

ANALYSIS OF FACTORS AFFECTING EMPLOYEE LOYALTY IN THE OMBUDSMAN OF THE REPUBLIC OF INDONESIA: A REVIEW OF JOB SATISFACTION, INCENTIVES AND WORKING CONDITIONS

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ABSTRACT

Employee loyalty is an important aspect that can influence organizational performance and effectiveness. At the Ombudsman of the Republic of Indonesia (ORI), the diversity of employment status, namely ASN (State Civil Apparatus) and permanent employees, presents its own challenges in maintaining the level of employee loyalty. This research aims to analyze the factors that influence employee loyalty at the Ombudsman of the Republic of Indonesia by focusing on three main aspects, namely job satisfaction, incentives and working conditions. This study used qualitative research methods. The data collection technique in this research is literature study and open questionnaires. The data that has been collected is then analyzed in three stages, namely data reduction, data presentation and drawing conclusions. The research results show that employee loyalty at ORI has different employment statuses (ASN and permanent employees), this gives rise to a diverse understanding of the factors that influence employee loyalty. Employee loyalty at ORI is influenced by several factors, namely job satisfaction, incentives and working conditions. In an effort to increase employee loyalty, ORI needs to make efforts to increase job satisfaction, provide incentives and improve working conditions.

Keywords: Employee Loyalty, Job Satisfaction, Incentives, Working Conditions

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INTRODUCTION

A company will face difficulty in achieving its goals without the support of its employees. Companies want optimal results supported by optimal performance from their employees. One strategy that can be used is to empower every employee as best as possible and retain them so they can realize the company's vision and mission well (Sondak et al., 2019). So one of the things that needs to be highlighted to achieve company success is the loyalty of its employees.

Employee loyalty is a high sense of loyalty or responsibility from employees towards their company as a form of appreciation for the good treatment they receive from the company. This loyalty cannot be forced; it is formed when employees feel comfortable with the environmental conditions and work organization and feel valued by the company. Some indicators of employee work loyalty include: obedience in carrying out regulations, ability to work well, punctuality, courage to take risks, ability to provide creative ideas without coercion, willingness to carry out tasks without coercion, and consistency in reporting work results to superiors (Kurniawan, 2019).

According to Meyer and Smith, there are three elements of employee loyalty. First, affective work loyalty, which reflects employees' affective or psychological ties to their work. In this case, employees stay in their jobs because they feel emotionally connected to the job. Second, continuous work loyalty, refers to the consideration of advantages and disadvantages made by employees regarding the decision to continue working or leave their job. This loyalty arises because employees realize the costs they have to pay if they decide to leave their jobs. Third, normative work loyalty, is a moral obligation to remain loyal to one's work. Employees who experience this type of loyalty feel obliged to continue working because they feel they

have a moral responsibility and belief about what is ethically correct in the employee context (Purba, 2017).

Within the Ombudsman of the Republic of Indonesia (ORI), there is a diversity of employment statuses, including ASN (State Civil Apparatus) and permanent employees. This diversity presents its own challenges in maintaining employee loyalty levels. Because of this difference in employment status, there are differences in treatment, policies or incentives between the two groups. This can influence employee perceptions and loyalty to the organization. In managing this diversity, ORI needs to ensure that all employees, both ASN and permanent employees, are treated fairly and equally. Fair treatment is important to maintain employee trust and loyalty to the organization.

Efforts to create an inclusive and supportive work environment so that employee loyalty can be maintained and increased need to pay attention to various factors. Other research by (Giovanni & Le, 2022) found that the work environment has a positive effect on employee loyalty and job satisfaction has a positive effect on employee loyalty. Another research by (Ma'ruf et al., 2021) found that there is a significant influence of Work Discipline on Employee Loyalty. Analysis of the influence of incentives through work discipline on employee loyalty: Standardized Coefficients = 0.220, and the total influence given by incentives on employee loyalty = 0.445. This means that indirectly, incentives through work discipline have a significant effect on employee loyalty. Thus PT. GF Indonesia in implementing incentives and work discipline can increase employee loyalty.

Another research by (Putra & Sriathi, 2018) found that the work environment and compensation have a positive and significant effect on employee loyalty. Leaders should pay attention to the work stress experienced by their employees. This needs to be taken into account, namely the difference between the values of the company and employees which must be made wise by the management. Another research by (Rohimah, 2018) found that the work environment has a positive and significant effect on employee loyalty with satisfaction as an intervening variable at PT. Aseli Dagadu Djokja. This can be seen in the results of the path analysis which produces a total influence value that is greater than the direct influence.

This research focuses on the influence of job satisfaction, incentives, working conditions, and employee loyalty on employees at the Ombudsman of the Republic of Indonesia. Specifically, this research studies the unique dynamics that occur in the Indonesian Ombudsman, which has two types of staff: permanent employees regulated by the law on the Indonesian Ombudsman and Civil Servants (PNS) who function in administrative support. This situation is different from most Ombudsman in other countries, such as Australia, Sweden and the UK, where all employees are state civil servants.

