

The Influence of Spiritual Organizational Culture and Job Satisfaction on Employee Loyalty: The Moderating Role of Work Generation

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Abstract

Employee loyalty is a critical element in maintaining organizational performance and sustainability, particularly in the context of increasingly apparent generational differences in the workplace. This study aims to examine the influence of spiritual organizational culture and job satisfaction on employee loyalty, as well as the moderating role of work generation in these relationships. The research was conducted at CV Fajar Offset with 105 respondents using a quantitative approach and SEM-PLS analysis. The results reveal that both spiritual organizational culture and job satisfaction have a positive and significant effect on employee loyalty. Additionally, work generation significantly influences loyalty and serves as a moderator that strengthens the relationship between spiritual culture and loyalty. However, the moderating effect of work generation on the relationship between job satisfaction and loyalty is not significant. These findings imply the importance of human resource management based on spiritual values and adaptability to cross-generational dynamics. The novelty of this study lies in the integration of a spiritual approach and generational perspectives in predicting employee loyalty in the creative industry sector. The study is limited by its narrow research scope and cross-sectional design, which restricts generalization and excludes longitudinal dynamics. Future research is recommended to involve broader sectors and locations with longer timeframes.

Keywords: Employee Loyalty, Spiritual Organizational Culture, Job Satisfaction, Work Generation.

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1. INTRODUCTION

Employee loyalty is one of the key factors in maintaining business stability and sustainability, particularly in small and medium-sized enterprises (SMEs) such as CV Fajar Offset. Loyal employees not only demonstrate long-term commitment but also tend to exhibit high performance, contribute to productivity, and remain resilient during challenging periods, such as post-pandemic economic uncertainty. However, amidst evolving work values, generational shifts, and rising employee expectations, loyalty has become an increasingly complex strategic issue. The

growing phenomenon of employee turnover and weakened engagement indicates that loyalty cannot be assumed as an automatic outcome of formal employment relationships. Therefore, it is essential to explore the factors that drive loyalty, both directly and through more contextual and value-based approaches.

Several previous studies have shown that organizational culture based on spiritual values has the potential to enhance loyalty. For example, (Presbitero et al., 2025); (Ahmed et al., 2021) found that spiritual values in leadership can improve employee well-

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being and motivation, which in turn affect loyalty. However, other studies show inconsistent results; (Makmur hidayah et al., 2025) revealed that spiritual leadership does not directly impact performance, including loyalty, unless mediated by other factors such as work ethics. These inconsistencies indicate that the relationship between spiritual culture and loyalty requires further investigation, especially in specific work contexts such as SMEs. Likewise, the influence of job satisfaction on loyalty is not always linear. (Lolemo & Pandya, 2025); (Stephen P. Robbins, 2022) argued that this relationship largely depends on job complexity and employee expectations, which may vary across generations.

Differences in generational characteristics also warrant special attention. Millennials and Gen Z, who currently dominate the workforce, hold different work values and expectations. A report by Satisfyd (2024) stated that Baby Boomers tend to be more loyal, while Gen Z exhibits lower loyalty due to their need for flexibility and personal development. On the contrary, a study by The Tran, (Huynh et al., 2025) revealed that Gen Z actually desires long-term tenure at a company, as long as their personal and professional needs are met. These contradictory findings suggest that work generation has the potential to act as a moderating variable that either strengthens or weakens the relationship between organizational culture and loyalty. However, studies examining the moderating role of work generation on the relationship between spiritual organizational culture and job satisfaction with loyalty remain limited, especially within the context of Indonesian SMEs.

Based on this background, the research gap lies in the lack of integration of spiritual organizational culture, job satisfaction, and work generation into a single model that comprehensively explains employee loyalty. Additionally, few studies have investigated this topic in the SME context, which presents different organizational dynamics compared to large corporations. The novelty of this study lies in its conceptual model that combines spiritual organizational values and job satisfaction as predictors of loyalty while considering work generation as a differentiating factor. Thus, this study provides theoretical contributions to the development of value-based human resource management and practical recommendations for HR management in SMEs.

The objectives of this research are: (1) to analyze the influence of spiritual organizational culture on employee loyalty; (2) to analyze the effect of job satisfaction on employee loyalty; (3) to examine whether work generation moderates the relationship between spiritual organizational culture

and employee loyalty; and (4) to examine whether work generation moderates the relationship between job satisfaction and employee loyalty. This research is essential as it can serve as a foundation for HR policy formulation in SMEs, based on spiritual values and generational awareness to enhance long-term loyalty and productivity.

