

EMPLOYEE LOYALTY TRANSFORMATION: MOTIVATION, DISCIPLINE, WORK ENVIRONMENT, COMMITMENT AS A MODERATOR



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Abstract

This study investigates the impact of work motivation, work discipline, and work environment on employee loyalty at PT Java Indosinergi Creative, with commitment serving as a mediating variable. Data were collected through surveys from the company's permanent employees and analyzed using robust statistical methods. The findings reveal several significant insights: firstly, work motivation positively influences employee loyalty, indicating that motivated employees demonstrate stronger allegiance to the organization. Secondly, work discipline also plays a crucial role, as employees with higher discipline levels exhibit greater loyalty. Interestingly, while a conducive work environment shows a positive influence on loyalty, its direct impact is not statistically significant, suggesting the presence of other influential factors. Moreover, employee commitment was identified as a mediator between work motivation/discipline and employee loyalty, underscoring the pivotal role of commitment in enhancing employee allegiance. However, commitment does not significantly mediate the relationship between the work environment and employee loyalty. These results are consistent with previous research but emphasize the necessity for further exploration into additional factors influencing employee loyalty. Practically, organizations are advised to bolster employee motivation and discipline while fostering a supportive work environment to bolster loyalty effectively. Socially, this research aids companies in comprehending the nuances of employee loyalty dynamics, enabling them to craft more effective human resource management strategies that promote retention and cultivate a harmonious workplace culture.

Keywords: Work Motivation, Work Discipline, Work Environment, Commitment

INTRODUCTION

The role of human resources (HR) in modern companies is not only as the driving force behind operational activities but also as the strategic key to achieving organizational goals. A company's success is intrinsically linked to the quality of its HR (Kamaludin, Alamsyah., Irwandi., N., Sujana., Putri, Ayu, Eka, 2023) (Elli, 2022) (Freddy, Chris, M., Renuga, Devi, 2022) (Malcolm, 2023). Gorda (2004) emphasizes that investing in the development of quality HR is a crucial step for an organization's long-term success. The higher the quality of HR, the better the achievements that can be realized. Conversely, low-quality HR can impede a company's growth and sustainability (Hrelja, Marko., W., M., Devin., 2023)(“Revisiting the Concept of Human Resource Management,” 2023)

PT Java Indosinerji Creative, a company operating in various sectors, including food processing, procurement of tools and goods, and event organizing, faces significant challenges in managing its HR. Initial observations indicate that the food processing sector, particularly the production of healthy fruit snacks, faces serious issues related to employee loyalty. Food production requires specific skills and a high physical workload, making employee loyalty crucial for maintaining production quality and meeting the high monthly market demand (Sukhumpong, 2023)

Previous studies, such as those by Onsardi et al (Onsardi, 2018), have established important indicators for measuring employee loyalty, including adherence to regulations, task performance ability, teamwork, and a sense of belonging to the company. This study underscores the importance of psychological and organizational factors in fostering sustainable employee loyalty. (*The Role of Human Property Administration in Quality Management in the Public Sector*, 2023)

Field observations also reveal a high employee turnover phenomenon at PT Java Indosinerji Creative. Annual turnover data show alarming rates, with 33% of the total employees leaving the company within a year. High turnover rates not only affect team morale and cohesion but also negatively impact the company's efficiency and operational continuity (Citra, 2019).

This study proposes a new approach to identifying and analyzing the factors influencing employee loyalty in the food production sector of PT Java Indosinerji Creative.

In this context, the novelty of the research lies in the in-depth analysis of relevant variables such as work motivation, work discipline, and work environment, and their influence on employee loyalty over a certain period (Malcolm, 2023).

The main objective of this study is to identify the most influential factors on employee loyalty at PT Java Indosinerji Creative, particularly in the food production sector. Additionally, the study aims to provide strategic recommendations to the company's management to improve working conditions that support employee loyalty and reduce the high turnover rate. By doing so, it is expected to enhance productivity, operational continuity, and overall company production targets (Elli, 2022).

This research employs a qualitative approach with a case study method as its framework. Data collection is conducted through in-depth interviews with employees from various levels within the food production organizational structure of PT Java Indosinerji Creative. Furthermore, internal company documentation analysis, such as turnover data and performance evaluations, is also performed to gain a comprehensive understanding of the issues faced (Kamaludin, Alamsyah., Irwandi., N., Sujana., Putri, Ayu, Eka, 2023).

The theoretical implications of this research are expected to fill knowledge gaps in HR management literature, particularly in the context of the food processing industry in Indonesia. The findings of this study are anticipated to make a significant contribution to understanding how internal organizational factors influence employee loyalty (Ramadhan, R., Pongtuluran, Y., & Wahyuni, 2020).

