



Factors Affecting Employee Loyalty at PT. Permodalan Nasional Madani Tangerang Branch

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Abstract: This study aims to analyze the effect of service quality provided, the effect of service quality on employee satisfaction, the effect of service quality on employee loyalty mediated by employee satisfaction and the effect of employee satisfaction on employee loyalty at PT. Permodalan Nasional Madani Tangerang Branch. With the number of samples in this study 125 respondents. From the results of the analysis that has been carried out, the results show that service quality has a positive effect on employee loyalty with an original sample estimate (O) value of 0.348, service quality has a positive effect on employee satisfaction with an original sample estimate (O) value of 0.825, employee satisfaction has a positive effect on loyalty employee original sample estimate (O) value of 0.506, and service quality has a positive effect on employee loyalty mediated by employee satisfaction showing an original sample estimate (O) value of 0.417 so that the four hypotheses can be accepted

Keywords: Service Quality, Satisfaction, Loyalty, Employees

INTRODUCTION

A company certainly has a clear vision and mission, creating a vision and mission is of course to make it easier for the company to determine the direction of the company going forward. Establishing a company certainly has certain reasons both to increase a value, improve the lives of company owners/shareholders, and to be useful for the environment around the company (Septin, 2014). Management in a company is usually carried out by the company's board of directors or managers in the company. Company managers or directors have an important role in a company to take steps and activities to manage human resources in their company (Hakim, 2009). Even though company managers and directors are part of the company's human resources they are still given responsibility for managing other human resources in the company, this is because company managers and directors have a functional role in the company's operational activities every day.

One of the most important resources a company has is human resources or employees. Employees are objects that must be satisfied by the company. Employees can be satisfied

with the provision of facilities made by the company. Office facilities in carrying out work are influenced by work equipment resources including work equipment, materials and infrastructure (Priyono, 2008). One strategy to support business activities in a company is to provide official vehicle facilities for employees. The official vehicles provided by the company are usually four-wheeled or two-wheeled vehicles. Official vehicles that are intended to support employee performance basically still need to be repaired and maintained so that the functions and objectives of the procurement of official vehicles are achieved.

One of the companies that makes policies for the supply of official vehicles is PT. Madani National Capital which is engaged in financing and mentoring and coaching for ultra-micro, micro and small businesses in Indonesia. PT. Permodalan Nasional Madani is a company established by the government as a BUMN (State Owned Enterprise) which has the specific task of empowering Micro, Small, Medium Enterprises and Cooperatives (MSMEs). Currently PT. Madani National Capital has 63 branch offices, 3,673 unit offices spread across 34 Provinces, 422 Regencies/Cities and serving 5,640 Subdistricts. The total distribution of PT. Permodalan Nasional Madani Tangerang Branch customers in Indonesia in August 2022 was recorded at 12,596,013 customers. To manage that many customers, supporting facilities for employees are needed in the form of official vehicles.

One branch of PT. Permodalan Nasional Madani Tangerang Branch., namely the Tangerang branch, has 82 office units with a total of 290,065 ultra-micro customers and 4,642 micro and small customers. PT. Permodalan Nasional Madani Tangerang branch has 1,197 employees to manage these customers. To support the activities of the employees, 610 official vehicles in the form of two-wheeled vehicles were provided. With the procedures and maintenance of official vehicles provided by PT. It is hoped that this Madani National Capital can help support the facilities for employees working at PT. Permodalan Nasional Madani Tangerang Branch. With a large number of employees, it indirectly requires facilities to maintain and repair the provided official vehicles so that they remain fit for use.

Activities carried out by the company to support this by providing services to employees by fulfilling needs with the aim of helping or fulfilling needs. Good service will provide satisfaction to employees, where satisfaction will also have an impact on employee loyalty. Quality has a very close relationship with satisfaction because quality will provide special encouragement for employees to establish mutually beneficial working relationships with the company in the long term.

With the limited number of employees in the general section at the Tangerang Branch of Madani National Capital, it is necessary to understand and care from employees who use official vehicles so that services, especially in the repair and maintenance of official vehicles, can be carried out properly and in accordance with existing procedures. So in this study researchers wanted to know how the influence of service on employee satisfaction at PT. Permodalan Nasional Madani Tangerang Branch which will be assessed from the suitability of maintenance and repair of official vehicles in accordance with existing procedures, timeliness of service, whether the results of the services provided are satisfactory or not and others.

