

THE EFFECT OF CAREER DEVELOPMENT AND INCENTIVES ON EMPLOYEE WORK LOYALTY

Juwita Magdalena Sitanggang
Immanuel Edy Suranta Sebayang
Hidayat Nasution

Politeknik Mandiri Bina Prestasi

uwit020187@gmail.com ;
packimmanuel88sby@gmail.com ;
hidayatnasutioncwm@gmail.com

Abstract

Loyalty is an attitude that shows employee loyalty and is an ongoing process of how an organization member expresses their attention to the success and goodness of the organization. If a person's loyalty is high then his performance will be better. Many factors affect employee work loyalty including career development and providing incentives. This study is to determine the effect of career development and incentives for employee loyalty both partially and simultaneously. Based on the research objectives, this type of research can be divided into quantitative and qualitative research types. The object of this research is the employees of PT. Aneka Karya Duta Medan, amounting to 65 people. The sampling technique uses a saturated sampling technique which means the population is the same as the sample. The data analysis technique used is multiple regression analysis. The results showed partially and simultaneously career development and the provision of incentives had an effect on employee work loyalty at PT. Various Works of Medan Ambassadors. The company is advised to promote employees, be fair to every employee, allow employees to take part in training to improve their careers, give bonuses to employees who excel, give commissions to employees who successfully achieve the set targets, give profit share every year if the company manages to achieve the set sales targets, give awards for the achievements achieved by employees and give praise for the achievements given by employees to the company.

Keywords : Career Development, Giving Incentives and Work Loyalty

I. INTRODUCTION

Work loyalty is a general attitude of an individual as a form of loyalty to the company. If in a company, employees have low work loyalty when carrying out their work, then the company suffers losses because employees do not work with all their abilities.

Work loyalty is an important concern because it has a significant impact on work behavior such as performance, job satisfaction, employee absenteeism and also employee turnover. Work loyalty will make employees give their best to the organization where they work. Employees with high loyalty will be more work-oriented. Furthermore, this loyalty attitude is indicated by three things, namely a person's strong desire to remain a member of their organization, a willingness to exert effort for their organization and belief and acceptance of the values and goals of the organization. If a person's loyalty is high, their performance will be better. Many factors influence employee work loyalty, including career development and incentives.

Career development is an effort to improve the technical, theoretical, conceptual, and moral abilities of employees according to the needs of the job/position through education and training. A career can be defined as a series of separate but related work activities that provide continuity, peace, and meaning in a person's life. With a career development program, it can further increase the encouragement or motivation of employees to achieve more and provide maximum contribution to the company. This happens because a person's motivation will arise if the career development in a company already exists and is clear to be implemented.

Incentives are one of the main things that must be considered by the company. Incentives have an important meaning in the company, the provision of incentives can make employees more enthusiastic in working and conversely the absence of incentives or reduced incentives from the previous year resulted in employees tending to be lazy to work and not enthusiastic which eventually they work as they please without high motivation.

A company engaged in the food & chemical sector, PT. Aneka Karya Duta Medan. PT. Aneka Karya Duta Medan is experiencing a problem of work loyalty because employees do not have work loyalty to the company, such as employees giving never appreciated for the results given to the company. This condition leads to many employees resigning.

Another problem is that the company does not prioritize the potential of employees so that employees who excel do not have the opportunity to develop their careers in the company. In addition, employees who have been with the company for a long time and have achievements are also not given better opportunities to develop their careers in the company. Also, there is nepotism in the company, superiors prefer close relatives to be given opportunities to develop their careers.

As for the problem of providing incentives, employees complained that the incentives received were not in accordance with the promised 25%. As happened in 2018, there was a decrease in incentives by 5% even though the company's profits from year to year always increased. The following is data on incentives for the period 2015 - 2018.

Based on the explanation above, the researcher is interested in conducting research in the form of a thesis with the title "The Influence of Career Development and Incentive Provision on Employee Work Loyalty "

2. THEORETICAL BASIS

2.1 Career Development

According to Elbadiansyah (2019:131), "Career development as all personal efforts of employees aimed at implementing their career plans through education, training, job search and acquisition, and work experience."

According to Busro (2018:281), career development is measured by several things:

Career clarity dimensions with indicators: clear promotion, opportunity to become head/leader or deputy head/leader, opportunity to occupy a certain position in accordance with the existing organizational structure.

