

Human Resource Performance Improvement Model Through Compensation, Training and Loyalty

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Abstract. *The purpose of this research is to describe and analyze the model of improving human resource performance through compensation, training, and loyalty. This study applies the Structural Equation Modeling (SEM) approach using the software of Smart PLS4. The population consists of permanent employees of Triton Adventure Store, a retail store in Kaimana Regency, West Papua Province. The sampling method used is saturated sampling with the entire population serving as a sample of 100 people. The research instrument in the form of a questionnaire was distributed via Google Forms. Data analysis used Partial Least Square (PLS) with the aid of Smart PLS4 software. Hypothesis testing was conducted to examine the effects between variables with the following details: 1) If human resource increases loyalty, then human resource performance improves, 2) If compensation increases, then human resource performance improves, 3) If compensation increases, then loyalty. Referring to the results of this hypothesis test, it can be concluded that increasing human resource loyalty enhances human resources, and improving compensation can enhance human resource performance. Likewise, better compensation can increase human resource loyalty, and better employee training can further increase human resource loyalty. Additionally, improving employee training can lead to increased employee performance. The findings of this study indicate that to improve human resource performance, it can be achieved by enhancing compensation, providing good training, and fostering human resource loyalty.*

Keywords: Compensation; Employee; Equation; Loyalty.

1. Introduction

Human resource management is crucial to the success of any organization, whether large or small. In the retail industry, business performance is largely determined by a company's ability to motivate and manage employees, who play a crucial role in creating the customer experience. One way to achieve this is by providing appropriate incentives and creating optimal employee well-being. Incentives are rewards for employees' contributions to their

work. Meanwhile, well-being encompasses support for employees' physical, mental, and social needs.

In an era of globalization and increasingly fierce business competition, the retail industry is experiencing significant changes in consumption patterns and customer expectations. Companies are not only required to offer quality products but also to ensure that their human resources remain motivated and productive. Previous research has shown that employee well-being and incentive systems play a crucial role in improving employee performance and company competitiveness (Krekel, Ward, & Neve, 2019). However, implementing these strategies in small-scale retail businesses still faces many challenges, particularly related to resource constraints and the sustainability of incentive programs. Therefore, this study aims to explore effective incentive and well-being models to improve employee performance and loyalty in small retail businesses.

Compensation has been proven effective in motivating employees to achieve specific work targets. According to research by Krekel, Ward, and Neve (2019), well-designed incentives can increase employee motivation, productivity, and loyalty to the company. Incentives can be monetary (bonuses and commissions) or non-monetary (awards, training, or recognition from management). Research conducted by Utami, Erawan, and Arifin in 2020 showed that providing incentives tailored to employee needs can increase work productivity and motivation to achieve goals.

However, the effectiveness of these incentives often depends on the company's situation and the characteristics of the employees involved. In a small business like Triton Adventure Store, limited resources can make it difficult to design competitive incentives. This can create an imbalance between employee expectations and the company's capabilities, ultimately impacting their motivation and performance. Therefore, it's crucial to understand employee needs and tailor incentives to the company's circumstances for this strategy to be successful.

Besides compensation, employee well-being also significantly impacts work productivity. Employee well-being encompasses many factors, including physical and mental health, and a balance between work and personal life. According to research by Wei et al. (2020), employees who feel cared for tend to have high work morale, better productivity, and strong loyalty to the company. In the retail sector, where workers often feel pressured by customer needs and sales targets, well-being is crucial for maintaining stable employee performance.

Triton Adventure Store, a retail business in Kaimana, West Papua, faces significant fluctuations in sales revenue. This phenomenon can be influenced by many factors, such as the effectiveness of incentives and employee well-being. Declining turnover can be caused by declining employee morale. This can occur due to a lack of incentives or dissatisfaction with working conditions. For example, research by Hidayat and Sungkono (2023) shows that inadequate incentives can lead to employee demotivation, which then negatively impacts company productivity and revenue.

