The Impact of Employment Contract Status on Work Satisfaction and Productivity at PT. Mersifarma TM

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Abstract. Employment status is a condition that distinguishes one employee from another in a company or organization. Regular and non-permanent (contract) employees are classified according to their employment status. The purpose of this study is to ascertain how employment contract status affects job satisfaction and productivity. This study's methodology makes use of quantitative techniques and survey techniques. 100 PT. Mersifarma TM contract workers made up the study's sample. The technique used to measure measurements is a Likert scale while the methods used to collect data for this study were observation, interviews, and the distribution of questionnaires. This study uses two variables, namely employment contract status (X1) as the independent variable, Job Satisfaction (X2) as the independent variable, and Work Productivity (Y) as the dependent variable. The data analysis used is statistical analysis techniques or calculation models through the application of Statistical Product and Service Solution (SPSS) Software, Hypothesis Testing, and Coefficient of Determination (R^2). In this study, there is an R2 result of 62.4% which has a significant effect between the effects of job satisfaction (X2) and employment contract status (X1) on output (Y). Therefore, it may be concluded that the independent variables, namely the status of the employment contract and job satisfaction, have a stronger capacity to explain the dependent variable, namely work productivity, the higher the value of R2.

Keywords: Contract Status · Job Satisfaction · Work Productivity

1 Introduction

The contribution of human resources (HR) to accomplishing organizational objectives is crucial in an organization. HR plays a role in formulating each strategy to be used in an organization. According to data from [1] Employment status is a condition that distinguishes one employee from another in a company or organization. In reality, permanent employees and non-permanent employees are the two categories of employment status (contract). If they exhibit demonstrate a strong belief in and support for the goals and values of the organization, employees can improve their performance by demonstrating organizational commitment., regardless of their job situation [6]. Contract workers' organizational commitment is significantly different from variable permanent workers',

with contract workers' organizational commitment being significantly higher is lower than the organizational commitment of permanent employees. Employees with contract status are less committed than those with permanent status. Factors that make an organization's commitment between contract employees and permanent employees different, among others, are the differences in work agreements made by employees to the company.

The employment contract agreement for contract employees at PT. Mersifarma TM has a relatively low commitment, such as providing work contracts in a very short time, ranging from 3 months to 1 year.

Basically, the relationship between the company and employees is a relationship that win-win solution. On the one hand, the company wants to get big profits, on the other hand, employees want certain expectations and need to be met. One of the ways To know what employees need and expect is to know the level of employee satisfaction. Job satisfaction can be seen from several factors including the ability of the work itself, salary, career advancement, colleagues, and supervisor's supervision. With the acceptance of these treatments by employees, an attitude of commitment will arise in the employees themselves toward their organization. The status that does not provide clarity on the future of employees for the long term does not rule out the possibility of job dissatisfaction, which will affect employee commitment to the organization.

As in PT. Mersifarma TM there are still contract employees who feel that the promotion they get is not following the achievements that have been made by the employee and the employee also feels uncomfortable being watched while working so that his job satisfaction decreases, then there are several things that also make the employee's job satisfaction decrease such as work contracts that are too short so that it creates uncertainty for employees' careers, benefits that are not obtained such as annual bonuses and employee leave entitlements. Furthermore, the company's facilities are insufficient.

Employee performance is influenced by a combination of internal and external influences as well as characteristics of the external organizational environment. Employee performance is essential for the achievement of organizational goals. Employee work should reflect the duties and standards established by the business. Every corporation makes an effort to raise employee performance in the hopes that the organization's objectives can be met. Employee performance is measured by quantity, quality, punctuality, attendance, and cooperation skills [2].

2 Literature Review

2.1 Employee Status

Employee Status is a condition that distinguishes one employee from another in a company or organization, namely that it is distinguished between permanent employees and contract employees. Status is a person's position in one section. Max Weber, grouped humans into status groups based on honor. He defines a status group as a group whose members have a certain social lifestyle and a certain level of social respect and social respect as well. Meanwhile, the definition of an employee according to data from [2] since 2000 is someone who makes a living by working in an organizational unit, both government and private work units.