Practically, the results of this study will guide the management of PT Java Indosinerji Creative in designing more effective policies and strategies to retain quality employees and reduce turnover rates. By improving working conditions, providing appropriate incentives, and developing relevant training programs, the company can enhance employee loyalty and directly improve productivity and operational sustainability (Rifaldo, 2020).

Overall, this study aims to delve into and identify the challenges faced by PT Java Indosinerji Creative in maintaining employee loyalty in the food production sector. By focusing on an in-depth analysis of work motivation, work discipline, and work environment, this research is expected to provide a better understanding of the internal dynamics affecting the company's long-term strategic success. Consequently, this research marks the initial step

in developing sustainable solutions to improve HR quality and company sustainability (Ni, Made, Sumantri., Ni, Wayan, 2023).

REVIEW OF LITERATURE

The Impact of Work Motivation on Employee Loyalty

Work motivation is a pivotal factor influencing employee loyalty to the company. According to Citra (Citra, 2019), high levels of work motivation are directly associated with increased employee loyalty. Motivation can be categorized into intrinsic and extrinsic types. Intrinsic motivation originates from within the employee, such as job satisfaction, while extrinsic motivation includes financial and non-financial incentives provided by the company. Didin and Hikmah emphasize that both intrinsic and extrinsic motivations play a significant role in enhancing employee commitment and loyalty. Motivated employees are likely to invest more emotionally and mentally in their work, thereby increasing their loyalty to the company (Didin, Hikmah, 2023)

The Impact of Work Discipline on Employee Loyalty

Work discipline is crucial for creating a productive and harmonious work environment. Hidayati found that employees with high work discipline tend to be more loyal to the company (Hidayati, E. W., Supriyanto, A. S., & Ekowati, 2021). Work discipline involves adherence to company rules, responsibility in completing tasks, and effective time management. Disciplined employees often exhibit higher levels of loyalty because they feel more aligned with the company's values and goals. Rumoning, also confirms that good work discipline not only enhances employee performance but also strengthens their emotional attachment to the company (Rumoning, 2018).

The Impact of Work Environment on Employee Loyalty

A supportive and conducive work environment plays a significant role in boosting employee loyalty. Kamaluddin et al, state that a positive, inclusive, and supportive work environment can significantly enhance employee commitment and loyalty (Kamaludin, Alamsyah., Irwandi., N., Sujana., Putri, Ayu, Eka, 2023). Key aspects of a favorable work environment include harmonious relationships among employees, fair treatment, team support, and growth opportunities. Ni Wayan Ayu also finds that comfort and support in the

work environment significantly boost employee loyalty. However, this study also indicates that the work environment alone is insufficient; companies must also consider other factors such as interpersonal communication and team support to truly enhance employee loyalty (I Wayan Ayu, 2019).

The Role of Commitment as a Mediating Variable

Employee commitment is often seen as a crucial mediator in the relationship between variables like motivation, work discipline, and work environment with employee loyalty. Commitment can be defined as the employees' desire to remain part of the organization and contribute to its goals. According to Hasyim et al, high commitment can amplify the effects of motivation and work discipline on loyalty (Hasyim, W., Putra, M., & Wijayati, 2022). Hidayati et al show that work commitment mediates the relationship between work environment and employee loyalty, enhancing loyalty through increased commitment. Employees with high commitment levels tend to be more loyal and contribute more significantly to the company (Hidayati, E. W., Supriyanto, A. S., & Ekowati, 2021).

RESEARCH METHOD

This study was conducted at PT Java Indosinerji Creative, Malang City, East Java. The choice of research location is based on the significant phenomenon related to human resources (HR) that potentially affects employee loyalty and the observed decline in production in the past year. The study was carried out from February to April 2024, with the subjects being all permanent employees of PT Java Indosinerji Creative.

This research employs a quantitative approach with descriptive quantitative analysis and explanatory research methods. Explanatory research aims to test the causal relationships between the hypothesized variables, namely motivation, work discipline, work environment, and commitment toward employee loyalty. According to Singarimbun and Effendy, explanatory research tests the cause-and-effect relationships between the variables under investigation (Andi Ibrahim, 2018).

The population of this study consists of all permanent employees of PT Java Indosinerji Creative, totaling 40 individuals. The annual employee data can be seen in Table 1. The sample for this study uses the saturated sample (census) method, where all members

of the population (40 individuals) are included as the sample. This method is chosen because the limited number of the population allows for the use of all members as the sample.

