The Effect of Incentives and Work Satisfaction on Employee Loyalty in the New Normal Period

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Abstract
This study aims to see the effect of employee incentives and job satisfaction on employee loyalty in the new normal period after the Covid-19 pandemic takes place. This study used the object of study, namely the Amaris Hotel. The respondents in this study were all employees at the Amarism Hotel Surabaya with a total of 50 respondents who were processed using Partial Least Square (PLS) with the help of SmartPLS 3.0 software. The results of this study show that incentives have an original sample value of 0.609 with a significance of 0.000 (<0.05) which means that incentives have a positive and significant influence on employee loyalty. In addition, job satisfaction has an original sample value of 0.371 with a significance of 0.000 (<0.05) which means that job satisfaction has a positive and significant influence on employee loyalty.
Keywords: Incentive, Employee Satisfaction, Employee Loyalty

INTRODUCTION

The beginning of the emergence of the Covid-19 pandemic outbreak in 2019 until its spread so quickly spread throughout the world, had a bad impact on the soocial, economic and also human dimensions. The conditions that occurred during the Covid-19 period were conditions that had various major impacts on various sectors, not only in Indonesia but also had an impact on various sectors in the world. One of the sectors that has a big impact because of this condition is the business sector, especially in the tourism sector.

The phenomenon of pressure on the tourism industry in Indonesia can be seen from the significant decrease related to the arrival of tourists, both domestic and foreign tourists. This declining condition is due to delays in domestic travel, mainly due to the reluctance and fear of the Indonesian people to travel domestically and tourism. Indonesians are worried about their health conditions because of the rapid spread of the Covid-19 virus. This certainly results in companies in the tourism sector no longer able to pay employee wages and bear the burden of the company even more. Many companies in the tourism sector still want to survive and continue their business so they find ways and turn their minds so that their companies continue to run without having to harm any party.

Human resources (HR) are one of the assets that have an important role in the company and must still be maintained. Companies that have human resources with high loyalty result in their employees will be more loyal to the company. Employee loyalty will be reflected in employees who always provide expertise, abilities and thoughts to the maximum, always provide the best things they have by not harming the company and others and always complete the work honestly and responsibly. Employee loyalty is a sense of loyalty that can be seen from the willingness of employees to defend and maintain the organization, both outside and inside the work from the encouragement of irresponsible people (Hasibuan, 2017). Loyalty measurement can be done with five indicators, namely obeying responsibility and obeying regulations and the thoughts and energy contributed (Kurniawan & Alimudin, 2015).

Table 1. Amaris Hotel Employee Absence Data in 2021

Month	Sick	Permission	Alpha	Total
January	4	2	3	9
February	2	3	5	10
March	2	4	2	8
April	3	5	2	10
May	2	3	6	11
June	3	3	2	8
July	2	6	1	9
August	1	3	3	7
September	4	3	6	13
October	3	3	3	9
December	2	2	7	11

From the results of table 1 above, it can be seen that the highest employee attendance data can be seen in September as many as 13 absences and march as many as 10 absences. Work satisfaction must also be considered because it can affect employee performance. Employees feeling dissatisfied at work will result in a dilemma that has an impact on the company which results in not optimal work, loss of motivation for work time, frustration, poor productivity, high absence of employees, very high levels of employee entry and exit and employees are not loyal as long as they feel dissatisfied at work so that the worst event is when employees decide to resign from the company. The high level of resignation or employee turnover intention should be minimized by the company. Turnover intention is a problem that often occurs within the company related to the desire of employees to resign from the company (Hasibuan, 2017). This indicates the low loyalty of employees to the company.

However, if employees feel satisfied in their work environment, they will give a good return to the company where they work. Thus, the employee will feel that his work is cared for and appreciated. Companies also need to continue to pay attention to the level of employee satisfaction at work (Hasibuan, 2017). Employees with a high level of job satisfaction generally have a good history of attendance, good performance and continue to increase, have a high commitment compared to employees who do not get job satisfaction in the place where they work. The more employees feel satisfied with their work, the more a sense of belonging, commitment that indicates the employee's loyalty increases. This can be seen from the increasing commitment of employees at work and employee loyalty, it can make the work performance of employees in the place where they work increases. The work performance of these good employees can also be seen from the stable and good employee attendance record.

