

Employee Loyalty at Perum Perhutani Divre East Java through Organizational Factors in Human Resource Management Practices

Loyalitas Karyawan di Perum Perhutani Divre Jawa Timur Melalui Faktor Organisasional dalam Praktik Manajemen Sumber Daya Manusia

Hafidz Wahyu Ramadhan¹, Teguh Soedarto^{2*}, dan Mirza Andrian Syah³

Corresponding Author: teguh_soedarto@upnjatim.ac.id

^{1,2,3}Agribusiness Study Program, Faculty of Agriculture, Pembangunan Nasional Veteran East Java University, Indonesia.

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Abstract

This research employs a quantitative approach using purposive sampling techniques involving 50 permanent employees as respondents. The analysis was conducted using the Structural Equation Modeling Partial Least Square (SEM-PLS) method with the assistance of SmartPLS 4. The outer model evaluation indicates that all indicators meet the required validity and reliability criteria (loading factor > 0.7; AVE > 0.5; Cronbach's Alpha and Composite Reliability > 0.7). The structural model assessment also confirms an adequate model fit, as shown by an SRMR value of 0.075, an NFI value of 0.784, and a GoF value of 0.781. The adjusted R² value of 0.749 indicates that work-life balance, benefits, job satisfaction, and workload collectively explain 74.9% of the variance in employee loyalty. The hypothesis testing results show that all four variables have a positive and significant effect on employee loyalty, with job satisfaction as the most dominant factor, followed by benefits, work-life balance, and workload. These findings indicate that integrated human resource management practices, particularly those related to employee satisfaction and welfare, play a strategic role in shaping and maintaining employee loyalty at Perum Perhutani Regional Division of East Java.

Keywords: *employee loyalty; human resource management; organizational factors.*

Abstrak

Penelitian ini bertujuan menganalisis pengaruh work-life balance, tunjangan, kepuasan kerja, dan beban kerja terhadap loyalitas karyawan. Pendekatan kuantitatif digunakan dengan teknik purposive sampling yang melibatkan 50 karyawan tetap sebagai responden. Analisis dilakukan menggunakan Structural Equation Modeling Partial Least Square (SEM-PLS) dengan bantuan SmartPLS 4. Evaluasi outer model menunjukkan seluruh indikator memenuhi kriteria validitas dan reliabilitas (loading factor > 0,7; AVE > 0,5; Cronbach's Alpha dan Composite Reliability > 0,7). Pengujian model struktural mengonfirmasi kelayakan model dengan nilai SRMR sebesar 0,075, NFI sebesar 0,784, dan GoF sebesar 0,781. Nilai R² adjusted sebesar 0,749 mengindikasikan bahwa keempat variabel secara bersama-sama mampu menjelaskan 74,9% variasi loyalitas karyawan. Hasil pengujian hipotesis menunjukkan bahwa work-life balance, tunjangan, kepuasan kerja, dan beban kerja berpengaruh positif dan signifikan terhadap loyalitas karyawan, dengan kepuasan kerja sebagai faktor paling dominan, diikuti tunjangan, work-life balance, dan beban kerja. Temuan ini mengindikasikan bahwa praktik manajemen sumber daya manusia yang terintegrasi, khususnya terkait kepuasan dan kesejahteraan karyawan, memiliki peran strategis dalam membentuk loyalitas karyawan di Perum Perhutani Divisi Regional Jawa Timur.

Kata kunci: faktor organisasional; loyalitas karyawan; manajemen sumber daya manusia.

1. INTRODUCTION

Based on data from the Sakernas BPS (National Labor Force Survey by the Central Statistics Agency) for 2022, it is recorded that 15 to 20% of workers in Indonesia aged 15-64 years experienced job changes within a one-year period. Considering the total workforce of 137 million workers that year, it can be estimated that approximately 27 million individuals switched jobs. Entering 2023, the quantity of the Indonesian workforce has declined, with result from the Sakernas BPS survey showing that around 70-75% of workers are able to stay in the same job for more than one year. This reflects a decrease from 2021, where it was originally 80% and has now dropped to 70-75%. This means that approximately 18% of the total 141 million workforce have changed jobs within the last year, an increase of 5% from 2022 (Central Statistics Agency, 2022). The Ministry of Manpower (Kemnaker) also reported that in 2023, approximately 2.5 million workers experienced partial termination of employment. This situation has encouraged most workers to look for new job opportunities, leading to a decrease in loyalty towards small and medium-scale companies down to 65%.

