

Employee Loyalty and Its Impact on Job Satisfaction: A Study at the Camat Office of Sidikalang, Dairi Regency

Fahreja S. Anjas Ujung, Abdi Sugiarto

Abstract

This study aims to examine the effect of Employee Loyalty on Job Satisfaction at the Department of Employment, Cooperatives, and Small–Medium Enterprises in Serdang Bedagai Regency. A quantitative explanatory approach was applied, with the entire population of 47 employees serving as respondents through a saturated sampling technique. Data were collected using a structured questionnaire based on theoretical indicators and measured on a Likert scale. The data were analyzed using SPSS version 26.0, which included validity and reliability tests, descriptive statistics, regression analysis, the coefficient of determination (R^2), and hypothesis testing through a t-test. The results of the descriptive analysis show that both Employee Loyalty and Job Satisfaction are rated positively, with high mean values and low standard deviations, indicating consistent perceptions among employees. Validity and reliability tests confirmed that all items are valid and reliable, with Cronbach's Alpha values above 0.90, reflecting excellent internal consistency. Regression analysis reveals that Employee Loyalty has a positive and significant influence on Job Satisfaction, with a regression coefficient ($B = 1.009$) and a significance value of $p = 0.026 (< 0.05)$. The coefficient of determination ($R^2 = 0.179$) indicates that 17.9% of Job Satisfaction is explained by Employee Loyalty, while the remaining 82.1% is influenced by other factors outside the model. The t-test further supports these findings, confirming a significant effect of Employee Loyalty on Job Satisfaction. In conclusion, the study demonstrates that Employee Loyalty plays a critical role in shaping Job Satisfaction. These findings suggest that organizations should foster employee loyalty through recognition, fair treatment, and career development programs, as such efforts can enhance satisfaction and contribute to improved organizational performance.

Keywords: Employee Loyalty, Job Satisfaction, Quantitative

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Introduction

Employee loyalty is increasingly recognized as a crucial element in strengthening organizational performance, especially in the public sector. Loyalty is closely associated with employees' commitment, retention, and willingness to contribute to long-term organizational goals [1][2]. In the context of government institutions, loyal employees are essential in ensuring continuity, stability, and the quality of public service delivery. At the same time, job satisfaction represents a central factor that influences employees' attitudes and behaviors at work. The literature highlights that satisfaction can emerge as an outcome of various organizational practices, and it often mediates the effect of those practices on loyalty and retention [3][4]. Specifically, in digital workplace environments, improved quality and flexibility of work conditions are found to raise job satisfaction, which in turn fosters stronger loyalty among employees [5]. Conversely, poorly designed systems—such as invasive electronic monitoring—may lead to stress and diminish positive attitudes at work [6].

In Indonesia, efforts to improve employees' skills and work experience through digital transformation initiatives, such as the Government Transformation Academy (GTA), are intended to build digital literacy and competencies that support effective and citizen-oriented services [7]. While such initiatives are often associated with capacity development, they also indirectly shape satisfaction and loyalty by enhancing employees' sense of competence, relevance, and engagement [8][9]. The Camat Office of Sidikalang, Dairi Regency, represents a frontline institution where employees carry out complex tasks while maintaining intensive interaction with the community. Employee loyalty in this environment is critical for sustaining service quality, yet it is closely linked to their level of job satisfaction, which may be influenced by workload, training, and organizational support [10][11]. However, empirical studies exploring the dynamics between loyalty and job satisfaction in local government offices remain limited, with most research focusing on private organizations or higher education institutions [12].

This research is guided by several questions that focus on the relationship between employee loyalty and job satisfaction. The first question seeks to determine whether employee loyalty influences job satisfaction at the Camat Office of Sidikalang, Dairi Regency. The second question explores to what extent factors related to loyalty, such as commitment and retention, explain variations in employees' job satisfaction. The third question examines how the relationship between employee loyalty and job satisfaction may contribute to improving public service delivery in local government institutions.

Based on this gap, the present study aims to examine employee loyalty and its impact on job satisfaction at the Camat Office of Sidikalang, Dairi Regency. The findings are expected to provide theoretical contributions to the field of human resource management and practical insights for local government institutions in enhancing employee satisfaction and strengthening organizational loyalty.

