

Employee Engagement and Psychological Well-Being on Employee Loyalty through Organizational Citizenship Behavior (OCB)

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ABSTRACT

Purpose: This research aims to analyze the effect of employee engagement and psychological well-being on employee loyalty through organizational citizenship behavior (OCB) as a mediating variable at Hotel Aman Gati and Any Lestari.

Research Method: A quantitative approach was employed using a total sampling technique involving 45 operational employees. Data were collected via Likert-scale questionnaires and analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) through SmartPLS.

Results and Discussion: The findings reveal that both employee engagement and psychological well-being have a positive and significant direct impact on employee loyalty and OCB. Furthermore, OCB serves as a significant mediator, linking work engagement, psychological well-being, and long-term employee loyalty.

Implications: Hotel management should develop strategic policies that support mental well-being and active engagement to retain human resources sustainably. Future research is recommended to increase sample sizes, include additional hotel tiers, and explore additional variables such as organizational culture.

Originality: This study provides originality by empirically confirming the mediating role of OCB within the specific and rarely studied context of a local-scale hospitality ecosystem.

Keywords: employee engagement; psychological well-being; employee loyalty; organizational citizenship behavior.

1. Introduction

The hospitality industry is one of the service sectors that makes a significant contribution to tourism development and economic growth. In this service-oriented industry, service quality is a key factor in determining customer satisfaction and loyalty. A hotel's success is determined not only by the range of facilities it offers but also by the ability of its human resources to provide quality service. Interactions between employees and customers play a crucial role in shaping the customer experience and creating a positive image for the organization. Kim *et al.*, (2021) and Noe *et al.*, (2021) emphasize that the quality of service provided by employees is one of the factors influencing customer satisfaction, while Rather (2021) and Mahmud (2020) explain that the quality of interactions between guests and employees greatly influences the customer experience in the hospitality industry. Therefore, human resource



management is a strategic aspect in maintaining the competitiveness and sustainability of hospitality organizations.

Increasingly intense competition in the hospitality industry drives organizations to improve the quality of their human resources continuously. Employees are not only required to perform their duties in accordance with operational standards but are also expected to make greater contributions toward achieving organizational goals. Baum (2019) and Saptaria *et al.*, (2021) state that the effectiveness of human resource management heavily influences the success of service organizations. Therefore, companies need to create a work environment that can continuously enhance employees' competencies, motivation, and commitment. A supportive work environment, opportunities for self-development, and the organization's attention to employees' needs can boost productivity and employee commitment to the organization (Noe *et al.*, 2021). Employees who feel valued and supported by the organization tend to perform better and have a stronger desire to remain with the company. These conditions demonstrate that human resource management is a critical factor in fostering positive work behavior and employee loyalty.

One factor that improves employee performance and commitment is employee engagement. Employee engagement reflects employees' emotional, cognitive, and behavioral involvement with their work and the organization where they work (Saks, 2019; Galu *et al.*, 2025). A high level of engagement motivates employees to work with enthusiasm, demonstrate strong dedication, and make optimal contributions to the organization. Employees who are highly engaged in their work tend to have a strong sense of belonging to the organization, making them more motivated to achieve the company's goals. Various studies indicate that employee engagement positively impacts performance improvement, positive work behavior, and organizational commitment (Putra & Supartha, 2019; Adhar *et al.*, 2025). In the hospitality industry, high employee engagement also plays a crucial role in enhancing the quality of service provided to customers. Therefore, employee engagement is a strategic factor that must be prioritized in human resource management.

In addition to employee engagement, psychological well-being is also a key factor influencing employee behavior and performance. Psychological well-being describes an individual's psychological state that enables them to function optimally, manage work-related stress, build positive social relationships, and have a clear sense of purpose in life. A high level of psychological well-being helps employees cope more effectively with various job demands and maintain productivity. Employees with healthy psychological well-being tend to be better able to regulate their emotions and adapt to changes in the work environment. Research by Yiming & Jinsheng (2024) shows that psychological well-being positively affects job satisfaction and employee performance. Furthermore, Kleynhans *et al.*, (2025) found that good psychological well-being fosters various positive work behaviors that support organizational effectiveness. Thus, psychological well-being is a crucial aspect that must be addressed to create a productive and sustainable work environment.

In service organizations, positive work behavior is reflected not only in the performance of formal tasks but also in employees' willingness to contribute beyond their defined responsibilities. This behavior is known as organizational citizenship behavior (OCB)—voluntary actions employees take to assist colleagues, support organizational activities, and foster a conducive work environment. The presence of OCB is important because it enhances organizational effectiveness, strengthens teamwork, and supports the quality of customer service. Bolino *et al.*, (2022) explain that OCB contributes to a more productive and harmonious work environment. Furthermore, this behavior also reflects the level of

employees' care and commitment to the organization. Employees who demonstrate high levels of OCB tend to build positive working relationships more easily with both their coworkers and the organization. Therefore, OCB is considered a factor that can strengthen employee loyalty to the company.

