LOYALTY OF CASUAL DAILY WORKERS IS MEDIATED BY JOB SATISFACTION ON THE INFLUENCE OF COMPENSATION
(The Work Environment Of Construction Sector Casual Daily Workers)

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Abstract
This research will measure the loyalty of daily workers who can make a big contribution to the construction industry and is one of the studies that tries to understand the loyalty of daily workers, for example, compensation influences job satisfaction, the work environment influences job satisfaction, job satisfaction influences the loyalty of daily workers. A questionnaire was used to carry out the research, and 131 construction workers were used. Then the results of research that processed the data, Job Satisfaction Compensation Rejected, Work Environment for Job Satisfaction Accepted, Job Satisfaction Loyalty of Daily Workers Accepted, Compensation for Loyalty of Daily Workers Accepted, Compensation for Loyalty of Daily Workers Accepted, Compensation Accepted Job Satisfaction mediates against Daily Worker Loyalty Rejected, Work Environment mediates Job Satisfaction on Daily Employee Loyalty Received. Since the results of the study were based solely on questionnaires, the in-depth understanding of the workers' responses was not investigated. Practical Implications - Construction daily workers who work at the same time as well as several points of view regarding the loyalty of daily workers which in management settings are factors that will influence the company's performance in projects that have been obtained and must run according to schedule.

Keywords: Compensation, Work Environment, Job Satisfaction, Daily Worker Loyalty

Abstrak

Kata kunci: Kompensasi, Lingkungan kerja, Kepuasan kerja, Loyalitas pekerja harian

Introduction

In theory, it is stated workers are one of the company's important assets because labor as humans is part of the factors used in every process of producing goods and services as well as any activities carried out by the company in carrying out work activities in the company itself. Environmental conditions and changes in the ups and downs of workers and companies in recent years have been characterized, among other things, by changes in global and national economic conditions. So in a survey conducted by BPS, it was found that construction companies continue to experience ups and downs, as can be seen from the data that will be presented, for example in DKI Jakarta in 2019 there were 10,092 while in 2020 there was a decline, amounting to 9,714 and increasing again in 2021 to 14,505. Likewise with casual daily workers, it can be seen from the data released by BPS that, casual daily workers who also continue to experience quite large ups and downs in 2018 amounted to 518,957,034, in 2019 there was an increase of 580,609,858, and in 2020 there was quite a significant decrease, namely 462,640,380.

HRM has an important role for an organization or company in planning, directing, and managing employees so that they can productively achieve organizational or company goals. These changes truly become part of changes in the current world of work, the company must be supported by adequate resources to be able to meet the specified amount and become a company that can provide the best service to consumers. Good performance and high worker productivity are things that companies continue to want to achieve.

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4 BPS.
We know that construction companies are divided into 3 categories, namely: Small Class, Middle Class, and Large Class. So according to the data that has been collected, the average construction company experiences quite the same trend even though they are in different categories in one year. Small, medium, and large classes, namely in 2019 there were 16,886 companies, in 2020 it decreased to 15,9308 and in 2021 it increased again by 20,3403.

So, it can be said that increasing the number of companies will also affect the number of workers used by BPS data. Thus, it is explained that in 2020 it was 4.94 percent, in 2021 it increased by 6.26 percent, in 2022 it decreased by 5.83 percent and in 2023 the number of unemployed freelancers was expressed as the Open Unemployment Rate (TPT) of 5.45 percent of casual workers every day in certain fields. We can see data that in general in Indonesia there are quite a lot of daily workers who will work, where the absorption of daily workers is integrated with the number of companies that are growing and developing so that this is an interesting thing to study. Meanwhile, other fields will also be a supporting factor, we can see massive employment opportunities for use in certain fields or other general fields.

In this research, it is hoped that we can see one of the factors that makes a company continue to grow, as well as having loyal employee resources followed by what causes them to be loyal to the company. Researchers see a phenomenon where the composition of the workforce can be said to be as follows:

1. There will still be permanent employees (as office representatives) who will be able to bridge communication between the owner of the employer and the head office and others, usually there will be 1 or more people according to the contract.
2. Meanwhile, project contract employees are permanent supporting employees, the number of employees is a maximum of 5 people or can be represented by 1 to 2 people, by the determined project budget and the agreement between the employer and the recipient of the work.
3. The number of daily workers will be adjusted to the implementation time and project needs with the required capabilities.

