Improving the Rehiring Process and Employee Retention at KC Coal Mining Company

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ABSTRACT: In Indonesia, the rehiring of retirement and new contract employees is governed by various labor laws and regulations. The primary legislation that covers employment matters in Indonesia is the Labor Law (Law No. 13 of 2003 concerning Manpower) and its implementing regulations. Article 35, paragraph (1) Retirement in Indonesia generally occurs when an employee reaches the mandatory retirement age, which is typically set at 55 years old. However, this age may vary based on certain circumstances and job positions. Employers are expected to provide retirement benefits to employees who are eligible for retirement. These benefits might include severance pay, pension plans, or other retirement-related benefits.

The rehiring of retired employees and new employees has gained prominence as organizations seek innovative strategies to address workforce challenges. This study investigates the motivations behind and advantages associated with retirees and new employees on a contract basis, focusing on a case study conducted within a coal mining company in Indonesia. The objective is to illuminate the drivers and benefits of rehiring retired personnel, shedding light on their impact on organizational performance and employee dynamics. Through qualitative and quantitative research methods, including questioner, interviews, and surveys, this study explores the reasons that prompt the reemployment of retirees and reemploying contract employees for a period of up to 5 years, examining factors such as their domain expertise, institutional knowledge, and the evolving nature of work. Moreover, the study assesses the tangible and intangible benefits of such rehiring practices, encompassing enhanced productivity, cost-effectiveness, mentorship opportunities, and knowledge transfer.

The case study approach provides contextual insights into the unique challenges and opportunities within the coal mining industry in Indonesia while also contributing to the broader discourse on talent management strategies. The findings contribute to a deeper understanding of the potential advantages and considerations associated with engaging retirees in the workforce, offering implications for human resource practices, organizational strategies, and the future of work dynamics.

KEYWORDS: Contract employee, employee retention, rehire, retired retention strategy.

1. INTRODUCTION

The introduction of a rehire program for retired and new employees on a contract basis at KC Coal Mining Company signifies a strategic initiative aimed at optimizing workforce flexibility and leveraging the invaluable experience of retired personnel. This innovative approach acknowledges the importance of maintaining a skilled and knowledgeable workforce while adapting to changing business needs. By rehiring retired employees on a contract basis, the company can tap into their wealth of institutional knowledge and expertise, promoting continuity and efficiency. Simultaneously, offering opportunities to new employees on a contractual basis adds fresh perspectives and talents to the organization. This dual-pronged approach not only supports KC Coal Mining Company's long-term growth but also reflects a commitment to nurturing a dynamic and diverse workforce in the ever-evolving coal mining industry.

A coal mine called KC Coal Mining Company has over 4000 workers on staff. The personnel switch off during the journey because of the rehiring of retired and new employees on a contract basis. New employees, often referred to as contract workers or temporary employees, are individuals who work for an organization under a specific employment contract for a predetermined period of time or for a particular project or task. Unlike regular or permanent employees, contractual employees have a different employment arrangement that comes with its own set of characteristics and considerations.

Retired employees: when an employee retires, it signifies the permanent cessation of their employment with an organization. Retirement is typically a significant milestone in an individual's life and career, and it can occur for various reasons, including

reaching a certain age, meeting specific tenure requirements, and personal choice for rehiring. In recent years, there has been a growing discussion about the rights and benefits of contractual employees, with some advocating for improved protections and benefits for this segment of the workforce.

KC Coal Mining Company has already established Standard Operating Procedures (SOP) for employee recruitment in order to support the sustainability of the largest mining company in Indonesia. The recruitment process covers various job positions required by the company at present, taking into consideration the qualifications of potential candidates. This includes candidates who are recent graduates as well as those who have prior experience working for other companies.

Currently, the recruitment process at KC involves only one type of employment status: contract employees. And the focus is on the hiring of retired and new employees. Given that KC Coal Mining Company has decided to recruit all new employees as contract workers rather than permanent ones, the purpose of this research is to investigate the potential impact of this decision on the continuity of the production process.

The challenge of hiring retired and new contractual employees can be described as follows:

1. Limited Commitment: Retired and new contractual employees are typically hired for a specific project or period. This limited commitment can make it challenging to find individuals who are highly skilled and committed to the job, as they may be looking for more stable, long-term employment.
2. Integration: Integrating contract workers into the existing team can be challenging. They may not have the same level of familiarity with company culture, processes, and colleagues as permanent employees
3. Benefits and Compensation: Comparation between permanent employees
4. Limited Contract: The expiration of a contract term can be a complex matter for a company, especially when the contract employee is working on a critical   project. The company needs to plan for a seamless transition when the contract ends, so that the contract employee can be rehired while maintaining their contract status.