Employee loyalty is a vital asset for organizations because it relates to an individual's desire to remain with the company and contribute their best. Loyal employees tend to have higher commitment, lower turnover rates, and a willingness to support the achievement of the organization's long-term goals (Nguyen *et al.*, 2020; Inceoglu *et al.*, 2021; Adhar *et al.*, 2025; Hesti & Asmawati, 2024; Jiatong *et al.*, 2022; Mahmud *et al.*, 2024). Loyalty also reflects a strong relationship between employees and the organization, built through positive work experiences. Loyal employees generally demonstrate a high sense of responsibility in performing their duties and a desire to grow alongside the organization. In the hospitality industry, employee loyalty is a critical factor because it is directly linked to the consistency of service quality provided to customers. High employee loyalty can help organizations retain a competent workforce and reduce costs associated with employee turnover. Therefore, identifying the factors that influence employee loyalty is essential for supporting organizational sustainability.

Several previous studies have examined the relationships among employee engagement, psychological well-being, organizational citizenship behavior, and employee loyalty. However, research findings regarding the mechanisms underlying the relationships among these variables remain mixed. Some studies have found that employee engagement and psychological well-being directly affect employee loyalty, while others suggest that this relationship can be strengthened through organizational citizenship behavior. These differing research findings indicate that the role of OCB in explaining the relationship between employee engagement, psychological well-being, and employee loyalty still requires further empirical testing. Furthermore, most previous studies were conducted across different organizational sectors, so their results may not generalize to the hospitality industry. Research examining the relationship among these four variables in local-scale hotels remains relatively limited. These conditions indicate a research gap that warrants further investigation in the hospitality industry.

Based on preliminary observations by the researchers at Hotel Aman Gati and Any Lestari, there are indications that employee engagement in their work is not yet at its optimal level. Furthermore, there are variations in employees' willingness to assist coworkers beyond their formal duties, as well as differences in their level of commitment to the organization. These conditions have the potential to affect employee loyalty and the quality of service provided to customers. If not managed properly, these conditions could lead to a decline in organizational effectiveness and service quality—key factors in the hospitality industry. This situation underscores the importance of understanding the factors that can enhance employee loyalty through a more comprehensive approach. By understanding the relationship between employee engagement, psychological well-being, and OCB, organizations can develop more effective strategies to improve the quality of their human resources. Therefore, this study is relevant to the hospitality industry.

Based on the above discussion, this study aims to analyze the influence of employee engagement and psychological well-being on employee loyalty, with organizational citizenship behavior (OCB) as a mediating variable, at Hotel Aman Gati and Any Lestari. This study contributes by examining the mediating role of organizational citizenship behavior in the relationship between employee engagement and psychological well-being on employee loyalty within the context of local hotels. This setting has received relatively little research attention. The use of OCB as a mediating variable is expected to provide a more comprehensive understanding of the mechanisms underlying

employee loyalty formation within organizations. In addition to making a theoretical contribution to the development of organizational behavior research, this study is also expected to provide practical benefits for hotel management. The research findings can serve as a basis for formulating more effective human resource management policies. Thus, organizations can enhance employee loyalty while maintaining the quality of service provided to customers on a sustainable basis.

The remainder of this paper is organized as follows. Section 2 provides a literature review and hypothesis development. Section 3 presents the research method and design. Section 4 provides the results and discussion. Section 5 presents Concluding Remarks and Recommendations.

2. Literature Review and Hypothesis Development

2.1 Literature Review

This study uses Social Exchange Theory (SET), proposed by Blau (1964), as its primary theoretical framework (Ahmad *et al.*, 2023). This theory explains that the relationship between individuals and organizations is built on the principle of reciprocity. When an organization provides support, attention, and a positive work environment, employees will respond with attitudes and behaviors that benefit the organization. In the context of this study, employee engagement and psychological well-being can be viewed as positive experiences employees derive from the organization. In return, employees tend to exhibit organizational citizenship behavior (OCB) and higher loyalty toward the organization. Therefore, Social Exchange Theory is relevant to explaining the relationships among employee engagement, psychological well-being, OCB, and employee loyalty.

