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The Influence of Work Performance Assessment and Leadership Style on Employee Loyalty with Job Satisfaction as an Intervening Variable at PT. XYZ West Java Regional Head Office Bandung

Fadhilah Dwiputri Ramadhani¹, Rama Chandra Jaya², Dayan Hakim Natigor³, Ezra Karamang⁴, Ridlwan Muttaqin⁵

¹Universitas Indonesia Membangun, Indonesia, email: fadhilahdwiputrir@student.inaba.ac.id

²Universitas Indonesia Membangun, Indonesia, email: rama.chandra@inaba.ac.id

³Universitas Indonesia Membangun, Indonesia, email: dayanhakimm2001@gmail.com

⁴Universitas Indonesia Membangun, Indonesia, email: ezra.karamang@inaba.ac.id

⁵Universitas Indonesia Membangun, Indonesia, email: ridlwan.muttaqin@inaba.ac.id

Corresponding Author: fadhilahdwiputrir@student.inaba.ac.id¹

Abstract: This study aims to determine and explain the effect of work performance assessment and leadership style on employee loyalty with job satisfaction as an intervening variable (Case study at PT. XYZ West Java Regional Head Office Bandung). This research is a quantitative study with 53 employees as a population and uses non-probability sampling techniques, so the sample size uses the entire population. The data sources used are primary data and secondary data, then processed with the help of SPSS 26.0 for windows. The results showed that there was a significant influence of 78,4% of the work performance assessment variable and leadership style on job satisfaction. And also this study shows a significant influence of 93,4% of the job satisfaction variable in mediating work performance assessment and leadership style on employee loyalty.

Keyword: Work Performance Assessment, Leadership Style, Job Satisfaction, Employee Loyalty

INTRODUCTION

In the era of endemic Covid-19, companies are starting to bounce back after experiencing devastation due to the arrival of the SARS-CoV-2 virus. In response, this will not be separated from the world of employment as the driving force of a company's activities, because human resources are one of the important keys to the company's continued both in fulfill current demand or achieving the company's long-term goals. Apart from the contraction of employment during the pandemic, on the other hand during this endemic period, an increase in the quality, quantity and loyalty of the workforce is needed to support the successful of the company.

Based on research conducted by Gallub in 2022, it shows that only 30% of employees and 35% of managers have engagement or interest in the company where they work (Cahya, 2018). Meanwhile, employee engagement determines the amount of employee loyalty. This fact is a reminder for several companies of the importance of the level of loyalty for their employees, including for PT XYZ. The following is the employee turnover data of PT. XYZ West Java Regional Head Office Bandung.

Table 1. Turnover Data PT. XYZ West Java Regional Head Office Bandung 2019 - 2022

<u>Year</u>	<u>Turnover Percentage</u>
2019	10%
2020	15%
2021	10%
2022	10%

Source: PT. XYZ West Java Regional Head Office Bandung

The increase in the percentage of turnover in 2020 by 5% certainly reflects also a decrease in employee loyalty of PT XYZ West Java Regional Head Office Bandung from what was originally considered stable. This is also supported by the results of interviews with Human Resource Bandung and then researchers found the factors that caused the decline in employee loyalty. The factors include Work Performance Assessment, Leadership Style and Job Satisfaction allegedly as factors causing the downward loyalty which then these factors will be used by researchers in this study.

METHOD

In this study, the research method used is quantitative by using primary data and secondary data as data sources. Sugiyono (2018: 23) explains that quantitative research methods are a research method based on the philosophy of positivism, used to research on certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative or statistical with the aim of testing predetermined hypotheses. The population in this study were all employees of PT. XYZ West Java Regional Head Office Bandung, totaling 53 employees and in determining the sample using non-probability sampling method, namely saturated sampling so that the entire population was sampled in the study of 53 employees of PT. XYZ West Java Regional Head Office Bandung. And this study uses the path analysis method so that the following framework is obtained below:

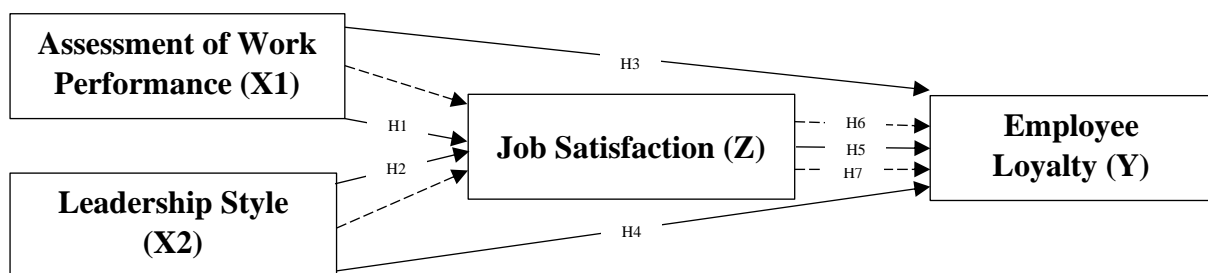


Figure 1. Research Thinking Framework

Source: Processed by Researchers, 2023

RESULTS AND DISCUSSION

Results

Here is the descriptive information obtained by the researcher regarding the identity of the 53 respondents who have been processed and presented in the table as follows below:

Table 2. Respondent Descriptive Information

	Criteria	Frequency	Percentage
Gender	Male	41	77,4 %
	Female	12	22,6%
Age	< 20 years	4	7,5%
	20 – 30 years	22	41,5%
	30 – 40 years	21	39,5%
	>40 years	6	11,3%
Education	Senior High School	47	88,7%
	Diploma (D1/D2/D3)	3	5,7%
	Bachelor (S1)	3	5,7%
Job status	Permanent Employee	39	73,6%
	Contract Employee	14	26,4%
Years of service	< 1 year	5	9,4%
	1 – 5 years	11	20,8%
	5 – 10 years	13	24,5%
	>10 years	24	45,3%

Source: Processed by Researchers, 2023

In the research, the data was collected by 53 respondents who were employees of PT XYZ West Java Regional Head Office Bandung. The data was processed using path analysis with the help of the SPSS version 26.0 for windows program.

Path Analysis

Path analysis according by Ghozali (2018: 168) is a regression analysis used to estimate the causal relationship between variables that have been theoretically predetermined. Path analysis is used to examine the relationship between work performance assessment and leadership style on job satisfaction which has an impact on employee loyalty. In this study, researchers used two path coefficients, namely regression path coefficient I and regression path coefficient II.

Regression Path Coefficient I (X1, X2 to Z)

In the regression path coefficient I, data processing is carried out to determine the effect of work performance assessment and leadership style to job satisfaction on the basis of decision making through the Coefficients results, if the Sig value is <0.05, it is said that the variable has a significant effect. The results of data processing are obtained as follows below:

Table 3. Significance of Regression Path Coefficient I

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	-4.344	2.360		-1.840	.072
Assessment of Work Performance	.559	.200	.396	2.798	.007
Leadership Style	.682	.188	.515	3.636	.001

a. Dependent Variable: Job Satisfaction

Source: Processed by Researchers, 2023

Based on Table 3 which shows that the sig value for the work performance assessment variable (X1) is 0.007 <0.05 and the leadership style variable (X2) is 0.001 <0.05, it is

concluded that regression model I, namely the work performance assessment variable (X1) and leadership style (X2) have a significant effect on job satisfaction (Z).

To find out the percentage of the influence of each variable on the job satisfaction variable on the regression path coefficient I, the results of the R square calculation through the Model Summary results are needed. The data processing results are as follows below:

Table 4. R Square Regression Path Coefficient I

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.886 ^a	.784	.776	1.52901

a. Predictors: (Constant), Leadership Style, Assessment of Work Performance

Source: Processed by Researchers, 2023

Based on Table 4, the R square value in the summary model shows a figure of 0.784, this shows that the contribution of the influence of work performance assessment (X1) and leadership style (X2) on job satisfaction (Z) is 78.4%, while the remaining 21.6% is the contribution of other variables not included in this study.

Regression Path Coefficient II (X1, X2 , Z to Y)

In the regression path coefficient II, data processing is carried out to determine the effect of work performance assessment, leadership style, job satisfaction to employee loyalty on the basis of decision making through the Coefficients results, if the Sig value is <0.05, it is said that the variable has a significant effect. The results of data processing are obtained as follows below:

Table 5. Significance of Regression Path Coefficient II

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	-3.460	1.169		-2.959	.005
	Assessment of Work Performance	.489	.103	.404	4.744	.000
	Leadership Style	.422	.101	.372	4.175	.000
	Job Satisfaction	.201	.068	.234	2.964	.005

a. Dependent Variable: Employee Loyalty

Source: Processed by Researchers, 2023

Based on Table 5 which shows that the sig value for the work performance assessment variable (X1) is 0.000 <0.05; the leadership style variable (X2) is 0.001 <0.05; and the job satisfaction variable is 0.005 <0.05, it concludes that regression model II, namely the work performance assessment variable (X1), leadership style (X2) and job satisfaction (Z) has a significant effect on employee loyalty (Y).

