

The Role of Organizational Trust in Mediating the Effect of Non-Financial Compensation and Organizational Justice on Employee Loyalty

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Abstract. *This study explores how non-financial compensation, organizational justice, and organizational trust influence employee loyalty. Employing a quantitative approach with an explanatory research design, the study involved a population of 93 employees, from which 89 valid responses were obtained and analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) via SmartPLS software. To enrich the analytical context, open-ended questions were also incorporated to capture respondents' qualitative perceptions. The findings indicate that non-financial compensation and organizational justice significantly enhance organizational trust. Furthermore, all three key variables—non-financial compensation, organizational justice, and organizational trust—exert a direct and significant influence on employee loyalty. Organizational trust is also demonstrated to be a significant mediating variable in the relationship between both non-financial compensation and organizational justice with employee loyalty. The implications of this study underscore the importance of managerial strategies that balance non-financial compensation with the cultivation of trust and perceptions of fairness in the organization. Such an approach supports the development of long-term employee loyalty grounded in psychological and relational values.*

Keywords: *Employee loyalty; Human resource strategy; Organizational justice; Organizational Commitment; Organizational trust.*

1. Introduction

Every company's business processes are inextricably linked to the attitudes and behavior of its employees in carrying out their work. These attitudes and behaviors also influence a company's progress, which in turn impacts employee performance. Human resources play a crucial role as they determine and... control holder in achieving company targets, besides

being a planner, as well as a key actor who always plays an active role in achieving company goals (Emanuela, 2021).

Companies need employees to achieve their goals. The employees an organization expects are competent and capable of producing optimal work productivity as planned. Competence, as intended, is proven by competency certification issued by the National Professional Certification Agency (BNSP). In addition to the importance of acquiring competent and potential employees, companies need to consider ways to retain these employees so they remain loyal to the company. If a company is able to increase the loyalty of its human resources, in this case, the company will certainly continue to run because the employees involved have a sense of loyalty to the company, obey company regulations, so that activities run smoothly.

Work loyalty or loyalty is one of the elements used in employee assessments that includes loyalty to their work, position and organization. This loyalty is reflected through the employee's willingness to maintain and defend the company both inside and outside the company from threats from irresponsible people. Employee loyalty is absolutely necessary for achieving a company's success, the higher the employee loyalty to a company, the easier it is for the company to achieve the goals previously set by the company owner (Haslinda, 2019). Conversely, for companies with low employee loyalty, it is increasingly difficult for the company to achieve the goals previously set by the company owner. The focus of this study discusses the variables that influence employee loyalty, in this study the researcher took 3 (three) variables, namely non-financial compensation, organizational justice and organizational trust.

The main factor in increasing employee loyalty is compensation. According to Umar (2022:3), compensation is one of the factors that directly or indirectly influence the level of employee loyalty, which will have a broad impact on the company's development. Therefore, compensation for employees should receive special attention from company management, so that employees can be retained and employee performance is expected to continue to improve. In this case, employee loyalty tends to be able to make a significant contribution to employee performance improvement. Umar (2002:3) explains that compensation is divided into two forms: financial and non-financial compensation. Financial compensation is directly related to financial matters, while non-financial compensation is more directed towards awards given to employees for their work abilities.

Another factor influencing employee loyalty is organizational justice. According to Putra & Indrawati (2018), companies seeking high employee loyalty must prioritize the fairness they implement in running the company. Wiratama & Suana (2015) state that organizational justice is the treatment and actions received by all employees, regardless of their job status or position. Fairness can be defined as the extent to which employees receive their rights commensurate with their contributions to the company. Organizational trust is another factor influencing employee loyalty.

Organizational trust is a crucial foundation for building healthy relationships between individuals and organizations, as well as between members within an organization. This

trust encompasses confidence in the organization's integrity, competence, and goodwill in fulfilling its commitments. Recent research shows that organizational trust has a significant impact on organizational citizenship behavior, with organizational identification and employee loyalty as key mediators (Dai et al., 2022). Furthermore, organizational trust also plays a role in creating a sense of psychological safety in the workplace, which in turn can reduce group conflict and enhance collaboration (Joo et al., 2023). Therefore, developing a transparent organizational culture and empowering leadership are strategic steps to strengthen organizational trust.

