

The Influence of Job Satisfaction on Employment Loyalty in Foreign Capital Companies (PMA) in the Manufacturing Sector in Bogor City

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| Received: March 2023 Accepted: March 2023 Published: April 2023 | It is estimated that many employees who are dissatisfied with the service they receive at their workplace will have a negative impact on the progress of their company. So, we have to see whether job satisfaction has a big influence. This study will investigate whether job satisfaction has an impact on company work loyalty in foreign capital companies in the Bogor manufacturing sector. The research collected data using a qualitative descriptive approach. The research results show that the job satisfaction variable influences work loyalty in Foreign Capital Companies (PMA) in the manufacturing sector in the cities of Bogor with a significant level of 71.2%. Therefore, the results show that the job satisfaction variable influences work loyalty. |
| Keywords: Job Satisfaction, Job Loyalty, Foreign Capital Companies, Manufacturing Sector, Bogor City | |

INTRODUCTION

The factor of needs that can be met evenly and in balance, where each member consistently brings their needs and tries to fulfill them, is usually the basis of job satisfaction. According to & Byrne & Baron (1994), there are two categories of job satisfaction. The first is organization, which includes company policies and the work environment. The second is individual, or employee attributes. When this management of human resources is considered, it becomes important and important. Human resources (HR) have become a very important asset for a company, especially in the modern era. plan and design work for effective individuals and groups

The survey results show that the factors that cause employees to feel at home, satisfied and stay in their workplace are not only high salaries, but also the company's perception of stability and security as well as clarity about career paths (Indrawati, 2013; Ilahi et al., 2017; Wahidah et al., 2022). Therefore, it can be seen that companies must consider managing the needs of employees' self-development, management, and creating a clear and well-established compensation system that does not only focus on salary to maintain employees who are high-achieving, loyal, and satisfied. with their work. We can see the standard salary range in Indonesia for manager level as a comparison and estimate.

Another factor that causes dissatisfaction in the workplace is job ambiguity because Indonesian Middle Managers cannot fulfill certain positions (Changgriawan, 2017; Waspodo et al., 2013; Amin et al., 2021). In HR management, a very important concept is job satisfaction. This concept is so important that many experts are investigating the relationship between job satisfaction and performance, commitment, motivation, and other factors. Job satisfaction is defined as the degree to which someone feels positive or negative about their job (Suryanto, 2005; Muayyad & Gawi, 2016). The opinions of working individuals can be used to find out how satisfied they are with their jobs, which can implicitly indicate their perceptions, attitudes and satisfaction with their jobs and their companies.

Basically, job satisfaction is an emotional response to one's work, both in the form of physical and social working conditions. Herzberg's research results show that achievement, recognition, work itself, responsibility, and advancement are things that cause job satisfaction (Armstrong et al., 1994; Ingtyas et al., 2021; Nurrohmat & Lestari, 2021). Another opinion says that job satisfaction is a pleasant or unpleasant emotional state in which an employee views their work. Job satisfaction is when someone feels happy working and gets praise for their work, placement, treatment, equipment, and a good work environment. Apart from these factors, leadership style is also a factor that influences how superiors view work relationships and their relationships with their subordinates (Rosita & Yuniati, 2016; Amal et al., 2022; Hanifah & Purba, 2023).

It is likely that employees will benefit if they know the conditions of their company. It is thought that when employees know that the company's business is running well and even growing, it can encourage them to stay there (Andini, 2016; Soegandhi, 2013). Based on these considerations, the researcher determined that the research subjects were foreign capital companies in the manufacturing industry in Karawang, Bekasi, Bogor and Tangerang. The author sets the research title as The Influence of Job Satisfaction on Work Loyalty in Foreign Capital Companies (PMA) in the manufacturing sector in the city of Bogor, starting from the normative, theoretical and empirical foundations that have been discussed in the research background.