Self-development dimensions, measured by: opportunities to participate in various training, opportunities to continue education, opportunities to participate in various seminars/discussions/workshops, opportunities to participate in various competency courses to obtain expertise certificates.

The dimensions of performance quality improvement are measured by the following indicators: increased self-discipline, loyalty and increased motivation among employees.

2.2. Incentive

2.3.1 Understanding Incentives

According to Hasibuan (2016:118), "Incentives are additional rewards given to certain employees whose performance is above standard performance. This incentive wage is a tool used to support the principle of fairness in providing compensation."

According to Suwatno and Priansa (2018:235), in general all incentives can be divided into 2 groups:

1. Material Incentives

A. Incentives in the form of money

- a. Bonus,
- b. Commission,
- c. Profit Share,
- d. Deferred compensation, which is a compensation program that includes payments at a later date, including:

1) Retirement has incentive value because it fulfills one of the basic human needs, namely providing economic security for employees after they no longer work.

2) Contractual payment is the implementation of an agreement between the employer and employee, where after the completion of the work period the employee is paid a certain amount of money for a certain period.

2. Incentivenon-material

IncentiveThis non-material can be given in various forms, including:

- a. The official awarding of the title.
- b. Awarding of awards or medals.
- c. Pemberian award charter.
- d. Giving praise either verbally or in writing, either officially or privately.
- e. Formal and formal thanksnon-formal.
- f. Granting the right to use a position attribute, for example a flag on a car and so on.

- g. Provision of special equipment in the work space

2.3 Loyalty

Hasibuan (2016:95) stated that loyalty is one of the elements used in employee assessment which includes loyalty to their work, position and organization. This loyalty is reflected by the employee's willingness to maintain and defend the organization inside and outside of work from irresponsible people.

According to Batjo and Shaleh (2018:65), "employee loyalty or employee loyalty can be reflected through employee behavior in maintaining and defending the company inside or outside of work from threats from irresponsible individuals or groups."

According to Darmadi (2018:211), the dimensions of loyalty to an organization have the following indicators:

Loyalty to being a member of an organization

Loyalty to maintaining the good name of the organization

Compliance with organizational decisions

Love for the organization

Pride in the organization

Devotion to the organization

2.4 Framework of thinking

According to Suryadana (2015:81), "in its objectives, organizations implement career development programs to develop and promote employees from within, encourage commitment and loyalty, increase enthusiasm and motivation."

According to Hasibuan (2016:185), "By providing fair, appropriate, and timely incentives, and given openly, it will create good maintenance. Thus, the employee's loyal attitude is getting better, work enthusiasm increases, employee absenteeism and turnover decrease."

Based on the description above, it can be concluded that providing incentives and career development in accordance with what is determined can increase employee work loyalty, which can be described in a framework of thought in this study, namely:

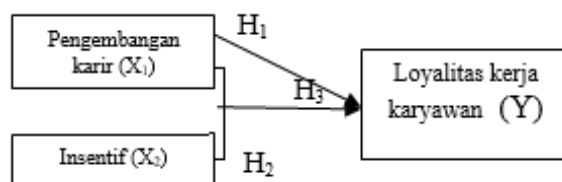


Figure 2.1 Framework of Thinking

2.5 Hypothesis

Based on the formulation of the problem, objectives, theories, previous research, and framework of thought, the hypothesis in this study is:

1. Ho : Career development does not have a partial effect on work loyalty employees
H1 : Career development has a partial effect on work loyalty employees.
2. Ho : Incentives have no partial effect on work loyalty employees.

- H1 : Incentives have a partial effect on employee work loyalty.
- 3.Ho : Career development and incentives do not have a simultaneous effect on employee work loyalty.
- H1 : Career development and incentives have a simultaneous effect on employee work loyalty at PT. Aneka KaryaMedan Ambassador.

3. RESEARCH METHODS

3.1 LocationStudy

This research was conducted by taking samples from one company.

3.2 Population and Research Sample

The population in this study is: all employees of PT. Aneka Karya Duta Medan totaling 65 employees. The sampling technique uses a saturated sampling technique, which means that the entire population becomes the research sample.

Thus, the number of samples in this study is: as many as 65 employees of PT. Aneka Karya Duta Medan.

