

The Influence of Compensation, Work Environment and Leadership Style on Employee Loyalty at PT. Enseval Putera Megatrading, Tbk.

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Abstract. *The approach in this research is an associative approach. The population and sample used were 40 people using the Slovin formula. The data collection technique in this research uses a questionnaire. Data analysis techniques in this research use Validity, Reliability, Multiple Linear Analysis, Classical Assumption Test, t Test, F Test, and Coefficient of Determination. Data processing in research uses the SPSS (Statistical Package for the Social Science) software program version 16.00 for Windows. The results of this research prove that partially Compensation has a significant effect on Employee Loyalty, the Work Environment has no significant effect on Employee Loyalty and Leadership Style has a significant effect on Employee Loyalty, while simultaneously Compensation, Work Environment and Leadership Style have a significant effect on Work Loyalty at PT. Enseval Putera Megatrading, Tbk.*

Keywords: *Compensation, Work Environment, Leadership Style, Employee Loyalty, Management*

INTRODUCTION

In the opinion of MTE Hariandja (2002, p. 2) Human Resources are a very important factor in a company besides other factors such as capital. Therefore, human resources must be managed well to increase organizational effectiveness and efficiency. One of the resources that a company must have to be able to win market share is human resources or what are often called employees. Without employees, the company cannot operate. But on the other hand, without a company, there are no jobs so there are no human resources absorbed by the company, so it could be said that the company and its employees are interdependent. Employees need income by working for the company, while companies need employees to be able to run the company.

Employee loyalty to the company is very necessary for the company. According to Utomo (Tommy et al., 2010) Loyalty can be said to be a person's loyalty to something that is not just a form physical loyalty alone, but more to non-physical loyalty such as thoughts and attention.

The loyalty demands expected by the company can only be fulfilled if employees have the characteristics as expected and the company has been able to fulfill employee expectations, so it can be concluded that the factors that influence loyalty include: the

existence of work facilities, compensation, welfare benefits. , work environment, leadership style, and wages received.

LITERATURE REVIEW

Research "Safitri (2015), research results prove that compensation and work loyalty have a positive and significant influence. This means that the better the compensation given in the company, the better the employee work loyalty in the company will be. "Conversely, the worse the compensation given, the lower the employee work loyalty in the company."

Research "Maineldi, et al (2014), states that the work environment shows a significant influence on work loyalty. An inadequate work environment and poor communication relationships will result in low employee work loyalty."

RESEARCH METHOD

Research Method This research uses associative causality research, associative research which aims to determine the influence of two or more variables X on variable Y (Sugiyono, 2012: 100). Meanwhile, causality is a relationship that occurs between two or more variables, but this relationship is based on a causal relationship or cause-effect relationship.

The F test or also known as the simultaneous significance test is intended to see the overall ability of the independent variables, namely X1, X2 and regression is equal to zero. The calculated F value is determined using the following formula:

$$F_h = \frac{\frac{R^2}{k}}{\frac{(1-R^2)}{(n-k-1)}}$$

(Sugiyono, 2012, p. 257)

RESULTS AND DISCUSSION

A. Research result

a. Classic assumption test

The classic assumption test is used to see or test whether a model is suitable or not suitable for use in research. The classic assumption test used in this research is:

I. Multicollinearity Test

A good regression model is if the model does not contain symptoms of multicollinearity. To determine whether or not there is multicollinearity between variables, you can look at the VIF (*Variance Inflation Factor*), where if the VIF value is > 10, it can be said that there are symptoms of multicollinearity.

Table 1. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	Compensation	.773	1.293
	Work_Environment	.850	1.176
	Leadership_Style	.902	1.109

From the picture above it can be seen that all independent variables have a VIF value < 10, so it can be concluded that there is no multicollinearity. It can also be seen from the tolerance column which shows all tolerance values > 0.1, this means there are no symptoms of multicollinearity.

