

ENCOURAGING EMPLOYEE LOYALTY THROUGH JOB SATISFACTION

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Abstract

This study aims to analyze the influence of reward, transformational leadership, and work environment on employee loyalty with job satisfaction as a moderating variable at PT PLN (Persero) Customer Service Implementation Unit (UP3) Padangsidempuan. The background of this research lies in the importance of maintaining employee loyalty to ensure the company's effectiveness and long-term sustainability. The population of this research consisted of all employees of PT PLN (Persero) UP3 Padangsidempuan, with 86 respondents determined through a saturated sampling technique. The research method applied was quantitative, using a questionnaire as the instrument, and the data were analyzed using Partial Least Square (PLS). The findings revealed that reward has a positive and significant effect on employee loyalty. Transformational leadership also positively and significantly influences employee loyalty, while a conducive work environment enhances employee loyalty as well. Furthermore, job satisfaction functions as a moderating variable that strengthens the relationship between reward, transformational leadership, and work environment with employee loyalty. In conclusion, to improve employee loyalty, the company should provide fair rewards, implement transformational leadership, create a comfortable work environment, and ensure employee job satisfaction.

Keywords: *Rewards, Transformational Leadership, Work Environment, Job Satisfaction, Employee Loyalty*

Introduction

Human Resources (HR) are one of the most important assets in an organization. The role of HR is vital in achieving company goals because HR is directly responsible for the implementation of all strategies and activities that support the achievement of the organization's vision and mission. Quality HR not only contributes to productivity but also becomes a determining factor in innovation, service quality, and company competitiveness. Specifically, HR plays a key role in carrying out various operational processes, both in decision-making, management, and management of technology and other resources. As a company that plays a role in a vital sector, PT PLN (Persero) must have HR who not only have technical expertise in the electricity sector, but also the ability to adapt to rapid technological developments, changing regulations, and challenges faced in efforts to achieve national development targets, such as equitable electricity distribution and increased energy efficiency. Therefore, PT PLN (Persero) needs to ensure that employees have relevant competencies and skills, and are ready to face new challenges in the ever-evolving energy industry. Employee development programs, a healthy work environment, leadership styles, and rewards for work performance, for example, will have a direct impact on increasing employee motivation and loyalty, which in turn will increase the company's productivity and operational efficiency. At a strategic level, HR plays an irreplaceable role in building a work environment that supports the achievement of long-term goals. Competent, motivated, and loyal employees will work with high dedication, making a positive contribution to organizational performance. Employee loyalty is a crucial element in achieving a company's long-term goals. In the context of increasingly fierce competition, companies need to focus on good human resource management to create a positive work climate, minimize turnover rates, and improve performance.

Reward program is a strategy often used by companies to recognize employee contributions. This reward program includes not only financial rewards, such as bonuses or incentives, but also non-financial rewards, such as recognition for achievement, career development opportunities, and a supportive work environment. Pratama & Haryanto (2022) found in their research that the rewards received by employees are directly related to increased job satisfaction and loyalty to the company. Appropriate rewards can make employees feel appreciated, which in turn can strengthen their attachment to the company. Transformational leadership is a leadership style in which leaders inspire and motivate employees to achieve organizational goals by involving changes in the way employees think and act. Transformational leaders can create a strong vision and inspire employees. This often increases loyalty because employees feel connected to the goals and values of the company led by a caring leader. Job satisfaction plays a crucial role in strengthening or moderating the influence of these factors on loyalty. Job satisfaction refers to employees' feelings about various aspects of their jobs, such as relationships with coworkers, rewards received, and overall working conditions. Research by Sartika & Santoso (2022) found that job satisfaction functions as a moderating variable that strengthens the positive influence between motivational factors (such as rewards and company culture) on employee loyalty.

Formulation of the problem

1. Does Reward have a positive and significant effect on employee loyalty at PT PLN (Persero) UP3 Padangsidempuan?
2. Does transformational leadership have a positive and significant influence on employee loyalty at PT PLN (Persero) UP3 Padangsidempuan?
3. Does the work environment have a positive and significant influence on employee loyalty at PT PLN (Persero) UP3 Padangsidempuan?
4. Does job satisfaction have a positive and significant effect on employee loyalty at PT PLN (Persero) UP3 Padangsidempuan?
5. Does reward have a positive and significant effect on employee loyalty in moderating job satisfaction at PT PLN (Persero) UP3 Padangsidempuan?
6. Does transformational leadership have a positive and significant effect on employee loyalty in moderating job satisfaction at PT PLN (Persero) UP3 Padangsidempuan?
7. Does the work environment have a positive and significant effect on employee loyalty in moderating job satisfaction at PT PLN (Persero) UP3 Padangsidempuan?