LITERATURE REVIEW

Concept TRA (*Theory of Reasoned Action*)

TRA (*Theory of Reasoned Action*) is a theory that was first introduced by Martin Fishbein and Ajzen in Jogiyanto (2007), this concept links belief, attitude, will or intention, and behavior. In these four components the most important component which is the best predictor of behavior is will or will because this component is the best way. Theory of Reasoned Action in this case helps in understanding individual attitudes or behavior. This concept is a concept that allows integration of other factors in addition. This TRA concept

has been widely used in research to analyze user purchasing decisions and to integrate several other variables to be used as a complement in research.

Concept TAM (*Technology Acceptance Model*)

TAM is simpler to implement than other models, where TAM is easier to apply (Morris, 2020). This is in line with the opinion of Jogiyanto (2007) TAM is a behavior model that is useful for answering the question why many information technology systems fail to be implemented because the user has no intention to use it, built on a strong theoretical basis, has been tested with many research and results largely support and conclude that the TAM is a good model. The most important advantage of TAM is that this model is a parsimony model, namely a model that is simple but valid. TAM explains simply the causal relationship between behavior and beliefs (the benefits of an information system and convenience), goals, and the actual use of information system users (Noviarni, 2014). Thus, TAM in this study is a variable used to analyze employee behavior variables in service quality, employee loyalty through satisfaction at PT. Permodalan Nasional Madani Tangerang Branch.

Service Quality

Service is an act or performance that one party can offer to another that is intangible and does not result in the ownership of anything. It may or may not be tied to a physical product (Fandy, 2014). One approach to service quality that is widely used as a reference in marketing research is the SERVQUAL (Service Quality) model developed by Parasuraman, et al (2009) in their series of studies on six service sectors; that includes home appliance repair, credit cards, insurance, long-distance telephone lines, retail banking and securities brokerage. SERVQUAL is built on a comparison of two main factors, namely the customer's perception of the actual service they receive (perceived service) with the service they actually expected/desired (expected service). Where services are also related to efforts to improve the service quality system, it will be far more effective for the continuity of a business or company. According to Wharton Business School research results, this improvement effort will make consumers more loyal to the company (Hamdani, 2006). This also applies to employees. The concepts of service quality, satisfaction and loyalty are related to one another. Theoretically, the process can provide a reference in this study, where service quality affects loyalty both directly and indirectly through customer satisfaction.

Job Satisfaction

Employees are the main wealth in a company, because without their participation, the company's activities will not be carried out. According to Hasibuan (2007) an employee is anyone who works by selling his energy (physical and mental) to a company and gets remuneration in accordance with the agreement. According to Suharno (2013) employees are assets, where there are 3 most important assets in a company, namely: HR, HR, and HR. The point is how important human resources or employees are in business. In line with this, according to Law No. 14 of 1969 concerning the Main Manpower, labor is everyone who is able to carry out work, both inside and outside the employment relationship in order to produce services or goods to meet the needs of society (Manulang, 2002). Mangkunegara (2000) put forward theories about job satisfaction "Theory of difference (discrepancy theory), theory of balance (equity theory) and the theory of two factors (two factors theory)" Mangkunegara (2000) put forward about theories of job satisfaction "Theory of difference (discrepancy theory), balance theory (equity theory) and two factor theory (two factors theory)" "the outcomes that are owned. Comparison person can be someone who is different in the same company or elsewhere or can also be with himself in the past.