2.2 Hypothesis Development

2.2.1 Employee Engagement and Employee Loyalty

Employee engagement is one factor that can increase employee loyalty to the organization. Employees with high engagement tend to demonstrate stronger commitment and have a greater desire to remain with the organization. Saks (2019) and Jena *et al.*, (2017) explain that employee engagement strengthens the emotional bond between employees and the organization. Research by Karatepe *et al.*, (2020) also shows that high job engagement contributes to increased employee commitment and loyalty. From the perspective of Social Exchange Theory, high job engagement creates a positive reciprocal relationship, thereby encouraging employees to maintain a long-term relationship with the organization.

H1: *Employee Engagement has a positive and significant effect on Employee Loyalty.*

2.2.2 Psychological Well-Being and Employee Loyalty

Psychological well-being can influence employee loyalty, as it relates to an individual's comfort and satisfaction at work. Employees with good psychological well-being tend to be better able to adapt to the work environment, have high job satisfaction, and demonstrate greater commitment to the organization. Widyastuti & Hidayat (2020), Kleynhans *et al.*, (2020), and Inceoglu *et al.*, (2021) found that psychological well-being positively affects employee loyalty. These findings are supported by Yiming & Jinsheng (2024), who state that psychological well-being contributes to increased job satisfaction and organizational commitment. Thus, the better an employee's psychological well-being, the higher their loyalty to the organization.



H2: *Psychological Well-Being has a positive and significant effect on Employee Loyalty.*

2.2.3 Employee Engagement and Organizational Citizenship Behavior

Employee engagement reflects the level of an employee's emotional, cognitive, and behavioral involvement with their work and the organization (Saks, 2019). Employees with high levels of engagement tend to demonstrate enthusiasm, dedication, and a strong sense of belonging toward the organization. These conditions encourage employees not only to perform their formal duties but also to make additional contributions that support the organization's effectiveness. Putra & Supartha (2019) found that employee engagement positively affects organizational citizenship behavior. Similar findings were also reported by Karatepe *et al.*, (2020), who showed that high work engagement can increase voluntary work behaviors that support the organization. Based on Social Exchange Theory, employees who feel engaged and have positive work experiences are motivated to reciprocate through OCB.

H3: *Employee engagement has a positive and significant effect on Organizational Citizenship Behavior (OCB).*

2.2.4 Psychological Well-Being and Organizational Citizenship Behavior

Psychological well-being refers to an individual's psychological state that enables them to function optimally in their personal life and at work. Employees with good psychological well-being tend to be better able to manage work-related stress, build positive social relationships, and exhibit behavior that supports the organization. Kleynhans *et al.*, (2025) explain that psychological well-being contributes to the emergence of positive work behaviors, including organizational citizenship behavior. Furthermore, Haque *et al.*, (2019) found that good psychological well-being can enhance employee engagement and prosocial behavior within an organization. According to social exchange theory, employees' psychological well-being will motivate them to contribute more to the organization through OCB.

H4: *Psychological well-being has a positive and significant effect on organizational citizenship behavior (OCB).*

2.2.5 Organizational Citizenship Behavior and Employee Loyalty

Organizational citizenship behavior (OCB) refers to voluntary behaviors performed by employees to support organizational effectiveness beyond their formal job responsibilities. Employees who exhibit high levels of OCB generally demonstrate greater levels of care, commitment, and attachment to the organization. Bolino *et al.*, (2022) explain that OCB plays a role in creating a work environment that fosters productivity and teamwork. Furthermore, Nguyen *et al.*, (2020) state that positive work behavior can strengthen employees' commitment and loyalty to the organization. Therefore, OCB is expected to contribute positively to employee loyalty.

H5: *Organizational Citizenship Behavior (OCB) has a positive and significant effect on Employee Loyalty.*

2.2.6 The Mediating Role of Organizational Citizenship Behavior

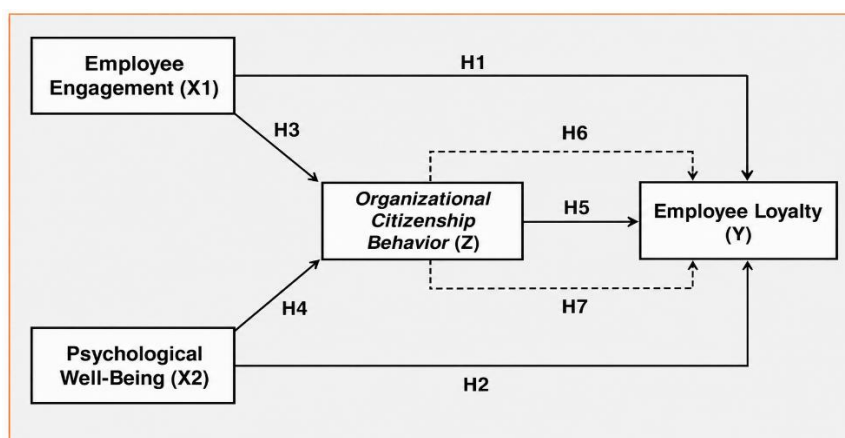
Organizational citizenship behavior is expected to serve as a mediating mechanism linking employee engagement and psychological well-being to employee loyalty. Employees with high engagement and good psychological well-being tend to exhibit higher OCB. This behavior, in turn, strengthens

employees' attachment and commitment to the organization, thereby increasing their loyalty. From the perspective of Social Exchange Theory, OCB serves as a form of reciprocity for the positive experiences employees receive from the organization. Therefore, OCB is expected to explain how employee engagement and psychological well-being indirectly influence employee loyalty (Albrecht *et al.*, 2021).

