The Mediating Role of Work Loyalty in Relationship Between Professionalism on Employee Performance

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ABSTRACT

Purpose: The purpose of this study is to analyze the influence of professionalism on employee performance, professionalism on work loyalty, and to analyze the mediating role of work loyalty.

Design/methodology/approach: The sample in this study were 74 employees of regional drinking company owned by the regional government in East Kutai, Indonesia. Questionnaire was used to obtain the data and data analysis technique used was Partial Least Square (PLS).

Findings: The results indicated that professionalism influences employee performance, professionalism influences work loyalty, and work loyalty is able to mediate the influence of professionalism on employee performance.

Research limitations/implications: This research is limited to doing regional drinking company owned by the regional government in East Kutai, Indonesia. For generalization so that further research can be carried out in different organizations or companies and in different regions (cities).

Practical implications: The results of this research can be used as a reference to improve employee performance in regional drinking company owned by the regional government and similar industries.

Originality/value: The results of the research show that among the variables of professionalism and work loyalty need to be implemented in regional drinking company owned by the regional government and similar industries.

Paper type: This paper can be categorized as research paper.

Keywords: Professionalism, Work Loyalty, Employee Performance

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I. INTRODUCTION

Every company will always try to improve the performance of its employees in the hope that the company's goals will be achieved. Employee abilities are reflected in performance, good performance is performance that is able to provide maximum work results. The employee's performance is one of the capital for the company to achieve its goals. Thus, employee performance is something that company leadership must pay attention to. Performance is generally defined as a person's success in carrying out a job. Employee performance is the work result achieved by a person in carrying out the tasks assigned to him to achieve work targets. Employees can work well if they have competencies that match the demands of their work. Employee performance is one of the determining factors for a company's success in achieving its goals. For this reason, employee performance must receive attention from company leadership because a decline in employee performance will have an impact on the company's overall performance. Besides that, employee performance is also an indicator of the contribution made by employees to the company. Employees who have a positive contribution to the company will have an impact on the success of the company concerned.

Employee performance is a result achieved by workers in their work according to certain criteria that apply to a particular job. Robbins (2019) explains that employee performance is a function of the interaction between
ability and motivation. Robbins (2019) further stated that setting performance goals is setting targets that are useful not only for evaluating performance at the end of the period but also for managing work processes during that period. Employee performance is a result achieved by workers in their work according to certain criteria that apply to a particular job. Robbins (2019) also explains that employee performance is a function of the interaction between ability and motivation. Setting performance goals is useful for setting targets and not only for evaluating performance at the end of the period but also for managing work processes during that period. Boone and Kurtz (2016) stated that evaluation of employee performance can be done by comparing actual results with desired results. In the opinion of Mangkunegara (2020) performance is the result of work both in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Good performance is optimal performance, in the sense of performance that is in accordance with company standards and supports the achievement of company goals, namely the company's vision and mission. Increasing employee performance will bring progress for the company to be able to survive (sustainable) in increasingly fierce competition. In this case, employee performance is influenced by several factors both related to the workforce itself and related to professionalism, competence and work loyalty.

From several previous studies, it can be seen that there are several variables needed to improve employee performance, including professionalism (Prabanyanti and Widhiyani, 2018; Ferawati, Darna and Suhendi, 2020; Ichsan, Nasution, Setiadi, 2022) and work loyalty (Add and Sambul, 2018; Ronaldy et al, 2019; Marentek et al, 2021; Indrastuti et al, 2018; Wardhani et al, 2023; Al-Edenat and Alhawamdeh, 2018; Ifadah, 2021).

An employee is required to have professionalism to achieve satisfactory performance in carrying out work. Professionalism is an understanding that teaches that every job must be done professionally. A professional person is a person who has special abilities as a profession. Siagian (2018) believes that professionalism is expertise and reliability in carrying out tasks so that they are carried out on time, of high quality, cost-effectively and in accordance with established procedures. Sedarmayanti (2017) also provides a similar opinion regarding professionalism which defines professionalism as an attitude in carrying out work that requires skills obtained through certain training and education and is carried out as a job that is a source of income. An employee who has professionalism at work always encourages himself to work professionally. An employee who has professionalism at work will always try to realize himself in accordance with what has been determined by his leadership. He will identify himself both with the work environment and with his work. The importance of professionalism at work requires someone to change their mindset towards a better, even better, direction. Without professionalism, a company will not last long because professionalism is what brings all activities in the company to life. Every employee needs to have high professionalism at work because apart from having great benefits for other parties, professionalism can also help the employee to become a better person.