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8 BPS, “Badan Pusat Statistik.”
9 BPS.
Previous researchers stated that compensation takes the form of financial and non-financial rewards as well as benefits received by employees as a form of work.\(^\text{12}\) Putri & Supriadi says Employee performance is the result of work in terms of quantity and quality that can be achieved by employees in carrying out work according to their responsibilities.\(^\text{13}\) This can also affect the employee's performance. Satisfied employees will be more productive and creative. Factors that influence job satisfaction are work, coworkers, and the completion of the search for job satisfaction with salary and work situation so that it will improve employee performance.\(^\text{14}\) Loyalty shows the attitude of maintaining good relationships with co-workers and leaders, not moving because you feel comfortable being here so you can realize your life goals. \(^\text{15}\) In previous research, it was said that the workplace and work environment will influence employee health and satisfaction.\(^\text{16}\)

So companies adopt a low-wage strategy if the job is simple and demanding in today's competitive labor market, companies with minimal training tend to adopt a high-wage strategy as a way to attract and retain skilled employees.\(^\text{17}\) This approach has become an integral part of every company's work environment.\(^\text{18}\) It is common knowledge that employees are one of the most valuable assets of any company. As humans, they play an important role in the process of producing goods and services, as well as in carrying out various tasks within the company.\(^\text{19}\)

In previous studies as well as data from BPS and employment data that have been carried out, researchers see this phenomenon as a good thing to research and has good benefits. The impact on the world of work and the business world, especially the world of construction, starts from the original writings of the researchers so that hopefully this research will become good reading material for developments in Indonesia and knowledge


\(^{17}\) Suryatiningsih and Hendratono, “Pengaruh Kepuasan Gaji, Pengembangan Karir Guru Terhadap Komitmen Organisasi Dengan Kepuasan Kerja Sebagai Pengubah Pengantara.”


\(^{19}\) Kismiati and Sitorus, “Pengaruh Gaya Kepemimpinan Terhadap Niat Keluar Yang Dimediasi Oleh Kondusifitas Lingkungan Kerja.”
for companies developing in Indonesia. This research investigates the level of satisfaction of daily workers about fluctuations in their numbers, according to the central government statistics. Therefore, it is important to know the factors that influence these fluctuations. Therefore, this research examines the influence of compensation, work environment, and job satisfaction on the job loyalty of daily workers. This research collects data from daily workers in Jakarta and surrounding areas who are engaged in the construction sector.

This research hypothesis provides a link and influence between compensation variables and job satisfaction, work environment, and job satisfaction, as well as job satisfaction variables with worker loyalty, compensation and daily worker loyalty, work environment, and daily worker loyalty, which is where this direct hypothesis is based. It is hoped that it will be influential and significant after the data has been processed. As for the indirect relationship hypothesis, which is by the research framework in Figure 2.1, it can be seen how compensation mediated by job satisfaction influences the loyalty of daily workers, and the work environment mediated by satisfaction influences the loyalty of daily workers. So it is expected in the explanation of each hypothesis studied.

Using theory confirms that the relationship between compensation, work environment, job satisfaction, and employee loyalty is also said to be that the actions of a person or organization are supported by strong reasons that encourage them to behave in a certain way. For some reason, these reasons are in the form of benefits, salaries, and better working conditions. Job satisfaction in employees is a set of employee feelings related to how enjoyable the tasks they carry out are, where employees feel satisfied and comfortable based on their respective criteria. Thus the suggested hypothesis is:

H1: compensation has a positive and significant effect on job satisfaction

In this research, job satisfaction as a mediator can balance compensation. The basis of job satisfaction is a measure of employee sentiment and attitudes regarding the work environment, type of work, and relationships with co-workers so that satisfaction will emerge after several employee desires and needs related to work are fulfilled. The work environment and job satisfaction are based on various contextual premises with the idea of the work environment and job satisfaction increasing over time due to the influence on

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21 Nurbaya, “Manajemen Sumberdaya Manusia Di Era Revolusi Industri 4.0”; Gerhat, COMPANSATION.


wider society. These results imply that organizations can increase work productivity by improving the physical attributes of the work environment and internal climate, which may have a positive effect on the organization.\textsuperscript{25} Thus, the suggested hypothesis is:

H2: the work environment has a positive and significant effect on job satisfaction.

