



# The Influence of Satisfaction, Compensation, and Communication on Loyalty of Honorary Employees at the Class 2 Railway Engineering Center for Northern Sumatra Region

**Pitriani Lubis<sup>1</sup>, Rusiadi<sup>2</sup>, Bachtiar Effendi<sup>3</sup>**

<sup>1,2,3</sup> Universitas Pembangunan Panca Budi, Indonesia

Email: pitriani lubis4@gmail.com, Rusiadi@dosen.pancabudi.ac.id, Bachtiar.Effendi@dosen.pancabudi.ac.id

**Abstract:** *The goal of this research was to examine the influence of satisfaction, compensation, and communication on the loyalty of honorary workers at the Class 2 Railway Engineering Center in the Northern Sumatra Region. This research examined a population of 71 honorary workers. The sample size was decided by the response rate, which reached 71 temporary workers. The data collection technique used was saturated sampling. Primary data was acquired using surveys and then analyzed using the SPSS Version 24 program. The research was conducted in 2022. The study made use of several linear regression models. The results suggested that, either partly or concurrently, satisfaction, reward, and communication all had a favorable and substantial influence on the loyalty of honorary workers at the Class 2 Railway Engineering Center for the Northern Sumatra Region. The satisfaction variable, which had the highest tally of 5.261, had the strongest effect on employee loyalty. Furthermore, satisfaction, compensation, and communication can explain and achieve 93.4 percent of employee loyalty, with the remaining 93.4 percent explained by other variables. Employee loyalty was shown to be integrally tied to work satisfaction, compensation, and communication.*

**Keywords:** *Revolution; startup; open-banking; BI-Fast*

## I. Introduction

The Northern Sumatra Region's Class 2 Railway Engineering Center is situated in Jalan Kenanga Raya No. 37B, Tj. Sari district. Medan Selayang, Medan City, North Sumatra, 20132 is responsible for enhancing and managing infrastructure, as well as monitoring facility operations, traffic, transit, and rail safety. The North Sumatra Region's Class 2 Railway Engineering Center now employs two types of personnel: government servants and temporary workers. Almost every room or section has at least one or two temporary workers assigned to help with the room's or section's operations. Additionally, the North Sumatra Region 2nd Class Railway Engineering Center pays all security and cleaning workers on a temporary basis. Everyone who works as an honorary employee gets a one-year appointment decree that can be extended if needed (Winata, 2019).

Even though temporary workers are not classified as public sector employees (PNS) throughout the recruiting process, they must pass an internal due diligence exam before being hired. Due to the difficulty associated with being an honorary employee at the Class 2 Railway Engineering Center for the North Sumatra Region, the newly appointed honorary employee demonstrates a high degree of employee loyalty. However, as honorary workers' tenure rises, their degree of devotion often decreases. The reason for this is that many temporary workers

are still trying to make ends meet while awaiting promotion to civil service or PPPK status (Government Employees with Work Agreements). However, if the career path is continually stalled, this hope becomes a wish, resulting in a decline in honorary loyalty. Certain temporary workers are contemplating abandoning their jobs and seeking employment with private businesses that provide greater compensation and prospects. Additionally, the majority of temporary workers at the North Sumatra Region 2nd Class Railway Engineering Center have a bachelor's degree, but they work less actively due to a lack of commitment, and the tasks are not finished swiftly. Honorary employees are sometimes embarrassed by their position, which deteriorates their social standing.

Temporary workers are typically content since they have the opportunity to work in government agencies whose ASN (State Civil Apparatus) status is still seen as a high-class profession by the majority of Indonesians. However, honorary workers feel inferior as a result of their position. Employees with civil servant status often rely on honorary employees to perform their tasks, placing a disproportionate load on honorary employees. Honorary workers will experience a loss of energy as a result of this. Consequently, temporary workers are not happy with their jobs because their status is still honorary, giving the impression that they are being unfairly treated and don't have as much social prestige as government officials, who have a lot of power.

The North Sumatra Region Class 2 Railway Engineering Center's honorary compensation is not extravagant, since it remains below the minimum wage. On the other hand, temporary workers continue to be eligible for different agency incentives aimed at increasing their income component. Many temporary workers think their pay is still much lower than those of their colleagues who work in private businesses or even industry (factories). In addition, it makes temporary workers feel bad because, compared to their peers in the private sector, they can't meet their basic needs with the money they make. Temporary workers who have worked for the company for a period of time will be entitled for medical benefits, but will be classified separately from government servants. Temporary workers who help civil officials in their job do not have a rank or class, but honorary employees who succeed and perform well may be put in positions with the possibility of higher compensation.

