

An Effect of Job Characteristics and Interpersonal Relations Organizational Commitments in PT. AEP (Anglo Eastern Plantation) Ukindo Blankahan Estate

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ABSTRACT

Organizational commitment refers to the thinking of individuals in the organization and working effectively and positively for the organization. Employee organizational commitment is a key factor that contributes to the achievement of organizational goals. The final performance of an organization depends on the level of commitment of its employees. This study is focused on knowing the characteristics of work and interpersonal relationships affect the organizational commitment of employees in plantation sector organizations in Indonesia, especially at PT. AEP (Anglo Eastern Plantation) Ukindo Blankahan Estate North Sumatra, Indonesia. Characteristics of work consisting of skill variety, task identity, task significance, autonomy, feedback and interpersonal relationships are the 6 main independent variables in this study. Affective commitment and normative commitment are the two main dependent variables for this study. A structured questionnaire survey was conducted to collect primary data from 100 randomly selected employees covering the plantation sector in Indonesia, especially at PT. AEP (Anglo Eastern Palntation) Ukindo Blankahan Estate North Sumatra, Indonesia. Data were analyzed using Confirmatory Factor Analysis (CFA). The findings reveal that skill variation (NOW), interpersonal relations (IRP) and autonomy (WOE) are significant and positive factors that can increase the affective commitment of employees in plantation sector organizations. Skill variation (NOW), task identity (PAA), autonomy (WOE) and feedback (RME) were significant and positive factors that increased normative commitment.

Keywords : *Job Characteristics, Interpersonal Relationships, Affective Commitment, Normative Commitment*

INTRODUCTION

Organizational commitment as a concept of employee behavior has gained popularity and several studies have been carried out in the field in recent years. Committed employees are a key asset and a vital resource for organizations to gain competitive advantage. It is therefore in the minds of many academics and practitioners, to look at work arrangements in identifying positive effects on job performance, organizational effectiveness and to reduce tardiness, absenteeism and turnover.(Sharma, 1997; Steinhaus & Perry, 1996). There is sufficient empirical evidence to show the importance of having a committed workforce(Nguyen, Mai, & Nguyen, 2014)and demonstrate higher levels of performance and productivity(Steinhaus & Perry, 1996).

However, there is evidence highlighting the invariance in organizational commitment structures due to cultural differences (Stinglhamber & Vandenberghe, 2003). For example according to Hofstede (1980) the cultural dimension in organizational commitment tends to be higher in more individualistic and less authoritarian countries, whereas if we look at the cultural dimension of Nepal, it is more collectivist.(Gautam, et al, 2005) hence this study highlights the need to examine organizational commitment from a local perspective. Many researchers have identified factors that influence organizational commitment (egHaq, et al, 2014; Mathieu & Zajac, 1990)and job characteristics is one of them (Steers & Spencer, 1977).

Also organizational commitment is influenced by interpersonal relationships and social benefits (Kwon & Bae, 2009).

Commitment is an employee's experience bond with their organization. Committed employees help the organization achieve its goals. Therefore, organizations must pay attention to their employees because employees with high job satisfaction will have high commitment. Organizational commitment is a multidimensional construct that describes the relationship between individuals and their organizations (Glazer, et al, 2004). Organizational commitment is divided into three components, namely affective commitment, continuance commitment and normative commitment (Gunlu, et al, 2010; Lee & Kim, 2010)

Organizational commitment is associated with job characteristics. Some experts argue that there is a positive correlation between all dimensions of job characteristics (skill variety, task identity, task significance, autonomy, and feedback) and organizational commitment. (Agarwal & Ramaswami, 1993). However, other researchers reveal that only a few dimensions of job characteristics affect organizational commitment. For example, Bhuian, et al, (1996) shows that of the five dimensions of job characteristics, only job variation has a significant effect on organizational commitment. Furthermore, another study revealed that job characteristics have a positive and significant correlation with affective commitment, while job characteristics do not have a significant relationship with continuance and normative commitment. (Madi, et al, 2012).

Interpersonal relationship is one of the significant factors responsible for organizational commitment. Team work can improve interpersonal relationships among employees and it is easy to be present in a competitive world. Conflict management, clear communication skills, collaborating and listening are some of the key interpersonal skills required to succeed in any organization (Bahrami, et al, 2016). This study is focused on knowing the characteristics of work and interpersonal relationships affect the organizational commitment of employees in plantation sector organizations in Indonesia, especially at PT. AEP (Anglo Eastern Plantation) Ukindo Blankahan Estate North Sumatra, Indonesia.