The main reasons behind workers' decisions to resign include several factors, 30% influenced by the absence of social security such as insurance, 20% influenced by limited opportunities for career development and promotions, 35% due to excessively low wages, and 25% influenced by inadequate working environment conditions Directorate of Population and Employment Statistics, 2023). Based on the data above, the phenomenon of low employee retention rates indicates that employee loyalty in the workplace is declining, caused by a lack of emotional connection between employees and the company they work for, leading employees to seek new opportunities elsewhere. High employee turnover can disrupt the overall organizational dynamics of the company, as the loss of quality employees can disturb team balance. This situation also applies to state-owned enterprises in Indonesia, where retention levels can affect overall operational stability, potentially causing difficulties in maintaining work continuity and leading to a decline in overall productivity.

Perhutani divides its work areas into several regional divisions as an effort to manage forests in Indonesia. Regional divisions are work units tasked with managing the business line of forest resource utilization in the areas they cover, one of which is the East Java regional division under Perum Perhutani. Like other regional divisions, the East Java regional division certainly plays a role as the controller in regulating and managing the forest ecosystem in East Java. As a company entrusted with managing very vital state assets, Perum Perhutani is required to have competent human resources, high dedication, and long-term commitment to the organization as shown in Table 1. below.

Table 1. Active and Departing Employee Data at Perum Perhutani East Java Regional Division, 2020–2025

No.	Description	Classification	Amount	Percentage (%)
1.	Current number of employees now	Employees with more than 5 years of service	104	80
		Employees with less than 5 years of service	26	20
2.	Number of employees who left	Left due to retirement	50	83,33
		Left for other reasons	10	16,67

Source: Data Processed, 2025

Table 1. explains that Perum Perhutani East Java Division has a total of 130 employees as of 2025, where 80% of its workers have more than 5 years of service. Based on data from the 2020–2025 period, employees leaving Perum Perhutani East Java Regional Division were mostly due to retirement factors, amounting to 83.33%, while those leaving for other reasons were only 16.67%. This condition shows that the majority of employees tend to stay and complete their tenure until retirement.

Through proper human resource management, organizations can develop capable employees who are able to manage the forestry sector in Indonesia responsibly and appropriately. Human resource management, as defined by Priyono (2008), is a managerial instrument used to plan, organize, and control human resources within an organization. Sustainable human resource management practices, also referred to as sustainable HRM practices, are part of human resource management strategies aimed at enabling employees to contribute optimally to the achievement of financial, social, and environmental goals, both within and beyond the organization, while ensuring that these contributions can be sustained over the long term (Abu-Mahfouz et al., 2023)

Human resource management literature explains that organizational stability is not determined solely by low turnover rates, but also by the quality of employee loyalty among those who remain in the organization (Anam & Soedarto, 2022). According to Social Exchange Theory proposed by Peter Blau (1986), sustainable employment relationships are formed through reciprocal exchanges perceived as fair by both parties. When organizations provide support, fairness, and proper working conditions, employees tend to maintain their attachment and demonstrate stronger loyalty. Conversely, imbalance in human resource management may weaken this reciprocal relationship and lead to decreased employee commitment (Eisenberger et al., 1986).

The relatively high retention rate at the Perum Perhutani Regional Division of East Java office shows that approximately 80 percent of employee departures are due to retirement. Although most exits are driven by retirement, the organization is still required to ensure the readiness of replacement human resources in order to maintain organizational performance. The annual trend of employee departures, largely natural due to retirement, raises fundamental questions regarding the resilience of employee loyalty and the long term stability and sustainability of human resources. In this regard, identifying the human resource management mechanisms implemented at the Perum Perhutani Divre East Java office is essential, as these mechanisms play a role in shaping, maintaining, and strengthening employee loyalty.

Previous studies have discussed employee loyalty from various perspectives, yet most of them analyze each factor separately rather than in an integrated manner. The main contribution of this research is the examination of four organizational factors, namely benefits, work life balance, job satisfaction, and workload, which to the author's knowledge have not been studied simultaneously in relation to employee loyalty. In addition, earlier research generally relies only on quantitative regression methods without combining them with mixed methods approaches for deeper analysis. This study addresses that limitation by applying a mixed methods design to gain a more comprehensive understanding of how these factors influence employee loyalty. Furthermore, no similar research has been conducted at Perum Perhutani Regional Division East Java. Therefore, this study aims to analyze the effect of job satisfaction, work life balance, benefits, and workload on employee loyalty at the Perum Perhutani Divre East Java office.