Fluctuations in revenue at the Triton Adventure Store also indicate a potential mismatch between management's targets and employees' ability to achieve them. In this situation, incentives can boost employee morale to achieve sales targets. However, incentives alone are insufficient. When employees don't receive sufficient incentives, they may feel stressed by their work, leading to decreased morale. This is consistent with research by Lamongi, Kindangen, and Tumewu (2015), which states that employee well-being significantly impacts performance efficiency and stability.

On the other hand, the success of providing incentives and improving employee well-being depends on how these two factors are integrated into human resource management strategies. Small companies often experience limited financial and non-financial resources. This results in suboptimal incentive and employee well-being policies. Consequently, employees may feel underappreciated or lose their motivation to work harder. A study by Liu (2022) showed that poorly planned rewards and well-being can negatively impact employee productivity and loyalty.

Looking at the bigger picture, incentives and welfare also influence how customers perceive a store. Happy and motivated employees typically provide better service, ultimately increasing customer satisfaction. Conversely, if employees are unmotivated, customer service can be less than satisfactory, which can lead to lower revenue. Research has shown that incentives and welfare not only influence employee performance but also impact the overall sustainability of the business. Studies on human resource management have shown that incentive systems are crucial in increasing employee productivity. Incentives, such as bonuses and commissions, or awards and training opportunities, can be used to boost employee morale. Previous studies have shown that providing employee incentives can improve motivation and work output, especially in competitive sectors like retail. A sound incentive system can make employees more productive and motivate them to improve their performance. Beyond incentives, employee welfare is also crucial in modern human resource management. Employee well-being stems not only from adequate pay but also from a positive work environment, a good work-life balance, and support for physical and mental health. Studies show that companies that care about employee well-being typically have higher levels of loyalty and productivity than those that do not. A good wellness program can help a company become more efficient and reduce the number of employees leaving the company.

2. Research Methods

This study used a quantitative approach with a cross-sectional design (Sugiyono, 2021). This quantitative approach was chosen because this study aims to measure the relationship between sales incentives, human resource performance, and human resource loyalty using numerical data analyzed statistically. According to Sugiyono (2021), a quantitative approach is a research method used to study a specific population or sample with the aim of testing a predetermined hypothesis. This approach allows researchers to obtain objective, measurable, and generalizable results to a broader population. This study uses a cross-sectional design, which means that data collection is carried out at a certain point in time, not repeatedly over

a long period of time as in a longitudinal design. According to Sugiyono (2021), a cross-sectional design is a research design that measures independent and dependent variables simultaneously at a certain time, so that it can provide an overview of the relationship between variables in the population being studied.

3. Results and Discussion

This study involved 100 respondents, all of whom were permanent employees at Toko Triton Adventure, a retail company specializing in outdoor and adventure equipment based in Yogyakarta. Respondent characteristics were assessed based on gender, age, position, length of service, education level, and department of employment. Data were obtained through questionnaires. A description of the respondent characteristics is presented below:

Table Respondents' Gender

Gender	Frequency (f)	Percentage (%)
Man	60	60%
Woman	40	40%
Total	100	100%

Source: Processed Primary Data, 2025

Based on the table above, the majority of respondents were male (60%), while the remaining 40% were female. This indicates that Triton Adventure Store has a higher proportion of male employees, possibly reflecting operational needs in the outdoor equipment sector.

Table Respondents' Age

Age	Frequency (f)	Percentage (%)
20 - 25 Years	10	10%
26 - 30 Years	22	22%
31 - 35 Years	30	30%
36 - 40 Years	25	25%
> 40 Years	13	13%
Total	100	100%

Source: Processed Primary Data, 2025

The majority of respondents were between the ages of 31–35 (30%) and 36–40 (25%). This reflects that employees at the Triton Adventure Store are of productive and career-mature age, potentially influencing loyalty and training effectiveness.

Table Respondents' Positions

Position	Frequency (f)	Percentage (%)
Cashier	20	20%
Salesperson	28	28%
Warehouse Staff	15	15%
Supervisor	18	18%
Admin & Support	10	10%
Manager	9	9%
Total	100	100%

Source: Processed Primary Data, 2025

The majority of employees are in operational positions such as sales assistants, cashiers, and warehouse staff (63%), while the remainder are in structural positions such as supervisors, administrators, and managers. This composition is important in reviewing performance improvement strategies based on compensation and training.

