

Mediated by job satisfaction (Empirical Study: Employees of AirNav Indonesia, Jakarta Air Traffic Services Center Branch)

Lestari Wulandari Annisia Hadi, Andreas Heryjanto

Universitas Bunda Mulia, Indonesia

E-mail: lestariwulandari27@yahoo.com, andreasherry007@yahoo.com

*Correspondence: lestariwulandari27@yahoo.com

KEYWORDS

Work environment,
leadership style, employee
loyalty, job satisfaction

ABSTRACT

The purpose of this study is to determine the influence of the work environment and leadership style on employee loyalty with job satisfaction as a mediating variable in AirNav Indonesia, Jakarta Air Traffic Services Center Branch. This study adopts a quantitative approach. The survey was conducted with 180 respondents who met the criteria of being employees of the AirNav Indonesia, Jakarta Air Traffic Services Center Branch. Data were analyzed using Structural Equation Model (SEM) and data processing was carried out using Partial Least Square (PLS) approach with SmartPLS program version 4.0. The results indicate that the variables of work environment, leadership style, and job satisfaction have a positive and significant influence on employee loyalty. In addition, the work environment and leadership style also have a positive and significant influence on job satisfaction. The indirect influence testing results demonstrate that job satisfaction mediates the relationship between the work environment and employee loyalty, as well as mediates the relationship between leadership style and employee loyalty. This research provides practical implications for companies to always pay attention to the work environment and the leadership style employed by their leaders, enabling employees to work in a safe and comfortable environment, thereby enhancing employee loyalty and job satisfaction.

Attribution- ShareAlike 4.0 International (CC BY-SA 4.0)



Introduction

The work environment is one of the factors that can affect the success or failure of a company. The work environment has an influence that can be directly felt by employees even if it does not directly involve the production process in a company. According to (Sedarmayanti, 2018), the work environment is divided into two categories: physical work environment, which includes temperature, lighting, air circulation, humidity, accessibility, noise, mechanical vibrations, odors, color schemes, decoration, music, and workplace security; and non-physical work environments, such as social relations in the

workplace, including interactions between superiors and subordinates or among colleagues. The leadership style of an organization in the work environment affects the loyalty and realization of the organization's vision.

Leadership is a process of guiding, influencing, and motivating group members or employees to perform activities related to their jobs in order to achieve predetermined goals. A leader uses their leadership style in leading a company (Nguyen et al., 2020). Leadership style itself is an action taken by a leader in dealing with his subordinates, managing a company's operational system, implementing and overseeing company policies, and solving problems both internally and externally. Leadership style is evident when a leader possesses distinctive characteristics used in direct and indirect impact on leading. The purpose of leadership style is to influence subordinates to achieve mutually agreed-upon goals (Udovita, 2020).

There are many factors that can affect the employee loyalty, such as compensation, responsibility, discipline, and so on. The level of employee loyalty in a company can be measured by the turnover rate of the company, the lower the turnover rate, the higher the loyalty of the employees in that company, and vice versa (Wulansari et al., 2020). Problems regarding the work environment and leadership style are common problems in a company. These problems affect employee loyalty and job satisfaction. Employee job satisfaction is also considered an important factor in a company because it can affect the company's performance. Employee job satisfaction can be observed during their work tasks. Employees have a feeling of pleasure in carrying out their job duties if their job satisfaction is fulfilled, and vice versa. In a company, employee job satisfaction needs attention and fulfillment, and this is one of the main tasks of company management. Job satisfaction benefits both the company, employees and community (Khaskheli et al., 2020).

AirNav Indonesia, Jakarta Air Traffic Services Center Branch is located in Gedung 611 Air Traffic Services Bandara Soekarno Hatta. AirNav Indonesia operates within a reasonably favorable working environment, characterized by high security due to its restricted area status. Operating around the clock, the agency requires adequate support facilities for its employees. AirNav Indonesia, Jakarta Air Traffic Services Center Branch provides comfortable amenities for its staff, including rest areas, places of worship, a cafeteria, and ample parking spaces. In addition, to reduce the level of stress at work, AirNav Indonesia, Jakarta Air Traffic Services Center Branch also provides game consoles, musical instruments and sports equipment for its employees. The provided work equipment meets the employees' needs, contributing to their effective task execution. It can be concluded that the physical work environment provided by AirNav Indonesia, Jakarta Air Traffic Services Center Branch is sufficiently satisfactory in enhancing employee performance. However, attention needs to be directed towards the non-physical work environment, focusing on work-related relationships with colleagues, superiors, and other authorities, as well as social factors, social status, intra-company relationships, and information systems. These aspects constitute the primary focus of this study: examining the overall impact of both the physical and non-physical work environments on employee loyalty and job satisfaction within the AirNav Indonesia, Jakarta Air Traffic Services Center Branch.

