

MOTIVATION AND SATISFACTION TOWARDS EMPLOYEES' LOYALTY TO ACHIEVE COMPANY'S ADVANTAGE

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The study aims to examine if employees' motivation and satisfaction mediated by loyalty can result in company's advantage. Using 100 young staffs and supervisors in either local or foreign companies in Surabaya, Indonesia as respondents and being tested using regression and path analysis. The simple regressions analysis in the study found that employee's loyalty is not significant to influence company's advantage and employee's satisfaction is not significant to influence employee's loyalty as well. Employee's motivation significantly influences loyalty and company's advantage. Employee's satisfaction has significant influence to company's advantage. Multiple regression tests shows that employee's motivation has positive influence but employee's satisfaction has negative influence to employee's loyalty. Both employee's motivation and employee's satisfaction have positive influence to company's advantage. Path analysis has the results that employee's loyalty is not moderating variables between Employee's motivation, employee's satisfaction and company's advantage.

Keywords: motivation, satisfaction, loyalty, company's advantage Indomaret and Alfamart are the example of a retail business in Indonesia, which is the market leader in their field. Both companies are mini network that provides basic needs and daily necessities. But the problems faced Indomaret and Alfamart are the position of those who are always nearby. These problems is not a barrier for both. This is caused by them are in the same market share, selling products that uniform and is in the center crowds. The purpose of this study was to determine differences in the level of service to consumers and alfamart Indomaret Karombasan.

Studi ini bertujuan untuk mengetahui apakah motivasi dan kepuasan karyawan yang dimediasi oleh loyalitas dapat menghasilkan keuntungan bagi perusahaan. Dengan menggunakan 100 staf dan supervisor baik di perusahaan local dan luar negeri di Surabaya, sebagai responden kemudian diolah melalui regresi linier berganda dan analisis jalur. Hasilnya, loyalitas karyawan tidak berpengaruh signifikan

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terhadap keuntungan perusahaan dan kepuasan karyawan juga tidak mempengaruhi secara signifikan pada loyalitas karyawan. Kepuasan karyawan berpengaruh signifikan pada keuntungan perusahaan. Uji regresi linier berganda menunjukkan motivasi karyawan berpengaruh positif pada loyalitas karyawan tetapi kepuasan karyawan justru berpengaruh negative pada loyalitas karyawan. Baik motivasi dan kepuasan karyawan memiliki pengaruh positif pada keuntungan perusahaan. Analisis jalur menunjukkan loyalitas karyawan tidak memoderasi variabel antara motivasi, kepuasan karyawan dan keuntungan perusahaan.

INTRODUCTION

The era of globalization has brought many changes for companies in the world. Not only the system of production, product quality standard and increasing financial budget to promote abroad, but the employees' motivation and satisfaction have changed as well. Basically, based on theory in human resources management field, the rewards given will retain employees to work in a company for years and if possible until they retire. A study found that rewards and recognition have great impact to employees' motivation and satisfaction (Danish & Usman, 2010). Another study by Zafar (2014) concluded that pay and appreciation as part of extrinsic and intrinsic rewards do not affect employee's motivation directly but training, expectancy and knowledge transfer motivate employees.

The motivation and satisfaction of employees are considered important for the increasing company's advantage through the employees' work performance. Some other theories tried to relate motivation and satisfaction to the loyalty which means lower turn-over and high retention. The high rate of labor turn-over will make the company's performance lower because company has to recruit and train new employees which needs more time and energy to spend until the new employees reach the work standards. Indirectly, this situation will decrease company's advantage. Decreasing company's advantage cannot be tolerated in this competitive era. Thus, companies need to find out the ways to maintain their competitiveness and position in industry otherwise they will be left behind their competitors.

Negash et al. (2014) stated as it is important to know that employee compensation and the failure to design appropriate compensation system will bring unfavorable impact on productivity and job satisfaction of employees and overall effectiveness of the organization.

