

# The Influence of Autocratic Leadership Type and Compensation on Employees' Work Loyalty "XX" Motor Bandung West Java Indonesia 2021

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## Abstract

Companies are required to be able to design systems that are able to support and satisfy the wishes of both the employees and the company. Therefore, companies and employees need to have a commitment to support each other in order to achieve both organizational goals and personal goals. Reliable and loyal employees are very valuable assets for the company. If the organization wants a loyal employee, the organization must strive for employees to become part of the organization which is a higher level. Factors that affect employees work loyalty include compensation and leadership style. The purpose of this study was to determine the influence of leadership style and compensation on employee's loyalty Dens Motor. The sampling technique used by the author in this study is to use the simple census technique. Data processing is done by multiple linear regression analysis, correlation coefficient, coefficient of determination and hypothesis testing. Based on the results of the study, it can be concluded that leadership style has an effect on employees work loyalty. So is compensation effect on employee's loyalty. Simultaneously, leadership style and compensation have an effect on employee's loyalty.

## Keywords

Leadership style, compensation, employee's loyalty

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## Introduction

At present, in big cities in Indonesia, 4-wheeled vehicles have become a priority for some factors, the level of safety, security and comfort in driving, is one of the reasons for increasing car sales in Indonesia. Competition in automotive today in Indonesia is very tight. Companies must be able to compete with other companies to be able to seize the existing market share. This will not happen if the company does not have the necessary resources. One of the resources that is very important and must be owned by a company to be able to win market share is human resources or often called employees. As an important factor in an organization or company, human resources are required to be able to provide expertise, abilities, and skills.

Based on the results of a pre-survey of interviews with forty-four "XX" Motor employees conducted by the company, the company has not been able to meet the expectations of employee's welfare, the Company provides incentives or bonuses to each employee, especially sales at every event or event held. Bonus event is usually given together with salary, but the amount of the bonus depends on the price of the car sold by the employees and the amount of the bonus does not have a clear standard

Another factor that influences employees' interest in the company is the leader factor. The way a leader can lead to a pattern of good relationships between employees and their leaders, Leaders who are expected to direct, motivate, inspire, set an example so as to create a passion for work in their employees which will be a very good performance needed by the company.

The leader or owner of XX Motor often gives unclear instructions to his employees. Implementation of operational systems and procedures that are not clear, leaders do not monitor the development of the company, rarely participate in serving consumers and directly monitoring employees, leaders tend to mix personal problems and company problems more often, lack of leadership transparency in problems that are being experienced by the company. Unclear instructions. The instructions given to employees are not comprehensive, so employees feel confused without a clear operating procedure system.

### A. Problem Identification and Formulation

Based on the description above, formulate the problems to be discussed are:

1. How and how much influence leadership style has on employee's loyalty XX Motor.
2. How and how much influence compensation has on employee's loyalty XX Motor.
3. How much influence leadership style and compensation on employee's loyalty XX Motor?

## Definition of Leadership

### B. Theoretical framework

#### Definition of Leadership

Leadership literally comes from the word lead. The word lead contains the meaning of directing, fostering, regulating, guiding and also showing or influencing. The word "leading" according to [Whales, Frawley, Cohen, and Nikolova \(2021\)](#)

"Leadership style is a trait, habit, temperament, character and personality that distinguishes a leader in interacting with others".

Furthermore, [Coulter and Robbins \(2015\)](#) say that leadership is:

"Leadership is what leaders do. It's a process of leading a group and influencing that group to achieve its goals".

#### Definition of Leadership Style

Leadership style is a pattern of behavior applied by a leader, how to apply a leadership style by a different leader, how the overall pattern of a leader's actions, visible and invisible by his workers. Furthermore, according to [Whales et al. \(2021\)](#):

Leadership style is a trait, habit, temperament, character and personality that distinguishes a

leader in interacting with others. From the definition of leadership style described by several experts, it can be said that leadership style is a pattern of behavior from a leader as a way to influence employees to work together in achieving the goals set.

## Leadership Style Type

Furthermore, the types of leadership styles according to [Uhl-Bien, Piccolo, and Schermerhorn \(2020\)](#) are:

### a. Autocratic Type

Leaders who tend to concentrate power on themselves, dictate how tasks are to be completed, make decisions independently one-sided, and minimize employee's participation.

