

The effect of promotion, mutation and organizational culture on employees' performance: Evidence from a plantation company in Medan, North Sumatra, Indonesia

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ABSTRACT: The purpose of this research is to analyze the effect of promotion, mutation, and organizational culture on employee performance. This type of research is based on descriptive quantitative methods with associative approaches. Population in this research is all employees at PT Perkebunan Nusantara IV Medan's totaling 116 respondents. Method of data analysis in this research used multiple linear regression model. In the data processing process, the author uses a Statistical software Product and Service Solution (SPSS) data processing application. The result of the research shows the promotion, mutation and organizational culture of simultaneously and significantly affect the employee performance. From these three factors are the most dominant is the promotion. Companies need to create a clear career path, and employees will work to improve their performance.

KEYWORDS: Promotion, Mutation, Organizational Culture, Employees Performance

I. INTRODUCTION

PT Perkebunan Nusantara IV abbreviated PTPN IV is a state-owned enterprise that strives on the plantation sector. This business entity was established under Government Regulation number 37, March 11, 1996. The company is engaged in oil palm and tea plantations. It also has three central oil palm estates, and one plasma estate spread over several districts. Total concession area operated by this company reached 175,255 hectares. Based on data, plantations are the most profitable business sectors compared to other business prospects. State-Owned Enterprises is one of the largest contributors to state revenue. Employee performance is a key factor due to related the expectation or desire to achieve the goals of the company. In creating high performance, optimal work upgrades, the ability to use human potential, create corporate goals, contribute positively to company development.

Based on interviews and problem identification, the author formulated some hypotheses in this study as follows:

H1: Promotion has a significant effect on employees' performance of plantation company

H2: Mutation has a significant effect on employees' performance of plantation company

H3: Organizational culture has a significant effect on employees' performance of plantation company

H4: Organizational Promotion, Mutation, and Culture has a significant effect on employees' performance of plantation company

II. LITERATURE REVIEW

Employees' Performance

According to Mangkunegara (2005), the strategy of performance improvement: how the company improves employee performance in order to achieve the company's goals. Performance improvement strategies can be successful, so companies need to know performance goals. The performance targets that set are specific individuals, concerning projects, processes, routine and core activities that will be the responsibility of employees. If the performance goal is grown within the employee, it will form a self-strength. Working environment situations support performance achievement to make it easier.

Promotion

Hasibuan (2012) stated the promotion purpose of the department: (1) Providing greater recognition, position, and rewards to high-performing employees (2) Achieving personal satisfaction and pride, higher social status, and greater income. (3) Stimulate employees to be more motivated to work, discipline, and enlarge their productivity. (4) Ensure employee stability, promotion appraisal to employees according to assessment indicators, timely and transparency assessments. (5). Promotional opportunities create multiplier effects in the company because of new jobs. (6) Providing opportunities for employees to develop better creativity and innovation for maximum company benefits (7) Increasing / expanding knowledge and work experience of employees, is the driving force for other employees. (8) Placing a new organizational structure because there is a mutation of the position. In order for the job to not be vacant then promoted to other positions. (9) Employees are promoted to the right position, enthusiasm, and enjoy the work environment, so their work productivity also increases. (10) Facilitate applicants with promotional opportunities. It is the driving force and incentive for applicants to submit job applications.

Mutation

Mutation is the activity of a company leader to transfer employees from one job to another that is considered to be level or parallel. It can be concluded that mutation is interpreted as a change in the employee's transfer of work, in a new position he becomes more successful (Nitisemito, 2005). According to Hasibuan (2012), the purpose of the mutation is: (1) Improve employee productivity. (2) Increase employee knowledge. (3) Eliminate employee boredom. (4) Provide incentives for employees to strive to improve their higher careers (5) Implementation of penalties/sanctions committed (6) Placing employees following physical conditions of employees.

Organizational Culture

One of the organizational cultural studies suggests that employees with strong cultural employees are more committed to their company than employees in firms whose culture is weak. Firms with strong culture will use recruitment efforts and their socialization practices to build employee commitments. Evidence suggests that strong cultures relate to high organizational performance (Robbins, 2004). According to Noor (2017), the organizational culture of the organization continues to work well. Positive organizational culture should continue to be communicated to employees so that the culture can survive and develop in the office. Although his employees changed, due to mutations and retirement being replaced by new officers.

III. RESEARCH METHODS

This type of research is based on descriptive quantitative methods with associative approaches. According to Sugiyono (2014), associative research is a study that aims to determine the relationship between two or more variables, to find the role, and the influence, the causal relationship, that is between independent variables and dependent variables. Population in this research is all employees at the company's director office totaling 116 respondents — method of data analysis in this research used multiple linear regression model. The data processing process, the author uses a Statistical software Product and Service Solution (SPSS) data processing application.