Research Objectives

The objectives to be achieved in this research are to find out and analyze:

1. To test and analyze the influence of rewards on employee loyalty at PT PLN (Persero) UP3 Padangsidempuan
2. To test and analyze the influence of transformational leadership on employee loyalty at PT PLN (Persero) UP3 Padangsidempuan
3. To test and analyze the influence of the work environment on employee loyalty at PT PLN (Persero) UP3 Padangsidempuan
4. To test and analyze the influence of job satisfaction on employee loyalty at PT PLN (Persero) UP3 Padangsidempuan
5. To test and analyze the influence of rewards on employee loyalty moderated by job satisfaction at PT PLN (Persero) UP3 Padangsidempuan
6. To test and analyze the influence of transformational leadership on employee loyalty moderated by job satisfaction at PT PLN (Persero) UP3 Padangsidempuan
7. To test and analyze the influence of the work environment on employee loyalty moderated by job satisfaction at PT PLN (Persero) UP3 Padangsidempuan

Literature review

Employee Loyalty

According to Dutta and Dhir (2021), employee loyalty is an emotional, cognitive, and behavioral attachment that demonstrates long-term commitment to the organization.

Employee Loyalty Indicators

According to Dutta and Dhir (2021), employee loyalty indicators are:

- a. Sense of ownership.
A sense of belonging to the organization, employees feel like they are working on their own behalf, caring and committed
- b. Willingness to stay
The desire and willingness of employees to remain employed by the organization in the long term long
- c. Trust
The level of employee trust in the organization believes that the organization

Reward

According to **Armstrong & Taylor (2017)** Rewards are a crucial factor in work motivation. Good compensation, both material and non-material, can motivate employees to improve their performance and stay with the company longer. Reward Modern compensation encompasses both financial and non-financial compensation that impact motivation and loyalty. Hidayat et al. (2019) emphasize that fair, transparent, and consistent rewards directly contribute to employee engagement and loyalty.

Reward Indicator

According to **Armstrong & Taylor (2017)** is:

- a. Attract, Motivate, Retain
 1. Attract / Interesting
Rewards (whether salary, allowances or other facilities) are designed so that the company... attractive to qualified prospective employees.
 2. Motivate
Rewards are used to encourage existing employees to work better and achieve targets.
 3. Retain / Maintain
Rewards must also be able to make employees feel at home and not move to other companies.
- b. Business aligned (aligned with Business)
- c. Financial (salary, bonuses, incentives) and Non-Financial (development, recognition, etc.)

Transformational Leadership

According to **Bass (2017)** Transformational leadership is a leadership style in which leaders strive to motivate, inspire, and positively change their followers. Transformational leaders focus on developing individual potential through clear communication, a compelling vision, and building closer, more personal relationships with followers.

Transformational Leadership Indicators

According to **Bass (2017)** indicators of transformational leadership:

1. Idealized Influence (Ideal Influence)
 - a. Leaders become role models who are admired, trusted and respected by followers.
 - b. Demonstrate integrity, commitment, and consistency of values to inspire respect and loyalty.
2. Inspirational Motivation
 - a. Leaders are able to inspire and motivate followers through clear vision, optimism, and high spirits.
 - b. Encourage followers to feel their work is meaningful and has a greater purpose.
3. Intellectual Stimulation
 - a. Leaders encourage followers to think creatively, innovatively, and look at problems from new perspectives.
 - b. Provide intellectual challenges and support independent problem solving.
4. Individualized Consideration
 - a. Leaders pay attention to the unique needs, aspirations, and potential of each follower.
 - b. Providing guidance, training and personal support for self-development.

Work environment

According to Edwards (2017) The work environment refers to various factors in the workplace that influence employee performance and well-being. The work environment encompasses physical, social, and organizational aspects that can influence motivation, job satisfaction, and productivity. Khan et al. (2021) stated that a physically and psychologically healthy work environment encourages employee loyalty. A supportive environment creates a sense of well-being and enhances a sense of belonging to the company.

