



## Regular article

# The Effect of Work Life Balance, Workload, and Compensation on Employee Performance with Organizational Commitment as a Moderation Variable at PT. Nusantara Plantation IV KSO Regional II Tanjung Garbus Plantation

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## ABSTRACT

Changes in the increasingly dynamic work environment have driven a transformation in performance management, where work life balance, workload, and compensation systems are important aspects in maintaining employee productivity. This study aims to analyze the influence of work life balance, workload, and compensation on employee performance with organizational commitment as a moderation variable in PT. Nusantara Plantation IV KSO Regional II Tanjung Garbus Plantation. Using a quantitative method with PLS-SEM analysis on 150 maintenance and harvest employee respondents selected through proportional random sampling, data were collected through a structured questionnaire. The results showed that work life balance had a positive and significant effect on employee performance ( $\beta=0.319$ ,  $p=0.000$ ), workload had a negative and significant effect on employee performance ( $\beta=-0.270$ ,  $p=0.000$ ), and compensation had a positive and significant effect on employee performance ( $\beta=0.536$ ,  $p=0.000$ ). Organizational commitment was proven to strengthen the influence of work life balance ( $\beta=0.184$ ,  $p=0.011$ ) and workload ( $\beta=0.149$ ,  $p=0.009$ ) on employee performance, but was unable to moderate the compensation relationship with employee performance ( $\beta=-0.230$ ,  $p=0.001$ ). The research model explains 80.3% variance in employee performance. These findings underscore the importance of a holistic human resource management strategy in the plantation industry, particularly in balancing productivity demands with employee well-being through effective work-life balance management, proportionate workload distribution, fair compensation systems, and strengthening organizational commitments.

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## Introduction

Indonesia is the world's largest palm oil producer with a significant contribution to the national economy. PT Perkebunan Nusantara (PTPN) as a state-owned company engaged in the oil palm plantation sector has undergone a major transformation through the merger process. In April 2024, PTPN II officially merged with PTPN IV to form PTPN IV KSO, creating new challenges in human resource management.

Employee performance is a crucial factor in achieving plantation production targets. Data PT. Perkebunan Nusantara IV KSO Regional II Tanjung Garbus Plantation showed fluctuations in production during the 2020-2024 period, with achievements ranging from 78.23% to 109.20% of the RKAP. Employee performance assessments show that the majority of employees are in the "Average" category with a downward trend in the number of employees from 143 (2019) to 110 (2023),

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indicating a problem in performance management.

Entering the era of Society 5.0, technology is changing the work paradigm where flexibility and work-life balance are important aspects. However, the phenomenon of hustle culture strengthened by digital technology makes the boundary between work and personal time increasingly blurred (Rahmawati, 2025). This condition poses its own challenges, especially in the plantation industry which demands physical presence and has the characteristics of high-risk work and challenging environmental conditions.

The results of the pre-survey of 30 employees showed several indications of problems: (1) Work-life balance: only 47% of employees felt they were able to balance work and personal life, with 67% stating that it was difficult to have quality time with their families; (2) Workload: 57% of employees feel the workload is high with 60% stating that the hours are too long; (3) Compensation: only 47% of employees are satisfied with the compensation received, of which 60% stated that salaries are not in accordance with responsibilities; (4) Organizational commitment: although 57% show high commitment, only 47% say they are responsible for continuing to work despite other opportunities.

Previous research has shown mixed results regarding the influence of work-life balance, workload, and compensation on performance. The study of Valery et al. (2023) found that work-life balance has a positive effect on performance, but Rahmawati et al. (2021) stated the opposite. Regarding workload, Rolos et al. (2018) found a negative influence on performance, in contrast to Ohorela (2021) who found a positive influence. For compensation, Fulmer et al. (2023) found a significant positive effect, while Mardika (2023) found a negative effect not significant.

This research contributes by integrating the variables of organizational commitment as moderators in the context of the post-merger plantation industry, a sector whose empirical studies are still limited. Thus, this study aims to analyze the influence of work life balance, workload, and compensation on employee performance with organizational commitment as a moderation variable in PT. Nusantara

Plantation IV KSO Regional II Tanjung Garbus Plantation.

