



The Influence of Incentives and Employee Satisfaction Performance Against Job Loyalty at PT.XYZ

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ABSTRACT

PT XYZ (CMSS) is a subsidiary of PT Catur Sentosa Adiprana (CSA) which is engaged in the distribution of building materials - giving birth to the concept of building material shopping under one roof in Indonesia under the name Mitra10. As an anticipation step towards the era of globalization and the free market of AFTA in 2003, where all Asian countries can do business freely in member countries such as in their own countries, then entering the retail business is felt important to strengthen networks, survive, and develop even more rapidly. So that researchers are interested in examining the incentives and performance satisfaction of work loyalty at PT XYZ Medan. So we get a few conclusions from this study. The incentive variable partially has a positive and significant effect on employee work loyalty at PT XYZ Medan. This is seen through the t-incentive value of 3.714 which is greater than the t-table value of 2.051 and also has a significant t level of 0.001 smaller than alpha 0.05. So the alternative hypothesis related to the variable is accepted. The performance satisfaction variable partially has a positive and significant effect on employee work loyalty at PT XYZ Medan. This is seen through the t-incentive value of 3.222 which is greater than the t-table value of 2.051 and also has a significant level of t of 0.003 smaller than alpha 0.05. So the alternative hypothesis related to the variable is accepted. The incentive and performance satisfaction variables jointly influence work loyalty at PT XYZ Medan. This can be seen through the value of F-count = 16.126 and the significance (p-value) = 0.000, it can be concluded that the F-count (16.126) is greater than the F-table (2.95) and the p-value (0.001) is smaller than sig- α = (0.05).

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1. Introduction

The rapid development of retail has an impact on the emergence of such fierce business competition in the field of service to customers. This condition requires every company to have competitive advantages, fast and responsive responses in order to compete with companies engaged in similar fields. These competitive advantages can be obtained by having quality human resources (HR) and having high loyalty to the company so that it can empower its resources effectively, efficiently, and productively.

Companies must realize that people basically have a variety of needs that are increasingly growing and complex, therefore companies need to pay attention to the welfare of their employees both in the form of material and non-material, it is expected to lead to employee loyalty. Employee loyalty depends on the employee itself, but the company also needs to make efforts that can motivate employees. Efforts that the company can make so that employees remain loyal is to provide adequate incentives. Employees who have high loyalty are highly valued by the company because the company really needs employees who have high dedication to work and the company. Employees who have loyalty are needed for the continuity of the company and can determine the company back and forth in the future. There are several factors that influence employees to be loyal, including job satisfaction, incentives provided, effective communication, comfortable workplaces, career development, providing employee training and education, implementing work health and safety, and relationships with other employees.

The company PT XYZ seeks to gain employee loyalty through incentives. This might be acceptable, because the incentives provided to employees can meet their needs so that employee welfare can be realized. Therefore, in improving the quality of the company so that it can compete with competing companies. PT XYZ strives to provide the best service to consumers, respecting employees who have work spirit and contributing to their work with the aim of creating high loyalty to the company. However, the company does not provide awards or incentives promised by the company to boost employee loyalty to PT XYZ.

The length of work is one of the factors in determining the incentives and performance satisfaction to gain employee loyalty. SPG / SPB employees at PT XYZ tend to be loyal in view of the small intention to leave, and the data also shows the satisfaction factor, which is how comfortable the employees are working in the company, that employees who have worked more than 2 years in the company (above 2015) with a total the total number of employees is 30 in 2018, showing that many employees work long hours in this company.

In the company PT XYZ, to be able to compete with other similar retailers, companies must have competitive advantages that are very difficult to imitate, which will only be obtained from employees who are productive, innovative, creative, always passionate, and loyal. Employees who meet such criteria will only be possessed through the application of appropriate human resource management concepts and techniques with high morale. To improve the performance of an employee in the company by providing compensation that is comparable to the work that the employee has done. If someone who has worked beyond the target to make employees get rewards from the results of performance that has been achieved.



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The company PT XYZ in providing compensation in the form of incentives is an award given by employees directly or indirectly, financially and non-financially, which is fair to employees for their performance in achieving organizational goals, so that compensation is needed by the company and to improve performance its employees. The forms of financial compensation are salary, benefits, bonuses (incentives), and commissions. Whereas non-financial compensation includes training, responsibility, appreciation for performance and a supportive work environment. So, to get compensation in accordance with employee performance, employees who have good potential are needed to achieve a common goal. Therefore, in a compensation there is one form of financial compensation, namely incentives. Provision of incentives is one of the main things that must be considered by the company. The spirit of whether or not employees can also be caused by the size of the incentives received. If employees do not get incentives that correspond to the amount of sacrifice at work, then the employee tends to be lazy to work and not enthusiastic, which in the end they work as they wish without adequate job satisfaction, that is as expected by the employee.