One of the ways that a company can take to maintain its advantageous position in industry and market for instance is treating their employees better. Good treatment will boost the motivation and satisfaction of employees to work harder, more effective and productive and in the end, bring advantage to company. Job satisfaction is considered to be the most important element in the organization. In order to succeed organization must keep their employees satisfied (Wubuli, 2009 in Yaseen, 2013).

Management is also facing the challenge in terms of influencing employees' preferences in performance rewards and management styles (Gunkel et al., 2009). The study of Gunkel (2009) found that employees have different preferences on incentives and management style and Freedman (1978) in Danish & Usman (2010) found

that effective rewards and recognition are implemented within an organization, favorable working environment is produced which motivates employees to excel in their performance.

A loyal employee base is a valuable asset to any organization. Disloyal employees might give away trade secrets and may not treat customers fairly (Kumar & Pansari, 2015) and it causes some disadvantages of company. Thus it is very crucial issue to measure employee loyalty in order to get the best performance as the company deserves. Employees in an organization are considered the key competitive advantage and the most important asset. If an employee leaves an organization, they take the knowledge they have acquired with them (Hana & Lucie, 2011).

Since previous studies focused more on how compensation or reward affects motivation (Negash, et al., 2014), the satisfaction affects the motivation and satisfaction and how the motivation and satisfaction bring loyalty then how the loyalty is important in gaining competitive advantage for companies, so this research aims differently. It aims to combine employees' motivation and satisfaction based on the desired rewards they receive, examine if employees' motivation and satisfaction will cause loyalty and the loyalty itself can affect company's advantage.

LITERATURE STUDY

Employees' Motivation

Motivation influences employee performance and productivity because motivated employees are more oriented towards autonomy and are more self-driven (Shahzadi, et al., 2015). Motivation provides a goal that the employee works towards, thereby giving the employee a direction to follow (Ilagan, et al., 2014). A study of Ebeling and Gustafsson (2012) in Ilagan (2014) found evidence of the role of culture in determining people's motivations and outlook on achievement.

Maslow's needs theory (1956) stated that individual needs starts with basic or physiological need, followed by safety, social, esteem needs and self-actualization needs (Aamir et al., 2012). Swinton (2006) explained that esteem needs level employee motivation or satisfaction can be maintained by factors which Herzberg Theory that is called hygiene factors including here salary, benefits and job security (Aamir, et al., 2012).

Employees' Satisfaction

Job satisfaction is a psychological, behavioral and occupational response by employees' towards fulfillment at their job (Ashraf, et al., 2013). Job satisfaction is related to employees' perception and assessment of their work, which is affected by situations, desires, needs, priorities, expectations and values (Buitendach & de Witte (2005) in Ashraf et.al, 2013). Moreover, Soler (1998) in Thanos, et.al (2015) stated that when job satisfaction escalates, employee loyalty increases in a positive way.

Locke (1976) in Yaseen (2013) defined job satisfaction an enjoyable and exciting emotional condition which someone get in their work. Yaseen's research (2013) used four indicators to measure satisfaction such as: pay, recognition, promotion opportunity, meaningful work. Another variable that affects employee satisfaction may come from the leadership due to traditional theories of leadership, leaders can affect performance and employees satisfaction (Xu & Zhong, 2013).

In this research, satisfaction will be measured based on the satisfaction of employees toward the rewards given by the company which scope is not about cash money only, but also other facilities such as religious trip, funding for business, investment in shares or housings and so on.

Employees' Loyalty

As stated before that employee satisfaction can boost the employee loyalty while the loyalty itself is a crucial outcome in retaining employees. Thanos, et al. (2015) stated there are several ways to keep employees loyal, such as keeping them satisfied and motivated. The study had shown that although job satisfaction and employee

motivation have significant effect on employee loyalty simultaneously, but job satisfaction does not have partial effect on employee loyalty, but employee motivation gives the significant partial effect to employee loyalty (Thanos, et al., 2015).

