

The Effectiveness of Human Resource Management Strategies in Increasing Employee Loyalty at PT Valbury Asia Futures Medan Branch

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Article Info	ABSTRACT
Article history: Received, 01-07-2026 Accepted, 19-07-2026 Published, 29-07-2026 Keywords: Human Resource Management, Employee Loyalty, HRM Strategy	This study aims to analyze the effectiveness of human resource management (HRM) strategies in improving employee loyalty at PT Valbury Asia Futures Medan Branch. A qualitative descriptive approach was employed. Data were collected through in-depth interviews, observations, and documentation involving Financial Consultants (FC), Senior Financial Consultants (SFC), and management. Informants were selected using purposive sampling based on at least three months of work experience and understanding the company's work system. The findings show that the company's HRM strategies are primarily result-oriented, emphasizing performance-based compensation, high work targets, and reward and punishment mechanisms. Although the compensation system increases employee motivation, it has not effectively improved employee loyalty because of high work pressure and penalty policies. Furthermore, the absence of structured training programs, suboptimal implementation of standard operating procedures (SOP), and a highly competitive work environment also affect employee loyalty. Employee loyalty is reflected through responsibility, commitment, and willingness to remain with the company, although it tends to fluctuate. Overall, the effectiveness of HRM strategies at PT Valbury Asia Futures Medan Branch is not yet optimal because performance targets are not balanced with employee development. Therefore, improvements are needed through adjusting work targets, strengthening training programs, optimizing SOP implementation, and creating sustainable.
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1. Introduction

Human resources are recognized as one of the most important strategic assets in achieving organizational goals and sustaining competitive advantage (Stachová et al., 2024). In an increasingly dynamic business environment, organizations are required to develop effective human resource management (HRM) strategies that not only improve employee performance but also maintain employee loyalty. Employee loyalty is an important organizational outcome because loyal employees tend to demonstrate stronger commitment, higher productivity, lower turnover intentions, and greater willingness to contribute to organizational success. Therefore, the effectiveness of HRM strategies has become a crucial issue for both researchers and practitioners (Munadzifah & Fahrullah, 2021).

Previous studies generally conclude that HRM practices such as compensation, career development, training, and organizational support have a positive effect on employee loyalty (Hairina & Jonnius, 2021). However, these studies were largely conducted in organizational settings characterized by relatively stable workloads and supportive employee development systems. In contrast, organizations operating in highly target-driven environments may experience a different dynamic. Performance-based compensation and reward systems can increase employee motivation, yet simultaneously create work pressure and uncertainty that potentially weaken employee loyalty. This contradictory possibility has received limited attention in previous HRM research, particularly in the context of the futures trading industry.

PT Valbury Asia Futures Medan Branch represents an interesting research context because the company operates in the futures trading industry, which is characterized by high performance targets, performance-based compensation systems, reward and punishment mechanisms, and intense competition among employees. While these practices are designed to enhance organizational performance, preliminary observations indicate several challenges, including high work pressure, limited structured training programs, inconsistent implementation of standard operating procedures (SOPs), and fluctuating employee loyalty. These conditions suggest that the effectiveness of HRM strategies cannot be evaluated solely based on performance outcomes but must also consider their impact on employee loyalty (Dona Zahra Hasibuan et al., 2023).

The research gap in this study lies in the inconsistency between the theoretical assumption that effective HRM strategies improve employee commitment and retention and the empirical reality observed in PT Valbury Asia Futures Medan Branch. According to (Ahmed Alghamdi, 2020), effective HRM strategies should enhance employee commitment, retention, and organizational effectiveness through HR planning, training, performance evaluation, and employee development. However, the implementation of HRM practices in highly competitive environments may generate different outcomes, particularly regarding employee loyalty. Therefore, there is a need to explore how HRM strategies are implemented and perceived by employees in such organizational settings.

This study offers a novel contribution by examining the effectiveness of HRM strategies in a futures trading company using a qualitative approach. Unlike previous studies that mainly focus on the positive relationship between HRM practices and employee loyalty, this study explores both the motivating and constraining effects of HRM strategies on employee loyalty (Manurung et al., 2025). Furthermore, it provides empirical evidence regarding how performance-oriented HRM practices influence employee commitment, responsibility, and willingness to remain in the organization (Dea Anugrah Putri et al., 2025).

