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The Impact of Work Motivation and Compensation on Job Satisfaction among Tourism Employees in Manado City

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Abstract

This study examines the effects of work motivation and compensation on employee job satisfaction in the tourism sector in Manado City, Indonesia. While previous tourism human resource management studies have extensively investigated job satisfaction in hospitality settings, limited research has explored how motivation and compensation influence employee satisfaction amid ongoing changes in the tourism industry. This study addresses this gap by investigating employee job satisfaction in contemporary hospitality workplaces characterized by evolving organizational and service demands. A quantitative approach with a cross-sectional survey design was employed. Data were collected from 77 employees of Hotel Luwansa Manado and Roger's Hotel Manado using purposive sampling. The research instrument consisted of validated questionnaire items measured on a five-point Likert scale. Data were analyzed using multiple linear regression with IBM SPSS Statistics version 26. The findings indicate that work motivation has a positive and significant effect on job satisfaction ($\beta = 0.412$; $t = 4.983$; $p < 0.001$), making it the strongest predictor in the model. Compensation also has a positive and significant effect on job satisfaction ($\beta = 0.389$; $t = 4.701$; $p < 0.001$). Simultaneously, both variables explain 55.8% of the variance in employee job satisfaction ($R^2 = 0.558$; $F = 47.231$; $p < 0.001$). This study contributes to tourism workforce literature by demonstrating that motivation remains a stronger determinant of job satisfaction than compensation in contemporary hospitality settings. The findings highlight the importance of balancing intrinsic motivational practices with fair compensation systems to improve employee satisfaction and retention. Practical implications suggest that tourism businesses should strengthen employee development, recognition programs, and compensation policies to enhance workforce sustainability and organizational performance.

Keywords: compensation; digital era; job satisfaction; tourism 4.0; work motivation

INTRODUCTION

The Industrial Revolution 4.0 has generated a wave of transformation that not only changes technology but also fundamentally reshapes how people work, serve customers, and find meaning in their occupations. As noted by Schwab (2016), this revolution integrates cyber-physical systems into everyday operations, while Buhalis and Leung (2018) emphasize that digital transformation has created interconnected smart tourism ecosystems. In parallel, Ivanov and Webster (2019) highlight the growing role of automation and artificial intelligence (AI) in transforming service delivery and workforce structures. In the tourism sector, these developments have led to the emergence of Tourism 4.0, where AI, the Internet of Things (IoT),

big data analytics, and cloud computing are embedded within the tourism value chain (Gretzel et al., 2015; Sigala, 2018). In the hospitality industry, this transformation is evident through cloud-based property management systems, self-check-in services, online reservation platforms, chatbot services, and AI-driven guest sentiment analysis (Limna, 2023; Tussyadiah, 2020). Consequently, hotel employees are required not only to provide excellent service but also to adapt continuously to digital innovation and technological change.

Although Tourism 4.0 has attracted growing scholarly attention, previous studies have primarily focused on technological adoption, smart tourism ecosystems, digital marketing, and customer experience enhancement. Comparatively limited attention has been given to the human resource dimension of Tourism 4.0, particularly how digital transformation reshapes employee motivation, compensation expectations, and job satisfaction in hospitality workplaces. Existing studies on work motivation and compensation in tourism and hospitality largely examine conventional organizational settings and assume relatively stable work environments. As a result, these studies may no longer fully explain employee satisfaction within rapidly digitalizing tourism organizations.

Tourism 4.0 creates new working conditions where employees are required to continuously adapt to digital systems, online service platforms, automation, and technology-based performance monitoring. These changes may alter employee perceptions regarding workload, fairness, organizational support, career development, and psychological well-being. Tarafdar et al. (2019) argue that digital transformation can simultaneously improve efficiency while also generating technostress and increased work pressure. However, previous tourism workforce studies have rarely critically examined how these emerging digital conditions influence the relationship between work motivation, compensation, and job satisfaction.

Several empirical findings also remain inconsistent. Some studies indicate that compensation is the strongest predictor of employee satisfaction (Afriliyanti & Sabaruddin, 2025), while others emphasize the more dominant role of intrinsic motivation and psychological empowerment (Kim et al., 2019; Hatidja et al., 2024). In addition, many previous studies focus on established tourism destinations and large hospitality industries, leaving limited empirical evidence from developing tourism regions such as Eastern Indonesia. This creates an important contextual gap because tourism workforce dynamics may differ significantly across regions experiencing rapid tourism growth and digital transformation.