KC Coal Mining Company located in East Borneo, Indonesia. The Company manage one of the world's largest open-pit mines. KC Coal Mining Company is a company engaged in coal mining and marketing for industrial customers, both export and domestic markets. KC Coal Mining Company manages a mining concession area with an area of 84,938 hectares. Supported by more than 4,499 employees and 21,000 personnel from contractors and related companies, KC Coal Mining Company production capacity reaches 70 million tons per year.

2. BUSINESS ISSUE

The business issue of hiring retired and new contractual employees in a company:

1. Retired Employees: The crucial business issue of rehiring retired heavy equipment operator employees in a coal mining company lies in a delicate balance between experience and workforce dynamics. On one hand, rehiring retired operators brings a wealth of knowledge and expertise, enhancing operational efficiency and safety. Their deep understanding of the equipment, mine conditions, and safety protocols can be invaluable. The issue is also due to a decision, which is the offer from the user to provide options for returning to work as a heavy equipment operator and as a form of appreciation for the employee who has been loyal and has a good track record while working. The issue also arises from the users' unpreparedness to handle employee turnover, as the process is not progressing smoothly, and they neglect to allocate ample time for knowledge transfer or handover to their younger colleagues. The issue is also caused by the lack of opportunities for young employees to advance in their careers and the absence of chances for new employees to secure a job due to the positions or positions not being available. (See figure 1a – Contract rehire of retired employees' duration)
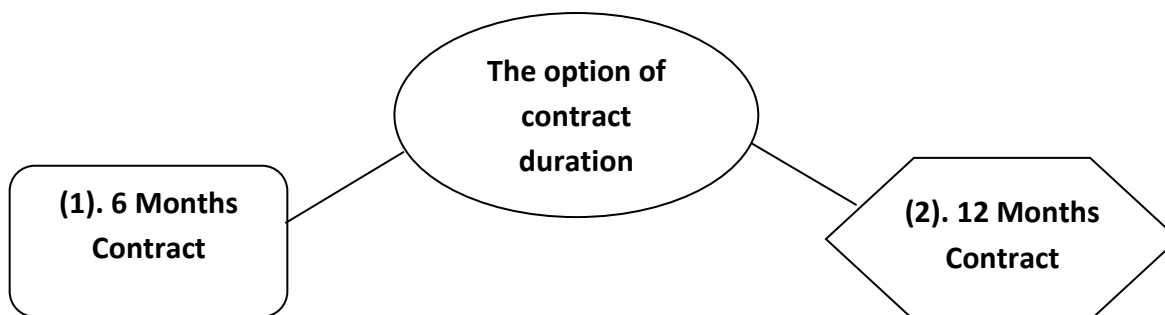
The option of contract duration

(1). 6 Months Contract

(2). 12 Months Contract

Figure 1.a – Contract rehire retired employees' duration

Conceptual of rehire retired employee's duration in KC Coal Mining Company, has two options:
a. Rehiring of contract   : During contract 6 Months
b. Rehiring of contract   : During contract 12 Months

2. New Contract Employees: This contract employee recruitment program is due to changes in government regulations, particularly by the Ministry of Energy and Mineral Resources (ESDM), related to mining business permits. This change involves the type of mining companies, which were previously known as PKP2B (Coal Mining Work Contract), being replaced by IUPK (Special Mining Business Permit). The continuation of mining operations has consequences for increased government revenue, resulting in higher tax payments to the state. Therefore, the company needs to change some strategies to achieve cost savings, one of which is hiring new employees on a contract basis, considering the significant differences in benefits compared to permanent employees. Based on the article by Suryani Suyanto & Associates titled (2021), "From PKP2B to IUPK, the Risk of Taxation Burden Increases," it is revealed that the change in status from Coal Mining Working Agreement (PKP2B) to Special Mining Business License (IUPK) for Continuation of Operations has consequences for increased state revenue. The taxation regime and Non-Tax State Revenue (PNBP) for IUPK derived from the former PKP2B are also going to change. However, actually, the regulation regarding contract duration should use the 2 years and extended of 1 year, and the last extended of 2 years system, and the contract system is structured as follows:
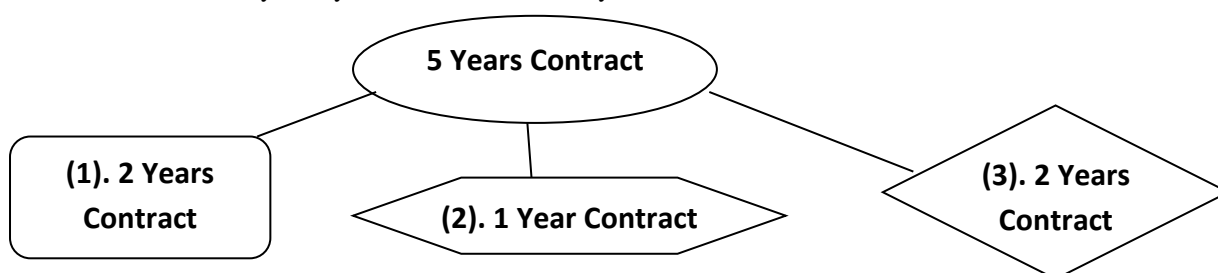
5 Years Contract