IV. RESULTS & DISCUSSION**Results****Validity Test**

With a total sample of 116 respondents, the correlation analysis was conducted between the questionnaire score and the validity value (r -critical). For the r product moment (r -critical), at 116 samples, with a significant level of 5% is 0.288, if the r -count value is higher or equal to 0.288, then it can be stated that the instrument is valid. Thus the whole question in the questionnaires is declared valid (Sinulingga, 2014). The following table of validity test results of the research instrument is as follows:

Table 1: Validity Test Results

Variables	Item	r-critical value	r-count value	Description
Promotion (X1)	X1-1	0,288	0,678	Valid
	X1-2	0,288	0,617	Valid
	X1-3	0,288	0,402	Valid
	X1-4	0,288	0,687	Valid
	X1-5	0,288	0,528	Valid
	X1-6	0,288	0,580	Valid
Mutation (X2)	X2-1	0,288	0,700	Valid
	X2-2	0,288	0,570	Valid
	X2-3	0,288	0,681	Valid
	X2-4	0,288	0,629	Valid
	X2-5	0,288	0,672	Valid
	X2-6	0,288	0,297	Valid
Organizational Culture(X3)	X3-1	0,288	0,878	Valid
	X3-2	0,288	0,560	Valid
	X3-3	0,288	0,715	Valid
	X3-4	0,288	0,863	Valid
	X3-5	0,288	0,616	Valid
	X3-6	0,288	0,863	Valid
Employee Performance (Y)	Y-1	0,288	0,422	Valid
	Y-2	0,288	0,356	Valid
	Y-3	0,288	0,442	Valid
	Y-4	0,288	0,365	Valid
	Y-5	0,288	0,478	Valid
	Y-6	0,288	0,569	Valid

Reliability Test

In this study, the Cronbach alpha coefficient calculated as the average correlation between the items in the set. If the alpha Cronbach coefficient value is closer to value one then the stronger internal consistency reliability (Sinulingga 2013).

Table 2: Reliability Test Results

Variables	Alpha Cronbach value	Description
Promotion (X1)	0.830	Reliable
Mutation (X2)	0.874	Reliable
Organizational Culture (X3)	0.906	Reliable
Employee Performance (Y)	0.768	Reliable

Hypothesis Test

Simultaneous Test Results (F-Test)

Table 3: Simultaneous Test Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	925.135	3	308.378	54.601	.000 ^b
	Residual	632.554	112	5.648		
	Total	1557.690	115			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Organizational Culture, Mutation, Promotion						

In table 3, the F-count is 54,601 shows the value of F-count (54,601) > of F table (2,474) and the significance level of test F is 0,000 ($p < 0,05$), then H_0 is rejected, and H_1 accepted. The promotion (X1), mutation (X2), and organizational culture (X3) have a significant effect on employee performance (Y) simultaneously. From the above test results, the proposed hypothesis is accepted

Partial Test (T-Test)

Table 4: Partial Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	15.221	1.954		15.221	1.954
	Promotion	.196	.132	.251	5.668	.000
	Mutation	.503	.118	.666	3.438	.001
	Organizational Culture	.104	.110	.145	2.935	.001
a. Dependent Variable: Employee Performance						

In table 4 can be explained as follows:

1. t-value of promotion variable (X1) is obtained the result of t-count is 5,668 and the value of t-table is 1.656. The value of t-count > t-table (5,668 > 1,656) and sig value < 0,05 (0,000 < 0,05). It can be concluded that promotion has a significant effect on employees' performance of a plantation company is 5,668.
2. t-value of mutation variable (X2) is obtained the result of the t-count is 3,438 and the value of the t-table is 1.656. The value of t-count > t-table (3,438 > 1,656) and sig value < 0,05 (0,001 < 0,05), It can be concluded that mutation has a significant effect on employee performance of a plantation company is 3,438.
3. t-value of Organizational culture variable (X3) is obtained as result of t-count value is 2,935 and the t-table value is 1,656. The value of t-count > t-table (2,935 > 1,656) and sig value (0,001 < 0,05). It can be concluded that Organizational Culture has a significant effect on employees performance of plantation company is 2,935.
4. t-value of Promotion variable (X1) is obtained the result of the t-count value is 5,668 and the t-table value is 1.656. The value of t-count > t-table (5,668 > 1,656) sig value (0,000 < 0,05). It can be concluded that promotion has significant effect on employees' performance of plantation company is 5,668

V. DISCUSSION

The Effect of Promotion (X1) on Employee Performance (Y)

