

## The Effect of Work Motivation and Work Environment on Employee Loyalty through Job Satisfaction at Azana Hotel, Lampung Province

Rizky Dirgantara Gumas<sup>1</sup>, Satria Jaya Pratama<sup>2</sup>, Rendhi Saputra<sup>3</sup>, Febrianti<sup>4</sup>, Reza Hardian Pratama<sup>5</sup>

Program Studi Ekonomi Manajemen, Universitas Malahayati, Bandar Lampung, Lampung, Indonesia<sup>12345</sup>  
E-mail: rizkygumas7@gmail.com<sup>1</sup>, satriajayap123@gmail.com<sup>2</sup>, saputrandi0767@gmail.com<sup>3</sup>, febrianty@malahayati.ac.id<sup>4</sup>, Rezahardianpratama@malahayati.ac.id<sup>5</sup>

### Abstract

Employee loyalty is a critical managerial concern in the hospitality industry because service quality, operational stability, and customer experience depend heavily on the continuity and commitment of frontline employees. This study examines the effects of work motivation and work environment on employee loyalty, with job satisfaction positioned as a mediating variable, at Azana Hotel, Lampung Province. A quantitative research design was applied. Primary data were collected using a structured closed-ended questionnaire measured on a five-point Likert scale, while secondary data were obtained from internal organizational records, including attendance and turnover-related information. The population comprised employees of Azana Hotel, with total sampling recommended when the population is below 100 employees and purposive sampling recommended for larger populations using minimum tenure and employment-status criteria. The measurement model was evaluated through indicator outer loadings, average variance extracted, and composite reliability. The available results show that all retained indicators exceeded the commonly recommended loading threshold of 0.70, indicating acceptable convergent validity. The study further indicates that motivation and work environment contribute to job satisfaction and employee loyalty, while job satisfaction strengthens the indirect relationship between both antecedent variables and loyalty. The findings imply that hotel management should integrate motivational practices, a supportive physical and psychosocial work environment, and satisfaction-oriented human-resource policies to improve employee loyalty.

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### Keywords:

employee loyalty; job satisfaction; work motivation; work environment; hospitality industry; mediation; PLS-SEM

## INTRODUCTION

In the era of globalization and increasingly competitive service markets, organizational success depends not only on physical and financial resources but also on the quality, commitment, and continuity of human resources. In service-based firms such as hotels, employees represent strategic assets because their attitudes and behaviors directly shape customer experience, service reliability, and organizational reputation. The resource-based view positions valuable and difficult-to-imitate human capabilities as potential sources of sustained competitive advantage (Barney, 1991). In the hospitality sector, this argument is particularly relevant because service performance is produced through direct interaction between employees and guests.

Employee loyalty is therefore a central outcome in hospitality human-resource management. Loyal employees are more likely to maintain organizational membership, comply with organizational expectations, demonstrate commitment to work roles, and support service quality over time. The service-profit chain also explains why employee satisfaction and loyalty matter in service organizations: internal service

quality and employee satisfaction are linked to employee loyalty and productivity, which then support customer value and business outcomes (Heskett et al., 1994).

The original research problem in this study is grounded in the observation that employee loyalty at Azana Hotel, Lampung Province, may be affected by internal organizational factors, including work motivation and the work environment. The preliminary context reported in the draft points to fluctuations in attendance and turnover-related conditions, which may reflect challenges in retaining committed employees. Because employee loyalty is not formed in isolation, this study investigates both direct and indirect relationships among work motivation, work environment, job satisfaction, and employee loyalty.

Work motivation refers to internal and external forces that energize, direct, and sustain employee behavior toward organizational goals. Self-determination theory emphasizes that motivation is stronger and more sustainable when employees experience autonomy, competence, and relatedness in the workplace (Ryan & Deci, 2000; Gagné & Deci, 2005). In managerial practice, motivation can be strengthened through recognition, rewards, supervisory support, development opportunities, and meaningful work design. These factors can increase employees' willingness to contribute to organizational objectives and to remain committed to the organization.

The work environment is another important antecedent of job attitudes. It includes both physical conditions, such as facilities, lighting, safety, and comfort, and psychosocial conditions, such as relationships with supervisors and colleagues. A supportive work environment can reduce discomfort, strengthen interpersonal attachment, and create a sense of belonging. Herzberg's two-factor theory is relevant here because working conditions, supervision, and interpersonal relations are hygiene-related factors that can reduce dissatisfaction, while achievement, responsibility, recognition, and growth strengthen motivation (Herzberg, 1968).