Table Respondents' Length of Service

Years of service	Frequency (f)	Percentage (%)
< 1 Year	5	5%
1 - 3 years old	25	25%
4 - 6 Years	30	30%
7 - 10 Years	22	22%
> 10 Years	18	18%
Total	100	100%

Source: Processed Primary Data, 2025

Most respondents had a working period of between 4–6 years (30%) and 1–3 years (25%), indicating a sufficient level of experience in understanding the company's training patterns, loyalty, and compensation policies.

Table Respondents' Education

Education	Frequency (f)	Percentage (%)
High School/Vocational School	55	55%
Diploma (D3)	18	18%
Bachelor degree)	25	25%
Postgraduate	2	2%
Total	100	100%

Source: Processed Primary Data, 2025

The majority of employees (55%) have a secondary education (high school/vocational school). However, there is also a significant proportion of bachelor's (25%) and diploma (18%) graduates, reflecting the diverse competencies within the Triton Adventure workplace.

Table Respondent Departments

Department	Frequency (f)	Percentage (%)
Sales & Store	40	40%
Warehouse & Logistics	20	20%
HR & Training	15	15%
Financial administration	10	10%
Marketing & E-commerce	15	15%
Total	100	100%

Source: Processed Primary Data, 2025

The majority of respondents came from the Sales & Store department (40%), followed by Warehouse & Logistics (20%). The remaining respondents were spread across HR & Training, Marketing, and Administration. This distribution is important for assessing the impact of training and loyalty on improving the performance of various organizational functions.

This study uses the Partial Least Square (PLS) data processing technique using SmartPLS 4.0 software which requires two stages to assess the Fit Model, namely the Outer Model test and the Inner Model test.

1) Outer Model Test

This outer model analysis is used to determine the relationship between latent variables and their indicators. It can be said that the outer model defines how each indicator relates to its latent variable. Three measurement criteria are used in the SmartPLS data analysis technique to assess the model: Convergent Validity, reliability testing (Composite Reliability and Chronbach's Alpha), and Discriminant Validity.

a. Convergent Validity

According to the general rule of thumb, an indicator's loading factor value is considered valid if it is ≥ 0.7 . However, in developing new models or indicators, loading factor values between 0.5 and 0.6 are still acceptable (Yamin and Kurniawan, 2011 in Haryono, 2017:405). An indicator is considered valid if the loading factor value is above 0.5 (the Original Sample value), and the probability value (P value) is below 0.05.

Table Convergent Validity Results

Variables	Indicator	Outer Loadings
Compensation (X1)	X1.1	0.825
	X1.2	0.876
	X1.3	0.855
	X1.4	0.878
Employee Training (X2)	X2.1	0.777
	X2.2	0.896
	X2.3	0.864
	X2.4	0.763
	X2.5	0.845
	X2.6	0.878
Human Resource Loyalty (Y1)	Y1.1	0.734
	Y1.2	0.761
	Y1.3	0.782
	Y1.4	0.718
	Y1.5	0.736
	Y1.6	0.778
Human Resource Performance	Y2.1	0.750
	Y2.2	0.768
	Y2.3	0.762
	Y2.4	0.752
	Y2.5	0.718

From the output, it can be seen that all items are valid, because the loading factor value of all indicators is above 0.5, which is in accordance with the convergent validity criteria (Yamin and Kurniawan, 2011 in Haryono, 2017). Thus, all indicators in the Compensation (X1), Employee

Training (X2), Human Resource Loyalty (Y1), and Human Resource Performance (Y2) variables are worthy of use in further analysis.