As of June 2023, the total number of employees in the AirNav Indonesia is 4,806. However, this study concentrates on the AirNav Indonesia, Jakarta Air Traffic Services Center Branch located in Tangerang, which comprises 652 employees. The work function of AirNav Indonesia, Jakarta Air Traffic Services Center Branch is divided into several

work units. Consists of operational and non-operational employees. The distribution of job functions and employee placement is illustrated in the diagram below:

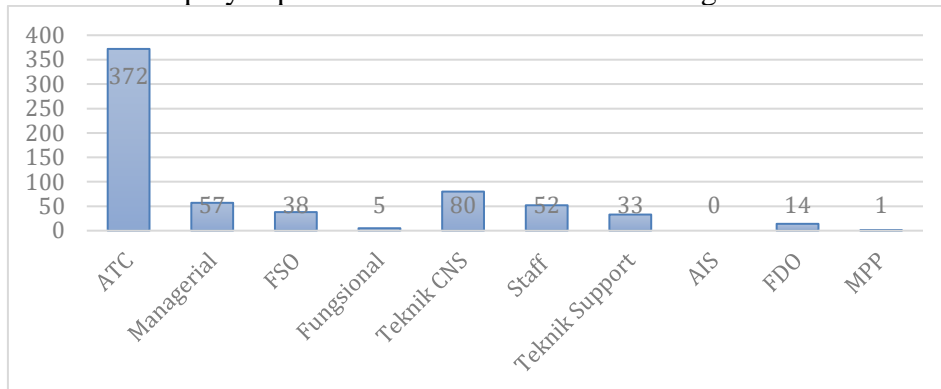


Figure 1 Diagram of Employee Distribution According to Job Function

Source: Employee Data Report, AirNav Indonesia, Jakarta Air Traffic Services Center Branch Office

Based on the diagram above, it can be seen that out of the 652 employees in AirNav Indonesia, Jakarta Air Traffic Services Center Branch, there are 57 managerial positions. These managerial positions include leaders responsible for overseeing their respective work units, ranging from the main leaders of branches to leaders of other work units. The highest position in AirNav Indonesia, Jakarta Air Traffic Services Center Branch is led by a General Manager, followed by a Deputy General Manager for operations and engineering, under the Deputy General Manager there is a manager position for operations and technical divisions. Below the Deputy General Manager, there are managers for operations, technical matters, K2S, as well as Administration and Finance. The last managerial position is that of the junior manager position. Each section has distinct job responsibilities, and employees in operational and non-operational roles exhibit varying characteristics. Consequently, the leadership style employed needs to be tailored to the specific tasks of the subordinates being led.

AirNav Indonesia, conducts an annual job satisfaction survey. The results of the job satisfaction survey will be used by AirNav Indonesia for evaluation and future improvements. The survey is administered by the head office of AirNav Indonesia, and all employees are required to participate. The management of human resources by the AirNav Indonesia adheres to relevant labor regulations, encompassing the respect for Human Rights, providing career advancement opportunities, social and health security, fulfillment of rights and obligations, and the implementation of occupational health and safety (OHS) management systems within the company. Additionally, AirNav Indonesia, also supports employees to be able to improve their competencies, which in turn, bolster their work capabilities. As a flight navigation service provider company, human resources play a crucial role in the company's operations. AirNav Indonesia views Human Resources as a vital asset and a source of strength for the company.

Table 1 Table of Employee Composition at AirNav Indonesia based on Gender

Gender	Increase (Decrease) 2022-2021		2021		2020		2019	
	Discrepancy	%	Number	Composition	Number	Compositor	Number	Compositor
Male	(78)	(2,5)	3,386	69,03	3.464	69,21	3556	69,49
Female	(22)	(1,43)	1.5196	30,97	1.541	30,79	1.561	30,51
Subtotal	(100)	(2.00)	4.905	100,00	5.005	100,00	5.117	100,00
Kodal TNI-AU	(16)	(15,38)	88	-	104	-	-	-
Total	(116)	(2,27)	4.993	-	5.109	-	5.117	-

Source: Annual Report of AirNav, 2021

Table 2 Table of Employee Composition Based on Work Location Assignment

Work Location/Branch	Increase (Decrease) 2020- 2021		2021	2020	2019
	Discrepancy	%			
Head Office	(30)	-5,31	535	565	589
JATSC	(6)	-0,92	646	652	645
MATSC	3	0,63	482	479	476
Medan	1	0,50	200	199	208
Palembang	(3)	-2,01	146	149	146
Yogyakarta	26	23,01	139	113	110

Source: Annual Report of AirNav, 2021

Based on table 1 and table 2, the employee composition above illustrates the turnover rate from 2019 to 2021. As of December 31, 2021, AirNav Indonesia, Jakarta Air Traffic Services Center Branch recorded the number of human resources a total of 4,993 employees, indicating a decrease of 2.27% compared to 2020, which was 5,109 employees. As for AirNav Indonesia, Jakarta Air Traffic Services Center Branch contributed 0.92%. The decline in the number of employees occurred due to a number of employees who have entered retirement, died and resigned.

This research is interesting to study because it addresses issues prevalent in both corporate and social contexts within organizations. Several researchers have conducted research on this topic. For instance, the results of research by Yulianti, et al. (2020) showed that the work environment has a positive and significant effect on job satisfaction and employee loyalty, and job satisfaction has a positive and significant effect on employee loyalty. The results of (Seth, 2022) research showed that leadership style affects employee loyalty. The results of (Farrukh et al., 2020) concluded that job satisfaction and organizational commitment have a positive and significant effect on employee loyalty. The results showed that job satisfaction had a positive and significant effect on employee loyalty. (Frempong et al., 2018). The results showed that job satisfaction have a positive and significant effect on employee loyalty. The results study of (Nursanti et al., 2020) showed that there is a significant influence between transactional leadership style and work environment on job satisfaction. There is a significant influence between job satisfaction and employee loyalty. However, there is no significant direct influence between transactional leadership style and work environment on employee loyalty. Then, (Frempong et al., 2018). The results showed that job satisfaction have a positive and significant effect on employee loyalty. (Andarsari & Setiadi, 2023) also explained that

the work environment affects employee job satisfaction, which significantly contributes to enhancing employee loyalty to the company. Furthermore, the research conducted by (He et al., 2022) indicated that paradoxical leadership has a significant positive effect on employee loyalty, with job satisfaction serving as a partial mediator between paradoxical leadership and employee loyalty.