Manado City, the capital of North Sulawesi Province, occupies a strategic position in Indonesia's tourism landscape due to its world-class marine attractions, particularly Bunaken National Park and the Coral Triangle region. According to BPS Sulut (2023), foreign tourist arrivals through Sam Ratulangi International Airport increased by more than 350 percent compared to the previous year, while BPS Sulut (2024) reported a steady rise in hotel occupancy rates. This rapid recovery aligns with broader post-pandemic tourism trends observed globally (UNWTO, 2023). Such growth places increasing pressure on hotel operations, requiring not only improved service quality but also adaptive and competent human resources.

Among the hotels responding to this growth are Hotel Luwansa Manado and Roger's Hotel Manado, which represent different market segments yet share a commitment to digital adoption. As argued by Law et al. (2014), technology adoption in hospitality significantly enhances

operational efficiency and customer experience. However, this shift also increases expectations for employees, who must integrate technological competencies with service excellence (Mariani et al., 2018). Behind this positive growth lies a critical human resource dimension. Employee job satisfaction plays a central role in determining service quality, customer satisfaction, and organizational performance. Chi and Gursoy (2009) found that employee satisfaction directly influences customer satisfaction and financial outcomes, while Karatepe (2013) demonstrated that satisfied employees are more likely to deliver consistent and high-quality service. In service-intensive industries such as hospitality, where human interaction is central, employees are key drivers of competitive advantage (Baum, 2015).

In the Tourism 4.0 era, job satisfaction is increasingly shaped by digital readiness, learning opportunities, and psychological empowerment. Gagné and Deci (2005) argue that intrinsic motivation driven by autonomy, competence, and relatedness is essential in modern workplaces. This perspective is further reinforced by Deci and Ryan (2000), who emphasize the importance of fulfilling psychological needs to enhance employee well-being. Classical motivation theory also highlights that human needs, ranging from basic to self-actualization, influence work behavior and satisfaction (Maslow, 1943), while contemporary perspectives emphasize that motivation is a dynamic process influenced by both individual and organizational factors (Pinder, 2008).

Two variables consistently identified as key determinants of job satisfaction are work motivation and compensation. Work motivation refers to internal and external forces that influence behavior direction, intensity, and persistence (Diefendorff et al., 2022). Compensation, on the other hand, encompasses both financial and non-financial rewards provided to employees (Milkovich et al., 2020). Dessler (2020) emphasizes that effective compensation systems not only enhance satisfaction but also improve employee retention and performance. In addition, organizational behavior literature highlights that fair compensation systems and supportive work environments are essential predictors of employee satisfaction (Robbins & Judge, 2021; Luthans, 2011).

From a theoretical perspective, Herzberg's Two-Factor Theory explains that intrinsic factors (motivators) and extrinsic factors (hygiene factors) jointly influence job satisfaction (Herzberg et al., 1959). Furthermore, Adams' Equity Theory suggests that perceived fairness in compensation plays a crucial role in shaping employee attitudes and satisfaction (Adams, 1965). However, the applicability of these theories within Tourism 4.0 environments remains insufficiently explored, particularly in tourism destinations experiencing rapid digital transformation and changing organizational structures. The implementation of digital human resource management (HRM) systems, electronic performance monitoring, and technology-mediated work interactions may reshape employee perceptions regarding motivation, fairness, and organizational support (Parry & Strohmeier, 2014; Strohmeier, 2020).

Empirical studies further support the relationship between motivation, compensation, and job satisfaction. Santika et al. (2024) demonstrated that motivation and compensation simultaneously influence employee satisfaction in Indonesian resort settings. Afriliyanti and Sabaruddin (2025) confirmed the positive impact of compensation on hotel employee satisfaction in Yogyakarta, while Hatidja et al. (2024) highlighted the importance of motivation in improving satisfaction in Bali hotels. Internationally, Kim et al. (2019) found that employee motivation

significantly contributes to service performance and satisfaction, while Alrawahi et al. (2020) confirmed that both intrinsic and extrinsic factors influence job satisfaction across service industries. Additionally, Karatepe and Olugbade (2017) emphasized that employee engagement mediates the relationship between motivation and job outcomes in hospitality settings.

