


The Influence Of Compensation And Work Motivation On Employee Loyalty (Case Study At PT Bukit Asam TBK. Tarahan Port Unit)

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Article Info	ABSTRACT
Keywords: Compensation, Work Motivation, Employee Loyalty.	Human resources are essential for every company to achieve success. PT Bukit Asam Tbk., one of Indonesia's largest coal mining companies, faces challenges in managing its workforce, particularly concerning work motivation and employee loyalty. This study aims to examine the impact of compensation and work motivation on employee loyalty at PT Bukit Asam Tbk.'s Tarahan Port Unit. While high compensation is generally thought to boost loyalty, prior studies have shown mixed findings on the link between compensation, motivation, and loyalty. Based on data from interviews and questionnaires with 156 respondents, this study employs a quantitative approach using multiple linear regression to test the hypothesis that compensation and work motivation positively influence loyalty. The findings are expected to offer PT Bukit Asam Tbk. recommendations for fostering loyalty through equitable compensation policies and enhanced work motivation strategies.
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INTRODUCTION

Every company needs resources to achieve its goals. Human resources are the most important asset for an organization to have because success in an organization is largely determined by humans (Ardana et al., 2018) PT Bukit Asam Tbk. is one of the largest coal mining companies in Indonesia, founded in 1950. The company is headquartered in Muara Enim, South Sumatra, and has contributed significantly to the national economy through coal production and sales. The Tarahan Port Unit is one of the important facilities of PT Bukit Asam Tbk., located in Lampung. This port functions as the main point to support coal export activities, providing adequate infrastructure for loading coal onto shipping vessels (Diana, 2023).

Based on the results of interviews with the head of the AM HR, General, Legal & Public Relations sub-section, a phenomenon was found at PT Bukit Asam Tbk. showing that there are still many employees who postpone work. This is due to the lack of work motivation in the company environment. Although some employees receive high compensation, the financial rewards do not always guarantee their loyalty and work enthusiasm. Unmotivated employees tend to lose their sense of attachment to the company, so they are not committed to giving their best in their work. Therefore, it is important for companies to not only focus on compensation, but also to create a work environment that motivates, inspires, and

supports the personal and professional development of employees. This fair compensation not only aims to attract and retain the best employee talent, but also to increase employee job satisfaction. By ensuring that employees feel appreciated through appropriate rewards, the company can increase employee loyalty. Motivated employees are not only more productive, but also more loyal to the company. The combination of competitive compensation and high work motivation at PT Bukit Asam Tbk. Tarahan Port Unit contributes to high employee loyalty. When employees feel that the company appreciates employee contributions through decent compensation and gives employees the opportunity to develop, employees will be more likely to remain committed to the company. High employee loyalty in this port unit is not only beneficial for the company, but also creates a more harmonious work, which can improve operational efficiency and overall performance of the company. Employee loyalty is the use of human resources, skills, technology, and management so that employees can work optimally for the company.

According to (Hasibuan, 2019), the definition of compensation is any form of income, whether in the form of money, direct goods, or indirect goods that will be given to employees as a form of appreciation for the contribution they have made to the company. This is supported by previous research, namely (Tarom & Ahyar, 2019) stating that compensation has a positive effect on employee loyalty, where if the level of compensation is high, it will certainly increase employee loyalty. However, the results of this study contradict the results of research (Fani et al., 2022) and (Utami & Dwiatmadja, 2020) the results of the study showed that compensation had no effect on employee loyalty (Voon et al., 2021).

According to Hasibuan (2019), work motivation provides the driving force that fuels a person's enthusiasm for their job, encouraging them to collaborate, engage actively, and align with collective efforts to achieve satisfaction. Optimal job performance among employees is partly driven by motivation, which inspires them to work diligently, along with the discipline established within the organization. This allows the company to reach its goals under leadership that fosters a supportive and conducive work environment. In addition, work motivation can also help companies retain employees to stay in the company or create a sense of employee loyalty because with work motivation, employees will have the enthusiasm and desire to work and contribute to the company's goals. This is supported by previous research by (Tarom & Ahyar, 2019) stating that better work motivation will increase employee loyalty. Meanwhile, research conducted by (Marwanto & Hasyim, 2022) shows that work motivation does not have a partial effect that is tested on work loyalty.