Meyer (1997) in Iqbal et al. (2015) identifies three types of commitments in describing the employees' loyalty, such as normative commitment as organizational commitments, affective commitments as emotional attachments, identification, and involvement to achieve the goal of organization and the last is continuance commitment as the willingness to remain in an organization because of different investments.

This research wants to base the loyalty based on the satisfaction and motivation of employees driven by the rewards received, thus to measure loyalty in this research is done by ensuring that the employees will not be easy to resign and move to other company because of the rewards received from the current company do not meet their expectations although they know some other companies can give them better. This measurement is reasonable because loyalty is about how employee commits to company.

Company's Advantage

The competitive advantage of organizations lies in particular in how employees apply their knowledge, experience and skills that are essential for ensuring the continuity of an organization's activities (Hana & Lucie, 2011). Thus, the loss of employees in turnover will be the threat for companies. Al-Rfou & Trawneh (2009) stated that the successful organization has people as the source of competitive advantage, so company should motivate and satisfy.

The basic law of behavior as stated in Omar et al (2010) is that higher incentives will lead to more effort and higher performance. The application of incentives suitable to the employees has been described differently based on many factors influencing. The other study found that incentives scheme will improve satisfactorily the employee performance apart of increasing incomes and other benefits (Reddy & Karim, 2013).

There are many indicators to describe company's advantage, from financial matters to sales performance. This research used stable situation, expansion condition, competitiveness and sales value to indicate the company's advantages.

Conceptual Framework

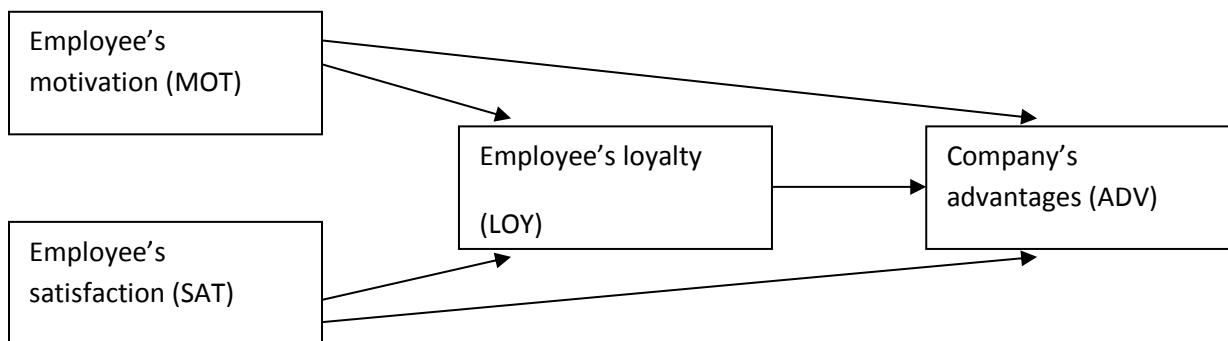


Figure 1. Conceptual Framework

Source: Researcher

Different variables of compensation namely payment, promotion, recognition, working condition and benefits are significantly related to employee work motivation. This implies that if the compensation offered to the

employees were altered, there would be a change in employee work motivation (Negash et al., 2014). While motivation is an essential tools for the success of any organization in the long run (Dobre, 2013). Reward positively affect motivation and if designed appropriately, can also boost and support employees for a range of positive outcomes (Patricia Milne, 2007 in Aamir et al., 2012). Parvin & Kabir (2011) found that employees' satisfaction can be contributed by good working condition, fairness in job, give promotion and rewards to employees (Yaseen, 2013). Employees' motivation and satisfaction will boost loyalty towards the company, then the loyalty, means the commitment to the company, increases and thus, the employees will remain in the company, continue their dedication and bring the company advantages.

