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THE EFFECT OF WORK EXPERIENCE AND COMPENSATION ON LOYALTY THROUGH ORGANIZATIONAL COMMITMENT AS AN INTERVENING VARIABLE

Study at the Office of the National Unity and Political Agency of Pemalang Regency

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ABSTRACT

This study aims to evaluate the impact of work experience and compensation on the level of loyalty. In addition, this study also seeks to investigate the influence of a mediating variable, organizational commitment, in the relationship between work experience and compensation with loyalty. The method used in this study was a survey, in which questionnaires were distributed to 40 employees at the Office of the National Unity and Political Agency of Pemalang Regency. Sampling in this study was carried out using the census technique. The research method used SEM PLS. The results showed that: work experience has a positive and significant impact on loyalty; compensation has an impact on the level of loyalty; organizational commitment has a positive and significant effect on loyalty; organizational commitment acts as a positive and significant mediator in the relationship between work experience and loyalty; and organizational commitment also serves as a positive and significant link between compensation and loyalty.

KEYWORDS: *Work Experience, Compensation, Loyalty, Organizational Commitment*

INTRODUCTION

1. Research Background

The success of an organization, including government agencies, cannot be separated from the employee factor. Apart from other factors, human resources in an organization play a very important role, because basically organizations are formed because of humans, and human resources are also one of the success factors in achieving organizational goals. For this reason, professional human resource management is needed so that a balance is realized between employee needs and organizational interests, so that if employee needs are met properly, the performance produced by employees can also be improved (Nazenin and Palupiningdyah, 2014).

The National Unity and Political Agency of Pemalang Regency as one of the institutions that strives to effectively carry out the vision and mission of the Pemalang Regency Government requires a capable and skilled workforce in carrying out the main tasks and functions. To achieve success, good efforts are needed to meet the needs in developing human resources towards better quality. The higher the ability of employees, the better the results obtained from an organization.

The first aspect that is an indicator of human resources in completing tasks and responsibilities is loyalty. Loyalty is one of the elements that can be used to manage and maintain human resources to achieve the vision and mission of the organization. Loyalty is a person's attitude to remain loyal to the organization, superiors, and colleagues. It is expected that every employee has a high level of loyalty so that effectiveness and efficiency in achieving organizational goals can be realized properly. A decrease in loyalty can have a significant negative impact on the organization. Employee loyalty is one of the crucial factors in maintaining optimal and efficient organizational performance. Employees who lose loyalty tend to show a lack of enthusiasm at work, which in turn can affect the overall performance of the organization.

Work loyalty or loyalty is one of the elements used in employee assessment which includes loyalty to his job, position and organization (Hasibuan, 2012). This loyalty is reflected by the willingness of employees to maintain and defend the organization inside and outside work from irresponsible people.

Creating a high level of employee loyalty is the hope of every organization. Organizations see employees not only as assets, but also as partners in achieving common goals. Loyalty is seen through employees' willingness to excel, stay in the job for a long period of time until retirement, show a sense of responsibility in completing tasks, and it is expected that employees can have high discipline.

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In an effort to develop human resources, both the government and private sectors require work experience. Work experience is full of understanding gained from length of employment, level of seniority, positions held and leadership experience undertaken. Work experience also includes the period in which a person contributes to his or her duties, which can provide lessons from various activities that have been done and the ability to solve problems faced, as well as the level of knowledge and skills of individuals in using work tools.

Experience is a measure of a person's mastery of knowledge and skills in his job, which can be assessed from the length of work and the level of knowledge and skills possessed. Experienced employees will show calmer and smoother movements, harmonious movements, respond faster to signals, can predict the emergence of difficulties so that they are better prepared to deal with them and work calmly. There are other influencing factors, such as the length of time worked, the level of knowledge or skills possessed, and the level of mastery of the work and tools used.

One of the steps that organizations can take to restore employee commitment is to offer reasonable and appropriate compensation programs. In this way, it is expected to be a factor that can reinforce employee commitment to the organization.

Compensation includes everything that is given by the organization in return for the contribution that has been obtained from employee performance. Providing compensation that is fair and in accordance with job responsibilities will make employees feel valued and important. This of course can encourage employees to work better and support every activity carried out by the organization. Employee dissatisfaction with the compensation provided by an organization can result in negative employee behavior and decreased commitment which will reduce the work performance of each employee (Apriyanti, 2016). If employees are given appropriate compensation, these employees will have good organizational commitment (Bhatti, 2011). The compensation given to employees must be in accordance with the contributions submitted or given to employees.

In general, compensation is divided into two categories, namely financial compensation and non-financial compensation, where financial compensation is still divided into two types. The first type is direct payments in the form of salaries and incentives or bonuses/commissions, while the second type is indirect payments in the form of benefits and insurance.

Commitment according to Arifin et al., (2019) is an attitude that reflects employee loyalty to the organization and the ongoing process by which organizational members express their concern for the organization and its continued success and progress. In this regard, organizational commitment needs attention in relation to organizational management. Salma (2016), states organizational commitment as a strong desire to remain as a member of a particular organization, strive according to the wishes of the organization and acceptance of organizational values and goals. In other words, it is an action that reflects employee loyalty to the organization by showing concern for the organization and its continued success and progress.

