



Analysis of the Effect of Job Satisfaction and Loyalty on Employee Performance at PT Kedungdoro Jaya Indo Surabaya

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ABSTRACT

In an increasingly competitive business world, one of the factors that determine the company's success is employee performance. Optimal performance is strongly influenced by various factors, two of which are job satisfaction and employee loyalty. Job satisfaction refers to how employees feel about their jobs, while loyalty describes the level of loyalty and commitment to the company PT Kedungdoro Jaya Indo Surabaya. Employees who feel satisfied with their jobs tend to show high loyalty, which in turn can increase productivity and performance, especially at PT Kedungdoro Jaya Indo Surabaya. The purpose of this study was to determine and analyze job satisfaction, customer loyalty affect employee performance partially and simultaneously at PT Kedungndoro Jaya Indo Surabaya.

The type of research used is quantitative research. the population in this study were 40 employees of PT Kedungndoro Jaya Indo Surabaya. Data collection techniques Questionnaires or questionnaires and documentation. The analysis technique used is multiple linear regression.

The results of this study are Employee satisfaction affects employee performance partially at PT Kedungdoro Jaya Indo Surabaya. Employee loyalty partially affects employee performance at PT Kedungdoro Jaya Indo Surabaya.

Employee satisfaction and employee loyalty affect employee performance simultaneously at PT Kedungdoro Jaya Indo Surabaya.

INTRODUCTION

In an increasingly competitive business world, one of the factors that determine the company's success is employee performance. Optimal performance is strongly influenced by various factors, two of which are job satisfaction and employee loyalty. Job satisfaction refers to how employees feel about their jobs, while loyalty describes the level of loyalty and commitment to the company PT Kedungdoro Jaya Indo Surabaya. Employees who feel satisfied with their jobs tend to show high loyalty, which in turn can increase productivity and performance, especially at PT Kedungdoro Jaya Indo Surabaya.

However, in practice many companies face challenges to maintain employee satisfaction and loyalty. Dissatisfaction with work or company policies can lead to high turnover rates, decreased motivation, and reduced performance. So that employees often experience a different perception of building the glory of a company. Therefore, it is important to analyze the factors that influence job satisfaction and loyalty, and how they are interconnected with employee performance.

According to Cashmere (2016), job satisfaction is a reflection of the employee's feelings towards his job which appears in the employee's positive attitude towards his job which can improve the employee's performance. So that satisfaction has an influence on employee performance. In a company, human resources are needed to uphold the sustainability of the company. The smooth running of a company managing its employees, one of which can be seen from the level of job satisfaction and loyalty to employee performance in the company itself. Where job satisfaction is the attitude or feeling of employees towards pleasant or unpleasant aspects of work that are in accordance with the assessment of each job.

According to Armstrong and Baron in Wibowo (2016: 8), performance has a broader meaning not only stating as a result of work, but also how the work process takes place to get better results from organizations, teams and individuals. Performance results or the level of success achieved by employees as a whole in a certain period when the employee carries out the task compared to the standard work results or targets set by the company.

Loyalty is basically loyalty, devotion and trust given or directed to a person or institution, in which there is a sense of love and responsibility to try to provide the best service and behavior. Thus it can be said that employees who are loyal to the company are employees who have a willingness to work together which means a willingness to sacrifice





themselves, a willingness to carry out self-supervision and the ability to emphasize their own interests. This willingness to sacrifice themselves involves an awareness of devoting themselves to the company, this devotion will always support the participation of employees in the company.

This attitude is reflected in the creation of a pleasant and supportive atmosphere at work, maintaining the company's image and a willingness to work for a longer period of time. The company seeks to gain employee loyalty through the provision of incentives. This may be acceptable, because with the incentives provided employees can meet their needs so that employee welfare can be realized.

And according to Mathis and Jackson (in Donni Juni Priansa, 2018: 269) states that performance is basically what employees do in carrying out their work. Performance is an important factor because in the business world companies require high performance. At the same time, employees need feedback or the results of their work in the future. the results or level of one's overall success during a certain period in carrying out tasks compared to various possibilities, such as work results standards, targets or goals or criteria that have been determined in advance and have been mutually agreed upon.

In a company, the determining factors in improving employee performance are job satisfaction, employee loyalty. Employee job satisfaction in an organization is very important in order to create good work performance. Employees who have high satisfaction in their jobs have better performance in carrying out their duties than those who are dissatisfied with their jobs. Loyalty from the employees themselves is no less important in improving employee performance, employees who already have a loyal attitude to the company means that they will be ready to give their best performance with the loyal attitude of employees to the company will more quickly achieve its goals.