Every company definitely expects its employees to have high loyalty for the sake of the company’s success. The higher the loyalty of employees in a company, the easier it is for the company to achieve its stated goals. On the other hand, if employee loyalty in a company is very low, it will become increasingly difficult for the company to achieve its goals. Hasibuan (2019) stated that work loyalty or fidelity is one of the elements used in employee assessment which includes loyalty to their work, position and company. This loyalty is reflected by the employee’s willingness to protect and defend the company inside and outside of work from interference by irresponsible people. Poerwopoepesito (2018), states that loyalty to work is reflected in the attitude of employees who devote their abilities and expertise, carry out their duties responsibly, are disciplined, and are honest in their work.

This research was conducted with the aim of analyzing the influence of professionalism on employee performance, the influence of professionalism on work loyalty, the influence of work loyalty on employee performance and the influence of professionalism on employee performance through work loyalty.

A. Literature Reviews and Hypotheses

1. Employee Performance

Performance is a comparison between work performance, namely a comparison between work results and expected standards (Dessler, 2020). According to this definition, performance focuses on the results of the work. According to Siagian (2020) performance is a universal concept which is the operational effectiveness of employees, organizational parts and parts based on established standards and criteria. Bernardin and Russell (in Faryandi, 2018) state that: "Performance is defined as the record of outcomes produced on a specified job function or activity during a specified time period". That is, performance can be described as a record of what has been done on a specific job within a certain time period. According to Hasibuan (2021), performance is a work result achieved by a person in carrying out the tasks assigned to him which is based on skill, experience, seriousness and time.

According to Rivai (2020), performance is the result or overall level of success of a person during a certain period in carrying out tasks compared to various possibilities, such as standard work results, targets or goals or criteria that have been determined in advance and have been mutually agreed upon.
Mangkunegara (2019) said that performance is the result of work in terms of quality and quantity achieved by an employee in the ability to carry out tasks in accordance with the responsibilities given to him by his superiors.

According to Mangkunegara (2019) there are several characteristics of employee performance, namely as follows:
1. Have high personal responsibility
2. Can take and bear the risks faced.
3. Have realistic goals.
4. Have a comprehensive work plan and strive to realize its goals.
5. Utilize concrete feedback in all work activities carried out.

Performance is basically the result of an employee’s work in a certain period which can be compared with various possibilities and can be measured and assessed Soeprihanto (quoted by Suharyoko, 2016). Meanwhile, according to Tadjuddin (quoted by Suharyoko, 2016), performance is a result or level of success achieved by workers or employees in their field of work, according to certain criteria that apply to a particular job and evaluated by certain people.

Based on the definitions above, it can be said that performance is the manifestation or appearance of employees in carrying out work. A person can be said to have good work performance when they can carry out their work well, meaning they achieve the targets or work standards that have been set and are even expected to exceed the work standards in question.

According to Riva (2020) there are several performance benefits which basically include:
1. Improvement of performance, in the form of activities to improve employee performance.
2. Place decisions, assisting in promotions, transfers and demotions in general.
3. To improve employee performance.
4. As employee training and development.
5. Human resources feedback. Good or bad performance throughout a company identifies how well its Human Resources are functioning.

Meanwhile, Mathis and Jackson (2019) stated that several factors within employees and within the organization that determine individual performance include the following:
1. Individual abilities, consisting of several components, namely talents, interests and personality factors.
2. The effort put in consists of motivation, work ethics, attendance and task design.
3. The organizational support it receives consists of training and development, equipment and technology, work standards, management and co-workers.