Table 1
Permanent Employee Data of PT Java Indosinergi Creative

Year	Permanent Employees	Resigned Employees	Employee Turnover Rate
2021	63	8	13%
2022	53	10	19%
2023	40	13	33%

Source: Researchers, 2024

Data analysis was conducted using smartPLS-SEM software version 4.0.9.4. PLS was chosen for its flexibility in handling non-normal data and models with small sample sizes. The analysis included a measurement model (outer model) for validity and reliability, as well as a structural model (inner model) to test hypotheses and relationships between variables (Ghozali, 2021). The steps in data analysis were as follows: a) Data Collection: Data were collected through questionnaires distributed to all permanent employees. The questionnaire was designed to measure motivation, work discipline, work environment, commitment, and employee loyalty; b) Validity and Reliability Testing: Validity testing ensured that the research instruments measured what they were supposed to measure. Reliability testing ensured the consistency of measurement outcomes; c) Measurement Model Analysis (Outer Model): This analysis involved testing the relationships between indicators and the constructs they represent; d) Structural Model Analysis (Inner Model): This analysis was used to test formulated hypotheses, specifically the relationships between motivation, work discipline, work environment, commitment, and employee loyalty; e) Interpretation of Results: The analysis results were interpreted to understand how the studied variables influence employee loyalty. These findings were then used to provide recommendations to the management of PT Java Indosinergi Creative.

RESULTS AND DISCUSSION

Validity Testing

Validity testing in this study was conducted using the smartPLS-SEM software (Partial Least Squares-Structural Equation Modeling). The validity assessment involved conducting tests for convergent validity and discriminant validity.

Convergent Validity

Convergent validity is evaluated based on the loading factor values and Average Variance Extracted (AVE). Convergent validity is considered satisfactory if the loading factor values are > 0.7 and $AVE > 0.5$. The loading factor values from the convergent validity testing results in the first data processing can be seen in Table 4 and Figure 1 below.

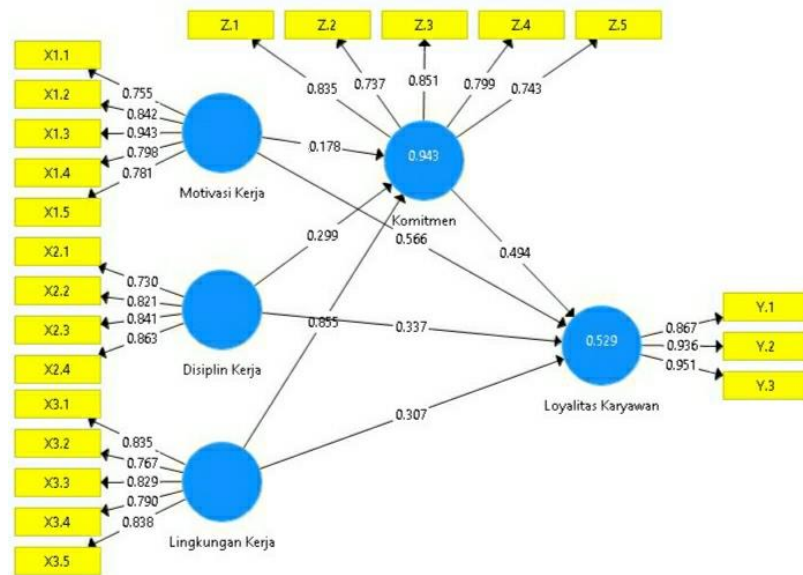


Figure 1
Data Processing Results

Source: Primary data processed by the researchers (2024)

Table 1
Loading Factor Values for the Second Data Processing

Variable	Instruments	Loading Factor	Rule of Thumb	Conclusions
Work Motivation (X1)	X1.1	0.755	0,7	Valid
	X1.2	0.842	0,7	Valid
	X1.3	0.943	0,7	Valid
	X1.4	0.798	0,7	Valid
	X1.5	0.781	0,7	Valid

Work Discipline (X2)	X2.1	0.730	0,7	Valid
	X2.2	0.821	0,7	Valid
	X2.3	0.841	0,7	Valid
	X2.4	0.863	0,7	Valid
Work Environment (X3)	X3.1	0.835	0,7	Valid
	X3.2	0.767	0,7	Valid
	X3.3	0.829	0,7	Valid
	X3.4	0.790	0,7	Valid
	X3.5	0.838	0,7	Valid
Employee Loyalty (Y)	Y.1	0.867	0,7	Valid
	Y.2	0.936	0,7	Valid
	Y.3	0.951	0,7	Valid
Commitment (Z)	Z.1	0.835	0,7	Valid
	Z.2	0.737	0,7	Valid
	Z.3	0.851	0,7	Valid
	Z.4	0.799	0,7	Valid
	Z.5	0.743	0,7	Valid

Source: Primary data processed by the authors (2024)

Based on the results of convergent validity testing in the third data processing stage, as shown in Table 2 above, it can be observed that all instruments meet the criteria and are deemed valid because they have loading factors > 0.7 . Subsequent convergent validity testing considers the Average Variance Extracted (AVE) values. Indicator variables are considered valid if they have AVE values > 0.5 . The Average Variance Extracted (AVE) values from the convergent validity testing can be seen in Table 2 below.