Multiple Linear Regression Model

A multiple linear regression model was carried out to determine the magnitude of the influence of the independent variables (Compensation, Work Environment, and Leadership Style) on the dependent variable (Work Loyalty). Based on testing using the SPSS Statistics 19.0 for Windows program, the results of the research multiple linear regression equation can be seen in the table below:

Table 2. Multiple Regression Coefficients

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.633	6.790		.926
	Compensation	.545	.125	.594	.000
	Work_Environment	.280	.103	.356	.010
	Leadership_Style	.256	.126	.268	.042

a. Dependent Variable: LOYALITAS_KERJA

Based on table 4.9, the multiple linear regression equation model in this equation is:

$$Y = 0.633 + 0.545X_1 + 0.280X_2 + 0.265X_3$$

Based on this equation it can be described as follows:

1. The constant value of 0.633 indicates that if there was no influence from the variables compensation, work environment, and leadership style (X_1 ,
2. Compensation Coefficient (β_1) = **0.545**, this shows that every time there is an increase in the compensation variable by one unit, it will increase work loyalty by **0.545**.

3. Work Environment Coefficient (β_2) = **0.280**, indicating that every time there is an increase in work environment variables by one unit, work loyalty will increase by **0.280**.
4. Leadership style coefficient (β_3) = **0.265**, this shows that every time there is an increase in the leadership style variable by one unit, it will increase work loyalty by **0.265**.

Hypothesis testing

Partial Test (t-test)

The t test (partial) was carried out to individually see the influence of the independent variables (X_1 , Enseval Putra Megatrading, Tbk. Stages:

1) Testing Form

$H_0: r_s = 0$, meaning that there is no significant influence of the independent variable (X) on the dependent variable (Y).

$H_0: r_s \neq 0$, meaning that there is a significant influence of the independent variable (X) on the dependent variable (Y).

2) Decision Making Criteria

H_0 is accepted if $-t_{table} \leq t_{count} \leq t_{table}$, at $\alpha = 5\%$, $df = n-2$

H_0 is rejected if:

a) $t_{count} > t_{table}$

b) $-t_{count} < -t_{table}$

n = number of samples, $n = 50$

k = number of variables used, $k = 4$

Then: degrees of freedom = $nk = 40 - 4 = 36$

t test carried out was a two-way test, so the t table used was $\frac{1}{2}$ or t (0.025 : 46) so that the t table value = 2.028.

Based on the test, the results of the research t test are shown below, namely:

Table 3. t test

Coefficients ^a					
		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	
Model				t	Sig.
1	(Constant)	.633	6.790		.093
	Compensation	.545	.125	.594	4.339
	Work_Environment	.280	.103	.356	2.729
	Leadership_Style	.256	.126	.268	2.111

a. Dependent Variable: LOYALITAS_KERJA

Based on Table 4.10 it can be seen that:

- 1) t value of the Compensation variable is 4.339 and t_{table} 2.028 so that $t_{calculated} > t_{table}$ ($4.339 > 2.028$), and significant (Sig.) $< 5\%$ ($0.000 < 0.05$) means that H_0 is rejected. So it can be concluded that there is a significant influence of compensation on work

loyalty at PT. Enseval Putra Megatrading, Tbk . As in Figure 3.1 Compensation variable t test curve (X_1).

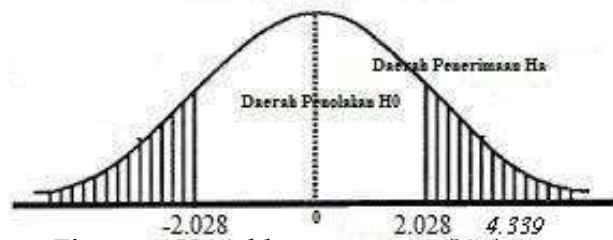


Figure 1. Variable t test curve (X_1)

- 2) t value of the work environment variable is 2.729 and t table 2.028 so that $t_{\text{calculated}} > t_{\text{table}}$ ($2.729 > 2.028$), and significant (Sig.) $< 5\%$ ($0.010 < 0.05$) means that H_0 is rejected. So it can be concluded that there is a significant influence of the work environment on work loyalty at PT. Enseval Putra Megatrading, Tbk . As in Figure 3.2 T test curve for work environment variables (X_2).