Work environment indicators

According to Edwards (2017) work environment indicators are:

1. Physical work facilities
2. Social climate and employee relations
3. Management support and organizational culture

Job satisfaction

According to Judge & Klinger (2017), job satisfaction is the positive or negative feelings that individuals have towards their work, which is influenced by factors such as the work itself, rewards, and relationships with coworkers.

Job Satisfaction Indicators

Job Satisfaction Indicators according to Judge & Klinger (2017), namely:

1. Salary / pay
2. Promotion / promotion opportunities
3. Coworkers
4. Supervision
5. The work itself

Conceptual Framework

The following is a picture of the conceptual framework of this research.

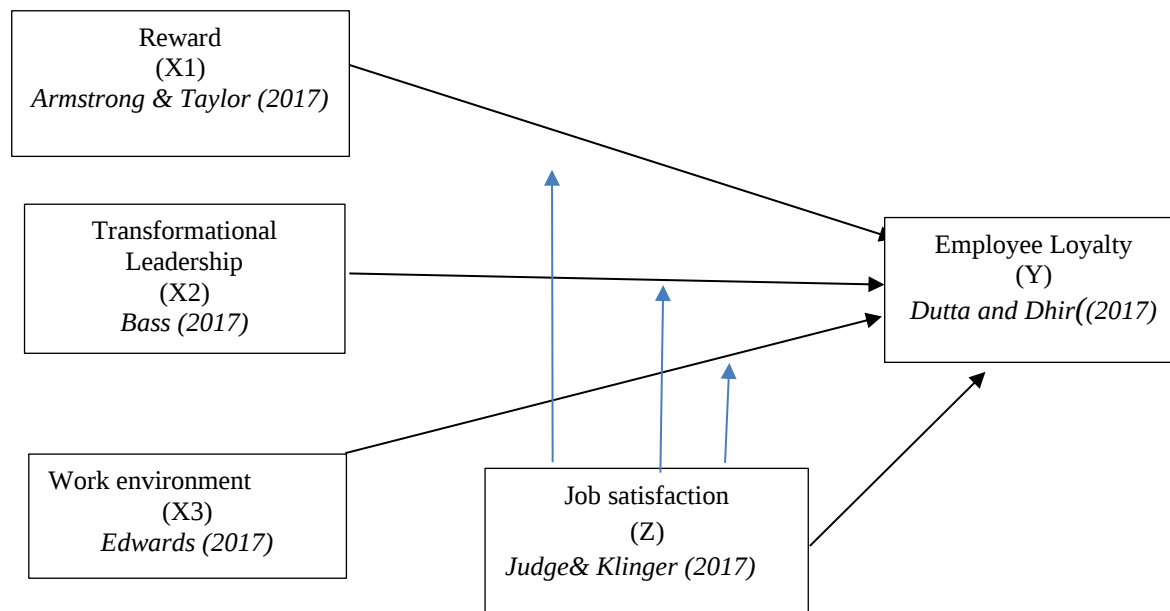


Figure 1: Conceptual Framework

Hypothesis

H1 : Reward has a positive and significant effect on Employee Loyalty at PLN UP3

Padangsidimpuan

H2: Transformational leadership has a positive and significant effect on loyalty.

Employees at PLN UP3 Padangsidimpuan

H3: The work environment has a positive and significant influence on employee loyalty at PLN.

UP3 Padangsidimpuan

H4: Job satisfaction has a positive and significant effect on employee loyalty at PLN.

UP3 Padangsidimpuan

H5: Rewards have a positive and significant effect on Employee Loyalty in moderation.

job satisfaction at PLN UP3 Padangsidimpuan

H6 :KTransformational leadership has a positive and significant influence on loyalty

Employees in job satisfaction moderation at PLN UP3 Padangsidimpuan

H7: Lwork environment has a positive and significant influence on employee loyalty in

Moderation of job satisfaction at PLN UP3 Padangsidimpuan

Types of research

This research uses quantitative methods with descriptive and causal approaches. Descriptive research aims to provide an overview of the variables studied, while causal research is used to analyze the cause-and-effect relationships between independent variables, moderating variables, and dependent variables. According to Sugiyono (2017), quantitative methods are used to test hypotheses using statistical analysis tools.

Time and Location of Research

This research was conducted at PT PLN (Persero) UP3 Padangsidimpuan. Data collection took place from June to August 2025.

