

# THE INFLUENCE OF COMPENSATION, WORK ENVIRONMENT AND LEADERSHIP STYLE ON LOYALTY ASN WORK IN THE ENVIRONMENTAL SERVICES LIVING AND HYGIENE (DLHK) LHOKSEUMAWE CITY

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## Abstract

*The research aims to see the influence of Compensation, Work Environment and Leadership Style on Work Loyalty of Asn in the Department of Environment and Hygiene (DLHK) Lhokseumawe City. The research used primary data obtained from the results of a questionnaire in the form of questions distributed to 40 respondents, namely ASN at the Lhokseumawe City Environment and Hygiene Service (DLHK). The data analysis method used is the multiple linear regression method with the help of SPSS software. The results of this research are that compensation has a positive and significant influence on ASN loyalty. This means that compensation can influence loyalty in the Lhokseumawe City Environmental Service. The work environment has a positive and significant influence on ASN loyalty. This means that the work environment can influence loyalty in the Lhokseumawe City Environmental Service. Leadership Style has a positive and significant influence on ASN loyalty. This means that Leadership Style can influence Loyalty in the Lhokseumawe City Environmental Service. In this way, the Lhokseumawe City Environment and Cleanliness Service improves welfare, work environment, leadership style so that employee work loyalty increases.*

**Keywords:** *Loyalty, Compensation, Work Environment and Leadership Style.*

## 1. INTRODUCTION

Human resources play a key role in organizational success, because the human element of an organization can provide a competitive advantage. In achieving this, the contribution of human resources is needed to carry out organizational management functions so that it can survive and develop amidst the current rapid technological, economic and development developments. Especially in local government organizations which are in the public sector which aim to serve the public interest in order to improve the welfare of society. The position and role of employees who work for the state and serve as public servants must provide services that are fair and based on loyalty and obedience to Pancasila and the 1945 Constitution. Among the behaviors that employees must have are behaviors that are based on devotion, honesty, responsibility, and obeying regulations. . This is an aspect of work loyalty. According to Hasibuan (2013), loyalty is employee loyalty to their company. Ideally, all employees must have work loyalty towards themselves, because this is an employee's loyal behavior towards their organization which is demonstrated through service and responsibility which is reflected in carrying out their work. Increasing work loyalty is very much needed for the development of human resources in several organizations, especially regional organizations in the Lhokseumawe City Environment and Hygiene Service (DLHK). By having high loyalty, employee loyalty and responsibility towards the organization will be greater, giving rise to encouragement that causes employees not only to carry out their duties and obligations as employees in accordance with their job description, but also to work as optimally as possible both with attention and thought. , ideas and dedication to produce the best for the organization. Agencies need to pay serious attention to their employees so that employee work loyalty can be maintained. If employees' basic needs are not maintained, work morale will certainly

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decrease, thereby affecting the level of employee loyalty to their agency. The phenomenon is that Lhokseumawe City DLHK employees are still not optimal in responding to public complaints. One of them is a complaint about waste management which is still less than optimal. This is characterized by the presence of rubbish piled up everywhere, disrupting community activities and also causing air pollution. This is a problem that is seen as a result of the decline in work loyalty of DLHK employees to care about nature and their duties.

Based on the results of interviews conducted by researchers in 2023 with the head of the Lhokseumawe City DLHK division and asking about employee responsibilities for the work provided by the organization, it was stated that there were several employees who were still irresponsible for their work, namely not carrying out their duties properly, such as arriving late, even often absent during operating hours set by the organization. Based on this phenomenon, it is concluded that there are several DLHK employees who have low loyalty, this affects their service to the community which is the main task of regional government organizations. The impact of decreasing work loyalty of Lhokseumawe City DLHK employees based on this phenomenon is in accordance with the loyalty theory put forward by (Soeghandi, 2013) where loyalty is loyal employee behavior shown through service or responsibility in carrying out their work. There are several aspects that can influence employee work loyalty, including Leadership Style. Leadership style is one of the factors that influences loyalty. According to Robbins Ann (2015), leadership is the ability to influence a group and achieve its mission and goals. Many organizations are increasingly realizing that the human elements of an organization can provide a competitive advantage. People in the organization must have a vision and be inspired and motivated to develop beyond their general abilities, so the organization needs a leader who is motivating, loyal and responsible.