RESEARCH METHODS

Literature Rivew

Compensation significantly impacts employees' choice to work at a specific organization (Herawati et al., 2021). Desler, cited by Segoro (2018), defines it as all salary or reward forms employees receive, while Notoatmojo (2018) adds it includes any compensation employees earn for their efforts. Thus, compensation comprises both material and non-material rewards provided by a company. Sopiah and Sangadji (2018) divide compensation into direct financial (e.g., salary, incentives, bonuses) and indirect financial forms (e.g., insurance, pensions, and

leave benefits), while Ambarak and Husein (2023) list key indicators: salary, incentives, allowances, and facilities. Work motivation is an individual's drive influenced by factors like salary and a supportive work environment (Hasibuan, 2019), with motivation indicators encompassing physical needs, safety, social needs, and appreciation (Nining, 2023). Employee loyalty, as Steers and Porter (Sari & Karnady, 2019) explain, reflects an employee's commitment to their workplace, including following rules, taking responsibility, and fostering a sense of belonging (Ambarak & Husein, 2023).

This research employs a descriptive quantitative approach. According to Sugiyono (2019), quantitative methods are used to gather data, both historical and current, related to beliefs, opinions, attitudes, behaviors, relationships between variables, and to test various hypotheses regarding these relationships. A key aim of this research is to find answers and solutions to identified issues. Sugiyono (2019) defines research as a scientific endeavor aimed at collecting data to derive conclusions that explain the research subject. This study was conducted at PT Bukit Asam Tbk (Tarahan Port Unit), located at the Head Office on Jl. Parigi No. 1, Tanjung Enim, South Sumatra, Indonesia, 31716. Of the 255 employees, a sample of 156 was selected through purposive sampling based on specific criteria. Data was gathered using an online questionnaire distributed via Google Forms. Responses to each statement were assessed using a five-point Likert scale: (5) Strongly Agree, (4) Agree, (3) Neutral, (2) Disagree, and (1) Strongly Disagree. The data that has been collected is then processed and analyzed first using the SPSS measuring tool so that it can be used as a basis for decision making. The sample calculation uses the following 5% significant Slovin formula:

$$n = \frac{N^2}{1+N(e)}$$

Information :

N = Known population

e = Term error (percentage of tolerable error)

Significant 5%

255 population

$$= \frac{255}{1+255(0.05)} \quad 2 = \frac{255}{1+255(0.25)} \frac{255}{1,6375} = 155.7$$

= (rounded to 156 employee respondents)

Data testing in this study includes validity testing, reliability testing, multiple linear regression testing, partial testing, simultaneous testing, and coefficient of determination (R²). Multiple linear regression testing can be calculated using the following equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

where

Y = Dependent variable,

a = Constants,

β = Regression coefficient,

X = Independent variables

e = Error term

Framework of thinking

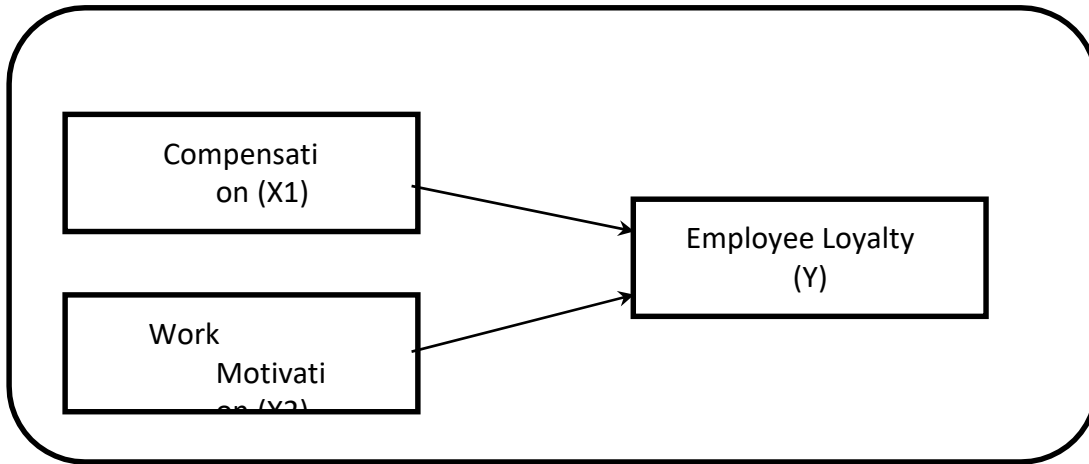


Figure 1. Framework of thinking

Research Hypothesis

The Influence of Compensation on Employee Loyalty

Compensation encompasses all forms of rewards employees receive for their work, such as salaries, bonuses, allowances, and various benefits. Studies indicate that effective compensation boosts job satisfaction, as employees who feel valued by fair pay tend to experience greater job satisfaction, which in turn strengthens their loyalty to the company. Employee loyalty reflects an employee's commitment to the organization, demonstrated by positive work behavior, a desire to remain with the company, and efforts toward achieving organizational goals. According to research by Tarom and Ahyar (2019), compensation positively influences loyalty, with higher compensation levels leading to increased employee loyalty. H1: Compensation has a positive and significant effect on Employee Loyalty.