Equally important is organizational trust. Building good working relationships requires trust among employees. According to Roussseau (in Tarigan, 2019), trust is a psychological state characterized by a willingness to accept vulnerability based on positive expectations about the desires or goals of others. Robinson (in Lendra and Andi, 2016) states that trust is a person's hope, assumptions, or belief in the possibility that someone's actions will be beneficial, profitable, or at least not reduce the benefits of others. Blau (in Mikhriani, 2016) further explains that trust is essential for the creation of stable social relationships. Social relationships are considered essential and constitute one of the main elements in organizations, especially society as a whole.

When employees have trust in their company, their loyalty, also known as fidelity, grows and develops. This makes it easier for the company to develop and even renew for the betterment of the company.

Author's inspiration, This research problem was raised in a place where the author has worked since 1990 until now. Non-financial compensation, such as recognition, learning opportunities for career development, and a conducive work environment, plays a crucial role in enhancing organizational trust. Employees who feel valued and have the opportunity to develop tend to have higher levels of organizational trust in management. Furthermore, open and transparent communication between management and employees is also a key factor in building trust (Hamzah & Matkhairuddin, 2023). Some forms of non-financial compensation implemented in the company where the author works include recognition and appreciation (through decrees/charters, plaques, and gold medals; the author has received this kind of appreciation three times), career development (training programs, workshops, and support for continuing education to a higher level), flexible working hours (working hour policies that provide flexibility to employees), a conducive work environment (creating a comfortable, safe workplace that supports individual development), and welfare programs (including health insurance, work accident insurance, employee cooperatives, and sports facilities), as well as learning and career opportunities.

Table

Types of non-financial compensation;

learning opportunities, career paths and loyalty indicators

Name	When Entering Work			At the moment	
	Date	Education	Position	Education	Position
1	3-Aug-07	D3	Secretary	S1	Secretary
2	1-Mar-90	SENIOR HIGH SCHOOL	Security guard	S1	HR & GA
3	1-Oct-02	D1	Receptionist	S1	Head of Personnel
4	17-Jul-23	S1	Security guard	S1	Personnel Staff
5	2-Mar-05	SENIOR HIGH SCHOOL	Parking	S1	Head of Finance
6	20-Jul-94	STM	Technician	S1	Head of Budget Division
7	19-Dec-19	SENIOR HIGH SCHOOL	Office Boy	S1 (cand)	Finance Staff
8	1-Apr-99	SENIOR HIGH SCHOOL	Banquet	S1	Finance Staff
9	November 1, 2016	SENIOR HIGH SCHOOL	Parking	S1 (cand)	Finance Staff
10	5-Feb-09	JUNIOR HIGH SCHOOL	Office Boy	SENIOR HIGH SCHOOL	Admin
11	4-Feb-03	Vocational School	Technician	D3	Finance Supervisor
12	April 1, 2005	SENIOR HIGH SCHOOL	Banquet	S1	Head of Marketing
13	2-Jul-02	D3	Staff	S1	Marketing Manager
14	4-Sep-17	SENIOR HIGH SCHOOL	Banquet	S1 (cand)	Marketing Staff
15	12-Sep-12	SENIOR HIGH SCHOOL	Security guard	S1	Marketing Supervisor

Primary data sources, processed in research, 2025

Table shows that the company has a strong commitment to supporting employee development, as evidenced by improvements in their education, careers, and loyalty. Initially, the average employee education was high school, but now many have completed their education up to bachelor's degree thanks to the company's support. Furthermore, the company provides career development opportunities, enabling employees to attain higher positions. Employee loyalty is also reflected in long tenures, often exceeding 35 years, a result of a fair and supportive work environment. This harmonious relationship is a testament to the company's success in building mutually beneficial partnerships. The company is proud of this shared achievement and remains committed to providing the best for its employees.

Phenomenon Research in companies shows that non-financial compensation such as recognition, career development, and a conducive work environment have successfully increased employee loyalty, as evidenced by increased educational level and position over long periods of employment. However, in-depth empirical studies on the mediating role of

organizational trust in the relationship between non-financial compensation and organizational justice on employee loyalty are still limited (Aboramadan et al., 2020; Ghosh et al., 2016; Joo et al., 2023). Most previous studies still focus on the direct relationship between compensation or organizational justice on loyalty without integrating the element of trust as a mediating variable (Colquitt et al., 2015; Putra & Indrawati, 2018). However, the results of recent studies show that trust in the organization plays a significant role in shaping long-term commitment and loyalty (Dai et al., 2022; Hamzah & Matkhairuddin, 2023).

