

The Role of Job Satisfaction Mediates the Effect of Compensation on Employee Loyalty

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Abstract: This study aims to determine the role of job satisfaction in mediating the effect of compensation on the employee loyalty of LPD employees in Pakraman Kesiman Village. This research was conducted at LPD Pakraman Kesiman Village using 38 respondents. Data collection through interviews and questionnaires using 14 indicators as measured by the Likert Scale. Data analysis techniques used path analysis (path analysis) and sobel test. The results of this study indicate that compensation has a positive and significant effect on job satisfaction, compensation has a positive and significant effect on employee loyalty, job satisfaction has a positive and significant effect on employee loyalty, and job satisfaction mediates the effect of compensation on employee loyalty. The practical implication in this study is that the management of LPD Pakraman Kesiman Village needs to pay attention to the indicators of compensation and job satisfaction so that employee loyalty can increase. The theoretical implication in this study is that the existence of good compensation will increase job satisfaction so as to increase the employee loyalty of LPD Pakraman Kesiman Village employees.

Keywords: Compensation, Job Satisfaction, Employee Loyalty.

I. INTRODUCTION

Human resources (HR) play a very important role, because they do not have a professional and competitive workforce, the company cannot carry out its activities to the fullest, all necessary modern equipment is available. Looking at the very important role of labor as a human resource in the production process it is expected that employees will be more productive and professional supported by a sense of security in carrying out all their activities, need to pay attention to the provisions relating to human resources as workers in the company that determine or whether or not the purpose of the company. Working is one way a person fulfills self-actualization by meeting the needs obtained. In terms of work, one of the important aspects needed by employees is employee loyalty (Sutriniasih, 2017).

Loyalty can be used as a means to lure and retain employees in organizations and companies. Employee loyalty is the agreement of employees to companies that are approved in accordance with their wishes and obligations (Rahmawati, 2016). According to Siagian (2010), loyalty is one of the choices of employees not to move to another company because loyalty can affect the convenience of employees to work in a company. Loyalty is an employee's self-awareness as shown by his loyalty to the company (Hermawan and Riana, 2013).

Fair compensation can increase loyalty to Safitri (2015). Providing financial compensation in the form of principal payments, benefits and bonuses that are higher than employee loyalty (Ashita, 2015). Compensation according to Handoko (2014: 15) is everything that employees receive as a reward for their work. Kurniawan, *et al.* (2014) provided compensation as everything received by workers as remuneration for work given to the company. Specifically Samudra, *et al.* (2014) explain compensation is workers' rights that must be received in return after receiving receipt. According to Ardana *et al.* (2012: 153) Contributing to everything received by employees in the form of money (financial) or in the form of facilities for employees (non-financial) as remuneration or contribution to related organizations. One method used by management is to improve performance, to motivate, increase job satisfaction, and employee loyalty to get compensation (Sopiah, 2013).

Providing appropriate compensation will lead to loyalty and ownership in employees. Compensation has a significant effect on loyalty and compensation should also be seen from employee achievements not only from employee status. This is supported by research conducted by Martiwi (2012) who found that compensation has an influence on employee loyalty. Hassan, *et al.* (2013) also explained that compensation is positively and significantly correlated with employee loyalty, so compensation is an important factor that needs to be considered to create or increase employee loyalty.

Job satisfaction has a close relationship with employee loyalty which is included as an action in the realization of company goals (Luthans, 2011). Rahmawati (2016), Noor and Jamil (2013), Vokic and Hernaus (2015) and Prabhakar (2016) in their research explain that job satisfaction experienced by employees can foster a sense of loyalty to the company and like their work. Job satisfaction is a positive emotional expression of employees as a result of evaluating his work (Vokić and Hernaus, 2015). Employees will feel satisfied if the working environment conditions are in accordance with what is expected and given an appreciation of the work of their work (Dewi and Wibawa, 2016). From the results of the study it is known that there is a positive and significant relationship between the variables of job satisfaction and employee loyalty where each dimension in job satisfaction has a relationship with employee loyalty. The results of this study are in accordance with previous research conducted by Rahmawati (2016) stating that job satisfaction has a direct positive influence on loyalty. Employees who are satisfied with their work will show behavior that reflects loyalty where they will try to exceed the targets given by the company. Vokic and Hernaus (2015) stated that job satisfaction has a significant and positive effect on employee loyalty. Satisfied employees will continue to increase employee loyalty to help achieve company goals.

