



The Effect of Career Development and Incentives on Employee Loyalty of PT Aneka Karya Duta Medan

Dirhamsyah¹, Eddi Suprayitno²

¹ Department: Management of Commercial Shipping and Port, Indonesia Maritime Adiguna Polytechnic Medan, Indonesia

² Faculty of Economics: Islamic University of North Sumatra

ARTICLE INFO

Article history:

Received Sep 25, 2022

Revised Oct 10, 2022

Accepted Oct 28, 2022

Keywords:

Career Development

Giving Incentives

Work Loyalty

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 at PT. Aneka Karya Duta Medan 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. Aneka Karya Duta Medan. 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 reach the set targets, give profit share every year if the company managed 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.

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license.



Corresponding Author:

Dirhamsyah

Department: Management of Commercial Shipping and Port

Indonesia Maritime Adiguna Polytechnic Medan

Jl. Pertempuran No.125, Pulo Brayan, Kec. Medan Baru, Kota Medan, Sumatera Utara 20116

Email: dirhamsyahami@gmail.com

INTRODUCTION

The biggest capital-owned company is source power human. Human resources or employees who are inside the company which is moved mainly from one source power other (Hanin et al., 2018). Understanding the existence source power humans as the biggest capital in the company, one of the efforts that must be achieved by the company is to increase the quality and loyalty work employees (Fatimah, 2018).

Work loyalty is the attitude general of an individual as a form of faithfulness to the company

(Hasibuan, 2016, Mangkunegara, 2018). If in something company, an employee has loyalty low work when doing her job so company the experience is lost caused because the employee not work with whole abilities possessed (Safitri, 2020).

Significant impact on work behavior such as performance, job satisfaction, employee absenteeism, and also employee turnover (Yusuf and Syarih, 2018). Work loyalty will make employees give their best to the organization where they work. Employees with high loyalty will be more work-oriented. Employees who have high loyalty will tend to be happy to help and be able to work together (Muttiah, 2018). Loyalty is an attitude that shows employee loyalty and is an ongoing process of how an organization member expresses their concern for the success and goodness of the organization (Hasibuan, 2016). Furthermore, this loyalty attitude is indicated by three things, namely a person's strong desire to remain a member of his organization, the willingness to exert his efforts for his organization, and belief and acceptance of the values and goals of the organization. If someone's loyalty is high, the performance will be better. Many factors affect employee work loyalty, including career development and incentives (Lestari, 2015).

Career development is an effort to improve the technical, theoretical, conceptual, and moral abilities of employees in accordance with the needs of the job/position through education and training (Sunyoto, 2018). A career can be defined as a series of separate but related work activities that provide continuity, peace, and meaning in one's life (Handoko, 2014). The career development program can further increase the impetus or motivation for employees to excel and provide maximum contribution to the company. This happens because one's motivation will arise if the existing career development in a company already exists and is clear to be implemented (Vivilia & Dwiatmadja, 2020).

Providing incentives is one of the main things that companies must pay attention to (Elbadiansyah, 2019). Incentives have an important meaning in the company, giving incentives can make employees more enthusiastic at work and conversely the provision or decrease in incentives from the previous year results in employees tending to work and not being enthusiastic in the end they work as they wish without any high motivation (Wicaksono, 2013).

A company engaged in food & chemical, PT. Various Works of Medan Ambassadors. PT. Aneka Karya Duta Medan is experiencing work loyalty problems because employees do have loyalty work to companies, such as Employees giving more time for brilliant work and ideas for a company but employees do once valued the given result to the company. This condition has resulted in many employees *resigning*, here is the supporting data.

Table 1. Employee Data Out PT. Various Works of Medan Ambassadors

Year	Number of employees	Employee Resign
2017	92	7 people
2018	85	9 people
2019	76	11 people
2020	65	8 people

Source: PT. Various Works of Medan Ambassadors, 2019

From Table 1.1 above, it is known that from 2017 to 2020 there were employees who left the most in 2019 were as many as 11 employees left. Another problem is that the company does not prioritize the potential of employees so employees who excel do not have the opportunity to develop their careers in the company. In addition, long-standing employees who have neither achievements are given more opportunities _ good in developing a career in the company. Also, there is nepotism inside the company, the boss chooses relatives to close for a given opportunity to develop a career.

As for the problem regarding the provision of incentives, employees complained incentives received were not as promised by 25 %. As it happened in 2020, happened to drop gift incentives by 5% even though the profit company from year to year was always up. Here's the data for giving

incentives for the period 2017 – 2020.