METHOD

Descriptive and verification research concepts are used in this study. Descriptive study aims to clarify the complex aspects of job satisfaction and how compensation is used. Field data is gathered for verification research in order to test theories. In this study, we will look at how remuneration practices affect workers' job satisfaction in a multinational corporation that works in Bekasi's manufacturing sector. According to Arikunto (2011), the research sample consists of all midrange managers employed by international manufacturing enterprises. Due to the heterogeneity of the population, a proportionate stratified random sampling approach was selected. To determine the number of samples for a given population, Isaac and Michael developed the following empirical formula (Sukardi, 2011):

$$S = \frac{\chi^2 \cdot N \cdot P \cdot Q}{d^2 (N - 1) + \chi^2 \cdot P \cdot Q}$$

Information:

S = sample size sought

N = Number of populations

P = Population proportion as the basic assumption for making the table. This price is taken P=0.5

D = degree of precision reflected by the tolerable error in the fluctuation of the sample proportion (P), d is generally taken to be 0.1

X₂ = The desired (un)confident relative degrees of freedom have a chi-square table value of 2.706 and a confidence level of α = 0.1.

Based on the formula and assumptions above, the sample was obtained with the following calculations:

$$S = \frac{2,706 \times 1483 \times 0,5 \cdot (1 - 0,5)}{0,1 \times 0,1 \cdot (1483 - 1) + 2,706 \cdot 0,5 \cdot (1 - 0,5)}$$

$$S = 64,74 \approx 65$$

RESULT AND DISCUSSION

Direct and Indirect Influence of Satisfaction (Y) on Job Loyalty (Z)

It is possible to find out how much influence Job Satisfaction (Y) has on Job Loyalty (Z) by using the results of calculating correlation values and path coefficients. The results are as follows :

Table 1. Direct and Indirect Effect of Job Satisfaction (Y) on Job Loyalty (Z)

| Variable | Direct Influence | Total |
|----------|------------------|-------|
| Y | 71.2% | 71.2% |

Table 1 shows the effect of job satisfaction on work loyalty of 71.2%. This suggests that if managers feel satisfied with their jobs because they have expected compensation, a pleasant work environment, and transformational leadership, then they will be more loyal. Manager loyalty can be influenced by variables other than the research model by 28.8%. For example, commitment to individual and organizational commitment. Therefore, job satisfaction is in accordance with this model because it can function as an intervening variable or mediator between compensation variables, work climate, and transformational leadership on work loyalty.

Testing the partial influence of job satisfaction variables on the work loyalty of middle managers of foreign capital companies

To determine the job satisfaction (Y) and work loyalty (Z) variables for Middle Foreign Company management in Bogor, the following statistical hypothesis must be tested :

- $H_0 : (\rho_{zy})^2 =$ There is no significant influence of job satisfaction on the job loyalty of middle managers of foreign capital companies in Bogor.
- $H_1 : (\rho_{zy})^2 \neq$ There is a significant influence of job satisfaction on the job loyalty of middle managers of foreign capital companies in Bogor.

Table 2. Partial test results of job satisfaction variables with work loyalty of middle managers of foreign capital companies

| Structural | Path coefficient | t _{count} | t _{table} | Conclusion |
|-------------|------------------|--------------------|--------------------|--|
| ρ_{3y} | 0.844 | 31.267 | 2.08 | H₀ rejected , there is a significant influence of job satisfaction on work loyalty |

Test criteria: Reject H_0 , if t calculated is greater than t_{table} or $t_0 > t_{table}$, with degrees of freedom = $400 - 1 - 1$. For the path coefficient $Y = 0.844$, the $t_{calculated}$ value is 31,267 by taking a significance level α of 5%, then the value of t_{table} or $t_{0,025,100} = 2.08$, because $t = 31,267$ is greater than $t_{table} = 2.08$, then H_0 is rejected or in other words there is an influence of Job Satisfaction (Y) on Job Loyalty (Z) of 0.844.