This study contributes to HRM literature by introducing a dual-effect perspective of performance-oriented HRM strategies. The findings demonstrate that compensation, targets, and reward systems can simultaneously generate motivational effects that encourage performance and constraining effects that weaken long-term employee loyalty. This perspective extends the understanding of employee loyalty beyond a purely positive relationship between HRM practices and retention. Based on the identified research gap and research context, this study aims to analyze the effectiveness of human resource management strategies in improving employee loyalty at PT Valbury Asia Futures Medan Branch.

2. Methods

This study employed a qualitative descriptive approach. Informants consisted of Financial Consultants (FC), Senior Financial Consultants (SFC), and management personnel selected through purposive sampling based on at least three months of work experience and an understanding of the company's work system. Data were collected through in-depth interviews, observations, and documentation. Data analysis followed the interactive model of data reduction, data display, and conclusion drawing.

To ensure data credibility, the study applied source triangulation by comparing information obtained from FC, SFC, and management informants, as well as technique triangulation by comparing interview, observation, and documentation data. Member checking was conducted by reconfirming several interview findings with the informants to ensure the accuracy of interpretation. Detailed field notes and systematic documentation of the data collection and analysis process were also maintained to strengthen the dependability of the findings.

3. Results

The findings indicate that compensation is the strongest factor influencing employee motivation. Financial Consultants (FC) reported that commissions and allowances encourage them to achieve higher transaction volumes. However, the compensation system is closely linked to performance targets and penalty mechanisms, which simultaneously create significant work pressure.

“In terms of income, it is the main motivator, especially when there are a lot of transactions” (FC, 2026).”

“If you don’t meet your target, there are deductions, so sometimes work feels stressful” (FC, 2026).”

These findings suggest that the company’s compensation strategy has a dual effect. On the one hand, it increases motivation and performance orientation; on the other hand, it generates psychological pressure that may weaken employees’ willingness to remain in the organization. The study found that structured training programs are not yet fully implemented. Most employees receive only brief initial guidance and subsequently learn through field experience.

“When they first joined, they only received a briefing, and then they went straight to work” (FC, 2026).”

“I learned more on my own in the field, and also through trial and error” (FC, 2026).”

This condition indicates that competency development relies heavily on individual adaptation rather than systematic organizational training. As a result, employees may experience slower skill development and lower confidence in achieving company targets. Although standard operating procedures (SOPs) are available, employees tend to rely more on direct instructions from their supervisors.

“There are SOPs, but we usually just follow the leader’s instructions” (FC, 2026).”

In addition, the work environment is characterized by strong competition due to performance targets.

“We are required to achieve targets here, so the atmosphere is quite competitive”
(FC, 2026).”

Nevertheless, employees also reported supportive relationships with colleagues. This indicates that the work environment contains both competitive and collaborative elements, which can simultaneously encourage productivity and create work-related stress. Employee loyalty was found to be conditional and strongly influenced by overall work experience. Some employees expressed a willingness to remain because of income opportunities and career prospects.

“As long as I can still achieve my targets and get good results, I’m still willing to stay” (FC, 2026).”

However, prolonged work pressure was also identified as a factor that could reduce the intention to stay.

“If you’re constantly under pressure and your targets are difficult to achieve, you’ll definitely consider looking for another job” (FC, 2026).”

These findings indicate that employee loyalty is not solely determined by financial rewards, but also by employees’ perceptions of workload, support, and long-term career sustainability.

Table 1. Research Findings (Based on Field Data)

Aspect	Qualitative Analysis	Implications
Compensation	s motivating (extrinsic), but accompanied by pressure from penalties.	Motivation ↑, loyalty is unstable
Work targets	do not fully match the employee's initial capacity.	Work pressure ↑, risk of decreased loyalty.
Training	is unstructured, learning is trial-and-error.	Competence develops slowly.
SOP	exist but are not optimalob uncertainty.	Job uncertainty.