Commitment to an organization means more than just being a formal member, because it includes love for the organization and readiness to go to great lengths for the benefit of the organization in achieving goals. From this explanation, organizational commitment involves elements of loyalty to the entity, participation in work, and identification with the values of the organization's goals.

Organizational commitment refers to the involvement of all employees in activities carried out to achieve organizational success, which is supported by loyalty, understanding, and belief in organizational values. This commitment is an attitude of obedience and loyalty of an employee to the organization by making a real contribution to the progress of the entity. Obedience in the organization can be seen from compliance with all applicable rules, while loyalty is seen from the desire not to move from the workplace and strive to achieve organizational goals.

Based on an initial survey conducted on employees, data were obtained regarding the variables used in this study. The temporary results of the survey related to work experience variables can be explained as follows:

Table 1
Work experience of employees of the Pemalang National and Political Unity Agency

Statement	Employees Who Agree	Employees Who Disagree	Number of Survey Employees
The longer the work will increase one's work experience	25	15	40
Someone who has work experience can work well	27	13	40

Source: pre-survey data 2025

In the table above, it can be seen that 25 out of 40 respondents or 62.5% of respondents stated that the length of time working increases one's work experience, while the remaining 37.5% stated otherwise. Respondents' responses to the statement that someone with work experience can work well were 27 out of 40 respondents or 67.5% agreed, while the remaining 32.5% disagreed.

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Table 2
Compensation of employees of the Pemalang National and Political Unity Agency

Statement	Employees Who Agree	Employees Who Disagree	Number of Survey Employees
The amount of salary received is in accordance with the results of the work given to the agency	10	30	40
The existence of health insurance for employees can help family welfare	10	30	40

Source: pre-survey data 2025

From the table it can be seen that 10 out of 40 respondents or 25% of respondents stated that the amount of salary received was appropriate, while the remaining 75% stated that the salary received was not appropriate. Respondents' responses to the statement of health insurance received by employees were 10 out of 40 respondents or 25% stated that they received it, while the remaining 75% stated that they did not receive
health insurance.

Table 3
Organizational commitment of employees of the Pemalang National and Political Unity Agency

Statement	Employees who agree	Employees Who Disagree	Total Employees Survey
I would be very happy to spend the rest of my career in this organization.	22	18	40
I find it difficult to leave this organization for fear of not getting job opportunities elsewhere.	31	9	40

Source: pre-survey data 2025
From the table, it can be seen that 22 out of 40 respondents or 55% of respondents stated that they would be very happy to spend the rest of their career in the organization, while the remaining 45% stated otherwise. Respondents' responses to the statement that it is difficult to leave the organization for fear of not getting job opportunities elsewhere were 31 out of 40 respondents or 77.5% agreed, while the remaining 22.5% disagreed.

Table 4
Loyalty of employees of the Pemalang National and Political Unity Agency

Statement	Employees Who Agree	Employees Who Disagree	Total Employee Survey
I can work together with other coworkers	32	8	40
I always do my work happily without feeling forced.	17	23	40

Source: pre-survey data 2025
From the data presented, it appears that 32 out of 40 respondents or around 80% can work together with their colleagues, while the other 20% have a different opinion. Regarding the statement that I always perform my duties happily without pressure, only 17 out of 40 respondents or 42.5% agreed, while the remaining 57.5% disagreed.

Taking into account all the information described above, the researcher is interested in conducting a study entitled The Effect of Work Experience and Compensation on Organizational Commitment through Loyalty as an Intervening Variable (Study at the Office of the National Unity and Political Agency of Pemalang Regency).

2. Problem Formulation

Based on the description above, the author formulates the problem as follows:

1) How does work experience affect loyalty?
2) How does compensation affect loyalty?
3) How does organizational commitment affect loyalty?
4) How does work experience affect loyalty through organizational commitment as an intervening variable?
5) How does compensation affect loyalty through organizational commitment as an intervening variable?

3. Research Objectives

This research has objectives:

1) Analyzing the effect of work experience on loyalty
2) Analyzing the effect of compensation on loyalty
3) Analyzing the effect of organizational commitment on loyalty

4) Analyzing the effect of work experience on loyalty through organizational commitment as an intervening variable
5) Analyzing the effect of compensation on loyalty through organizational commitment as an intervening variable.

4. Benefits of Research

The expected benefits of this research are:

1) Benefits in the theoretical field
   The results of this study are expected to make a positive contribution to the development of science in the field of human resource management, especially regarding various factors that affect organizational commitment, namely: work experience, compensation, and loyalty. Therefore, the results of this study can be used as a reference for future researchers.
2) Practical benefits
   From this research, it is hoped that it can be a good contribution to the Pemalang Regency National and Political Unity Agency and as a basis for making improvements to existing human resource problems, as well as to increase employee organizational commitment in the future based on work experience, compensation and loyalty variables.

LITERATURE REVIEW

1. Loyalty

Employee loyalty is the commitment of employees to be enthusiastic about their work, work hard, follow the rules and do their best for the organization. Loyalty is shown by employees through attitudes and actions that are always aimed at increasing productivity and efficiency to achieve organizational goals and provide quality services to others. Organizations with loyal employees can improve the organization's image and help improve or maintain organizational performance.