Based on the presentation of several previous studies, this study has been proven to possess a gap or novelty, meaning that this study is different from several previous study. The difference in this study lies in the object or variable of research, the Employees of the AirNav Indonesia, Jakarta Air Traffic Services Center Branch. Furthermore, based on the background description of the problem above, the title of this study is "The Influence of Work Environment and Leadership Style on Employee Loyalty Mediated by Job Satisfaction (Empirical Study: AirNav Indonesia, Jakarta Air Traffic Services Center Branch)".

The research problems in this study are as follows:

1. Does the work environment influence employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch?
2. Does leadership style influence employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch?
3. Does the work environment influence employee job satisfaction at AirNav Indonesia, Jakarta Air Traffic Services Center Branch?
4. Does leadership style influence employee job satisfaction at AirNav Indonesia, Jakarta Air Traffic Services Center Branch?
5. Does job satisfaction influence employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch?
6. Does job satisfaction mediate the relationship between the work environment and employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch?
7. Does job satisfaction mediate the relationship between leadership style and employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch?

The objectives of this study are as follows:

1. To analyze the influence of the work environment on employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch.
2. To analyze the influence of leadership style on employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch.
3. To analyze the effect of the work environment on employee job satisfaction at AirNav Indonesia, Jakarta Air Traffic Services Center Branch.
4. To analyze the influence of leadership style on employee job satisfaction at AirNav Indonesia, Jakarta Air Traffic Services Center Branch.
5. To analyze the effect of job satisfaction on employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch.
6. To analyze the role of job satisfaction in mediating the influence of the work environment on employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch.
7. To analyze the role of job satisfaction in mediating the influence of leadership style on employee loyalty at AirNav Indonesia, Jakarta Air Traffic Services Center Branch.

Research Methods

The type of research conducted was quantitative research, wherein quantitative research methods are based on the philosophy of positivism (relying on empiricism) and are used to study specific populations or samples. In testing the established hypotheses, sampling is carried out in general, samples are generally taken randomly, collecting data using objective research instruments, and data analysis is quantitative or statistical (Sugiyono, 2019). In this study, the scale used was an interval scale. The questionnaire in this study formulated using the Likert scale, which consists of four levels of responses regarding respondents' agreement with statements expressed through the answer options provided. The Likert scale is used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena. With the Likert scale, the variables to be measured are outlined as a starting point for compiling instrument items, which can be in the form of questions. The Likert scale concerned is as follows:

Table 3 Table of Questionnaire Measurement Scale

Scale	Meaning
1	Strongly Disagree (SD)
2	Disagree (D)
3	Agree (A)
4	Totally Agree (TA)

Source: Sugiyono (2018)

There were 4 variables in this study: Work Environment, Leadership Style, Employee Loyalty, and Job Satisfaction. The population for this study consists of employees at AirNav Indonesia, Jakarta Air Traffic Services Center Branch, totaling 652 employees, comprising 57 managerial, as well as 52 non-operational and 543 operational employees. The samples taken represents a portion of all employees at AirNav Indonesia, Jakarta Air Traffic Services Center Branch. The criteria for employees to be sampled were permanent employees of AirNav Indonesia, Jakarta Air Traffic Services Center Branch. In determining the sample size, the researcher used several sampling techniques. As stated by (Hair et al., 2011), the minimum sample size ranges from 100 to 200. The minimum sample size can also be determined by the number of indicators multiplied by 5-10 times. (Sekaran & Bougie, 2016) also explain that the ideal sample size is greater than 30 but less than 500. This study used sample determination with the number of indicators approach. This study used 19 indicators (as shown in Table 3.2) with 26 statements so that the minimum number of respondents can be set at five multiplied by 26, which is 130 respondents. The number of employees sampled in this study was 130 employees at AirNav Indonesia, Jakarta Air Traffic Services Center Branch.

The sampling method used in this study was probability sampling with a simple random sampling approach. Probability sampling, according to Sugiyono (2018) is a sampling method in which the entire population has an equal chance to become respondents in the study. While the simple random sampling approach involves randomly selecting all samples without any specific criteria or methods. The instrument used for data collection was a questionnaire. The questionnaire distributed online or electronically via google form to respondents who are employees of AirNav Indonesia, Jakarta Air Traffic Services Center Branch.

Data analysis was conducted using the Partial Least Square (PLS) approach. Partial Least Square is a variant-based Structural Equation Analysis (SEM) that can

simultaneously perform measurement model testing as well as structural model testing. PLS is a reliable tool in testing predictive models as it does not rely on various assumptions, it can be used to predict models with weak theoretical foundations, handle data with issues related to classical assumptions, deal with small sample sizes, and work with both formative and reflective constructs. PLS assumes that all measure of variance is the variant described so that the latent variable estimation approach are explained variance, treating latent variable estimation as a combination of linear and indicator variables (Abdillah & Hartono, 2015). In Partial Least Square analysis, there are two main steps: the outer model and the inner model.

Hypothesis testing was performed using bootstrapping calculations. By using bootstrapping, the following analysis results were obtained:

1. T-statistic values, which were compared with the t-table values to test the significance of the exogenous variables on the endogenous variables.
2. P-value, to compare whether the value is below a significant level, if below 0.05 or above 0.05 to express whether the null hypothesis or alternative hypothesis is accepted or rejected.
3. Original sample, used as the value of the regression coefficient to complete the regression equation.
4. Therefore, the conditions that must be met are as follows:
If the $p\text{-value} > 0.05$ or $t\text{-statistics} < 1.96$ then H_a is rejected, H_o is accepted
If the $p\text{-value} \leq 0.05$ and $t\text{-statistics} \geq 1.96$ then H_a is accepted, H_o is rejected.