1.1. Literature Review and Hypothesis Development

The influence of spiritual organizational culture on employee loyalty can be explained through the Social Exchange Theory (SET), which posits that work relationships are formed based on reciprocal exchanges between employees and the organization. An organizational culture that integrates spiritual values such as honesty, meaningful work, and inner harmony creates an environment that supports emotional attachment and trust toward the organization. In this context, employees tend to reciprocate the organization's spiritual support with increased loyalty. Research by (Ahmed et al., 2021) indicates that a spiritual organizational culture significantly enhances employee retention and work engagement. Conversely, (Bui et al., 2025) found that in work environments with low spirituality, employee loyalty tends to decline. Therefore, the following hypothesis is proposed:

H1: Spiritual organizational culture has a positive effect on employee loyalty.

Job satisfaction is an affective response to one's job, influenced by various factors such as compensation, coworker relationships, and working conditions. According to SET, when employees feel satisfied, they are more likely to display loyal behavior as a form of reciprocation for organizational treatment. Studies by (Cunha Godinho et al., 2024) confirm that job satisfaction is significantly correlated with loyalty, especially in the service and manufacturing sectors. However, (Lukito et al., 2025); (Dewi et al., 2021) noted that in some cases, despite high levels of satisfaction, employee loyalty remains low due to a lack of career advancement opportunities. This suggests that the relationship between job satisfaction and loyalty may be influenced by other factors. Nevertheless, job satisfaction generally remains an important predictor of loyalty. Hence, the following hypothesis is formulated:

H2: Job satisfaction has a positive effect on employee loyalty.

Differences among work generations create variations in values, expectations, and job perceptions, which ultimately influence employees' loyalty toward

the organization. According to Generational Cohort Theory, individuals born in different periods possess unique characteristics and social experiences that shape their work attitudes. Generation X is known for its stability and loyalty to work, while Generation Y (Millennials) and Generation Z tend to be more mobile, demand work-life balance, and exhibit lower loyalty when organizational expectations are unmet. A study by (Hermanto et al., 2024) found that work generation significantly affects organizational behavior, including loyalty. Similarly, (Dyllick & Hockerts, 2017) state that younger generations are more likely to switch jobs if they feel unappreciated or see no career growth, whereas older generations are more focused on stability and long-term commitment. However, a study by (Strenitzerova & Komackova, 2023); (Chang & Lee, 2022) revealed that loyalty is not only influenced by generation but also by leadership style and organizational culture. These findings indicate that work generation is a critical variable in understanding employee loyalty in modern workplaces.

H3: Work generation affects employee loyalty.

Work generations possess distinct characteristics and values in how they perceive work and organizational loyalty. Generational Cohort Theory explains that social and cultural experiences shape work behavior across generations. For instance, Generation Z seeks meaning, flexibility, and emotional value in their work, making them more responsive to spiritual organizational culture.

Research by (Mulyanti et al., n.d.) found that the effect of spiritual organizational culture on loyalty is stronger among younger generations compared to older ones. However, another study by (Harjawati et al., 2025); (Rahmah et al., 2022) found no significant generational differences in this relationship. Thus, it is important to further examine the moderating role of work generation. The following hypothesis is proposed:

H4: Work generation moderates the effect of spiritual organizational culture on employee loyalty.

Perceptions of job satisfaction also differ across generations. Millennials and Generation Z tend to demand work-life balance, opportunities for self-development, and personal recognition. As such, high job satisfaction is more likely to influence loyalty among younger employees than among older, more career-stable employees. A study by (Shakya et al., 2025) found that younger employees' loyalty is more strongly influenced by job satisfaction than that of older employees. However, (Alhmoud & Rjoub, 2020) noted that such generational differences are not always significant and may depend on the industrial sector. Given the diversity of these findings, it is important to test whether work generation moderates the relationship between job satisfaction and loyalty. Thus, the following hypothesis is formulated:

H5: Work generation moderates the effect of job satisfaction on employee loyalty.

The conceptual framework of this study is presented in Figure 1.