Hasibuan (2021) explains that loyalty refers to the various roles and contributions of members in utilizing their thoughts and time to achieve organizational goals. According to Riyanti and Kasmiruddin (2017), employee loyalty is defined as a commitment and ability to follow wholeheartedly, responsibility, and determination, which must be seen in daily attitudes and behavior and task implementation. This opinion shows that employee loyalty to their work arises from within themselves and loyalty to the organization where they work, which is based on the responsibilities and abilities of the individual.

Loyalty can also be interpreted as a person's willingness and ability to obediently carry out and practice something, accompanied by full awareness and a sense of responsibility (Chaerudin, 2020). Employee work loyalty to their work includes physical, mental, and social actions that make individuals choose to comply with norms and are determined to do and implement things that are considered meaningful, with knowledge and responsibility and personal views to increase effectiveness in government organizations, and accompanied by strong and consistent dedication (Kadarwati, 2017).

According to Octavia (2019), employee loyalty is defined as the basis and direction in work behavior which indicates a willingness to follow and comply with matters of obligation. Meanwhile, Sutrisno (2015) states that loyalty is an employee's effort to defend the organization by showing an active role in the institution where they work.

In line with this, Chairina (2019) defines loyalty as a commitment that is reflected in the willingness of employees to protect and defend the organization both inside and outside the work environment from the influence of irresponsible people. Umar (2019) explains that loyalty is understood as something that grows naturally. When someone joins an institution, they will automatically be loyal, stay in the organization, and try their best for the organization. On the other hand, organizations are expected to always pay attention to employee development and provide the support needed.

From the above understanding, the author can draw the conclusion that employee loyalty is the attitude of a person's loyalty to an organization by devoting himself to achieving the goals of the organization.

2. Work Experience

Work experience serves as a foundation for an employee to find the right position, take risks, face challenges with high responsibility, and communicate effectively with various parties to maintain productivity, performance, and produce reliable individuals in their fields.

According to Foster in Ikbal & Aprianti (2020), work experience is a measure of the time or effort spent by someone to understand and carry out their job duties properly and correctly. Someone can be said to have work experience if they meet several indicators: (a) Duration / working hours refers to how many hours a person works each day before they really understand their job, (b) The level of knowledge and skills that exist regarding systems and procedures or information and instructions related to job implementation, (c) Individual expertise in completing tasks accurately and precisely and operating work equipment according to established procedures. Work experience is

gained through the process of learning from work experiences that result in knowledge and skills, which can accelerate in completing work. Thus, work experience in the workplace directly increases a person's ability to handle certain higher-level tasks.

According to Marwansyah cited by Wariati (2015), work experience is the knowledge, skills, and abilities possessed by employees to carry out tasks from previous jobs. On the other hand, Hasibuan (2016) states that individuals who have experience are prospective employees who are fit to work immediately. An applicant's work experience should be a major factor in the selection process.

3. Compensation

Compensation, according to the Big Indonesian Dictionary, is a payment or reward that can be in the form of money or other objects given to employees in a company or organization. Dwianto (2019) explains that compensation includes all income received in the form of money, as well as goods directly given to employees as a substitute for their contribution to the company. Designing an efficient compensation system is an important element in human resource management, aiming to attract and retain a qualified workforce. In addition, the compensation system implemented in the company also has an impact on strategic performance.

Compensation is all forms of rewards received by employees in return for their services. The compensation program is crucial for the company because it shows the organization's efforts to maintain the sustainability of human resources (Handoko, 2014).

From several existing definitions, it can be concluded that compensation includes all income received in the form of money, as well as goods directly received by employees in exchange for the services they provide to the company. Building an effective compensation system is essential in human resource management to support the attraction and presence of a talented workforce.

4. Organizational Commitment

Organizational commitment is an employee's sense of emotional and physical attachment to the organization he or she joins. Emotional attachment means that employees feel happy and proud to be part of the organization. There are three forms of attachment, namely following the norms, values, and rules of the organization, considering themselves part of the organization, and internalizing the norms, values, and rules of the organization (Wirawan, 2013). In other words, it describes the attitude that shows employee loyalty to the organization and the ongoing process in which organizational members show their concern for the progress and success of the organization.

Wibowo (2016) explains that organizational commitment affects workers' decisions to stay in the organization or look for new job opportunities elsewhere.

From the explanation above, it can be concluded that organizational commitment is a condition in which an employee shows loyalty to his workplace, so that they can see themselves as part of the organization and make maximum efforts to achieve the goals set by the organization.

RELATIONSHIP BETWEEN VARIABLES

Effect of Work Experience on Loyalty

The work experience possessed by employees can help them in carrying out their duties, thus increasing employee loyalty. Conversely, a lack of loyalty at work can be caused by a lack of understanding of the job and a low level of knowledge and skills.

In a study conducted by Sasongko, it was stated that there was a positive and significant relationship between work experience and employee loyalty. Based on research conducted by Masyichah, it was found that work experience has a positive impact on employee loyalty. Every employee who has work experience will have advantages that support the smooth implementation of the tasks assigned by the company. The hypotheses proposed in this study are:

H1 : Work experience affects loyalty positively and significantly.