Table 2. Incentive Data 2017-2020

Year	Total Salary	% incentive
2017	Rp. 2,600,000,000,-	25%
2018	Rp. 2,585,600,000,	25%
2019	Rp. 2,385,600,000,	25%
2020	Rp. 2,350,000,000,	20%

Data source: PT. Various Works of Medan Ambassadors, 2019

Based on the description above, it is concluded that p incentives and career development according to what is determined can increase loyalty work employees, which can be described in something framework of thinking in this research, namely:

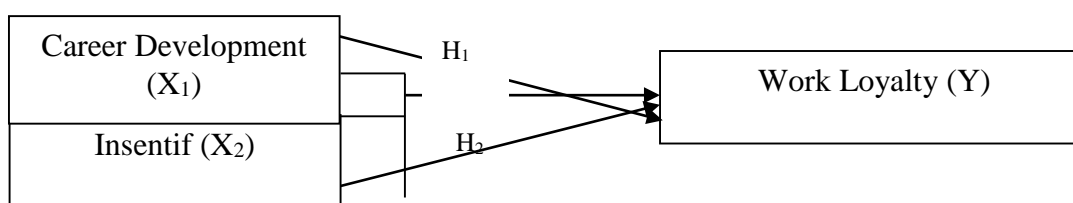


Figure 1. Conceptual Framework

RESEARCH METHOD

This research was conducted at PT. Aneka Karya Duta Medan, having its address at Jalan Sendok No. 30 A Medan. The population in this study are all employees of PT. Aneka Karya Duta Medan, totaling 65 employees. According to Sugiyono (2017: 80), "Population is a generalization area consisting of objects or subjects that have certain quantities and characteristics determined by researchers to be studied and then drawn conclusions. The sampling technique used is the saturated *sampling technique*, which means that the entire population becomes the research sample. For this reason, samples taken from the population must be truly representative or represented (Ghozali, 2013).

Data collection techniques in research this conducted with method interviews and share questionnaire (questionnaire) to respondents. The type of measurement scale used by the researcher is the *Likert scale* that is with answers 1-5 (Morissan, 2017). Types of data in research this using quantitative and qualitative data (Sugiyono, 2017), the data sources used namely primary and secondary data. This type of research method is a quantitative method obtained from the results of data processing of questionnaire answers through the SPSS (*Statistic Package for the Social Sciences*) version 25 program (Ghozali, 2013).

Multiple Linear Regression Analysis

The research analysis model used to answer the research hypothesis is multiple linear regression analysis (Ghozali, 2013). Multiple linear regression analysis has the following formulation

$$Y = a + b_1X_1 + b_2X_2 + e$$

Information:

- Y = Work environment
- a = Constant
- b₁₋₂ = Regression coefficient
- X₁ = Workload
- X₂ = Work supervision
- e = Percentage of error (5%)

Hypothesis testing

Hypothesis testing in this study are:

- 1) Coefficient of Determination Test (R^2), The smaller the value of the coefficient of determination, the means that the influence of the independent variable (X) on the dependent variable (Y) is getting weaker. Conversely, if the value of the coefficient of determination is getting closer to number 1, then the influence of the independent variable on the dependent variable is getting stronger.
- 2) Simultaneous Test (F test), F test or regression coefficient test is used to determine whether the independent variables simultaneously have a significant effect on the dependent variable. The criteria for evaluating the hypothesis in this F test are:
 - a. H_0 Accepted if: $F_{count} < F_{table}$
 - b. H_a Accepted if: $F_{count} > F_{table}$
- 3) Partial test (t-test) , t-test or partial regression coefficient test is used to determine whether the independent variable partially has a significant effect or not on the dependent variable. The criteria for evaluating the hypothesis in this t-test are:
 - a. H_0 Accepted if: $t_{count} < t_{table}$
 - b. H_a Accepted if: $t_{count} > t_{table}$

RESULTS AND DISCUSSIONS

Characteristics of Respondents

In this study, the sample respondents were employees of PT Aneka Karya Duta. To further clarify the researchers made it in the form of a frequency distribution table about the characteristics of employees who became research respondents based on grouping. The results of data analysis based on the age of respondents consist of four groups, which can be shown in the following table:

Table 3. Characteristics of Respondents by Age

Age	Number of Respondents	Percentage (%)
25 years	21	32.31
26-35 years old	25	38.46
36-55 years old	14	21.54
56 years old	5	7.69
Total	65	100.00