Due to the perception that honorary workers have a different standing than government servants, many honorary employees feel isolated in terms of communication. Where the opinions, ideas, and contributions of honorary workers are disregarded, as though honorary employees are not permitted to contribute to the agency's success in a variety of ways. In terms of work, this reduces the effectiveness of communication between honorary workers and government servants, both as people and leaders. Because honorary employees have the same status as regular employees, communication between them is very good.

There is a previous description of the context in which this study was done: Do satisfaction, compensation, and communication simultaneously have a positive and significant effect on the loyalty of honorary employees at the Class 2 Railway Engineering Center for North Sumatra Region.

## **II. Review of Literature**

### **2.1 Employee Loyalty**

According to Soegandhi (2018), loyalty refers to an employee's willingness to devote all of his abilities, skills, thoughts, and time to achieving organizational goals, safeguarding

organizational secrets, and abstaining from actions that are detrimental to the organization for the duration of his employment. According to Soegandhi (2018), employee loyalty develops when workers are satisfied in their jobs by meeting basic requirements, making them feel at home in a company.

Additionally, Soegandhi (2018) asserts that a variety of variables contribute to employee loyalty, including job satisfaction, salary, communication, a pleasant work environment, career advancement, employee training and education, occupational health and safety, and teamwork. In Soegandhi (2018), there are five things that are used to measure employee loyalty: employee presence, employee participation, employee pride, employee affection, and employee obedience.

## **2.2 Satisfaction**

According to Hasibuan (2017), work satisfaction is an emotional state. Employment satisfaction, according to Hasibuan (2017), is an emotional state in which an employee is content with his or her job. Employee satisfaction encourages employees to work harder and fosters a strong feeling of loyalty to the firm (Gultom, Arif, & Fahmi, 2020). As a consequence of job satisfaction, employees have a high sense of loyalty to the organization (Rafiah, 2019). Employees who are content with their jobs will feel secure and are unlikely to resign or hunt for another job (Rohana, 2020).

Job satisfaction, according to Hasibuan (2017), may be quantified using a variety of factors, including: like his job, loving his job, work morale, and work performance. Job satisfaction has a favorable and considerable effect on employee loyalty, according to Larastrini & Adnyani (2019), Rohana (2020), and Suwarsito & Aliya (2020). This means that enhancing employee happiness has a major effect on employee loyalty.

## **2.3 Compensation**

Employees pay, according to Dessler (2017), encompasses all types of money or gifts provided to workers as a reward of their labor. Employees labor primarily to meet their fundamental requirements (Ma'ruf, 2021). If workers' needs are not addressed while they are on the job, they will seek other employment. On the other hand, if the compensation offered by the employer is enough to meet the employee's requirements, it will be very difficult for the employee to quit and not consider seeking for another employment (Mardiana, Widjajani, & Rahmawati, 2021).

Compensation may be quantified using three measures, according to Dessler (2017): direct financial compensation, indirect financial compensation, and non-financial compensation. Karim (2020), Ma'ruf (2021), and Fazrin & Yusuf (2021) all demonstrate that compensation has a positive and substantial influence on employee loyalty, meaning that increasing salary results in a large rise in employee loyalty.

## **2.4 Communication**

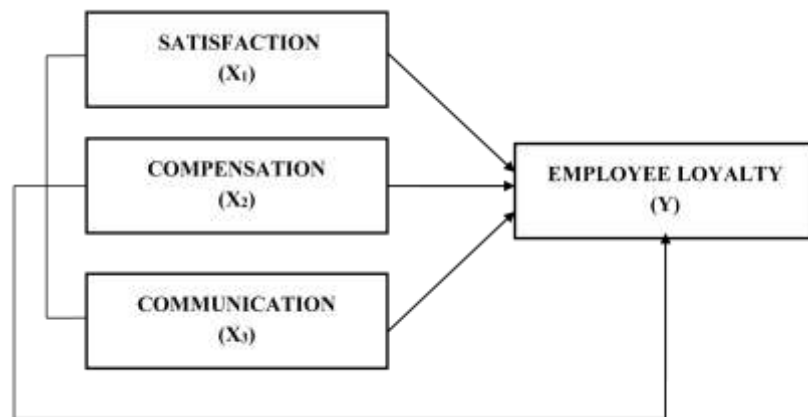
Purwanto (2018) defines communication as the process of exchanging information between individuals via the use of a standard system, which may include symbols, signs, and workplace behaviors or activities. Employee cohesiveness is difficult to develop if a person lacks appropriate communication skills with his coworkers and supervisors (Audi, 2021). Poor communication at work weakens employee relationships, often leads to misunderstandings, and impedes job completion (Razy & Dewi, 2019). This restlessness, along with a lack of emotional connection or intimacy between workers, drives people to look for jobs where they

