

# Analyzing the Effect of Products and Human Resources Towards Customer Loyalty at Bank Aceh Syariah, Bireuen, Indonesia

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## Abstract

Islamic bank is a business entity within the scope of Islamic Financial Institutions. The most notable difference between Conventional Banks and Islamic Banks lies in the principle of profit obtained by the bank and the customer. However, the facts on the ground, the authors find that some customers do not understand where the difference in principle lies; many customers feel that it is the same thing. Moreover, the transfer of customers from using conventional banks to Islamic banks is followed by the government, making people inevitably convert. Therefore, it is one of the problems faced by Islamic banks, where they must provide education and understanding to customers, that there is a difference between the two things. In conjunction with the present issues, this study is written to analyze the Effect of Products and Human Resources on Customer Loyalty in the Post-Conversion of Bank Aceh Syariah, Indonesia. This cross-sectional study used primary data and obtained from distributing questionnaires to 100 respondents using the convenience sampling method. The data analyzed using multiple linear regression by assisting the statistical software, namely SPSS-23. The results showed that the product positively and significantly influenced Customer Loyalty at the Post-Conversion of Bank Aceh Syariah. Also, human Resources positively and significantly influenced Customer Loyalty at the Post-Conversion of Bank Aceh Syariah. Simultaneously, Products and Human Resources positively and significantly influenced Customer Loyalty at the Post-Conversion of Bank Aceh Syariah. In conclusion, this study has successfully identified that product and human resources positively affect customer loyalty at post-conversion of Bank Aceh Syariah, Indonesia.

## Keywords

Products, Human Resources, Customer Loyalty, Bank Aceh Syariah.

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## 1. Introduction

Islamic bank is a business entity within the scope of Islamic Financial Institutions (LKS). Aceh is one of the provinces with a strong Sharia political will in all aspects of life, one of which is in the banking sector, which is usually referred to as Qanun. Aceh Qanun No. 11 of 2018 concerning Islamic financial institutions (LKS) Qanun Number 8 of 2014 concerning Islamic law principles requires that financial institutions that will operate in Aceh must carry out their activities based on sharia principles—usually called Qanun. Aceh Qanun No. 11 of 2018 concerning sharia financial institutions (LKS) Qanun Number 8 of 2014 concerning Islamic law principles requires that financial institutions that will operate in Aceh must carry out their activities based on sharia principles of LKS) Qanun Number 8 of 2014. One of the banks in Aceh that has been converted to Islamic banking, namely Bank Aceh, became Bank Aceh Syariah.

The most prominent difference between Conventional Banks and Islamic Banks lies in the principle of profit obtained by the bank and customers. Conventional banks use the interest principle in operating and take maximum profits depending on the prevailing interest rate, nominal deposit, and time period. Meanwhile, Islamic banks operate using the principle of profit-sharing to determine the profit-sharing ratio made at the time of the contract and the level of profit sharing according to the level of total income. However, the facts on the ground, the authors find that some customers do not understand the difference in principle. Many customers feel that it is the same thing. The transfer of customers from conventional banks to Islamic Banks is followed by the government, which makes people inevitably have to convert. It is one of the problems with Islamic banks, where they must provide education and understanding to customers that there is a difference between the two things. Of course, the development of Islamic Banking must be supported by adequate Human Resources, both in terms of quality and quantity.

One of the banks that has started to implement a sharia operational system, namely Bank Aceh Syariah Bireuen Branch, is moving to improve the community's economy based on trust in realizing trust holders from customers and the principle of partnership in establishing cooperation between banks and customers. Therefore, the author tries to examine the influence of products and human resources on customer loyalty. The difference between this study and research conducted by other researchers is by looking at the products and human resources provided based on customer loyalty in seeing the changes that occurred after the conversion at Bank Aceh Syariah Bireuen Branch. The difference also lies in the research object where the author focuses on Bank Aceh Syariah Bireuen Branch. In a study by Petege, Worang & Ogi (2018), service quality and savings products simultaneously affect but not significantly. Service quality and savings products partially have an effect but are not significant. While savings products partially affect but not significantly on customer loyalty, savings bank North Sulawesi GO Manado.