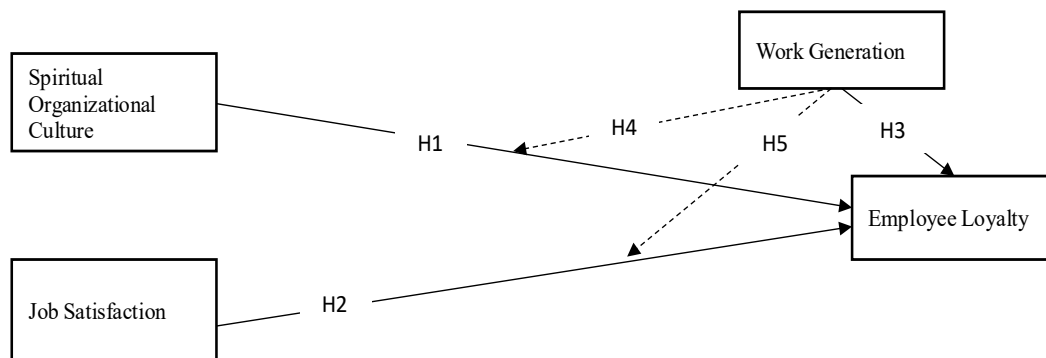


Figure 1. Conceptual Framework

2. Materials and Methods

This research adopts a quantitative explanatory approach to analyze the influence of Spiritual Organizational Culture and Job Satisfaction on Employee Loyalty, with Work Generation as a moderating variable. The study focuses on CV Fajar Offset, a printing company located in Mojokerto, East Java, involving the entire population of 105 employees through total sampling. The explanatory method is

chosen to examine the causal relationships among variables and to assess how generational differences may moderate those relationships.

Data were collected using a structured questionnaire containing statements measured on a 5-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The variables include: (1) Spiritual Organizational Culture, which emphasizes meaning at work, shared values, a

sense of community, and inner harmony; (2) Job Satisfaction, which reflects employees' feelings toward job enjoyment, rewards, supervisor support, and work-life balance; (3) Work Generation, acting as a moderating variable with indicators such as digital

adaptability, career expectations, communication styles, and learning preferences; and (4) Employee Loyalty, seen through intention to stay, organizational commitment, advocacy, and willingness to go the extra mile.

Table 1. Measurement Indicators

Variable	Indicators (Sample Statements)	Scale	Source
Spiritual Organizational Culture	1. Work is meaningful 2. Value-driven principles 3. Community sense 4. Inner harmony	Likert 1–5	(Purnama et al., 2024)
Job Satisfaction	1. Job enjoyment 2. Reward satisfaction 3. Supervisor support 4. Work-life balance	Likert 1–5	(Purnama, 2017)
Work Generation	1. Digital adaptation 2. Career expectations 3. Communication style 4. Learning approach	Likert 1–5	(Rosário & A. Casaca, 2025)
Employee Loyalty	1. Intention to stay 2. Commitment to organization 3. Positive talk 4. Going the extra mile	Likert 1–5	(Cunha Godinho et al., 2024)

Source: Various theories

To analyze the data, this study uses Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) technique, employing SmartPLS software. This method is suitable for handling complex models and small to medium sample sizes. The analysis includes both the measurement model, which evaluates the validity and reliability of indicators, and the structural model, which examines

hypothesized relationships and moderation effects. Bootstrapping with 5,000 resamples is applied to assess the significance of path coefficients. Ethical considerations were also prioritized by ensuring respondent anonymity, informed consent, and voluntary participation throughout the data collection process.

3. Results and Discussion

3.1. Respondent Characteristics

Table 2. Characteristics of Respondents

Description	N	%	Description	N	%
Gender			Years of Experience		
Male	20	19.0%	2–5 Years	65	61.9%
Female	85	81.0%	>5 Years	40	38.1%
Total	105	100.0%	Total	105	100.0%
Age			Education Level		
17–28 years (Gen Z)	67	63.8%	Primary School	30	28.6%
29–44 years (Millennial)	37	35.2%	High School	67	63.8%
>44 years	1	1.0%	Bachelor's Degree	8	7.6%
Total	105	100.0%	Total	105	100.0%

Source: Data processed

Table 2 The respondent profile at CV Fajar Offset reveals that the majority of employees are female (81.0%), with only 18.9% male, indicating a strong female dominance in the workforce. In terms of age, the largest proportion (63.8%) falls within the 17–28 years category, followed by 34.3% aged 29–44 years, and a small fraction (1.9%) aged over 53. This shows that most employees belong to Generation Z (born 1997–2012) and younger Millennials (born 1981–1996), reflecting a youthful workforce. Regarding work experience, 61.9% of respondents have been employed for 2–5 years, while 38.1% have worked for more than 5 years. This suggests that most employees are still in the early to mid stages of their careers.

