

The Mediating Role of Employee Engagement in the Relationship between Training, Customer Loyalty Programs, and Job Satisfaction: A Study of Five-Star Hotels in Indonesia

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ABSTRACT

The hospitality industry, particularly five-star hotels, increasingly faces the challenge of maintaining service excellence while ensuring employee well-being and organizational sustainability, thereby raising critical questions regarding how managerial practices such as training and customer loyalty programs influence job satisfaction through employee engagement. This study aims to examine the mediating role of employee engagement in the relationship between training effectiveness, customer loyalty program implementation, and employee job satisfaction in Indonesian luxury hotels. A quantitative explanatory approach was employed using survey data collected from full-time hotel employees, which were subsequently analyzed through structural equation modeling (SEM) to evaluate both direct and indirect relationships among variables. The results indicate that training and customer loyalty programs positively influence job satisfaction, with employee engagement demonstrating a significant mediating effect that strengthens these relationships. These findings suggest that psychological involvement functions as a crucial interpretive mechanism through which organizational initiatives are translated into positive employee attitudes. The study concludes that integrating human resource development and customer-oriented strategies with engagement-focused management practices is essential for achieving sustainable service performance and workforce stability in high-end hospitality contexts.

Keywords: employee engagement; training effectiveness; customer loyalty programs; job satisfaction; hospitality management; five-star hotels.



1. Introduction

The hospitality industry, particularly the five-star hotel segment, operates in a highly competitive and service-intensive environment where human resources constitute the primary determinant of organizational differentiation and customer experience quality. In such contexts, employee performance is inseparable from psychological and behavioral factors that influence service delivery consistency, responsiveness, and emotional labor. The need to examine internal organizational mechanisms arises from the recognition that physical infrastructure and brand positioning alone are insufficient to ensure long-term competitiveness without a committed and motivated workforce. Contemporary hospitality research increasingly emphasizes the strategic importance of employee engagement as a driver of service excellence and organizational sustainability [1].

Training initiatives represent a foundational managerial intervention aimed at enhancing employee competence, adaptability, and service orientation within the hotel industry. However, empirical evidence suggests that the effectiveness of training programs depends not solely on technical skill acquisition but also on the extent to which such programs foster psychological involvement and organizational identification among employees. Without sustained engagement, training investments may yield limited behavioral transformation, thereby reducing their return on investment and strategic impact. This condition underscores the importance of exploring the indirect pathways through which training influences employee outcomes, particularly through mediating constructs such as employee engagement that bridge capability development and attitudinal responses [13].

In parallel, customer loyalty programs have become an essential strategic instrument for enhancing repeat visitation, brand attachment, and revenue stability in luxury hospitality markets. While loyalty programs are traditionally examined from a marketing perspective, their internal organizational implications—especially regarding employee perceptions and job satisfaction—remain comparatively underexplored. Employees play a crucial role in executing loyalty strategies through personalized interactions and service customization, and their psychological alignment with such programs significantly affects customer perception and program effectiveness. Consequently, this research aims to understand how marketing mechanisms intersect with internal employee attitudes through engagement dynamics [9].

Job satisfaction within five-star hotels is influenced by multifaceted factors, including compensation structures, work environment, career progression opportunities, and managerial support. Nevertheless, recent scholarly discourse highlights that psychological attachment and emotional commitment to the organization frequently outweigh purely material incentives in shaping satisfaction levels. In service-oriented industries where



emotional labor is pervasive, disengaged employees are more likely to experience burnout, reduced service quality, and higher turnover intentions. This reality intensifies the urgency of identifying mediating variables that explain how organizational practices translate into positive employee attitudes and sustainable workforce stability [7].

The concept of employee engagement has thus emerged as a critical theoretical lens linking organizational practices with both employee well-being and customer-oriented outcomes. Engagement encapsulates vigor, dedication, and absorption in work roles, functioning as a psychological conduit through which training effectiveness and loyalty program involvement influence broader attitudinal constructs. Despite its recognized significance, empirical investigations that simultaneously examine engagement as a mediating variable between human resource development initiatives and marketing-driven organizational strategies remain limited, particularly in the Southeast Asian hospitality context. This gap underscores the urgency of integrative research models capable of bridging human resource management and service marketing perspectives [11].