(1). 2 Years Contract

(2). 1 Year Contract

(3). 2 Years Contract

Figure 1.b – Contract employees' duration

Conceptual of contract employee's duration in KC Coal Mining Company:
a. First and second of contract   : During contract 2 years
b. Third contract   : During contract 1 year
c. Fourth and fife of contract   : During contract 2 years

Furthermore, some employees resign or choose not to renew their contracts due to the unwillingness to be in a long-distance relationship with their families. The company has decided to refer to Government Regulation No. 35 of 2021 regarding the provisions on the total duration of fixed-term employment contracts (PKWT) and their extensions, which should not exceed 5 (five) years. Considering the length of the contract period, there is a potential for the contract employees to resign and explore opportunities in other mining companies.

Table 1. Cost Comparison: New Hire Contract Employees, Rehire Retired Employees and New Hire Permanent Employees

Contract Employees (new hire)	Additional cost for end of Contract excluding Monthly Salary	Rehire Retired Employees	Additional cost for retired and rehiring end of Contract excluding Monthly Salary	New Hire Permanent employees (Ending of since 2015)	Additional cost for Permanent Employees excluding Monthly Salary
Monthly Salary	Severance pays 1st for end of contract (2 Years)	Monthly Salary	Severance pays 1st for retired	Monthly Salary	No Additional Cost
Monthly Salary	Severance pays 2nd for end of contract or end of extend employees (1 Years)	Monthly Salary	Severance pays 2nd for rehiring/extend end of contract (If extend duration of 6 Months or 12 Months)	Monthly Salary	No Additional Cost
Monthly Salary	Severance pays 3rd for end of contract or end of extend employees (2 Years)	Monthly Salary	Severance pays 3rd for rehiring end of contract (If extend duration of 06 or 12 Months)	Monthly Salary	No Additional Cost

Cost Comparison: Rehire retired employees, new hire contract employees and new hire permanent employees (for all employees Level). The information about contract employees in the table above is an example of the income of employees who have been working for 5 years and have undergone several rotations within the departments in the Operational Division.

The gap/issues between requirement and actual condition are as follow:

1. Benefits differences: New hire and rehire contract employees may have different levels with permanent employees.
2. There are no company regulations limiting the age of employees working in the company.

Research Questions:

a. How satisfied are the newly hired employees of their existing contract status?

b. What are the company's considerations in rehiring of retired employees on contract status?

Research Objectives:

a. To know more regarding the level of satisfaction new hires feel with their current contract status.

b. To identify what factors are offered into consideration when deciding whether to rehire retired employees?

3. DATA COLLECTION

Data collection is carried out in the following ways:

1) Library Research:

In order to address a studied problem, library research involves collecting and analyzing original data from books, articles, and other written sources.

2) Field Research:

This approach is implemented by going straight to the business that is the subject of this study's investigation. Interviews and questionnaires are used by the author to gather data.

a) Interview

Field research interviews regarding rehiring retired employees involve conducting in-depth interviews with individuals who have retired from a particular organization and then were later rehired by the same organization. The role of strategic planning in organizations written by M. Djamil Djambek (2023), The data collection process can also involve the aggregation of information from electronic sources, such as online databases, digital libraries, and online archives. The collected interview data is

then analyzed to identify recurring themes, patterns, and insights. Qualitative analysis methods, such as thematic analysis, are commonly used to categorize and interpret the interview responses. This analysis helps. The Interview will be held in one-on-one session, with only one interviewer and one respondent. The estimation of time is 10-15 minutes per session. Process interviews will be recorded for interviewer reference and documentation and all the answer will be used for the research.