3.3. Data collection technique

In this study, data collection related to the problems studied by the researcher was carried out in the following manner:

1. Questionnaire
2. Interview,
3. Documentation Study

3.4 Validity and Reliability Test

Validity and reliability tests are conducted to test whether the questionnaire is suitable for use as a research instrument. Validity relates to the accuracy of the measuring instrument in carrying out its task of achieving the target. Measurement is said to be valid if it measures its objectives in a real and correct manner. Reliability tests are conducted to see whether the measuring instrument used (questionnaire) shows consistency in measuring the same symptoms. The test results prove that all questions are valid and reliable.

3.5. Classical Assumption Test

Before the regression model is used in hypothesis testing, the model will first be tested whether the model meets the classical assumptions or not. The use of regression analysis models in statistics must be free from classical assumptions. The classical assumption tests used in this study are: normality test, multicollinearity test, heteroscedasticity test, and linearity test.

3.6 Data Analysis Techniques

In order for the collected data to be useful, the data must be processed and analyzed first so that it can be used to interpret, as well as a basis for decision making. This analysis is carried out quantitatively with the help of statistics, multiple regression analysis, partial tests (t-test), simultaneous tests (F-test) and determination coefficient tests.

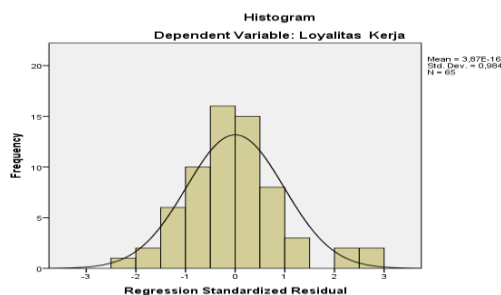
4. RESULTS AND DISCUSSION

4.1 Testing Classical Assumptions

4.1.1 Normality Test Results

The data normality test aims to determine the distribution of data in the variables to be used following or approaching a normal distribution. There are two ways to detect whether the residual is normally distributed or not, namely:

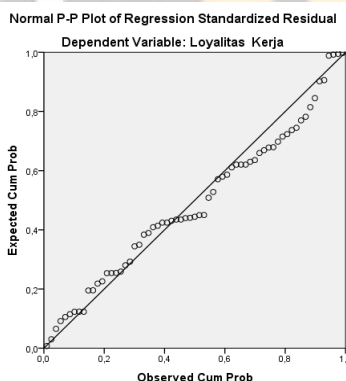
Using Graph Analysis



Source: Research Results, 2020 (Processed Data)

Figure 4.1 Results of the Histogram Graph Normality Test

Based on Figure 4.1 above, it can be seen that the data has been distributed normally. This can be seen from the histogram graph, which shows a curve shape with a balanced slope from the left and right sides, or does not lean to the left or right.



Source: Research Results, 2020 (Processed Data)

Figure 4.2 Results of PP Plot Graph Normality Test

Figure 4.2 shows that the data (dots) are spread around the diagonal line and follow the diagonal line. So from the figure it can be concluded that the residuals in the regression model are normally distributed.

2) Using Statistical Analysis

Normality test with statistical analysis was conducted using the One-Sample Kolmogorov Smirnov (1-Sample-KS) method. A good regression model is one that has normally distributed residual data that has a significance value greater than 0.05. The results of the normality test with the Kolmogorov-Smirnov method can be seen in the following table:

Table 4.1 Results of Normality Test with One-Sample Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test	
	standardized Residual

Source: Research Results, 2020 (Processed Data)

If seen from the table above, the significant value produced is 0.200 and the value is above the significant value requirement of 0.05. So it can be concluded that the data in the study is normally distributed.

4.1.2 Multicollinearity Test Results

Multicollinearity testing is needed to determine whether or not there are independent variables that are similar to other independent variables in one model. The results of the multicollinearity test can be seen in the following table:

Table 4.2 Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Career Development	,701	1,426
Incentive Provision	,701	1,426

Source: Data Processing Results, 2020

Based on Table 4.2 above, the tolerance value for the Career Development and Incentive Provision variables is 0.701, and the VIF value is 1.426 <10, so it can be concluded that there is no multicollinearity in the independent variables.

4.1.3 Linearity Test Results

Linearity Test is conducted to determine whether the regression is linear or not.

