

Moderation of Leadership Style on The Influence of Compensation and Work Culture on Occupational Therapist Loyalty

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ABSTRACT

This study used a quantitative descriptive approach. In this quantitative descriptive study, the author focuses research on moderating leadership styles on the influence of compensation and work culture on occupational therapist loyalty. This research is located in all child growth and development clinics in Bekasi City. In conducting this study, the time needed was for 6 months starting from observation to making data results and conclusions of population research in this study were Occupational Therapists who work in Bekasi City, totaling 61 people, the samples taken in this study were 61 Occupational Therapists who works at child growth and development clinics in Bekasi City. The data that has been obtained is analyzed using the SEM-PLS analysis tool using the help of SMARTPLS software. After an in-depth discussion of the data obtained, the resulting conclusions are Compensation, Work Culture and Leadership Style directly have a significant effect on Occupational Loyalty. For the Moderation Variable, it can be concluded that Leadership Style in moderating has no influence between compensation and loyalty of the Occupational Therapist. Similarly, moderating leadership style also has no influence between work culture and loyalty

Keywords: leadership style, compensation, work culture and loyalty Occupational Therapist

ABSTRACT

This research uses a quantitative descriptive approach. In this quantitative descriptive research, the author focuses research on the moderation of leadership style on the influence of compensation and work culture on Occupational Therapist loyalty. This research was located in all child development clinics in Bekasi City. In conducting this research, the time required was 6 months, starting from observation to producing data results and research conclusions. The population in this study was Occupational Therapists who worked in Bekasi City, totaling 61 people. The sample taken in this study was 61 Occupational Therapists who worked in Child growth and development clinic in Bekasi City. The data that has been processed is analyzed using the SEM-PLS analysis tool using SMARTPLS software. After conducting an in-depth discussion of the data obtained, the resulting conclusion is that Compensation, Work Culture and Leadership Style directly have a significant influence on Occupational Loyalty. For the Moderation Variable, it can be concluded that the Leadership Style in moderating has no influence between compensation and Occupational Therapist loyalty. Likewise, the moderating leadership style also has no influence between work culture and loyalty

Keywords: leadership style, compensation, work culture and Occupational Therapist loyalty

INTRODUCTION

Loyalty is the diversity of roles and members in using their thoughts and time to achieve organizational goals. Employees who are loyal to the company are employees who have a willingness to work together, which means a willingness to sacrifice themselves, involving awareness to dedicate themselves to the company, this dedication will always support employee participation in the company.

Providing compensation is one of the determining factors in employee loyalty to the company. Every employee certainly wants to receive remuneration, or compensation that is commensurate with the services performed or the results provided by the employee to the company (Kurniawan, 2019). The compensation given to employees greatly influences the level of job satisfaction, work motivation and work results. Companies that determine wage levels taking into account normal living standards will enable employees to work with full motivation. This is because employee work motivation is largely influenced by whether or not the minimum living needs of employees and their families are met.

Apart from compensation, employee loyalty can also be influenced by the company or organization's work culture. Gunawan (2017) states that organizational culture is a model, norms, beliefs and values that apply to a company. These models, norms, beliefs and values can influence the behavior or behavior of human resources or employees in an organization or company, thereby influencing employee loyalty. Employees who understand the values in an organization will make these values into organizational culture. These values and beliefs will be translated into their daily behavior at work, so that it will give rise to good loyalty of each individual towards the company. Nadeak & Simanjorang (2021) state that work culture functions to connect its members so that they know how to interact with each other

Leaders have broad power to make decisions and manage their subordinates, as well as use the culture they hold. Organizational culture is formed by individuals in the organization in an ethical manner and gives employees the right to focus on achieving organizational goals. A good organizational culture from leaders will tend to gain loyalty from employees. The research results of Gunawan (2017) and Nadeak & Simanjorang (2021) found that organizational culture has a significant effect on employee loyalty. Every company goal can be achieved because of good cooperation between company leaders and their employees. To create good cooperation, there needs to be good communication and direction from company leaders who are influenced by the leader's leadership style.

The increasing number of cases of children with special needs in the city of Bekasi has led to the emergence of child development clinics in the city. One of the human resources that is very important in a child development clinic is an Occupational Therapist. Occupational Therapists can provide Occupational Therapy services in Health Service Facilities in the form of health centers, clinics, hospitals and other Health Service Facilities (Minister of Health Regulation No. 23 of 2013 concerning the Implementation and Practice of Occupational Therapists).

The number of Occupational Therapists in Bekasi who work in growth and development clinics in Bekasi City is recorded at 61 people. Based on the results of the preliminary study, problems were identified that influence the loyalty of Occupational Therapists in Bekasi City, including nominal income (salary) that does not meet expectations, work systems or organizational culture that are not appropriate, and poor leadership methods.