The efforts made by the company to increase employee loyalty include providing incentives to its employees. The main purpose of the company to incentivize its employees is as a sign of repayment for the maximum performance that employees provide. That means the company will never forget the employees who are part of it. A good company in addition to providing a timely salary also provides incentives in exchange for a decent reward. Incentives are in addition to repayments obtained by certain employees who have work achievements above standard achievements, which are additional to the repayment of services given by the company. This incentive is a tool used in supporting the principles of employee fairness in the provision of compensation by the company (Hasibuan, 2017).

Incentives are the encouragement that exists in individuals to continue to work well so as to achieve the level of employee loyalty in accordance with the wishes of the company. The incentives given make employees feel less because the needs of life have increased per year and are starting to be difficult to reach, this makes every employee have to think about increasing income by looking for other jobs to meet the needs of life. One of the problems regarding incentives at The Amaris Hotel when entering the new normal era is because a very significant decrease in company income causes companies to have difficulty in providing incentives where these incentives are highly expected by

employees as additional income, therefore many employees feel lacking when not incentivized by the company so that employee loyalty to the company decreases, this is proven in previous research, namely research according to Novita Sari (2019) which suggests that incentives partially affect employee loyalty.

This is what makes the employees at the Amaris Hotel experience a decline while working and results in many people leaving the hotel. The results of empirical research state that incentives will increase employee loyalty, especially incentives on material matters (Made et al., 2013). Meanwhile, incentives in the form of non-material do not have an impact on employee loyalty. Similar research also states that incentives have an influence on employee loyalty. The high incentives given by the company to employees certainly provide an increase in employee work loyalty in the place where employees work (Hanin et al., 2018). Measurement of incentive variables can use two indicators, namely material and non-material incentives (Made et al., 2013).

Another problem related to the incentives at the Amaris Hotel shows that the incentives provided by the company are too low for employees. The provision of incentives has been given according to their respective jobs, but the provision of these incentives is given to divisions in the company not to personal. This makes the employees at the Amaris Hotel have no satisfaction when working because the incentives provided by the company are too low for employees. Employees have tried their best for the sustainability and progress of the company, for employees, the company should be able to appreciate in a decent way.

Another effort made to increase employee loyalty is by providing satisfaction to its employees. Job satisfaction is an employee's attitude that is pleasant and loves their job where employees will feel satisfaction at work (Hasibuan, 2017). Job satisfaction is a response from an individual to their work conditions and situation. This emotional response is usually a sense of satisfaction or vice versa. If emotionally satisfied means that job satisfaction in the company is achieved optimally and if emotionally dissatisfied, it means that job satisfaction in the company is not achieved optimally. Previous research explains that job satisfaction can increase employee loyalty (Wibowo & Sutanto, 2013). Incentives from the company given to employees are appropriately able to be one of the factors that encourage them to maximize their abilities for the benefit of the company where they work, this of course employees will try to continuously provide the best to defend the company as a form of loyalty or high loyalty shown by employees. Measurement of job satisfaction variables can use three indicators, namely supervision, contingents reward, nature of work (Badriyah, 2015).

RESEARCH METHODS

This research is a quantitative research. Quantitative research is research that represents research based on figures (Sugiyono, 2016). In this research, the population used was all employees of the Amaris Hotel with a total of 50 permanent employees so that the sampling in this study used the entire population (census) as a research sample.

The source of this research data is primary data, namely respondents' answers from the questionnaire given. The respondent in this study was Hotel Amaris Surabaya. The data obtained were then collected using questionnaires consisting of a series of written questions asked to respondents. Researchers used a likert scale of measurement indicators, namely using 5 levels of preference of the answers of research respondents. The variables in the questionnaire are used as research in determining the physical and psychic abilities of employees, indicators of each variable will be used as a question to be answered to each employed. Researchers used three variables, namely incentives and employee job satisfaction as free variables and employee loyalty as bound variables. After the data obtained is collected, the data is then formed into a tabulation which is then processed using the Smart-PLS application (Ghozali, 2015).