The hypothesis in this research are:

H1: Employee's motivation (MOT) has significant influence toward company's advantage (ADV) partially

H2: Employee's satisfaction (SAT) has significant influence toward company's advantage (ADV) partially

H3: Employee's loyalty (LOY) has significant influence toward company's advantage (ADV) partially

H4: Employee's motivation (MOT) has significant influence toward Employee's loyalty (LOY) partially

H5: Employee's satisfaction (SAT) has significant influence toward Employee's loyalty (LOY) partially

H6: Employee's motivation (MOT) and Employee's satisfaction (SAT) have significant influence toward Employee's loyalty (LOY) simultaneously

H7: Employee's motivation (MOT) and Employee's satisfaction (SAT) have significant influence toward company's advantage (ADV) simultaneously

H8: Employee's loyalty (LOY) is moderating variable between Employee's motivation (MOT) and company's advantage (ADV)

H9: Employee's loyalty (LOY) is moderating variable between Employee's satisfaction (SAT) and company's advantage (ADV)

RESEARCH METHODOLOGY

This study uses quantitative research to conform current hypothesis in existing situation. The result of this study can be used in further research in the future. While the purpose of this study is to explain whether reward given is suitable to the employees' wants and boost motivation and satisfaction of the employees then influence employees' loyalty to the firm that brings the result in company's advantage.

Selected sample of 100 especially 20-35 years old employees, from population comes from many company fields by non-probability sampling which is called convenience sampling due to the large of population. There are 100 questionnaires distributed to respondents and all of those were back and able to proceed. The administered questionnaire is used to get the true result from selected respondents based on their positions as employees either staffs or supervisors in either public or private institution in Surabaya.

The independent variables used are employee motivation (MOT), employee satisfaction (SAT). The moderating variable is employee loyalty (LOY) and the last is dependent variable is company's advantage (ADV). All the indicators to examine the variables are asked in 13 item statements. The reward choices were asked in prior before structured questionnaires given. Then, based on the choice taken by respondent, the item of statement in questionnaires was commented, either strongly agree to strongly disagree on 13 items in questionnaire sheet.

RESULT AND DISCUSSION

The profile of respondents who finished the questionnaires completely is shown in the table below:

Table 1. Description of Respondents

No.	Descriptive Item	Percentage	Total Respondents
1	Sex:	100%	100
	Male	42%	42
	Female	58%	58
2	Marital Status:	100%	100
	Single	89%	89
	Married	11%	11
3	Job Position:	100%	100
	Staff	91%	91
	Supervisor	9%	9
4	Length of Work:	100%	100
	Less than 1 year	34%	34
	1-3 years	41%	41
	More than 3 years	25%	25
5	Company type:	100%	100
	Local company	88%	88
	Foreign company	12%	12

Source: data survey by researcher

Table 1 about the description of respondents shows the top three-reward choices are cash money, house and funding to own business. Female respondents are more than males. Employees of local companies are more than foreign companies in this research, most of them work as staffs whose working duration 1-3 years.

Table 2. Percentage of Responses

Item No.	Variable	Statement	Responses Percentage (of 100 respondents)				
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	mot1	According to your own opinion, working is to get money for daily needs	1%	5%	7%	51%	36%
2	mot2	Safety at work is very important for you	1%	0%	1%	13%	85%
3	mot3	working place is the place you can have more friends	1%	2%	17%	53%	27%
4	mot4	You feel people give you more respect if you work in the current company	1%	2%	19%	48%	30%
5	mot5	For you, working is to actualize yourself	1%	1%	12%	68%	18%
6	sat1	By working in the current company, your motivation to work is fulfilled	1%	14%	43%	33%	9%
7	sat2	You are satisfied with the reward you receive from the current company you're working in	1%	23%	41%	26%	9%
8	sat3	Reward given by the current company is suitable to what you've expected	4%	25%	37%	25%	9%