Results and Discussion

Research results

Based on the online questionnaire distributed through Google Form, a total of 184 respondents were obtained. After the screening process, 180 met the criteria specified for this study and were included in the analysis, while 4 respondents did not meet the criteria. The number has met the minimum limit in this study, for the minimum number in this study was 130 respondents, which was obtained from the calculation of the number of indicators, namely 26 times five, using the theory of (Hair et al., 2011), the minimum number of samples is the total number of research indicators multiplied by five.

Based on the results of the respondents' data obtained, it was determined 126 individuals (70%) were male and 54 people (30%) were female. From the tabulation data, it can be seen that the majority of employees of AirNav Indonesia, Jakarta Air Traffic Services Center Branch who participated in this study were male.

Based on the results of the respondents' data obtained, it was revealed that 9 individuals (5%) had 3-5 years of experience at AirNav Indonesia, Jakarta Air Traffic Services Center Branch, 59 individuals (32.8%) had 6-10 years of experience at AirNav Indonesia, Jakarta Air Traffic Services Center Branch, and 112 individuals (62.2%) had ≥ 11 years of experience at AirNav Indonesia, Jakarta Air Traffic Services Center Branch. Hence, it can be stated that the majority of employees of AirNav Indonesia, Jakarta Air Traffic Services Center Branch participated in this study had more than 11 years of experience at AirNav Indonesia, Jakarta Air Traffic Services Center Branch

Based on the results of the respondents' data obtained, showed that 16 individuals (8.9%) from non-operational work units, and 164 individuals (91.1%) from operational units. Thus, it can be stated that the majority of respondents in this study were employees

of AirNav Indonesia, Jakarta Air Traffic Services Center Branch who come from operational work units.

Outer loading testing was used to determine the extent to which an indicator reflects latent variables in the study. In the partial least square test, standardization for outer loadings evaluation was set at 0.70. Therefore, all indicators with loadings value > 0.70 effectively reflect the latent variables. (Ramayah et al., 2018)

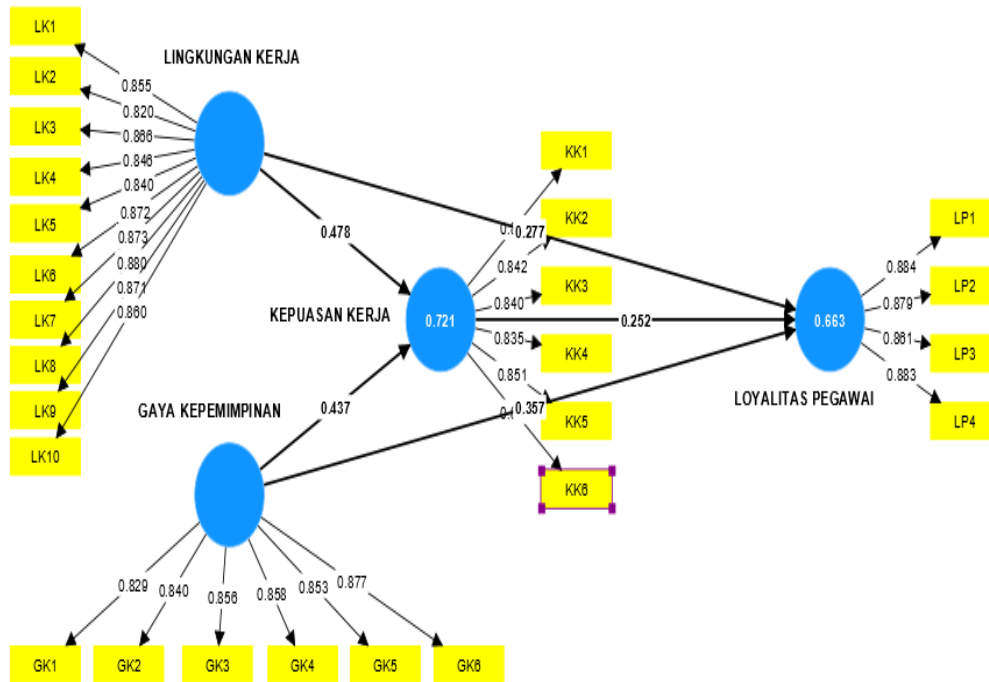


Figure 2 Outer Model Diagram

Source: SmartPLS 4.0 data processing results, (2023)

Here are the outer loading values for each construct indicator:

Table 4 Table of Validity Testing Results

Variable	Item Code	Outer Loading	Information
Work Environment	LK1	0.855	Valid
Work Environment	LK2	0.820	Valid
Work Environment	LK3	0.866	Valid
Work Environment	LK4	0.846	Valid
Work Environment	LK5	0.840	Valid
Work Environment	LK6	0.872	Valid
Work Environment	LK7	0.873	Valid
Work Environment	LK8	0.880	Valid
Work Environment	LK9	0.871	Valid
Work Environment	LK10	0.860	Valid
Leadership Style	GK1	0.829	Valid
Leadership Style	GK2	0.840	Valid
Leadership Style	GK3	0.856	Valid
Leadership Style	GK4	0.858	Valid
Leadership Style	GK5	0.853	Valid

Leadership Style	GK6	0.877	Valid
Employee Loyalty	LP1	0.884	Valid
Employee Loyalty	LP2	0.879	Valid
Employee Loyalty	LP3	0.861	Valid
Employee Loyalty	LP4	0.883	Valid
Job Satisfaction	KK1	0.844	Valid
Job Satisfaction	KK2	0.842	Valid
Job Satisfaction	KK3	0.840	Valid
Job Satisfaction	KK4	0.835	Valid
Job Satisfaction	KK5	0.851	Valid
Job Satisfaction	KK6	0.866	Valid

Source: SmartPLS 4.0 data processing results, (2023)

Based on table 4 above, all indicators of each research variable have an outer loading value > 0.70 . Therefore, all indicators are considered valid, where an indicator is deemed valid if it has an outer loading value greater than 0.70. If an outer loading is Below 0.70, it will be removed from the model. The highest indicator of the work environment is LK8, Leadership Style is GK6, Employee Loyalty is LP1, and for Job Satisfaction is KK6.

