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Strategy in building work loyalty (The Case of Industrial Estate Companies in Indonesia)

Abstract

The writing of this paper is entitled the strategy in building work loyalti. Using primary data on industrial companies estate hat aim to find out how much impact the selected variables have in increasing job loyalty. Although many have researched about work loyalty, it is still interesting to continue because there are always changes. This study used pathway analysis, which was considered lose to appropriate for primary data. As for the results of data analysis regarding the direct influence of the work environment, self-reward on job satisfaction and its impact on employee loyalty, the results of the hypothesis test found that the Work Environment variable has a direct effect on the Job Satisfaction variable as well as from The Self Reward variable has a direct effect on Job Satisfaction is very important and needs to be considered by the company. Meanwhile, other things, the work environment variable has a direct effect on loyalty and the self reward variable has a direct effect on work loyalty. Work environment and self-reward have a correlation to grow employee work loyalty.

Keywords: Job satisfaction, loyalty, work support and self-reward.

1. Introduction

The existence of human resources in a company plays a very important role. The workforce has great potential to carry out the activities of the enterprise. The potential of every human resource in the company must be utilized as well as possible, so as to be able to provide maximum results. The company and the work of one are two things that need each other. If the employee manages to bring progress to the company, the profits obtained will be picked by both parties. For employees, 15 cess is the actualization of their potential as well as an opportunity to meet their life needs. Human resource management is part of organizational management that focuses on human resources, namely employees or employees who are implementers and active actors of every activity of the company or business entity. To achieve the company's goals, it is neces 16 to have employees who have sufficient ability to advance the company. (Tremblay, 2017) The task of human resource management is to manage human elements with all the potential they have so that human resources can be of 13 ned that can achieve organizational goals. The same thing is stated Human (Hasibuan, 2011) resource management is the science and art of regulating the relationships and roles of the workforce to effectively and efficiently help realize the goals of the company, employees and society.

Quality and reliable human resources require effective and efficient management, that is because human resources are a very important function in managing a company or organization. Managing huma 36 esources properly and correctly will greatly help the company to get employees who suit the needs of the company. Employees become the driving force and

determinant of the course of an organization or c₃₂pany where they are able to find out information from the environment using technology. The work environment is everything that is around the workers and that can affect him in carrying out the duties he carries out or which is his responsibility.

To increase productivity, the work environment greatly affects work satisfaction because a good work environment will create ease of task execution.

According to stated that by providing a variety of facilities and motivation in the form of serious attention to the work environment and supporting facilities for employees in increasing work creation and providing direction with a leadership style that motivates employees is a priority that can to provide employee job satisfaction at a higher level (Astuti & Iverizkinawati, 2018). Work environment as everything that is around the workers and that can influence employees in carrying out the duties charged. According to the work environment is the entire tool and material faced, the surrounding environment in which a person works, his work methods, and his work arrangements both as an individual and as a group. (Sedarmayanti, 2016)

Giving unfair rewards and punishments will cause social jealousy that arises between employees so that it will trigger negative work relationships and of course have an impact on employee performance. Rewards can be something tangible or intangible that the organization gives to employees either intentionally or unintentionally in exchange for potential employees or contributions to good work, and for employees who apply positive values as a need, therefore conveyed by r(Tremblay, 2017) eward as one of the factors capable of increasing employee job satisfaction. In addition to increasingjob satisfaction, the purpose of rewarding employees is to attract qualified people to join the organization, encourage employees to achieve a high level of performance, and keep employees employed and loyal to the company they work for.

Rewards are rewards given for good deeds or things that h been done. In addition to rewards, one of the things that must be considered by companies is job satisfaction in their employees, because employees who at work do not feel comfortable, are under appreciated, cannot develop their potential, the automatically employees will not focus and concentrate on the work carried out. According to Job satisfaction is a person's feelings and judgments of his work, specifically regarding his working conditions, in relation to whether his work is able to meet his expectations, needs and desires" An individual's satisfaction or dissatisfaction with his work is something personal that depends on how he sees compatibility or between desires with the result. (Tremblay, 2017)

2. Literature review

In the theory that has been said by experts regarding a good work environment, it has a very positive effect on increasing employee job satisfaction. A good work environment is not only beneficial for satisfying employees in doing work, but also has an effect in shaping employees'

skills 45 focused work environment for employees can increase employee satisfaction, and vice versa an inadequate work environment can reduce employee satisfaction at work.