The Influence of Work Motivation on Employee Loyalty

Motivation is essential as it drives, directs, and sustains human behavior, encouraging employees to work diligently and enthusiastically toward optimal outcomes. It also plays a key role in resource management by helping companies assign tasks effectively so that employees complete them well and cooperatively to meet set goals. Alongside positive personal traits, companies rely on employees' abilities and skills as crucial factors for achieving high performance. Employees with strong loyalty are often willing to go beyond expectations in their work. Previous research by Tarom and Ahyar (2019) supports that increased motivation enhances employee loyalty, with motivation having a positive and significant impact on loyalty (H2).

RESULTS AND DISCUSSION

Respondent Characteristics

This section presents an analysis of the data obtained during the research. The data collected is primary data, namely data originating from respondents' answers that have been distributed to a selected sample of 156 respondents.

Table 1 Respondent Characteristics Data

Age	Frequency	Presentation (%)
18-25 Years	27	17.3%
26-30 Years	16	10.3%
31-35 Years	42	26.9%
36-40 Years	37	23.7%
> 40 Years	34	21.8
Gender	Frequency	Presentation (%)
Woman	86	55.1%
Man	70	44.9

The total respondents in this study were 156 respondents. These respondents included PT Bukit Asam TBK Employees. According to the results of data collection through questionnaires on google forms online, respondent data was collected according to gender and age of respondents.

Table 2 Validity Test Results

Variables	Item Statement	r-count	r-table	Information
Compensation Variable	X1,1	0.667	0.131	Valid
	X1,2	0.622	0.131	
	X1,3	0.634	0.131	
	X1,4	0.826	0.131	
	X1,5	0.402	0.131	
	X1,6	0.133	0.131	
	X1,7	0.502	0.131	
	X1,8	0.166	0.131	
	X1,9	0.257	0.131	
	X1,10	0.487	0.131	
	X1,11	0.156	0.131	
	X1,12	0.593	0.131	
	X1,13	0.377	0.131	
	X1,14	0.641	0.131	
	X1,15	0.330	0.131	
Work motivation	X2,1	0.270	0.131	
	X2,2	0.323	0.131	
	X2,3	0.695	0.131	
	X2,4	0.814	0.131	
	X2,5	0.265	0.131	
	X2,6	0.253	0.131	
	X2,7	0.569	0.131	
	X2,8	0.490	0.131	
	X2,9	0.814	0.131	
	X2,10	0.492	0.131	
	X2,11	0.782	0.131	

Variables	Item Statement	r-count	r-table	Information
Employee Loyalty Variables	Y1	0.263	0.131	
	Y2	0.275	0.131	
	Y3	0.734	0.131	
	Y4	0.155	0.131	
	Y5	0.392	0.131	
	Y6	0.471	0.131	
	Y7	0.156	0.131	
	Y8	0.391	0.131	
	Y9	0.892	0.131	
	Y10	0.805	0.131	
	Y11	0.621	0.131	
	Y12	0.245	0.131	

The table above presents information about the validity of the data shown by comparing the calculated r value with the table r. The statement item in the study is stated at 0.131. Where if seen from the table above the entire calculated $r >$ table r. This result shows that all questions in the questionnaire submitted to respondents are valid because the results of the Corrected Item-Total Correlation that have been correlated are greater than the table r value.

Table 3 Reliability Test Results

Variables	Cronbach's Alpha	Criteria	Information
Compensation Variable (X1)	0.686	0.60	
Motivation Variables Work (X2)	0.709	0.60	Valid
Loyalty Variable Employee (Y)	0.611	0.60	

The results shown in the table indicate that the Cronbach's alpha coefficient values for all variables exceed 0.6. This suggests that the variables of Compensation (X1), Work Motivation (X2), and Employee Loyalty (Y) utilized in this study are reliable.

