THE EFFECT OF LEADERSHIP STYLE, MOTIVATION, REWARD AND PUNISHMENT ON LOYALTY WITH JOB SATISFACTION AS INTERVENING VARIABLE ON EMPLOYEES OF PT. TELEKOMUNIKASI SELULAR SUMATRA, CENTRAL PART

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Abstract

The purpose of this study is to analyze the influence of leadership style, motivation, reward and punishment on loyalty, analyze the influence of leadership style, motivation, reward and punishment, and job satisfaction on loyalty, analyze the direct and indirect effects of leadership style, motivation, reward and punishment simultaneously, and partially have a significant effect on loyalty with job satisfaction. The population in this study were 163 employees of PT. Central Sumatra Cellular Telecommunications. In this study, the sampling technique used is non-probability sampling with the technique taken is saturated sampling (census). The data collection technique in this research is to provide or distribute a list of questions or what is called a questionnaire. The sampling method used in this study is a non-probability method. The results showed that leadership style, motivation, reward and punishment had a significant effect on loyalty, and the results showed that leadership style, motivation, reward and punishment, and job satisfaction had a significant effect on loyalty. And the results showed that the leadership style of motivation, reward and punishment on loyalty with job satisfaction as an intervening variable. This study proves that job satisfaction acts as an intervening variable that relates the influence of leadership style, motivation, reward and punishment has a significant effect on loyalty. Reward and punishment have a significant effect on loyalty, and the results of the study show that leadership style, motivation, reward and punishment, and job satisfaction have a significant effect on loyalty. And the results showed that the leadership style of motivation, reward and punishment on loyalty with job satisfaction as an intervening variable. This study proves that leadership style, motivation, reward and punishment, and job satisfaction have a significant effect on loyalty. And the results showed that leadership style of motivation, reward and punishment on loyalty with job satisfaction as an intervening variable. This study proves that job satisfaction acts as an intervening variable that relates the influence of leadership style, motivation, reward and punishment has a significant effect on loyalty. And the results showed that leadership style of motivation, reward and punishment on loyalty with job satisfaction as an intervening variable. This study proves that job satisfaction acts as an intervening variable that relates the influence of leadership style, motivation, reward and punishment has a significant effect on loyalty.

Keywords: Leadership Style Motivation, Reward And Punishment, Loyalty, And Job Satisfaction

1. INTRODUCTION

The progress of a country can be seen from the level of information and technology that is very supportive in accessing information, whether for education, business, or entertainment purposes. It takes a company that supports the progress of information technology today.
THE EFFECT OF LEADERSHIP STYLE, MOTIVATION, REWARD AND PUNISHMENT ON LOYALTY WITH JOB SATISFACTION AS INTERVENING VARIABLE ON EMPLOYEES OF PT. TELEKOMUNIKASI SELULAR SUMATRA, CENTRAL PART
Suherti, Indrayani, Muammar Khaddafy, Diana Titik Widayati

Telecommunication service provider companies need employees who can carry out their functions properly. Employee development is related to providing learning opportunities, making training programs and evaluating programs that have been carried out to develop employee abilities in an organization. It takes employees who can advance the company in order to compete in the national and international arena. Apart from employees, the role of leadership is very influential in an organization. In the process of socializing and interacting, a leader must be able to provide encouragement or motivation (motivation) to subordinates in order to achieve optimal organizational performance. Motivation can be interpreted as a set of energy forces that come from within the individual's body, which becomes the basic impetus for a person to behave to meet his needs.

Various efforts have been made by the company in order to survive and improve the company's competitiveness, one of which is giving rewards to employees. Giving rewards and punishment reflects the organization's efforts to maintain and improve employee welfare and motivate them to work harder. Then to increase employee loyalty. Loyalty in work turns out to have an impact on the career development of an employee. Employee loyalty is no longer just an employee's ability to complete their duties and obligations in accordance with the job description, but also how employees carry out their duties as optimally as possible to get the best results for the company and get job satisfaction.

