

The Effect of Work Environment, Compensation, Empowerment Leadership on Employee Loyalty at Maju Jaya Abadi Company Yogyakarta

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ABSTRACT

Employee loyalty is a very important thing for the company because it is needed, especially for the courage of employees who demonstrate devotion to the organization regardless of the company's circumstances. This study aims to examine the effect of employee loyalty at Maju Jaya Abadi Yogyakarta Company through work environment, compensation, and empowerment leadership. The sample consisted of 75 respondents who were employees of Maju Jaya Abadi. The analytical technique used in answering the hypothesis is multiple linear regression, the processing is using SPSS version 26. Based on testing the research results show that partially the work environment and compensation have no effect on employee loyalty and empowerment leadership affects employee loyalty while the work environment, compensation, and empowerment leadership simultaneously have a significant effect on employee loyalty. The implementation of the results of this study for company management is to provide insight for company management in managing employee loyalty. Management is advised to focus on empowering leadership development as a key strategy to increase employee loyalty. In addition, although work environment and compensation are not partially significant, ensuring the quality of these elements remains important as part of a holistic approach to support overall organisational performance.

1. INTRODUCTION

Human resources are an important asset for the continuity and success of a company. Without employees, companies cannot function optimally, even though technology and machines have been widely implemented. According to Febriana & Kustini, (2022) employee loyalty is one of the key aspects that influence the success of the company. Loyal employees not only show obedience to company rules, but also contribute maximally to the achievement of organisational goals. High loyalty helps companies reduce employee turnover rates, increase productivity, and create a stable work environment.

Employee loyalty is influenced by several factors, including work environment, compensation, and leadership style. The work environment according to Hulu et al., (2022) , includes physical and non-physical conditions in the workplace that can create a pleasant, safe, and comfortable atmosphere for employees. A conducive environment contributes to employee motivation and a sense of belonging to the company. In addition, compensation is a form of reward that companies give to employees in return for their contributions. According to Nata & Perkasa, (2023) , fair compensation, both in the form of basic salary and additional incentives, has a significant role in increasing motivation and loyalty. The last factor is empowerment leadership, which is defined by Larasati Ahluwalia, (2020) as a leadership style that provides autonomy and support to employees, thereby increasing their sense of responsibility and involvement in the organisation.

Maju Jaya Abadi Company is a company engaged in the production and distribution of bakpia with the famous brand *Bakpia Pathok 25*, which is one of Yogyakarta's culinary icons. Established in the 1980s, Bakpia Pathok 25 offers a variety of flavours such as mung bean, cheese, chocolate, durian, and others, catering to the tastes of both local and foreign tourists. Currently, the company employs around 300 employees spread across various divisions, such as production, distribution, marketing, and administration. The company's organisational structure is hierarchical, with a clear division of roles ranging from managerial to operational levels

However, the company is facing significant challenges in human resource management. Based on an interview with one of the staff, in 2023 several employees submitted resignations due to a less favourable working environment. A less conducive work atmosphere, such as less harmonious relationships between employees and inadequate work facilities, made employees feel uncomfortable and not at home. In addition, the company's weekly salary system, different from the common practice in similar industries of using a monthly salary system, was one of the factors that led to dissatisfaction among employees.

Another challenge faced is the leadership style of superiors who have not empowered employees. Approaches that do not involve employees in decision-making lead to low motivation and a sense of belonging to the company. This phenomenon of low loyalty has the potential to

hamper company performance, reduce productivity, and threaten target achievement, especially in the tight competition in the food industry. Therefore, it is important to conduct this research to identify the influence of work environment, compensation, and empowerment leadership on employee loyalty at Maju Jaya Abadi Company.

Research inconsistencies in research by Marwanto & Hasyim, (2023) show that the Work Environment has a positive and significant effect on Employee Loyalty. Meanwhile, research conducted by Oktavia (2022) shows that the Work Environment has no positive and significant effect on Employee Loyalty. The results of research analysis by Febriana & Kustini, (2022) show that Compensation has a significant and positive direct influence on Employee Loyalty. Meanwhile, according to Safrida (2023) states that Compensation has no partial effect on Employee Loyalty. This means that not all compensation has an influence on employee loyalty. Sourced from the results of research analysis by Pham, (2023) shows Leadership Empowerment has a positive effect on Employee Loyalty. If employee empowerment is good it will affect job satisfaction and have a positive impact. Employees will do their obligations seriously. Good empowerment will also cause a sense of satisfaction in employees and have a positive impact on Employee Loyalty. Meanwhile, research conducted by Rizana, (2020) states that Empowerment Leadership has no effect on Employee Loyalty.