RESULTS OF RESEARCH AND DISCUSSION
Research Results

The respondents in this study were all employees of Amaris Hotel, totaling 50 people. The characteristics of respondents were obtained based on gender, level of education, and length of work. Characteristics can be seen in table 2.

Table 2. Descriptive Analysis of Respondents

Karakteristik	Keterangan	Jumlah Responden	Presentase (%)
Jenis Kelamin	Laki-laki	28	56%
	Perempuan	22	44%
Usia	25 Tahun	15	3%
	26-29 Tahun	35	7%
Pendidikan Terakhir	D3	18	36%
	S1	22	44%
	SMK	10	2%
Masa Kerja	<1 Tahun	21	42%
	2 Tahun	29	58%

Source: 2022 Researchers' Primary Data

Respondents with male sex amounted to 28 or 56% and female respondents with 22 or 44% of 50 employees. Respondents in this study were dominated by employees aged 26-29 years with a percentage of 7%. Employees with D3 education as many as 18 people, employees with S1 education as many as 22 people, and employees with SMK education as many as 10 people. The majority of employees who work at Hotel Amaris with a length of work of 2 years or 58%.

Data instruments have an important position, namely as a depiction of the variables studied and can also function as a measuring tool to prove a hypothesis. The data instruments used must be valid and realiible so that later the data obtained is able to prove a hypothesis. Measurement model analysis (outer model) can be tested using outer loading contained in table 3.

Table 3. *Outer Model*

	Factor Loading (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
X1.1 <- INSENTIF (X_1)	0,970209	0,969618	0,005250	0,005250	184,804945
X1.2 <- INSENTIF (X_1)	0,971510	0,971116	0,004645	0,004645	209,158758
X2.1 <- KEPUASAN KERJA (X_2)	0,957204	0,957571	0,004341	0,004341	220,510014
X2.2 <- KEPUASAN KERJA (X_2)	0,968501	0,968178	0,004422	0,004422	219,039399
X2.3 <- KEPUASAN KERJA (X_2)	0,945448	0,945916	0,006870	0,006870	137,623178
Y3.1 <- LOYALITAS KARYAWAN (Y)	0,955943	0,956611	0,005900	0,005900	162,021651
Y3.2 <- LOYALITAS KARYAWAN (Y)	0,971502	0,971443	0,003555	0,003555	273,268897
Y3.3 <- LOYALITAS KARYAWAN (Y)	0,959298	0,959782	0,006175	0,006175	155,352943

The indicators in this study can be measured through the value of factor loading from variables to each research indicator. The research indicator can be said to be valid if the level of validity coverage is sufficient, which is greater than 0.5 and the t-statistical value is greater

than 1.96 (the Z value at the $\alpha = 0.05$). The outer loading results above, all reflective indicators on the incentive variables (X1), Job Satisfaction (X2), and Employee Loyalty (Y), show factorloading (original sample) greater than 0.50 and or significant (T-Statistical value is more than Z value $\alpha = 0.05$ (5%) = 1.96), it shows that the overall estimation results of the indicator have met Convergent vailidityor validity is met.

Table 4. *Cross Loading*

ITEM	INSENTIF (X_1)	KEPUASAN KERJA (X_2)	LOYALITAS KARYAWAN (Y)
X1.1	0,970209	0,932353	0,924435
X1.2	0,971510	0,916700	0,945006
X2.1	0,902365	0,957204	0,909508
X2.2	0,903836	0,968501	0,900688
X2.3	0,927131	0,945448	0,921250
Y3.1	0,935036	0,896078	0,955943
Y3.2	0,932536	0,909032	0,971502
Y3.3	0,912080	0,941615	0,959298

From the results of the cross loading data processing, all loading factor values were obtained on each indicator, both on the Incentive variables (X1), Job Satisfaction (X2), and Employee Loyalty (Y), showing a loading factor value that was greater than the loading factor indicators from other variables, so it can be said that all indicators in this study were met with validity or validity was good.

