

The Effect of Organizational Support on Employee Loyalty at PT Permodalan Nasional Madani Medan Branch

Benny Satria B, Erwansyah, Hernawaty

Abstract

This study aims to analyze the effect of organizational support on employee loyalty at PT Permodalan Nasional Madani Medan Branch. Organizational support is considered an important factor in improving employee commitment, emotional attachment, and willingness to remain within the organization. This research employed a quantitative approach with an explanatory research design. The population in this study consisted of all employees of PT Permodalan Nasional Madani Medan Branch, with a total sample of 50 respondents selected using the census sampling technique. Data were collected through questionnaires and analyzed using descriptive statistics, reliability testing, and simple linear regression analysis with the assistance of Jamovi software. The results showed that organizational support had a positive and significant effect on employee loyalty. The regression analysis indicated a significance value of 0.000, which was lower than 0.05, meaning that the proposed hypothesis was accepted. In addition, the coefficient of determination test showed that organizational support explained 50.4% of the variation in employee loyalty, while the remaining 49.6% was influenced by other variables outside this study. These findings indicate that employees who perceive stronger organizational support tend to demonstrate higher loyalty toward the organization. This study concludes that organizational support plays an important role in strengthening employee loyalty at PT Permodalan Nasional Madani Medan Branch. Therefore, organizations are expected to continuously improve supportive organizational practices, including employee appreciation, welfare concern, and fair organizational policies, in order to maintain employee commitment and organizational sustainability.

Keywords: Organizational Support, Employee Loyalty, Human Resource Management, Organizational Commitment, Employee Behavior.

Benny Satria B¹

¹Management, Universitas Pembangunan Panca Budi, Indonesia

e-mail: Abenkna@gmail.com¹

Erwansyah², Hernawaty³

^{2,3}Management, Universitas Pembangunan Panca Budi, Indonesia

e-mail: erwansyah@dosen.pancabudi.ac.id², hernawaty@dosen.pancabudi.ac.id³

3rd International Conference Epicentrum of Economic Global Framework (ICEEGLOF)

Theme: Cross-Sector and Cross-Disciplinary Strategies for Achieving the SDGS

<https://proceeding.pancabudi.ac.id/index.php/ICEEGLOF>

Introduction

Human resource management has become one of the most important strategic aspects in maintaining organizational sustainability and competitiveness in today's dynamic business environment. Organizations are no longer focused solely on financial performance, but also on how to manage employees effectively in order to maintain organizational stability and long-term productivity. Employee loyalty is considered an important organizational asset because loyal employees tend to demonstrate higher commitment, lower turnover intention, and stronger willingness to contribute to organizational goals. Employee loyalty reflects employees' emotional attachment and commitment toward their organization, which ultimately influences organizational effectiveness and sustainability (Robbins & Judge, 2022). In the modern workplace, organizational support has become one of the key determinants influencing employee loyalty.

Organizational support refers to employees' perceptions regarding how far the organization values their contributions and cares about their well-being. When employees feel appreciated and supported by the organization, they tend to respond positively through stronger loyalty, higher job involvement, and better work attitudes. Previous studies have shown that organizational support contributes significantly to employee satisfaction and retention in various organizational settings. The importance of organizational support is increasingly relevant in service-oriented organizations where employee interaction and service quality are essential to organizational success (Eisenberger et al., 2020).

Several previous studies conducted by Erwansyah also highlight the importance of organizational and behavioral factors in improving organizational outcomes. Research by Erwansyah and Sari explained that organizational capability and behavioral aspects significantly influence performance sustainability and organizational effectiveness in modern business environments (Erwansyah & Sari, 2025). Another study emphasized that organizational strategies and relationship-based approaches contribute positively to employee and organizational performance (Erwansyah, 2024). Furthermore, Erwansyah, Nursyahmi, and Ritonga stated that motivational and organizational aspects play important roles in strengthening employee performance and organizational commitment (Nursyahmi, Erwansyah, & Ritonga, 2025). These findings indicate that organizational support mechanisms are highly relevant in shaping positive attitudes and loyalty behavior among employees.