2.2   Job Satisfaction

According data from [1] argues that job satisfaction can occur, it can be seen from the emotional condition that employees have toward their employment, whether positive or negative. Having a positive attitude at work is arise because of a match between employee expectations and the reality provided by the job. Someone who has high job satisfaction shows a positive attitude toward his job. Conversely, if someone has low satisfaction with his job, he shows a negative attitude toward his job. According to data from [4] since (2002) job satisfaction is a collection of feelings toward the work that is owned by an employee. Five (5) indicators of job satisfaction, itself.

1. *Job itself*
2. Employee's view of his work
3. *Supervision*
4. *Pay*
5. *Promotion*
6. *Co-Workers*

2.3   Work Productivity

Work productivity is a measure of the comparison of the quality and quantity of a worker in a certain time to achieve results or work performance effectively and efficiently by using existing resources. Basically, the notion of work productivity is the relationship between input (input) and output (output). This can be seen from how much material and time is needed in the work process to achieve the target amount of work (output).

3   Method

This study employs quantitative research techniques. Certain populations or samples are studied using the positivist research method known as quantitative research. The gathering of data technique is by Likert but buying questionnaires to 100 contract employees of PT. Mersifarma TM as the population used in this study. The measurement technique used is the Likers scale, the data analysis used is statistical analysis techniques or calculation models through the application of Statistical Product and Service Solution (SPSS) Software, Coefficient of Determination (R^2), and Hypothesis Testing.

4   Result and Discussion

A. **Research of Instruments**

1) Validity Test

The SPSS 25 program's Bivariate Pearson correlation technique was used to determine the connection between the scores of each statement item and the overall score, which served as the validity test. The value of r count > r table for df n-2 was used to conduct the validity test for this investigation. The outcome is identical to 0.1966

Table 1. Results of the Employment Contract Status Validity Test Table (X1)

Statement	r Count	r Table	Description
X1.1	0,245	0.1966	Valid
X1.2	0,341		Valid
X1.3	0,377		Valid
X1.4	0,403		Valid
X1.5	0,456		Valid
X1.6	0,714		Valid
X1.7	0,609		Valid
X1.8	0,691		Valid
X1.9	0,669		Valid
X1.10	0,581		Valid

Results of data processing using SPSS 25 as a source (2022)

because the significance level for the r table value is 5% and df = N-2 = 100 - 2 = 98 is used.

It is evident that the value of r count > r table, it is clear from the findings of Table 1 above that all of the assertions for the Employment Contract Status variable in this research are true.

The results of Table 2 above make it evident that all of the assumptions for the Job Satisfaction variable in this research are true since the value of r count > e table.

Due to the fact that r count > r table, it is clear from the results of Table 3 above that all of the statements for the Work Productivity variable in this study are true.

2) Test for Reliability

The degree to which measurement findings utilizing the same object will yield the same data is tested for dependability. The criterion for reliability testing states that a variable is considered good if its alpha value If instrument's alpha value (Cronbach's Alpha) is greater than 0.6, it is reliable or trustworthy; if it is less than 0.6, it is unreliable or difficult to believe (Table 4 and 5).

According to the conclusions of the research on the three tables above, namely employment contract status with 10 statement items, 16 statement item job satisfaction, and 15 statement item work productivity. In light of the fact that every statement item in this study which have a cronbach's alpha value better than 0,6, all of the statements are reliable.