LITERATURE REVIEW

Organizational Commitment

Organizational commitment is one of the most researched topics in industrial and organizational psychology (Cohen, 2003). Organizational commitment affects employee behavior, and employees with a high level of commitment are more disciplined and do not leave the organization (DeConinck & Bachmann, 2005). Therefore, it is important for managers to focus on increasing employee commitment. The "side-bet" approach describes the relationship between employees and the organization based on a 'contract' of economic benefits (Ghosh & Swamy, 2014).

Job Characteristics

Job characteristics are affective factors that affect employee intrinsic motivation. Job characteristics theory also known as job design theory provides a set of principles that help enrich jobs in organizations (Hackman & Oldham, 1975). The job characteristics model was first developed by Hackman & Lawler (1971) based on the behavioral approach and expectancy theory. They identified four core job characteristics namely variety, autonomy, task identity

and feedback in their model but the results of their study were not statistically significant in predicting the effect of core job characteristics on absenteeism and turnover reduction. Then Hackman and Oldham (1975) revised the original job characteristics model and included other core characteristics and important intermediate variables (Guise, 1988).

Job Characteristics and Organizational Commitment

Many studies have identified factors that influence employee commitment. Studies Abu Elanain, (2009) proved a positive relationship between all dimensions of job characteristics (job variety, job identity, significance, autonomy and feedback) and organizational commitment. In contrast, Bhuian et al., (1996) showed that autonomy, job identity and feedback had no effect on organizational commitment. Examining the relationship between job characteristics and organizational commitment, Madi et al., (2012) stated that job characteristics have a positive and significant relationship with affective commitment, but have no relationship with continual commitment and normative commitment.

Interpersonal Relations

According to Reich & Hershcovis (2011) Interpersonal relationships are individuals' personal experiences of repeated communication or relationships with other people. They further state that interpersonal relationships in the workplace are an unavoidable reality for everyone who works in an organizational context. Interpersonal relationships at work have been associated with many optimistic outcomes, such as increased job satisfaction, teamwork, effective communication, teamwork engagement, performance, team cohesion, organizational commitment, and decreased turnover rates. (Berman, et al., 2002; Feeley, et al. 2008).

Interpersonal Relationship with Organizational Commitment

Interpersonal relationships in the workplace have been widely studied with optimistic results, such as increased job satisfaction, teamwork, effective communication, collaborative engagement, performance, team cohesion, organizational commitment, and decreased turnover rates. (Berman, et al., 2002; Feeley, et al. 2008). As well as, Mainiero (1989) emphasized that positive interpersonal relationships among co-workers enhance teamwork, effective communication, and cooperation. In other words, interpersonal relationship is a way of communicating with people, which includes communication skills, effective learning and problem solving skills.

RESEARCH METHODS

Research design

The main purpose of this study is to determine the effect of six main factors that influence, namely job characteristics consisting of skill variety, task identity, task significance, autonomy, feedback, and interpersonal relationships on affective commitment and normative commitment in plantation sector organizations in Indonesia, especially at PT. AEP (Anglo Eastern Plantation) Ukindo Blankahan Estate North Sumatra, Indonesia.

As a sampling technique, a disproportionate stratification random sampling method was adopted to select mid-level employees consisting of managers, supervisors, and employees. Data were collected from a sample of 100 respondents. Respondents were selected using simple

random sampling in the category of each employee. A structured questionnaire survey was conducted to collect primary data from the study population. The reasons for using this questionnaire methodology are, to maintain face confidentiality, to build credibility and to save time on official survey participants.

RESEARCH RESULTS AND DISCUSSION

Table 1. Measurement of Fit Indices . Model

Indices	Measurement Model Estimates
Chi-Square (X ²)	1955,92
Dregrees of Freedom (DF)	483
Probability Level	0
CFI	0.66
GFI	0.64
AGFI	0.58
RMSEA	0.11

Table 2. Confirmatory Factor Analysis

Factor	Estimate
NOW1	1.00
NOW2	1.21***
NOW3	0.80***
NOW4	1.10***
PAA1	1.11***
PAA2	0.82***
PAA3	0.89***
PAA4	1.00
TRA1	0.99***
TRA2	0.55***
TRA3	0.10***
TRA4	1.00
WOE1	1.58***
WOE2	1.80***
WOE3	1.55***
WOE4	1.00
RME1	1.00
RME2	1.16***
RME3	0.79***
MRE4	0.77***
IPR1	0.83***
IPR2	0.67***
IPR3	0.96***