Despite the abundance of studies, research focusing on developing tourism destinations in Eastern Indonesia, particularly Manado City, remains limited. Furthermore, few studies explicitly examine how Tourism 4.0 and digital transformation create new conditions influencing employee motivation, compensation perceptions, and job satisfaction in hospitality workplaces. Therefore, this study seeks to address this gap by examining the influence of work motivation and compensation on employee job satisfaction within the evolving context of Tourism 4.0 in Manado City hotels. The novelty of this study lies in its effort to reposition classical human resource variables motivation and compensation within the contemporary context of Tourism 4.0. Rather than merely replicating established relationships, this study explores how digital transformation and changing tourism work environments influence employee satisfaction in a rapidly developing tourism destination. The study contributes to Tourism 4.0 scholarship by extending discussion beyond technological systems toward the human and organizational dimensions of digital tourism transformation.

RESEARCH METHOD

This study employed a quantitative research design to examine the relationships among the research variables in the hospitality industry. Data were collected through a survey using a structured questionnaire distributed to employees who met the predetermined sampling criteria. The sampling technique used was purposive sampling. This technique was selected because it enables researchers to obtain information from respondents who possess specific knowledge, experience, and characteristics relevant to the research objectives (Sugiyono, 2023; Creswell & Creswell, 2018; Saunders et al., 2019). The respondents were selected based on the following criteria: (1) employees with a minimum tenure of six months, (2) aged between 20 and 55 years, (3) actively interacting with digital operational systems in their work environment, and (4) willing to participate voluntarily in the study. Based on these criteria, a total of 77 valid responses were obtained and included in the analysis.

The adequacy of the sample size was assessed using several methodological considerations. Initially, the minimum sample size was evaluated based on the recommendations for multivariate analysis and Partial Least Squares Structural Equation Modeling (PLS-SEM), which suggest that the sample size should be sufficient relative to the complexity of the structural model (Hair et al., 2019; Tabachnick & Fidell, 2013). Although the commonly used ten-times rule served as an initial guideline, recent methodological literature recommends complementing this approach with statistical power considerations to ensure adequate sample adequacy (Kock & Hadaya, 2018). Therefore, following Cohen (1988), sample adequacy was evaluated based on a significance level (α) of 0.05, a statistical power of 0.80, and a medium effect size ($f^2 = 0.15$). Considering the model complexity and the number of valid responses obtained, the final sample size was deemed sufficient for estimating the proposed relationships and conducting hypothesis

testing. Furthermore, the sample size met the general recommendations for behavioral and social science research (Sekaran & Bougie, 2016).

Data were collected using a structured questionnaire consisting of 32 measurement items. All items were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) (Likert, 1932). The questionnaire measured three constructs, namely work motivation (10 items), compensation (10 items), and job satisfaction (12 items). The measurement items were adapted from established theories and previous empirical studies to ensure content validity. Details of the constructs, indicators, and measurement sources are presented in Table 1.

The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. PLS-SEM was selected because it is suitable for predictive and exploratory research, accommodates relatively small sample sizes, and does not require strict multivariate normality assumptions (Hair et al., 2022). The analysis was conducted in two stages. First, the measurement model (outer model) was evaluated to assess indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. Second, the structural model (inner model) was evaluated to examine the hypothesized relationships among constructs through path coefficients, coefficient of determination (R^2), effect size (f^2), and significance testing using the bootstrapping procedure (Hair et al., 2022).

Table 1. Operationalization of Research Variables

Variable	Dimension	Indicators	Source
Work Motivation (X_1)	Intrinsic	Recognition of achievement, sense of responsibility, growth opportunities, meaningfulness of work, digital competence	Herzberg (1959); Vroom (1964); Al-Kharabsheh et al. (2023)
	Extrinsic	Reward system, working conditions, job security, workplace relationships, organizational support	Herzberg (1959); Mangkunegara (2021)
Compensation (X_2)	Direct Financial	Basic salary, performance bonus, overtime pay, holiday allowance	Milkovich et al. (2020); Dessler (2020)
	Indirect Financial	Health insurance, employment social security, transportation allowance	Milkovich et al. (2020)
	Non-Financial/Digital	Digital skills training, flexible scheduling, non-monetary recognition, adequate work facilities	Afriliyanti S Sabaruddin (2025)
Job Satisfaction (Y)	Multidimensional	The job itself, compensation, promotion, supervision, co-workers, digital adaptation support	Locke (1976); Robbins S Judge (2021); Luthans (2011); Wahyuni S Kusuma (2024)