Table 3
Average Variance Extracted (AVE) Values

Variable	Average Variance Extracted (AVE)	Rule of Thumb	Conclusions
Work Motivation	0,683	0,5	Valid
Work Discipline	0,665	0,5	Valid
Work Environment	0,660	0,5	Valid
Commitment	0,631	0,5	Valid
Employee Loyalty	0,843	0,5	Valid

Source: Primary data processed by the author (2024)

In Table 3 above, it can be seen that the Average Variance Extracted (AVE) values for each construct are > 0.5 , indicating that convergent validity has been satisfied.

Discriminant Validity

Discriminant validity testing is evaluated based on cross-loading values and the Fornell-Larcker criteria. Discriminant validity testing is conducted at the level of indicators and variables. At the indicator level, cross-loading measures are used, where each measurement item that measures a construct/variable should correlate higher with its measured construct/variable and correlate lower with other variables. Cross-loading values can be seen in Table 4 below.

Table 4
Cross-Loading Values

Indicator	Variable					Conclusions
	Work Motivation	Work Discipline	Work Environment	Commitment	Employee Loyalty	
X1.1	0,755	0,583	0,608	0,582	0,497	Valid
X1.2	0,842	0,770	0,754	0,750	0,770	Valid
X1.3	0,943	0,813	0,842	0,789	0,698	Valid
X1.4	0,798	0,707	0,829	0,700	0,571	Valid
X1.5	0,781	0,730	0,739	0,754	0,336	Valid
X2.1	0,653	0,730	0,676	0,799	0,440	Valid
X2.2	0,679	0,821	0,745	0,724	0,540	Valid
X2.3	0,752	0,841	0,689	0,665	0,544	Valid
X2.4	0,769	0,863	0,826	0,789	0,612	Valid
X3.1	0,820	0,772	0,835	0,835	0,667	Valid
X3.2	0,657	0,730	0,767	0,737	0,322	Valid
X3.3	0,798	0,707	0,829	0,700	0,571	Valid
X3.4	0,690	0,737	0,790	0,772	0,547	Valid
X3.5	0,744	0,730	0,838	0,851	0,509	Valid
Y.1	0,550	0,574	0,515	0,529	0,867	Valid
Y.2	0,618	0,571	0,570	0,504	0,936	Valid
Y.3	0,768	0,659	0,695	0,614	0,951	Valid
Z.1	0,820	0,772	0,835	0,835	0,667	Valid
Z.2	0,657	0,730	0,767	0,737	0,322	Valid
Z.3	0,744	0,730	0,838	0,851	0,509	Valid
Z.4	0,653	0,730	0,676	0,799	0,440	Valid
Z.5	0,541	0,680	0,688	0,743	0,402	Valid

Source: Primary data processed by the author (2024)

Based on Table 4 above, it can be seen that the cross-loading values for each measurement instrument meet the criteria for discriminant validity. This is indicated by the higher correlation of each measurement item with the construct/variable it measures compared to other variables. Therefore, all measurement instruments are deemed valid.

Discriminant validity at the variable level is assessed using the Fornell-Larcker Criterion. The Fornell-Larcker Criterion compares the square root of AVE with the correlations among variables. The Fornell-Larcker Criterion values can be seen in Table 5 below.

Table 2
Fornell-Larcker Criterion

Variable	Work Motivation	Work Discipline	Work Environment	Commitment	Employee Loyalty
Work Motivation (X1)	0,827	0,815			
Work Discipline (X2)		0,917		0,794	
Work Environment (X3)		0,905	0,812	0,962	
Commitment (Z)		0,658	0,655	0,601	0,918
Employee Loyalty (Y)		0,877	0,917	0,868	0,713

Source: Primary data processed by the author (2024)

In Table 5 above, the bolded figures represent the square root of the AVE. According to the Fornell and Larcker criteria, the model has good discriminant validity if the square root of the AVE of a variable is greater than the correlation between the variables. Based on Table 5 above, it can be seen that discriminant validity is satisfied because the square root of the AVE for each variable is greater than the correlation between the variables.

Reliability Testing

Composite Reliability

Composite reliability is used to measure internal consistency. If the composite reliability value is > 0.7 , then the construct has high reliability. According to Ghozali (Ghozali, 2021), composite reliability in the range of 0.6 to 0.7 is still acceptable for exploratory research. The results of composite reliability testing can be seen in Table 6 below.

