THE EFFECT OF JOB PLACEMENT AND WORK ENVIRONMENT ON EMPLOYEE LOYALTY: EVIDENCE FROM PT KERETA API INDONESIA (PERSERO) REGIONAL DIVISION III PALEMBANG

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ABSTRACT

Employee loyalty constitutes a critical foundation for the operational sustainability of PT Kereta Api Indonesia (Persero) Regional Division III Palembang, particularly amid the increasing intensity of passenger and freight transportation services. This study aims to examine the influence of job placement and work environment on employee loyalty, both partially and simultaneously. A quantitative method with a causal-associative design was employed. The research population comprised 176 permanent employees, with a sample of 64 respondents determined using Slovin's formula with a 10% margin of error. Data were collected through Likert-scale questionnaires and analyzed using multiple linear regression. The results indicate that job placement has a significant effect on employee loyalty, and the work environment also significantly influences employee loyalty. Furthermore, both variables simultaneously have a significant impact on employee loyalty. These findings highlight that appropriate job placement aligned with employee competencies, along with a supportive and conducive work environment, are strategic factors in strengthening employee loyalty and ensuring the sustainability of organizational performance.

Keywords: *Job Placement ; Work Environment ; Employee Loyalty ;*
      PT KAI Regional Division III Palembang

INTRODUCTION

The phenomenon of employee loyalty has increasingly become a strategic issue in human resource management (Ivancevich et al., 2020), particularly within public service organizations such as PT Kereta Api Indonesia (Persero) Regional Division III Palembang. The growing intensity of passenger and freight services require sustained employee engagement and long-term commitment to ensure consistent service quality. However, loyalty is often influenced by inappropriate job placement and unfavorable working conditions, which may reduce work attachment and increase turnover risk (Hidayati, 2020). According to Meyer & Allen (1991), organizational commitment, considered an indicator of loyalty, comprises affective, normative, and continuance dimensions, all of which may weaken if organizations fail to provide proper job placement and a supportive work environment. Recent studies also emphasize that affective commitment is the most influential factor in maintaining employee well-being and service quality (Lee & others, 2023; Lo & others, 2024; Stark & others, 2025).

One of the key factors influencing employee loyalty is job placement (Amalia & Pramudyo, 2022). Placement that aligns with individual competencies, experiences, and values fosters satisfaction, emotional attachment, and the willingness to remain within the organization (Meyer & Allen, 1991). Hasibuan (2014) emphasized that appropriate placement enhances work motivation, while Kristof-Brown (2005) through the Person–Job Fit theory, argued that the greater the congruence between an individual's abilities and job requirements, the stronger the likelihood of developing organizational commitment and loyalty. Hidayati (2020) further noted that placement strategies based on qualifications and individual interests can reduce turnover intentions and strengthen employees' emotional bonds with the company.

In addition, the work environment serves as another critical determinant of employee loyalty (Robbins & Judge, 2019). Herzberg (1959) as cited in Kumar & Anjali (2018), classified the work environment within his Two-Factor Theory as a hygiene factor, one that does not directly motivate but, if insufficient, can lead to dissatisfaction. Robbins and Judge (2019) further distinguished the work environment into physical and social aspects, both of which collectively shape employee satisfaction and organizational attachment. Robbins & Judge (2019) further distinguished the work environment into physical and social aspects, both of which collectively shape employee satisfaction and organizational attachment. Empirical evidence from Widodo et al. (2023) in the public transportation sector demonstrated that a comfortable and supportive work environment enhances employee loyalty. Similarly, Yuliana (2023) affirmed that non-financial aspects of the work environment play a crucial role in strengthening loyalty, even surpassing the influence of compensation.

Although numerous studies have examined employee loyalty, a research gap remains to be addressed. Prior investigations have predominantly focused on factors such as motivation, compensation, and job satisfaction (Utomo & Septiani, 2023; Yuliana, 2023). Studies that simultaneously analyze the effects of job placement and work environment on employee loyalty within the public transportation sector, particularly in state-owned enterprises of strategic importance such as PT KAI, are still relatively scarce. While Amalia & Pramudyo (2022) demonstrated the influence of job placement and work environment on loyalty, their research did not encompass the railway industry, which is characterized by unique operational complexities and distinct organizational dynamics. This highlights a significant gap that warrants further exploration.

