



## THE EFFECT OF LENGTH OF SERVICE AND JOB SATISFACTION ON EMPLOYEE PERFORMANCE AT THE OIL PALM PLANTATION OF PT PERKEBUNAN NUSANTARA IV (CASE STUDY OF THE ADOLINA PLANTATION OF PTPN IV PANTAI CERMIN AND PERBAUNGAN DISTRICTS OF SERDANG BEDAGAI REGENCY)

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### ABSTRACT

This Research was conducted with the aim to analyze the effect of length of working and job satisfaction on the performance of employees in the Adolina Plantation of PT Perkebunan Nusantara IV, located in the sub-district of Pantai Cermin and Perbaungan, regency of Serdang Bedagai. The used method in this research is quantitative data analysis. The sample used in this study amounted to 63 respondents. Data were collected through the use of questionnaires and observations. The analysis techniques applied include multiple linear regression, t-tests, and F-tests. Results of the study showed that the length of work does not have a significant influence on employee performance in the Adolina Garden of PT Perkebunan Nusantara IV. However, job satisfactions positively and significantly affect employee performance in the company. In addition, there is a simultaneous significant influence between length of work and job satisfaction on employee performance.

## INTRODUCTION

The oil palm is an incredibly efficient plant that yields a valuable edible oil known as palm oil from its fruit. Palm oil finds extensive application in numerous consumer goods, such as food and drinks, personal care items, and even biofuels. Indonesia's oil palm plantations are a crucial asset for the country,

serving as a major commodity and contributing approximately 40% of the global palm oil output.

PT Perkebunan Nusantara IV (Persero) is a state owned company engaged in oil palm and tea plantations, one of the PTPN IV plantations located in the province of North Sumatra is Adolina Garden. Adolina Garden has been designated as the Center of Excellence of oil palm commodities PTPN IV Adolina Garden located in Serdang Bedagai district.

Along with the development and competition between companies is so tight that today requires Kebun Adolina to have competent human resources and have high performance in order to excel and survive. Human resources play an important role for PT Perkebunan Nusantara IV Kebun Adolina. Every individual or employee in doing every job must be able to work together with the company so that it can achieve company goals and can increase company productivity. The company's strategy is to prioritize employee recruitment, which is carried out selectively based on the urgency of information standards, implement career ladders in seniority, and design work groups effectively in accordance with work connections. Phenomena occur in every corporate activity. Negative behavior in the workplace occurs, as well as when employees fail to achieve their performance. Lack of employee interest in work. This can lead to poor performance.

Table 1. Production Realization Data of Adolina Plantation PT. Perkebunan Nusantara IV

Year	Production Plan	Production Realization	Percentage
2017	134.193.000	121.988.000	-9,10 %
2018	136.386.500	131.523.030	- 3,37 %
2019	140.382.000	129.223.070	- 7,95 %
2020	139.349.000	135.236.570	- 2,95 %
2021	134.626.000	139.749.090	3,81 %

Source, Adolina Farm Office, 2022

Table 1 shows that the realization of production each year has never reached the production target to be achieved and only in 2021 the realization of production reached the target, this indicates that there are problems being faced by employees in doing work, this could have occurred allegedly due to the lack of performance of employees in carrying out their responsibilities, so that it could be influenced by the lack of satisfaction or lack of experience of employees with the work they do in working at the Adolina Plantation PT Perkebunan Nusantara IV.

Good employee performance seen from the length of work of employees and employee satisfaction in the plantation can be influenced by the wage system and the wages received as well as the experience that employees have. From the explanation above, it cannot be denied that employee performance is actually

one of the production components really needed by plantation companies in addition to land, capital and management. So that the problems that cause less than optimal employee performance need to be researched and solutions are found so that employee performance is in accordance with company expectations.

Considering the earlier provided background information concerning the relationship between length of work, job satisfaction, and employee performance, the author expresses their interest in conducting a research study titled "The effect of length of service and Job Satisfaction on Employee Performance in Oil Palm Plantations: A Case Study of Adolina Plantation, PT Perkebunan Nusantara IV in Pantai Cermin District and Perbaungan, Serdang Bedagai Regency".