Table 6
Composite Reliability Values

Variable	Composite Reliability	Rule of Thumb	Conclusions
Work Motivation (X1)	0,915	$> 0,7$	Reliabel
Work Discipline (X2)	0,888	$> 0,7$	Reliabel
Work Environment (X3)	0,906	$> 0,7$	Reliabel
Commitment (Z)	0,895	$> 0,7$	Reliabel
Employee Loyalty (Y)	0,942	$> 0,7$	Reliabel

Source: Primary data processed by the author (2024)

Based on the results of composite reliability testing in Table 6 above, it can be observed that all variables are considered reliable as they have composite reliability values > 0.7.

Cronbach’s Alpha

Cronbach's Alpha is used to diagnose the consistency of the entire scale by looking at Cronbach's Alpha is used to diagnose the consistency of the entire scale by examining the reliability coefficient. If the Cronbach's Alpha value is > 0.7, the construct is considered to have high reliability. According to Ghozali (Ghozali, 2021), a Cronbach's Alpha > 0.6 is still acceptable for exploratory research. The results of Cronbach's Alpha testing can be seen in Table 7 below.

Table 7
Cronbach's Alpha Values

Variable	Cronbach’s Alfa	Rule of Thumb	Conclusion
Work Motivation (X1)	0,883	0,7	Reliable
Work Discipline (X2)	0,830	0,7	Reliable
Work Environment (X3)	0,871	0,7	Reliable
Commitment (Z)	0,853	0,7	Reliable
Employee Loyalty (Y)	0,907	0,7	Reliable

Source: Primary data processed by the author (2024)

Based on the results of Cronbach's Alpha testing in Table 7 above, it can be observed that all variables are deemed reliable as they have Cronbach's Alpha values > 0.7. A Cronbach's Alpha > 0.7 indicates high reliability for the constructs, confirming that the research instruments used are reliable and suitable for measurement.

Inner Model

If the evaluation results of the measurement model (outer model) indicate that all instruments have been deemed valid and reliable, the process proceeds with the evaluation of the structural model (inner model). The structural model (inner model) illustrates the relationships and influences between the research variables or hypotheses constructed (Joseph, F., Hair Jr., G., Tomas, M., Hult., Christian, M., Ringle., Marko, Sarstedt., Nicholas, P., Danks., Soumya, 2021) on of the structural model is conducted through tests for multicollinearity, determination coefficients (R-Square), and hypothesis testing.

Multicollinearity Testing

Before hypothesis testing in the structural model, multicollinearity testing is conducted. Multicollinearity testing aims to identify multicollinearity among variables in the model. The test utilizes the Variance Inflation Factor (VIF) values. A recommended VIF value is < 5 , indicating no multicollinearity issues among variables (Hair, 2021). The results of the Variance Inflation Factor testing can be seen in Table 8 below.

Table 8
Variance Inflation Factor (VIF) Values

Indicator	VIF	Rule of Thumb	Conclusions
X1.1	2,034	< 5	Not multicollinear
X1.2	2,573	< 5	Not multicollinear
X1.3	4,234	< 5	Not multicollinear
X1.4	2,169	< 5	Not multicollinear
X1.5	1,895	< 5	Not multicollinear
X2.1	1,536	< 5	Not multicollinear
X2.2	2,311	< 5	Not multicollinear
X2.3	2,227	< 5	Not multicollinear
X2.4	2,149	< 5	Not multicollinear
X3.1	2,366	< 5	Not multicollinear
X3.2	2,123	< 5	Not multicollinear
X3.3	2,344	< 5	Not multicollinear
X3.4	2,010	< 5	Not multicollinear
X3.5	2,290	< 5	Not multicollinear
Y.1	2,275	< 5	Not multicollinear
Y.2	3,982	< 5	Not multicollinear
Y.3	4,156	< 5	Not multicollinear
Z.1	2,145	< 5	Not multicollinear
Z.2	1,639	< 5	Not multicollinear
Z.3	2,488	< 5	Not multicollinear
Z.4	1,991	< 5	Not multicollinear
Z.5	1,663	< 5	Not multicollinear

Source: Primary data processed by the authors (2024)

Based on Table 8 above, it can be seen that all items have VIF (Variance Inflated Factor) values < 5 , indicating a low level of multicollinearity between variables. This suggests that the parameter estimation results in SEM-PLS are robust (not biased).

R-Square

The R-squared value is used to measure how much the exogenous variables influence the endogenous variables. According to Ghozali (Ghozali, 2021), changes in the R-Square

value provide information about the extent to which exogenous latent variables influence endogenous latent variables. A higher R-Square value indicates a greater influence of exogenous latent variables on endogenous latent variables. Hair et al. (Joseph, F., Hair Jr., G., Tomas, M., Hult., Christian, M., Ringle., Marko, Sarstedt., Nicholas, P., Danks., Soumya, 2021) categorize R-Square values into three categories: strong (> 0.75), moderate ($0.50-0.75$), and weak (< 0.50). The results of the coefficient of determination (R-Square) from this study can be seen in Table 9 below.