Based on existing research problems and existing phenomena, namely the inconsistency of research results related to work environment, compensation, empowerment leadership on employee loyalty and limitations in previous research, this study aims to examine how the influence of work environment, compensation, and empowerment leadership on employee loyalty in Maju Jaya Abadi Yogyakarta company employees. This research was conducted in the context of a private company that is interesting to research .

Conceptual Framework

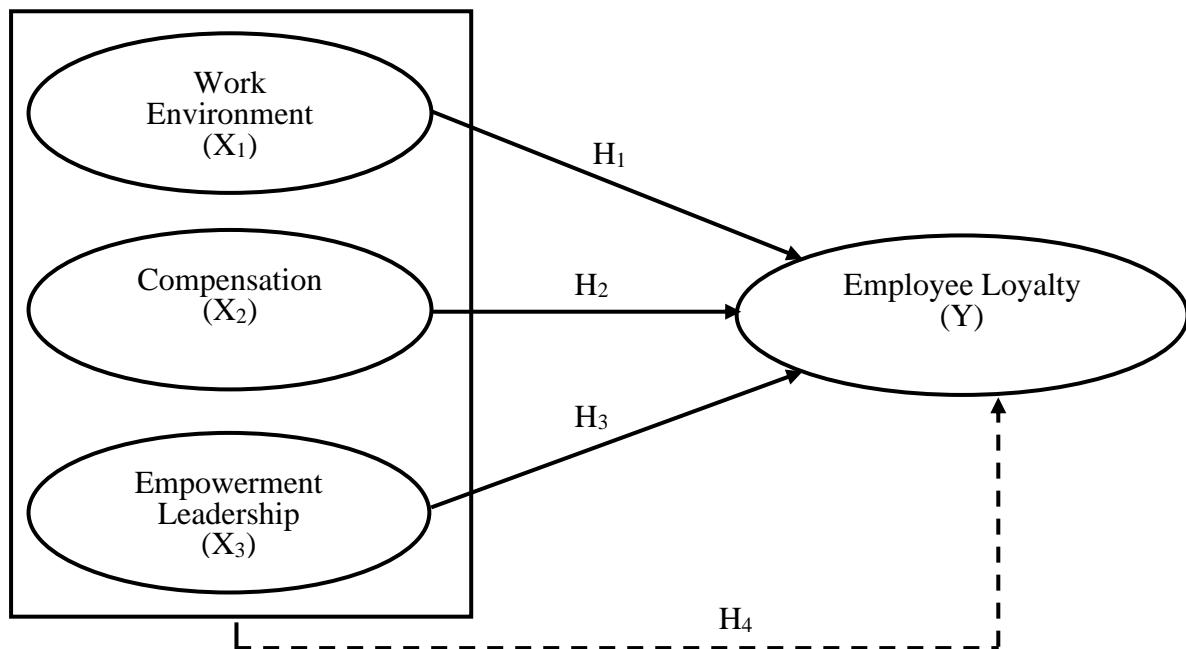


Figure 1. Research model

Hypothesis

H1: Work Environment has a positive effect on Employee Loyalty

H2 : Compensation has a positive effect on Employee Loyalty

H3 : Empowerment leadership has a positive effect on Employee Loyalty.

H4 : Work Environment, Compensation, & Empowerment Leadership simultaneously affect Employee Loyalty

RESEARCH METHODS

This research method uses a quantitative approach with independent variables in the form of work environment, compensation, and empowerment leadership, and the dependent variable is employee loyalty. The research population is 300 employees of Maju Jaya Abadi Company, with a minimum sample of 75 people calculated using the Slovin formula. The sampling technique used was *accidental sampling*. Primary data was collected through a questionnaire, which included statements relevant to each research variable. Each indicator was rated using a Likert scale with a range of 1 to 5, where 1 indicates "strongly disagree" and 5 indicates "strongly agree." This rating gives respondents the flexibility to express their level of agreement or disagreement with the statements in the questionnaire, which directly reflects their experiences and perceptions of their work environment, compensation, empowerment leadership, and loyalty to the company. This scale also facilitates the processing of data into numerical values that can be statistically analysed.

Data analysis involves various steps to ensure the validity of the results. The validity test is used to measure the extent to which the research instrument can represent the concept being measured, while the reliability test ensures the consistency of the measurement results. Classical assumptions, including normality, multicollinearity, and heteroscedasticity tests, were performed to ensure the linear regression model met the statistical requirements. Hypothesis testing was conducted using multiple linear regression analysis, which included a t-test to test the partial effect of each independent variable on the dependent variable, as well as an F-test to test the simultaneous effect of the independent variables on the dependent variable. The coefficient of determination (R^2) is used to determine how much the independent variables contribute together in explaining the variability of employee loyalty. All statistical analyses were conducted using SPSS software.