As we know, the right to a good and healthy living environment is a constitutional right of citizens. That is the guarantee in article 28 paragraph 1 of the Constitution of the Republic of Indonesia. Here the public is required to actively take a participatory role so that constitutional guarantees are felt in the daily lives of citizens. Therefore, DLHK applies people who contribute to Lhokseumawe City as cleaners (laborers). According to the initial survey results in 2022, there are 430 workers and only 150 people actively operate every day. Meanwhile, interview results in 2024 showed that the total number of workers contributing had decreased to 350 people. This data shows that there is a problem with the Lhokseumawe City DLHK leadership style which causes a lack of loyalty and concern for ASN in the field in terms of controlling the movement of workers every day. In addition, there is a case quoted from <https://metrorakyat.com> In that year, Lhokseumawe City DLHK seemed irresponsible for the accident that befell one of the contract workers (TKK) who fell from a truck while carrying out his duties and suffered broken bones, but there was no special care and attention from DLHK even though he had worked for 30 years. . It is suspected that this is because the head of the Lhokseumawe City DLHK division has just undergone a change and his assignment is still not in normal condition.

Apart from Leadership Style, the Work Environment also plays an important role in increasing work loyalty in the organization. According to Sedarmayanti (2016), the work environment is the totality of tools and materials encountered, the surrounding environment in which a person works, work methods, and work arrangements both as an individual and as a group. Thus, employees really need a work environment that is good, clean and can also support their personal comfort and safety. A non-conducive work environment can cause negative effects such as low work morale, high absenteeism rates, error rates in carrying out work, high turnover and so on. Regarding the Lhokseumawe City DLHK work environment, which has a narrow scope and is located next to a community shopping center, so employees have to travel a short distance which becomes long because they have to pass through traffic jams to get to the official office every day. And also noise and unpleasant smells certainly disturb employees' work focus while on duty. Therefore, the work environment influences employee loyalty, in terms of supporting adequate

performance of duties, harmonious working relationships, as well as effective communication patterns between co-workers and superiors. Not only leadership style and work environment can influence work loyalty, but compensation also has a strong influence on employee work loyalty. Employee work loyalty must be balanced with compensation. According to Hasibuan (2017) compensation is all income in the form of money, direct or indirect goods received by employees as rewards given to the organization. Compensation can increase employee motivation to increase work loyalty and employee performance. In terms of providing compensation to Lhokseumawe City DLHK ASN apart from the basic salary, one of them is providing incentives/additional employee income (TTP) which is due to the employee's work performance. TTP is given based on workload, work performance, working conditions, professional scarcity, and objective considerations. Providing incentives/TTP for employees aims to increase employee morale, performance and work loyalty towards the agency. This is in accordance with the theory put forward by (Sullaida, 2022) which states that compensation for employees is an obligation for the company which must be fulfilled on time, carried out fairly and based on work results.

## **2. IMPLEMENTATION METHOD**

### **2.1 Location and Research Objects**

The research location is the place chosen by the researcher to conduct research, namely at DLHK Lhokseumawe City which is located on Jln. Electrical No. 2, Inpres Market, Lhokseumawe. Meanwhile, the object of this research is the Lhokseumawe City Environment and Hygiene Service ASN (DLHK).

### **2.2 Population and Sample**

#### **2.1 Population**

According to Sugiono (2018) population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. Meanwhile, according to Silaen (2018) population is the totality of objects or individuals who have certain characteristics (traits) to be studied. So the population in this study is the entire population ASN in the Lhokseumawe City Environment and Cleanliness Service, totaling 40 personnel.

