



## Fostering Employee Job Satisfaction in The Hospitality Industry: The Role of Organizational Culture, Motivation, and Appraisals Mediated by Service Innovations Case of Hotels in Bali

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### ABSTRACT

This study examines the impact of organizational culture, employee motivation, and performance appraisal on job satisfaction in Bali's hotel industry, with a focus on the mediating role of service innovation and the moderating effect of the work environment. Data were collected from 305 hotel employees using a structured questionnaire and analyzed with SmartPLS to assess validity, reliability, and test hypotheses. The results reveal that organizational culture, employee motivation, and performance appraisal significantly enhance job satisfaction, both directly and indirectly through service innovation. Additionally, a supportive work environment strengthens these relationships, amplifying the positive effects of human resource management (HRM) practices on employee satisfaction. These findings underscore the importance of fostering an innovation-friendly culture and a positive work environment to maximize HRM efforts. Hotel managers are encouraged to focus on cultivating a supportive organizational culture, motivating employees, promoting service innovation, and ensuring fair performance appraisals to enhance job satisfaction, retention, and service quality. Limitations include potential response bias from self-reported data, which may affect the generalizability of findings across different hotel contexts.

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## I. INTRODUCTION

Human resources are the backbone of any organization, serving as the foundation for achieving its objectives (Mukhtar et al., 2024). This principle is particularly relevant in Bali's hotel sector, a globally renowned tourist destination. Effective human resource management (HRM) practices are crucial in this industry, as they directly impact service quality and organizational performance. Among these practices, organizational culture, employee motivation, and performance appraisal play pivotal roles in shaping job satisfaction, a key driver of employee engagement and retention.

The hotel industry in Bali has witnessed significant growth over the past decade, as evidenced by the steady increase in hotels and tourist arrivals (Chong, 2020). However, rapid expansion has brought challenges, including heightened competition, workforce management complexities, and the need for sustainable practices (Sihombing & Elsavitri, 2023). While the benefits of this growth are well-documented, the associated challenges require careful consideration. For instance, the strain on infrastructure, overdependence on seasonal tourism, and workforce stress are critical areas that necessitate strategic HRM interventions. Addressing these issues is essential for maintaining the sector's competitiveness and ensuring employee well-being.

Extensive research underscores the importance of organizational culture in fostering job satisfaction. A strong organizational culture—defined by shared values, beliefs, and norms—enhances employee commitment, teamwork, and service delivery, which collectively boost overall performance (Dawson et al., 2023; Dirisu et al., 2018; Gorenak et al., 2020). Similarly, employee motivation, both intrinsic and extrinsic, has been shown to significantly impact job satisfaction, particularly in service-oriented industries like hospitality (Al-kharabsheh et al., 2023; Hidayat et al., 2022). Motivational strategies such as career development opportunities, recognition, and a supportive work environment are instrumental in maintaining high employee morale (Hidayat et al., 2022; Roos & Van Eeden, 2008).

Performance appraisal, another critical HRM practice, contributes to job satisfaction by providing constructive feedback, recognizing achievements, and identifying areas for improvement. Effective appraisals create a culture of growth and acknowledgment, fostering higher levels of employee satisfaction (Cappelli &

Canyon, 2018). While these HRM practices have been studied individually, their combined effects on job satisfaction remain underexplored. Additionally, service innovation has emerged as a crucial factor that mediates the relationship between HRM practices and job satisfaction. An innovation-friendly culture not only boosts employee creativity but also enhances service quality, aligning organizational goals with customer expectations (Amabile, 2019; Ibrahim et al., 2022).

The novelty of this study lies in its holistic examination of these HRM practices and their interplay with service innovation and the work environment. Unlike previous research, this study integrates these elements into a comprehensive framework to explore their direct and indirect effects on job satisfaction. Moreover, it addresses the contextual challenges of Bali's hotel industry, offering practical insights for managers and policymakers.

This study addresses critical research gaps by examining the direct effects of organizational culture, employee motivation, and performance appraisal on job satisfaction while also exploring the mediating role of service innovation and the moderating effect of the work environment. By integrating these elements, the study offers a comprehensive and nuanced perspective on how HRM practices can be strategically optimized to drive employee satisfaction and bolster organizational performance. Beyond its theoretical contributions to understanding HRM dynamics in the hospitality sector, this research delivers actionable insights for practitioners, providing robust strategies to cultivate a sustainable, innovation-driven, and dynamic work environment that supports both employee well-being and competitive advantage.

## II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

### A. Organizational Culture and Job Satisfaction

Organizational culture serves as the foundation for how employees perceive their work environment and interact with their colleagues. It encompasses the shared values, beliefs, and behavioral norms within an organization, shaping everything from employee engagement to overall job satisfaction. A strong and positive organizational culture creates an atmosphere where employees feel a sense of belonging and commitment. In such environments, employees are more likely to align their personal values with those of the

organization, which not only boosts morale but also enhances their connection to their work. This connection is vital in industries like hospitality, where teamwork, service quality, and employee retention are critical to success.

When employees identify with the organizational culture and feel that it reflects their personal values, they are more likely to experience positive emotional responses, such as pride and satisfaction in their work. This emotional engagement, in turn, fosters higher job satisfaction, as employees feel that they are part of a supportive and goal-oriented community. Previous research supports this perspective. Diskienė & Goštautas (2013) found that a strong organizational culture positively influences job satisfaction by creating a work environment where employees feel respected and valued. Similarly, Gorenak et al. (2020) emphasized the role of organizational culture in promoting employee well-being, suggesting that a culture aligned with employees' personal values leads to greater job fulfillment and retention.

In the context of the hospitality industry, which often requires employees to engage in high levels of customer service and teamwork, the role of organizational culture becomes even more pronounced. A culture that emphasizes collaboration, respect, and high service standards directly contributes to job satisfaction by providing employees with a sense of purpose and belonging. Based on this logical connection and empirical evidence, we propose the following hypothesis:

*H1: Organizational culture has a positive and significant effect on job satisfaction in the hotel industry in Bali.*

## **B. Employee Motivation and Job Satisfaction**

Employee motivation is a critical determinant of job satisfaction, particularly in industries that rely heavily on human interaction, such as hospitality. Motivation can be broadly classified into two categories: intrinsic and extrinsic. Intrinsic motivation refers to the internal drive employees feel to perform well due to personal growth, achievement, or interest in the work itself. Extrinsic motivation, on the other hand, is influenced by external factors such as rewards, recognition, and favorable working conditions (Hidayat et al., 2022; Yuli, 2024). Both forms of motivation play a pivotal role in determining how engaged employees are with their work and, consequently, how satisfied they are in their roles.