## **Theoretical Basis**

### *Length of work*

According to (Bachori, 2015) "The duration of employment is a determining factor that can influence an individual's proficiency, as it provides insights into the length of their professional tenure and allows us to assess their level of experience".

Other than that, according to Rudiansyah "The duration of an employee's tenure refers to the timeframe during which they dedicate their efforts to a specific company, encompassing a range of diverse human activities. A higher level of experience in an employee correlates with a greater capacity to enhance the company's efficiency and achieve superior outcomes"..

### *Job Satisfaction*

Opinion according to Hasibuan, 2016 " Job satisfaction is characterized as an emotional disposition that can create either a positive or negative experience. When employees are content with their work, it leads to a state of emotional well-being among them".

Then (Robbins and Judge, 2015) " states that job satisfaction as a positive emotion about the job, which is gained from the assessment of its many characteristics".

### *Employee Performance*

According to (Hasibuan, 2008) "Performance originates from the concept of work performance or tangible accomplishments achieved by an individual in their professional domain. The definition of performance encompasses the outcomes, both in terms of quality and quantity, derived from an employee's execution of their job responsibilities as assigned by the organization or company they are employed in".

As according to (Bambang kusriyanto in Mangkunegara, 2015) "performance is the difference in productivity obtained by labor force participation per unit mass (average per hour)".

## RESEARCH METHODS

### Method of Collecting Data

The research employed a quantitative analysis approach, with the study being conducted in Afdeling 1, 3, and 4 of Kebun Adolina, PT Perkebunan Nusantara IV, from July to August 2022. The target population for this study consisted of 172 employees from the aforementioned Afdelings. Purposive sampling was employed as the sampling method, following the guidance of Sugiyono (2016), where samples are selected based on a specific purpose. This method is suitable for quantitative or non-generalization research. By utilizing the Slovin formula, a sample size of 63 employees was determined.

The data for this study were collected from two sources: the primary data collected through the distribution of questionnaires and interviews with employees, and secondary data collected from relevant companies, books, and other sources. The technique of data collection used in this research is a questionnaire, using the Likert Scale method. This Likert scale is generally used as a tool to evaluate the attitudes, opinions, and perceptions of individuals or groups towards social phenomena, as explained by Sugiyono (2004). In measuring the research variables, each statement is measured using a 4-point scale with the following options :

Table 2. Assessment score

Code	Assessment	Score
STS	Disagree strongly	1
TS	Disagree	2
S	Agreed	3
SS	Totally agree	4

The questionnaire utilized in this study underwent validity and reliability testing for all statements related to the three variables. A sample of 30 employees was used for this purpose. The validity test involved calculating the Pearson Product Moment correlation to assess the questionnaire's validity. The reliability test, on the other hand, was conducted by calculating Cronbach's alpha coefficient to evaluate the questionnaire's reliability.

### Data Analysis Method

In this study, a multiple regression analysis model was used as a tool to analyze the data. This model allows testing the combined and individual effects of multiple independent variables on the dependent variable. The results of the

study were processed using SPSS software. The analysis involved employing a multiple regression equation, which follows the formula:

$$Y = a + \beta_1 \cdot X_1 + \beta_2 \cdot X_2 + e$$

Description:

Y = Employee Performance

a = constant

X1 = Length of Service variable

X2 = Job Satisfaction variable

$\beta_1, \beta_2$  = Regression Coefficient

e = error estimate

To find out how much influence these variables, namely tenure and satisfaction, have on the performance of employees, hypothesis testing is used in this study. There are two hypothesis tests used, namely the t-test and F-test. This t-test is used to test the effect of tenure and job satisfaction on employee performance. The F-tests are used to determine whether the independent variables, namely tenure and job satisfaction, together have a significant influence on the dependent variable, namely employee performance. Meanwhile, the t-test is conducted to test the individual effect of the independent variables, tenure and job satisfaction, on the dependent variable, namely employee performance.