#### **2.2 Sample**

According to Sofar & Widioyono (2013) a sample is a portion of the population taken in certain ways to measure or observe its characteristics, then conclusions are drawn regarding these characteristics which are considered representative of the population. The sample used in the research was all State Civil Apparatus in DLHK Lhokseumawe city, so this research used a non-probability sampling technique with a saturated sampling method. Saturated sampling is a sample determination technique when all members of the population are used as samples (Sugiyono, 2013). The population is relatively small with 40 employees, because in quantitative research the sample size was 40 people.

### **2.3 Data Collection Techniques**

The most important stage in research is data collection. Data collection can be obtained from data procurement because researchers cannot produce findings if they do not obtain data. In this research, the data collection technique used was a questionnaire. Ghazali (2018) questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents for them to answer. The data collection technique in this research used a questionnaire distributed to ASN DLHK Lhokseumawe City.

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## 2.4 Data Types and Sources

### Data Type

This type of research is quantitative research. Quantitative research can be interpreted as a research method based on the philosophy of positivism, used to research certain populations or samples, collecting data using research instruments, quantitative/statistical data analysis, with the aim of testing predetermined hypotheses (Indriantoro et al, 2014) .

### Data Source

Primary data in this research was obtained from the results of a questionnaire in the form of questions distributed to respondents, namely ASN at the Lhokseumawe City Environment and Hygiene Service (DLHK). Secondary data in this research was obtained from books, articles and research journals related to human resource management. In the measurement, each respondent is asked for their opinion regarding a statement, with a rating scale from 1 to 5. Positive responses (maximum) are given the highest value (5) and negative responses (minimum) are given the smallest value (1).

## 3. RESULTS AND DISCUSSION

### 3.1 Partial Hypothesis Testing Results (t Test)

The t test is one of the research hypothesis tests in simple linear regression analysis and multiple linear regression analysis. The t test aims to find out whether the independent variable or independent variable (X) partially (by itself) has an effect on the dependent variable or dependent variable (Y). If  $>$  , then  $H_0$  is rejected and  $H_a$  is accepted, meaning that the independent variable has an effect on the dependent variable. If  $<$  , then  $H_0$  is accepted and  $H_a$  is rejected, meaning that the independent variable has no effect on the dependent variable. The t test results are as follows:

**Table 1 Multiple Linear Analysis (t Test)**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,134	2,778		.408	,686
	COMPENSATION	,158	.135	,154	2,024	,046
	WORK ENVIRONMENT	,256	,097	,270	2,642	.012
	LEADERSHIP STYLE	,564	.127	,586	4,452	,000
a. Dependent Variable: JOB LOYALTY						

Source: Primary data processed (2024)

The regression equation formula in this analysis or research is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

$$Y = 1.134 + 0.158(X_1) + 0.256(X_2) + 0.564(X_3).$$

Researchers have carried out studies directly by distributing questionnaires submitted to Lhokseumawe City Environmental Service Employees. Then the researcher processed the data and the results of the respondents' answers to the questionnaire that the researcher distributed using the SPSS 25 software application. This study had 40 respondents. The subjects of this research were all ASN in the Lhokseumawe City DLHK environment in this study which explained the independent variables, namely Compensation ( $X_1$ ), work environment ( $X_2$ ), and leadership style ( $X_3$ ), while the dependent variable (Dependent Variable) is work loyalty ( $Y$ ).

### 3.2 The Influence of Compensation on Work Loyalty

Based on the studies that have been carried out, it is known that there is a positive and significant influence between Compensation Towards work loyalty. In the t-test, it is known that the tcount value is  $2,024 \geq$  the ttable value, namely 1,688. Based on these results, the hypothesis which states that compensation has an effect on work loyalty or  $H_a$  is accepted. In the multiple linear regression analysis test, compensation is 0.158, which is 15.8% or 15.8% positive. This means that if the Compensation variable increases by 1%, the level of work loyalty of Lhokseumawe City Environmental Service employees will increase by 0.158. This is also in accordance with research Budhiyono, Tri Widyastuti, Ab Nyganna Richo Rianto (2022) Based on the analysis that has been carried out, it shows that compensation has a significant effect on crew loyalty at PT. Salam Pacific Indonesia Lines.