H6: *Organizational Citizenship Behavior (OCB) mediates the effect of employee engagement on employee loyalty.*

H7: *Organizational Citizenship Behavior (OCB) mediates the effect of psychological well-being on employee loyalty.*

Figure 1. Conceptual Framework of Research



Note:

————> Direct Relationship

-----> Indirect Relationship (Mediation)

3. Research Method

This study uses a quantitative approach to empirically analyze the influence of employee engagement and psychological well-being on employee loyalty through organizational citizenship behavior (OCB) at the Aman Gati and Any Lestari Hotels. The study population comprised all 45 employees. Given the relatively small population size, the sampling technique used was saturation sampling or a census, in which all members of the population were included as respondents to ensure more representative data and avoid sampling error bias (Sekaran & Bougie, 2016; Sugiyono, 2019). Primary data were collected via a questionnaire using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree), developed from indicators drawn from various previous studies.

Data analysis was conducted using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) approach via SmartPLS 4, as this method is reliable for simultaneously testing complex mediating relationships in small sample sizes (Hair *et al.*, 2014; Ghazali, 2021). The evaluation was conducted in two stages, beginning with the outer model to ensure that the instruments were reliable and valid, both in terms of convergent validity (factor loadings > 0.70; AVE > 0.50) and discriminant validity, using the Fornell-Larcker Criterion (Fornell & Larcker, 1981) and an HTMT value < 0.90 (Henseler

& Sarstedt, 2013). The next stage was the inner model, which was evaluated using the coefficient of determination (R^2), predictive relevance (Q^2), model fit with an SRMR criterion < 0.08 , and effect size (f^2) to measure the magnitude of the influence between variables (Cohen, 1988). Hypothesis testing for both direct and indirect effects was conducted using a bootstrapping procedure with 5,000 subsamples at a 5% significance level (T-statistics > 1.96 and P-values < 0.05).

Table 1. Operational Definitions of Research Variables

Variable	Dimensions/Indicators	Number of Items	Source
Employee Engagement (X1)	Vigor	2	(Schaufeli <i>et al.</i> , 2019)
	Dedication	3	
	Absorption	3	
Employee Loyalty (Y)	Obedience	1	(Hasibuan, 2016; Nguyen <i>et al.</i> , 2025)
	Responsibility	1	
	Dedication	1	
	Honesty	1	
	Loyalty	1	
Organizational Citizenship Behavior (OCB) (Z)	Altruism	1	(Podsakoff <i>et al.</i> , 2000; Bolino <i>et al.</i> , 2016)
	Conscientiousness	1	
	Sportsmanship	1	
	Courtesy	1	
Psychological Well-Being (X2)	Civic Virtue	1	(Ryff, 2017)
	Self-Acceptance	1	
	Positive Relations	1	
	Autonomy	1	
	Environmental Mastery	1	
	Purpose in Life	1	
	Personal Growth	1	

4. Results and Discussion

4.1 Analysis Results

This study was conducted at the Aman Gati and Any Lestari Hotels and focused on employees in the local hospitality sector. Data collection was conducted among 45 operational staff members using the total sampling (census) technique. Based on Table 2, the workforce composition at these hotels shows a balanced gender ratio (51.1% male, 48.9% female) and is dominated by the productive age group of 25–35 years (46.7%). The majority of respondents had a high school or equivalent educational background (51.1%) with more than one year of service, indicating physical readiness and a good understanding of organizational tasks. In addition, the distribution of primary job placements was concentrated in operational divisions that interact directly with guests, namely Housekeeping (28.9%) and Food and Beverage (22.2%).

Based on Table 3, the evaluation of the outer model indicates that all measurement instruments were valid and reliable in accordance with the SEM-PLS evaluation standards of Hair *et al.*, (2014) and Ghozali (2021). Convergent validity was satisfactorily met because all items had outer loading values (0.876–0.953) > 0.70 and Average Variance Extracted (AVE) values (0.826–0.887) > 0.50 , meaning that each construct was able to account for more than 50% of its indicator's variance. Furthermore, the

consistency of the measurement instrument was also found to be highly reliable, as the values for Cronbach's Alpha (0.947–0.979) and Composite Reliability (0.950–0.980) far exceeded the minimum acceptability threshold of > 0.70.