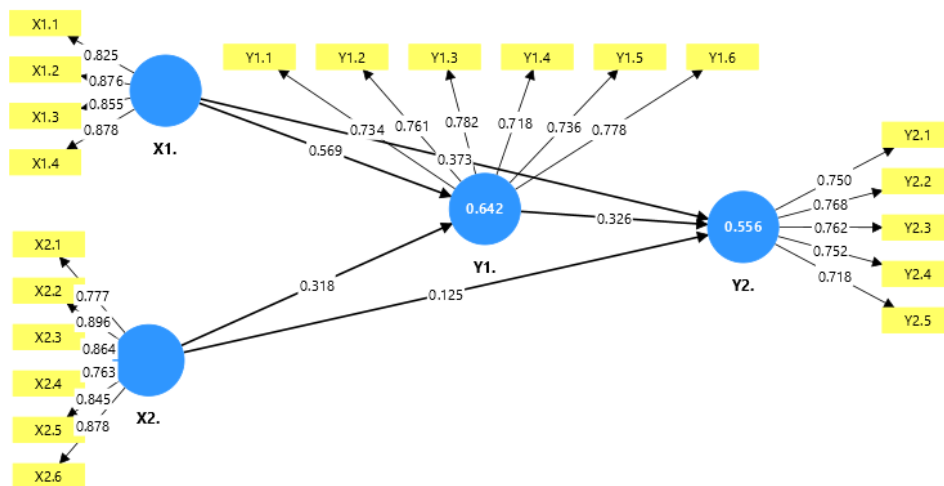


Figure Validity Test Results Model

b. Reliability Test (Composite Reliability and Cronbach's Alpha) and Average Variance Extracted (AVE) Value Test

A reliability test is a tool for measuring a questionnaire, which is an indicator of a variable or construct. A measuring tool or instrument in the form of a questionnaire is said to be able to provide stable or constant measurement results if the measuring tool is reliable. nurut SuGiyono (2019:57), remy liabilityreferringon sebehaw reliable is suoneinstructionmen selike a toolnguteacherl data kareon instructionmen tersema'amt suaalready doneruJi is good.

c. Discriminant Validity Test

Discriminant Validity shows that the latent construct predicts whether the value of its construct is better than the value of other constructs by looking at the correlation value of the construct on Cross Loadings. Some ways to see Discriminant Validity are as follows:

1) Viewing Cross Loading Values

Discriminant validity is related to the principle that different construct measures should not be highly correlated. Discriminant validity is assessed based on cross-loading. The rule of thumb used in discriminant validity testing is a cross-loading value greater than 0.6. If the correlation of a construct with a measurement item is greater than that of other construct measures, it indicates that their block measures are better than the other blocks. (Ghozali & Latan, 2015). The results of the discriminant validity test are presented in the following table:

Table Results of the Discrimination Validity Test

	Compensation	Job Training	HR Loyalty	HR Performance
Y2.5	0.612	0.380	0.445	0.718
Y2.4	0.458	0.375	0.482	0.752
Y2.3	0.488	0.465	0.558	0.762
Y2.2	0.501	0.412	0.487	0.768
Y2.1	0.541	0.474	0.609	0.750
Y1.6	0.603	0.462	0.778	0.586
Y1.5	0.575	0.453	0.736	0.432
Y1.4	0.557	0.390	0.718	0.559
Y1.3	0.549	0.514	0.782	0.533
Y1.2	0.573	0.589	0.761	0.538
Y1.1	0.570	0.563	0.734	0.461
X2.6	0.493	0.878	0.571	0.513
X2.5	0.523	0.845	0.562	0.521
X2.4	0.438	0.763	0.506	0.451
X2.3	0.453	0.864	0.501	0.411
X2.2	0.471	0.896	0.549	0.432
X2.1	0.622	0.777	0.609	0.491
X1.4	0.878	0.555	0.683	0.579
X1.3	0.855	0.528	0.561	0.592
X1.2	0.876	0.543	0.690	0.611
X1.1	0.825	0.441	0.666	0.608

From the results of the Cross Loadings measurements shown in the table above, it can be seen that all indicators have a larger correlation coefficient with each of their own variables compared to the correlation coefficient value of the indicator with other variables, so it is concluded that each indicator in the block is a component of the variable or construct in the column.