can have healthy interactions and communication with their bosses (Thohiroh & Syafaruddin, 2020).

Purwanto (2018) asserts that communication may be quantified using a variety of indicators. These include horizontal communication, top-down vertical communication, bottom-up vertical communication, and diagonal communication. Work communication has a positive and big impact on employee loyalty, according to Kartini & Greeknghsih, Dewi, Ulya, Siregar, and Harahap. All of these people say that more communication at work leads to more employee loyalty, which is a good thing.

The following hypotheses were created in this investigation based on theory and past research findings:

- H1: Partially, the satisfaction variable has a positive and significant effect on the loyalty level of honorary employees at the Class 2 Railway Engineering Center in the Northern Sumatra Region.
- H2: Partially, the compensation variable has a positive and significant effect on the loyalty level of honorary employees at the Class 2 Railway Engineering Center in the Northern Sumatra Region.
- H3: Partially, the communication variable has a positive and significant effect on the loyalty level of honorary employees at the Class 2 Railway Engineering Center in the Northern Sumatra Region.
- H4: Simultaneously, the variables of satisfaction, compensation, and communication have a positive and significant effect on the loyalty level of honorary employees at the Class 2 Railway Engineering Center in the Northern Sumatra Region.



*Figure 1. Framework for Research Concepts*

### III. Research Method

This investigation was done at the Northern Sumatra Region's Class 2 Railway Engineering Center, which is situated at Jalan Kenanga Raya No. 37B, Tj. Sari district. Medan Selayang, Medan City, North Sumatra 20132. Medan Selayang, Medan City, North Sumatra 20132. The subject of this study is all honorary workers of the Northern Sumatra Region's Class 2 Railway Engineering Center.

This research employs three independent variables, namely Satisfaction (X1), Compensation (X2), and Communication (X3), in addition to a dependent variable, Employee Loyalty (Y).

To examine quantitative data, this study used an associative research technique and multiple linear regression analysis. Multiple linear regression analysis necessitated the collection of numerical data, which was accomplished using the SPSS statistical software package version 24.0. As a consequence, the questionnaire results will be converted to numerical values using a Likert scale.

The study population consisted of all temporary workers in the North Sumatra Province's Class 2 Railway Engineering Center, which now employs 71 temporary employees. If the population size is fewer than 100, the whole population should be considered a sample (Manullang & Pakpahan, 2016). This results in a sample size of 71 temporary workers as responders in this research. In this study, saturated sampling, which is random sampling from the entire population, is used as the sampling technique.

The researchers collected data by delivering questionnaires to all respondents, which were subsequently analyzed using the SPSS 24.0 tool. Initially, data quality checks including validity and reliability tests were conducted. Following that, the data is checked for classical assumptions such as normality, multicollinearity, and heteroscedasticity. Additionally, we conducted a multiple linear regression analysis using the formula: (Sugiyono, 2016).

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

Y = Employee Loyalty, = Constant, = Coefficient of Regression, Satisfaction is denoted by X1, Compensation is denoted by X2, Communication is denoted by X3, and Error is denoted by e.

To test for partial and simultaneous effects, two tests were used: the t test (partial) and the F test (simultaneous) (Sidik, 2021). Finally, a determination test was conducted to determine the independent variable's contribution to the dependent variable and the degree of similarity (Sidik, 2019).

