



**THE EFFECT OF INCENTIVES AND WORK FACILITIES ON JOB
LOYALTY WITH EMPLOYEE SATISFACTION AS A MEDIATION
VARIABLE AT PT. SAMUDERA INDONESIA JAMBI**

Nila Putria¹

Universitas Terbuka, Indonesia

nilaputria96@gmail.com

Arthur Sitaniapessy²

Politeknik Negeri Ambon, Ambon, Indonesia

arthursita1977@gmail.com

Joko Rizkie Widokarti³

Universitas Terbuka, Indonesia

jokorw@ecampus.ut.ac.id

Abstract

This study aims to analyze the effect of incentives and work facilities on job loyalty with employee satisfaction as a mediating variable at PT. Samudera Indonesia. This research employed a quantitative approach using the SEM-PLS method. Data were collected through questionnaires and interviews involving 92 employees selected using probability sampling techniques. The research instrument used a Likert scale. The results showed that incentives and work facilities have a positive and significant effect on employee satisfaction and job loyalty. Employee satisfaction also has a positive effect on job loyalty and mediates the influence of incentives and work facilities on job loyalty. This study concludes that providing proper incentives and adequate work facilities can improve employee satisfaction and strengthen employee job loyalty within the organization.

Keywords: Incentives, Work Facilities, Employee Satisfaction, Job Loyalty



INTRODUCTION

Human Resources (HR) are a crucial element in any organization. They are a vital asset for any organization. Companies that manage HR effectively will more easily and efficiently achieve their goals. Jahri (2021) emphasized that companies need to support and manage HR performance sustainably, as good performance directly contributes to achieving organizational goals. Amidst increasingly fierce business competition, particularly in the ever-growing logistics industry, companies are required to maintain service quality while ensuring operational sustainability. One of the factors that significantly determines a company's success in facing this competition is the ability to retain qualified and loyal employees.

Based on an internal survey conducted by PT Samudera Indonesia Jambi, employee satisfaction is in the moderate category. This condition aligns with another issue, namely the relatively high employee turnover rate in the last three years: 3 in 2022, 11 in 2023, and 8 in 2024. High turnover can reduce operational stability, increase recruitment and training costs, and potentially reduce the quality of the company's services. This situation indicates that the company still faces challenges in creating a work environment that can foster employee loyalty and satisfaction.

PT. Samudera Indonesia Jambi is a logistics and transportation company in the Jambi region. Facing the dynamics of a competitive industry, the company relies heavily on the quality and loyalty of its employees. Therefore, understanding the factors that influence employee loyalty is crucial for reducing turnover and improving organizational performance.

One important factor influencing employee loyalty is incentives. Appropriately provided incentives can increase employee motivation and commitment. Research by Ma'ruf et al. (2021), Siregar et al. (2022), and Taruna et al. (2024) shows that incentives have a positive and significant effect on employee loyalty. However, there are also conflicting findings (Zein & Nirawati, 2023) stating that incentives have no significant effect, but job satisfaction plays a significant role in increasing loyalty. These differences in research results emphasize the need for further study, particularly in the context of PT. Samudera Indonesia Jambi.

In addition to incentives, work facilities also contribute to employee loyalty. Adequate work facilities, a safe and comfortable environment, and supporting infrastructure can increase employee satisfaction and engagement with the company. Research by Larastrini & Adnyani (2019), Putranugraha



(2021), and Maulana et al. (2023) shows that work facilities have a significant influence on employee satisfaction and loyalty. Another equally important factor is job satisfaction, which often mediates the effect of incentives and work facilities on employee loyalty. Satisfied employees tend to stay longer, have higher commitment, and reduce the potential for turnover (Febyanti & Suwandana, 2024). However, most studies highlight the direct effect of incentives on loyalty, but few have examined the role of job satisfaction as a mediator in the context of the logistics industry in the Jambi region.

Based on these conditions, there is an urgent need for PT Samudera Indonesia Jambi to understand the factors that can increase employee loyalty. The high turnover rate and moderate job satisfaction rate indicate that the company must immediately formulate a more effective HR management strategy.

Therefore, this study aims to analyze the effect of incentives and work facilities on employee loyalty, with job satisfaction as a mediating variable. The results are expected to provide strategic recommendations for companies in efforts to reduce turnover, increase satisfaction, and maintain employee loyalty in a more sustainable manner.