The policy of providing compensation to employees of PT XYZ, the provision of compensation to employees is based on the level of class or class of each employee. All incentives are calculated according to the length of service and payment of incentives given to employees every month along with the provision of salaries. Complaints or complaints made by consumers regarding services at PT XYZ show that there are many problems that cannot be resolved by the company. For example, consumer complaints due to service and promotion prices, from the sources that have been described can be seen that PT XYZ can not solve the problems that occur, as evidenced by the number of complaints received by the company. Thus, it can be said that employee performance is not good. Employee performance that is less than the maximum can affect the company's reputation. The problems that have been described previously regarding the provision of incentives to employees who are lacking, as well as the number of complaints given by consumers to PT XYZ so that it can be said that there is a decrease in employee performance, which affects the company's reputation.

2. Theory

2.1 Incentives

According to Handoko (2014: 73) that "Incentives are incentives offered to employees to carry out work in accordance with or higher than the standards set."

According to Kadarisman (2014: 32) that "incentives are directed at the spirit as a measure of an activity so that the incentives are intended to increase enthusiasm or stimulation in the activity. Passion is also an element in providing incentives, so that it impacts on high wages or luxurious social security."

According to Hasibuan (2013: 211) that "Incentives are all forms of compensation and punishment (Punishments) received by service providers (Providers) as a consequence of the organization they work for, the institutions they operate in and the interventions they carry out."

According to the opinions of the experts above the researchers can conclude, that incentives are encouragement to someone to want to work well and to be able to achieve high work performance so as to arouse work enthusiasm and motivation of an employee.

2.2 Job Satisfaction

According to Badriyah (2015: 67), "Job satisfaction is the level of pleasure felt by someone for their role or work in the organization." Job satisfaction is one of the levels of individual satisfaction that they receive in return for various aspects of the work situation of the place organization they work. A pleasant emotional attitude and loves his work. This attitude is reflected by work morale, discipline, and work performance. Employee job satisfaction must be created as well as possible so that employee morale, dedication, love and discipline increase.

According to Robbins (2015: 121) that "Job satisfaction is a general attitude of an individual towards his work. Work requires interaction with colleagues, superiors, organizational policies and regulations, performance standards, working conditions and so on. A person with a high level of job satisfaction shows a positive attitude towards the job, whereas a person who is dissatisfied with his work shows a negative attitude towards his job."

According to Handoko (2014: 98) that "Job satisfaction is a pleasant or unpleasant emotional state with employees looking at their work. The time / length of completion is a reflection of one's feelings towards his work. This can be assessed from the employee's positive attitude towards work and everything in the environment."

Satisfied employees prefer work situations rather than dislike them. So it can be concluded that the notion of job satisfaction is a positive attitude from the workforce including feelings and behavior towards work through the assessment of one job as a sense of respect in achieving one of the important values of the work.

Thus it can be concluded that job satisfaction is a factor related to the work itself or direct results such as the nature of the job, achievement at work, promotion opportunities and opportunities to develop themselves and be recognized.

2.3 Work Loyalty

According to Hasibuan (2013: 192), said that "loyalty is a description of the level of achievement of the implementation of an activity or policy process in realizing the goals, objectives, vision and mission of the organization as outlined through the strategic planning of an organization." Performance can be known and measured if the individual or a group of employees already have criteria or standards of success that are set by the organization.

According to Robbins (2015: 89) that "Loyalty is the desire to protect and save faces for others. Fletcher defines loyalty as loyalty to someone by not leaving, defecting or not betraying others when needed."

From some of the definitions above, it can be concluded that work loyalty is loyalty, devotion, obedience, and sincerity in carrying out tasks that end with results that can be enjoyed and concerned with employee identification of the organization. The employees are not just physical loyalty or presence in the organization, but including their thoughts, concerns, ideas, and dedication fully devoted to the organization. Currently the loyalty of employees is not just carrying out their duties and obligations as employees but rather to do their best to produce the best from the organization.



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3. Hypothesis

According to Arikunto (2014: 111), that "Hypothesis is a temporary answer to the problem at hand, and for that we need a systematic test through the analysis of empirical data, so that it is a generally accepted truth." The hypotheses in this study are as follows:

- H1: Incentives have a positive effect on the Work Loyalty of PT XYZ employees.
- H2: Performance Satisfaction has a positive effect on the Work Loyalty of PT XYZ 's employees.
- H3: Incentives and Performance Satisfaction simultaneously have a positive effect on the Work Loyalty of the employees of PT XYZ.

4. Results and Discussion

4.1. Analysis of Multiple Linear Regression

Multiple regression analysis to determine whether there is a significant influence between the independent variable and the dependent variable.

