Research Article

Sustaining Employee Loyalty at PT Dua Kelinci in the Face of Economic Uncertainty: The Mediating Role of Job Satisfaction

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Abstract: An organization's inability to build employee loyalty amidst competitive business pressures can have a direct impact on productivity, operational efficiency, and the retention of key talent. This study aims to analyze the role of job satisfaction as a key mediator in increasing employee loyalty at PT. Dua Kelinci. This study used a quantitative approach with a survey method by distributing questionnaires to a total of 190 active employees of PT. Dua Kelinci. Data were analyzed using Structural Equation Modeling based on Partial Least Squares (SEM-PLS). The results showed that Motivation, job stress, and job satisfaction were proven to have a significant effect on employee loyalty, while the work environment, workload, and work rewards did not have a significant direct effect. However, the job satisfaction variable was able to significantly mediate the relationship between Motivation, job stress, work environment, and workload on employee loyalty, but did not significantly influence employee loyalty through job satisfaction. These findings confirm that job satisfaction is not only the result of good working conditions, but also a key factor in building and strengthening employee loyalty indirectly. Practically, this study provides an important contribution to companies in designing strategies to increase employee loyalty. Theoretically, this study enriches the literature on mediation mechanisms in employee behavior models, particularly in the context of the manufacturing industry.

Keywords: Compensation; Employee Loyalty; Job Satisfaction; Work Motivation; Work Stress.

1. Introduction

Background

In an era of increasingly fierce and dynamic business competition, companies need to focus not only on product innovation and market expansion but also on effectively managing human resources (HR). Employees with high competence and loyalty to the organization are invaluable strategic assets in supporting the achievement of the company's long-term goals (Mangkunegara, 2021). Furthermore, amidst technological advancements, demands for efficiency, and the pressures of global competition, a company's sustainability and success are greatly influenced by the extent to which employees demonstrate their commitment and dedication to their workplace (Hasibuan, 2019).

Based on initial interviews with PT Dua Kelinci, it was discovered that the company faces challenges in maintaining employee loyalty, particularly in the production department. High workloads, target pressure, and perceived unfairness in the compensation system were some of the factors frequently cited by employees in exit interviews and internal surveys. This aligns with the findings of Prabowo et al. (2025), who stated that employee loyalty is strongly influenced by directly perceived working conditions, such as workload, compensation, and the work environment. In addition, a study by Ambarak & Husein (2023) also showed that

compensation and job satisfaction have a significant relationship with the level of loyalty in the long term.

Employee loyalty is a crucial indicator in assessing organizational stability. Loyalty reflects the extent to which employees are willing to remain with the company, carry out their responsibilities wholeheartedly, and support the company's vision and mission on an ongoing basis. A high level of loyalty can reduce recruitment costs due to turnover, maintain productivity, and strengthen a positive work culture (Mulyani et al., 2022). However, loyalty does not develop naturally; it is influenced by various working conditions directly experienced by employees. These factors include work motivation, work environment, workload, job stress, and compensation systems. Each of these factors has significant potential to determine how employees form perceptions and attitudes toward the organization they work for. Many studies have shown that job satisfaction is a mediating variable that bridges this relationship. When employees are satisfied with their jobs, whether in terms of the work itself, the environment, the reward system, or social relationships, loyalty tends to increase (Karima & Riyanto, 2017).

Previous studies have shown that factors such as work motivation, work environment, workload, job stress, and compensation influence employee satisfaction and loyalty. However, field findings show inconsistencies. For example, studies by Hajiali et al. (2022) and Santos et al. (2024) found that work motivation had a positive effect on job satisfaction, while Ningmabin & Adi (2022) stated that work motivation had no significant effect on performance, indirectly indicating a possible weak relationship between motivation and job satisfaction. Regarding the work environment, research by Tam et al. (2024) found that the work environment had a positive effect on employee loyalty through job satisfaction.

Regarding workload, the results of a study by Wardani & Indriati Hanum (2023) showed that workload had a negative and significant effect on employee loyalty, while other studies, such as Sania & Putra (2024), showed a positive and significant effect of workload on employee loyalty. Regarding work stress, there is limited research directly examining its effect on employee loyalty through job satisfaction as a mediating variable. Khuong & Linh (2020) showed that job stress significantly decreases job satisfaction, and this condition subsequently negatively impacts employee loyalty. Conversely, a study by Souisa et al. (2023) showed that job stress can have a positive impact on employee loyalty, especially when the stress is perceived as a challenge that increases motivation and work engagement.

Regarding compensation, several studies have demonstrated a significant relationship between compensation and employee loyalty, both directly and indirectly through job satisfaction. A study by Ramlah et al. (2021) revealed that compensation has a significant positive effect on job satisfaction and employee turnover intentions. This suggests that higher compensation is more likely to reduce employee turnover intentions. Conversely, research by Harahap & Sugiarti, (2024) showed that compensation has no effect on job satisfaction, and through job satisfaction, it also shows no significant effect on loyalty.

Furthermore, several studies have focused solely on the direct effect on employee loyalty without considering the mediating role of job satisfaction as a bridging mechanism. Furthermore, few studies have comprehensively examined these five independent variables simultaneously, particularly in the context of the Indonesian food industry, such as PT Dua Kelinci. Therefore, this study is important to fill the gap in the literature by simultaneously examining the effects of work motivation, work environment, workload, job stress, and compensation on employee loyalty through job satisfaction as a mediating variable.