## IV. Discussion

### 4.1 Data Quality Check

#### a. Validity Check

The following table summarizes the findings of the validity test conducted on the variables Satisfaction (X1), Compensation (X2), Communication (X3), and Employee Loyalty (Y) using data obtained through the questionnaire:

**Table 1.** Feasibility of Each Question on Variable

Variable	Items	Symbol	r <sub>hitung</sub>	r <sub>kritis</sub>	Result
Satisfaction (X <sub>1</sub> )	1	X <sub>1-1,1</sub>	0,588	0,30	Proper
	2	X <sub>1-1,2</sub>	0,656	0,30	Proper
	3	X <sub>1-2,1</sub>	0,755	0,30	Proper
	4	X <sub>1-2,2</sub>	0,602	0,30	Proper
	5	X <sub>1-3,1</sub>	0,705	0,30	Proper
	6	X <sub>1-3,2</sub>	0,851	0,30	Proper
	7	X <sub>1-4,1</sub>	0,634	0,30	Proper
	8	X <sub>1-4,2</sub>	0,823	0,30	Proper
Compensation (X <sub>2</sub> )	1	X <sub>2-1,1</sub>	0,671	0,30	Proper
	2	X <sub>2-1,2</sub>	0,590	0,30	Proper

Variable	Items	Symbol	$r_{hitung}$	$r_{kritis}$	Result
	3	$X_{2-1,3}$	0,554	0,30	Proper
	4	$X_{2-2,1}$	0,736	0,30	Proper
	5	$X_{2-2,2}$	0,754	0,30	Proper
	6	$X_{2-2,3}$	0,809	0,30	Proper
	7	$X_{2-3,1}$	0,871	0,30	Proper
	8	$X_{2-3,2}$	0,487	0,30	Proper
	9	$X_{2-3,3}$	0,767	0,30	Proper
Communication ( $X_3$ )	1	$X_{3-1,1}$	0,661	0,30	Proper
	2	$X_{3-1,2}$	0,512	0,30	Proper
	3	$X_{3-2,1}$	0,729	0,30	Proper
	4	$X_{3-2,2}$	0,788	0,30	Proper
	5	$X_{3-3,1}$	0,638	0,30	Proper
	6	$X_{3-3,2}$	0,627	0,30	Proper
	7	$X_{3-4,1}$	0,788	0,30	Proper
	8	$X_{3-4,2}$	0,556	0,30	Proper
Employee Loyalty ( $Y$ )	1	$Y_{1-1,1}$	0,584	0,30	Proper
	2	$Y_{1-1,2}$	0,572	0,30	Proper
	3	$Y_{1-2,1}$	0,577	0,30	Proper
	4	$Y_{1-2,2}$	0,553	0,30	Proper
	5	$Y_{1-3,1}$	0,864	0,30	Proper
	6	$Y_{1-3,2}$	0,602	0,30	Proper
	7	$Y_{1-4,1}$	0,887	0,30	Proper
	8	$Y_{1-4,2}$	0,644	0,30	Proper
	9	$Y_{1-5,1}$	0,699	0,30	Proper
	10	$Y_{1-5,2}$	0,817	0,30	Proper

The validity test findings indicate that each question on satisfaction ( $X_1$ ), compensation ( $X_2$ ), communication ( $X_3$ ), and employee loyalty ( $Y$ ) has a rcount value greater than crucial or greater than 0.3. This demonstrates that all data received as a consequence of questionnaire distribution for each variable is legitimate and fit for use (Sugiyono, 2016).

#### b. Test for Reliability

The following table summarizes the reliability test findings for the variables satisfaction ( $X_1$ ), compensation ( $X_2$ ), communication ( $X_3$ ), and employee loyalty ( $Y$ ) based on data obtained through the questionnaire:

**Table 2.** Each Variable's Reliability Test Results

Reliability Statistics			
Variabel	<i>Cronbach's Alpha</i>	<i>N of Items</i>	Result
Satisfaction ( $X_1$ )	0,907	8	Reliabel
Compensation ( $X_2$ )	0,908	9	Reliabel
Communication ( $X_3$ )	0,889	8	Reliabel
Employee loyalty ( $Y$ )	0,910	10	Reliabel