Source: Research Results, 2020 (Data Processed)

Based on Table 4.1 above, it shows that from 65 respondents, the majority of respondents aged 26-35 years were 25 people or 38.46%, aged 25 years were 21 people or 32.31%, aged 36-55 years were 14 people. or 21.54% and those aged 56 years as many as 5 people or 7.69%. The results of data analysis based on the respondent's length of service can be shown in the following table:

Table 4. Characteristics of Respondents Based on Length of Work

Length of working	Number of Respondents	Percentage (%)
13 years old	31	47.69
4 - 6 years	21	32.31
7 - 9 years	8	12.31
10 years	5	7.69
Total	65	100.00

Source: Research Results, 2020 (Data Processed)

Based on Table 4.4 above, it shows that of the 65 respondents, the majority of the work duration is 1-3 years, which is 31 people or 47.69%, then the length of work is 4-6 years , which is 21 people, 32.31%, the length of work is 7-9 years. years as many as 8 people 12.31%, and those who

have a duration of 10 years are as many as 5 people or 7.69%.

Multiple Linear Regression Analysis

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

Table 5. Results of Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1,744	1,711		1.020	,312		
	Career development	,525	,101	,436	5,218	,000	,701	1,426
	Incentives Giving	,607	0.099	,512	6,128	,000	,701	1,426

Source: Data Processing Results, 2020

Based on Table 4.31 above, the Multiple Linear Regression Equation in this study is:

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

From these equations it can be explained as follows:

- Constant (a), the constant value of 1.744 indicates if the Career Development and Incentives variable is 0, then Job Loyalty has a value of 1.744.
- The regression coefficient of Career Development (X_1), Career Development Variable has a positive influence on Employee Loyalty with a regression coefficient of 0.525 which means that if the Career Development variable increases by one unit, then Employee Loyalty will increase by 0.525 with the assumption that at Incentive Giving variable in constant condition.
- Regression coefficient of Incentive Giving (X_2), Incentive Giving variable has a positive influence on Employee Loyalty with a regression coefficient of 0.607 which means that if the Incentive giving variable increases by one unit, then Employee Loyalty will increase by 0.607 with the assumption that in Career Development variable in constant condition.

Hypothesis Test

Partial Test (t-Test)

The t-test is used to determine whether or not there is an effect of each independent variable on the dependent variable with a significant level of 5%. The requirements for the partial test are as follows:

- If the value of $t_{\text{arithmetic}} > t_{\text{table}}$, then the independent variable partially has a significant effect on the dependent variable.
- If the value of $t_{\text{arithmetic}} < t_{\text{table}}$, then the independent variable partially has no effect on the dependent variable.

calculated t_{value} obtained will be compared with the t_{table} value. The formula for finding the t_{table} is $Df = n - k$ (n = the number of samples and k = the total number of variables) that is $= 65 - 3 = 62$. So, $t_{\text{table}} = 1.99897$. Partial test results can be seen in the following table:

Table 6. Partial Test Results (t Test)

Model	Coefficients ^a					Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Toleranc e	VIF
	B	Std. Error	Beta				
1	(Constant)	1,744	1,711		1.020	,312	
	Career development	,525	,101	,436	5,218	,000	,701 1,426
	Incentives Giving	,607	0.099	,512	6,128	,000	,701 1,426

a. Dependent Variable: Work Motivation

Source: Data Processing Results, 2020

Based on Table 4.32 above, it can be explained:

1. Career Development (X₁), From the calculation of the partial test of Career Development, the t value > t_{table} (5.216 > 1.99897) with a significance level of 0.000 < 0.05. It can be concluded that Career Development has a significant positive effect on Employee Loyalty. So that the hypothesis proposed is that Career Development affects Employee Loyalty is accepted (H₁ is accepted).
2. Giving Incentives, From the calculation of the partial test of Incentive Giving, the value of t_{count} > t_{table} (6.128 > 1.99897) with a significance level of 0.000 < 0.05. It can be concluded that the provision of incentives has a significant positive effect on Employee Loyalty. So that the proposed hypothesis is that the Incentive giving effect on Employee Loyalty is accepted (H₂ is accepted).

Simultaneous Test (F Test)

The F test is used to show whether the independent variables together have an influence on the dependent variable. The requirements for the simultaneous test are as follows:

1. If the calculated F value > F_{table}, then the independent variables simultaneously have a significant effect on the dependent variable.
2. If the calculated F value < F_{table}, then the independent variables simultaneously have no effect on the dependent variable.