Thus, there is a research gap regarding the integration and mediating role of organizational trust that has not been comprehensively explained, particularly in the service-based non-manufacturing sector that implements intensive non-financial compensation. The proposed solution is to empirically and contextually test the mediating role of organizational trust in influencing employee loyalty through non-financial compensation and organizational justice in a company that has proven successful in fostering HR loyalty. This research is expected to provide theoretical contributions in broadening the understanding of the integrative model of organizational behavior, as well as providing practical contributions in the form of a HR management model based on trust and justice values to increase employee loyalty in the long term (Aboramadan et al., 2020; Hamzah & Matkhairuddin, 2023; Dai et al., 2022).

2. Research Methods

The type of research used in this study is explanatory research. According to Sugiyono (2018), explanatory research is research that explains the position of the variables studied in a study. The purpose of explanatory research is to examine the relationship between several variables through the testing of several hypotheses. Meanwhile, according to Mahendra (2020), explanatory research is a type of research that explains the relationship and influence between one variable and another through hypothesis testing.

3. Results and Discussion

3.1. The Effect of Nonfinancial Compensation on Organizational Trust

The results of the hypothesis 1 test found that non-financial compensation has a positive and significant effect on organizational trust with a P-Value of $0.001 < 0.05$ and a T-Statistics value $(3.380) > 1.96$. While the original sample has a value of 0.432 (positive). This shows that when companies pay attention to employees' non-financial needs, such as creating a positive work environment and providing opportunities for self-development, employees will feel appreciated and cared for. The better the non-financial compensation provided, the greater its impact in encouraging an increase in the level of employee trust in the company.

According to Simamora (2020:447), non-financial compensation is a reward provided by a company that is not in the form of money or satisfaction obtained from the work itself and from the physical or psychological environment of the workplace. There are two types of compensation: work and work environment. According to Nawawi (2022:333), non-financial compensation is a number of rewards intended to provide a sense of peace of mind for

workers and their families. Fair compensation can encourage employee participation so that employees can work enthusiastically and responsibly and have work participation in the company (Sari, 2020). With adequate non-financial compensation, employees feel more motivated, committed, and have higher trust in the organization.

The results of this study support Qofiqi's (2016) study, which stated that non-financial compensation significantly influences job satisfaction. This is related to organizational trust. If employees have high trust in the organization, they will feel more secure, supported, and motivated, which can increase their job satisfaction. This compensation is provided to increase employee morale, discipline, and trust in the organization where they work.

The results of this study can be interpreted that compensation does not always have to be related and in the form of money, it could be that non-financial compensation can actually provide satisfaction for an employee which in the end will be able to increase trust in the organization within the company. This also provides descriptive meaning that not everyone can be approached through money, sometimes personal closeness, attention, motivation and other compensations that are non-financial are much more effective in increasing an employee's trust.

3.1.1. The Influence of Non-Financial Compensation on Employee Loyalty

The results of the hypothesis 4 test found that non-financial compensation has a positive and significant effect on employee loyalty with a P-Value of $0.001 < 0.05$ and a T-Statistic value $(3.452) > 1.96$. Meanwhile, the original sample had a value of 0.409 (positive). This indicates that the higher the non-financial compensation, the greater the employee's loyalty to the company. This means that when the company pays attention to things beyond salary and benefits, such as recognition, career development opportunities, or a pleasant work environment, employees tend to be more loyal to the company.

The results of this study align with research conducted by Muchlis (2019); Pansolo (2019); Adisti (2017); and Kelana (2022), which states that non-financial compensation has a significant influence on employee loyalty. This means that increasing employee satisfaction with the non-financial compensation they receive will increase employee loyalty. Conversely, if employees feel the non-financial compensation they receive is unsatisfactory, it will decrease employee loyalty.

These results align with Muchlis's (2019) statement that employees are entitled to non-financial rewards and fair treatment from company management in return for their services to the company. This positive reciprocal relationship will improve work performance, motivation, job satisfaction, and employee loyalty. A strong sense of loyalty among employees will place the company's interests above their own, thereby increasing the company's effectiveness.

This is reinforced by Muljani's (2023) opinion that fair compensation not only encourages employees to work harder and be more productive but also strengthens their emotional attachment to the company. When employees feel they are compensated fairly and commensurate with the work and responsibilities they have performed, this can increase

job satisfaction and employee motivation (Sjamsiar Husein, 2023). Employees who feel valued through appropriate compensation tend to have a higher commitment to remaining with the company. This can be seen through increased loyalty and a desire to continue contributing to the company's long-term goals.