## Method

### Research Design

The study uses a quantitative approach with the type of associative research to identify causal relationships between variables (Sugiyono, 2022). The location of the research at PT. Nusantara Plantation IV KSO Regional II Tanjung Garbus Plantation, Deli Serdang Regency, will be held from October to November 2025.

### Population and Sample

The research population was 240 maintenance and harvesting employees. The sampling technique used proportional random sampling with Slovin calculations ( $e=5\%$ ), resulting in 150 respondents with a distribution: 90 harvest employees and 60 maintenance employees.

### Variables and Measurements

The research variables include:

1. Independent variables: Work Life Balance (12 indicators based on Fisher, 2009), Workload (9 indicators based on Harry G et al., 2014), and Compensation (8 indicators based on Mondy & Noe, 2013)
2. Dependent variable: Employee Performance (9 indicators based on Mangkunegara, 2018)
3. Moderation variables: Organizational Commitment (9 indicators based on Meyer & Allen, 2016)

All variables were measured using a Likert scale of 1-5. Validity and reliability tests on 30 respondents showed all items were valid ( $r>0.361$ ) and reliable (Cronbach's Alpha 0.818-0.976).

### Data Analysis

The analysis uses Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0, including the evaluation of the outer model (convergent validity, discriminant validity, composite reliability) and inner model (R-square, path coefficient). For the moderation effect, Moderated Regression Analysis (MRA) was used with a significance level of 5%.

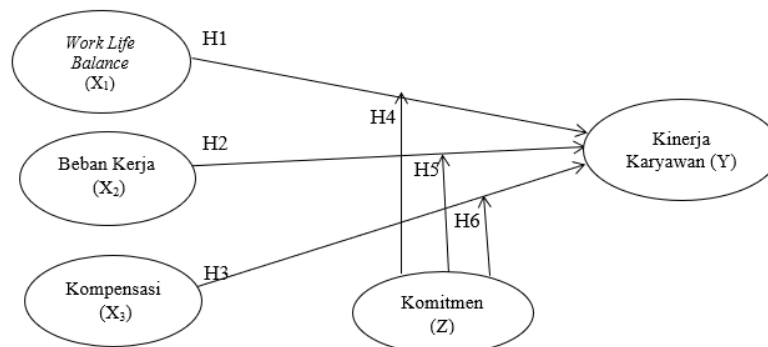


Figure 1 Conceptual framework

## Results

### Respondent Characteristics

The majority of respondents were male (98%), aged 41-50 years (42.67%), high school education (93.33%), and had a working period of >5 years (44%). This characteristic reflects the target market of plantation labor which is dominated by field workers with considerable work experience.

### Descriptive Analysis

The results of the descriptive analysis show: a) Employee Performance: Mean 4.00 (High category), highest indicator of "Compliance with SOPs" (4.15); b) Work Life Balance: Mean 3.90 (High category), highest indicator of "Behavioral consistency" (4.31); c) Workload: Mean 3.65 (High category), highest indicator "Concentration level" (3.78); d) Compensation: Mean 3.91 (High category), highest indicator "Awards" (4.21); and e) Organizational Commitment: Mean 3.78 (High category), the highest indicator "Responsibility to advance the company" (4.18)

### Evaluation of Measurement Models (Outer Model)

After the elimination of 16 indicators with a loading factor of <0.7, the final model shows: a) Convergent Validity: All loading factors >0.7 (range 0.754-0.957), AVE >0.5 (0.707-0.880); b) Discriminant Validity: HTMT Value <0.90 (0.066-0.870); and c) Reliability: Composite Reliability >0.7 (0.906-1,000), Cronbach's Alpha >0.7 (0.864-1,000)

### Evaluation of Structural Models (Inner Model)

The structural model shows  $R^2 = 0.803$  (strong category), indicating that work life balance, workload, compensation, and organizational commitment explain 80.3% of employee performance variances. A value of  $Q^2 = 0.794$  (>0) confirms the predictive relevance of a good model.