The questionnaire used in this study consists of 30 questions that reflect the indicators of each research variable. *Work environment* variables were measured using 6 questions based on indicators such as equipment and facilities, physical environment, and work atmosphere, as described by Anjani & Supartha, (2020) . The *compensation* variable consists of 8 questions which include indicators of salary, benefits, incentives, and facilities (Sholihin, 2021) . Meanwhile, the *empowerment leadership* variable is measured by 8 questions that reflect dimensions such as delegating, inspiring, providing moral support, and mentoring (Vay & Steinherr, 2023) . The *employee loyalty* variable includes 8 questions based on indicators such as adherence to regulations, responsibility to the company, willingness to cooperate, and a sense of belonging to the

company (Anjani & Supartha, 2020) .

2. RESULTS & DISCUSSION

Respondent Characteristics. This study took 75 respondents from the Maju Jaya Abadi Yogyakarta company. The characteristics of respondents obtained include data on gender, marital status, and latest education.

Table 1. Characteristics of gender, marital status, and latest education

Description	Category	Total	Percentage
Gender	Male	37	49,0 %
	Female	38	51,0 %
Marital Status	Unmarried	37	51,0 %
	Married	38	49,0 %
Last Education	Primary school/equivalent	0	0%
	Junior high school/equivalent	0	0%
	High school/equivalent	75	100%
	Diploma	0	0%
	S1 (undergraduate)	0	0%

Source: Primary data processed (2024)

Table 1 shows the characteristics of respondents consisting of 75 employees of Maju Jaya Abadi Yogyakarta. Based on gender, there were 37 men (49.0%) and 38 women (51.0%). This shows an almost even distribution between men and women in this study. For marital status, 37 respondents (51.0%) were unmarried, while 38 respondents (49.0%) were married, indicating a balance between respondents' marital status. In addition, in the last education section, all respondents (100%) had a high school/equivalent level of education, while none had an elementary/equivalent, junior high school/equivalent, or higher than S1 (bachelor's degree) educational background. This indicates that most employees at Maju Jaya Abadi Company already have upper secondary and higher education, which can be an important factor in the influence of work environment, compensation, and empowerment leadership on employee loyalty. The higher the level of education of employees, it is expected to increase understanding and loyalty to the company.

Validity Test. Validity testing was carried out using SPSS for Windows version 25.0. In this study, the validity test was carried out on the answers of 75 respondents. To compare the r-count value with the r-table, it is necessary to know the r table with a degree of freedom (df)=n-2, (df)=75-2, (df)=73 with a significance value of 5% or 0.05, then the r-table number is 0.1914. All indicators show valid values with a significance value of 0.000 which is smaller than 5% (see Table 2). With these results, the indicators in this study are declared valid.

Table 2. Validity Test Results

Variables	<i>r_{hitung}</i>	<i>r_{tabel}</i>	Description
Work Environment	0,696	0,1914	Valid
	0,820	0,1914	Valid

Variables	r_{hitung}	r_{tabel}	Description
	0,709	0,1914	Valid
	0,704	0,1914	Valid
	0,760	0,1914	Valid
	0,820	0,1914	Valid
	0,613	0,1914	Valid
	0,738	0,1914	Valid
	0,601	0,1914	Valid
Compensation	0,664	0,1914	Valid
	0,622	0,1914	Valid
	0,519	0,1914	Valid
	0,707	0,1914	Valid
	0,304	0,1914	Valid
	0,878	0,1914	Valid
	0,687	0,1914	Valid
	0,851	0,1914	Valid
Empowerment Leadership	0,880	0,1914	Valid
	0,877	0,1914	Valid
	0,863	0,1914	Valid
	0,875	0,1914	Valid
	0,448	0,1914	Valid
	0,661	0,1914	Valid
	0,769	0,1914	Valid
	0,782	0,1914	Valid
Employee Loyalty	0,756	0,1914	Valid
	0,758	0,1914	Valid
	0,759	0,1914	Valid
	0,780	0,1914	Valid
	0,789	0,1914	Valid

Source: Primary data processed 2024

Test Reliability. Reliability test is a tool used to see the level of reliability of the questionnaire. The purpose of the researcher conducting this test is to determine the level of consistency of each respondent's answer to the questionnaire. The instrument is said to be reliable (reliable) if it has a reliability coefficient (*Cronbach's Alpha*) of 0.6 or more. So if the reliability value > *Cronbach's Alpha* value (0.6), then the questionnaire items are said to be reliable. (Sugiyono, 2020) . The results of the reliability test in this study are shown in Table 3.