Table 4.3 Results of the Linearity Test of Career Development with Work Loyalty

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Work Loyalty * Career Development	Between Groups	(Combined) Linearity	323,242	17	19,014	5,289	,000
		Linearity	222,827	1	222,827	61,979	,000
		Deviation from Linearity	100,415	16	6,276	1,746	,070
	Within Groups		168,974	47	3,595		
	Total		492,215	64			

Table 4.4 Table of Results of Linearity Test of Incentive Provision with Work Loyalty

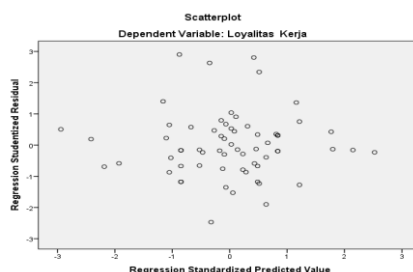
ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Work Loyalty * Incentives	Between Groups	(Combined) Linearity	523,333	13	40,256	6,805	,000
		Linearity	464,486	1	464,486	78,522	,000
		Deviation from Linearity	58,847	12	4,904	,829	,621
	Within Groups		301,682	51	5,915		
	Total		825,015	64			

In Table 4.3 and Table 4.4, the significance value in the Linearity row is 0.000. The significance value <0.05 and in the Deviation from Linearity row has a sig value > $\alpha = 5\%$ which means the relationship is linear. This shows that the variables Career Development (X1), Incentive Provision (X2) on Employee Work Loyalty (Y) are linear.

4.1.4 Heteroscedasticity Test Results

Heteroscedasticity test is a test that assesses whether there is inequality of residual variance for all observations in a linear regression model. Here are the results of the heteroscedasticity test with a scatterplot graph:



Source: Data Processing Results, 2020

Figure 4.3 Graph of Heteroscedasticity Test Results

Based on Figure 4.3 above, the scatterplot graph shows that the data is spread above and below the number 0 on the Y axis and there is no clear pattern in the distribution of the data. This means that there is no heteroscedasticity in the regression equation model. In addition to using graphs, heteroscedasticity tests can also be performed using the Glejser test and Spearman's Rho test. The Glejser test is performed by regressing the independent variable with the absolute value of the residual. If the significant value between the independent variable and the absolute residual is > 0.05 , then there is no heteroscedasticity.

Table 4.5. Results of Heteroscedasticity Test with Glejser Test

4.2 Data Analysis Results

4.2. 1 Multiple Linear Regression Analysis

Multiple Linear Regression Analysis aims to determine the magnitude of the influence of Career Development and Incentive Provision on Employee Work Loyalty. The results of the multiple linear regression analysis can be seen in the table below:

Table 4.7 Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	1,744	1,711	
Career Development	,525	,101	,436
Incentive Provision	,607	,099	,512

Source: Data Processing Results, 2020

Based on Table 4.7 above, the Multiple Linear Regression Equation in this study is:

$$\text{Work Loyalty} = 1.744 + 0.525 \text{ Career Development} + 0.607 \text{ Incentive Provision}$$

From this equation it can be explained as follows:

1. Constant (a)
The constant value is 1.744 shows that if the Career Development and Incentive Provision variables are 0, then Work Loyalty has a value of 1.744.
2. Career Development Regression Coefficient (X1)
Variables Career Development has a positive influence on employee Work Loyalty with a regression coefficient of 0.525, which means that if the Career Development variable increases by one unit,

employee Work Loyalty will increase by 0.525, assuming that the Incentive Provision variable is in a constant condition.

3. Regression Coefficient of Incentive Provision (X2)

The provision of incentives has a positive influence on employee work loyalty with a regression coefficient of 0.607, which means that if the variable of Incentive Provision increases by one unit, then Employee Work Loyalty will increase by 0.607 with the assumption that the Career Development variable is in a constant condition.

4.2. 2 Partial Test (t-Test)

The t-test is used to determine whether or not there is an influence of each independent variable on the dependent variable with a significance level of 5%. The partial test results can be seen in the following table:

Table 4.8 Partial Test Results (t-Test)

Model	t	Sig.
(Constant)	1,020	,312
Career Development	5,218	,000
Incentive Provision	6,128	,000

Source: Data Processing Results, 2020

Based on Table 4.8 above, it can be explained:

1. Career Development (X1)

From the results of the partial test calculation of Career Development, the value of $t_{count} > t_{table}$ ($5.216 > 1.99897$) was obtained with a significance level of $0.000 < 0.05$, which means that the proposed hypothesis, namely that Career Development has an effect on Employee Work Loyalty, is accepted (H1 is accepted).

