

The Influence of Leadership and Loyalty on Employee Performance PT. Pertamina Patra Niaga

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Abstract

This research aims to determine the influence of leadership and loyalty on employee performance at PT. Pertamina Patra Niaga. The population in this study were employees of PT. Pertamina Patra Niaga with a sample size of 85 people. The data analysis model used is multiple linear regression analysis. The research method uses a quantitative descriptive approach supported by surveys, and is explanatory. The results of research using partial testing (t test) show that leadership has a positive and significant effect on the performance of PT employees. Pertamina Patra Niaga. Loyalty has a positive and significant effect on the performance of PT employees. Pertamina Patra Niaga. Furthermore, the results of the simultaneous test (F test) show that leadership and loyalty have a positive and significant effect on the performance of PT employees. Pertamina Patra Niaga. The coefficient of determination (R^2) value of job satisfaction and competence is able to explain the performance variable by 50.2% and the remaining 40.8% is influenced by other variables not examined in this research such as compensation, work environment, organizational culture and so on.

Keywords: leadership, loyalty, performance

1. INTRODUCTION

Leadership is one of the dimensions of competence that greatly determines performance in a company. The main essence of leadership is the ability to influence and direct employees to achieve company goals effectively and efficiently. Each leader has a different approach, depending on the characteristics of the leader, the characteristics of the task and the characteristics of the people he leads. Therefore, leadership plays an important role because the leader is the one who will move and direct the company in achieving its goals and the success of achieving a company's goals is determined by the quality of the company's leadership. A leader must be able to create a competitive advantage in processing and coordinating human resources effectively and efficiently.

However, the success of a leader is not only seen from his leadership skills but also a leader must be able to pay attention to the desires, provide encouragement and motivate his employees so that employees have high loyalty to the company, besides that the company must encourage employees to be able to work well so that the company's goals can be achieved according to expectations. Loyalty is loyalty and responsibility given by the company both in terms of trust in keeping company secrets and willingness to advance the company. Loyalty is not just physical loyalty, but thoughts, attention, dedication, ideas, and concern are fully devoted to the company. The form of an employee's loyalty is also not just doing the obligations assigned to him, but doing his best to produce the best for the company.

Good leadership and high work loyalty will be able to achieve good performance. Performance is the ability achieved and desired from employee behavior in carrying out work that is the responsibility of individuals or groups. Performance goals and targets are compiled based on the vision, mission, and strategic plan of a company. The purpose of performance is none other than to ensure that the performance process can take place as expected and high performance is achieved. This is certainly what every company wants to achieve, as is the case with PT. Pertamina Patra Niaga Belawan, which is a company engaged in fuel trading, fuel management, fleet management, and depot management, which until now the company continues to strive for various new efficiency strategies and efforts to

improve the organization as a whole in order to strengthen its position so that it can continue to play a role in the national and global oil and gas industry. However, the performance targets set by the Company have not been achieved optimally due to the less harmonious communication relationship between leaders and employees and there are still employees who are less responsible in carrying out their duties. The purpose of this study is to determine:

- 1). The influence of leadership on employee performance at PT. Pertamina Patra Niaga Belawan.
- 2). The influence of loyalty on employee performance at PT. Pertamina Patra Niaga Belawan,
- 3). The influence of leadership and loyalty on employee performance at PT. Pertamina Patra Niaga Belawan.

2. LITERATURE REVIEW

According to Sutrisno (2015) that leadership is a person's ability to make decisions and can be implemented and facilitate the achievement of organizational goals. Meanwhile, according to Amirullah (2015) that leadership is a person who represents the authority to give tasks, has the ability to persuade or influence other people who have been determined. According to Siagian (2010) that the functions of leadership include: 1). The leader as the determinant of the direction to be taken in an effort to achieve goals; 2). The leader as a representative and spokesperson for the organization in relations with parties outside the organization; 3). The leader as an effective communicator; 4). The leader as a reliable mediator; 5). The leader as an effective, rational, objective and neutral integrator. According to Wibowo (2014) that the type of leadership behavior that is driven by performance is: 1), Performance-sustaining behavior which includes acceleration and continuing performance. Both are very important for organizations and individuals. Performance-sustaining behavior is directed at improving efficiency, getting things done well, ensuring that people have the required skills and maintaining quality; 2). Performance-accelerating behavior is about behavior that is directed at improving effectiveness, driving change and improvement, going on the offensive against competitors, creating vision and direction, generating connectedness and commitment, inspiring a winning culture, ensuring that systems and processes operate optimally and improving results. The focus is on adding value by doing things differently and better; 3). Balancing which is a balance between Performance-accelerating and performance-sustaining leadership behavior is important for the success of both individuals and organizations. According to Suwanto (2001) the factors that influence leadership are as follows: 1). Genetic factors, namely factors that display the view that someone becomes a leader because of their hereditary background; 2). Social factors, namely that in essence all people are the same and can become leaders; 3). Talent factors, namely someone will only succeed in becoming a good leader if that person has had leadership talent since childhood. According to Sutrisno (2015), leadership indicators include: 1). The leader's authority is not absolute and the leader is willing to delegate some authority to subordinates; 2). Decisions are made jointly between the leader and subordinates; 3). Communication takes place reciprocally, both between the leader and subordinates and between subordinates; 4). Supervision of the attitudes, behavior, and activities of subordinates that are carried out reasonably; 5). Many opportunities for subordinates to convey suggestions, considerations, or opinions; 6). Praise and criticism are balanced.

