THE RELATIONSHIP BETWEEN LEADERSHIP STYLE AND WORK ENVIRONMENT ON EMPLOYEE LOYALTY

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Abstrak
Komponen terpenting perusahaan adalah tenaga kerjanya karena mereka bertanggung jawab atas ekspansi dan keberhasilannya. Peran dan fungsi tidak dapat diserap oleh sumber daya lain. Pengambilan keputusan karyawan dipengaruhi oleh berbagai faktor, salah satunya mungkin kepemimpinan dan lingkungan tempat kerja. Penelitian ini berusaha untuk menguji pengaruh gaya kepemimpinan dan budaya kerja terhadap loyalitas karyawan. Penelitian ini menggunakan teknik sampling acak. Pada tahun 2022, ada 1957 karyawan yang bekerja di perusahaan G. Dengan menggunakan rumus slovin tingkat toleransi 5%, 332 karyawan diberikan kuesioner untuk diisi guna mendapatkan data. Regresi linier berganda digunakan dalam analisis data untuk mengetahui hubungan atau hubungan antar variabel. Faktor independen penelitian meliputi lingkungan kerja dan gaya kepemimpinan demokratis. Variabel terikatnya adalah loyalitas kerja. Hasil penelitian menunjukkan bahwa jika terdapat hubungan antara gaya kepemimpinan demokratis dengan loyalitas karyawan, maka terdapat pula hubungan antara lingkungan kerja dengan loyalitas karyawan, dan kedua faktor tersebut berkorelasi positif satu sama lain. Perusahaan dapat memanfaatkan implikasi penelitian ini sebagai panduan untuk meningkatkan loyalitas karyawan.

Kata kunci:Gaya Kepemimpinan, Demokratis, Lingkungan Kerja, Loyalitas Karyawan, Regresi Linier

Abstract
The company's most crucial component is its workforce because they are responsible for its expansion and success. Roles and functions cannot be absorbed by other resources. Employee decision-making is influenced by a variety of factors, one of which may be the leadership and workplace culture. This study sought to examine the impact of leadership style and workplace culture on employee loyalty. The research used quantitative and straightforward random sampling techniques. In 2022, there will be 1957 employees working for company G. Using the 5% tolerance level slovin formula, 332 employees were given questionnaires to complete in order to obtain the data. Multiple linear regression was used in the data analysis to determine the relationship or relationships between the variables. The study's independent factors include the work environment and democratic leadership style. The dependent variable is work loyalty. The results of the study indicate that, if there is a relationship between democratic leadership style and employee loyalty, there is also a relationship between work environment and employee loyalty, and that the two factors are positively correlated with each other. Companies can utilize the implications of this research as a guide to improve employee loyalty.

Keywords: Leadership Style, Democratic, Work Environment, Employee Loyalty, Linear Regression

The Relationship Between Leadership Style and Work Environment on Employee Loyalty

Introduction

The presence of employees is the most important aspect of the organization of the plan that has been set. The role of human resources will be increasingly important in the challenging era of globalization. Human resources are very important organizational resources, so other resources cannot replace their roles and functions (Anugrah & Rachmad, 2022). Employees are one of the most important assets of an organization because they contribute to the company's growth and success (Tahsildari & Shahnaei, 2015). Many factors make employees resign; it is suspected that one of them is caused by the leadership style. A leader's leadership style is one of the most important in forming employee loyalty (Wellyanto & Halim, 2017). Leadership style is closely related to a person's norms of behavior when influencing others' behavior. Various leadership styles include democratic, delegative, bureaucratic, authoritarian, charismatic, diplomatic, moralist, administrative, analytical, entrepreneurial, visionary, situational, and aggressive (Mattayang, 2019). Marfuah & Ruzikna (2015) in their research stated that the democratic leadership style has a significant effect on employee loyalty. The application of democratic leadership can bring benefits, among others, in the form of more objective decisions and actions, a sense of belonging, and the development of high morale. Company goals can be achieved easily of them because of high employee loyalty. Loyalty is a mental attitude of employees shown by their loyalty to the company, even though the company is in good condition or the worst condition. Therefore loyalty can also be interpreted as loyalty given by employees to companies where companies can repay employees well (Andy Hermawan & Riana, 2014). Loyalty will emerge if the leader can maintain the comfort of his employees in the work environment. This comfort results from the policies issued and applied to the work unit they lead (Wellyanto & Halim, 2017).