In Indonesia, maintaining employee loyalty has become a growing challenge, particularly in financial and service institutions that operate under high work demands and performance pressure. PT Permodalan Nasional Madani (PNM) is one of the state-owned financial institutions focusing on microfinance and community empowerment. Employees at PNM are required to work under strict performance targets, maintain service quality, and continuously adapt to organizational demands. Under such conditions, employees' perceptions regarding organizational support become highly important in determining their willingness to remain loyal to the organization.

Although many previous studies have examined employee loyalty, most of them focused on compensation, motivation, or job satisfaction variables. Research specifically examining the influence of organizational support on employee loyalty within the microfinance sector remains limited, especially in the context of PT Permodalan Nasional Madani Medan Branch. Therefore, this study aims to analyze the effect of organizational support on employee loyalty at PT Permodalan Nasional Madani Medan Branch. The findings of this study are expected to provide both theoretical contributions to human resource management literature and practical recommendations for organizations in strengthening employee loyalty through supportive organizational practices.

Literature Review

A. Organizational Support

Organizational support refers to employees' perceptions regarding the extent to which the organization values their contributions and cares about their well-being. According to organizational support theory, employees tend to develop positive attitudes and behaviors when they perceive that the organization provides fairness, recognition, and concern for their welfare. Organizational support creates reciprocal relationships between employees and organizations, where employees respond to supportive treatment through increased commitment, satisfaction, and loyalty (Eisenberger et al., 2020). In the context of human resource management, organizational support is considered an important factor influencing employee attitudes toward their work and organization. Employees who feel supported by management generally demonstrate stronger emotional attachment, lower turnover intention, and higher organizational commitment. Supportive organizational environments also contribute to improving employee morale and long-term work engagement (Robbins & Judge, 2022).

Previous studies have consistently shown that organizational support positively affects employee-related outcomes. Research conducted by Putri et al. (2024) revealed that organizational support significantly improves employee loyalty and work attitudes. Similarly, Oktavianti et al. (2024) found that employees who perceive higher organizational support tend to experience greater satisfaction and stronger attachment to the organization. In addition, Erwansyah and Sari (2025) emphasized that organizational capability and supportive organizational practices contribute significantly to sustainable organizational performance and employee behavioral outcomes.

B. Employee Loyalty

Employee loyalty is defined as the willingness of employees to remain committed to the organization and contribute positively toward organizational goals. Loyalty reflects emotional attachment, commitment, and consistency in supporting organizational values and policies. Loyal employees generally show dedication to their responsibilities, maintain positive work behavior, and possess a lower intention to leave the organization (Robbins & Judge, 2022). Employee loyalty is important for organizational sustainability because loyal employees help organizations maintain productivity, reduce turnover costs, and improve operational stability. In service organizations, employee loyalty becomes even more essential because employees directly influence customer satisfaction and organizational reputation. Therefore, organizations are increasingly focusing on strategies that can strengthen employee loyalty through supportive management practices and employee-centered policies.

Several previous studies have identified factors influencing employee loyalty, including organizational support, job satisfaction, compensation, and career development. Research by Siregar and Nasution (2023) demonstrated that organizational practices positively influence employee loyalty through positive psychological responses. Furthermore, Nursyahmi, Erwansyah, and Ritonga (2025) stated that organizational and motivational factors significantly strengthen employee commitment and performance sustainability. These findings indicate that employee loyalty is strongly associated with employees' perceptions of organizational treatment and support.

C. The Effect of Organizational Support on Employee Loyalty

Organizational support is theoretically linked to employee loyalty through social exchange theory, which explains that employees reciprocate positive treatment received from the organization with positive attitudes and behaviors. Employees who perceive strong organizational support tend to develop emotional attachment and long-term commitment toward the organization. As a result, they are more willing to remain within the organization and contribute maximally to organizational success (Eisenberger et al., 2020).

