

The Impact of Transformational Leadership and Compensation on Loyalty Through Work Motivation of Human Resources at PT. PLN Nusadaya ULPT-Luwuk

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Abstract. Loyalty is an important factor that supports the success of an organization in achieving its goals and targets. One company that requires employee loyalty is PLN Nusa Daya ULPT-Luwuk. The phenomenon discovered by researchers at PLN Nusa Daya ULPT-Luwuk is an increase in resignation and transfer requests. Factors that can influence employee loyalty include transformational leadership, compensation and work motivation. This study is explanatory research with a quantitative approach. The population of the study was all PLN Nusadaya ULPT-Luwuk employees in 2025 totaling 138 people. The sample was taken using a purposive sampling technique, obtaining a sample size of 90 employees. The data collection technique used a closed questionnaire. In this study, data analysis used the SEM-PLS method with SmartPLS (Partial Least Square) software. Research results: 1) Transformational leadership has a positive and significant effect on work motivation with a P-Value of $0.000 < 0.05$ and a T-Statistics value $(4.624) > 1.96$. 2) Compensation has a positive and significant effect on work motivation with a P-Value of $0.000 < 0.05$ and a T-Statistics value $(5.061) > 1.9696$. 3) Transformational leadership has a positive and significant effect on loyalty with a P-Value of $0.004 < 0.05$ and a T-Statistics value $(2.911) > 1.96$. 4) Compensation has a positive and significant effect on loyalty with a P-Value of $0.000 < 0.05$ and a T-Statistics value $(3.556) > 1.96$. 5) Work motivation has a positive and significant effect on loyalty with a P-Value of $0.000 < 0.05$ and a T-Statistics value $(4.648) > 1.96$. 6) Work motivation is able to mediate the positive and significant effect of transformational leadership on loyalty with a P-Values specific indirect effect of $0.002 < 0.05$ with a positive T-Statistic value $(3.079) > 1.96$. 7) Work motivation is able to mediate the positive and significant effect of compensation on loyalty with a P-Values specific indirect effect of $0.001 < 0.05$ with a positive T-Statistic value $(3.403) > 1.96$.

Keywords: Effect; Motivation; Positive; Significant.

1. Introduction

Human Resources (HR) are a crucial asset for a company, fundamentally driving all business

operational activities. Without the right HR, it will be difficult for a company to progress and improve, as they are highly dependent on existing HR. Therefore, all companies need to carefully evaluate their HR to ensure they perform optimally and contribute to the company in the long term. This can be achieved if employees demonstrate high levels of loyalty (Noraniza, Agussalin & Hadya, 2023). Loyalty is a crucial factor supporting an organization's success in achieving its goals and targets (Astuti et al., 2022).

Loyalty is an employee's desire to work for a company faithfully and remain with the company for a very long time (Purba, 2023). Loyal employees will be oriented towards the company's progress by continuously improving the quality and results of their work (Pitoy, Pio & Rumawas, 2020). One company that requires employee loyalty is PLN Nusa Daya ULPT-Luwuk. This is because PLN Nusadaya ULPT-Luwuk has a strategic role in supporting the PLN Group in providing electricity to communities with high noise levels. Therefore, excellent performance targets become the main focus. Loyal employees will tend to provide optimal contributions to organizational performance. In the context of the energy sector, especially at PLN Nusadaya ULPT-Luwuk as part of the PLN Group, complex operational challenges require full loyalty from employees to ensure reliable, efficient, and quality services. However, on the other hand, a phenomenon found by researchers at PLN Nusa Daya ULPT-Luwuk is an increase in resignation and transfer requests.

Data Table of the Number of Resignations and Transfers of PLN Nusadaya ULPT-Luwuk Employees

Year	Number of Employees	Application for Resignation	Request for Transfer from Unit at Own Request
2022	132	2	3
2023	130	4	6
2024	138	5	7

Source: (PLN Nusadaya ULPT-Luwuk, 2025).