### 3.3 The influence of the work environment on work loyalty.

Based on the output results using SPSS in partial hypothesis testing (t), the value of the work environment variable (X2) is 2,642 with a value of 2,642 indicating that 2,642 is greater than the ttable value, namely 1,688 ( $2,642 > 1,688$ ). So  $H_a$  is accepted and  $H_o$  is rejected, so it can be interpreted that the work environment variable (X2) partially has a positive and significant effect on the work loyalty variable (Y). In the multiple linear regression analysis, it is stated that if the work environment variable (X2) increases by 1%, the level of employee work loyalty (ASN) of the Lhokseumawe City Environmental Service will increase by 0.256. The results of this research are in accordance with research researched by Umi Barokah (2021) which states that work environment variables have a positive and significant influence on the work loyalty of Rita Pasaraya Kebumen employees.

### 3.4 Influence of Leadership Style on Work Loyalty

Based on the studies that have been carried out, it is known that there is a positive and significant influence between Leadership Style Towards work loyalty. In the t-test, it is known that the tcount value is  $4,452 \geq$  the ttable value, namely 1,688. Based on these results, the hypothesis which states that Leadership Style has an effect on Work Loyalty or  $H_a$  is accepted. In the multiple linear regression analysis test, the leadership style was 0.564, which was 56.4% positive. This means that if the leadership style variable increases by 1%, the level of employee work loyalty (ASN) of the Lhokseumawe City Environmental Service will increase by 0.564. The results of this research are in accordance with research by Reski Daffa Adrian, Dunda Bambang, Purwoko Kusumo Bintoro entitled *The Influence Of Leadership Style, Work Environment And Compensation On Employee Loyalty At Ud. Sarana Works* East Jakarta, Based on the analysis that has been carried out, it shows that the leadership style variable has a positive and significant effect on employee loyalty at Ud. Karya Sarana, East Jakarta.

## 4. CONCLUSION

Based on the research results presented in the previous chapter, several conclusions can be drawn as follows:

1. The Compensation Variable has a positive and significant influence on ASN loyalty. This means that compensation can affect Loyalty in the Lhokseumawe City Environmental Service
2. Work Environment variables have a positive and significant influence on ASN loyalty. This means that the Work Environment can influence Loyalty in the Lhokseumawe City Environmental Service
3. The Leadership Style variable has a positive and significant influence on ASN loyalty. This means that Leadership Style can influence Loyalty in the Lhokseumawe City Environmental Service.

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**5. SUGGESTION**

1. For Institutions:
  - a. Leadership Style is the variable that has the most positive and significant influence on Loyalty. The existing leadership style needs to be maintained because a leader must provide positive characteristics that are able to influence subordinates, the leader must also have a good personality so that he can set an example for employees, then emotional control in directing subordinates so as not to create pressure that will interfere with subordinates' activities, A superior character also influences the perseverance and confidence of subordinates, and leaders must have good characteristics in carrying out the role of a leader who can coordinate with subordinates so as to create employee loyalty.
  - b. The working environment at the Lhokseumawe City Environment and Hygiene Service is also considered good but also needs to be improved, because a good working environment can provide comfort and ease of understanding in carrying out tasks.
  - c. Compensation in the Lhokseumawe City Environment and Sanitation Service is the variable that has the least influence on Loyalty, so this is expected to be increased, because in organizations encouragement to increase compensation is really needed, so that every employee has enthusiasm within themselves to create passion in working so that work loyalty more increasing.
2. It is hoped that future researchers can continue or develop this research by adding other variables that can influence employee loyalty.

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