The urgency of this research lies in both its practical and theoretical contributions. Practically, the findings may serve as a foundation for the management of PT KAI Regional

Division III Palembang to improve competency-based job placement systems and to create a more inclusive and productive work environment. Theoretically, this study enriches the human resource management literature, particularly within the domain of organizational behavior and employee loyalty in the public transportation sector, an area that has received relatively limited scholarly attention to date (Setiawan & Lubis, 2021; Widodo et al., 2023).

Based on the discussion, the objective of this study is to analyze the influence of job placement and work environment on employee loyalty at PT Kereta Api Indonesia (Persero) Regional Division III Palembang.

LITERATURE REVIEW AND HYPOTHESES
Job Placement
Job placement is a strategic human resource process aimed at aligning individual competencies, experiences, and values with the requirements of a specific position (Kristof-Brown, 2005). A proper placement increases satisfaction, motivation, and emotional attachment to the organization (Hasibuan, 2014; Hidayati, 2020). According to Person–Job Fit Theory (Kristof-Brown et al., 2005), the congruence between employees' abilities and job demands (demand–abilities fit), as well as the alignment between individual needs and organizational provisions (needs–supplies fit), significantly influences work attitudes and behaviors. Prior studies emphasize that appropriate placement not only enhances performance but also strengthens loyalty by reducing turnover intentions (Amalia & Pramudyo, 2022). Based on the theoretical argument, the following hypothesis is proposed:

> H[1]: *Job placement has a significant positive effect on employee loyalty at PT Kereta Api Indonesia (Persero) Regional Division III Palembang.*

Work Environment
The work environment encompasses the physical and social conditions experienced by employees in the workplace (Alrawahi et al., 2020; Yuliana, 2023). Herzberg (1959) categorized it as a hygiene factor, essential to prevent dissatisfaction (Kumar & Anjali, 2018). Robbins & Judge (2019) further divide the work environment into physical aspects (e.g., lighting, safety, facilities) and social aspects (e.g., coworker relations, leadership support). A conducive work environment creates comfort, fosters engagement, and reduces turnover risk. Empirical evidence shows that employees' positive perceptions of their work environment significantly improve organizational commitment and loyalty (Widodo et al., 2023; Yuliana, 2023). Accordingly, the following hypothesis is formulated:

> H[2]: *Work environment has a significant positive effect on employee loyalty at PT Kereta Api Indonesia (Persero) Regional Division III Palembang.*

Employee Loyalty
Employee loyalty refers to the psychological and emotional attachment of employees to their organization, reflected in their willingness to remain, comply with rules, and actively contribute to organizational goals (Ivancevich et al., 2020; Meyer & Allen, 1991). High loyalty ensures long-term sustainability, especially in public service organizations such as the railway sector, where service quality depends heavily on employee commitment. Recent studies confirm that affective commitment the emotional dimension

of loyalty is the strongest predictor of positive employee outcomes, including well-being and service quality (Lee & others, 2023; Lo & others, 2024; Stark & others, 2025).

Research Gap

Previous studies have explored the antecedents of employee loyalty, focusing on compensation, motivation, and job satisfaction (Utomo & Septiani, 2023; Yuliana, 2023). However, limited research examines the simultaneous impact of job placement and work environment on loyalty within Indonesia's public transportation sector, particularly in the railway industry. Amalia & Pramudyo (2022) highlight the relevance of both factors, yet their study was not conducted within state-owned enterprises with complex operational demands such as PT Kereta Api Indonesia. Thus, this study fills the gap by providing empirical evidence on how these variables jointly influence loyalty in a strategic transportation company. In light of the conceptual arguments and prior empirical studies, a causal relationship between the variables is hypothesized as follows:

> H[3]: *Job placement and work environment simultaneously have a significant positive effect on employee loyalty at PT Kereta Api Indonesia (Persero) Regional Division III Palembang.*

METHOD

This research was conducted at PT Kereta Api Indonesia (Persero) Regional Division III Palembang, located at Jl. Jenderal Ahmad Yani No. 541, 13 Ulu, Seberang Ulu II District, Palembang City, South Sumatra. The survey was carried out directly from March 2025 to July 2025 with the support of the company's management, enabling the researcher to gain a more contextual understanding of the organization's operations and employee conditions.

This study employed a quantitative method with an associative approach, aimed at testing the causal relationships between job placement, work environment, and employee loyalty (Aliya & Ardila, 2024). The research population consisted of all 176 permanent employees of PT KAI Regional Division III Palembang. The sample was determined using Slovin's formula with a 10% margin of error (Sugiyono, 2022), resulting in 64 respondents.