B. **Classic Data Assumptions Test**
1) Test for Normality

The normality test's goal is to assess if the linked and independent variables employed are normal have a normal distribution when using the regression method. Data that is regularly distributed or very close to it is a strong candidate for regression analysis. The Kolmogorov-Smirnov test is being used in this normalcy test study with the SPSS

Table 2. Validity Test Results of Job Satisfaction Variables (X2)

Statement	r Count	r Table	Description
X2.1	0,609	0.1966	Valid
X2.2	0,655		Valid
X2.3	0,551		Valid
X2.4	0,524		Valid
X2.5	0,615		Valid
X2.6	0,625		Valid
X2.7	0,695		Valid
X2.8	0,765		Valid
X2.9	0,819		Valid
X2.10	0,728		Valid
X2.11	0,805		Valid
X2.12	0,728		Valid
X2.13	0,644		Valid
X2.14	0,504		Valid
X2.15	0,495		Valid
X2.16	0,494		Valid

Source: Results of Data Manager Spss 25 (2022)

application, and the probability (sig) is 0.05. The Kolmogorov-Smirnov test requires that the probability value (sig) be larger than 0.05, suggesting a normal distribution of the data, as opposed to being less than 0.05, indicating an abnormal distribution of the data.

In the research results, the data on the importance of Asymp is seen in Table 6 above. Sig (2-tailed) is 0.54; Consequently, it is better than 0.05. The conclusion that the data are regularly distributed resulted from these observations.

2) Test for Multicollinearity

This multicollinearity test will be passed if there is a very high or perfect correlation between the independent variables in the regression model, or not. There are a number of approaches to detect a strong correlation between independent variables, one of which is by utilizing the Tolerance and Variation Inflation Factor (VIF).

The VIF values of the variables X1 (Employment Contract Status) and X2 are known based on Table 7. (Job Satisfaction) are 1.401 10 and 0.714 0.1, respectively, indicating that the data do not exhibit multicollinearity.

3) Heteroscedasticity Test

Table 3. Results of Work Productivity Variable Validity Tests (Y)

Statement	r Count	r Table	Description
Y1	0,622	0,1966	Valid
Y2	0,736		Valid
Y3	0,692		Valid
Y4	0,695		Valid
Y5	0,806		Valid
Y6	0,679		Valid
Y7	0,701		Valid
Y8	0,79		Valid
Y9	0,749		Valid
Y10	0,613		Valid
Y11	0,629		Valid
Y12	0,579		Valid
Y13	0,57		Valid
Y14	0,567		Valid
Y15	0,638		Valid

Source: Data Manager Spss 25 results (2022)

Table 4. Table of Variable Reliability Test of Employment Contract Status (X1)

Statement	*Cronbach's Alpha*	Description
X1.1	0,723	Reliable
X1.2	0,717	
X1.3	0,713	
X1.4	0,710	
X1.5	0,707	
X1.6	0,683	
X1.7	0,692	
X1.8	0,680	
X1.9	0,686	
X1.10	0,695	

Source: SPSS 25 Data Processing Results (2022)

Table 5. Table of Job Satisfaction Variable Reliability Test (X2)

Statement	Cronbach's Alpha	Description
X2.1	0,895	Reliable
X2.2	0,893	
X2.3	0,896	
X2.4	0,903	
X2.5	0,897	
X2.6	0,895	
X2.7	0,891	
X2.8	0,888	
X2.9	0,885	
X2.10	0,890	
X2.11	0,887	
X2.12	0,891	
X2.13	0,893	
X2.14	0,898	
X2.15	0,898	
X2.16	0,898	

Source: SPSS 25 Data Processing Results (2022)

In studies on heteroscedasticity tests, the Glejser Test is employed. If the residuals from one perception and another in the regression model differ in variance, it may be found using the Glejser test. According to the Glejser test, there are no symptoms of heteroscedasticity if the significance value is larger than 0.05, but there are symptoms if the significance value is less than 0.05.

Based on Table 8, the findings of the Employment Contract Status variable and the Job Satisfaction variable both had significant values of 0.097 and 0.612, respectively. Therefore, it may be claimed that the regression equation model does not have heteroscedasticity. Given that the value of each obtained significance is larger than 0.05 (Table 9).

C. **Results of Hypothesis Testing**

1) **Multiple linear regression analysis findings**

Analyzing the link and impact between the independent and dependent factors on the objective of multiple linear regression analysis is the dependent variable. In this research, The results of the data processing for the examination of multiple linear regression: Employment Contract Status (X1), Job Satisfaction (X2), and Work Productivity (Y) (Table 10).