2. RESEARCH METHODS

This study was conducted at the Perum Perhutani Regional Division of East Java between December 2025 and February 2026. The research employed a quantitative method, to obtain a comprehensive understanding of the factors influencing employee loyalty. The quantitative component of this study aims to analyze the effect of work-life balance (X1), benefits (X2), job satisfaction (X3), and workload (X4) on employee loyalty (Y). Work-life balance (X1) is measured through several indicators, including the balance between working time and social life, work flexibility through the work-from-home program, and the ability to manage psychological involvement between work roles and personal responsibilities. Benefits (X2) are measured based on indicators such as fair salary in accordance with workload, the suitability of benefits with employee expectations, and the adequacy of health benefits in meeting employee needs.

Job satisfaction (X3) is measured through indicators including satisfaction with assigned tasks, satisfaction with job position, the suitability of benefits with the work performed, alignment between promotion opportunities and performance ability, and satisfaction with supporting facilities. Workload (X4) is measured through indicators such as clarity of job instructions in accordance with standard operating procedures, appropriateness of working time with established standards, suitability of work targets with job type, and coworkers ability to complete tasks according to the assigned job description. Employee loyalty (Y) as the dependent variable is measured through indicators including participation in company activities, willingness to remain in the organization for a long period, commitment to company regulations, enjoyment of the work performed, and willingness to prioritize organizational interests over personal interests.

The sampling technique used in this study was non-probability sampling with a purposive sampling method. The respondent criteria were limited to permanent employees with a minimum tenure of five years. A total of 50 respondents were selected from a total population of 130 employees at Perum Perhutani Regional Division of East Java, with the sample size determined based on the ten times rule guideline in SEM-PLS analysis. Data were collected through questionnaires using a Likert scale of 1 to 5. Before the main data collection was conducted, the questionnaire instrument was tested to ensure that it was able to measure the research variables accurately and consistently. This

preliminary test involved 30 respondents who met the criteria of the study. The purpose of this step was to examine the validity and reliability of the questionnaire items before they were distributed to the main research sample. The results of the validity and reliability tests are presented in Table bellow.

Table 2. Loading Factor Values

	Cronbach's alpha	Composite reliability	AVE
Benefits	0.858	0.908	0.768
Employee Loyalty	0.972	0.978	0.900
Job Satisfaction	0.958	0.968	0.857
Work-life Balance	0.883	0.926	0.807
Workload	0.914	0.940	0.796

Source: Data processed using SmartPLS 4.0, (2026)

Based on the reliability and validity test results, all variables show Cronbach's Alpha and Composite Reliability values above 0.70, indicating that the research instrument is reliable. In addition, all Average Variance Extracted (AVE) values are above 0.50, which means that each construct meets the convergent validity criteria. Therefore, the questionnaire items are considered valid and reliable for use in the main research.

Data analysis was conducted using the Structural Equation Modeling–Partial Least Square (SEM-PLS) method with the assistance of SmartPLS 4.0 software, encompassing measurement model evaluation to assess validity and reliability, as well as structural model evaluation to analyze the relationships between variables and hypothesis testing. To support the research objectives and strengthen the interpretation of the quantitative results, this study was further complemented by qualitative data collected through in-depth interviews. Informants were selected using a snowball sampling technique. The selected informants consisted of managerial officials who hold strategic roles in human resource management, chosen based on their direct relevance to the policies and practices related to employee loyalty.

To ensure the validity and reliability of the research findings, this study further specifies the evaluation procedures applied in the SEM-PLS analysis. The measurement model (outer model) was assessed by examining convergent validity through factor loadings ≥ 0.70 and Average Variance Extracted (AVE) ≥ 0.50 . Internal consistency reliability was evaluated using Cronbach's alpha and composite reliability with acceptable threshold values ≥ 0.70 . Discriminant validity was examined using the cross-loadings to ensure that each construct was empirically distinct. The structural model (inner model) was evaluated by analyzing the coefficient of determination (R^2) to measure the explanatory power of the model, where values of 0.75 indicate substantial, 0.50 moderate, and 0.25 weak explanatory power. The structural relationship among variables can be expressed in the following equation:

$$Y = \beta_1X1 + \beta_2X2 + \beta_3X3 + \beta_4X4 + \zeta$$

Where Y represents employee loyalty, X1 denotes work life balance, X2 represents benefits, X3 indicates job satisfaction, X4 refers to workload, β represents the path coefficients, and ζ denotes the error term. Effect size (F^2) was interpreted based on the criteria of 0.02 (small), 0.15 (medium), and 0.35 (large). Hypothesis testing was conducted using bootstrapping procedures, and path coefficients were considered statistically significant if the T-statistic exceeded 1.96 and the p-value was below 0.05 at a 5 percent significance level. In addition, the qualitative data obtained through in-depth interviews were analyzed using a thematic analysis approach to identify recurring patterns related to employee loyalty. The integration of quantitative and qualitative findings was intended to provide a more comprehensive interpretation and strengthen the robustness of the research conclusions.