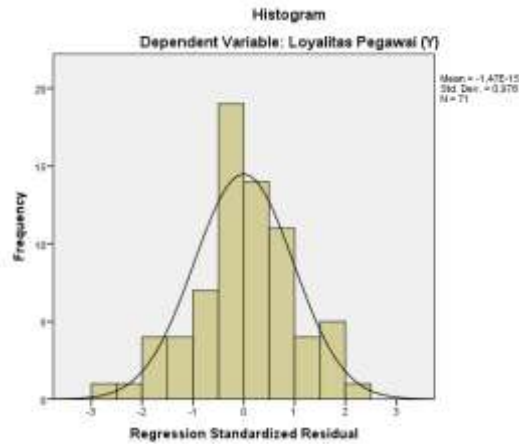
The reliability test findings indicate that each of the variables, satisfaction ( $X_1$ ), compensation ( $X_2$ ), communication ( $X_3$ ), and employee loyalty ( $Y$ ) has a Cronbach's Alpha value greater than 0.70. This demonstrates that all data acquired as a consequence of questionnaire distribution for each variable is trustworthy or suitable for usage (Sugiyono, 2016).

## 4.2 The Conventional Assumption Test

The conventional assumption test used in this work is composed of three components, namely:

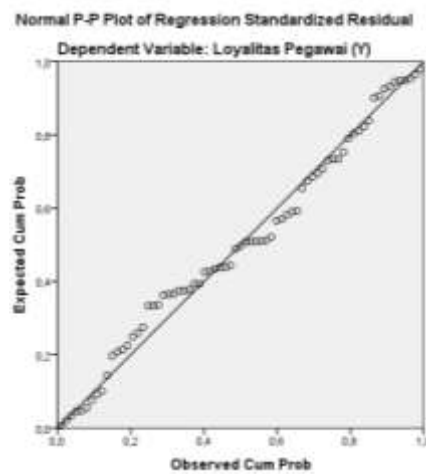
### a. A Normality Test for Data

Three tests were employed to determine the normality of the data in this study: the histogram graph, the P-P plot graph, and Kolmogorov-Smirnov.



**Figure 2.** Histogram Curve of Normality

The histogram curve is convex in the center, has a bell-shaped pattern, and is not slanted left or right (Sidik, Efendi, & Suherman, 2019).



**Figure 3.** Graph of the P-P Plot

The P-P Plot graph demonstrates that the 71 data points are distributed around the diagonal line and yet follow its direction. It not only follows the diagonal line but also includes several data points that intersect it. The point spread denotes regularly distributed data from respondents' responses so that the regression model conforms to the P-P Plot graph's assumption of normality (Sidik, Efendi, & Suherman, 2019).

**Table 3.** Demonstrates the Normality of Data Using the Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test	
Unstandardized Residual	
N	78
Normal Parameters <sup>a,b</sup> Mean	0,0000000

	<i>Std. Deviation</i>	1,79658530
<i>Test Statistic</i>		0,091
<i>Asymp. Sig. (2-tailed)</i>		<b>0,200<sup>c,d</sup></b>
<i>a. Test distribution is Normal.</i>		
<i>b. Calculated from data.</i>		
<i>c. Lilliefors Significance Correction.</i>		
<i>d. This is a lower bound of the true significance.</i>		

The significance value obtained from the Kolmogorov-Smirnov test is 0.200. This number is more significant than 0.05. Thus, the Kolmogorov-Smirnov test establishes the normal distribution of the data. As a result, the data in this study were statistically normally distributed and met the conditions of the classical assumption test (Sidik, Efendi, & Suherman, 2019).

### b. Perform a Multicollinearity Test

The following table highlights the multicollinearity test findings for the gathered study data:

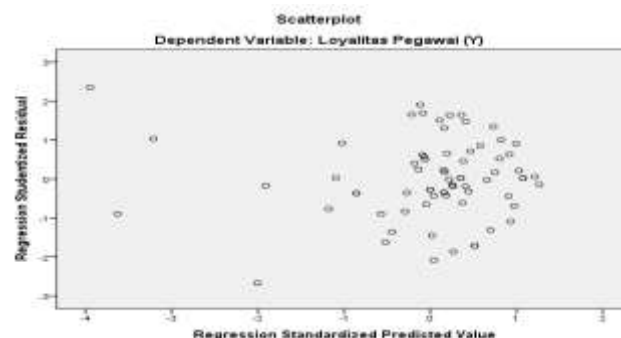
**Table 4.** Displays the Results of the Multicollinearity Test