According to Siswanto (2015) Loyalty is a manifestation of organizational commitment, with the identification of the relative strengths of each individual and involvement in a particular organization. According to Afandi (2018) loyalty is a state of passively waiting until conditions improve including defending the company against external criticism. According to Siswanto (2015) that loyalty indicators include: 1). Obeying the rules, where employees have the determination to carry out every order from the company or comply with all applicable regulations, both written and unwritten; 2). Responsibility to the Company, which includes the ability of employees to carry out their duties as well as possible and awareness of responsibility for the risks of what has been done; 3). Willingness to cooperate, where employees can cooperate with people in a company because without cooperation, it is difficult for the company to achieve its goals, on the other hand, by working together it allows the company to achieve its goals and targets that have been set; 3). A sense of belonging to the company, with a sense of belonging to employees towards the company will make employees have an attitude to

maintain and be responsible for the company, so that it will create loyalty in order to achieve the company's goals; 4). Interpersonal relationships, Employees who have high loyalty will have a flexible attitude towards personal relationships. These interpersonal relationships include social relationships between employees, as well as relationships between superiors and employees; 5). Liking for work, Employees do their jobs happily as an indicator that can be seen from the employee's excellence in working and employees do not demand much of what they receive outside of their basic salary. According to Mangkunegara (2016) that performance is the result of work in terms of quality and quantity achieved by a person in carrying out their duties in accordance with the responsibilities given to them. According to Sedarmayanti (2017), states that the benefits of performance are as follows: 1). Improve work performance.; 2). Provide fair employment opportunities; 3). Training and development needs; 4). Compensation adjustments; 5). Promotion and demotion decisions; 6). Diagnosing job design errors poor performance may be a sign of errors in job design; 7). Assess the recruitment and selection process for new employee performance.

According to Kasmir (2018) the factors that influence performance are as follows: 1). Ability and expertise; 2). Knowledge; 3). Work design; 4). Personality; 5). Work motivation; 6). Leadership; 7). Work discipline' 8). Leadership style; 9). Organizational culture; 10.) Job satisfaction; 11). Work environment; 12). Loyalty; 13). Commitment. According to Robbins (2016) employee performance has six indicators, namely: 1). Quality; 2). Quantity; 3). Independence; 4). Punctuality; 5). Effectiveness; 6). Work commitment.

Research conducted by Ahmad Suhardi, Ismilasari, Jumawan Jasman (2021) entitled "Analysis of the Influence of Loyalty and Organizational Commitment on Employee Performance and Work Discipline on Employee Work Achievement". The results of the study showed that simultaneously, loyalty and organizational commitment influenced employee performance. Partially, loyalty has a significant effect and organizational commitment has no significant effect on employee performance. Then, a study conducted by Mutmainnah, Anwar Ramli, Zainal Ruma (2022) entitled "The Influence of Leadership on the Performance of Employees at the Rumbia District Office, DI, Jeneponto Regency. The results of this study indicate that partially, leadership has a positive and significant effect on the performance of employees at the Rumbia District Office, Jeneponto Regency.