Simultaneous test results can be seen in the following table:

Table 7. Simultaneous Test Results (Test F)

Model	ANOVA ^a					
		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	574,488	2	287,244	71.087	,000 ^b
	Residual	250,527	62	4.041		
	Total	825,015	64			

a. Dependent Variable: Loyalty to work

b. Predictors: (Constant) Incentives, Career Development

Source: Data Processing Results, 2020

Based on Table 4. 3 3 above, shows a score F_{count} of 71,087 and the value of significant of 0.000. Next F_{count} obtained will be compare with F_{table}. Formula look for F_{table} is $\frac{k-1}{n-k}$ (n = sum sample and k = number variable whole) that is $\frac{3-1}{65-3} = \frac{2}{62}$ so obtained F_{table} = 3, 15, then result is F_{count} > F_{table} (71,087 > 3.15). That is, the variables of Career Development and Providing Incentives simultaneous have an influence to Employee Loyalty (H₃ accepted).

Coefficient of Determination (Adjusted R Square)

The coefficient of determination test (R²) can be used to predict how much the influence of the independent variable contributes to the dependent variable. A small value of R² means that the ability of the independent variables to explain the dependent variable is very limited, on the other hand, if the value of R² is large, it means that the independent variables can explain almost all

information to predict the dependent variable. In this study using *Adjusted R Square*. The results of the coefficient of determination (R^2) can be seen in the table below:

Table 8. Determinant Coefficient Test Results (R^2)

Model	R	R Square,	Adjusted R Square	Std. Error of the Estimate
1	,834 ^a	,696	,687	2.01016

Source: Data Processing Results, 2020

Based on the table above, the *Adjusted R Square value* of the coefficient of determination is 0.687. These results conclude that the ability of the Career Development and Incentives variable to explain Employee Loyalty is 0.687 or 68.7%, the remaining 31.3% is explained by variables not examined in this study such as organizational culture, leadership style, promotion, and others.

Discussion

The Effect of Career Development on Employee Loyalty

Based on the results of the research that has been done, the results obtained 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 the value of $t_{\text{count}} > t_{\text{table}}$ 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 the Employee Loyalty of PT. Aneka Karya Duta Medan (H 1 accepted). The results of the study are in line with Elbadiansyah (2019: 125), which states "the purpose of organizational career development is to increase employee loyalty and motivation which can lead to reduced employee turnover." The results of this study are also in line with the opinion of Puspitaningrum and Totok (2014:204), "the benefits of career development, in general, are to develop employee performance, prevent employees from asking to quit due to job changes, increase employee loyalty."

The Effect of Giving Incentives on Employee Loyalty

Based on the results of the research that has been done, the results obtained that the provision of incentives has a positive and significant effect on employee work loyalty. This can be seen in the results of the partial test which obtained the value of $t_{\text{count}} > t_{\text{table}}$ or $6.128 > 1.99897$. In addition, it can be seen at a 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 loyalty PT. Various Works of Medan Ambassadors.

The results of this study are in line with the opinion of Priansa (2016: 336), which states: Incentives are elements or remuneration provided that are not fixed or variable depending on employee performance. Incentives are one of the important motivators that can stimulate employees to work more optimally. Through incentives, it is hoped that employees will be able to participate more in carrying out organizational tasks. This research is in line with previous research conducted by Lestari (2015) and Hanin (2018) which stated that giving incentives affects employee loyalty. This means that the provision of employee incentives in accordance with work and work performance will increase employee loyalty.

The Effect of Career Development and Providing Incentives on Employee Loyalty

Based on the results of the research that has been carried out, it is found that simultaneously Career Development and Giving Incentives have a positive and significant effect on Employee Loyalty. This can be seen in the results of the simultaneous test which obtained a calculated F value $> F_{\text{table}}$ or $71.087 > 3.15$. In addition, it can be seen at a significant value of $0.000 < 0.05$ so that simultaneously career development and incentives have a significant positive effect on employee loyalty at PT. Various Works of Medan Ambassadors. The coefficient of determination test results obtained results of 0.687, which means the ability of the Career Development and Incentives variable to explain Employee Loyalty is 0.687 or 68.7%, the remaining 31.3% is explained by variables not examined in this study such as organizational culture, leadership style, promotions, and others.