<i>Coefficients<sup>a</sup></i>		
Model	<i>Collinearity Statistics</i>	
	<i>Tolerance</i>	<i>VIF</i>
1	<i>(Constant)</i>	
	Satisfaction (X <sub>1</sub> )	<b>0,154</b> <b>6,505</b>
	Compensation (X <sub>2</sub> )	<b>0,205</b> <b>4,882</b>
	Communication (X <sub>3</sub> )	<b>0,176</b> <b>5,681</b>
<b>a. Dependent Variable : Employee loyalty (Y)</b>		

The Multicollinearity test findings indicate that Satisfaction (X1), Compensation (X2), Communication (X3), and Employee Loyalty (Y) all have Tolerance values larger than 0.10 and VIF (Variance Inflation Factor) values less than 10. This demonstrates that no variable exhibits multicollinearity and hence satisfies the traditional assumption test (Rianto & Aseandi, 2020).

### c. Heteroscedasticity Test

Two tests were used to find heteroscedasticity in this study: the Scatterplot graph and the Glejser test.



**Figure 4.** Scatterplot Graph

The scatterplot graph demonstrates that the 71 data points are randomly dispersed, do not exhibit any discernible pattern, do not cluster in any one position, and are scattered both above and below the zero Y axis. This demonstrates that the regression model is not heteroscedastic (Sujarweni, 2016).

**Table 5.** Glejser Test

<b>Coefficients<sup>a</sup></b>			
<b>Model</b>		<b>t</b>	<b>Sig.</b>
1	<i>(Constant)</i>	4,098	0,000
	Satisfaction (X <sub>1</sub> )	-0,233	0,817
	Compensation (X <sub>2</sub> )	0,530	0,598
	Communication (X <sub>3</sub> )	-1,235	0,221
<b>a. Dependent Variable: Absolute_Residual</b>			

The Glejser test findings indicate that each of the variable's satisfaction (X1), compensation (X2), communication (X3), and employee loyalty (Y) has a significance value (sig) higher than 0.05. This demonstrates that each variable exhibits no evidence of heteroscedasticity. As a result, it passed both the Scatterplot and Glejser tests (Sujarweni, 2016).

### 4.3 Analysis of Multiple Linear Regression

Results of a multiple linear regression analysis done with the SPSS program on the data are shown in this table:

**Table 6.** Results of the Multiple Linear Regression Test

<b>Coefficients<sup>a</sup></b>				
<b>Model</b>		<b>UnStandardized Coefficients</b>		<b>Standardized Coefficients</b>
		<b>B</b>	<b>Std. Error</b>	<b>Beta</b>
1	<i>(Constant)</i>	1,267	1,326	
	Satisfaction (X <sub>1</sub> )	0,506	0,096	0,412
	Compensation (X <sub>2</sub> )	0,360	0,070	0,348
	Communication (X <sub>3</sub> )	0,313	0,092	0,249
<b>a. Dependent Variable : Employee loyalty (Y)</b>				

There are several multiple linear regression equations that can be made from the results of the multiple linear regression tests:

$$Y = 1,267 + 0,506X_1 + 0,360X_2 + 0,313X_3 + e$$

The following equation for multiple linear regression has the following interpretation:

- If satisfaction (X1), compensation (X2), and communication (X3) are all equal to zero, employee loyalty (Y) equals 1.267. There would be an employee loyalty level of 1,267 if there was no sense of satisfaction and reward, and no way for people to communicate with them.
- For every unit rise in satisfaction (X1), employee loyalty (Y) improves by 0.506 units. This shows that employee happiness has a positive relationship with employee loyalty, which means that making employees happier leads to more employees being loyal.

- c. For every unit increase in compensation (X<sub>2</sub>), employee loyalty (Y) improves by 0.360 units. This shows that pay has a positive effect on employee loyalty, which means that raising the salary of employees makes them more loyal.
- d. If employee loyalty (Y) improves by 0.313 units, communication (X<sub>3</sub>) increases by one unit. This shows that communication has a positive effect on employee loyalty, which means that more communication will lead to more employee loyalty..

#### 4.4 Hypothesis Testing

The hypothesis was investigated in this research, utilizing two tests to seek for partial and concurrent effects.