Procedure

Procedure comes from the English word "procedure" which can be interpreted as a way or procedure. However, the word procedure is commonly used in Indonesian, which is known as the word procedure. In the Management Dictionary, procedure means the procedure for doing work that has been formulated and is required. Procedures usually include how, when and by whom tasks are to be completed. With the existence of a work guideline that must be followed by members of the organization. Prevent irregularities. Helping the efficiency, effectiveness and work productivity of an organizational unit. Management of official vehicles at PT. Up to now, Madani National Capital has sufficient standards to be applied at the Tangerang Branch. Currently, the application for vehicle service has gone through the affiliation of PT. Madani National Capital, namely PT. Madani Business Partners, this procedure is stated in Memorandum number: M-318/Madani National Capital-PPI/VI/22 concerning procedures for submitting operational vehicle service for the PT. Permodalan Nasional Madani Tangerang Branch. Mekaar Unit & ULaMM. In the memorandum it was explained that the mechanism for repairing official vehicles with a cashless system through PT. Permodalan Nasional Madani Partners. With the decentralization process, it will become a burden on the PT. Permodalan Nasional Madani Tangerang Branch.

Employee Loyalty

Employee loyalty is a pleasant emotional attitude and loves his work (Desler, 2008). Employee loyalty is loyalty that is reflected by the willingness of employees to protect and defend the organization inside and outside of work from undermining irresponsible people (Hasibuan, 2007). Loyalty is a manifestation of the fundamental human need to own, support, gain a sense of security and build emotional attachment (Prayanto, 2008)). Loyalty is the willingness to protect and save one's physical and feelings (Robbin, 2007). This is in line with the definition of loyalty given by Siswanto (2005) loyalty is the determination and ability to obey, implement, and practice something that is adhered to with full awareness and responsibility.

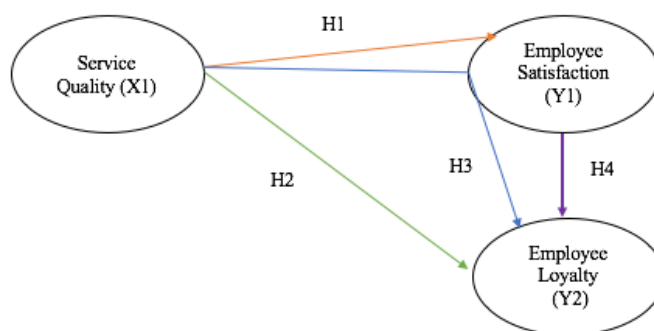


Figure 1. framework

Hypothesis

H1: The better the level of service quality provided, the higher the level of employee satisfaction at PT. Permodalan Nasional Madani Tangerang Branch.

H2: The better the level of service quality provided, the higher the level of employee loyalty at PT. Permodalan Nasional Madani Tangerang Branch.

H3: The higher the level of employee satisfaction which mediates the quality of service, the higher the level of employee loyalty at PT. Permodalan Nasional Madani Tangerang Branch.

H4: The better the employee satisfaction, the higher the level of employee loyalty at PT. Permodalan Nasional Madani Tangerang Branch.

RESEARCH METHODS

This study intends to determine the influence that exists between two variables, namely the variable service quality (X), employee satisfaction (Y1) and employee loyalty (Y2). For this reason, researchers will use a type of field research, with a quantitative approach, namely an approach where in conducting data analysis, many use numeric forms or numbers, both in the form of numbers and percentages. According to Arikunto (2019), a quantitative approach is an approach that requires a lot of numbers, starting from data collection, interpretation of the data and the results.

FINDING AND DISCUSSION

The characteristics of the respondents in this study were divided based on age, gender and division or position. Respondent characteristics are a discussion of descriptive statistics used to analyze research data by describing the data that has been collected. This will be useful for further analysis, namely to find out the distribution of respondents' answers. This study involved 125 respondents who were all employees at PT. Permodalan Nasional Madani Tangerang Branch. Based on the results of the validity, reliability test using PLS 4.0 analysis, it is declared valid and reliable. Based on the validity test, based on the loading factor value, all loading factor values have exceeded the limit of 0.70. So that all indicators in the variables of service quality, loyalty and employee satisfaction can be explained properly by each indicator or it can be said to be convergently valid. Based on the reliability test, that the variable service quality, employee loyalty and employee satisfaction, these three variables have a Cronbach Alpha value of more than 0.60 so that it can be said that the variables in this study have a relatively good reliability. Based on the results of PLS analysis, the coefficient of determination:

Table 1. coefficient of determination

	R-square	Percentage
Employee Satisfaction R1 ²	0,680	68 %
Employee Loyalty R2 ²	0,668	66,8 %