3. RESULT AND DISCUSSION

3.1. Loading Factor

The output of the outer loading estimation is assessed by examining the correlation between each indicator score and its corresponding construct or variable. An indicator is considered valid when it has a correlation value above 0.70. If an indicator shows a loading value below this threshold, it is regarded as inadequate and should be removed from further analysis. The results of the convergent validity test are presented as follows.

Table 3. Loading Factor Values

Variable	Indicator	Loading Factor	Note
Work-life Balance (X1)	X1.1	0.796	Valid
	X1.2	0.915	Valid
	X1.3	0.882	Valid
Benefits (X2)	X2.1	0.921	Valid
	X2.2	0.855	Valid
	X2.3	0.921	Valid
Job Satisfaction (X3)	X3.1	0.883	Valid
	X3.2	0.915	Valid
	X3.3	0.937	Valid
	X3.4	0.946	Valid
	X3.5	0.927	Valid
Workload (X4)	X4.1	0.799	Valid
	X4.2	0.904	Valid
	X4.3	0.917	Valid
	X4.4	0.902	Valid
Employee Loyalty (Y)	Y.1	0.941	Valid
	Y.2	0.931	Valid
	Y.3	0.948	Valid
	Y.4	0.952	Valid
	Y.5	0.953	Valid

Source: Data processed using SmartPLS 4.0, (2026)

The results of the loading factor test indicate that all indicators of the variables Work-life Balance (X1), Benefits (X2), Job Satisfaction (X3), Workload (X4), and Employee Loyalty (Y) have loading factor values above 0.70. Therefore, all indicators are considered valid and meet the criteria for convergent validity. These findings show that each indicator has a strong correlation with its respective construct, meaning that the indicators are able to accurately represent the research variables and support the construct validity of the measurement model.

3.2. Average Variance Extracted (AVE)

The output of the average variance extracted (AVE) estimation can be seen in the results table below. A variable is considered valid if it has an average variance extracted (AVE) > 0.50. The calculation results of the AVE values are presented as follows.

Table 4. Average Variance Extracted (AVE) Values

Variable	Average Variance Extracted	Note
Work-life Balance (X1)	0.778	Valid
Benefits (X2)	0.849	Valid
Job Satisfaction (X3)	0.893	Valid
Workload (X4)	0.809	Valid
Employee Loyalty (Y)	0.750	Valid

Source: Data processed using SmartPLS 4.0, (2026)

The AVE value for work life balance is 0.778, benefits 0.849, job satisfaction 0.893, workload 0.809, and employee loyalty 0.750. All variables show AVE values > 0.50, indicating that each construct satisfies the required validity criteria.

3.3. Discriminant Validity

Discriminant validity is employed to ensure that each construct in the measurement model represents a distinct concept and does not overlap with other constructs. This assessment evaluates the degree of differentiation among constructs, thereby confirming their conceptual uniqueness. Discriminant validity can be examined through several approaches, including cross loading analysis. Discriminant validity was assessed using cross-loading analysis. The results show that each indicator has a higher loading on its associated construct than on other constructs, indicating satisfactory discriminant validity. The detailed cross-loading values are presented in appendix 1.

3.4. Construct Reliability

Construct reliability is a testing stage conducted to assess the internal consistency of a construct. This evaluation is performed using Cronbach's Alpha and Composite Reliability values. Both measures are used to determine the extent to which the indicators within each variable demonstrate consistency and reliably represent the measured construct.