Table 1. Multiple Linear Regression Test Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.859	8.813		-.892	.380
1 Insentif	.520	.140	.499	3.714	.001
Kepuasan Kinerja	.620	.192	.433	3.222	.003

a. Dependent Variable: Loyalitas Kerja

In Table 1 above there are structural equations from the results of the multiple regression above as follows:

$$Y = 7,859 + 0,520X_1 + 0,620X_2$$

So that it can be explained that the value of this constant shows if there is no value of the independent variable that is incentive and satisfaction of performance, then the change in the dependent variable, namely job loyalty as seen from the value of Y remains at 7.859. And this can be interpreted as follows:

- 1) The incentive variable has a positive influence on employee loyalty at PT XYZ Medan with a coefficient of 0.520 which means that if the incentive increases by 1 unit by assuming other factors are fixed it will be able to increase work loyalty by 0.520.
- 2) Performance satisfaction variable has a positive effect on employee loyalty at PT XYZ Medan with a coefficient of 0.620 which means that if performance satisfaction increases by 1 unit by assuming other factors are fixed it will be able to increase work loyalty by 0.620.

4.2. Coefficient of Determination

The coefficient of determination (R²) is used to measure the effect of Incentives and Performance Satisfaction on Employee Loyalty at PT XYZ Medan

Table 2. Determination Coefficient Test Results (R²)
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.738 ^a	.744	.811	4.16905

a. Predictors: (Constant), Kepuasan Kinerja, Insentif

b. Dependent Variable: Loyalitas Kerja

Based on the table above obtained the coefficient of determination of 0.811. This shows that the ability of the incentive variable and performance satisfaction explains its effect on the Employee Loyalty variable at PT XYZ Medan. While the remaining 18.9% is the influence of other independent variables not examined in this study.

4.3. Test t (Uji Parsial)

This test is used to test whether partially the Performance Incentives and Satisfaction affect Employee Loyalty at PT XYZ Medan. The t-table value obtained at alpha 5% is 2.051.

Table 3. Result test t (Test Parsial)
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.859	8.813		-.892	.380
1 Insentif	.520	.140	.499	3.714	.001
Kepuasan Kinerja	.620	.192	.433	3.222	.003

a. Dependent Variable: Loyalitas Kerja

In this study using the t-test obtained t table of 2.051. Hypothesis results are accepted if $t_{count} > t_{table}$ and have $sig < 0.05$ Based on the above table, the t-test results (partial) are obtained as follows:

- 1) The incentive variable partially has a positive and significant effect on employee work loyalty at PT XYZ Medan. This is seen through the t-incentive value of 3.714 which is greater than the t-table value of 2.051 and also has a significant t level of 0.001 smaller than alpha 0.05. So the alternative hypothesis related to the variable is accepted.
- 2) Performance satisfaction variable partially has a positive and significant effect on employee work loyalty at PT XYZ Medan. This is seen through the t-incentive value of 3.222 which is greater than the t-table value of 2.051 and also has a significant level of t of 0.003 smaller than alpha 0.05. So the alternative hypothesis related to the variable is accepted.



4.4. Test-F (Test Simultan)

The F-test aims to simultaneously examine the effect of independent variables with the dependent variable. The F-test can be seen in Table 4.18 below:

Table 4. Result Test-F (Test Simultan)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	560.580	2	280.290	16.126	.000 ^b
	Residual	469.287	27	17.381		
	Total	1029.867	29			

a. Dependent Variable: Loyalitas Kerja

b. Predictors: (Constant), Kepuasan Kinerja, Insentif

Based on the table above shows that the value of F-count = 16,126 and the significance (p-value) = 0,000, it can be concluded that the F-count (16,126) is greater than the F-table (2.95) and p-value (0.001) is smaller from sig- α = (0.05). So thus the alternative hypothesis can be accepted and it can be concluded that simultaneously the independent variables (incentives and kinerja satisfaction) jointly influence the dependent variable (work loyalty) at PT XYZ Medan.

5. Conclusions

From the results of research on the effect of incentives and job satisfaction on employee loyalty, conclusions can be drawn as follows:

- 1) The incentive variable partially has a positive and significant effect on employee work loyalty at PT XYZ Medan. This is seen through the t-incentive value of 3.714 which is greater than the t-table value of 2.051 and also has a significant t level of 0.001 smaller than alpha 0.05. So the alternative hypothesis related to the variable is accepted.
- 2) Performance satisfaction variable partially has a positive and significant effect on employee work loyalty at PT XYZ Medan. This is seen through the t-incentive value of 3.222 which is greater than the t-table value of 2.051 and also has a significant level of t of 0.003 smaller than alpha 0.05. So the alternative hypothesis related to the variable is accepted.
- 3) The incentives and performance satisfaction variables jointly influence work loyalty at PT XYZ Medan. This can be seen through the value of F-count = 16.126 and the significance (p-value) = 0.000, it can be concluded that the F-count (16.126) is greater than the F-table (2.95) and the p-value (0.001) is smaller than sig- α = (0.05).

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