Effect of Compensation on Loyalty

With the compensation received by employees, they expect to be able to minimally meet their needs, such as the need for food, drink, clothing and housing. Therefore, in changing compensation to employees, each company must pay attention in such a way that the lowest compensation given can meet the basic needs of their employees. This is closely influenced because if the basic needs of employees are not met then it can reduce their loyalty. For this reason, the provision of fair and appropriate compensation so that employees will feel cared for by the company. If employees feel cared for, generally employees will try to do their best for the company, so that their accumulated work improvement will increase employee work loyalty, the company's goals will be achieved. From the results of this description, we can see that the provision of compensation to employees is closely related to the expectation of increased employee loyalty. The hypotheses proposed in this study are:

H2 : Compensation has a positive and significant effect on loyalty

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Effect of Organizational Commitment on Loyalty

Poerwopoespito (2014) states that employees who have loyalty will devote all the abilities and expertise they have, and are willing to work longer to fulfill their responsibilities for the work they do. Conversely, employees who carry out work under duress and do not comply with the rules will show a less responsible attitude towards their duties.

Syadam (2014) added that loyal employees will obey all instructions given by superiors or authorities. In addition, employees who are satisfied with their colleagues will never try to blame others for mistakes they make at work; they tend to be more honest and brave enough to admit their own mistakes. In addition, employees who are satisfied with their coworkers have a high level of responsibility, so they carry out their duties sincerely without feeling pressured. The hypotheses proposed in this study are:

H3 : Organizational commitment has a positive and significant influence on loyalty.

Organizational Commitment can mediate the effect of Work Experience on Loyalty

Work experience can contribute to the achievement of company goals as well as to getting, retaining, and keeping employees well if managed effectively. Conversely, if members of the organization do not have adequate work experience, this can have a negative impact on the organization, which can be seen from their performance, increased complaints, high absenteeism, the frequency of accidents while carrying out tasks, even the possibility of strikes and the desire to move to other companies.

Research conducted by Susilo and Satrya (2019) shows that work experience has a negative and significant effect on turnover intention through the mediation of commitment to the organization. These findings indicate that organizational commitment plays an important role in bridging the relationship between variables. This is also relevant in testing the mediation of commitment to the relationship between work experience and employee loyalty, although there are differences between the variables in previous studies and this study regarding the mediator variable. Research on commitment as a mediator was also conducted by Sandy (2019), which shows that organizational commitment based on effective, continual, and normative types significantly mediates the relationship between work experience and loyalty. The hypotheses proposed in this study are:

H4 : Work experience has a positive and significant effect on loyalty with organizational commitment as an intervening variable.

Organizational Commitment can mediate the effect of Compensation on Loyalty

Compensation can support companies to achieve goals as well as recruit, retain, and keep employees well if managed effectively. If organizational members are dissatisfied with the compensation they receive, the organization will feel a negative impact, which is related to member performance, such as work results, complaints, high absenteeism rates, frequent accidents in carrying out tasks, even strikes and the desire to move to another company. Research conducted by Susilo and Satrya (2019) shows that commitment has a negative and significant effect on turnover intention with organizational commitment as a mediator. This finding shows that organizational commitment plays an important role in bridging the relationship between variables.

This also applies in testing the mediating role of commitment in the relationship between compensation and employee loyalty, although there are differences with previous research regarding the mediator variable. An investigation on Commitment as a mediator was also conducted by Sandy (2019), which showed that organizational commitment which includes affective commitment, continuance commitment, and normative commitment serves as a significant mediator between compensation and loyalty. The hypotheses proposed in this study are:

H7: Compensation has a positive and significant effect on loyalty with organizational commitment as an intervening variable.

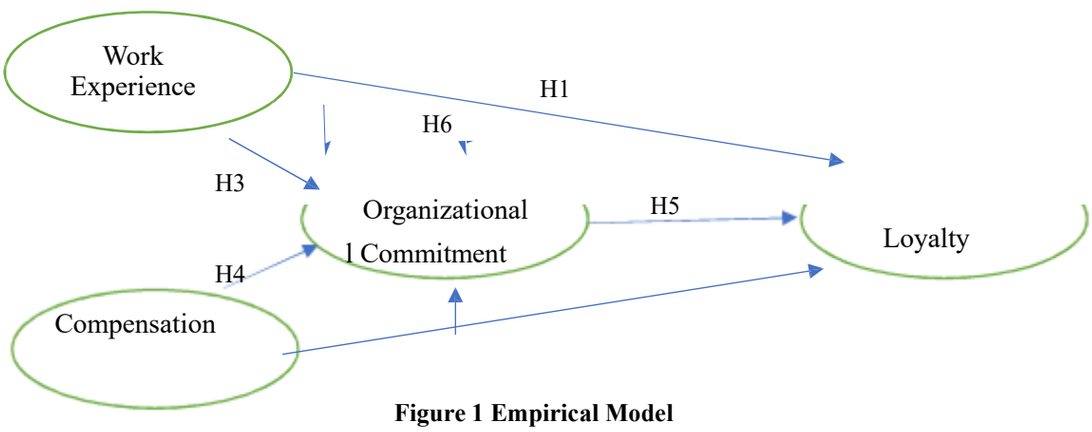


Figure 1 Empirical Model

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RESEARCH METHOD Type of Research

This research belongs to the category of causal design, which aims to find the relationship between cause and effect among various variables. Researchers try to find the type of data that actually exists in the field to help understand and predict the relationship (Sugiyono, 2016). The goal of causal research is to build a research model as well as test previously proposed hypotheses (Sugiyono, 2016).

