

The influence of leadership, job satisfaction, and work motivation on employee loyalty at PT. XYZ

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ABSTRACT

Human resource management encompasses the personnel of the organization. Leadership, job happiness, and work motivation factors the company offers to its employees are crucial aspects of human resource management. These characteristics contribute to fostering employee loyalty and are critical for the organization's success. Highly loyal employees demonstrate excitement and responsibility in carrying out their duties and consistently work towards accomplishing the company's objectives. This study aims to ascertain the impact of Leadership, Job Satisfaction, and Work Motivation on Employee Loyalty at PT. XYZ. The research methodology is quantitative with a descriptive and confirmatory orientation. The sample used in this study consists of 120 respondents. The research employs multiple linear regression analysis as the chosen analytical strategy. This approach tries to uncover each independent variable's individual and combined effects on the dependent variable. The research findings classify Employee Loyalty at PT. XYZ as "Fair" categorizes the leadership at PT. XYZ, as "Fair," labels the level of job satisfaction at PT. XYZ as "Fair" and classify the work motivation at PT. XYZ as "Fair." Leadership partially influences Employee Loyalty favorably, while job satisfaction positively impacts employee loyalty. Job satisfaction has a beneficial impact on employee loyalty. Work motivation has a partially favorable impact on employee loyalty—leadership, job satisfaction, and work motivation at PT. XYZ is rated as "Fair" regarding its impact on employee loyalty.

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1. Introduction

PT. XYZ, located near Bandung Regency, is a textile firm specializing in dyeing and finishing textiles. The research findings suggest that PT. XYZ requires increased employee loyalty. Phenomena observed during interviews with textile company supervisors indicate that leadership, job satisfaction, and work motivation play a role in influencing employee loyalty at PT. XYZ.

The loyalty of employees is a vital factor in the achievement of a company and can yield numerous advantages (Rifaldo, 2022) (Gafur, 2020). Highly devoted employees demonstrate excitement and responsibility in executing their duties, consistently working towards achieving the company's objectives (Herawati et al., 2022). In contrast, personnel who lack loyalty tend to exhibit reduced accountability and perform their jobs inadequately. A strong sense of employee loyalty allows for the effective and efficient implementation of set plans. Nevertheless, the strong allegiance of employees in textile companies results in a need for more accountability in task execution and adherence to company regulations (Adia & Susetyo, 2022) (Sutarni, 2022).

An erosion of employee loyalty can be partially due to disparities between the benefits employees receive from the company and their assigned job duties. This is consistent with the studies undertaken by (Citra & Fahmi, 2019; Mahayuni & Dewi, 2020; Marwanto, A. E., & Hasyim, 2023)

Leadership is a further contributing aspect. According to Malayu S.P Hasibuan, (2019) , leadership refers to the process by which a leader exerts influence on the conduct of subordinates, fostering collaboration and productivity toward the attainment of organizational objectives. Preliminary interviews with employees at the textile industry company indicate that all decisions are now made exclusively by superiors, without soliciting employee input. The current situation must match the employees' expectations, as they seek to actively engage in the decision-making process through consultations to reach mutually beneficial outcomes. Consequently, this approach fosters a sense of appreciation among employees, resulting in heightened allegiance. Multiple studies assert that leadership significantly impacts employee loyalty (Citra & Fahmi, 2019; Mahayuni & Dewi, 2020; Marwanto, A. E., & Hasyim, 2023; Muliati, 2020).

Job happiness is an additional factor that might impact employee loyalty. Mangkunegara & Prabu, (2017) defines job satisfaction as the emotional state in which an employee has either positive or negative sentiments towards their work or themselves. The occurrence of employee satisfaction issues can be attributed to several factors, including a failure to recognize and value high-performing employees, a lack of career advancement opportunities for top performers, the absence of clear career paths, leaders failing to acknowledge or reward employees who consistently deliver satisfactory performance, and an overall lack of a cohesive, comfortable, and positive work environment. Multiple researchers have noted that job happiness impacts employee loyalty (Citra & Fahmi, 2019; Muhamad, A., Firdaus, M. A., & Azis, 2022; Rivaldo & Ratnasari, 2020; Suryawan & Salsabilla, 2022).