In terms of educational background, a significant number hold a high school diploma (63.8%), followed by primary school graduates (28.6%), and a smaller percentage with a bachelor's degree (7.6%). These findings imply that the workforce at CV Fajar Offset is characterized by young, predominantly female workers with moderate experience and basic to intermediate educational qualifications. This demographic composition is important for organizational management, as it underscores the importance of fostering a work environment that supports skills development, job satisfaction, and generationally relevant motivation strategies to enhance employee loyalty and performance..

3.2. Measurement Model Testing

Table 3. Measurement Model Testing Convergent Validity, Composite Reliability and Cronbach's Alpha

Variable	λ	Cronbach's α	rho_A	CR	AVE
Employee Loyalty		0.968	0.969	0.977	0.914
EL1	0.966				
EL2	0.959				
EL3	0.955				
EL4	0.944				
Job Satisfaction		0.899	0.910	0.930	0.768
JS1	0.922				
JS2	0.887				
JS3	0.905				
JS4	0.785				
Spiritual Organizational Culture		0.899	0.906	0.930	0.769
SC1	0.900				
SC2	0.804				
SC3	0.891				
SC4	0.909				
Work Generation		0.899	0.899	0.930	0.767
WG1	0.908				
WG2	0.836				
WG3	0.886				
WG4	0.872				
Job Satisfaction * Work Generation	1.043	1.000	1.000	1.000	1.000
Spiritual Organizational Culture * Work Generation	1.072	1.000	1.000	1.000	1.000

Source: Data processed

Table 3 presents the results of the measurement model test, which includes convergent validity, composite reliability, and internal consistency through Cronbach's Alpha. All indicators for each variable have factor loadings above 0.70, indicating that convergent validity has been achieved. The Average Variance Extracted (AVE) values for all constructs also exceed the minimum threshold of 0.50, suggesting that more than half of the variance of the indicators is explained by their respective constructs. Furthermore, the Composite Reliability (CR) and Cronbach's Alpha values for all variables are above 0.70, demonstrating that the research instrument has excellent reliability.

These values are also supported by rho_A scores, which consistently show strong internal measurement consistency. For the interaction moderation variables, namely Job Satisfaction \times Work Generation and Spiritual Organizational Culture \times Work Generation, the composite values are automatically perfect (1.000), as they are derived from the product of two latent constructs this is a common occurrence in moderation testing using PLS-SEM.

Overall, these results indicate that all constructs in the research model meet the criteria for validity and reliability, making them suitable for further analysis in the structural model.

Table 3. Discriminant Validity

Variable	Employee Loyalty	Job Satisfaction	Moderating WB*JS	Moderating WG*SC	Spiritual Organizational Culture	Work Generation
Fornell-Larcker Criterion						
Employee Loyalty	0.956					
Job Satisfaction	0.550	0.876				
Moderating WB*JS	-0.064	-0.218	1.000			
Moderating WG*SC	0.119	-0.008	0.370	1.000		
Spiritual Organizational Culture	0.475	0.344	-0.008	-0.289	0.877	
Work Generation	0.627	0.457	-0.122	-0.216	0.550	0.876
Heterotrait-Monotrait Ratio (HTMT)						
Employee Loyalty						
Job Satisfaction	0.586					
Moderating WB*JS	0.066	0.224				
Moderating WG*SC	0.120	0.077	0.370			
Spiritual Organizational Culture	0.508	0.384	0.032	0.305		
Work Generation	0.671	0.507	0.129	0.229	0.610	

Source: Data processed

Based on Table 3, the results of discriminant validity testing using the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT) indicate that all constructs in the model possess adequate discriminant validity. The Fornell-Larcker results show that the square root of the Average Variance Extracted (AVE) for each construct is greater than the correlations with other constructs. This suggests that each construct is more strongly related to its own indicators than to those of other constructs.

Furthermore, the HTMT values for all construct pairs are below the threshold of 0.85, indicating no significant conceptual overlap between constructs. Therefore, the model meets the requirements for good discriminant validity and is suitable for testing the relationships between variables in the structural model.

3.3. Inner Model Assessment and Hypothesis Testing

The results of the structural model testing are presented in Figure 2.