Data were analyzed using multiple linear regression with SPSS version 25 (Ghozali, 2018). The analysis procedures included testing the regression model to examine both partial and simultaneous effects among variables through t-tests and F-tests, as well as assessing the coefficient of determination to measure the proportion of variation in employee loyalty that can be explained by job placement and work environment (Aliya & Tobari, 2019).

RESULTS AND DISCUSSION

Multiple Linear Regression & t-test

Multiple linear regression is a statistical technique employed to examine the relationship between two or more independent variables and a single dependent variable, thereby assessing the strength and direction of these associations (Novalia & Aliya, 2022). Based on the regression analysis, the following findings were obtained. The results of the multiple linear regression and partial significance test (t-test) are presented in Table 1.

Tabel 1
Multiple Linear Regression Test Results &
Signifikansi Parsial (t-test)

		Coefficients^a				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,315	,015		4,179	,000
	PK (X1)	,385	,153	,073	2,556	,000
	LK (X2)	,211	,134	,109	2,831	,000

a. Dependent Variable: Employee Loyalty
Source : Data Analyzed, 2025

Based on the coefficients table, the following regression equation was obtained:

$$Y = 1,315 + 0,385X1 + 0,211X2$$

with the following notations:
- Y = Employee Loyalty
- X1 (JP) = Job Placement
- X2 (WE) = Work Environment

1. Constanta
   The constant value of 1.315 indicates that when job placement (X1) and work environment (X2) are considered constant or equal to zero, employee loyalty (Y) has a baseline value of 1.315. This suggests that employees possess a minimal level of loyalty even when job placement and work environment factors are not taken into account.

2. Job Placement Coefficient (X1)
   The regression coefficient for job placement is 0.385 with a significance value of 0.000 (< 0.05), indicating a positive and significant effect on employee loyalty. This means that for every one-unit increase in job placement, employee loyalty increases by 0.385, assuming other variables remain constant. This finding underscores that aligning employee competencies with their job positions strengthens loyalty.

3. Work Environment Coefficient (X2)
   The regression coefficient for work environment is 0.211 with a significance value of 0.000 (< 0.05), demonstrating a positive and significant effect on employee loyalty. In other words, each one-unit improvement in the quality of the work environment increases employee loyalty by 0.211, assuming other variables remain constant. This indicates that the more conducive the work environment, the higher the level of employee loyalty.

4. Partial Significance Test (t-test)
   - Job placement (t = 2.556; Sig. = 0.000) → significant.
   - Work environment (t = 2.831; Sig. = 0.000) → significant.

Based on the partial test results, both job placement (X1) and work environment (X2) have been proven to exert positive and significant effects on employee loyalty, as reflected in their regression coefficients and significance levels (p-value < 0.05). These findings confirm that the more appropriately employees are placed according to their

competencies and the more supportive the work environment, the stronger their loyalty to the organization. Thus, Hypothesis 1 and Hypothesis 2 are accepted.

Simultaneous Hypothesis Testing (F-Test)

To determine whether the independent variables jointly influence the dependent variable, a simultaneous test was conducted using analysis of variance (ANOVA) (Ghozali, 2018). The results of this test are presented in the following table 2.

Tabel 2
F-Test Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5,373	2	7,687	26,666	,000[b]
	Residual	4,377	61	11,547		
	Total	9,750	63			

a. Dependent Variable: EmployeeLoyalty

b. Predictors: (Constant), Work Environment, Job Placement
Source : Data Analyzed, 2025

Based on the ANOVA table, the calculated F-value of 26.666 with a significance level of 0.000 (< 0.05) indicates that the regression model developed in this study is appropriate for explaining the relationship between the independent and dependent variables. This finding suggests that job placement (X1) and work environment (X2) simultaneously exert a significant influence on employee loyalty (Y). Therefore, Hypothesis 3 is accepted.

Determination Coefficient Test (R2)

To assess the extent to which the independent variables are able to explain the variation in the dependent variable, a coefficient of determination test was conducted using the Model Summary output (Ghozali, 2018). The results of this test are presented in the following table 3.

Tabel 3
Determination Coefficient Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,886[a]	,785	,778	,172

a. Predictors: (Constant), Work Environment, Job Placement
Source : Data Analyzed, 2025

The results of the Model Summary indicate that the R Square value is 0.785. This means that 78.5% of the variation in employee loyalty can be explained by job placement and work environment, while the remaining 21.5% is influenced by other factors outside the research model. Variables that are theoretically and empirically relevant include reward systems, job satisfaction, work motivation, and leadership style, particularly

transformational leadership. The Adjusted R Square value of 0.778 further confirms that the model employed is sufficiently stable and representative in explaining the relationships among the variables.