In her research, Rohimah (2018) claimed that the workplace has an impact on employee loyalty. One of the most crucial factors in an employee's ability to complete their work is the workplace environment. The term "work environment" in this context refers to anything surrounding employees that may have an impact on how well they complete their tasks. There are two different types of workplaces: the physical workplace (which includes buildings and infrastructure) and the virtual workplace (relationships or collaboration with colleagues and leaders) (Rahmawanti, Swasto, & Prasetya, 2014). Employee performance will suffer in a bad work environment, and it may take longer than expected to complete tasks, which makes the results of the work system put in place ineffective and inefficient. On the other hand, a good work environment will benefit both the employees and the business, giving them satisfaction in completing their tasks. The business also achieves its desired corporate objectives (Sihaloho & Hotlin, 2019). The more favorable the workplace, the more loyal the workers will be since they will feel more at ease working there and so have a better work ethic (Putra & Sriathi, 2019).

It would be fascinating to look further into the connections between work atmosphere, democratic leadership style, and employee loyalty. The purpose of this

study was to examine how a democratic leadership style and the workplace environment affect employee loyalty. The Influence of Leadership Style and Work Environment on Employee Job Satisfaction at Bank BCA Main Branch Cikarang was the title of a similar study carried out by Fajriyah & Prasetya (2016). In her study titled "The Influence of Leadership Style and Employee Loyalty on Employee Performance at Hidayatullah Islamic Hospital Yogyakarta," Ariyani (2016) conducted research relevant to the analysis of the equation method used, specifically the multiple linear regression test and the same two variables. The findings indicated that employee loyalty has a positive and significant impact on employee performance at Hidayatullah Islamic Hospital Yogyakarta. In her study titled "Democratic Leadership Style on Employee Loyalty Extrinsic Motivation as an Intervening Variable," Hafisah (2019) did a second study on the significance of leadership as an independent variable and employee loyalty as the dependent variable. The findings of his study demonstrate that the democratic leadership style has a higher direct impact on employee loyalty than it does on employee loyalty through extrinsic incentive. Extrinsic motivation is not used as an intervention variable in this study. The distinction between this research and other pertinent studies using the same analytical technique is the inclusion of employee loyalty as an independent variable in this study. "The Influence of Leadership Style, Employee Loyalty, and Workload on Employee Performance (Study on Teachers and Employees of UPT SMAN Nawangan Pacitan)" was conducted by Ryndiatama & Astuti in 2018. The study's findings revealed that leadership style and burden had a favorable and significant impact on employee performance. Employee loyalty is positively impacted by leadership style. The most recent study, "The Influence of Leadership Style and Organizational Culture Against Employee Job Satisfaction and Loyalty," was carried out by Ningrum & Purnamasari in 2022. Employee loyalty serves as the dependent variable in this research's equation, which is composed of two independent variables. This study compared employee happiness to two independent variables with employee loyalty as the sole relationship. According to his studies, job happiness is influenced by work environment and leadership style. Not adequately articulated in terms of the leadership style examined. Variables, individuals, institutions, and research locations are different in this study. Companies can utilize the implications of this research as a guide to improve employee loyalty.

Methode

The research used quantitative and straightforward random sampling techniques. In 2022, there will be 1957 employees working for company G. 332 employees were given questionnaires to complete in order to collect the data (the number is based on the Slovin formula with a tolerance level of 5%). Multiple linear regression was used in the data analysis to determine the relationship or relationships between the variables. The study's independent factors include the work environment and democratic leadership style. The dependent variable is work loyalty. The equation for linear regression has the following form (Kurniatullah & Pramudi, 2017; Basri, 2019).

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + b_8X_8 + b_9X_9 + b_{10}X_{10}$$

Where:

Y	=	Dependent variable (Dependent)
X	=	Independent variable (Independent)
b_0	=	Constanta
$b_1...b_n$	=	Regression direction coefficient

Figure 1. Linear Regression Equation

The research hypothesis is as follows:

H1: "There is a relationship between democratic leadership style and employee loyalty"

H2: "There is a relationship between the work environment and employee loyalty"

H3: "Democratic leadership style and work environment are simultaneously mutually related to employee loyalty"

Results And Discussion

The hypothesis test, which includes a multicollinearity test, a normality test, and a heteroscedasticity test, is the first step in the research process (Padilah & Adam, 2019). By examining the tolerance and VIF values in the output coefficient part of the collinearity statistics, the first stage's Multicollinearity test can reveal details about the correlation between independent variables. Table 1 displays the decision-making criteria and the outcomes of the multicollinearity test analysis.