Table 9
Coefficient of Determination (R-Square)

Variable	R-Square
Employee Loyalty (Y)	0,529

Source: Primary data processed by the author (2024)

Based on the coefficient of determination (R-Square) values in the above table, it can be observed that the R-Square value for employee performance is 0.529. This indicates that the variables of work motivation, work discipline, and work environment collectively influence employee loyalty by 52.9% through the variable of commitment. The remaining 47.1% is influenced by other factors not included in this study. The impact of work motivation, work discipline, and work environment on employee loyalty through the commitment variable can be categorized as moderate.

Hypothesis Testing

Hypothesis testing is used to evaluate the extent of relationships or influences among latent constructs. In smartPLS-SEM applications, hypothesis testing is conducted through bootstrapping procedures. The results of hypothesis testing via bootstrapping can be observed in the path coefficients for direct effects and Total Indirect Effects for indirect effects).

Hair et al. (Joseph, F., Hair Jr., G., Tomas, M., Hult., Christian, M., Ringle., Marko, Sarstedt., Nicholas, P., Danks., Soumya, 2021) explain that the original sample values indicate the direction of relationships among variables in the research sample (Melinde, Coetzee., Nadia, Ferreira., Ingrid, L., 2015). Original sample values are used to determine the direction of influence of a variable: if the original sample value > 0.0 , it indicates a positive influence; whereas if the original sample value < 0.0 , it indicates a negative

influence. Hypothesis testing between variables is conducted by examining the t-statistics or p-values. For hypothesis testing using t-statistics with a 5% alpha level, the critical value is 1.96. If the p-value is less than 0.05, then there is a significant influence between the variables.

Direct Effects

The results of path coefficient testing can be observed in Figure 2 and Table 10 below.

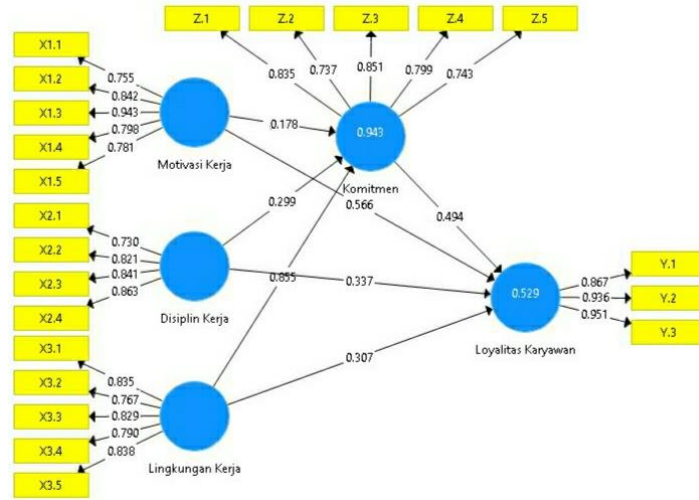


Figure 2
Path Coefficients

Source: Primary data processed by the researchers (2024)

Table 3
Path Coefficients

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Work Discipline -> Commitment	0,299	0,303	0,088	3,398	0,001
Work Discipline -> Employee Loyalty	0,189	0,195	0,313	0,604	0,055
Work Environment -> Commitment	0,855	0,873	0,153	5,605	0,045
Work Environment -> Employee Loyalty	0,116	0,143	0,334	0,347	0,073
Work Motivation -> Commitment	0,178	0,197	0,176	1,008	0,031

Work Motivation ->	0,654	0,676	0,322	2,029	0,043
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Source: Primary data processed by the author (2024)

Based on Table 10 above, the results for each direct effect hypothesis test are outlined as follows:

H1 : Motivation significantly influences Employee Loyalty

The relationship between the variable Motivation and the variable Employee Loyalty has an original sample value of $0.654 > 0.0$, indicating a positive influence between them. The p-value of $0.043 < 0.05$ shows that this relationship is statistically significant. Therefore, it can be concluded that Motivation has a positive and significant impact on Employee Loyalty. Thus, hypothesis H1 can be accepted.

H2 : Work discipline significantly influences Employee Loyalty.

The relationship between Work Discipline and Employee Loyalty has an original sample value of $0.189 > 0.0$, indicating a positive influence between them. The p-value of $0.05 < 0.05$ shows that this relationship is statistically significant. Thus, it can be concluded that Work Discipline has a positive and significant impact on Employee Loyalty. Therefore, hypothesis H2 is accepted.

H3 : Work environment significantly influences Employee Loyalty.