Based on employee data at PLN Nusadaya ULPT-Luwuk, it is known that there is an annual increase in resignation requests and transfer requests to other units at their own request. This data indicates that employee loyalty at PLN Nusadaya ULPT-Luwuk is declining. Given the importance of employee loyalty to company performance, companies need to increase their focus on retaining and maintaining employee loyalty.

One factor that can influence employee loyalty is transformational leadership (Ang & Edalmen, 2021). Transformational leadership is essentially a leader who can influence employees to work beyond their capabilities. This means a leader must be able to foster employee self-confidence, which can maximize employee performance (Bismoko, Suwandi & Hellyani, 2023). Transformational leadership will be able to understand the employee's situation and find solutions for the company's actions to ensure employee comfort and satisfaction. Therefore, when employees feel fulfilled, loyalty will arise (Salsabila et al., 2024).

In addition to transformational leadership, compensation can influence the level of employee loyalty in working for a company (Budiningsih, 2020). This is because demands such as rights, needs, and feedback, which are factors in loyalty, must be met to achieve good organizational

processes. Among the basic forms of compensation such as allowances, incentives, salaries, both in cash and in-kind, provided by the company to employees, are the causes of employee loyalty (Salsabila et al., 2024). When the compensation provided by the company fulfills the rights, needs and creates a sense of satisfaction and comfort for employees, it will encourage a sense of comfort and generate employee loyalty to the company by demonstrating optimal contributions, skills, discipline, and a good commitment to the company (Fitri, Marsofiyati & Wahono, 2023). Compensation is one of the reasons and strong motives for employees to do a job because it concerns important matters, namely the fulfillment of life, which is a reward or reward both directly and indirectly (Safrida, Yafiz & Lubis, 2023).

2. Research Methods

This research is included in the type of quantitative research data through surveys. The survey was conducted by distributing questionnaires containing structured questions and given to respondents designed to obtain more specific information (Sugiyono, 2018). Based on the established research objectives, this type of research is explanatory research, namely research that proves the existence of cause and effect and relationships that influence or are influenced by two or more variables studied (Arikunto, 2018). The purpose of explanatory research is to test hypotheses and examine the effect of independent variables on dependent variables, namely the influence of transformational leadership and compensation on employee loyalty through work motivation at PLN Nusadaya ULPT-Luwuk.

3. Results and Discussion

The subjects of this study were PT employees. PLN Nusadaya ULPT-Luwuk Data collection was conducted through a questionnaire using Google Forms, distributed online via WhatsApp. The results of the questionnaire distribution in this study are shown in the table below:

Data Distribution Results Table

Information	Amount
Questionnaires distributed	138
Returned questionnaire	115
Processable questionnaire	115

based on the results distribution data obtained The data consisted of 115 respondents. This number met the minimum sample size for this study, which was 105 respondents.

Respondent Characteristics Table

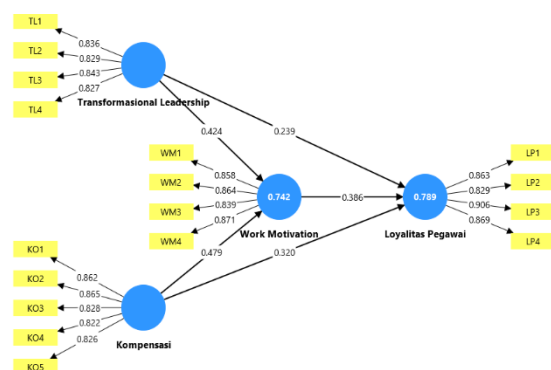
Characteristics	Frequency	Percentage
Gender:		
Man	86	74.8%
Woman	29	25.2%
Total	115	100%
Age:		
18 – 25 years old	9	7.8%
26 – 35 years old	50	43.5%
36 – 45 years old	39	33.9%

46 – 55 years old	15	13%
>55 years	2	1.7%
Total	115	100%
Education:		
High School or Equivalent	5	4.3%
Diploma	4	3.5%
S1	68	59.1%
S2	38	33.1%
Total	115	100%
Length of work:		
15 years	10	8.7%
6 – 10 years	38	33.0%
11 – 15 years	47	40.9%
>15 years	20	17.4%
Total	115	100%