Traditionally, people work based on job descriptions that contain job duties and responsibilities. However, performance standards must emphasize work results and not tasks. So a set of work standards describes the results that should exist and occur in satisfactory work completion. Preparing performance standards based on job descriptions will provide opportunities for supervisors and employees to work. Therefore, a job description can function as a statement about the general goals that subordinates must achieve in supporting organizational goals. Furthermore, Sofyandi (2019) believes that performance standards are considered satisfactory if:
1. The statement indicates several key areas of employee responsibility
2. Contains how a work activity will be carried out
3. Direct attention to the quantitative mechanisms by which performance results will be measured.

2. Professionalism

Professionalism can be defined as an individual’s capacity and expertise in executing tasks within their respective fields and levels. According to Harefa (2004), professionalism primarily revolves around one’s attitude towards work. He further elaborates that several indicators of professionalism include possessing advanced skills, providing services oriented towards the public interest, adhering to strict standards of work behavior, and having a compensation system that reflects work performance. Sedarmayanti (2017) asserts that professionalism is evidenced by work outcomes that align with the technical or ethical standards of a profession. Typically, work activities are associated with monetary compensation. To foster a culture of professionalism in fulfilling institutional missions, fundamental prerequisites include having competent human resources, well-structured work programs, adequate time for program implementation, sufficient financial support, and appropriate facilities and resources. Sedarmayanti (2017) further emphasizes that professionalism serves as a cornerstone for establishing bureaucratic efficiency within the government and serves as a benchmark for the proficiency of personnel in executing their duties effectively. Competence, effectiveness, efficiency, and accountability are key measures of professionalism. Alternatively, Siagian (2014) suggests that professionalism entails reliability in task execution, ensuring tasks are completed with high quality, timeliness, precision, and adherence to easily understandable procedures for clients. Maister (2013) characterizes professional individuals as reliable and
trustworthy experts who demonstrate proficiency, skillfulness, knowledge, responsibility, diligence, discipline, and seriousness in carrying out their job responsibilities.

According to Maskun (2018), professionalism is a form or field of activity that can provide services with specialization and high intelligence. This form or field of activity in carrying out its achievements carries out three main principles, namely:

1. There is basic knowledge that can be studied carefully and there is an attitude in someone who masters a technique that can provide services to the community.
2. The standard measure of success achieved by a profession is how quickly we provide services to the community and not what someone can achieve for their personal interests.
3. Develop a system of supervision over the efforts and practical activities of professionals in implementing their knowledge and educational results through the establishment of associations or associations and the creation of various codes of ethics.

The first step that must be taken so that someone can have the status of a professional is to have sufficient intellectual abilities, namely an ability in the form of being able to easily understand, comprehend, study and explain a phenomenon. This means that the level, degree, quality and quantity of professionalism in Indonesia can be seen from how much and how high the quality of the intellectual community exists to support this professionalism (Maskun, 2018).

Research on the influence of professionalism on employee performance has been carried out by several previous researchers, including Prabayanthi and Widhiyani (2018), Ferawati, et al (2020), Ichsan, et al (2022). The results of this research prove that professionalism influences employee performance. Thus, a hypothesis can be made as follows:

H1: professionalism influences employee performance.

3. Work Loyalty

Sudimin (2003) defines work loyalty as employees' willingness to contribute their abilities, skills, thoughts, and time towards achieving company goals while maintaining confidentiality and refraining from activities detrimental to the company's interests. Loyalty, as formulated by Sudimin (2003), entails allegiance to a person or entity and abstaining from treachery when called upon. Robbins (2015) contends that loyalty involves a commitment to safeguarding both emotional and physical well-being. Siswanto (2005) characterizes loyalty as a firm determination to comply with, execute, and distribute tasks with full responsibility and awareness. Agustian (2009) describes loyalty as adherence to cherished principles.

According to Dessler (2015), employee loyalty is an affirmative emotional disposition towards work that fosters enthusiasm and fondness for one's job. Essentially, loyalty can be construed as a steadfast commitment to something, whether tangible or intangible, including attention and thoughts. Companies rely on employees with high levels of loyalty to achieve their goals successfully. Hasibuan (2016) argues that employee loyalty is evidenced by their sincerity in defending and safeguarding the company against external threats. This sentiment is echoed by Poerwadarminta (2002), who defines loyalty as trust, dedication, and allegiance marked by responsibility, love, and exemplary service.