The relationship between Work Environment and Employee Loyalty has an original sample value of $0.494 > 0.0$, indicating a positive influence between them. However, the p-value of $0.073 > 0.05$ shows that this relationship is not statistically significant. Therefore, it cannot be concluded that Work Environment significantly affects Employee Loyalty. Thus, hypothesis H3 must be rejected.

H4 : Motivation significantly influences Commitment.

The relationship between the variable Motivation and the variable Commitment has an original sample value of $0.654 > 0.0$, indicating a positive influence between them. The p-value of $0.031 < 0.05$ shows that this relationship is statistically significant. Therefore, it can be concluded that Motivation has a positive and significant effect on Commitment. Hence, hypothesis H4 can be accepted.

H5 : Work discipline significantly influences commitment.

The relationship between Work Discipline and Commitment has an original sample value of $0.299 > 0.0$, indicating a positive influence between the two. The p-value of $0.001 < 0.05$ shows that this relationship is statistically significant. Thus, it can be concluded that Work Discipline significantly and positively influences Commitment. Therefore, hypothesis H5 is accepted.

H6 : Work Environment significantly influences Commitment.

The relationship between the Work Environment variable and the Commitment variable has an original sample value of $0.855 > 0.0$, indicating a positive influence between the two. The p-value of $0.045 < 0.05$ demonstrates that this relationship is statistically significant. Thus, it can be concluded that the Work Environment has a positive and significant influence on Commitment. Therefore, hypothesis H6 is accepted.

Indirect Effect

The value of total indirect effects is used to examine mediation effects, which refer to the relationship between exogenous and endogenous variables through an intermediary or mediating variable. The total indirect effects of this analysis can be seen in Table 11 below.

Table 11
Total Indirect Effects

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Discipline -> Commitment -> Employee Loyalty Work Environment -> Commitment -> Employee Loyalty Work Motivation -> Commitment -> Employee Loyalty	0,148	0,105	0,154	0,956	0,034
	0,423	0,324	0,433	0,976	0,033
	0,088	0,058	0,122	0,719	0,473

Source: Primary data processed by researchers (2024)

Based on Table 11, the results of the mediation effect hypothesis tests are outlined as follows:

H7 : Motivation significantly influences Employee Loyalty through Commitment as a mediating variable.

The relationship between motivation and employee loyalty through commitment has an original sample value of $0.088 > 0.0$, indicating a positive influence of motivation on employee loyalty through commitment. However, the p-value of $0.473 > 0.05$ indicates that this relationship is not statistically significant. Therefore, it can be concluded that motivation positively but not significantly influences employee loyalty through commitment as a mediating variable. Thus, hypothesis H7 is rejected.

H8 : Work Discipline significantly influences Employee Loyalty through Commitment as a mediating variable.

The relationship between work discipline and employee loyalty through commitment has an original sample value of $0.148 > 0.0$, indicating a positive influence of work discipline on employee loyalty through commitment. The p-value of $0.034 < 0.05$ indicates that this relationship is statistically significant. Therefore, it can be concluded that work discipline positively and significantly influences employee loyalty through commitment as a mediating variable. Thus, hypothesis H8 is accepted.

H9 : Work Environment significantly influences Employee Loyalty through Commitment as a mediating variable.

The relationship between work environment and employee loyalty through commitment has an original sample value of $0.423 > 0.0$, indicating a positive influence of the work environment on employee loyalty through commitment. The p-value of $0.033 < 0.05$ indicates that this relationship is statistically significant. Therefore, it can be concluded that the work environment positively and significantly influences employee loyalty through commitment as a mediating variable. Thus, hypothesis H9 is accepted.

The Influence of Motivation on Employee Loyalty

This study demonstrates that motivation has a positive and significant influence on employee loyalty. Employees who are satisfied with the salary and welfare facilities provided by the company tend to exhibit higher loyalty. Additionally, feelings of security, stability, acceptance, appreciation, recognition, and opportunities for development and skill enhancement also contribute to their loyalty. These findings are consistent with the research by Citra (Citra, 2019) which indicates that higher employee motivation correlates with higher levels of loyalty to the company. Therefore, addressing these factors can enhance employee retention and strengthen sustainable working relationships within the company.

The Influence of Work Discipline on Employee Loyalty

This research proves that work discipline has a positive and significant impact on employee loyalty. Employees who maintain good work discipline demonstrate loyalty to the company through adherence to regulations, responsibility for their work, and effective time management. These findings align with the research by Hidayati (Hidayati, E. W., Supriyanto, A. S., & Ekowati, 2021) which also found a significant relationship between work discipline and employee loyalty. Employees with high levels of discipline tend to be more loyal because they value established rules and procedures and have a strong sense of responsibility toward their work. Therefore, enhancing work discipline can be an effective strategy for strengthening employee loyalty within the company.