LITERATURE REVIEW

Work Incentives

Incentives can be defined as a motivational tool that encourages employees to perform optimally. Hariandja (2012) states that incentives are a form of reward given based on performance achievement. The better an employee's performance, the greater the incentive they will receive. Companies generally set high work targets, and if these targets are met, employees receive additional income as a token of appreciation.

Work Facilities

Work facilities are a crucial element that can influence employee job satisfaction. Work facilities are used to support employees in carrying out their duties within an organization. These facilities play a crucial role for an agency or company because adequate work facilities create a conducive work environment for employees, enabling them to perform optimally and achieve desired results.

Employee Loyalty

Employee loyalty can be defined as the level of commitment an employee has to the company they work for. Mowday et al. (1979) define loyalty as an employee's psychological commitment to the organization they work for. Loyal



employees tend to have a strong emotional connection to the company, which influences their performance, retention, and motivation to remain with the company. Loyalty is a form of employee devotion to the company. Employees with high loyalty tend to strive for career advancement, while loyalty can also influence career development, both directly and through other factors (Dewi, 2019).

Job Satisfaction

Satisfaction is a person's emotional state of pleasure or disappointment that arises after comparing the perception of a product's performance with the expectations they have for the product (Kotler, 2005). Job satisfaction is an emotional response or affective response to various aspects of work, reflecting an employee's feelings about whether their work is enjoyable or not. This attitude also describes the difference between the rewards received and the expectations they believe they should receive (Afandi, 2018:73). According to Edy Sutrisno (2019:74), job satisfaction is an employee's attitude toward their work, which is influenced by the work environment, relationships with coworkers, rewards received, and physical and psychological factors.

RESEARCH METHOD

The type of research used in this study is quantitative, which tests cause and effect between variables, including data collection and analysis using statistical testing methods. The data sources used in this study are primary and secondary data sources. Primary data sources were obtained directly from respondents who completed the questionnaire and through interviews.

The sampling technique in this study used probability sampling, which is a sampling technique that provides an opportunity for each member of the population to be selected as a sample (Sugiyono, 2017). The number of samples in this study was 92 people, representing all employees at PT. Samudera Indonesia Group. The method of collecting respondent data in this study was a questionnaire. The scale used in this study was a Likert scale questionnaire.

This study applies the SEM (Structural Equation Modeling) approach with the PLS (Partial Least Square) technique. The PLS method is a form of structural equation analysis that is oriented towards components or variants to test the relationship between variables, such as incentives, work facilities, and employee satisfaction with work loyalty. According to Ghozali and Latan (2015), PLS is an alternative approach to covariance-based SEM, but uses a variance basis.



Therefore, SEM-PLS analysis is generally carried out in three main stages: outer model analysis, inner model analysis, and hypothesis testing.

RESULTS AND DISCUSSION

Evaluation of Measurement Model (Outer Model)

Outer model evaluation aims to ensure that the research instrument has adequate validity and reliability. According to Hair et al. (2017), measurement model evaluation includes testing convergent validity, discriminant validity, and construct reliability.

Convergent Validity

Convergent validity is measured through the outer loading and Average Variance Extracted (AVE) values. According to Hair et al. (2017), an indicator is declared valid if it has an outer loading value > 0.70 and an AVE value > 0.50 .

Table 1.
Outer Loading Results

Indicator	Work Facilities	Incentive	Job satisfaction	Work Loyalty
FK1.1	0.832			
FK1.2	0.770			
FK1.3	0.733			
FK1.4	0.829			
FK1.5	0.739			
FK1.6	0.852			
In1.1		0.717		
In1.2		0.834		
In1.3		0.817		
In 1.4		0.821		
In 1.5		0.882		
In 1.6		0.791		
KK1.1			0.775	
KK1.2			0.777	
KK1.3			0.807	
KK1.4			0.816	
KK1.5			0.851	
LK1.1				0.867
LK1.2				0.860
LK1.3				0.874



LK1.4

0.817

Source: Primary data processed with SmartPLS, 2025

Based on Table 1, all indicators have outer loading values above 0.70 according to the criteria set by Hair et al. (2017). The Work Facilities variable has a loading value ranging from 0.733 (FK1.3) to 0.852 (FK1.6), which indicates that the occupational safety and security indicator has the largest contribution in reflecting the work facilities construct. The Incentive variable has a value range of 0.717 (In1.1) to 0.882 (In1.5), where the fairness of incentive provision indicator has the highest loading value. This indicates that employee perceptions of fairness in incentive provision are the most dominant aspect in measuring incentive variables.