In the book that states that company (Robbins & Judge, 2018) management should also be able to encourage initiative and creativity, so that the lack of attention to each individual, the use of less flexible space and the problem of space feature design will affect each other, but if the work environment is very conducive then conditions like this will create enthusiasm for unity in the company's organization to achieve company goals by improving employee performance.

Meanwhile, opinions state that lighting, temperature, air, and noise are some of the factors that can affect the mood of employees when working. These factors will have a psychological impact on employees, so that it can trigger the emergence of suspicient feelings and quickly irritated, a good work environment will result in fellow colleagues will support each other to complete the work charged to them, so that later a conducive work environment will create satisfaction for employees and will produce good work for the company (Roelen et al., 2008). So with states that job satisfaction as a positive explicitional reaction of the attitude that individuals have towards their work, employee satisfaction plays an important role in the success of the organization, the company as an employer provides to employees to increase job satisfaction with their work. These efforts are usually in the form of providing incentives, comfort of the work environment, flexibility of time (Roelen et al., 2008).

As for the self reward, it is tant amount to self-actualization where a person's desire to use all his abilities to achieve whatever they want and can do. You need to know that, by doing self-reward, indirectly employees still keep themselves motivated and also enthusiastic in doing a job. Because actually maintaining focus and consistency of work in the midst of a routine for a long period of time is not an easy thing. Therefore, doing self-esteem can be one way to keep the level of consistency. Even though they still have to work to make ends meet, it will be very troublesome if employees experience stress in their daily work. So, make sure that yourself is happy in living life and also the routine that you do every day, (Robbins, 2003) explaining that if all other needs have been adequately met, employees will be motivated by the need for aself-actualization. They will look for meaning and personal development in their work, as well as actively seek new responsibilities. (Hopper, 2020; McLeod, 2018) in his book Hierarchy of Needs uses the term self-actualization (self actualization) as the highest need and achievement of a human being.

In addition, job satisfaction is the attitude of employees towards work related to work situations, cooperation between employees, rewards received at work, and matters related to physical and psycholog 25 factors. This attitude towards work is the result of a number of individual-specific attitudes towards factors in the work, individual self-adjustment, and individual social relationships outside of work giving rise to 10 individual's general attitude towards the work he or she is facing. According to, positing that job satisfaction is as a general attitude towards one's work that shows the difference between the amount of awa 33 a worker receives and the amount they believe they should have received. It also suggests that job satisfaction is a pleasant or unpleasant emotional state for employees looking at their work. Meanwhile, job satisfaction as a level of positive emotions and pleasing the individual. In other words, job satisfaction is an individual's approximation of work or positive and pleasant experiences. (Robbins & Judge, 2018)(Mathis & Jackson, 2016)(LoLordo, 2021)

The research carried out is descriptive, is a type of research that provides an overview or a situation as clearly as possible without any treatment of the object under study. Descriptive research has the following characteristics: (1) related to the situation that occurred at that time, (2) deciphering only one variable or several variables but described one by one, and (3) the variables studied were not manipulated or there was no treatment (treatment). (Kountur et al., 2021)

In general, descriptive research uses surveys as a data collection method. The method of collecting data through surveys has the following characteristics: (1) information obtained from a group of people; (2) the information obtained from the group of persons is a sample, and (3) the information is obtained through asking questions and some questions. This research is a survey, namely: cross-sectional survey. Cross-sectional survey is a n24 nod of collecting data (which is also one of the methods of descriptive research) which information is collected only at a certain moment. What is meant by data collection at one time is not only one day, but can be done in a few days or even several weeks due to situations such as transportation problems or the willingness of respondents and not intentionally to collect data at different times. (Sugiyono, 2016). While the analysis method uses path analysis.

To see how large the number of samples will be used, the sampling formula used is the slovin formula:

$$\mathbf{n} = \frac{N}{1 + N(e)^2}$$

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Information:

n = number of samples

N = number of populations

e = error (tolerable % to inaccuracy of sample use in place of population).

The data measurement scale used in this study is to use the Likert scale to measure the attitudes, opinions and perceptions of a person or group of people about social phenomena. (Sugiyono, 2017)Then instruments can be arranged in the form of statements and questions, based on the variable indicators described. The form of answer to the statement or question of each instrument that is composed is, the choice is very positive to very negative.

In this study, a Likert Scale with an interval of 1 to 5 was used. If the respondent chooses an STS or Strongly Disagree answer, then the answer is worth 1, the answer is TS or Disagree, then the answer is worth 2, the answer KS or Disagree, then the answer is worth 3, the answer is S or Agree, then the answer is worth 4 and the answer is SS or Strongly Agree, then the answer is worth 5 using the Likert scale.