## RESULTS AND DISCUSSION

### Results

The validity test is conducted to assess the accuracy of each item in the questionnaire or scale used for measurement. To determine the validity of an item, it is done by comparing the Pearson product moment correlation coefficient with a significance level of 5% against its critical value, as stated by Hasan in Fuad (2014). The validity test can be carried out by comparing the calculated r value with the critical value of the r table, which in this case is 0.248. The validity test results are presented in the table below :

Table 3. Validity Test

Variables	Range (r) calculated	R table	Description
Length of Service	0,358 – 0,748	0,248	Valid
Job Satisfaction	0,321 – 0,630	0,248	Valid
Employee Performance	0,434 – 0,709	0,248	Valid

After looking at the validity test table for the employee performance variable (Y), it can be concluded that all question items used to measure this variable show a calculated correlation coefficient (r value) greater than 0.248. This indicates that all questions in the variable are considered valid.

The purpose of the reliability test is to determine the trustworthiness of the research question items, based on the precision and consistency of the measuring instrument. The reliability test employs the Cronbach's alpha test, where a Cronbach's alpha value greater than 0.5 indicates the research instrument's reliability. The results of the reliability test are presented in the table below :

Table 4. Reliability Test

<b>Variables</b>	<b><i>cronbach alpha</i></b>	<b>Description</b>
Length of Service	0,640	Reliabel
Job Satisfaction	0,762	Reliabel
Employee Performance	0,677	Reliabel

It can be concluded that all variables have different Cronbach Alpha values and are greater than the value of  $\alpha = 0.50$ . Therefore it can be said that all instruments used in this study are reliable.

In this research, the multiple linear regression analysis, which was conducted using SPSS, was used. The findings from the regression test results are presented below :

Table 5. Interpretation of the Effect of Length of Service and Job Satisfaction on Employee Performance.

<b>Variables</b>	<b>Regression coefficient</b>	<b>t-count</b>	<b>Significant</b>
Constant	9,920	3,558	0,001
Length of service (X1)	0,077	0,797	0,428
Job Satisfaction (X2)	0,278	3,889	0,000
f-count	10,699		0,000
f-table	3,148		
R Square	0,263		
t-table (0,05)	2,000		

The equation as follows :

$$Y = 9.920 + 0.077 X_1 + 0.278 X_2 + e$$

Thus, for each increase in the length of work by one unit which refers to the length of time spent at work, the performance of employees in the Adolina Garden of PT Perkebunan Nusantara IV is expected to increase by 0.077. The positive coefficient value for length of work indicates a positive correlation between the two variables, this indicates that the longer the work, the employee performance tends to increase. Similarly, a one unit increase in job satisfaction is projected to increase employee performance by 0.278. The positive coefficient value for job satisfaction indicates a positive relationship between job satisfaction and employee performance, implying that higher levels of job satisfaction correspond to increased employee performance at PT Perkebunan Nusantara IV.

## Discussion

### *Effect of Length of Work on Employee Performance*

Based on the results of the t-test for the length of work variable, the t-test value is 0.797 with a probability of 0.428. If the significance level ( $\alpha$ ) is 0.05, the probability of  $0.428 > 0.05$ , and the t-table value is 2.000, it can be concluded that the t-count value of 0.797 is lower than the value of the t-table of 2.000. Therefore, this shows that tenure has no significant effect on employee performance. The length of work variable consisting of four indicators-trial period, tenure, skills and knowledge, and knowledge of work and tools-was used in this study. The most relevant indicator and the one with the highest questionnaire score is the working period, this is because the probationary period that employees have has an interaction with their working period, where if employees who have carried out a probationary period, employees are able and understand the work that employees have, and when they enter the working period employees can already understand the duties and responsibilities of their job. For the knowledge and skills possessed are closely related to the employee's tenure, the higher the knowledge and skills possessed by the employee will make the employee himself able to adapt to the tasks properly, of course also with the knowledge and skills of the employee will make the more master the equipment related to his work. So that of these four indicators will further improve the performance of these employees. So that it is a very important and very influential role to increase the performance of employees in the Adolina Plantation of PT Nusantara IV. When employees work longer in their field, employees will more quickly understand the tasks well.