Job satisfaction is an important target in human Resource Management because it can affect the performance and productivity of the workforce which can be seen from how employees react to changes in the characteristics of their work (Mangkunegara & Octorend, 2015). To conclude, the positive perception of employees about their job and their organization can be expressed through job satisfaction. (Choi, Goh, Adam, & Tan, 2016).

The existence of information technology such as the internet cannot be separated from national telecommunications network operators in Indonesia such as Indosat, Smartfren, Telkomsel, and XL. One of the largest and most widely used network operators in Indonesia is Telkomsel. PT. Telekomunikasi Selular, or better known and operating under the name Telkomsel is a subsidiary of PT. Telkom Indonesia Tbk. (Telkom). Telkomsel is engaged in telecommunications technology, especially in the cellular sector.

PT. Telecommunication Cellular is a company that has a vision to become a trusted world-class mobile digital lifestyle service and solution provider. In addition to innovating their products. According to Armstrong (1997) Human resource development is related to providing learning opportunities, making training programs and evaluating programs that have been carried out to develop the abilities of employees or employees in an organization.

An interesting problem to study and become a phenomenon in this research, one of which is that employees are given time to make proposals and be presented, the problem is that the themes raised are always with special themes, such as networks and information technology, while the positions being contested are more managerial in nature, so if there are employees who do work in that section already have knowledge and experience in the field that are scientifically superior, and dominate more with other employees. Second, the researcher saw a lack of transparency in the final interview process, employees were not given information on who would conduct the interview whether it was in accordance with their field of science and education.

2. PROBLEM FORMULATION

Based on the description of the background above, the problems to be studied in this study are:
1. Does leadership style affect job satisfaction?
2. Does motivation affect job satisfaction?
3. Does reward & punishment affect job satisfaction?
4. Does leadership style affect loyalty?
5. Does motivation affect loyalty?
6. Does reward & punishment affect loyalty?
7. Does satisfaction affect employee loyalty?
8. Does leadership style affect employee loyalty through satisfaction as an intervening variable?
9. Does leadership motivation affect employee loyalty through satisfaction as an intervening variable?
10. Does reward & punishment affect employee loyalty through satisfaction as an intervening variable?

3. RESEARCH METHODS
using a quantitative approach with causality design. The population of this research is all employees PT. Telkomsel Regional Sumbagteng totals 179 employees used as a research sample. Data collection techniques using questionnaires and documentation. Data analysis using SEM analysis with PLS.

4. RESULTS AND RESEARCH
Internal consistency analysis is a form of reliability used to assess the consistency of results across items on the same test. Internal consistency testing uses a composite reliability value with the criteria of a variable being said to be reliable if the composite reliability value is > 0.600 (Hair, Hult, Ringle, & Sarstedt, 2014).

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Internal Consistency Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cronbach’s alpha</td>
</tr>
<tr>
<td>1</td>
<td>0.940</td>
</tr>
<tr>
<td>2</td>
<td>0.895</td>
</tr>
<tr>
<td>3</td>
<td>0.867</td>
</tr>
<tr>
<td>1</td>
<td>0.910</td>
</tr>
<tr>
<td>2</td>
<td>0.916</td>
</tr>
</tbody>
</table>

Source: Data Processing (2022)

Based on the internal consistency analysis data on 603 able to obtain the results that the leadership style value Cronbach's Alpha 0.940 > 0.70 which indicates that the level of reliability of the leadership style variable is accepted. Likewise with Cronbach's Alpha value of motivation, reward & punishment, satisfaction and loyalty above 0.70 (reliable). The AVE value of leadership style is 0.630 > 0.50 which means 0.614 > 0.50, which shows that the level of reliability of the leadership style variable is accepted. Likewise, the AVE value of motivation, reward & punishment, satisfaction and loyalty above 0.50 means that the convergent validity conditions are good.
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Hypothesis test
Testing the direct influence hypothesis aims to prove the hypotheses of the influence of one variable on other variables directly (without intermediaries). If the path coefficient value is positive, it indicates that an increase in the value of one variable is followed by an increase in the value of other variables. If the path coefficient value is negative, it indicates that an increase in the value of a variable is followed by a decrease in the value of other variables. If the probability value (P-Value) < Alpha (0.05) then Ho is rejected (the influence of a variable with other variables is significant). If the probability value (P-Value) > Alpha (0.05) then Ho is accepted (the influence of a variable with other variables is not significant).

