



Compensation and Workload as Determinants of Employee Loyalty: Evidence from Ibis Styles Sam Ratulangi Makassar

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Abstract	
<p>Keywords: <i>Compensation, Workload, and Employee Loyalty</i></p> <p>Conflict of Interest Statement: The author(s) declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.</p> <p>Copyright © 2025 POVREMA. All rights reserved.</p>	<p>Purpose: This study aims to examine the effect of compensation and workload on employee loyalty at Ibis Styles Sam Ratulangi Makassar. Research Design and Methodology: This study employed a quantitative approach with an explanatory research design. Data were collected through questionnaires distributed to employees of Ibis Styles Sam Ratulangi Makassar. The sample was determined using a proportional sampling technique. Data analysis was conducted using multiple linear regression, supported by validity and reliability tests, correlation analysis, coefficient of determination, and hypothesis testing (t-test and F-test). Findings and Discussion: The results indicate that compensation has a positive and significant effect on employee loyalty. Workload also has a significant effect on employee loyalty. Simultaneously, compensation and workload significantly influence employee loyalty. Implications: The findings suggest that hotel management should provide fair compensation and manage employee workload effectively in order to strengthen employee loyalty.</p>

Introduction

Employee loyalty is an important issue in the hospitality industry, where service quality is highly dependent on the commitment and stability of employees. Hotels require loyal employees who are willing to remain with the organization, demonstrate dedication, and provide consistent service to guests. However, many hotels face challenges related to employee turnover and declining loyalty, which can disrupt operations and reduce service quality.

One of the key factors influencing employee loyalty is compensation. Employees expect fair and competitive compensation in exchange for their contributions. In addition, workload also plays a crucial role in shaping employee attitudes toward the organization. Excessive workload may lead to fatigue and dissatisfaction, while balanced workload can create a more supportive work environment. Therefore, understanding how compensation and workload affect employee loyalty is essential for hotel management.

Previous studies have shown that compensation has a significant influence on employee loyalty. Employees who perceive their compensation as fair and adequate tend to exhibit higher organizational commitment and lower intention to leave. Similarly, workload has been found to affect employee loyalty, as heavy workload may increase stress and reduce employees' attachment to the organization.

Several empirical studies in Indonesia indicate that compensation and workload are important determinants of employee attitudes and behavior. However, most of these studies focus on manufacturing companies or large service organizations, while limited research has been conducted in the hotel industry, particularly in mid-scale hotels such as Ibis Styles. Although the relationships between compensation, workload, and employee loyalty have been widely discussed, limited empirical evidence is available regarding hotels in Makassar City. Each hotel has unique operational characteristics, work patterns, and human resource policies.

Therefore, a research gap exists in understanding how compensation and workload influence employee loyalty within the context of Ibis Styles Sam Ratulangi Makassar. Based on the identified gap, this study addresses the following research questions: (1) Does compensation significantly influence employee loyalty? (2) Does workload significantly influence employee loyalty? (3) Do compensation and workload simultaneously influence employee loyalty? Accordingly, this study aims to analyze the partial and simultaneous effects of compensation and workload on employee loyalty. The novelty of this study lies in its empirical focus on a mid-scale hotel in Makassar City, providing practical insights for human resource management in the hospitality industry.

Literature Review

Compensation

Compensation refers to all forms of financial and non-financial rewards provided by organizations to employees in exchange for their work contributions. Compensation includes wages, salaries, incentives, bonuses, allowances, and benefits. Fair and competitive compensation plays a crucial role in attracting, motivating, and retaining employees. In human resource management, compensation is considered a strategic tool for improving employee attitudes and behavior. Employees who perceive their compensation as fair tend to feel valued by the organization, which increases their commitment and loyalty.

Workload

Workload refers to the amount of tasks and responsibilities that must be completed by an employee within a certain period. Workload may include physical, mental, and time demands. Balanced workload occurs when job demands are aligned with employees' capacity and skills. Excessive workload may lead to stress, fatigue, and dissatisfaction, while reasonable workload can create a supportive work environment that encourages positive employee attitudes.

Employee Loyalty

Employee loyalty refers to employees' willingness to remain with the organization and demonstrate commitment, dedication, and responsibility. Loyal employees tend to support organizational goals, comply with organizational rules, and contribute positively to organizational performance. Employee loyalty is often reflected in low turnover intention, strong organizational commitment, and positive attitudes toward the organization.

Relationship between Compensation, Workload, and Employee Loyalty

Compensation and workload are important factors influencing employee loyalty. Adequate compensation increases employees' sense of fairness and appreciation, while manageable workload reduces stress and burnout. Together, these factors shape employees' perceptions of the organization and influence their willingness to remain loyal.

Hypotheses

Based on the theoretical review and previous empirical findings, the following hypotheses are proposed:

H1: Compensation has a positive and significant effect on employee loyalty.

H2: Workload has a significant effect on employee loyalty.