The framework of thinking in this research is used as a guide to see what factors can influence Occupational Therapist Loyalty at the Bekasi City Child Development Clinic. From the framework of thinking the hypothesis below can be drawn.

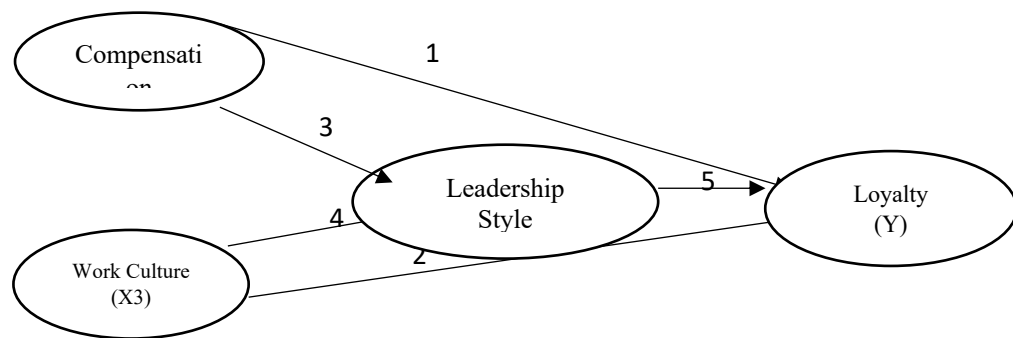


Figure 1. Framework for thinking

1. The Effect of Compensation on Occupational Therapist Loyalty.

Research conducted by Gunawan (2017) obtained results that compensation had a positive and significant effect on employee loyalty. Research by Purnamasari & Sintaasih (2019) whoshows that compensation has a positive and significant effect on employee loyalty. Research by Klaudia, Prayekti & Herawati (2020) found that compensation had no effect on employee loyalty at Waroeng Spesial Sambal.

Meanwhile, Jaya, Badaruddin & Firman (2023) researched the effect of compensation on employee loyalty at PT Pelindo Jasa Maritim, showing that compensation had a positive and insignificant effect on employee loyalty.

H1: Compensation influences Occupational Therapist loyalty.

2. The Influence of Work Culture on Occupational Therapist Loyalty.

Muliati (2020) stated thatOrganizational culture influences employee loyaltywho has worked for 8 years at PT Bosowa Berlian Motor. Nadeak & Simanjorang (2021) conducted research with the results thatWork culture has a positive and significant effect on employee loyalty. Research by Muhtar, Sudarwati and Istiatin (2024) states that Organizational Culture has a positive and significant effect on Occupational Therapists working at Sukoharjo institutions.

H2: Work culture influences occupational therapist loyalty.

3. Leadership Style moderates the influence of compensation on Occupational Therapist loyalty.

Research by Jaya, Badaruddin & Firman (2023) states that Leadership style, work motivation, and compensation have a positive and significant effect on employee loyalty. Kurniawan's (2019) research found that leadership style, work stress, compensation and work environment have a positive effect on employee loyalty.

H3: Leadership style moderates the influence of compensation on occupational therapist loyalty.

4. Leadership Style moderates the influence of work culture on Occupational Therapist loyalty.

Research by Koroh, Subiyanto & Septyarini (2023) found that leadership style and organizational culture had a positive and significant effect on CV employee loyalty. Jaya Abadi Metals. Tirtadidjaja & Sarudin (2022) stated that the correlation between Leadership Style and Organizational Culture has a relationship with employee loyalty. In line with Koroh, Subiyanto & Septyarini (2023) states that leadership style and organizational culture have a positive and significant effect on employee loyalty at CV. Jaya Abadi Metals. Study Tirtadidjaja & Sarudin (2022) found that Leadership Style and Organizational Culture had a positive and significant effect.

H4: Leadership Style moderates the influence of Work Culture on Occupational Therapist loyalty.

5. Influence of Leadership Style on Loyalty

Research by Gusnela, Zaki & Septyarini (2024) found that leadership style had a positive and significant effect on employee loyalty at PT Indomarco Prismatama Pekanbaru Branch. Pitoy, Pio & Rumawas (2020) conducted research with the results that leadership style influences loyalty.

H5: Leadership style influences loyalty

RESEARCH METHODS

This research uses a quantitative descriptive approach. In this quantitative descriptive research, the author focuses research on the moderation of leadership style on the influence of compensation and work culture on Occupational Therapist loyalty.