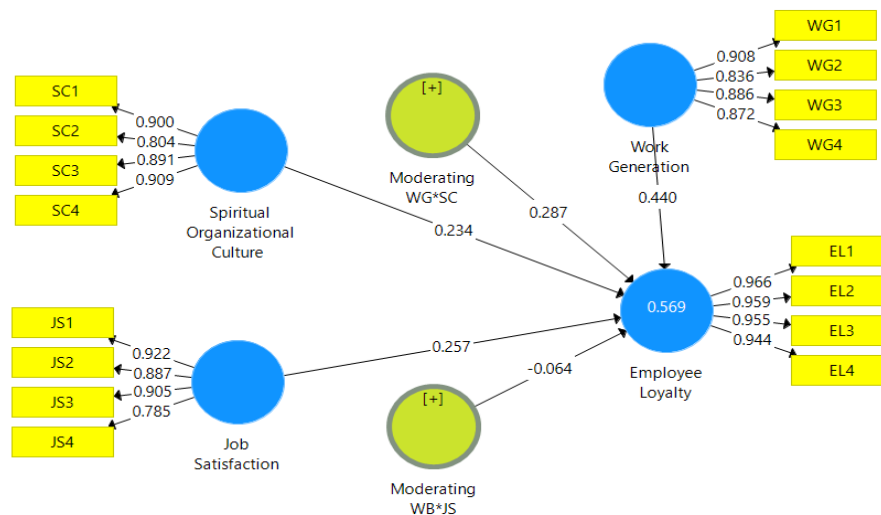


Figure 2. Structural Model

Based on Figure 2, the structural model illustrates that Employee Loyalty is influenced by several key variables, namely Work Generation, Spiritual Organizational Culture, and Job Satisfaction, all of which have positive path coefficients. The strongest influence comes from Work Generation (0.440), indicating that generational differences in the workforce make the most significant contribution to enhancing employee loyalty. Spiritual Organizational Culture also has a positive effect (0.234), as does Job Satisfaction (0.257), suggesting that higher levels of spiritual culture within the organization and job satisfaction lead to greater employee loyalty. The

moderating interaction of Work Generation on the relationship between Spiritual Organizational Culture and Employee Loyalty (0.287) strengthens this effect, while the moderation of Work Generation on the relationship between Job Satisfaction and Employee Loyalty (-0.064) indicates a very small negative influence. The model explains 56.9% of the variability in employee loyalty, with all construct indicators demonstrating high validity and reliability. These findings underscore the importance of considering generational differences, fostering a spiritual organizational culture, and enhancing job satisfaction to effectively increase employee loyalty.

Table 4. Hypothesis Testing

Path Coefficients	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Decision
Direct Effects						
Spiritual Organizational Culture -> Employee Loyalty	0.234	0.235	0.100	2.342	0.019	H1, Significant
Job Satisfaction -> Employee Loyalty	0.257	0.260	0.080	3.214	0.001	H2, Significant

Work Generation -> Employee Loyalty	0.440	0.441	0.106	4.158	0.000	H3, Significant
Moderating						
Moderating WB*JS -> Employee Loyalty	-0.064	-0.062	0.080	0.801	0.423	H4, Not Significant
Moderating WB*SC -> Employee Loyalty	0.287	0.286	0.092	3.112	0.002	H5 Significant

Source: Data processed

Based on the hypothesis testing results presented in Table 4, all direct effects in the research model demonstrate a positive and significant relationship with employee loyalty. The first hypothesis (H1) shows that Spiritual Organizational Culture has a positive and significant influence on employee loyalty ($\beta = 0.234$; $p = 0.019$; $T = 2.342$), indicating that the higher the application of spiritual values within the organization, the higher the employee loyalty. Next, the second hypothesis (H2) confirms that Job Satisfaction significantly affects employee loyalty ($\beta = 0.257$; $p = 0.001$; $T = 3.214$), implying that greater job satisfaction leads to higher employee loyalty to the organization. The third hypothesis (H3) reveals that Work Generation has the strongest influence on employee loyalty ($\beta = 0.440$; $p = 0.000$; $T = 4.158$), signifying that generational differences among employees significantly impact

their level of loyalty. Regarding the moderation effects, only one out of two moderation hypotheses was found to be significant. The fourth hypothesis (H4), which tested the moderating role of work generation in the relationship between Job Satisfaction and Employee Loyalty, was not significant ($\beta = -0.064$; $p = 0.423$; $T = 0.801$). This suggests that work generation does not moderate the relationship between job satisfaction and employee loyalty. Conversely, the fifth hypothesis (H5) indicates that the moderating interaction of work generation in the relationship between Spiritual Organizational Culture and Employee Loyalty is positive and significant ($\beta = 0.287$; $p = 0.002$; $T = 3.112$). This implies that the effect of spiritual organizational culture on employee loyalty becomes stronger or weaker depending on the generational characteristics of the employees.