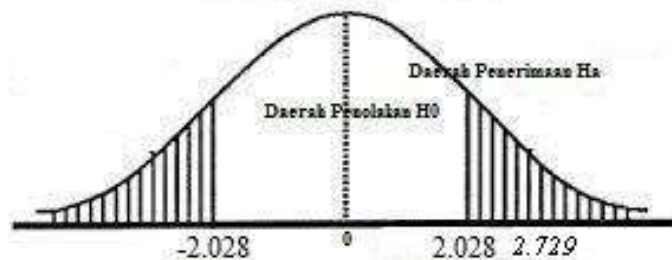


Figure 3.2 Variable t test curve (X_2)

- 3) t value of the leadership style variable is 2.111 and t table 2.028 so that $t_{\text{calculated}} > t_{\text{table}}$ ($2.111 > 2.028$), and significant (Sig.) $< 5\%$ ($0.042 < 0.05$) means that H_0 is rejected. So it can be concluded that there is a significant influence of leadership style on work loyalty at PT. Enseval Putra Megatrading, Tbk . As in Figure 3.3 T-test curve for the leadership style variable (X_3).

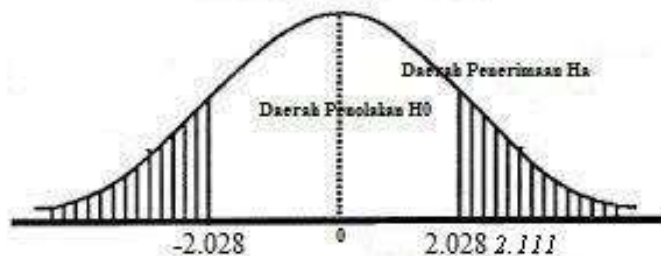


Figure 3.3 Variable t test curve (X_3)

Significant Simultaneous Test (F Test)

The F test was carried out to see together the influence of variables X 1 , X 2 , and X 3) in the form of compensation, work environment and leadership style on employee work loyalty at PT. Enseval Putra Megatrading, Tbk.

Hypothesis:

H0: $\beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$, There is no joint influence of compensation variables, work environment and leadership style on employee work loyalty at PT. Enseval Putra Megatrading, Tbk.

H0: $\beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4 \neq 0$, There is a joint influence of compensation variables, work environment and leadership style on employee work loyalty at PT. Enseval Putra Megatrading, Tbk.

Decision making criteria:

Ho is accepted if $F_{\text{count}} < F_{\text{table}}$ at $\alpha = 5\%$

Ha is accepted if $F_{\text{count}} > F_{\text{table}}$ at $\alpha = 5\%$

Error rate (α) = 5% and degrees of freedom (df) = $(nk)(k-1)$

Numerator degrees of freedom = $k - 1 = 4 - 1 = 3$

Degrees of freedom in denominator = $n - k = 40 - 3 = 37$, then $F_{\text{table } 0.05 (3 ; 37)} = 2.86$

Discussion

Based on the results of research conducted, results were obtained regarding the influence of compensation, work environment and leadership style on employee work loyalty which are presented in the following discussion:

The Influence of Compensation on Work Loyalty

Based on the results of statistical data analysis, it proves that there is a significant influence of compensation on employee work loyalty. This shows that the better the compensation for employees, the better employee work loyalty will be in the company.

The Influence of the Work Environment on Work Loyalty

Based on the results of data analysis, it is proven that there is a significant influence of the work environment on employee work loyalty. This means that the higher the work environment provided, the more disciplined employees will be in the company.

The Influence of Leadership Style on Work Loyalty

The results of statistical data analysis prove that there is a positive and significant influence between leadership style on employee work loyalty. This shows that the better the leadership style, the better the work loyalty in the company.

The Influence of Compensation, Work Environment and Leadership Style on Employee Work Loyalty

The results of statistical data analysis prove that there is a simultaneous positive and significant influence between compensation, work environment and leadership style on employee work loyalty. This means that good compensation, work environment

and leadership style will increase employee work loyalty at PT. Enseval Putra Megatrading, Tbk.

CONCLUSIONS

Based on the results of research and discussions conducted by the author regarding the influence of compensation, work environment and leadership style on employee loyalty at the company PT Enseval Putera Megatrading, the following conclusions can be drawn:

1. Compensation partially has a significant effect on employee loyalty.
2. The work environment partially has a significant effect on employee loyalty.
3. Leadership Style partially has a significant effect on Employee Loyalty.
4. Compensation, work environment and leadership style simultaneously have a significant effect on employee loyalty.

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