The data analysis method is carried out with the aim of analyzing the data that has bee 43 btained to be tested and get conclusions. In this study, the analysis method is a path analysis to find out whether or not there is a direct influence between the variables to be studied. In this study used software SPSS 25.

4. Result and Discussion

This test serves to show how much influence each independent variable has on the dependent variable. Based on the results of the T test on 2 (two) models as shown below:

a) Model I

Based on the equation of the output of the data, it is known that the significance values of the two variables $X_1 = 0.000$ and $X_2 = 0.051$ are less than 0.05. These results provide the conclusion that Model 1, i.e. Variables X_1 and X_2 have an effect on Y. Where the coefficient values of the variables X_1 =0.614 and X_2 =0.253, thus obtained the path diagram of the structure model I as follows:

Structural Equation 1

$$Y = \rho y x_1 X_1 + \rho y x_2 X_2 + \rho y e_1$$

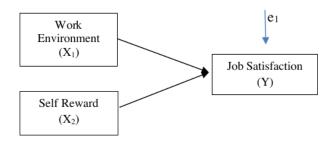


Figure: Structural model result I

Based on the putton in substructure 1 it is known that the coefficient of the path X_1 to $Y(\rho y_1)$ is 0.614, the coefficient of the path X_2 to $Y(\rho y_2)$ is 0.340, then the equation of the path of substructure 1 is:

$$Y = 0.614X_1 + 0.253 X_2 + e_1$$

Then it can be determined the path coefficient of a variable outside the model by the following formula:

$$\varepsilon 1 = \sqrt{(1-R^{\circ})} = \sqrt{(1-0.867)} = \sqrt{0.057} = 0.365$$

From the above calculations obtained the path coefficient of the variable outside the model (ϵ_1) of 0.239. Once the path coefficient is known then the equation of the path in substructure 1 becomes:

$$Y = 0.614X_1 + 0.253 X_2 + 0.365$$

a) Model II

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Based on the equation of the output of 6e data, it is known that the significance values of the two variables $X_1 = 0.000$ and $X_2 = 0.000$ are less than 0.05. These results provide the

conclusion that Model 1, namely Variables X_1 and X_2 have a significance effect on Z. Where the coefficient values of the variables X_1 =0.512, X_2 =0.3 17, and Z= 0.114thus obtained the path diagram of the structure model I as follows:

Structural Equation II

$$Y = \rho y x_1 X_1 + \rho y x_2 X_2 + \rho y Z + \rho y e_2$$

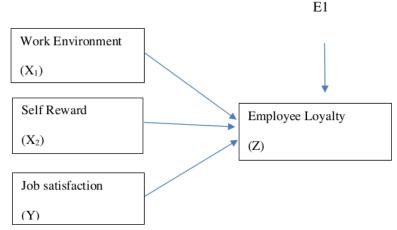


Figure: 02 Structural model II results

$$Z = \rho z x_1 X_1 + \rho z x_2 X_2 + \rho z y Z + \rho z e_2$$

$$Z = 0.512 X_1 + 0.317 X_2 + 0.114Z + 0, e_2$$

Based on the equation on substructure 1 it is known that the coefficient of the path X1 to Z (ρz_1) is 0. 162, the coefficient of the line X_2 to Z (ρz_2) is 0. 612, and the coefficient of the path Y to Z (ρz_1) then the equation of the substructure path II is:

$$Z = 0.512X_1 + 0.317 X_2 + 0.114 Y + e_2$$

Then it can be determined the path coefficient of a variable outside the model by the following formula:

$$\varepsilon 1 = \sqrt{(1-R_{^2})} = \sqrt{(1-943)} = \sqrt{-0.403} = 0.239$$

From the above calculations obtained the path coefficient of the variable outside the model (ϵ_1) of 0.239. Once the path coefficient is known then the equation of the path in substructure 1 becomes:

$$Y = 0.614X_1 + 0.340 X_2 + 0.114 Z + 0.239$$

Information:

1) Direct Effect of Work Environment (X₁) on Job Satisfaction (Y)

The value of the sig. Work Environment (X_1) to Job Satisfact (Y) obtained a sig value of 0.000. This shows that there is a direct influence between the Work Environment (X_1) on Job Satisfaction (Y). The magnitude of the influence of the Work Environment (X_1) on Job Satisfaction (Y) as indicated by the coefficient value of the study, which is 0.614 which means that every 20 crease in the Work Environment of 1 unit, will increase employee Job Satisfaction by 0.614 assuming that other independent variables are of fixed value. Referring to research (Astuti & Iverizkinawati, 2018)