2) Comparing the Average Variance Extracted (AVE) Root Values

Discriminant Validity The next step is to compare the square root of the Average Variance Extracted (AVE) of each construct with the correlation between the construct and other constructs in the model. If the square root of the Average Variance Extracted (AVE) of each construct is greater than the correlation between the construct and other constructs in the model, then it has a good Discriminant Validity value. The results of the measurement of the square root of the Average Variance Extracted (AVE) value are shown in **Error! Reference source not found.**under.

Table Average Variance Extruded (AVE) Value

	X1.	X2.	Y1.	Y2.
X1.				

X2. 0.665

Y1. 0.877 0.745

Y2. 0.822 0.650 0.830

Based on the results above, it can be seen that the root value of the Average Variance Extracted (AVE) of several variables is lower than the correlation value between variables in the model. This indicates that the model does not fully meet the Discriminant Validity criteria based on the Fornell-Larcker approach, which requires that the root value of the AVE of each construct be greater than its correlation with other constructs.

However, based on the results of convergent validity and reliability testing, the items in the model have met the required criteria. In addition, the results of the Discriminant Validity test through the analysis of Cross Loadings values also showed good results, and the AVE value of each construct has met the minimum limit of ≥ 0.50 . Therefore, despite the weaknesses in the discriminant validity test using the AVE root approach, the model as a whole is still considered feasible to continue in SEM-PLS analysis (Haryono, 2017).

2) Inner Model Test

Testing of the inner model or structural model is carried out to see the value of R Square (R^2), F Square (f^2), Predictive Relevance (Q^2), and Goodness of Fit (GoF) test, as well as the influence test between variables.

R-square is a measure of the proportion of variation in the influenced (endogenous) value that can be explained by the influencing variables (exogenous). This is useful for predicting whether the model is good or bad. The R-square result for the endogenous latent variable of 0.75 indicates that the model is substantial (good), 0.50 indicates that the model is moderate (medium), and 0.25 indicates that the model is weak (bad) (Juliandi, 2018). The results of the R Square value calculation are shown in **Error! Reference source not found.** following:

Table Results of R Square Value Calculation

	R-square	R-square adjusted
HR Loyalty	0.642	0.634
HR Performance	0.556	0.542

Based on the analysis results, it is known that the R-square (R^2) value for the HR Loyalty variable is 0.642, indicating that 64.2% of the HR Loyalty variability can be explained by the independent variables in the model. Meanwhile, the Adjusted R-square value of 0.634 indicates an adjustment to the number of predictor variables used, resulting in a more accurate estimate.

Meanwhile, for the HR Performance variable, the R-square value was 0.556, meaning 55.6% of the HR Performance variability was explained by the constructs in the model. The Adjusted R-square value of 0.542 also indicated fairly good predictive stability for the variable.

Overall, the R-square value obtained for these two dependent variables is in the moderate to strong category according to Hair et al.'s (2017) interpretation criteria, so it can be concluded that the model has quite good explanatory power.

This equation formula is used to find out whether the endogenous latent variable is strongly influenced by the exogenous latent variable (Ghozali and Latan, 2015: 78). Effect Size (f^2) can be calculated as follows:

$$f^2 = \frac{R^2 \text{ include} - R^2 \text{ exclude}}{1 - R^2 \text{ include}}$$

Predictive Relevance (Q2) Also known as the Stone-Geisser test, this test is performed to demonstrate the model's predictive capability when the value is above 0 (Hussein, 2015:25). This value is obtained by:

$$Q2 = 1 - (1 - R^2_{12}) * (1 - R^2_{22}) \dots (1 - R^2_{p2}).$$

Where R^2_{12} , R^2_{22} ... R^2_{p2} are the R Square of exogenous variables in the equation model. If $Q2 > 0$ indicates the model has Predictive Relevance and if the $Q2$ value < 0 indicates that the model lacks Predictive Relevance (Ghozali and Latan, 2015:81). The $Q2$ test is calculated using Ms. Excel as follows:

$$Q2 = 1 - (1 - 0.642) * (1 - 0.556)$$

$$Q2 = 1 - [0.358 \times 0.444]$$

$$Q2 = 1 - 0.158952$$

$$Q2 = 0.841$$

If $Q^2 > 0$ indicates that the model has predictive relevance, and the closer it is to 1, the better the predictive ability.