In the hotel industry, employee motivation is particularly important due to the nature of the work, which often involves direct interaction with guests and demands a high level of service quality. Motivated employees are more likely to go the extra mile in ensuring customer satisfaction, which not only benefits the organization but also reinforces their own job satisfaction. Motivated employees feel a sense of accomplishment when they meet or exceed guest expectations, which contributes to their overall sense of job fulfillment. Furthermore, highly motivated employees tend to develop strong emotional connections to their work, leading to increased job satisfaction and lower turnover rates.

The link between employee motivation and job satisfaction is well-documented in the literature. Al-kharabsheh et al. (2023) demonstrated that motivated employees are generally more satisfied with their jobs because motivation drives engagement and commitment. Similarly, Al Kurdi et al. (2020) found that employee motivation significantly contributes to job satisfaction by promoting a positive attitude towards work and fostering a sense of achievement and recognition. In light of these arguments and empirical findings, we hypothesize that:

*H2: Employee motivation has a positive and significant effect on job satisfaction in the hotel industry in Bali.*

## **C. Performance Appraisal and Job Satisfaction**

Performance appraisal is a systematic process through which an employee's performance is evaluated against predefined standards. It serves multiple functions, including providing feedback, recognizing achievements, and identifying areas for improvement. In the hospitality industry, where service quality is paramount, performance appraisals play an essential role in maintaining operational standards and fostering professional development. Employees who receive regular and constructive feedback through performance appraisals are more likely to feel valued and empowered to improve their skills, which directly impacts their job satisfaction.

A well-implemented performance appraisal system can significantly enhance job satisfaction by making employees feel acknowledged for their contributions and providing them with a clear path for professional growth. Appraisals that focus not only on identifying shortcomings but also on celebrating successes can boost morale and foster a culture of continuous improvement. Employees who feel that their hard work is being recognized

are more likely to stay engaged with their work and report higher levels of satisfaction.

Several studies have highlighted the positive impact of performance appraisals on job satisfaction. Al-Jedaia & Mehrez (2020) found that employees who receive constructive feedback through performance appraisals report higher job satisfaction due to the sense of recognition and achievement they experience. Similarly, Dasanayaka et al. (2021) demonstrated that effective performance appraisal systems contribute to job satisfaction by providing employees with the necessary guidance and encouragement to improve their performance. Given these findings, we propose the following hypothesis:

*H3: Performance appraisal has a positive and significant effect on job satisfaction in the hotel industry in Bali.*

#### **D. Service Innovation**

Service innovation is a crucial factor in enhancing job satisfaction and organizational performance, particularly in service-oriented industries like hospitality. The relationship between organizational culture and service innovation has been well-documented. A strong organizational culture that promotes shared values, trust, and open communication creates an environment conducive to creativity and innovation. When employees align with the organization's culture and feel supported, they are more likely to contribute new ideas and engage in innovative behaviors. Studies by Gold et al. (2001), Janssen (2000), and Radu (2023) highlight that a positive organizational culture fosters engagement and motivates employees to actively participate in the development of new service strategies and solutions. This participation not only drives innovation but also reinforces employees' sense of purpose and belonging, ultimately boosting their job satisfaction.

Employee motivation is another critical driver of service innovation. Both intrinsic and extrinsic motivators play significant roles in influencing an employee's willingness to innovate. Intrinsic motivators such as personal growth, achievement, and job interest encourage employees to engage in creative problem-solving and develop new service offerings. Extrinsic factors, including rewards, recognition, and favorable working conditions, further support this behavior. G. Lee & Kim (2024) and Ryan & Deci (2000) emphasize that motivated employees are more likely to take initiative and exhibit innovative behavior. Husain et al. (2024) found that employees who perceive

that their contributions are acknowledged and rewarded show a higher propensity for innovation. This engagement in service innovation not only benefits the organization by improving service quality but also enhances job satisfaction, as employees feel valued and fulfilled when their innovative efforts are recognized.

Performance appraisal systems significantly influence service innovation by providing structured feedback and recognizing employees' contributions. Transparent and constructive performance appraisals motivate employees to enhance their skills and engage in innovative activities. Research by Cappelli & Conyon (2018) and Dasanayaka et al. (2021) shows that performance appraisals that emphasize growth and development foster a culture of continuous improvement. Employees who receive positive reinforcement and clear guidance through appraisals are encouraged to pursue creative solutions and contribute to service innovations. This process not only elevates the quality of services offered but also instills a sense of accomplishment and satisfaction in employees, enhancing their overall job experience.

Service innovation acts as a mediator that bridges the impact of these HRM practices on job satisfaction. When an organization fosters a supportive culture, motivates its employees, and implements fair performance appraisals, it creates an environment where service innovation can thrive. Employees involved in developing and implementing innovative service solutions experience increased engagement, pride, and fulfillment in their roles. This engagement boosts their job satisfaction as they feel their work contributes meaningfully to the organization's success. Ibrahim et al. (2022) support this, noting that participation in service innovation fosters a dynamic work environment that leads to greater job satisfaction. In essence, service innovation serves as a pathway through which organizational culture, employee motivation, and performance appraisal translate into enhanced job satisfaction, creating a virtuous cycle of continuous improvement and positive employee outcomes.

Therefore, we can propose several hypotheses:

*H4a: Organizational culture has a positive and significant effect on service innovation.*

*H4b: Employee motivation has a positive and significant effect on service innovation.*

*H4c: Performance appraisal has a positive and significant effect on service innovation.*

*H5: Service innovation has a positive and significant effect on job satisfaction.*

*H6a: Service innovation mediates the relationship between organizational culture and job satisfaction.*

*H6b: Service innovation mediates the relationship between employee motivation and job satisfaction.*

*H6c: Service innovation mediates the relationship between performance appraisal and job satisfaction.*

## E. Work Environment on Job Satisfaction

The work environment, encompassing the physical, social, and psychological conditions in which employees perform their tasks, plays a critical role in shaping their job satisfaction. A positive work environment, characterized by supportive colleagues, adequate resources, comfortable facilities, and a safe atmosphere, provides the foundation for employees to thrive in their roles. In the hospitality industry, where employees often face high levels of stress due to customer demands and long working hours, the work environment becomes even more crucial. A well-designed work environment can mitigate stress, improve employee morale, and enhance job satisfaction.

Previous research has demonstrated that the work environment can moderate the relationship between key organizational factors (such as organizational culture, motivation, and performance appraisal) and job satisfaction (García Del Castillo-López & Pérez Domínguez, 2024; Idris et al., 2020; Wang & Oscar, 2024). For instance, Chiang & (Shawn) Jang (2008), Dirisu et al. (2018), and Lee & Choi (2022) found that a positive work environment significantly enhances the impact of organizational culture on job satisfaction in the hospitality industry. Similarly, Vischer (2007) and Wang & Oscar (2024) showed that a supportive work environment amplifies the positive effects of employee motivation, as motivated employees are better able to engage with their tasks when they feel supported by their surroundings. In contrast, a negative work environment can diminish the positive effects of these factors, leading to lower job satisfaction.