Table 3. Reliability Test Results

Variables	Reliability Statistics		Description
	Cronbach's Alpha	<i>N of Items</i>	
Work Environment	0,846	6	Realible
Compensation	0,741	8	Realible

Empowerment Leadership	0,917	8	Realible
Employee Loyalty	0,894	8	Realible

Source: Primary data processed 2024

Based on the data in table 3, the reliability test of this research instrument was carried out on statement items that were declared valid. The results of the reliability coefficient of the work environment variable are 0.846, compensation is 0.741, empowerment leadership is 0.917, and employee loyalty is 0.894. All variables have a *Cronbach's Alpha* value greater than 0.60. These results indicate that the four variables are declared reliable or pass the reliability test and can be continued in further analysis.

Descriptive of Work Environment Variables. The work environment is one of the important factors that can affect employee comfort, safety and productivity. A good work environment is characterised by supportive physical conditions, harmonious interpersonal relationships, and adequate facilities. To find out the description of the work environment variables in the company, descriptive analysis of several relevant indicators is carried out. The following are descriptive results of work environment variables, explained in table 4.

Descriptive Table 4. Work Environment Variable

No.	Question Item	Mean	Category
1	I feel safe working in this company	3,28	Neutral
2	I feel comfortable with the office facilities	3,16	Neutral
3	Air circulation in the workspace is good	3,28	Neutral
4	I have privacy at work	3,08	Neutral
5	Leaders have a good relationship	3,09	Neutral
6	Cooperation between employees in the company goes well	3,25	Neutral
Average value of work environment variables		3,19	Neutral

Source: Primary data processed (2024)

Based on table 4 with a total of 75 respondents, it has been stated that the highest score of Work environment variables selected by employees is in the LK1 statement (I feel safe working in this company) with an average (mean) value of 3.28 while the lowest value of the statement is in LK4 (I have privacy at work) with an average (mean) value of 3.08. The total average value of respondents' answers to work environment variables is 3.19, so it is included in the neutral

Descriptive Variable Compensation. Compensation is a form of reward given by the company to employees for their contributions. Compensation not only includes salaries but also includes allowances, incentives, and other facilities that support employee welfare. The following presents the descriptive results regarding the compensation variable, explained in table 5.

Table 5. Descriptive Variable Compensation

No.	Question Item	Mean	Category
1	The salary given is in accordance with my position	3,32	Neutral
2	The salary provided can fulfil the needs of the family	3,36	Neutral

3	The company provides health insurance	3,55	Agree
4	The company provides free holidays	3,52	Agree
5	Incentives are given to employees who excel	3,37	Neutral
6	The incentives provided are encouraging	3,40	Agree
7	The company provides transport facilities	3,20	Neutral
8	The company provides a dedicated car park	3,47	Agree
The average value of the compensation variable		3,40	Agree

Source: Primary data processed (2024)

Based on table 5 with a total of 75 respondents, it has been stated that the highest score of the compensation variable chosen by employees is in the KS3 statement (The company provides health insurance) with an average value (mean) of 3.55 while the lowest value of the statement is in KS7 (The company provides transportation facilities) with an average value (mean) of 3.20. The total average value of respondents' answers to the Compensation variable is 3.40, so it is included in the agreed category.

Descriptive Variable Empowerment Leadership. Empowerment leadership is a leadership style that focuses on developing employees through providing trust, support, and opportunities to contribute to decision-making. This leadership style aims to increase employee engagement, efficiency, and a sense of belonging to the organization. The following are the descriptive results of the empowerment leadership variable based on the data collected, described in table 6.

Table 6. Descriptive Variable of Empowerment Leadership

No.	Question Item	Mean	Category
1	My manager helps me understand how the organization's goals	3,80	Agree
2	My manager helps me understand the importance of my work to the overall effectiveness of the organisation.	3,25	Neutral
3	My manager helps me understand how my work fits into the bigger picture	3,85	Agree
4	My manager makes me more efficient in doing my job by keeping the rules.	3,80	Agree
5	My manager asks for my opinion on decisions that might affect me	3,77	Agree
6	My manager makes many decisions together with me	3,69	Agree
7	My manager believes in my ability to improve even when I make mistakes	3,84	Agree
8	My manager provides training for my job	3,92	Agree
The average value of the compensation variable		3,74	Agree

Source: Primary data processed (2024)

Based on table 6 with 75 respondents, it has been stated that the highest score of the Empowerment Leadership variable chosen by employees is in the KP8 statement (My manager provides training on my job) with an average (mean) value of 3.92 while the lowest value of the statement is in KP2 (My manager understands the importance of my work to the overall effectiveness of the organisation) with an average (mean) value of 3.25. The total average value of respondents'

answers to the Compensation variable is 3.40 so that it is included in the agreed category. **Descriptive Variable of Employee Loyalty.** Employee loyalty is an important aspect of organisational success. Loyal employees tend to comply with regulations, complete tasks well, and make maximum contributions to the progress of the company. Descriptive analysis was conducted to measure the level of employee loyalty based on several indicators, the results of which are presented in table 7 below.