2. Incentive Provision

From the results of the partial test calculation of the Provision of Incentives, the calculated t value was obtained $> t_{table}$ ($6.128 > 1.99897$) with a significance level of $0.000 < 0.05$, which means hypothesis The proposed hypothesis is that the provision of incentives has an effect on employee work loyalty, accepted (H2 is accepted).

4.3 DISCUSSION

4.3.1 The Influence of Career Development on Employee Work Loyalty

Based on the results of the research that has been conducted, it was found that Career Development has a positive and significant effect on employee Work Loyalty. This can be seen in the results of the partial test which obtained a value of $t_{count} > t_{table}$ or $5.218 > 1.99897$. In addition, it can be seen in the significant value for the Career Development variable $0.000 < 0.05$ so that it is partially proven that Career Development has a significant positive effect on employee Work Loyalty PT. Various Works of Medan Ambassador (H1 received).

The results of this study are in accordance with the opinion of Puspitaningrum and Hartati (2017:204), "the benefits of career development in general are to develop employee performance, prevent employees from asking to resign because they change jobs, and increase employee loyalty."

Based on the distribution of respondents' answers, it is recommended that companies promote high-achieving employees, treat each employee fairly, provide employees with opportunities to take training to improve their careers, and provide employees with opportunities to develop their careers by continuing their studies. With the career development criteria applied, it is expected that companies will be able to increase employee work loyalty.

The conclusion of the results of this study is partially Career Development has a positive and

significant effect on employee Work Loyalty, as evidenced by $t_{count} > t_{table}$ with a significant value < 0.05 . In relation to career development, companies are advised to promote high-achieving employees, be fair to every employee, give employees the opportunity to take training to improve their careers, give employees the opportunity to develop their careers by continuing their studies.

4.3.2 The Influence of Incentives on Employee Work Loyalty

Based on the results of the research that has been conducted, it was found that the provision of incentives has a positive and significant effect on Employee Work Loyalty. This can be seen in the partial test results which obtained a calculated value $> t_{table}$ or $6.128 > 1.99897$. In addition, it can be seen in the significant value of $0.000 < 0.05$ so that it is partially proven that the Provision of Incentives has a significant positive effect on Employee Work LoyaltyPT..

The results of this study are in line with Priansa's opinion (2016:336), which states: Incentives are elements or rewards that are given irregularly or are variable depending on employee performance. Incentives are one of the important motivators that can provide stimulation to employees to work more optimally. Through incentives, it is hoped that employees will be able to participate more in carrying out organizational tasks.

Based on the distribution of respondents' answers, it can be concluded that respondents agree if employees get bonuses for achievements, agree if they get commissions for achieving targets set by the company, agree if employees always receive profit shares every year from the company, agree if employees get awards for achievements achieved and agree if employees get praise for achievements given to the company.

The conclusion of the results of this study is The provision of incentives has a positive and significant effect on Employee work loyalty is proven by $t_{count} > t_{table}$ and significant value $0.000 < 0.05$. In connection with the provision of incentives to companies, it is recommended to giving bonuses to employees who perform well, giving commissions to employees who succeed in achieving the targets that have been set, giving profit shares every year if the company succeeds in achieving the sales targets that have been set, giving awards for achievements made by employees and giving praise for achievements made by employees for the company.

4.3.3 The Influence of Career Development and Incentives on Employee Work Loyalty

Based on the results of the research that has been conducted, it was found that simultaneously Career Development and Incentive Provision have a positive and significant effect on Employee Work Loyalty. This can be seen in the results of the simultaneous test which obtained a value of $F_{count} > F_{table}$ or $71.087 > 3.15$. In addition, it can be seen in the significant value of $0.000 < 0.05$ so that it is proven that simultaneously Career Development and Incentive Provision have a significant positive effect on employee Work LoyaltyPT.. The results of the determination coefficient test obtained a result of 0.687, which means The ability of the Career Development and Incentive Provision variables explains Employee Work Loyalty by 0.687 or 68.7%, the remaining 31.3% is explained by variables not examined in this study such as organizational culture, leadership style, job promotions and others.