### b. Democratic Type

The democratic leadership style describes a leader who tends to involve employees in decision making, delegate power, encourage employee's participation in determining methods work and goals to be achieved, and view feedback as an opportunity to train employees.

### c. Laissez-Faire Type (Freedom)

The free-control leadership style describes a leader who as a whole gives its employees or groups the freedom to making decisions and complete work in a manner that according to the most appropriate employees.

## Definition of Compensation

According to [Karwowski and Salvendy \(1994\)](#) compensation is:

"All kinds of awards in the form of money or non-money given to employees properly and fairly for their services in achieving company goals.

Meanwhile, [Zeebaree, Shukur, and Hussan \(2019\)](#), stated that:

"Compensation is something that employees receive in exchange for contributions services to the company. Compensation is one of the operational functions in human resource management which has an important role in driving human resources in a company."

Someone works using knowledge and skills, and sacrifices energy and time not just to prove or dedicate themselves to the company, but there is another goal, namely expecting rewards or remuneration for the results that have been given. For companies, compensation is a measure of the success of a company. A high level of compensation shows the company's ability to fulfill employees' rights in accordance with predetermined provisions. In addition, compensation can also create employee's loyalty, because with a good and high compensation payment system, it will not be easy for employees to leave the company.

## Yes Employees

In carrying out work activities, employees will not be separated from loyalty and work attitudes, so that employees will always carry out their work well. employees feel a deep pleasure in the work they do.

## Definition of Loyalty

According to [Bernanthos \(2018\)](#) Loyalty can be said:

"As one's loyalty to something that is not just loyalty only physical, but more on non-physical loyalty

such as thoughts and attention. Loyalty of employees in an organization is absolutely necessary for success the organization itself."

While loyal according to [Stewart and Brown \(2019\)](#):

"An employees's tendency not to move to another company"

Furthermore, according to [Uhl-Bien et al. \(2020\)](#), Loyalty is:

"The desire to protect and save face for others.

So, here the loyalty of employees is not just physical loyalty or their presence in the organization, but includes thoughts, concerns, ideas, and fully devoted to the organization. Currently the loyalty of employees is not just carrying out their duties and obligations as employees in accordance with their job descriptions or also known as *job description*, but rather to do as optimally as possible to bring out the best in the organization.

## Factors for Employees Loyalty

One survey on loyalty cited by [Drizin and Schneider \(2004\)](#) shows that the main driver for employees loyalty is fairness. This includes: fair in salary, fair in performance appraisal, and fair in policy formulation and implementation. While [Ammari, Alkurdi, Alshurideh, and Alrowwad \(2017\)](#) suggests that effective communication in an organization will have an impact on employees loyalty.

[Antoncic and Antoncic \(2011\)](#) stated that the decrease in loyalty was generally caused by distrust of organizational decisions and policies, poor communication and internal information flow, and leadership style within the organization.

Meanwhile, according to [Cunha \(2002\)](#) loyalty must be built, among others, through managing the structure, culture, and leadership in the organization. [McGuinness \(1998\)](#) states that increasing participation in decision-making, effective and open communication, developing mutual trust, career development, and remuneration based on productivity, and flexibility of benefits can lead to loyalty on employees.

Employee's loyalty can also be built through good relationships between superiors and subordinates. Building a trusting relationship with each other is a very meaningful form of compensation for employees. employees must know that their boss treats them as individuals, not just "resources" before they are motivated to give their best for the organization, ([Boltax, 2011](#)). employee's loyalty exists in an organization if employees believe that in the organization's goals, employees can achieve goals they.

## Employees Loyalty Indicator

According to [Rosanas and Velilla \(2003\)](#) Loyalty cannot be considered as something that happen automatically when an employees joins the organization. If the organization wants a loyal employee, the organization must strive for employees to become part of the organization which is a higher level. Thus, the employees really feels that the "up and down" of the organization is the "up and down" as well. Therefore, loyalty includes a willingness to stay afloat, have productivity that exceeds standards, have altruistic behavior, and there is a reciprocal relationship where employees loyalty must be balanced by organizational loyalty to employees.