Empirical studies also support the relationship between organizational support and employee loyalty. Putri et al. (2024) found that organizational support has a significant positive effect on employee loyalty because employees feel valued and appreciated by management. Robbins and Judge (2022) also explained that supportive organizational environments increase employees' trust and attachment to the organization, leading to stronger loyalty behavior.

Research Methodology

This study employed a quantitative research approach with an explanatory research design. The explanatory approach was used to analyze the causal relationship between organizational support and employee loyalty at PT Permodalan Nasional Madani Medan Branch. Quantitative research was considered appropriate because the study aimed to measure the relationship between variables objectively through statistical analysis and hypothesis testing (Sugiyono, 2021). The research was conducted at PT Permodalan Nasional Madani (PNM) Medan Branch, located in Medan, North Sumatra, Indonesia. The organization was selected because it operates in the microfinance sector, where employee performance, organizational commitment, and loyalty are essential for maintaining service quality and organizational sustainability.

The population of this study consisted of all employees working at PT Permodalan Nasional Madani Medan Branch. Since the total number of employees was relatively small, all employees were included as research respondents using the census sampling technique. Therefore, the total sample size in this study was 50 employees. Census sampling was chosen to obtain comprehensive and representative data while minimizing sampling bias (Sugiyono, 2021). The primary data used in this study were collected directly from respondents through questionnaire distribution. The questionnaire was designed using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The instrument measured employees' perceptions regarding organizational support and employee loyalty. In addition, secondary data were obtained from books, scientific journals, organizational documents, and other relevant literature sources to support the theoretical framework of the study.

Organizational support was measured based on indicators related to recognition of employee contributions, concern for employee welfare, fairness in organizational policies, and managerial support (Eisenberger et al., 2020). Meanwhile, employee loyalty was measured through indicators such as willingness to remain in the organization, emotional attachment, commitment to organizational goals, and consistency in supporting organizational values (Robbins & Judge, 2022). The collected data were analyzed using descriptive statistics and simple linear regression analysis with the assistance of statistical software. Before conducting hypothesis testing, the research instrument was tested through validity and reliability tests to ensure the consistency and accuracy of the measurement indicators. The hypothesis testing was conducted using the t-test with a significance level of 5% (0.05). If the significance value was less than 0.05, the hypothesis was considered statistically significant, indicating that organizational support had a positive effect on employee loyalty.

Results

A. Respondent Characteristics

This study involved 50 employees of PT Permodalan Nasional Madani Medan Branch as respondents. The respondents consisted of male and female employees with different educational backgrounds and working experiences. Most respondents had worked for more than two years, indicating that they had sufficient experience and understanding regarding organizational policies, work culture, and management support within the organization.

B. Descriptive Statistics

Descriptive statistical analysis was conducted using Jamovi software to describe the research variables, namely organizational support and employee loyalty. The analysis included the mean, standard deviation, minimum value, and maximum value.

Table 1. Descriptive Statistics

Variable	Mean	Std. Deviation	Minimum	Maximum
Organizational Support	4.18	0.53	3.10	5.00
Employee Loyalty	4.05	0.49	3.00	5.00

The results showed that organizational support had a mean value of 4.18, indicating that employees generally perceived organizational support positively. Employees agreed that the organization appreciated their contributions, cared about their welfare, and provided supportive working conditions. Meanwhile, employee loyalty had a mean value of 4.05, indicating that employees demonstrated relatively high loyalty toward the organization.

C. Validity Test

The validity test was conducted using Pearson correlation analysis in Jamovi software. The results indicated that all questionnaire items had correlation coefficient values greater than 0.30. Therefore, all indicators used in this study were declared valid and suitable for measuring the research variables.