Table 7. Descriptive Variable of Employee Loyalty

No.	Question Item	Mean	Category
1	I always try to comply with the rules set by the company	4,15	Strongly Agree
2	I can complete my work on time	4,07	Agree
3	I always put the organisation's interests above my own	3,84	Agree
4	I always try to give my energy in solving problems	3,89	Agree
5	I always try to contribute my thoughts	3,85	Agree
6	I endeavour to work without coercion	3,88	Agree
7	I try to work according to the jobdesk	3,59	Agree
8	I try to report the results of my work according to procedures	3,99	Agree
The average value of the compensation variable		3,91	Agree

Source: Primary data processed (2024)

Based on table 7 with a total of 75 respondents, it has been stated that the highest score of the Employee Loyalty variable chosen by the employees is in the LN1 statement (I try to comply with the rules set by the Company) with an average value (mean) of 4.15 while the lowest value of the statement is in LN7 (I try to work according to the jobdesk) with an average value (mean) of 3.59. The total average value of respondents' answers to the Compensation variable is 3.91 so that it is included in the agreed category.

Normality Test. Based on the normality test results shown in Table 8, this study uses *One-Sample Kolmogorov-Smirnov* to test normality. If the significance value is below 0.05, then the distribution of this research data is considered abnormal. Conversely, if the significance value is more than 0.05, then the research data is said to be normally distributed. The normality test results show that the data of this study are normally distributed, because the significance value is more than 0.05, namely 0.200.

Table 8. Normality Test Results

One-Sample Kolmogorov-Smirnov Test	
Description	Unstandardised Residual
N	75
Test Statistic	,054
Asymp. Sig. (2-tailed)	,200 ^{c,d}

Source: Primary data processed (2024)

Based on table 8 shows that the Kolmogorov- Smirnov value (Asymp.sig) is 0.200c,d, which the results of this test indicate that the Kolmogorov- Smirnov value $0.200c.d > 0.05$. then it can be concluded that the residual regression model in this study is normally distributed.

Multilinearity Test. The multicollinearity test aims to identify whether there is a high correlation among independent variables in the research model. Multicollinearity can affect the accuracy of regression analysis, and it is essential to ensure that the independent variables are not highly correlated. The results of the multicollinearity test are in Table 9.

Table 9. Multicollinearity Test Results

Model	Collinearity Statistics Tolerance	Tolerance
Work Environment	,807	1,238
Compensation	,806	1,240
Empowerment Leadership	,995	1,005

Source: Primary data processed (2024)

Multicollinearity test aims to see whether or not there is a high correlation between independent variables. The criteria for data free from multicollinearity are $VIF < 10$; and $Tolerance > 0.1$. Sugiyono, (2020) . Based on table 9, the work environment variable is 0.807, compensation is 0.806 and leadership empowerment is 0.995. and the VIP value of the work environment variable is 1.238, compensation is 1.240 and the leadership empowerment variable is 1.005 By the way, the tolerance value of each independent variable is greater than 0.1 with a VIF greater than 10, so this research model does not experience symptoms of multicollinearity.

Heteroscedasticity Test. The heteroscedasticity test aims to determine whether the variance of errors in the regression model is constant. A good regression model should be free from heteroscedasticity, as it ensures that the variance of residuals is consistent across all levels of the independent variables. The criteria for determining the absence of heteroscedasticity is based on the significance value, where the model is considered free from heteroscedasticity if the significance value is greater than 0.05. The results of the heteroscedasticity test in Table 10.

Table 10. Heteroscedasticity Test Results

Model	Significance
Work Environment	,357
Compensation	,602
Empowerment Leadership	,310

Source: Primary data processed (2024)

This heteroscedasticity test is carried out with the Glejser test, namely if the significance value is less than 0.05, then this research model experiences heteroscedasticity problems, while if the

significance value is more than 0.05, then this research model does not experience heteroscedasticity problems. Based on the Glejser test in Table 10, it can be found that the significance value for the work environment (X₁) is 0.357. Meanwhile, the significance value of the compensation variable (X₂) is 0.602 and the empowerment leadership is 0.310 (X₃). The test results show that the coefficients of all variables are greater than 0.05. This means that this research model does not experience symptoms of heteroscedasticity.