Loyalty can be understood as an individual’s willingness to obey, carry out, and practice something with a level of awareness in the form of employees who are loyal to their work and company. Work loyalty will arise if employees feel they have met all their needs so that they remain in an organization for a long period.\textsuperscript{26} The attitude of employees who enjoy inside and outside work, as well as the internal structure of inside or outside work, is called job satisfaction, which has an impact on employee loyalty.\textsuperscript{27} Thus the suggested hypothesis is:

H3: Job satisfaction has a positive and significant effect on casual worker loyalty.

Loyalty can be understood as an individual’s willingness to obey, carry out, and practice something with a level of awareness in the form of employees who are loyal to their work and company. Work loyalty will arise if employees feel they have met all their needs so that they remain in an organization for a long time.\textsuperscript{28} Theory confirms that the relationship between compensation, work environment, job satisfaction, and employee loyalty is also said to be that the actions of a person or organization are supported by strong reasons that encourage them to behave in a certain way. For some reason, these reasons are in the form of benefits, salaries, and better working conditions.\textsuperscript{29} Thus, the suggested hypothesis is:

H4: compensation has a positive and significant effect on Daily Job loyalty

Loyalty can be understood as an individual’s willingness to obey, carry out, and practice something with a level of awareness that forms an employee who is loyal to the job and the company. Work loyalty will arise if employees feel they have met all their needs so that they remain in an organization for a long period.\textsuperscript{30}

The work environment and job satisfaction are based on various contextual premises with the idea of the work environment and job satisfaction increasing over time due to the influence on wider society. These results imply that organizations can increase work productivity by improving the physical attributes of the work environment and internal

\textsuperscript{26} Meda, Foeh, and Niha, “Pengaruh Ketidakamanan Kerja, Iklim Organisasi Dan Pengembangan Karir Terhadap Loyalitas Karyawan Yang Dimediasi Oleh Kepuasan Kerja (Literature Review Manajemen Sumber Daya Manusia ).”
\textsuperscript{27} Meda, Foeh, and Niha.
\textsuperscript{28} Meda, Foeh, and Niha.
\textsuperscript{29} Aman-Ullah et al., “The Role of Compensation in Shaping Employee’s Behaviour: A Mediation Study through Job Satisfaction during the Covid-19 Pandemic.”
\textsuperscript{30} Meda, Foeh, and Niha, “Pengaruh Ketidakamanan Kerja, Iklim Organisasi Dan Pengembangan Karir Terhadap Loyalitas Karyawan Yang Dimediasi Oleh Kepuasan Kerja (Literature Review Manajemen Sumber Daya Manusia ).”
climate, which may have a positive effect on the organization. Thus the suggested hypothesis is:

H5: The work environment has a positive and significant effect on the loyalty of daily workers

Figure 2.1

Method

When writing this thesis, the research method was correlational. The meaning of the word correlation is from the basic word correlation so that if changes in variables have a negative or positive correlation followed by changes in other variables, it is expressed in the form of a correlation coefficient. According to Sugiyono in statistics, it is the relationship between variables or many variables that causes the variables to be related to each other, one level of relationship between existing variables, where the researcher will be able to obtain knowledge that is appropriate for the research objectives. According to Imam Ghozali and Hengky Latan research in correlational studies is research intended to determine whether there is a relationship between two or several variables. Measurements use PLS-SEM as a data processing tool. In the PLS model evaluation consists of 2 stages, namely the measurement model (outer model) and the structural model (inner model). If the measurement model assesses convergent validity, discriminant validity (valid), and test

31 Akinwale and George, “Work Environment and Job Satisfaction among Nurses in Government Tertiary Hospitals in Nigeria.”
32 Ratlan Pardede and Renhard Manurung, ANALISIS JALUR., PATH ANALISIS. TEORI DAN APLIKASI DALAM RISET BISNIS, Edisi 1 (Jakarta: PT. RINEKA CIPTA, JAKARTA, 2014).
34 Sugiyono.
consistency (Reliability) (Cronbach’s; Composite Reliability). So if the structural model assesses R-square, Path coefficients, p-values, and t-statistics. 