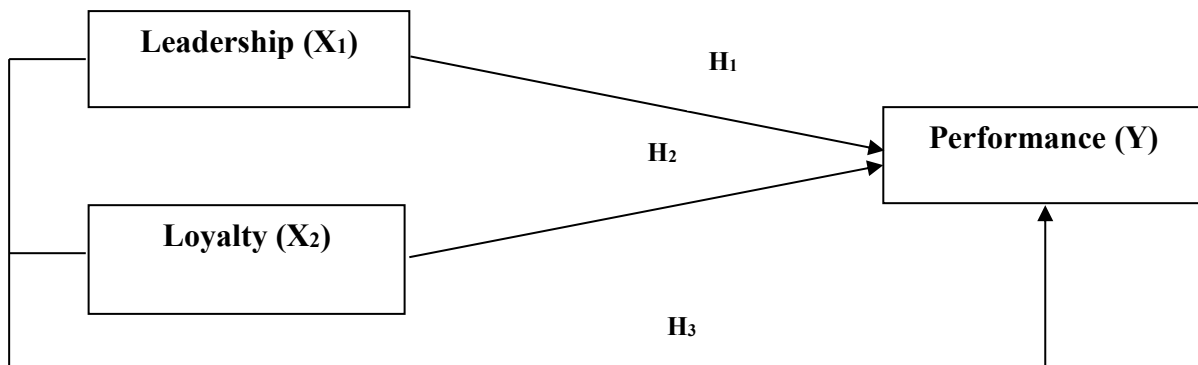


Figure 1. Research Model

According to Sugiono (2018), a hypothesis is an assumption or reference that is formulated and temporarily accepted that can explain the observed facts and is used as a guide in decision making. The hypotheses in this study are as follows:

H1: Leadership has a positive effect on the performance of employees PT. Pertamina Patra Niaga.

H2: Loyalty has a positive effect on the performance of employees PT. Pertamina Patra Niaga.

H3: Leadership and loyalty have a positive effect on the performance of employees PT. Pertamina Patra Niaga.

3. RESEARCH METHOD

This research was conducted at PT. Pertamina Patra Niaga. The type of research data is quantitative consisting of primary and secondary data. Primary data is data obtained from the results of observations, questionnaires and interviews with employees of PT. Pertamina Patra Niaga and other regulations that support this research.

Data collection techniques (instruments) used are observation, questionnaires and documentation. 1. Observation is a research activity by going directly to make observations in the field according to the objects being observed. 2. A questionnaire is a list of questions that are distributed and given to informants to answer questions by checking the weight according to the category assumptions. 3. Documentation is secondary data that has been processed and archived to strengthen the results of observations.

The sample in this study was 85 employees of PT. Pertamina Patra Niaga Belawan. The statistical test tools used to analyze the hypothesis in this study are the t -test and the F -test. To determine the extent of the relationship between the independent variables and the dependent variables, Multiple Linear Regression Analysis is used. The multiple linear regression equation model in this study is as follows: , by looking at the R-Square. The greater the value of the R-Square of the independent variable, the greater the variable dominates the dependent variable.

4. RESULT AND ANALYSIS

Before analyzing the data further, the validity and reliability of the instrument were first tested. Validity testing in this study was carried out by taking 30 respondents who were not included in the research sample. According to Sugiono (2018), "if the validity value of each question is greater than 0.30, then the question item is considered valid". After testing, it was found that the significance value of the test (Sig.) of each research variable was much smaller than 5%, this means that each indicator item is valid.

The reliability test is intended to show the nature of a measuring instrument whether it is accurate enough, stable or consistent in measuring what is to be measured. The calculation was carried out with the help of the SPSS computer program using the internal consistency method through the Alpha Cronbach analysis of variance technique ($\alpha > 60\%$). Based on the results of the Cronbach Alpha coefficient of each variable is greater than 60% (0.60). This means that all questions in each can be used for further analysis.

The following are the results of multiple regression analysis:

Table 1. Multiple Linear Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	10,219	4,535	
1 Leadership	,296	,101	,307
Loyalty	,317	,115	,289

a. Dependent Variable : Performance

Based on the calculation results in table 1, the form of the multiple linear regression equation is obtained as follows:

$$Y = 10,219 + 0,296X_1 + 0,317X_2 + e$$

Information:

- Y = Performance
- a = Constant
- b1, b2 = Multiple regression coefficient X to the dependent variable Y
- X₁ = Leadership
- X₂ = Loyalty
- e = Error

This determination coefficient (R²) test is used to see how much the independent variable is able to explain the dependent variable. In other words, the determinant coefficient is used to measure the ability of leadership and loyalty variables to employee performance at PT. Pertamina Patra Niaga. The value of the determinant coefficient in this study can be seen in table 2 below:

Table 2. Determination Coefficient (R-Square)
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,500 ^a	,502	,532	2,076

- a. Predictors: (Constant), Leadership, Loyalty
- b. Dependent Variable: Performance

Based on table 2 above, it shows the coefficient of determination in this study is the R square value (coefficient of determination) of 0.502. This means that 50.2% of the Performance variable (Y) can be explained by variable X₁ (Leadership) and variable X₂ (Loyalty), the remaining 49.8% is influenced by other factors not examined in this study, such as compensation, work environment, organizational culture and so on.