Company attitude reflects employees' identification with the organization, demonstrated through their eagerness to contribute and exhibit loyalty. Robbins (2015) asserts that loyalty is intertwined with trust, as individuals are willing to sacrifice and remain faithful to their beliefs when trust is present. Hence, loyalty exhibits a positive correlation with the level of trust; the greater the trust employees have in the company, the higher their loyalty.

Poerwopoespito (2014) highlights work loyalty as exemplified by employees who dedicate their skills with honesty and discipline, resulting in a sense of responsibility, enthusiasm, and motivation (Nitisemito, 2015). To foster employee loyalty, companies must cultivate a sense of belonging among employees, encouraging them to perceive the company's growth as their own. From the aforementioned definitions by experts, it can be concluded that work loyalty signifies employees' steadfast dedication to the company, manifested through their commitment to its progress and willingness to sacrifice for the collective goals.

Steers and Porter (1983) delineate several aspects of loyalty, including a strong desire to remain with the company, a commitment to perform well, and a firm belief in company values. Nitisemito (2015) emphasizes loyalty in employee conduct, such as adherence to regulations and responsible work ethics. Compliance with regulations demonstrates employees' willingness to follow established protocols, while responsibility entails executing tasks diligently with awareness of associated risks, fostering a sense of accountability and dedication. Kurniawan (2015) identifies aspects of loyalty as obedience, responsibility, dedication, and honesty.

Obedience entails employees' adherence to company regulations and superiors' directives, refraining from violating established rules. Responsibility involves completing tasks with excellence and timeliness, with a willingness to accept associated risks. Dedication encompasses employees' sincere contribution of thoughts and
efforts to the company, characterized by alignment between words and actions. Overall, work loyalty reflects employees’ allegiance to the company, motivating them to remain, develop, and trust in its endeavors.

Simamora (2002) outlines three primary reasons for loyalty: rational factors (e.g., wages, career advancement), emotional factors (e.g., comfortable work environment, job satisfaction), and spiritual factors (e.g., fulfillment of spiritual needs). Steers and Porter (1983) suggest that work loyalty is influenced by personal characteristics, job characteristics, organizational structure, and the experience gained within the company. Ultimately, work loyalty is shaped by a combination of rational, emotional, and spiritual factors, driving employees to remain committed and dedicated to their organizations.

Previous research on the influence of professionalism on work loyalty has been carried out by several previous researchers, including Turumondo et al (2022), and Firdaus et al (2022). The results of this research prove that professionalism influences employee work loyalty. Apart from that, there are also several previous studies which prove that work loyalty influences employee performance Add and Sambul (2018), Ronaldy et al (2019), Marentek et al (2021), Indrastuti el al (2018), Wardhani et al (2023), Al-Edenat and Alhawamdeh (2018), Ifadah (2021). The results of this research prove that work loyalty influences employee performance. Thus the following hypothesis can be made:

H2: professionalism influences work loyalty
H3: work loyalty influences employee performance
H4: professionalism influences employee performance through work loyalty

Based on the problem formulation that has been created and also based on previous research, a research framework can be prepared as follows:

![Research Model Diagram]

**II. METHODS**

The population in this study were 70 employees of regional drinking company owned by the regional government in East Java, Indonesia. Meanwhile, the sampling technique used total sampling, meaning that the entire population of 70 people was taken as the research sample. The questionnaire technique is used to obtain data related to the research variables. The questionnaire is arranged in the form of a closed statement with 5 (five) alternative answers using a Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The data analysis technique used to analyze questionnaires that have been filled out by respondents is Partial Least Square (PLS).