1. Based on table 1. The Coefficient of Determination value obtained from the calculation results, it can be seen that the R2 value of the employee satisfaction variable is 0.680, which means that the employee satisfaction variable is influenced by the service quality variable by 68% and the remaining 32% is influenced by other variables that not discussed in this study.
2. Based on table 1. The Coefficient of Determination of the results R2 of the employee loyalty variable shows a value of 0.668, which means that the employee loyalty variable can be influenced by the service quality variable and the employee satisfaction variable which is equal to 66.8% and the remaining 33.2% influenced by other variables not discussed in this study.

Based on the results of PLS analysis, Direct and Indirect Influence:

Table 2. Direct and Indirect Influence

	Original sample (O)	T statistics (O/STDEV)	P values
Employee Satisfaction -> Employee Loyalty	Empl	4,192	0,000
Service Quality -> Employee Satisfaction	0,825	22,454	0,000
Service Quality -> Employee Loyalty	0,348	3,225	0,001
Service Quality -> Employee Satisfaction -> Employee Loyalty	0,417	4,162	0,000

1. Based on table 2, the first hypothesis, namely the relationship between service quality and employee satisfaction, shows an original sample estimate (O) value of 0.825 with a negative value and a p-value of $0.000 > 0.05$. From these values, it can be concluded that the hypothesis regarding the relationship regarding the effect of service quality on employee satisfaction is accepted because the results of the study show that the two variables have a significant positive effect on the Original Sample estimate which shows a positive value as well as the significance level value.
2. Based on table 2, the second hypothesis, namely the relationship between service quality and employee loyalty, shows an original sample estimate (O) of 0.348 with a negative value and a p-value of $0.001 > 0.05$. From these values, it can be concluded that the hypothesis regarding the relationship between the effect of service quality on employee loyalty is accepted because the results of the study show that the two variables have a significant positive effect on the Original Sample estimate which shows a positive value as well as the significance level.
3. Based on table 2, the fourth hypothesis, namely the influence relationship between employee satisfaction on employee loyalty shows an original sample estimate (O) value of 0.506 with a negative value and a p-value of $0.000 > 0.05$. From this value, it can be concluded that the hypothesis related to the existence of a relationship regarding the influence of employee satisfaction on employee loyalty is accepted because the results of the study indicate that the two variables have a significant positive effect because the results of the study indicate that the two variables have a significant positive effect on the value Original Sample estimate which shows the positive value as well as the significance level value.
4. Based on table 2, it shows that there is an influence between service quality on employee loyalty through employee satisfaction showing an original sample estimate (O) value of 0.417 with a negative value and a p-value of $0.000 > 0.000$. From this value, it can be concluded that the hypothesis related to the influence of service quality on employee loyalty through employee satisfaction is accepted because the results of the study indicate that the two variables have a significant positive effect because the results of the study indicate that the two variables have a significant positive effect of the Original Sample estimate value which shows a positive value as well as the significance level value.

CONCLUSION

The following are some of the main conclusions in the answers to the research objectives that have been described previously, as follows:

1. Service quality has a positive effect on employee loyalty at PT. Permodalan Nasional Madani Tangerang Branch. This is evidenced by the results of research showing that the better the quality of the services provided, the higher the level of employee loyalty produced, which means that H2 is accepted.
2. Service quality has a positive effect on employee satisfaction at PT. Permodalan Nasional Madani Tangerang Branch. This is evidenced by the results of research showing that the better the quality of service, the higher the level of employee satisfaction produced, which means that H1 is accepted.
3. Employee satisfaction has a positive effect on employee loyalty at PT. Permodalan Nasional Madani Tangerang Branch. This is evidenced by the results of research showing that the higher the level of employee satisfaction produced, the higher the level of employee loyalty where the two variables are interrelated with each other, which means that H4 is accepted.

4. Service quality affects employee loyalty which is mediated by employee satisfaction at PT. Madani National Capital Tangerang Branch This is evidenced by the results of research showing that the better the quality of services provided, the higher the level of employee loyalty mediated by the level of employee satisfaction, which means H3 is accepted.

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