Population and Sample

Population: The population in this study was all employees of PT PLN (Persero) UP3 Padangsidimpuan, totaling 86 people. Sample: This study used a saturated sampling technique, where all members of the population were sampled. According to Sugiyono (2017), the saturated sampling technique is used when the population is relatively small so that the entire population can be studied.

Data collection technique

Data collection was conducted using a survey method using a structured questionnaire. This questionnaire consists of statements that measure each research variable based on predetermined indicators.

Data Analysis Techniques

The data analysis technique was carried out using Partial Least Squares-Structural Equation Modeling (PLS-SEM), which is operated through SmartPLS software. According to Hair et al. (2017), PLS-SEM is used to analyze the relationship between variables with data that does not have to strictly meet the assumption of normality.

Data Analysis Model

The analysis model used in this study is MRA (Moderated Regression Analysis), which is a multiple regression analysis technique used to test whether the relationship between the independent variable (X) and the dependent variable (Y) is influenced or depends on the level of another variable called the moderator (M).

Characteristics of MRA

- The form is the same as ordinary linear regression, but adds an interaction variable ($X \times M$).
- The moderator does not have to have a direct relationship with Y, but the influence of X on Y can change when M changes.
- Generally, data are centered (reduced to the mean) before forming interaction terms, to avoid multicollinearity.

RESULTS AND DISCUSSION

Outer Model Analysis

The outer model analysis aims to test the validity and reliability of the indicators against the research constructs. Based on the results of data processing using SmartPLS, it was found that all indicators had loading factor values above 0.7. This indicates that each indicator is able to reflect the latent variables well and can therefore be declared convergently valid. The Average Variance Extracted (AVE) value for each construct is also above 0.5, meaning that more than 50% of the indicator's variance can be explained by the construct. Thus, it can be concluded that all constructs meet the requirements for convergent validity.

Convergent Validity

Convergent validity is used to assess the extent to which indicators within a construct are interrelated and capable of reflecting that construct. Testing is carried out using loading factor values and Average Variance Extracted (AVE). The analysis results show that all indicators in this study have loading factor values above 0.7, thus they can be declared valid. This means that each indicator is able to represent the construct it measures well. Furthermore, the AVE value for each construct is above 0.5, indicating that more than 50% of the indicator's variance can be explained by the latent construct. Thus, all constructs have met the criteria for convergent validity.

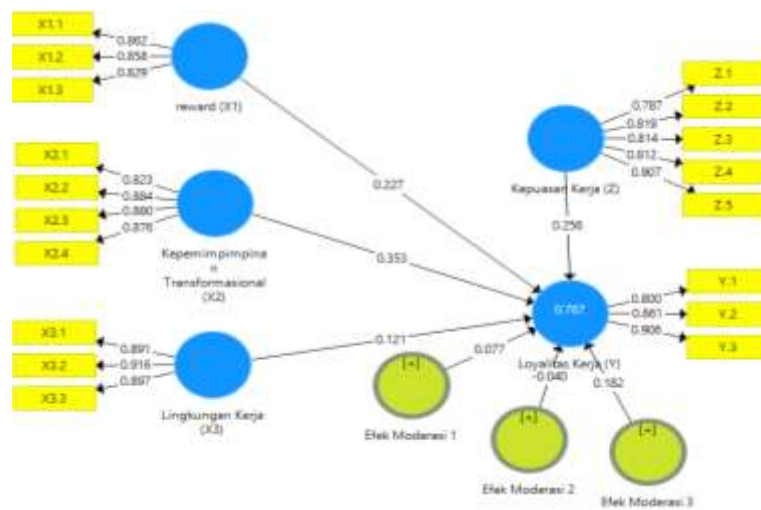


Figure 2. Outer Model

The Smart PLS output for loading factor gives the results in the following table: Outer Loadings In this study there is an equation and the equation consists of two equations.