Table 6. Table of Work Productivity Variable Reliability Test (Y)

Statement	Cronbach's Alpha	Description
Y1	0,902	Reliable
Y2	0,898	
Y3	0,899	
Y4	0,899	
Y5	0,896	
Y6	0,900	
Y7	0,899	
Y8	0,895	
Y9	0,897	
Y10	0,903	
Y11	0,902	
Y12	0,908	
Y13	0,805	
Y14	0,904	
Y15	0,902	

Source: SPSS 25 Data Processing Results (2022)

Table 7. Kolmogorov Smirnov Normality Test

One-Sample Kolmogorov-Smirnov Test		
Unstandardized Residual		
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	5.60707595
Most Extreme Differences	Absolute	.088
	Positive	.088
	Negative	-.059
Test Statistic		.088
Asymp. Sig. (2-tailed)		.054[c]

Source: Results of SPSS 25 data manager (2022)

The multiple regression equation is created using the processing outcomes of multiple linear regression provided in table 4.14.

$$Y = a + b1\ X1 + b2\ X2 + e$$
$$Y = 41.624 + 0,276 + 0,212 + e$$

Table 8. Multicollinearity Test

Coefficients								
Model		Unstandardized Coefficients	Standardized Coefficients	t			Sig.	Collinearit y Statistics
		B	Std. Error	Beta			Tolerance	VI F
1	(Constant)	41.624	4.821		8.634	.000		
	Employment Contract Status	.276	.137	.216	2.018	.046	.714	1.401
	Job Satisfaction	.212	.074	.305	2.851	.005	.714	1.401

a. Dependent Variable: Produktivitas Kerja Source: SPSS 25 Data Manager Results (2022)
Source: SPSS 25 Data Manager Results (2022)

Table 9. Heteroscedasticity Test

Coefficients						
Unstandardized Coefficients				Standardized Coefficients Beta	t	Sig.
Model		B	Std. Error			
1	(Constant)	10.661	2.691		3.962	.000
	Employment Contract Status	−.128	.076	−.196	−1.674	.097
	Job Satisfaction	−.021	.041	−.059	−.509	.612

a. Dependent Variable: RES2

The following is a description of the multiple linear regression equation:

1. When an independent variable has a constant regression coefficient of 41,624, it signifies that (free) Employment Contract Status and Job Satisfaction = 0 then the Work Productivity of PT. Mersifarma TM of 41,624.
2. The regression coefficient of the X1 variable (Status of Personnel Contract), has a favorable impact on the work productivity of PT. MersifarmaTM staff.
3. For workers of PT. Mersifarma TM, Work productivity is positively impacted by job happiness, as seen by the variable X2's 0.212 regression coefficient. According to the regression equation above, work productivity for PT. Mersifarma TM personnel is positively impacted by employment contract status and job satisfaction.

2) t test (*Partial Test*)

To determine if the variables of Employment Contract Status and Job Satisfaction had a partial impact on Work Productivity, the t test was used. Ha is accepted as the

Table 10. Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	41.624	1.928		21.585	.000
	Employment Contract Status	.276	.055	.372	5.046	.000
	Job Satisfaction	.212	.030	.525	7.128	.000

a. Dependent Variable: Work Productivity
Source: SPSS Processing Data 25 (2022)

solution if the t count value is higher than the t table value. To calculate the t table with the error rate () = 5%, nevertheless degrees of freedom (df), and k = (n- k). 100 samples make up the number n, and the number of variables employed is k, namely 3, then obtained (df) = n – k = 100 – 3 = 97. Then the t table used is t (5%) (97) = 1.984 (Table 11).