##### a. The Partial t-Test

The following table summarizes the results of the t test (partial):

**Table 7.** Results of the Test (Partial)

<i>Coefficients<sup>a</sup></i>			
<b>Model</b>		<b>T<sub>count</sub></b>	<b>Sig.</b>
1	<i>(Constant)</i>	0,955	0,343
	Satisfaction (X <sub>1</sub> )	5,261	0,000
	Compensation (X <sub>2</sub> )	5,129	0,000
	Communication (X <sub>3</sub> )	3,395	0,001
<b>a. Dependent Variable : Employee loyalty (Y)</b>			

The t test revealed that satisfaction (X<sub>1</sub>), compensation (X<sub>2</sub>), and communication (X<sub>3</sub>) all had a significant value (sig) of 0.05 in this research. This suggests that employee loyalty is partly influenced by satisfaction (X<sub>1</sub>), compensation (X<sub>2</sub>), and communication (X<sub>3</sub>) (Y). Additionally, it is consistent with the fact that satisfaction (X<sub>1</sub>), compensation (X<sub>2</sub>), and communication (X<sub>3</sub>) all have values greater than the table. In this study, the  $t_{table}$  value is 1,996, derived from  $df = n$  (amount of data) -  $k$  (number of variables) =  $71 - 4 = 67$ , as shown in the t table list. This demonstrates that satisfaction (X<sub>1</sub>), compensation (X<sub>2</sub>), and communication (X<sub>3</sub>) all have a marginally significant influence on employee loyalty (Y), or whether employees accept  $H_a$  and reject  $H_o$ .

The t-test for partial impact reveals that satisfaction (X<sub>1</sub>) is the most influential variable in determining employee loyalty (Y), as it has the highest t-count value of 5.261 when compared to other factors.

##### b. The Simultaneous F-Test

The following table summarizes the results of the F test (simultaneous):

**Table 8.** Results of the F Test (Simultaneous)

<b>ANOVA<sup>a</sup></b>						
<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	<i>Regression</i>	3345,778	3	1115,259	330,717	0,000 <sup>b</sup>
	Residual	225,940	67	3,372		
	Total	3571,718	70			
<b>a. Dependent Variable: Employee loyalty (Y)</b>						
<b>b. Predictors: (Constant), Satisfaction (X<sub>1</sub>), Compensation (X<sub>2</sub>), Communication (X<sub>3</sub>)</b>						

The F test revealed that the resultant significant value was equal to 0.000, which was significantly less than 0.05, and hence the choice was made to accept  $H_a$  and reject  $H_o$  or Satisfaction (X1), Compensation (X2), and Communication (X3) (X3). concurrently has a major impact on employee loyalty (Y). This is also consistent with the  $F_{count}$  value of 330.717 obtained. Where the value of  $F_{count}$  is greater than the value of  $F_{table}$ , or 330.717 is greater than 2.742. Where  $F_{table}$  is constructed using the values  $df1 = k - 1 = 4 - 1 = 3$  and  $df2 = n - k = 71 - 4 = 67$ , as shown in the table F's list.

#### 4.5 Examination of Determination

The results of the determination test, or the coefficient of determination, are shown in the table below:

**Table 9.** Results of the Determination Tests

<b>Model Summary<sup>b</sup></b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0,968 <sup>a</sup>	0,937	0,934	1,83637
<b>Predictors: (Constant), Satisfaction (X<sub>1</sub>), Compensation (X<sub>2</sub>), Communication (X<sub>3</sub>)</b>				
<b>b. Dependent Variable: Employee loyalty (Y)</b>				

Through experiments, it was determined that satisfaction, compensation, and communication contributed 93.4 percent to employee loyalty (Adjusted R Square = 0.934), with the remaining 6.6 percent explained by unmentioned variables. Satisfaction (X1), Compensation (X2), and Communication (X3) all have a very strong or very close link with Employee Loyalty (Y), as shown by an R value in the range of 0.8 to 0.99.

#### 4.6 Discussion

##### a. The Effect of Satisfaction on Employee Loyalty

The findings of this study indicate that satisfaction has a positive and significant effect on the loyalty of honorary employees at the Class 2 Railway Engineering Center for North Sumatra Region. This is indicated by the results of the t test which shows a positive value of 0.506,  $t_{count} = 5.261$  and  $t_{table} = 1.996$ . This shows that  $t_{count} > t_{table}$  and the significance value = 0.000 ( $sig < 0.05$ ), it is concluded that accept  $H_a$  and reject  $H_o$ . The proposed  $H_1$  hypothesis has been evaluated and can be accepted, because the research findings support the theory. The positive direction shows that when satisfaction grows, employee loyalty also increases; Conversely, when satisfaction decreases, employee loyalty also decreases. The findings of this study corroborate the findings of Larastrini & Adnyani(2019), Rohana(2020), and Suwarsito & Aliya(2020), all of which indicate that satisfaction has a positive and substantial effect on employee loyalty, implying that increased satisfaction results in increased employee loyalty and significantly increases employee loyalty. significantly increase employee loyalty. The findings of this study further strengthen Soegandhi's (2018) theory which confirms that one of the elements that influence employee loyalty is satisfaction.