To find out the percentage of the influence of each variable on employee loyalty on the regression path coefficient II, the results of the R square calculation through the Model Summary results are needed. The data processing results are as follow below:

Table 6. R Square Regression Path Coefficient II

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.966 ^a	.934	.930	.73283

a. Predictors: (Constant), Job Satisfaction, Assessment of Work Performance, Leadership Style

Source: Processed by Researchers, 2023

Based on table 6, the R square value in the summary model shows a number of 0.934, this shows that the contribution of the influence of work performance assessment (X1),

leadership style (X2) and job satisfaction (Z) on employee loyalty (Y) is 93.4%, while the remaining 6.6% is the contribution of other variables not included in the study.

Based on the results of regression path coefficients I and II, the results for path analysis to determine the causal relationship between the variables used in this study are as follows below:



Figure 2. Path Analysis Result
Source: Processed by Researchers, 2023

T Test

The t test or partial test according to Ghozali (2018: 179) is a test used to determine the effect of each independent variable on the dependent variable. The basis for making the t test decision through Coefficient is seen if the sig value is <0.05 or t count> t table, it can be concluded that there is an influence of the variable partially, and vice versa. The results of the t test on the two regression path coefficients include the following below:

Table 7. T Test Result

	Sig	T Count	T Table	Explanation
Work Performance Assessment (X1) to Job Satisfaction (Z)	0,007	2,798	2,008	Influential
Leadership Style (X2) to Job Satisfaction (Z)	0,001	3,636	2,008	Influential
Work Performance Assessment (X1) to Employee Loyalty (Y)	0,000	4,744	2,009	Influential
Leadership Style (X2) to Employee Loyalty (Y)	0,000	4,175	2,009	Influential
Job Satisfaction (Z) to Employee Loyalty (Y)	0,005	2,964	2,009	Influential

Source: Processed by Researchers, 2023

F Test

The F test or simultaneous test according to Ghozali (2018: 179) is a joint influence test which is used to determine whether the independent variables together or affect the dependent variable. The basis for making the F test decision through the ANOVA results is seen if sig < 0.05 or F count > F table, it can be concluded that there is an influence of the variables simultaneously and vice versa. The results for regression path coefficient I are 0.000 < 0.05 and 90.853 > 3.18, if reviewed on the basis of the F Test decision making in the form of sig < 0.05 or F count > F table, it can be concluded that there is an effect of Work Performance Assessment (X1) and Leadership Style (X2) simultaneously on Job Satisfaction (Z).

While the results of the F Test for the regression path coefficient II through the ANOVA results are $0.000 < 0.05$ and $122.538 > 2.79$, if reviewed on the basis of the F test decision making in the form of $\text{sig} < 0.05$ or $F \text{ count} > F \text{ table}$, it can be concluded that there is an effect of Work Performance Assessment (X1), Leadership Style (X2) and Job Satisfaction (Z) simultaneously on Employee Loyalty (Y).

Discussion

Hypothesis 1: There is an influence of job performance assessment on job satisfaction

From the analysis results, the significance value of X1 is $0.007 < 0.05$. So it can be concluded that there is a significant effect of job performance assessment (X1) on job satisfaction (Z) at PT. XYZ West Java Regional Head Office Bandung or stated Hypothesis 1 (H1) is accepted.

This is in line with the results of previous research conducted by Juwita Sari, et al (2022) which explains that the work performance assessment variable affects job satisfaction at PT. Japfa Comfeed Indonesia, Tbk. Jambi Branch.

Hypothesis 2: There is an influence of leadership style on job satisfaction

From the analysis results, the significance value of X2 is $0.001 < 0.05$. So it can be concluded that there is a significant effect of leadership style (X2) on job satisfaction (Z) at PT. XYZ West Java Regional Head Office Bandung or stated Hypothesis 2 (H2) is accepted.

This is in line with the results of previous research conducted by Niken Herawati and Asrah Tandirerung Ranteallo (2020) which explains that leadership style variables affect job satisfaction at PT. JMS Jakarta.