2) Direct Effect of Self Reward (X2) on Job Satisfaction (Y)

Self Reward (X₂) for Job Satisfaction (Y) obtained a sig value of 0.00 0. This shows that there is a direct influence betweer coefficient (X₂) and Job Satisfaction (Y). The magnitude of the effect of Self Re (11) d (X₂) on Job Satisfaction (Y) as shown by the coefficient value of the study, which is 0.340 which means that every increase in Self Reward by 1 unit, it will coefficient value of the study of the stud

Then it is known the results of the Koefisen Model 261th from structure I and structure II, with berpedoman in the table of output results olah data can be known that the significance value of the variable X1 = 0.100 this value is greater than 0.05 and the variable X2=0.00 as well as the variable Y=0.0 20 and each of these values is smaller and 0.05. So this result provides the conclusion that from Model 2, namely Variables X_1 , X_2 and Y have a significant effect on Z. Where the coefficient values of each variable are X1=0.614 $X_2=0.340$ and Z=0.114 thus obtained the path diagram of the structure model 2 as follows:

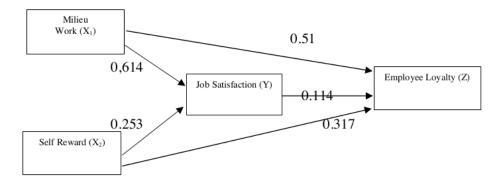


Figure 03 Path Diagram Model Results

Information:

1) Direct Effect of Work Environment (X₁) on Employee Loyalty (Z)

The value of the signover Environment (X₁) to Employee Loyalty (Z) obtained a signorular of 0.100. This shows that there is a direct influence between the Work Environment (X₁) on Employee Loyalty (Z). The magnitude of the influence of the Work Environment (X 41 on Employee Loyalty (Z) as shown by the coefficient value of the study, which is 0.512 which means that every increase in the Work Environment by 1 unit, it will increase the Employee Loyalty of Industrial Estate companies in Indonesia by 0.512 assuming that the exogenous variable others are of fixed value. Referring to research (Astuti & Iverizkinawati, 2018; Mulyati & Cicih, 2017; Virginia & Ratnasih, 2017)

2) Direct Effect of Self Reward (X2) on Employee Loyalty (Z)

The 48 µe of the sig. Self Reward (X2) to Employee Loyalty (Z) is obtained a sig value of 0.000. This shows that there is a direct influence between Self Reward (X2) and Employee Loyalty (Z). The magnitude of the influence of Self Reward (11 X2) on Work Loyalty wan (Z) as shown by the coefficient value of the study, which is 0.3 17 which means that every increase in Incentives by 1 unit, will increase Employee Loyalty Cases of Industrial Estate 4 mpanies in Indonesia by 0.3 17 assuming that other exogenous variables are of fixed value. In accordance with the results of research conducted by found that rewards have a positive effect on employee performance. (Ratnasih, 2017) (Tewal et al., 2015) and employee loyalty as a manifestation of job satisfaction.

3) Direct Effect of Job Satisfaction (Y) on Employee Loyalty (Z)

The value of the sig. Job Satisfaction (Y) to Employee Loyalty (Z) obtained a sig value of 0.02 0. This shows that there ig direct influence between Job Satisfaction (Y) and Employee Loyalty (Z). The magnitude of the effect of Job Satisfaction (Y10 n Employee Loyalty (Z) as shown by the coefficient value of the study, which is 0.1 1 4 which means that every increase in Job Satisfaction 201 unit, will increase Employee Loyalty The case of Industrial Estate companies in Indonesia by 0.114 assuming that other exogenous variables are of fixed value. Referring to the results of the study (Prayitno et al., 2022) (Kurds et al., 2020);

5. Conclusion

Based on the results of data analysis regarding the direct influence of the work environment, self-reward on job satisfaction and its impact on employee loyalty, it can be concluded that the Work Environment variable has a direct effect on the Job Satisfaction variable as well as from the Self Reward Variable directly affects Job Satisfaction and job satisfaction has an impaction employee loyalty. This shows that employee job satisfaction is very importate and needs to be considered by the company. While on the other hand, the Work Environment variable has a direct effect on Loyalty and the Self Reward Variable has a direct effect on Work Loyalty. Work environment and self-reward have a correlation to grow employee work loyalty.

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