Table 5. *Average Variance Extracted*

Variabel	AVE
Insentif (X_1)	0,942568
Kepuasan Kerja (X_2)	0,916035
Loyalitas Karyawan (Y)	0,925965

Table 6 shows the measurement of the Avarage Variance Extracted (AVE) value , that is, the value indicates the magnitude of the variant of the indicator contained by its latent variable. Convergent AVE values greater than 0.5 indicate good validity adequacy for latent variables. In the variable, the reflective indicator can be seen from the Avarage variance extracted (AVE) value for each construct (variable). A good model is required when the AVE value of each construct is greater than 0.5 (Ghozali, 2015). The AVE test results for the Incentive variable (X1) were 0.942568, the Job Satisfaction variable (X2) was 0.916035, and Employee Loyalty (Y) was 0.925965, the three variables showed a value of more than 0.5, so the overall variables in this study can be said to be validity is good.

Table 6. *Composite Reliability*

Variabel	Composite Reliability
Insentif (X_1)	0,970435
Kepuasan Kerja (X_2)	0,970349
Loyalitas Karyawan (Y)	0,974039

Construct reliability is measured by the value of composite reliability, reliable construct if the value of composite reliability is above 0.70 then the indicator is called consistent in measuring its latent variables. The results of the Composite Reliability test showed that the Incentive variable (X1) was 0.970435, the Job Satisfaction variable (X2) was 0.970349, and employee loyalty (Y) was 0.974039, the three variables showed a Composite Reliability value above 0.70 so that it can be said that all variables in this study are reliable.

Table 7. Latent Variable Correlations

Variabel	Insentif (X_1)	Kepuasan Kerja (X_2)	Loyalitas Karyawan (Y)
Insentif (X_1)	1,000000		
Kepuasan Kerja (X_2)	0,952181	1,000000	
Loyalitas Karyawan (Y)	0,962886	0,951509	1,000000

The relationship of constructs or variables to one another is able to correlate with each other, either endogenous with exogenous or vice versa as seen in the latent table of correlations variables above. The relationship between variables with each other has a correlation value, which is a maximum value of 1 and if the closer to the value of 1, the correlation value is said to be good (Ghozali, 2015). The correlation value between the Incentive variable (X1) and Employee Loyalty (Y) is 0.962886, it can also be stated that among the variables in the research model, the relationship between the Incentive variable (X1) and Employee Loyalty (Y) shows a stronger relationship than the relationship between other variables, this can also be interpreted that in this research model the high and low employee loyalty is more influenced by the Incentive variable than Job Satisfaction variables. Meanwhile, the correlation value between the variables of job satisfaction (X2) and Employee Loyalty (Y) of 0.951509, it can also be stated that among the variables in the research model, the relationship between the variables of job satisfaction (X2) and Employee Loyalty (Y).

In addition to testing outer models, PLS also uses inner model testing which includes R-Square and path coefficient. Testing on structural models is carried out by paying attention to the R-Square value, which is a test of the goodness of fit of the model. R-Square values in equations between latent variables can also be used for inner model testing. This study got an R-Square value of 0.940023, meaning that the model is able to explain the phenomenon of Employee Loyalty which is influenced by free variables, including Incentives and Job Satisfaction with variants of 94%, while the remaining 6% is explained by variables that exist outside the current research.

Table 8. Hypothesis Testing

	Original Sample	t-stats	Sig	Pengujian Hipotesis
Insentif (X_1)->Loyalitas Karyawan (Y)	0,609279	7,918567	0,000	Diterima
Kepuasan Kerja (X_2)->Loyalitas Karyawan (Y)	0,371365	4,823180	0,000	Diterima

The results of the Incentive Analysis positively affect Employee Loyalty in amaris hotel employees are acceptable, with an original sample of 0.609279 and a t-statistic value of 7.918567> 1.96 (from table value Zα = 0.05) or P-Value of 0.000< 0.05, with positive and significant results. In addition, the results of the Work Literature Analysis had a positive effect on Employee Loyalty in amaris hotel employees, with an original sample of 0.371365, and a t-statistical value of 4.823180> 1.96 (from the table value Zα = 0.05) or P-Value 0.000< 0.05, with positive and significant results.