Work motivation is a crucial aspect that significantly impacts employee loyalty, leadership, and job satisfaction. Mangkunegara & Prabu, (2017) proposes that work motivation can be assessed using indications such as diligent effort, forward-thinking mindset, ambitious goals, focus on tasks and targets, drive for progress, persistence, collaboration, and effective time management. In order to tackle the observed problem of employees needing more work goals and subsequently experiencing a lack of motivation due to insufficient support from the work environment or leaders, it is necessary to make efforts to enhance the caliber and commitment of employees. Multiple research assert that work motivation impacts employee loyalty (Adinda, T. N., Firdaus, M. A., & Agung, 2023; Citra & Fahmi, 2019; S. H. Harahap, 2015; Mahayuni & Dewi, 2020; Marwanto, A. E., & Hasyim, 2023; Rivaldo & Ratnasari, 2020; Suryawan & Salsabilla, 2022).

The research's benefits include adding data and insights into the subject, which is anticipated to advance knowledge in workplace studies, human resource management, and leadership, as well as the impact of work motivation on employee loyalty. This study aims to give businesses more knowledge and understanding about how work motivation, job satisfaction, and leadership influence employee loyalty. This will enable businesses to assess internal problems more correctly. In addition, it is anticipated that this research will advance knowledge, particularly in human resource management, and will be helpful as a source of information for researchers working on related projects in the same field and reading material for university libraries and other students.

2. Research Method

The research utilizes a quantitative methodology with a descriptive and verificatory approach. Sugiyono, (2018) describes that quantitative approaches refer to research undertaken on a specific population or sample to test pre-established assumptions. This study aims to provide a comprehensive description of the impact of leadership, job satisfaction, and work motivation on employee loyalty inside a textile industry organization. The study employs sampling methodologies on a population of 153 employees from a textile sector corporation. The sources comprise primary data acquired through interviews, observations, and surveys. The researcher used traditional assumption testing, multiple linear regression analysis, and the t-test for partial analysis to examine variable interactions and determine their significance.

3. Results And Discussions

Ghozali, (2018) states that the normality test aims to assess if the disturbance or residual variable in the regression model follows a normal distribution. The Kolmogorov-Smirnov normality test, which examines

the unstandardized residual values, can assess the normality of the data. The SPSS application is used to evaluate the data computationally.

Table 1. Normality test results

Variable	Asymp. Sig. (2-tailed)	N
Work Loyalty	0.520	153

The normality test findings indicate that the Kolmogorov-Smirnov probability value is 0.520, more significant than the significance level of 0.05. Therefore, the assessment data follows a normal distribution. As defined by Ghazali, (2018), Tolerance quantifies the extent to which other independent variables do not account for the chosen independent variable. Therefore, a low tolerance is synonymous with a high VIF (Variance Inflation Factor) value.

Table 2. Multicollinearity test results

Model	Coefficients	
	Collinearity Statistics	
	Tolerance	VIF
Constant		
Leadership (X1)	0,775	1,290
Job satisfaction (X2)	0,819	1,220
Work Motivation (X3)	0,896	1,116

The multicollinearity test indicates that the Tolerance values for variables X1, X2, and X3 are 0.775, 0.819, and 0.896, respectively. These values, all below 10, indicate the absence of multicollinearity. The heteroskedasticity test is a condition where the variance of residual values differs among observers. Homoskedasticity is the condition where the variance and residual values are the same across different observers. An ideal regression model exhibits homoscedasticity.

Table 3. Heteroscedasticity test results

Model	Coefficients	
	Sig.	
Leadership (X1)		0,775
Job satisfaction (X2)		0,819
Work Motivation (X3)		0,896

The heteroskedasticity test results indicate that the significant values for leadership (X1), job satisfaction (X2), and work motivation (X3) are 0.775, 0.819, and 0.896, respectively. All of these values are greater than the threshold of 0.05. This suggests that the three independent variables investigated do not exhibit heteroskedasticity.