PT Dua Kelinci, as one of the leading snack companies in Indonesia, has a complex organizational structure and work processes. In human resource management, companies face various challenges, such as maintaining employee motivation, managing a proportional workload, reducing job stress levels, and creating a comfortable and supportive work environment. Furthermore, a fair compensation system is also a priority in efforts to increase employee loyalty. Based on these conditions, this study aims to analyze the influence of work motivation, work environment, workload, job stress, and compensation on employee loyalty, with job satisfaction as a mediating variable.

2. Literature Review

Job Satisfaction towards Employee Loyalty

Employees who are satisfied with their jobs tend to have a strong sense of ownership, involvement, and emotional attachment to the organization, which ultimately fosters long-term loyalty. Job satisfaction reflects the extent to which employee expectations and needs are met through the work environment, tasks, interpersonal relationships, and the applicable reward system. When employees are satisfied, they are more motivated to contribute optimally, maintain working relationships, and demonstrate loyalty to the organization's goals and values.

Fernando Giovanni & Ie (2022) showed that job satisfaction has a positive and significant effect on employee loyalty, with satisfied employees more likely to stay and deliver their best performance. This finding is further supported by the findings of Apriansyah & Afriyani (2024), who stated that the higher the level of employee satisfaction, the greater their tendency to remain loyal, less likely to leave, and actively participate in the company's development. Based on the findings of this study, the following hypothesis can be formulated:

H1: Job satisfaction has a positive effect on employee loyalty at PT. Dua Kelinci.

Job Satisfaction Mediates the Effect of Motivation on Employee Loyalty

High work motivation can encourage employees to perform optimally and feel more satisfied with their jobs. This satisfaction can then increase employee loyalty to the organization. (Husni Musnadi & Faisal, 2018) explain that motivation plays a role in creating job satisfaction, which ultimately strengthens emotional attachment and loyalty to the company.

Research by Andinni & Harun (2024) also shows that job satisfaction can mediate the relationship between motivation and loyalty. This means that when work motivation is high and results in satisfaction, employee loyalty increases. Based on the findings of this study, the following hypothesis can be formulated:

H2: Job satisfaction mediates the influence of work motivation on employee loyalty at PT. Dua Kelinci.

Job Satisfaction Mediates the Influence of the Work Environment on Employee Loyalty at PT. Dua Kelinci

A supportive work environment creates a sense of comfort, security, and appreciation for employees. This increases job satisfaction, which in turn fosters loyalty. Karima & Riyanto (2017) stated that a positive work environment will increase employee satisfaction, which in turn leads to increased loyalty.

Previous research by Usniarti & Nuvriasari (2024) also found that job satisfaction acts as a mediator in the relationship between the work environment and loyalty. Based on the findings of this study, the following hypothesis can be formulated:

H3: Job satisfaction mediates the influence of the work environment on employee loyalty at PT. Dua Kelinci.

Job Satisfaction Mediates the Effect of Workload on Employee Loyalty

A balanced workload appropriate to employee capabilities can foster a sense of responsibility, ultimately strengthening job satisfaction. When assigned tasks can be realistically completed without undue pressure, employees feel more valued and motivated. Conversely, an excessive or inappropriate workload can lead to stress, fatigue, and decreased job satisfaction and organizational loyalty. Proportional workload distribution is a crucial factor in creating optimal job satisfaction (Mangkunegara, 2021).

Research by Basem et al. (2022) shows that job satisfaction mediates the effect of workload on loyalty, where well-managed workload impacts satisfaction, which drives loyalty. Therefore, workload can influence loyalty, but not directly. Based on the findings of this study, the following hypothesis can be formulated:

H4: Job satisfaction mediates the effect of workload on employee loyalty at PT. Dua Kelinci.

Job Satisfaction Mediates the Effect of Job Stress on Employee Loyalty at PT. Dua Kelinci

In their study, Pragusti et al. (2023) found that job satisfaction plays little role as a mediating variable between job stress and loyalty. This means that high job stress decreases job satisfaction, and low job satisfaction indirectly negatively impacts employee loyalty. In other words, job satisfaction strengthens the negative relationship between stress and loyalty. Based on the findings of this study, the following hypotheses can be formulated:

H5: Job satisfaction mediates the negative influence of work stress on employee loyalty at PT. Dua Kelinci.

Job Satisfaction Mediates the Effect of Compensation on Employee Loyalty

Adequate compensation not only serves as a reward for employee performance but is also a crucial factor in creating job satisfaction. When compensation aligns with expectations, workload, and responsibilities, employees will feel valued and motivated to contribute their best. Fair and competitive compensation can build sustainable job satisfaction, which ultimately strengthens loyalty to the company (Ambarak & Husein, 2023).