Loyalty cannot be considered as something that happens by itself when an employee joins the organization. employees who have low loyalty include due to the nature of their character (innate), disappointment employees, and superior attitudes, as well as negative feelings, such as wanting to leave organization, felt that working in another organization was more profitable, did not feel the benefit, and regretted joining the organization.

The characteristics of employees who show high loyalty to the company, including: a) willing to work beyond normal conditions, b) feeling proud of the achievements achieved by the company, c) feeling inspired, d) willing to sacrifice personal interests, and e) feeling there are similarities value with the company.

[Karam and Saydam \(2015\)](#) suggests indicators of work loyalty are: as follows:

- a) Obeying regulations such as, obeying all applicable laws and regulations, obeying official orders given by competent superiors, always obeying the predetermined working hours,
- b) Responsible for, among others, being able to complete tasks properly and on time, always storing official goods as well as possible, prioritizing the interests of the service from the interests of the group, never throwing the mistakes he made to others,
- c) Contribute thoughts and energy sincerely to the organization,
- d) To be honest, among others, always carry out tasks with sincerity without feeling forced, not blaming the authority that is on him and reporting the results of work to superiors as they are.

Based on the loyalty aspect proposed by [Rahim, Ignatius, and Adeoti \(2012\)](#) the loyalty indicator used to determine the loyalty of organizational members is the desire to remain in the organization marked by:

- a) Desire to remain in the organization,
- b) The desire to try as much as possible is marked by being willing to work beyond ordinary conditions,
- c) Full acceptance of the values of the organization which is marked by accepting whatever is the policy of the organization and
- d) Loyal to the company.

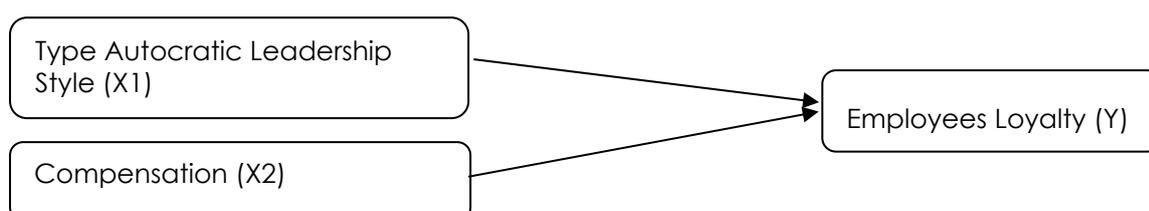
Based on this, the researcher uses the aspect of work loyalty proposed by Steers and Potters as a reference in making indicators of work loyalty. as follows: staying in the organization, willing to be transferred to anywhere, wanting to remain part of the organization, not wanting to change professions, willing to work beyond normal conditions, not minding being given a heavy task, proud to be a member of the organization and accept whatever the organization does

## Framework

The achievement of organizational goals lies in the employees who are the implementers or those who run the organization's operations. The higher the loyalty of the employees of an organization, the easier it will be for the organization to achieve its goals, on the contrary, in organizations with low employees' loyalty, the more difficult it is for the organization to achieve its goals.

Employee's loyalty is formed by the presence of a good leadership style and fair compensation. employees who have high loyalty will devote all their abilities to achieve the expected company goals. Employee's loyalty to the company is loyalty or a form of deep emotional attachment to the company due to satisfaction with the policies applied by the company to him.

The approach of a superior to his subordinates in leading an organization is reflected in his leadership style. Different leadership styles in each organization lead to different results achieved by each organization. In the formation of work loyalty, it is necessary to have individual self-awareness, either directly or indirectly, which is supported by various factors. Leadership style is one of the determinants of employee's loyalty to the company. The leadership style of a boss will be related to employee's loyalty. The result of a leadership style that is applied properly will create a conducive organizational life so as to give birth to a sense of employee's loyalty to their superiors due to their mutual need for one another. Effective leadership is very important for the survival and success of a business entity. employee's loyalty will increase in accordance with the right leadership. Based on the factors that have an influence on employee's loyalty, the research framework is shown in the following figure:



Picture 1

## Framework

### Research Hypothesis

In line with the framework of thought, in conducting this research, the writer formulates the proposed hypothesis as follows:

H1 = There is an effect of autocratic leadership style on employee's loyalty

H2 = There is a compensatory effect on employees' loyalty

H3 = There is an effect of autocratic leadership style and compensation on employee's loyalty