Compensation mediated by job satisfaction is assumed to have a significant role in increasing employee loyalty. Development or improvement of employee loyalty can be done by paying compensation according to the market, safe, contain family values, and be able to meet the needs of these employees (Aityan, 2011: 4). This is to help companies achieve the goals of the success of the company's strategy and ensure the creation of internal and external justice (Suswardji, *et al.* 2012). Employee job satisfaction is one of the variables that can mediate factors that affect employee loyalty. Job satisfaction of these employees at once directly or indirectly can affect employee loyalty. Job satisfaction also has a close relationship with employee loyalty which includes action in the realization of company goals (Luthans, 2011).

The LPD Desa Pakraman Kesiman is a village-owned financial institution located on Jalan Waribang No. 22 Kesiman. The activities carried out by the Pakraman Kesiman LPD were to receive or collect funds from village manners in the form of savings and also deposits and then to return to village officials in the form of loans or loans. The LPD Desa Pakraman Kesiman currently has a total of 38 employees. This LPD has a number of assets, capital and profits which are increasing every year but there are problems regarding the handling of employees.

According to the results of interviews conducted with one of the administrators in the Pakraman Kesiman LPD Village, there are still many problems regarding the employees experienced in the LPD. The employee problem faced by LPDs is that employees often disobey their orders, employees often procrastinate. This problem shows that LPD loyalty is very low seen from the aspect of loyalty, namely the aspect of obedience to regulations, responsibility to the company and the preference for work.

According to Hermawan and Riana (2014) attendance is one source of information that can be used to determine whether there is a problem of employee loyalty in a company. The attendance data of LPD Village Pakraman Kesiman employees also indicated that the loyalty of LPD employees was still low. The attendance data of LPD Village Pakraman Kesiman employees in 2017 can be seen in Table 1.

TABLE 1: PRESENCE OF EMPLOYEES LPD VILLAGE KESIMAN

Month	Employees	Work Days	Total Work Attendance	Total Work Attendance Per Month (Days)	Total Actual Work Attendance Per Month (Days)	Work Attendance Presentase (%)
1	2	3	4=2*3	5	6=4-5	7=5/4*100
January	38	27	1026	79	947	7,69
February	38	24	912	35	877	3,83
March	38	26	988	28	960	2,83
April	38	24	912	15	897	1,64
May	38	27	1026	23	1003	2,24
June	38	26	988	26	962	2,63
July	38	27	1026	34	992	3,31

August	38	24	912	37	875	4,05
September	38	26	988	18	970	1,82
October	38	26	988	23	965	2,32
November	38	24	912	12	900	1,31
December	38	26	988	40	948	4,04
Total	38	307	11666	370	11296	37,77
Average						3,14

Source: LPD Pakraman Kesiman Village, 2018.

Table 1 shows the absentee level of LPD Desa Pakraman Kesiman employees from January to December 2017, where the attendance rate fluctuates every month. The average absentee level of LPD Desa Pakraman Kesiman employees is 3.14 percent. Mudiarta in Sudiarta and Indrawati (2015) stated that a company if employees have 1-2 percent absenteeism rates are still considered good, if the average attendance rate of 3-10 is considered unnatural, and the average attendance rate is 15-20 percent including high. With the irregularity, the absentee level of the Kesiman LPD employee is an indication of a problem in the employee loyalty of LPD Village Pakraman Kesiman employees.

Further in-depth interviews were conducted with one of the management bodies of the Kesiman Adat Village LPD, stating that "there is indeed a loyalty problem found in the LPD as employees often corrupt working hours and often come to the LPD on time". He explained that LPD employees, especially investigated savings collectors, often corrupt working hours. The savings collector should have finished depositing the savings account to the customer's home, should immediately deposit it into the LPD according to work time. But after he investigated it turned out that many savings collectors returned home at work hours. If the habit spreads to other employees, it will have an impact on declining work productivity.

According to an interview with one of the customers from the Kesiman Traditional Village LPD, he stated that he had complained about the service of LPD employees. He stated that in serving LPD employees he lacked courtesy and ethics, especially the savings collector who recorded savings to his home. From the results of the interview, it can be said that LPD employees lack employee loyalty, that is, they are less obedient to the rules and responsibilities of the company. Another problem perceived by employees is dissatisfaction due to lack of incentives and companies rarely provide challenging jobs to improve employee competency so that employees tend to not have good performance and cause a lack of employee loyalty.