Source: Adapted from various references, 2026

Table 1 presents the operationalization of the research variables, illustrating how each construct is translated into measurable indicators based on established theoretical frameworks. Work motivation is conceptualized through both intrinsic and extrinsic dimensions, while compensation encompasses financial and non-financial aspects, including digital-related benefits. Job satisfaction is measured as a multidimensional construct reflecting both traditional and

contemporary workplace factors. The study employed a quantitative research design using a survey method. A purposive sampling technique was used to select respondents who met the predetermined criteria. Respondents were required to (1) have worked for at least six months, (2) be between 20 and 55 years old, (3) actively interact with digital operational systems in their workplace, and (4) be willing to participate voluntarily in the study. Purposive sampling was considered appropriate because it enables researchers to obtain information from individuals possessing relevant knowledge and experience related to the research objectives (Sugiyono, 2023; Creswell & Creswell, 2018; Saunders et al., 2019).

A total of 77 valid responses were obtained and used in the analysis. Sample adequacy was initially assessed based on the recommendations for multivariate analysis and Partial Least Squares Structural Equation Modeling (PLS-SEM), which suggest that the minimum sample size should be proportional to the complexity of the research model (Hair et al., 2019; Tabachnick & Fidell, 2013). However, considering recent methodological recommendations, sample adequacy was further evaluated using statistical power considerations. Following Cohen (1988), a statistical power level of 0.80, a significance level of 0.05, and a medium effect size ($f^2 = 0.15$) were considered appropriate benchmarks for detecting meaningful relationships among variables. Therefore, the final sample size was considered adequate for hypothesis testing and parameter estimation (Hair et al., 2022; Kock & Hadaya, 2018; Sekaran & Bougie, 2016).

Prior to the main data collection, a pilot study involving 30 respondents was conducted to evaluate the validity and reliability of the research instrument. Item validity was tested using Pearson Product-Moment Correlation, where items were considered valid if the calculated correlation coefficient exceeded the critical value (Sugiyono, 2023). All items were found to be valid. Reliability was assessed using Cronbach's Alpha, with a threshold of $\alpha \geq 0.70$ indicating acceptable internal consistency (Hair et al., 2019; Ghozali, 2021). The results showed that all variables met the reliability criteria, indicating that the instrument was suitable for further analysis.

Data were collected using a structured questionnaire consisting of 32 items measured on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) (Likert, 1932). The instrument measured three variables: work motivation (10 items), compensation (10 items), and job satisfaction (12 items). Details of the constructs, indicators, and measurement sources are presented in Table 1. Data analysis was conducted using IBM SPSS Statistics version 26 through several stages. First, descriptive statistical analysis was performed to determine the mean and standard deviation of each variable. Second, classical assumption tests were conducted, including normality (Kolmogorov–Smirnov test), multicollinearity (Variance Inflation Factor and tolerance values), and heteroscedasticity (scatterplot analysis) (Field, 2013; Pallant, 2020). Third, multiple linear regression analysis was employed to examine the influence of work motivation (X_1) and compensation (X_2) on job satisfaction (Y), using the following model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

where Yrepresents job satisfaction, X_1represents work motivation, X_2represents compensation, $\alpha$is the constant, $\beta_1$and $\beta_2$are the regression coefficients, and $\varepsilon$is the error term. Hypothesis testing was conducted using partial t-tests to examine the individual effects of independent variables and

an F-test to evaluate their simultaneous effect at a significance level of $\alpha = 0.05$ (Hair et al., 2019). Finally, the coefficient of determination (R^2) was used to measure the proportion of variance in job satisfaction explained by the independent variables, following the interpretation guidelines of Cohen (1988).

RESULT AND DISCUSSION

Of the 77 research respondents, 44 individuals (57.1%) were male and 33 individuals (42.9%) were female. The age distribution was dominated by the 31–40 years group (45.5%; *n* = 35), followed by the 20–30 years group (36.4%; *n* = 28), and the 41–50 years group (18.2%; *n* = 14), reflecting a productive workforce with relevant work experience. In terms of educational background, the largest proportion of respondents held Diploma qualifications (D1–D3) (40.3%; *n* = 31), followed by Bachelor's degrees (S1) (35.1%; *n* = 27), and Senior High School/Vocational High School qualifications (24.7%; *n* = 19). Length of service was primarily distributed within the ranges of 1–3 years (37.7%; *n* = 29) and 4–6 years (32.5%; *n* = 25). Departmental distribution showed that FSB Service constituted the largest group (28.6%), followed by Front Office (23.4%), Housekeeping (22.1%), Engineering/IT (15.6%), and HRD/Accounting (10.4%).