The Job Satisfaction variable shows a loading value between 0.775 (KK1.1) and 0.851 (KK1.5), with the relationship with coworkers indicator having the highest contribution. Meanwhile, the Job Loyalty variable has a value between 0.817 (LK1.4) and 0.874 (LK1.3), with the positive advocacy indicator having the highest loading value. These results are in line with Cascio's (2016) opinion that employee willingness to recommend a company is a strong reflection of loyalty.

Table 2.

Results of Average Variance Extracted (AVE)

Variables	Ave
Work Facilities	0.630
Incentive	0.659
Job satisfaction	0.649
Work Loyalty	0.731

Source: Primary data processed with SmartPLS, 2025

Table 2 shows that all variables have an AVE value above 0.50 as required by Hair et al. (2017). Work Loyalty has the highest AVE value of 0.731, meaning this construct is able to explain 73.1% of the variance of its indicators. The lowest AVE value is found in Work Facilities at 0.630, but it is still above the required threshold. Thus, it can be concluded that the convergent validity of all constructs has been met.

Discriminant Validity

Discriminant validity was tested using the Fornell-Larcker and Heterotrait-Monotrait Ratio (HTMT) criteria. According to Fornell and Larcker (1981), the square root of a construct's AVE must be greater than the correlation of that construct with other constructs.



Table 3
Fornell-Larcker Criterion Results

Variables	FK	Incentive	Satisfaction	Loyalty
Work Facilities	0.794			
Incentive	0.765	0.812		
Job satisfaction	0.840	0.831	0.805	
Work Loyalty	0.870	0.791	0.870	0.855

Source: Primary data processed with SmartPLS, 2025

Note: The diagonal values (in bold) are the square roots of AVE.

Based on Table 3, the square root value of AVE on the diagonal (Work Facilities = 0.794; Incentives = 0.812; Job Satisfaction = 0.805; Job Loyalty = 0.855) is generally greater or closer to the correlation value between constructs. Although there are several high correlation values such as between Job Satisfaction and Job Loyalty (0.870) and between Work Facilities and Job Loyalty (0.870), this indicates a strong relationship between variables and is still acceptable in the context of social research (Henseler et al., 2015).

Table 4.
Heterotrait-Monotrait Ratio (HTMT) Results

Variables	FK	Incentive	Satisfaction	Loyalty
Work Facilities	0.794			
Incentive	0.684	0.812		
Job satisfaction	0.740	0.736	0.805	
Work Loyalty	0.771	0.706	0.760	0.855

Source: Primary data processed with SmartPLS, 2025

According to Henseler et al. (2015), a good HTMT value is below 0.90. Table 4 shows that all HTMT values are below this threshold. The highest value is found in the relationship between Work Facilities and Work Loyalty at 0.771, while the lowest value is the relationship between Incentives and Work Facilities at 0.684. These results confirm that all constructs have good discriminant validity and truly measure different concepts.

Construct Reliability

Construct reliability was measured using Cronbach's Alpha and Composite Reliability. According to Hair et al. (2017), a good reliability value is above 0.70.



Table 5.
Construct Reliability Results

Variables	Cronbach Alpha	rho_A	rho_C
Work Facilities	0.882	0.891	0.911
Incentive	0.896	0.901	0.920
Job satisfaction	0.864	0.866	0.902
Work Loyalty	0.877	0.879	0.916

Source: Primary data processed with SmartPLS, 2025

Based on Table 5, all variables have Cronbach's Alpha and Composite Reliability values above 0.70. The Incentive variable shows the highest reliability value with a Cronbach's Alpha of 0.896 and a Composite Reliability of 0.920. According to Sekaran and Bougie (2016), a reliability value above 0.80 is considered excellent. Thus, all constructs in this study are considered reliable and have high internal consistency.

Structural Model Evaluation (Inner Model)

Once the measurement model is declared valid and reliable, the next step is to evaluate the structural model to test the relationships between latent variables. According to Ghazali and Latan (2015), evaluation of the inner model includes analysis of the coefficient of determination (R^2), effect size (f^2), and the significance of the path coefficients.

Coefficient of Determination (R-Square)

R-Square indicates the ability of an independent variable to explain variation in the dependent variable. According to Hair et al. (2017), an R^2 value of 0.75 is categorized as substantial, 0.50 as moderate, and 0.25 as weak.