Table 1. Criteria and results of analysis of tolerance and VIF values on independent variables

Criteria	Dependent Variable	Tolerance > 0,1	VIF < 10	no multi collinearity
Result	Democratic Leadership Style	0,921	1.086	there is no multi collinearity between variables
	Work Environment	0,921	1.086	

The Normality test, which is the following step, verifies that the data is evenly distributed, indicating excellent data that may be used to make decisions. The spss output in the histogram section displays the normally distributed data, and Figure 2 shows that the curve resembles a hill.
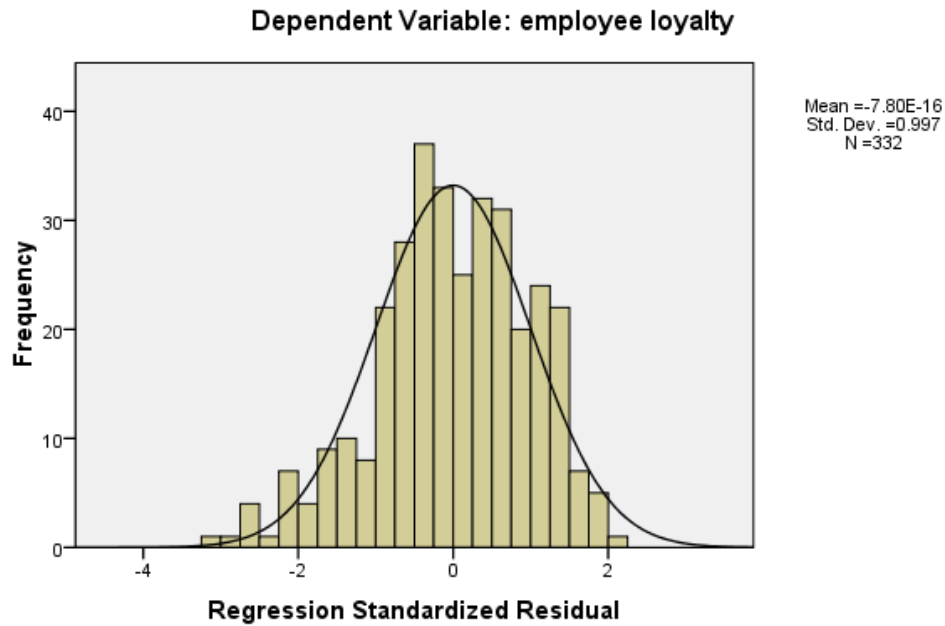
Figure 2. SPSS Output - Histogram

In addition to the histogram, Figure 3's P-P plot graph (also known as a probability plot) can be used to examine the normality test. If there are straight lines connecting the data points, the assumptions are true or there is a normal distribution. Like the study's output results, where the data distributes along a diagonal line and can be regarded as conforming to the normal distribution pattern.
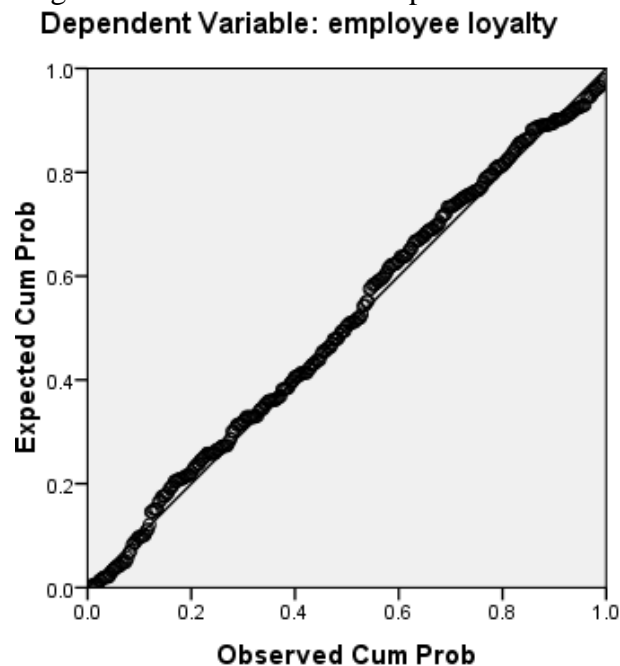