Based on the table it shows that as many as 74.8% PT employees. PLN Nusadaya ULPT-Luwuk is a man, This explains that men's love for the world of work is very high considering their responsibilities as heads of families. Age characteristics show as many as 43.5% of PT employees. PLN Nusadaya ULPT-Luwuk aged 26 – 35 years, This age is an adult and productive age. Educational characteristics show that the majority have a bachelor's degree with a percentage of 59.1%. This explains that the majority of PT employees. PLN Nusadaya ULPT-Luwuk have a high level of education. The characteristics of length of service show that as many as 40.9% PT employees. PLN Nusadaya ULPT-Luwuk have worked for 11 - 15 years, this explains that the respondents have worked for a long time at PT. PLN Nusadaya ULPT-Luwuk.

Variable description intended to translate respondents' responses based on the results obtained from the 115 answers PT employees. PLN Nusadaya ULPT-Luwuk regarding the measuring indicators for each variable (transformational leadership, compensation, work motivation and loyalty) whether they are in the moderate category,

Evaluation of the outer model is used to examine the relationship between latent variables and their indicators or manifest variables (measurement model). The following is a schematic of the PLS program model being tested:



Picture Measurement Model (Outer Model)

Outer model testing is used to describe the relationship between latent variables and their indicators. To ensure the accuracy of this model, we need to conduct two types of testing: validity and reliability.

To determine convergent validity, the outer loading value is used as a measure. An indicator is considered valid if its outer loading value is 0.7 or higher, indicating that the indicator has a strong correlation with the construct it measures and contributes significantly to explaining the construct. Conversely, if the outer loading value is less than 0.7, the indicator is declared invalid, indicating that the indicator has a weak correlation with the construct and may need to be considered for removal.

Discriminant validity is a concept used to assess the extent to which a construct is truly different from other constructs. Several methods used to evaluate discriminant variables include examining cross-loading values, AVE (Average Variance Extracted), and the Fornell-Larkel Criterion.

Reliability testing in PLS uses Composite Reliability (CR) and Cronbach Alpha (CA). Composite reliability aims to measure the internal consistency of a construct's indicators. A CR value > 0.7 indicates that the construct's indicators have high internal consistency, meaning they consistently measure the same construct. Cronbach Alpha also aims to measure internal consistency reliability. A CA value > 0.9 indicates very high reliability, indicating very good internal consistency. A CA value between 0.8-0.9 indicates high reliability. A CA value between 0.7-0.8 indicates acceptable reliability, generally considered the minimum acceptable limit in research. The following are the results of the reliability test in this study:

Composite Reliability and Cronbach Alpha Table

No	Variables	Composite Reliability	Cronbach Alpha	Information
1	Compensation	0.900	0.896	Reliable
2	Loyalty	0.893	0.890	Reliable
3	<i>Transformational Leadership</i>	0.858	0.854	Reliable
4	<i>Work Motivation</i>	0.881	0.881	Reliable

The results of the reliability analysis indicate that this research model has excellent internal consistency. This can be seen from the Composite Reliability (CR) and Cronbach Alpha (CA) values. All latent variables in the model have CR values > 0.7, indicating that each construct has high reliability. In other words, the indicators used to measure each variable consistently represent the intended construct. The CA values for compensation (0.900), loyalty (0.890), transformational leadership (0.854), and work motivation (0.881) show high reliability with CA values of 0.8–0.9, meaning the indicators for these variables are consistent in measuring the construct.

After conducting a model evaluation and finding that each construct has met the validity requirements (convergent and discriminant validity) and reliability (Composite Reliability and Cronbach Alpha), the next step is to evaluate the structural model.

The hypothesis testing that has been carried out is as follows:

Hypothesis testing in this context aims to validate or refute the researcher's initial assumptions regarding the relationship between variables. Hypothesis testing is conducted by examining the structural path coefficients. Hypothesis testing in this study was conducted by examining the T-statistics, P-values, and original sample values through a bootstrapping procedure.