A study by Widianingsih & Adnyani (2024) showed that job satisfaction plays a mediating role in the relationship between compensation and employee loyalty. This means that adequate compensation will increase job satisfaction, and this satisfaction is the foundation for loyalty. Satisfied employees tend to stay with the company longer, have a high level of commitment, and exhibit a positive attitude toward the organization. Based on these findings, the following hypotheses are formulated:

H6: Job satisfaction mediates the effect of compensation on employee loyalty at PT. Dua Kelinci.
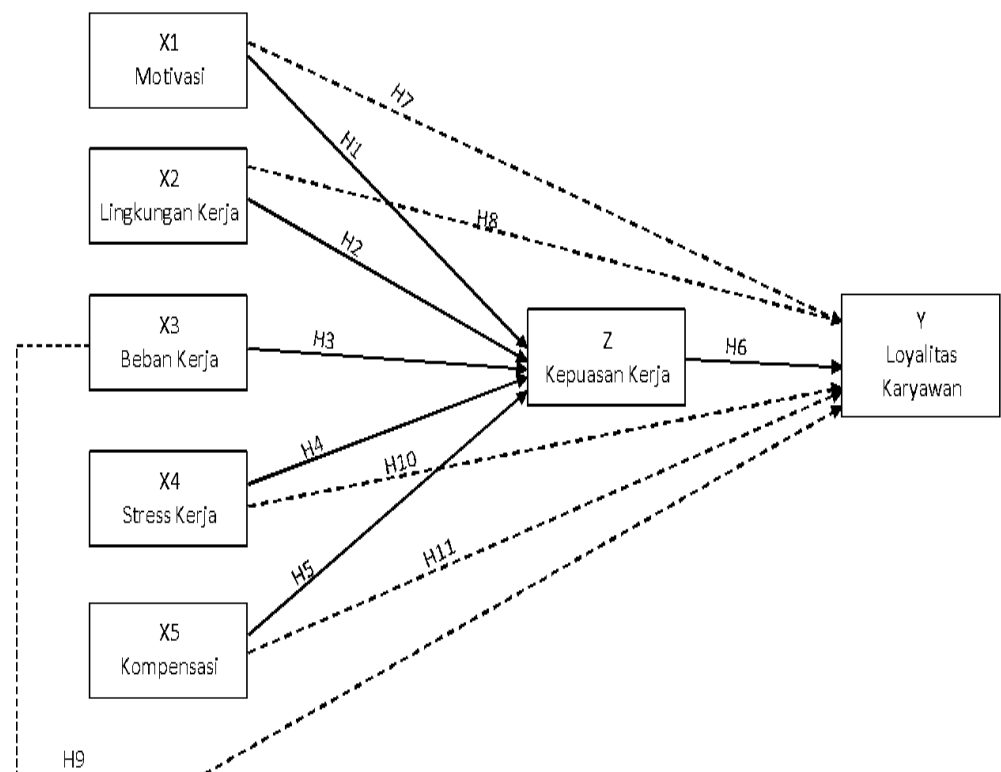
Conceptual Framework

Figure 1. Conceptual Framework.

Sources: (Andinni & Harun, 2024) and (Shahid et al., 2022), modified

3. Research and Method

This research employs a quantitative approach with a causal explanatory method, aiming to explain causal relationships between variables both directly and indirectly (mediation) based on previous theories and findings. The sampling technique used is non-probability sampling with a saturated sampling approach, involving all 190 active employees from various divisions at PT Dua Kelinci who meet the criteria of being over 18 years old, having at least casual employment status, and a minimum of six months of service. Data were collected through an online survey using a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) to measure each item in the questionnaire. For analysis, the study applies Structural Equation Modeling-Partial Least Squares (SEM-PLS) with the aid of SmartPLS software, which is appropriate for analyzing complex relationships involving mediating variables. The data analysis includes three stages: outer model testing (validity and reliability), inner model testing (R^2, goodness of fit, effect size f^2, and predictive relevance Q^2), and hypothesis testing (F-tests and t-tests) to ensure the robustness of the research findings.

4. Results and Discussion

Results

Data Description

Data descriptions were used to determine the characteristics of respondents based on the distributed questionnaires. This study involved 190 respondents, all employees of PT Dua Kelinci, across various divisions and positions. The characteristics of the respondents in this study are presented as follows:

a. Respondent Characteristics Reviewed by Gender

Respondent characteristics by gender are shown in the following table:

Table 1. Characteristics Based on Gender.

No.	Gender	Number of Respondents (People)	Percentage (%)
1.	Woman	86	45,3%
2.	Man	104	54,7%
	total	190	100%

Source: Processed primary data, 2025

Based on the table above, it can be seen that of the 190 respondents, the majority were male (104), representing 54.7% of the total. Meanwhile, there were 86 female respondents, representing 45.3%. This indicates that the proportion of respondents in this study was slightly more male than female.

b. Respondent Characteristics Based on Age

Respondent characteristics by age are shown in the following table:

Table 2. Characteristics by Age.

No.	Age (Years)	Number of Respondents (People)	Percentage (%)
1.	18-23 Years	34	17,89%
2.	24-29 Years	45	23,68%
3.	30-35 Years	39	20,53%
4.	36-41 Years	40	21,05%
5.	>42 Years	32	16,84%
	total	190	100%

Source: Processed primary data, 2025

Based on the table above, respondents in this study consisted of various age groups. The largest age group was 24–29 years old with 45 people (23.68%), followed by 36–41 years old with 40 people (21.05%), and 30–35 years old with 39 people (20.53%). Meanwhile, the 18–23 years old group numbered 34 people (17.89%), and those over 42 years old numbered 32 people (16.84%). This indicates that the majority of respondents are in the young productive age range, namely 24–41 years old, which is generally an active age in the world of work and consumption decision-making.

c. Respondent Characteristics Based on Last Education

The characteristics of respondents with the highest education are shown in the following table:

Table 3. Characteristics Based on Last Education.