Figure 3. SPSS Output – P-P Plot

The heteroscedasticity test is the following stage, which verifies variance differences by inspecting the scatterplot output points. If the points are uniformly distributed, the data is good, and vice versa for heteroscedasticity. There is no heteroscedasticity in this study, as can be observed in Figure 4.
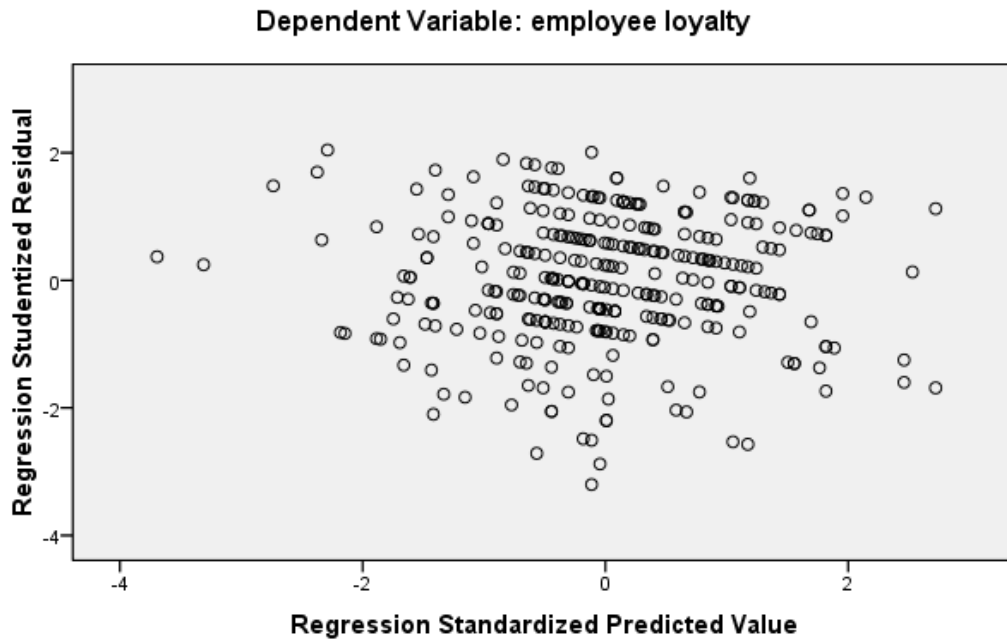
Figure 4. SPSS Output– Scatterplot

The "Unstandardized Coefficients" value in Figure 5 indicates that linear regression analysis was used to ascertain the relationship between the variables.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.509	1.386		8.301	.000
	democratic leadership style	.237	.050	.249	4.738	.000
	work environment	.174	.051	.181	3.441	.001

a. Dependent Variable: employee loyalty

Figure 5. SPSS Output – Coefficients

The "unstandardized coefficient" value in Figure 5 can be included in the following equation:

$$Y= 11{,}509 + 0{,}237\ X1 + 0{,}174\ X2$$

The meaning of the linear regression equation is as follows:

1. The calculated constant value is 11.509. Accordingly, assuming the Democratic Leadership Style and Work Environment remain unchanged, employee loyalty will change by 0.220.
2. The Democratic Leadership Style has a regression coefficient of 0.237. This indicates that the Democratic Leadership Style has a 23.7% impact on employee loyalty.
3. The Work Environment's Regression Coefficient has a value of 0.174. This indicates that the Work Environment has a 17.4% impact on Employee Loyalty.

The determination test comes next. A test to evaluate the contribution of the independent variables to the dependent variable is the Coefficient of Determination Test (R-Squared). The effectiveness of our regression line is also evaluated using this

test. The "adjusted R-Square" number in the SPSS output of the Summary model section, as shown in Figure 6, is used to conduct the coefficient of determination test. With a value range of 0.0 to 1.0, this number is used to assess the degree of compatibility. The value of each variable cannot be anticipated if the value is 0.0. As can be seen, the outcome is 0.027; however, if it is expressed as a percentage, the outcome is 2.7%. This indicates that there is a relationship of 2.7% between the independent variable (the impact of leadership style and work culture on employee loyalty) and the dependent variable (employee loyalty), and that there may be as many as 97.3% of additional factors that influence employee loyalty that are not taken into account in this study.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,183^a	,033	,027	2,990

a. Predictors: (Constant), work environment, democratic leadership style

b. Dependent Variable: employee loyalty

Figure 6. SPSS Output – Model Summary

The next step is hypothesis testing, which has two stages. The T-test is used in the first stage to establish the relationships between the independent variables and the dependent variable independently. The F test is used in the second stage to concurrently ascertain how the two independent variables affect the dependent variable. This value is referred to as the calculated t value and will be compared with the t value obtained in the table when doing the T-test by looking at Table 2, which is the output result of the "Coefficients" section. The t table's value is 2.251 (0.025; df 329).