1) Direct Effect Hypothesis Testing

Direct Effect Hypothesis Testing Table (Path Coefficient)

Hypothesis	Original Sample (O)	T Statistics	P values	Decision
H 1 <i>Transformational Leadership</i> -> Work Motivation	0.424	4,624	0.000	H1 accepted
H 2 Compensation -> Work Motivation	0.479	5,061	0.000	H2 accepted
H 3 <i>Transformational Leadership</i> -> Loyalty	0.239	2,911	0.004	H3 is accepted
H 4 Compensation -> Loyalty	0.320	3,556	0.000	H4 accepted
H 5 <i>Work Motivation</i> -> Loyalty	0.386	4,648	0.000	H5 is accepted

Based on the data presented in the table above, it can be seen that of the five hypotheses proposed in this study, as follows:

a. The Influence of Transformational Leadership on Work Motivation

The results of the hypothesis test show that the P-values that determine the influence of transformational leadership on work motivation are $0.000 < 0.05$ and the T-Statistics value $(4.624) > 1.96$. Meanwhile, the original sample has a value of 0.424 (positive). These results support the first hypothesis, namely that transformational leadership has a positive and significant effect on work motivation, which means H1 is accepted.

b. The Influence of Compensation on Work Motivation

The results of the hypothesis test show that the P-values that determine the effect of compensation on work motivation are $0.000 < 0.05$ and the T-Statistics value $(5.061) > 1.96$. Meanwhile, the original sample has a value of 0.479 (positive). These results support the second hypothesis, namely that compensation has a positive and significant effect on work motivation, which means H2 is accepted.

c. The Influence of Transformational Leadership on Loyalty

The results of the hypothesis test show that the P-values that determine the influence of transformational leadership on loyalty are $0.004 < 0.05$ and the T-Statistics value $(2.911) > 1.96$. Meanwhile, the original sample has a value of 0.239 (positive). These results support the third hypothesis, namely that transformational leadership has a positive and significant effect on loyalty, which means H3 is accepted.

d. The Effect of Compensation on Loyalty

The results of the hypothesis test show that the P-values that determine the effect of compensation on loyalty are $0.000 < 0.05$ and the T-Statistics value $(3.556) > 1.96$. Meanwhile, the original sample has a value of 0.320 (positive). These results support the fourth hypothesis, namely that compensation has a positive and significant effect on loyalty, which means H4 is accepted.

e. The Influence of Work Motivation on Loyalty

The results of the hypothesis test show that the P-values that determine the influence of work motivation on loyalty are $0.000 < 0.05$ and the T-Statistics value $(4.648) > 1.96$. Meanwhile, the original sample has a value of 0.386 (positive). These results support the fifth hypothesis, namely that work motivation has a positive and significant effect on loyalty, which means H5 is accepted.

2) Indirect Effect Hypothesis Test (Mediating Variable Effect)

To see the effect of the mediating variable, we use the results of the specific indirect effect. The following table shows the intervening effect.

Specific Indirect Effect Table

Hypothesis	Original Sample (O)	T Statistics	P values	Decision
H 6 <i>Transformational Leadership</i> -> Work Motivation -> Loyalty	0.164	3,079	0.002	H6 is accepted
H 7 Compensation -> Work Motivation -> Loyalty n	0.185	3,403	0.001	H7 accepted

Based on the data presented in the table above, it can be seen that the two hypotheses proposed in this study are explained as follows:

a. The Influence of Transformational Leadership on Loyalty through Work Motivation

ResultsHypothesis testing shows that the specific indirect effect P-value is $0.002 < 0.05$ with a positive T-Statistic value $(3.079) > 1.96$ and the original sample has a value of 0.164 (positive). These results support the sixth hypothesis, namely that work motivation is able to

mediate the positive and significant influence of transformational leadership on loyalty, which means H6 is accepted.

b. The Influence of Compensation on Loyalty through Work Motivation

Results Hypothesis testing shows that the specific indirect effect P-value is $0.001 < 0.05$ with a positive T-Statistic value ($3.403 > 1.96$) and the original sample has a value of 0.185 (positive). These results support the seventh hypothesis, namely that work motivation is able to mediate the positive and significant influence of compensation on loyalty, which means H7 is accepted.