Table 4. Results of multiple linear regression analysis

Model	Coefficients	
	Unstandardized Coefficients	
	B	Std.Error
(Constant)	.336	1.868
X1	.749	.051
X2	.209	.094
X3	.342	.074

The multiple linear regression test yields the following equation:

$$Y = 0,366 + 0,749 X_1 + 0,209 X_2 + 0,342 X_3$$

The explanation of the multiple linear regression equation shown above is as follows: a) The value remains constant at 0.366. The interpretation of this is as follows: when the variables Leadership (X1), Job Satisfaction (X2), and Work Motivation (X3) all have a value of 0, the value of Employee Loyalty (Y) equals 0.366. When the variables Leadership (X1), Job Satisfaction (X2), and Work Motivation (X3) are held constant at 0, the value of Employee Loyalty remains at a constant value of 0.366. b) The Leadership variable (X1) has a regression coefficient (b1) 0.749. Thus, a one-unit rise in the Leadership variable (X1) while keeping the variables Job Satisfaction (X2) and Work Motivation (X3) constant will result in a 0.749 increase in Employee Loyalty. The interpretation is that the leadership variable (X1) contributes 0.749, or 74.9%, to the employee loyalty variable. c) The Job Satisfaction variable (X2) has a regression coefficient (b2) 0.209.

Thus, holding Leadership (X1) and Work Motivation (X3) unchanged, a unit rise in Job Satisfaction (X2) will result in a 0.209 increase in Employee Loyalty. The job satisfaction variable (X2) contributes 0.209 or 20.9% to the employee loyalty variable. d) The variable for work motivation (X3) has a regression coefficient (b3) of 0.342. Thus, in the scenario where Leadership (X1) and Job Satisfaction (X2) stay the same, a rise in Work Motivation (X3) will result in a corresponding increase of 0.342 in Employee Loyalty. The Work Motivation variable (X3) contributes 0.342 or 34.2% to the Employee Loyalty variable. e) If all independent variables change concurrently by one unit, Employee Loyalty will increase by 1.3 units.

Table 5. Results of the F test

ANOVA		
Model	F	Sig.
Regression	130.928	.000
Residual		
Total		

The computed F-value is 130.928, above the critical F-value of 3.07 ($130.928 > 3.07$), and the p-value is 0.000, indicating statistical significance at a significance level of 0.05. The statement suggests that Leadership (X1), Job Satisfaction (X2), and Work Motivation (X3) have a concurrent impact on Employee Loyalty (Y). Thus, we can infer that we reject the null hypothesis (H0) and accept the alternative hypothesis (H1).

T-test

Table 6. T-test findings

Coefficients		
Model	t	Sig.
(Constant)	.196	.845
X1	14.558	.000
X2	2.222	.028
X3	4.652	.000

Partial hypothesis testing is a statistical procedure employed to ascertain the specific impact of independent factors on the dependent variable. According to the findings of the partial hypothesis testing, the explanation for each variable is as follows: a) The leadership variable yielded a significance value of 0.845, less than 0.05. Therefore, leadership has a positive impact on employee loyalty. b) The job happiness variable yielded a significant value of $0.000 < 0.05$, indicating that job satisfaction positively influences employee loyalty.

The work motivation variable yielded a significance value of $0.000 < 0.05$, indicating that job motivation positively impacts employee loyalty.

Discussion and analysis

Leadership has a crucial role in ensuring the long-term viability of an organization. The leader's role in a company is crucial in determining the success or failure of accomplishing the organization's objectives. Company executives are responsible for addressing human resource matters by prioritizing enhancing workforce quality and cultivating a strong work ethic to generate heightened employee loyalty. The test results obtained are consistent with prior studies conducted by (Citra & Fahmi, 2019; Mahayuni & Dewi, 2020; Marwanto, A. E., & Hasyim, 2023; Muliati, 2020).

loyalty. According to one viewpoint, employees establish loyalty when they find satisfaction in fulfilling their personal needs through work, creating a sense of ease and contentment in their organization. The test results are consistent with prior research findings (Citra & Fahmi, 2019; Muhamad, A., Firdaus, M. A., & Azis, 2022; Rivaldo & Ratnasari, 2020; Shati & Dewi, 2014; Suryawan & Salsabilla, 2022).