Table 5. Cornbach's Alpha and Composite Reliability Values

Indicator	Cornbach's Alpha	Composite Reliability	Note
Work-life Balance (X1)	0.840	0.899	Reliabel
Benefits (X2)	0.885	0.927	Reliabel
Job Satisfication (X3)	0.956	0.966	Reliabel
Workload (X4)	0.906	0.933	Reliabel
Employee Loyalty (Y)	0.970	0.977	Reliabel

Source: Data processed using SmartPLS 4.0, (2026)

Based on the calculation results in the table above, the Cronbach's alpha value for variable X1 (Work-life Balance) is 0.840, X2 (benefits) is 0.885, X3 (job satisfaction) is 0.956, and X4 (workload) is 0.906. The calculation results for variable Y (employee loyalty) show a value of 0.970. Based on these results, it can be seen that all Cronbach's alpha values for each variable are greater than 0.70, so it can be concluded that they have good reliability. In addition, the composite reliability value for variable X1 (Work-life Balance) is 0.899, X2 (benefits) is 0.927, X3 (job satisfaction) is 0.966, and X4 (workload) is 0.933. The calculation result for variable Y (employee loyalty) shows a value of 0.977. Based on these results, it can be seen that all composite reliability values are greater than 0.70, so all variables have good reliability.

3.5. Model Fit Test

The model fit test was conducted by comparing the SmartPLS estimation output against the established criteria presented in the table below.

Table 6. Model Fit Test Result

Parameter	Rule of Thumb	Value	Note
SRMR	Smaller than 0.10	0.075	Fit
d-ULS	> 0,05	1.186	Fit
d-G	> 0,05	0.932	Fit
Chi Square	χ^2 statistik > χ^2 tabel	248.295 > 31,410	Fit
NFI	Approaching value 1	0.784	Fit
GoF	0.1 (GoF small), 0.25 (GoF moderate), 0.36 (GoF strong)	0.781	Fit

Source: Data processed using SmartPLS 4.0, (2026)

Based on the model fit test results, all evaluation parameters meet their respective criteria, indicating that the proposed structural model demonstrates an adequate and acceptable level of fit. The SRMR value is below the maximum threshold, while the d ULS and d G values indicate no substantial discrepancy between the empirical data and the estimated model. Furthermore, the Chi Square result confirms statistical consistency between the model and the sample data. The NFI value approaches the recommended benchmark, and the GoF value exceeds the strong fit threshold, reflecting excellent overall model performance. Overall, these findings confirm that the model is fit and appropriate for explaining the relationships among latent variables, and it possesses sufficient predictive capability to support hypothesis testing in this study.

3.6. Inner Model

The inner model in PLS SEM describes the relationships among latent variables and is evaluated to determine the strength and significance of those relationships. The evaluation of the inner model includes three main aspects, namely the significance of relationships or hypothesis testing, the R square value, and effect size.

a. R Square (R²)

R Square in PLS SEM measures the extent to which the latent independent variables in the model explain the variability of the latent dependent variable. The R² value indicates the overall predictive power of the model. R² ranges from 0 to 1, where a higher value reflects a better ability of the model to explain variance. The results of the R² analysis in this study are presented as follows.

Table 7. Coefficient of Determination (R²)

Dependen Variable	R-square	R-square adjusted
Employee Loyalty	0.77	0.749

Source: Data processed using SmartPLS 4.0, (2026)

Based on the analysis results, the R Square value is 0.77. Since the number of independent variables exceedstwo, the adjusted R Square value of 0.749 is used. This result indicates that 74,9% of employee loyalty at Perum Perhutani Regional Division East Java is explained by the variables included in the model, while the remaining 25,1% is influenced by other factors outside the model.

These findings suggest that work life balance, benefits, job satisfaction, and workload have a very strong influence on employee loyalty. The following figure presents the PLS-SEM Algorithm output illustrating the R² value of the research model.