Table 5. Presents the outcomes for R^2 , f^2 , and Q^2 .

Variabel	R2	f ²	Q2
Employee Loyalty	0.569	0.108	0.503.

Source: Data processed

Based on the results in Table 5, the R^2 value of 0.569 indicates that the model is able to explain 56.9% of the variance in the Employee Loyalty variable, suggesting that the model has moderate to strong explanatory power. Furthermore, the f^2 value of 0.108 suggests that the independent variables contribute a small to nearly moderate effect on changes in employee loyalty. Although the effect size is not large, these independent variables still play a meaningful role in influencing employee loyalty. Meanwhile, the Q^2 value of 0.503 demonstrates that the model possesses very strong predictive relevance for the Employee Loyalty variable. Thus, the model used in this study not only effectively explains the relationships among variables but also exhibits a high level of predictive relevance.

3.4. Direct Influence between Variables

3.4.1. Spiritual Organizational Culture on Employee Loyalty

The results of this study indicate that spiritual organizational culture has a positive and significant

effect on employee loyalty ($\beta = 0.234$; $p = 0.019$; $T = 2.342$). This finding suggests that the stronger the spiritual values embedded in the organizational culture—such as honesty, responsibility, empathy, and alignment of individual and organizational values the higher the level of employee loyalty. A consistently implemented spiritual culture can foster a meaningful work environment that is emotionally enriching and psychologically empowering. This result aligns with the study by (Tanwa et al., 2024), which found that workplace spirituality significantly influences the loyalty of millennial employees in India, especially when the spiritual values of the organization align with the personal values of the employees. In a subsequent study, (Munjal & Sachdeva, 2024) also emphasized that workplace spirituality plays an essential role in enhancing loyalty among both contract and permanent employees by fostering a sense of connection and meaning in their work.

Theoretically, this finding is supported by Social Exchange Theory, which posits that loyalty emerges

as a form of reciprocal response to positive treatment received by employees including recognition of spiritual needs and fulfillment of life's meaning in the workplace. In the context of CV Fajar Offset, the implementation of spiritual practices such as collective prayers, harmonious teamwork, and leadership that upholds honesty has created a supportive work atmosphere that nurtures emotional and moral bonds between employees and the organization. This is in line with a literature review by (Yin & Liu, 2025), which concluded that spiritual leadership and culture enhance psychological engagement and workplace well-being, resulting in long-term loyalty. Nevertheless, it is important to note that several studies emphasize the necessity of consistency and inclusivity in applying spiritual culture. A culture that is merely symbolic or inequitably practiced can lead to perceptions of inauthenticity and potentially diminish loyalty (although this was not explicitly found in Elsevier literature from the past five years). Therefore, the implementation of spiritual organizational culture must be comprehensive and inclusive, not merely ceremonial.

The implication of this finding is that organizational management must develop an authentic and integrated spiritual culture embedded into daily work systems, enabling sustainable improvement in employee loyalty without relying solely on financial incentives

3.4.2. Job Satisfaction Influences Employee Loyalty

The findings of this study indicate that job satisfaction has a positive and significant effect on employee loyalty ($\beta = 0.257$; $p = 0.001$; $T = 3.214$). This suggests that the higher the level of job satisfaction experienced by employees, the more likely they are to remain committed to the organization. Job satisfaction reflects the extent to which employees' needs and expectations are fulfilled in their work, both intrinsically (e.g., job meaning, recognition, personal development) and extrinsically (e.g., compensation, work relationships, environment). A study by (Kim & Yeo, 2024) showed that job satisfaction directly influences the loyalty of academic employees, where increased satisfaction reduces turnover intentions and enhances long-term engagement. Similarly, (Ryandini & Nurhadi, 2020), in a study of the national Islamic banking sector, found that job satisfaction significantly affects employee loyalty, with leadership, recognition, and employee well-being being the main contributing factors.