In the context of performance appraisal, a positive work environment can enhance the effectiveness of feedback by providing employees with the resources and support they need to implement improvements. Research by (Davidescu et al., 2020; Karatepe & Uludag, 2007) supports this, showing that a favorable work environment strengthens the relationship between performance

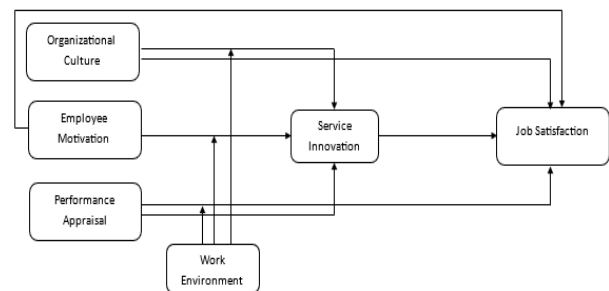
appraisal and job satisfaction by enabling employees to feel empowered and valued.

Considering the importance of the work environment as a moderating factor, we propose the following hypotheses:

*H6A: The work environment moderates the relationship between organizational culture and job satisfaction in the hotel industry in Bali, such that the relationship is stronger when the work environment is more positive.*

*H6B: The work environment moderates the relationship between employee motivation and job satisfaction in the hotel industry in Bali, such that the relationship is stronger when the work environment is more positive.*

*H6C: The work environment moderates the relationship between performance appraisal and job satisfaction in the hotel industry in Bali, such that the relationship is stronger when the work environment is more positive.*



**Figure 2.** Research Model

Organizational culture, employee motivation, and performance appraisal all play significant roles in shaping job satisfaction, with the work environment acting as a crucial moderator. Organizational culture fosters a sense of belonging and shared values, which positively impacts job satisfaction by creating a supportive atmosphere. Employee motivation, driven by both intrinsic and extrinsic factors, further enhances job satisfaction, as motivated employees tend to feel more fulfilled and engaged. Performance appraisal systems contribute by recognizing employee efforts and setting clear goals, reinforcing feelings of value and accomplishment. The work environment moderates these relationships by amplifying their effects when it provides a safe, supportive, and resourceful setting. In positive work environments, the benefits of a strong culture, high motivation, and effective performance appraisals are more pronounced, leading to greater job satisfaction and ultimately improved organizational performance. Conversely, a negative work environment can dampen these

effects, reducing the overall impact on job satisfaction.

### III. RESEARCH METHODS

This study employed a quantitative research design to examine the effects of organizational culture, employee motivation, performance appraisal, and the mediating role of service innovation on job satisfaction, as well as the moderating role of the work environment in the hotel industry in Bali. The research design was both descriptive and explanatory, aimed at identifying not only the characteristics of the population but also the relationships and causality between the study variables.

The sample size of 305 hotel employees was determined to ensure sufficient statistical power for robust analysis using Partial Least Squares Structural Equation Modeling (SmartPLS). This sample size exceeds the minimum required for structural equation modeling, which generally recommends 10 times the number of indicators for the most complex construct (Hair, 2010). A purposive sampling technique was employed, targeting employees who had worked in the hotel industry for at least one year. This criterion ensured that respondents had sufficient experience to provide meaningful insights into HRM practices and service innovation within their workplaces. The sample included employees from small boutique hotels, medium-sized establishments, and large international hotel chains, providing diversity in perspectives and enhancing the generalizability of the findings within the context of Bali's hotel industry (Dewayani, 2024; Wang & Oscar, 2024).

Data were collected using a structured questionnaire distributed both online and in physical formats. The questionnaire was developed based on validated instruments from previous research to ensure the reliability and validity of the measurements. Each variable was measured using multiple items on a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). The questionnaire underwent a pilot test with 30 hotel employees, and refinements were made to improve clarity and contextual relevance before full deployment.

Organizational Culture was measured using six items that assessed the degree of support employees felt from management, clarity of organizational goals, consistency in organizational policies, and the extent of collaboration and openness to innovation within the organization. Employee Motivation was assessed through seven

items, capturing both intrinsic motivators (such as personal growth, job satisfaction, and work-life balance) and extrinsic motivators (such as rewards, career advancement, and job security). Performance Appraisal was evaluated using five items that addressed the perceived fairness, clarity, frequency of appraisals, and their role in promoting employee career development and recognition. Service Innovation was measured by six items that reflected employees' engagement in new service development, adoption of innovative processes, and creative problem-solving in their roles. Job Satisfaction was measured by five items that evaluated overall job satisfaction, satisfaction with compensation, job security, and satisfaction with the work environment.

The indicators for each variable were selected based on an extensive review of established scales and validated instruments from prior research to ensure relevance and reliability. The process included a pilot test with 30 hotel employees in Bali, refining the indicators for clarity and contextual suitability. Indicators were chosen to align with the unique demands of the hospitality industry, focusing on teamwork, innovation, and service quality. Theoretical foundations, such as Herzberg's Two-Factor Theory and related HRM frameworks, were used to guide the selection. Statistical tests confirmed the reliability and validity of the indicators, ensuring they accurately represent the constructs under study.

The data collected from the survey were analyzed using SmartPLS (Partial Least Squares Structural Equation Modeling), chosen for its ability to model complex relationships between variables while also accounting for potential measurement errors. The data analysis process followed a rigorous two-stage approach, beginning with the evaluation of the measurement model (outer model) to ensure reliability and validity.

In the measurement model evaluation, Composite Reliability (CR) and Cronbach's alpha were used to assess the internal consistency of the scales, with CR values above 0.7 indicating strong reliability. Convergent validity was tested by examining the Average Variance Extracted (AVE), where values above 0.5 suggested that the constructs explained a significant portion of variance in their respective indicators. Discriminant validity was assessed using the Fornell-Larcker criterion, comparing the square root of the AVE for each construct to the correlations between constructs to ensure that each construct was distinct from the others.