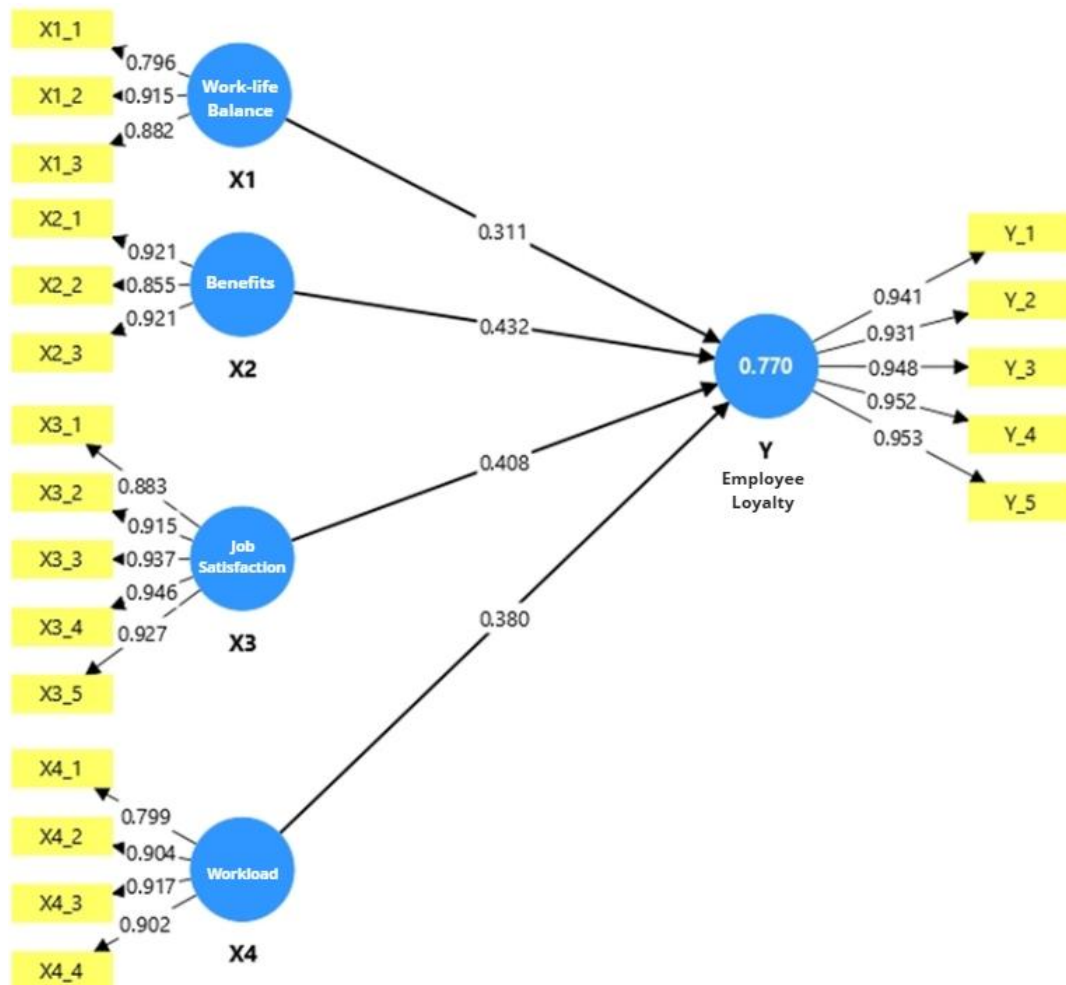


Figure 1. PLS-SEM Algorithm Output Diagram, Source: Data processed using SmartPLS 4.0, (2026)

b. Significance Testing (Hypothesis Testing)

Significance testing is conducted to determine whether the relationships among latent variables within the model are statistically significant. This process employs the bootstrapping technique, in which the existing data are resampled to estimate path coefficient values and their associated standard errors. The results are reported through t-statistic and p-value calculations. A relationship is considered statistically significant when the p-value is less than the predetermined significance level of 0.05. Significant path coefficients indicate that the relationships between the latent independent and dependent variables are statistically well-supported, thereby allowing the proposed hypotheses to be accepted. The bootstrapping results for the direct effects of the research model are presented below.

Table 8. Path Coefficient

Path Coefficient	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values	Note
Work-life Balance → Employee Loyalty	0.311	0.309	0.087	3.597	0.000	Supported
Benefits → Employee Loyalty	0.432	0.425	0.071	6.066	0.000	Supported
Job Satisfaction → Employee Loyalty	0.408	0.402	0.085	4.781	0.000	Supported

Workload → Employee Loyalty	0.380	0.378	0.081	4.685	0.000	Supported
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Source: Data processed using SmartPLS 4.0, (2026)

The structural model describes the direct relationships between the independent variables and employee loyalty as the dependent variable. Based on the SEM-PLS results, the structural equation is formulated as follows:

$$Y=0.311X1+0.432X2+0.408X3+0.380X4+\zeta$$

The bootstrapping results indicate that all proposed relationships in the model are statistically significant and supported. Each independent variable has a positive and meaningful effect on employee loyalty, demonstrating that improvements in these factors are associated with higher levels of loyalty. Therefore, the research hypothesis (H1) is accepted since all independent variables are found to significantly influence employee loyalty.

c. Effect Size (F²)

Effect size (F²) is used to evaluate the specific impact of each independent variable on the dependent variable. The F² value is calculated by observing the change in R² when a particular independent variable is removed from the model. An F² value below 0.02 is interpreted as negligible, values between 0.02 and 0.15 as small, values between 0.15 and 0.35 as medium, and values exceeding 0.35 as large. Through F² calculations, researchers can identify which independent variables exert the most significant influence on the dependent variable. The F² results are presented in the table below.