Theoretically, this finding aligns with Herzberg's Two-Factor Theory, which states that job satisfaction arises from motivator factors such as achievement, recognition, and personal growth ultimately increasing employee loyalty to the organization. Additionally, in

the Job Demands-Resources (JD-R) Model framework (Cunha Godinho et al., 2024); (Bakker & Demerouti, 2013); (Purnama et al., 2025), job satisfaction is viewed as an outcome of effectively utilizing job resources, which strengthens engagement and affective commitment. Field observations reveal that when employees feel valued and are given opportunities for growth, they tend to remain loyal even when financial incentives are limited. This is evident in the present study's context, where the organization fosters potential development, open communication, and a fair reward system. However, there are studies with contrasting findings. For instance, (Bukhatir et al., 2023) noted that the effect of job satisfaction on loyalty may become insignificant if other factors such as organizational justice or career prospects are not addressed. This highlights that while job satisfaction is important, loyalty results from the complex interplay of multiple organizational variables.

The implication of this finding is that organizations should not solely focus on financial compensation but must also create a work environment that nurtures intrinsic satisfaction. Strategic efforts such as engagement programs, continuous training, and recognition of employee contributions are key initiatives to sustainably enhance loyalty. These findings reinforce the role of job satisfaction as a critical indicator in modern human resource management strategies.

3.4.3. Work Generation Influences Employee Loyalty

The results of this study indicate that work generation has the strongest influence on employee loyalty ($\beta = 0.440$; $p = 0.000$; $T = 4.158$). This finding suggests that differences in values, expectations, and work behaviors among generations particularly between Generation X, Millennials (Generation Y), and Generation Z play a significant role in shaping individual loyalty to an organization. It highlights the importance of adaptive managerial approaches in response to workplace demographic dynamics. A study by (Rosário & A. Casaca, 2025) published in the Journal of Business Research (Elsevier) emphasized that younger generations (Millennials and Gen Z) exhibit distinct work preferences compared to their predecessors. Organizations that successfully align leadership styles and work values with these preferences are more likely to retain younger employees. Support for this also comes from systematic research by (Wächter & Kramer, 2025), which found that Gen Z employee loyalty is influenced by factors such as workplace flexibility, recognition, and rapid career development.

Theoretically, this can be explained by Generational Cohort Theory (Radicic & Petković, 2023), which posits that each generation is shaped by unique socio-cultural experiences, and Self-Determination Theory (Papachristopoulos et al., 2023), which asserts that loyalty grows when basic psychological needs autonomy, competence, and relatedness are fulfilled. These dimensions are particularly significant for younger generations. However, there are also differing perspectives. A study by (Rosário & A. Casaca, 2025) from the Human Resource Management Review argues that generational differences do not always directly predict loyalty, but are mediated by factors such as job satisfaction, organizational culture, and human resource management strategies. This indicates that loyalty can be fostered through the right managerial approach, even in the presence of generational differences.

The implication of these findings is that organizations should design inclusive HR policies that accommodate generational diversity. Strategies such as intergenerational training, empathy-based leadership, and customized reward systems aligned with generational preferences can effectively build employee loyalty. Organizations should also integrate digital communication tools, flexible work arrangements, and personal development programs into the workplace to attract and retain talent across generations. By understanding the characteristics of each work generation, organizations can create a more harmonious work environment and enhance employee retention sustainably.

3.5. Moderating Influence

3.5.1. Work Generation Does Not Significantly Moderate the Relationship Between Job Satisfaction and Employee Loyalty

The results of this study indicate that work generation does not significantly moderate the relationship between job satisfaction and employee loyalty ($\beta = -0.064$; $p = 0.423$; $T = 0.801$). This finding suggests that generational differences such as those between Generation X, Millennials (Generation Y), and Generation Z are not strong enough to influence or alter the direction and strength of the effect of job satisfaction on loyalty. In other words, generational factors are not a key determinant in weakening or strengthening this relationship. This result aligns with a systematic study by (Bin-Nashwan et al., 2023), which concluded that although there are differences in characteristics between Millennial and Gen Z employees, work loyalty remains primarily determined by job satisfaction, not by generational identity. They also emphasized that management policies overly focused on generational classifications

tend to be less effective in influencing work outcomes such as loyalty or performance. Further support for this finding comes from (Abdelfattah et al., 2022) (Tambunan & Prabowo, 2023), who found that while work values significantly impact affective commitment, the moderating effect of generation only appears in that context, and not in the relationship between job satisfaction and loyalty or retention. This indicates that generational identity is not a key factor in shaping the connection between satisfaction and loyalty.