Hypothesis 3: There is an influence of work performance assessment on employee loyalty

From the results of the analysis, the significance value of X1 is $0.000 < 0.05$. So it can be concluded that there is a significant effect of work performance assessment (X1) on employee loyalty (Y) at PT. XYZ West Java Regional Head Office Bandung or stated Hypothesis 3 (H3) is accepted.

This is in line with the results of previous research conducted by Endah Novitasari and Metik Asmike (2023) which explains that the work assessment variable has a positive and significant effect on employee loyalty at PT. BPR Ekadharma Bhinaraharja.

Hypothesis 4: There is an influence of leadership style on employee loyalty

From the analysis results, the significance value of X2 is $0.000 < 0.05$. So it can be concluded that there is a significant effect of leadership style (X2) on employee loyalty (Y) at PT. XYZ West Java Regional Head Office Bandung or stated Hypothesis 4 (H4) is accepted.

This is in line with the results of previous research conducted by Siti Aesah (2018) which explains that the leadership style variable has a significant effect on employee loyalty at PT. National Nobu Bank Kemang Village Branch.

Hypothesis 5: There is an influence of job satisfaction on employee loyalty

From the analysis results, the significance value of Z is $0.005 < 0.05$. So it can be concluded that there is a significant effect of job satisfaction (Z) on employee loyalty (Y) at PT. XYZ West Java Regional Head Office Bandung or stated Hypothesis 5 (H5) is accepted.

This is in line with the results of previous research conducted by Bagus Pramudita, et al (2022) which explains that job satisfaction variables have a positive and significant effect on employee loyalty at Logistics Companies in Surabaya.

Hypothesis 6: There is an influence of work performance assessment on employee loyalty through job satisfaction.

From the results of the analysis, it is known that the direct effect given by X1 on Y is 0.404. While the indirect effect of X1 through Z on Y is the multiplication of the beta value of X1 on Z with the beta value of Z on Y, namely: $0,396 \times 0,234 = 0,092$. Then the total effect given by X1 on Y through Z is the direct effect plus the indirect effect, namely: $0,404 + 0,092 = 0,496$. So it can be concluded that there is a significant effect of work performance assessment (X1) on employee loyalty (Y) through job satisfaction (Z) at PT. XYZ West Java Regional Head Office Bandung or stated Hypothesis 6 (H6) is accepted.

This is in line with the results of previous research conducted by Diova Tary (2015) which explains that work performance assessment has a relationship with employee job loyalty in the medium category at Hotel Ratu Mayang Garden Pekanbaru. Followed by research conducted by Wahdan Budi Setiawan (2022) which explains that work performance assessment has a very high relationship with job satisfaction at PT AMMI Bogor.

Hypothesis 7: There is an influence of leadership style on employee loyalty through job satisfaction.

From the results of the analysis, it is known that the direct effect given by X2 on Y is 0.372. While the indirect effect of X2 through Z on Y is the multiplication of the beta value of X2 on Z with the beta value of Z on Y, namely: $0,515 \times 0,234 = 0,120$. Then the total effect that X2 has on Y through Z is the direct effect plus the indirect effect, namely: $0,372 + 0,120 = 0,492$. So it can be concluded that there is a significant effect of leadership style (X2) on employee loyalty (Y) through job satisfaction (Z) at PT. XYZ West Java Regional Head Office Bandung or stated Hypothesis 7 (H7) is accepted.

This is in line with the results of previous research conducted by Selfia Alke Mega (2015) which explains that leadership style plays a role in increasing job satisfaction and also in increasing employee loyalty at PT. Pandan Sari Bandar Lampung.

CONCLUSION

The following are conclusions drawn by researchers based on the results of data analysis and hypotheses on phenomena in research including :

1. There is an influence of job performance appraisal on job satisfaction at PT. XYZ West Java Regional Head Office Bandung.
2. There is an influence of leadership style on job satisfaction at PT. XYZ West Java Regional Head Office Bandung.
3. There is an influence of work performance assessment on employee loyalty at PT. XYZ West Java Regional Head Office Bandung.
4. There is an influence of leadership style on employee loyalty at PT. XYZ West Java Regional Head Office Bandung.
5. There is an influence of job satisfaction on employee loyalty at PT. XYZ West Java Regional Head Office Bandung.
6. There is an effect of work performance assessment on employee loyalty through job satisfaction at PT. XYZ West Java Regional Head Office Bandung.
7. There is a leadership style on employee loyalty through job satisfaction at PT. XYZ West Java Regional Head Office Bandung.

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