Multiple Linear Regression Test Results. This multiple linear regression test was conducted to see the extent of the influence of the independent variables (Work Environment, Compensation, Empowerment Leadership) and the dependent variable (Employee Loyalty). Based on the results of multiple linear regression testing in table 11.

Table 11. Multiple Linear Regression Test Results

Model	Unstandardised Coefficients	
	B	Std. Error
Work Environment	.115	.099
Compensation	-.172	.104
Empowerment Leadership	.582	.066

Source: Primary data processed (2024)

$$(Y) = 16.312 + 0.115 (X_1) + -0,172 (X_2) + 0.582 (X_3)$$

Based on the results of the regression equation test in table 11. it can be seen that the value of 0.115 (X₁) means that each addition or subtraction of 1 (one) score of the work environment will affect employee loyalty by 0.115 points, the value of -0.172 compensation (X₂) means that each addition or subtraction of 1 (one) score Compensation will affect employee loyalty by - 0.172 points. The value of 0.582 Empowerment Leadership (X₃) means that each addition or subtraction of 1 (one) Empowerment Leadership score will affect employee loyalty by 0.582 points.

Partial Test Results (t Test). The t-test, also known as the partial test, is conducted to determine the influence of each independent variable on the dependent variable individually. In this test, the significance value (Sig.) is compared to a threshold of 0.05 to assess whether the variable has a significant impact. If the Sig. value is less than 0.05, the independent variable significantly influences the dependent variable. The results of the partial test (t-test) for this study are presented in Table 12.

Table 12. Multiple Linear Regression Test Results

Model	t	Sig.
Work Environment	1.163	.249
Compensation	-1.660	.101
Empowerment Leadership	8.818	.000

Source: Primary data processed (2024)

Partial Test aims to see whether the independent variables (Work Environment, Compensation,

Empowerment Leadership) each have a significant influence on the dependent variable (Employee Loyalty). Independent variables will be said to have an effect if $t\text{-count} > t\text{-table}$ and $\text{sig} < 0.05$. While in this study the $t\text{-table}$ is 1.666 To see the partial test results in this study Sugiyono, (2020) .

Based on Table 12, the partial test results show that the $t\text{-count}$ value is 1.163 with a sig value of 0.249, which is greater than 0.05, so H_0 is accepted and H_1 is rejected, which means that the work environment has no effect on employee loyalty. In addition, other partial test results show a $t\text{-count}$ value of -1.660 with a sig value of 0.101, which is also greater than 0.05, so H_0 is rejected and H_2 is rejected, which concludes that compensation has no effect on employee loyalty. However, the partial test results for empowerment leadership show a $t\text{-count}$ value of 8.818 with a sig value of 0.00, which is smaller than 0.05, so H_0 is rejected and H_3 is accepted, which means that empowerment leadership has an effect on employee loyalty. The hypothesis test results show that the work environment and compensation have no significant effect on employee loyalty, while empowerment leadership has a significant effect on employee loyalty.

Simultas Test (F Test). Hypothesis testing criteria for the simultaneous test (F test) to see the simultaneous significance of the *dependent* variable on the *independent* variable. Sugiyono, (2020) . Based on the results of the F test in Table 12, the results show that the significance value is smaller than alpha 0.05. These results indicate that work environment variables, compensation and empowerment leadership are able to simultaneously influence employee loyalty variables.

Table 13. Simultas Test Results (F Test)

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	800,007	3	266,669	26,735	.000 ^b
	Residuals	708.180	71	9,970		
	Total	1508,187	74			

Source: SPSS output, processed 2024

Test Results of the Coefficient of Determination (R^2). The coefficient of determination has a role in explaining the percentage or contribution given by the independent variables to the dependent variable together. Testing the coefficient of determination (R^2) is carried out in measuring the percentage contribution of the independent variables studied to the rise and fall of the dependent variable Sugiyono, (2020) .

Table 14. Test Results of the Coefficient of Determination (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.728 ^a	.530	.511	3,158

Source: SPSS output, processed 2024

Based on table 4.14, the results of testing the coefficient of determination show the *Adjusted R Square* value of 0.511, which means that the contribution of the independent variable (Work Environment, Compensation, Empowerment Leadership) to the influence of the dependent variable (Employee Loyalty) is 51.1%, while the remaining 48.9% is influenced by factors in other dependent variables not examined in this study.