To evaluate the overall structural and measurement models. The GoF index is a single measure used to validate the combined performance of the measurement model (outer model) and the structural model (inner model). The purpose of the GoF assessment is to measure the performance of the Partial Least Squares (PLS) model at both the measurement and structural stages by focusing on predicting the overall performance of the model (Tetenhaus, 2004 in Hussein, 2015:25), which can be calculated using the following formula:

$$GoF = \sqrt{AVE \times R^2}$$

The criteria value of 0.10 means a small GoF index, a value of 0.25 means a medium GoF index, and a value of 0.36 means a large GoF index (Ghozali and Latan, 2015:83). The GoF test is calculated using Ms. Excel as follows:

$$\text{Average AVE} = \text{Average} (0.745, 0.830) = 0.7875$$

$$\text{Average } R^2 = \text{Average} (0.642, 0.556) = 0.599$$

$$\begin{aligned} GoF &= (\sqrt{0.7875 \times 0.599})(\sqrt{0.4716}) \\ &= 0.687 \end{aligned}$$

The calculation above yields a result of 0.687. Based on these results, it can be concluded that the GoF is large.

1) Indirect Hypothesis Testing (Indirect Effect)

Indirect effect analysis is used for the hypothesis of indirect influence on influencing variables (exogenous) on influenced variables (endogenous) mediating a mediator (intervening) variable, with the following criteria:

- a. If the P-value is < 0.05 , it is significant. This means the mediator variable mediates the effect of an exogenous variable on an endogenous variable. In other words, its effect is indirect.
- b. If the P-value is > 0.05 , it is not significant. This means the mediator variable does not mediate the effect of an exogenous variable on an endogenous variable. In other words, its effect is direct. (Juliandi, 2018).

The results of the path analysis or mediation effect test can be seen in the Specific Indirect Effect output. If the P value is less than 0.05, a mediation effect occurs. The results of the indirect effect measurement can be seen in **Error! Reference source not found.** following:

Table Output Specific Indirect Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
X1. -> Y1. -> Y2.	0.186	0.182	0.075	2,468	0.014
X2. -> Y1. -> Y2.	0.104	0.108	0.058	1,780	0.075

Based on the results of the indirect influence test in the structural model, the Compensation → HR Loyalty → HR Performance path shows a t-statistic value of 2.468 (≥ 1.984) and a P-value of 0.014 (≤ 0.05). This indicates that the indirect effect of compensation on HR performance through HR loyalty is significant. This means that the better the compensation provided by the

company, the more HR loyalty will increase and have a positive impact on improving HR performance indirectly.

In contrast, the Job Training → HR Loyalty → HR Performance path yielded a t-statistic of 1.780 (<1.984) and a P-value of 0.075 (>0.05), thus declaring its indirect effect insignificant. This means that the job training provided was not sufficient to significantly improve HR performance through HR loyalty, even though the direction of the effect was positive.

Discussion:

1) The Effect of Compensation on Human Resource Loyalty

The path coefficient shows that the relationship between compensation and human resource (HR) loyalty has a significant and positive influence, with a t-statistic value of 7.712 > t-table of 1.984 and a P-Value of 0.000 < 0.05 ($\alpha = 5\%$). The value of the original sample (path coefficient) is positive, namely 0.576, which indicates a unidirectional relationship between the two variables. Thus, the hypothesis H1 is accepted, which means that the higher the compensation received by employees, the higher the loyalty shown by HR towards the company.

Based on respondents' answers to the open-ended questions in the questionnaire, the majority stated that their loyalty grew because they felt financially valued by the company. They revealed that fair compensation, such as a fixed salary, benefits, performance bonuses, and other incentives, motivated them to stay and contribute their best to the company. This also strengthened their emotional connection to the workplace.