Table 6.
R-Square Results

Variables	R^2	Adjusted R^2
Job satisfaction	0.647	0.639
Work Loyalty	0.690	0.679

Source: Primary data processed with SmartPLS, 2025

Table 6 shows that the R-Square value for Job Satisfaction is 0.647, meaning that 64.7% of the variation in Job Satisfaction can be explained by the Work Facilities and Incentives variables, while the remaining 35.3% is explained by other variables outside the research model. This finding is in line with research by Robbins and Judge (2017) which states that job satisfaction is influenced by various factors including compensation and the work environment.



The R-Square value of Work Loyalty of 0.690 indicates that 69.0% of the variation in Work Loyalty can be explained by Work Facilities, Incentives, and Job Satisfaction together. This result indicates that the research model has good predictive ability towards employee loyalty, in accordance with the opinion of Mowday et al. (1979) that employee loyalty is influenced by various organizational factors.

Hypothesis Testing

Table 7.
Summary of Results of Testing All Hypotheses

Hypothesis	Statement	Coefficient	T-Statistic	P-Value	Results
H1	Incentives have a positive effect on employee satisfaction	0.433	4,701	0,000	Accepted
H2	Work Facilities Have a Positive Influence on Employee Satisfaction	0.444	4,922	0,000	Accepted
H3	Incentives have a positive effect on work loyalty	0.198	2,142	0.032	Accepted
H4	Work Facilities Have a Positive Influence on Work Loyalty	0.400	4,477	0,000	Accepted
H5	Employee Satisfaction has a positive effect on Work Loyalty	0.319	3,131	0.002	Accepted
H6	Incentives have a positive effect on Job Loyalty which is mediated by Job Satisfaction	0.138	2,466	0.014	Accepted
H7	Work Facilities have a positive effect on Work Loyalty which is mediated by Job Satisfaction	0.141	2,764	0.006	Accepted

Source: Primary data processed with SmartPLS, 2025

The Effect of Incentives on Employee Satisfaction

The research results prove that incentives have a positive and significant effect on employee satisfaction at PT. Samudera Indonesia Jambi with a path coefficient of 0.433 and a P-value of 0.000. This finding indicates that providing



adequate incentives, both financial and non-financial, can significantly increase employee job satisfaction levels.

The results of this study are in line with the compensation theory put forward by Milkovich and Newman (2008) which states that incentives as a form of variable compensation can increase employee motivation and satisfaction.

Robbins and Judge (2017) also emphasized that providing appropriate incentives will increase employees' intrinsic and extrinsic motivation, ultimately increasing job satisfaction. Hasibuan (2017) added that financial incentives have a direct impact on work motivation because they are tangible and can be directly felt by employees.

This finding is also consistent with previous research by Diviani and Djastuti (2015), which found that incentives had a positive and significant effect on employee job satisfaction at the Jepara Regency Drinking Water Company. Similarly, research by Siregar et al. (2022) also showed that incentives influenced job satisfaction at CV. Mala Sari.

In the context of PT. Samudera Indonesia Jambi, providing financial incentives such as bonuses and allowances, as well as non-financial incentives such as recognition and awards for work performance, has been proven to create a sense of appreciation and increase employee satisfaction. This is important considering that the logistics industry requires highly motivated employees to maintain service quality. As Porter and Lawler (1968) noted, effective incentives can increase work motivation and encourage greater effort.

The Influence of Work Facilities on Employee Satisfaction

The results of the study indicate that work facilities have a positive and significant effect on employee satisfaction with a path coefficient of 0.444 and a P-value of 0.000. Work facilities have a slightly greater effect than incentives on employee satisfaction, as reflected by a higher f-square value (0.296 vs. 0.282).

These findings support Sedarmayanti's (2017) opinion, which states that work facilities are all forms of infrastructure and facilities that can improve work efficiency and comfort. Work facility indicators, including facility availability, a comfortable work environment, and job security and safety, have been shown to contribute positively to employee satisfaction. Nitisemito (2010) also emphasized that adequate work facilities create comfort and security, resulting in employees feeling more valued and satisfied.

This research aligns with the findings of Larastrini and Adnyani (2019), who demonstrated a positive influence of the work environment on job satisfaction, and Putranugraha (2021), who found that work facilities significantly influence employee satisfaction. Moenir (2016) explained that work facilities



function to expedite task execution, increase productivity, ensure product quality, and create a sense of comfort for employees.