Table 2
Direct Effect Hypothesis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original sample (O)</th>
<th>Sample mean (M)</th>
<th>STDEV. standard deviation</th>
<th>T statistic</th>
<th>P value (P values)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership style (X1) -&gt; Satisfaction (Y1)</td>
<td>0.309</td>
<td>0.317</td>
<td>0.089</td>
<td>3.462</td>
<td>0.001</td>
</tr>
<tr>
<td>motivation (X2) -&gt; Satisfaction (Y1)</td>
<td>0.242</td>
<td>0.237</td>
<td>0.085</td>
<td>2.855</td>
<td>0.004</td>
</tr>
<tr>
<td>Reward &amp; Punishment (X3) -&gt; Satisfaction (Y1)</td>
<td>0.327</td>
<td>0.326</td>
<td>0.084</td>
<td>3.890</td>
<td>0.000</td>
</tr>
<tr>
<td>leadership style (X1) -&gt; Loyalty (Y2)</td>
<td>-0.014</td>
<td>-0.018</td>
<td>0.075</td>
<td>0.191</td>
<td>0.848</td>
</tr>
<tr>
<td>motivation (X2) -&gt; Loyalty (Y2)</td>
<td>0.127</td>
<td>0.124</td>
<td>0.058</td>
<td>2.195</td>
<td>0.028</td>
</tr>
<tr>
<td>Reward &amp; Punishment (X3) -&gt; Loyalty (Y2)</td>
<td>0.069</td>
<td>0.068</td>
<td>0.094</td>
<td>0.731</td>
<td>0.465</td>
</tr>
</tbody>
</table>
1. The direct influence of the leadership style variable (X1) on the satisfaction variable (Y1) with a t statistic of 3.462 with a p value of 0.001. It can be explained that the statistical t value is $3.462 > t_{table}$ 1.654 or p value 0.001 < 0.05 then statistically Ho is rejected, or Ha is accepted, meaning that the leadership style variable (X1) has a significant effect on satisfaction (Y1)

2. The direct effect of the motivation variable (X2) on the satisfaction variable (Y1) with a t statistic of 2.855 with a p value of 0.004. It can be explained that the statistical t value is $2.855 > t_{table}$ 1.654 or p value 0.004 < 0.05 then statistically Ho is rejected, or Ha is accepted, meaning that the motivation variable (X2) has a significant effect on satisfaction (Y1)

3. The direct effect of the Reward & Punishment (X3) variable on the satisfaction variable (Y1) with a t statistic of 3.890 with a p value of 0.000. It can be explained that the statistical t value is $3.890 > t_{table}$ 1.654 or p value 0.000 < 0.05 then statistically Ho is rejected, or Ha is accepted, meaning that the motivation variable (X3) has a significant effect on satisfaction (Y1)

4. The direct influence of the leadership style variable (X1) on the loyalty variable (Y2) with a t statistic of 0.191 with a p value of 0.000. It can be explained that the statistical t value is $0.191 < t_{table}$ 1.654 or p value 0.848 > 0.05 then statistically Ha is accepted, or Ho is rejected, meaning that the leadership style variable (X1) has no effect on loyalty (Y2)

5. The direct effect of the motivation variable (X2) on the loyalty variable (Y2) with a t statistic of 2.195 with a p value of 0.000. It can be explained that the statistical t value is $2.195 > t_{table}$ 1.654 or p value 0.000 < 0.05 then statistically Ha is accepted, or Ho is rejected, meaning that the motivation variable (X2) has a significant effect on loyalty (Y2)