Path coefficients testing is a valuable measure for indicating the direction of relationships between variables, whether a hypothesis has a positive or negative direction. Path coefficients have values ranging from -1 to 1. If the value falls within the range of 0 to 1, it can be considered positive, whereas if the value is in the range of -1 to 0, it can be considered negative.

Table 5 Table of Testing Results of Path Coefficients

CONSTRUCTION	PATH COEFFICIENTS
WORK ENVIRONMENT -> EMPLOYEE LOYALTY	0.277
WORK ENVIRONMENT -> JOB SATISFACTION	0.478
LEADERSHIP STYLE -> EMPLOYEE LOYALTY	0.357
LEADERSHIP STYLE -> JOB SATISFACTION	0.437
JOB SATISFACTION -> EMPLOYEE LOYALTY	0.252
WORK ENVIRONMENT -> JOB SATISFACTION -> EMPLOYEE LOYALTY	0.121
LEADERSHIP STYLE -> JOB SATISFACTION -> EMPLOYEE LOYALTY	0.110

Source: SmartPLS 4.0 data processing results, (2023)

Based on Table 5, it can be observed that:

1. The direct influence of the work environment on employee loyalty was 0.277, which means that if the work environment increases by one unit, employee loyalty can increase by 27.7%. This influence was positive.
2. The direct influence of the work environment on job satisfaction was 0.478 which means that if the work environment increases by one unit, job satisfaction can increase by 47.8%. This influence was positive.

3. The direct influence of leadership style on employee loyalty was 0.357, which means that if the leadership style increases by one unit, employee loyalty can increase by 35.7%. This influence was positive.
4. The direct influence of leadership style on job satisfaction was 0.437 which means that if the leadership style increases by one unit, job satisfaction can increase by 43.7%. This influence was positive.
5. The direct effect of job satisfaction on employee loyalty was 0.252 which means that if job satisfaction increases by one unit, employee loyalty can increase by 25.2%. This influence was positive.
6. The indirect influence of the work environment on employee loyalty through job satisfaction was 0.121 which means that if the work environment increases by one unit, employee loyalty can increase indirectly through job satisfaction by 12.1%. This influence was positive.
7. The indirect effect of leadership style on employee loyalty through job satisfaction was 0.110 which means that if the leadership style increases by one unit, employee loyalty can increase indirectly through job satisfaction by 11%. This influence was positive.

Based on table 5, the results of testing the hypothesis of direct influence can be concluded as follows:

H1: The work environment has a positive and significant effect on employee loyalty

The results of hypothesis testing show that the p-value for the influence of the work environment on employee loyalty was $0.010 < 0.05$ with t-statistics values were $2.586 > 1.96$ and positive original sample values of 0.277 which means that the work environment has a significant positive effect on employee loyalty. Thus, the hypothesis that states the work environment has a positive and significant effect on employee loyalty **was accepted**.

H2: Leadership style has a positive and significant effect on employee loyalty

The results of hypothesis testing show that the p-value for the influence of leadership style on employee loyalty was $0.000 < 0.05$ with t-statistics value was $3.711 > 0.196$ and a positive original sample value of 0.357 which means that leadership style has a positive and significant effect on employee loyalty. Thus, the hypothesis that leadership style has a positive and cynical effect on employee loyalty **was accepted**.

H3: Work environment has a positive and significant effect on job satisfaction

The results of hypothesis testing show that the p-value for the effect of the work environment on job satisfaction was $0.000 < 0.05$ with t-statistics values of $4.998 > 1.96$, and positive original samples of 0.478 which means that the work environment has a positive and significant effect on job satisfaction. Thus, the hypothesis that states the work environment has a positive and significant effect on job satisfaction **was accepted**.

H4: Leadership style has a positive and significant effect on job satisfaction

The results of hypothesis testing show that the p-value for the influence of leadership style on job satisfaction is $0.000 < 0.05$ with t-statistics values of $4.592 > 1.96$, and positive original samples of 0.437 which means leadership style has a positive and significant effect on job satisfaction. Thus, the hypothesis that leadership style has a positive and significant effect on job satisfaction **was accepted**.

H5: Job Satisfaction has a positive and significant effect on employee loyalty

The results of hypothesis testing show that the p-value for the effect of job satisfaction on employee loyalty was $0.027 < 0.05$ with t-statistics values of $2.219 > 1.96$, and positive original samples of 0.252 which means job satisfaction has a positive and

significant effect on employee loyalty. Thus, the hypothesis that job satisfaction has a positive and significant effect on employee loyalty **was accepted**.