2) The Influence of Compensation on HR Performance

The results of the hypothesis test in this study indicate that compensation has a significant effect on human resource (HR) performance. The P-value of 0.002 (<0.05) and the t-statistic of 3.056 (>1.984) provide a strong statistical basis for stating that the null hypothesis (H_0) is rejected and the alternative hypothesis is accepted. Thus, it can be concluded that there is a significant relationship between the compensation provided by the company and employee performance. A positive coefficient value indicates a parallel direction of the relationship, meaning that the higher the compensation given to employees, the higher the performance shown.

Conceptually, compensation can be understood as all forms of rewards employees receive in return for their contributions to the organization. This compensation extends beyond base salary to include various benefits, bonuses, performance incentives, welfare programs, and other rewards. Fair and equitable compensation has a significant psychological impact on employee work behavior.

In this study, through open-ended questions in the questionnaire, respondents reported that the compensation they received influenced their enthusiasm, motivation, and sense of

responsibility at work. They felt more appreciated and recognized for their hard work, which ultimately motivated them to work more productively and efficiently. Compensation was perceived not only as a means of fulfilling economic needs, but also as a symbol of appreciation and a form of organizational fairness for individual efforts.

3) The Influence of Job Training on HR Loyalty

The results of the hypothesis test indicate that job training significantly influences human resource (HR) loyalty. Based on the data processing results, the P Value < 0.05 (0.000) and t statistic > 1.984 (4.416) indicate that the hypothesis is accepted and the relationship between variables is declared significant. In addition, the positive coefficient value indicates a positive direction of the relationship—meaning, if job training is increased, HR loyalty will also increase.

Job training is a crucial component of human resource management. Through training, companies can improve the quality, skills, and competencies of their human resources, enabling them to work more effectively and efficiently. Rahmawati (2019) states that training provided to employees can improve work effectiveness, operational efficiency, and the quality of work results. Furthermore, training also builds employee confidence, as they feel they possess the necessary skills and resources to complete tasks according to the organization's standards. This self-confidence indirectly influences employees' perspectives and attitudes toward their work and the organization itself.

4) The Impact of Job Training on HR Performance

The results of the study indicate that the job training variable has a calculated t value $< t$ table, namely $1.190 < 1.984$ with a significance level of $0.234 > 0.05$. Therefore, the hypothesis is rejected, so it can be concluded that job training does not have a significant effect on human resource (HR) performance.

Job training is essentially an effort to improve employees' knowledge, skills, and attitudes so they can perform their duties better. In human resource management theory, training is seen as a crucial investment in increasing employee productivity. However, in this organizational context, the training appears to be poorly targeted or not followed by optimal implementation in the field.

5) The Influence of HR Loyalty on HR Performance

Based on the results of data analysis obtained from hypothesis testing, it is known that the human resource (HR) loyalty variable has a significant effect on HR performance. This is evidenced by the P Value of 0.017 which is smaller than the significance limit of 0.05, as well as the t statistic value of 2.383 which is greater than the t table of 1.984. Thus, the hypothesis stating that the higher the HR loyalty, the higher the performance is accepted, which means the relationship between the two variables is significant and unidirectional.

These results reinforce the understanding that loyalty is a crucial factor in driving improved employee performance within an organization. Loyalty, in this context, encompasses employee loyalty to the company, emotional attachment, and commitment to performing optimally to achieve shared goals. Loyal employees tend to exhibit a positive work attitude, a strong sense of responsibility, and ongoing enthusiasm and passion for their work. This directly impacts productivity and improved work quality.

4. Conclusion

Based on the results of the data analysis that have been explained in the previous chapters, the following conclusions can be drawn: The results of this study provide evidence and conclusions to briefly answer the research problem, namely that improving human resource performance can be achieved by optimizing fair and appropriate compensation, providing ongoing and relevant training, and building employee loyalty to the company. These three aspects are interrelated and contribute significantly to creating productive, dedicated, and high-performing employees.

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