Discussion

This study shows the influence between incentives and employee loyalty, where high incentives can increase the loyalty of employees working at the Amaris Hotel. This means that when employees have high incentives at work, it automatically affects loyalty. The results of this study are in line with the research Hanin et al., (2018) that incentives have a very close

influence on employee work loyalty. Incentives that are given appropriately can be one of the main factors encouraging employees to give all their abilities to the company where they work so that employees try their best to defend the company as a form of their loyalty. Incentives also have a big effect on employee loyalty, because employees who are not incentivized to work properly, employees will commit many violations of existing regulations in the company. The results of this study are in accordance with research conducted before it which states that incentives have a positive and significant effect on employee loyalty (Hanin et al., 2018; Made et al., 2013)

Based on the analysis that has been carried out, the indicator of the Incentive variable, namely getting awards and praise, has the largest loading factor, which is 0.971510. This means that the indicator is the most powerful indicator in forming incentive variables. Every employee certainly wants progress or changes in their work not only a different or varied type of work but also a better position. The opportunity to improve the experience and develop one's own potential will be a strong motivation for employees to work better. The opportunity to improve the career, skills, and knowledge provided by amaris hotel is considered quite effective in an effort to encourage employee morale, so that employees can work optimally while increasing employee loyalty to work at the hotel.

Satisfaction Good work can increase employee loyalty. This means that when employees have a safe, comfortable, and harmonious work satisfaction, the employee's work satisfaction will be better. Employees who get work satisfaction usually have a good attendance record, have work commitments and perform better than employees who do not get work satisfaction (Hasibuan, 2017). The more satisfied the employee is with the work, the employee's commitment and loyalty will increase, the more commitment and loyalty of employees, the more employee work performance will increase in the company, employee work performance is good if the employee's attendance record is good. Work satisfaction is a set of feelings and beliefs that a person has about the work he has. Stating that individuals or employees who are dissatisfied at work can reduce the level of loyalty to the person concerned (Devina & Rokhyadi, 2019). Job satisfaction has a positive and significant effect on employee loyalty. In a sense, that good work satisfaction is indeed very necessary for an employee to be able to achieve high work satisfaction (Kurniawan & Alimudin, 2015). Based on the analysis that has been carried out, the indicator of the work satisfaction variable, namely feeling satisfied to get the appropriate reward for the results of work has the largest loading factor. these indicators are the most powerful indicators in forming variables of work satisfaction and have an impact on employee loyalty. Every employee will feel happy with their job duties if they get rewards that are in accordance with the results of their work. If the results of the work that the employee produces provide the appropriate remuneration, then the employee will feel satisfied with his work. Satisfied employees will continue to increase work loyalty to help achieve company goals

CONCLUSION

Based on the results of testing the effect of incentives and work satisfaction on employee loyalty at the Amaris hotel, conclusions can be drawn, namely: 1) Good incentives can increase employee loyalty. This means that the better the incentives contained in the company can increase employee loyalty in the amaris hotel. 2) Satisfaction Good work can increase employee loyalty. This means that the better the satisfaction of work contained in the company can increase employee loyalty in the amaris hotel.

Based on the results of testing the effect of Incentives and Work Satisfaction on Employee Loyalty at the Amaris Hotel, suggestions can be made, namely: 1) the company is expected to increase incentives in order to support employee work performance; 2) the company is

expected to be able to provide rewards that are in accordance with the results of the work; 3) the company is expected to be able to have good social relations with fellow employees. Some suggestions that researchers can give, namely to companies, are expected to increase incentives in order to support employee work performance, providing rewards that are in accordance with the results of work and are able to build good social relations between fellow employees in the work environment.

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