0.049)	(0.014)	(0.001)
	5.51	1.41	8.23	7.89	621.25

(Sumber: Lampiran output LISREL 8.70)

**Table 3**  
**Significance Between Variables**

No	Structural Tracks	SLF	<i>t<sub>hitung</sub></i>	<i>t<sub>tabel</sub></i>	Test Results
1	Work Discipline → Organizational Commitment	0.68	6,45	1,96	Significant
2	Job Satisfaction → Organizational Commitment	0.10	<b>1,10</b>	1,96	Not Significant
3	Work Discipline → Employee Performance	0.15	1,98	1,96	Significant
4	Job Satisfaction → Employee Performance	0.40	8,23	1,96	Significant
5	Organizational Commitment → Employee Performance	0.54	5,51	1,96	Significant

Sumber : Hasil pengolahan LISREL 8.70

Based on Figure 2 and Figure 3 or structural equation 1 above, the importance of the determinant coefficient (R<sup>2</sup>) which is the total direct and indirect influence of the variable Work Discipline and Job Satisfaction on Organizational Commitment can be seen in Table 4 below.

**Table 4**  
**Determinant coefficient (R<sup>2</sup>) Job Satisfaction**

Variables	Size of Influences			
	Direct	Direct	Direct	Total
Work Discipline	0,4624			0,5039
		0,0415	Job Satisfaction	
Job Satisfaction	0,0100			0,515
		0,0415	Work Discipline	
Influence of Work Discipline and Job Satisfaction on Organizational Commitment Simultaneously (R <sup>2</sup> )				<b>0,5554</b>
Influence of other than Work Discipline and Job Satisfaction variables on Organizational Commitment ( $\zeta_t$ )				<b>0.4446</b>

Source: Data Processing, (LISREL 8.70)

Based on Table 4 above it, the influence jointly Discipline Work and Job Satisfaction on Organizational Commitment is R<sup>2</sup> ≈ 0.5554 ≈ 0.56 (see equation sub structural model 1).

On the basis of the above calculation, it can be argued the following matters:

- 1) The loading factor amount of work discipline variables on organizational commitment is 0,68 with tcount of  $6.45 > 1.96$ , so it can be said to be significant. The coefficient of the loading of these factors indicate that the contribution of work discipline direct influence on job satisfaction of  $(0.68)^2 = 46.24\%$ , while the indirect influence on organizational commitment with a contribution of 4.15% so that the total effect on work discipline organizational commitment with a contribution of 50.39%. Thus, the discipline of work proved positive and significant effect on organizational commitment or in other words that the hypothesis 1 (H1) is accepted.
- 2) The amount of loading factor Job Satisfaction variable on Organizational Commitment is 0.10 with tcount amounted to  $1.10 > 1.96$ , so it can be said to be insignificant. The coefficient of the loading of these factors indicate that the magnitude of the contribution directly influence job satisfaction on organizational commitment of  $(0.10)^2 = 1.00\%$ , while the indirect influence on organizational commitment with a contribution of 4.15% so that the total effect of job satisfaction on organizational commitment with a contribution of 5.15%. Thus, job satisfaction proved positive and significant effect on organizational commitment or in other words that hypothesis 2 (H2) is rejected.
- 3) The coefficient of determination ( $R^2$ ) variable Discipline and Job Satisfaction Work together to organizational commitment amounted to 0.56 with a value of  $144.89 F_{hitung} > 3.84$ , so it can be said to be significant. The coefficient of determination ( $R^2$ ) shows that the contribution of influence Work Discipline and Job Satisfaction jointly against Organizational Commitment by 56%, while 44% is a big influence of outside variables Work Discipline and Job Satisfaction. The most dominant variable influence on Organizational Commitment is variable Work Discipline. Thus, the Discipline Work and Job Satisfaction jointly proved positive and significant impact on Organizational Commitment, or in other words that hypothesis 3 (H3) is received.
- 4) Based on the above, the total contribution of the most dominant influence on organizational commitment is a factor working discipline with a contribution of 50.39% than the job satisfaction factor of only 5.15%.