Work environment	Dual effect: productivity increases ↑ increases but stress decreases ↑	Risk of burnout
Loyalty	is influenced by overall work experience	Loyalty fluctuates.

Table 2. Research Findings (Based on Field Data)

Aspect	Qualitative Analysis	Implications
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4. Discussion

The findings indicate that performance-based compensation increases employee motivation but does not consistently strengthen employee loyalty. This supports the Theory of Planned Behavior (TPB), which suggests that positive attitudes toward rewards can encourage work effort, but behavioral intentions to remain in the organization are also influenced by perceived control and work pressure. In this study, employees appreciated the

financial incentives, yet many also perceived the targets and penalty mechanisms as sources of stress.

This result is partially consistent with previous studies that found compensation positively influences loyalty (Safrida et al., 2023). However, it differs from those studies because the compensation system at PT Valbury Asia Futures is closely tied to aggressive performance targets. The findings suggest that compensation alone is insufficient to sustain loyalty when employees experience excessive pressure. Theoretically, this study extends HRM literature by showing that performance-oriented compensation may generate both motivational and constraining effects simultaneously.

The study found that training programs were not systematically implemented, causing employees to rely on self-learning and field experience. From an HRM strategy perspective, training is a critical mechanism for enhancing employee competence and confidence. Limited training reduces employees perceived ability to achieve organizational targets, which in TPB terms weakens perceived behavioral control.

This finding differs from (Xuecheng & Iqbal, 2022), who found that training contributes positively to employee retention. The discrepancy may be explained by the absence of structured development programs in the company studied. Therefore, the effectiveness of HRM strategies depends not only on the existence of performance targets but also on the organizations investment in employee capability development.

The findings reveal that employees rely more on direct instructions from supervisors than on formal SOPs. This indicates that the work system is relatively flexible but may also create uncertainty regarding work standards. At the same time, the work environment combines competitive pressure with supportive peer relationships.

These results align with studies emphasizing the importance of organizational support and communication in fostering loyalty (Hariyanti & Rizqianto, 2021). However, the strong competitive atmosphere identified in this study introduces a different dynamic.

Theoretically, the findings suggest that a supportive social environment can coexist with high performance pressure, producing mixed effects on employee loyalty.

Employee loyalty was found to fluctuate depending on employees overall work experience. Employees who perceived adequate income opportunities and career prospects expressed stronger intentions to remain, while those experiencing continuous work pressure considered seeking alternative employment.

This finding supports (Rajagukguk et al., 2023), who argued that loyalty is influenced by job satisfaction and organizational fairness. Nevertheless, the current study demonstrates that loyalty is not a static outcome of HRM practices. Instead, loyalty emerges from employees ongoing evaluation of rewards, workload, development opportunities, and work conditions. This finding contributes theoretically by positioning employee loyalty as a dynamic behavioral intention rather than merely a fixed organizational attitude.

5. Conclusion

This study concludes that the implementation of human resource management (HRM) strategies at PT Valbury Asia Futures Medan Branch is predominantly performance-oriented through target-based work systems, commissions, and reward–punishment mechanisms. These strategies are effective in increasing employee motivation and productivity; however, they have not optimally strengthened employee loyalty because employees also experience high work pressure, limited structured training, and inconsistent SOP implementation.

Theoretically, this study contributes to the development of HRM literature by introducing a dual-effect perspective of performance-oriented HRM strategies. The findings demonstrate that compensation, targets, and reward systems can simultaneously generate motivational effects that encourage performance and constraining effects that weaken long-term loyalty. This perspective extends the application of the Theory of Planned Behavior by

showing that employees intention to remain in the organization is influenced not only by financial rewards but also by perceived work pressure, training support, and organizational conditions.

Practically, the study suggests that organizations operating in highly target-driven industries should balance performance demands with employee development programs, realistic target setting, and supportive work systems to maintain sustainable employee loyalty. Future research is recommended to test the dual-effect model quantitatively by examining the mediating role of job satisfaction and the moderating role of work pressure in the relationship between performance-oriented HRM strategies and employee loyalty. Further studies may also compare this model across different target-driven industries such as banking, insurance, and financial services to assess its broader applicability.

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