Table 2. Respondent Characteristics

Characteristics	Classification	Frequency	Percentage (%)
Gender	Men	23	51.1
	Women	22	48.9
Age	Under 25	11	24.4
	25–35	21	46.7
	36–45	9	20.0
	Over 45	4	8.9
Highest Level of Education	High School/Equivalent	23	51.1
	Diploma	9	20.0
	Bachelor's Degree (S1)	12	26.7
	Other	1	2.2
Years of Experience	Less than 1 year	10	22.2
	1–3 years	19	42.2
	More than 3 years	16	35.6
Position	Front Office	9	20.0
	Housekeeping	13	28.9
	Food and Beverage	10	22.2
	Administration	5	11.1
	Security	4	8.9
	Other	4	8.9
Total Respondents		45	100.0

Source: Processed primary data (2026)

Table 3. Results of the Convergent Validity and Construct Reliability Tests

Variables/Constructs	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability (rho_a)	AVE
Employee Engagement (EE)	EE1	0.953	0.979	0.980	0.873
	EE2	0.926			
	EE3	0.944			
	EE4	0.938			
	EE5	0.933			
	EE6	0.921			
	EE7	0.935			
	EE8	0.922			
Employee Loyalty (EL)	EL1	0.898	0.947	0.950	0.826
	EL2	0.925			
	EL3	0.914			
	EL4	0.931			
	EL5	0.876			
Organizational Citizenship Behavior (OCB)	OCB1	0.932	0.968	0.970	0.887
	OCB2	0.934			
	OCB3	0.943			
	OCB4	0.948			
	OCB5	0.952			
Psychological Well-Being (PWB)	PWB1	0.931	0.970	0.973	0.869
	PWB2	0.931			
	PWB3	0.936			
	PWB4	0.934			
	PWB5	0.931			
	PWB6	0.929			

Source: Processed primary data (2026)



Table 4. Results of the Discriminant Validity Test (Fornell-Larcker Criterion)

Variables/Constructs	EE	EL	OCB	PWB
Employee Engagement (EE)	0.934			
Employee Loyalty (EL)	0.757	0.909		
Organizational Citizenship Behavior (OCB)	0.635	0.864	0.942	
Psychological Well-Being (PWB)	0.222	0.631	0.655	0.932

Source: Processed primary data (2026)

Based on Table 4, the evaluation of discriminant validity using the Fornell-Larcker Criterion approach indicates that the measurement model meets the acceptability criteria very well (Fornell & Larcker, 1981). This is evidenced by the root-mean-square Average Variance Extracted (AVE) values on the main diagonal for each variable—namely, Employee Engagement (0.934), Employee Loyalty (0.909), OCB (0.942), and Psychological Well-Being (0.932)—which, overall, are higher than the correlations between other constructs. This confirms that each construct is unique and can be empirically distinguished from other variables in the model, ensuring that the research instruments are free from measurement overlap and are deemed discriminant valid.

Table 5. Validity Test Results (Heterotrait-Monotrait Ratio (HTMT))

	(HTMT)
Employee Loyalty <-> Employee Engagement	0.783
Organizational Citizenship Behavior <-> Employee Engagement	0.648
Organizational Citizenship Behavior <-> Employee Loyalty	0.899
Psychological Well-Being <-> Employee Engagement	0.223
Psychological Well-Being <-> Employee Loyalty	0.653
Psychological Well-Being <-> Organizational Citizenship Behavior	0.669

Source: Processed primary data (2026)

Based on Table 5, the results of the Heterotrait-Monotrait Ratio (HTMT) test indicate that all constructs have satisfactorily met the criteria for discriminant validity. In accordance with the standard (Hair *et al.*, 2014), the inter-variable correlation coefficients ranged from 0.223 to 0.899. Since all of these values were found to be well below the maximum threshold of 0.90, each instrument was deemed to have discriminant validity and was empirically distinguishable from the other constructs.

Table 6. Results of the Coefficient of Determination Test (R-Square)

Endogenous Variables	R-square	R-square adjusted
Employee Loyalty	0.855	0.844
Organizational Citizenship Behavior	0.680	0.665

Based on Table 6, the coefficient of determination (R²) test indicates that the structural model of this study has very strong predictive power. The R² value for Organizational Citizenship Behavior (OCB) is 0.680, meaning that Employee Engagement and Psychological Well-Being explain 68.0% of its variance. Meanwhile, the R² value for Employee Loyalty is 0.855, meaning that 85.5% of its variance is explained by the integration of the three previous variables. The remaining percentages for these endogenous variables (32.0% and 14.5%) are influenced by factors outside the scope of this study's model.