**III. RESULTS AND DISCUSSION**

A. Hypothesis Testing

Based on the data processing that has been carried out, the results can be used to answer the hypothesis in this research. Hypothesis testing in this research was carried out by looking at the T-Statistics values and P-Values values. The research hypothesis can be declared accepted if the P-Values value is <0.05 (Yamin and Kurniawan, 2011). The following are the results of hypothesis testing obtained in this research:
Table 1. Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Influence</th>
<th>T-statistics</th>
<th>P-Values</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Professionalism -&gt; Employee Performance</td>
<td>3.346</td>
<td>0.001</td>
<td>Accepted</td>
<td></td>
</tr>
<tr>
<td>H2 Professionalism -&gt; Work Loyalty</td>
<td>4.676</td>
<td>0.000</td>
<td>Accepted</td>
<td></td>
</tr>
<tr>
<td>H3 Work Loyalty -&gt; Employee Performance</td>
<td>4.220</td>
<td>0.000</td>
<td>Accepted</td>
<td></td>
</tr>
<tr>
<td>H4 Professionalism -&gt; Work Loyalty -&gt; Employee Performance</td>
<td>2.797</td>
<td>0.005</td>
<td>Accepted</td>
<td></td>
</tr>
</tbody>
</table>

Based on the data presented in the table above, it can be seen that several hypotheses proposed in this research are as follows:

1. The influence of professionalism on employee performance has a P value of 0.001 or smaller than 0.05. This means that the professionalism variable influences employee performance.
2. The influence of professionalism on work loyalty has a P value of 0.000 or less than 0.05. This means that the professionalism variable influences work loyalty.
3. The effect of work loyalty on employee performance has a P value of 0.005 or smaller than 0.05. This means that the work loyalty variable influences employee performance.

IV. CONCLUSION

Based on the results of hypothesis testing, it can be concluded that professionalism has an influence on employee performance. The relationship between these two variables is positive. These results indicate that changes that occur in professionalism will have an impact on changes that are in line with employee performance. If professionalism increases, it will trigger an increase in employee performance. On the other hand, if professionalism is low, it will have a negative impact on employee performance by resulting in a decrease in quality. In this context, if professionalism increases, employees will have better motivation and ability to carry out their duties. This then contributes to improving overall Employee Performance. Conversely, if professionalism is low, employees may be less motivated, less able to cope with job demands, and the quality of their performance may decrease.

Referring to the results of hypothesis testing, it shows that professionalism has an effect on work loyalty. Both variables have a positive relationship direction. These results indicate that changes that occur in the Loyalty variable will result in changes in the Work Loyalty variable that are directly proportional. If professionalism is shown in a good position, it will encourage high work loyalty. Conversely, low professionalism will have the effect of decreasing work loyalty. In this context, if professionalism increases, employees tend to feel more satisfied and engaged with their work. They may be more motivated to give their best in their work, show loyalty to the organization, and strive to achieve organizational goals. On the other hand, if professionalism is low, employee work loyalty can decrease due to a lack of commitment and quality of work produced.

In accordance with the results of the hypothesis test, it confirms that Job Leadership has an effect on Employee Performance. The direction of the relationship between the two variables is positive. These results indicate that changes that occur in the Work Loyalty variable will have a directly proportional impact on changes in the Employee Performance variable. If work loyalty improves, it will encourage increased employee performance. On the other hand, low work loyalty will have the effect of decreasing employee performance. In this context, if Job Loyalty increases, employees tend to be more motivated to do a good job, contribute actively, and show higher performance. They may be more committed to achieving organizational goals and put in extra
effort to support organizational success. Conversely, if Job Loyalty is low, employees may be less motivated, less involved, and less likely to contribute optimally to their work. This can result in a decrease in the quality of performance and a lack of dedication to the organization.

Referring to the results of hypothesis testing, it shows that Management Support influences Employee Performance through Work Loyalty. The relationship between these three variables is positive. These results indicate that changes in the Work Loyalty variable will encourage a directly proportional influence of Competency on Employee Performance. If work loyalty increases, the influence of professionalism on employee performance will be greater. The research results confirm that work loyalty is a variable that has the ability to influence the influence of professionalism on employee performance. In this context, work loyalty acts as a mediator factor between professionalism and employee performance. In this research, Job Loyalty acts as a mediator between Professionalism and Employee Performance. This means that a high level of Work Loyalty can strengthen the relationship between Professionalism and Employee Performance. When an employee has a high level of Professionalism and also a high level of Work Loyalty, they tend to show better performance. This can happen because loyal employees tend to have high intrinsic motivation and feel responsible for giving their best in their work. High work loyalty can also increase employee involvement and desire to support organizational goals.

REFERENCES