### Research Methods

The research method used in this research is descriptive verification method. According to [Sekaran and Bougie \(2019\)](#) descriptive research is :

"A type of conclusive research that has the main goal of describing something that is usually a market characteristic or function. Population size is the total number that includes all employees studied. Sampling technique when all members of the population are used as a saturated sample or census

## Research Results and Discussion

### Research Result

#### Classic Assumption Test

Before the regression results are tested further, the assumption test is carried out first classical. Classical assumption test is done to obtain accurate research. The tests include model normality test, multicollinearity test, test heteroscedasticity. The following are the results of testing these assumptions:

#### Normality Test

Normality test aims to find out how much the data is distributed normally in the variables used in this study. Normality test is carried out by observing and testing Kolmogorov – Smirnov, with testing criteria:

1. Significance Figure (Sig) > 0.05 then the data is normally distributed
2. Significance Figure (Sig) < 0.05 then the data is not normally distributed

Based on the results of data processing using SPSS 21 software. The results can be obtained in the following table:

**Table 1**

Data Normality Test

<b>One-Sample Kolmogorov-Smirnov Test</b>				
		Leadership Style	Compensation	Loyalty
N		44	44	44
Normal Parameters, b	mean	77.1818	38.5455	49.5227
	Std. Deviation	9.89779	3.78771	6.28579
Most Extreme Differences	Absolute	.215	.306	.308
	Positive	.183	.282	.233
	negative	-.215	-.306	-.308
Kolmogorov-Smirnov Z		1.425	2.032	2.042
asympt. Sig. (2-tailed)		.234	.201	.196
a. Test distribution is Normal.				
b. Calculated from data.				

From table 1 the results obtained that the significance level of the research variables is normally distributed, this can be seen from the magnitude of the significance level on the variables ranging above = 0.05. This shows that the research sample is normally distributed at an error rate of 5%.

### Multicollinearity

Multicollinearity means that there is a strong relationship between some or all of the independent variables in the regression model. If there is multicollinearity, the regression coefficient becomes indeterminate, the error rate becomes very large and is usually marked by a very large coefficient of determination, but in the partial test of the regression coefficient, there is none or if there is very little significant regression coefficient. As for how to detect it if multicollinearity is high, by looking at the tolerance value of the variance inflation factor (VIF). If the tolerance value > 0.1 or VIF for the independent variable < 10, then there is no multicollinearity as shown in Table 2 the following :

**Table 2**  
Multicollinearity  
Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Leadership Style	.470	2.128
	Compensation	.470	2.128

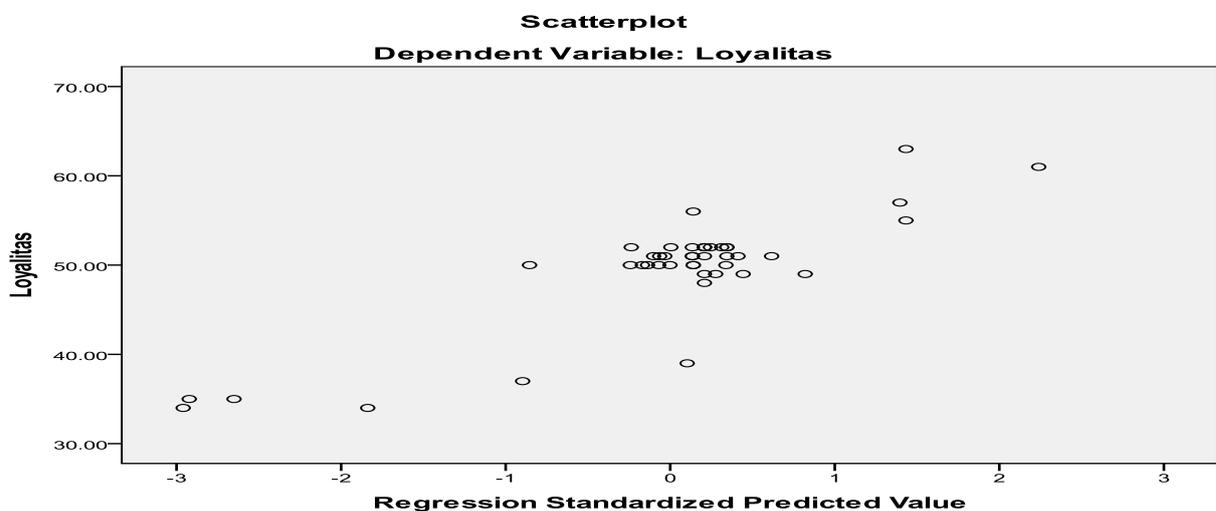
**Source:** Questionnaire data that has been processed, 2020