9	sat4	You want the other reward as your choice in the section above	1%	2%	15%	57%	25%
10	Loy1	You're sure that there are many other companies able to give you better rewards than you get now	1%	7%	22%	50%	20%
11	adv1	According to what you know, the current company you're working in is in stable and good condition	2%	15%	27%	45%	11%
12	adv2	According to you, the current company you are working in is growing fast	3%	8%	31%	39%	19%
13	adv3	the current company you are working in can compete well in this global era	3%	6%	21%	59%	11%
14	adv4	According to what you know, the sales value of the company you're working in is increasing	1%	6%	26%	51%	16%

Source: Data result by researcher

Table 2 shows the percentage of responses toward the items in questionnaires distributed among the respondents. Items 1 to 5 measure the motivation based on Maslow theory. Item no 2 confirms that 85% of respondents agree that safety at work is very important for them and actualization is a motivation for 86% of respondents (68% agree, 18% strongly agree). The other elements in Maslow theory are considered as motivation for respondents since more than 80% agree and strongly agree with the statements.

Items 6 to 9 measure the satisfaction based on the rewards they received based on the choices shown in Table 1. Item 6 confirms the motivation is fulfilled already. Item 7-9 measure how the reward satisfy the respondent, suitability of reward received and expected, and willing to get reward as their choices. Items 7-8 show insignificant differences between respondents who are disagree, neutral, agree and strongly agree with the statements more than 30%. However, item 9 shows that most respondents (57%) want to get the other reward as their choice that might be different than the reward they received in the current company. This response is in link with the measurement of loyalty that implies employees' awareness of the condition in other companies in terms of rewards. Fifty percent of the respondents agree that there are many other companies able to give them better rewards than they get now.

From the Table 2, the item 10 about loyalty shows 50% of respondents' agree and 20% strongly agree about their perception that there are many other companies able to give you better rewards than they get now.

Company advantage is measured by item no 11-14. The company's advantages are asked to respondents in a very simple term, such as stable condition, growth, competition and sales value of current company they are working in. In average, most of respondents, more than 45%, agree and strongly agree that the company they're currently working in is in good condition, growing fast, compete well and has increasing sales value.

Table 3. Simple Regression

No.	Variables	R	Unstandardized Coefficient (B)	Standardized Coefficient (beta)	Sig
1	MOT*ADV	0.259	0.305	0.259	0.009
2	SAT*ADV	0.509	0.568	0.509	0.000

3	LOY*ADV	0.093	0.138	0.093	0.359
4	MOT*LOY	0.318	0.253	0.318	0.001
5	SAT*LOY	0.041	0.031	0.041	0.686

Source: Data result by researcher

The process of simple regression result shows that employee's loyalty (LOY) is not significant to influence company's advantage (ADV) and employee's satisfaction (SAT) is not significant to influence employee's loyalty (LOY) as well. Simple regression results of other variables are significant to their dependent variables. Employee's motivation (MOT) has significant influence to company's advantage (ADV). Employee's satisfaction (SAT) has significant influence to company's advantage (ADV). Employee's motivation (MOT) has significant influence to loyalty (LOY).

Table 4. Multiple Regression

No.	Variables	R Square	F	Sig	Multiple Regression Model
1	MOT+SAT*LOY	0.259	6.455	0.002	LOY = -0.822 + 0.308 MOT - 0.109 SAT
2	MOT+SAT*ADV	0.260	17.001	0.000	ADV = 6.498 + 0.023 MOT + 0.557 SAT

Source: Data result by researcher

The result of multiple regression tests shows that employee's motivation (MOT) has positive influence to employee's loyalty (LOY) while employee's satisfaction (SAT) has negative influence to employee's loyalty (LOY) means that the increase of satisfaction will reduce employee's loyalty. The second multiple regression shows that both employee's motivation (MOT) and employee's satisfaction (SAT) have positive influence to company's advantage (ADV), with the SAT's coefficient value is higher than MOT's.