This research was located in all child development clinics in Bekasi City. In conducting this research, the time required was 6 months, starting from observation to producing data results and research conclusions. The population in this study was Occupational Therapists who worked in Bekasi City, totaling 61 people. The sample taken in this study was 61 Occupational Therapists who worked in Child growth and development clinic in Bekasi City. In this research, a non-probability sampling approach will be used. The sampling technique in this research uses saturated sampling (census), namely a sample collection technique when all members of the population are used as samples

Data that can be obtained directly from respondents relates to compensation and work culture which is influenced by leadership style on the loyalty of

occupational therapists who work at the Bekasi City child development clinic. In this case, the data was obtained directly from respondents, namely Occupational Therapists who work at the child development clinic in Bekasi City. Next, the data that has been processed is analyzed using the SEM-PLS analysis tool using SMARTPLS software.

RESULTS AND DISCUSSION

The tool for testing hypotheses in this research uses the Partial Least Square (PLS) method. PLS is an alternative method of analysis using variance-based Structural Equation Modeling (SEM). The advantage of PLS is that it does not require many assumptions and can be estimated with a relatively small sample size. The tool used to estimate the model is SmartPLS version 3

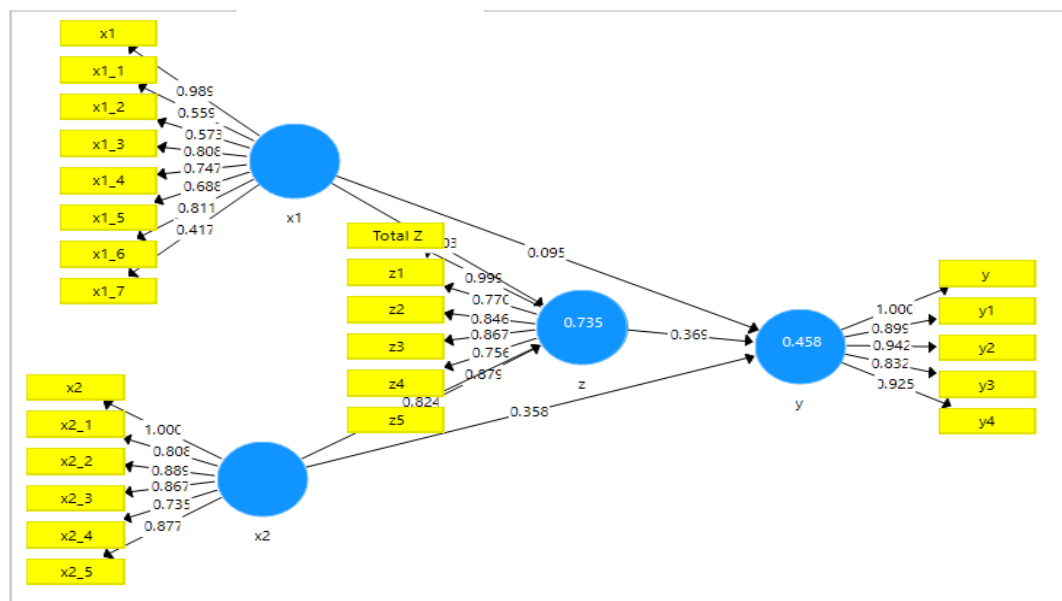


Figure 2. SmartPLS 3.0 output

1. Structural Model (Inner Model)

The structural model was evaluated using R-square for dependent constructs, Stone-Geisser Q-square test for Q2 predictive relevance, significance test of structural path parameter coefficients

a. *R-Square (R2)*

Evaluation of the structural model or inner model aims to predict the relationship between latent variables. The structural model was evaluated by looking at the percentage of variance explained, namely by looking at the R-Square value for the endogenous latent construct. Following is Table 1.

Table 1. R-Square Value

	R Square	R Square Adjusted
Loyalty (Y)	0.458	0.430

Leadership Style (Z)	0.735	0.726
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Source: Data processing with SmartPLS 3.0, 2022

From the R2 results in Table 1, it shows that the R2 value for Occupational Therapist Loyalty is 0.458. This value shows that the Occupational Therapist Loyalty variable has an influence on Compensation (X1), Work Culture (X2) by 45.8 percent. And the rest is influenced by other variables outside the variables in this research. The R2 value of Leadership Style is 0.735. This value shows that the Occupational Therapist Leadership Style variable has an influence on Compensation (X1), Work Culture (X2) by 73.5 percent. And the rest is influenced by other variables outside the variables in this research.

b. Q2 Predictive relevance

Q-Square predictive relevance for structural models, measures how well the observed values are generated by the model and also its parameter estimates. Q-square value > 0 indicates the model has predictive relevance; Conversely, if the Q-Square value ≤ 0 indicates the model lacks predictive relevance. . The Q2 value can be seen in Table 2

Table 2. Q-Square Values

	SSO	SSE	Q ² (=1-SSE/SSO)
Compensation	488,000	317,685	0.349
Work Culture	366,000	129,628	0.646
Loyalty	305,000	75,940	0.751
Leadership Style	366,000	135,822	0.629

From Table 2 it shows that Q2 for each variable has a value equal to 0 so it can be concluded that the variables Compensation, Work Culture, Loyalty and Occupational Therapist Leadership Style have predictive relevance.