LITERATURE REVIEW

Job Satisfaction Theory

Job satisfaction is a positive and satisfied feeling experienced by a person towards their job. It includes the following aspects such as satisfaction with duties and responsibilities, satisfaction with the work environment, satisfaction with coworkers and supervisors, satisfaction with pay and benefits, and satisfaction with career development opportunities. High job satisfaction can have positive impacts, such as improving productivity and performance, increasing engagement and commitment to work, reducing stress and burnout and improving work-life balance. However, low job satisfaction can lead to a lack of motivation, increased stress and burnout and an increased likelihood of leaving the job.

Employee Loyalty Theory

Employee loyalty refers to the commitment and loyalty of employees to the company where they work. Loyal employees will strive to make a greater contribution to the progress of the company and tend to have a high retention rate.

Loyalty Meschke (2021) is an attitude that shows commitment, loyalty, and trust to the organization or agency where the individual works. Loyalty is one of the positive attitudes that can provide benefits to organizations such as company stability, increased abilities and skills, employee retention, and increased work productivity. Meanwhile, according to Giovanni and Le (2022) who identify loyalty as a positive attitude of individuals towards the values and culture of the company which is shown by commitment based on the attitudes and behaviors shown in workers (2023: 5).

Employee Performance Theory

The word performance in English is called "job performance" or it can also be called "actual performance" or work performance that has been achieved by each employee. Employee performance is an achievement or result of work to achieve the goals of a company (Mandiangan, Makapedua and Supit (2023: 277)).

According to Mangkunegara (2017) the quality and quantity of work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Employee performance can be defined as the result of work behavior produced by individuals in carrying out their duties and responsibilities. Robinson and Judge (2013) suggest that performance is influenced by internal factors such as motivation, ability, and external factors such as organizational conditions and existing management. In the context of PT Kedungndoro Jaya Indos Surabaya, employee performance can be improved through the fulfillment of factors related to job satisfaction and loyalty, for example, by rewarding achievements and creating a conducive work environment.

Effect of Job Satisfaction, Loyalty, and Employee Performance

Job satisfaction and employee loyalty have a close relationship with performance. Locke (1976) in his research stated that employees who are satisfied with their jobs tend to show better performance. In addition, Meyer and Allen (1997) argue that high loyalty contributes to improved performance because loyal employees are more likely to be





committed to achieving organizational goals.

1. Job satisfaction can affect employee loyalty and performance.
2. Loyalty can affect employee performance and job satisfaction.
3. Employee performance can affect job satisfaction and loyalty.

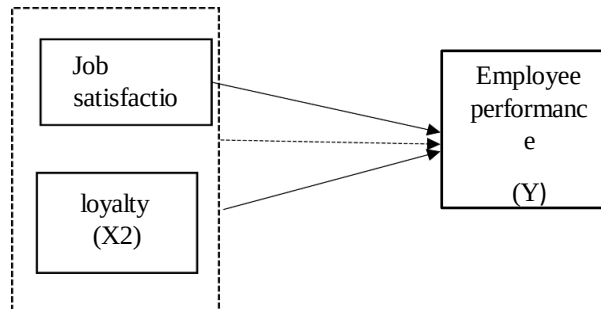


Figure 1. Conceptual Framework

Description:

X1 = Job

satisfaction X2 = Loyalty

Y = employee performance

→ = The effect of the independent variable on the dependent variable

---→ = The effect of independent variables together on the dependent variable

METHOD

Data collection techniques are the means used to collect research data. The data collection techniques used by researchers in this study are questionnaires or questionnaires and documentation.

Questionnaire or questionnaire

A questionnaire or questionnaire is a data collection method that has been carried out by asking several kinds of questions related to research problems. According to Sugiyono (2017: 142) a questionnaire or questionnaire is a data collection method that is carried out by giving several questions or written statements to respondents to answer. The questionnaire or questionnaire is used to obtain data in accordance with the respondent's opinion regarding information about job satisfaction and loyalty to employee performance so that it can be seen how much influence job satisfaction and loyalty have on employee performance.

Documentation

Sugiyono (2017:240) says that documentation studies are complementary to the use of observation and interview methods in qualitative research. Documentation is carried out through direct observation in the field to collect data relevant to the research. The aim is to get a clear picture of the actual conditions and get the main source of information on how job satisfaction and loyalty affect employee performance.

RESULT

Results of Data Analysis and Hypothesis

Testing Validity Test Results

The validity test is carried out to determine the extent of the accuracy and accuracy of a measuring instrument in carrying out its measuring function. The validity test is carried out by comparing the calculated r value with the r table value. If $r_{table} \leq r_{count}$, it can be said that the instrument used as a measuring tool is valid and vice versa.