Non-financial compensation, which includes various forms of rewards other than money, has a significant influence on employee loyalty. When employees feel valued and cared for through non-material things, such as recognition, a positive work environment, and opportunities for personal development, they tend to be more loyal to the company. Non-financial compensation has a positive and significant relationship with employee loyalty. Non-financial compensation, such as recognition, career development opportunities, and a positive work environment, can increase employee job satisfaction and motivation, ultimately driving their loyalty to the company.

Implicitly, the results of this study provide an understanding that non-financial compensation is much more important than monetary compensation, but it is not based on the principle of justice. An employee is sometimes more easily approached with recognition of achievements, career development opportunities, individual attention and motivation so that he feels as if he is being noticed and given a proper place in a company.

3.1.2. The Influence of Organizational Justice on Organizational Trust

The results of the hypothesis 2 test found that organizational justice has a positive and significant effect on employee loyalty with a P-value of $0.002 < 0.05$ and a T-statistic value $(3.144) > 1.96$. Meanwhile, the original sample had a value of 0.356 (positive). These results support the second hypothesis, which means H2 is accepted. This indicates that the more fairly the company treats employees, the higher the trust in the organization. Employees who feel they are treated fairly tend to be more committed to the organization, more satisfied with their jobs, and more motivated to remain with the organization.

Research shows that employees' perceptions of fairness within the organization, whether in terms of reward distribution, decision-making procedures, or interactions between individuals, directly influence their level of loyalty..If employees feel their organization treats them fairly, they tend to be more loyal to that organization.

Organizational justice is a crucial factor in human resource management within an organization (Prativi & Yulianti, 2020). Organizational justice is an individual's perception of the fairness of decisions made by their superiors (Colquitt et al., 2018). Organizational justice encompasses distributive justice and procedural justice. Distributive justice refers to the fairness of outcomes or rights. This means that employees should be paid according to what they have done or contributed to the company (Hidayah, 2019).

Organizational justice, as a concept of balance in the treatment of employees, is expected to be implemented by organizations with the aim of fostering a sense of commitment within employees. Research conducted by Karim and Rehman (2019) shows a strong relationship between organizational commitment and organizational justice. This relationship is interconnected; organizations that create a fair and transparent work environment will

benefit from higher levels of employee commitment and trust, which will ultimately have a positive impact on overall organizational performance.

Organizational justice and organizational trust are two important concepts in human resource management that are closely related. Organizational justice refers to employees' perceptions of the fairness of their treatment in the workplace, while organizational trust is employees' belief in the goodwill, competence, and reliability of the organization and its leaders. Positively perceived organizational justice can increase employee commitment, job satisfaction, and performance, and reduce negative behaviors such as turnover intentions.

When an organization where an individual works provides fair policies based on each individual's individual needs and preferences, this will increase organizational trust. This essentially means that a sense of fairness from leadership to employees is a crucial and integral factor in a company, fostering organizational trust. Ultimately, when employees have high levels of trust, their performance and productivity will improve.

3.1.3. The Influence of Organizational Trust on Employee Loyalty

The results of the hypothesis 3 test found that organizational trust has a positive and significant effect on employee loyalty with a P-Value of $0.003 < 0.05$ and a T-Statistics value $(2.998) > 1.96$. Meanwhile, the original sample had a value of 0.316 (positive). This indicates that the higher the level of employee trust in the organization, the higher their level of loyalty. This means that when employees feel trusted by the organization, they tend to be more loyal, more involved in their work, and more motivated to achieve organizational goals.

The results of this study align with research conducted by Galih, Mulia, & Jhoansyah (2022), which states that employee trust has a positive effect on employee loyalty. When employees have high trust in the organization they work for, they tend to be more loyal. This is because organizational trust creates a positive and harmonious work environment, which ultimately increases employee commitment and dedication to the company.

Trust is a feeling of optimism and commitment without worry or suspicion. If someone is trusted, they will certainly receive encouragement to solve problems without suspicion or negative thoughts about others (Fiona & Wijayanti, 2020). If employees have a greater attitude of trust in their company, they will directly care about the company's vision or goals and progress and understand their role by doing their best for the company. Trust will be created when communication occurs that is acceptable to employees (Ependi & Sudirman, 2021).