II. CONCEPTUAL MODEL AND HYPOTHESIS DEVELOPMENT

The Effect of Compensation on Job Satisfaction

According to Luthans (2011) employee job satisfaction can be influenced by one factor such as compensation. The results of research conducted by Riansari *et al* (2012), states that from the results of hypothesis testing it is proven that compensation has a positive and significant effect on employee performance, the better the compensation system that matches employee performance will have an impact on increasing job satisfaction for employees, so that what is expected by the company will be achieved. The results of this study are in line with the research conducted by Dhermawan, *et al*. (2012) which proves that compensation has a significant effect on employee job satisfaction. Likewise, the research of Sanjaya and Suryantini (2012) also proves that compensation influences job satisfaction. This result also supports Ridolof W. (2010), Suryati (2011) and Rizwan Qaiser (2010) with his research which concluded that there was a significant relationship between compensation with job satisfaction. Based on a number of studies, the following hypotheses can be formulated:

H₁: Compensation has a positive and significant effect on job satisfaction

The Effect of Compensation on Employee Loyalty

Compensation has a direct positive effect on employee loyalty. This means that the greater the compensation given to employees, the employee loyalty will increase. The results of this study are supported by Hwang and Wang (2013) who conducted research on the organizational loyalty of employees of the telecommunications industry in Taiwan. These empirical results illustrate that personnel management and compensation management affect organizational loyalty. The results of this study received research support by Ivancevich *et al*. (2014) provide an explanation that rewards influence employee perceptions, and behavior in various ways. In turn, the efficiency and effectiveness of the organization will be affected. Three important organizational problems that are influenced by rewards are turnover, absenteeism, performance and commitment. Giving compensation according to employee performance will increase loyalty. The results of this study

are also in line with the research of Martiwi (2012) who found that compensation has an effect on employee loyalty to the danamon sudirman Solo bank. Safitri (2015) states that compensation has a significant effect on loyalty, and compensation should also be seen from employee achievements not only from employee status. Based on a number of studies, the following hypotheses can be formulated:

H₂: Compensation has a positive and significant effect on employee loyalty

The Effect of Job Satisfaction On Employee Loyalty

Based on Robbins (2003), job satisfaction is a general attitude towards one's work, the difference between the number of rewards received by a worker and the amount they believe they should receive. The results of research conducted by Irawan (2016), Waqash *et al.* (2014), Khuong and Tien (2013), and Mariana (2015) state that job satisfaction has a positive and significant effect on employee loyalty. Vokic and Hernaus (2015) stated that job satisfaction has a significant and positive influence on work engagement and employee loyalty. Employee job satisfaction will be demonstrated through employee behavior by showing a happy attitude or not happy with the work done. If the employee is satisfied with what is obtained from the company, then the employee will provide results that exceed the company's target if the employee is not satisfied with what is obtained from the company then the employee's work will not be as expected. The same results were also obtained by Pratama (2008) that the workforce had a positive effect on employee loyalty. This explains the existence of satisfaction in the employee at work will lead to employee loyalty, because all employee needs have been met in accordance with what is expected by employees. Based on a number of studies, the following hypotheses can be formulated:

H₃: Job satisfaction has a positive and significant effect on employee loyalty

The Role Of Job Satisfaction Mediates The Effect Of Compensation On Employee Loyalty

Referring to the hypotheses that have been drawn on H1, H2 and H3 by using previous studies as a reference in the withdrawal of hypotheses, it can be indicated that there is an interplay between the variables of compensation, job satisfaction and employee loyalty. Compensation to employees will provide separate job satisfaction for employees, if an employee gets proper compensation for what has been done on the company then the employee will also get good job satisfaction (Hasibuan in Kadarisman, 2012). There are several studies which conclude that compensation has an effect on job satisfaction, as research conducted by Nazir *et al.* (2013) which states that compensation has a positive effect on job satisfaction. Rood and Holdnak (2013) also stated that compensation has a positive and significant effect on job satisfaction. Similar to Adeoye and Fields (2014), Salisu *et al.* (2015) and Muguongo *et al.* (2015) which states that compensation and job satisfaction have a positive and significant effect on job satisfaction.