This finding contradicts the reference from The National Library Ministry of Culture and Education (2013), suggests that tenure is an individual experience that affects work performance and career advancement. However, the results align with the research conducted by Selvia Aprilyanti (2017), which indicates that tenure has no impact on the work productivity of employees at PT. Oasis Water International Palembang branch, as evidenced by the statistical results with a sign value of  $0.845 > 0.05$  and a t-value of  $-0.198 < t\text{-table value of } 2.064$ . These results can be attributed to the fact that employees in this study had similar working periods, and the slight difference in their work experience did not significantly affect their skills and productivity.

However, in the Adolina Garden of PT Perkebunan Nusantara IV, it shows that there is no influence on the statement indicator. This means that the variable length of service of employees at work regardless of old and new employees which is reflected in the form of experience that has been carried out in carrying out work in the form of duties and responsibilities has been fulfilled. So, whatever the employee's tenure has no effect on employee performance.

### ***Effect of Job Satisfaction on employee performance***

In Table 5, the t-test results for the job satisfaction variable are found with a t-test value of 3.889 and a tolerance of 0.00. With a significance level ( $\alpha$ ) of 0.05, it is noted that the probability value of 0.00 is smaller than 0.05. When referring to the t-table, the t-critical value found is 2.000. Therefore, it can be concluded that the t-count value of 3.889 is greater than the t-critical value of 2.000. Thus, this shows that the job satisfaction has a significant effect on the performance of employees.

From the results of this study it is known that six indicators, namely salary/wages, working conditions, relationships with superiors, coworkers, company policies and promotions. The largest indicators that have a relevant level of influence are salary / wages, working conditions and relationships with superiors. Where the satisfaction of the salary received by employees is sufficient from what has been given by the company so that it will improve its performance, and also on the indicator of working conditions the more satisfied the employee is, the employee will continue to try to maximize the predetermined target and produce good performance, then the indicator of the relationship with superiors where the implementing employees have a very good relationship with the leadership employees where the leadership employees always provide support and motivation to the employees under them to always improve the quality of their work well.

This research found results that are in line with the study by Astika R in 2021. Astika's research shows that there is a positive and significant relationship between job satisfaction and employee performance at Grand Maleo Hotel Makassar. In the study, a significance result of 0.000 was found, which is smaller than the 0.05 significance level. In addition, the t-count value of 9.403 is also greater than the t-critical value of 2.014. Thus, it can be inferred that variable job satisfaction has a significant influence on the performance of employees.

### ***The Effect of Length of Service and Job Satisfaction on Employee Performance Simultaneously***

From the analysis results, it can be seen that the F-count value is 10.699 and the significance value is 0.000, which is much lower than the significance level  $\alpha$  of 5%. Thus, it can be concluded that  $F\text{-count} > F\text{-table}$ , i.e.  $10.699 > 3.148$ , and the significance value can also be seen as  $0.000 < 0.05$ . This shows that the independent variables, namely tenure and job satisfaction, simultaneously have a significant influence on its dependent variable, which is employee performance. The findings of this research are in accordance with previous work conducted by Alex Tribudi L and Wachid Fuady R (2018), which shows that job satisfaction and tenure together have a positive to significant effect for employee job performance.



## CONCLUSIONS

### Conclusions

Length of work has no effect on employee performance in the Adolina Garden of PT Perkebunan Nusantara IV. This shows that the length of service does not have an impact on employee performance.

On the other hand, the job satisfactions have a significant and positive influence on employee performance in Adolina Plantation PT Perkebunan Nusantara IV. This indicates that the work satisfaction level experienced by employees can affect and improve their performance.

Furthermore, when viewed together tenure and job satisfaction, both have a significant influence on employee performance. This means that the independent variables, namely tenure and job satisfaction, together have a considerable influence on the dependent variable, namely employee performance.

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