Tabel 1. Employee Satisfaction Validity Test Results (X1)

Item No.	r count	r table	Valid / Failed
1	0,354	0,263	Valid
2	0,442	0,263	Valid
3	0,335	0,263	Valid
4	0,553	0,263	Valid
5	0,641	0,263	Valid

From Table 1. above, it can be seen that all items of the employee satisfaction variable statement are valid

because they have a value of $r \text{ count} > r \text{ table}$, so they can continue with the next test.

Tabel 2. Employee Loyalty (X2) Validity Test Results

Item No.	r count	r table	Valid / Failed
1	0,340	0,263	Valid
2	0,374	0,263	Valid
3	0,540	0,263	Valid
4	0,509	0,263	Valid
5	0,417	0,263	Valid

From Table 2. above, it can be seen that all items of the employee loyalty variable statement are valid because they have a value of $r \text{ count} > r \text{ table}$, so they can continue with the next test.

Tabel 3. Employee Performance Validity Test Results (Y)

Item No.	r count	r table	Valid / Failed
1	0,485	0,263	Valid
2	0,430	0,263	Valid
3	0,363	0,263	Valid
4	0,339	0,263	Valid
5	0,387	0,263	Valid
6	0,524	0,263	Valid

From Table 3. above, it can be seen that all items of the employee satisfaction variable statement are valid because they have a value of $r \text{ count} > r \text{ table}$, so they can continue with the next test.

Reliability Test Results

Reliability test is a test intended to show the nature of a measuring instrument in the sense of whether the measuring instrument used is sufficiently accurate, stable or consistent in measuring what you want to measure. Reliability measurement uses the *Cronbach Alpha* value, a questionnaire is said to be reliable if it has a *Cronbach Alpha* value greater than 0.60.

Tabel 4. Reliability Test Results

Question item	Cronbach Alpha Count	Required value	Ket
Employee Satisfaction (X1)	0,701	0,60	Reliable
Employee Loyalty (X2)	0,687	0,60	Reliable
Employee Performance (Y)	0,712	0,60	Reliable

From the results of the reliability test above, it can be seen that the *Cronbach Alpha* coefficient value of each variable is greater than 0.60. This shows that all items are reliable.

Classical Assumption Test

Normality Test Results

The normality test is used to determine whether the residual values are normally distributed. It assumes that the data collected is normally distributed according to population parameters. A good regression model has a normally distributed residual value. The normality test used in this study uses the *Kolmogorov Smirnov* test. The normality test decision making is if the Sig value > 0.05 then it is said to be Norman. If Sig. < 0.05 then it is not normal.

Tabel 5. Normality Test Results

		Unstandardized Residual
N		40
Normal Parameters ^{a,b}	Mean	.0E-7
	Std. Deviation	1.98139395
	Absolute	.089
Most Extreme	Positive	.087



Differences	Negative	-.089
Kolmogorov-Smirnov Z		.563
Asymp. Sig. (2-tailed)		.909

Multicollinearity Test Results

The purpose of the multicollinearity test is to determine whether there is a high correlation between independent variables in the multiple linear regression model. A high correlation between independent variables will disrupt the relationship between the independent variable and the dependent variable. The test used to test multicollinearity is the *Variance Inflation Factor* (VIF) with the provisions: If the VIF value < 10 or the Tolerance value > 0.01 then there is no Multicollinearity. If the VIF value > 10 or the Tolerance value < 0.01 then there is Multicollinearity:

Table 6. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Employee Satisfaction	.820	1.219
	Employee Loyalty	.820	1.219

Heteroscedasticity Test Results

The heteroscedasticity test is to determine whether there is an imbalance in the variance between the residuals of one observer and the residuals of another observer. With the assumption that the distribution of variants is the same. Because the purpose of the regression test is to predict predictions will be possible if the variance is the same. Detection of heteroscedasticity in this study using spearman correlation with probability : If Sig. > 0.05 then there is no heteroscedasticity. If Sig < 0.05 then heteroscedasticity occurs.