a. Dependent Variable: Loyalty

From the calculation results in the table above, the tolerance value is above 0.1 and the Value Inflation Factor (VIF) is below 10, so it can be concluded that there is no multicollinearity between the independent variables.

### Heteroscedasticity Test

The following is a heteroscedasticity test, where in regression analysis, the variance of the residuals is not the same or does not have a certain pattern from one observation to another, which is indicated by an unequal value between one variance of the residuals and the variance between the residuals is not homogeneous, whereas if there is The symptom of the same variance is called homoscedasticity. The results of the heteroscedasticity test in this study, using a scatterplot model, namely through a scatter diagram between the predicted value (ZPRED) and the studentized residual (SRESID), as shown in the following figure:



**Picture 2**

## Heteroscedasticity Test

Based on the scatter diagram, it can be seen that the residual distribution is not homogeneous. This can be seen from the plots that spread and do not form a certain pattern. With these results it is proven that homoscedasticity occurs or the regression equation fulfills the non-heteroscedasticity assumption.

## The Influence of Leadership Style on Employees Loyalty at XX Motor

### Bandung

To find out how much influence the leadership style has on employee's loyalty, then we must know the correlation coefficient, the coefficient of determination, and test the hypothesis

### Correlation Analysis

To find out how much relationship (correlation) between leadership style and employees' loyalty partially, the results of the test are as follows:

**Table 3**

Analysis of the Correlation Coefficient of Leadership Style Effect  
Against employees Performance  
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
dimension0	1	.836a	.700	.693	3.48530

a. Predictors: (Constant), Leadership Style

b. Dependent Variable: Loyalty

Based on Table 3 above, the results of the calculation of the correlation coefficient (R) are 0.836. This value is between 0.80 – 1,000, which means that the type of leadership style (X1) has a very strong relationship with employee's loyalty (Variable Y).

### Coefficient of Determination

The magnitude of contribution Leadership Type variable (X1) to employee loyalty (Variable Y) is indicated by the magnitude of the coefficient of determination (which is the result of squaring the correlation coefficient multiplied by 100%) or R Square. From Table 4.26 the coefficient of determination above is known that the coefficient of determination (R Square) is 0.700 or 70.00%, meaning that the Leadership Type variable (X1) has an influence on employee's loyalty (Variable Y) of 70.00% and the remaining 30, 00% influenced by other factors.

### Partial Hypothesis Testing (t Test)

To be able to find out whether there is an influence between leadership style (X1) on employee's loyalty (Variable Y), it is necessary to test the hypothesis with the following steps:

1) First Hypothesis

$H_0: p \leq 0$ , it means that there is no influence between leadership style on employees' loyalty

$H_1: p > 0$ , it means that there is an influence of leadership style on employees' loyalty

2) Determining the level of significance

The significance level taken for this study is 5%

3) Calculating the value of t count and conclusion

To be able to find out whether there is an influence between the leadership style variable (X1) on employees loyalty (Variable Y), then hypothesis testing is carried out based on the t test value.

**Table 4**

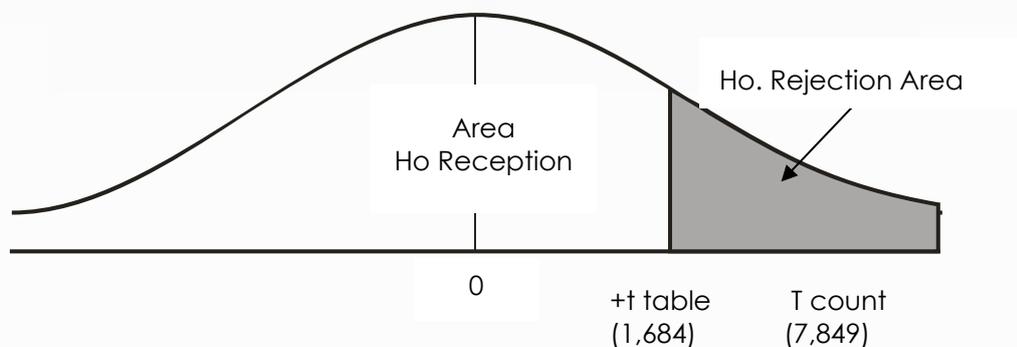
Hypothesis Testing the Effect of Leadership Style on employees Loyalty Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8,522	4.178		2,040	.048
Leadership Style	.531	.054	.836	9,893	.000