Table 2. T-Test Interpretation

Criteria/Result	T Value	Significance	Interpretation
Criteria	T value < T table	Sig > 0,05	Ha Rejected
	T value > T table	Sig < 0,05	Ha Accepted
Result Democratic Leadership Style	4,738 > 2,251	0,000 < 0,05	Ha Accepted
Result Work Environment	3,441 > 2,251	0,001 < 0,05	Ha Accepted

The hypothesis for the t test on the independent variable Democratic Leadership Style in this study is:

$H0_1$ = There is no relationship between Democratic Leadership Style and employee loyalty

Ha_1 = There is a relationship between Democratic Leadership Style and employee loyalty

while the hypothesis for the independent variable Work Environment in this study are:

$H0_2$ = There is no relationship between the Work Environment and employee loyalty

Ha_2 = There is a relationship between the Work Environment and employee loyalty

As shown in Table 2, if the Democratic Leadership Style and Work Environment are distinct, then each is related to employee loyalty. Therefore, if Ha (1 and 2) is accepted, then both are.

Employee loyalty and democratic leadership style are mutually related. Research by (Hafisah, 2019), which asserts that democratic leadership style affects employee loyalty, lends credence to this study. Adeline (2022) added that this is due to democratic leaders being open to employee input and decision-making, as well as helping to provide work-related information and guiding employees and informing them about how to carry out their tasks effectively based on the leader's experience. Employees also provide all the information necessary for subordinates to complete the leader's work assignments.

Employee loyalty and the work environment are related in some way. Mahayuni & Dewi, (2020), whose research asserts that the workplace can also affect employee loyalty, supports this research. Employee loyalty to their jobs and the business they work for might rise when working conditions and facilities fulfill their expectations. Employee progress in offering client services is impacted by employee loyalty, helping the business outperform its rivals. Employee loyalty will be higher the better the workplace the company offers its staff. Good working conditions will therefore increase employee loyalty by enabling workers to work more comfortably and productively.

The F test, which is the last step, is conducted by examining Figure 7, the output result of the ANOVA section. This value is known as the computed F value, and it will be compared to the F value obtained in the table.

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	274.339	2	137.169	16.481	.000[a]
	Residual	2738.176	329	8.323		
	Total	3012.515	331			

a. Predictors: (Constant), work environment, democratic leadership style

b. Dependent Variable: employee loyalty

Figure 7. SPSS Output-Anova

The residual df value in the ANOVA portion of the SPSS output is examined along with a significance level of 0.025 to determine the F table value. obtained the value of the F table (0.025; df 329), and table 3 shows the results' interpretation.

Table 3. F Test Interpretation

Criteria/Result	F Value	Significance	Interpretation
Criteria	F value < F table	Sig > 0,05	Ha Rejected
	F value > F table	Sig < 0,05	Ha Accepted
Result	16,481 > 3,730	0,000 < 0,05	Ha Accepted

The hypothesis in this study is:

H0 = "Democratic leadership style and work environment are simultaneously unrelated to employee loyalty"

Ha = "Democratic leadership style and work environment are simultaneously mutually related to employee loyalty"

The examination of the data and the interpretations in table 3 allow us to draw the conclusion that Ha is accepted and that democratic leadership style and workplace culture are simultaneously correlated with employee loyalty. Let's say the boss has a democratic management approach. Employee loyalty will increase as a result because democratically led leaders always put the needs of the organization and its subordinates first (Marfuah & Ruzikna, 2015).

The workplace has an impact on loyalty (Sigit & Kustiyono, 2020). Employee productivity, comfort, and productivity are all highly influenced by a positive and supportive work environment. Employee emotions will even be influenced by the workplace environment. In contrast, if an employee is not comfortable or does not feel comfortable with the work environment, then the employee will decrease and become stressed because he feels uncomfortable in his environment. If the employee likes the work environment, then the employee will feel at home doing activities at work, and achievement will increase (Herawati, Septiyarini, & Ratnasari, 2022).

Conclusion

The research findings show that if there is a relationship between the Democratic Leadership Style and employee loyalty, there is a relationship between the work environment and employee loyalty, and democratic leadership style and the work environment are simultaneously related to employee loyalty.

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