

Implementation of Employee Retention Strategy to Increase Employee Loyalty at Atalla Bakery Store

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Abstract

This study aims to identify policies and factors that influence employee retention and their impact on employee loyalty at Atalla Bakery. Maintaining employees as a company's main asset is crucial to ensuring organizational productivity and stability. This study uses a qualitative approach with descriptive methods , with data collection techniques through interviews, observations, and documentation. The results show that employee retention strategies at Atalla Bakery include providing incentives, performance-based bonuses, flexibility in working, and career development opportunities. Although a supportive work environment and adequate benefits have been implemented, several challenges remain, such as high workloads at certain times and limitations in training programs. The conclusion of this study emphasizes the importance of developing a more comprehensive retention strategy to increase employee loyalty sustainably.

Keywords: Employee Retention, Employee Loyalty, Retention Strategy, Atalla Bakery.

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INTRODUCTION

A company cannot grow without the support it receives, both internally and externally. One important aspect that serves as a key pillar of this support is Human Resources (HR), which is closely related to employees (Amilin & Jatmiko, 2024) . Humans can be characterized as a concept or fact, an idea or reality, a group or individual. (Zainarti, 2020) . Without employee participation, the company's activities from input to output cannot be realized, so they are considered the company's main assets. Therefore, it is mandatory to maintain the attitudes, conditions, and working conditions of employees in the hope that their productivity remains optimal and even increases. In a company, human resources are a crucial element in carrying out its functions to achieve the desired goals. Although in this modern era some human tasks can be replaced by technology, failure to manage human resources can cause disruptions in achieving organizational goals. Within the framework of office operations, human resource potential is a very important asset and has a significant impact on achieving office goals. Therefore, institutions must manage human resources as well as possible (Ramadhani & Nurbaiti, 2022) . Therefore, employee retention is crucial. Employee retention is a management effort to keep employees with the company for a specific period of time in order to reduce *turnover rates* .

Career development is one of the many factors that impact employee turnover intention. Several important aspects of career development can impact *turnover intention*. It's crucial for employees to have opportunities to learn and develop. Employees who feel they can grow and learn in their jobs tend to exhibit lower intentions to leave. This is due to their belief that they can continuously improve their skills and knowledge, which will benefit their future careers.

Opportunities for promotions and higher positions can also influence employee *turnover intentions*. Employees who perceive opportunities for promotions and advancement tend to be more satisfied with their jobs and therefore more likely to remain with the organization. This indicates that the organization values their contributions and is willing to give them greater responsibility. Organizational support for career development is also crucial. Employees who perceive support from their organization in their career development tend to have lower *turnover intentions*. Training, education, or career guidance can be forms of this support, which can help employees develop their skills and knowledge (Naufan Zakaria & Ali, 2024).

Employee retention is a strategy used by companies to ensure that potential and competent employees remain loyal and actively contribute over a period of time. Employee retention is not only about retaining employees, but also a management approach aimed at maintaining a mutually beneficial relationship between the company and its employees (Pratiwi & Hariani, 2023). Employee retention is influenced by various factors, including aspects of the work environment and job satisfaction. The work environment encompasses everything surrounding employees at work, both physical and non-physical, direct and indirect, as well as the psychosocial environment that can influence employees and their work while working.

Loyalty is an individual's attitude of devotion reflected in physical and non-physical forms, such as thoughts and attention (VRD Putri & Iryanti, 2022). This loyalty reflects the level of attachment, loyalty, and commitment of employees to the company where they work (Anjarrini & Purnamarini, 2024). Therefore, it is crucial for human resource management to understand the elements that influence employee loyalty. One factor influencing employee loyalty is intrinsic motivation. Intrinsic motivation arises from within a person to achieve a goal. (Lutfi & Winata, 2020).