Based on interviews with several HR stakeholders KC and user Division, this is related to the current condition of re-employing retired employees, namely that,

according to "S. B," (HR Stakeholder) retired employees whose working period is extended are less effective for the sustainability of the company's organization because it will have an impact on delaying the regeneration of positions for employees who are still active. And Therse no SOP in The Company but just only based on government regulation PP35 Tahun 2021

according to "A. C. M" (HR Stakeholder) regarding the existence of retired employees who were rehired because division users did not prepare well for the process of replacing retired employees with employees who were still active, and some users feel they have to show appreciation by offering to work again because the employee has worked for 30 years.

according to "A. T" (User Division) the retired employees who were rehired, regarding PKP2B (Perjanjian Karya Pengusahaan Pertambangan Batubara) to IUPK (lzin Usaha Pertambangan Khusus), management is trying to optimize existing ones, and because of the lack of existing resources, there must be an extension for retired employees. Because work related to production and also rehire is held and justified, it is extended because it suits existing needs. In other divisions, there is knowledge transfer. The problem is that the manpower form is on hold and agrees that there will be additional costs. Case by case again for this program because MR (manpower) is on hold.

according to "P.G" (HR Stakeholder) there is an option to continue with the contract because the user is not ready to prepare employees. Because there is one project that has not been completed, consider the value of retired employees who are rehired. Look at the ratio from 2020 to 2023. The value of more retired employees than active employees. Users' unpreparedness to prepare replacements for retired employees has additional costs involved. Rehire must be comprehensive in its decision-making. In HR IR, there are no policies or SOPs related to rehire, and there is a manpower planning program.

b) Questionaries

Field research related to rehiring retired employees and the use of questionnaires in this context. Field research involves gathering data directly from real-world situations, locations, or contexts. Field research questionnaires designed to investigate the rehiring of retired employees would be aimed at gathering relevant information and insights about the practices, reasons, and implications of rehiring individuals who have retired from a company or organization and the survey technique will be carried out by distributing questionnaires as the main source of data collection. Researchers used Google OneDrive Office 365 software as a medium for collecting data that is distributed to respondents by online. Results of responses from the questionnaire in the form of numbers are then processed and analyzed using the SPSS version 29 application to carry out analysis, testing paths, and correlations.

4. ANALYSIS

Methodology Interview and Questionaries

This analysis users a descriptive study method using a qualitative and quantitative case study. The case studies are focus on a specific case that is carefully observed and analyzed to completion. Concerning the existence of a program were retired and new contract employees. A semi-structured interview and questionnaire is a technique for gathering data in which participants respond to a series of open-ended questions, and then further questions are given to delve further into their answers and the subject matter under investigation. A series of question structures in interviews and questionnaires were used to find out the perspective responses of each employee. (see table 4 below).

Table 4. Question Structures

To Stakeholder's	1. Is there a good preparation for replacing the position of an employee who is retiring with an active employee?
	2. What is your basis for rehiring retired employees?
	3. Do you know if there are any additional costs when rehiring retired employees?
	4. Do you comply with the latest regulations? Is there any proof you can provide?
	5. Is there any improve for rehiring of retired employees should be impact for active employees and effect for regenerations?
To Contractual Employees	1. What is your current position?
	2. How long have you worked at this company as a contract employee?
	3. As an employee on contract, how do you feel right now?
	4. Are you satisfied with the contract duration that the company offers?
	5. Are you satisfied with the benefits that the company offers?
	6. What improvements do you propose to the contract employee program moving forward?

The information on participants who agreed to respond to the author's questions from questionnaires and interviews is presented below. For the questionnaire, there were eight contract employees and two employees from the HR Division as stakeholders, while there were four contract employees and two employees from the HR Division for the interview. f)

Research population, the population is the entire research object written by Suharsimi Arikunto (2006). Population is the totality of all values possible, calculating results, or measurement, quantitative or qualitative, regarding characteristics certain of all members of the group, complete and clear what you want studied its properties. The population and results of respondents regarding contract employee satisfaction from the questionnaire and using the Slovin formula technique. That the author created are as follows:

ID	Name	Position in the company	Am I satisfied as an employee with contract or Fixed Term status at the Company?	Am I satisfied as a contract or fixed term employee who works for up to 5 years at the company?	I am satisfied with the role of divisions within the company in deciding on employee status?	I am satisfied with the current recruitment/acceptance process for new employees at the Company	Am I satisfied that my contract has been extended or re-hired every year?	I am satisfied with the company's role in developing the competency of employees with contract or Fixed Term status?	Am I satisfied as a contract or fixed term employee with the benefits provided by the Company?	I am satisfied with the company with the Permanentization program after working for 5 years for contract or Fixed Term employees?	Column1
1	P. K	Superintendent	2	2	5	4	2	5	5	5	30
2	A. T	Superintendent	4	2	4	3	3	4	5	2	27
3	M. A	Engineer	4	4	1	3	3	1	3	1	20

4	I. S	Officer	2	2	5	2	2	4	5	5	27
5	H. W	Specialize	3	3	3	2	3	5	3	1	23
6	I. S	Engineer	2	1	2	2	2	2	1	2	14
7	I. U	Engineer	5	5	2	1	5	1	5	3	27
8	A. N	Engineer	1	1	5	5	4	4	5	4	29
9	H. R	Engineer	5	5	5	5	1	5	4	5	35
10	C. W	Engineer	5	5	5	5	5	5	5	5	40
11	D. P	Engineer	1	1	3	4	2	4	3	2	20
12	R. G	Engineer	4	3	5	3	3	3	3	2	26
13	R. L	Engineer	3	3	1	4	3	1	5	1	21
14	L. I	Engineer	2	2	2	2	1	1	5	2	17
15	W. N	Superintendent	2	2	1	5	5	3	2	5	25
16	R. C	Supervisor	3	3	5	3	2	2	2	1	21
17	A. D	Superintendent	1	1	5	2	2	3	3	3	20
18	A. M	Management	1	4	4	4	4	5	4	5	31
19	R. M	Superintendent	4	4	3	3	5	5	5	5	34
20	S. H	Graduate	2	3	5	4	3	5	4	5	31
21	F. F	Superintendent	4	4	5	5	5	5	4	4	41
22	D. R. M	Engineer	3	3	4	4	4	4	4	4	34
23	A. F	Officer	3	1	3	4	4	3	2	3	26
24	A. Y. C	Engineer	1	1	5	5	3	3	2	3	26
25	F. S	Engineer	4	4	4	4	2	4	4	3	35
26	F. A. S	Engineer	1	3	4	4	3	4	3	4	33

ID	Name	Position in the company	Am I satisfied as an employee with contract or Fixed Term status at the Company?	Am I satisfied as a contract or fixed term employee who works for up to 5 years at the company?	I am satisfied with the role of divisions within the company in deciding on employee status?	I am satisfied with the current recruitment/acceptance process for new employees at the Company	Am I satisfied that my contract has been extended or re-hired every year?	I am satisfied with the company's role in developing the competency of employees with contract or Fixed Term status?	Am I satisfied as a contract or fixed term employee with the benefits provided by the Company?	I am satisfied with the company with the Permanentization program after working for 5 years for contract or Fixed Term employees?	Column1
27	N. B. P	Engineer	4	3	4	4	4	4	4	4	39
28	A. K. A	Engineer	4	3	4	4	4	5	4	3	40
29	C. A. W	Engineer	2	2	4	4	2	4	2	5	31
30	W. S	Engineer	3	3	3	3	3	3	3	4	31
31	L. A. P	Engineer	2	2	4	4	3	4	4	2	32
32	W. L	Officer	3	3	4	4	3	4	3	3	27
33	N. S	Specialize	2	2	2	3	3	4	4	3	23
34	R. G. D	Engineer	4	4	4	4	4	4	5	2	31
35	W. D. I	Accountant	3	3	5	5	3	5	5	5	34
36	E. D	Officer	3	3	4	3	3	3	3	4	26
37	R. M. G	Specialize	1	1	2	4	5	4	4	3	24
38	K. A	Supervisor	3	3	4	4	4	3	3	4	28

| 3 9 | N. F | Speciali ze | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 32 |
| 4 0 | T. R | Enginee r | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 16 |

Figure 4. Respondent data from questionnaires distributed using the Slovin formula

Table 5. The population and respondents' data

Year	Populations	Respondents
2023	68	40

Sources: (Data from Human Resources and Slovin formula)

Sample research, Samples are some of the objects to be studied that represent the population and are able to describe the population optimally. Quantitative research written by Siregar (2013) that a sample is a data collection procedure in which a portion of the population is drawn to determine the nature and characteristics of the population. In determining the sample, there are several techniques for taking it. The technique used to determine the sample in this research is a simple random sampling technique. A simple random sampling technique is a random sampling technique in the population. Sample written by Sugiyono (2013), Sampling from the population is carried out randomly without paying attention to the strata within that population.