This research adds to the existing literature on employee loyalty by providing new insights into the specific factors that influence employee loyalty in the public sector, especially in Indonesia. This can be a reference for future research that wants to explore similar topics. This research aims to analyze the factors that influence employee loyalty at the Ombudsman of the Republic of Indonesia by focusing on three main aspects, namely job satisfaction, incentives and working conditions.

METHOD

This study used qualitative research methods. Qualitative methods are research approaches that aim to understand phenomena from an in-depth and comprehensive perspective. This method focuses more on the interpretation, context, and meaning of the data collected, rather than on statistical measurements and generalizations (Gerring, 2017). Data collection techniques are carried out through triangulation or a combination of various methods. The data collection technique in this research is by studying literature obtained from Google Scholar and an open questionnaire. The case study for this research is the Ombudsman of the Republic of

Indonesia. The data that has been collected is then analyzed in three stages, namely data reduction, data presentation and drawing conclusions.

RESULTS AND DISCUSSION

In accordance with Article 2 of Law no. 37 of 2008, states that the Indonesian Ombudsman operates independently, is not organically tied to state institutions or other government agencies, and is free from interference from other powers in carrying out its duties and authority. This confirms that the Ombudsman acts as an independent control institution, has the authority to supervise and enforce the principles of good governance in government administration, and carries out its supervisory and law enforcement functions without influence or pressure from any party.

The Ombudsman of the Republic of Indonesia has several main objectives. First, to create a democratic, just and prosperous legal state, which prioritizes the principles of justice for all citizens. Second, the Ombudsman aims to encourage state and government administration that is effective, efficient and free from corruption, collusion and nepotism, thereby ensuring integrity in government governance. Third, this institution is committed to improving the quality of public services in all sectors, to ensure that every citizen and resident receives fair treatment, a sense of security and better welfare. Fourth, the Ombudsman plays a role in helping to eradicate and prevent practices of maladministration, discrimination and corruption, and contribute to the development of a strong national legal culture and higher public legal awareness, which focuses on truth and justice.

Human Resources (HR) has a very important role in the Ombudsman of the Republic of Indonesia (RI). Qualified and professional human resources are needed to carry out effective monitoring and law enforcement functions over government administration. Ombudsman employees must have high analytical skills, a deep understanding of the principles of good governance, and high integrity in carrying out their duties.

Human resources are the main asset for every company, including the Ombudsman. They are not just employees who carry out operational tasks, but are also the main driving force behind the company's success and growth. The skills, knowledge and creativity possessed by human resources enable companies to innovate, compete and develop in an ever-changing market (Pitoy et al., 2020). Human resources in the company must be used optimally in order to provide the best output. Each individual has different skills, knowledge and potential, and by effectively utilizing the abilities possessed by each employee, companies can achieve optimal levels of performance (Pitoy et al., 2020). It is important for management to identify and recognize the strengths and skills of each employee, as well as provide the opportunities and support needed to develop their potential (Waskito & Sari, 2022).

Every company needs to pay close attention to Human Resources (HR) to ensure that they can work and contribute optimally to the company in the long term. This is important because well-managed human resources will increase productivity and innovation, which in turn will encourage company growth. This optimal condition can only be achieved if employees show their loyalty to the organization (Sutrianiasih, 2018). Employee loyalty can be increased through a positive work environment, career development opportunities, fair rewards, and effective communication. Thus, companies need to invest in strategies that support employee satisfaction and engagement to build their long-term commitment (Noraniza et al., 2023).

Employee loyalty is not just about maintaining their presence in the company, but also includes a sense of belonging and emotional attachment to the company. This deep loyalty makes employees feel like they are an integral part of the organization, so they are more motivated to provide their best performance. When employees feel appreciated and recognized, they tend to be more proactive, innovate and commit to company goals (Kurniawan, 2019).

One of the main factors that causes employee loyalty is job satisfaction. Job satisfaction is a positive feeling that employees feel towards their work, which includes various aspects such as the tasks carried out, work environment, relationships with colleagues and superiors, and compensation received (Ge et al., 2021). Job satisfaction reflects the extent to which employees' expectations and needs are met in their work, and greatly influences their motivation, productivity and loyalty to the company. Employees who feel satisfied tend to be more committed, perform better, and have lower absenteeism rates, so that job satisfaction becomes an important factor in the success and sustainability of an organization (Citra & Fahmi, 2019).

Job satisfaction includes various aspects such as a comfortable work environment, harmonious relationships with colleagues and superiors, appreciation and recognition for performance, as well as opportunities for personal and career development (Pandey, 2020). When employees feel satisfied with their work, they tend to have higher motivation, strong commitment, and the desire to stay with the company. Job satisfaction also plays an important role in reducing stress levels and improving employee mental well-being, thereby creating a deep sense of attachment to the organization (Rahwana & Lestari, 2019).