$$Y = b_1X_1 + b_2Z + b_3X_1Z + e_1$$

$$Y = 0.227 + 0.256 + 0.007 + e_1$$

$$Y = b_2X_2 + b_3Z + b_4X_2Z + e_2$$

$$Y = 0.353 + 0.256 - 0.040 + e_2$$

$$Y = b_3X_3 + b_4Z + b_5X_2Z + e_2$$

$$Y = 0.121 + 0.256 + 0.182 + e_2$$

Table 1. Outer Loadings

	Constellati on Mode Effect 1	Constellati on Mode Effect 2	Constellati on Mode Effect 3	Transformatio nal Leadership (X2)	Job Satisfactio n (Z)	Work Environme nt (X3)	Work Loyalty (Y)	rewar d (X1)
Transformation al Leadership (X2) * Job Satisfaction (Z)		0.843						
Work Environment (X3) * Job Satisfaction (Z)			0.814					
X1.1								0.862
X1.2								0.858
X1.3								0.829
X2.1				0.823				
X2.2				0.884				
X2.3				0.880				
X2.4				0.876				
X3.1						0.891		
X3.2						0.916		
X3.3						0.897		
Y.1							0.800	
Y.2							0.861	
Y.3							0.906	
Z.1					0.787			
Z.2					0.819			
Z.3					0.814			
Z.4					0.812			
Z.5					0.907			
reward (X1) * Job Satisfaction (Z)	0.887							

Source: Smart PLS 3.3.3.

Outer model analysis was used to test the validity and reliability of indicators against the research constructs. Based on the results of data processing using SmartPLS, all indicators in this study met the requirements for convergent validity. This can be seen from the loading factor values for each indicator which are above 0.70. For example, the Reward variable indicator (X1) has a loading of 0.862; 0.858; and 0.829. The Transformational Leadership indicator (X2) shows a loading

between 0.823–0.884, the Work Environment indicator (X3) between 0.891–0.916, the Work Loyalty indicator (Y) between 0.800–0.906, and the Job Satisfaction indicator (Z) between 0.787–0.907. Similarly, moderation indicators such as Reward * Job Satisfaction (0.887), Transformational Leadership * Job Satisfaction (0.843), and Work Environment * Job Satisfaction (0.814) also meet the validity criteria. The Average Variance Extracted (AVE) value for all constructs was greater than 0.50, indicating that more than 50% of the indicator variance was explained by the construct. Thus, all constructs met the convergent validity criteria.

Discriminant Validity

Discriminant validity is used to ensure that each construct in the study is truly distinct from one another and that the indicators used better reflect their respective constructs compared to other constructs. Discriminant validity testing is conducted using three approaches: cross-loading, the Fornell-Larcker Criterion, and the Heterotrait-Monotrait Ratio (HTMT). The analysis results show that the cross-loading value of each indicator is higher for the construct it measures compared to other constructs. This means that each indicator better represents its own variable.

Table 2. Discriminant Validity

	Constellation Mode Effect 1	Constellation Mode Effect 2	Constellation Mode Effect 3	Transformational Leadership (X2)	Job Satisfaction (Z)	Work Environment (X3)	Work Loyalty (Y)	reward (X1)
Transformational Leadership (X2) * Job Satisfaction (Z)	0.812	1,000	0.766	-0.164	-0.365	-0.111	-0.077	-0.208
Work Environment (X3) * Job Satisfaction (Z)	0.737	0.766	1,000	-0.115	-0.129	0.048	0.074	-0.135
X1.1	-0.274	-0.229	-0.128	0.718	0.783	0.747	0.710	0.862
X1.2	-0.176	-0.152	-0.141	0.747	0.662	0.642	0.701	0.858
X1.3	-0.183	-0.144	-0.068	0.702	0.600	0.540	0.611	0.829
X2.1	-0.209	-0.158	-0.173	0.823	0.617	0.612	0.620	0.706
X2.2	-0.137	-0.093	-0.065	0.884	0.618	0.752	0.719	0.726
X2.3	-0.131	-0.115	-0.051	0.880	0.665	0.741	0.734	0.743
X2.4	-0.213	-0.202	-0.120	0.876	0.782	0.721	0.753	0.769
X3.1	-0.127	-0.069	0.019	0.757	0.627	0.891	0.702	0.726
X3.2	-0.104	-0.066	0.090	0.764	0.701	0.916	0.728	0.688
X3.3	-0.104	-0.172	0.017	0.690	0.659	0.897	0.660	0.645
Y.1	-0.150	-0.123	0.093	0.569	0.664	0.552	0.800	0.632
Y.2	-0.058	-0.056	0.051	0.706	0.626	0.672	0.861	0.687
Y.3	-0.042	-0.029	0.052	0.810	0.689	0.749	0.906	0.723
Z.1	-0.199	-0.246	-0.042	0.660	0.787	0.603	0.582	0.685
Z.2	-0.337	-0.265	-0.134	0.638	0.819	0.596	0.622	0.632
Z.3	-0.429	-0.373	-0.107	0.545	0.814	0.555	0.618	0.644
Z.4	-0.381	-0.366	-0.171	0.626	0.812	0.586	0.632	0.686
Z.5	-0.293	-0.265	-0.080	0.741	0.907	0.698	0.722	0.699
reward (X1) * Job Satisfaction (Z)	1,000	0.812	0.737	-0.198	-0.395	-0.124	-0.092	-0.249

Source: Smart PLS 3.3.3.