Table 2. Respondents' Demographic Profile (*n* = 77)

Characteristic	Category	n	Percentage (%)
Gender	Male	44	57.1
	Female	33	42.9
Age	20–30 years	28	36.4
	31–40 years	35	45.5
	41–50 years	14	18.2
Education	Senior High School/Vocational High School	19	24.7
	Diploma (D1–D3)	31	40.3
	Bachelor's Degree (S1)	27	35.1
Length of Service	< 1 year	8	10.4
	1–3 years	29	37.7
	4–6 years	25	32.5
	> 6 years	15	19.5
Department	Front Office	18	23.4
	FSB Service	22	28.6
	Housekeeping	17	22.1
	Engineering / IT	12	15.6
	HRD / Accounting	8	10.4
Hotel Origin	Hotel Luwansa Manado	42	54.5
	Roger's Hotel Manado	35	45.5

Source: Primary data, processed (2026).

The results of the validity test in the pilot study (n = 30) indicated that all 32 questionnaire items obtained calculated correlation coefficients exceeding the critical value of r = 0.361, with values ranging from 0.387 to 0.812. Therefore, all items were declared valid. In the subsequent

test using the full sample (n = 77), with a critical value of r = 0.224, all items also remained valid. The reliability test using Cronbach's Alpha produced the following results: Work Motivation α = 0.876 (excellent), Compensation α = 0.851 (excellent), and Job Satisfaction α = 0.912 (excellent). All coefficients substantially exceeded the minimum threshold of 0.70, confirming strong internal consistency and indicating that the instrument was reliable for inferential analysis (Hair et al., 2019; Ghozali, 2021).

The Kolmogorov–Smirnov normality test produced an Asymp. Sig. value of 0.142 (p > 0.05), confirming that the residuals were normally distributed. The multicollinearity test showed that the Variance Inflation Factor (VIF) values for Work Motivation and Compensation were both 1.893 (< 10), with Tolerance values of 0.528 (> 0.10), indicating the absence of multicollinearity problems. The heteroscedasticity test, assessed through scatterplot examination, demonstrated a random distribution of residual points with no systematic pattern around the zero line, thereby confirming homoscedasticity. Since all classical assumptions were satisfied, the use of multiple linear regression analysis was considered appropriate and statistically valid.

Table 3. Descriptive Statistics of Research Variables (*n* = 77)

Variable	Min	Max	Mean (M)	Std. Dev.	Category
Work Motivation (X_1)	2.60	5.00	3.842	0.671	Good
Compensation (X_2)	2.40	5.00	3.715	0.689	Fairly Good
Job Satisfaction (Y)	2.33	5.00	3.771	0.695	Good

Source: IBM SPSS v.26 output, processed (2025).

Category scale: 1.00–1.80 = Very Low; 1.81–2.60 = Low; 2.61–3.40 = Moderate; 3.41–4.20 = Good; 4.21–5.00 = Very Good.

The mean scores for Work Motivation (M = 3.842) and Job Satisfaction (M = 3.771) were classified in the Good category, while Compensation (M = 3.715) was categorized as Fairly Good, indicating meaningful room for improvement in compensation-related aspects. The relatively higher standard deviation of Compensation (SD = 0.689) suggests greater heterogeneity in respondents' perceptions regarding the compensation system, which may reflect differences in reward structures and employee experiences between Hotel Luwansa Manado and Roger's Hotel Manado.

Table 4. Results of Multiple Linear Regression Analysis

Variable	B	Std. Error	β	t-value	Sig.	Remarks
Constant	0.631	0.221	—	2.847	0.006	—
Work Motivation (X_1)	0.427	0.086	0.412	4.983	0.000	Significant**
Compensation (X_2)	0.393	0.084	0.389	4.701	0.000	Significant**

$R = 0.747$ | $R^2 = 0.558$ | Adjusted $R^2 = 0.546$ | F-value = 47.231 | Sig. F = 0.000 | $p < 0.001$

Source: IBM SPSS Statistics v.26 output, processed (2025).