According to Resti (2020), employee loyalty is the willingness of employees to carry out company duties with full awareness and responsibility so that the company's goals are maximally achieved. This loyalty will easily form if there is organizational trust. Organizational trust is a form of positive expectation that provides benefits to the company and its employees, thus fostering harmonious relationships. Therefore, building and maintaining organizational trust is key to creating a positive work environment and increasing employee loyalty, which will ultimately benefit the organization in the long term.

The relationship between organizational trust and employee loyalty is positive and significant. Organizational trust, which is employees' perceptions of management's reliability, has a significant impact on employee loyalty. When employees feel trust in the organization they work for, they tend to be more loyal, as evidenced by higher commitment, better performance, and a desire to remain with the organization. Organizational trust reflects the extent to which employees believe their organization is fair, honest, and concerned about their well-being. It involves employee perceptions of management's transparency, integrity, and competence.

3.2. The Influence of Organizational Justice on Employee Loyalty

The results of the hypothesis 5 test found that organizational justice has a positive and significant effect on employee loyalty with a P-value of $0.036 < 0.05$ and a T-Statistic value $(1.986) > 1.96$. Meanwhile, the original sample had a value of 0.218 (positive). This indicates that the fairer the company is towards employees, the more employee loyalty will increase. This means that when employees feel treated fairly in the organization, they tend to be more loyal and committed to their workplace.

The results of this study align with those conducted by Putra, Sumarwan & Margaaret (2024); Aqil (2021); Damayanti, Santoso & Setiawan (2022); Rajagukguk, Harefa & Sembiring (2024), which state that organizational justice partially has a positive and significant effect on employee loyalty. When employees perceive their organization as fair in various aspects, such as task allocation, reward distribution, and decision-making processes, they tend to feel valued and trusted. This ultimately increases their sense of belonging and commitment to the organization, which manifests in loyalty.

Hasibuan (2018) stated that work loyalty or loyalty is one of the elements used in employee assessment which includes loyalty to their job, position and organization. Employee loyalty in an organization is absolutely necessary for the success of an organization. Loyalty can emerge if the company succeeds in providing rewards that can meet employee needs. The provision of rewards by the company to employees that enable employees to meet their needs is an indicator of distributive justice practices (Martiwi, 2018). The higher the employee loyalty to an organization, the easier it is for the organization to achieve the organizational goals that have been previously set by the organization's owner (Haslinda, 2019).

One factor influencing employee loyalty is organizational justice. According to Putra & Indrawati (2018), companies seeking high employee loyalty must prioritize the fairness they implement in running the company. Wiratama & Suana (2020) state that organizational justice is the treatment and actions received by all employees equally, regardless of their job status or position. Fairness can be defined as the extent to which employees receive their rights commensurate with their contributions to the company. If an organization treats its employees fairly and provides adequate compensation and job security, employees are more likely to exhibit high levels of loyalty.

Organizational justice has a positive and significant relationship with employee loyalty. Employees who feel treated fairly by the organization tend to be more loyal, have a strong commitment, and feel a sense of belonging to the organization. Conversely, injustice in the organization can decrease loyalty and increase employees' desire to look for other jobs. Organizational justice refers to employees' perceptions of the extent to which the organization treats them fairly in various aspects, such as the distribution of resources (distributive justice), the decision-making process (procedural justice), and interpersonal interactions (interactional justice). Organizational justice is an important factor in building employee loyalty. Organizations need to pay attention to and manage fairness in various aspects to create a positive work environment and support employee loyalty.

3.2.1. The Role of Organizational Trust in Mediating the Effect of Organizational Justice on Employee Loyalty

The results of the hypothesis 7 test found that organizational trust mediates the influence of organizational justice on employee loyalty with a specific indirect effect P value of $0.030 < 0.05$ and a T-Statistics value $(2.099) > 1.96$ with an original sample value of 0.255 (positive). This shows that when employees feel that their organization is fair (in distribution, procedures, interactions, and information), they tend to develop trust in the organization. This trust then encourages them to be more loyal to the organization.

According to Prameswari & Suwandana (2017), organizational justice is a general description of a person's perception or perspective regarding fairness that occurs in an organization or in the workplace. According to Usmani & Jamal (2013), organizational justice is important in shaping employee attitudes and behavior within an organization. Organizational justice, as a concept of balance in treating employees, is expected to be implemented by organizations with the aim of triggering the growth of a sense of trust that ultimately creates loyalty in employees.