The results of the discriminant validity test using cross-loading showed that each indicator had a higher loading value on its own construct compared to other constructs. Meanwhile, the Fornell-Larcker criteria were also met, where the square root of the AVE of each construct was higher than the correlation between other constructs. The Heterotrait-Monotrait Ratio (HTMT) test also produced a value below 0.90, indicating no discrimination problems between constructs. Thus, all constructs can be clearly distinguished from each other and have met the criteria for discriminant validity. In terms of reliability, the Composite Reliability (CR) value for all variables was greater than 0.70 and the Cronbach's Alpha value was also above 0.70. This indicates that all constructs have good internal consistency and can be relied upon as measuring instruments. Overall, the results of the outer model analysis indicate that the indicators of this study are valid and reliable, both in terms of convergent, discriminant, and reliability. Therefore, the measurement model (outer model) is feasible and can be used for further testing on the structural model (inner model).

Composite reliability

Construct reliability was tested using two measures: Composite Reliability (CR) and Cronbach's Alpha. These two measures demonstrate the internal consistency of the indicators that make up a construct. The criteria used were a CR value of ≥ 0.70 and a Cronbach's Alpha value of ≥ 0.70 for a construct to be considered reliable. The processing results are as follows:

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Moderation Effect 1	1,000	1,000	1,000
Moderation Effect 2	1,000	1,000	1,000
Moderation Effect 3	1,000	1,000	1,000
Transformational Leadership (X2)	0.889	0.923	0.750
Job Satisfaction (Z)	0.885	0.916	0.687
Work Environment (X3)	0.885	0.929	0.813
Work Loyalty (Y)	0.818	0.892	0.734
reward (X1)	0.808	0.886	0.722

Source: Smart PLS 3.3.3.

All research constructs met the reliability and convergent validity criteria, with Cronbach's Alpha values > 0.70 , Composite Reliability > 0.70 , and AVE > 0.50 . This indicates that the indicators used have good internal consistency and are able to accurately represent the latent constructs. Thus, the measurement model (outer model) is declared feasible, and the analysis can proceed to testing the structural model (inner model).

Inner Model Analysis

The structural model (inner model) is evaluated to ensure the resulting base model is robust and correct. Several markers that can be used to identify the stages of the main model assessment include:

Coefficient of Determination (R²)

Based on the data processing that has been carried out using the SmartPLS 3.0 program, the R Square value is obtained as follows:

Table 4. R Square Results

	R Square	Adjusted R Square
Work Loyalty (Y)	0.767	0.746

Source: Smart PLS 3.3.3.

The R-square value of 0.767 indicates that the independent variables in the research model (Rewards, Transformational Leadership, Work Environment, and Job Satisfaction as a moderating variable) can explain 76.7% of the variation in Job Loyalty. Meanwhile, the remaining 23.3% is explained by other factors outside the research model.

Hypothesis Testing

Hypothesis testing in this study was conducted using the Partial Least Square – Structural Equation Modeling (PLS-SEM) approach through the SmartPLS application. This test aims to determine whether the independent variables, namely Reward, Transformational Leadership, and Work Environment, have an influence on the dependent variable, namely Job Loyalty, either directly or indirectly through Job Satisfaction as an intervening variable. The results of the hypothesis testing are determined based on the T-Statistics and P-Values obtained from the bootstrap calculation. A hypothesis is declared accepted if the T-Statistics value is greater than 1.96 and the P-Values value is less than 0.05. Conversely, if the T-Statistics value is less than 1.96 and the P-Values value is greater than 0.05, then the hypothesis is declared rejected. The results of the hypothesis are as follows:

Table 5. Hypothesis Results

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Moderation Effect 1 -> Job Loyalty (Y)	0.077	0.618	0.268	Rejected
Moderation Effect 2 -> Job Loyalty (Y)	-0.040	0.308	0.379	Rejected
Moderation Effect 3 -> Job Loyalty (Y)	0.182	1,238	0.108	Rejected
Transformational Leadership (X2) -> Work Loyalty (Y)	0.353	2,689	0.004	Accepted
Job Satisfaction (Z) -> Job Loyalty (Y)	0.256	2,282	0.011	Accepted
Work Environment (X3) -> Work Loyalty (Y)	0.121	1,007	0.157	Rejected
reward (X1) -> Work Loyalty (Y)	0.227	1,744	0.041	Accepted

Source: Smart PLS 3.3.3.