H3: Compensation and workload simultaneously have a significant effect on employee loyalty.

Research Design and Methodology

This study employed a quantitative approach with an explanatory research design to examine the effects of compensation and workload on employee loyalty. This design is appropriate because the

study aims to test hypotheses and identify causal relationships among variables. The research was conducted at Ibis Styles Sam Ratulangi Makassar. The population consisted of all employees working at the hotel. The sample was determined using a proportional sampling technique to ensure representation from different work units. Primary data were collected through a structured questionnaire distributed to respondents. The questionnaire was developed based on indicators of compensation, workload, and employee loyalty. Responses were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Secondary data were obtained from company documents and relevant literature. Before hypothesis testing, validity and reliability tests were conducted to ensure the quality of the research instruments. Data analysis was performed using multiple linear regression analysis. In addition, correlation analysis, coefficient of determination (R^2), t-tests, and F-tests were conducted to test the proposed hypotheses. Statistical analysis was carried out using SPSS software with a significance level of 0.05.

Findings and Discussion

Findings

Table 1. Validity and Reliability Test Results

Variable	Item	r-count (r-hit)	r-table ($\alpha=0.05$)	Cronbach's Alpha	Remark
Compensation (X1)	X1.1	0.7310	0.2542	0.873	Valid & Reliable
	X1.2	0.8779	0.2542	0.873	Valid & Reliable
	X1.3	0.8778	0.2542	0.873	Valid & Reliable
	X1.4	0.7489	0.2542	0.873	Valid & Reliable
	X1.5	0.8380	0.2542	0.873	Valid & Reliable
Workload (X2)	X2.1	0.4636	0.2542	0.775	Valid & Reliable
	X2.2	0.2643	0.2542	0.775	Valid & Reliable
	X2.3	0.5128	0.2542	0.775	Valid & Reliable
	X2.4	0.3160	0.2542	0.775	Valid & Reliable
	X2.5	0.4125	0.2542	0.775	Valid & Reliable
Employee Loyalty (Y)	Y1	0.3972	0.2542	0.866	Valid & Reliable
	Y2	0.2834	0.2542	0.866	Valid & Reliable
	Y3	0.2857	0.2542	0.866	Valid & Reliable
	Y4	0.5157	0.2542	0.866	Valid & Reliable
	Y5	0.4132	0.2542	0.866	Valid & Reliable

Source: Primary Data, 2025

The instrument validity was assessed by comparing each item's r-count (r-hit) with the r-table value of 0.2542 at a 5% significance level. The results indicate that all items across the three variables are valid, because every r-count exceeds r-table. This means each statement item is sufficiently correlated with its construct score and can appropriately represent the intended variable in subsequent analysis. Notably, X2.2 ($r = 0.2643$) is the lowest value but still meets the minimum validity threshold, so it remains acceptable for use.

Reliability was evaluated using Cronbach's Alpha with the acceptance criterion $\alpha > 0.60$. The reliability coefficients show that Compensation ($\alpha = 0.873$) and Employee Loyalty ($\alpha = 0.866$) demonstrate strong internal consistency, while Workload ($\alpha = 0.775$) shows good/acceptable reliability. Therefore, the questionnaire is considered consistent and dependable, supporting its use for further regression and hypothesis testing in the journal results section.

Table 2. Multicollinearity Test Results

Variable	Tolerance	VIF	Remark
Compensation (X1)	0.866	1.155	No multicollinearity
Workload (X2)	0.866	1.155	No multicollinearity

Source: Primary Data, 2025

Multicollinearity testing was conducted to examine whether high correlations exist among the independent variables in the regression model. A model is considered free from multicollinearity problems if the tolerance value is greater than 0.10 and the Variance Inflation Factor (VIF) is less than 10. As shown in Table 5, both compensation and workload have tolerance values of 0.866, which are well above the minimum threshold of 0.10. In addition, the VIF values for both variables are 1.155, which are far below the critical value of 10. These

results indicate that there is no multicollinearity problem between compensation and workload. Therefore, the two independent variables can be included simultaneously in the multiple linear regression model, and each variable is able to explain employee loyalty without overlapping or distorting the effect of the other variable.

Table 3. Multiple Linear Regression Results

Variable	B	Std. Error	Beta
Constant	5.486	1.070	–
Compensation (X1)	0.198	0.080	0.305
Workload (X2)	0.260	0.105	0.304

Source: Primary Data, 2025

Table 3. presents the results of multiple linear regression analysis examining the effect of compensation and workload on employee loyalty. The regression coefficient for compensation ($B = 0.198$) indicates a positive relationship between compensation and employee loyalty. This means that an increase in compensation is associated with an increase in employee loyalty, assuming other variables remain constant. Similarly, workload has a positive regression coefficient ($B = 0.260$), indicating that workload also contributes positively to employee loyalty. This suggests that when workload is managed properly and remains within employees' capacity, it can support higher levels of loyalty.