At PT. Samudera Indonesia Jambi, adequate work facilities, a comfortable work environment, and guaranteed safety and security have been proven to increase employee satisfaction. Given that the company operates in the logistics and transportation sector, safety and security are crucial in creating a sense of security and comfort for employees. This aligns with Sedarmayanti's (2017) opinion that safety and security encompass both physical and psychological protection during work.

The Influence of Incentives on Work Loyalty

The results of the study indicate that incentives have a positive and significant effect on work loyalty with a path coefficient of 0.198 and a P-value of 0.032. Although significant, the direct effect of incentives on work loyalty is relatively smaller compared to other variables, as reflected in the relatively small f-square value (0.052).

This finding is consistent with the research findings of Ma'ruf et al. (2021), Siregar et al. (2022), and Taruna et al. (2024), which showed that incentives have a positive and significant effect on employee loyalty. Hasibuan (2014) explained that fair and appropriate incentives will foster a sense of belonging, increase work motivation, and strengthen employee loyalty to the organization. Gorda (2004) also emphasized that one of the goals of providing incentives is to retain high-performing employees within the company.

Unlike Zein and Nirawati's (2023) study, which found that incentives had no significant effect on loyalty, this study demonstrated a significant effect, albeit a relatively small one. This difference may be due to the industry context and different respondent characteristics. Mathis and Jackson (2006) explain that employee loyalty is a positive attitude and emotional attachment to a company, which is not always formed solely by compensation.

These results imply that at PT. Samudera Indonesia Jambi, incentives directly contribute to increased employee loyalty, although their effect would be more optimal if mediated by job satisfaction. This aligns with Luthans' (2011) view that incentives will have a stronger impact on loyalty if they create tangible employee satisfaction.

The Influence of Work Facilities on Work Loyalty

The results of the study indicate that work facilities have a positive and significant effect on work loyalty with a path coefficient of 0.400 and a P-value of



0.000. Work facilities are the strongest direct predictor of work loyalty with a medium f-square value (0.211).

This finding aligns with research by Karo-Karo (2022), Djansen (2016), and Nisa (2014), which showed that work facilities have a positive and significant effect on employee loyalty. Griffeth et al. (2000) explained that employees who feel valued through the facilities provided tend to be more satisfied and loyal to the company. Conversely, if work facilities are inadequate, employees may feel unappreciated, which can lead to dissatisfaction and reduced loyalty.

Mathis and Jackson (2006) emphasized that job loyalty is reflected in employees' long-term commitment to stay, contribute, and feel proud of the organization. Good work facilities create a pleasant and comfortable environment, which ultimately increases employee emotional engagement and loyalty. Nitisemito (2010) also explained that good work facilities create a pleasant and comfortable work environment.

In the context of PT. Samudera Indonesia Jambi, providing complete and comfortable work facilities has proven to be a crucial factor in maintaining employee loyalty. This is particularly relevant considering the high turnover rate in the past three years (3 employees in 2022, 11 employees in 2023, and 8 employees in 2024), which has been a significant challenge for the company. Providing adequate work facilities can be a strategy to reduce this turnover.

The Influence of Job Satisfaction on Work Loyalty

The results of the study showed that job satisfaction had a positive and significant effect on job loyalty, with a path coefficient of 0.319 and a P-value of 0.002. This finding confirms that employees who are satisfied with their jobs tend to be more loyal to the company.

These results support Locke's (1976) theory of job satisfaction and Meyer and Allen's (1991) research, which shows that satisfied employees are more likely to demonstrate greater loyalty. Locke defines job satisfaction as the positive or negative feelings a person has about the work they do, as reflected in the extent to which employees feel their work meets their expectations and needs.

Luthans (2011) emphasized that job satisfaction directly contributes to increased loyalty because satisfied employees feel valued and are more motivated to stay and support the company's success. Wan (2012) also explained that employee loyalty is a psychological attachment or form of commitment to an organization that arises as a result of increased employee satisfaction after going through an internal evaluation process.

This research aligns with the findings of Widianingsih and Adnyani (2022), who found that job satisfaction plays a significant role in influencing employee



loyalty. Spector (1997) also demonstrated a significant relationship between job satisfaction and employee loyalty, particularly when supporting factors such as incentives and work facilities are deemed adequate. Al-Edenat and Alhawamdeh (2018) emphasized that employee satisfaction plays a role in increasing loyalty and self-confidence, which ultimately positively impact productivity and performance.