Job satisfaction is positioned as a mediating variable because it reflects employees' overall evaluative attitude toward their jobs. Spector (1997) explains job satisfaction as a widely studied work attitude associated with the assessment, causes, and consequences of employees' work experiences. In the organizational-behavior literature, job satisfaction is also treated as a general attitude toward one's job and is linked to withdrawal behavior, turnover intention, and organizational commitment (Robbins & Judge, 2019; Tett & Meyer, 1993).

Based on these arguments, this study aims to analyze the effect of work motivation and work environment on employee loyalty through job satisfaction as a mediating variable at Azana Hotel, Lampung Province. The revised manuscript preserves the substantive focus of the original draft while aligning the terminology, theoretical grounding, and statistical reporting with international journal standards.

## **Literature Review and Hypothesis Development**

### **1. Work Motivation and Job Satisfaction**

Work motivation is a psychological and managerial construct that explains why employees initiate and sustain work behavior. In the hospitality industry, motivation is important because employees are expected to deliver consistent service quality while managing guest expectations and operational pressure. Self-determination theory suggests that employees are more likely to internalize organizational goals when the workplace supports autonomy, competence, and relatedness (Ryan & Deci, 2000; Gagné & Deci, 2005). When employees receive recognition, incentives, and

supervisory support, they are more likely to perceive their work positively and experience higher job satisfaction. H1: Work motivation has a positive effect on job satisfaction.

## **2. Work Environment and Job Satisfaction**

A supportive work environment enables employees to perform tasks effectively and comfortably. The environment includes physical facilities and psychosocial relations that influence employees' emotional and behavioral responses. In a hotel setting, a safe, clean, and cooperative workplace can reduce stress and help employees develop positive attitudes toward their jobs. Prior work-environment theory and two-factor theory indicate that working conditions and interpersonal relations can prevent dissatisfaction and support a more satisfying work experience (Herzberg, 1968). H2: Work environment has a positive effect on job satisfaction.

## **3. Job Satisfaction and Employee Loyalty**

Job satisfaction represents employees' affective and cognitive evaluation of their job. Satisfied employees are more likely to develop attachment to the organization, show commitment, and continue working for the employer. The relationship between satisfaction and loyalty is consistent with social exchange theory: when employees perceive that the organization provides fair, supportive, and satisfying work conditions, they are more likely to reciprocate through loyalty and positive work behavior (Blau, 1964). Hospitality research similarly treats job satisfaction as an important antecedent of employee loyalty and service performance (Heskett et al., 1994; Phuong & Vinh, 2020). H3: Job satisfaction has a positive effect on employee loyalty.

## **4. Direct Effects of Motivation and Work Environment on Employee Loyalty**

Motivation and work environment may also influence employee loyalty directly. Motivated employees may feel that organizational goals are aligned with their personal needs, while a supportive work environment can create comfort and attachment to the organization. These direct relationships are relevant for hotel management because employees may decide to remain with an employer not only because they are satisfied but also because the organization provides meaningful work, supportive leadership, and a conducive working environment. H4: Work motivation has a positive effect on employee loyalty; H5: Work environment has a positive effect on employee loyalty.

## **5. Mediating Role of Job Satisfaction**

Job satisfaction may explain how motivation and work environment translate into employee loyalty. Motivation and work environment first shape employees' evaluation of their work experience; this evaluation then influences whether employees feel committed to the organization and are willing to stay. Empirical work on motivation, work environment, job satisfaction, and loyalty in hotel contexts supports this logic, including research on hotel employees in Pekanbaru that found motivation and work environment to be related to loyalty through job satisfaction (Pinasthika & Kasmiruddin, 2025). H6: Job satisfaction mediates the relationship between work motivation and employee loyalty; H7: Job satisfaction mediates the relationship between work environment and employee loyalty.

## METHOD

### 1. Research Design

This study employed a quantitative explanatory design. Quantitative research is appropriate because the study transforms field observations into numerical data and uses statistical procedures to test hypothesized relationships among variables (Creswell & Creswell, 2018). The design is suitable for examining the causal and mediating relationships among work motivation, work environment, job satisfaction, and employee loyalty.

### 2. Research Site and Object

The study was conducted at Azana Hotel, Lampung Province. The research object was employees working at the hotel. The selection of the site was based on the presence of organizational phenomena related to attendance fluctuation and turnover-related indications, which may signal a decline in employee loyalty.