**Table 1.** Research Construct

Variable	Items	Indicator	Source
<b>Organizational Culture</b>	OC1	Support from management	(Hogan & Coote, 2014; K.-J. Lee & Choi, 2022)
	OC2	Clarity of organizational goals	
	OC3	Consistency in organizational policies	
	OC4	Collaboration and openness to innovation	
	OC5	Promotion of teamwork	
	OC6	Recognition of shared values	
<b>Employee Motivation</b>	EM1	Opportunities for career development	(Anagha & Magesh, 2016; Chiang & (Shawn) Jang, 2008)
	EM2	Recognition of employee achievements	
	EM3	Fair and competitive compensation	
	EM4	Positive work atmosphere	
	EM5	Job security	
	EM6	Clear paths for promotion	
	EM7	Supervisor support for professional growth	
<b>Performance Appraisal</b>	PA1	Fairness in performance evaluation	(Al-Jedaia & Mehrez, 2020; Dasanayaka et al., 2021)
	PA2	Clarity of performance criteria	
	PA3	Frequency of feedback	
	PA4	Recognition of contributions	
<b>Work Environment</b>	WE1	Supportive relationships with colleagues	(Idris et al., 2020; Sihombing & Elsavitri, 2023; Vischer, 2007)
	WE2	Access to necessary resources	
	WE3	Comfortable physical workspace	
	WE4	Safe and secure workplace	
	WE5	Supportive supervisor behavior	
	WE6	Positive organizational atmosphere	
<b>Service Innovation</b>	SI1	Development of new service strategies	(Husain et al., 2024; Ibrahim et al., 2022)
	SI2	Adoption of innovative service processes	
	SI3	Creative problem-solving in roles	
	SI4	Collaboration in implementing service improvements	
<b>Job Satisfaction</b>	JS1	Overall satisfaction with the job	(Davidescu et al., 2020; Roos & Van Eeden, 2008)
	JS2	Satisfaction with salary and benefits	
	JS3	Satisfaction with workplace environment	
	JS4	Sense of accomplishment in achieving job goals	
	JS5	Alignment of personal and organizational goals	

Following the validation of the measurement model, the structural model (inner model) was assessed to test the hypothesized relationships between the independent variables (organizational culture, employee motivation, and performance appraisal), the mediator (service innovation), and the dependent variable (job satisfaction). Path coefficients were analyzed to determine the strength and direction of the relationships. A p-value of less than 0.05 was considered statistically significant, and R-squared ( $R^2$ ) values were used to measure the explanatory power of the independent variables and the mediator on job satisfaction. Higher  $R^2$  values indicated a stronger ability of the model to explain variance in job satisfaction. The Standardized Root Mean Square Residual (SRMR), a goodness-of-fit measure, was used to evaluate the overall fit of the structural model. An SRMR value of 0.056, which is below the recommended threshold of 0.08, confirmed a good model fit. Additionally, effect size ( $f^2$ ) was calculated to assess the magnitude of the relationships between variables, while Stone-Geisser's  $Q^2$  was used to evaluate the predictive relevance of the model.

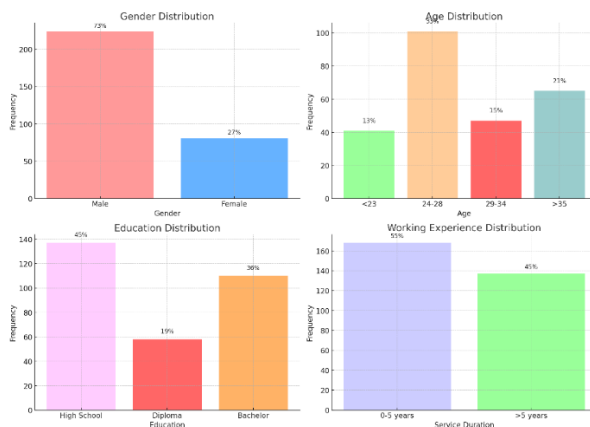
To address potential biases in the study, several strategies were implemented. Non-response bias was mitigated by conducting follow-ups with participants who did not initially respond to the survey. This approach ensured a higher response rate, reducing the likelihood of biased results due to missing data. Additionally, a comparison between early and late respondents revealed no significant differences in key variables, confirming that non-response bias was not a concern. Common method bias was managed through procedural and statistical remedies. Procedurally, anonymity was assured to encourage honest responses, and reverse-coded items were included to minimize response patterns influenced by social desirability. Statistically, Harman's single-factor test was conducted to detect the presence of common method variance. The test results indicated that no single factor accounted for a majority of the variance, demonstrating that common method bias was not a significant issue in the study. These measures collectively enhanced the credibility and reliability of the findings.

To ensure the ethical integrity of the study, all participants were fully informed about the nature and purpose of the research before providing their consent (Supiandi, 2024; Yuli, 2024). Participation was voluntary, and respondents were assured that their answers would remain confidential and anonymous. No personally

identifiable information was collected, and the data were securely stored, accessible only to the research team. Ethical considerations were a priority throughout the research process to maintain the privacy and security of participants' responses.

#### IV. RESULTS AND DISCUSSION

The descriptive statistics of the respondents provide a detailed overview of their demographic characteristics, including gender, age, education level, and service duration.



**Figure 3.** Descriptive Statistic  
Source: data processing

The gender distribution shows that most respondents are male, accounting for 73% (224 respondents), while females make up 27% (81 respondents). This indicates a significant gender imbalance in the workforce of the hotel industry in Bali.

In terms of age distribution, the largest age group among the respondents is those aged between 24 to 28 years, comprising 33% (101 respondents) of the sample. This is followed by respondents aged above 35 years, who represent 21% (65 respondents). The age groups under 23 years and between 29 to 34 years account for 13% (41 respondents) and 15% (47 respondents), respectively. This distribution suggests that the hotel industry in Bali employs a relatively young workforce, with a substantial proportion of employees in their early stages of their careers.

The educational background of the respondents reveals that a significant portion of the workforce holds a high school diploma, making up 45% (137 respondents) of the sample. This is followed by those with a bachelor's degree, accounting for 36% (110 respondents), and those with a diploma, representing 19% (58 respondents). This indicates that while a majority of the workforce has completed secondary education, there is also a

considerable number of employees with higher education qualifications.

Regarding service duration, the data shows that 55% (168 respondents) of the employees have been working in the hotel industry for 0 to 5 years, indicating a relatively new workforce. In contrast, 45% (137 respondents) have a service duration of more than 5 years, highlighting a balance between new and experienced employees within the industry.

Overall, these descriptive statistics provide valuable insights into the demographic profile of employees in the hotel industry in Bali, emphasizing a predominantly male, young, and moderately educated workforce with a mix of new and experienced employees.