Indonesia's five-star hotel industry provides a particularly relevant empirical setting due to its rapid tourism growth, cultural diversity, and increasing reliance on premium service differentiation. The intersection of workforce development, customer retention strategies, and employee psychological well-being within this context presents a complex organizational ecosystem requiring multidimensional analytical approaches. Therefore, this study is grounded in the urgent need to elucidate the mediating role of employee engagement in the relationship between training, customer loyalty programs, and job satisfaction, contributing to both theoretical advancement and practical managerial implications for hospitality governance. By addressing this integrative framework, the research seeks to enhance understanding of how internal and external strategic mechanisms collectively shape sustainable service excellence in luxury hotel environments [9].

2. Materials and Method

This study employed a quantitative explanatory research design complemented by limited qualitative verification to investigate the mediating role of employee engagement in the relationship between training, customer loyalty programs, and job satisfaction within five-star hotels in Indonesia. The methodological choice was made to capture both measurable behavioral tendencies and contextual organizational perceptions that characterize service-intensive hospitality environments. Given that employee attitudes and engagement levels are inherently multidimensional constructs, a structured empirical framework was considered essential to ensure analytical rigor and theoretical consistency.



Contemporary organizational behavior research emphasizes that explanatory survey models remain effective in examining mediation dynamics within complex service industries.

The research materials consisted primarily of primary survey data obtained from employees working in five-star hotels across major Indonesian tourism destinations, including Jakarta, Bali, Yogyakarta, and Surabaya. Supplementary materials included internal training modules, customer loyalty program guidelines, and anonymized organizational policy documents that provided contextual understanding of managerial practices. The integration of documentary materials with perceptual survey responses was intended to reduce common method bias and strengthen construct validity, particularly when examining psychological variables such as engagement and satisfaction. Prior hospitality studies highlight the importance of multi-source material triangulation in improving empirical robustness and interpretive depth.

Sampling procedures utilized a purposive sampling strategy targeting full-time hotel employees with a minimum tenure of one year to ensure adequate exposure to training initiatives and loyalty program operations. The urgency of applying this criterion stemmed from the need to capture informed perceptions rather than transient impressions that may distort attitudinal measurement. A total of 350 questionnaires were distributed through digital survey platforms, with 287 valid responses retained after data screening and reliability checks. This sampling approach aligns with established methodological recommendations for mediation analysis within organizational psychology research, where experiential familiarity enhances data credibility.

Data collection procedures were conducted in two stages. The first stage involved the administration of an online Likert-scale questionnaire measuring constructs of training effectiveness, perceived customer loyalty program involvement, employee engagement, and job satisfaction. The second stage included short semi-structured interviews with selected human resource managers to contextualize survey findings and verify organizational practices related to employee development and service strategy execution. This dual-stage approach addressed the urgency of balancing statistical generalizability with contextual nuance, acknowledging that hospitality work environments involve both standardized policies and situational interpersonal dynamics.

Analytical techniques centered on structural equation modeling (SEM) using partial least squares to evaluate direct and indirect relationships among variables and to test the mediating effect of engagement. Reliability and validity assessments were conducted through Cronbach's alpha, composite reliability, and average variance extracted (AVE) to ensure measurement precision. The urgency of employing SEM was justified by the need to simultaneously examine multiple interrelated constructs and to quantify mediation



pathways that traditional regression methods may inadequately capture. Recent human resource management literature underscores SEM's suitability for exploring psychological mediation mechanisms in service-sector studies.

Ethical considerations and methodological rigor were maintained through anonymization of respondents, voluntary participation agreements, and institutional approval from participating hotel management bodies. Data confidentiality protocols were strictly enforced to mitigate social desirability bias and protect organizational reputations. These procedures were particularly urgent given the sensitivity of employee satisfaction and engagement disclosures within competitive luxury hospitality markets. By embedding ethical safeguards and reliability controls within the research design, the study ensured both academic integrity and practical relevance, consistent with best-practice standards in contemporary organizational research methodologies.

3. Result

The empirical results reveal that the urgency of strengthening human resource practices in five-star hotels in Indonesia is closely linked to the increasing demand for service excellence and emotional labor sustainability within the hospitality sector. Descriptive findings indicate that employees perceive training programs as generally adequate, yet inconsistencies in program frequency and relevance remain evident across organizational units. These disparities highlight the foundational problem that skill development alone does not automatically translate into psychological attachment or long-term satisfaction unless supported by engagement-oriented managerial strategies. The results therefore reaffirm the necessity of examining employee engagement as a central construct bridging organizational investment and attitudinal outcomes in service-intensive industries.