This research was conducted by raising four independent variables, namely Work Environment (X_1), Compensation (X_2), Leadership Empowerment (X_3), with one dependent variable, namely Employee Loyalty (Y) at Maju Jaya Abadi Yogyakarta Company, with the following results:

The Effect of Work Environment on Employee Loyalty. Based on table 4.15 which shows that the Work Environment variable obtained a calculated t value of 1.163 with a significance value of 0.249 which means $0.249 < 0.05$, this value proves that H_0 is accepted and H_1 is rejected (the independent variable partially has no effect on the dependent variable), Thus the hypothesis stating that work environment factors affect employee loyalty is rejected. The conclusions of this research project are not in line with the conclusions of Marwanto & Hasyim, (2023) in their research that the work environment has affected Employee Loyalty. But in line with research by Oktavia (2022) suggests that the Work Environment has no positive and significant effect on Employee Loyalty.

Through the results of regression analysis, it can be seen that the Work Environment has no effect on Employee Loyalty at the Maju Jaya Abadi Yogyakarta Company. This can be seen from the descriptive results of respondents' answers to the work environment variable that the average value of respondents is 3.19 in the neutral category. the highest score of the Work environment variable chosen by employees is in the LK1 statement (I feel safe working in this company) with an average (mean) value of 3.28 while the lowest value of the statement is in LK4 (I have privacy at work) with an average (mean) value of 3.08. This means that employees agree with the work environment, it can be improved on employees' sense of security at work. This means that employees agree with the work environment, can be improved on employees' sense of security at work.

The findings of this study lead to the conclusion that the environment is not the main factor in creating increased employee loyalty. Internal and external conditions at Maju Jaya Abadi Yogyakarta Company can also be influenced by other things, and the second factor is because the work environment at Maju Jaya Abadi Yogyakarta Company is not conducive because there are many visitors with a large number so that employees feel unsafe or have no privacy at work besides that, therefore employees stated that there was no influence on their loyalty to the Company, maybe employee loyalty to the Company can also be influenced by other variables such as motivation or commitment not because of the work environment. These results are supported by the results of Research conducted by Marwanto & Hasyim, (2023) Tungga Buana Irfana & Wiryo Harto Kusuma, (2021) Giovanni & Ie, (2022) Yuliyanti et al., (2020) Ramadhanty et al., (2020) which states that the work environment has an insignificant positive effect on employee loyalty.

Although Work Environment does not have a significant partial effect, companies can still improve aspects such as work privacy and a sense of security, as identified from the respondents' answer scores. Better management of workspaces, organisation of visitors, and provision of adequate facilities will help create a more conducive working atmosphere.

The Effect of Compensation on Employee Loyalty. Based on table 4.15 which shows that the Work Environment variable obtained a t value of -1.660 with a significance value of 0.101 which means $0.101 > 0.05$, that the significance value does not meet the criteria for a significant effect. So this study did not succeed in proving the second hypothesis which states that "Compensation has no positive effect on Employee Loyalty". Thus the hypothesis stating that there is an effect of compensation on employee loyalty is rejected. The conclusions drawn from this study contradict the conclusions of Febriana & Kustini, (2022) stating that compensation is significantly related to employee loyalty. But in line with the conclusion of research conducted by Safrida et al., (2023) states that compensation has no significant effect related to employee loyalty.

Through the results of regression analysis, it can be seen that compensation has no effect on employee loyalty in the Maju Jaya Abadi Yogyakarta company. It can be seen from the descriptive results of respondents' answers to the compensation variable that the average value of respondents is 3.40 in the agree category. The highest score of the compensation variable chosen by employees is in the KS3 statement (The company provides health insurance) with an average value (mean) of 3.55 while the lowest value of the statement is in KS7 (The company provides transportation facilities) with an average value (mean) of 3.20. This means that workers agree with the insurance programme provided by the Company and can be improved.

These results are supported by the results of research conducted by Pratama & Armanu, (2022) Ang & Edalmen, (2021) Febriana & Kustini, (2022) Wulandari et al., (2021) Zufri Kholis Pulungan & Rindi Andika, (2022) in his research shows that Compensation has a positive relationship to Employee Loyalty.

Compensation, which includes salaries, allowances, incentives and facilities, needs to be reviewed to make it more competitive and relevant to employees' needs. The company may consider increasing transport allowances, given that this is the lowest score in the questionnaire, as well as increasing rewards in the form of incentives for outstanding performance.

The Effect of Empowerment Leadership on Employee Loyalty. Based on table 4.15 which shows that the empowerment leadership variable obtained a t value of -8.818 with a significance value of 0.00 which means $0.00 < 0.05$, this value proves that H0 is rejected and H3 is accepted (the independent variable partially has an influence on the dependent variable), so this study did succeed in proving the third hypothesis which states that "Empowerment Leadership has a positive effect on Employee Loyalty". The highest assessment of the Empowerment Leadership

variable occurs in the statement item "My manager provides training for my job" the mean value of this statement is 3.92.