The results of the hypothesis test prove that career development and incentives have an effect on employee work loyalty. These results indicate that employees who have a good career accompanied by incentives that are in accordance with employee needs have an impact on increasing employee work loyalty in the company. Employees will work with full obedience, compliance, responsibility, dedication, and honesty to work in accordance with the company's vision and mission in facing competition and winning the competition.

The conclusion of the results of this study is simultaneously Career Development and Incentive Provision have a positive and significant influence on Employee Work Loyalty which is proven by the value $F_{count} > F_{table}$ and significant value $0.000 < 0.05$. In relation to employee work loyalty in the company, it is recommended to trying to maintain and even increase employee loyalty to be part of

the company, trying to make employees willing to remain loyal to maintain the company's good name, trying to make employees obey the company's decisions, trying to make employees love the company, trying to make employees proud to be part of the company and willing, trying to make employees willing to serve the company. This can be done if the company pays attention to and cares about the needs of employees, for example providing decent salaries, incentives for employees who achieve targets and providing opportunities for employees to be able to improve their careers to higher positions or places.

5. CONCLUSION AND SUGGESTIONS

5.1 Conclusion

Based on the results of the research and discussion in the previous chapter on "The Influence of Career Development and Incentive Provision on Employee Work Loyalty of PT. Aneka Karya Duta Medan," it can be concluded that:

1. Career Development has a positive and significant effect on employee Work Loyalty. PT. Aneka Karya Duta Medan.
2. The provision of incentives has a positive and significant effect on employee work loyalty.
3. Career Development and Incentive Provision have an effect on Employee Work Loyalty .

5.2 Suggestion

The suggestions that can be conveyed are as follows:

1. In relation to Career Development, it is suggested that companies promote high-achieving employees, treat each employee fairly, provide opportunities for employees to take training to improve their careers, and provide opportunities for employees to develop their careers by continuing their studies. With the career development criteria applied, it is expected that companies will be able to increase employee work loyalty.
2. In connection with the Provision of Incentives, in the company it is recommended to giving bonuses to employees who perform well, giving commissions to employees who succeed in achieving the targets that have been set, giving profit shares every year if the company succeeds in achieving the sales targets that have been set, giving awards for achievements made by employees and giving praise for achievements made by employees for the company.
3. In relation to employee work loyalty, companies are expected to strive to maintain employee loyalty to being part of the company, strive to ensure that employees are willing to remain loyal to maintaining the company's good name, strive to ensure that employees obey company decisions, strive to ensure that employees love the company, strive to ensure that employees are proud to be part of the company and are willing, strive to ensure that employees are willing to serve the company.

BIBLIOGRAPHY

- Ansori, Muslich and Sri Iswati. 2017. Quantitative Research Methodology. Airlangga University Press. Surabaya
- Batjo, Nurdin and Mahadin Shaleh. 2018. Human Resource Management. East Script. South Sulawesi
- Busro, Muhammad. 2018. Human Resource Management Theories. First Edition. Prenada Media Group. Jakarta
- Darmadi. 2018. Human Resource Management of School Principals “Boosting Principals’ Work Productivity and Influencing Factors. 1st edition. Deepublish. Yogyakarta.
- Elbadiansyah. 2019. Human Resource Management. IRDH. Malang
- Handoko, TH 2014. Personnel and Human Resources Management. BPFE. Yogyakarta.
- Handoko, T. Hani. 2015. Management. BPFE. Yogyakarta.
- Hasibuan, Malayu. SP. 2016. Human Resource Management. Bumi Aksara, Jakarta
- Hermawan, Iwan. 2019. Quantitative, Qualitative and Mixed Method Educational Research Methodology. Hidayatul Quran Kuningan. Jakarta
- Mangkunegara, Anwar Prabu. 2018. Corporate Human Resource Management. Twelfth Edition. Rosdakarya, Bandung
- Priansa, Donni Juni. 2016. Human Resource Planning and Development. CV. Alfabeta. Bandung
- Sunyoto, Danang. 2018. Theory, Questionnaire, and Data Analysis of Human Resources (Research Practice). CAPS. Yogyakarta
- Suryadana, M. Liga. 2015. Performance Based Human Resource Management. Alfabeta. Bandung
- Suwatno and Donni Juni Priansa. 2016. Human Resource Management in Public and Business Organizations. Alfabeta. Bandung
- Yusuf, Ria Mardiana and Darman Syarif. 2018. Organizational Commitment Definition, Influenced and Influencing. Nas Media Pustaka. Makassar