The discussion that will be carried out is as follows:

1) Influence *Transformational Leadership* on Work Motivation

The results of the study indicate that transformational leadership has a positive and significant effect on work motivation. It is known that the P-Values that form the influence of transformational leadership on work motivation are $0.000 < 0.05$ and the T-Statistics value ($4.624 > 1.96$). While the original sample has a value of 0.424 (positive).

The results of this study indicate that transformational leadership has a positive relationship with work motivation. Transformational leaders are able to inspire, motivate, and provide clear direction to employees, thereby increasing work morale and performance. Transformational leaders are able to create a compelling and inspiring vision, and motivate employees to work with passion and dedication. Transformational leaders pay attention to the individual needs and development of employees, so employees feel valued and motivated to contribute more.

Transformational leadership A leader is a leader who is able to influence and motivate the attitudes, thoughts, and behaviors of employees to move in accordance with organizational goals (Ang & Edalmen, 2021). Transformational leadership can move individuals or personnel toward goals and become role models and role models. Therefore, a leader must pay attention and be able to arouse an optimistic spirit by providing motivation to their employees, as well as being able to listen to aspirations, educate, and train their employees, so that employee performance can improve (Salsabila et al., 2024). This transformational leadership style has been shown to have a positive impact on staff performance and productivity, as well as encourage collaboration and creativity between teams (Martino & Mon, 2024).

Transformational leadership has a positive impact on employee performance. This is because transformational leaders are able to inspire, motivate, and provide support to subordinates, thereby improving their performance (Waney, Tamengkel & Rumawas, 2021). Transformational leaders are able to provide a clear vision and inspire subordinates to achieve common goals. A leader with a transformational leadership style will be able to treat employees as work partners rather than subordinates, making employees part of the

company family so that work results are a collaborative effort rather than just a technical work between leaders and employees (Gunawan & Wibowo, 2023). The main characteristic of this leadership style is the leader's ability to motivate, inspire, and develop employee potential with the aim of achieving higher levels of performance (Gunawan & Wibowo, 2023).

Several studies have shown that transformational leadership has a positive and significant impact on work motivation. The higher the level of transformational leadership, the higher the employee's work motivation, and vice versa. Research by Kartawidjaja (2020) found that transformational leadership influences work motivation at PT. Mahameru Mekar Djaya. Research conducted by Darmawan, Satrya, and Listyarini (2023) shows that transformational leadership influences work motivation. This is in line with research by Sitorus and Agustian (2023) and Sadipun, Wellem & Juru (2023), which found that transformational leadership has a significant partial impact on employee performance. This means that if the transformational leadership style is improved, employee performance will improve.

2) Influence Compensation for Work Motivation

The results of the study indicate that compensation has a positive and significant effect on work motivation, it is known that the P-Values that form the effect of compensation on work motivation are $0.000 < 0.05$ and the T-Statistics value $(5.061) > 1.96$. While the original sample has a value of 0.479 (positive).

Compensation has a positive and significant relationship with work motivation. Fair and adequate rewards can increase employee motivation to perform better, while unsatisfactory compensation can decrease motivation. Compensation can influence work motivation both intrinsically (motivation that comes from within the employee) and extrinsically (motivation that comes from external factors such as rewards). When employees feel the compensation they receive is commensurate with their contributions, this can increase their sense of appreciation and motivate them to perform better.

Compensation is everything employees receive in return for their performance to the company, such as salary, incentives for high-performing employees, health insurance benefits, and work-related facilities (Handoko, 2019). According to Armstrong and Taylor (2020), fair and competitive compensation is an important tool for attracting, motivating, and retaining competent employees. Compensation is an effective way to motivate employees to improve their performance (Aisyi & Kuswinanrno, 2024).