### 3. Population and Sampling

The population consisted of all employees of Azana Hotel, Lampung Province. If the total population is below 100 employees, total sampling or census sampling is recommended so that all employees are included as respondents. If the population exceeds this number, purposive sampling may be used with inclusion criteria such as permanent employment status and a minimum tenure of one year, because employees who meet these criteria are expected to have sufficient experience to evaluate motivation, work environment, job satisfaction, and loyalty.

### 4. Data Sources and Data Collection

The study used primary and secondary data. Primary data were collected through a structured closed-ended questionnaire. Secondary data were obtained from internal company documents, including employee attendance data, turnover-related records, and other relevant organizational information. Questionnaire items were measured using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree.

### 5. Variables and Measurement

The independent variables were work motivation (X1) and work environment (X2). Job satisfaction was treated as the mediating variable, and employee loyalty was treated as the dependent variable. The questionnaire items represented the indicators of each construct. The item codes reported in the original draft were retained for transparency, while the conceptual model was standardized so that job satisfaction functions as the mediator and employee loyalty functions as the outcome variable.

### 6. Data Analysis

The data were analyzed using measurement-model and path-analysis procedures. Convergent validity was evaluated through outer loading values, average variance extracted (AVE), and composite reliability (CR). Indicator loadings above 0.70, AVE values above 0.50, and CR values above 0.70 are generally interpreted as evidence of acceptable convergent validity and internal consistency in PLS-SEM applications (Fornell & Larcker, 1981; Hair et al., 2022). Mediation was assessed by interpreting the direct and indirect paths from motivation and work environment to employee loyalty through job satisfaction.

### 7. Ethical Considerations

Respondents should be informed that participation is voluntary, responses are confidential, and the data will be used only for academic research. No personally identifiable information should be reported in the final manuscript.

## RESULTS AND DISCUSSION

The measurement model was assessed using outer loading values for each retained indicator. The available data show that all retained indicators had loadings between 0.748 and 0.841, exceeding the 0.70 threshold commonly used for convergent validity assessment. This indicates that each retained indicator adequately represents its respective latent construct.

**Table 1. Convergent Validity Based on Outer Loadings**

Construct	Indicator	Outer loading	Decision
Work Motivation	X1.1	0.772	Valid
Work Motivation	X1.5	0.833	Valid
Work Environment	X2.1	0.801	Valid
Work Environment	X2.3	0.786	Valid
Work Environment	X2.4	0.790	Valid
Job Satisfaction	Y1.2	0.768	Valid
Job Satisfaction	Y1.3	0.804	Valid
Job Satisfaction	Y1.4	0.841	Valid
Job Satisfaction	Y1.5	0.821	Valid
Employee Loyalty	Z1.1	0.756	Valid
Employee Loyalty	Z1.2	0.831	Valid
Employee Loyalty	Z1.4	0.750	Valid
Employee Loyalty	Z1.5	0.748	Valid

*Note. Item codes follow the original data file. Conceptually, job satisfaction is treated as the mediating variable and employee loyalty as the dependent variable.*

**Table 2. Derived AVE and Composite Reliability**

Construct	Number of indicators	AVE	Composite reliability	Interpretation
Work Motivation	2	0.645	0.784	Acceptable
Work Environment	3	0.628	0.835	Acceptable
Job Satisfaction	4	0.654	0.883	Acceptable
Employee Loyalty	4	0.596	0.855	Acceptable

*Note. AVE and composite reliability were calculated from the outer loading values supplied in the draft; no unreported path coefficients, t-statistics, p-values, or confidence intervals were added.*

The narrative results indicate that work motivation and work environment positively influence job satisfaction, job satisfaction positively influences employee loyalty, and job satisfaction mediates the effects of motivation and work environment on loyalty. The available draft also states that the work environment has a slightly stronger direct contribution to loyalty than motivation, while job satisfaction has the strongest role in explaining loyalty. Because the supplied draft does not include numerical path coefficients, t-statistics, p-values, R-squared values, or bootstrapped confidence intervals, these inferential statistics should be inserted before final journal submission.

**Table 3. Hypothesis Summary Based on the Reported Path-Analysis Narrative**

Hypothesis	Path	Reported direction	Conclusion
H1	Work motivation -> Job satisfaction	Positive	Supported directionally
H2	Work environment -> Job satisfaction	Positive	Supported directionally
H3	Job satisfaction -> Employee loyalty	Positive	Supported directionally
H4	Work motivation -> Employee loyalty	Positive	Supported directionally
H5	Work environment -> Employee loyalty	Positive	Supported directionally
H6	Work motivation -> Job satisfaction -> Employee loyalty	Positive indirect effect	Supported directionally
H7	Work environment -> Job satisfaction -> Employee loyalty	Positive indirect effect	Supported directionally

### Discussion

The findings indicate that work motivation is positively associated with job satisfaction. This result is theoretically consistent with self-determination theory, which argues that employees are more motivated and psychologically engaged when the workplace supports autonomy, competence, and relatedness (Ryan & Deci, 2000; Gagné & Deci, 2005). In the context of Azana Hotel, motivational practices such as recognition, rewards, incentives, and supportive supervision may strengthen employees' positive evaluation of their jobs.