No.	Last education	Number of Respondents (People)	Percentage (%)
1.	SD	1	0,53%
2.	SMP	19	10,00%
3.	SMA/K	73	38,42%
4.	D1	19	10,00%
5.	D3	31	16,32%
6.	S1	42	22,11%
7.	S2	5	2,63%
	total	190	100%

Source: Processed primary data, 2025

Based on the table above, the majority of respondents were high school graduates, amounting to 73 people or 38.42 percent of the total. This indicates that most respondents have a high school education background. Furthermore, respondents with a bachelor's degree (S1) numbered 42 people or 22.11 percent, followed by D3 graduates with 31 people or 16.32 percent. Then, as many as 19 respondents or 10.00 percent were junior high school graduates, and the same number was also recorded for respondents with a D1 education. Respondents with a master's degree (S2) were recorded at 5 people or 2.63 percent. Meanwhile, respondents with an elementary school education were the least numerous, namely only 1 person or 0.53 percent. This data reflects that the majority of respondents have a secondary to higher education level, which allows a good understanding of the contents of the questionnaire given.

d. Respondent Characteristics Based on Length of Service at PT Dua Kelinci

Respondent characteristics based on length of service are shown in the following table:

Table 4. Characteristics Based on Current Occupation.

No.	Length of work	Number of Respondents (People)	Percentage (%)
1.	Less Than 1 Year	33	17,37%
2.	6-12 Months	38	20,00%
3.	1-2 Months	37	19,47%
4.	2-5 Months	47	24,74%
5.	More Than 5 Years	35	18,42%
	total	190	100%

Source: Processed primary data, 2025

e.   Respondent Characteristics Based on Employee Status

Respondent characteristics based on employee status are shown in the following table:

Table 5. Characteristics Based on Employee Status.

No.	Employee Status	Number of Respondents (People)	Percentage (%)
1.	Still	64	33,7%
2.	Contract	78	41,1%
3.	Daily Freelance	48	25,2%
	total	190	100%

Source: Processed primary data, 2025

Based on the table above, the majority of respondents (78 people, or 41.1%) were contract employees. Furthermore, 64 respondents (33.7%) were permanent employees. Meanwhile, 48 respondents (25.2%) were casual employees out of a total of 190 respondents. This data indicates that the majority of respondents in the study were contract employees.

f.   Respondent Characteristics Based on Division/Department

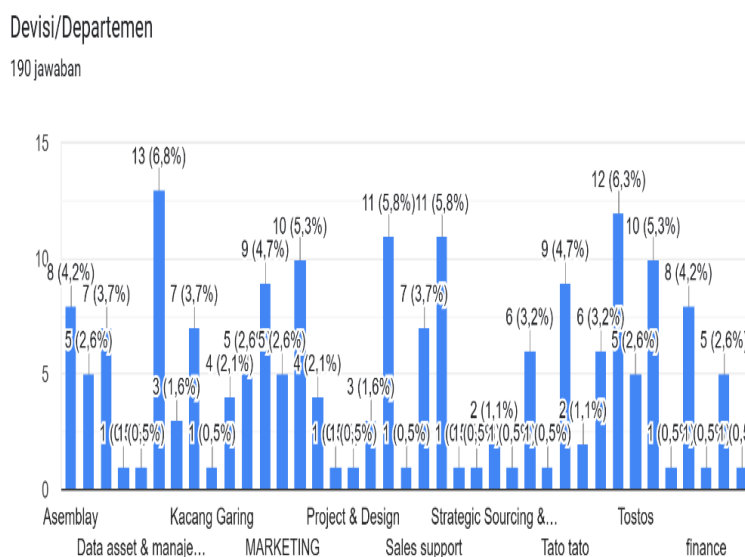Respondent characteristics based on division/department are shown in the following diagram:

Diagram 1. Characteristics Based on Division/Department.

Source: Processed primary data, 2025

Based on the bar chart regarding the distribution of respondents by division or department, it can be seen that respondents came from various divisions within the company. The division with the largest number of respondents was Finance & Tax with 13 people (6.8%), followed by the Tictac division with 12 people (6.3%), and the Quality Control & Roasting and Garlic Nut divisions with 11 people each (5.8%). Meanwhile, several divisions such as Data Asset & Management, and PKB only had one respondent with a percentage of around 0.5%. This shows that although most respondents are spread across many divisions, there are certain divisions that have a much higher representation than others. This distribution reflects the diversity of roles within the organizations that are respondents to the study.

Data Analysis

a. Outer Model Analysis

The following are the results of the outer model analysis in this study:
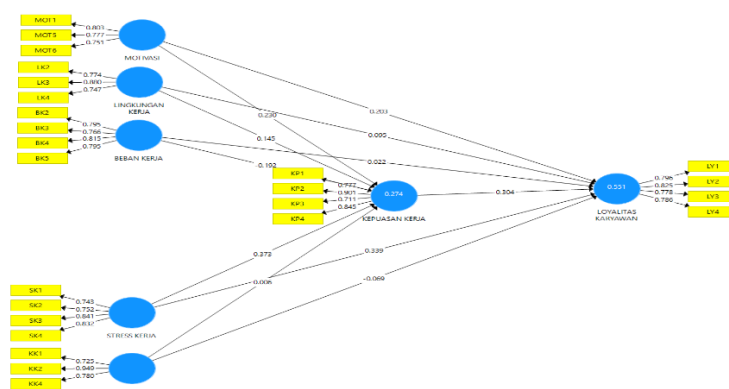

Figure 2. Outer Model.