6. The direct effect of the Reward & Punishment variable (X3) on the loyalty variable (Y2) with a t statistic of 2.195 with a p value of 0.000. It can be explained that the statistical t value is $2.195 > t_{table}$ 1.654 or p value 0.000 < 0.05 then statistically Ha is accepted, or Ho is rejected, meaning that the Reward & Punishment variable (X3) has a significant effect on loyalty (Y2)

7. The direct effect of the satisfaction variable (Y1) on the loyalty variable (Y2) with a t statistic of 6948 with a p value of 0.000. It can be explained that the statistical t value is $6948 > t_{table}$ 1.654 or p value 0.000 < 0.05 then statistically Ho is rejected, or Ha is accepted, meaning that the motivation variable (X2) has a significant effect on loyalty (Y2)

<table>
<thead>
<tr>
<th>Table 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect Effect Hypothesis</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Original Sample</th>
<th>Sample Average</th>
<th>Standard Deviation</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>motivation -&gt; Satisfaction (Y1) -&gt; Loyalty (Y2)</td>
<td>0.167</td>
<td>0.167</td>
<td>0.065</td>
<td>2.566</td>
<td>0.010</td>
</tr>
<tr>
<td>Reward &amp; Punishment (X3) -&gt; Satisfaction (Y1) -&gt; Loyalty (Y2)</td>
<td>0.227</td>
<td>0.228</td>
<td>0.065</td>
<td>3.469</td>
<td>0.001</td>
</tr>
<tr>
<td>leadership style -&gt; Satisfaction (Y1) -&gt; Loyalty (Y2)</td>
<td>0.214</td>
<td>0.224</td>
<td>0.076</td>
<td>2.825</td>
<td>0.005</td>
</tr>
</tbody>
</table>

Source: Data Processing (2022)
The indirect effect hypothesis testing aims to prove the hypotheses of the influence of one variable on other variables indirectly (through intermediaries). If the probability value (P-Value) < Alpha (0.05) then H0 is rejected (the influence of a variable with other variables is significant) then the intervening variable mediates the relationship between one variable and another variable. If the probability value (P-Value) > Alpha (0.05) then H0 is accepted (the influence of a variable with other variables is not significant), then the intervening variable is not mediating the relationship between one variable and another variable.

1. The t-statistic value is 2.566 and the p value is 0.010 and with 0.167 on motivation to loyalty through satisfaction with a statistical value of 2.566 > 1.654 or p volume 0.010 < 0.005 meaning that motivational style affects loyalty with satisfaction as an intervening variable.

2. The t-statistic value is 3.469 and p value is 0.001 and the coefficient is 0.079 in Reward & Punishment on loyalty through satisfaction with a statistical value of 3.469 < 1.654 or p volume 0.001 <0.005 meaning that leadership style affects loyalty with satisfaction as an intervening variable.

3. The t-statistic value is 2.825 and p value is 0.005 and the coefficient is 0.291 on leadership style on loyalty through satisfaction with a statistical value of 1.661 < 1.974 or p volume 0.001 <0.005 meaning that leadership style affects loyalty with satisfaction as an intervening variable.

The Coefficient of Determination (R Square) aims to evaluate the prediction accuracy of a variable. In other words, to evaluate how the variation in the value of the dependent variable is affected by the variation in the value of the independent variable in a path model.