Literature Review

2.1 Job Satisfaction

Job satisfaction refers to employees' feelings of pleasure or contentment when viewing and performing their work. When someone enjoys their job, it indicates that the person is satisfied with it [13]. Job satisfaction can also be defined as a positive attitude of employees, which includes both feelings and behaviors toward their responsibilities. This is shaped by the evaluation of work as a form of appreciation for achieving important values within the job [14]. Furthermore, Saragih and Simarmata (2019) describe job satisfaction as an individual's feeling toward their work, suggesting that job satisfaction is essentially the result of the interaction between individuals and their work environment.

According to Afandi (2018), job satisfaction can be measured through several key indicators. These include the nature of the work itself, the wages or compensation received, opportunities for promotion, the quality of supervision, and the relationships with colleagues. These aspects reflect the dimensions that significantly influence how employees evaluate and feel about their jobs, thereby determining their overall level of job satisfaction.

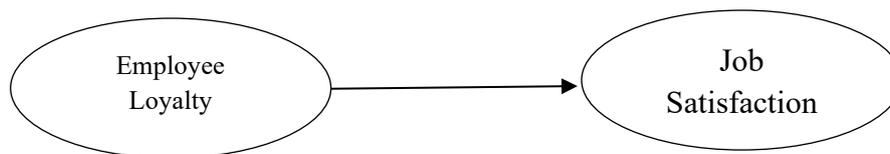
2.2 Employee Loyalty

Employee loyalty is generally understood as the result of a combination of job satisfaction, trust in the organization, and positive work experiences that encourage employees to remain in their workplace and reduce turnover intention [15]. Loyalty is also closely connected to affective commitment, which reflects emotional attachment; normative commitment, which refers to a moral obligation to stay; and continuance commitment, which is based on rational consideration of the benefits of staying in the organization. In line with this, Ateeq et al. (2023) define employee loyalty as an individual’s attitude and behavior reflected through commitment, emotional attachment, and willingness to remain working and contributing optimally to the organization in the long term. Loyalty is not only measured by length of service but is also evident in dedication, adherence to organizational values, willingness to sacrifice, and active participation in achieving organizational goals.

Employee loyalty can be assessed through several key indicators that reflect employees’ faithfulness, attachment, and intention to stay within the organization [16]. These include loyalty to the organization, which is shown through pride in being part of it and defending it in front of outsiders; commitment to stay, demonstrated by the willingness to remain despite other job offers and a low turnover intention; and obedience and dedication, expressed in compliance with organizational rules and wholehearted performance of tasks even in the face of difficulties. Other indicators involve participation and involvement, such as the readiness to contribute more to the organization’s progress and active involvement in organizational activities beyond main duties, as well as building a long-term relationship with the organization, which is reflected in the desire to grow and develop together with it and a strong sense of belonging.

2.3 Conceptual Framework and Hypothesis

This study conceptualized Employee Loyalty as the independent variable (X) and Job Satisfaction as the dependent variable (Y) as shown on the following figure.



The hypothesis is:

Ha : The Employee Loyalty has a significant positive effect on Job Satisfaction in the Camat Office of Sidikalang, Dairi Regency.

Ho : The Employee Loyalty has no a significant positive effect on Job Satisfaction in the Camat Office of Sidikalang, Dairi Regency.

Research Methodology

This research applies a quantitative approach to investigate the relationship between employee loyalty and job satisfaction at the Camat Office of Sidikalang, Dairi Regency. The study uses an explanatory design because it seeks to test hypotheses and examine the causal relationship between the independent variable (employee loyalty) and the dependent variable (job satisfaction).

The population of this study consists of 47 employees working at the Camat Office of Sidikalang. Due to the relatively small number of employees, a saturated sampling technique (census) is employed, meaning that all members of the population are included as respondents. In total, 47 employees participate in the research, ensuring that the data represent the entire population.

Data are collected through a structured questionnaire that measures employee loyalty and job satisfaction based on established theoretical indicators. Responses are recorded using a Likert scale ranging from strongly disagree to strongly agree. In addition to primary data, secondary information is obtained from institutional reports and other relevant documents to strengthen the analysis [17].