Employees who are motivated by internal factors such as personal satisfaction, seeking challenges, or engaging in their tasks tend to be more motivated to achieve and contribute fully. In addition to intrinsic motivation, employee loyalty is also influenced by work discipline. According to Afrilia (2023), work discipline means demonstrating compliance with or respect for established rules for the benefit of both employees and the company. For a company, work discipline is a crucial element. One can observe small manifestations of discipline in individuals, for example, in aspects such as dress code, attitude toward superiors, adherence to schedules when arriving at work, and so on.

Loyal employees are a crucial factor in a company's success. Various sources and studies have shown that numerous factors influence employee loyalty, including the work environment, relationships between employees and management, and the *reward system* used. (Syah et al., 2025) stated that harmonious working relationships and appropriate recognition for employee contributions can increase employee loyalty. Meanwhile, Suwatno and Priansa (2011) emphasized that loyalty is influenced not only by financial factors but also by emotional aspects, such as a sense of appreciation, fairness, and opportunities for career development. Key factors that can increase employee loyalty include a conducive work environment and job satisfaction, as well as attention to employee physical and

psychological needs. These factors are key in determining whether employees will choose to remain with a company or decide to leave. Companies that foster a sense of *belonging* among employees can increase their loyalty. Employees who feel they are an important part of the company tend to stay longer and make maximum contributions to the company's goals.

Research by Siregar, R., & Wijaya, A. (2020) highlights how retention strategies, such as competitive compensation, a conducive work environment, and career development opportunities, can increase employee loyalty in the manufacturing sector. The results show that job satisfaction is a mediating factor between retention strategies and employee loyalty. Another study by Putri & Games, (2024) examined the relationship between retention programs (such as additional benefits, employee training, and work-life balance) and employee loyalty. The results showed that the more effective the retention program, the lower the employee's intention to leave the company, which ultimately increases their loyalty. Other research also shows that an inclusive organizational culture that supports employee development contributes to lower *turnover rates* and significantly increases employee loyalty (Syah et al., 2025). Other research shows that employee retention enhances the effect of knowledge acquisition on innovation performance. One possible explanation is that employee retention increases commitment and trust among employees, encouraging specialization and fortification of knowledge and a culture of innovation. In addition, according to the absorptive capacity theory with employee retention, the company's knowledge base increases, and therefore, the company increases the possibility of benefiting from knowledge acquisition (Papa et al., 2020).

METHOD

This research uses a qualitative approach with a descriptive method. According to Nazir (2003), the descriptive method serves as a means to examine the state of a group of people, an object, a series of conditions, a system of thought, a system of beliefs, or a category of events in the present. The purpose of this research is to describe the phenomena that occur, with a focus on field observations. Descriptive studies emphasize actual issues and real conditions at the time of the research. In descriptive research, the author aims to describe interesting events and phenomena without intervening in them (Sulistiyo, 2023).

The author chose a qualitative-descriptive research method, as it was considered appropriate for collecting in-depth data through interviews. The data for this study were collected through interviews, observation, and documentation. To obtain clear and relevant information, interviews were conducted according to a plan and using pre-prepared questions (Sugiyono, 2008). Observations were conducted by directly observing the conditions of the research objects and the strategies used by librarians. By observing and listening, the researcher attempted to understand the behavior of the observation sources (Achjar et al., 2023). Meanwhile, documentation served to collect various data related to the program activities at the Atalla Bakery Store. The researcher attempted to gather information from informants regarding employee retention strategies to increase their loyalty. Because the phenomena examined in this study occur naturally, direct observation in the field is important to obtain accurate data and reflect the reality at the Atalla Bakery Store. In this study, data were analyzed using the Miles et al., (1992) model which includes three stages:

Data collection

In this case, researchers collect research data from the results of interviews, observations and documentation in the field objectively.

Data Reduction (*Data Reduction*)

Data reduction means summarizing, selecting the main points, focusing on the important points, and looking for themes and patterns. The data reduction process involves selecting, focusing, simplifying, abstracting, and transforming the “raw” data contained in written field notes. Throughout a qualitative project, data reduction occurs continuously until the report is completed (Miles et al., 1992) .