Table 4
Coefficient of Determination

<table>
<thead>
<tr>
<th>Variable</th>
<th>R Square</th>
<th>Adjusted R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction_(Y1)</td>
<td>0.638</td>
<td>0.631</td>
</tr>
<tr>
<td>Loyalty_(Y2)</td>
<td>0.686</td>
<td>0.678</td>
</tr>
</tbody>
</table>

Source: Data Processing (2022)

In the table above, the results show that satisfaction is able to explain the variability of satisfaction by 63.8%, and the remaining 41.2% is explained by other constructs outside those studied in this study. Meanwhile, loyalty is 68.6%, and the remaining 31.4% is explained by other constructs outside the ones studied in this study. The goodness of fit assessment is known from the Q-Square value. The results of the calculation of the QSquare value are as follows:

\[ Q\text{-Square} = 1 - [(1 - R^2_1) x (1 - R^2_2)] \]
\[ = 1 - [(1 - 0.638) x (1 - 0.689)] \]
\[ = 1 - (0.362 x 0.311) \]
\[ = 1 - 0.112 \]
\[ = 0.887 \]

5. CONCLUSION

5.1. Conclusion

Conclusions from the discussion and hypothesis testing in research from theories and literature review there are differences and strengthening of research results based on facts in the field which are processed with statistical programs SPSS 22 and PLS - SEM version 24.0 for normality test, CFA and influence test based on assumptions for test the feasibility of the model, then the results of this study can be concluded as follows:
1. Variable (X1) leadership style has a direct and significant influence on the latent variable of employee job satisfaction at PT. Central Sumatra Cellular Telecommunications. This means that the better the leadership style, the job satisfaction increases.

2. Variable (X1) leadership style has a direct and significant influence on the latent variable of employee job satisfaction satisfaction at PT. Central Sumatra Cellular Telecommunications. This means that the better leadership style, the work loyalty increases.

3. The variable (X3) reward & punishment directly and significantly affects the latent variable (Y1) job satisfaction at PT. Central Sumatra Cellular Telecommunications. This means that the better the reward & punishment, the job satisfaction increases.

5.2. SUGGESTION

1 The leadership style is quite good and tends to apply the democratic style where the boss is always open to suggestions from employees. Qualified employees such as selection in promotions are needed by the leadership in the selection of these positions. Must be transparent, accountable and right on target. and respect so that the system that has been built is right on target and does not hurt each other's feelings. Because so far, the mechanism for the position trial has received few complaints from employees who try to participate in the selection for promotion. It takes leaders who can see where the policies issued are going so that they can create justice, progress and good governance of an organization.

2 Employee Motivation of PT. Cellular Telecommunications in Central Sumatra is doing well at the moment. If you look at how employees at work try to create sense of belonging, namely a sense of belonging. The context of this sense of belonging does not mean wanting to dominate the workplace. However, a sense of participating in contributing and being responsible for the operational interests of the company's vision and mission is evidenced by every employee getting more enthusiastic at work. Conformity between the expectations that arise and work-adjusted rewards, meaning that the salary earned is in accordance with the work done. The management is expected to focus more on increasing employee motivation by conducting assessments in order to know and get an overview of the employee's performance. The results of the performance appraisal should be used to evaluate, develop and motivate employees. Thus, if employees have good performance, the company's performance will also be good, so that the company can win the competition in the business world considering that PT. Central Sumatra Regional Cellular Telecommunication is a national company that requires employees with integrity and professionalism. Motivation is needed at work. With good motivation, employees will feel happy and excited at work, resulting in significant development and growth in the organization.

3 Preferably PT. Telkomsel Regional Sumbagteng can maintain and pay more attention to the application of reward and punishment to employees, because reward and punishment can provide satisfaction both from the negative and positive sides. Encourage employees to maintain and improve employee performance. To maximize employee performance, the company must implement a system of reward and punishment. The implementation of a good reward and punishment system will cause the company to maximize superior employees, so that the company is able to improve the performance of its employees and the company’s goals can be achieved effectively and efficiently.

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THE EFFECT OF LEADERSHIP STYLE, MOTIVATION, REWARD AND PUNISHMENT ON LOYALTY WITH JOB SATISFACTION AS INTERVENING VARIABLE ON EMPLOYEES OF PT. TELEKOMUNIKASI SELULAR SUMATRA, CENTRAL PART
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