Motivation is a fundamental determinant of employee work loyalty. Work motivation is the force that generates passion and encouragement to engage in work activities. Individuals can derive motivation from either internal or external stimuli (Arianti, 2019) (Mukhtar & UA, 2020) (Sitorus, 2020). Researchers categorize motivation theories into two main types: satisfaction or content theories and process theories. The organization can provide external incentives. Hence, it is the responsibility of the management to establish a work environment that can foster motivation. Work loyalty is contingent upon motivation; thus, those with elevated motivation are inclined to exhibit greater loyalty than those with diminished motivation. The acquired test results are consistent with Mahayuni & Dewi, (2020) research, which indicates that job

happiness significantly influences employee loyalty. (Adinda, T. N., Firdaus, M. A., & Agung, 2023; Citra & Fahmi, 2019; D. S. Harahap & Khair, 2019; Mahayuni & Dewi, 2020; Marwanto, A. E., & Hasyim, 2023; Rivaldo & Ratnasari, 2020; Suryawan & Salsabilla, 2022).

The essential aspect of attaining a company's objectives is the loyalty of its employees. Implementing successful leadership styles, ensuring job happiness, and cultivating work motivation inside the firm can foster employee loyalty. The test results corroborate (Rivaldo & Ratnasari, 2020) research findings, which indicate that leadership style, job happiness, and work motivation significantly influence Employee Loyalty

4. Conclusion

After analyzing the research findings and engaging in talks about the impact of leadership, job happiness, and work motivation on employee loyalty at PT. XYZ, it can be inferred that these three elements are essential in establishing a favorable connection between employees and the company. Hence, there is a want for leadership capable of bringing about significant change and providing assistance. The level of job satisfaction among employees is a crucial determinant in establishing and sustaining their loyalty and drive toward work. Both internal and external influences influence the level of employee loyalty. Management endorsement, acknowledgment of accomplishments, and prospects for growth can serve as incentives that foster loyalty. The anticipated outcome will likely yield advantages for the company and all other parties involved. Corporate management should prioritize employee loyalty within the organization to prevent potential problems. Staff loyalty and motivation are necessary for the company's success and advancement. The company's management should prioritize leadership, employee job happiness, and work motivation. An effective leader should possess the ability to cultivate strong collaboration among teams and individuals, promoting unity and mitigating the occurrence of communication discrepancies. Employees who experience dissatisfaction or disappointment with the outcomes achieved during their tenure can either resign or pursue alternative employment opportunities. Furthermore, the company must incentivize employees to prevent financial losses, as employees may lack the motivation to work hard, leading to inactivity. Future researchers can enhance their studies by investigating more elements beyond leadership, job happiness, work motivation, and employee loyalty. The findings of this study on the variables affecting employee loyalty at PT. XYZ shows that work motivation, job satisfaction, and leadership significantly impact loyalty.

Results from a study done in PT. XYZ's workplace has ramifications for future research, education, and the organization. The following are the implications about this: Based on the research results above, leadership, job satisfaction, and motivation make a very significant contribution to PT. XYZ and competitive advantage. Therefore, efforts need to be made to maintain leadership, job satisfaction, and work motivation in order to be able to bring PT. XYZ competes with other companies, the following are the efforts made by PT. XYZ: a) The loyalty of workers operating under PT. XYZ should be a concern for the company's management. This is to steer clear of any future issues. The company can only grow and advance if its personnel are enthusiastic and loyal; b) The management of the business must keep an eye on PT. XYZ's leadership. In PT. XYZ, a leader should be able to promote harmony and prevent misunderstandings by developing good cooperation among teams and people. If a good leader can use suitable leadership to help the organization achieve its vision and mission, then subordinates will respect and value them; c) The management of the business must consider the workers' job happiness. Employees may decide to quit or look for other employment if they are unhappy or unsatisfied with the outcomes they experienced while working at PT. XYZ. The business may need help as a result, such as hiring new staff members quickly to maintain production targets; c) The management of the organization must consider PT. XYZ's motive. A low level of motivation will cost the organization money because it will make workers lazy and less inclined to work hard. This may also affect the company's accomplishments, which might not match its objectives.

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