The results of this study are found, to get promotion of higher positions, employees are on the option of doing a dishonest way. There is collusion (approach to superiors to be promoted). This case is contrary to the prevailing regulations in PT Perkebunan Nusantara IV Medan. Employee promotion is done with the criteria of working four years, having the ability and skill of working, demonstrating good work performance and high working loyalty — accordingly, the promotion of the positions obtained by employees and the leader in PT. Perkebunan Nusantara IV Medan, in its implementation there is still collusion that causes others employees are dissatisfaction. The results of this study are in line with Ningsih et al. (2015) that promotion of the position has a significant and positive effect on the performance of employees of PT. PLN Kendari area. Contrary with the results of the research conducted by Ardi et al. (2016) which found that the promotion has a negative and insignificant effect on performance. The result of this research also supported by the empirical result from Nurhayati (2007) stated that there is a positive and significant influence between Promotion to Employee Compensation. Thus, it can be concluded that the hypothesis in this research, that Promotion significantly influence Employee Performance of PT. Perkebunan Nusantara IV Medan, acceptable and proven to be true.

The Effect of Mutation (X2) on Employee Performance (Y)

Mutation is an employment activity related to the process of transferring the functions, responsibilities, and employment status of a workforce to a particular situation with the aim of ensuring that the relevant workforce acquires a deeply Organizational Culture and can provide the company with the greatest possible success. Sastrohadiwirjo (2002). The results of this study also support previous research conducted by Dionysius Dendy Wibowo (2014) entitled "Mutation and Performance Training on Employee Performance" in a typical study at PT

SarihusadaGenerasiMahardhika Yogyakarta where the style of devotion, work training, in the affluence positively and significantly to employee performance. It can be concluded that the hypothesis in this research Mutation has a significant effect on the performance of PT. Perkebunan Nusantara IV be accepted and proven to be true.

The Effect of Organizational Culture (X3) on Employee Performance (Y)

Organizational culture relates to the way employees perceive the characteristics of an organization's culture, rather than the likes or dislikes of the organizational culture. That is, the culture is a descriptive term. Organizational culture is a shared perception embraced by all members of the organization. Robbins (2010) states that organizational culture is referring to a common sense system embraced by members who distinguish it from other organizations. The results of this study as a whole have been in line with the research conducted by Tintami, Pradhanawati, and Susanto (2012) that organizational culture has a positive and significant effect on employee performance. This work means that if organizational culture is increasing, then employee performance will increase, and vice versa. Thus, it can be concluded that the hypothesis in this study is Organizational Culture has a significant effect on employee performance of PT. Perkebunan Nusantara IV can be accepted and proven to be true.

The Effect of Promotion, Mutation and Organizational Culture on Employee Performance

Promotion is a positive development of employees because their work is rated well by the competent authorities. The result of this study is in line with the theory proposed by Kaymaz in Indrayati (2014) that mutations in a company will reduce boredom, prepare employees for a management system better, can increase productivity, and improve knowledge and skills. Also, promotion of positions is a positive development of an employee or employee because of his / her duties well-rated by the competent authorities. Based on the partial test, it is found that the organizational culture has a significant effect on employees' performance of plantation company. It indicates that the organizational culture is not a variable which can explain to employee performance. Hence, it can be concluded that the hypotheses proposed in this research, that is Promotion, Mutation and Organizational Culture have a significant effect on the employees' performance of plantation company is acceptable and proven.

VI. CONCLUSION & SUGGESTION

Conclusion

Based on this background, this research is conducted to find out whether there is a significant effect of promotion, mutation and organizational culture as independent variables on employees' performance in PT. Perkebunan Nusantara IV, Medan. From the result of research, can be concluded among others: (1) Promotion has a significant effect on Employees' Performance of PT. Perkebunan Nusantara IV Medan. (2) The mutation has a significant effect on employees performance of PT. Perkebunan Nusantara IV Medan (3) Organizational Culture has a significant effect on employees performance of PT. Perkebunan Nusantara IV Medan (4) Organizational Promotion, Mutation, and Culture have a significant effect on employees' performance of plantation company simultaneously.

Suggestions

Refer to the results, and the research suggested that can be given is (1) Board of Directors PT. Perkebunan Nusantara IV Medan gives more attention to employee performance. By motivating employees to be achievement-oriented, guaranteeing a clear career improvement, expected to improve employee performance. Encourage employees to work well, by establishing a company policy that does not burden employees and communication and relationships among employees are family. (2) PT. Perkebunan Nusantara IV Medan is recommended to maintain and improve the pattern of mutation that has been applied so far. Promote visionary leadership, responsive to change and give an appreciation of rewards to performance that has been accomplished

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