Table 9. Effect Size (F²) Values

Variable	Effect Size
Work-life Balance → Employee Loyalty	0.545
Benefits → Employee Loyalty	0.599
Job Satisfaction → Employee Loyalty	0.798
Workload → Employee Loyalty	0.398

Source: Data processed using SmartPLS 4.0, (2026)

Based on the F² effect size results, all independent variables have values above 0.35, indicating a large effect on employee loyalty. Work life balance and benefits show strong contributions, while job satisfaction emerges as the most dominant factor in shaping loyalty. Workload also has a substantial effect, although its influence is relatively lower compared to the other variables. Several factors may explain these high effect sizes. First, the model may involve constructs that are conceptually closely related, leading to stronger predictive relationships. Second, the measurement model demonstrates strong indicator loadings and high reliability, which can amplify structural relationships. Third, the context of the study, particularly within a single organization or a relatively homogeneous sample, can produce stronger effect sizes due to reduced variability among respondents. These findings suggest that strengthening employee loyalty requires prioritizing job satisfaction, supported by adequate benefits, effective work life balance, and proper workload management within the organization.

3.7. Effect of Work-life Balance on Employee Loyalty

The results of the direct path coefficient analysis indicate that work life balance has a positive and significant effect on employee loyalty at Perum Perhutani Regional Division of East Java, with a path coefficient of 0,311, nilai T-statistic sebesar 3,597 (> 1,96), dan nilai p-value sebesar 0,000 (< 0,05). These findings imply that a higher level of work life balance perceived by employees leads to a higher level of employee loyalty within the organization. In addition to statistical significance, the magnitude of the effect was examined using effect size analysis. The f square value of 0,545 is categorized as a large effect, indicating that work life balance makes a substantial contribution to explaining the variance in employee loyalty. This result confirms that the balance between professional and personal life plays an important role in strengthening employee loyalty. The findings are consistent with previous research by Widiastuti and Baihaki (2023), which reported that work life balance has a positive effect on employee loyalty.

The statistical results are further supported by qualitative findings from the interviews. Several informants highlighted that the balance between personal life and work is a key factor influencing their decision to remain with the organization. One informant stated, “The balance between work and personal life makes me feel comfortable and willing to stay in this company.” Similarly, another informant noted, “The working hours are reasonable and follow clear procedures,

so I can manage my time effectively.” These findings indicate that employees perceive the established working hours as aligned with standard operating procedures, which contributes to their overall satisfaction, this is in line with Wijaya (2020), who argued that such conditions enable individuals to achieve an optimal level of satisfaction. As a result, employees are able to balance professional responsibilities and social life without sacrificing either aspect. Another finding identified during the research process is the implementation of a work from home program, which provides additional time for employees to spend with their families and reduces work related fatigue. This work model allows employees to establish healthy boundaries between work and personal life, thereby achieving better work life balance, as suggested by Irawanto et al. (2021). These findings are also consistent with Social Exchange Theory proposed by Blau (1986), which explains that employees tend to reciprocate positive organizational treatment with higher levels of loyalty when they feel valued and when their psychological well being is acknowledged by the organization.

3.8. Effect of Benefits on Employee Loyalty

The results of the direct path coefficient analysis indicate that benefits have a positive and significant effect on employee loyalty at Perum Perhutani Regional Division of East Java, with a path coefficient of 0,432, nilai T-statistic sebesar 6,066 ($> 1,96$), dan nilai p-value sebesar 0,000 ($< 0,05$). These findings imply that the more adequate the benefits received by employees, the higher the level of loyalty demonstrated by employees. In addition to statistical significance, the magnitude of the effect was evaluated through effect size analysis. The f square value of 0,599 is categorized as a large effect, indicating that benefits make a substantial contribution to explaining the variance in employee loyalty. This result confirms that adequate benefits represent one of the key factors in strengthening employee loyalty. The findings are consistent with the study of Selvia and Karneli (2023), which reported that benefits or compensation have a significant effect on employee loyalty, and this result is aligned with the present study.