Table 5. Path 1 (Motivation to Company's Advantage Moderated by Loyalty)

Variabel	Standardized Coefficients	notation
MOT*LOY	0.318	a
LOY*ADV	0,093	b
MOT*ADV	0.259	c
LOY as the moderating variable for MOT to ADV	$0.318 \times 0,093 = 0.0296$ (a x b)	(axb) < c

Source: Data result by researcher

If a x b value is more than c, moderating variable is true as the mediator between independent variable and dependent variable. Based on the path 1, shown that (a x b) is $0.318 \times 0.093 = 0.0296$ and c value is 0.259, then (a x b) < c, thus moderating variable (LOY) is not a variable that moderating the independent variable (MOT) with dependent variable (ADV).

Table 6. Path 2 (Satisfaction to Company’s Advantage Moderated by Loyalty)

Variabel	Standardized Coefficients	notation
SAT*LOY	0.041	a
LOY*ADV	0.093	b
SAT*ADV	0.509	c
LOY as the moderating variable for SAT to ADV	$0.041 \times 0.093 = 0.0038$ (axb)	(axb) < c

Source: Data result by researcher

If a x b value is more than c, moderating variable is true as the mediator between independent variable and dependent variable. Based on the path 2, shown that (a x b) is $0.041 \times 0.093 = 0.0038$, and c value is 0.509, then (a x b) < c, thus moderating variable (LOY) is not a variable that moderating the independent variable (SAT) with dependent variable (ADV). The higher value of path is path 1, from MOT to ADV moderated by LOY. It is generated by high coefficient of regression MOT to LOY, but the direct path from MOT to ADV has high value as well, although the value of direct from SAT to ADV is highest among the values in the model.

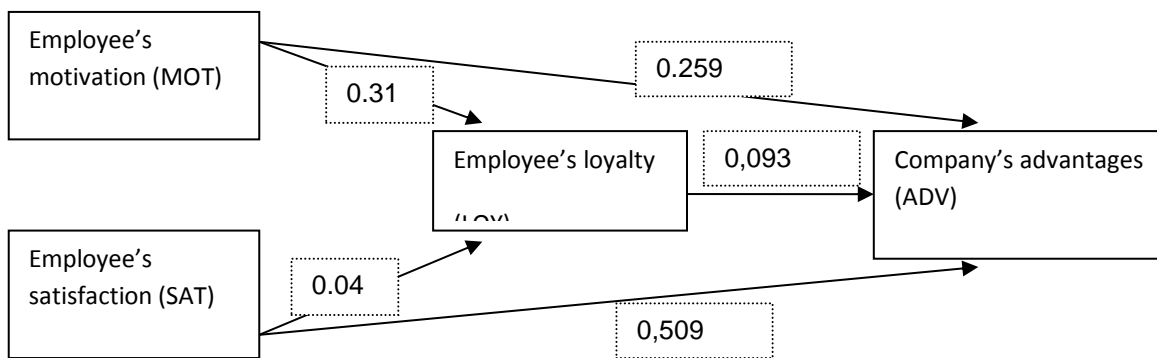


Figure.2. Path Analysis

Source: Data Result by researcher

The path analysis show that the value SAT to LOY is the lowest coefficient and SAT to ADV is the highest. SAT to LOY value is also low and it indicates the negative coefficient in the regression model of SAT to LOY (Figure 2).

The overall result shows that loyalty is not considered as the moderating variable between motivation and satisfaction to company’s advantage. The multiple regression result shows that there’s negative constant for loyalty and negative coefficient of satisfaction to loyalty, means that without motivation and satisfaction, loyalty will decrease, but since satisfaction is negative to loyalty, thus, loyalty is more related to motivation, not satisfaction, because employee’s satisfaction will decrease the employee’s loyalty.

However, the result may be different than the other research and even the basic theory that generally states employee’s satisfaction will influence employee’s loyalty. In this research, satisfaction negatively influences loyalty, the more satisfied the employee, the lesser is employee’s loyalty to the company. It can be explained from the respondents taken, whose age is young and productive (20-35 years old), more respondents are female, most of respondents are single, and the major position is staff.