According to Steers & Porter (1983: 520), employee loyalty will be created if employees feel fulfilled in fulfilling their daily needs from their jobs, so they feel at home working in a company. This is supported by research conducted by Safitri (2015) which states that compensation has a significant effect on loyalty, and compensation should also be seen from employee achievements not only from employee status. The results of the same study were also stated by Juliani (2015) that there was a positive and significant effect of the variable compensation on employee loyalty. The results of this study state that compensation has a positive influence on employee loyalty. Based on a number of studies, the following hypotheses can be formulated:

H₄: Job satisfaction mediates the effect of compensation on employee loyalty

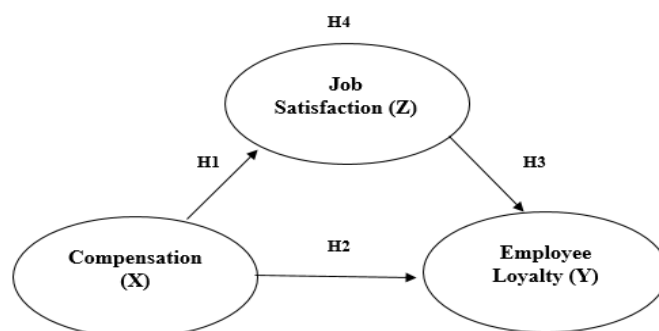


Figure 1: Conceptual Model

III. RESEARCH METHODOLOGY

This research was conducted at LPD Pakraman Kesiman Village, located on Jl. Waribang No.22 Kesiman Petilan Denpasar. The reason for the research at the LPD is because there is a phenomenon of loyalty to the company. This can be used as an indication that there are problems regarding employee loyalty. The population of this study amounted to 38 employees of LPD Pakraman Kesiman Village. The sample determination technique used in this study is a non probability sampling with a saturated sampling method in which all populations, namely 38 employees of the Pakraman Kesiman LPD Village were used entirely as research samples. This study uses data analysis techniques in the form of path analysis techniques or referred to as Path Analysis. The method of collecting data for this study is the questionnaire method.

IV. RESEARCH FINDING AND DISCUSSION

The characteristics of the respondents in this study were profiles of 38 respondents who participated in filling out the questionnaire. The profile of the respondents contained in the questionnaire consisted of four aspects, namely: gender, age, education, and tenure. The description of the characteristics of respondents can be seen in Table 2:

TABLE 2: CHARACTERISTICS OF RESPONDENT

Characteristic	Classification	Respondent	(%)
Gender	Male	23	60,53
	Female	15	39,47
	Total	38	100
Age	20-27 years old	12	31,57
	28-35 years old	10	26,32
	36-43 years old	5	13,16
	44-51 years old	8	21,05
	≥ 52 years old	3	7,9
	Total	38	100
Education	Junior High School	1	2,6
	Senior High School	20	52,7
	Diploma	2	5,3
	Bachelor	13	34,2
	Magister	1	2,6
	Doctor	1	2,6
Total	38	100	
Tenure	1-5 years	17	44,73
	6-10 years	7	18,43
	11-15 years	5	13,16
	16-20 years	4	10,52
	≥ 21 years	5	13,16
	Total	38	100

Source: Primary data processed, 2019

Based on Table 2 above, it shows that the respondents in the study were mostly male types with a percentage of 60.53 percent obtained by 23 people. This is due to the large number of assignments to the field so that the number of male employees is more dominant. If seen from the characteristics of respondents based on the education of respondents in this study is the most superior high school / vocational school that receives 20 people with a result of 52.7 percent. Employees with a high school education background are considered capable enough to work in LPD Pakraman Kesiman Village. Characteristics of respondents based on their tenure showed that LPD Village Pakraman Kesiman respondents who were respondents in this study dominantly had a working period of 1-5 years, which produced 17 people with a contribution of 44.73 percent, which one was found that employees had work experience and has a high attachment to the company.

The results of the validity test show that all instruments of this study are valid and appropriate to be used as research instruments. Reliability test results show that all research instruments have Cronbach's Alpha coefficients of more than 0.60. So it can be stated that all variables have met the requirements of reliability or reliability so that they can be used to conduct research.

TABLE 3: THE RESULT OF PATH ANALYSIS STRUCTURE 1

Variable	Unstandardized Coefficients		Standardized Coefficients	T statistic	Sig. t
	B	Std. Error	Beta		
(Constant)	11,646	2,981		3,906	0,000
Compensation (X)	0,859	0,177	0,630	4,862	0,000
R Square	0,396				
F Statistic	23,636				
Sig. F	0,000				

Source: Primary data processed, 2019

Based on the results of analysis of substructural path 1 as presented in Table 3, the structural equation can be made as follows:

$$Z = 0.630X$$

The regression coefficient of the compensation variable is positive with the value of Sig. t test less than 0.05. This shows that the compensation variable has a positive and significant influence on the variable job satisfaction. The magnitude of the effect of compensation variables on the variable job satisfaction shown by the value of total determination (R square) of 0.396 which means that by 39.6 percent variation in job satisfaction is influenced by variations in compensation, while the remaining 60.4 percent is explained by other factors not included into the model.