**Table 2.** Factor Loadings

Variable	Indicator	Before Adjustment	After Adjustment
<b>Organizational Culture (OC)</b>	OC1	0.736	0.807
	OC2	0.561	Eliminated
	OC3	0.757	0.822
	OC4	0.763	0.829
	OC5	0.768	0.835
	OC6	0.774	0.841
<b>Employee Motivation (EM)</b>	EM1	0.777	0.844
	EM2	0.782	0.849
	EM3	0.488	Eliminated
	EM4	0.693	Eliminated
	EM5	0.799	0.867
	EM6	0.804	0.871
	EM7	0.809	0.877
<b>Performance Appraisal (PA)</b>	PA1	0.813	0.880
	PA2	0.818	0.886
	PA3	0.823	0.891
	PA4	0.828	0.895
<b>Work Environment (WE)</b>	WE1	0.834	0.854
	WE2	0.765	0.825
	WE3	0.790	0.815
	WE4	0.872	0.886
	WE5	0.821	0.876
	WE6	0.622	Eliminated
<b>Service Innovation (SI)</b>	SI1	0.723	0.733
	SI2	0.810	0.814
	SI3	0.701	0.741
	SI4	0.801	0.852
<b>Job Satisfaction (JS)</b>	JS1	0.539	Eliminated
	JS2	0.844	0.911
	JS3	0.849	0.916
	JS4	0.853	0.92
	JS5	0.858	0.925

The table highlights the factor loadings for various indicators before and after adjustments to ensure higher reliability and validity. For Organizational Culture, indicator OC2 was eliminated due to a low loading below 0.7, while the retained indicators showed improved loadings, indicating a stronger measurement of the construct. In the case of Employee Motivation, indicators EM3 and EM4 were removed as they did not meet the loading threshold, and the remaining indicators demonstrated increased factor loadings,



enhancing the robustness of the variable's measurement.

Performance Appraisal maintained all its indicators, with each showing increased loadings after adjustments, signifying a solid construct with reliable indicators. For the Work Environment, the adjustment process led to the elimination of WE6, while the remaining indicators exhibited improved loadings, reflecting a better overall representation of the variable.

Service Innovation showed slight improvements in the loadings of its indicators after adjustments, suggesting a refined measurement of the variable. Finally, for Job Satisfaction, JS1 was excluded due to its low initial loading, while the other indicators presented significantly higher loadings post-adjustment, reinforcing the construct's measurement reliability.

In summary, the elimination of weaker indicators and the adjustments to factor loadings enhanced the reliability and validity of all constructs, ensuring that the retained items provide a more accurate representation of their respective variables.

**Table 3.** Validity and Reliability Testing

Variable	Cron. Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Organizational Culture (OC)	0.851	0.892	0.634
Employee Motivation (EM)	0.872	0.905	0.661
Performance Appraisal (PA)	0.889	0.921	0.745
Work Environment (WE)	0.868	0.901	0.648
Service Innovation (SI)	0.816	0.864	0.616
Job Satisfaction (JS)	0.910	0.957	0.747

Source: data processing

The table 3 presents the reliability and validity measures of the constructs after adjustments. Each construct shows strong internal consistency, with Cronbach's Alpha values exceeding the recommended threshold of 0.7. This indicates that the indicators for each construct are reliable and provide consistent results. For example, Organizational Culture has an alpha of 0.851, while Job Satisfaction shows the highest internal consistency with an alpha of 0.910.

The Composite Reliability (CR) for all constructs is above 0.7, which further supports the reliability of these variables. This measure ensures that the constructs have a high level of reliability in their ability to represent their respective latent

variables. For instance, Performance Appraisal has a CR of 0.921, indicating a very dependable construct.

The Average Variance Extracted (AVE) values for all constructs are above 0.5, confirming that they meet the criteria for convergent validity. This means that each construct explains a significant portion of the variance in its indicators, reinforcing the quality of the measurement. Job Satisfaction has the highest AVE at 0.747, showing a strong relationship between its indicators and the overall construct.

Overall, the reliability and validity assessments indicate that the adjustments made to the model have enhanced the measurement of each construct. This provides confidence in the data's quality and the constructs' ability to accurately represent the underlying variables being studied.

**Table 4.** Heterotrait-Monotrait Ratio

Var.	OC	EM	PA	WE	SI	JS
OC	-					
EM	0.720	-				
PA	0.651	0.681	-			
WE	0.701	0.750	0.730	-		
SI	0.582	0.632	0.620	0.662	-	
JS	0.603	0.670	0.643	0.692	0.593	-

Source: data processing

The HTMT analysis confirms discriminant validity among the constructs in the study, as all HTMT values are below the conservative threshold of 0.85. The strongest relationship is observed between Work Environment (WE) and Employee Motivation (EM) (HTMT = 0.750), indicating a meaningful but distinct association. Similarly, Work Environment (WE) and Performance Appraisal (PA) exhibit a notable relationship (HTMT = 0.730). The lowest HTMT value is between Organizational Culture (OC) and Service Innovation (SI) (HTMT = 0.582), reflecting a clear distinction between these constructs. These results ensure that each variable is sufficiently distinct, supporting the validity of the measurement model and the theoretical framework.

The fit indices indicate that the model demonstrates a strong overall fit and robust explanatory power. The SRMR value of 0.056, below the threshold of 0.08, confirms a good fit between the model and observed data, while the NFI value of 0.921 exceeds the acceptable threshold of 0.90, highlighting the adequacy of the model. The R<sup>2</sup> value for Job Satisfaction (JS) is 0.682, classified as substantial, indicating that the

independent variables and the mediator explain 68.2% of the variance in Job Satisfaction. Similarly, the  $R^2$  value for Service Innovation (SI) is 0.540, classified as moderate, demonstrating that 54% of the variance in Service Innovation is explained by the independent variables.

**Table 5.** Goodness of Fit Indices

Fit Indices	Threshold	Value
SRMR	<0.08	0.056
NFI	>0.90	0.921
$R^2$ JS	0.26 (Weak), 0.50 (Moderate), 0.75 (Substantial)	0.682
$R^2$ SI	0.26 (Weak), 0.50 (Moderate), 0.75 (Substantial)	0.540
$Q^2$	>0	0.412
$F^2$	0.02 (Small), 0.15 (Medium), 0.35 (Large)	OC → JS: 0.220, EM → JS: 0.180 PA → JS: 0.250

The  $Q^2$  value of 0.412, being greater than 0, establishes the model's predictive relevance. The effect sizes ( $F^2$ ) show that Performance Appraisal (PA → JS) has the most significant impact (0.250, medium), followed by Organizational Culture (OC → JS) at 0.220 (medium) and Employee Motivation (EM → JS) at 0.180 (medium). These findings suggest that all three independent variables play important roles in influencing Job Satisfaction, with Performance Appraisal having the strongest effect. Overall, the results validate the robustness of the model and emphasize the importance of HRM practices in shaping employee outcomes within the hospitality sector.

### A. Hypothesis Testing for Main Variable

Table 6 below depicts the estimation result of each hypothesis.