The quantitative findings are further supported by interview results, which indicate that the company pays strong attention to the compensation provided to employees. Several informants stated that the benefits received are one of the main reasons they choose to remain loyal to the organization. One informant stated, “The benefits such as health insurance, retirement support, and periodic bonuses make me feel secure and motivated to continue working in this company.” These findings suggest that compensation, including financial and non-financial benefits, plays an important role in influencing employee loyalty. This condition makes employees feel that their hard work is fairly appreciated by the organization and that the company recognizes their contributions (Ndruru et al., 2024). The reciprocal exchange process that occurs at Perum Perhutani Regional Division of East Java is also consistent with Equity Theory proposed by Adams (1965), which explains that employee performance and loyalty are influenced by the balance between the inputs they provide and the outputs they receive.

3.9. Effect of Job Satisfaction on Employee Loyalty

The results of the direct path coefficient analysis indicate that job satisfaction has a positive and significant effect on employee loyalty at Perum Perhutani Regional Division of East Java, with a path coefficient of 0,408, nilai T-statistic sebesar 4,781 ($> 1,96$), dan nilai p-value sebesar 0,000 ($< 0,05$). These findings imply that a higher level of job satisfaction perceived by employees leads to a higher level of loyalty toward the organization. The strength of this relationship was further examined through effect size analysis. The f square value of 0,798 represents the largest effect size among all variables and is categorized as a large effect, indicating that job satisfaction provides the most dominant contribution in explaining the variance in employee loyalty. This result confirms that job satisfaction is the most influential factor affecting employee loyalty, which is also consistent with the findings of Hermanto and Kadang (2025) who reported that job satisfaction has a significant effect on employee loyalty.

The statistical results are further supported by interview findings. Informants indicated that when the company provides adequate and satisfying work facilities, employees are more willing to contribute at their maximum capacity. In addition, job satisfaction is reflected in the availability of clear and structured career development opportunities, which encourage employees to remain with the organization in the long term. Informant stated, “Adequate facilities and clear career paths make me more motivated to give my best and feel confident staying in this company”. These quantitative and qualitative findings are in line with Lee and Rhee (2023), who argued that fair and transparent treatment builds trust that ultimately strengthens employee loyalty. Research conducted by Humaidi

et al. (2024) also explains that job satisfaction plays a crucial role in achieving optimal work outcomes.

3.10. Effect of Workload on Employee Loyalty

The results of the direct path coefficient analysis indicate that workload has a positive and significant effect on employee loyalty at Perum Perhutani Regional Division of East Java, with a path coefficient of 0,380, nilai T-statistic sebesar 4,685 ($> 1,96$), dan nilai p-value sebesar 0,000 ($< 0,05$). These findings imply that the more manageable the workload perceived by employees, the higher the level of loyalty demonstrated toward the company. The magnitude of this influence was further examined through effect size analysis. The f square value of 0,398 is categorized as a large effect, indicating that workload makes a meaningful contribution in explaining the variance in employee loyalty. This result confirms that effective workload management plays an important role in maintaining and enhancing employee loyalty. The findings are also consistent with the study of April and Yoyo (2021), which reported that workload has a significant effect on employee loyalty.

These quantitative findings are further supported by statements from informants, who explained that “I am willing to demonstrate a high level of loyalty and dedication when the company pays attention to my well-being” that’s mean employees are willing to demonstrate high levels of loyalty and dedication when the company pays attention to their well being, in line with Organizational Support Theory developed (Eisenberger et al., 1986). Informants also emphasized that the intention to remain is not determined solely by economic factors, but emotional and psychological aspects are equally important. Although the company sets performance targets through its performance management system, these targets are aligned with the applicable standard operating procedures. Therefore, employees perceive the assigned workload as reasonable and fair, and proportional to the rewards they receive from the company (Wangi et al., 2020).

4. CONCLUSION AND IMPLICATIONS

Based on the analysis results, the four examined variables were proven to have a positive and significant effect on employee loyalty at Perum Perhutani Regional Division East Java. The research model demonstrates strong explanatory power, with 74% of the variance in employee loyalty explained by the variables included in the model, while the remaining portion is influenced by other factors outside the study. From a managerial perspective, Perum Perhutani should strengthen policies that support work life balance, periodically evaluate the fairness of employee benefits, provide clear career development opportunities, and ensure that workloads are distributed appropriately according to employees roles. These efforts may help improve job satisfaction and strengthen employee loyalty within the organization. Future studies are recommended to examine additional factors that may influence employee loyalty, such as leadership style, organizational culture, employee engagement, and organizational commitment. Research conducted in other regional divisions or similar organizations may also provide broader insights regarding the determinants of employee loyalty.

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