Data Presentation

Data presentation is the next most important step in data analysis. It provides an arrangement that allows for drawing conclusions and taking action.

Drawing conclusions or verification

Data verification is an effort to find, test, re-examine or understand the meaning or significance, regularity, regularity, patterns, explanations, flows, causes and effects, or propositions. While conclusions can be in the form of a description or picture of an object that was previously still dim or dark so that after being examined it becomes clear, it can be in the form of a causal or interactive relationship, hypothesis or theory (Sugiyono, 2008) .

RESULTS AND DISCUSSION

Employee Retention Policies and Programs

Policies implemented for employee retention strategies at Atalla Bakery include performance incentives, overtime bonuses, and awards for high-performing employees. The goal of these programs is to ensure employees stay and avoid looking for work elsewhere. As one employee , Ayuna Manurung, put it: *"Here, there are bonuses for working overtime when there are lots of orders, and sometimes incentives for good performance. However, if you think about it, regular salary increases would be better."* From this statement, it can be concluded that the implemented retention policy is quite helpful in increasing employee work motivation. However, unscheduled salary increases remain an aspect that needs improvement to optimize employee retention. This aligns with Herzberg's (1959) motivation theory, which states that motivational factors such as rewards and incentives can increase job satisfaction, but retention factors such as adequate pay are also crucial in preventing dissatisfaction.

According to the owner of Atalla Bakery, Mrs. Yuli Sismik: *"We give bonuses when it's busy, and there are also rewards for employees who are diligent and have good performance. For salary increases, they usually refer to annual evaluations ."* This shows that the retention strategy in this shop still focuses more on performance-based rewards than periodic salary increases. This strategy is in line with the research findings of Aprilianti & Shofiyah, (2024) which stated that performance-based compensation can increase employee loyalty, although it is not always enough to retain them in the long term. In addition, Sulistyawati & Prabowo (2022) also explained that an incentive system can be an effective tool to increase productivity, but if it is not accompanied by certainty in the long-term financial aspect, employees tend to look for more stable job opportunities.

Taking these various factors into account, it can be concluded that the retention strategy implemented at Atalla Bakery has had a positive impact on employee motivation. However, there are still areas that need improvement, particularly regarding more structured salary increases and a clearer career development program, to ensure continued long-term employee loyalty.

Work Environment and Company Culture

One of the elements that influences the level of employee loyalty at Atalla Bakery is the work environment.

In general, the work environment at this store is considered quite conducive due to the good relationship between employees and superiors. A harmonious work environment can create a sense of comfort for employees and encourage them to stay with the company longer. One employee, Ayuna, stated: *"Working here isn't too stressful because the boss is nice and easy to communicate with. But when it's really busy, it gets really tiring."*

Observations conducted in the workplace indicate that while the working relationship at Atalla Bakery is quite harmonious, there are some challenges, particularly in terms of workload during peak periods. Around the holidays, the number of orders increases dramatically, forcing employees to work at a high intensity. According to the shop owner: *"When there are a lot of orders, the workload is indeed heavier. But we give bonuses to those who are willing to work overtime."*

This strategy does help increase motivation, but it doesn't fully address the problem of employee burnout due to increased working hours. Syah et al. (2025) stated that a conducive work environment includes not only good interpersonal relationships but also balanced workload management so that employees remain productive without experiencing excessive fatigue. Based on the two-dimensional stressor framework, this study investigates the relationship between challenge and hindrance stressors and turnover intentions, focusing on the mediating role of organizational identification and the moderating role of public service motivation (Bao & Zhong, 2021).