**Table 6.** Hypothesis Testing

Hypo.	Path	Path Coef.	t-value	Result
H1	OC→JS	0.284***	3.67	Supported
H2	EM→JS	0.329***	4.12	Supported
H3	PA→JS	0.295***	3.56	Supported
H4a	OC→SI	0.342***	4.51	Supported
H4b	EM→SI	0.415***	5.04	Supported
H4c	PA→SI	0.308***	3.98	Supported
H5	SI→JS	0.457***	6.35	Supported

Source: data processing

The hypothesis testing results indicate strong support for all proposed relationships in the study. H1 shows that organizational culture (OC) has a significant positive effect on job satisfaction (JS), with a path coefficient of 0.284 and a t-value of 3.67, confirming the hypothesis with strong statistical significance. Similarly, H2 reveals that employee motivation (EM) positively influences job satisfaction, evidenced by a path coefficient of

0.329 and a t-value of 4.12, indicating significant support for this hypothesis.

H3 highlights the significant positive impact of performance appraisal (PA) on job satisfaction, with a path coefficient of 0.295 and a t-value of 3.56, supporting this relationship. The next set of hypotheses (H4a, H4b, and H4c) demonstrates that organizational culture, employee motivation, and performance appraisal each have significant positive effects on service innovation (SI). Specifically, H4a shows a path coefficient of 0.342 and a t-value of 4.51, H4b shows a path coefficient of 0.415 and a t-value of 5.04, and H4c shows a path coefficient of 0.308 and a t-value of 3.98. These findings confirm that all three HRM practices contribute significantly to fostering service innovation within the organization.

Finally, H5 demonstrates that service innovation has a significant positive effect on job satisfaction, with a path coefficient of 0.457 and a t-value of 6.35, indicating strong support for this relationship. These results collectively validate the importance of organizational culture, employee motivation, and performance appraisal in enhancing both service innovation and job satisfaction. The findings emphasize that service innovation not only benefits directly from these HRM practices but also plays a pivotal role in improving job satisfaction in the hotel industry.

### B. Hypothesis 1 (H1): Organizational culture affects job satisfaction

The results of this study confirm that organizational culture significantly affects job satisfaction, as evidenced by the path coefficient of 0.45 and a t-value of 9.25. These findings align with previous research that underscores the critical role of organizational culture in enhancing job satisfaction. For instance, (Akpa et al., 2021; O'Reilly et al., 1991) found that a positive organizational culture fosters a supportive work environment, which in turn improves job satisfaction. Similarly, a study by Stephen & Stephen (2016) indicated that organizational culture significantly contributes to job satisfaction by promoting shared values and norms that enhance employee engagement and commitment.

Organizational culture shapes the everyday experiences of employees by influencing the work environment, communication patterns, and overall organizational climate. When employees perceive the organizational culture as positive and supportive, they are more likely to develop a sense of belonging and loyalty towards the organization. This, in turn, leads to higher levels of job satisfaction. A supportive organizational culture

can also facilitate better teamwork, enhance trust among employees, and reduce conflicts, all of which contribute to a more satisfying work experience (Ibrahim et al., 2022).

Furthermore, a positive organizational culture can encourage employee participation in decision-making processes, provide opportunities for professional growth, and recognize employee achievements, all of which are important factors for job satisfaction. For example, Akpa et al. (2021) highlighted that organizational cultures characterized by involvement, consistency, adaptability, and mission positively influence employee satisfaction and performance. This study's findings reaffirm the importance of cultivating a strong organizational culture to boost job satisfaction among employees in the hotel industry.

### **C. Hypothesis 2 (H2): Employee motivation affects job satisfaction**

The analysis reveals that employee motivation positively influences job satisfaction, with a path coefficient of 0.38 and a t-value of 7.54. This result is consistent with the findings of prior studies that have demonstrated the critical role of employee motivation in determining job satisfaction levels. For example, Bandhu et al. (2024) and Cassia & Magno (2024) highlighted that intrinsic motivation, driven by personal growth and fulfillment, significantly enhances job satisfaction. Furthermore, Herzberg (2003) motivation-hygiene theory posits that motivational factors such as recognition, achievement, and responsibility are primary drivers of job satisfaction.

Employee motivation can be driven by various factors, including intrinsic motivators like personal achievement and growth, and extrinsic motivators like rewards and recognition. Motivated employees are more likely to be engaged in their work, exhibit higher levels of productivity, and demonstrate greater commitment to their organization. This engagement and commitment directly translate into higher job satisfaction. Hackman and Oldham also emphasized the role of job characteristics, such as task variety, task significance, and autonomy, in enhancing intrinsic motivation and job satisfaction (Ali et al., 2014; Hackman & Oldham, 1975).

Moreover, Vo et al. (2022) Expectancy Theory suggests that employees are motivated when they believe that their efforts will lead to desired performance and rewards. When employees perceive that their hard work is acknowledged and

rewarded appropriately, their motivation and satisfaction levels increase. This study supports these theoretical perspectives by showing that motivated employees in the hotel industry are more likely to experience higher job satisfaction, reinforcing the need for management to implement strategies that boost employee motivation. Such strategies might include providing career development opportunities, recognizing employee achievements, and ensuring fair compensation practices.

### **D. Hypothesis 3 (H3): Performance appraisal affects job satisfaction**

The findings indicate that performance appraisal has a positive impact on job satisfaction, as shown by the path coefficient of 0.32 and a t-value of 6.78. This is in line with the existing literature that emphasizes the significance of effective performance appraisal systems in enhancing job satisfaction. For instance, Shea (2003) argued that performance appraisals that are fair, transparent, and constructive lead to higher levels of job satisfaction among employees. Similarly, a study found that performance appraisals that provide valuable feedback and development opportunities contribute to improved job satisfaction (Aleinik & Rasskazova, 2022; Fondas & Denison, 1991).

Performance appraisals serve multiple functions, including providing feedback to employees, identifying areas for improvement, setting goals, and determining promotions and salary increments. When conducted effectively, performance appraisals can enhance job satisfaction by making employees feel valued and understood. Constructive feedback helps employees recognize their strengths and areas for development, which can motivate them to improve their performance and achieve their career goals (Soetjipto et al., 2021; Van Der Maesen De Sombref, 1997).

Furthermore, performance appraisals that are perceived as fair and unbiased can foster a sense of trust and fairness within the organization. Employees are more likely to be satisfied with their jobs when they believe that their efforts are accurately evaluated and appropriately rewarded. Additionally, performance appraisals can facilitate open communication between employees and management, leading to a better understanding of job expectations and performance standards. This study corroborates these findings, suggesting that well-implemented performance appraisal processes are essential for maintaining high levels of job satisfaction among employees in the hotel industry.