The data are processed and analyzed using SPSS version 25.0 with several procedures:

1. Validity and Reliability Tests. The validity test ensures that questionnaire items measure the intended variables, with an item considered valid if the correlation coefficient (r-count) is greater than the critical value (r-table). Reliability is tested using Cronbach’s alpha, where a coefficient above 0.70 indicates that the instrument is reliable.
2. Regression Analysis. The relationship between the variables is analyzed using the regression model:

$$Y=a+bXY = a + bXY=a+bX$$

Where:

Y = Job Satisfaction, X = Employee Loyalty, a = Constant, b = Regression Coefficient

3. t-Test. A t-test is used to determine whether employee loyalty has a significant effect on job satisfaction. The hypothesis is accepted if the t-value exceeds the critical t-table value, or if the significance level (p-value) is less than 0.05 (Hair, 2022).
4. Coefficient of Determination (R²). R² is calculated to assess how much variance in job satisfaction can be explained by employee loyalty. Values closer to 1 indicate a stronger explanatory power of the independent variable.

Through this methodological framework, the study aims to provide empirical evidence on how employee loyalty influences job satisfaction, offering both theoretical contributions and practical implications for public sector management.

Results

4.1 Descriptive Analysis

Descriptive statistics were used to determine the minimum, maximum, mean, and standard deviation values of the research variables.

Table 1. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Employee Loyalty	47	4.00	5.00	4.31	0.34
Job Satisfaction	47	4.00	5.00	4.51	0.32

Source: SPSS output, version 26.0

Based on the descriptive analysis, both the Employee Loyalty and Job Satisfaction variables demonstrate highly positive results. The mean value of Employee Loyalty is 4.31, indicating that employees generally perceive themselves as loyal to the organization at a very good level. Meanwhile, Job Satisfaction records an even higher mean of 4.51, suggesting that employees’ overall satisfaction with their work is very strong and highly positive.

In addition, the standard deviation values are relatively low for both variables (0.34 for Employee Loyalty and 0.32 for Job Satisfaction). These small values indicate that the responses are clustered closely around the mean, reflecting a high degree of homogeneity among respondents. In other words, the employees share a consistent perception regarding their loyalty

and job satisfaction. This consistency strengthens the interpretation that both employee loyalty and job satisfaction are viewed positively across the sample.

4.2 Validity and Reliability Tests

Validity was assessed using Pearson's correlation coefficient (r-value) by comparing each item's score with the total score of its respective variable. For N=47 at a 5% significance level, the critical r-table value is 0.288. An item is considered valid if the r-value exceeds the r-table.

Reliability was measured using Cronbach's Alpha, which indicates the internal consistency of the instrument. According to Ghozali (2016), an instrument is considered reliable if the Cronbach's Alpha value is greater than 0.60.

Table 2. Reability Results

Variable	Cronbach's Alpha	Benchmark	Result
Employee Loyalty	0.928	> 0.60	Reliable
Job Satisfaction	0.914	> 0.60	Reliable

Both the Employee Loyalty and Job Satisfaction scales yielded Cronbach's Alpha values that are substantially higher than the 0.60 threshold. These results confirm that the measurement instruments are highly reliable and internally consistent. This indicates that the questionnaire items effectively capture the constructs of employee loyalty and job satisfaction. With the instrument being both valid and reliable, the data collected are appropriate and robust for further statistical analysis, including regression testing.

4.3 Regression Analysis

4.3.1 Simple Linear Regression

A regression analysis was conducted to examine the effect of Employee Loyalty on Job Satisfaction.

Table 3. Regression Results

Model	B	Std. Error	Beta	t	Sig. (p)
(Constant)	1.736	2.146	–	0.756	0.387
Employee Loyalty	1.009	0.471	0.423	2.025	0.026

Dependent Variable: Job Satisfaction

Based on the results, the regression equation can be expressed as: $Y = 1.736 + 1.009X$. The regression coefficient (B) for the Employee Loyalty variable is 1.009, indicating that for every one-point increase in employee loyalty, job satisfaction is expected to increase by 1.009 points, assuming other factors remain constant.