2. Hypothesis Testing (Bootstrapping)

To find out whether a hypothesis is accepted or rejected, it can be done by paying attention to the significance values between constructs, t-statistics and p-values. In this way, measurement estimates and standard errors are no longer calculated using statistical assumptions, but are based on empirical observations. In the bootstrapping method in this research, the hypothesis is accepted if the significance value of the t-values is greater than 1.96 and/or the p-values are smaller than 0.05, then Ha is accepted and Ho is rejected and vice versa.

Table 3. Direct Effect Bootstrapping Results

	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Description
Compensation -> Occupational Therapist Loyalty	0.965	2,135	0.033	influential
Work Culture -> Occupational Therapist Loyalty	0.990	2,861	0.004	Influential
Compensation -> Leadership Style -> Occupational Therapist Loyalty	0.083	0.459	0.646	No effect
Work Culture -> Leadership Style -> Occupational Therapist Loyalty	2,586	0.118	0.906	No effect
Leadership Style -> Occupational Therapist Loyalty	0.112	7,381	0,000	Influential

Source: Data processing with SmartPLS 3.0, 2024

H1: Compensation influences Occupational Therapist Loyalty

Based on the test results, the Compensation variable on Occupational Therapist Loyalty. has a t-statistic value of 2.135 and a p-value of 0.033, then H1 is accepted because the t-statistic is greater than 1.99 and the p-value is smaller than 0.05. Thus, it can be concluded that the Compensation variable has a significant influence on Occupational Therapist Loyalty. Therefore, the first hypothesis that Compensation directly has a significant effect on Occupational Therapist Loyalty is accepted.

H2: Work culture influences occupational therapist loyalty

Based on the test results, the Work Culture variable on Occupational Therapist Loyalty has a t-statistic value of 2.861 and a p-value of 0.084, so H2 is accepted because the t-statistic is smaller than 1.99 and the p-value is greater than 0.05. Thus, it can be concluded that the Work Culture variable influences Occupational Therapist Loyalty. Therefore, the second hypothesis that Work Culture directly has a significant effect on Occupational Therapist Loyalty is accepted.

H3: Leadership style moderates the influence of compensation on occupational therapist loyalty

Based on the test results, the Compensation variable for Occupational Therapist Loyalty through the leadership style variable has a t-statistic value of 0.459 and a p-value of 0.646, so H5 is accepted because the t-statistic is smaller than 1.99 and the p-value is greater than 0.05. Thus, it was concluded that the Compensation variable on Occupational Therapist Loyalty through the leadership style variable did not have a significant influence. Therefore, the third hypothesis that Leadership Style moderates the influence of compensation on Occupational Therapist loyalty is rejected.

H4: Leadership Style moderates the influence of Work Culture on Occupational Therapist loyalty.

Based on the test results, the Leadership Style variable moderates the influence of Work Culture on Occupational Therapist loyalty with a t-statistic value of 0.118 and a p-value of 0.906, so H4 is rejected because the t-statistic is smaller than 1.99 and the p-value is greater from 0.05. Thus, it can be concluded that the Work Culture variable has no influence on Occupational Therapist Loyalty through Leadership Style. Therefore, the fourth hypothesis is that Leadership Style moderates the influence of Work Culture on Occupational Therapist loyalty. **rejected.**

H5: Leadership style influences loyalty

Based on the test results, the Leadership Style variable on Occupational Therapist Loyalty has a t-statistic value of 7.381 and a p-value of 0.000, so H5 is accepted because the t-statistic is smaller than 1.99 and the p-value is greater than 0.05. Thus, it can be concluded that the Leadership Style variable influences Occupational Therapist Loyalty. Therefore, the fifth hypothesis is that Leadership Style influences Loyalty Occupational Therapists accepted.

CONCLUSIONS AND RECOMMENDATIONS

After conducting an in-depth discussion of the data obtained, the resulting conclusions are: Compensation, Work Culture and Leadership Style directly has a significant effect on Occupational Loyalty. For the Moderation Variable, it can be concluded that the Leadership Style in moderating has no influence between compensation and Occupational Therapist loyalty. So as Moderating Leadership Style also has no influence between Work Culture and loyalty. From this conclusion, suggestions can be given

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