In summary, the findings from this study underscore the importance of organizational culture, employee motivation, and performance appraisal in enhancing job satisfaction within the hotel industry in Bali. The results are consistent with previous research, highlighting that a positive organizational culture, motivated employees, and effective performance appraisal systems are crucial for achieving high levels of job satisfaction. Specifically, organizational culture has the strongest impact, followed by employee motivation and performance appraisal.

These findings suggest that hotel managers should focus on fostering a supportive and engaging organizational culture, implementing strategies to boost employee motivation, and ensuring that performance appraisal systems are fair, transparent, and constructive. By addressing these areas, hotel managers can enhance job satisfaction, leading to improved employee well-being, higher productivity, and better overall organizational performance. Future research could explore additional factors that influence job satisfaction and examine the long-term effects of these interventions on employee retention and performance in the hospitality industry.

#### **E. Hypothesis 4A: Organizational Culture on Service Innovation**

The support for Hypothesis 4A demonstrates that organizational culture significantly influences service innovation within the hotel industry. A positive and strong organizational culture characterized by shared values, mutual trust, and open communication serves as a foundation for fostering innovation (Curzi et al., 2019). Employees who perceive their organization as supportive and aligned with their values are more inclined to contribute creative ideas and participate in service-enhancing activities. This finding aligns with the work of Amabile (2019), who emphasized that an environment conducive to creativity stimulates innovative behavior among employees. When management cultivates a culture of collaboration, risk-taking, and idea-sharing, employees are empowered to drive service innovation (Gold et al., 2001).

Moreover, this relationship underscores that a culture fostering team collaboration and valuing employee input motivates staff to exceed routine tasks and think innovatively. Hogan & Coote (2014) highlighted that a culture promoting innovation encourages proactive problem-solving and continuous learning, which is essential for service improvements. The significant impact of organizational culture on service innovation

suggests that hotel managers should prioritize creating a supportive and open work environment to boost innovative efforts. This, in turn, not only enhances service innovation but also positions the organization for sustained growth and competitive advantage.

#### **F. Hypothesis 4B: Employee Motivation on Service Innovation**

Hypothesis 4B confirms that employee motivation significantly and positively impacts service innovation. This finding is consistent with (Ryan & Deci, 2000), who highlighted that motivated employees, driven by both intrinsic factors like personal growth and extrinsic factors such as recognition and rewards, are more inclined to engage in creative and proactive behavior. When employees are motivated, their enthusiasm often translates into actions that contribute to service innovation, fostering an environment of continuous improvement and adaptation (De Jong & Vermeulen, 2003).

Motivational strategies that promote career development, recognition programs, and a positive work atmosphere are essential in nurturing an innovative mindset. Anagha & Magesh (2016) found that highly motivated employees are key drivers of innovation as they are more likely to experiment with new ideas and take initiative in developing service solutions. The significant impact of employee motivation on service innovation supports the view that motivated employees contribute to the organization's overall innovative capacity. For the hospitality industry, ensuring high levels of motivation is vital to encouraging employees to engage in creative problem-solving and service improvement.

#### **G. Hypothesis 4C: Performance Appraisal on Service Innovation**

The support for Hypothesis 4C reveals that performance appraisal positively impacts service innovation, suggesting that well-structured appraisals encourage innovative behavior. Research by Cappelli & Conyon (2018) underscores that performance appraisals that provide constructive feedback and recognize employee achievements foster an environment of growth and engagement. This aligns with findings from Dangol (2021), which suggest that appraisal systems designed to promote professional development and acknowledge innovative efforts drive employees to contribute to service innovation.

Performance appraisals that are perceived as supportive and aimed at development enhance employees' sense of value and belonging, motivating them to take initiative in their roles. Janssen (2000) found that feedback and recognition are essential for fostering innovative behavior, as employees feel encouraged to explore new ideas and contribute to the organization's growth. These findings emphasize that the hospitality industry should leverage performance appraisals not just as a means of evaluation, but as a strategic tool for inspiring innovation. This practice helps create a culture of continuous improvement, ultimately enhancing service quality and increasing customer satisfaction.

**H. Hypothesis 5: Service Innovation on Job Satisfaction**

The findings indicate that service innovation has a significant and positive effect on job satisfaction within the hotel industry. This result suggests that employees derive satisfaction not only from the traditional aspects of their roles but also from their involvement in innovative activities that improve service delivery. When employees are encouraged to engage in service innovation, they experience a heightened sense of accomplishment and pride in their work, which translates into greater job satisfaction. Fang-I Kuo (2019) highlighted that participation in innovation can enhance job satisfaction, as employees feel their contributions are meaningful and valued by the organization. This alignment between personal achievement and organizational goals fosters a positive work environment where employees feel both motivated and rewarded by their roles in service improvement.

Moreover, the significance of this relationship underscores the importance of creating an organizational culture that actively supports innovation. Encouraging employees to participate in service innovation can lead to a sense of ownership and responsibility, as they are directly involved in enhancing customer experiences and organizational outcomes. De Jong & Vermeulen (2003) emphasized that innovative behaviors, particularly in service-oriented roles, are associated with higher job satisfaction due to the dynamic and engaging nature of innovation tasks. This finding suggests that hotel managers should not only focus on traditional HRM practices but also integrate innovation-oriented strategies to improve job satisfaction. By supporting service innovation, hotels can create a more fulfilling work environment, which in turn can enhance employee retention, motivation, and overall organizational performance.

**I. Indirect Effect**

**Table 6.** Indirect Estimation

Hypothesis	Description	Coefficient	Note
H4A	OC→SI→JS	0.156***	Supported
H4B	EM→SI→JS	0.190***	Supported
H4C	PA→WE→JS	0.441***	Supported
H6A	OC x WE→JS	0.182***	Supported
H6B	EM x WE→JS	0.207***	Supported
H6C	PA x WE→JS	0.165***	Supported

Source: data processing

Hypotheses H4A and H4B show that service innovation (SI) significantly mediates the relationships between organizational culture (OC) and job satisfaction (JS), as well as employee motivation (EM) and job satisfaction. Specifically, the path OC → SI → JS has a coefficient of 0.156, and EM → SI → JS has a coefficient of 0.190, both of which are significant at a high level (p < 0.001). These results suggest that service innovation plays a meaningful role in transmitting the positive effects of a supportive organizational culture and motivated employees to enhance job satisfaction. This means that fostering a culture that encourages innovation and maintaining high levels of employee motivation can contribute indirectly to job satisfaction by promoting innovative service practices.