1) Validity Test
    a) Convergent Validity

Loading Factor, convergent validity testing of the reflective indicators in this study was conducted using SmartPLS 3.0 software, referring to the loading factor values of each indicator within each variable construct. An indicator is considered valid if its loading factor value is above 0.70 (J. Hair et al., 2021). If this criterion is met, the indicator is considered to represent the construct validity. The results of the convergent validity analysis in this study are presented in the following table:

Table 6. Results of Convergent Validity Analysis.

Indicator	Convergent Validity	Information
MOT1	0.803	Valid
MOT5	0.777	Valid
MOT6	0.751	Valid
LK2	0.774	Valid
LK3	0.880	Valid
LK4	0.747	Valid
BK2	0.795	Valid
BK3	0.766	Valid
BK4	0.815	Valid
BK5	0.795	Valid
SK1	0.743	Valid
SK2	0.752	Valid
SK3	0.841	Valid
SK4	0.832	Valid
KK1	0.725	Valid
KK2	0.949	Valid
KK4	0.780	Valid
KP1	0.777	Valid
KP2	0.901	Valid
KP3	0.711	Valid
KP4	0.845	Valid

Source: Processed primary data, 2025

Based on the results of convergent validity testing after filtering and eliminating several indicators that did not meet the requirements, it was found that all remaining indicators had loading factor values above 0.70. This indicates that these indicators are statistically valid and able to represent the constructs of each variable. For example, the work motivation indicators (MOT1, MOT5, MOT6) showed convergent validity values of 0.803; 0.777; and 0.751, which means that all of these indicators have met the minimum required limit. Similarly, the indicators in the work environment variable (LK2, LK3, LK4) with values of 0.774; 0.880; and 0.747, respectively, and the workload indicators (BK2, BK3, BK4, BK5) which had values between 0.766 and 0.815. Furthermore, the work stress indicators (SK1 to SK4) also passed the convergent validity test with values ranging from 0.743 to 0.841. For the compensation variable, the remaining three indicators (KK1, KK2, and KK4) had convergent validity values of 0.725; 0.949; and 0.780, respectively. Meanwhile, for the job satisfaction variable, the four indicators (KP1, KP2, KP3, KP4) showed values between 0.711 and 0.901. Based on these results, it can be concluded that the reflective indicators in this study have met the convergent validity requirements and can be used in further analysis.

Average Variance Extracted (AVE), the Average Variance Extracted (AVE) test is used to measure convergent validity, namely the extent to which indicators can represent their constructs. A good AVE value is above 0.50, meaning more than 50% of the indicator's variance is explained by the construct.

Table 7. Average Variance Extracted (AVE) Analysis Results

Variable	AVE
Motivation	0.604
Work environment	0.644
Workload	0.629
Work Stress	0.629
Compensation	0.678
Job satisfaction	0.659
Employee Loyalty	0.634

Source: Processed primary data, 2025

Based on the results of the Average Variance Extracted (AVE) calculation, all variables in this study have an AVE value above 0.50. The highest AVE value is found in the Compensation variable (0.678), followed by Job Satisfaction (0.659), Work Environment (0.644), Employee Loyalty (0.634), Workload and Job Stress (each 0.629), and Motivation (0.604). This indicates that all constructs have good convergent validity because each is able to explain more than 50% of the variance of its indicators. Thus, the indicators in each variable can be considered quite representative in measuring the intended construct.

2) Reliability Test

This study applied a reliability test to assess the extent to which the measurement instrument demonstrated accuracy, consistency, and precision in representing the constructs under study. Reliability testing was conducted using two methods: Cronbach's Alpha and Composite Reliability. A construct is considered reliable if both values exceed 0.60 (Sekaran & Bougie, 2016). The results of the Cronbach's Alpha and Composite Reliability calculations are presented in the following table.

Table 8. Results of Reliability Test Analysis.

	Cronbach's Alpha	**Composite Reliability**
Motivation	0.677	0.821
Work environment	0.721	0.844
Workload	0.808	0.871
Work Stress	0.807	0.871
Compensation	0.791	0.862
Job satisfaction	0.824	0.885
Employee Loyalty	0.808	0.874

Source: Processed primary data, 2025

Based on the reliability test results presented in the table above, it can be concluded that all constructs in this study meet the criteria for good reliability. This is indicated by the Composite Reliability values for all variables being above 0.70, indicating internal consistency between indicators within each construct. Although one construct, Motivation, has a Cronbach's Alpha value of 0.677, this value is still acceptable because it is close to the minimum limit of 0.70 and is still supported by its Composite Reliability value of 0.821. A Cronbach's Alpha value above 0.60 is still considered reliable in exploratory research. Thus, it can be concluded that the instruments in this study are reliable, both in terms of Cronbach's Alpha and Composite Reliability.