**Source:** Questionnaire data that has been processed, 2020

a. Dependent Variable: Loyalty

From Table 4 above, it can be concluded that the value of count (9.893) > table (1.684) means that Ho is rejected. Thus, the leadership style variable (X1) has an effect on the employee's loyalty variable (Variable Y). The rejection area for Ho can be seen in the following figure:



**Picture 3**

**T Test Criteria for Variable X1 Against Y**

**The Influence of Compensation on Employees Loyalty at XX Motor Bandung**

**Correlation Analysis**

To find out the extent of the relationship (correlation) between compensation and employees' loyalty partially, the test results are as follows:

**Table 5**

Analysis of the Correlation Coefficient of Compensation Effect on employees Loyalty Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0	1 .771a	.595	.585	4.04945

**Source:** Questionnaire data that has been processed, 2020

a. Predictors: (Constant), Compensation

b. Dependent Variable: Loyalty

As seen from Table 5, the calculation result of the correlation coefficient (R) is 0.771. This value is between 0.60 – 0.799, which means that Compensation (X2) has a strong relationship with employee loyalty

## Coefficient of Determination

The contribution of the variable Compensation (X2) to employees loyalty (Variable Y) is indicated by the magnitude of the coefficient of determination (which is the result of squaring the correlation coefficient multiplied by 100%) or R Square.

From Table 5 the coefficient of determination above is known that the coefficient of determination (R Square) is 0.595 or 59.50%, meaning that the Compensation variable (X2) has an influence on employees loyalty (Variable Y) of 59.50% and the remaining 40.50 % influenced by other factors.

## Partial Hypothesis Testing (t Test)

To be able to find out whether there is an effect between Compensation (X2) on employees' loyalty (Variable Y), it is necessary to test the hypothesis with the following steps:

1) Second Hypothesis

H0:  $\rho \leq 0$ , it means that there is no influence between compensation and employees' loyalty

H2:  $\rho > 0$ , it means that there is an effect of compensation on employees' loyalty

2) Determining the level of significance.

The significance level taken for this study is 5%

3) Calculating the value of t arithmetic (one-sided test) and conclusions

To be able to find out whether there is an effect between the Compensation variable (X2) on employees loyalty (Variable Y) partially, then hypothesis testing is carried out based on the t test value.

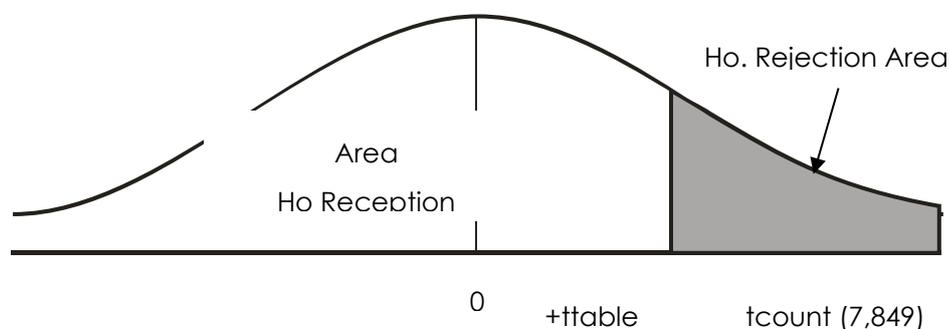
**Table 5**

Hypothesis Test Results The Effect of Compensation on employees Loyalty coefficient's