Job placement has a significant positive effect on employee loyalty.

The results indicate that job placement has a significant effect on employee loyalty. This finding is consistent with Hasibuan (2014) perspective, which emphasizes the importance of aligning individual competencies with job positions, and is further supported by the Person–Job Fit theory (Kristof-Brown, 2005). Employees who are placed in positions that match their skills and interests are more likely to feel valued, thereby fostering a sense of belonging to the organization. Such conditions ultimately strengthen emotional attachment and reduce the tendency to leave the company (Hidayati, 2020).

Work environment has a significant positive effect on employee loyalty.

In addition, the work environment has also been proven to be a determinant of employee loyalty. This is consistent with Herzberg's (1959) theory, which classifies the work environment as one of the hygiene factors that, when managed effectively, prevents dissatisfaction (Alrawahi et al., 2020; Kumar & Anjali, 2018). Robbins & Judge (2019) emphasized that both the physical and social aspects of the work environment play a major role in fostering employee satisfaction and commitment. Similarly Widodo et al. (2023) in their study of the public transportation sector found that positive perceptions of the work environment have a tangible impact on employee loyalty.

Job placement and work environment simultaneously have a significant positive effect on employee loyalty.

Simultaneously, the findings of this study demonstrate that employee loyalty is not only shaped by appropriate job placement but is also influenced by the quality of a supportive work environment. The synergy between these two factors creates a sense of security, comfort, and career certainty, which in turn strengthens employees' affective commitment to the organization. This finding reinforces Meyer & Allen (1991), theory of organizational commitment and is consistent with the study by Amalia & Pramudyo (2022) which emphasized that the combination of job placement and work environment plays a crucial role in enhancing loyalty.

Managerial Implications

The findings of this study provide several important implications for the management of PT KAI Regional Division III Palembang. First, the aspect of job placement should be a primary focus in human resource management. Placement based on employees' competencies, experiences, and interests has been proven to enhance their satisfaction and attachment to the company (Hasibuan, 2014; Hidayati, 2020). Therefore, more structured recruitment and performance appraisal systems need to be developed to ensure that placement decisions are made objectively and in alignment with organizational needs (Kristof-Brown, 2005).

Second, creating a conducive work environment is a crucial strategy for sustaining employee loyalty. A workplace that is safe, comfortable, and supported by harmonious social relationships among employees fosters a positive organizational climate (Robbins & Judge, 2019). Previous studies have also confirmed that positive perceptions of the work environment directly contribute to loyalty, particularly in the public transportation

sector (Widodo et al., 2023; Yuliana, 2023). Therefore, management can strengthen this aspect by improving workplace facilities, designing ergonomic spaces, and fostering a collaborative organizational culture.

Third, the results of this study also emphasize that loyalty is not built through a single factor but rather through a combination of various aspects. Accordingly, PT KAI Regional Division III Palembang needs to design a holistic strategy that integrates competency-based placement, a healthy work environment, and support from other factors such as an effective reward system and appropriate leadership style. Previous literature affirms that reward systems and transformational leadership can strengthen employee commitment and loyalty (Kaur, 2023; Utomo & Septiani, 2023). Such an integrated strategy will enable the organization not only to retain employees but also to ensure their optimal contribution toward achieving corporate goals.

CONCLUSION AND SUGGESTION

This study confirms that job placement and work environment play a vital role in enhancing employee loyalty. Partially, both variables were found to have a positive and significant influence, while simultaneously they complement each other in strengthening loyalty. The findings indicate that appropriate job placement not only provides individual satisfaction but also fosters a sense of belonging to the organization. Similarly, a conducive work environment creates comfort and attachment, which ultimately encourages employees to remain loyal and committed to the company. Theoretically, these results enrich the literature on human resource management and organizational behavior, particularly regarding the factors influencing employee loyalty in the public transportation sector. Practically, this study provides a foundation for PT KAI Regional Division III Palembang to prioritize competency-based placement strategies and develop a more supportive work environment, thereby ensuring sustainable employee loyalty.

This study has limitations in that its scope only covers a single company unit with a quantitative approach, which restricts the generalizability of the findings. Therefore, future research is recommended to expand the sample across multiple units or similar organizations, employ a mixed-methods approach to gain deeper insights into employees' experiences, and examine other variables such as reward systems, job satisfaction, motivation, or leadership styles as mediating or moderating factors, in order to achieve a more comprehensive understanding of employee loyalty.

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