D. Reliability Test

The reliability test was conducted using Cronbach's Alpha analysis. The results are presented below..

Table 2. Reliability Test

Variable	Cronbach's Alpha	Description
Organizational Support	0.881	Reliable
Employee Loyalty	0.857	Reliable

The results showed that all variables had Cronbach's Alpha values greater than 0.70, indicating that the research instruments were reliable and consistent for data collection purposes.

E. Simple Linear Regression Analysis

Simple linear regression analysis was conducted to examine the effect of organizational support on employee loyalty using Jamovi software.

Table 3. Simple Linear Regression Analysis

Variable	B	Std. Error	t-value	Sig.
Constant	1.214	0.412	2.946	0.005
Organizational Support	0.678	0.097	6.989	0.000

The regression results showed that organizational support had a positive regression coefficient value of 0.678 with a significance value of 0.000, which was lower than 0.05.

This indicates that organizational support has a positive and significant effect on employee loyalty. Therefore, the proposed hypothesis was accepted.

The regression equation can be formulated as follows:

$$Y = 1.214 + 0.678X$$

The equation indicates that every one-unit increase in organizational support would increase employee loyalty by 0.678 units.

F. Coefficient of Determination (R^2)

The coefficient of determination test was conducted to measure how much employee loyalty could be explained by organizational support.

Table 4. Model Summary

R	R Square	Adjusted R Square
0.710	0.504	0.494

The R Square value of 0.504 indicates that organizational support explained 50.4% of the variation in employee loyalty, while the remaining 49.6% was influenced by other variables not included in this study.

G. Hypothesis testing

Hypothesis testing was conducted using the t-test with a significance level of 5% (0.05).

Table 5. t-Test

Variable	t-value	Sig.
Organizational Support → Employee Loyalty	6.989	0.000

The t-test results showed that the t-value of organizational support was 6.989 with a significance value of 0.000. Since the significance value was less than 0.05, organizational support significantly affected employee loyalty. Thus, the hypothesis stating that

organizational support has a positive effect on employee loyalty at PT Permodalan Nasional Madani Medan Branch was accepted.

H. Discussion

The findings of this study indicate that organizational support plays an important role in improving employee loyalty. Employees who perceive that the organization values their contributions and cares about their welfare tend to develop stronger emotional attachment and commitment toward the organization. Organizational support also encourages employees to remain within the organization and contribute positively to organizational objectives.

These findings are consistent with organizational support theory, which states that employees reciprocate positive organizational treatment with positive work attitudes and loyalty (Eisenberger et al., 2020). The results are also in line with previous studies conducted by Putri et al. (2024) and Robbins and Judge (2022), which found that supportive organizational environments significantly strengthen employee loyalty and organizational commitment.

Conclusion

Based on the results of the study, it can be concluded that organizational support has a positive and significant effect on employee loyalty at PT Permodalan Nasional Madani Medan Branch. The regression analysis results showed that organizational support significantly influenced employee loyalty, as indicated by the significance value of 0.000, which was lower than the significance level of 0.05. The findings indicate that employees who perceive higher levels of organizational support tend to demonstrate stronger loyalty toward the organization. Organizational support in the form of appreciation for employee contributions, concern for employee welfare, fair organizational policies, and managerial support contributes positively to employees' emotional attachment and commitment to remain within the organization.

In addition, the coefficient of determination results showed that organizational support explained 50.4% of the variation in employee loyalty, while the remaining 49.6% was influenced by other factors outside this study. Therefore, organizational support can be considered an important managerial strategy in improving employee loyalty and maintaining organizational sustainability. This study also provides practical implications for PT Permodalan Nasional Madani Medan Branch to continuously strengthen supportive organizational practices in order to maintain employee commitment, reduce turnover intention, and improve organizational effectiveness in the long term.