Table 6 Table of Indirect Influence Hypothesis Testing Results

Konstruck	Original Sample	Sample Mean	Standard	T statistic	P Values
Lingkungan kerja-> Kepuasan kerja-> Loyalitas Pegawai	0.121	0.119	0.06	2.026	0.043
Gaya Kepemimpinan-> Kepuasan Kerja -> Loyalitas Pegawai	0.110	0.110	0.055	1.985	0.047

Source: SmartPLS 4.0 data processing results, (2023)

Based on table 6, the results of the indirect hypothesis testing can be summarized as follows:

H6: Work environment has a positive and significant effect on employee loyalty mediated by job satisfaction

The results of hypothesis testing show that the p-value for the influence of the work environment on employee loyalty through job satisfaction was $0.043 < 0.05$ with t-statistics values of $2.026 > 1.96$, and positive original samples of 0.121 which means that the work environment has a positive and significant effect on employee loyalty through job satisfaction. Thus, the hypothesis that the work environment has a positive and significant effect on employee loyalty mediated by job satisfaction **was accepted**.

H7: Leadership style has a positive and significant effect on employee loyalty mediated by job satisfaction

The results of hypothesis testing show that the p-value for the influence of leadership style on employee loyalty through job satisfaction was $0.047 < 0.05$ with t-statistics values of $1.985 > 1.96$, and positive original samples of 0.110 which means that leadership style has a positive and significant effect on employee loyalty through job satisfaction. Thus, the hypothesis that leadership style has a positive and significant effect on employee loyalty mediated by job satisfaction **was accepted**.

Discussion

a) The Effect of the Work Environment on Employee Loyalty

The first hypothesis in this study shows that the hypothesis was accepted. Based on the calculation, the p-value for the influence of the work environment on employee loyalty was 0.010 with the t-statistics value was 2.586, and the coefficient of the work environment path on employee loyalty was 0.277, which means that the work environment has a positive and significant effect on employee loyalty, meaning that changes in the value of the work environment have a unidirectional influence on changes in employee loyalty. In other words, changes in the work environment have a positive impact on changes in employee loyalty, or in other words, if the work environment improves, there will be an increase in employee loyalty, and this effect is statistically significant. Based on the research conducted, the results of this study support previous research conducted by (Nugroho, 2023), (Dewi et al., 2020), (Rahmisyari, 2022) and (Lilis, 2022) that found similar results, indicating that the work environment has a positive and significant effect on employee loyalty.

b) The Influence of Leadership Style on Employee Loyalty

The second hypothesis in this study shows that the hypothesis was accepted. Based on calculations, the p-value for the influence of leadership style on employee

loyalty was 0.000 with a t-statistics value of 3.711, and the value of the leadership style path coefficient on employee loyalty was 0.357 which means that leadership style has a positive and significant effect on employee loyalty. In other words, changes in leadership style have a positive impact on changes in employee loyalty, or in other words, if leadership style improves, there will be an increase in employee loyalty, and this effect is statistically significant. Based on the research conducted, the results of this study support previous research conducted by (Nugroho, 2023), (Sejati et al., 2021), (Seth, 2022) and (Anggadha & Irmawati, 2020) that found similar results, indicating that the leadership style has a positive and significant effect on employee loyalty.

c) The Effect of Work Environment on Job Satisfaction

The third hypothesis in this study suggests that the hypothesis was accepted. Based on the calculation, the p-value for the effect of the work environment on job satisfaction was 0.000 with a t-statistics value of 4.998, and the value of the work environment path coefficient on job satisfaction was 0.478, which means that the work environment has a positive and significant effect on job satisfaction, meaning that changes in the work environment have a direct effect on changes in job satisfaction. In other words, an improvement in the work environment leads to an increase in job satisfaction, and statistically, this has a significant impact. Based on the research conducted, the results of this study support previous research conducted by (Karneli & Fitriani, 2022), (Iqbal et al., 2021), (Taheri et al., 2020), and (Ratnasari et al., 2020) that found similar results, indicating that the work environment has a positive and significant effect on job satisfaction.

d) The Influence of Leadership Style on Job Satisfaction

The fourth hypothesis in this study suggests that the hypothesis was accepted. Based on the calculation, the p-value for the influence of leadership style on job satisfaction was 0.000 with a t-statistics value of 4.592, and the value of the leadership style path coefficient on job satisfaction was 0.437 which means that leadership style has a positive and significant effect on job satisfaction, indicating that changes in leadership style have a direct effect on changes in job satisfaction. In other words, an increase in leadership style leads to an increase in job satisfaction, and statistically, this has a significant impact. Based on the research conducted, the results of this study support previous research conducted by (Sari, 2021), (Hafid, 2021) and (Mufti et al., 2020) that found similar results, indicating that the leadership style has a positive and significant effect on job satisfaction.

e) The Effect of Job Satisfaction on Employee Loyalty

The fifth hypothesis in this study shows that the hypothesis was accepted. Based on the calculation, the p-value for the effect of job satisfaction on employee loyalty is 0.027 with a t-statistics value of 2.219, and the value of the job satisfaction path coefficient on employee loyalty was 0.252 which means job satisfaction has a positive and significant effect on employee loyalty, implies that changes in job satisfaction have a direct effect on changes in employee loyalty. In other words, an increase in job satisfaction leads to an increase in employee loyalty, and statistically, this has a significant impact. Based on the research conducted, the results of this study support previous research conducted by (Karneli & Fitriani, 2022), (Dewi et al., 2020), (Farrukh et al., 2020) and (Nursanti et al., 2020) and (Frempong et al., 2018) that found similar results, indicating that the job satisfaction has a positive and significant effect on employee loyalty.

f) The effect of the work environment on employee loyalty mediated job satisfaction