Development and Career Opportunities

Career advancement opportunities play a crucial role in increasing employee loyalty. Employees who have the opportunity to improve their skills and earn promotions tend to be more committed to their jobs (INK Putri & Games, 2024). Atalla Bakery has implemented several training programs for new employees, but implementation is not uniform across all positions. Liza said: *"When I first joined, there was training. But after working for a while, I felt like there wasn't any additional training. It seemed like the focus was more on production."* The shop owner explained that training programs are ongoing, but still on a limited scale: *"If there are employees who want to learn more, we give them the opportunity. But there isn't a regular training program for all employees yet."* Research by Putri & Games (2024) shows that companies that provide ongoing training programs and clear career paths tend to have higher employee loyalty. Furthermore, according to Werther & Davis (2023), minimal career development opportunities can cause employees to feel stagnant and ultimately seek opportunities elsewhere. Therefore, Atalla Bakery needs to further develop its training program so that every employee has an equal opportunity to improve their skills and extend their tenure at the store.

Salary and Benefits

Financial compensation is one of the main factors influencing employee retention (Ningsih, 2024). Competitive salaries and adequate benefits can increase job satisfaction and reduce employee desire to move to another company. The majority of employees feel that their salaries are in line with industry standards. However, some of them stated that salary increases are not provided regularly, as expressed by an employee named Liza: *"The salary is sufficient, for increases we wait for the annual evaluation first."* Furthermore, the benefits provided are also not yet formal, as explained by the shop owner: *"We help employees if someone is sick, for example, they need money for medical treatment. But we don't have official health insurance yet."* From this statement, it can be concluded that salary and benefit policies can still be improved to better ensure employee well-being in the long term. According to research by Sudiantini et al. (2023), health and social security benefits have a significant impact on increasing employee loyalty. Therefore, Atalla Bakery could consider providing more structured benefits, such as health insurance or other welfare programs, to increase job satisfaction and retain a qualified workforce.

Employee Loyalty

Based on the interview results, employee loyalty at Atalla Bakery is influenced by various factors, including good working relationships and a comfortable working environment. However, some employees consider looking for other jobs if a better offer is available. As expressed by Alif, an employee at the store: *"It's comfortable here, but if there's another job with a higher salary, maybe I'll move."* From this statement, it can be seen that although the working environment at Atalla Bakery is quite good, compensation remains the main factor influencing employee loyalty. Research by Prahaski et al. (2024) shows that awards and promotion opportunities have a significant influence on employee loyalty. Therefore, to improve employee retention in the long term, Atalla Bakery needs to consider a fairer reward system and a clearer career path for its employees. This way, employees will feel more appreciated and have a strong reason to stay at the store.

Based on observations and interviews, it was found that not all employees left their jobs due to external factors such as salary or workload. In some cases, the decision to leave was based on personal factors not directly related to management policies. For example, some employees stated that they received adequate benefits, but despite this, they still felt dissatisfied or did not express gratitude. Furthermore, some employees decided to leave for family reasons, such as having to return to their hometown to care for their parents or wanting to start their own business. Although the work environment at Atalla Bakery was generally considered conducive, some employees felt unmotivated due to a lack of personal compatibility with their work routine.

Employee Retention and Employee Loyalty Seen from an Islamic Perspective

Employee retention is not only a measure of success in human resource management but also a reflection of how effectively an organization creates a supportive work environment. In this context, Islamic religious values provide a morally based solution to improve employee retention. With universal values such as justice, responsibility, and brotherhood, Islam can provide a strong ethical foundation for building harmonious and mutually supportive working relationships (Pusvita, 2024).

The Islamic value of justice requires fair human resource management, including the balanced distribution of tasks and rewards based on employee contributions. When employees feel treated fairly, they are more likely to feel valued. This positively impacts motivation and work loyalty. Responsibility, both as individuals and as a group, motivates employees to carry out their duties wholeheartedly and with dedication. Within organizations, implementing responsibility based on Islamic values can foster a productive and results-oriented work culture. Furthermore, the value of brotherhood emphasizes the importance of supportive and empathetic relationships within the workplace.

In Islam, the relationship between individuals and organizations is crucial and is based on ethical and moral teachings found in the Quran and Hadith. Everyone in these organizations is expected to make a positive contribution to shared goals while upholding personal integrity. Islamic values such as honesty, trustworthiness, responsibility, fairness, and cooperation play a crucial role in shaping behavior in the workplace.