Table 4 Multiple Linear Regression Test Results

Variables	Unstandard Coefficient	T	Sig
Constantine	1,743	6.123	0.000
Compensation (X1)	0.306	18,443	0.000
Motivation Work (X2)	0.048	0.995	0.321
F	324,444 (0.000)		
R Square	0.809		

Based on the table above, the equation in this study is:

$$Y = 1.743 - 0.306 + 0.048 + e$$

1. Assuming the independent variables including Compensation and Work Motivation are worth 0 or there is a change, then the value of the dependent variable is 1,743. However, if viewed from the significant value of $0.000 < 0.05$ or significant. This means that there is a significant influence on the independent variables including Compensation (X1) and Work Motivation (X2) on Employee Loyalty.
2. Compensation variable (X1) is 0.306 and sig value is $0.000 < 0.5$. This proves that Compensation has a positive and significant effect on Employee Loyalty.
3. The coefficient for Work Motivation (X2) is 0.048, with a significance value of 0.321, which is greater than 0.05. This indicates that the Work Motivation variable has no significant effect on Employee Loyalty.

The analysis results in Table 4 indicate that the t-value is 18.443, with a significance level of 0.000. This demonstrates that Compensation significantly influences Employee Loyalty. In contrast, the study on Work Motivation shows a t-value of 0.995, which is less than the critical value of 1.654, and a significance value of 0.321, exceeding the threshold of 0.05. This indicates that Work Motivation does not significantly affect Employee Loyalty. Additionally, the significance value from the F Test presented in Table 4 is 0.000, which is below 0.05. This signifies that the variables Compensation (X1) and Work Motivation (X2) collectively impact Employee Loyalty (Y). Moreover, the R-squared value for this study is 0.809, or 80.9%, suggesting that the independent variables account for 80.9% of the variance in the dependent variable. The remaining 19.1% can be attributed to other factors not examined in this study, such as work commitment, workload, autonomy, skills, work competence, and other elements.

The Influence of Compensation on Employee Loyalty

The analysis results shown in Table 4 reveal a t-value of 18.443, which exceeds 1.654, and a significance level of 0.000, which is below 0.05. This indicates that compensation positively and significantly impacts employee loyalty at PT Bukit Asam Tbk. Tarahan Port Unit. These findings are consistent with the research conducted by Tarom & Ahyar (2019), which suggests that higher compensation levels are linked to increased employee loyalty. Similarly, a study by Imelda & Tri (2023) also found that compensation influences employee loyalty, as the compensation provided fosters greater trust and loyalty toward the company among employees.. If the company provides good and proper compensation, it will be followed by an increase in employee loyalty (Selvia & Okta, 2023). This shows that employees feel appreciated and motivated to give their best for the company, thus creating a mutually beneficial relationship between employees and management. When employees feel appreciated, their involvement in work tends to increase, which contributes to the overall success of the company.

The Influence of Work Motivation on Employee Loyalty

Based on the analysis results presented in Table 4, it was observed that the t-value was 0.995, which is less than 1.654, and the significance level was 0.321, exceeding 0.05. This indicates that work motivation does not have an effect on employee loyalty at PT Bukit Asam Tbk. Tarahan Port Unit. These findings align with research conducted by Marwanto &

Hasyim (2022), which demonstrates that employee loyalty is not influenced by work motivation. This condition is caused by differences in perception between employees and management regarding the goals and values of the company. In addition, factors such as lack of effective communication, dissatisfaction with working conditions, and minimal incentives also contribute to the powerlessness of loyalty in increasing work motivation. In addition, the condition of the work environment also plays an important role because an unsupportive work environment, such as lack of cooperation, means that the motivation given will not mean much. If employees feel that their contributions are not recognized, employees can feel underappreciated even though there is a motivation program. Poorly managed motivation can also create excessive pressure, leading to stress and burnout, which in turn reduces loyalty and a misalignment of culture and values between employees and the company can make motivational initiatives feel irrelevant, leaving employees feeling less engaged with the company. All of these factors contribute to a situation where work motivation fails to significantly increase employee loyalty.

CONCLUSION

Based on the analysis results presented in Chapter IV of the research findings and discussion, the following conclusion can be drawn: Compensation (X1) has a positive and significant impact on Employee Loyalty (Y). Work Motivation (X2) does not affect Employee Loyalty (Y) Based on the conclusions above, the suggestions and recommendations are as follows: PT Bukit Asam Tbk. creates incentive and reward policies, employee self-development and career policies, and employee welfare policies regarding efforts to increase motivation and compensation in implementing employee performance in order to increase employee loyalty, because high motivation and fair compensation can create a productive and pleasant work environment. When employees feel appreciated and motivated, employees will work harder, show greater commitment, and have a higher sense of attachment to the company. This will certainly bring long-term benefits to the company and employees. For further research, it is possible to compare the effect of compensation and work motivation on employee loyalty at PT Bukit Asam Tbk with other companies in the same sector. In addition, it is important to investigate other factors such as organizational culture and leadership that can also affect employee loyalty.

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