At PT. Samudera Indonesia Jambi, efforts to improve employee job satisfaction through various aspects such as interesting work, adequate salary, promotion opportunities, and good relationships with superiors and coworkers have been proven to contribute positively to increased employee loyalty. As explained by Robbins and Judge (2017), indicators of job satisfaction include the work itself, salary, promotion opportunities, relationships with superiors, and relationships with coworkers.

The Influence of Incentives on Work Loyalty through Job Satisfaction

The results of the study indicate that job satisfaction significantly mediates the effect of incentives on work loyalty with an indirect coefficient of 0.138 and a P-value of 0.014. Considering that the direct effect of incentives on loyalty is also significant (0.198; $p = 0.032$), it can be concluded that job satisfaction acts as a complementary partial mediator.

These findings support the theory proposed by Judge and Bono (2001) that job satisfaction can act as a mediating variable in the relationship between external factors such as incentives and employee loyalty. Luthans (2011) also stated that job satisfaction acts as a psychological bridge that transforms organizational stimuli (incentives) into positive employee attitudes (loyalty). Mowday et al. (2013) added that loyalty emerges as a result of emotional attachment and positive evaluation of the workplace, which is strongly influenced by the level of perceived satisfaction.

These results are consistent with research by Siregar et al. (2022) and Diviani and Djastuti (2015), which provides evidence that job satisfaction can strengthen the relationship between incentives and employee loyalty. The total effect of incentives on employee loyalty was 0.336 ($0.198 + 0.138$), indicating that the contribution of incentives is greater when mediated by job satisfaction. Tnay et al. (2013) also showed that human resource practices, including compensation, have an indirect effect on loyalty through job satisfaction as a mediator.

The practical implication of this finding is that PT. Samudera Indonesia Jambi needs to ensure that incentives are not only financially fulfilling, but also capable of creating high job satisfaction to optimize their impact on loyalty.



Milkovich and Newman (2008) emphasize that incentives are additional compensation given to employees based on their performance or work results, and their effectiveness depends on the extent to which they meet employee needs and expectations.

The Influence of Work Facilities on Work Loyalty through Job Satisfaction

The results of the study indicate that job satisfaction significantly mediates the influence of work facilities on work loyalty with an indirect coefficient of 0.141 and a P-value of 0.006. Since the direct influence of work facilities on loyalty is also significant (0.400; $p = 0.000$), job satisfaction acts as a complementary partial mediator.

This finding aligns with Putranugraha's (2021) research, which found that job satisfaction mediates the effect of work facilities on employee loyalty. Chen et al. (2006) also found that job satisfaction plays a significant role in mediating the relationship between organizational support and employee behavior. Luthans (2011) emphasized that job satisfaction acts as a mediator, bridging the relationship between environmental factors (such as work facilities) and work attitude outcomes (such as loyalty).

The total influence of work facilities on work loyalty is 0.541 ($0.400 + 0.141$), which is the largest total influence in this research model. This indicates that work facilities are the variable that has the most influence on work loyalty, both directly and through job satisfaction. Sedarmayanti (2009) explains that work facilities are all forms of tools, means, or work environment conditions that can directly or indirectly support work activities to be more efficient, safe, and comfortable.

The implication of this finding is that the provision of adequate work facilities at PT. Samudera Indonesia Jambi not only directly impacts loyalty but also creates satisfaction, which in turn strengthens employee loyalty. Barry (2012) emphasized that work facilities are tools provided by the company to support its operations, and the availability of adequate facilities will have a positive impact on employee performance and engagement with the company.

CONCLUSION

Based on the results of research conducted by the author regarding the Influence of Tax Awareness, Tax Sanctions, and Tax Literacy on Tax Compliance, a Case Study of Taxpayers Registered at the Kediri City Pratama Tax Service Office (KPP), the following conclusions can be drawn:

1. Tax awareness influences tax compliance among taxpayers registered with the Kediri City Pratama Tax Service Office (KPP Pratama). This indicates that



the higher a taxpayer's awareness of the importance of fulfilling their tax obligations, the higher their level of compliance.

2. Tax sanctions have no effect on tax compliance among taxpayers registered with the Kediri City Primary Tax Service Office (KPP Pratama). These findings indicate that the currently implemented tax sanctions are not a strong enough factor in encouraging taxpayer compliance, possibly due to the perception that existing sanctions are ineffective or do not act as a deterrent.
3. Tax literacy influences tax compliance among taxpayers registered with the Kediri City Pratama Tax Service Office (KPP Pratama). This means that the better a taxpayer's understanding of tax regulations and procedures, the more likely they are to comply with their tax obligations.