In this study, organizational trust acts as a mediator because organizational justice does not directly affect loyalty. Instead, organizational justice shapes perceptions of trust, which in turn affects employee loyalty. Perceived justice, accompanied by organizational trust, such as they believe that their company's management has high integrity, they can expect their organization's management to treat them consistently and predictably, they believe the motives and intentions of their organization's management are good, thus increasing employee loyalty to the company.

3.2.2. The Role of Organizational Trust in Mediating the Effect of Nonfinancial Compensation on Employee Loyalty

The results of the hypothesis 6 test found that organizational trust mediated the effect of non-financial compensation on employee loyalty with a P value of $0.029 < 0.05$ for the specific indirect effect and a T-Statistics value $(2.042) > 1.96$ with an original sample value of 0.237 (positive). This indicates that when employees feel they receive good non-financial compensation, their trust in the organization will increase. This increase in trust, in turn, will encourage employee loyalty to the organization.

Non-financial compensation, such as recognition for work performance, career development opportunities, a positive work environment, and work flexibility, can increase employee trust in an organization if provided appropriately. When employees perceive that the compensation they receive is fair, competitive, and commensurate with the work they do, they tend to be more loyal to the company. Employees who are satisfied with the compensation they receive are more likely to comply with company regulations, be more responsible, and be motivated to continue working for the company (Alviano & Febrian, 2024). Employees who feel valued and cared for by the company ultimately increase their trust in the organization.

Trust in an organization is a crucial factor in building employee loyalty. When employees have high trust in an organization, they tend to feel more engaged and committed to it, which is reflected in higher levels of loyalty. Loyalty is one of the elements used in employee assessments, encompassing loyalty to their job, position, and the organization or company (Pitoy et al., 2020). By building trust, organizations can create a positive and productive work environment, which ultimately increases employee loyalty and performance.

3.2.3. Exploration of Phenomena through a Combination of Statistical Analysis and Qualitative Opinion.

To gain a more comprehensive understanding of respondents' perceptions of the research variables, the researchers combined quantitative and qualitative approaches. The quantitative analysis was presented in the form of Likert scale score distributions using descriptive and deterministic statistics. The qualitative analysis was conducted on open-ended question data using a thematic categorization approach based on shared meaning.

Table Summary of Quantitative and Qualitative Results

No	Variables	Final score	
		Quantitative	Qualitative
1	Non-Financial Compensation	87.83	67.04
2	Organizational Justice	79.13	66.30
3	Organizational Trust	84.99	73.00
4	Employee Loyalty	92.90	80.90

Figure Comparison Graph of Quantitative and Qualitative Results



Based on the quantitative and qualitative results for four main variables, differences in perception were found between the structured assessment and respondents' experiences. Non-financial compensation showed a high quantitative score (87.83) but a lower qualitative score (67.04), indicating a gap between general perception and perceived reality. A similar finding occurred for organizational justice, with scores of 79.13 (quantitative) and 66.30 (qualitative), reflecting that fairness practices have not yet been fully experienced.

For organizational trust, the difference between the two approaches was not significant (84.99 quantitative; 73.00 qualitative), indicating relatively consistent perceptions and experiences. Employee loyalty recorded the highest scores in both methods (92.90 and 80.90), indicating a strong attachment to the organization. Overall, these results indicate that while general perceptions of the organization are positive, actual experiences still leave room for improvement, particularly in aspects of fairness and non-financial compensation.

4. Conclusion

Based on the results of this study, several managerial suggestions that can be implemented by companies include: 1. Organizational Justice: Companies should create a positive work environment by providing fair and respectful treatment and effective communication between management and employees. 2. Organizational Trust: Companies need to share information openly with employees, communicate honestly and clearly, build a culture of feedback, and create a positive and supportive work environment. 3. Non-Financial Compensation: Companies are advised to recognize employee achievements, create a positive work environment, offer career development opportunities, and provide work flexibility. 4. Employee Loyalty: Employee loyalty is seen through three indicators: affective, normative, and continuance commitment, which encompasses emotional attachment, a sense of obligation, and reasons for remaining with the company (Robbins & Judge, 2013). To increase loyalty, HR policies need to focus on improving job satisfaction, career development opportunities, and building trust, which will encourage employees to contribute optimally and remain loyal to the company.

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