## 2. Materials and Methods

This study uses quantitative methods. The quantitative approach explains existing phenomena or symptoms by using numerical or statistical data as the primary analysis material (Suharsaputra, 2014). The sampling method used in this study is non-probability sampling, where elements of the population do not have the same opportunity to be selected as research subjects. Then, the sampling technique used is convenience sampling. The analysis conducted to measure the strength of the relationship between two or more variables also shows the direction of the relationship between the dependent variable and the independent variable (Ghozali, 2016). The data analysis technique used is multiple linear analysis. Using a quantitative method, which is a method of analyzing the data obtained in the form of numbers which are then discussed and analyzed using statistical tools, namely the SPSS 22 program in the form of the Multiple Linear Regression (RLB) methods as follows:

$$Y=a+ b_1X_1+b_2X_2+e$$

Of these, the present study proposes the hypothesis, i.e., Ho: products have no effect on customer loyalty at the post-conversion aceh sharia bank Bireuen branch. Ha1: product affects customer loyalty at the post-conversion bireuen aceh sharia bank. Ho: human resources have no effect on customer loyalty at the post-conversion aceh sharia bank

Bireuen branch Ha2 human resources have an effect on customer loyalty at the Aceh sharia bank Bireuen branch after conversion. Ho products and human resources have no effect on customer loyalty at the aceh sharia bank bireuen branch after conversion, Ha3 products and human resources affect customer loyalty in Aceh sharia bank post-conversion Bireuen branch.

### 3. Results and Discussion

Table 1 indicates the products and human resources have simultaneously influenced customer loyalty is together. Based on the Adjusted R Square test results in this study, a value of 0.274 or 27.4% was obtained. This shows that 27.4% of the customer loyalty variables are influenced and can be explained by the two independent variables in this study, namely products and human resources. While, 72.6% is influenced by other variables not examined in this study. Based on the results, the Fstat value is 19.673, which means it is greater than Ftable ( $19.673 > 3.09$ ). It means that Ha is accepted with a Prob level (F-Statistic) of  $0.000 < 0.05$ , so it can be concluded that there is a significant simultaneous effect of product and resource variables. Human behavior towards customer loyalty at the Aceh sharia bank Bireuen branch after conversion.

**Table 1. ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	191.900	2	95.950	19.673	0.000 <sup>b</sup>
	Residual	473.100	97	4.877		
	Total	665.000	99			

Table 2 shows the product variable has a positive relationship with customer loyalty, with a coefficient value of 0.298 with a positive sign (+). These findings indicate that if the product variable increases by one Likert scale, customer loyalty will increase by 0.298. Furthermore, a significant value of  $0.001 < \text{from p-value is } 0.05$ , then there is an influence between x1, and Y. Human resources have a positive relationship to customer loyalty, with a coefficient value of 0.174 with a positive sign (+). This finding shows that human resources increase by one Likert scale. The customer loyalty variable will increase by 0.174 and a significant value of  $0.010 < \text{from p-value of } 0.05$ , then there is an influence between x2 and Y.

**Table 2. Hypothesis testing**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.386	1.344		6.240	0.000
	TOTALX1	0.298	0.088	0.344	3.383	0.001
	TOTALX2	0.174	0.067	0.266	2.612	0.010

### 4. Conclusions

Based on the results of the research above, we concluded that all variables, namely X1 (product), X2 (human resources), have a p-value smaller than 0.05, which means all variables are positive. The adjusted R square value shows the contribution of the independent variable to the dependent variable in a model. For example, the calculation results presented in the table above show the adjusted R square = 0.274 or 27.4%. It means that 27.4% of customer loyalty can be explained and influenced by product variables (X1) and human resources (X2), while the remaining 72.6% is influenced by other variables not included in the study.

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