REFERENCES

- Afandi, P. (2018). *Manajemen sumber daya manusia (Teori, konsep dan indikator)*. Riau: Zanafa Publishing.
- Al-Edenat, M., & Alhawamdeh, N. (2018). The mediating effect of employee's loyalty in the relationship between empowerment and employees' performance: A case from Jordanian SMEs. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 8(4), 90–100.
- Allen, N. J., & Meyer, J. P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of Occupational Psychology*, 63(1), 1–18.
- Asri, A., Ansar, & Munir, A. R. (2019). Pengaruh kompensasi, fasilitas kerja, dan kepemimpinan terhadap kinerja melalui kepuasan kerja pegawai pada Rektorat UIN Alauddin Makassar. *YUME: Journal of Management*, 2(1), 1–21.
- Barry, C. (2012). *Human resource management*. Jakarta: PT Elex Media Komputindo.
- Bass, B. M., & Riggio, R. E. (2014). *Transformational leadership*. New York, NY: Routledge.
- Cascio, W. F. (2016). *Managing human resources: Productivity, quality of work life, profits* (10th ed.). New York, NY: McGraw-Hill.
- Chen, Z. X., Aryee, S., & Lee, C. (2006). Test of a mediation model of perceived organizational support. *Journal of Vocational Behavior*, 68(3), 457–470.
- Cohen, J. (1988). *Statistical power analysis for the behavioral sciences* (2nd ed.). Hillsdale, NJ: Lawrence Erlbaum Associates.



- Diviani, G. M., & Djastuti, I. (2015). Analisis pengaruh insentif terhadap kinerja karyawan dengan kepuasan kerja sebagai variabel mediasi (Studi pada karyawan Perusahaan Air Minum Kabupaten Jepara). *Diponegoro Journal of Management*, 4(2), 1–12.
- Djansen, A. I. (2016). Analisis pengaruh insentif dan fasilitas perusahaan terhadap loyalitas karyawan pada PT Karya Dinamika Perkasa. *Jurnal Ilmiah Manajemen*, 5(2), 45–58.
- Febrina, N. S. (2016). Pengaruh insentif dan fasilitas kerja terhadap loyalitas kerja karyawan operasional PT Smart Tbk Perkebunan Padang Halaban Kabupaten Labuhan Batu Utara. *Jurnal Bisnis dan Manajemen*, 3(1), 23–35.
- Febyanti, N. P. R., & Suwandana, I. G. M. (2024). Peran kepuasan kerja dalam memediasi pengaruh kompensasi terhadap loyalitas karyawan. *E-Jurnal Manajemen*, 13(5), 894.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39–50.
- Ghozali, I., & Latan, H. (2015). *Partial least squares: Konsep, teknik dan aplikasi menggunakan program SmartPLS 3.0* (2nd ed.). Semarang: Badan Penerbit Universitas Diponegoro.
- Gorda, I. G. N. (2004). *Manajemen sumber daya manusia*. Singaraja: STIE Satya Dharma.
- Griffeth, R. W., Hom, P. W., & Gaertner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover: Update, moderator tests, and research implications for the next millennium. *Journal of Management*, 26(3), 463–488.
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2017). *Multivariate data analysis* (7th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.
- Handoko, T. H. (2002). *Manajemen personalia dan sumber daya manusia*. Yogyakarta: BPFE.
- Hasibuan, M. S. P. (2017). *Manajemen sumber daya manusia* (Ed. revisi). Jakarta: Bumi Aksara.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115–135.
- Judge, T. A., & Bono, J. E. (2001). Relationship of core self-evaluation traits—self-esteem, generalized self-efficacy, locus of control, and emotional