This research is in line with previous research conducted by Lestari (2015) and Hanin (2018) which stated that career development and providing incentives had an effect on employee work loyalty. This means that the more effective the career development provided and the higher the incentives provided, the higher the level of employee loyalty. Career development is an activity of a company to be able to choose the most appropriate employees and the right number of candidates, it can attract. This Career Development Process includes the job requirements of the applicant and the organization. This Career Development process is important because, through this process, employees who have the right abilities will be selected, following what is required by the organization.

CONCLUSION

Career Development and Giving Incentives have a positive and significant effect on employee work loyalty as evidenced by the calculated F value $> F$ table and a significant value of $0.000 < 0.05$. In connection with employee loyalty to the company. So, the company must be trying to maintain and even increase the sense of loyalty of employees to be part of the company, trying to make employees willing to remain loyal to maintain the good name of the company, trying to make employees obey company 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. If career development and incentives are given properly, employees will increase work loyalty and be motivated to achieve company goals. This can also bind employees not to change jobs to other companies because all needs have been met by the company (Fatimah, 2018).

References

- Elbadiansyah. (2019). *Manajemen Sumber Daya Manusia*. Malang: IRDH.
- Ghozali, Imam. (2013). *Aplikasi Analisis Multivariate dengan Program SPSS*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hasibuan, Malayu. SP. (2016). *Manajemen Sumber Daya Manusia*. Jakarta: Bumi Aksara.
- Hanin, et. al. (2018). Pengaruh Pengembangan Karir Dan Pemberian Insentif Terhadap Loyalitas Karyawan Radar Bromo Probolinggo (Jawa Pos Grup). e - Jurnal Riset Manajemen Hal 114-127. <http://riset.unisma.ac.id/index.php/jrm/article/view/1146>.
- Hermawan, Iwan. (2019). *Metodologi Penelitian Pendidikan Kuantitatif, Kualitatif dan Mixed Methode*. Jakarta: Hidayatul Quran Kuningan.
- Fatimah, A. N. (2018). Pengaruh Motivasi Dan Budaya Organisasi PT. Bio Farma (Persero) terhadap Kepuasan Kerja Serta Dampaknya Terhadap Loyalitas Karyawan, *Jurnal Manajerial*, 3(5), 208-218. <http://ejournal.upi.edu/index.php/manajerial/>
- Lestari, P. (2015). Hubungan Antara Pengembangan Karir Dan Pemberian Insentif terhadap Loyalitas Kerja Karyawan, *Psikoborneo*, 3(3), 239-246.
- Mangkunegara, Anwar Prabu. 2018. *Manajemen Sumber Daya Manusia Perusahaan*. Cetakan Duabelas. Rosdakarya, Bandung
- Morissan. 2017. *Metode Penelitian Survei*. Kencana. Jakarta
- Muttiah, Atin Dwi. 2018. Pengaruh Rekrutmen, Budaya Organisasi Islami dan Kompensasi Terhadap Loyalitas Karyawan Muslim Pada PDAM Tirta Moedal Kota Semarang. Skripsi. UIN Walisongo Semarang
- Priansa, Donni Juni. 2016. *Perencanaan dan Pengembangan SDM*. CV. Alfabeta. Bandung
- Puspitaningrum, Dewi & Totok, Suyanto. (2014). Implementasi Tata Tertib Sekolah dalam Membentuk Disiplin Siswa Di SMP Negeri 28 Surabaya, (Kajian Moral dan Kewarganegaraan, 2(2).
- Safitri Ana. (2020). Pengaruh Pengembangan Karir Dan Pemberian Insentif terhadap Loyalitas Kerja Karyawan Pada PT. Tri Lestari Sandang Industri. SKRIPSI. Politeknik Harapan Bersama.

- Sunyoto, Danang. 2018. *Teori, Kuesioner, dan Analisis Data Sumber Daya Manusia (Praktik Penelitian)*.CAPS. Yogyakarta
- Vivilia, A.,V.,W.,R.,U., & Dwiatmaja. (2020). Pengaruh Pengembangan Karir, Motivasi Kerja dan Pemberian Kompensasi terhdap Loyalkitas Kerja Karyawan. *International Journal of Social Science and Business*, 4(2), 267-275. <https://ejournal.undiksha.ac.id/index.php/IJSSB/index>
- Wicaksono, P. (2013). Hubungan Antara Pengembangan Karir Dan Pemberian Insentif terhadap Loyalitas Kinerja Guru. *Jurnal Pendidikan Ekonomi IKIP Veteran Semarang*, 01(01), 48-58.
- Yusuf, M.R., Syarif, D. (2018). *Komitmen Organisasi*. Jakarta: Nas Media Pustaka.