##### b. The Effect of Compensation on Employee Loyalty

The findings of this study indicate that salary has a positive and significant effect on the loyalty of honorary employees at the Class 2 Railway Engineering Center for North Sumatra Region. This is shown in multiple linear regression analysis with t-test which has a positive value of 0.360,  $t_{count} = 5.129$ , and  $t_{table} = 1.996$ . This shows that  $t_{count} > t_{table}$  and a significance value of 0.000 ( $sig < 0.05$ ) is concluded to accept  $H_a$  and reject  $H_o$ . The proposed  $H_2$  hypothesis has been evaluated and can be accepted, because the research findings support the theory. If compensation grows, employee loyalty increases; if

compensation decreases, employee loyalty also decreases. The research findings corroborate the findings of Karim (2020), Ma'ruf (2021), and Fazrin & Yusuf (2021), all of which show that compensation has a positive and significant effect on employee loyalty, which implies that an increase in salary increases employee loyalty significantly. The findings of this study also strengthen Soegandhi's (2018) theory which confirms that one of the elements that influence employee loyalty is compensation.

### **c. The Effect of Communication on Employee Loyalty**

The findings of this study indicate that communication has a positive and significant effect on the loyalty of honorary employees at the Class 2 Railway Engineering Center for North Sumatra Region. This can be seen in the multiple linear regression analysis using the t-test which has a positive value of 0.313,  $t_{count} = 3.395$  and  $t_{table} = 1.996$ . This shows that  $t_{count} > t_{table}$  and a significance value of 0.001 ( $Sig < 0.05$ ), it is concluded that accept  $H_a$  and reject  $H_o$ . The proposed  $H_3$  hypothesis has been evaluated and can be accepted, because the research findings support the hypothesis. The positive direction shows that when communication increases, employee loyalty also increases; conversely, when communication decreases, employee loyalty also decreases. The findings of this study corroborate the findings of Kartini & Greeknghsih (2020), Dewi, Ulya, Siregar, & Harahap (2020), and Kartini & Greeknghsih (2020), all of which show that communication has a positive and significant influence on employee loyalty. Better communication will result in a sizeable increase in employee loyalty. The findings of this study also strengthen Soegandhi's (2018) theory which confirms that one of the elements that influence employee loyalty is communication.

### **d. Effect of Satisfaction, Compensation, and Communication on Employee Loyalty**

The findings of this study indicate that satisfaction, compensation, and communication simultaneously have a positive and significant effect on the loyalty of honorary employees at the Class 2 Railway Engineering Center for North Sumatra Region. This can be seen from the F test which produces  $F_{count} = 330.717$  where  $F_{table}$  is only 2.742 and a significance value of 0.000 is concluded to accept  $H_a$  and reject  $H_o$ . The proposed  $H_4$  hypothesis is evaluated and can be accepted because the research results are in accordance with the hypothesis. The results showed that every time there was an increase in satisfaction, compensation, and communication, it would increase the loyalty of honorary employees at the Class 2 Railway Engineering Center for North Sumatra Region together. The results of this study are in line with the theory put forward by Soegandhi (2018) which suggests that there are several factors that influence employees to be loyal, including: job satisfaction, salary, communication, comfortable work environment, career growth, employee training and education, health and safety, and teamwork.

## **V. Conclusion**

Satisfaction, compensation, and communication have a positive and significant influence either partially or simultaneously on the loyalty of honorary employees at the Class 2 Railway Engineering Center for North Sumatra Region. Satisfaction is the most important variable in encouraging employee loyalty. It is recommended to the agency to provide opportunities for honorary employees to provide input, opinions, and various thoughts to be considered by the leadership, not to discriminate against honorary employees and not to force work that exceeds the abilities of honorary employees and maintain the welfare of honorary employees by considering their salary. with the standard of living in the city of Medan.

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