To measure the sample size that will be studied, researchers use Slovin's formula, where this formula is able to measure the sample size researched. In determining the sample written by Sugiyono (2019), stated that the appropriate sample size in research is between 30 and 500. The sample size to be studied is as follows:

Formula: $n = \dfrac{N}{1 + Ne^2}$

Description:

n = Total Sample

N = Total Population

e = Margin of error / error tolerance (error tolerance limit of 10%)

The total population (N), which is the number of contract employees, is 68 employees in 2023, and with an error rate of determining the sample at 10%, the sample size can be calculated as follows:

$n = \dfrac{68 \text{ Employees}}{1 + 68 (10\%)^2}$

$n = \dfrac{68 \text{ Employees}}{1 + 68 (0,1)^2}$

$n = \dfrac{68 \text{ Employees}}{1 + 0,68}$

$n = \dfrac{68 \text{ Employees}}{1,68}$

$n = \mathbf{40,47}$

Based on the results of the Slovin formula above, the total population is 68 new employees with contract status in 2023, using a standard error of 10%, so the sample of respondents that will be used by researchers is 40.

The requirements for respondents in this study are:

1. Contract employees for 5 years.
2. New employees on contract status

3. Rehire of retired employees on contract status
4. KC employees

4.1 Data measurement techniques

Research is a measurement, and measuring activity is an important activity in carrying out statistical analysis. Business research methods written by Dr. Hertina Dede, S.E., M.Si "et al" (2024), The Likert scale can show the level of agreement or disagreement with a series of statements about an object. The Likert scale was developed by Rensis. The Likert scale usually has an odd number of categories, for example, categories 5 to 7, ranging from strongly agree to strongly disagree or vice versa. The answers to each instrument that uses a Likert scale have a gradient from very positive to very negative and can be in the form of words. Likert scales are widely used in survey research and are categorized as interval scales. The preparation of research instruments using a Likert scale can be arranged in the form of a checklist or multiple-choice table. An example of a Likert scale in checklist form: Give answers to the following questions according to your opinion by clicking on the five boxes provided

Saya puas sebagai karyawan dengan status kontrak atau Fixed Term di perusahaan?

1. Sangat tidak setuju				5. Sangat Setuju
1	2	3	4	5

Description:
1. Score one strongly disagrees
2. Score two disagree
3. Score three neutral
4. Score four agree
5. Score five strongly agree

4.2 Cronbach's Alpha (α) using SPSS Statistics:

Researchers have compiled twenty-three questions to measure how satisfied employees feel when working on contract status at a coal mining company. Each question is a 5-point Likert item from "strongly disagree" to "strongly agree." To understand whether all the questions in this questionnaire are reliable and measure the same latent variable (feeling of safety) (so that a Likert scale can be created), Cronbach's alpha analysis was run on a population size of 68 employees. And 40 employees responded, based on references from the Slovin formula, which is used to determine the minimum sample of respondents needed if the population size is required (Sugiono, 2017:81).

A) Validity test

An instrument designed by researchers cannot be used immediately but needs to be tested again first to see its validity. Statistical Learning Using SPSS Software to Test Validity and Reliability written by Anggraini puspita dewi Fitria "et al" (2022), the validity of this factor is measured by correlating the factor score (the sum of the items in one factor) with the total factor score (the total of all factors). If we use more than one factor, this means testing the validity of the item by correlating the item score with the factor score and then continuing to correlate the item with the total factor score (the sum of several factors). From the results of correlation calculations, a correlation coefficient will be obtained, which is used to measure the level of validity of an item and determine the suitability of a variable item for use. An instrument or statement is declared valid if the value > at the 5% significance level; otherwise, if <, then the instrument or question item is invalid. Validity testing in this research uses the SPSS program for Windows. The results of the validity test regarding contract employee satisfaction are presented in the table below.