The relatively high level of work motivation indicates that employees remain strongly committed to their work despite the dynamic nature of the hospitality industry. This finding may reflect the importance of intrinsic motivational factors such as achievement, recognition,

professional development, and opportunities for career advancement. In addition, the ongoing digital transformation within hotel operations may encourage employees to continuously improve their competencies and adapt to technology-based work systems, thereby enhancing their sense of achievement and engagement.

In contrast, compensation received the lowest mean score among the three variables. This finding suggests that employees perceive existing compensation arrangements as less satisfactory than other aspects of their employment. One possible explanation is that digital transformation has increased job complexity and performance expectations. Employees are increasingly required to utilize digital platforms, adapt to new technologies, and perform additional technology-related tasks. However, compensation systems may not have fully adjusted to these changing job demands. Consequently, while employees remain motivated to contribute and develop professionally, they may perceive that the rewards received do not entirely reflect their increasing responsibilities.

These findings suggest that digital transformation plays a dual role in shaping employee attitudes. On one hand, digitalization creates opportunities for learning, innovation, and career development that strengthen employee motivation. On the other hand, it may generate concerns regarding compensation adequacy if reward systems do not evolve at the same pace as technological and organizational changes.

The estimated regression model is:

$$\hat{Y} = 0{,}631 + 0{,}427\,X_1 + 0{,}393\,X_2 + \varepsilon$$

The regression equation can be interpreted as follows. The constant value of 0.631 indicates that a positive baseline level of job satisfaction exists even when both predictors are equal to zero, reflecting the possible contribution of latent factors such as organizational culture, identification with the hotel brand, and informal social relationships in the workplace. The unstandardized coefficient for Work Motivation (B = 0.427) implies that each one-unit increase in work motivation is associated with an increase of 0.427 units in job satisfaction, ceteris paribus. Similarly, the coefficient for Compensation (B = 0.393) indicates that each one-unit increase in perceived compensation contributes to a 0.393-unit increase in job satisfaction, assuming other variables remain constant.

The coefficient of determination (R^2 = 0.558) reveals that 55.8% of the variation in employee job satisfaction at Hotel Luwansa Manado and Roger's Hotel Manado can be jointly explained by work motivation and compensation, while the remaining 44.2% is attributable to other variables outside the scope of this study. According to Cohen (1988), this level of explanatory power can be considered moderate to substantial in behavioral and organizational research, indicating that the model provides meaningful explanatory value.

In addition to statistical significance, the effect size of each predictor was evaluated using standardized regression coefficients. The results indicate that Work Motivation (β = 0.412) exerts a slightly stronger influence on Job Satisfaction than Compensation (β = 0.389). Although both variables contribute substantially to employee satisfaction, motivation appears to play a more prominent role in explaining employee attitudes within the hospitality sector.

To further assess the robustness of the findings, 95% confidence intervals were calculated. Work Motivation demonstrated a positive effect on Job Satisfaction (B = 0.427, 95% CI [0.256, 0.598]), while Compensation also showed a positive effect (B = 0.393, 95% CI [0.226, 0.560]). Since neither confidence interval includes zero, the positive effects of both predictors can be considered statistically stable and reliable.

From a practical perspective, the findings indicate that improving employee motivation may generate slightly greater improvements in job satisfaction than compensation enhancements alone. Nevertheless, compensation remains an important determinant of employee satisfaction. Therefore, hotel management should implement a balanced strategy that combines competitive compensation systems with initiatives designed to strengthen employee motivation, including career development programs, recognition mechanisms, employee empowerment, and continuous learning opportunities. Such initiatives are particularly important in the era of digital transformation, where employees are increasingly expected to adapt to technology-based work systems and continuously upgrade their competencies.

Table 5. Summary of Hypothesis Testing Results

H	Hypothesis Statement	Test Value	Sig.	Decision
H1	Work Motivation → Job Satisfaction (partial)	t = 4.983	0.000	✓ Accepted
H2	Compensation → Job Satisfaction (partial)	t = 4.701	0.000	✓ Accepted
H3	Work Motivation + Compensation → Job Satisfaction (simultaneous)	F = 47.231	0.000	✓ Accepted

Source: IBM SPSS Statistics v.26 output, processed (2025).