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.196	6.314		.031	.975
	Compensation	1,280	.163	.771	7.849	.000

a. Dependent Variable: Loyalty

From Table 5 above, it can be concluded that the value of tcount (7.849) > ttable (1.684) means that H0 is rejected. Thus, the compensation variable (X2) has an effect on the employee's loyalty variable (variable Y). The rejection area for H0 can be seen in the following figure:



**Figure 4**

## T-Test Criteria for Variable X2 Against Y

### The Effect of Simultaneous Leadership Style and Compensation on employees Loyalty at XX Motor Bandung

#### Regression Analysis Multiple Linear

To be able to find out multiple linear regression Effect of Type Leadership and compensation for employee loyalty, can be seen in Table 6 as follows:

**Table 6**

Multiple Regression Effect of Leadership Style and Compensation on employees Loyalty coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,235	4.969		.249	.805
	Leadership Style	.372	.072	.585	5.198	.000
	Compensation	.573	.187	.345	3.063	.004

**Source:** Questionnaire data that has been processed, 2020

a. Dependent Variable: Loyalty

From table 6 above, the regression equation is:

$$Y = 1.235 + 0.372X_1 + 0.573X_2 +$$

The meaning of the equation:

- Constanta of 1.235 states that if Leadership style, and compensation = 0 (equal to zero) and there is no change, then employee's loyalty is 1.235.
- Leadership Type (Variable X1) has a positive value of 0.372. This means that an increase in Leadership Type (Variable X1) by 1 unit will increase employees Loyalty by 0.372 units.
- Compensation (Variable X2) has a positive value of 0.573. This means that an increase in the Compensation variable (Variable X2) by 1 unit will increase employees' loyalty by 0.573 units.

#### Multiple Correlation Coefficient Analysis

In order to know the correlation between Leadership style (Variable X1) and Compensation (Variable X2) on Employee's loyalty (Variable Y) can be seen in Table 7 as follows:

**Table 7**

Correlation coefficient Leadership Style and Compensation For employees Loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0 1	.869 <sup>a</sup>	.756	.744	3.18211

**Source:** Processed questionnaire data, 2020

a. Predictors: (Constant), Compensation, Leadership Style

b. Dependent Variable: Loyalty

To find out the extent of the close relationship between Leadership Type (X1) and Compensation (X2) on employee loyalty simultaneously, a test of the close relationship between variables X1, X2 and Y variable is carried out as seen in table 7 model summary

Based on table 7, the multiple correlation coefficient (R) is 0.869. This value is between 0.80 – 1,000, meaning that the Leadership Type (X1) and Compensation (X2) have a very strong relationship with employee loyalty (Variable Y).

## Coefficient of Determination

The magnitude of the influence of the Leadership Type variable (X1) and Compensation (X2) on employee loyalty (Variable Y) is indicated by the magnitude of the coefficient of determination (is the result of squaring the correlation coefficient multiplied by 100%) or R Square.

From Table 7 above, the determinant coefficient is 0.756 or 75.60%, meaning that the Leadership Type (X1) and Compensation (X2) variables have an influence on employee loyalty (Variable Y) of 75.60% and the remaining 24.40% is influenced by other factors.

## Test Simultaneous Hypothesis (F Test)

To be able to find out the Influence of Leadership Style and Compensation on employees Loyalty simultaneous test (F test) it is necessary to test the hypothesis where the results can be obtained in the following table:

**Table 8**  
**Hypothesis Testing (F Test)**  
**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1283.819	2	641,910	63.393	.000a
	Residual	415.158	41	10.126		
	Total	1698,977	43			

a. Predictors: (Constant), Compensation, Leadership Style  
b. Dependent Variable: Loyalty

Source: Questionnaire data that has been processed, 2020

### A. Formulating the Zero Hypothesis

**H0: 1 = 2 = 0**

it means that there is no simultaneous (simultaneous) effect of Leadership Type (Variable X1) and Compensation (Variable X2) on employee loyalty (Variable Y).

**H1: 1 ≠ 2 ≠ 0**

it means that there is a simultaneous (simultaneous) effect of Leadership Type (Variable X1) and Compensation (Variable X2) on employee loyalty (Variable Y)

### B. Determining the Level of Significance

The significance level taken for the study is 5% with the free level  $df = 44 - (2 + 1) = 41$

### C. Determine F count

From table 8 above, it can be seen that the value of Fcount (63.393) > Ftable (3.232) then H0 is rejected and H1 is accepted, which means There is a significant effect simultaneously (simultaneously) of Leadership Style (Variable X1) and Compensation (Variable X2) on employees Loyalty (Variable Y).