It is well known that this study's findings suggested that:

1. Effect of Employment Contract Status (X1) on Work Productivity (Y)
   Since the Employment Contract Status variable (X1) and Work Productivity have a significant link (sign value = 0.000 0.05 and t-count = 5.046>1.984), the H1 hypothesis is supported (Y).
2. Effect of Job Satisfaction (X2) on Work Productivity (Y)
   It is known that the sign value is 0.000 <0.05 and the t- count value is 7.128> 1.984, So it is possible to draw the conclusion that H2 is true, indicating that there is a considerable impact of the X2 variable on the Work Productivity variable (Y).
3. F Test (*Simultaneous Test*)
   The Employment Contract Status variable (X1) was tested using the F test to it was significant and the Job Satisfaction variable (X2) simultaneously affect the Work Productivity variable. By Comparing the count to the F table, this test is performed, the value of F table is obtained from = df = (k ; n-k), df = (2 : 100-2), df = (2 : 98)

Table 11. Partial Significance Test Results (t test)

Unstandardized Coefficients		Standardized Coefficients	t	Sig.
B	Std. Error	Beta		
41.624	1.928		21.585	.000
.276	.055	.372	5.046	.000
.212	.030	.525	7.128	.000

Source: SPSS Processing Data 25 (2022)

so tanat a F table of 3.09 can be seen in α = 0.05. The criterion in decision-making is that if the F count value > F table value then Ha is accepted.

The sign value is 0.000 than 0.05 and the F count value is 80.368 > F table, which is 3.90, according to data processing in Table 12. Therefore, it may be concluded that H3, which states that Job Satisfaction (X2) and Employment Contract Status (X1) have a large impact on Work Productivity, is true.

4) **Coefficient of Determination (R2)**

This can be done in the regression model by examining the R2 value in the model summary table. The independent variables Employment Contract Status and Job Satisfaction have a larger ability to explain the dependent variable, Work Productivity, the higher the value of R2.

b. Dependent Variable: Job Satisfaction

The outcomes of data processing in Table 13. Are known, kt was discovered that 0,624, or 62,4%, was used to calculate the value of R square (R2). This shows that 62.4% of variable Y is impacted simultaneously by variables X1 and X2, with other variables influencing the remaining 37.6%.

Table 12. Simultaneous Significance Test Results (F Test)

Coefficientsa						
Model	Unstandardized Coefficients			Standardized Coefficients	t	Sig.
	B		Std. Error	Beta		
1	(Constant)	41.624	1.928		21.585	.000
	Employment Contract Status	.276	.055	.372	5.046	.000
	Job Satisfaction	.212	.030	.525	7.128	.000

Source: SPSS Processing Data 25 (2022)

Table 13. Determinant Coefficient Test Results (R2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790a	.624	.616	2.26583

a. Predictors: (Constant), Job Satisfaction, Employment Contract Status

5   Conclusion

According to the outcomes of the data processing, it was discovered that the Employment Contract Status variable had a favorable impact on job productivity. It is Siegv.ident from the Employment Contract Status variable's significance value, where sig. with a significance level of 0.000 0.05 and a positive regression coefficient of 0.276, which is 5.046 more than the table's 1.984. The variable on Job Satisfaction then had a favorable impact on Work Productivity, according to research on the variable Job Satisfaction (X2) on Work Productivity, it was found that the variable on Job Satisfaction had a positive effect on Work Productivity. It can be seen from the significance value of the Job Satisfaction variable where sig. $0.000 < 0.05$ count which is 7.128 best than table 1.984 with a significance level of $0.000 < 0.05$ and a positive regression coefficient of 0.212. Data processing on Employment Contract Status and Job Satisfaction has a positive influence on Work Productivity. The Account value obtained is equal to 80.368 which is greater than F table which is equal to 3.09 and a significance level of 0.000 is less than α (0.05). The multiple linear regression analysis tests show that the Employment Contract Status is more dominant in Work Productivity than Job Satisfaction, which is equal to 0.276, which means that if the Employment Contract Status is reduced by one unit, Work Productivity will also decrease by 0.276. Then the results of this study also show that if there is a change in Employment Contract Status and Job Satisfaction, there will also be a change in Work Productivity. This result can be seen from the results of the R Square analysis of 0.624, which means that Employment Contract Status and Job Satisfaction explain Work Productivity as much as 62.4%, while the remaining 37.6% is influenced by other variables.

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