Hypothesis H1 was accepted, as the calculated t-value of 4.983 exceeded the critical t-value of 1.992 (df = 74; α = 5%), with a significance value of 0.000 < 0.05. This indicates that work motivation has a positive and significant effect on job satisfaction. Hypothesis H2 was also accepted because the calculated t-value of 4.701 was greater than the critical t-value of 1.992, with a significance value of 0.000 < 0.05, confirming that compensation has a positive and significant effect on job satisfaction. Furthermore, H3 was accepted since the calculated F-value of 47.231 exceeded the critical F-value of 3.12 (df1 = 2; df2 = 74; α = 5%), with a significance value of 0.000 < 0.05. Therefore, work motivation and compensation simultaneously have a positive and significant effect on job satisfaction.

DISCUSSION

Effect of Work Motivation on Job Satisfaction

The acceptance of H1, with a standardized coefficient of β = 0.412, identifies work motivation as the strongest predictor in this study and reinforces the importance of intrinsic factors in shaping employee job satisfaction. Employees of Hotel Luwansa Manado and Roger's Hotel Manado who perceive recognition for their achievements, are entrusted with meaningful responsibilities, and observe opportunities for professional growth tend to report higher levels of job satisfaction. This finding supports Herzberg's Two-Factor Theory, which argues that motivator factors contribute directly to positive work attitudes and long-term satisfaction (Bandhu et al., 2024).

More importantly, the dominance of motivation over compensation suggests that employees increasingly value psychological and developmental aspects of work in addition to economic rewards. While compensation remains important, the results indicate that employees derive satisfaction from opportunities to learn, achieve, and contribute meaningfully to organizational goals. This finding is particularly relevant in contemporary hospitality environments, where employees are frequently expected to adapt to changing technologies, service standards, and customer expectations.

Although this study did not directly measure digital transformation or Tourism 4.0 readiness, the findings may reflect broader changes occurring within the hospitality industry. Previous studies suggest that increasing technological integration has altered the nature of hospitality work by emphasizing adaptability, continuous learning, and skill development (Al-Kharabsheh et al., 2023). Under such conditions, motivational factors may become increasingly important because employees seek opportunities for personal growth and competence development alongside traditional employment benefits. Therefore, the continuing dominance of motivation does not necessarily contradict Herzberg's theory but may indicate that intrinsic motivators remain highly relevant in modern hospitality workplaces.

Nevertheless, the findings also raise an important theoretical consideration. Traditional motivation theories were developed before the emergence of highly digitalized work environments. While Herzberg's framework remains useful for explaining employee satisfaction, contemporary workplaces may blur the distinction between intrinsic and extrinsic factors. For example, access to training, digital learning opportunities, technological support, and flexible work arrangements may simultaneously function as organizational resources and sources of intrinsic motivation. Future studies should therefore examine whether classical motivational frameworks require adaptation to better explain employee behavior in increasingly technology-enabled workplaces.

Effect of Compensation on Job Satisfaction

The confirmation of H2 ($\beta = 0.389$; $p < 0.001$) demonstrates that a fair, transparent, and competitive compensation system constitutes an essential foundation of job satisfaction. This finding is consistent with Herzberg's classification of compensation as a hygiene factor that reduces dissatisfaction when adequately provided. The lower mean score of compensation ($M = 3.715$), compared with work motivation ($M = 3.842$) and job satisfaction ($M = 3.771$), identifies compensation as the area most requiring managerial attention. Santika et al. (2024) and Afriliyanti and Sabaruddin (2025) reported similar findings in Indonesian hospitality settings, where perceived fairness of compensation was often more influential than the absolute amount received.

The relatively lower evaluation of compensation may also indicate changing employee expectations in contemporary workplaces. Employees increasingly compare their rewards not only within their organizations but also with external labor markets and industry standards. Greater access to employment information, career platforms, and professional networks may increase awareness of compensation disparities and influence perceptions of fairness. Consequently, employees may place greater emphasis on transparency, equity, and career-related rewards when evaluating compensation systems.

Although this study does not directly measure the effects of digitalization, it is reasonable to suggest that technological and organizational changes may contribute to evolving employee expectations. However, such interpretations should be viewed as contextual explanations rather than direct empirical findings of the present study. Future research incorporating explicit measures of digital transformation would provide stronger evidence regarding the relationship between technological change, compensation perceptions, and job satisfaction.