Based on Figure 2 and Figure 3 or structural equation 2 above, the importance of the determinant coefficient ( $R^2$ ) which is the total effect of direct and indirect effect of the variable work discipline, job satisfaction and organizational commitment to employee performance can be seen in Table 5.

Table 5 shows the influence jointly work discipline, job satisfaction and organizational commitment to employee performance is 0.8875  $H^* 0.89$  or an  $R^2 = 0.89$  (see equation sub structural model 2).

On the basis of these calculations, it can be argued the following matters:

- 1) The amount of loading factor work discipline variables on the performance of employees amounted to 0.15 with tcount of  $1.98 > 1.96$ , so it can be said to be significant. The coefficient of the loading of these factors indicate that the contribution of work discipline directly influence the performance of employees amounted to  $(0.15)^2 = 2.25\%$ , while the indirect effect on employee performance with a contribution of 9.65% so that the total effect on work discipline the performance of employees with a contribution of 11.90%. Thus, the working discipline

**Table 5**  
**The determinant coefficient (R<sup>2</sup>) Employee Performance**

Variables	Size of Influences			Total
	Direct	Direct	Tidak Langsung Melalui.	
Work Discipline	0,0225	0,0366	Job Satisfaction	0,1190
		0,0599	Organizational Commitment	
Job Satisfaction	0,1600	0,0366	Work Discipline	0,3068
		0,1102	Organizational Commitment	
Organizational Commitment	0,2916	0,0599	Work Discipline.	0,4617
		0,1102	Job Satisfaction	
Influence of work discipline, job satisfaction and organizational commitment on employee performance simultaneously (R <sup>2</sup> )				<b>0,8875</b>
Influence of other than Work Discipline, Job Satisfaction dan Organizational Commitment variables on Employee Performance (z <sub>v</sub> )				<b>0.1125</b>

Source: Data Processing, (LISREL 8.70)

proved to have a significant effect on the performance of the employee or in other words that the hypothesis 4 (H4) is received.

- 2) The amount of loading factor variable job satisfaction on employee performance amounted to 0.40 with tcount of  $8.23 > 1.96$ , so it can be said to be significant. The coefficient of the loading of these factors indicate that the contribution of job satisfaction directly influences the performance of employees amounted to  $(0.40)^2 = 16.00\%$ , while the indirect effect on employee performance with a contribution of  $14.68\%$  so that the total effect of job satisfaction on the performance of employees with a contribution of  $30.68\%$ . Thus, job satisfaction proved positive and significant effect on the performance of the employee or in other words that hypothesis 5 (H5) is received.
- 3) The amount of loading factor variable organizational commitment to employee performance amounted to 0.54 with tcount of  $5.51 > 1.96$ , so it can be said to be significant. The coefficient of the loading of these factors indicate that the contribution of direct influence organizational commitment to employee performance amounted to  $(0.54)^2 = 29.16\%$ , while the indirect effect on employee performance with a contribution of  $17.01\%$  so that the total effect of organizational commitment to the performance of employees with a contribution of  $46.17\%$ . Thus, organizational commitment proved positive and significant impact on the performance of the employee or in other words that hypothesis 6 (H6) is received.
- 4) The coefficient of determination (R<sup>2</sup>) variable Discipline Work, Job Satisfaction and Organizational Commitment together on employee performance amounted to 0.89 with a value

of 621.25 Fhitung > 3.84, so it can be said to be significant. The coefficient of determination (R<sup>2</sup>) shows that the contribution of the influence of work discipline, job satisfaction and organizational commitment jointly on the performance of employees by 89%, while 11% is a big influence of outside variables work discipline, job satisfaction and organizational commitment. The most dominant variable influence on employee performance is variable organizational commitment. Thus, the discipline of work, job satisfaction and organizational commitment together proved positive and significant impact on the performance of the employee or in other words that the hypothesis 7 (H7) is received.

- 5) Based on the description above, the total contribution of the most dominant influence on employee performance is a factor of organizational commitment with a contribution of 46.17% than the factor of work discipline and job satisfaction are each only amounted to 11.90% and 30.68%.