Further analysis demonstrates that customer loyalty programs, traditionally positioned as external marketing tools, exert measurable internal organizational effects on employee perceptions. Respondents reported that well-structured loyalty initiatives enhanced their sense of role significance and service pride, whereas poorly communicated programs generated additional workload stress and ambiguity. This duality underscores the urgency of aligning marketing strategies with internal communication frameworks to ensure that employees perceive loyalty mechanisms as supportive rather than burdensome. The findings emphasize that employee attitudes toward loyalty programs are not neutral but actively shape emotional commitment and job satisfaction trajectories.

Summarizes the descriptive statistics of the principal variables examined in this study, including perceived training effectiveness, customer loyalty program clarity, employee engagement, and job satisfaction. The distribution patterns indicate that engagement levels



recorded the highest mean value among all variables, suggesting that psychological involvement functions as a pivotal determinant in hospitality work environments characterized by interpersonal service interactions. The relatively moderate standard deviations across variables indicate perceptual consistency among respondents, thereby strengthening the reliability of subsequent inferential analyses.

Table 1. Descriptive Statistics of Core Variables

Variable	Mean	Std. Deviation	Min	Max
Training Effectiveness	4.02	0.71	2	5
Loyalty Program Clarity	3.88	0.76	2	5
Employee Engagement	4.15	0.65	3	5
Job Satisfaction	3.97	0.72	2	5

The interpretation of Table 1 reveals that although training effectiveness and engagement levels are relatively high, job satisfaction does not reach an equivalent magnitude, indicating the existence of mediating or moderating influences within the organizational environment. This discrepancy substantiates the urgency of mediation analysis, as direct relationships alone fail to fully explain attitudinal outcomes. The pattern aligns with contemporary human resource management literature suggesting that engagement often operates as a psychological conduit rather than a parallel predictor.

Inferential analysis using structural equation modeling (SEM) confirms statistically significant direct relationships between training and engagement, as well as between loyalty program clarity and engagement. These results indicate that both human resource development initiatives and marketing-oriented internal practices contribute to strengthening employee psychological involvement. The urgency of integrating these domains becomes evident in hospitality settings where service quality is co-produced through employee–customer interactions, thereby amplifying the organizational consequences of disengagement.

Presents the SEM path coefficients and significance levels, illustrating the mediating effect of employee engagement on job satisfaction. The coefficients reveal that engagement exerts the strongest direct influence on satisfaction, while training and loyalty programs display substantial indirect effects through engagement. This structure validates the central research premise that engagement functions as a psychological bridge connecting organizational practices with employee well-being.



Table 1. Descriptive Statistics of Core Variables

Path Relationship	Coefficient (β)	p-value
Training \rightarrow <i>Employee Engagement</i>	0.47	<0.001
Loyalty Program \rightarrow <i>Employee Engagement</i>	0.39	<0.001
<i>Employee Engagement</i> \rightarrow Job Satisfaction	0.58	<0.001
Training \rightarrow Job Satisfaction (Indirect)	0.27	0.002
Loyalty Program \rightarrow Job Satisfaction (Indirect)	0.23	0.004

The explanatory implications of Table 2 underscore the urgency of designing integrated managerial strategies that simultaneously address competence development and emotional involvement. The strong coefficient linking engagement to satisfaction indicates that psychological attachment acts as a stabilizing force in labor-intensive hospitality contexts. Without sustained engagement, training investments risk diminishing returns, and loyalty initiatives may fail to achieve their intended motivational effects.

Additional subgroup analysis revealed minor variations based on departmental roles, with front-office employees exhibiting slightly higher engagement and satisfaction scores compared to back-office staff. This pattern highlights the experiential dimension of customer interaction as a reinforcing factor for psychological involvement. The urgency of departmental differentiation in managerial interventions thus becomes evident, as uniform human resource policies may overlook functional disparities in emotional labor intensity and service visibility.

Qualitative interview insights further corroborated quantitative findings by identifying leadership communication transparency and recognition practices as reinforcing mechanisms of engagement. Managers who consistently provided performance feedback and acknowledged employee contributions reported lower turnover intentions and higher service consistency. These results emphasize that engagement is not solely program-driven but also relationally constructed through daily managerial behaviors, strengthening the argument for socio-organizational integration in hospitality governance.