Table 7. Effect Size (f^2) Values

Relationships Between Variables	f-square	Strengths of the Model
Employee Engagement → Employee Loyalty	0.691	Large
Employee Engagement → Organizational Citizenship Behavior	0.787	Large
Organizational Citizenship Behavior → Employee Loyalty	0.382	Large
Psychological Well-Being → Employee Loyalty	0.239	Medium
Psychological Well-Being → Organizational Citizenship Behavior	0.869	Large

Source: Processed primary data (2026)

Referring to Cohen's (1988) evaluation criteria, the results of the effect size (f^2) test in Table 7 show that the majority of relationships between variables fall into the category of large effects ($f^2 > 0.35$). The strongest effects were dominated by Psychological Well-Being on OCB (0.869), followed by Employee Engagement on OCB (0.787) and on Employee Loyalty (0.691), as well as OCB on Employee Loyalty (0.382). The only path falling into the moderate effect category (f^2 between 0.15 and 0.35) is the direct relationship between Psychological Well-Being and Employee Loyalty (0.239).

Table 8. Model Fit Test Results

	Saturated model	Estimated model
SRMR	0.052	0.052
d_ULS	0.808	0.808
d_G	1.679	1.679
Chi-square	333.959	333.959
NFI	0.814	0.814

Source: Processed primary data (2026)

Based on Table 8, the model fit evaluation indicates a very good fit between the model and the empirical data. This fit is primarily evidenced by an SRMR value of 0.052, which is below the maximum threshold of < 0.08 (Hair *et al.*, 2014; Henseler & Sarstedt, 2013), and is further supported by the NFI value (0.814). Other complementary metrics (d_ULS, d_G, and Chi-Square) also confirm the absence of significant differences in the covariance matrix. Overall, this conceptual model is robust and well-suited to proceed to the hypothesis-testing stage.

Based on Table 9, the results of the bootstrapping procedure indicate that all proposed hypotheses (H1 through H7) were accepted. Based on the criteria for statistical significance (T-Statistics values > 1.96 and P-Values < 0.05), the direct relationship paths indicated that Employee Engagement (EE) and Psychological Well-Being (PWB) had positive and significant effects on both Employee Loyalty (EL) and Organizational Citizenship Behavior (OCB). Furthermore, OCB also has a direct positive impact on employee loyalty. In testing indirect effects, the OCB variable was convincingly shown to act as a mediator (intervening variable) that bridges the relationship between EE and EL (H6), as well as to mediate the relationship between PWB and EL (H7). Overall, these findings confirm that OCB plays a central role in converting work engagement and psychological well-being into long-term employee loyalty.

Table 9. Hypothesis Testing Results (Direct and Mediated Effects)

Hip	Relationship Path (Path)	Path Coefficient (β)	T-Statistics	P-Values	Decision
<i>Direct Relationship</i>					
H1	EE $\rightarrow$ EL	0.435	5.363	0.000	Accepted
H2	PWB $\rightarrow$ EL	0.262	3.280	0.001	Accepted
H3	EE $\rightarrow$ OCB	0.514	5.793	0.000	Accepted
H4	PWB $\rightarrow$ OCB	0.540	6.779	0.000	Accepted
H5	OCB $\rightarrow$ EL	0.417	4.013	0.000	Accepted
<i>Mediation Relationships</i>					
H6	EE $\rightarrow$ OCB $\rightarrow$ EL	0.214	3.414	0.001	Accepted
H7	PWB $\rightarrow$ OCB $\rightarrow$ EL	0.225	3.508	0.000	Accepted

Source: Processed primary data (2026)

4.2 Discussion

4.2.1 The Effect of Employee Engagement on Employee Loyalty (H1)

The results of the hypothesis testing indicate that Employee Engagement has a positive and significant effect on Employee Loyalty, with a path coefficient of 0.435, a T-statistic of 5.363, and a P-value of 0.000. These results show that the higher the level of employee engagement with their work and the organization, the higher their loyalty to the company. Employees who demonstrate high enthusiasm, dedication, and engagement tend to show a stronger commitment to remaining with the organization and contributing their best. This finding aligns with Social Exchange Theory, which explains that employees who have positive work experiences within an organization will reciprocate through attitudes and behaviors that benefit the organization, including high loyalty (Blau, 1964). The results of this study support Saks's (2019) findings, which state that employee engagement can enhance employees' emotional attachment and commitment to the organization. Furthermore, Rather (2021) found that high levels of employee engagement positively affect employee loyalty, particularly in the service and hospitality sectors. Thus, increasing employee engagement is a key strategy for Hotel Aman Gati and Any Lestari to strengthen employee loyalty and ensure the organization's sustainability.