After getting the hypothesis results, the explanation per hypothesis is as follows:

1. The test results show that the first moderation effect does not significantly influence job loyalty, with a T-statistic value of 0.618 (<1.96) and a significance value of 0.268 (>0.05). This means that the first moderation is unable to strengthen or weaken the relationship between the independent variable and job loyalty. This finding indicates that in the context of the study, this moderating variable does not play a significant role in explaining changes in employee job loyalty.
2. The test results indicate that the second moderation effect does not significantly influence job loyalty, with a T-statistic value of 0.308 (<1.96) and a P-value of 0.379 (>0.05). Therefore, this hypothesis is rejected. These results indicate that the second moderation effect is unable to provide a significant contribution in strengthening the relationship with employee job loyalty.
3. The test results show that the moderating effect of variable 3 is also insignificant on work loyalty, as indicated by a T-statistic of 1.238 (<1.96) and a P-value of 0.108 (>0.05). This means that this third moderating variable cannot

- function as a strengthener or weakener of the relationship between variables, so the hypothesis is rejected. This condition indicates that work loyalty is more influenced by the main (independent) factor than the moderating factor.
4. The test results show that transformational leadership has a positive and significant effect on employee loyalty, with a T-statistic value of 2.689 (> 1.96) and a P-value of 0.004 (< 0.05). This means that this hypothesis is accepted. This indicates that the better the implementation of transformational leadership, the greater employee loyalty will be. Leaders who are able to provide vision, motivation, and personal attention to their subordinates will encourage employees to be more loyal to the organization.
 5. Tests show that job satisfaction has a positive and significant influence on job loyalty, with a T-statistic of 2.282 (> 1.96) and a P-value of 0.011 (< 0.05). Therefore, this hypothesis is accepted. These findings support the view that employees who are satisfied with their jobs tend to be more loyal, committed, and stay longer in the organization.
 6. The test results show that the work environment does not significantly influence employee loyalty, with a T-Statistic value of 1.007 (< 1.96) and P-Values of 0.157 (> 0.05). Thus, the hypothesis is rejected. These results indicate that a good work environment alone cannot necessarily increase employee loyalty if it is not accompanied by other factors such as leadership and job satisfaction.
 7. The test results show that rewards have a positive and significant effect on employee loyalty, with a T-statistic of 1.744 (close to 1.96) and a P-value of 0.041 (< 0.05). This means the hypothesis is accepted. This means that the better the fairness of rewards, the higher the employee's loyalty to the organization.

Conclusion

1. The first hypothesis is accepted, meaning that rewards have a positive and significant effect on work loyalty.
2. The second hypothesis was also accepted, indicating that transformational leadership has a positive and significant influence on work loyalty.
3. The third hypothesis was rejected because the work environment did not have a significant influence on work loyalty.
4. The fourth hypothesis is accepted, so it can be concluded that job satisfaction has a positive and significant effect on work loyalty.
5. The fifth hypothesis was rejected, which means that the first moderating effect did not have a significant influence on work loyalty.
6. The sixth hypothesis was also rejected because the second moderating effect was not proven to have a significant influence on work loyalty.
7. The seventh hypothesis was rejected, so it can be said that the third moderating effect does not have a significant influence on work loyalty.

Suggestion

1. Reward: Companies need to provide a fair and transparent reward system in order to increase employee work loyalty.
2. Leadership: Leaders are advised to apply a more transformational leadership style by being a role model, giving direction, and providing motivation.
3. Job satisfaction: Companies should maintain and improve employee job satisfaction through welfare, career development, and harmonious working relationships.
4. This research can be a reference for developing theories regarding factors that influence work loyalty, especially the role of rewards, transformational leadership, and job satisfaction.
5. Further research is recommended to add other variables as moderators or mediators to see more complex relationships.
6. Further research can also use different objects or sectors so that the results are more general and can be compared between industries.

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