The sixth hypothesis in this study shows that the hypothesis was accepted. Based on the calculation results, the p-value for the influence of the work environment on employee loyalty through job satisfaction was 0.043 with a t-statistics value of 2.026, and the value of the work environment path coefficient on employee loyalty through job satisfaction was 0.121 which means that the work environment has a positive and significant effect on employee loyalty through job satisfaction. Thus, it can be concluded that job satisfaction mediates the work environment against employee loyalty. Based on the research conducted, the results of this study support previous research conducted by (Andarsari & Setiadi, 2023), (Tobing, 2022), (Karneli & Fitriani, 2022) and Yulianti, et al. (2020) that found similar results, indicating that the work environment has a positive and significant effect on employee loyalty mediated by job satisfaction.

g) The Influence of Leadership Style on Employee Loyalty Mediated Job Satisfaction

The seventh hypothesis in this study shows that the hypothesis was accepted. Based on the calculation results, the p-value for the influence of leadership style on employee loyalty through job satisfaction was 0.047 with a t-statistics value of 1.985, and the value of the leadership style path coefficient on employee loyalty through job satisfaction was 0.110 which means that leadership style has a positive and significant effect on employee loyalty through job satisfaction. Therefore, it can be concluded that job satisfaction mediates the relationship of leadership style to employee loyalty. Based on the research conducted, the results of this study support previous research conducted by (Tobing, 2022) and (He et al., 2022) that found similar results, indicating that the leadership style has a positive and significant effect on employee loyalty mediated by job satisfaction.

Conclusion

Based on the results of research and discussion that have been obtained in the previous chapter, the following conclusions can be drawn:

The work environment has a positive and significant influence on employee loyalty so that H1 was accepted. This can happen because with a good work environment, employees feel comfortable and secure, enhancing their enthusiasm and commitment to their tasks. In addition, positive relationships between colleagues and superiors in the workplace contribute to employee satisfaction. These conditions also contribute to the level of employee loyalty. A good work environment makes it not easy for employees to decide to move to another workplace.

Leadership style has a positive and significant influence on employee loyalty so that H2 was accepted. This can happen because when leaders in a company employ effective leadership styles tailored to their team, fostering a conducive work atmosphere. Such leadership enables employees to work purposefully, fosters strong interpersonal relationships between colleagues and leaders, and cultivates a sense of camaraderie. These factors contribute to increased employee loyalty, making them less likely to consider changing jobs.

The work environment has a positive and significant influence on job satisfaction so that H3 was accepted. A favorable work environment facilitates employees in their tasks, ensuring necessary facilities are met, thereby enhancing work effectiveness and efficiency. Such conditions contribute to job satisfaction, making employees content in their work environment.

Leadership style has a positive and significant influence on job satisfaction so that H4 was accepted. Effective leadership encourages work enthusiasm, creativity, and motivation among employees, leading to job satisfaction.

Job satisfaction has a positive and significant influence on employee loyalty so that H5 was accepted. Job satisfaction results in employees feeling comfortable, taking responsibility, and developing strong bonds and loyalty to the company.

The work environment has a positive and significant influence on employee loyalty mediated by job satisfaction so that H6 was accepted. A positive work environment enhances employees' job satisfaction, contributing to their loyalty. Satisfied employees are more loyal to the company, reducing their inclination to switch to other employers.

Leadership style has a positive and significant influence on employee loyalty mediated by job satisfaction so that H7 was accepted. Effective leadership enhances job satisfaction, fostering strong relationships between employees and their superiors. Satisfied employees with positive relationships are highly committed to the company, influencing their loyalty.

References

- Abdillah, W., & Hartono, J. (2015). Partial Least Square (PLS) Alternatif Structural Equation Modeling (SEM) Dalam Penelitian Bisnis. *Yogyakarta: Penerbit Andi*, 22, 103–150.
- Andarsari, N. A., & Setiadi, P. B. (2023). The The Impact Of Working Environment On Employee Loyalties With Job Satisfaction As An Intervening Variable. *Ilomata International Journal Of Management*, 4(1), 73–84.
- Anggadha, W., & Irmawati, E. D. J. G. (2020). *The Influences Of Transactional Leadership Style On Employee Loyalty At PT. X Medan*.
- Dewi, T. R. K., Yulianti, K., & Rustyadi, D. (2020). Tingkat Kelengkapan Identitas Jenazah Serta Kesesuaian Rangkaian Penyebab Kematian Pada Surat Keterangan Kematian Di RSUP Sanglah Tahun 2017. *E-Jurnal Medika Udayana*, 9(11), 85–90.
- Farrukh, M., Kalimuthu, R., Farrukh, S., & Khan, M. S. (2020). Role Of Job Satisfaction And Organizational Commitment In Employee Loyalty: Empirical Analysis From Saudi Hotel Industry. *Int. J. Bus. Psychol*, 2, 1–20.
- Frempong, L. N., Agbenyo, W., & Darko, P. A. (2018). The Impact Of Job Satisfaction On Employees' Loyalty And Commitment: A Comparative Study Among Some Selected Sectors In Ghana. *European Journal Of Business And Management*, 10(12), 95–105.
- Hafid, I. (2021). Perampasan Aset Tanpa Pemidanaan Dalam Perspektif Economic Analysis Of Law. *Lex Renaissance*, 6(3), 465–480.
- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). The Use Of Partial Least Squares (PLS) To Address Marketing Management Topics. *Journal Of Marketing Theory And Practice*, 19(2), 135–138.
- He, Y.-L., He, C.-S., Lai, L.-D., Zhou, P., Zhang, H., Li, L.-L., Xiong, Z.-K., Mu, Y., Pan, Z.-C., & Yao, G. (2022). Activating Peroxymonosulfate By N And O Co-Doped Porous Carbon For Efficient BPA Degradation: A Re-Visit To The Removal Mechanism And The Effects Of Surface Unpaired Electrons. *Applied Catalysis B: Environmental*, 314, 121390.
- Iqbal, M. A., Saluy, A. B., & Hamdani, A. Y. (2021). The Effect Of Work Motivation And Work Environment On Employee Performance Mediated By Job Satisfaction (At Pt Ici Paints Indonesia). *Dinasti International Journal Of Education*