The t_{-test} (partial test) was conducted to see individually the positive and significant influence of the independent variables (independent) namely X₁, X₂ in the form of leadership and loyalty on the dependent variable (Y) namely performance. For more details, the t-test can be seen in table 3 below:

Table 3. t_{test} Result
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	10,219	4,535		2,253	,027
Leadership	,296	,101	,307	2,931	,004
Loyalty	,317	,115	,289	2,759	,007

- a. Dependent Variable: Performanc

From the ttable value with a degree of freedom of 85-2 = 83 and α 1% is 2.931. The tcount value for X₁ is greater than the ttable (2.931 > 1.66342), so leadership has a positive effect on performance, and is proven to be significant (0.04 < 0.1). While for X₂, the tcount value is greater than the ttable (2.759 > 1.66342), so loyalty has a positive effect on performance and is significant, namely (0.07 < 0.1).

In the F_{test} it is carried out to see together the positive and significant influence of the independent variables, namely X_1 and X_2 , leadership and loyalty on the dependent variable, namely Y in the form of performance, the results are obtained as shown in the following table 4:

Table 4. F_{test} Result

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	118,049	2	59,024	13,691	,000 ^b
Residual	353,528	83	4,311		
Total	471,576	85			

a. Dependent Variable: Performance

b. Predictors: (Constant), Leadership, Loyalty

From the table above, regarding leadership and loyalty to performance, the F_{count} value is 13.691 with a probability of $0.000 < \alpha = 0.1$ or $F_{count} > F_{table}$, namely $F_{count} (13.691) > F_{table} (3.11)$. That leadership (X_1) and loyalty ($X_{employees}$) simultaneously have a significant influence on the performance (Y) of employees PT. Pertamina Patra Niaga. The influence of leadership on the performance of employees PT. Pertamina Patra Niaga (hypothesis test 1). It is hypothesized that leadership has a positive and significant effect on the performance of employees PT. Pertamina Patra Niaga. This study proves that leadership has a positive effect on the performance of employees PT. Pertamina Patra Niaga. While the significance test by comparing the t_{count} and t_{table} values obtained the t_{count} value ($2.931 > 1.66342$), meaning that leadership has a significant effect on the performance of employees PT. Pertamina Patra Niaga at a confidence level of 90% ($\alpha 0.1$). From the results of the study, it is stated that hypothesis 1 is proven.

The influence of loyalty on employee performance at PT. Pertamina Patra Niaga (hypothesis test 2). It is hypothesized that loyalty has a positive and significant effect on employee performance at PT. Pertamina Patra Niaga. Based on the results of the study on the influence of loyalty on employee performance at PT. Pertamina Patra Niaga by comparing the calculated and t_{table} values, the calculated $t_{value} (2.759) > t_{table} (1.66342)$ is obtained, meaning that loyalty has a significant effect on employee performance at PT. Pertamina Patra Niaga. At a confidence level of 90% ($\alpha 0.1$). From the results of the study, it is stated that hypothesis 2 is proven.

The influence of leadership and loyalty on employee performance at PT. Pertamina Patra Niaga (hypothesis test 3). It is hypothesized that leadership and loyalty have a positive and significant effect on employee performance. Based on the results of the study of the influence of leadership and loyalty on performance by comparing the F_{count} and F_{table} values, the F_{count} value ($13.691 > F_{table} (3.11)$) was obtained, meaning that leadership and loyalty have a significant effect on the performance of employees PT. Pertamina Patra Niaga. From the results of the study, it was stated that hypothesis 3 was proven.

5. CONCLUSION

Based on the research results, there are 3 conclusions that are relevant to the problems studied in this study. The conclusions are as follows:

1. Leadership has a significant effect on the performance of employees of PT. Pertamina Patra Niaga.
2. Loyalty has a significant effect on the performance of employees of PT. Pertamina Patra Niaga.
3. Leadership and loyalty have a significant effect on the performance of employees of PT. Pertamina Patra Niaga.

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