b. Inner Model Analysis

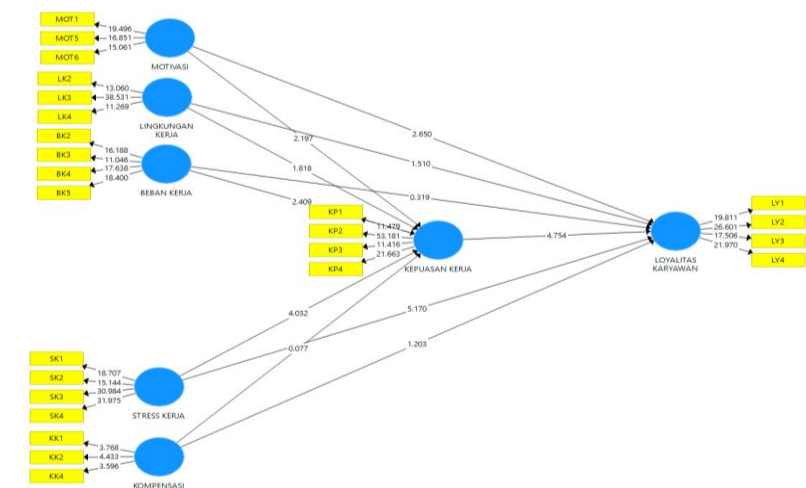The following are the results of the inner model analysis in this study:

Figure 3. Inner Model.

1) R-Square (R²) Test

The R^2 value scale ranges from 0 to 1, with higher values indicating better model determination. According to guidelines, an R^2 value of 0.75 is considered strong, 0.50 is considered moderate, and 0.25 is considered weak. The following shows the R^2 values for the analyzed models:

Table 9. R Square Test Results.

	R Square	**R Square Adjusted**
Job satisfaction	0.274	0.254
Employee Loyalty	0.551	0.536

Source: Processed primary data, 2025

Based on the table above, the R Square value of 0.274 for the Job Satisfaction variable indicates that 27.4% of the variation in job satisfaction can be explained by the independent variables in the model, while the remainder is influenced by other factors outside this study. This value is included in the weak to moderate category according to Hair et al. (2017). Meanwhile, the R Square value of 0.551 for the Employee Loyalty variable indicates that 55.1% of the variation in employee loyalty can be explained by the model, including job satisfaction as a mediating variable. This value is classified as moderate, indicating that the model has a fairly good predictive ability in explaining employee loyalty.

c. Hypothesis Test (patch coefficient)

This study provides the potential for both direct and indirect influence because it involves five independent variables, one mediating variable, and one dependent variable. Therefore, further hypothesis analysis is required using t-statistics and p-values. This hypothesis testing process was carried out using the bootstrapping method with the help of SmartPLS version 3.0 software. Next, in the inner model stage, analysis was carried out based on path coefficients and p-values, which were then visualized in a graph of the relationships between variables as shown below:

1) Direct Effect Test

The Direct Effect Test aims to determine the extent of the direct influence of one variable on another. This influence is considered significant if the T-statistic exceeds 1.96 and the P-value is below 0.05 (Sarstedt et al., 2020). The results of the direct influence test between variables are shown in the following table:

Table 10. Results of Direct Effect Test Analysis.

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
H1	Motivation -> Job Satisfaction	0.230	0.228	0.105	2.197	0.014
H2	Work Environment -> Job Satisfaction	0.145	0.149	0.080	1.818	0.035
H3	Workload -> Job Satisfaction	-0.192	-0.188	0.080	2.409	0.008
H4	Job Stress -> Job Satisfaction	0.373	0.373	0.093	4.032	0.000
H5	Compensation -> Job Satisfaction	0.006	0.006	0.085	0.077	0.469
H6	Kepuasan Kerja -> Loyalitas Karyawan	0.304	0.303	0.064	4.754	0.000
H7	Motivation -> Employee Loyalty	0.203	0.194	0.077	2.650	0.004
H8	Work Environment -> Employee Loyalty	0.095	0.093	0.063	1.510	0.066
H9	Workload -> Employee Loyalty	0.022	0.025	0.070	0.319	0.375
H10	Job Stress -> Employee Loyalty	0.339	0.349	0.066	5.170	0.000
H11	Compensation -> Employee Loyalty	-0.069	-0.076	0.057	1.203	0.115

Source: Processed primary data, 2025

Based on the results of the direct effect test, several independent variables were found to have a significant influence on both the dependent and mediating variables. First, motivation had a positive and significant effect on job satisfaction, with a T-statistic of 2.197 and a P-value of 0.014. The work environment also showed a positive effect on job satisfaction, but with a T-statistic of 1.818, slightly below the

threshold of 1.96, although the P-value was recorded at 0.035; this indicates a weak or less statistically significant effect. Furthermore, workload showed a significant negative effect on job satisfaction with a T-statistic of 2.409 and a P-value of 0.008. Job stress had a significant positive effect on job satisfaction with a T-statistic of 4.032 and a P-value of 0.000. Meanwhile, compensation did not have a significant effect on job satisfaction (T-statistic of 0.077 and P-value of 0.469). In relation to employee loyalty, job satisfaction has a positive and significant effect (T-statistic 4.754; P-value 0.000). Motivation also shows a positive and significant direct effect on employee loyalty (T-statistic 2.650; P-value 0.004). On the other hand, work environment and workload do not show a significant effect on employee loyalty, with T-statistic values of 1.510 and 0.319, respectively. Job stress shows a very significant positive effect on employee loyalty (T-statistic 5.170; P-value 0.000), while compensation does not show a significant effect on employee loyalty (T-statistic 1.203; P-value 0.115).