Data Source

Operational Definition of Variables

The operational definition of each variable is shown in the following table

Table 5
Operational Definition of Variables

No	Variable	Operational Definition	Indicator
1	Work experience	Is a measure of the length of time a person has been in place in understanding tasks	1. Length of time or tenure 2. Level of knowledge 3. Mastery of work 4. Quality of work 5. Innovation
2	Compensation	The reward given from the organization to employees for their loyalty.	1. Salary 2. Incentives 3. Health facilities 4. Insurance 5. Benefits
3	Organizational commitment	A measure of the extent to which an employee has emotional attachment, self-identification and involvement in the organization they work for.	1. Comfortable 2. Proud 3. Empathy 4. Responsibility 5. Sense of belonging
4	Loyalty	The level of loyalty, attachment and commitment of employees to the organization they work for.	1. Good relationship Putting the interests of the organization first 3. Loyal 4. Quality of work comes first

Source: developed for this research, 2025

Research Population

Population refers to the entire group of individuals, events, or things that the researcher is interested in analyzing to solve existing problems (Sekaran, 2015). In this study, the intended population is all employees of the Pemalang Regency National and Political Unity Agency Office, which amounts to 40 people.

Research Sample

The sample is part of the population (part or representative of the population under study). The sample in this study was taken as a source of data capable of representing the population as a whole. Determination of the number of samples in this study was carried out by the census method, in accordance with the explanation given by Sugiyono (2002) which states that: "Saturated sampling is a technique for determining samples when all members of the population are used as samples. Another term for saturated sample is census. " The method used to determine the sample in this study is the saturated sample method, in which all members of the population are used as samples.

Instrument Test

Sugiyono (2017) states that a questionnaire is a tool for collecting information in an evaluation that is not in the form of a test, which consists of a series of questions asked to respondents such as students, parents, or the wider community. Meanwhile, Suroyo Anwar (2019) argues that a questionnaire is a set of questions or written statements relating to factual data or personal opinions of respondents, which are considered correct information and need to be answered by them. Referring to the explanation of questionnaires from several experts that have been submitted, the researcher concludes that a questionnaire is a method for collecting data by asking questions in written form that must be answered in writing by the respondent. The questionnaire contains written questions that aim to obtain information from respondents about themselves or the knowledge they have.

Validity Test

Convergent Validity

To evaluate the value of convergent validity, we can see the results of the calculation in the standardized load factor. A question item is considered valid if its load factor value exceeds 0.7 (Haryono, 2017). Below is a table of load factor values of all questions contained in the questionnaire.

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Table 6
Loading Factor Results

Statement Item	Loading Factor	Description
PK1	**0,784**	Valid
PK2	**0,722**	Valid
PK3	**0,800**	Valid
PK4	**0,786**	Valid
PK5	**0,752**	Valid
K1	**0,776**	Valid
K2	**0,742**	Valid
K3	**0,760**	Valid
K4	**0,759**	Valid
K5	**0,816**	Valid
KO1	**0,829**	Valid
KO2	**0,756**	Valid
KO3	**0,762**	Valid
KO4	**0,746**	Valid
KO5	**0,803**	Valid
L1	**0,816**	Valid
L2	**0,836**	Valid
L3	**0,790**	Valid
L4	**0,750**	Valid
L5	**0,765**	Valid

Source: *SmartPLS* Output

The conclusion from the above test is that all question items that researchers use in collecting data are valid and are in accordance with the variables being measured by researchers.

Discriminant Validity

Discriminant validity evaluation aims to assess the extent to which a construct can be considered valid by comparing the discriminant validity value, which is represented by AVE, and paying attention to the cross loading value. In this study, researchers applied the method of comparing discriminant validity values with AVE; if a construct has a discriminant validity value higher than AVE, then the construct can be declared valid. The recommended AVE value is more than 0.5 (Haryono, 2017).

Table 7
Comparison of *Discriminant Validity* Value with AVE

	Work Experience	Loyalty	Compensation	Organizational Commitment	AVE
Work Experience	**0,771**				**0,594**
Loyalty	0,478	**0,792**			**0,627**
Compensation	0,685	0,546	**0,769**		**0,592**
Organizational Commitment	0,721	0,583	0,762	**0,780**	**0,608**

Source: *SmartPLS* Output

From the table above, it can be seen that the discriminant validity value of each construct is higher than the AVE. This indicates that all constructs used by researchers in this study are valid and in accordance with the indicators applied.

Reliability Test

The reliability test in SmartPLS can be seen through the results of Cronbach alpha, composite reliability, and AVE, each of which is considered reliable if the value is greater than (0.7, 0.6, and 0.5) (Haryono, 2017). Below is a table that summarizes the results of Cronbach alpha, composite reliability, and AVE.