Compensation has a positive effect on work motivation because it is expected to encourage employees to strive harder. When a company is able to provide fair and appropriate compensation, and employees comply with company regulations, the resulting synergy will positively impact overall performance. Effective compensation is not merely an obligation but also a crucial strategy for increasing employee work motivation (Laia, Dakhi & Zagoto, 2021). When employees perceive the compensation they receive as fair and commensurate with their efforts and contributions, their motivation to work hard and achieve organizational

goals increases. Conversely, if compensation is perceived as inadequate or unfair, this can decrease work motivation and even lead to a decline in employee performance.

Several studies have shown a positive relationship between compensation and work motivation. For example, research by Tufail and Sajid (2015) found a positive and significant relationship between compensation and work motivation. Research by Fauzan (2022) found that compensation influences work motivation. Research conducted by Kamila, Dharma, and Noorrahman (2024) showed that compensation influences work motivation. This means that the better the compensation received by employees, the higher their work motivation, and vice versa. Supported by research by Darmayanti, Ibrahim & Sola (2023) stated that there is an effect of compensation on employee work motivation. This indicates that weak compensation given to employees will decrease employee work motivation. However, if the compensation given is appropriate, employee work motivation will also be in accordance with expectations.

The strength or weakness of work motivation is largely determined by the fulfillment of employee expectations, desires, and needs. Hasibuan (2019) states that one indicator of motivation is physical needs, which include salary, allowances, bonuses, and so on. The interplay between compensation variables and employee motivation is that better compensation will increase employee work motivation. On the other hand, high work motivation will impact employee desire to work harder, thus also increasing their performance. In line with the opinion of Suwatno & Priansa (2018), compensation is defined as something important, which is the main drive or motivation for an employee to work.

Compensation is a crucial factor in motivating employees. Companies need to provide fair and performance-based compensation to maintain high employee motivation, which ultimately contributes to the company's success.

3) Influence *transformational leadership* on employee loyalty

The results of the study indicate that transformational leadership has a positive and significant effect on loyalty, it is known that the P-Values that form the influence of transformational leadership on loyalty are $0.004 < 0.05$ and the T-Statistics value $(2.911) > 1.96$. While the original sample has a value of 0.239 (positive).

Transformational leadership has a positive relationship with employee loyalty. Transformational leaders, who are able to inspire, motivate, and empower employees, tend to create a positive work environment and foster trust, loyalty, and respect from employees toward the leader and the organization. Transformational leaders are able to inspire and motivate employees to reach their full potential. They create a clear and compelling vision that motivates employees to contribute to their full potential.

Transformational leadership is a leader who effectively performs work by engaging, guiding, and providing positive feedback to employees. This will make them feel comfortable, which will have a positive impact on work loyalty, often referred to as increased employee loyalty

(Ridito, 2020). By implementing transformational leadership, subordinates will feel trusted, valued, loyal, and respected by their leaders. Ultimately, subordinates will be motivated to do more than expected.

The results of this study indicate that the better the transformational leadership style implemented, the higher the employee loyalty. Transformational leaders create a positive work environment by providing attention, motivation, and inspiration to employees, which in turn increases their sense of loyalty to the organization. This is in line with the statement of Siagian & Karneli (2021) in their research, which states that the better the transformational leadership implemented, the higher the level of employee loyalty to the company.

The results of this study align with research conducted by Mahayuni & Dewi (2020) that found that transformational leadership has a positive and significant effect on employee loyalty. The better the transformational leadership is implemented, the higher the level of employee loyalty. Another study by Nefita, Muafi & Suhartini (2024) found that transformational leadership has a positive and significant effect on employee loyalty. This is supported by research by Pertiwi & Panjaitan (2023) that found that transformational leadership style has a significant effect on employee loyalty.

Employee loyalty in a company can be created by the presence of parties who support an employee to perform their job well. The role of transformational leadership in a company can encourage employees to remain loyal to their company (Mulia, 2021:184). In line with Tracey & Hinkin (2018), the implementation of a transformational leadership style can increase trust, loyalty, and even respect among subordinates. When employees feel that their needs are being met by their leaders, trust in the company grows. Furthermore, this trust causes an employee to strive to give something of themselves for the benefit of the company and strive to remain a member of that company.