The significance value (p-value) of 0.026, which is below the 0.05 threshold, confirms a significant and positive relationship between employee loyalty and job satisfaction. The regression coefficient (B=1.009, t=2.025, p=0.026) demonstrates that higher employee loyalty leads to greater job satisfaction. Furthermore, the standardized beta coefficient (Beta=0.423) indicates a moderate strength of influence.

These findings support the view that employee loyalty plays a crucial role in shaping job satisfaction, suggesting that organizations can enhance satisfaction levels by fostering loyalty among their employees.

4.3.2 Coefficient of Determination (R²)

The coefficient of determination (R²) was calculated to measure the proportion of variance in Job Satisfaction that can be explained by Employee Loyalty.

Table 4. Coefficient of Determination

Model	R	R ²	Adjusted R ²
1	0.424	0.179	0.161

Source: SPSS output, version 26.0

The analysis results show that the R² value is 0.179, which means 17.9% of the variance in Job Satisfaction can be explained by Employee Loyalty. The remaining 82.1% of the variance is influenced by other factors outside the research model, such as compensation, leadership style, work environment, or organizational culture.

The correlation coefficient (R=0.424) indicates a moderate positive relationship between Employee Loyalty and Job Satisfaction. This result is consistent with the regression analysis, confirming that employee loyalty contributes positively to job satisfaction. Although the explanatory power of the model is limited, the findings still highlight the importance of employee loyalty as a contributing factor to job satisfaction within the organization.

4.3.3 Hypothesis Testing (t-Test)

The hypothesis testing was performed using a t-test to determine whether the independent variable (Employee Loyalty) has a positive and significant influence on the dependent variable (Job Satisfaction).

Table 5. t- Test Result

Model	B	Std. Error	Beta	t
(Constant)	1.838	2.147	–	0.856
Employee Loyalty	1.013	0.474	0.435	2.138

Dependent Variable: Job Satisfaction

The calculated t-value (t_{calculated}) for the Employee Loyalty variable is 2.138. This value is compared to the critical t-value (t_{table}) for $df = n - k - 1 = 47 - 1 - 1 = 45$. For a one-tailed test with a significance level of $\alpha = 0.05$, the critical t-value is 1.679. Since the calculated t-value (2.138) > the critical t-value (1.679), the null hypothesis (H₀) is rejected and the alternative hypothesis (H_a) is accepted.

This finding indicates that Employee Loyalty has a positive and significant effect on Job Satisfaction. In other words, higher levels of loyalty among employees are associated with greater satisfaction in their jobs. The results confirm that strengthening employee loyalty can contribute to improving job satisfaction within the organization, making it a crucial factor in enhancing overall workplace outcomes.

Conclusion

Based on the results of the data analysis, several conclusions can be drawn. First, the descriptive statistical analysis demonstrates that both Employee Loyalty and Job Satisfaction are perceived positively by respondents, as reflected in their high mean values and low standard deviations. This indicates that the overall perception of loyalty and satisfaction among employees is consistently favorable.

Second, the results of the validity and reliability tests confirm that the research instrument is both valid and reliable. All items measuring Employee Loyalty and Job Satisfaction are proven to accurately represent the intended constructs, and the Cronbach's Alpha values exceeding 0.90 indicate excellent internal consistency. This ensures that the data collected are suitable for further statistical testing.

Third, the regression analysis shows that Employee Loyalty has a significant and positive influence on Job Satisfaction. The regression coefficient (B = 1.009) suggests that an increase in employee loyalty is associated with an increase in job satisfaction. Furthermore, the

coefficient of determination ($R^2 = 0.179$) reveals that 17.9% of the variance in Job Satisfaction can be explained by Employee Loyalty, while the remaining 82.1% is influenced by other factors not examined in this study.

Finally, the results of the t-test strengthen these findings. The calculated t-value (2.138) exceeds the critical t-value (1.679), and the significance level ($p < 0.05$) confirms that Employee Loyalty significantly affects Job Satisfaction. In conclusion, this study provides empirical evidence that Employee Loyalty is a key determinant of Job Satisfaction. Organizations should therefore prioritize strategies that foster loyalty, such as recognition, fair treatment, and career development opportunities, as these efforts are likely to enhance overall employee satisfaction and contribute to improved organizational outcomes.

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