Overall, the results confirm that employee engagement operates as a critical mediating variable linking training effectiveness and customer loyalty programs to job satisfaction within five-star hotels in Indonesia. The urgency underlying this relationship stems from the sector's reliance on emotional labor and personalized service delivery, where employee attitudes directly influence customer perceptions and organizational reputation. By demonstrating that psychological involvement amplifies the impact of both developmental and marketing-oriented practices, the findings provide empirical justification for integrative



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management frameworks that align human resource development with service strategy execution to achieve sustainable hospitality excellence.

4. Discussion

The discussion of this study begins by reaffirming the fundamental urgency that motivated the research, namely the growing complexity of human resource management in the hospitality industry where service quality is inseparable from employee psychological conditions. In five-star hotels, employees are not merely operational actors but also emotional representatives of organizational identity, making employee engagement a strategic necessity rather than a complementary factor. The findings demonstrate that training and customer loyalty programs are insufficient when implemented in isolation, as their effectiveness is largely contingent upon the level of emotional and cognitive involvement employees develop toward their roles. This condition reflects the broader transformation of hospitality management into a people-centered service ecosystem where engagement operates as a primary performance driver.

The significant relationship between training and engagement underscores the urgency of redefining training not only as a technical competency development tool but also as a psychological investment mechanism. Traditional training approaches that focus solely on procedural knowledge may fail to foster emotional attachment or a sense of organizational belonging. The present results align with contemporary perspectives that emphasize experiential and participatory training models capable of strengthening employees' intrinsic motivation and identity alignment with organizational goals. Consequently, the urgency lies in shifting from transactional to transformational training paradigms within the hospitality sector.

Customer loyalty programs, although typically positioned as external marketing instruments, reveal an internal organizational implication that is often underestimated. The discussion highlights that employees interpret loyalty initiatives as reflections of organizational priorities and service expectations, thereby influencing their psychological readiness and satisfaction levels. When these programs are communicated transparently and integrated with internal reward systems, they contribute positively to engagement; however, when poorly structured, they risk increasing workload pressure and emotional exhaustion. This dual impact illustrates the urgent need for cross-functional coordination between marketing and human resource departments to avoid policy dissonance [10].

The mediating role of employee engagement observed in this study confirms that psychological involvement functions as an interpretive lens through which organizational practices are perceived and evaluated. Engagement acts as a bridge that transforms structural



inputs such as training modules and loyalty frameworks into attitudinal outcomes like job satisfaction. Without sufficient engagement, organizational initiatives may remain symbolic and fail to influence employee well-being or performance. This reinforces the theoretical proposition that engagement is both a motivational state and an organizational resource, especially in labor-intensive industries [11].

Another critical point emerging from the discussion is the contextual specificity of five-star hotels in Indonesia, where cultural norms of hospitality, collectivism, and interpersonal warmth intensify the emotional dimension of service work. Employees often perceive customer interactions not merely as professional duties but as social exchanges embedded in cultural expectations. Such socio-cultural factors amplify the importance of engagement as a stabilizing psychological mechanism capable of mitigating stress and role ambiguity. Therefore, managerial interventions must be culturally sensitive and locally adaptive to maximize their effectiveness.

The study's findings also highlight the urgency of leadership communication in sustaining engagement. Transparent communication, regular feedback, and recognition practices were consistently associated with higher satisfaction levels, indicating that engagement is relationally constructed through everyday managerial interactions. This suggests that engagement is not solely program-driven but socially negotiated within organizational micro-contexts. Leaders who demonstrate empathy and clarity effectively reinforce employees' sense of purpose and reduce emotional dissonance, thereby strengthening organizational resilience.

From a theoretical perspective, the results contribute to the expanding discourse on social exchange theory and job demands resources (JD-R) model, both of which emphasize reciprocal relationships between organizational support and employee attitudes. Training and loyalty initiatives can be interpreted as organizational resources, while engagement represents the psychological response that mediates these inputs and satisfaction outcomes. The urgency of integrating these frameworks lies in their capacity to explain why identical policies produce divergent outcomes across organizations depending on engagement intensity.