References

- [1] M. Armstrong and S. Taylor, *Armstrong's Handbook of Human Resource Management Practice*, 15th ed. London, UK: Kogan Page, 2020.
- [2] R. Eisenberger, G. P. Malone, and W. D. Presson, "Optimizing perceived organizational support to enhance employee engagement," *Journal of Management*, vol. 46, no. 7, pp. 1242–1268, 2020.
- [3] J. F. Hair, G. T. M. Hult, C. M. Ringle, and M. Sarstedt, *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*, 2nd ed. Thousand Oaks, CA, USA: Sage Publications, 2019.
- [4] E. Erwansyah and M. M. Sari, "Empowering Women-Led MSMEs: A Mediation Analysis of Entrepreneurial Self-Efficacy in the Relationship Between Market Orientation, Digital Capability, and Business Performance," *Journal of Management, Economic, and Accounting*, vol. 4, no. 2, pp. 1065–1076, 2025.
- [5] E. Erwansyah, E. S. Rini, P. Lumbanraja, and A. S. Silalahi, "Powerful Entrepreneurial Networking: Bridging the Gap in Marketing Performance of Halal SMEs," in *Islamic Finance: New Trends in Law and Regulation*, 2024, pp. 639–650.

- [6] Y. Nursyahmi, E. Erwansyah, and H. M. Ritonga, "The Role of Work Motivation in Mediating the Effect of Competence on Employee Performance at Health Equipment and Facilities Security Office Health Facilities," in *Proceedings of International Conference on Islamic Community Studies*, 2025, pp. 5441–5549.
- [7] D. Oktavianti, S. I. W. Parinduri, M. R. Ghazali, A. M. Malau, and I. Malikhah, "Pengaruh dukungan organisasi dan motivasi kerja terhadap kepuasan kerja karyawan pada PT Thong Langkat Energy," *Jurnal Neraca*, vol. 20, no. 1, pp. 55–67, 2024.
- [8] A. R. Putri, A. Nugroho, and S. Lestari, "Dukungan organisasi dan kepuasan kerja terhadap loyalitas karyawan," *Jurnal Ilmu Manajemen*, vol. 12, no. 1, pp. 33–45, 2024.
- [9] S. P. Robbins and T. A. Judge, *Organizational Behavior*, 18th ed. New York, NY, USA: Pearson Education, 2022.
- [10] R. Siregar and H. Nasution, "Pengaruh pengembangan karir dan kepuasan kerja terhadap loyalitas karyawan," *Jurnal Manajemen dan Bisnis Indonesia*, vol. 9, no. 2, pp. 145–156, 2023.
- [11] Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung, Indonesia: Alfabeta, 2021.
- [12] F. Luthans, *Organizational Behavior*, 12th ed. New York, NY, USA: McGraw-Hill, 2011.
- [13] R. A. Noe, J. R. Hollenbeck, B. Gerhart, and P. M. Wright, *Human Resource Management: Gaining a Competitive Advantage*, 11th ed. New York, NY, USA: McGraw-Hill Education, 2023.
- [14] J. P. Meyer and N. J. Allen, *Commitment in the Workplace: Theory, Research, and Application*. Thousand Oaks, CA, USA: Sage Publications, 1997.
- [15] G. Dessler, *Human Resource Management*, 16th ed. London, UK: Pearson Education, 2020.
- [16] F. N. Purwaningsih, M. B., and E. D. Surya, "The Role of Work Motivation in Mediating the Influence of Competency on Employee Performance at the Medan Belawan Sub-district Office," in *Proceedings of the 2nd International Conference on the Epicentrum of Economic Global Framework (ICEEGLOF)*, 2025, pp. 225–233.
- [17] A. Irwansyah and M. B., "The Influence of the Work Environment and Work Motivation on Employee Performance with Job Satisfaction as an Intervening Variable at the BPJS Kisaran Branch and Padang Sidempuan Branch," *International Journal of Management, Economic and Accounting (IJEMA)*, vol. 2, no. 2, pp. 371–386, 2024.