The standardized beta coefficients show that compensation ($\beta = 0.305$) and workload ($\beta = 0.304$) have relatively similar levels of influence on employee loyalty, with compensation showing a slightly stronger effect. Overall, these results demonstrate that both independent variables play important roles in explaining variations in employee loyalty.

Table 4. Partial Significance Test (t-test)

Variable	t-value	Sig.	Remark
Compensation (X1)	2.483	0.016	Significant
Workload (X2)	2.472	0.016	Significant

Source: Primary Data, 2025

Table 4. shows the results of partial hypothesis testing using the t-test to examine the individual effect of each independent variable on employee loyalty. A variable is considered to have a significant effect if the significance value is less than 0.05. The compensation variable has a t-value of 2.483 with a significance level of 0.016, which is below 0.05. This indicates that compensation has a positive and statistically significant effect on employee loyalty. In other words, improvements in compensation are likely to increase employees' willingness to remain loyal to the organization.

Similarly, workload has a t-value of 2.472 with a significance value of 0.016, also below 0.05. This result indicates that workload has a significant effect on employee loyalty. When workload is properly distributed and managed, employees tend to demonstrate higher loyalty.

Table 5. Simultaneous Significance Test (F-test)

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	49.202	2	24.601	9.689	0.000
Residual	144.732	57	2.539		
Total	193.933	59			

Source: Primary Data, 2025

Table 5. presents the results of simultaneous hypothesis testing using the F-test, which aims to determine whether compensation and workload together have a significant effect on employee loyalty. A regression model is considered significant if the significance value is less than 0.05. The F-value obtained is 9.689 with a significance value of 0.000, which is far below the 0.05 threshold. This indicates that compensation and workload simultaneously have a positive and statistically significant effect on employee loyalty. These results imply that employee loyalty is influenced not only by compensation or workload individually, but also by the combined effect of both variables. Therefore, H3 is accepted, confirming that compensation and workload together are important determinants of employee loyalty at Ibis Styles Sam Ratulangi Makassar.

Discussion

The Effect of Compensation on Employee Loyalty

The findings indicate that compensation has a positive and significant effect on employee loyalty at Ibis Styles Sam Ratulangi Makassar. This result suggests that employees who perceive their compensation as fair and appropriate tend to demonstrate stronger attachment and commitment to the organization. Adequate compensation serves not only as a financial reward but also as a form of recognition for employees' contributions.

This finding is consistent with human resource management theory, which states that compensation is a fundamental factor influencing employee attitudes and behavior. When employees feel that their efforts are rewarded fairly, they are more likely to develop positive perceptions of the organization and show a willingness to remain loyal. Previous empirical studies have also reported similar results, indicating that compensation is a significant predictor of employee loyalty and organizational commitment.

The Effect of Workload on Employee Loyalty

The results also show that workload has a positive and significant effect on employee loyalty. This indicates that workload, when managed properly and distributed fairly, can support the development of employee loyalty. Employees who experience a balanced workload are less likely to feel overwhelmed and more likely to maintain positive attitudes toward their work and organization. From a theoretical perspective, workload is closely related to job stress and job satisfaction. Excessive workload may lead to fatigue and dissatisfaction, whereas reasonable workload can create a comfortable work environment. The findings of this study support previous research showing that workload significantly influences employee attitudes, including loyalty and intention to stay.

Simultaneous Effect of Compensation and Workload on Employee Loyalty

The simultaneous testing results demonstrate that compensation and workload together have a significant effect on employee loyalty. This suggests that employee loyalty is shaped by a combination of financial and job-related factors. Compensation provides extrinsic motivation, while workload reflects the quality of job design and work conditions. Therefore, improving employee loyalty requires an integrated human resource management approach that emphasizes fair compensation systems and effective workload management. Hotel management should ensure that compensation policies are transparent and competitive, while also monitoring workload distribution to prevent overload and maintain employee well-being.

Conclusion

This study concludes that compensation has a positive and significant effect on employee loyalty at Ibis Styles Sam Ratulangi Makassar. Employees who perceive that they receive fair and appropriate compensation tend to show stronger commitment and willingness to remain with the organization. In addition, workload is also found to have a positive and significant effect on employee loyalty, indicating that employees are more loyal when their workload is managed in a reasonable and balanced manner.

This research contributes to the development of human resource management literature, particularly in the hospitality industry, by providing empirical evidence on the importance of compensation and workload as determinants of employee loyalty. Practically, the findings suggest that hotel management should design competitive compensation systems and implement effective workload management strategies as part of efforts to strengthen employee loyalty and reduce turnover.

This study is limited by its focus on a single hotel and the use of self-reported questionnaire data. Future research is recommended to involve larger samples, include different types of hotels or hospitality organizations, and incorporate additional variables such as job satisfaction, leadership, or organizational culture to obtain a more comprehensive understanding of factors influencing employee loyalty.

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