Simultaneous Effect and Managerial Implications

The coefficient of determination (R^2 = 0.558) reveals that the combination of work motivation and compensation explains 55.8% of the variation in employee job satisfaction. This represents moderate-to-high explanatory power in organizational behavior research (Cohen, 1988) and confirms the relevance of the proposed model. The findings indicate that employee job satisfaction is shaped by both intrinsic and extrinsic factors, consistent with established theories of work motivation and employee behavior. The standardized coefficients further demonstrate that work motivation (β = 0.412) exerts a slightly stronger influence than compensation (β = 0.389). Although the difference is relatively small, it suggests that managerial interventions aimed at strengthening motivation may generate greater improvements in job satisfaction than compensation increases alone. Programs such as employee recognition, career development, skill enhancement, job enrichment, and participative decision-making may therefore provide substantial returns for organizations seeking to improve employee satisfaction.

At the same time, compensation should not be overlooked. The findings indicate that motivation and compensation function as complementary rather than competing factors. Strong motivation may enhance employee engagement and performance, but inadequate compensation can undermine positive attitudes over time. Therefore, hotel managers should adopt a balanced human resource strategy that simultaneously addresses employees' developmental needs and perceptions of reward fairness. Finally, although the discussion has considered the broader context of technological change in the hospitality industry, the present study did not directly measure Tourism 4.0 implementation or digital transformation variables. Consequently, conclusions regarding the influence of digitalization should be interpreted cautiously. Future studies should explicitly incorporate measures of digital transformation, technological readiness, and digital competencies to better understand how emerging technologies reshape the relationships among motivation, compensation, and job satisfaction.

CONCLUSION

This study produced three main findings. First, work motivation has a positive and significant effect on the job satisfaction of employees at Hotel Luwansa Manado and Roger's Hotel Manado (β = 0.412; t = 4.983; $p < 0.001$), making it the strongest predictor in the research model. Second, compensation also has a positive and significant effect on job satisfaction (β = 0.389; t = 4.701; $p < 0.001$), indicating that fair and adequate rewards remain an important determinant of employee satisfaction. Third, work motivation and compensation simultaneously influence job satisfaction (F = 47.231; R^2 = 0.558; $p < 0.001$), jointly explaining 55.8% of the variance in employee job satisfaction.

This study contributes to the human resource management and hospitality literature by demonstrating that work motivation remains a stronger predictor of job satisfaction than compensation, even in a contemporary hospitality environment characterized by increasing technological and organizational change. The findings support Herzberg's Two-Factor Theory while suggesting that intrinsic motivators continue to play a central role in shaping employee satisfaction. Furthermore, the study extends the existing literature by examining employee attitudes within the context of a hospitality industry undergoing digital transformation. Although digital transformation was not directly measured, the study highlights the potential relevance of technology-related work conditions in understanding employee motivation and satisfaction. In addition, this research provides empirical evidence from Manado City, Eastern Indonesia, a region that remains underrepresented in international hospitality and tourism human resource management research.

The findings suggest that hotel managers should adopt a balanced human resource strategy that simultaneously strengthens employee motivation and compensation. Given that motivation emerged as the strongest predictor, management should prioritize initiatives such as employee recognition programs, career development opportunities, job enrichment, mentoring systems, and continuous professional learning. At the same time, compensation systems should be reviewed regularly to ensure fairness, transparency, and competitiveness within the hospitality labor market. Organizations should also consider providing development-oriented benefits, including training support, professional certification opportunities, and flexible work arrangements, to enhance employee satisfaction and retention.

The findings also have implications for policymakers and tourism stakeholders. The Manado City Tourism Office and other relevant authorities may consider developing workforce development initiatives that strengthen employee competencies and career development within the hospitality sector. In addition, policymakers may encourage industry-wide standards related to employee welfare, professional development, and fair compensation practices to support sustainable tourism workforce development. Such initiatives may contribute to improving service quality, employee retention, and the overall competitiveness of the tourism industry.

This study has several limitations. First, the cross-sectional design captured employee perceptions at a single point in time and therefore could not assess changes in job satisfaction over time. Future longitudinal studies may provide a deeper understanding of how employee attitudes evolve in response to organizational and technological changes. Second, the focus on only two hotels in Manado City limits the generalizability of the findings to other hotel categories, destinations, and tourism sectors. Third, 44.2% of the variance in job satisfaction remained unexplained, indicating opportunities for future studies to examine additional predictors such as transformational leadership, organizational culture, work–life balance, organizational commitment, digital literacy, and technostress. Future research is also encouraged to directly measure digital transformation variables in order to better understand how technological change influences employee motivation, compensation perceptions, and job satisfaction within the hospitality industry.

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