TABLE 4: THE RESULT OF PATH ANALYSIS STRUCTURE 2

Variable	Unstandardized Coefficients		Standardized Coefficients	t statistic	Sig. t
	B	Std. Error	Beta		
(Constant)	4,114	2,154		1,910	0,064
Compensation (X)	0,360	0,138	0,382	2,612	0,013
Job Satisfaction (Z)	0,301	0,101	0,437	2,987	0,005
R Square	0,548				
F Statistic	21,178				
Sig. F	0,000				

Source: Primary data processed, 2019

Based on the results of analysis of substructure 2 pathways as presented in Table 4, the structural equation can be made as follows:

$$Y = 0.382X + 0.437Z$$

Regression coefficient values of compensation and job satisfaction variables are positive with the value of Sig. t test less than 0.05. This shows that the compensation variable has a positive and significant effect on employee loyalty variables and the job satisfaction variable has a positive and significant influence on the employee loyalty variable. The magnitude of the effect of compensation variables on employee loyalty variables and the effect of job satisfaction variables on employee loyalty variables indicated by the determination value of total (R square) of 0.548 which means that 54.8 percent variation in employee loyalty is influenced by variations in compensation and job satisfaction, whereas the remaining 45.2 percent is explained by other factors not included in the model.

The total value of determination of 0.727 means that 72.7 percent of variation in employee loyalty is influenced by variations in compensation and variations in job satisfaction, while the remaining 27.3 percent is explained by other factors not included in the model.

TABLE 5: DIRECT EFFECTS, INDIRECT EFFECTS AND TOTAL EFFECTS COMPENSATION (X), JOB SATISFACTION (Z) DAN EMPLOYEE LOYALTY (Y)

Variable Effects	Direct Effects	Indirect Effects Through Job Satisfaction (Z) (β1 x β3)	Total Effects
X → Z	0,630		0,630
X → Y	0,382	0,275	0,657
Z → Y	0,437		0,437

Source: Primary data processed, 2019

Table 5 shows that the direct effect of compensation (X) on job satisfaction (Z) is 0.630. The direct effect of compensation variable (X) on employee loyalty (Y) is 0.382. The direct effect of job satisfaction variable (Z) on employee loyalty (Y) is 0.437. This shows that employee loyalty variables are more influenced by job satisfaction than compensation. The indirect effect of compensation variable (X) on employee loyalty (Y) through job satisfaction (Z) is 0.657. So, it can be concluded that the greater total effect of compensation (X) on employee loyalty (Y) through job satisfaction (Z), than the direct effect of compensation (X) on employee loyalty (Y) without going through job satisfaction (Z).

The Sobel test is an analytical tool to test the significance of the indirect relationship between exogenous variables and endogenous variables mediated by intervening variables. The Sobel test is formulated with the following equations and can be calculated using the Microsoft Excel 2013 application. If the Z calculation value is greater than 1.96 (with a 95 percent confidence level), the intervening variable is assessed to significantly mediate the relationship between exogenous variables and endogenous variables. To test the significance of indirect effects, then calculate the z value of the coefficient ab with the following formula:

$$\begin{aligned} Z &= \frac{ab}{Sab} \\ Z &= \frac{(0,859)(0,301)}{0,103} \\ Z &= 2,510 \end{aligned}$$

Z value calculated at $2.510 > 1.96$ means that job satisfaction (Z) is a variable that mediates the relationship of compensation (X) to employee loyalty (Y) or in other words compensation (X) indirectly affects employee loyalty (Y) through job satisfaction (Z).

The Effect of Compensation on Job Satisfaction

Based on hypothesis testing, the results show that compensation has a positive and significant effect on job satisfaction where the beta coefficient value is 0.630 with a significance level of $0.000 < 0.05$. This means that the better the compensation felt by PPLD Pakraman Kesiman Village, the higher job satisfaction will be. The results of this study are in line with the results of previous studies conducted by Riansari *et al* (2012), Dhermawan, *et al.* (2012), Sanjaya and Suryantini (2012), Ridolof (2010), Suryati (2011) and Rizwan (2010), Nawab (2011) which states that compensation has a positive and significant effect on job satisfaction.