### Hypothesis Testing

Table 1. Hypothesis Testing Results

Hypothesis	Relationships	Coefficient ( $\beta$ )	p-value	Verdict
H1	WLB → Performance	0,319	0,000	Accepted
H2	Workload → Performance	-0,270	0,000	Accepted
H3	Performance → Compensation	0,536	0,000	Accepted
H4	WLB × Commitment → Performance	0,184	0,011	Accepted
H5	Workload × Commitment → Performance	0,149	0,009	Accepted
H6	Compensation × Performance → Commitment	-0,230	0,001	Rejected

## Discussion

### The Effect of Work Life Balance on Employee Performance

Work-life balance had a significant positive effect on performance ( $\beta=0.319$ ,  $p=0.000$ ), supporting the findings of Valery et al. (2023) and Kumar et al. (2021). Employees who were able to balance work and personal life roles showed better concentration (mean=4.13) and high behavioral consistency (mean=4.31). However, time for families is still a challenge (mean=3.47), indicating the need for better work flexibility.

### The Effect of Workload on Employee Performance

Workload has a significant negative effect on performance ( $\beta=-0.270$ ,  $p=0.000$ ), in line with Rolos et al. (2018) and Apriana et al. (2021). High mental load (mean=3.78) and psychological stress (mean=3.74) reduced work effectiveness. Plantation field conditions with unpredictable weather, strict production targets, and the risk of work accidents worsen the perception of workload.

### The Effect of Compensation on Employee Performance

Compensation showed the strongest significant positive influence on performance ( $\beta=0.536$ ,  $p=0.000$ ), confirms Fulmer et al. (2023) and Kadir et al. (2019). Adequate rewards (mean=4.21) and allowances (mean=4.12) increase work motivation. However, the perception of salary suitability with responsibilities still needs to be improved (mean=3.70).

### The Role of Organizational Commitment Moderation

Organizational commitment strengthens the influence of work life balance ( $\beta=0.184$ ,  $p=0.011$ ) and workload ( $\beta=0.149$ ,  $p=0.009$ ) on performance, in line with Alzadjali & Ahmad (2024) and Matondang et al. (2023). Employees with high commitment, especially the normative dimension (mean=4.18), are able to maintain optimal performance despite facing high workloads.

However, organizational commitment did not moderate the compensation-performance relationship ( $\beta=-0.230$ ,  $p=0.001$ ). These findings indicate that compensation has a direct effect on performance without being affected by the level of commitment. Low affective commitment (mean=3.21 for "giving your best") explains why commitment does not strengthen the compensation-performance relationship.

## Conclusion

This study proves that work life balance, workload, and compensation significantly affect the performance of employees of PT. Nusantara Plantation IV KSO Regional II Tanjung Garbus Plantation, with compensation as the strongest predictor. Organizational commitment plays a role as a moderator that strengthens the influence of work-life balance and workload, but not for compensation. The research model that explains the 80.3% performance variance shows the importance of a holistic approach in plantation human resource management.

### Managerial Implications

Work Life Balance: Implementation of a flexible work system with adjustment of field working hours, improvement of supporting facilities (rest areas, counseling services), and the use of technology for reporting efficiency.

Workload: Periodic evaluation of workload distribution, optimal workforce planning based on area area and production targets, and adequate rest time.

Compensation: Implementation of performance-based compensation, increased non-financial compensation (scholarships, health facilities), and transparency of the post-merger compensation system.

Organizational Commitment: Alignment of personal-organizational goals through communication of the company's vision, the development of an inclusive work environment, and the development of inspirational leadership at the field foreman level.

### Limitations and Suggestions for Future Research

Research is limited to one garden so generalizations are limited. Future research can expand geographical coverage, adding K3 (Occupational Safety and Health) variables, work environment, and aspects of Good Corporate Governance and Sustainable Development Goals for a comprehensive understanding of plantation employee performance.

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