If the respondents taken varies, the result will be different, but since the young people only focus on what they are doing in current and think that loyalty to company is not an important thing because they are single and female and in the future they may resign or quit the job for wedding, bearing and raising children, thus the result of the research is reasonable.

The different result of motivation and satisfaction is shown by their relationship with company's advantage. Although, simultaneously both independent variables are not strong enough to influence the company's advantage, but still give positive influence. It means that either motivation or satisfaction, partially or simultaneously will affect the company's advantage. The R square is 0.260 or 26% of company's advantage is influenced by both motivation and satisfaction. The low R square value is reasonable, since the indicators to measure company's advantage includes general indicators so it may be influenced by other variables that are not studied here, such as customers' satisfaction, financial performance and so on.

Compensation such as payment, promotion, recognition, working condition and benefits are significantly related to employee work motivation (Negash et al., 2014) and it will be essential tools for the success of any organization in the long run (Dobre, 2013). Employees' motivation and satisfaction theoretically will boost loyalty towards the company, then the loyalty, means the commitment to the company, increases and thus, the employees will remain in the company, continue their dedication and bring the company advantages. In this research, employee motivation and satisfaction influence loyalty in different way. Whether motivation positively influences loyalty, then satisfaction influences loyalty negatively as explained before.

Motivation, in this research, based on Maslow theory and based on the responses (Table 2), the respondents have strong motivation to work in current workplace because their basic needs are fulfilled. The fulfillment perceived bring commitment to the company and result in loyalty. Besides, most of respondents' position is staff, thus the basic needs have motivated them to work well. The satisfaction indicators are based on the rewards they want and get. If they think the company gives the reward they want, they are satisfied and vice versa. The profile of respondents has mostly 1-3 years of working, so most of them have to wait until several years more to get what they desire as reward but nevertheless, they must be already informed or given some knowledge about the company's reward system, then although they've not received the reward yet, they can hope for it by working better. In the end, the motivation and the satisfaction may take place as drivers to work better, give better performance, do the best at work and finally, the mechanism will boost the company's advantage (Table 4).

The top-three choices of most of respondents who are young people in Surabaya, Indonesia is cash money, house and funding to own business. As job satisfaction is a psychological, behavioral and occupational response by employees' towards fulfillment at their job (Ashraf, et. al,2013), this research uses rewards as the base to detect the satisfaction, whether the respondents are satisfied by the rewards they get or not which is confirmed by their comments on statement items in questionnaire. This is related to the statement of Buitendach & de Witte (2005) in Ashraf et al. (2013) that job satisfaction felt by the employees is related to employees perception and assessment of their work, which is affected by situations, desires, needs, priorities, expectations and values.

This research then found the different thing as employees' satisfaction is not significant to influence employees' loyalty. Comparing this to Soler (1998) in Thanos, et.al (2015) who stated that when job satisfaction escalates employee loyalty increases in a positive way, this research even found the opposite.

According to Buitendach & de Witte (2005) in Ashraf et al. (2013), job satisfaction is related to employees' perception and assessment of their work, and it is affected by situations, desires, needs, priorities, expectations and values. It makes sense when the result of responses in measuring satisfaction (Table 2) shows the various responses and most of the responses is neutral. It means that if employees are satisfied, the loyalty decrease, because rewards given might not meet the expectation of employees but they still consider the priorities, situation and needs to clear their feeling.

Employees may not be satisfied by rewards given by current company, but they keep working in because external factors such as the difficulties in finding new jobs in near future or when employees are satisfied, but if they think they need more challenge, they will insist on resigning. Notwithstanding, the respondents realize that there are many other companies that can give better rewards than they can get now.