- Management And Social Science*, 2(5), 842–871.
- Karneli, O., & Fitriani, F. (2022). The Effect Of Work Environment On Employee Loyalty Through Job Satisfaction (Study On Hotel Employees In Pekanbaru). *International Journal Of Economics And Management Research*, 1(3), 194–203.
- Khaskheli, A., Jiang, Y., Raza, S. A., Qureshi, M. A., Khan, K. A., & Salam, J. (2020). Do CSR Activities Increase Organizational Citizenship Behavior Among Employees? Mediating Role Of Affective Commitment And Job Satisfaction. *Corporate Social Responsibility And Environmental Management*, 27(6), 2941–2955.
- Lilis, K. S. (2022). *Pengaruh Model Pembelajaran Ricosre Berbantuan Podcast Terhadap Peningkatan Keterampilan Komunikas Dan Berpikir Analisis Pada Mata Pelajaran Biologi Kelas Xi*. Uin Raden Intan Lampung.
- Mufti, M., Xiaobao, P., Shah, S. J., Sarwar, A., & Zhenqing, Y. (2020). Influence Of Leadership Style On Job Satisfaction Of NGO Employee: The Mediating Role Of Psychological Empowerment. *Journal Of Public Affairs*, 20(1), E1983.
- Nguyen, P. T., Yandi, A., & Mahaputra, M. R. (2020). Factors That Influence Employee Performance: Motivation, Leadership, Environment, Culture Organization, Work Achievement, Competence And Compensation (A Study Of Human Resource Management Literature Studies). *Dinasti International Journal Of Digital Business Management*, 1(4), 645–662.
- Nugroho, R. (2023). The Relationship Between Leadership Style And Work Environment On Employee Loyalty. *Journal Of Economics And Business UBS*, 12(1), 312–322.
- Nursanti, T. D., Lesmana, A., & Yuliana, V. (2020). How Transactional Leadership Style And Work Environment Influence Gen Y Job Satisfaction In PT XYZ Thus Impact To The Employee Loyalty. *Jurnal Ilmu Manajemen & Ekonomika*, 12(2), 69–75.
- Rahmisyari, R. (2022). The Effect Of Work Placement, Work Experience, And Work Environment On Employee Loyalty At The Gorontalo Search And Help Office. *Devotion Journal Of Community Service*, 3(12), 2008–2023.
- Ramayah, T., Cheah, J., Chuah, F., Ting, H., & Memon, M. A. (2018). Partial Least Squares Structural Equation Modeling (PLS-SEM) Using Smartpls 3.0. *An Updated Guide And Practical Guide To Statistical Analysis*.
- Ratnasari, S. L., Prasetyo, E. J., & Hakim, L. (2020). The Effect Of Organizational Commitment, Organizational Culture, Work Environment, And Leadership Style On Job Satisfaction. *Enrichment: Journal Of Management*, 11(1, Novembe), 57–62.
- Sari, H. N. I. (2021). *Hubungan Ketersediaan Pangan Dan Asupan Zat Gizi Makro Masa Pandemi Covid-19 Dengan Kekurangan Energi Kronik Ibu Hamil Di Kabupaten Bulukumba*. Universitas Islam Negeri Alauddin Makassar.
- Sedarmayanti, H. (2018). *Manajemen Sumber Daya Manusia; Reformasi Birokrasi Dan Manajemen Pegawai Negeri Sipil*. Reflika Aditama.
- Sejati, S., Isnaini, D., Fitria, R., Kusmidi, H., & Hadikusuma, W. (2021). The Influence Of Emotional Intelligence And Leadership Style On Employee Loyalty During Covid-19 Pandemic:(Surveyin University Islamic State Raden Intan Lampung And IAIN Province Bengkulu In 2020). *Annals Of The Romanian Society For Cell Biology*, 2951–2962.
- Sekaran, U., & Bougie, R. (2016). Research Methods For Business : A Skill-Building Approach. In *Research Methods For Business* (Edition, S, Vol 34, Number 7). Printer Trento Srl. <https://doi.org/10.1108/Lodj-06-2013-0079>
- Seth, S. (2022). Analysis Of Communication And Leadership Style On Employee Loyalty

- And Performance. *Dinasti International Journal Of Economics, Finance & Accounting*, 3(5), 576–583.
- Sugiyono. (2019). *Metode Penelitian Kuantitatif Kualitatif Dan R&D*. Alfabeta.
- Taheri, R. H., Miah, M. S., & Kamaruzzaman, M. (2020). Impact Of Working Environment On Job Satisfaction. *European Journal Of Business And Management Research*, 5(6).
- Tobing, E. (2022). Factors Influencing Job Satisfaction And Employee Loyalty For The Millennial Generation: Work Environment And Leadership Style. *Dinasti International Journal Of Digital Business Management*, 4(1), 72–81.
- Udovita, V. (2020). Conceptual Review On Impact Of Leadership Style On Employee Performance. *International Journal Of Business And Management Invention (IJBMI)*, 9(9), 16–23.
- Wulansari, P., Meilita, B., & Ganesan, Y. (2020). The Effect Of Employee Retention Company To Turnover Intention Employee—Case Study On Head Office Lampung Bank. *3rd Global Conference On Business, Management, And Entrepreneurship (GCBME 2018)*, 236–239.