Multiple Linear Regression Test

Table 7. Heteroscedasticity Test Results

Correlations			Kepuasan Karyawan	Loyalitas Karyawan	Unstandardized Residual
Spearman's rho	Kepuasan Karyawan	Correlation Coefficient	1.000	.446**	.012
		Sig. (2-tailed)		.004	.944
		N	40	40	40
	Loyalitas Karyawan	Correlation Coefficient	.446**	1.000	.020
		Sig. (2-tailed)	.004		.901
		N	40	40	40
	Unstandardized Residual	Correlation Coefficient	.012	.020	1.000
		Sig. (2-tailed)	.944	.901	
		N	40	40	40

**. Correlation is significant at the 0.01 level (2-tailed).

Multiple linear regression analysis is used to determine the magnitude of the influence of the *independent* variable on the *dependent* variable, in this case the influence of employee satisfaction variables (X1), employee loyalty (X2), and employee performance (Y). The following will present the results of multiple linear regression testing:

Table 8. Magnitude of Influence of Employee Satisfaction Variables (X1), Employee Loyalty (X2), on Employee Performance (Y)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.572a	.327	.290	2.034

Simultaneous Effect of Employee Satisfaction Variables (X1), Employee Loyalty (X2) on Employee Performance (Y) The next step is to test the hypothesis, namely to prove whether simultaneously employee satisfaction (X1), employee loyalty affects employee performance (Y). The F test steps are as follows:

1. Determining the Hypothesis

H0= regression coefficient is not significant

H1 = regression coefficient is significant

2. Find the F value

Table 9. Hypothesis Testing Results (F Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	74.264	2	37.132	8.973	.001 ^b
	Residual	153.111	37	4.138		
	Total	227.375	39			

a. Dependent Variable: Kinerja Karyawan

b. Predictors: (Constant), Loyalitas Karyawan, Kepuasan Karyawan



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Based on the table above, it can be seen that the value of F count is 8,973 with a significant level of 0.001 and it can be seen that the sig / significance column has a significance number below 0.05. Therefore, simultaneously the variable employee satisfaction (X1), employee loyalty (X2), affects employee performance (Y).

Based on the test results, it can be concluded that simultaneously employee satisfaction (X1), employee loyalty (X2) can improve employee performance (Y).

Partial Effect of Employee Satisfaction Variables (X1), Employee Loyalty (X2) on Employee Performance (Y).

The next step is to test the hypothesis, which is to prove whether the variables of employee satisfaction (X1), employee loyalty (X2) affect employee performance (Y).

Table 10. Hypothesis Testing Results (t-test)

Model	t	Sig.	Correlations		
			Zero-order	Partial	Part
(Constant)	1.289	.205			
1 Employee Satisfaction	2.403	.021	.493	.367	.324
Employee Loyalty	2.141	.039	.471	.332	.289

The Effect of Employee Satisfaction on Employee Performance

From the t test results, it is known that the value of the correlation coefficient (r) between employee satisfaction and employee performance is 0.367 while the coefficient of determination which shows the effect of employee satisfaction on employee performance is $(0.367)^2 = 0.1346$ or 13.46%, the t value of the price variable is 2.403 with a significance level of 0.021 where the value is less than 0.05. Thus it can be concluded that partially employee satisfaction has a significant effect on employee performance.

The Effect of Employee Loyalty on Employee Performance

From the t test results, it is known that the value of the correlation coefficient (r) between employee loyalty and employee performance is 0.332 while the coefficient of determination which shows the effect of employee loyalty on employee performance is $(0.332)^2 = 0.1102$ or 11.02%, the t value of the price variable is 2.141 with a significance level of 0.039 where the value is less than 0.05. Thus it can be concluded that partially employee loyalty has a significant effect on employee performance.

DISCUSSION

Based on the results of linear regression analysis, it is proven that the results of this study indicate that employee satisfaction, employee loyalty affect employee performance. with a significant level of 0.001.

This shows that the variables of employee satisfaction, employee loyalty together have a significant effect on employee performance at PT Kedungdoro Jaya Indo Surabaya. Where the salary provided by the company, there is a clear promotion ladder, so that it triggers employees to have a strong will and responsibility for every job given by the company properly. According to Sinambela (2012) Job satisfaction is closely related to employee performance, someone who is satisfied in their job will have motivation, commitment to the company / organization and high work participation, which in turn will continue to improve their performance. This is also in line with research conducted by Putri (2019), the results of which are job satisfaction and job loyalty have an influence on employee performance at PT Malindo Intitama Raya.

CONCLUSION

Based on the test results using Multiple Linear Regression analysis, it can be concluded as follows:

1. Employee satisfaction partially affects employee performance at PT Kedungdoro Jaya Indo Surabaya.
2. Employee loyalty partially affects employee performance at PT Kedungdoro Jaya Indo Surabaya.
3. Employee satisfaction and employee loyalty simultaneously affect employee performance at PT Kedungdoro Jaya Indo Surabaya



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