This satisfaction often comes from various factors such as a supportive work environment, recognition of contributions, fair compensation, opportunities for career development, and good relationships with coworkers and superiors. When employees feel appreciated and satisfied, they are more likely to show commitment and loyalty to the company, reducing the desire to seek employment opportunities elsewhere. This, in turn, helps companies retain an experienced and competent workforce, which contributes to the long-term stability and success of the organization (Giovanni & Ie, 2022).

Companies implement various strategies to increase employee job satisfaction with the aim of ensuring that they survive in the long term (Kosasih & Kurniawan, 2018). One effective strategy is to fulfill physical needs, which can take the form of providing incentives. These incentives can vary, from financial bonuses, health benefits, to comfortable and modern work facilities. By meeting employees' physical needs, companies not only improve their well-being but also encourage work enthusiasm and motivation, which ultimately has a positive impact on employee productivity and loyalty to the company (Pradmanabhan, 2021). Incentives, both in financial form such as bonuses and salary increases, and non-financial such as recognition, training and career development opportunities, can increase motivation and job satisfaction. When employees feel valued and given rewards commensurate with their contributions, they tend to be more engaged and motivated to stay with the company (Astuti et al., 2022).

Employee incentives have an important role in increasing employee loyalty to the company. By providing appropriate and attractive incentives, companies can motivate employees to remain committed and contribute optimally. Incentives such as performance bonuses, health benefits, additional leave, or opportunities for career development can be a strong incentive for employees to remain loyal to the company (Kurniawan, 2019). Incentives are an effective tool for increasing employee loyalty because they provide direct rewards for their contribution and performance. When employees feel that their efforts and dedication are recognized and appreciated, they tend to feel more engaged and motivated to remain committed to the company (Yusra & Anugrah, 2022). Incentives can take the form of financial bonuses, health benefits, achievement awards, and opportunities for career development. All these forms of incentives not only improve employee welfare but also create a deeper sense of satisfaction and appreciation for the company, which in turn encourages loyalty and reduces employee turnover rates (Ma'ruf et al., 2021).

Properly provided incentives have great potential to become one of the main factors that encourage employees to give their all. When employees feel appreciated and recognized through incentives such as performance bonuses, promotions, or recognition for their

achievements, they tend to feel more motivated to give their best in their work (Ramadhanty et al., 2019). This incentive not only rewards employees' hard efforts, but also triggers a sense of pride and personal satisfaction, which ultimately can result in increased performance, productivity and loyalty to the company (Akbar & Ibrahim, 2017).

Apart from incentives, working conditions can also help increase employee loyalty. Working conditions refer to the various factors that influence a person's work experience and environment within an organization. This includes aspects such as company policies, organizational culture, leadership structure and style, physical facilities, career development opportunities, work-life balance, compensation, as well as relationships between coworkers and superiors (Idowu et al., 2019). Good working conditions ensure that employees feel valued, supported, and able to make maximum contributions. Conversely, poor working conditions can cause dissatisfaction, stress, and even have a negative impact on employees' physical and mental well-being, and can potentially reduce employee productivity and retention.

Good working conditions can also make a significant contribution to increasing employee loyalty. When the work environment provides support, fairness, and balance between work and personal life, employees tend to feel valued and supported by the company (Koo et al., 2019). Factors such as open communication, recognition of achievements, opportunities for development, and flexibility in work tasks can create an emotional bond between employees and the company (Febrian & Rianggara, 2023). Additionally, a positive work culture, where collaboration, cooperation, and fairness are emphasized, can also inspire stronger employee loyalty. Thus, company investments in creating supportive working conditions not only increase employee satisfaction and well-being, but also strengthen their ties with the company in the long term (Prabhakar, 2016).

Factors influencing employee loyalty at the Ombudsman of the Republic of Indonesia highlight the importance of job satisfaction, incentives and working conditions in building strong ties between employees and institutions. Job satisfaction is key, because when employees feel appreciated, supported, and have the opportunity to develop, they tend to be more loyal to the organization. Incentives such as performance bonuses and promotions can strengthen employee motivation and engagement with the Ombudsman. Meanwhile, good working conditions, such as a positive work culture, flexibility in tasks, and support from superiors, also play an important role in increasing employee loyalty by creating a pleasant work environment and supporting their professional growth.

CONCLUSION

Employee loyalty at the Ombudsman of the Republic of Indonesia (ORI) has significant variations related to different employment statuses, namely State Civil Apparatus (ASN) and permanent employees. This diversity gives rise to a diverse understanding of the factors that influence employee loyalty. This research found that employee loyalty at ORI is influenced by several main factors, namely job satisfaction, incentives and working conditions. In an effort to increase employee loyalty, ORI needs to implement various efforts that focus on increasing job satisfaction, providing competitive incentives, and improving working conditions. So through these strategies, it is hoped that employee loyalty can be increased, which in turn will contribute to improving the overall performance and effectiveness of the organization.

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