From an Islamic perspective, loyalty in work is closely related to the concept of trust and sincerity in carrying out responsibilities. Islam views work as part of worship, where every individual is required to work honestly, disciplined, and earnestly. This is as emphasized in the hadith of the Prophet Muhammad SAW: *"Indeed, Allah loves a person who when he works, he perfects it (itqan)."* (Narrated by Al-Baihaqi). Perfecting work means maintaining quality, commitment, and honesty in work which are the main foundations in building loyalty to the workplace. And Say: *"Work, then Allah and His Messenger and the believers will see your work, and you will be returned to (Allah) the All-Knower of the unseen and the seen, then He will inform you of what you used to do."* (QS At-Taubah: 105).

However, in practice, we still find employees who leave their jobs not because of company policy, but because of personal problems such as lack of gratitude, loss of motivation, or feeling unsuitable spiritually. In fact, in the Qur'an, Allah SWT emphasizes the importance of being grateful for the blessings given, including work: "*If you are grateful, We will surely increase you (in favor), but if you deny (My favor), then indeed, My punishment is severe.*" (QS. Ibrahim: 7). This verse emphasizes that gratitude is the key to the sustainability of blessings, including in the context of work. Gratitude is one of the obligations commanded by Allah SWT in the Qur'an. Some verses of the Qur'an that explain the obligation of gratitude include: "*O you who believe, eat from the good things We have provided for you, and be grateful to Allah if you truly serve Him*" (QS Al-Baqarah: 172).

Apart from that, work is also a form of sustenance which not only has an impact on worldly life, but also as a field for charity for the afterlife. In QS. Al-Mulk verse 15, Allah says: "*It is He who makes the earth easy for you, so walk in all its corners and eat from His sustenance. And to Him you will (return after) being resurrected.*" This verse emphasizes that working to earn a living is a religious commandment, and should be responded to with responsibility and a sense of sufficiency.

Therefore, business owners and employees need to jointly instill Islamic values such as trustworthiness, gratitude, and the intention to work for God. Instilling these spiritual values will establish a solid foundation for building loyalty and reducing the risk of turnover due to conflict or decreased work motivation.

CONCLUSION

This study shows that the employee retention strategy implemented at Atalla Bakery has a significant impact on increasing employee loyalty. Various policies, such as incentives, overtime bonuses, performance rewards, and the creation of a supportive and harmonious work environment, are implemented to realize this strategy. However, several obstacles remain that require serious attention, such as an unscheduled salary increase system, uneven training and career development programs, and the absence of a formal benefits system such as health insurance. These factors can reduce employee loyalty, especially in the long term, because not all employee needs and expectations are fully met. Emotional factors such as recognition for contributions, fairness, and opportunities for development are also important elements in building strong loyalty.

In the Islamic realm, spiritual values such as trustworthiness, gratitude, work as a form of worship, and honesty play a crucial role in fostering loyalty and responsibility. Work should not only be viewed as a source of income, but also as a trust that must be carried out with integrity and good intentions for the sake of Allah SWT. By integrating modern managerial approaches with Islamic values, it is hoped that the implemented retention strategy will retain employees physically while creating a deeper emotional and spiritual bond between employees and the company. Thus, developing a more holistic, values-based retention strategy can be a key to creating sustainable employee loyalty and supporting long-term business stability and growth.

For Shop Owners

It is recommended that the Atalla Bakery owners focus on ensuring the long-term well-being of their employees through measures such as implementing a structured salary increase system and offering formal benefits like health insurance, in addition to incentives. Furthermore, training and career development programs should be expanded in a similar manner. Embodying Islamic values such as justice, trust, and responsibility can foster more meaningful and harmonious workplace relationships.

For Employees

Employees are expected to maintain a professional attitude, be grateful for the opportunities they have, and actively engage in self-development through offered training. They are also encouraged to be open and provide thoughtful feedback to management. According to Islamic teachings, being sincere and responsible in your work will increase loyalty and provide long-term benefits for both the individual and the company.

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