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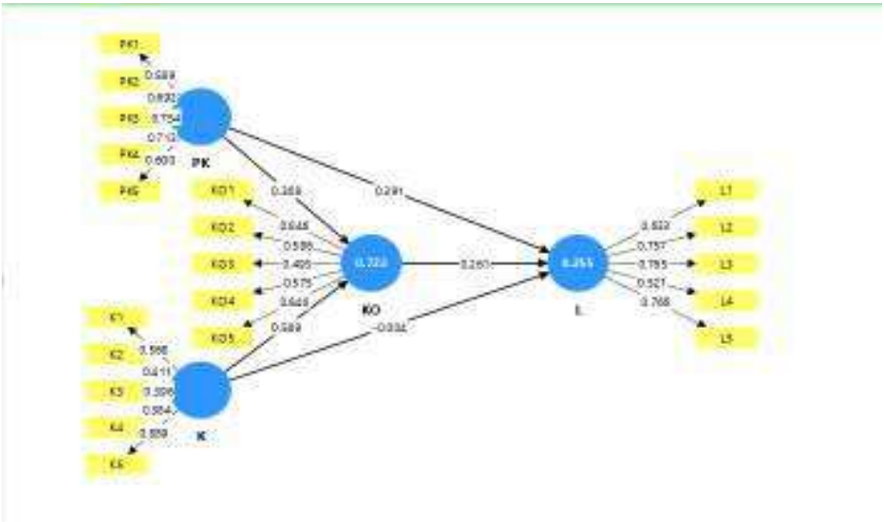
Table 8
Reliability Evaluation

	Cronbach's Alpha	*Composite Reliability*	*Average Variance Extracted (AVE)*
Work Experience	**0,830**	**0,880**	**0,594**
Loyalty	**0,852**	**0,894**	**0,627**
Compensation	**0,829**	**0,879**	**0,592**
Organizational Commitment	**0,839**	**0,886**	**0,608**

Source: *SmartPLS* Output

From the existing table, it can be concluded that all constructs used by researchers have reliability or are reliable and can be used again for subsequent research, because the calculation results from SmartPLS show a value that is in accordance with the recommendations that have been set.

RESEARCH RESULTS AND DISCUSSION



In assessing the model with SMartPLS starts with a look:

R-Square

R-Square for each dependent latent variable. The following table is the *R-Square* from the research output using *SmartPLS* v.4

Table 9
R-Square

Variable	R-Square
Loyalty	0,366
Organizational Commitment	0,655

Basically, this study involves two variables that influence each other, namely the Loyalty variable which is influenced by Work Experience, Organizational Commitment, and Compensation. Meanwhile, the Organizational Commitment variable is influenced by Work Experience and Compensation. Table 9 shows that the R-Square value for the Organizational Commitment variable is 0.655, while the R-Square for the Loyalty variable is 0.366. Thisfinding indicates that 36.6% of the Loyalty variable is influenced by Work Experience, Compensation, and Organizational Commitment, while 65.5% of the Organizational Commitment variable is influenced by Work Experience and Compensation.

Q-Relevance (Q^2)

Q-Relevance analysis in *SmartPLS* v.3 is done by *blindfolding* analysis. The following is the output value of the *blindfolding* analysis performed

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	SSO	SSE	Q^2= 1 - (SSE/SSO)
Compensation	450.000	450.000	
Loyalty	450.000	358.032	0,204
Work Experience	450.000	450.000	
Organizational Commitment	450.000	283.571	0,370

Source: SmartPLS Output

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The Q^2 value of the Loyalty and Organizational Commitment variables meets the requirements for the model to be said to have *predictive relevance* because the resulting Q^2 value is greater than 0 (zero).

Goodness of Fit

Goodness of Fit analysis in *SmartPLS* v.3 is done manually, using the following formula

$$= 0{,}527$$

The conclusion from the above test is that GoF is included in the large category because the GoF value is greater than 0.36 (Haryono, 2017) and the entire research model is included in the valid category.

Hypothesis Testing

The significance of the calculated parameters provides valuable insight into the relationship between variables in the study. In SmartPLS, each expected relationship is statistically tested using simulation techniques, where the bootstrap method is applied to the sample, with the aim of reducing the problem of non-normality in the research data. The foundation used to test the hypothesis is the value shown in the total effect, which can be seen in the table below:

Table 11
Result For Total Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Values
Compensation Loyalty	0,196	0,200	0,132	1,487	**0,138**
Compensation Commitment	0,375	0,384	0,104	3,602	**0,000**
Work Experience Loyalty	0,412	0,413	0,134	3,062	**0,002**
Work Experience Commitment	0,505	0,498	0,097	5,227	**0,000**
Commitment Loyalty	0,370	0,358	0,152	2,438	**0,015**

Source: *SmartPLS* Output

From the bootstrap analysis that has been carried out, the T-statistics and P-values related to the proposed hypotheses will be interpreted using the recommended values, as follows:

1) Hypothesis testing 1 (H1: Work experience affects loyalty)

The results of the tests conducted show that the effect of the work experience variable on loyalty has a path coefficient value of 0.412 with a t-statistic of 3.062 and a p-value below0.05. This shows that Work Experience has a positive and significant impact on Employee Loyalty of the National and Political Unity Agency in Pemalang Regency, so Hypothesis 1 is accepted, because it meets the minimum recommended value.

2) Hypothesis 2 Testing (H2: Compensation has a positive impact on Loyalty)

From the test of the impact of the Commitment variable on Loyalty, the path coefficient value is 0.196 with a t-statistic of 1.487 and a p-value of more than 0.05. This means that Commitment does not have a positive effect on Employee Loyalty of the National and Political Unity Agency in Pemalang Regency, so Hypothesis 2 is rejected, because it does not meet the minimum recommended value.

3) Hypothesis testing 3 (H3: Organizational Commitment has a positive effect on Loyalty) The results of the impact test of the Organizational Commitment variable on Loyalty show a path coefficient of 0.370 with a t-statistic of 2.438 and a p-value below 0.05. This shows that Organizational Commitment has a positive and significant influence on employee loyalty of the National and Political Unity Agency in Pemalang Regency, which means that Hypothesis 3 is accepted, because it meets the minimum recommended value.