Result and Discussion

Based on these estimates with the results that the outer loading states that all items are valid and can represent variable measurements and then reliability measurements with Composite Reliability are also carried out, at this stage the variable reliability measurement model obtains acceptable values so that the composite reliability of each variable shows the results above reliable, namely with a value above 0.60. So, with the value of the composite reliability test results, it can be concluded that it can consistently be trusted to be able to measure the variables in this research.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Job Satisfaction</td>
<td>0.866</td>
</tr>
<tr>
<td>2</td>
<td>Compensation</td>
<td>0.838</td>
</tr>
<tr>
<td>3</td>
<td>Work Environment</td>
<td>0.874</td>
</tr>
</tbody>
</table>

**Notes:**

36 Sugiyono, *METODE PENELITIAN KUANTITATIF*. 
So we can see in table 1.1 that the results of the Composite Reliability test obtained for each variable are more than 0.8. We can see from the table for the job satisfaction variable the composite reliability value is 0.866, the compensation variable the composite reliability value is 0.838, the work environment variable the composite reliability value is 0.874 and the daily worker loyalty variable has a composite reliability value of 0.852. with others that are important because we will find out.

Table: 1.3 Direct Variable Hypothesis Testing

| Direct Hypothesis                                   | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|----------------------------------------------------|---------------------|-----------------|---------------------------|--------------------|----------|
| Job Satisfaction -> Daily worker loyalty_H3        | 0.525               | 0.532           | 0.081                     | 6.508              | 0.000    |
| Compensation_H1 -> Job Satisfaction_H1            | 0.065               | 0.072           | 0.071                     | 0.920              | 0.358    |
| Compensation_H4 -> Daily worker loyalty_H4        | 0.170               | 0.182           | 0.079                     | 2.164              | 0.031    |
| Work environment_H2 -> Job Satisfaction_H2        | 0.763               | 0.759           | 0.062                     | 12.325             | 0.000    |
| Work environment_H5 -> Daily worker loyalty_H5    | 0.207               | 0.195           | 0.101                     | 2.047              | 0.041    |

H1: Compensation on Job Satisfaction is Rejected
H2: Work environment on job satisfaction is accepted
H3: Job Satisfaction on Daily Worker Loyalty is Accepted
H4: Compensation for Daily Worker Loyalty
H5: Work Environment on Daily Worker Loyalty is Accepted
Table: 1.4 Hypothesis Testing Mediated variables

| Mediated Hypothesis                               | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|--------------------------------------------------|---------------------|-----------------|---------------------------|--------------------------|----------|
| Compensation -&gt; Job Satisfaction -&gt; Daily worker loyalty_H6 | 0,034               | 0,039           | 0,039                     | 0,874                    | 0,382    |
| Work environment -&gt; Job Satisfaction -&gt; Daily worker loyalty_H7 | 0,401               | 0,404           | 0,068                     | 5,928                    | 0,000    |

In testing this research analyzes hypothesis testing using p-value results, where the standard condition is \( p<0.05 \) (Sugiyono, 2019). So, we can say that the direct relationship with the hypothesis is mediated as follows:

H6: Compensation is mediated by Job Satisfaction on Daily Worker Loyalty. Rejected

H7: Work Environment is mediated by Job Satisfaction on Daily Employee Loyalty Accepted

**Conclusion**

So, it can be said that with a direct relationship it is known that the original sample value for compensation for Daily Worker Loyalty, this value is greater than the indirect relationship, namely compensation for daily workers mediated by job satisfaction. We can conclude that these two relationships are interrelated.

For the work environment on daily worker loyalty, it was found that the original sample value was smaller compared to the indirect relationship, namely the work environment on daily worker loyalty, which was mediated by job satisfaction.

It will be better to improve the company's performance by paying attention to daily workers who are the spearheads in project implementation so that they can pay attention, starting from compensation, and the work environment so that we can get good results in the future that in implementation we get daily workers who are loyal to their field of work. and definitely, the company he belongs to.

In terms of job satisfaction, you can pay attention to the impact of which variables are very influential on job satisfaction, of these two variables, namely compensation and work environment, but what is bigger is that the work environment has a very positive and significant influence on job satisfaction when job satisfaction mediates this. It also has a positive and significant impact on the loyalty of daily workers. This is because researchers see that the impact of this work environment has a big influence on job satisfaction.
References