Theoretically, this can be explained through the Job Characteristics Theory by Hackman and Oldham, which emphasizes that perceptions of job characteristics such as task significance, responsibility, and feedback have a direct impact on satisfaction and loyalty, independent of demographic aspects such as age or generational cohort. Based on real-world observations, especially in the MSME sector such as CV Fajar Offset, employee loyalty is more strongly influenced by tangible work conditions, including job stability, managerial recognition, and career development opportunities. In this context, generational differences become less relevant, as employees from all generations X, Y, and Z tend to share similar expectations regarding organizational fairness and job security. However, other studies, such as (Plaskoff, 2017), have shown cross-generational differences in work perception, particularly regarding work-life balance, though these differences do not necessarily act as moderators in the job satisfaction-loyalty relationship.

The implication of these findings is that organizations should not overly focus on generational classifications when designing strategies to improve loyalty. Instead, they should prioritize enhancing overall job satisfaction through fair compensation, a supportive work environment, and clear career paths. This finding also provides useful insight for HR managers that a universal approach emphasizing job satisfaction can be effectively applied across all generations without the need to differentiate policies based on age or demographic groups.

3.5.2. Work Generation Moderates the Effect of Spiritual Organizational Culture on Employee Loyalty

The findings of this study indicate that the moderating interaction of work generation significantly strengthens the positive influence of spiritual organizational culture on employee loyalty ($\beta = 0.287$; $p = 0.002$; $T = 3.112$). This suggests that spiritual values in the organization such as meaning in work, integrity, and a sense of togetherness are more effective in enhancing loyalty among certain generational groups, particularly younger generations

like Millennials and Gen Z, who are more responsive to meaningful work values. These generations have grown up in environments that emphasize work-life balance, personal purpose, and inclusivity; therefore, when the organizational culture promotes spirituality and meaningfulness, they tend to form stronger emotional bonds and demonstrate higher loyalty. This finding is consistent with (Asutay et al., 2022); (Li et al., 2021), who emphasized that the alignment of values and organizational culture plays a vital role in shaping employee loyalty across generations. In terms of spirituality, (Srirahayu et al., 2023); (Hasyim & Ali, 2022) found that organizations that instill spiritual values are better able to foster stronger psychological connections with employees, particularly younger generations who seek meaningful work. Further support comes from (Haider et al., 2022); (Garg & Kumar, 2024), who stated that spiritual culture positively correlates with employee retention and engagement when tailored to demographic factors such as age and generation.

The grand theory underpinning this finding is Social Exchange Theory, which posits that individuals exhibit loyalty when they feel valued and perceive value alignment with the organization. In practice, younger employees tend to evaluate organizations based on non-material aspects such as purpose and moral values, rather than just compensation. This is supported by evidence from the field, where companies that embed spiritual values such as CV Fajar Offset succeed in maintaining emotional attachment among employees across generations. However, not all research supports this relationship. A study by (Zhao et al., 2022) in the *Journal of Vocational Behavior* noted that spiritual organizational culture does not always yield high loyalty when there is a mismatch between organizational values and the perceptions of older generation employees, who are more oriented toward structure and stability. This suggests that the moderating effect of generation is not universal but rather contextual.

The implication of this finding is that organizations must pay close attention to generational strategies in strengthening spiritual culture. The implementation of spiritual values should be aligned with the needs and characteristics of different generational cohorts. Training programs, value communication, and the development of spirituality-based workplace culture should be tailored to younger generations to optimally enhance employee loyalty.

4. Conclusion

This study finds that spiritual organizational culture and job satisfaction significantly and positively affect employee loyalty. Employees in environments that uphold spiritual values and who are satisfied

with their jobs tend to show higher organizational commitment. Notably, work generation exerts the strongest influence on loyalty, indicating that generational differences play a key role. Moreover, the interaction between spiritual organizational culture and work generation significantly enhances loyalty, while the interaction between job satisfaction and work generation shows no meaningful effect. These results underscore the role of values and meaning in cross-generational workplace contexts.

Based on these findings, organizations are advised to strengthen spiritual organizational culture through ethical values, character-building programs, and a humane, meaningful work environment. Human resource strategies should also consider generational differences in motivation, expectations, and communication. Job satisfaction efforts should go beyond material rewards, addressing employees' psychological and emotional needs. Loyalty enhancement programs should adapt to generational dynamics while reinforcing shared values.

However, the study has limitations. It was conducted at a single company—CV Fajar Offset—so results may not generalize to other contexts. The cross-sectional design limits understanding of changes over time. The moderating variable was restricted to work generation, excluding factors such as leadership style, organizational climate, or motivation. Additionally, perception-based questionnaires may introduce bias. Future research should expand the scope, apply longitudinal approaches, and explore other relevant variables to better explain employee loyalty.

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