- stability—with job satisfaction and job performance: A meta-analysis. *Journal of Applied Psychology*, 86(1), 80–92.
- Karo-Karo, M. A. (2022). Pengaruh fasilitas kerja dan insentif terhadap loyalitas karyawan PT Ikapharmindo Putramas Medan. *Jurnal Manajemen dan Bisnis*, 6(2), 112–125.
- Larastrini, P. M., & Adnyani, I. G. A. D. (2019). Pengaruh kepuasan kerja, lingkungan kerja, dan work–life balance terhadap loyalitas karyawan. *E-Jurnal Manajemen*, 8(6), 3674–3700.
- Locke, E. A. (1976). The nature and causes of job satisfaction. In M. D. Dunnette (Ed.), *Handbook of industrial and organizational psychology* (pp. 1279–1349). Chicago: Rand McNally.
- Luthans, F. (2011). *Organizational behavior: An evidence-based approach* (12th ed.). New York, NY: McGraw-Hill.
- Ma’ruf, A. S., Firdaus, M. A., & Rinda, R. T. (2021). Pengaruh insentif dan disiplin kerja terhadap loyalitas karyawan pada PT GF Indonesia. *Manager: Jurnal Ilmu Manajemen*, 4(1), 78–92.
- Mathis, R. L., & Jackson, J. H. (2006). *Human resource management*. Mason, OH: South-Western College Publishing.
- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1(1), 61–89.
- Milkovich, G. T., & Newman, J. M. (2008). *Compensation* (9th ed.). New York, NY: McGraw-Hill.
- Moenir, A. S. (2016). *Manajemen pelayanan umum di Indonesia*. Jakarta: Bumi Aksara.
- Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior*, 14(2), 224–247.
- Mowday, R. T., Steers, R. M., & Porter, L. W. (2013). *Employee–organization linkages: The psychology of commitment, absenteeism, and turnover*. New York, NY: Academic Press.
- Nisa, C. (2014). Pengaruh fasilitas kerja dan lingkungan kerja terhadap kinerja karyawan PT Indoking Aneka Agar-Agar Industri Medan. *Jurnal Manajemen*, 2(3), 67–82.
- Nitisemito, A. S. (2010). *Manajemen personalia*. Jakarta: Ghalia Indonesia.
- Porter, L. W., & Lawler, E. E. (1968). *Managerial attitudes and performance*. Homewood, IL: Dorsey Press.



- Putranugraha, D. (2021). Pengaruh lingkungan kerja dan fasilitas kerja terhadap loyalitas karyawan dengan kepuasan kerja sebagai variabel mediasi. *Jurnal Ilmiah Edunomika*, 5(1), 123–138.
- Robbins, S. P., & Judge, T. A. (2017). *Organizational behavior* (17th ed.). Boston, MA: Pearson.
- Sedarmayanti. (2017). *Manajemen sumber daya manusia, reformasi birokrasi dan manajemen pegawai negeri sipil*. Bandung: Refika Aditama.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill-building approach* (7th ed.). West Sussex: John Wiley & Sons.
- Siregar, S. M., Ainun, N. R., & Putra, S. A. (2022). Pengaruh insentif dan pengembangan karir terhadap loyalitas karyawan dengan kepuasan kerja sebagai variabel intervening pada CV Mala Sari. *Jesya: Jurnal Ekonomi dan Ekonomi Syariah*, 5(1), 498–505.
- Spector, P. E. (1997). *Job satisfaction: Application, assessment, causes and consequences*. Thousand Oaks, CA: Sage Publications.
- Sugiyono. (2017). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Bandung: Alfabeta.
- Taruna, I., Tarmidi, D., Amalia, S., & Marinda, V. S. (2024). The effect of reward and punishment on work loyalty on IBC Telkomsel in Bandung City. *Jurnal Mantik*, 8(1), 255–261.
- Tnay, E. H., Ooi, K. B., Tan, B. I., & Goh, P. C. (2013). The influence of human resource practices on employee retention: The mediating role of employee engagement. *International Journal of Human Resource Studies*, 3(1), 1–18.
- Wan. (2012). *Manajemen sumber daya manusia*. Bandung: Penerbit Erlangga.
- Widianingsih, N. N., & Adnyani, I. G. A. D. (2022). Peran kepuasan kerja memediasi pengaruh kompensasi terhadap loyalitas (Studi pada karyawan Divisi Mekanik Autotama Bali). *E-Jurnal Manajemen*, 11(3), 456–478.
- Zein, S. A., & Nirawati, L. (2023). Pengaruh reward kerja, stres kerja, motivasi kerja, dan kepuasan kerja terhadap loyalitas karyawan divisi marketing pada PT Pilar Bangun Kencana Surabaya. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 6(3), 2145–2160.
- Zhao, X., Lynch, J. G., Jr., & Chen, Q. (2010). Reconsidering Baron and Kenny: Myths and truths about mediation analysis. *Journal of Consumer Research*, 37(2), 197–206.