The discussion further reveals that departmental differences in engagement levels, particularly between front-office and back-office employees, indicate the heterogeneity of emotional labor within hospitality environments. Front-line employees often derive immediate feedback and recognition from customer interactions, which reinforces their psychological involvement, whereas back-office staff may experience limited visibility and appreciation. This disparity emphasizes the urgency of differentiated human resource



strategies that address functional diversity rather than applying uniform engagement initiatives across departments.

In practical terms, the findings advocate for integrative management frameworks that align human resource development, marketing communication, and leadership practices into a coherent engagement strategy. Hotels that treat these domains as isolated silos risk inefficiencies and employee dissatisfaction. The urgency is therefore managerial as well as structural, requiring policy synchronization and cross-departmental collaboration to ensure that employees perceive organizational initiatives as cohesive and supportive rather than fragmented.

The psychological dimension of engagement also has implications for organizational sustainability, particularly in the context of post-pandemic recovery and global tourism volatility. Employees who exhibit high engagement levels demonstrate greater adaptability, lower turnover intentions, and stronger service consistency, all of which are critical for maintaining competitive advantage in luxury hospitality markets. This underscores the urgency of embedding engagement metrics into long-term strategic planning rather than treating them as short-term performance indicators.

Limitations acknowledged in this discussion include the reliance on self-reported measures and cross-sectional design, which may not fully capture longitudinal fluctuations in engagement or satisfaction. Nevertheless, the consistency of statistical relationships and qualitative insights suggests robust conceptual validity. Future research is urgently needed to employ longitudinal and mixed-methods approaches that explore causal dynamics and cultural variability across different hospitality contexts, thereby enhancing generalizability.

In conclusion, the discussion consolidates the central argument that employee engagement constitutes the psychological nucleus connecting training effectiveness and customer loyalty programs to job satisfaction within Indonesian five-star hotels. The urgency underpinning this relationship arises from the inherently emotional and relational nature of hospitality work, where employee attitudes directly shape customer experiences and organizational reputation. By demonstrating that engagement amplifies the effectiveness of both developmental and marketing-oriented initiatives, the study provides empirical and theoretical justification for integrative, culturally responsive, and psychologically informed management strategies aimed at achieving sustainable service excellence.

5. Conclusions

The conclusion of this study reaffirms the fundamental urgency that motivated the research, namely the growing need for hospitality organizations to manage not only



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Smart International Management Journal, March 2026, Vol 03, No 1

operational excellence but also the psychological sustainability of their workforce in increasingly competitive and volatile tourism markets. The empirical findings demonstrate that employee engagement serves as a pivotal mediating construct that transforms structural organizational initiatives such as training programs and customer loyalty strategies into meaningful attitudinal outcomes reflected in job satisfaction. In five-star hotels, where service encounters are highly personalized and emotionally charged, engagement functions as both a motivational resource and a stabilizing mechanism that mitigates role stress and enhances service consistency. This underscores the urgency of repositioning engagement from a peripheral human resource metric into a central strategic pillar within hospitality governance frameworks.

Furthermore, the study concludes that the effectiveness of training and customer loyalty programs cannot be evaluated solely through performance indicators or customer retention statistics, as their long term organizational value is intrinsically linked to employees' psychological interpretation and emotional involvement. The mediation effect identified indicates that without sufficient engagement, even well designed organizational initiatives risk becoming procedural formalities rather than transformative instruments. Consequently, the urgency lies in developing integrative management approaches that align human resource development, marketing communication, and leadership practices into a cohesive system capable of nurturing both employee well-being and customer satisfaction simultaneously. Such alignment is particularly critical in luxury hospitality environments where brand reputation is inseparable from frontline employee behavior and emotional authenticity.

From a broader theoretical and practical standpoint, the study highlights that employee engagement embodies a multidimensional construct encompassing cognitive attention, emotional attachment, and behavioral participation, all of which collectively determine the success of organizational interventions. The Indonesian five-star hotel context further illustrates that socio-cultural norms of hospitality and collectivism amplify the psychological dimension of service work, thereby intensifying the relevance of engagement as a mediator between managerial policy and employee outcomes. The concluding implication is that sustainable hospitality competitiveness depends not merely on infrastructural investments or promotional campaigns, but on cultivating a resilient and emotionally invested workforce capable of adapting to dynamic service expectations. Hence, embedding engagement-oriented strategies into long-term organizational planning emerges as an urgent managerial priority for achieving balanced growth and enduring service excellence.



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Smart International Management Journal, March 2026, Vol 03, No 1

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