The Influence of Work Environment on Employee Loyalty

The results of this study indicate that the work environment has a positive, albeit not significant, influence on employee loyalty at PT Java Indosinergi Creative. Although efforts have been made to create a conducive work environment, such as adequate lighting, orderly workspace arrangement, and harmonious relationships among employees, there are still areas needing improvement. These findings differ from the research by I Wayan Ayu (I Wayan Ayu, 2019) which found that comfort and support in the work environment significantly enhance employee loyalty. In the context of PT Java Indosinergi Creative, although attention has been given to the work environment, further evaluation is needed to understand factors that might affect employee loyalty more deeply. Efforts to continually improve aspects such as interpersonal communication, team support, and the feeling of being valued at work could be more effective strategies in strengthening employee loyalty in this company.

The Influence of Motivation on Commitment

This study finds that motivation has a positive and significant effect on employee commitment. Employees with high motivation tend to show a strong commitment to the company. These findings are consistent with the research by Nawangsari (Nawangsari, E., Mintarti, M., & Sudjatno, 2023), which asserts that high work motivation, both intrinsic and extrinsic, contributes to increased levels of employee commitment. High motivation drives employees to invest emotionally and mentally in their work, ultimately strengthening their loyalty and performance at the workplace.

The Influence of Work Discipline on Commitment

Work discipline is proven to have a positive and significant impact on employee commitment. Employees who demonstrate good work discipline tend to show responsibility, focus, and consistency in performing their tasks. These findings are consistent with the research by Nawangsari (Nawangsari, E., Mintarti, M., & Sudjatno, 2023), which states that work discipline significantly influences the level of employee commitment. Employees with high levels of discipline feel obligated to achieve organizational goals and maintain high-quality standards in their work.

The Influence of Work Environment on Commitment

The results of this study show that the work environment has a positive and significant effect on employee commitment. Employees who are satisfied with their work environment, including aspects such as team support, fairness, and growth opportunities, tend to demonstrate strong commitment to the company. These findings are in line with the research by Nafisa, A (Nafisa, 2022), which found that a positive, inclusive, and supportive work environment significantly strengthens employee commitment to the organization. A work environment that provides support and facilitates employee development can be a key factor in building sustainable commitment within the organization.

The Influence of Motivation on Employee Loyalty through Commitment as a Mediating Variable

This study demonstrates that the work environment has a positive and significant effect on employee commitment. Employees who are satisfied with their work environment,

including aspects such as team support, fairness, and growth opportunities, tend to demonstrate strong commitment to the company. These findings are in line with the research by Nafisah (Nafisa, 2022), which found that a positive, inclusive, and supportive work environment significantly strengthens employee commitment to the organization. A work environment that provides support and facilitates employee development can be a key factor in building sustainable commitment within the organization.

The Influence of Work Discipline on Employee Loyalty through Commitment as a Mediating Variable

Work discipline positively and significantly affects employee loyalty, with commitment as a mediating variable playing a crucial role in this relationship. Employees who maintain discipline show higher loyalty levels because they respect the rules, are responsible, and consistently perform their tasks, which in turn sustains company stability. These findings are consistent with the research by Ramadhan et al (Ramadhan, R., Pongtuluran, Y., & Wahyuni, 2020) which concluded that organizational commitment mediates the relationship between work discipline and employee loyalty. In other words, work discipline not only enhances the quality of employees' work but also strengthens their emotional bonds and loyalty to the company through high levels of commitment.

The Influence of Work Environment on Employee Loyalty through Commitment as a Mediating Variable

The results of this study indicate that the work environment has a positive and significant effect on employee loyalty, with commitment as a mediating variable facilitating this relationship. A supportive work environment and adequate facilities tend to increase employees' commitment levels to the company, which in turn also strengthens their loyalty. These findings are consistent with the research by Hidayati et al (Hidayati, E. W., Supriyanto, A. S., & Ekowati, 2021) which found that a positive work environment and work commitment significantly contribute to employee loyalty levels. Therefore, this study highlights the importance of creating a conducive work environment to build strong commitment and high loyalty among employees.

CONCLUSION

Work motivation has a positive and significant impact on employee loyalty, with motivated employees demonstrating higher levels of loyalty to the company. Similarly, work discipline positively and significantly affects employee loyalty, as employees with good discipline tend to be more loyal. The work environment also has a positive and significant influence on employee loyalty, particularly when employees feel comfortable and supported in their work environment. Employee commitment mediates the relationship between work motivation and employee loyalty, indicating that employees with high commitment levels tend to be more loyal. Additionally, good work discipline and a conducive work environment, with commitment as a mediating variable, positively and significantly impact employee loyalty. This underscores the importance of maintaining discipline and a supportive work environment to enhance loyalty among employees.

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