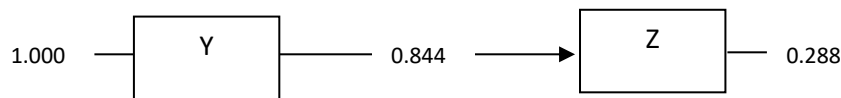


Figure 1. Coefficient of Satisfaction (Y) on Job Loyalty (Z)

Job satisfaction shows high results, according to descriptive analysis. To measure job satisfaction, four dimensions are used: compensation and benefits, recognition and leadership, personal satisfaction, and the job itself. This shows that most or the majority of managers consider their work to be emotionally enjoyable.

Manager job satisfaction is influenced by many factors. The factors in his role provide a fair share of job satisfaction, depending on the individual manager. Factors that can influence job satisfaction, such as job promotions, supervision, and coworkers, include salary payments, wages, and the job itself (Ali & Anwar, 2021; Andini, 2010; Ade Galih et al., 2018).

There are two reasons why people are absent: they may want to avoid an uncomfortable work environment (such as the job, peers, supervisors, and working conditions) or they may be dissatisfied with the way the organization provides rewards (such as salary, promotions, and manager recognition). As a result, absenteeism may be one way managers respond to inauthenticity that makes things better and more satisfying than they were. Therefore, work is a form of activity aimed at getting satisfaction from As'ad's work.

According to descriptive analysis, the assessment of work loyalty shows high results. Employee loyalty is measured by three dimensions: personal attributes, job attributes, and company attributes (Cardia et al., 2019; Sofiati et al., 2018). This shows that work loyalty is formed by most or most managers when they can meet the living needs required by their work, so that they feel at home working for the company. Several factors that influence manager loyalty are evaluation of welfare, work

environment, work facilities, and salaries provided by the company (Onsardi, 2018; Aryani & Rosinta 2010; Amin et al., 2021).

If managers work for a company and they feel accepted by the company, their loyalty to the company will increase, and the urge to do more work will arise from this encouragement. Financial compensation, benefits, time and flexibility, management atmosphere, supervisory relationships, and growth and earning potential make workers happy at work (Jackson & Bruegmann, 2009; Widayati et al., 2020). There are many reasons why their loyalty and work attitude declines. For example, the wages they receive are not commensurate with their work, the leader's behavior is inappropriate, the work environment is bad, and so on (Wijayanto & Iriani, 2013; Purba et al., 2018; Rachmawati, 2014).

To solve this problem, companies must find the reasons why managers' loyalty and work attitudes decline. Basically, this decline was caused by manager dissatisfaction. Sources of dissatisfaction can be material or non-material. Material resources include low wages and minimum facilities. Non-material sources include respect for being human, the need for participation, and so on (Deska & Irfani, 2019; Puspitawati & Riana, (2014; Purba et al., 2019).

Hypothesis testing of the influence of job satisfaction on job loyalty reached the statistical conclusion that job satisfaction has a positive and significant impact on job loyalty with a path value of 0.844, which means that the higher the manager's job satisfaction, the higher the job loyalty. The results of this research are in line with research conducted (Mardalis, 2006; Saputra et al., 2016; Siahaan, et al., 2022), who found that the following things influence employee loyalty: evaluation of welfare, work atmosphere, work facilities, wages received by the company, and employee satisfaction. Thus, the higher employee satisfaction, the more loyal they are to the company.

CONCLUSION

Various explanations have been presented regarding whether job satisfaction will influence worker loyalty in carrying out their duties. Research shows that the job satisfaction variable with a level of 71.2% influences work loyalty in Foreign Capital Companies (PMA) in the manufacturing sector in Bogor City. with an amount of 71.2%. Thus, the influence of the job satisfaction variable on work loyalty is very significant. Job satisfaction will greatly influence employee loyalty to the company. So, in the end, with loyalty, the company will have the opportunity to continue to be better.

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