## Discussion

### Leadership Style Effect Towards Employees Loyalty At XX

#### Bandung Motorcycle

The result of the calculation of the correlation coefficient (R) is of 0.836. The value is between the value of 0.80 – 1.000 means that the leadership style (X1) has very strong relationship with employees loyalty (Variable Y). The coefficient of determination (R Square) is 0.700 or 70.00%, it means that the leadership style variable (X1) has an influence on employees loyalty (Variable Y) is 70.00% and the rest is 30.00% influenced by other factors. The results of the hypothesis test show that the value of tcount (9.893) > ttable (1.684) means, Ho is rejected. Therefore, Leadership

style variable (X1) has an effect on Loyalty variable employees (Variable Y). This is in line with research conducted Mai Ngoc Khuong, Nguyen Nhu Tung, and Pham Thi Hoang Trang (2014) who entitled The Effects of Leadership Styles toward Salespersons Loyalty - A Study of Import-Export Companies in Ho Chi Minh City, Vietnamese. Results Research shows that leadership style has an effect on loyalty.

## **Influence Compensation for Employees Loyalty at XX Motor Bandung**

The result of the calculation of the correlation coefficient (R) is of 0.771. The value is between the value of 0.60 - 0.799 means that Compensation (X2) has a close strong relationship with employees loyalty (Variable Y). Coefficient the determination (R Square) is 0.595 or 59.50%, meaning that the variable Compensation (X2) has an influence on employees loyalty (Variable Y) is 59.50% and the remaining 40.50% is influenced by another factor. The results showed that the value of tcount (7.849) > Ttable(1.684) means, Ho is rejected. Thus, the variable Compensation (X2) has an effect on employees loyalty variable (Variable Y).

## **Influence Leadership Style and Compensation for Loyalty**

### **Employees at XX Motor Bandung**

The results of multiple linear regression test Effect of Leadership Style Dan Compensation for employee's loyalty obtained by the equation  $Y = 1.235 + 0.372X_1 + 0.573X_2$ , meaning that the constant of 1.235 states that if Leadership style, and Compensation = 0 (equal to Zero) and no there is a change, then employees' loyalty is 1,235. Leadership style (Variable X1) has a positive value of 0.372. This means that enhancement Leadership style (Variable X1) of 1 unit will raise employees' loyalty is 0.372 units.

Compensation (X2 Variable) has a positive value of 0.573. This means that an increase in Compensation variable (Variable X2) by 1 unit will increase Loyalty employees by 0.573 units. The results of the calculation of the multiple correlation coefficient (R) are of 0.869. The value is between 0.80 – 1,000 it means that leadership style (X1) and compensation (X2) have a close relationship very strong relationship with employees loyalty (Variable Y). The coefficient of determination is 0.756 or 75.60%, meaning that the variable Leadership style (X1) and Compensation (X2) have an [influence to employees loyalty (Variable Y) of 75.60% and the remaining 24.40% influenced by other factors. The results of the hypothesis test show that the value of Fcount (63.393) > Ftable (3.232) then H0 is rejected and H1 is accepted which it means there is a significant effect simultaneously (simultaneously) of Leadership style (Variable X1) and Compensation (Variable X2) towards employees loyalty (Variable Y).

## **Conclusion**

This study aims to examine the effect of Leadership Style and Compensation for employees Loyalty to XX Motor Bandung. Based on the results of the research and discussion, it can be concluded as follows:

1. The results of the calculation of the correlation coefficient show that Leadership style has a very strong relationship with employee's loyalty. Based on the results of the coefficient of determination and hypothesis testing, it was found that leadership style had an effect on employees loyalty.
2. Based on the calculation results that the correlation coefficient shows compensation has a strong relationship with employees' loyalty. The results of the calculation of the coefficient of determination and hypothesis testing show that compensation has an effect on employee's loyalty
3. The results of the calculation of the multiple correlation coefficient (R) show that leadership style and compensation have a very strong relationship with employee's loyalty. The results of the coefficient of determination and hypothesis testing show that leadership style and compensation have an effect on employee's loyalty

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