4.2.2 The Effect of Psychological Well-Being on Employee Loyalty (H2)

The results of the hypothesis testing indicate that Psychological Well-Being has a positive and significant effect on Employee Loyalty, with a path coefficient of 0.262, a T-statistic of 3.280, and a P-value of 0.001. These results indicate that the higher an employee's level of psychological well-being, the higher their loyalty to the company. Employees with good psychological well-being tend to feel comfortable at work, build positive relationships with coworkers, and have greater motivation to remain with the organization. This finding aligns with Ryff's Psychological Well-Being theory, which posits that individuals with good psychological well-being exhibit positive attitudes toward themselves and their environment. The results of this study reinforce previous findings by Widyastuti & Hidayat (2020) and Inceoglu *et al.*, (2021), who found that psychological well-being positively affects employee loyalty. These findings are also empirically supported by Yiming & Jinsheng (2024), who state that psychological well-being strongly contributes to increased organizational commitment and employee retention. Thus, improving psychological well-being is a critical factor that Hotel Aman Gati and Any Lestari must prioritize to strengthen employee loyalty sustainably.

4.2.3 The Effect of Employee Engagement on Organizational Citizenship Behavior (H3)

The results of the hypothesis testing indicate that Employee Engagement has a positive and significant effect on Organizational Citizenship Behavior (OCB), with a path coefficient of 0.514, a T-statistic of 5.793, and a P-value of 0.000. These results indicate that the higher the level of employee engagement with their work and the organization, the greater the likelihood that employees will exhibit Organizational Citizenship Behavior. Employees who demonstrate high enthusiasm, dedication, and engagement are more likely to assist colleagues, maintain strong relationships, and actively participate in organizational activities beyond their formal duties. This finding can be explained by Social Exchange Theory, which states that individuals will reciprocate positively for the positive treatment they receive from the organization. When employees feel valued and involved, and have a positive work experience, they will reciprocate with voluntary behaviors that benefit the organization. These results reinforce Saks's (2019) view that high engagement encourages employees to make additional contributions. Empirically, the results of this study align with the findings of Putra & Supartha (2019), which found that employee engagement positively affects OCB. Furthermore, the study by Karatepe *et al.*, (2020) indicates that high levels of employee engagement can foster extra-organizational behavior that supports organizational effectiveness. In the context of Hotel Aman Gati and Any Lestari, high employee engagement fosters behaviors such as mutual assistance, concern for coworkers, and active participation in supporting the organization's success.

4.2.4 The Effect of Psychological Well-Being on Organizational Citizenship Behavior (H4)

The results of the hypothesis testing indicate that Psychological Well-Being has a positive and significant effect on Organizational Citizenship Behavior (OCB), with a path coefficient of 0.540, a T-statistic of 6.779, and a P-value of 0.000. These results indicate that the higher an employee's level of psychological well-being, the greater their tendency to exhibit Organizational Citizenship Behavior in the workplace. Employees with good psychological well-being tend to build positive social relationships, manage work-related stress effectively, and demonstrate a cooperative attitude toward their work. These findings align with Ryff's (2014) theory of psychological well-being, which posits that individuals with high levels of psychological well-being are better able to function optimally in both their personal lives and social environments. The results of this study support the findings of Haque *et al.*, (2019), who stated that psychological well-being plays a crucial role in fostering positive work behaviors, including OCB. Furthermore, research by Kleynhans *et al.*, (2025) indicates that good psychological well-being can enhance employees' prosocial behavior and voluntary contributions within an organization. In the hospitality industry, which demands high-quality service, psychological well-being is a key factor that can boost employees' voluntary behavior, thereby supporting organizational effectiveness and success.

4.2.5 The Effect of Organizational Citizenship Behavior on Employee Loyalty (H5)

The results of the hypothesis testing indicate that Organizational Citizenship Behavior (OCB) has a positive and significant effect on Employee Loyalty, with a path coefficient of 0.417, a T-statistic of 4.013, and a P-value of 0.000. These results indicate that the higher the level of Organizational Citizenship Behavior demonstrated by employees, the higher their loyalty to the organization. Employees who actively assist colleagues, maintain strong interpersonal relationships, and participate in organizational activities tend to have a stronger sense of belonging to the company and demonstrate a commitment

to remaining with the organization. These findings align with the concept of Organizational Citizenship Behavior proposed by Organ (2018), who states that employees' voluntary behavior beyond their formal duties reflects their concern for and commitment to the organization's success. These findings are also supported by Karatepe *et al.*, (2020), who found that employees' extra work behavior can enhance organizational loyalty and commitment. Furthermore, Klotz *et al.*, (2018) explain that OCB strengthens interpersonal relationships, enhances teamwork, and fosters employee commitment to the organization. Thus, enhancing Organizational Citizenship Behavior is a key factor in strengthening employee loyalty at Hotel Aman Gati and Any Lestari.