Given young people work as staffs and supervisors in companies as respondents, the result is satisfaction negatively influence the loyalty. It means when the employees satisfaction increases, then the loyalty decreases. It could happen as the satisfaction here is examined based on the rewards desired and received, not only about the conditions of jobs. Moreover, the respondents are mostly single and young, they don't think that loyalty is important because they can get better company in the future if they feel enough to work in current company. As the satisfaction needs a consideration, comparison and perception about many things, this research concludes that satisfaction is not easy to influence employees' loyalty and satisfaction does not always influence loyalty.

Loyalty is something crucial for company, theoretically. If employees stay in a company for years, low turnover rate of labor, thus the company can save money since recruiting is very expensive. But, loyalty is also considered as different virtue for some ages and cultures. As long as employees know their needs, their abilities and their contributions, they tend to move to other company, although maybe the company gives more reward. But, if the reward given doesn't match to the desired reward by employees, they may still stay, but not satisfied, and then, give lower performance to company.

The last one is about the company's advantage which is based on employees' satisfaction and employees' motivation and how loyalty escalates company's advantages as the moderating variable between them. The path analysis used in this study found that loyalty does not moderate independent variables to dependent variable as predicted. It is surprising, but looking back to the previous argument about respondents' characteristics, this study can explain it as the influence of culture which affects the paradigm of respondents about the loyalty to the firm.

Al-Rfou & Trawneh (2009) stated that the successful organization has people as the source of competitive advantage, so company should motivate and satisfy employees. This can be the reason why both motivation and satisfaction influence company's advantage. Respondents show the insignificant influence to company's advantage by loyalty, because most of the respondents have 1-3 years tenure period. They intend to settle in the company due to many reasons such as gender issues, inability to find better job, and the comfort zone that might be as considerations why they remain working in current companies although they maybe dissatisfied.

Meyer, (1997) in Iqbal et al. (2015) identifies one of commitment types in describing the employees' loyalty that relevant to the research result as affective commitments which involves emotional attachments, identification, and involvement to achieve the goal of organization. It can explain why employee satisfaction in this research is not significant to influence loyalty. Having described before, satisfaction is about feeling, priority and needs consideration, thus it doesn't mean if an employee is satisfied then he/she will be loyal to the company. Job satisfaction is a psychological, behavioral and occupational response by employees' towards fulfillment at their job (Ashraf, et al., 2013). It means if he/she satisfied in fulfillment at their job, he/she may tend to resign because they think they're successful already in the current area and need new challenges outside and consider to resign, then, when satisfaction increase, this research shows the loyalty will decrease.

CONCLUSION AND RECOMMENDATION

This research wants to concern about the reward system. The employee's satisfaction, especially young people, is based on reward system offered by the company. While the other rewards still attract them, in other ways. If the company can provide the rewards chosen, its employees, especially young people will be satisfied and give better performance. It means that company must create the system of rewards that will meet the needs of their groups of employees, for example reward for young staffs is different than senior managers.

The issue of how loyalty to company is not significant here, even having no contribution to company's advantage, should be considered to use in arranging reward system and the company should not bother about it, as in some cultures either macro or subcultures, loyalty to company is not a virtue to maintain. As long as the company provides suitable reward systems based on its employees' characteristics, it can satisfy the employees and the satisfied employees will boost their performance and company's advantage as well.

The satisfaction is not significant to influence loyalty is mainly due to the nature of employees' satisfaction in broader sense not only about rewards but also the priority, fulfillment and consideration so when satisfaction increases, the loyalty can decrease. Thus, achieving company's advantage by employees' motivation and satisfaction through loyalty is not relevant for this research, since loyalty failed to moderate employees' motivation and satisfaction to company's advantage. However, without loyalty, motivation and satisfaction simultaneously influence company's advantage.

The recommendation based on this research is focusing in reward system to motivate and satisfy the employees. Young people usually need challenges, thus rewards in monetary or cash sometimes will be ineffective to engage them to work in the current company.

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