The second factor that affects employee loyalty is empowerment leadership, this is because the more leaders in the Maju Jaya Abadi Yogyakarta Company empower employees, care about these employees, the more it will affect employee loyalty or increase employee loyalty to the Company. This is evidenced by the results of research conducted by Septyaningtyas & Muhdiyanto, (2022) Hien, (2023) Pham, (2023) in his research shows that empowerment leadership has a positive effect on employee loyalty.

Companies need to improve empowerment leadership practices by providing training to managers to build more effective delegation, inspiration and mentoring skills. This step can create a sense of involvement and support for employees, thereby encouraging higher loyalty.

The Effect of Work Environment, Compensation, and Empowerment Leadership, simultaneously on Employee Loyalty. Based on the results of the F test, this study shows that the Effect of Work Environment, Compensation, and Empowerment Leadership simultaneously or together has a positive and significant effect on Employee Loyalty at Maju Jaya Abadi Yogyakarta Company. This H_0 can be proven by the F-count value obtained of 26.735 with a 5% error rate, where the F-table in this study is 2.73, which the results of this study prove that $F\text{-count} > F\text{-table}$, so that this study simultaneously has a positive or significant effect.

The independent variables in this study have an effective contribution of the total coefficient of determination (R^2) to the dependent variable of 0.511%. While the rest is influenced by other independent variable factors not examined in this study. The results of the standardised Coefisien Beta show that the most dominant variable in this study is the Empowerment Leadership variable followed by the Work Environment variable, and Compensation.

In line with research Nabil & Dwiridotjahjono, (2024) Defy Rahmawati, Karuniawati Hasanah, (2022) said that Work Environment, Compensation, and Empowerment Leadership simultaneously affect Employee Loyalty.

With the results of the study showing a simultaneous effect, companies are advised to implement an integrated strategy that involves improving empowerment leadership, work environment, and compensation simultaneously. This can create a more significant synergistic effect on employee loyalty.

3. CONCLUSIONS & SUGGESTION

Based on the results of the analysis of this study, the results of this study indicate that the first hypothesis (H_1) is rejected, namely the work environment has no significant effect on employee loyalty. This result means that the work environment at Maju Jaya Abadi Yogyakarta Company in creating a safe, conducive and comfortable work environment while working, providing privacy at work does not have a significant effect. Furthermore, the second hypothesis (H_2) is also rejected, because the results show that compensation has no significant effect on employee loyalty. This result means that compensation at Maju Jaya Abadi Yogyakarta Company in

providing compensation to employees such as providing salaries, insurance, and incentives or facilities does not have a significant effect. The test results (H3) show that the third hypothesis can be accepted, because the findings of this study prove that empowerment leadership has a significant and positive effect on employee loyalty. This result means that the leadership of the Maju Jaya Abadi Yogyakarta company shows an empowering behavioural attitude towards employees which will trigger increased employee loyalty, such as providing job training, asking employees for their opinions, making joint decisions for the progress and goals of the Company. The results of testing the fourth hypothesis (H4) show that the fourth hypothesis can be accepted, because the work environment, compensation, and empowerment leadership have a significant effect simultaneously in a positive direction on employee loyalty. These results indicate that the better the work environment, compensation and empowerment leadership at Maju Jaya Abadi Yogyakarta Company will be important factors that determine employee loyalty.

The practical impact of this research on the management of Maju Jaya Abadi Yogyakarta Company is that management should prioritise improving leadership empowerment practices to foster employee loyalty. This can be done by involving employees in decision-making, providing training and skills development, and ensuring open and collaborative communication. In addition, companies need to re-evaluate current policies regarding compensation and work environment. Although this factor did not show a significant influence in this study, it still needs to be considered to create better working conditions. Thus, better management of leadership, compensation, and work environment will contribute to increased employee loyalty, which in turn will have a positive impact on company performance and sustainability.

Limitations and Suggestions. As with previous studies, the results of this study also have limitations. This research model shows that there are still many other factors or variables outside the model that can affect employee loyalty that are not used in this research model. The next limitation is that this research only focuses on employees of Maju Jaya Abadi Yogyakarta Company. Future research is expected to use employee samples at other companies. In addition, this study faced obstacles due to limited time in data collection, so that the amount of primary data obtained was not optimal. Future research can use other variables that affect employee performance that do not only focus on work environment, compensation, and empowerment leadership. Future research can use other independent variables, such as teamwork, communication, work motivation and working conditions. In addition, future research also needs to use variations in the dependent variable which is not only limited to employee loyalty but employee performance.

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