Transformational leaders also demonstrate individual attention to employees' needs and aspirations. They listen, provide support, and help employees develop. Transformational leaders typically establish open and transparent communication with employees. This builds trust and a sense of belonging within the organization. Thus, a transformational leadership style can be a crucial factor in building employee loyalty, which in turn can improve overall organizational performance.

4) The effect of compensation on employee loyalty

The results of the study indicate that compensation has a positive and significant effect on loyalty, it is known that the P-Values that form compensation on loyalty are $0.000 < 0.05$ and the T-Statistics value $(3.556) > 1.96$. While the original sample has a value of 0.320 (positive).

Compensation has a positive and significant relationship with employee loyalty. This means that the better the compensation a company provides, the higher the level of employee loyalty, and vice versa. Adequate compensation can increase employee job satisfaction and motivation, which in turn encourages greater loyalty to the company. Fair and attractive

compensation can motivate employees to work harder and better, as well as increase their job satisfaction.

Compensation is everything an employee receives in return for their work to the company (Kurniawan et al., 2018). Compensation is a reward for the unique contribution made to employees in an employment relationship (Fulmer et al., 2023). Compensation includes direct payments in the form of salaries, incentives, bonuses, shares, and commissions. Indirect compensation includes health insurance coverage and pension funds, as well as religious programs such as Umrah and trips to the Holy Land. Compensation is an important element that motivates employees to do their work. By providing equitable compensation, employees will be motivated to improve their performance and loyalty to the company (Armanu & Sudjatno, 2017).

The results of this study suggest that if a company provides good compensation, it can increase employee loyalty to the company. Employees who are satisfied with their jobs tend to be more loyal and reluctant to look for work elsewhere. Purnamasari & Sintaasih (2019) stated that good compensation can be defined as a salary commensurate with workload, incentives commensurate with work performance, annual holiday allowances, and health insurance during employment. Fulfilling adequate compensation will positively impact employee loyalty.

The results of this study align with research conducted by Pratiwi & Fauzan (2024) that found compensation has a positive and significant effect on employee loyalty. Another study by Agung & Ju'ati (2024) found that compensation has a positive effect on employee loyalty, indicating that high compensation will further increase employee loyalty. This is supported by research by Nugraha (2024) that found compensation has a positive and significant effect on employee loyalty. This is in line with research by Fani, Sunaryo & Athia (2022) which states that employee loyalty is partially influenced by compensation.

The results of this study align with Swadarma & Netra's (2020) opinion, which states that compensation is a crucial element that motivates employees to perform their work. When employees perceive that they are fairly compensated for the work and responsibilities they perform, this can increase job satisfaction and 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.

Companies that provide good compensation, both financially and non-financially, have a greater chance of attracting loyal and high-performing employees. Therefore, companies need to consider fair and attractive compensation systems to retain and motivate their employees.

4. Conclusion

Based on the results of research that has been done to increase employee loyalty PT. PLN Nusadaya ULPT-Luwuk requires transformational leadership, compensation and work motivation, where transformational leadership is able to inspire and motivate employees to achieve their best potential, compensation is able to increase satisfaction and encourage harder work, work motivation increases work enthusiasm and satisfaction, so that transformational leadership, compensation and work motivation can improve employee performance individually. Based on the results of the hypothesis test, the research questions can be explained as follows: Transformational leadership has a positive and significant effect on work motivation, the better the leadership, the higher the work motivation. Compensation has a positive and significant effect on work motivation, the better and fairer the compensation given, the more motivation increases. Transformational leadership has a positive and significant effect on loyalty, the better the leadership, the more employee loyalty increases. Compensation has a positive and significant effect on loyalty with values, the more fair and appropriate the compensation given, the more loyalty increases. Work motivation has a positive and significant effect on loyalty, the higher the work motivation, the more loyalty increases. Work motivation is able to mediate the positive and significant effect of transformational leadership on loyalty, the better the transformational leadership, the more work motivation increases, and this work motivation then increases employee loyalty. Work motivationable to mediate the positive and significant influence of compensation on loyalty, good compensation can increase employee work motivation, which in turn will increase their loyalty.

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