The work environment also appears to contribute positively to job satisfaction. A conducive environment can be understood as both a physical and psychosocial condition that supports employees in performing their work. Comfortable facilities, safe working conditions, harmonious relationships, and effective communication can reduce dissatisfaction and improve employees' overall work experience. This finding is consistent with Herzberg's distinction between motivators and hygiene factors, where poor working conditions may trigger dissatisfaction while supportive working conditions help sustain positive job attitudes (Herzberg, 1968).

Job satisfaction emerged as the most important factor in explaining employee loyalty. This result is consistent with the service-profit chain, which highlights the role of employee satisfaction in fostering employee loyalty and productivity in service organizations (Heskett et al., 1994). Satisfied hotel employees are more likely to feel emotionally attached to the organization, demonstrate commitment, and remain with the company. This is also consistent with meta-analytic evidence linking job satisfaction to turnover-related outcomes (Tett & Meyer, 1993).

The study further suggests that work motivation and work environment influence employee loyalty both directly and indirectly through job satisfaction. This mediating mechanism indicates that loyalty is strengthened when employees first experience satisfaction with their work. In practical terms, hotel management should not treat loyalty merely as a behavioral expectation; it must be supported by human-resource practices that increase satisfaction. Employees are more likely to stay loyal when they perceive that the organization values their contributions, provides a conducive work environment, and creates a fair and satisfying employment experience.

The finding that the work environment has a slightly stronger direct influence on loyalty than motivation is relevant for hospitality management. Hotel employees operate in a highly interactive service setting, where daily working conditions and interpersonal relationships can strongly influence emotional comfort and organizational attachment. Therefore, improvement of the work environment should be prioritized alongside motivational policies.

### **Managerial Implications**

First, hotel management should strengthen motivational systems through fair incentives, recognition, performance feedback, and career-development opportunities. These practices can increase employees' sense of value and strengthen job satisfaction.

Second, management should improve both the physical and social work environment. Physical improvements may include cleanliness, safety, equipment availability, lighting, and workspace comfort, while psychosocial improvements may include supervisory support, teamwork, communication, and conflict resolution.

Third, job satisfaction should be treated as a strategic human-resource outcome. Regular satisfaction surveys, employee feedback mechanisms, and responsive managerial interventions can help the hotel identify early signs of dissatisfaction and prevent loyalty decline.

Fourth, because job satisfaction mediates the relationship between antecedent variables and loyalty, loyalty programs should not rely only on retention rules or administrative policies. They should be integrated with motivation and work-environment strategies that improve employees' daily work experience.

### **CONCLUSION**

This study concludes that work motivation and work environment positively contribute to employee job satisfaction at Azana Hotel, Lampung Province. Job satisfaction has the strongest role in explaining employee loyalty and functions as a mediating variable linking motivation and work environment to loyalty. Motivation and work environment also directly influence employee loyalty, although their direct effects are weaker than the role of job satisfaction. These findings indicate that employee loyalty can be strengthened through an integrated human-resource strategy that combines motivational practices, a supportive work environment, and job-satisfaction management. For hotel management, improving loyalty requires more than administrative retention efforts; it requires a consistent organizational commitment to creating motivating, comfortable, and satisfying work experiences for employees.

### **Limitations and Future Research**

This study has several limitations. First, the available draft reports outer loading values but does not include complete structural-model statistics such as path coefficients, standard errors, t-statistics, p-values, confidence intervals, R-squared, f-squared, Q-squared, or effect-size measures. These statistics should be added before journal submission to support inferential claims. Second, the study focuses on one hotel in Lampung Province; therefore, generalization to other hotels or regions should be made carefully. Third, the study uses a cross-sectional questionnaire design, which limits causal interpretation. Future research may use longitudinal data, multi-hotel samples, and additional variables such as leadership style, compensation fairness, work-life balance, organizational commitment, or employee engagement.

The earlier draft mentioned job training and work-life balance in the abstract, but these variables were not consistently measured in the method, results, or indicator table. Therefore, the revised manuscript positions them as possible future research variables rather than as tested variables in the present model.

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