Table 6. Retable Value Distribution Significance of 5% and 1%

N	The Level of Significance		N	The Level of Significance	
	5%	1%		5%	1%
3	0.997	0.999	38	0.320	0.413
4	0.950	0.990	39	0.316	0.408
5	0.878	0.959	40	**0.312**	0.403
6	0.811	0.917	41	0.308	0.398
7	0.754	0.874	42	0.304	0.393
8	0.707	0.834	43	0.301	0.389
9	0.666	0.798	44	0.297	0.384
10	0.632	0.765	45	0.294	0.380
11	0.602	0.735	46	0.291	0.376
12	0.576	0.708	47	0.288	0.372
13	0.553	0.684	48	0.284	0.368
14	0.532	0.661	49	0.281	0.364
15	0.514	0.641	50	0.279	0.361
16	0.497	0.623	55	0.266	0.345
17	0.482	0.606	60	0.254	0.330
18	0.468	0.590	65	0.244	0.317

N	The Level of Significance	The Level of Significance	N	The Level of Significance	The Level of Significance
	5%	1%		5%	1%
19	0.456	0.575	70	0.235	0.306
20	0.444	0.561	75	0.227	0.296
21	0.433	0.549	80	0.220	0.286
22	0.432	0.537	85	0.213	0.278
23	0.413	0.526	90	0.207	0.267
24	0.404	0.515	95	0.202	0.263
25	0.396	0.505	100	0.195	0.256
26	0.388	0.496	125	0.176	0.230
27	0.381	0.487	150	0.159	0.210
28	0.374	0.478	175	0.148	0.194
29	0.367	0.470	200	0.138	0.181
30	0.361	0.463	300	0.113	0.148
31	0.355	0.456	400	0.098	0.128
32	0.349	0.449	500	0.088	0.115
33	0.344	0.442	600	0.080	0.105
34	0.339	0.436	700	0.074	0.097
35	0.334	0.430	800	0.070	0.091
36	0.329	0.424	900	0.065	0.086
37	0.325	0.418	1000	0.062	0.081

Based on the distribution table of the significance retable value of 5% above, it is 0.312 with N (population) of 40

Table 7. The results of the validity test regarding contract employee satisfaction

Statement Items	R-Count (Pearson Correlation)	R- Table (Significant)	Result
X1.1	0.447	0.312	Valid
X1.2	0.537	0.312	Valid

X1.3	0.545	0.312	**Valid**
X1.4	0.587	0.312	**Valid**
X1.5	0.444	0.312	**Valid**
X1.6	0.699	0.312	**Valid**
X1.7	0.430	0.312	**Valid**
X1.8	0.607	0.312	**Valid**

Below is significant data using SPSS version 29 software and Cronbach's alpha as a fixed indicator for this test. Viewing the Significance Value (Sig.)

1. If significant < 0.05 = Valid

2. If significant > 0.05, it is invalid

Table 8. The results of the significant test regarding contract employee satisfaction

Statement Items	Sig (2 – Tailed R-Count)	Amount of Significant	Result
X1.1	0.004	0.05	**Valid**
X1.2	0.001	0.05	**Valid**
X1.3	0.001	0.05	**Valid**
X1.4	0.001	0.05	**Valid**
X1.5	0.004	0.05	**Valid**
X1.6	0.001	0.05	**Valid**
X1.7	0.006	0.05	**Valid**
X1.8	0.001	0.05	**Valid**

Significance value < 0.05, so it can be concluded that all question items regarding contract employee satisfaction are declared valid and all questionnaire questions can be used as a research instrument