Before discussing Hypothesis 4 and Hypothesis 5, the researcher will present a table of mediating effect test results as follows:

Table 12 ***Indirect Effect Output***

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Values
Compensation Organizational Commitment Loyalty	0,139	0,134	0,065	2,148	**0,032**
Work Experience Organizational Commitment Loyalty	0,187	0,182	0,091	2,056	**0,040**

4) Hypothesis test 4 (H4: Work Experience has a positive impact on Loyalty mediated by Organizational Commitment)

The results of the test regarding the effect of the Work Experience variable on Loyalty mediated by Organizational Commitment show a path coefficient of 0.187 with a t-statistic of 2.056 and a p-value below 0.05. This finding indicates that Organizational Commitment acts as a mediator in the influence between Work Experience and employee loyalty at the
National and Political Unity Agency of Pemalang Regency, so that Hypothesis 4 is declared accepted, because it has met the minimum value criteria suggested.

5) Hypothesis test 5 (H5: Compensation has a positive impact on Loyalty mediated by Organizational Commitment)
The results of the test regarding the effect of the Compensation variable on Loyalty mediated by Organizational Commitment show a path coefficient number of 0.139 with a t-statistic of
2.148 and a p-value below 0.05. This finding shows that Organizational Commitment acts as a mediator for the influence between Compensation and employee Loyalty at the National and Political Unity Agency of Pemalang Regency, so that Hypothesis 5 is accepted, because it has met the minimum value criteria suggested.

Hypothesis Testing of Direct Influence

The results of testing the first hypothesis show that work experience has a positive impact on employee loyalty at the Office of the National Unity and Political Agency of Pemalang Regency with a t-statistics value of 3.062. This means that the experience possessed by an employee can generate enthusiasm and dedication in completing his work, even exceeding the targets set by the company, which shows that work experience contributes significantly to employee loyalty at the Pemalang Regency National and Political Unity Agency.

Testing the second hypothesis shows that compensation does not have a positive impact on employee loyalty at the National Unity and Political Agency of Pemalang Regency with a t-statistics value of 1.487. This shows that an employee who is satisfied with his job does not necessarily feel happy and not forced in carrying out his responsibilities, so that positive behavior that supports the achievement of company goals is not formed, and thus, optimal loyalty from employees will not be realized. In other words, even if the compensation received by employees increases, it does not mean that the loyalty shown will also increase.

Testing the third hypothesis reveals that organizational commitment has a positive and significant effect on employee loyalty at the National and Political Unity Agency of Pemalang Regency with a t-statistics value of 2.438. This indicates that when employees behave voluntarily, without coercion, and with enthusiasm to get the job done, they are more likely to show high loyalty, because they do not feel pressured and can meet or even exceed the expectations set by the institution. Thus, the higher the loyalty that each employee has, the higher the loyalty itself will be. In practice, employees at the National Unity and Political Agency of Pemalang Regency highly value relationships between sections, such as between field employees who establish good friendships with staff, even though the work in the field is heavier than that of staff. However, this does not lead to social jealousy, but rather facilitates good cooperation and mutual support when operations in a section become busy. This situation really helps employees achieve their best performance without any social pressure in the agency environment.

Hypothesis Testing of the Mediating Effect

Testing the mediation effect aims to determine whether the intervening variable taken, namely organizational commitment, has a role in mediating or strengthening the relationship between the independent and dependent variables. In analyzing the mediation effect using SmartPLS v. 3, information can be obtained from the output of indirect effects as well as t- statistic and p-value analysis.

The results of testing the fourth hypothesis show that organizational commitment acts as a positive and significant mediator in the relationship between work experience and employee loyalty at the National and Political Unity Agency of Pemalang Regency, with a t- statistic of 2.056. This means that the work experience gained by employees encourages them to try more than the targets set by the company, so that they can achieve a high level of loyalty. The greater the work experience felt by employees, the higher the organizational commitment they have, which has an impact on stronger loyalty.

Meanwhile, testing the fifth hypothesis shows that organizational commitment does not function as a mediator in the relationship between compensation and employee loyalty of the National and Political Unity Agency of Pemalang Regency, with a t-statistic of 2.056. This shows that the compensation felt by employees greatly influences their behavior to work more than the target set by the agency. The higher the level of compensation received by employees, the greater the organizational commitment they have, so that employee loyalty will also increase.

In summary, the following researchers present the results of hypothesis testing in tabularform as follows

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Table 13
Hypothesis Testing Results

Hypothesis	Statement	Value	Description
H1	There is a positive influence between work experience on loyalty	3,062	Accepted
H2	There is a positive influence between compensation on loyalty	1,487	Rejected
H3	There is a positive influence between organizational commitment on loyalty	2,438	Accepted
H4	There is a positive influence between work experience on loyalty which is mediated by organizational commitment.	2,056	Accepted
H5	There is a positive influence between compensation on loyalty which is mediated by organizational commitment	2,148	Accepted

Source: *SmartPLS* data processing results

CONCLUSIONS

This study aims to determine and examine the effect of work experience and compensation on loyalty by using organizational commitment as an intervening variable. Based on the research results in the previous chapter, the following conclusions can be drawn:

1. Work experience has a positive and significant influence on employee loyalty at the National and Political Unity Agency of Pemalang Regency. This shows that the experience possessed by employees will motivate them to show the best level of loyalty, so the first hypothesis is confirmed.
2. Compensation apparently has no effect on employee loyalty at the National Unity and Political Agency of Pemalang Regency. This indicates that although employees are satisfied at work, it does not guarantee that they will have the enthusiasm to work optimally, which in turn will result in high loyalty, so the second hypothesis is rejected.
3. Commitment to the organization has a positive and significant influence on employee loyalty at the National and Political Unity Agency of Pemalang Regency. This is in accordance with the statement that when each employee shows an individual attitude that exceeds the company's targets without thinking too much about rewards, then this can foster the best loyalty. With this explanation, the third hypothesis is accepted.
4. Work experience affects employee loyalty of the Pemalang Regency National and Political Unity Agency through organizational commitment. This proves that every employee who has motivation from within himself, will trigger the emergence of behavior to work beyond what the company has targeted, so that these employees can achieve their best performance, from the explanation above, the first mediation hypothesis or the fourth hypothesis is accepted.
5. Compensation affects employee loyalty of the Pemalang Regency National and Political Unity Agency through organizational commitment. This proves that employees who are satisfied at work because the facilities or superiors are good and meet all the needs at work, will trigger behavior to work beyond what the company has targeted, so that the employee's best performance will be achieved. From the explanation above, it can be seen that the second mediation hypothesis or the fifth hypothesis is accepted.

ADVICE

For future researchers

a. It is hoped that in future research, which wants to use the employee performance variable, it should use respondents from the company's supervisor or supervisor, because this will produce more objective answers than using employee respondents themselves who tend to be more subjective.
b. Future research should be able to modify this research such as adding other variables that also have an influence on employee performance such as leadership style and others.

For organizations / agencies

Suggestions for the Pemalang Regency National and Political Unity Agency were compiled by researchers based on data obtained through questionnaires and analysis of the results of the lowest indicator of each variable examined in this study. The following are suggestions that can be conveyed by researchers:

a. Referring to the Intrinsic Motivation variable of employees, it can be seen that the question item on "I am given an award by the organization if I work well and exceed the target set by the organization" has the lowest analysis results, for this reason it is hoped that the agency will guarantee a clear and tangible award or result if employees have good performance at work, so that every employee will always try to have good performance at work.

b. Referring to the variable Job Satisfaction felt by employees, it can be seen that the question item about "I am excited and comfortable at work because my direct supervisor always provides support" has the lowest analysis results, for this reason, the company should as much as possible prepare supervisors or MODs to be able to work and solve problems around the office environment so that employees feel comfortable and satisfied at work.

c. Referring to the *Organization Citizenship Behaviour* and Employee Performance variables, it can be seen that all question items have high analysis results, for this reason, the agency office should be able to maintain this for all employees.

Managerial Implications

The results of this study indicate that work experience and compensation are the two main factors that influence organizational commitment. Based on these findings, some managerial implications that can be proposed from this research are as follows.

The results of this study form the basis that to be able to form extra-role behavior or organizational commitment from employees of the National and Political Unity Agency of Pemalang Regency can be done by instilling aspects of work experience and compensation in employee members supported by the performance of these employees. Thus the results of this study indicate that these variables need to be considered by policy makers at the Pemalang National and Political Unity Agency which includes:

1. Efforts to improve intrinsic motivation behavior
2. Efforts to Improve Performance

Some policies that can be done are as follows:

1. Organizational commitment can be improved through increased work experience which has 5 (five) indicators, namely: success, recognition, work itself, responsibility and development. Of the 5 indicators, it can be seen that the recognition indicator (recognition from the organization for the work that employees have done) is an indicator of intrinsic motivation that is most influential in increasing employee organizational commitment, meaning that employees of the National Unity and Political Agency of Pemalang Regency show a great willingness to try to complete every job / task which ultimately improves performance, Meanwhile, the success indicator is the lowest indicator affecting employee performance, meaning that success (motivation to be the best in the organization) has a low influence on performance so that it is advisable for policy makers to further increase the sense of concern and high sense of belonging of employees by trying to always involve in every activity so as to improve performance, of course in accordance with their main duties and functions, among others by being included in other technical trainings and so on.
2. Organizational commitment can also be formed by compensation for employees. Compensation includes the job itself, salary, promotion, supervision and coworkers. Compensation is also important as a driving force to achieve or do something. So it is necessary to pay attention again to matters related to increasing job satisfaction.
3. Improved employee performance can be created through good organizational commitment behavior instilled in each employee by fostering a sense of love for the organization and improving quality through other supporting aspects such as the application of performance standards in accordance with operational standards. The application of employee loyalty standards and organizational commitment will form a solid organization.

Future Research Agenda

This research has several limitations and shortcomings, but on the other hand, they can be a source of ideas for future studies. The following are the limitations found in this study:

1. The sample taken in this study only came from employees of the National Unity and Political Agency of Pemalang Regency. This makes the results obtained do not reflect the overall condition of the agency.
2. The data collected by researchers is only based on answers from questionnaires filled out by respondents, so that the data does not fully describe the actual situation, and needs to be combined with the interview method.
3. The variables used in this study are limited to work experience and compensation, which actually cannot fully represent the overall state of employee loyalty.

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