2) Indirect Effect Test

Indirect effect testing is conducted to determine the extent to which the independent variable influences the dependent variable through the mediating variable. An indirect effect is considered significant if the T-statistic exceeds 1.96 and the P-value is below 0.05. Details of the indirect effect testing results are presented in the following table:

Table 11. Results of Direct Effect Test Analysis.

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
H12	Motivation -> Job Satisfaction -> Employee Loyalty	0.070	0.068	0.033	2.089	0.019
H13	Work Environment -> Job Satisfaction -> Employee Loyalty	0.044	0.045	0.026	1.680	0.047
H14	Workload -> Job Satisfaction -> Employee Loyalty	-0.058	-0.057	0.028	2.059	0.020
H15	Job Stress -> Job Satisfaction -> Employee Loyalty	0.113	0.114	0.041	2.777	0.003
H16	Compensation -> Job Satisfaction -> Employee Loyalty	0.002	0.003	0.027	0.074	0.471

Source: Processed primary data, 2025

Based on the results of the indirect effect test, it is known that several independent variables have an indirect influence on employee loyalty through job satisfaction. First, motivation has a positive and significant effect on employee loyalty through job satisfaction, with a T-statistic of 2.089 and a P-value of 0.019. The work environment also shows a significant, albeit weak, indirect effect with a T-statistic of 1.680 and a P-value of 0.047. Meanwhile, workload has a significant negative effect on loyalty through job satisfaction, with a T-statistic of 2.059 and a P-value of 0.020. Job stress shows a significant positive effect on employee loyalty through job satisfaction (T-statistic of 2.777; P-value of 0.003). On the other hand, compensation does not have a significant indirect effect on employee loyalty, with a T-statistic of 0.074 and a P-value of 0.471.

Discussion

The Influence of Job Satisfaction on Employee Loyalty

Job satisfaction is a key factor driving employee loyalty to a company. Robbins et al. (2018) stated that employees who are satisfied with their jobs demonstrate high commitment and tend to stay with the organization longer. Satisfaction creates a positive emotional attachment to the workplace.

The results of the study showed that job satisfaction had a highly significant effect on employee loyalty, with a T-statistic of 4.754 and a P-value of 0.000. This finding is supported by research by Fernando Giovanni & Ie (2022), which demonstrated that job satisfaction has

a direct influence on employee loyalty in the industrial sector. These results also align with the findings of Nadia Frempong et al. (2018), who found that job satisfaction positively and significantly influences employee loyalty, with satisfied employees tending to demonstrate affective commitment and maintain long-term relationships with the organization.

This reinforces the fact that in the PT Dua Kelinci workplace, high job satisfaction increases employee retention and dedication. Therefore, the company needs to maintain and enhance factors that support satisfaction, such as good communication, opportunities for self-development, and employee empowerment.

Job Satisfaction Mediates the Effect of Motivation on Employee Loyalty

Highly motivated employees not only feel satisfied at work but also demonstrate commitment and loyalty to the company. Work motivation is an internal drive that directs individual behavior toward achieving desired work goals. When employees feel motivated, they are more likely to feel satisfied with their work, which ultimately increases loyalty to the organization.

The results of the mediation test showed that job satisfaction significantly mediates the relationship between work motivation and employee loyalty, with a T-statistic of 2.089 and a P-value of 0.019. This indicates that work motivation has an indirect effect on employee loyalty through job satisfaction. Therefore, PT Dua Kelinci needs to strengthen its incentive system, establish clear goals, and provide opportunities for self-development to increase motivation, which in turn can strengthen employee loyalty.

This research aligns with previous findings by Andinni & Harun (2024), who stated that job satisfaction is an important mediating pathway between motivation and loyalty. These results are also supported by research by Sumaryathi Dewi & Dewi Manuati (2020), who found that work motivation positively influences employee loyalty through the mediating role of job satisfaction, where satisfaction serves as a key link that strengthens the effect of motivation on employee commitment and retention. Therefore, PT Dua Kelinci management is advised to create a work environment that supports employee motivation through rewards, career development, challenging yet realistic goal setting, and effective communication. This approach will not only improve job satisfaction but also strengthen employee loyalty on an ongoing basis.

Job Satisfaction Mediates the Influence of Work Environment on Employee Loyalty

According to Sari & Kasmiruddin (2025), a comfortable and supportive work environment creates a positive work atmosphere, which contributes to employee satisfaction and loyalty. A conducive physical and psychological work environment will increase job satisfaction and loyalty because employees feel cared for and supported. A good work environment fosters a sense of belonging to the company.

Based on the test results, the relationship between the work environment and employee loyalty through job satisfaction was declared significant with a T-statistic value of 1.680 and a P-value of 0.047. This indicates that at PT Dua Kelinci, a good work environment encourages job satisfaction, which ultimately increases loyalty. Therefore, the company should continue to strive to create a work environment that is ergonomic, communicative, and supports work-life balance. When employees feel emotionally and physically comfortable at work, they will value the organization more and demonstrate long-term loyalty.