Table 9 Using the SPSS method

Correlations

		X1.1	X1.2	X1.3	X1.4	X1.5	X1.6	X1.7	X1.8	TOTAL_X1
X1.1	Pearson Correlation	1	.769**	.053	-.004	.256	.031	.303	-.022	.447**
	Sig. (2-tailed)		<,001	.747	.980	.111	.852	.058	.892	.004
	N	40	40	40	40	40	40	40	40	40
X1.2	Pearson Correlation	.769**	1	.112	.085	.275	.159	.380*	.202	.537**
	Sig. (2-tailed)	<,001		.492	.603	.086	.326	.015	.211	<,001
	N	40	40	40	40	40	40	40	40	40
X1.3	Pearson Correlation	.053	.112	1	.359*	-.112	.594**	.181	.418**	.545**
	Sig. (2-tailed)	.747	.492		.023	.491	<,001	.262	.007	<,001
	N	40	40	40	40	40	40	40	40	40
X1.4	Pearson Correlation	-.004	.085	.359*	1	.294	.514**	.097	.434**	.587**
	Sig. (2-tailed)	.980	.603	.023		.065	<,001	.550	.005	<,001
	N	40	40	40	40	40	40	40	40	40
X1.5	Pearson Correlation	.256	.275	-.112	.294	1	.209	.222	.250	.444**
	Sig. (2-tailed)	.111	.086	.491	.065		.197	.169	.120	.004
	N	40	40	40	40	40	40	40	40	40
X1.6	Pearson Correlation	.031	.159	.594**	.514**	.209	1	.303	.581**	.699**
	Sig. (2-tailed)	.852	.326	<,001	<,001	.197		.057	<,001	<,001
	N	40	40	40	40	40	40	40	40	40
X1.7	Pearson Correlation	.303	.380*	.181	.097	.222	.303	1	.233	.430**
	Sig. (2-tailed)	.058	.015	.262	.550	.169	.057		.148	.006
	N	40	40	40	40	40	40	40	40	40
X1.8	Pearson Correlation	-.022	.202	.418**	.434**	.250	.581**	.233	1	.607**
	Sig. (2-tailed)	.892	.211	.007	.005	.120	<,001	.148		<,001
	N	40	40	40	40	40	40	40	40	40
TOTAL_X1	Pearson Correlation	.447**	.537**	.545**	.587**	.444**	.699**	.430**	.607**	1
	Sig. (2-tailed)	.004	<,001	<,001	<,001	.004	<,001	.006	<,001	
	N	40	40	40	40	40	40	40	40	40

B) Reliability test

Reliability concerns the extent to which the measurement of a phenomenon or data provides stability to the results, which are also related to the consistency of repetition. For example, a test is said to be reliable if repeated measurements carried out under different conditions will still give the same results. Reliability is a test that shows the extent to which a measurement tool can be used written by Anggraini puspita dewi Fitria "et al" (2022), A measuring instrument is said to be reliable if it produces the same measurement results even though measurements are taken many times. A questionnaire is said to be reliable if the answers to the questionnaire are consistent or stable over time.

The reliability test aims to see whether the questionnaire has consistency if measurements are carried out using the questionnaire repeatedly. The basis for taking the Cronbach Alpha Reliability Test according written by Wiratna Sujerweni (2014) The questionnaire is said to be reliable if the Cronbach Alpha value is > 0.6.

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded[a]	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.734	8

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X1.1	23.78	26.333	.311	.730
X1.2	23.83	24.815	.476	.698
X1.3	22.93	25.199	.385	.716
X1.4	22.97	26.128	.430	.708
X1.5	23.38	26.856	.315	.728
X1.6	22.97	23.153	.593	.672
X1.7	22.93	25.815	.409	.711
X1.8	23.25	23.474	.505	.690

Figure 6. Reliability Test Results (Source: SPSS Output Results, 2022, Version 29)

5. CONCLUSION

Based on the results of the study, the author can draw the following conclusion, caused by several factors, namely:

1. A new employee with a 5-year contract status currently feels dissatisfied. In the past 4 years, several employees have resigned and moved to other mining companies because they felt that the duration of the contract given was quite long and there was a difference in the benefits, they received between contract employees and permanent employees. The company has not yet created an SOP regarding contract employees; only refer to government regulation number 35 of 2021.

2. Retired employees whose working terms are extended are less effective for the sustainability of the company organization because it will have an impact on delaying the regeneration of positions for employees who are still active.

The user division did not prepare well for the process of replacing retired employees with active employees. Also, because the pension employees had worked faithfully for 30 years, the user division felt they had to show their appreciation by offering to work again. The company has not yet made a related SOP regarding the rehire of retired employees.

5.1 RECOMMENDATION

Recommendations for stakeholders so that they can pay more attention, especially employees with contract status. because, based on the research obtained, almost the average feeling for contract employees is that they are not satisfied with the duration of their contract and improve and prepare for retired employees' process.

1. There are several aspects that are taken into account for contract employees with different benefits, but the work portion is the same as for permanent employees. By looking at it from this point of view, stakeholders can change the policy regulations for the duration of the contract to shorten the previous 5 years to 6 months or 1 year, bearing in mind that if the contract employee is competent, then they should have thought about making it permanent. This can also prevent and retain contract employees from thinking about moving to another company by looking at opportunities, offering better benefits, and improving employee status. Company SOPs must be created to form the basis for programs improvement for contract employees

2. Retired employees must be replaced with active employees or new employees so that the company's production can be achieved optimally. There must be special preparation and a minimum of 6 months or 1 year to be able to hand over and transfer knowledge to new employees. Company SOPs must be created to form the basis for programs improvement for rehire of retired employees.

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