The Effect of Compensation on Employee Loyalty

Based on hypothesis testing, the results show that compensation has a positive and significant effect on employee loyalty where the beta coefficient is 0.382 with a significance level of $0.013 < 0.05$. This means that the better compensation felt by LPD Village Pakraman Kesiman employees, the higher the employee loyalty. The results of this study are in line with the results of previous studies conducted by Ivancevich *et al.* (2014), Primary (2014), Martiwi (2012), Safitri (2015), Purwandari (2008), Dwipayoga and Adnyani (2013), Stephani and Wibawa (2014), Juliani (2015) which states that compensation has a positive and significant effect on employee loyalty.

The Effect of Job Satisfaction On Employee Loyalty

Based on hypothesis testing, the results show that job satisfaction has a positive and significant effect on employee loyalty where the beta coefficient value is 0.437 with a significance level of $0.005 < 0.05$. This means that the higher the level of job satisfaction of LPD Village Pakraman Kesiman employees, the higher the employee loyalty. The results of this study are in line with the results of previous studies conducted by Irawan (2016), Waqash *et al.* (2014), Khuong and Tien (2013); and Mariana (2015), Vokic and Hernaus (2015), Primary (2008) which states that job satisfaction has a positive and significant effect on employee loyalty.

The Role Of Job Satisfaction Mediates The Effect Of Compensation On Employee Loyalty

Based on the results of the sobel test, the results show that job satisfaction mediates the effect of compensation on employee loyalty where the Z value is 2.510. This means that the compensation felt by Pakraman Village LPD employees and supported by a high level of job satisfaction can indirectly affect the employee loyalty of LPD Village Pakraman Kesiman employees. The results of this study are in line with the results of previous studies conducted by Safitri (2015) and Pratama (2014) which prove that there is a positive and significant relationship of the effect of compensation on

employee loyalty. Sanjaya and Suryantini (2012) in their study stated that compensation has a significant positive effect on job satisfaction. This means that if the employee's perceptions of compensation are in accordance with the workload, the employee's job satisfaction will increase resulting in employee loyalty. Mariana's research (2015) and Pratama (2008) which states that job satisfaction has a positive and significant effect on employee loyalty. The higher job satisfaction will increase employee loyalty. Based on this, it can be said that job satisfaction is able to mediate the effect of compensation on employee loyalty.

V. CONCLUSIONS AND SUGGESTIONS

Based on the results of the analysis and discussion in the previous chapter, it can be concluded as follows:

- 1) Compensation has a positive and significant effect on the job satisfaction of LPD Village Pakraman Kesiman employees. This shows that the higher compensation received by LPD Village Pakraman Kesiman employees, the employee job satisfaction will also increase.
- 2) Compensation has a positive and significant effect on the employee loyalty of LPD Village Pakraman Kesiman employees. This shows that the better compensation received by LPD Village Pakraman Kesiman employees, the employee loyalty will also increase.
- 3) Job satisfaction has a positive and significant effect on the employee loyalty of LPD Village Pakraman Kesiman employees. This shows that the higher job satisfaction felt by LPD Village Pakraman Kesiman employees, the employee loyalty will also increase.
- 4) Job satisfaction mediates the effect of compensation on the employee loyalty of LPD Village Pakraman Kesiman employees. This shows that the compensation felt by LPD Village Pakraman employees and supported by a high level of job satisfaction can indirectly affect the employee loyalty of LPD Village Pakraman Kesiman employees.

Suggestions that can be given based on the results of the study are as follows:

- 1) Conduct an evaluation and review of each task and responsibility given to employees. Because often too much workload makes work ineffective. Therefore, companies must conduct evaluations and assessments and provide trust in each individual - the organization so that the employees are able to be responsible for work that meets the expectations of the organization. The higher the responsibility given by the organization to employees, the greater the employees build self-integrity and at the same time have loyalty and courage to accept responsibility from the company.
- 2) Job satisfaction for LPD employees in Pakraman Kesiman Village can be maintained by providing challenging jobs for employees. Where challenging work is like work that gives employees the opportunity to develop ideas, as well as new experiences and knowledge so that the work done is not monotonous. If this is done the employee has a variety of skills to do work, then the job will be more fun or interesting and work that provides freedom and the opportunity to make decisions will lead to faster job satisfaction.
- 3) Paying attention to giving incentives to employees who work well and excel. Where employee morale is caused by the size of the incentives received. If employees do not get incentives that are in accordance with the amount of sacrifice at work, these employees tend to be lazy to work and not enthusiastic, which in turn will lead to reduced employee loyalty. Therefore, if the incentives given by the company are in accordance with the employee's performance, it will increase morale and employee loyalty so that the company's goals can be achieved.

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