Description The above test results show that the direct variable work discipline and job satisfaction simultaneously affect the variable commitment with a contribution of 56%. Then work discipline variables and job satisfaction directly affects kinerja variable employee with a contribution of 25.57%. But with the commitment of the organization, the discipline of work and job satisfaction affect the performance of employees with a contribution of 89%. This shows that the commitment of the organization in this study are:

- **Partial mediating** work discipline variable on Employee Performance.
- **No mediating** Job Satisfaction variable on Employee Performance.

So that the findings of this research is to improve employee performance Business unit of PTPN VI (Persero) Jambi, especially on the elements of the quantity of work (Y1) will be able to be increased if the Business unit of PTPN VI (Persero) Jambi capable increase organizational commitment, especially on the elements of a continuous commitment (Y2), where the organization's commitment will increase if the Business unit of PTPN VI (Persero) Jambi able to increase employees' discipline, especially on the elements of the discipline of time (X3). Similarly, Employee Performance Business unit of PTPN VI (Persero) Jambi Province will be able to be upgraded directly, especially on the elements of the quantity of work (Y1) to improve employee job satisfaction, especially on the elements of satisfaction with the co-workers (X5).

## CONCLUSIONS

1. Work discipline and significant positive effect on organizational commitment of employees, which means that the increase in work discipline will result in increased commitment of employees of the organization Business unit of PTPN VI (Persero) Jambi. The most dominant element in shaping the discipline of work is the element of time discipline employees, especially in terms of the level of use of employee time. While most dominant element in shaping the organizational commitment is an element of a continuous commitment especially in terms of the level of need for the work and the level of work duration.
2. Job satisfaction and not significant positive effect on organizational commitment, meaning that an increase in employee satisfaction will not lead to increased organizational commitment employee Business unit of PTPN VI (Persero) Jambi.

3. Work discipline and job satisfaction simultaneously positive and significant impact on organizational commitment, meaning that an increase in work discipline and job satisfaction simultaneously will result in an increased commitment of employees organization Business unit of PTPN VI (Persero) Jambi with contributions ( $R^2$ ) by 56% and work discipline factor most dominant in improving organizational commitment while 44% is influenced by other than the discipline of work and job satisfaction.
4. Work discipline and significant positive effect on the performance of the employee, meaning that an increase in work discipline will result in increased employee performance Business unit of PTPN VI (Persero) Jambi. The most dominant element in shaping the discipline of work is the element of time discipline employees, especially in terms of the level of use of employee time. While most dominant element in shaping the performance of employees is an element of the quantity of work, especially in terms of the level of accuracy of completion of work in accordance with the set time.
5. Job satisfaction and significant positive effect on the performance of the employee, meaning that an increase in employee satisfaction will result in increased employee performance Business unit of PTPN VI (Persero) Jambi. The most dominant element in the form of job satisfaction is an element of satisfaction with the co-workers, especially in terms of relationships with colleagues. While most dominant element in shaping the performance of employees is an element of the quantity of work, especially in terms of the level of accuracy of completion of work in accordance with the set time.
6. Organizational commitment and significant positive effect on the performance of the employee, meaning that an increase in employee commitment to the organization will lead to improved performance of employees of the Business unit of PTPN VI (Persero) Jambi. The most dominant element in the form of commitment is an element of a continuous commitment especially in terms of needs over the duration of the job and the level of work. While most dominant element in shaping the performance of employees is an element of the quantity of work, especially in terms of the level of accuracy of completion of work in accordance with the set time.
7. Work discipline, job satisfaction and organizational commitment together positive and significant impact on the performance of the employee, meaning that an increase in work discipline, job satisfaction and organizational commitment will simultaneously result in increased employee performance Business unit of PTPN VI (Persero) Jambi with contributions ( $R^2$ ) by 89% and the factor most dominant organizational commitment in improving the performance of employees while 11% is influenced by other than the discipline of work, job satisfaction and organizational commitment.

### **Managerial Implication**

Organizational commitment of employees of the Business unit of PTPN VI (Persero) Jambi mainly on the dimensions of a continuous commitment to the employees' length of level indicator will be able to be increased if the Business unit of PTPN VI (Persero) Jambi can improve employee work discipline, especially in the dimension of time discipline with timeliness indicator of the level of work and supported by increasing employee job satisfaction mainly on the dimensions of satisfaction with the co-worker with level indicator relationships with colleagues.