This research aligns with the findings of Usniarti & Nuvriasari (2024), who stated that a good work environment has a positive impact on employee satisfaction and retention. These findings are also supported by research by Amanda & Adrian (2024), who found that the work environment positively influences employee loyalty through the mediating role of job satisfaction, where satisfaction serves as a key link that strengthens the work environment's effect on employee commitment and retention. Therefore, PT Dua Kelinci is advised to continue improving aspects of the work environment, such as ergonomic workspace layout, an open work atmosphere, work-life balance, and recognition of individual contributions. By creating a work environment that supports well-being, companies can sustainably increase employee loyalty.

Job Satisfaction Mediates the Effect of Workload on Employee Loyalty

A high workload often creates stress for employees, especially if it is disproportionate to their capacity and resources. When the workload is perceived as excessive and unmanageable, it can decrease job satisfaction, ultimately leading to decreased loyalty to the organization. Conversely, a workload that is managed realistically and according to ability will minimize stress and maintain positive feelings about work (Usniarti & Nuvriasari, 2024).

The results of this study indicate that workload has an indirect effect on employee loyalty through job satisfaction, with an Original Sample value of -0.058, a T-Statistics of 2.084, and a P-value of 0.019. This means that the higher the unmanageable workload, the lower job satisfaction tends to be, and this condition will negatively impact employee loyalty. This finding aligns with research by Andinni & Harun (2024), which asserts that workload imbalance has the potential to weaken employees' long-term commitment to the company. This is supported by an international study by Salleh et al. (2024), which found that workload significantly decreases job satisfaction, which in turn impacts employee loyalty or retention through the mediation of job satisfaction.

Therefore, PT Dua Kelinci needs to pay serious attention to workload distribution, ensuring that each task aligns with the employee's capacity and responsibilities. This strategy is crucial not only for increasing job satisfaction but also for maintaining long-term employee loyalty through a more humane and equitable work management approach.

Job Satisfaction Mediates the Effect of Job Stress on Employee Loyalty

Moderate levels of work stress can foster resilience and a competitive spirit in employees. Robbins et al. (2018) stated that controlled stress can boost productivity and a sense of pride in work achievements. When stress is managed well, employees feel satisfied and engaged with the organization.

The results of the mediation test showed that work stress significantly influences employee loyalty through job satisfaction, with a T-statistic of 2.777 and a P-value of 0.003. This means that employees who are able to manage stress and feel satisfied with their jobs tend to have high levels of loyalty. Therefore, PT Dua Kelinci needs to maintain its stress management program and self-development training to help employees cope with work pressure in a healthy manner.

In line with research by Ramlah et al. (2021), the ability to manage stress is key to maintaining job satisfaction and loyalty. This finding is further supported by the findings of Khuong & Linh (2020), who found that constructive (well-managed) work stress positively impacts motivation and job satisfaction, which in turn strengthens employee loyalty. Therefore, PT Dua Kelinci is advised to strengthen its stress management program, including psychological counseling, soft skills training, and job autonomy. With this strategy, the company not only helps employees cope with stress healthily but also maintains emotional balance, which fosters long-term loyalty.

Job Satisfaction Is Unable to Mediate the Effect of Compensation on Employee Loyalty

Adequate compensation should provide a sense of satisfaction and increase employee commitment to the company. A fair and transparent compensation system reflects appreciation for employee contributions and positively impacts loyalty (Selvia & Karneli, 2023). When employees feel that the rewards they receive are commensurate with the effort and responsibilities they undertake, they are more likely to demonstrate loyalty and high commitment to the organization.

In the case of PT Dua Kelinci, compensation did not significantly impact loyalty through job satisfaction, as reflected by a T-statistic of 0.074 and a P-value of 0.471. This finding aligns with Harahap & Sugiarti (2024), who demonstrated that compensation has no effect on job satisfaction and that job satisfaction also has no significant impact on employee loyalty. These results are also consistent with findings Safrida et al., (2023), which assert that compensation significantly increases job satisfaction but has no direct impact on loyalty. Loyalty only develops when job satisfaction is achieved, which is an effective mediator

between compensation and loyalty. This demonstrates that compensation alone is insufficient to build loyalty if it is not accompanied by emotional satisfaction, non-material recognition, and a sense of involvement in the work. This means that even if employees receive financial compensation, they may not necessarily feel satisfied or loyal if the work environment and non-financial rewards are less than supportive.

Therefore, PT Dua Kelinci needs to conduct a comprehensive evaluation of its existing compensation system, not only from a nominal perspective but also from the perspective of employee perceptions of fairness and the rewards they receive. The company can integrate performance-based incentives, formal recognition for achievements, and other welfare benefits such as career training and health support. These efforts will help increase job satisfaction, which can ultimately strengthen employee loyalty on an ongoing basis.

5. Conclusion

The findings of this study conclude that motivation, work environment, workload, and job stress significantly affect job satisfaction, while compensation does not, and that motivation, work stress, and job satisfaction significantly influence employee loyalty, with job satisfaction acting as a mediator except in the case of compensation. Based on these results, companies are advised to strengthen human resources through development, motivation, and psychological well-being, create a conducive work environment with a balanced workload, and improve the compensation system while prioritizing job satisfaction as the foundation for increasing employee loyalty. For future research, it is suggested to expand the study to different sectors or regions for broader generalizability, apply mixed quantitative and qualitative methods for deeper insights, and incorporate additional variables such as organizational culture, perception of fairness, leadership style, work-life balance, and employee engagement to enrich the research model.

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