4.2.6 The Mediating Role of OCB in the Effect of Employee Engagement on Employee Loyalty (H6)

The results of the hypothesis testing indicate that Organizational Citizenship Behavior (OCB) mediates the effect of Employee Engagement on Employee Loyalty, with an indirect coefficient of 0.214, a T-statistic of 3.414, and a P-value of 0.001. These results indicate that employee engagement not only directly increases employee loyalty but also does so by enhancing OCB behaviors in the workplace. This finding suggests that employees with high levels of engagement are more motivated to demonstrate voluntary behaviors that support the organization, such as helping coworkers, maintaining harmonious work relationships, and participating in organizational activities. These behaviors ultimately strengthen employees' loyalty to the company. These research results support the findings of Albrecht *et al.*, (2021), who stated that employee engagement can increase loyalty through positive work behaviors. Furthermore, the study by Podsakoff *et al.*, (2000) indicates that OCB is a crucial mechanism that strengthens the relationship between work attitudes and employee loyalty. Furthermore, these findings reinforce the results of previous studies by Putra & Supartha (2019) and Karatepe *et al.*, (2020), which confirmed that work engagement triggers organizational citizenship behavior (OCB)—a form of voluntary behavior that has been empirically proven to strengthen employees' commitment and loyalty to the organization (Nguyen *et al.*, 2020; Saks, 2019).

4.2.7 The Mediating Role of OCB in the Effect of Psychological Well-Being on Employee Loyalty (H7)

The results of the hypothesis testing indicate that Organizational Citizenship Behavior (OCB) mediates the effect of Psychological Well-Being on Employee Loyalty, with an indirect coefficient of 0.225, a T-statistic of 3.508, and a P-value of 0.000. These results suggest that psychological well-being can enhance employee loyalty by increasing OCB in the workplace. Employees with good psychological well-being tend to exhibit positive behaviors toward the organization and their coworkers. This fosters OCB, which ultimately strengthens employee loyalty to the company. These findings align with those of Abolnasser *et al.*, (2023), who demonstrated that psychological well-being contributes to increased employee engagement and various positive outcomes among hotel employees. Furthermore, Prasojo *et al.*, (2025) explain that psychological well-being enhances positive work attitudes and job satisfaction, which ultimately strengthen employees' contributions to the organization. These findings also empirically support the studies by Kleynhans *et al.*, (2025) and Haque *et al.*, (2019), which affirm that optimal psychological well-being fosters the emergence of prosocial behavior (OCB)—a form of extra-role behavior that, in turn, secures employees' long-term commitment and loyalty to the company (Widyastuti & Hidayat, 2020; Yiming & Jinsheng, 2024).

5. Concluding Remarks and Recommendation

This study examines the mechanisms underlying employee loyalty in the hospitality industry using a quantitative method (SEM-PLS) on 45 operational employees at the Aman Gati and Any Lestari Hotels. The results show that employee engagement and psychological well-being have a positive and significant effect on employee loyalty, both directly and by fostering high levels of Organizational Citizenship Behavior (OCB). This study underscores the crucial role of OCB, which significantly mediates the relationship between employee engagement and psychological well-being in fostering long-term employee loyalty.

Theoretically, these findings reinforce Social Exchange Theory and demonstrate the originality of this research by confirming OCB's role as a mediating bridge within the local hospitality ecosystem. Emotional well-being and engagement facilitated by the company have been shown to trigger positive reciprocity in the form of extra behavioral initiatives and high loyalty. For management, the practical implication is the need to design strategic policies that support employees' mental well-being and engagement, creating a supportive work environment that sustainably retains human resources.

The main limitations of this study lie in the small sample size and narrow scope—limited to two local hotels—making it difficult to generalize the results more broadly, compounded by potential biases from cross-sectional data collection. Therefore, future researchers are advised to increase the sample size, expand the scope to include hotels of various star ratings, and adopt a longitudinal approach. Future studies are also strongly recommended to examine additional variables, such as organizational culture or non-financial reward systems, to enrich the literature on human resource management in the tourism sector.

Statement of Use of Generative AI

During the preparation of this work, the author used generative artificial intelligence tools to support the scientific writing process. Grammarly was used to check grammar, refine writing style, and improve clarity in scientific writing. All interpretations, analyses, and conclusions presented in this study are the sole responsibility of the author.

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