IPR4	1.00
AFC1	1.00
AFC2	0.87***
AFC3	1.05***
AFC4	0.95***
AFC5	0.92***
NOC2	1.00
NOC3	0.96***
NOC4	1.10***
NOC5	1.31***

Note: Levels of statistical significance *** $P < 0.001$, ** $P < 0.01$

The CFA results show that the standard estimates are statistically significant except for the indicator variables NOW1, IPR4, PAA4, TRA4, WOE4, RME1, AFC1 and NOC2. The NOW2 indicator shows the highest factor loading (1,211) on the variation of skills. The indicator 'ability to discuss freely with superiors' (IPR3 indicator) strongly reflects the interpersonal relationship factor (IPR) at the level of 95.5%. The PAA1 indicator shows the highest factor loading (1.114) on 'task identity' which states the satisfaction of the employee's task identity. The selection of unbiased task significance (TRA3 indicator) is the most influential indicator (0.997) on the task significance factor (TRA).

The WOE2 indicator, which describes the freedom in carrying out tasks, reflects the autonomy factor (1,797). Employee participation in obtaining information about their performance (RME2 indicator) shows the highest factor loading (1,155) on the relationship between feedback factors. The AFC3 indicator shows the highest factor loading value, which is 1.047 on affective commitment. The AFC3 indicator describes employee perceptions as 'I am proud to talk about the organization with other people'. NOC5 (I feel this job is the best for me) is a very contributing indicator to the employee's 'normative commitment' factor.

Discussion

The findings of this study reveal that skill variation (NOW), interpersonal relations (IRP) and autonomy (WOE) are significant and positive factors that increase employees' affective commitment. Skill variation (NOW), task identity (PAA), autonomy (WOE) and feedback (RME) are significant and positive factors that increase employee normative commitment. Table 6 shows Standard Regression Weights for all factors

Table 3. Standardized Regression Weights

Hypothesized Relationship	Estimates
Affective commitment Skill variety	0.22
Affective commitment Task identity	0.08
Affective commitment Task significance	-0.02
Affective commitment Autonomy	0.57
Affective commitment Feedback	0.06
Affective commitment Interpersonal relations	0.18

Normative commitment Skill variety	0.22
Normative commitment Task identity	0.17
Normative commitment Task significance	-0.11
Normative commitment Autonomy	0.47
Normative commitment Feedback	0.19
Normative commitment Interpersonal relations	0.12

Note: Levels of statistical significance *** $P < 0.001$, ** $P < 0.01$

Under the skill variation factor (NOW), four statements were included that asked about 'interest in work, improvement in skills and knowledge by work, ability to maintain a happy home life with work and the dignity and respect received for work' from others. The interpersonal relationship factor (IPR) consists of 'trust in me by superiors, cooperation between employees, the ability to discuss freely with superiors and listen to employee suggestions by superiors. Four statements fall under task identity (PAA). The autonomy factor is the most influential factor on affective and normative commitment. Based on the results of the analysis, a factor called task significance has no significant effect on employee commitment.

CONCLUSION

Based on these results, the researcher can conclude that skill variation (NOW), interpersonal relationship (IRP) and autonomy (WOE) are significant and positive factors that can increase the affective commitment of employees in plantation sector organizations. Skill variation (NOW), task identity (PAA), autonomy (WOE) and feedback (RME) are significant and positive factors that increase normative commitment. Therefore, management can apply relevant practices in which, create and implement factors that contribute to workers' work interest, support to maintain a happy work-life balance, respect employees, trust in workers, and create a cooperative and friendly workplace. to improve the affective and behavior of employees. normative commitment to the organization. In addition, managers can introduce: a pleasant remuneration package including benefits, employee participation opportunities, effective communication networks with employees, and provide opportunities to discuss worker problems with managers.

Supervisors should listen to employee suggestions if necessary. This will allow employees to feel that they are important to the organization. Furthermore, administrative officers should pay attention to maintaining safety, good sanitation facilities and a pleasant working environment within the organization to make people feel at home in the workplace. This finding will be useful for all levels of managers in plantation sector organizations to identify the main factors that can increase the affective and normative commitment of employees. Further studies are needed to identify other possible factors, which contribute to employee commitment in plantation sector organizations..

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