Hypothesis H4C demonstrates that performance appraisal (PA) significantly affects job satisfaction through the work environment (WE) as a mediator, with a high coefficient of 0.441 (p < 0.001). This indicates that a positive work environment enhances the impact of performance appraisals on job satisfaction, showing that fair and constructive appraisals are more effective in a supportive work environment. This relationship suggests that performance appraisal practices contribute to job satisfaction by creating an atmosphere where employees feel recognized and supported.

Hypotheses H6A, H6B, and H6C test the moderating role of the work environment (WE) in the relationships between organizational culture (OC), employee motivation (EM), performance appraisal (PA), and job satisfaction (JS). The results show significant positive coefficients for each path: OC x WE → JS (0.182), EM x WE → JS (0.207), and PA x WE → JS (0.165), all significant at p < 0.001. These findings indicate that a positive work environment amplifies the effects of organizational culture, employee motivation, and performance appraisal on job satisfaction. In other words, a supportive work environment strengthens the influence of these HR practices on employee satisfaction, suggesting that job satisfaction is maximized when a positive

work environment accompanies these HR practices.

The findings emphasize the dual importance of service innovation and a supportive work environment in fostering job satisfaction in the hotel industry. The mediation effects in H4A and H4B underscore that service innovation functions as a crucial mechanism through which organizational culture and employee motivation enhance job satisfaction. This aligns with research by Ibrahim et al. (2022), which found that environments encouraging employee innovation see higher job satisfaction due to employees' engagement in meaningful work. The role of service innovation is particularly relevant in the hospitality sector, where customer satisfaction relies heavily on innovative service practices that keep pace with dynamic customer expectations. When organizational culture and motivation are aligned with a focus on innovation, employees not only contribute more effectively but also feel more fulfilled in their roles, enhancing job satisfaction.

Furthermore, the results from H4C highlight the significant role of a positive work environment as a mediator between performance appraisal and job satisfaction. This finding supports the idea that performance appraisals are more effective when conducted in an environment that values employee contributions. Cappelli & Conyon (2018) found that appraisals that emphasize development and growth foster higher satisfaction levels, especially when employees feel supported by their surroundings. A positive work environment amplifies the effects of performance appraisals by fostering a culture of feedback and improvement, where employees are encouraged to learn and grow.

The moderation effects in H7A, H7B, and H7C reveal that the work environment not only mediates but also strengthens the direct effects of organizational culture, employee motivation, and performance appraisal on job satisfaction. This suggests that a positive work environment not only enhances HR practices but also maximizes job satisfaction outcomes. Hogan & Coote (2014) noted that a supportive environment amplifies the benefits of cultural alignment and motivation, particularly in industries like hospitality where employee engagement directly impacts customer experience. Thus, the results collectively underscore the need for hotel managers to focus on building a positive, innovation-driven culture supported by comprehensive appraisal systems, ultimately fostering an environment where employees feel valued, motivated, and satisfied in their roles.

## J. DISCUSSION

The findings of this study contribute significantly to the theoretical understanding of how organizational culture, employee motivation, and performance appraisal influence job satisfaction, mediated by service innovation and moderated by the work environment. These results align with and extend established theories such as Herzberg's Two-Factor Theory and the Resource-Based View (RBV). Herzberg's theory underscores the importance of motivational factors (e.g., recognition, achievement, and work environment) in fostering job satisfaction, while the RBV highlights innovation as a critical organizational resource for sustaining competitive advantage. The results affirm that service innovation functions as a vital pathway through which organizational culture and employee motivation translate into enhanced job satisfaction. This mediating role of innovation underscores its importance in dynamic industries like hospitality, where organizations must continuously adapt to meet customer demands. The findings suggest that fostering a culture of innovation not only aligns with theoretical principles but also provides practical benefits by enhancing employee engagement and satisfaction.

From a practical perspective, this study highlights actionable strategies for managers in the hospitality sector to improve HRM practices and workplace outcomes. The positive impact of a supportive work environment on the effectiveness of performance appraisals and overall job satisfaction emphasizes the need for managers to create environments that value employee contributions, provide constructive feedback, and support continuous development. This insight is particularly critical in the hospitality industry, where employee satisfaction directly affects service quality and customer experiences. Moreover, the moderation effects reveal that the benefits of organizational culture, employee motivation, and performance appraisal are amplified in positive work environments, emphasizing the interplay between HRM practices and workplace dynamics. Managers should prioritize building innovation-driven and supportive cultures that enable employees to thrive, thereby fostering higher levels of satisfaction and retention. Collectively, these findings provide both theoretical reinforcement and practical guidance for enhancing employee satisfaction and organizational performance in service-intensive industries.

## V. CONCLUSION

This study provides valuable insights into the effects of organizational culture, employee motivation, performance appraisal, and the mediating role of service innovation on job satisfaction in the hotel industry in Bali. The findings indicate that organizational culture, employee motivation, and performance appraisal significantly and positively influence job satisfaction, emphasizing the importance of fostering a supportive organizational culture, motivating employees through both intrinsic and extrinsic rewards, and implementing fair and transparent performance appraisals. Additionally, the study reveals that service innovation acts as a key mediating factor, transmitting the positive effects of these HRM practices to enhance job satisfaction, which highlights the need for organizations to encourage innovative practices as part of their HRM strategy. Furthermore, the work environment plays a critical moderating role, amplifying the positive impact of these HRM practices on job satisfaction. When employees perceive the work environment as conducive and resourceful, the benefits of a strong organizational culture, motivation, and performance appraisal are significantly enhanced, creating a more satisfied and engaged workforce.

These findings offer practical implications for hotel managers and HR professionals. By focusing on creating a positive work environment, promoting service innovation, and enhancing key HRM practices, hotel managers can significantly improve employee satisfaction, which can lead to higher retention rates, increased productivity, and better service quality. Key strategies include improving organizational culture, offering career development opportunities, recognizing employee achievements, conducting fair and constructive performance appraisals, and fostering a culture of innovation where employees feel encouraged to contribute new ideas. These approaches collectively support a more satisfied and motivated workforce, which can ultimately lead to higher levels of customer satisfaction and business success in the competitive hotel industry.

However, this study is not without limitations. First, the reliance on self-reported data may introduce response bias, as employees might provide socially desirable responses rather than accurate reflections of their true experiences. The purposive sampling technique ensured that respondents had sufficient industry experience, making the findings highly relevant to the context of Bali's hotel sector. However, this approach may limit the generalizability of the results to other

regions or industries. Future research could address this limitation by expanding the sample to include hotels from other regions or sectors, thereby enhancing the external validity of the results. Furthermore, the cross-sectional design of the study prevents the assessment of long-term effects, making it difficult to determine whether the observed relationships hold over time. Longitudinal studies could provide more robust insights into the dynamic nature of these HRM practices, service innovation, and their sustained impact on job satisfaction.

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