Employee performance Business unit of PTPN VI (Persero) Jambi primarily on the quantity of work dimension with level indicator suitability of the work with the target job will be able to be increased if the Business unit of PTPN VI (Persero) Jambi able to increase organizational commitment, especially on the dimensions of a continuous commitment to the employees' length of level indicator, where the organization's commitment will increase if the Business unit of PTPN VI (Persero) Jambi can improve employee work discipline, especially in the dimension of time discipline with level indicator timeliness of work. Likewise, the performance of employees of the Business unit of PTPN VI (Persero) Jambi will be able to be upgraded directly, especially on the dimensions of the working quantity (quantity of work) with level indicator suitability of the work with the target work by increasing employee job satisfaction, especially on the elements of satisfaction with the co-worker.

### **Managerial Suggestion**

1. Organizational commitment of employees of the Business unit of PTPN VI (Persero) Jambi already relatively high so as to be able to provide an increase in performance of the employee in performing his job. Increased organizational commitment is dominantly influenced by the increase in employee discipline, especially in the dimension of time discipline. Some suggested dimensions of work discipline to be maintained, especially on the level indicator on the risk of job responsibility, awareness and adherence to the leadership, awareness and adherence to procedures and working methods, and the use of indicators of working time. However, there are still some indicators on work discipline are advised to remain unnoticed and enhanced as the indicator of the level of responsibility in completing the work and the level of timeliness of work.
2. Employee performance Business unit of PTPN VI (Persero) Jambi already relatively high in carrying out its work. Performance Improvement experts influenced predominantly by the commitment of the organization mainly on the dimensions of a continuous commitment. Some indicators suggested the organization's commitment to be maintained, especially at the level of emotional attachment indicator of employees, the need for employment, length of employment, and the level of obligations on employment. However, there are some indicators suggested the organization's commitment to be noticed and is enhanced by the Business unit of PTPN VI (Persero) Jambi as the indicator of the level of identification of employees, employee involvement, accept the rules of the organization, as well as the level of morality to stay in the organization. The dominant dimension in improving the performance of employees is the quantity dimension of work (quantity of work). Several indicators suggest that the employee's performance to be maintained primarily on the accuracy level indicator completion of the work within the time specified, the suitability of the work with the standard of work, thoroughness in work, conformity of the work with the skills and knowledge, co-operation with the leadership, creativity employees in maintaining work environment, employee personality in berkomunikasi, and indicators of the level of ability in helping other employees.
3. Employee performance Business unit of PTPN VI (Persero) Jambi already relatively high in carrying out its work. Performance Improvement of employees affected directly by the employees satisfaction with the dominant dimension in the dimension of satisfaction with work colleagues. Some indicators of employee satisfaction are advised to be maintained, especially at the leadership level indicators of attention, interesting work, opportunity to learn, accept responsibility for employment, promotion



opportunities, and training opportunities. However, there are some indicators of employee satisfaction are advised to note and improved as the indicator of the level of concern for the leadership, leadership awards, relationships with colleagues, co-worker support, help from co-workers, continuing education opportunities, income corresponding work responsibilities, and indicators of income that meets the needs and the level of incentives.

### **Suggestions for Further Research**

1. There are still many other factors that affect employee performance Business unit of PTPN VI (Persero) Jambi, such as competence, motivation, work engagement, empowerment, leadership, managerial capacity and other factors in order to be further investigated, because there may be other factors besides existing in this study have a dominant influence in improving the performance of employees.
2. This study uses a variable organizational commitment as an intervening variable, so as to further research will likely produce different findings, if variable organizational commitment that is used as a moderating variable.
3. This study uses a variable organizational commitment as an intervening variable, so as to further research will likely produce different findings, if the intervening variables used are other variables such as motivation.
4. The results could also be applied to the business units on the other archipelago plantation companies in Indonesia
5. The results could also be applied to the business unit at state-owned enterprises or private both provincial and national levels.

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